Nacton Parish Council

Internet Banking Policy

Background

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 This legislative Reform order repealed the statutory requirement for two elected members to sign cheques and other orders for payment.

The removal of this particular legal requirement enables Parish Councils to take an overall approach to how it controls its money as well as taking advantage of modern technology including internet banking. Nacton Parish Council acknowledges the need to maintain robust controls on payments as an integrated part of its overall financial control system and the Internet Banking Policy will form part of its Financial Regulations.

Bank Account Overview

Nacton Parish Council currently have three accounts open with Lloyds Bank.

- Treasurer's Account is maintained for day-to-day transactions and has both cheque book and online banking payment options available.
- Business Banking Instant Account is for Reserve funds.
- Savings Account 95 Day Notice is for future projects.

Cheques can be signed by any two of the authorised signatories.

Online payments can be authorised by any two of the authorised signatories (updated in August 2026 as agreed under NPC/26/21.4).

Procedures for Payment Authorisation

In general, all payments are listed in the Nacton Parish Council Meeting Agenda which is distributed to all Councillors and the RFO ahead of each meeting by the Parish Clerk.

At the Parish Council Meeting, the list of payments is reviewed and either approved or rejected. All items will appear in the Meeting Minutes prepared by the Parish Clerk post-meeting.

All payments approved at the meeting are passed to the RFO for action using either cheque or the online payment service (all transactions are verified by a second authorised signatory).

Any payments requiring approval after the Meeting Agenda has been circulated can be:

- Discussed at the Meeting and added to the Minutes, or
- The RFO can email all Councillors requesting authority to make a payment (giving five day's notice before the intended payment date). At least three Councillors are required to authorise the payment, before any action can be taken by the RFO

Procedures for Bank Statement Audit

At each Parish Council Meeting, the RFO will provide paper copy bank statements covering all financial transactions since the last Parish Council Meeting. The statements will be annotated with details for each Receipt and Payment.

Supporting documentation will be included for each item.

The Chair/Vice Chair and one other Councillor will sign and date the bank statements to acknowledge they have reviewed each transaction.

The Chair/Vice Chair and one other Councillor will also sign and date each supporting document for all Payments listed on the bank statements.

The RFO will store all signed statements and supporting documentation which will be presented to the Internal Auditor for the Year End Audit.

Procedures for Cash Book Review

Ahead of each Parish Council Meeting, the RFO will circulate by email the Cash Book in Excel workbook format to all Councillors and the Parish Clerk. This workbook includes Cash Book for the Treasurer's Account, Cash Book for the Reserve Account, Cash Book for Savings Account, Treasurer's Account expenditure breakdown, Budget Overview for current year, Expenditure over £100 schedule and Income List.

The RFO reconciles the Cash Book spreadsheets to the bank account statements on a regular basis.

The RFO receives Bank Statements online monthly and Online access can be utilised to review all financial transactions intra-month.

The RFO can also use the Lloyds Bank mobile phone App if any urgent issues require attention and there is no access to a PC/Laptop.

Risk Management of Online Banking activity

- All Financial Advisory Group members should have Online Banking access enabled, to allow spot checks to be carried out intra-month. The RFO will respond to all questions within a reasonable timeframe.
- The RFO will circulate copy bank statements every two weeks to all Councillors and respond to all questions within a reasonable timeframe.
- The above procedures ensure continuous oversight of all transactions across the Parish Council bank accounts and enhances the risk management policy already in place.

Adopted by the Nacton Parish Council at the Parish Council Meeting held on 30th September 2026