

Committee	COUNCIL MEETING
Date	17th November 2018
Agenda Item	7d

Payment by bank transfer using online banking

The Legislative Reform (Payments by Parish Councils, Community Councils and Charter Trustees) Order 2014 came into effect on 12 March 2014. This Legislative reform Order repeals the statutory requirement for 2 elected members to sign cheques and other orders for payment. The removal of this legal requirement enables the Town Council to take a fresh approach as to how it controls its money as well as taking advantage of modern technology including internet banking.

The Town Council recognises 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.

Internet banking policy

A list of payments will be drawn up for each Council meeting, as usual. Our policy will be to maximise the use of payment by bank transfer, but there will inevitably be some payments which will still have to be by cheque. After the meeting, when it comes to payment, instead of signing cheques, 2 signatories will need to authorise the online payments. Just as cheques must be signed by 2 signatories, online payments must be authorised by 2 signatories to the account.

At HTC we have two authorised officers who have view-only access via online banking. They will be able to go in and set the payment up. Once this has been done, they can then send the request to the two signatories to authorise the payment.

In order to be able to use online banking for transfers, we will need to have two of the current authorised signatories to be able to have access to online banking, which Barclays can arrange. We can arrange for up to 4 or 5 signatories to have access, and this would be helpful in case one of them is not available. This would be done via an Authorisation card, which cannot be used in shops or for making purchases online. It is used for online access only using a Pinsentry machine. The card will be placed in the Pinsentry machine, which will then request a PIN number, which is unique to each user. This will then give an 8-digit pin number, which changes every time you use the Pinsentry, and you type this in the screen via Barclays online banking.

Once one individual has set the payment up, one of the authorised signatories can go into the online banking and authorise the payment. Once they have agreed the payment, another authorised signatory can go into their online banking to complete the second authorisation for the payment. It is at this point that the payment will be sent.

Recommendation: that HTC agrees to move to online banking.



Sarah Greatorex
Town Clerk