

Stock Parish Council

Internet Banking Policy

Introduction

The Legislative Reform (Payments by Parish Council, 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 legal requirement enables a Parish Council to take an overall approach of how it controls its money as well as taking advantage of online technology including internet banking.

Stock Parish Council acknowledges the need to maintain robust controls on payments as an integrated part of its overall financial control system and proposes this Internet Banking Policy as an appendix to its Financial Regulation (section 6).

Stock Parish Council approved payment by electronic banking at the 11 October 2021 Parish Council meeting.

Stock Parish Council has two accounts with Barclays Bank:

- A Community Account with cheque and internet banking facilities for the day-to-day payment of invoices, salaries and receipt of any income.
- A Business Premium Account in which surplus funds are held. This account pays interest.

The signatories to the online accounts are the Chairman, Vice Chairman and the Clerk/RFO (Where two members may be related, only one member may be a signatory). Councillor S Porter is a named signatory to the Community Account cheque facility only.

Cheques must be signed by two signatories. Online payments must be authorised by two signatories to the account.

The Parish Clerk accesses the online account and creates all requests for internet payment.

Procedure for Online Banking Payments

- All orders for payment will be verified for accuracy by the Clerk/RFO.
- A schedule of all payments shall be prepared by the Clerk/RFO and presented to each meeting of the Council, including identification of new online payees.
- If the meeting is in person, two authorized signatories are required to approve the payments list and initial each invoice as confirmation of approval. Otherwise, the Clerk/RFO will email the payment schedule approved at the meeting to Councillor signatories, who will aim to confirm authorization of the payments schedule within two working days of receipt of the email. In such instance copies of all supporting invoices will be made on request prior to authorization. An approver may not approve a payment made out to themselves as a payee.
- Wherever possible, payments will be made using online banking
- Following full approval by Council, the Clerk/RFO will set up the online payments, set up or amend standing orders, direct debits and make transfers between the Community and Business Premium Account using the provided Authentication Card and PIN Sentry card machine which is secured with a security PIN. The process of operating the online account is subject to the rules and security authorisation process of Barclays Bank.
- When all online payments are transacted, the Clerk/RFO will notify the authorizer to access the payments for clearance. (Within a seven day period).

Procedure for Cheque Payments

Where authority is to be made by cheque, the cheque will be signed by the two of the three authorised signatories. The signatories must also initial the counterfoil.

Signing of the Bank Reconciliation

The Chairman or nominated Councillor will check the monthly bank reconciliation, this will be minuted at each Council meeting.

Audit

The Clerk/RFO will email copies of every bank statement received to members of the Council every month for their scrutiny and to cross check against pre-authorisations.

The Clerk/RFO will respond to any relevant query within two working days.

The Clerk/RFO will retain copies of transaction requests and email authorisations in the Finance file, for presentation to the internal Auditor and any other official scrutiny.

Insurance

Any financial losses due to fraud or similar would fall under the Council's Fidelity Guarantee Insurance, currently provided by BHIB Insurance Brokers, AGM House, 3 Barton Close, Grove Park, Enderby, Leicester LE19 1SJ. Underwritten by Aviva Insurance Limited. The cover is for up to £250,000

With an excess of £

Date effective from:	11 October 2021
Last review date:	11 October 2021
Next review:	October 2022