
NARROMINE SHIRE COUNCIL
ORDINARY MEETING BUSINESS PAPER – 14 SEPTEMBER 2022
REPORTS TO COUNCIL – FINANCE & CORPORATE STRATEGY

1. INVESTMENT REPORT AS AT 31 AUGUST 2022

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.

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

Council's current investment portfolio is diversified across a number of investment types and institutions. This includes term deposits, on-call accounts and managed funds. Investments are in accordance with the Office of Local Government's Guidelines and Council's Investment Policy.

The Government Guarantee on aggregated Investments up to \$1 million per account holder per institution expired 1 February 2012 and the new cap is \$250,000.

The investment portfolio increased by **\$1,915,403** during the reporting period. This is due to the transfer of excess funds from the cheque account to investments.

Financial Implications

The 2022/23 Budget estimates the total annual Investment Revenue as \$1,760,379 which represents an estimated return of 7.7% and is split proportionally across General, Water and Sewer Funds and changes on a monthly basis in accordance with cash flow requirements.

The market value of Council's Investments held as at 30 June 2022 is **\$24,246,566** (last month \$22,331,163). The full list of investments is in **Attachment No. 1**.

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

1. INVESTMENT REPORT AS AT 31 AUGUST 2022 (Cont'd)

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 Investments – 31 August 2022 (Interim)

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. EXTRAORDINARY COUNCIL MEETING

Author	Director Finance and Corporate Strategy
Responsible Officer	Director Finance and Corporate Strategy
Link to Strategic Plans	CSP – 4.3 A financially sound Council that is responsible and sustainable

Executive Summary

This report is presented to Council to hold an Extraordinary Council Meeting on Monday 26 September 2022 to refer the Draft 2021/2022 Financial Statements to audit.

Report

Section 413(1) of the Local Government Act requires that Council to prepare financial reports each financial year and have them audited within 4 months of the end of the year concerned.

Within the financial reports, the Statement of Councillors and Management must be signed in accordance with a resolution of Council.

2. EXTRAORDINARY COUNCIL MEETING (Cont'd)

In order to meet the above requirements of the Act, and have time to present the draft financial statements to Council's Internal Audit Committee, it is considered necessary to hold an Extraordinary Council Meeting on Monday 26 September 2022.

Financial Implications

The Annual Financial Statements report on Council's financial performance, results and position for the 2021/2022 financial year.

Legal and Regulatory Compliance

Local Government Act, 1993 – Sections 413(1) and 413(2)(c)
Local Government Code of Accounting Practice and Financial Reporting Update No.27

Risk Management Issues

Nil

Internal/External Consultation

Nil

Attachments

Nil

RECOMMENDATION

That an Extraordinary Council Meeting be held on Monday 26 September 2022, commencing at 5.30pm, to consider referral of Council's 2021/22 Draft Financial Statements to the NSW Audit Office for audit.

Barry Bonthuys
Director Finance & Corporate Strategy
Responsible Accounting Officer

Attachment 1 - Investments as at 31 August 2022

Financial Institution	Bank Rating	Investment Type/Maturity Date	Investment Rating	Current Rate	Term	Amount (\$)	Comment
Cash & At Call							
CBA	AA-	Business Online Saver - at call	A-1+	1.85%	N/A	4,076,985	S&P Short Term
TOTAL						4,076,985	
Percentage Exposure of Total Portfolio						16.81%	
Pooled Managed Investments							
				Mth %	FYTD%	Market Value	
TCorp	AAA	T-CorpIM Long Term Growth Fund		0.17%	3.15%	16,138,173	
TCorp	AAA	T-CorpIM Medium Term Growth Fund		-0.38%	1.98%	4,031,407	
TOTAL						20,169,581	
Percentage Exposure of Total Portfolio						83.19%	
Total Investments and Cash						24,246,566	