

INTERNET BANKING POLICY of COMBERBACH PARISH COUNCIL

Update for review at CPC on 8th March 2022

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 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.

Account Details:

The Parish Council has two bank accounts with Santander: Current ~~account~~ Account used for in-year financial transactions, and a Savings ~~account~~ Account for reserves and future costs and projects.

Santander do not offer a mandatory “two signature” approach for online banking. Access to Santander’s online banking ~~should~~ will be limited to the RFO as the Service Administrator ~~additional accesses would also have payment authority. Therefore the account is to be operated by the RFO~~, with two Councillor signatory approvals taking place before any online transaction.

Internet Banking Policy:

Online transactions must be authorised in advance by two Councillor members of the Finance Committee ~~cheque signatories to the account~~.

Procedures:

1. All orders for payment will be verified for accuracy by the RFO.
2. A schedule of all payments shall be prepared by the RFO and presented to each meeting of the Council, including identification of new online payees.
3. If the meeting is in person, two authorised signatories are required to approve the payments list and initial each invoice as confirmation of approval. Otherwise, the RFO will email the payment schedule approved at the meeting to signatory Councillors, who will aim to confirm authorisation of the payments schedule within two working days of receipt of the email. In such instance copies of any supporting invoices will be made available on request prior to authorisation. An approver may not approve a payment made out to themselves as payee.

4. Wherever possible, payments will be made using online banking. The following principles will apply to the operation of the Santander online account. The actual process of operating the online account will be subject to Santander's rules and security authorisation processes, which requires at least two existing signatories to authorise any changes.
 - The RFO will operate the online account, set up payees, initiate online payment requests, set up or amend standing orders and make transfers between the Current and Savings accounts as required.
 - Prior to any online payment being made, standing orders being set up or changed, or transfers made between accounts the RFO will ensure two authorised Councillors confirm the payments by signing the invoices or payment requests, or by emailing confirmation to the RFO, copied to the Clerk.
 - Where payments may be required in between Parish Council meetings (to be authorised at the subsequent meeting as a Pre-Approved Payment) the RFO will email copies of the invoices requiring payment to the authorised signatories and receive email approval from at least two signatories before raising a payment request online or, if necessary, by cheque.
5. Where a payment is to be made by cheque, the cheque will continue to be signed by two authorised cheque signatories, who shall also initial the counterfoil.

Audit:

1. Santander issues a weekly email detailing the last 5 transactions on the Current Account, which is viewed by the Clerk and the ~~The RFO will email copies of every bank statement received to the Chair of the Finance Committee and~~ Chair of the Parish Council. This is ordinarily sufficient to cross-check recent transactions but they may, on request, require the RFO for copies of full Bank Statements for their scrutiny and to cross-check against pre-authorisations. ~~The RFO and~~ will respond to any relevant query within two working days ~~or of~~ receipt ~~to both Chairs~~. ~~Each~~ The Chair may choose to delegate this responsibility to another nominated councillor.
2. The RFO will retain copies of transaction requests and email authorisations in the annual 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 Zurich Municipal. The cover is up to £250,000 with an excess of £100.