Financial Investment Policy

Section 1 - Preamble

(1) Charles Darwin University ('the University', 'CDU') manages a large number of investment transactions, including surplus funds invested for specified periods and at-call, in accordance with the Australian Accounting Standards, the CDU Risk Appetite Statement, and the decisions of the Finance and Infrastructure Development Committee and the University Council.

(2) The risk associated with these investment transactions is minimised by identifying, categorising, measuring and managing Interest Rate, Credit, Liquidity, Operational and Reputational Risk related to these financial transactions. The focus of the treasury function is to manage risk prudently while operating effectively, efficiently and maintaining accountability in line with the values of the University

Section 2 - Purpose

(3) This document provides a framework for the management of the University's funds that ensures maximum returns whilst managing an acceptable level of risk.

Section 3 - Scope

(4) This document will apply to:

a. All University staff, members of University Council and its committees, and staff of controlled entities
b. All funds under the control of the University, including its controlled entities.

Section 4 - Policy

Objectives

(5) In accordance with the broader University strategic objectives, the CDU Risk Appetite Statement, the decisions of the University Council, and on the advice of the Finance and Infrastructure Development Committee, the University will:

a. Invest surplus University funds to maximise investment returns within the Council's risk appetite, having regard to University financing and operating cash flow requirements
b. Invest strategically and with due diligence across investment asset classes to diversify the University's investment portfolio having regard to the University's medium and long term cash flow needs
c. Ensure there is an adequate internal control framework supporting treasury operations
d. Produce accurate and timely management information that can be relied on for performance measurement and risk assessment by senior management, Council and relevant sub-committees
e. Prioritise environmentally-friendly and socially-conscious investments and minimise investments in institutions

that may be perceived as exerting foreign interference or engaging in modern slavery or unethical practices.

Investment of Funds

(6) In order to maximise the University's capacity for investment, the University will establish investment funds based on the following needs:

a. At-call and Operating Funds – monitored daily to meet the day-to-day cash flow needs of the University
b. Invested Funds – surplus funds that will be invested in approved investments with a maturity horizon that meets the cash flow needs of the University.

(7) Approved Investments will be limited to:

a. Interest bearing deposits or securities issued by an Approved Deposit Institution or that are government guaranteed
b. State, Territory or Commonwealth Government Bonds
c. Australian Shares listed on the Australian Stock Exchange.

(8) All investment transactions will be in Australian currency. The use of leveraging and derivative-based investments is prohibited.

(9) Cashflows resulting from windfall gain such as sale of assets shall, subject to University Council's approval, be quarantined for investments at no less than 90% of the total amount and the remaining 10% be used for strategic purposes.

Principles and Ethical Standards

(10) Management of treasury operations will be made with judgement exhibiting competence, diligence and integrity. The following principles will apply:

a. Investment analysis and decisions will be made with professional judgement and reflect the values and ethics of the University
b. Investments must be in a class approved by the Northern Territory Treasurer and will be made solely in the best interests of the University
c. Investments and the segregation of approval wherever possible will be diversified to achieve the University's objectives and to manage an acceptable level of risk
d. Independent Internal Audit reviews will be conducted on a cyclical basis as part of the annual Internal Audit Plan. The regularity of such audits will be commensurate with the perceived risk underlying the management of treasury operations
e. Key management personnel, including committee members, will declare conflicts of interest including the disclosure to the University of Material Financial interests in institutions or activities that could be related to the performance of the University's Investment program
f. Invest in a manner consistent with the University's commitment to sustainability
g. The University may employ one or more investment advisors to attain its investment objectives or may combine strategic consulting advice with funds management via a consulting agreement.

Risk

(11) The University will seek to maximise returns in line with the CDU Risk Appetite Statement and establish management actions to mitigate risk as required. The University, in its investing operations, is subject to the following risks:

a. Interest Rate Risk where the risk is of a change in the market value of securities held and volatility in interest earnings
b. Credit risk where the risk is of counterparty failure
c. Liquidity risk where the risk is that an investment cannot be liquidated in sufficient time to pay the liabilities of the University and arises because of a mismatch between assets and liabilities
d. Operational risk where the risk is of financial loss arising from the operational activities of the treasury function
e. Reputational risk where there is the risk of potential of negative publicity, public perception or circumstances that could negatively impact the University's brand, image and standing.

Section 5 - Non-Compliance

(12) Non-compliance with Governance Documents is considered a breach of the Code of Conduct – Staff or the Code of Conduct – Students, as applicable, and is treated seriously by the University. Reports of concerns about non-compliance will be managed in accordance with the applicable disciplinary procedures outlined in the Charles Darwin University and Union Enterprise Agreement 2025 and the Code of Conduct – Students.

(13) Complaints may be raised in accordance with the Code of Conduct – Staff and Code of Conduct - Students.

(14) All staff members have an individual responsibility to raise any suspicion, allegation or report of fraud or corruption in accordance with the Fraud and Corruption Control Policy and Whistleblower Reporting (Improper Conduct) Procedure.

Status and Details

Status	Historic
Effective Date	8th November 2022
Review Date	8th November 2025
Approval Authority	University Council
Approval Date	13th October 2022
Expiry Date	13th April 2026
Responsible Executive	Bryce Dorrian Chief Financial Officer
Implementation Officer	Bryce Dorrian Chief Financial Officer
Enquiries Contact	

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