



**ICGN**

International Corporate Governance Network  
*Inspiring good governance & stewardship*

## **ICGN Audit & Finance Committee ICGN Investment Policy**

---

### **Investment policy**

#### **Purpose**

The purposes of the following policy and investment guidelines are to:

- Establish the investment objectives, policies, guidelines and securities relating to any investments owned or controlled by the organisation and any of its subsidiaries;
- Communicate the objectives to the Board, Finance Committee, staff and other related stakeholders that may have involvement; and
- Serve as a review document to guide the on-going oversight of the management of ICGN's investments.

#### **Statement**

This statement of investment policy is adopted by the ICGN Board as recommended by the Finance Committee, to provide for the creation of, and guidelines for the management of, funds held by the organisation on the basis of a long-term strategy.

#### **Scope**

For the purposes of managing investment risk and to optimise investment returns within acceptable risk parameters, only the reserve fund held in the ICGN Business Deposit Account will be used for investment purposes:

The purpose of ICGN's Financial Reserves Policy is to meet the needs of the day-to-day operations of the ICGN to ensure that it is a going concern, to provide sufficient reserves to protect the organization against unforeseen economic emergencies and to provide financial support for special initiatives that are beyond the means of the annual operating budget.

Each year, ICGN is authorised to withdraw of the total value as per Board approved operating budget for the organisation's operating purposes.

### **Investment Guidelines**

In the event that any investments are made the following principles will be adhered to:

#### **General Principles**

1. Investments shall be made solely in the interest of ICGN;
2. The assets shall be invested with care, skill, prudence, and diligence;
3. Investment of these funds shall be in low risk accounts as to minimize the risk of large losses; and
4. Cash is to be employed productively at all times to provide safety, liquidity and return.

### **Allowable investments**

The investment goal of the total fund is to achieve a total return (income and appreciation) equal to inflation rate, over a full market cycle or a cash return equivalence. The following guidelines apply to the chosen investment asset class:

The designated authority will invest the ICGN reserve funds as follows:

- Interest bearing Savings Account; and/or
- Money market funds (Allowable investment range: Min. 0% - Max. 15% of total reserve funds, subject to a resolution of the Finance Committee if considered appropriate. A quality money market fund will be utilised to seek as high a current income as is consistent with liquidity and stability of principal. The fund will invest in diversified “money market” instruments with remaining maturities of one year or less).

### **Responsibilities**

The authorised delegated authority from the Board with one authorised Director are responsible for directing and monitoring the investment management of the fund assets, in line with bank mandate dual signatory procedures.

### **Reporting**

The following reports for shall be presentation on a quarterly basis to the Finance Committee and Board of Directors in the event investments are made: schedule of investments and interest income year to date.

In addition, the Executive Director is responsible for preparing a report on the investment policy for consideration by the Finance Committee to present to the ICGN Board for approval on an annual basis.

### **Procedures**

The following procedures will be followed to ensure the investment policy statement is consistent with the mission of ICGN and accurately reflects current financial conditions:

1. The Finance Committee shall review this investment policy annually.
2. The Finance Committee will recommend any changes in this policy to the Board.

**Approved by the ICGN Board on the 28<sup>th</sup> September 2017.**