

ALLITHWAITE AND CARTMEL PARISH COUNCIL



INTERNET BANKING - POLICY AND PROCEDURE

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Review: October 2022

ALLITHWAITE AND CARTMEL PARISH COUNCIL – (A&CPC)

INTERNET BANKING POLICY FOR ALLITHWAITE AND CARTMEL PARISH COUNCIL

BACKGROUND

The Legislative Reform (Payments by Parish Councils, Community Councils and Charter Trustees) Order 2014 came into effect on 12 March 2014. This Legislative Reform Order repeals the statutory requirement for 2 elected members to sign cheques and other orders for payment. The removal of this particular legal requirement enables the Parish Council to take an overall approach to how it controls its money as well as taking advantage of modern technology including internet banking.

The Parish Council acknowledges the need to maintain robust controls on payments as an integrated part of its overall financial control system and proposes an Internet Banking Policy as part of its governance.

Payments of invoices on line saves time and money; no envelopes or stamps required and authorisation can be done remotely at any time. The payment is received in the creditors account within two working days; and the creditor does not have to take a cheque to their bank branch thus making the Parish Council an attractive customer.

The Clerk will continue to provide monthly reconciliations supported by bank statements when necessary to the full council.

Payments by cheque will be made when necessary, following the existing controls and approvals, but will move and provide to on line payments when possible.

The Council will endeavour to have a minimum of three Councillors as authorised signatories at any one time.

CURRENT POSITION AUGUST 2020

The Parish Council has two bank accounts with Barclays Bank; a Current Account with no internet banking facility for the day to day payment of invoices and receipt of any payments of any income and a Business Rate Tracker account.

POLICY

1. Wherever possible, payments will be made by using the in line banking facility and should be initiated as per the procedures set out below within two days of being agreed at the council meeting
2. Where internet banking arrangements are made with any bank, the Clerk shall be appointed as Administrator. The clerk will have “view and submit” authorisation and will be able to transfer funds between accounts held at the same bank.
3. The Bank Mandate approved by the Council shall identify a minimum of three Councillors as Signatories who will be authorised to “view and approve only” transactions on those accounts and will not have access to set up a beneficiary or a payment themselves.
4. Access to internet banking accounts will be directly to the banks log-in page and not through a search engine or e-mail link. Remembered or saved password facilities must not be used on any computer used for council banking work. Breach of this requirement will be treated as a serious matter.

5. The Council and those signatories using computers for the Councils internet banking, shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security is used. Signatories may request reimbursement for the installation and annual update of such software on their computers.
6. No employee or Councillor shall disclose any PIN or password, relevant to the working of the Council or its bank accounts, to any person not authorised in writing by the council or duly elected committee.
7. New beneficiary details and changes to beneficiary details used for internet banking must be supported by hard copy or email notification for checking and authorisation by two signatories.
8. Payment for utilities supplies (energy, water and telephone etc.) and any None Domestic Rates may be made by variable Direct Debit provided that the instructions are signed by two signatories and any payments are reported to Council as made. The approval of the use of a variable Direct Debit shall be renewed by resolution of the council every two years.
9. Payment for items may be made by internet banking transfer, BACS or CHAPS provided that the evidence is retained showing which members/signatories approved payment.
10. Standing Orders will not be used.

PROCEDURE

The actual process of operating the on line account will be subject to the rules and security authorisation process of the agreed bank:

1. All orders for payment will be verified for accuracy by the Parish Clerk and included on the payment schedule.
2. The schedule of all payments shall be prepared by the Clerk and presented to each meeting of the Council together with any supporting invoices or other documentation for approval. The approved schedule will be initialled by the Chairman of the meeting or passed by the Council and recorded by the Clerk.
3. The Parish Clerk will initiate payment.
4. One of the authorised Councillors will confirm the payments on line (from the list of authorised Councillors held by Barclays Bank). Councillors are expected to authorise payments request within two days of payment being initiated by the clerk.
5. Where a councillor is to be reimbursed for expenditure, they should not be an authoriser (in the case of internet payments), or a signatory (in the case of cheque payments).

Payments to Councillors must NOT be made between meetings; they should be made following agreement at the meeting.

INTER ACCOUNT TRANSFERS

Transfers between the Barclays Current Account and Business Rate Tracker account can only be carried out by written/email instruction to the bank and as such should always be agreed and minuted at a Parish Council meeting.

**Prepared by: Cllr S Sim
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