

Full Council

Date:	27 February 2018
Title:	Electronic Payments
Contact Officer:	Morag Robinson, Office Administration Manager

Purpose of Report

1. To agree the procedure for electronic payments.

Background

2. The Council currently makes most of its payments via cheques as do a large number of other Town and Parish Councils which was a legal requirement under the Local Government Act 1972. This was changed in 2015 when Section 150 (5) of the Local Government Act 1972 was repealed, which formally allowed Councils to make payments by more modern methods, including electronically.
3. It has been agreed in principle that the Council can use electronic banking instead of cheques to make payments. Approved Financial Regulations have already been updated to allow it. It is now opportune that the Council moves to electronic banking. To do so a proper procedure needs to be put in place, which while saving effort for Councillors, and reducing costs, still ensures appropriate control.
4. The Council's bank provider, Lloyds, does offer electronic banking with an electronic bank tariff and it is proposed that the Council will use the multi-pay facility under faster payments which can make up to 25 payments in one bulk payment.
5. The multi-pay facility will list each individual payment on our bank statements rather than one total amount thus providing a clear audit trail of every payment made.
6. The Electronic Banking Procedure attached as Appendix 1, details how the new process of electronic payments will be undertaken ensuring that there is a proper procedure in place meeting audit requirements.
7. If required a manual cheque can still be raised in the normal way to make an emergency payment.

Resource Appraisal

8. There will be no additional costs incurred if electronic payments are adopted.
9. Annual savings will be made as bank fees incurred in regard to cheque processing will cease; postage savings will be made as cheques will not be required to be sent to suppliers; and there will be no future requirement for pre-printed cheques to be produced.

		Cost Per Item	Projected Annual Savings
Average Number of Cheques Processed by the Bank Per Month	37	80p	£355
Annual Number of Stamps Used	37	56p	£249
Cost per pre-printed cheque	37	26p	£115
Total Projected Annual Savings			£719

Risk Assessment

1. All processes and procedures must comply with audit requirements ensuring that a proper audit trail is in place.
2. The multi-pay facility under faster payments ensures that every payment is logged individually on the bank statement which will allow for strict monitoring of all payments made.

Recommendation that:

- The procedure for electronic payments be approved.*