



MALVERN TOWN COUNCIL

ELECTRONIC PAYMENTS POLICY

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1. Introduction

- 1.1. Following the repeal of 150(5) of the Local Government Act 1972 which stipulated a *two member signature rule*, local councils are now allowed to take advantage of electronic payment methods.
- 1.2. In adopting any such electronic payment method however, the underlying principle of safeguarding public money still applies and Malvern Town Council (hereafter known as the Council) must ensure that robust controls on payments still remain.
- 1.3. In normal circumstances, payment runs are processed fortnightly.
- 1.4. In the absence of the Town Clerk and/or RFO, duties will be carried out by the Operations Manager.
- 1.5. In the absence of the Finance and Administration Officer, duties will be carried out by the Office and Operations Co-ordinator.

2. Documentation

- 2.1. Prior to any electronic payment being made, a report of invoices for payment will be produced detailing all payments that are to be made in the current payment run. This document will be completed and checked by the Finance and Administration Officer.
- 2.2. The Invoices for Payment report will be presented to the Responsible Financial Officer (RFO) and two Members of the current named signatories (as detailed on the bank mandate) for approval. Each will sign the Payment Authorisation sheet.
- 2.3. All source documents such as supplier invoices and other similar requests for payments will be made available for inspection by the named signatories when the payment report is signed.
- 2.4. The Finance and Administration Officer will process the approved payments via the online payment system.
- 2.5. The RFO will check and confirm details on the online payment system with that shown on the approved Invoices for Payment report ensuring that the total payment amounts agree to that of the Payments Authorised sheet and giving the secondary approval required to process each online payment.
- 2.6. All payment schedules will be reviewed by Policy and Resources Committee as part of the financial reports at least once every quarter.

3. Security

- 3.1. Each operator of the online payment system will have appropriate access which cannot be overruled. Each will have their own unique log-on and passcode to be able to operate the payment system. The Finance and Administration Officer will create the batch of payments but will be unable to authorise this batch. This must be done by a second person after checking the batch and this will be the RFO.
- 3.2. All unique log-on details and passcodes must be kept securely by each respective individual and must not be shared.
- 3.3. Any changes to these operator names must be approved by the Town Clerk.
- 3.4. Any changes to the Town Clerk's details or responsibilities should be approved by two payment signatories.
- 3.5. Access to online banking will be directly to the access page (which may be saved under "favourites") and not through a search engine or email link. Computer auto-saving of bank log-on and passcode details will be prohibited.
- 3.6. Once the payment run has been completed, each operator of the online payment system must ensure they have logged out securely.
- 3.7. The Town Clerk will ensure that any computers used to transact financial business on behalf of the Council will have operational and up-to-date anti-virus, anti-spyware and firewall software in place. The Council has an IT maintenance contractor in place to carry out these works.

4. Audit

- 4.1. All payments made through the online banking system will be made available to the Internal Auditor for validation during internal audits.

5. Review and action

- 5.1. The Council recognises that it is important to review this policy regularly to ensure that it reflects up to date legislation and any recommendations from the audit process.
- 5.2. A review of the Electronic Payments Policy will be carried out as least once every council term as a minimum and any necessary actions taken.