

## Arrangements for move to internet banking for the Parish.

Making payments by cheque has become increasingly problematic for several reasons:

1. An increasing number of suppliers ask for payments to be made electronically and a small number have indicated their intention in future to refuse to accept cheque payments.
2. Payment of suppliers by cheque has an impact on monthly and year end bank reconciliations for the following reasons:
  - a. In some instances, there is a considerable delay in suppliers banking cheques (one cheque in 2018/19 was not cashed for 5 months)
  - b. There can be a delay in cheques clearing through the account when presented

This has implications for accurate audit and budgeting functions.

3. Currently the PC pays no bank charges but a number of banks are signaling their intention to levy charges in future if when customers do not use electronic banking. [SEP]
4. The Clerk has had significant difficulty communicating with National Westminster in the past year. The local branch does not deal with business and community banking and it is often not possible to resolve issues over the phone.
5. Purchasing items on-line, including subscriptions such as Microsoft online, requires either a credit/debit card or bank transfer. This means that many purchases for office supplies, play equipment supplies etc. have had to be purchased by the Clerk and claimed back on expenses.

The Parish Council's Financial Regulations now make provision for the use of internet banking.

Internet banking with Santander is possible, but the bank does not have a dual signatory<sup>1</sup> authorization system which is preferable for the purposes of transparency and audit and any bacs payments require authorization in writing.

Informal enquiries with other Parish Clerks and community interest organizations indicate that Unity Trust Bank offers such a banking solution.

Unity Trust operates a system whereby the Clerk can set up payments but then someone else (in the case of Wickhambrook PC, at least two Councillors) authorise them. Councillors who are non-signatories may be given read only access.

As far as I can identify, no other major banks operate a system offering on-line banking AND a separation of the person setting up the transaction, and the person(s) authorizing it.

<b>Bank</b>	<b>Segregation of Clerk Councillor Duties</b>	<b>Interest Rate Payable</b>	<b>Fees</b>	<b>Bank Card</b>
Lloyds Bank Treasurer's Account	No	Information not available	Free for turnover under £50K	Information not available
National Westminster Community Account	No	0.2%	Free for income under £100K	Yes
Unity Trust	Yes Single, Dual and Triple Authority level available*	Interest rate of 0.32 on savings account No interest on current account.	£6 per month payable quarterly	Pre-paid card & Unity Corporate Multi-pay card

\* Administrator can specify what level of access for each Authorized signatory

### **Recommendation:**

**That Drinkstone Parish Council move its bank accounts (both current and reserve) from Santander to Unity Trust Bank.**

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<sup>1</sup> Whereby the Clerk sets up BACS payments which are then authorised by two Councillors as signatories.