

Banking arrangements report

Existing banking arrangements

The Parish Council holds accounts with Barclays that require two signatures to authorise cheque payments.

The Clerk is not a signatory to the account but Clerks' address as the official address of the council. Statements are sent to the Clerks address other with other correspondence. However, it is not possible to receive a paying in book for the deposit account as the address is still registered to the previous clerk's address. An existing signatory will need to contact the bank to change this.

It is not possible for the Clerk to make enquiries at the bank nor obtain mid-month statements, for example to see if a grant has been received.

With the COVID 19 situation councillors calling into a branch can be problematic.

Extract from NCALC e-Update July/Aug 2020

"The Coronavirus pandemic has made using cheque books and paper copies of bank statements all the more challenging and councils that don't yet use online banking have found themselves at a significant disadvantage. Northants CALC has received more enquiries about online banking in the past three months than in the past three years.

The trouble is that we're talking about public money, so banking arrangements have to be robust and in particular provisions for safeguarding public money need to be put in place, such as requiring two or more people to effect a payment.

True dual or triple authority bank accounts are few and far between. Some appear to offer the facility but in fact rely on trust and it is still physically possible for one person to make a payment. Consequently, the bank that has done most to address the issue – Unity Trust Bank – is the bank of choice for most parish and town councils (<https://www.unity.co.uk/>). Lloyds Bank appears to be the only other bank offering true dual or triple authority (<https://bit.ly/2DljZGL>).

The Unity Trust Bank account works by assigning roles to different users. Typically, the clerk is the account administrator and is able to view everything to do with the account and set up payments for authorisation. The system then sends an alert to those councillors who are signatories, who log into the account and authorise the payments (having checked them against emailed copy invoices). Once the required number of councillors (usually two) have authorised the payments the money physically leaves the council's account. The usual arrangement is that councillors can view everything to do with the account but cannot set up payments, only authorise them. In this way, every payment requires input from the clerk and from more than one councillor. It is physically impossible for an individual to act alone to move money."

Note: Unitary Bank has a quarterly charge of £6.00.

Extract from Financial Regulations

6.15. Where internet banking arrangements are made with any bank, the Clerk/RFO 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 two of the Clerk/RFO and a member. A programme of regular checks of standing data with suppliers will be followed.

Online banking with high street banks

Main stream high street banks do not cater for the requirements of parish council finances in that transactions can be authorised by one person.

Cllr Brotherton is making enquiries with Barclays to ascertain their online banking security provision and how it could work for the council.