

Pakenham Parish Council

Internet Banking Policy

Internal Controls: 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.

Banking position: The Parish Council has two bank accounts with Santander Bank (one Current Accounts and one Deposit Account) with internet banking facilities set up for the day-to-day payment of invoices and receipt of income on the current account. The Clerk provides monthly reconciliation supported by the bank statements to full Council. Payments are made by the Councils preferred method of payment which is by direct transfer using online payments as the default position. The Council will have a minimum of three Councillors as authorised signatories at any one time.

Policy

1. Wherever possible, payments will be made using online banking and should be initiated as per the procedures set out below at the Council meeting or within three days of being agreed at a council meeting.
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 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 installs, and keeps updated, anti-virus software on all computers used for internet banking.
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.

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 and will form part of the Minutes.

3. The Parish Clerk will initiate payment.

4. One of the three authorised Councillors will confirm the payments online (from the list of authorised Councillors held by Santander Bank) at the meeting when payments are approved or within two days of the payment being initiated by the Parish Clerk.

5. 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).

6. Inter Account Transfers between the Council's Accounts held with Santander Bank to take place only after agreement at a full Council meeting.

7. Where cheques are still used, signatures of two members are still required.