

Pontesbury Parish Council

Banking policy (including electronic banking)

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 council's banking arrangements, including the **bank mandate**, shall be made by the RFO and **approved by the council**; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.

Account Details

The Parish Council has the following accounts:

1. Two accounts with Unity Trust Ltd:
 - A current account with cheque and internet banking facilities for the day to day payment of invoices and receipt of any income.
 - An Instant access Savings account
2. An instant access Business Savings account with Nationwide
3. A Lloyds current account with cheque and internet banking facilities for the day to day payment of invoices and receipt of income for The Pavilion
4. A Public Sector Deposit Fund account with CCLA – instant access

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

Unity Bank

Cheque signatories: Cllrs J Pritchard, N Lewis, D Fletcher, N Hignett,

Authorisation of internet payments: Cllrs D Fletcher, D Gregory and N Hignett.

Submission of payments: Clerk and Finance Officer

Main contact for correspondence: Finance Officer

Lloyds Bank

Cheque signatories: Cllrs D Fletcher, N Hignett, D Gregory

Authorisation/Verification of internet payments: Cllrs D Fletcher, N Hignett, D Gregory.

Submission of payments: Clerk/Deputy Clerk and Finance Officer

Main contact for correspondence: Finance Officer

CCLA

Signatories: Cllrs D Fletcher and N Hignett

Main contact: Clerk

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Nationwide

Signatories: Cllrs D Fletcher, Nick Hignett and D Gregory

1. **Procedures** – General from Financial Regulations 2019 (reviewed 9/05/2023)
 - i. All orders for payment will be verified for accuracy by the Parish Clerk/Finance Officer
 - ii. A schedule of all payments requiring authorisation, shall be prepared by the Parish Clerk/Responsible Financial Officer (RFO) and together with the relevant invoices, present the schedule to council as part of the **Agenda for the Meeting**. The approved schedule will be initialled by the Chair. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of the meeting at which the payment was authorised.
 - iii. Members are bound by the **Code of Conduct** as adopted by the council and shall not be in the room when a decision to authorise or instruct payment is made in respect of a matter in which they have a disposable pecuniary interest, unless a dispensation has been granted.
 - iv. Where a payment is made by cheque, the cheque will be signed by two authorised Councillors who shall also initial the counterfoil and the invoice to indicate agreement of the details shown on the cheque with the invoice or similar documentation.
 - v. Cheques or online payments shall not normally be presented for signature/authorisation other than at a council meeting. Any signatures/authorisations obtained away from such meetings shall be reported to the council at the next convenient meeting.
 - vi. If thought appropriate by the council, payment for utility supplies (energy, telephone and water) and any non-domestic rates may be made by **variable Direct Debit** provided that the instructions are signed by two members and any payments are reported to the council as made. The approval of use of a variable Direct Debit shall be renewed by resolution of the council at least every two years.
 - vii. If thought appropriate by the council, payment for certain items (principally salaries/pension payments) may be made by **Banker's Standing Order** provided that the instructions are signed, or otherwise evidenced by two members, are retained and any payments are reported to council as made. The approval of the use of a Banker's Standing Order shall be renewed by resolution of the council at least every two years.
 - viii. Where a computer requires use of a **personal identification number (PIN)** or other password (s) for access to the council's financial records on that computer, a note shall be made of the PIN and passwords and shall be handed to and retained by the Chairman of Council in a sealed dated envelope. This envelope shall not be opened other than in the presence of two other councillors. After the envelope has been opened, in any circumstances, the PIN and/or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to members immediately and formally to the next available meeting of the council. This will not be required for a member's personal computer used only for remote authorisation of bank payments.
 - ix. **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

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authorised in writing by the council or a duly delegated committee. **Regular back-up copies of the records** on any computer shall be made and shall be stored securely away from the computer in question.

- x. The Internal Checker (A nominated Councillor at the Annual Meeting of the Parish) will check the quarterly bank reconciliation statements; this will be minuted at the relevant meeting of the Council.
 - xi. The Councillor nominated in x. Above, will be not be a signatory to the account
 - xii. Wherever possible, payments will be made using online banking, following the procedures laid down below. The approval of use of internet banking payments shall be renewed by resolution of the council at least every two years (next review date 2024).
2. 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 subject to the rules and security authorisation process of the agreed bank.
- i. Where internet banking arrangements are made with any bank, the **Responsible Financial Officer** shall be appointed as the **Service Administrator**. The Bank Mandate approved by the council shall identify a number of councillors who will be authorised to approve transactions on those accounts.
 - ii. On the schedule of payments presented to the Full Council Meeting, each online payment will be allocated a payment number by the accounting software (Scribe). This Ref no will also be put on invoices (in lieu of cheque no).
 - iii. Two signatories will sign invoices for online payments/cheques after meeting and initial the associated invoices as seen
 - iv. Chair will sign the approved payments list after the meeting
 - v. The Responsible Financial Officer to submit online payments and record online payment reference allocated by the bank on the invoice.
 - vi. The Responsible Financial Officer to email signatories to trigger authorisation, during the week following the full council meeting (accompanied by a copy of the R&P from the meeting)
 - vii. Once authorisation has taken place, Cllrs who have authorised payments will send an email to the the Responsible Financial Officer saying (insert number) payments authorised as per (insert relevant month) R&P schedule. This evidence showing which members approved the payments shall be filed with corresponding R&P schedule in the Financial Records file
 - viii. When the Unity monthly statement is received, the Responsible Financial Officer to mark unique payment ref no against relevant online payment shown on the statement
 - ix. Where payments may be required in between meetings the Parish Clerk will request the Responsible Financial Officer to send copies of the invoices requiring payment to the authorised signatories before raising a payment request online. The payments will be reported to the next Full Council Meeting.
 - x. The council and any members using computers for the council's financial business, shall ensure that **anti-virus, anti-spyware and firewall, software with automatic updates**, together with a high level of security, is used. If using laptops the hard-drives will be encrypted.
 - xi. Access to any internet banking accounts will be directly to the access page (which may be saved under favourites) and not through a search engine or email link.

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Remembered or saved passwords facilities must not be used on any computer used for council banking work. Breach of this regulation will be treated as a very serious matter under Financial Regulations 2019 (adopted by council at 16 May 2022 meeting).

- xii. When a new supplier is set up for an online payment the supplier is telephoned (using telephone no. from original contact with supplier rather than contact no. on first invoice received to check the veracity of the account details on the invoice.
- xiii. New suppliers' details relating to address and financial health are checked with Companies House
- xiv. When a supplier changes their bank details they must notify the council by email/in writing and the supplier is contacted using details already held by the council rather than on the change of details advice note, in order to check the veracity of the request. Once checked a hard copy of the request to change bank details must be signed by two of the Clerk/RFO/member who have reviewed the process undertaken to verify the supplier change of details
- xv. Staff are given regular training to alert them to potential cyber fraud
- xvi. Internal checker to check a sample of standing data for suppliers, held online, each quarter to ensure that the account details entered online match those on the invoices supplied
- xvii. Two Equals (Debit Cards) are used – one by The Responsible Financial Officer, one by Parish Clerk. The limit for payment for each card is £500. Any payments made will be agreed with Parish Clerk and Chair and reported to next council meeting.

Policy reviewed: 14 October 2024

Next review date: October 2025