

SAXTEAD PARISH COUNCIL		
ON-LINE BANKING - PROCESSING PROTOCOL		
	Date	Notes
MODEL		NALC
AUTHORS		Clerk – Peter Grogan
DATE REVIEWED / AMENDED	January 2025	Approved Parish Council meeting January 2025
DATE ADOPTED	16.01.2025	Saxtead Parish Council meeting
DATE FOR REVIEW	Summer 2025	Note: Saxtead PC uses secure Barclay’s banking on-line system

Signed Chair of Saxtead Parish Council _____

Date: _____

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1. Principles

1) Introduction:

Local councils must have in place safe and efficient arrangements to safeguard public money. This policy sets out procedures for online banking based on the advice issued by the National Association of Local Councils (NALC) relating to the use of online banking by parish councils. Section 150(5) of the Local Government Act 1972 required that every cheque or other order for payment be signed by two members of the council. Section 150(5) was repealed by the Government in 2014 in recognition of the fact that it represented a significant barrier to councils using electronic banking as a means of payment and that it would impose additional burdens and costs on them.

2) Secure Banking:

As of 2024 Saxtead Parish Council uses Barclays bank for on-line payments. The usual process involves the clerk setting up the payments and a Councillor authorising them. Both the clerk and Councillor have Barclays secure on-line access.

NOTE: Saxtead PC has no payment cards. Saxtead PC has no access to the accounts via the Barclay's mobile phone app.

3) NALC Advice:

'Councils must not relinquish the two members signatures' control over cheques and other orders for payment until they have put in place safe and efficient arrangements in accordance with the guidance noted below from the NALC Finance and Audit Adviser.

The overriding requirement resulting from the abolition of s150(5) is that each and every local council seeking to depart from the two signature rule must implement and maintain robust control on expenditure as an integrated part of their overall financial control system.

It is not a requirement that two people authorise electronic payments, however it is a general principle that more than one person should be involved with any payment whether that is before, at or after the point at which the payment is made.'

2. Procedure

ON-LINE BANKING PROCEDURE: THIS PROCEDURE AGREED FOR ONLINE BANKING AND INTERNAL CONTROLS HAS BEEN PUT IN PLACE TO ENSURE THE COUNCIL'S MONEY IS PROTECTED.

- 1) The clerk will continue to be the service administrator and set up online payments.
- 2) Two councillors will have access to the Council's accounts and be able to view transactions online.
- 3) The clerk will set up payments and one of the councillors with access to online banking will authorise them.
- 4) If the clerk is unable to set up payments for any reason, one of the authorised councillors will set up the payment and the second councillor will authorise it.
- 5) No payments can be authorised outside of meetings except in specific circumstances as set out in the Council's Financial Regulations when payments outside of meetings have to be authorised by the Chairman in conjunction with the clerk and presented for approval by the Council at the next meeting.
- 6) The clerk will prepare a Schedule of Payment for each meeting detailing which payments need to be approved along with the invoices accompanying each payment. The Schedule of Payment, contained in the minutes, must be signed by the clerk, a councillor and countersigned by the Chairman to prevent it from being amended.
- 7) All invoices have to be checked against the Schedule of Payments by the clerk and a councillor and signed by the Chair of the meeting
- 8) A list of payments made since the last meeting will be presented to councillors at each meeting for approval.
- 9) Bank reconciliations will be checked by a councillor at every meeting and all transactions checked against prior approvals. The reconciliation will be signed by the councillor verifying the bank statements.
- 10) A Schedule of regular payments will be presented to the Council at the March meeting and approval given for these payments to be made online during the next financial year.
- 11) Any changes to the Bank Mandate have to be approved at meetings.
- 12) The Council's internal controls will be reviewed annually to ensure that they are effective.
- 13) The Parish Council's accounts will be checked annually by an independent auditor.

Signed: (Chairman)

Dated: