

South Walsham Parish Council

Internet banking policy

Background

The Legislative Reform (Payments by Parish Councils, Community Councils and Charter Trustees) Order 2014 came into effect on 12th 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 will enable 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 Financial Regulations.

The Parish Council has 4 bank accounts with Lloyds Bank, one being a Treasurer's account which manages the general day-to-day financial activities.

Policy

1. Wherever possible, payments will be made using online banking and should be initiated as per the procedures set out below within three days of being agreed at a council meeting.
2. Payment for items made by internet banking transfer must have evidence retained showing which members approved release of the payment.
3. Where internet banking arrangements are made with any bank, the Clerk shall be appointed as the Administrator. The Clerk will be able to create payments and will be able to transfer funds between accounts held at the same bank. The Clerk should be the only authorised person enabled to set up a beneficiary or a payment.
4. The Bank Mandate approved by the Council shall identify a minimum of three Councillors as Signatories who will be authorised to approve transactions on those accounts.
5. 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 very serious matter.
6. The Council, and those signatories using computers for the Council's 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 personal computers.
7. 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.

8. New beneficiary details and changes to beneficiary details used for internet banking must be supported by hard copy or email notification for checking and supported by hard copy authority for change signed by the Clerk and a Signatory.
9. A programme of regular checks of standing data with suppliers will be followed.
10. Council's Financial Regulations shall be followed, in particular clause 6.

Procedure

The actual process of operating the online account will be the 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 Parish Clerk and presented to each meeting of the Council together with any supporting invoices or other documentation for approval. The approved schedule will be signed by the Clerk as Responsible Financial Officer and Chairman of the meeting after two Councillors have agreed to authorise the payments.
3. The Parish Clerk will initiate payment within three days of the meeting and inform the nominated Councillors by email.
4. Two of the four authorised Councillors will confirm the payments online (from the list of authorised Councillors held by Lloyds Bank). Councillors are expected to authorise payment requests within two days of the payment being initiated by the Parish Clerk.
5. Where a councillor is to be reimbursed for expenditure, or has declared an interest in a matter relating to the payment, they should not be an authoriser (in the case of internet payments), or a signatory (in the case of cheque payments).

Inter Account Transfers

Transfers between the Council's Accounts held with Lloyds Bank will continue to be subject to the Council's own Financial Regulation 5.5c "fund transfers within the councils banking arrangements up to the sum of £10,000 provided that a list of such payments shall be submitted to the next appropriate meeting of council."

Signed *P Crook*
Chairman

Dated *06/11/2023*

Signed *A Beck*
Responsible Financial Officer

Dated *06/11/2023*

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