

West Dereham Parish Council Internet Banking Policy

Background

The Parish Council must ensure that it maintains 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. At all times the advice of NALC in relation to dual authorization will be followed:

“Councils must not relinquish the “two member signatories” control over cheques and other orders for payment until they have put in place safe and efficient arrangements in accordance with the guidance noted from the NALC Finance and Audit Advisor “the overriding requirement resulting from the abolition of S150(5) is that each and every local council seeking to depart from the two-signature rule must Implement and maintain robust controls on expenditure as an integrated part of their overall financial control system”.

It is not a requirement that two people authorize electronic payments, however it is a general principle that more than one person should be involved in any payment, whether that is before, at or after the point at which the payment is made. Councils must consider the appropriate systems, procedures and controls available by banking providers”.

Account details

The Parish Council has an account with Unity Trust Bank. This account is organised with the bank to require internet payments to be authorised by two authorised 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”.

Account signatories

The following are authorised signatories on the account:

- Cllr Nick Drew
- Cllr Ann King

The Clerk will set up and manage the account online as the main user (administrator only)

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. Payments by cheque will be made in exceptional circumstances, following the existing controls and approvals, but the Council will make all payments online payments as the default position.

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 operate a 'create and submit only' authorisation and will be able to transfer funds between accounts held at the same bank. The Clerk will 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 only' 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.

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 Chair of the meeting.
3. The Parish Clerk will initiate payment.
4. Two of the three authorised Councillors will confirm the payments online (from the list of authorised Councillors held by Unity Trust Bank). Councillors are expected to authorise payment requests within two days of the payment being initiated by the Parish Clerk.
5. 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 above.
6. All payments authorised between meetings will be done so in accordance with the Council's Financial Regulations. If such a payment requires authorisation by the chair the email from the chair containing the authorisation will be forwarded to the councillor authorising the online payment with the associated papers.
7. **Any Payments that councillors believe maybe the wrong amount, duplicated or to the wrong beneficiary **MUST NOT** be authorised without first checking with the Clerk/RFO.**

Monitoring

Banking records can be viewed online by the Administrator (Clerk) only, who then provides monthly reconciliations supported by bank statements to the relevant Councillors.