

PAYMENTS

Payments by Bank Transfer

In his latest report to the Council, the Internal Auditor recommends that future payments be made by bank transfer. Many parish councils already do this. However, this places an extra layer of responsibility on the Clerk and I would suggest the following protocols:

All payments up to a certain level, to be decided by the Council, to be paid directly into the payee's bank wherever possible. All payments over the set level to continue to be paid by cheque. All such payments will be listed on the finance report for each meeting for approval, and at the point of the bank transfer being made, the Clerk shall inform the Council by email that the transfer has been made.

If payments have to be made between meetings, due to timing constraints, the Clerk will request email authorisation from the Chairman or Vice Chairman, and will inform the Council by email that the transfer has been made.

To strengthen controls, the Clerk could provide monthly bank statements for the current account to all Councillors to improve oversight of payments and enable members to verify that there have been no unauthorised payments in the period.

The Clerk's expenses and other reimbursements will continue to be paid by cheque, signed by the Chairman and Vice-Chairman.

Some Parish Councils have a Unity Trust current account. This appears to be the most widely used bank by Parish Councils that offers dual authorisation of online payments – i.e. the Clerk raises a payment, and sends an email request to a Councillor who then logs on to the bank to authorise the payment. This replicates the two-signature cheque authorisation and offers an additional layer of protection against fraud or error. The current account entails a fee of £6 per month. The high street banks, including our NatWest, do not currently offer dual authorisation on no-fee current accounts. Stansted Parish Council may wish to consider opening a Unity Trust current account.

Payments by standing order

The Clerk's monthly salary is a regular amount paid by standing order. The landscape contract with Nurture Landscapes states that payment is one twelfth of the contract value paid monthly on receipt of invoice. As this is a regular amount, this could potentially be paid by standing order. If for any reason the Council wishes to withhold payment, it would be simple enough to cancel the standing order and revert to cheque or bank transfer.

These protocols if agreed will be used in conjunction with the Council's Financial Regulations.

David Rice
Clerk and RFO