West Itchenor 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 approved the transfer of its bank accounts from The Co-operative Bank to Barclays Bank at an extraordinary Parish Council meeting on 24th March 2014.

The Parish Council will review the procedures for undertaking payments using internet banking after an initial period to ensure its effectiveness but also on a regular ongoing basis.

Account Details

The Parish Council has set up 2 accounts with Barclays:

- A Community Account with cheque and internet banking facilities for the day to day payment of invoices and receipt of any income.
- A Business Active Saver Account which pays interest at 75% of the Bank of England base rate for the council's reserves.

The signatories to the account are:

- Cllr Michael Chater OBE
- Cllr Graham Colbourne
- Cllr Jim Hartley
- Cllr Alastair Spencer
- The Parish Clerk

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

Procedures

i. All orders for payment will be verified for accuracy by the Parish Clerk

ii. 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.

iii. Wherever possible, payments will be made using online banking. The following paragraphs 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 the subject to the rules and security authorisation process of the agreed bank.
    - The Parish Clerk will raise requests
    - An authorised Councillor will authorise the payments online

iv. Where a payment is to be made by cheque, the cheque will be signed by two authorised Councillors who shall also initial the counterfoil.

v. Where payments may be required in between meetings the Parish Clerk will email copies of the invoices requiring payment to the authorised signatories before raising a payment request online.

vi. A nominated Councillor will check the monthly bank reconciliation statements; this will be minuted at each meeting of the Council.

vii. The Councillor nominated in vi. above will be a signatory to the account only in so far that this will enable access to view the accounts online and is not authorized by the Council to complete payment requests.