

# **HARTING PARISH COUNCIL**

## **Internet Banking Policy**

### **1. BACKGROUND**

- a. 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 This Legislative Reform Order repealed the statutory requirement for 2 elected members to sign cheques and other orders for payment. The removal of this particular legal requirement enables the Parish Council to take advantage of modern technology including internet banking.
- b. Payment of invoices online saves time and money as cheques are no longer handwritten or posted. The payments are received in the creditor's account within two working days and the creditor does not have to bank a cheque.
- c. The controls and approvals, properly used, are as secure as the existing cheque system.
- d. Cheque payments remain available where needed and will require two signatures.

### **2. POLICY**

- a. Where internet banking arrangements are made with any bank, the Responsible Financial Officer (RFO) shall be appointed as the Administrator.
- b. The Council shall identify a minimum of four councillors in the Bank Mandate approved as 'Signatories' for cheques, on-line payments and other transactions.
- c. Control of internet banking transactions will be maintained by the clear separation of responsibilities between the RFO and Signatories as follows:
  - i. The RFO may 'set-up', but not authorise, beneficiary payment details and payments online.
  - ii. Signatories will only be authorised to 'view and approve' transactions and will have no authority to 'set up' a beneficiary or online payment.
  - iii. All transactions require two Signatories to authorise.
- d. The RFO will continue to provide bank statements and reconciliations to the monthly council meeting.
- e. The RFO will list all payments for approval on the agenda for each meeting of the Council.
- f. Standing Order payments will not be used.
- g. Direct Debit Payments may only be used for the purposes of pension contributions provided that the instructions are signed by two Signatories and all payments are reported to council.
- h. New beneficiary details and changes to beneficiary details used for internet banking are to be supported by hard copy or email notification. The RFO will

update the details which will then be checked and authorised by two Signatories.

- i. Payment for items made by internet banking transfer will be supported by evidence detailing which members approved the payment.

### **3. PROCEDURES**

#### **a. Setting up Beneficiaries online**

- i. The RFO will set up the beneficiary details using the online banking facility.
- ii. A copy of the BACS details will then be emailed to two of the four Signatories to check and authorise.
- iii. An email trail will confirm this action has taken place.

#### **b. Paying Beneficiaries**

- i. The RFO will enter payment details online for payments due to be approved at the next Council meeting
- ii. Following approval at the meeting the detailed payment schedule will be made available to the two Signatories who have agreed to authorise the payments
- iii. The Signatories should, within 2-3 days of the meeting, check the details of the payments against the online 'pending authorisation' payments and once satisfied of the accuracy of the details should confirm the payments are authorised.
- iv. Completion of this authorisation should be emailed to the RFO.

### **4. SECURITY**

- a. Access to internet banking accounts will be made directly to the bank's log-in page (which may be saved under "favourites") and not through a search engine or e-mail link.
- b. Remembered or saved password facilities must not be used on any computer used for council banking work.
- c. 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.
- d. 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 or a duly delegated committee.

#### **Internet Banking Policy**

**Adopted 16 September 2021**

**Reviewed 21 September 2023**

**Next Review May 2024**