

WHEATLEY PARISH COUNCIL FINANCE REPORT – MONDAY 21ST JUNE 2021

ITEM 8 ACTIONS FOLLOWING INTERNAL AUDIT REPORT

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Strategic Goal:	Goal 4 Develop the council to enable it to deliver its functions effectively and to instil effective leadership
Strategic Aim:	4.1 Develop skills and capacity within the council
Legislation:	Local Government Act 2003 s15(1)a
Documentation:	Investment Strategy
Summary:	Consider comments made by Internal Auditor on dual/triple authorisations

Purpose/Background

Our recent [internal audit highlighted](#) that electronic banking transactions are made on a sole authorisation basis. This follows the council's own procedures and follows dual written authorisation. It is accepted that this may not be best practice and a review should be undertaken.

Barclays do offer online authorisation, but previously the Clerk has not been able to speak to a representative that has been able to set this facility up. It is also noted that phone calls to Barclays vary between 30 minutes to 60 minutes before speaking to a member of their banking team.

In July 2020 the council considered its banking and investment provision. It approved to open a third bank account to spread its finances. However COVID-19 meant banks were not opening new business accounts and the clerk has subsequently found that Lloyds do not seem to have an account that recognises Parish Councils and so further options need to be reviewed

Alternatives

In May the Clerk attended an [online presentation](#) with [Unity Bank](#), a commercial bank with a social conscious. The bank caters for the needs of local councils and provides a range of services.

The bank provide a full range of online banking provision and dual or triple authorisation for payments. This would involve the Clerk/Ast Clerk uploading invoices for authorisation, then at least one/two councillors accessing the online account, checking and authorising payments before they are processed.

Transactions made before 3pm are processed the same day.

Costs

In comparison to our current banking fees the costs are:

Cost	Barclays	Unity
Monthly Fee	£5.50	£6
Credit paid in	.75p	.15p
Cheque paid in	.30p	.15p
Statement posted	.30p*	online
Cash paid in	.85p	.15p
Debits	0	.15
Interest	0.1%	none

*available online free of charge

A comparison based on the banking costs of May 2021 are:

Cost	Barclays	Unity
May 2021	£9	£10.35

Other features and comparisons

Features	Barclays	Unity
Online authorisations	Yes apparently but unable to set up as yet	Yes dual or triple authorisation
Customer service	Based in UK (moved from India)	Birmingham
Debit card	Available	No
Paying in	Barclays branches Post Office	RBS or Ulster Bank Post Office (account res)
Credit card	Yes	Yes via Unity Corporate Multipay Card
Switching service	Yes	Yes

Risks

By not being able to set up a third account the council currently has funds in excess of £160,000 in one account, well above the £85,000 threshold for FCA compensation.

This could be split between the two existing Barclay accounts with funds for day-to-day transactions (£20,000 as stated in Investment Strategy) being moved to a Unity account.

Recommendation

To maintain both accounts with Barclays, but to open a new account with Unity Trust Bank to cater for everyday transactions.