

EAST HERTS COUNCIL

COUNCIL – 16 JUNE 2004

REPORT BY THE EXECUTIVE MEMBER FOR FINANCE

11. BANK INDEMNITY FOR RECEIPT OF CHEQUES

RECOMMENDATION - that the attached indemnity be agreed.

1.0 Purpose of Report

1.1 To formally indemnify the bank whilst acting on behalf of the Council.

2.0 Contribution to the Council's Corporate Objectives

2.1 Ensure efficient running of cash flow.

3.0 Background

3.1 The bank has contacted the Council with regard to procedures relating to receipt of cheques on behalf of the Council. The Banking Authorities are requesting that the Council indemnifies the bank in relation to payments made into the Council's account that are deemed to be incorrect and subsequently need adjusting. The indemnity is acceptable to Council officers and it is unlikely it would ever be needed. The indemnity is attached at Appendix "B", page 149.

4.0 Legal Implications

4.1 None, other than to indemnify the bank.

5.0 Financial Implications

5.1 No additional costs.

6.0 Human Resource Implications

6.1 None.

7.0 Risk Management Implications

- 7.1 The risk is the need to repay amounts credited in error to the Council's accounts. This would have a nil effect as the Council would not have been entitled to the money anyway.

Background Papers

None.

Contact Member: Councillor Tony Jackson – Executive Member for Finance

Contact Officer: Dave Tweedie – Assistant Director (Financial Services) – Ext 2005

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