Sedgeford Parish Council

Serving the Community

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 two elected members to sign cheques and other orders for payment. The removal of this particular legal requirement will enable Parish Councils 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.

The Parish Council approved moving to payment by electronic banking at the 15th September 2021 Parish Council meeting following a recommendation by the internal auditor.

Account details

The 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 a small sum of approximately £75.00 is retained in order to keep the account open on a case of need basis.

The Community Account is organised with the bank to require internet payments to be authorised by two signatories. This is in accordance with the guidance on page 14 of the document "The Good Councillor's Guide to Finance and Transparency where it states – "*Where electronic banking is used, arrangements should ensure that at least two people are involved in any transaction, one of whom must be a councillor".*

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

The Parish Clerk is set up also as signatory of the account to enable the set-up of internet payments. The Parish Clerk must not under any circumstances sign cheques.

The Parish Council also has two accounts at the Hinckley and Rugby Building Society:

- An Easy Access Deposit Account where funds can only be transferred to the Parish Council's Community Account at Barclays Bank online by one of the four signatories (Three Councillors and the Clerk). The Clerk will obtain two Councillors signatures by way of authority.
- A 45 Day Notice Deposit Account where funds can only be transferred to the Parish Council's Community Account at Barclays Bank online by one of the four signatories (Three Councillors and the Clerk). The Clerk will obtain two Councillors signatures by way of authority.

Internet Banking Procedure

Payments will be made by internet banking where possible. The following points (a – g) set out the principles and procedures of operation of the online account with particular attention to the raising of payment requests and their authorisation. The actual process of operating the online account will be subject to the rules and security authorisation process of the bank:

(a) The Council's Financial Regulations will be adhered to for internet banking.
(b) All orders for payment will be verified for accuracy by the Parish Clerk.

(c) A 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 initialled by the Chair of the meeting
(d) Once the payments have been authorised, the Parish Clerk will set up the payments and inform one of the Councillor signatories with internet access by email and telephone.
(e) On receipt of the email the Councillor will authorise the payment, cross referencing with the schedule which was agreed at the meeting (Point (a) above) to ensure there are no discrepancies. Councillors are expected to authorise payments requests within two days of the payment being initiated by the Parish Clerk.
(f) 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).
(g) Where payments may be required in between meetings the Parish Clerk will email copies of the invoices requiring payment to one of the Councillor signatories with internet access before raising a payment request online. The Councillor will then authorise the payment as in (e) above. All payments authorised between meetings will be done in accordance with the Council's Financial Regulations. If such a payment requires authorisation by the Chair (Financial Regulation 4.1), the email from the Chair containing the authorisation will be forwarded to the Councillor authorising the online payment with the associated papers.
(h) Payments to Councillors must not be made between meetings; they should only be made following agreement at a meeting.

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