

# Montmorency Secondary College

# INTERNET BANKING

## POLICY

### Rationale:

- Internet banking has become a very common banking practice that provides several distinct advantages, whilst at the same time offering high levels of security and convenience.

### Aims:

- To utilise the advantages of internet banking for our College whilst simultaneously enhancing banking security, decreasing transaction speed, improving convenience and lessening environmental impact.

### Implementation:

- School Council, after carefully considering the costs, benefits, fraud prevention, internal controls, and information privacy implications etc, has authorised the use of internet banking at our College for the following facilities. In doing so, School Council requires that all actions related to internet banking are consistent with DEECD's '*S385-2007 School Internet Banking Guidelines*'.
- All payments through internet banking software are simply another form of payment from the College's accounts and consistent with DEECD requirements, must be authorised by the principal and one other member of council nominated by the council.
- School Council approves CBA Bank CommBiz as the approved software for all of our internet banking activities.

#### **Direct Debit**

- A direct debit facility allows an external source eg: a regular supplier to remove funds of a pre-arranged amount from our College's official account on a pre-arranged date. Typical examples may include annual insurance premiums or monthly lease payments. Direct debit may also be used by suppliers to remove irregular amounts from the College as a result of pre-arranged agreements.
- The School Council requires all suppliers to provide tax invoice/statements to the College prior to direct debiting any funds from the College's account.

#### **BPay**

- BPay is a secure electronic banking product identified on a supplier/creditor account with a unique biller code.
- All of the standard controls and processes related to creating and paying orders are to be met.
- Whilst it is possible to pay BPay amounts by telephone, our School Council requires that we make BPay payments via the internet.

#### **'Pay Anyone' Facility**

- This form of internet banking allows the College to pay funds directly into a person's or businesses nominated bank accounts eg: creditors, local payroll employees or staff expense claims.
- Whilst this facility is particularly convenient and cost effective, it has minimal security. Consequently, internal controls surrounding the process at the College are critical. Such controls include:-

1. Proper authorisation and approval of both the initial setting up of account details and any subsequent transactions against the account(s). The principal and the previously mentioned School Council nominee only are authorised to use the security token associated with the CommBiz internet banking software. The College Business Manager cannot be nominated as an authoriser even if he/she is a member of School Council.
2. Setting up of initial transaction details and any changes will be the responsibility of the Business Manager or Bursar. Two authorised officers will verify accuracy of all details.
3. Changes to creditor and payee details will be in writing and authorised by an approving officer.
4. The safe, secure and confidential storage of information and data, including the storage of PIN's and security tokens in the College safe.
5. Proper retention of all transactions relating to accounts such as purchase orders, tax invoices/statements, vouchers, payroll listings, signed or initialled screen prints and payee details, relevant CASES21 reports etc, including principal signed and dated internet transaction receipts attached to authorised payment vouchers.
6. The retention of printed payment receipts that display all details of a payment so as to confirm payment details.
7. Compliance with all bank imposed security measures, limits and requirements.
8. Prior approval by School Council and minuting of a list of all personnel or creditors (including bank account details and payroll numbers) to be paid via the Pay-Anyone facility.
9. The provision of printed documentation to the finance committee, School Council and auditors as required.
10. That alternative procedures using the 'Pay-Anyone' facility exist during periods when the Business Manager, Principal or School Council nominee are absent for an extended period.

**Evaluation:**

This policy is required to be reviewed annually by School Council to confirm/enhance internal control procedures.

This policy was last ratified by School Council in....

**August 2010**