

Internet Banking Policy for Kedington Parish Council

Background

Banking arrangements have changed significantly in recent years, with more transactions being conducted online. As a result of this, the use of cheques is becoming rare. Many businesses prefer to receive payment by electronic means and are now discouraging or declining the payment of invoices by cheques. This became particularly apparent during the COVID-19 pandemic.

Legislation

The Legislative Reform (Payments by Parish Councils, Community Councils and Charter Trustees) Order 2014 (SI2014/580) came into effect on 12th March 2014. This Legislative Reform Order repeals the statutory requirement (Local Government Act 1972 section 150(5)) which states that “every cheque or other order for the payment of money shall be signed by two members of the council.” The removal of this particular legal requirement enables 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.

Account Details

Kedington Parish Council has two bank accounts, Barclays and NatWest. Barclays Bank is used for payments on a day-to-day basis, including salaries, Direct Debits, Standing Orders and receipt of any income. NatWest Bank is used ONLY for our reserves and full Council MUST approve any transactions within this account.

Signatories on the accounts:

- Clerk/RFO
- Cllr Naylor
- Cllr Woodward (Barclays only)
- Cllr Potter (Barclays only)

The three Councillors have access to our Scribe accounts system and can check invoices and payments.

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.

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.

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.

Procedures

- All invoices for payment will be verified for accuracy by the Clerk/RFO.
- All payments will be made using online banking unless, under exceptional circumstances, a cheque is required. Councillors must be informed of this. This must be authorised by at least two signatories.
- The Clerk/RFO will raise the request for authorisation for payment.
- A Councillor will check the invoice on Scribe Accounts System. If a Councillor is unable to access Scribe Accounts System, then the invoice will be emailed to the authorising Councillor.
- An authorised Councillor will then authorise the payment(s) online.
- At each meeting of the Parish Council and at each financial year end, the Clerk/RFO shall produce a bank reconciliation, a list of payments and receipts and a net position for review and verification by the Councillors. These shall be recorded within the minutes of the relevant meeting

The actual process of operating the online account will be subject to the rules and security authorisation processes of the agreed bank.

Adopted by Kedington Parish Council at its meeting on 26th March 2024

Review Date March 2025