



FINANCIAL REGULATIONS

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INDEX

1. GENERAL	1
2. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL).....	4
3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING	5
4. BUDGETARY CONTROL AND AUTHORITY TO SPEND	5
5. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS.....	6
6. INSTRUCTIONS FOR THE MAKING OF PAYMENTS	9
7. PAYMENT OF SALARIES.....	11
8. LOANS AND INVESTMENTS	12
9. INCOME	13
10. ORDERS FOR WORK, GOODS AND SERVICES.....	13
11. PROCUREMENT	14
12. CONTRACTS	17
13. STORES AND EQUIPMENT	18
14. ASSETS, PROPERTIES AND ESTATES.....	18
15. INSURANCE	19
16. CHARITIES	19
17. RISK MANAGEMENT	19
18. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS	19

These Financial Regulations were adopted by the Council at its Meeting held on 20 April 2022, and at subsequent Annual Meetings held through to 14 May 2026. Amendments were approved by Council on 17 April 2025 and 16 April 2026.

1. GENERAL

- 1.1. These financial regulations govern the conduct of financial management by the Council and may only be amended or varied by resolution of the Council. Financial regulations are one of the Council's three governing policy documents providing procedural guidance for members and officers. Financial regulations must be observed in conjunction with the Council's standing orders and any individual financial regulations relating to contracts.
- 1.2. The Council is responsible in law for ensuring that its financial management is adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of the Council's functions, including arrangements for the management of risk.
- 1.3. The Council's accounting control systems must include measures:
 - for the timely production of accounts;
 - that provide for the safe and efficient safeguarding of public money;
 - to prevent and detect inaccuracy and fraud; and
 - identifying the duties of officers.
- 1.4. These financial regulations demonstrate how the Council meets these responsibilities and requirements.
- 1.5. At least once a year, prior to approving the Annual Governance Statement, the Council must review the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.6. Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.
- 1.7. Members of Council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of Councillor into disrepute and may represent a breach in the Councillor's Code of Conduct.
- 1.8. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the Council. The Clerk has been appointed as RFO for this Council and these regulations will apply accordingly.
- 1.9. The Council may delegate specific financial functions to named officers. Any such delegation shall be recorded in writing and retained for audit purposes. For the purposes of these Regulations, and "Authorised Officer" means a person formally delegated authority to perform specified financial control functions.
- 1.10. The RFO;

- acts under the policy direction of the Council;
- administers the Council's financial affairs in accordance with all Acts, Regulations and proper practices;
- determines on behalf of the Council its accounting records and accounting control systems;
- ensures the accounting control systems are observed;
- maintains the accounting records of the Council up to date in accordance with proper practices;
- assists the Council to secure economy, efficiency and effectiveness in the use of its resources; and
- produces financial management information as required by the Council.

1.11. The accounting records determined by the RFO shall be sufficient to show and explain the Council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments comply with the Accounts and Audit (Wales) Regulations and to prepare additional or management information, as the case may be, to be prepared for the Council from time to time.

1.12. The accounting records determined by the RFO shall in particular contain:

- entries from day to day of all sums of money received and expended by the Council and the matters to which the income and expenditure or receipts and payments account relate;
- a record of the assets and liabilities of the Council; and
- wherever relevant, a record of the Council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.

1.13. The accounting control systems determined by the RFO shall include:

- procedures to ensure that the financial transactions of the Council are recorded as soon as reasonably practicable and as accurately and reasonably as possible;
- procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
- identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
- procedures to ensure that uncollectable amounts, including any bad debts are not submitted to the Council for approval to be written off except with the approval of the RFO and that the approvals are shown in the accounting records; and

- measures to ensure that risk is properly managed.

1.14. The Council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular any decision regarding:

- setting the final budget or the precept (Council Tax Requirement);
- approving accounting statements;
- approving an annual governance statement;
- borrowing;
- writing off bad debts;
- addressing recommendations in any report from the internal or external auditors,

shall be a matter for the full Council only.

1.15. In addition, the Council must:

- determine and keep under regular review the bank mandate for all Council bank accounts;
- approve any grant or a single commitment in excess of £25,000; and
- in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant committee in accordance with its terms of reference.

1.16. In these financial regulations, references to the Accounts and Audit (Wales) Regulations or 'the regulations' shall mean the regulations issued under the provisions of section 39 of the Public Audit (Wales) Act 2004, or any superseding legislation, and then in force unless otherwise specified.

1.17. In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in *Governance and Accountability for Local Councils in Wales - A Practitioners' Guide* issued by the Joint Practitioners Advisory Group (JPAG), available from the websites of One Voice Wales (OVW) and SLCC as appropriate.

1.18. The RFO may delegate operational financial control functions to a named officer in writing. Any such delegation shall specify the scope of authority, financial limits, and reporting requirements. Delegations shall be retained for audit purposes and shall not remove the ultimate responsibility of the RFO for financial control.

1.19. For the purposes of these Financial Regulations, delegated authority under Regulation 1.9 shall apply to expenditure approvals, procurement activity and invoice verification only where expressly authorised in writing.

2. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)

- 2.1. All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit (Wales) Regulations, appropriate guidance and proper practices.
- 2.2. At least once per quarter, and at each financial year end, an independent member who is NOT a bank signatory and who has not prepared the reconciliation shall review the bank reconciliations for all Council bank accounts. The member shall verify that the reconciliation balance agrees with the bank statement and the accounting records, that reconciling items are reasonable and supported by evidence, and that transactions appear properly authorised. The member shall sign and date the reconciliation (or equivalent record) and the original bank statement, or equivalent documentation as evidence of review. This activity, including any exceptions identified, shall be reported to and noted by the Council or relevant committee.
- 2.3. The RFO shall complete the annual statement of accounts, annual report, and any related documents of the Council contained in the Annual Return (as specified in proper practices) as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the Council within the timescales set by the Accounts and Audit (Wales) Regulations.
- 2.4. The Council shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices. Any officer or member of the Council shall make available such documents and records as appear to the Council to be necessary for the purpose of the audit and shall, as directed by the Council, supply the RFO, internal auditor, or external auditor with such information and explanation as the Council considers necessary for that purpose.
- 2.5. The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the Council in accordance with proper practices.
- 2.6. The internal auditor shall:
- be competent and independent of the financial operations of the Council;
 - report to Council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
 - to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
 - have no involvement in the financial decision making, management or control of the Council.
- 2.7. Internal or external auditors may not under any circumstances:
- perform any operational duties for the Council;
 - initiate or approve accounting transactions; or

- direct the activities of any Council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 2.8. For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described in proper practices.
- 2.9. The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by Public Audit (Wales) Act 2004, or any superseding legislation, and the Accounts and Audit (Wales) Regulations.
- 2.10. The RFO shall, without undue delay, bring to the attention of all Councillors any correspondence or report from internal or external auditors.

3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING

- 3.1. Each committee shall review its three-year forecast of revenue and capital receipts and payments. Having regard to the forecast, it shall thereafter formulate and submit proposals for the following financial year to the Council not later than the end of November each year including any proposals for revising the forecast.
- 3.2. The RFO must each year, by no later than November, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the Committees and the Council.
- 3.3. The Council shall consider annual budget proposals in relation to the Council's three-year forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.
- 3.4. The Council shall fix the precept (Council tax requirement), and relevant basic amount of Council tax to be levied for the ensuing financial year not later than by the end of January each year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.
- 3.5. The approved annual budget shall form the basis of financial control for the ensuing year.

4. BUDGETARY CONTROL AND AUTHORITY TO SPEND

- 4.1. Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget and action plan. This authority is to be determined by:
- the Council for all items over £20,000;
 - a duly delegated committee of the Council for items over £500; or
 - the Clerk, in conjunction with Chairman of Council or Chairman of the appropriate committee, for any items below £2,000.

- the Clerk may authorise expenditure up to £500 (excluding VAT) within an approved budget without requiring prior consultation with the Chair, provided that such expenditure is reported to the next meeting of Council or the relevant committee for information.

Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the Clerk, and where necessary also by the appropriate Chairman.

Contracts may not be disaggregated to avoid controls imposed by these regulations.

- 4.2. No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the Council, or duly delegated committee. During the budget year and with the approval of Council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').
- 4.3. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year.
- 4.4. The salary budgets are to be reviewed at least annually in November for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk and the Chairman of Council or relevant committee. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.
- 4.5. In cases of extreme risk to the delivery of Council services, the clerk may authorise revenue expenditure on behalf of the Council which in the clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £3,000. The Clerk shall report such action to the chairman as soon as possible and to the Council as soon as practicable thereafter.
- 4.6. No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Council is satisfied that the necessary funds are available and the requisite borrowing approval has been obtained.
- 4.7. All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.
- 4.8. The RFO shall regularly provide the Council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose, "material" shall be in excess of £100 or 15% of the budget, whichever is greater.
- 4.9. Changes in earmarked reserves shall be approved by Council as part of the budgetary control process.

5. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS

- 5.1. The Council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the Council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.
- 5.2. The RFO or other authorised officer shall prepare a schedule of payments requiring authorisation, based on invoices that have undergone operational verification and system entry authorisation.
- 5.3. The schedule shall form part of the Agenda for the Meeting and, together with the relevant invoices and supporting documentation, shall be presented to Council or the Personnel, Policy and Finance committee.
- 5.4. The Clerk/RFO shall review the payment schedule for completeness, accuracy and compliance prior to submission for payment authorisation.
- 5.5. The Council / committee shall review the schedule for compliance and, if satisfied, shall authorise payment by a resolution of the Council or Personnel, Policy and Finance committee. The approved schedule shall be ruled off and initialled by the Chairman of the Meeting
- 5.6. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of the meeting at which payment was authorised. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarised to remove public access to any personal information.
- 5.7. All invoices shall be subject to operational verification prior to authorisation for system entry. Designated officers acting under delegated authority shall examine invoices for arithmetical accuracy, contractual compliance, pricing accuracy, VAT treatment, correct coding, quantity confirmation, meter readings (where applicable), and evidence that goods or services have been received.
- 5.8. The verifying officer shall confirm that:
 - a. The invoice relates to authorised Council activity;
 - b. Charges align with agreed contracts, tariffs, quotations or purchase orders;
 - c. Supporting documentation is present and adequate.
- 5.9. Where discrepancies, suspected errors, incorrect meter readings, unexpected charges or potential over-billing are identified, the officer shall investigate and, where necessary, contact the supplier to seek clarification or correction before the invoice proceeds further.
- 5.10. The invoices shall not be entered into the accounting system until reviewed and authorised for system entry by the RFO or other authorised officer.
- 5.11. System entry authorisation confirms that the invoice is appropriate for recording but does not constitute payment approval.
- 5.12. Any material amendment to an invoice after system entry – including changes affecting value, VAT treatment, coding, quantities, supplier details or contractual interpretation – shall require renewed authorisation under Regulation 5.10 before further processing. Minor clerical errors which do not

affect financial value or accounting treatment shall not require renewed authorisation, but shall be recorded.

- 5.13. The Clerk and RFO shall have delegated authority to authorise the payment of items only in the following circumstances:
- a) Where a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of Council, where the Clerk and RFO certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of Council or Personnel, Policy and Finance committee;
 - b) An expenditure item authorised under 5.14 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of Council or Personnel, Policy and Finance committee; or
 - c) fund transfers within the Council's banking arrangements up to the sum of £50,000, provided that a list of such payments shall be submitted to the next appropriate meeting of Council or Personnel, Policy and Finance committee.
- 5.14. For each financial year the Clerk and RFO shall draw up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively, Salaries, PAYE and NI, Superannuation Fund and regular maintenance contracts and the like for which Council [or a duly authorised committee,] may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of Council or Personnel, Policy and Finance Committee.
- 5.15. A record of regular payments made under 5.14 above shall be drawn up and be signed by two members on each and every occasion when payment is authorised - thus controlling the risk of duplicated payments being authorised and / or made.
- 5.16. In respect of grants a duly authorised committee shall approve expenditure within any limits set by Council and in accordance with any policy statement approved by Council. Any Revenue or Capital Grant in excess of £25,000 shall before payment, be subject to ratification by resolution of the Council.
- 5.17. Members are subject to the Code of Conduct that has been adopted by the Council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable or other interest, unless a dispensation has been granted.
- 5.18. The Council will aim to rotate the duties of members in these Regulations so that onerous duties are shared out as evenly as possible over time.
- 5.19. Any changes to supplier payment details, including bank account information, shall be supported by written confirmation from the supplier and approved in writing by two authorised persons (one of

whom shall normally be a Member or the RFO). Standing data shall be periodically reviewed to ensure accuracy.

6. INSTRUCTIONS FOR THE MAKING OF PAYMENTS

- 6.1. The Council will make safe and efficient arrangements for the making of its payments. Wherever possible, all payments shall be made by bank transfer.
- 6.2. Following authorisation under Financial Regulation 5 (Authorisation of Payments), the Council, a duly delegated committee or, if so delegated, the Clerk or RFO shall give instruction that a payment shall be made.
- 6.3. All payments shall be affected by cheque, standing order, direct debit, BACS, CHAPS or other instructions to the Council's bankers, or otherwise, in accordance with a resolution of Council or Personnel, Policy and Finance committee.
- 6.4. Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to Council or committee shall be signed by one member of Council and countersigned by the Clerk (or appropriate deputy) in accordance with a resolution instructing that payment. A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.
- 6.5. To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.
- 6.6. Cheques or orders for payment shall not normally be presented for signature other than at a Council or committee meeting (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the Council or Personnel, Policy and Finance Committee at the next convenient meeting.
- 6.7. Payments for utility supplies (energy, telephone and water) and any National Non-Domestic Rates may be made by variable direct debit provided that the instructions are signed by two members and any payments are reported to Council as made. The approval of the use of a variable direct debit shall be renewed by resolution of the Council at least every two years.
- 6.8. Payments for certain items (principally salaries) may be made by banker's standing order provided that the instructions are signed or otherwise evidenced by two members and that written evidence of such authorisation is retained. All payments made by bankers' standing order shall be reported to Council as made. The approval of the use of a banker's standing order shall be renewed by resolution of the Council at least every two years.
- 6.9. Payments by BACS, CHAPS, or internet banking shall follow the principle of dual verification, even if dual authorisation of the actual bank transfer is not possible. Specifically:
 - a. Instructions for each payment shall be prepared and authorised by one of the designated signatories (eg Clerk/RFO)

- b. A sample audit check system shall be undertaken in respect of each month's payments. For each month, five payments shall be selected from authorised payment list and verified against the bank statement, and five payments selected from the bank statement verified against the authorised payment list.
 - c. These checks shall be performed by the Chair of the Personnel, Policy and Finance Committee (or other authorised Officer) with the assistance of the Clerk/RFO or Deputy Clerk.
 - d. Evidence of these checks shall be retained and reported to Council or the Personnel, Policy and Finance Committee as a control measure.
- 6.10. If thought appropriate by the Council payment for certain items may be made by internet banking transfer provided evidence is retained showing which members approved the payment.
- 6.11. Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the Council's records on that computer, a note shall be made of the PIN and Passwords and shall be handed to and retained by the Chairman of Council in a sealed dated envelope. This envelope may not be opened other than in the presence of two other Councillors. After the envelope has been opened, in any circumstances, the PIN and / or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the Council. This will not be required for a member's personal computer used only for remote authorisation of bank payments.
- 6.12. No employee or Councillor shall disclose any PIN or password, relevant to the working of the Council or its bank accounts, to any person not authorised in writing by the Council or a duly delegated committee
- 6.13. Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.
- 6.14. The Council, and any members using computers for the Council's financial business, shall ensure that anti-virus, anti-spyware and firewall, software with automatic updates, together with a high level of security, is used.
- 6.15. Where internet banking arrangements are made with any bank, the Clerk [RFO] shall be appointed as the Service Administrator. The bank mandate approved by the Council shall identify a number of Councillors who will be authorised to approve transactions on those accounts. The bank mandate will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals. For payments requiring Council oversight but not dual bank authorisation, the monthly sample verification (6.9) shall act as the internal control mechanism.
- 6.16. Access to any internet banking accounts will be directly to the access page (which may be saved under "favourites"), and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for Council banking work. Breach of this Regulation will be treated as a very serious matter under these regulations.
- 6.17. Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change

signed by two of the Clerk/RFO, Staff member or Member. A programme of regular checks of standing data with suppliers will be followed.

- 6.18. Any Debit or Credit Card issued for use will be specifically restricted to the Clerk and the RFO and will also be restricted to a single transaction maximum value of £2,000 unless authorised by Council or finance committee in writing before any order is placed.
- 6.19. A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the Council or Personnel, Policy and Finance Committee. Transactions and purchases made will be reported to the Council or relevant committee and authority for topping-up shall be at the discretion of the Council or relevant committee.
- 6.20. Any corporate credit card or trade card account opened by the Council will be specifically restricted to use by the Clerk and RFO and shall be subject to automatic payment in full at each month-end. Personal credit or debit cards of members or staff shall not be used under any circumstances.
- 6.21. The Clerk / RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the Clerk / RFO with a claim for reimbursement.
- a) The Clerk / RFO shall maintain a petty cash float of £150 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.
 - b) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.
 - c) Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to Council under 5.2 above.

7. PAYMENT OF SALARIES

- 7.1. As an employer, the Council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by Council, or duly delegated committee.
- 7.2. Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available Council meeting, as set out in these regulations above.
- 7.3. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the Council or relevant committee.
- 7.4. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record (confidential cash

book). This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:

- a) by any Councillor who can demonstrate a need to know;
- b) by the internal auditor;
- c) by the external auditor; or
- d) by any person authorised under Public Audit (Wales) Act 2004, or any superseding legislation.

- 7.5. The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.
- 7.6. An effective system of personal performance management should be maintained for the senior officers.
- 7.7. Any termination payments shall be supported by a clear business case and reported to the Council. Termination payments shall only be authorised by Council.
- 7.8. Before employing interim staff, the Council must consider a full business case.

8. LOANS AND INVESTMENTS

- 8.1. All borrowings shall be effected in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The application for borrowing approval, and subsequent arrangements for the loan shall only be approved by full Council.
- 8.2. Any financial arrangement which does not require formal borrowing approval from the Welsh Government (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full Council. In each case a report in writing shall be provided to Council in respect of value for money for the proposed transaction.
- 8.3. The Council will arrange with the Council's banks and investment providers for the sending of a copy of each statement of account to the Chairman of the Council at the same time as one is issued to the Clerk or RFO.
- 8.4. All loans and investments shall be negotiated in the name of the Council and shall be for a set period in accordance with Council policy.
- 8.5. The Council shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the Council at least annually.
- 8.6. All investments of money under the control of the Council shall be in the name of the Council.

- 8.7. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 8.8. Payments in respect of short term or long-term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Authorisation of payments) and Regulation 6 (Instructions for payments).

9. INCOME

- 9.1. The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 9.2. Particulars of all charges to be made for work done, services rendered, or goods supplied shall be agreed annually by the Council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the Council.
- 9.3. The Council will review all fees and charges at least annually, following a report of the Clerk.
- 9.4. Any sums found to be irrecoverable and any bad debts shall be dealt with in accordance with the Council's Bad Debt Policy, and reported to the Council and shall be written off in the year.
- 9.5. All sums received on behalf of the Council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.
- 9.6. The origin of each receipt shall be entered on the paying-in slip.
- 9.7. Personal cheques shall not be cashed out of money held on behalf of the Council.
- 9.8. The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.
- 9.9. Where any significant sums of cash are regularly received by the Council, the RFO shall take such steps as are agreed by the Council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.
- 9.10. Any income arising which is the property of a charitable trust shall be paid into a charitable bank account. Instructions for the payment of funds due from the charitable trust to the Council (to meet expenditure already incurred by the authority) will be given by the Managing Trustees of the charity meeting separately from any Council meeting (see also Regulation 16 below)].

10. ORDERS FOR WORK, GOODS AND SERVICES

- 10.1. An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained.

- 10.2. Order books shall be controlled by the RFO.
- 10.3. All members and officers are responsible for obtaining value for money at all times. An officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any *de minimis* provisions in Regulation 11.1 below.
- 10.4. A member may not issue an official order or make any contract on behalf of the Council.
- 10.5. The RFO shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments, the RFO shall ensure that the statutory authority shall be reported to the meeting at which the order is approved so that the minutes can record the power being used.

11. PROCUREMENT

- 11.1. All procurement of goods, services and works shall comply with these Financial Regulations and the Council's Standing Orders. No contract shall be entered into except in accordance with authorised procurement procedures or delegated authority.
- 11.2. The Proper Officer shall maintain a register of personal interests, in respect of both members and senior staff.
- a. Members and senior staff should not, so far as is practicable, be involved in the award of orders and/or contracts with organisations or individuals in respect of which a personal interest exists, whether declared or not.
- b. Members and senior staff should not, so far as is practicable, be involved in the making or authorising payments in respect of orders and/or contracts with organisations or individuals in respect of which a personal interest exists, whether declared or not.
- 11.3. Procurement thresholds shall be assessed on the total lifetime value of the contract, including any extension options. Contracts must not be artificially split to avoid procurement controls.
- 11.4. The RFO or designated officer shall monitor procurement activity and expenditure patterns to ensure compliance with the anti-avoidance provisions in Regulation 11.3 and shall report any suspected fragmentation or avoidance of procurement thresholds to the Council or relevant committee.
- 11.5. The Council shall normally use Sell2Wales as its primary procurement platform to promote transparency and compliance. Sell2Wales may be used for requests for quotation (RFQ), invitations to tender (ITT), framework mini-competitions and publication of contract award notices. Framework call-offs and mini-competitions should normally be published on the platform.
- 11.6. Procurement shall operate in accordance with the following thresholds (excluding VAT):
- Below £1,000 – The Clerk may place an order within approved budget provision and delegated authority. Officers shall seek to obtain value for money and, where practicable, compare prices from more than one supplier.

- £1,000 to £25,000 – A minimum of three written quotations shall be sought. Opportunities shall normally be advertised as an RFQ on Sell2Wales.
- £25,000 to statutory procurement thresholds – A formal competitive process shall be undertaken by publication of an ITT on Sell2Wales or through a compliant framework mini-competition.
- Above statutory thresholds – The Procurement Act 2023 and applicable statutory notice requirements shall apply in full.
- Threshold values shall be subject to statutory amendment.

11.7. The requirement to obtain quotations or undertake competitive tendering shall not apply to contracts relating to:

- a. Utilities including gas, electricity, water, sewerage and telecommunications, including arrangements procured directly or through a utilities broker or intermediary where value for money can be demonstrated;
- b. Specialist professional services such as legal representation or technical advice in disputes or regulatory matters;
- c. Repairs to, or replacement parts for existing machinery, equipment or infrastructure where compatibility is required;
- d. Extensions to existing contract where justified on grounds of continuity, technical compatibility or commercial advantage;
- e. Goods or services that are proprietary, available from only one supplier, or sold at a fixed regulated price.

11.8. Where reliance is placed on any provision under 11.6, the reason shall be documented and retained on the contract file. Any such exemption shall be reported to the Council or relevant committee where the contract value exceeds delegated officer limits.

11.9. Where fewer than three quotations are received for contracts within the £1,000 to £25,000 range, the Council may proceed provided reasonable efforts were made to obtain competition, the opportunity was advertised or at least three suppliers were invited, sufficient time was allowed, and the reasons for proceeding are documented.

11.10. Where competition appears insufficient due to specification issues, short timescales or market conditions, the opportunity may be re-advertised.

11.11. Where a framework agreement is used, the Council shall determine whether a direct award or mini-competition is required. The specification, evaluation criteria and budget shall be defined in advance. Awards shall be made to the Most Advantageous Tender and documented accordingly. Framework use shall comply with the rules of the framework provider and shall be retained for audit.

- 11.12. Where a formal tender process is required, the opportunity shall be published on Sell2Wales and bids submitted electronically through the platform in accordance with the published ITT instructions. Tenders shall be evaluated against the published criteria and awarded to the Most Advantageous Tender. Evaluation records, scoring sheets and award decisions shall be retained. No physical or postal tender submissions shall be accepted unless expressly authorised by the Council for a specific procurement.
- 11.13. Procurement decisions shall be transparently and properly documented. The Council shall:
- Assess contract value on total lifetime spend including extension options;
 - Seek to obtain three quotations where required;
 - Normally publish procurement opportunities on Sell2Wales;
 - Publish contract award information where required by law or policy;
 - Retain procurement documentation for audit;
 - Record contracts awarded above £5,000 in accordance with transparency guidance.
- 11.14. All quotations, tender submissions, evaluation records, award decisions and justification for procurement decisions shall be retained securely for audit and transparency purposes in accordance with proper practices.
- 11.15. Financial authorisation limits contained elsewhere in these Financial Regulations shall apply in addition to procurement requirements.
- 11.16. In all procurement activity the Council shall have regard to its statutory duties under:
- The Well-being of Future Generations (Wales) Act 2015;
 - The Environment (Wales) Act 2016;
 - The Social Partnership and Public Procurement (Wales) Act 2023.
- 11.17. Procurement decisions shall consider, where proportionate:
- Environmental impact and biodiversity protection;
 - Waste reduction and circular economy principles;
 - Energy efficiency and carbon reduction;
 - Sustainable supply chains and responsible sourcing;
 - Fair work principles and social value considerations.

- 11.18. Suppliers may be required to demonstrate relevant environmental or social policies proportionate to contract value, particularly for capital works and property-related contracts.

12. CONTRACTS

- 12.1. All contracts shall comply with these Financial Regulations, Section 11 (Procurement) and the Council's Standing Orders.
- 12.2. No contract shall be entered into except in accordance with authorised procurement procedures or delegated authority.
- 12.3. Contracts shall clearly set out the specification of goods, services or works, the price or pricing mechanism, payment terms, performance standards, duration, variation mechanism and termination provisions where appropriate.
- 12.4. Contracts shall be awarded to the Most Advantageous Tender in accordance with published evaluation criteria and documented assessment.
- 12.5. Contract variations shall be authorised in writing and approved in accordance with financial authorisation limits. Where a variation increases the contract value by more than five percent or exceeds available budget provision, Council approval shall be required. Where a variation results in the contract exceeding the applicable procurement threshold, the procurement procedure applicable to the revised contract value shall be reconsidered prior to approval.
- 12.6. Where exemptions under Section 11.6 are relied upon, the justification shall be recorded on the contract file and retained for audit.
- 12.7. The Clerk and/or RFO shall monitor contract performance, compliance with terms and expenditure against budget.
- 12.8. Where contracts provide for payment by instalments for building works or other construction works, the RFO shall maintain a record of such payments and shall make payment only upon receipt of authorised certificates from the architect, quantity surveyor or other qualified professional supervising the works.
- 12.9. Payments on account of the contract sum shall be made within the time specified in the contract and shall be based on certified work completed, subject to any agreed retention or withholding provisions.
- 12.10. Where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum by five percent or more, or exceed the approved budget provision, a report shall be submitted to the Council before further expenditure is authorised.
- 12.11. Any variation, addition or omission to a contract for building or construction works must be authorised in writing. The Council shall be informed where the final cost is likely to exceed the contract sum or budget provision.
- 12.12. Records of certificates, valuations, retention amounts, interim payments and final accounts shall be retained for audit.

- 12.13. Nothing in this section shall override statutory procurement legislation or other legal requirements.
- 12.14. Contracts shall not automatically renew unless expressly authorised by the Council and confirmed as compliant with the applicable procurement threshold at the time of renewal.

13. STORES AND EQUIPMENT

- 13.1. The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.
- 13.2. Delivery notes shall be obtained in respect of all goods received into store or otherwise delivered and goods must be checked as to order and quality at the time delivery is made.
- 13.3. Stocks shall be kept at the minimum levels consistent with operational requirements.
- 13.4. The RFO shall be responsible for periodic checks of stocks and stores at least annually.

14. ASSETS, PROPERTIES AND ESTATES

- 14.1. The Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the Council. The RFO shall ensure a record is maintained of all properties held by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit (Wales) Regulations.
- 14.2. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the Council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £500.
- 14.3. No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law, in each case a report in writing shall be provided to Council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).
- 14.4. No real property (interests in land) shall be purchased or acquired without the authority of the full Council. In each case a report in writing shall be provided to Council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).
- 14.5. Subject only to the limit set in Reg. 14.2 above, no tangible moveable property shall be purchased or acquired without the authority of the full Council. In each case a report in writing shall be provided to Council with a full business case.

- 14.6. The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.

15. INSURANCE

- 15.1. Following the annual risk assessment (per Financial Regulation 17), the RFO shall affect all insurances and negotiate all claims on the Council's insurers [in consultation with the Clerk].
- 15.2. The Clerk shall give prompt notification to the RFO of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 15.3. The RFO shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.
- 15.4. The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim and shall report these to Council at the next available meeting.
- 15.5. All appropriate members and employees of the Council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined [annually] by the Council, or duly delegated committee.

16. CHARITIES

- 16.1. Where the Council is sole managing trustee of a charitable body the Clerk and RFO shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, in accordance with Charity Law, or as determined by the Charity Commission. The Clerk and RFO shall arrange for any audit or independent examination as may be required by Charity Law or any Governing Document.

17. RISK MANAGEMENT

- 17.1. The Council is responsible for putting in place arrangements for the management of risk. The Clerk shall prepare, for approval by the Council, risk management policy statements in respect of all activities of the Council. Risk policy statements and consequential risk management arrangements shall be reviewed by the Council at least annually.
- 17.2. When considering any new activity, the Clerk shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Council.

18. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

- 18.1. It shall be the duty of the Council to review the Financial Regulations of the Council from time to time. The Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the Council of any requirement for a consequential amendment to these financial regulations.
- 18.2. The Council may, by resolution of the Council duly notified prior to the relevant meeting of Council, suspend any part of these Financial Regulations provided that reasons for the suspension are

recorded and that an assessment of the risks arising has been drawn up and presented in advance to all members of Council.

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