

BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

AUDIT COMMITTEE

Minutes from the Meeting of the Audit Committee held on Tuesday, 17th February, 2026 at 5.00 pm in the Council Chamber, Town Hall, Saturday Market Place, King's Lynn PE30 5DQ

PRESENT: Councillors Bearshaw, de Winton (Vice Chair), Devulapalli, Jones, Kunes, Long, Moore and Ryves (Chair)

PORTFOLIO HOLDERS:

Councillor Morley – Portfolio Holder for Finance

Councillor Rust – Portfolio Holder for People and Communities

OFFICERS:

Carl Holland – Assistant Director for Finance and Deputy Section 151 Officer

Charlotte Marriott – Interim Corporate Governance Manager (remotely)

Duncan Hall – Assistant Director for Regeneration, Housing and Place

Emma Hodds – Chief of Staff and Monitoring Officer (remotely)

Jeannette Hollingsworth – Environmental Health Manager

Karl Patterson – Housing Development Manager

Mark Whitmore – Assistant Director for Health, Wellbeing and Public Protection

Michelle Drewery – Deputy Chief Executive and Section 151 Officer

Teresa Sharman – Head of Internal Audit

EXTERNAL ATTENDEES:

Representatives from External Auditors, Ernst and Young

A41 APOLOGIES

Apologies for absence were received from the Leader of the Council, Councillor Beales.

A42 MINUTES

RESOLVED: The minutes from the meeting held on 17th November 2025 were agreed as a correct record and signed by the Chair.

A43 DECLARATIONS OF INTEREST

There were no declarations of interest.

A44 URGENT BUSINESS UNDER STANDING ORDER 7

There was no urgent business.

A45 MEMBERS PRESENT PURSUANT TO STANDING ORDER 34

There was none.

A46 **CHAIR'S CORRESPONDENCE (IF ANY)**

There was none.

A47 **LIMITED ASSURANCE AUDIT REPORT - COMMUNITY SAFETY**

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This item was moved to the first item on the agenda.

The Assistant Director for Health, Wellbeing and Public Protection introduced the item, and the Environmental Health Manager presented the report and highlighted the key areas.

The Chair thanked the Environmental Health Manager for the report and invited questions and comments from the Committee as summarised below.

Councillor Long asked whether they received support from the Norfolk Countywide Community Safety Partnership (NCCSP) Scrutiny Sub-Panel and added that the NCCSP Sub-Panel would welcome attendance from CSNN officers. The Assistant Director for Health, Wellbeing and Public Protection confirmed they would attend and explained that, whilst the Council worked well with the NCCSP, there had been some disconnect in how the partnership's work in West Norfolk was presented and progressed through Council governance.

The Chair suggested that officers return to the Committee in six months to review progress against the audit recommendations.

The Chair also requested a clear overview of all partnership relationships to ensure appropriate representation at every level. The Assistant Director for Health, Wellbeing and Public Protection reassured the Committee that officer-level attendance was strong in addressing community safety issues in West Norfolk and noted that a scrutiny member role had lapsed but would be reviewed.

In response to a question from Councillor Bearshaw, the Assistant Director for Health, Wellbeing and Public Protection explained that an operational partnership team was already in place, with established links, and had not encountered any difficulties arising from the Borough leading the Community Safety Partnership.

The Chief of Staff and Monitoring Officer advised that member involvement in various groups was determined through the Outside Bodies appointments made in May and reassured the Committee that

context for each body would be provided to support members' understanding.

The Portfolio Holder for Finance stated that future Annual Governance Statements would more closely reflect these activities, enabling this Committee and other scrutiny panels to better review the Council's work on antisocial behaviour, which had not previously received the level of scrutiny it should have.

In response to questions from Councillor de Winton, the Assistant Director for Health, Wellbeing and Public Protection confirmed that internal audits of the Community Safety and Neighbourhood Nuisance Team had taken place previously, but this was the first audit of the wider community safety function. The Assistant Director for Health, Wellbeing and Public Protection stated they were confident in current resources but would request additional support if needed.

The Portfolio Holder for People and Communities commented that, although there may have been some past neglect, it was reassuring that officers were now working to align activity with partners, as community safety was important to all.

In response to comments from Councillor Devulapalli, the Assistant Director for Health, Wellbeing and Public Protection reiterated that the Council had a good relationship with the NCCSP and clarified that the misalignment related to internal processes and how the wider work should be developed.

The Chair proposed that the Audit Committee receive a follow up report in six months' time. Councillor Long seconded the recommendation and the Committee unanimously agreed.

The Audit Committee made the following recommendation:

The Audit Committee receive a follow up report in six months' time.

RESOLVED: The Audit Committee noted the contents of the report.

A48

EXTERNAL AUDIT RESULTS REPORT 2024/2025 - ERNST & YOUNG

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The External Auditor presented the report and highlighted the key areas.

The Chair thanked the External Auditor for the report and invited questions and comments from the Committee as summarised below.

In response to a question from Councillor Bearshaw, the External Auditor explained that the Council had slightly missed the deadline for the current accounts and that the priority was to complete the current year's audit before building assurance over previous periods. The lack of audits in recent years had created a learning curve for the Council.

In response to a question from the Chair, the Assistant Director for Finance and Deputy Section 151 Officer reported that the Council had moved to a new finance system, and further transactional analysis would follow due to the auditors' focus on balances. The Assistant Director for Finance and Deputy Section 151 Officer highlighted learning around data extraction and communication with auditors, and that the audit timetable had clashed with budget setting. The backlog had created learning opportunities for the finance team, with support from Ernst and Young, and confirmed was satisfied with the progress made.

The Chair asked if the council were entering 2025/26 with a high degree of assurance as the opening balances. The External Auditor explained as the 2024/25 audit procedures were not fully completed, assurance could not yet be given on historical balances from the four unaudited years. This affected the 2025/26 opening balances, meaning they could not currently be relied upon. The External Auditor reported that the firm would publish a sector-wide report in March summarising findings from all 2024/25 local government audits.

In response to a question from Councillor Kunes, the External Auditor confirmed that the issue was not unique to the Council and explained that delays in Ernst and Young's audit timelines had created a national backlog, which in turn led the government to commission independent reviews.

In response to a question from Councillor Long, the Deputy Chief Executive and Section 151 Officer explained certain areas had not been progressed due to the team recognising early in the process that there was insufficient capacity to produce the required working papers and advised deferred areas would be revisited in the next audit. The Deputy Chief Executive and Section 151 Officer reported that Ernst and Young would provide workshops to support council staff in producing high quality working papers from the outset.

Councillor de Winton asked whether Ernst and Young had sufficient capacity to undertake the audit. The External Auditor confirmed they had adequate resources but stressed the need for greater efficiency to reduce the volume of queries to the finance team. The External Auditor explained that each significant account area would only be reviewed once, and if working papers were not of the required standard, that

area could not be completed. The External Auditor emphasised the need for improved preparation of working papers and financial statements across all councils.

In response to a question from the Chair, the Deputy Chief Executive and Section 151 Officer explained that 2024/25 was the first year the Council had used an external organisation for property valuations. The timing of receiving this information caused delays in finalising the draft statement of accounts. It was noted that publishing the draft accounts without the valuation data would not have provided a true and fair view.

The External Auditor explained that it was common for valuation experts to have different assumptions.

In response to a question from the Chair relating to pensions, the Assistant Director for Finance and Deputy Section 151 Officer explained that each year the Council was invited by the County Council's pension fund actuary to agree a timetable for the actuarial pension asset valuation. The report for 2024/25 arrived late, which delayed publication of the draft accounts. The Assistant Director for Finance and Deputy Section 151 Officer confirmed that the Council would seek improvements in this process.

The Chair referred to page 20 of the report and sought clarification on the £30 million overstatement relating to actuarial gains and losses on pension assets and liabilities. The External Auditor explained that this mainly arose from the required asset-ceiling adjustment.

In response to a question from Councillor de Winton, the Deputy Chief Executive and Section 151 Officer confirmed that Ensors undertook the independent audit of the Council's wholly owned companies.

The Portfolio Holder for Finance commented that no significant issues had arisen from the audit and that the outcome provided confidence in the Council's governance.

RESOLVED: The Audit Committee noted the contents of the report.

A49

STATEMENT OF ACCOUNTS 2024/2025

[Click here to view the recording of this item on YouTube](#)

The Assistant Director for Finance and Deputy Section 151 Officer presented the report and highlighted the key areas.

The Chair thanked the Assistant Director for Finance and Deputy Section 151 Officer for the report and invited questions and comments from the Committee as summarised below.

Councillor Long identified outdated information regarding Freebridge Community Housing within the report and the Assistant Director for Finance and Deputy Section 151 Officer acknowledged the need to update the note to reflect current circumstances.

Councillor Long referred to the Council's and Freebridge's expenditure and asked whether they still received a share of sales from Right to Buy or Right to Acquire properties, as he believed this only applied for ten years. The Assistant Director for Finance and Deputy Section 151 Officer advised they were unable to confirm at the meeting and would provide the information afterwards.

The Portfolio Holder for Finance stated that although the Statement of Accounts had been published slightly later than planned, they had been available to the public and no comments had been received.

The Chair confirmed that one or two minor adjustments were required, with the intention to sign off the document by 27th February 2026.

RESOLVED: The Audit Committee delegated authority to the Chair of this committee and the Section 151 Officer to approve the Statement of Accounts for 2024/2025.

A50

ANNUAL GOVERNANCE STATEMENTS 2024/2025

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The Chief of Staff and Monitoring Officer presented the report and highlighted the key areas.

The Chair thanked the Chief of Staff and Monitoring Officer for the report and invited questions and comments from the Committee as summarised below.

Councillor de Winton referred to page 136 of the report regarding procurement and contract management and was pleased to see that the non-compliant spend figure had reduced from 14% to 7% and commended the work undertaken by officers to achieve this improvement.

The Chair referred to page 85 of the report regarding stakeholder engagement and sought confirmation that guidance for councillors on engaging with IDBs was being introduced. The Portfolio Holder for Finance advised that he had emailed all members regarding IDBs and explained that the Water Management Alliance produced guidance for members on their roles and confirmed he would resend the email. The Portfolio Holder for Finance added that he hoped the Council's position on IDB levies would be subject to mediation.

In response to a question from Councillor Devulapalli, the Deputy Chief Executive and Section 151 Officer explained that the Council was the accountable body for the Towns Fund, responsible for monitoring expenditure, ensuring funds were used appropriately, and submitting returns to MHCLG. Governance and reporting sat with the Neighbourhood Board, which approved any project changes.

The Chair noted that the Shareholder Committee received six-monthly assurance reports and asked whether the Audit Committee should also receive them. The Portfolio Holder for Finance suggested Members attend the Shareholder Committee under Standing Order 34.

In response to the Chair's comments on the Housing Companies, the Chief of Staff and Monitoring Officer explained that the Council had commissioned Anthony Collins to undertake a full governance review around two years earlier. This led to the establishment of the Shareholder Committee and other improvements aligned with best practice, providing assurance to the Audit Committee regarding current governance arrangements.

RESOLVED: The Audit Committee:

- a) Confirmed that the Annual Governance Statement 2025 properly reflects the council's governance and risk environment.
- b) Approved the Annual Governance Statement 2025 and confirm that the Chairman of the Audit Committee should sign accordingly.

A51

TREASURY MANAGEMENT REPORT

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The Assistant Director for Finance and Deputy Section 151 Officer presented the report and highlighted the key areas.

The Chair thanked the Assistant Director for Finance and Deputy Section 151 Officer for the report and invited questions and comments from the Committee as summarised below.

The Deputy Chief Executive and Section 151 Officer reported that the refinancing of long-term loans was included in the Treasury Management Strategy which was due to be considered by Full Council at the end of the month and added there was a recommendation set out as part of that report.

The Chair queried the classification of major projects, the calculation of the capital financing requirement and the distinction between internal and external borrowing and the Assistant Director for Finance and

Deputy Section 151 Officer clarified these points and committed to improving the clarity of future reports.

RESOLVED: The Audit Committee noted the report and the treasury activity.

Councillor Jones left the meeting.

The Committee adjourned for a comfort break at 7.10pm and reconvened at 7.17pm.

A52

INTERNAL AUDIT PROGRESS REPORT 2025/2026

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The Head of Internal Audit presented the report and highlighted the key areas.

The Chair thanked the Head of Internal Audit for the report and invited questions and comments from the Committee as summarised below.

Councillor Bearshaw queried why several audits had been cancelled. The Head of Internal Audit advised that the Building Control Audit had been cancelled due to the Building Safety Regulator undertaking an audit and assurance would be taken. The Capital Programme and Project Management Audit had been deferred to the following year's plan, as had the Procurement Audit for the reasons set out in the report. The Housing Options Audit had also been deferred and was not expected to be included in the next year's plan. The Head of Internal Audit explained that audits were deferred or cancelled in response to operational pressures within the Council at the time.

In response to questions from the Chair, the Head of Internal Audit explained that the Data Protection Audit had been cancelled as no assurance work was required, and the Local Plan Audit had been cancelled because the Local Plan was still being adopted at the time.

In response to a question from Councillor Bearshaw, the Head of Internal Audit explained that an update on recommendation progress had not been provided because it was initially unclear whether a progress report would be produced, leaving insufficient time to complete follow-up work before the decision was made to proceed with the report.

The Chair asked about the process for selecting internal audits. The Head of Internal Audit explained that they had met with the Deputy Chief Executive and Chief Operating Officer to review reports, delivery plans, and the corporate risk register. It was reported a draft audit plan

was being prepared for consideration by the Corporate Leadership Team in March before submission to the Audit Committee.

RESOLVED: The Audit Committee are requested to receive the Progress Report on internal audit activity.

A53 **COMMITTEE WORK PROGRAMME 2025/2026 AND FORWARD DECISION LIST**

RESOLVED: The Audit Committee noted the Work Programme and the Forward Decisions List.

A54 **DATE OF NEXT MEETING**

The next meeting of the Audit Committee was scheduled to take place on 23rd March 2026 at 4.30pm in the Council Chamber, Town Hall, Saturday Market Place, King's Lynn.

A55 **EXCLUSION OF PRESS AND PUBLIC**

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RESOLVED: That under Section 100(A)(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act.

A56 **EXEMPT - INTERNAL AUDIT PROGRESS REPORT - WEST NORFOLK HOUSING COMPANY**

The Assistant Director for Regeneration, Housing and Place and the Housing Development Manager presented the item.

The Committee asked questions and made comments in which Officers responded.

RESOLVED: The Audit Committee noted the report.

The meeting closed at 8.07 pm