
NARROMINE SHIRE COUNCIL
ORDINARY MEETING BUSINESS PAPER – 8 MAY 2024
REPORTS TO COUNCIL – FINANCE & CORPORATE STRATEGY

1. INVESTMENT REPORT AS AT 30 APRIL 2024

Author	Director Finance & Corporate Strategy
Responsible Officer	Director Finance & Corporate Strategy
Link to Strategic Plans	CSP – 4.3 A financially sound Council that is responsible and sustainable DP - 4.3.1.5 Provide monthly cash balances and detailed quarterly financial reports to Council.

Executive Summary

Council's investments are made in accordance with legislative requirements and are certified as such by the Responsible Accounting Officer. This report details Council's investments as at 30 April 2024.

Report

Under the Local Government Act 1993 and Local Government (General) Regulation 2021, the Responsible Accounting Officer is required to report on Council's Investment portfolio on a monthly basis. The report must be made up to the last day of the month immediately preceding the meeting.

The management of Council's Investments is delegated by the General Manager to the Director of Finance and Corporate Strategy.

Council's investments are made in accordance with the Local Government Act 1993, Local Government (General) Regulation 2021, Ministerial Investment Order issued February 2011, the Office of Local Government's Guidelines and Council's Investment Policy.

Council's investment portfolio is managed through term deposits and the current interest rates range from 4.25% to 5.20%. During March, Council's total cash and investments decreased by \$778K from \$27,584M to \$26,806M. This is due to the transfer of funds from the investments to the cheque account for cash flow purposes. Council's investment portfolio as at 30 April 2024 is attached as **Attachment No. 1**.

Financial Implications

The 2023/24 Budget estimates the total annual Investment Revenue as \$882,289 which represents an estimated return of 4.42% and is split proportionally across General, Water and Sewer Funds and changes on a monthly basis in accordance with cash flow requirements.

Legal and Regulatory Compliance

- Local Government Act, 1993 – Section 625
- Local Government (General) Regulation, 2021 – Clause 212
- Council Investment Policy 2019
- Ministerial Investment Order – 12 January 2011

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Risk Management Issues

Council's risk management strategy is to diversify the allocation of funds across different financial institutions and government authorities based on credit ratings as per the Investment Policy. The investment portfolio is regularly reviewed in order to maximise investment performance and minimise risk.

Certification – Responsible Accounting Officer

I hereby certify that the investments listed in the report have been made in accordance with Section 625 of the Local Government Act 1993, clause 212 of the Local Government (General) Regulation 2021 and Council's Investment Policy.

Attachments

- 1 Investment Portfolio as at 30 April 2024

RECOMMENDATION

1. That the report regarding Council's Investment Portfolio be received and noted;
2. That the certification of the Responsible Accounting Officer is noted and the report adopted.

2. QUARTERLY BUDGET REVIEW STATEMENT – 31 MARCH 2024

Author	Director Finance and Corporate Strategy
Responsible Officer	Director Finance and Corporate Strategy
Link to Strategic Plans	CSP – 4.3.1 – Operate and manage Council in a financially sustainable manner that meets all statutory and regulatory compliance and Council policies. Delivery Program – 4.3.1.5 - Provide monthly cash balances and detailed quarterly financial reports to Council.

Executive Summary

The Quarterly Budget Review Statement ("QBR") must be prepared by the Responsible Accounting Officer and presented to Council within two months of the end of the quarter.

Report

The Quarterly Budget Review Statement (QBR) is being prepared for the 31 March 2024 quarter and will be presented to Council as a supplementary report to the meeting.

Barry Bonthuys
Director Finance & Corporate Strategy
Responsible Accounting Officer

Attachment 1 - Investments as at 30 April 2024

Financial Institution	Bank Rating	Investment Type/Maturity Date	Investment Rating	Current Rate	Term	Amount (\$)	Comment
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Cash & At Call

Commonwealth Bank	AA-	Business Online Saver - at call - Interest - Special rate 4.25%	A-1+	4.25%	N/A	6,806,086.92	S&P Short Term
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TOTAL

6,806,086.92

Percentage of Total Portfolio

25.39%

Average Investment Yield

4.25%

Term Deposits

Commonwealth Bank	AA-	Term Deposit - 06/05/2024	A-1+	5.05%	241 Days	3,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 31/05/2024	A-1+	5.15%	240 Days	2,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 01/07/2024	A-1+	4.70%	240 Days	3,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 01/08/2024	A-1+	5.20%	240 Days	2,000,000.00	S&P Short Term
Commonwealth Bank	AA-	Term Deposit - 06/09/2024	A-1+	4.92%	242 Days	3,000,000.00	S&P Short Term
Commonwealth Bank	AA-	Term Deposit - 02/10/2024	A-1+	4.98%	242 Days	2,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 04/11/2024	A-1+	5.10%	244 Days	3,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 04/12/2024	A-1+	5.05%	244 Days	2,000,000.00	S&P Short Term

TOTAL

20,000,000.00

Percentage of Total Portfolio

74.61%

Average Investment Yield

5.03%

Total Investment Portfolio

26,806,086.92