

### DOCUMENT MANAGEMENT

| Version                          | Date | Submitted By   | Position                       | Signature |
|----------------------------------|------|----------------|--------------------------------|-----------|
| 1.0                              |      | Susan Martland | Policy Writer                  |           |
| Authorised By: Executive Council |      |                | Meeting Date: 10 November 2015 |           |

### REVISION HISTORY

| Version | Date | Additions/Amendments | Author | Reviewed By |
|---------|------|----------------------|--------|-------------|
|         |      |                      |        |             |

### 1. PURPOSE

This policy is designed to:

- Direct the use of investment funds of ACIPC; and
- Determine ACIPC's future financial planning strategies to ensure the College is able to maintain its operating budget and create growth.

### 2. BACKGROUND

ACIPC has been established as a company that functions using a combination of remunerated positions (contractors, and some designated committee positions) as well as a voluntary service capacity. The ACIPC Executive Council (EC) is responsible for ensuring that the College operates within a responsible, sustainable financial framework and that the College has adequate resources to carry out its work. ACIPC's Investment Plan forms an important part of fulfilling this responsibility.

### 3. SCOPE

3.1 This policy applies to, and is binding on, all members and people employed by or representing the college in any capacity; including volunteers, employees, contractors and consultants (hereafter called 'members and staff') who are employed by, or undertake activities on behalf of the College.

3.2 The exceptions are: Nil

### 4. OBJECTIVES

Through EC delegation, the Finance and Audit sub-committee is responsible for providing oversight, management, stewardship of assets and investment recommendations to the EC with regards growth of College assets to provide long-term financial viability. The EC has adopted this policy to ensure that any assets surplus to the current operating budget will be invested in accordance with ACIPC's Investment Plan. The Finance and Audit sub-committee will be provided advice regarding relevant investment options through the Investment Advisory Committee which will report into the EC through the Chair of the Finance and Audit sub-committee.

The Investment Advisory Committee will develop and maintain the ACIPC Investment Plan in conjunction with the Chair of the Finance and Audit sub-committee and nominated EC members. The purpose of ACIPC's Investment Plan is to manage the cash assets surplus to current operating expenses so as to maximise the earnings of such assets, whilst retaining security and minimising investment risk. The Investment Plan will describe the risk tolerance for the investment portfolio



and will determine the risk profile and relevant investment portfolio. The Investment Portfolio may include a mix of Equities, Bonds, Property, Pooled funds and/or Cash.

## 5. DEFINITIONS

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|--|---|
| EC:  | Executive Council.  |
| College; or the College:<br>Members and staff: | Australasian College for Infection Prevention and Control (ACIPC)<br>All members and people employed by or representing the college in any capacity; including volunteers, employees, contractors and consultants.  |
| Investment risk:                               | All investments carry some risk, but the level of risk varies depending on which investments are chosen. In general terms, the higher the risk, the higher the potential return – and the higher the potential loss.  |
| Investment Portfolio:                          | Typically includes a mix of Equities, Bonds, Property, Pooled funds and/or Cash. <ul style="list-style-type: none"><li>• Equities: Sometimes called stocks or shares, represent ownership in a company. Offer the potential for higher returns, although with higher risk.</li><li>• Bonds (fixed interest): A bond is a loan made to the bond's issuer. This could be a company (known as corporate bonds), a government (e.g. Australian Government bonds), or some other institution. Different types of bonds vary greatly in their risk profile, although government bonds are considered one of the least risky investments.</li><li>• Property: This can include an office building or other structure, as well as pooled funds investing in commercial property offered by an investment management company</li><li>• Pooled funds: Pooled funds are professionally managed investment funds which invest in a range of assets.</li><li>• Cash: Usually includes cash held in bank or building society accounts or pooled funds that invest in cash products.</li></ul> |
| Risk Profile:                                  | Takes into account how comfortable the investor is with volatility, investment objectives and investment timeframe. Investors with a higher tolerance for volatility typically invest more of the portfolio in assets, such as shares and property. A higher allocation to income assets like fixed interest and cash usually suits more conservative investors.  |

## 6. LEGAL AND POLICY FRAMEWORK

Not applicable

## 7. POLICY STATEMENT

7.1 The Executive Management team of ACIPC, in consultation with the Finance and Audit sub-committee and Investment Advisory Committee, are responsible for recommending an Investment Plan portfolio for consideration by the EC in the context of the annual Strategic Business Plan. The Investment Plan must conform to the principles laid out in the ACIPC Investment Policy.

7.2 The College EC through the Investment Advisory Committee will seek advice from at least one independent investment consultant about relevant investment opportunities regarding maintenance and growth of a portfolio of investments.

- 7.3 The College President, Chair of the Finance and Audit sub-committee (or assigned delegate) and Chair of Investment Advisory Committee will meet at least annually with the investment consultant/s to discuss the performance of the investment portfolio and report to the Finance and Audit sub-committee, which will in turn report to the EC.
- 7.4 Through the Investment Advisory Committee, the Chair of the Finance and Audit sub-committee will receive information about and keep track of the progress of all investments, and report on the progress of the investments to the EC. Financial reports will be tabled at EC meetings.
- 7.5 The Investment Plan will be reviewed every 6 months by the Investment Advisory Committee as part of the strategic planning for the Business Plan and results will be reported as part of the Annual General Meeting report to members.
- 7.6 All interest and other earnings from such investments as per the Investment Plan will be deposited into ACIPC's operating account and thus become part of the annual operating budget.
- 7.7 The Investment Plan should be designed to ensure that:
- ACIPC's funds are utilised to achieve a balanced operating budget.
  - ACIPC creates capital growth and generates income.
  - There will be access to cash to cover current liabilities.
  - ACIPC will have access to cash for establishing new projects as approved by the EC
  - ACIPC will have access to cash for unforeseen expenses.
- 7.8 ACIPC's Financial Investment Policy states that an Investment Plan must conform to the following principles:
- Priorities set in the Strategic Business Plan are to be adhered to.
  - Investments are to be made with low to medium risk ventures; that is, investments that provide for security of capital over the medium to long term.
  - ACIPC will only invest with reputable, established, proven, financial institutions.

## 8. RELEVANT DOCUMENTS AND REFERENCES

Draft ToR for Investment Advisory Committee (to be developed)  
ACIPC Investment Plan (to be developed)  
<http://www.communitydirectors.com.au/icda/policybank/>