Version No.	2
Adopted Date:	June 2025
Last Reviewed Date:	June 2025
Next Review Date:	October 2026

INTERNET BANKING POLICY

1 Introduction

1.1 This policy establishes the process for Internet Banking and the introduction of BACS payments via The Cooperative Bank.

2 Background

2.1 The Legislative Reform (Payments by Parish Councils, Community Councils and Charter Trustees) Order (2014) came into effect on 12th March 2014. This Legislative Reform Order repeals the statutory requirement for 2 elected members to sign cheques and other orders for payment.

2.2 The Community Council acknowledges the need to maintain robust controls on payments as an integrated part of its overall financial control system and proposes an Internet Banking Policy as part of its Financial Regulations.

3 Account Details

3.1 The Community Council has one bank account with The Co-Operative Bank: Current account used for in-year financial transactions, and a Savings account for reserves and future costs and projects.

3.2 Access to the Co-Operative Bank online banking is limited to the Responsible Financial Officer (RFO) and Finance Manager.

3.3 The Community Council operates a system where the RFO, Leader and Chair or Vice Chair of Finance, Governance and Policy approve all payments before any online payment is made. (Authorisation by two out of three nominated Councillors is required prior to any payment being made).

4 Internet Banking

4.1 Online transactions must be authorised in advance by two of three nominated Councillors, unless there is a minute number or it is a direct debit/standing order.

4.1.1 Procedures:

(i) The payment process will require the RFO and Finance Manager to make payments either over the telephone or via the internet banking function with the security of an issued token.

(ii) All orders for payment will be verified for accuracy by the Finance Manager and RFO to ensure invoice accuracy and budgeting controls.

(iii) A schedule of all payments made in the prior month shall be prepared by the Finance Manager and presented to each Finance, Governance and Policy Committee including identification of new online payees during the financial review.

(iv) If the meeting is in person, two authorised signatories are required to approve the payments list. Each week the Finance Support Officer will email the RFO, Chair of Finance, Governance and Policy and the Leader of the Council a copy of all invoices to be paid, once approval has been received the Finance Manager will make the payments via online banking. Payments to be made by direct debit/standing order or any payment with prior approval via a minute number do not require approval in this way.

(v) An approver may not approve a payment made out to themselves as payee.

(vi) Wherever possible, payments will be made using online banking. The following principles will apply to the operation of The Co-Operative online account. If required payment can also be made by cheque.

(vii) The actual process of operating the online account will be subject to The Co-Operative Bank rules and security authorisation processes, which requires at least two existing signatories to authorise any changes.

(viii) The Finance Manager will operate the online account, set up payees, initiate online payment requests, set up or amend standing orders and make transfers between the current and savings accounts as required.

(ix) It will be the duty of officers to gather bank details from payees and when this is not possible, cheques will continue to be issued. [Members to provide bank details where possible for LVF payments].

(x) Where a payment is to be made by cheque, the cheque will continue to be signed by two authorised cheque signatories, who shall also initial the counterfoil.

5 Audit

5.1 The Finance Manager and Finance Support Officer will retain copies of email authorisations for presentation to the Internal Auditor and any other official scrutiny.

6 Insurance

6.1 Any financial losses due to fraud or similar would fall under the Council's Fidelity Guarantee insurance, currently provided by Zurich Municipal. The cover is up to £2,000,000 with an excess of £100 for each and every loss.

7 Proposal

7.1 Under the UK GDPR (UK General Data Protection Regulation, the Data Protection Act (2018) as amended by the Data (Use and Access) Act (2025), personal data is data that relates to or can identify you either by itself or together with other available information, this includes bank details therefore the bank details will be recorded on the Co-Operative internet banking system but not on any council records or systems.

7.2 Safeguards are in place for the Finance Manager when entering payments onto the internet banking system:

- The bank details will only be stored within the Co-op banking system for data protection.
- Duplicated payments will be flagged as such with confirmation required that the payment will be submitted.
- If the bank account name does not match with the account details this will be declined by the bank and no payments can be set up.