

INTERNET BANKING POLICY

REVIEW OF INTERNET BANKING AND ELECTRONIC PAYMENTS AND Debit Card Use

Recommendations agreed FGP Dec 2022

- 1) The Finance and General Purposes Committee considers the content of the policy and resolves to approve it following consideration of the departures described below in 2a) 2b) 2c-i-iv and 2d i-iii
- 2) To consider and agree the departures to existing procedures as follows: -
 - a) **Where the RFO/Clerk are unavailable to authorise emergency expenditure to the level defined in the Delegation Scheme (<£500), to ensure the written agreement of both the Chair and the Chair of Finance and General Purposes Committee prior to progressing the payment. If the Chair is not available, the Vice Chair may sign.**
 - b) To endorse the use of debit cards for official purchases and agree the procedures and controls, including the named card holders
 - c) To endorse the recommended departures in the current payments and transfer of funds procedures notably
 - I. Online payments and transfers must be authorised by the Finance and General Purposes Committee or where appropriate, the Council, **prior to them being made.**
 - II. **Once payments or transfers are approved by FPG , the RFO will send an online communication to two authorised signatories inviting them to access the outstanding payments listing and authorise the release of the payments**
 - III. New beneficiary details and changes to beneficiary details used for internet banking **must be previously authorised by the Finance and General Purposes Committee.**
 - IV. **Access to internet banking accounts will be directly to the bank's log-in page and not through a search engine or e-mail link.** Remembered or saved password facilities must not be used to store any information or passwords associated with Council banking.
 - d) To endorse the recommended departures in general procedures, notably
 - I. Payment for utility and other ongoing supplies (energy, telephone, copier charges etc) may be made by variable Direct Debit **provided that the instructions are signed by two signatories and any payments are reported to the Finance and General Purposes Committee as made.**
 - II. **The approval of the use of a variable Direct Debit shall be renewed by resolution of the Council at the Annual General Meeting.**
 - III. **Standing Orders will not be used**

Recommendation Agreed Nov 2022

1) To maintain the balance expense account for the use of the Clerk with a debit card. 2) That a balance of £1000 be transferred £500 for an emergency decision and £500 for ongoing expenses in line with Council procedures and to prevent the need for personal debit card use. 3) All expenses are to itemised and receipts kept. 4) This will be regularly scrutinised by the Committee and payments agreed along with any required transfers to be made to top up the balance as needed.

Author

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October 2021

Reviewed Council May 2024

Amendment Sarah Evans 7/5/24

Reviewed May 25 Council Minute

Background

Payment of invoices online has already saved time and money. We no longer need envelopes or stamps and authorisations can be done remotely at any time. Moreover, payments are received in the creditor's account usually within two working days and the creditor does not have to take a cheque to their bank.

Evidence from audits demonstrates that strong controls are already in place but given the risks associated with internet use, the following controls are considered necessary to ensure that the Council's banking procedures remain secure.

A breach of the policy detailed below will be treated as a very serious matter.

From a procedural aspect the Finance and General Purposes Committee is delegated to formulate and monitor policies on financial risk management and internal controls. Consequently, there will be no need to make recommendations to full Council, merely to report the decisions taken.

Current Position:

- ✓ SWAN Community Council has three bank accounts with Unity Trust Bank
- ✓ Two Current Accounts with cheque, payment and Internet banking facilities for the day-to-day payment of invoices and receipt of any income for general activities and the management of Gas House Fields Allotments and an Instant Access Account used as a sump for any reserve funds that the Council might hold
- ✓ Four named councillors are authorised signatories, including the Chair and Chair of the Finance and General Purposes Committee.
- ✓ The Responsible Financial Officer and Clerk have non-signatory access to the Council's Internet Banking, which gives them read-only access to the bank account details.
- ✓ Although Debit cards may be beneficial in certain circumstances, they have not been issued.

POLICY

Authorisation

1. Agreement to a payment will be deemed to have been given if it has been approved at a formal committee or council meeting, AGM or EGM, where a quorum of Councillors is present.

2. A payment may only be authorised outside of a meeting in an emergency by the Responsible Financial Officer (RFO) or Clerk. The maximum level of payment is defined in the Council's Delegation Scheme
3. Should the RFO/Clerk not be available, the written agreement of both the Chair and the Chair of Finance and General Purposes Committee is required. If the Chair is not available, the Vice Chair may sign
4. This decision must be ratified at the next Committee or Council meeting.

Where Payments by cheque are made: -

1. The RFO will retain the cheque book and will be the person primarily responsible for the writing of cheques. This can be delegated to either the Clerk, Chair or Vice Chair for a specified period when previously agreed by the Council.
2. All cheques must be signed by two authorised signatories.

Payments by debit card

1. The RFO will retain any debit cards.
2. The named card holder will retain the PIN number associated with their card.
3. Should a payment need to be made using a debit card, this must be for a purpose that has been previously approved by the Finance and General Purposes Committee or Council.
4. Once authorised, the RFO will hand the debit card to the named card holder to make the payment. Once completed the card should be returned to the RFO at the earliest opportunity along with all relevant supporting documentation.

Payments and transfers online (Internet Banking, BACS, CHAPS)

1. Online payments and transfers must be authorised by the Finance and General Purposes Committee or where appropriate, the Council, prior to them being made.
2. Once the payments or transfers are approved, the RFO will send an online communication to the authorised signatories inviting them to access the outstanding payments listing and approve the payment's release
2. Two authorised signatories for internet banking are required to release payments or make transfers.
3. New beneficiary details and changes to beneficiary details used for internet banking must be previously authorised by the Finance and General Purposes Committee.
4. Access to internet banking accounts will be directly to the bank's log-in page and not through a search engine or e-mail link. Remembered or saved password facilities must not be used to store any information or passwords associated with Council banking.

5. 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.

Payment of Bank Charges

Bank charges are taken at source by the bank quarterly. They must be included on the list of payments at the first meeting of the Finance and General Purposes Committee following their inclusion on the bank statement.

General

1. The RFO will present a financial summary to the Finance and General Purposes Committee at each meeting for consideration and approval. It will specifically list all payments and transfers to be made through Internet Banking or by debit card since the previous report.

2. 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.

3. Payment for utility and other ongoing supplies (energy, telephone, copier charges etc) may be made by variable Direct Debit provided that the instructions are signed by two signatories and any payments are reported to council as made.

The approval of the use of a variable Direct Debit shall be renewed by resolution of the Council at the Annual General Meeting.

Standing Orders will not be used

In all cases the minutes of Finance and General Purposes Committee will be endorsed by the full Council at the first available time.