

# INVESTMENT POLICY

## 1. GENERAL

- 1.1. This policy may only be amended or varied by resolution of the Council.
- 1.2. This policy forms an extension to the Council's Financial Regulations and should be read in conjunction with them.
- 1.3. This policy governs the use of all council funds except the use and conduct of the bank account maintained for routine ongoing transactions and any petty cash held from time to time.
- 1.4. The Responsible Financial Officer (RFO) shall be responsible for the proper administration of this policy.

## 2. INVESTMENT PRINCIPLES

- 2.1. The principal aim is to safeguard the Council's funds. Consequently only low risk investments will be held even if alternatives are available paying a higher return.
- 2.2. A secondary aim will be to earn a higher return than the Council's bank account.
- 2.3. Typically the investments will be used to safeguard the reserve funds so that they are available as required.
- 2.4. Subject to a risk review by the Council or Finance Committee, investments may be held in a variety of assets including but not limited to Government bonds, Local Authority bonds or bank deposit accounts.
- 2.5. The Council will not invest in higher risk investments such as shares, commercial bonds, overseas investments, commercial or residential property, foreign currencies or commodities.

## 3. INVESTMENT ADMINISTRATION

- 3.1. New investments will be approved in principle by a resolution of the Council; the RFO will liaise with the Chairman, Vice-Chairman and Chairman of the Finance Committee to action the resolution.
- 3.2. A change in the level of investment may only be actioned (including closure of accounts) following resolution of the Finance Committee or the Council.

- 3.3. All investments will be funded by payment from the Council bank account.
- 3.4. All withdrawals will be paid directly to the Council's bank account and the investment provider will be explicitly instructed on this point on creation of the investment.
- 3.5. Interest earned will be paid to the Council bank account.
- 3.6. At least three Councillors will act as signatories for each investment with at least two signatories being required for each withdrawal.
- 3.7. The RFO will not act as a signatory for any investment.

**4. INVESTMENT REPORTING**

- 4.1. The current value of the investments will be included in the RFO's routine reports to the Council.
- 4.2. The Finance Committee will be responsible for reviewing investment performance periodically and at least annually.

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Chairman, Catshill and North Marlbrook Parish Council / Date