

Recommendations from the Resources Committee

The Resources Committee met on 1 August 2017 and agreed the following recommendations to the Council regarding internet banking:

RESOLVED to recommend to Council

- (i) that the procedure for making electronic payments / internet banking as set out below is adopted
 1. A list of payments to be made by online banking, together with the associated invoices are signed by two members of the Council who are bank signatories and countersigned by the Clerk/RFO. The list of payments will be reported to the Town Council in the usual way.
 2. A batch payment, using the signed list is then prepared on internet banking by the Deputy Clerk. This is then authorised by the Clerk/RFO who checks the batch against the list making sure suppliers and amounts are correct.
 3. Salaries will be a separate batch payment prepared by the Deputy Clerk and authorised by the Clerk/RFO. The monthly salary amount and amount paid to HMRC is then included in the notification of payments and authorisation of virements report to the Town Council in the usual way.
 4. A sum for the amount of the total payments (in a given period) that can be instructed by the Clerk/RFO should be included in the bank mandate.
 5. To set up the original suppliers list each supplier will be contacted by e-mail or letter explaining that the Town Council is moving to making electronic payments and asking them to supply their bank details and remittance address. New suppliers will also be asked to supply these details. BACS details for all suppliers will be reviewed regularly and will only be changed if a hard copy request is received from the supplier which has been countersigned by the Clerk/RFO.
- (ii) that the Town Clerk is set a limit for approving batch payments to the cumulative value of batches being £50,000 processed within 3 days
- (iii) that Section 6 of the Town Council's Financial Regulations are amended to reflect (ii) and (iii) above

Suggested Amendments to Financial Regulations to enable internet banking.

Existing Financial Regulations:

- 6.9 If thought appropriate by the Council, payment for certain items may be made by BACS or CHAPS methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories are retained and any payments are reported to Council as made. The approval of the use of BACS or CHAPS shall be renewed by resolution of the Council at least every two years.
- 6.10 If thought appropriate by the Council payment for certain items may be made by internet banking transfer provided evidence is retained showing which members approved the payment.
- 6.11 Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the Council's records on that computer, a note shall be made of the PIN and Passwords and shall be handed to and retained by the Chairman of Council in a sealed dated envelope. This envelope may not be opened other than in the presence of two other Councillors. After the envelope has been opened, in any circumstances, the PIN and / or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the Council. This will not be required for a member's personal computer used only for remote authorisation of bank payments.
- 6.12 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.
- 6.13 Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.
- 6.14 The Council, and any members using computers for the Council's financial business, shall ensure that anti-virus, anti-spyware and firewall, software with automatic updates, together with a high level of security, is used.
- 6.15 Where internet banking arrangements are made with any bank, the Clerk shall be appointed as the Service Administrator. The bank mandate approved by the Council shall identify a number of Councillors who will be authorised to approve transactions on those accounts. The bank mandate will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals.
- 6.16 Access to any internet banking accounts will be directly to the access page (which may be saved under "favourites"), and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer

used for Council banking work. Breach of this Regulation will be treated as a very serious matter under these regulations.

- 6.17 Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by the Clerk and a member. A programme of regular checks of standing data with suppliers will be followed.

The existing Financial Regulations have been taken into account when compiling the procedure to be used for making electronic payments / internet banking and therefore require little change - it would however prudent to include a new financial regulation regarding the maximum limits for batch payments.

It is therefore suggested

- (i) that a new Financial Regulation be inserted as 6.11

6.11 Any internet banking payment batch made by the Town Clerk / Responsible Financial Officer is limited to £50,000 over a period of any 3 days.

And (ii) the subsequent Financial Regulations in section 6 are renumbered,