

BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

AUDIT COMMITTEE

Minutes from the Meeting of the Audit Committee held on Monday, 14th September, 2026 at 5:15pm in the Council Chamber, Town Hall, Saturday Market Place, King's Lynn PE30 5DQ

Please note that the meeting commenced later than scheduled.

PRESENT: Councillors T de Winton (Chair), S Bearshaw (Vice - Chair) and B Jones

Independent Members: Sean Beckett and Michael Laird

Portfolio Holders: Councillor C Morley – Portfolio Holder for Finance (Remotely)

Officers:

Carl Holland, Assistant Director for Finance and Deputy Section 151 Officer
Teresa Sharman, Head of Internal Audit (Remotely)

A19 **APPOINTMENT OF VICE - CHAIR FOR MUNICIPAL YEAR 2026/2027**

RESOLVED: Councillor Bearshaw was appointed Vice – Chair for the Municipal Year 2026/2027.

A20 **APOLOGIES**

Apologies were received from Councillors Anota and Barclay.

A21 **MINUTES**

RESOLVED: The minutes from the meeting held on the 15th June 2026 were agreed as a correct record and signed by the Chair.

A22 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

A23 **URGENT BUSINESS UNDER STANDING ORDER 7**

There was no urgent business.

A24 **MEMBERS PRESENT PURSUANT TO STANDING ORDER 34**

There was none.

A25 **CHAIR'S CORRESPONDENCE (IF ANY)**

There was none.

A26 **ANNUAL TREASURY OUTTURN REPORT 2025/2026**

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The Assistant Director for Finance and Deputy Section 151 Officer presented the 2025–2026 Treasury Outturn, explaining the Council's capital financing, borrowing limits, interest costs and cash position.

Independent Member, Michael Laird, questioned the position on the £10 million long-term loan from Barclays. In response to a question, the Assistant Director for Finance and Deputy Section 151 Officer confirmed that the opportunity had been identified with the Council's Treasury advisers, who had then liaised with Barclays. The loan had been refinanced at £8 million, producing a discount of slightly more than £2 million. Accounting rules required the benefit to be spread over ten years, reducing annual borrowing costs by just over £200,000.

In response to Independent Member, Sean Beckett, the Assistant Director for Finance and Deputy Section 151 Officer explained that capital expenditure in 2025–2026 was £39.561 million. Of this, £20.92 million was funded during the year through £6.7 million of capital receipts, £11.2 million of grants and £3.79 million from reserves and revenue. The remaining £18.6 million was financed through working capital and added to the Capital Financing Requirement (CFR).

The Vice-Chair questioned whether the rising CFR created a significant risk and when the authorised limit might be reached. The Assistant Director for Finance and Deputy Section 151 Officer advised that the current capital programme was not expected to create material additional pressure, although new schemes would require Cabinet-approved business cases.

The Assistant Director for Finance and Deputy Section 151 Officer explained that the CFR represented unfinanced capital expenditure, including spending on vehicles, equipment, buildings and housing. It was reduced progressively through the Minimum Revenue Provision, approximately £2 million annually, and could also be reduced through capital receipts. Capital receipts used directly for new capital expenditure did not reduce the CFR.

The Chair, Councillor de Winton, highlighted the role of the housing companies, West Norfolk Housing Company and West Norfolk Property Limited. He provided useful context to the Independent Members regarding the housing companies.

The Council paid £1.5 million in external interest during 2025–2026, around £955,000 more than budgeted because slower housing sales required additional borrowing. External borrowing was approximately £40 million, compared with an operational boundary of £84 million and an authorised limit of £94 million, leaving approximately £59.9 million of headroom against the CFR. The Assistant Director for Finance and Deputy Section 151 Officer confirmed that borrowing remained within the approved limits and was being used to fund capital rather than revenue expenditure.

In response to the Vice-Chair, Councillor Bearshaw, the Assistant Director for Finance and Deputy Section 151 Officer confirmed that forecasts were regularly reviewed using Bank of England and Office for Budget Responsibility information, together with benchmark rates from MUFG, the Council's Treasury advisers. Because rates had been volatile, the Council had deliberately kept borrowing and investments relatively short term so that it could respond to rate changes and refinance for longer periods when appropriate.

Councillor Morley explained that the Council's housing companies faced higher construction costs, flood-related development costs, slower sales and narrower margins, but that the programme was being monitored through the Shareholder Committee, which all Members were welcome to attend, and through dedicated financial monitoring arrangements.

RESOLVED: The Audit Committee noted the annual treasury outturn position for 2025/2026.

A27

ANTI FRAUD AND CORRUPTION ACTION PLAN UPDATE

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The Assistant Director for Finance and Deputy Section 151 Officer presented a refreshed anti-fraud and corruption framework responding mainly to the Economic Crime and Corporate Transparency Act 2023. The framework was refreshed following the introduction of the failure-to-prevent-fraud offence under the Economic Crime and Corporate Transparency Act 2023, which came into force in September 2025. The Assistant Director for Finance and Deputy Section 151 Officer explained the Council already had prevention, detection, investigation and risk-management arrangements, so the update was intended to strengthen rather than fundamentally redesign the existing framework.

Independent Member, Michael Laird asked whether employees signed declarations covering the use of Council assets such as laptops and mobile devices. The Assistant Director for Finance and Deputy Section 151 Officer confirmed that employees received and signed an employee code of conduct, while technology assets were covered by acceptable-use policies and related declarations.

The Vice – Chair, Councillor Bearshaw asked whether anti-fraud training was compulsory. The Assistant Director for Finance and Deputy Section 151 Officer confirmed that the e-learning module was expected to be completed annually but was not currently mandatory, and that take-up data was not available at the meeting.

He agreed to review participation, consider whether stronger enforcement was required, update the module if necessary, and provide future assurance on coverage. Staff without suitable technology access can receive equivalent information through team meetings.

Members raised the risk that changes to procedures could weaken controls if fraud implications were not considered. The Assistant Director for Finance and Deputy Section 151 Officer agreed to ensure that fraud risk is explicitly considered when processes and systems change, and to examine whether individual policies should contain a prompt or recommendation requiring that assessment.

The Vice – Chair, Councillor Bearshaw asked when the fraud risk assessment dated 2024 would next be refreshed. The Assistant Director for Finance and Deputy Section 151 officer commented there was no planned assessment during the current year but agreed that a regular, non-annual cycle should be established. He also agreed to link the assessment to service risk registers, assurance statements, the annual governance statement and other relevant processes.

Councillor Jones sought an update on the new software for risk registers which had previously been presented to the Committee. The Assistant Director for Finance and Deputy Section 151 Officer explained the Council's third-party Corporate Management System had recently gone live and was being rolled out across the organisation. It is intended to combine performance information, service risks and internal audit recommendations, reducing duplication and helping the Audit Committee identify assurance gaps and track actions.

Members identified inconsistent version control, missing or unclear change histories, review dates and a possible incorrect March 2025 date on the anti-bribery policy. The Assistant Director for Finance and Deputy Section 151 Officer agreed to consider standardising version-control information so that documents show what changed, why it changed and when the next review was due.

Councillor Morley described controls being strengthened around supplier evaluation, purchase orders, invoice checking, contract management and matching payments to materials and construction progress. He also referred to data cleansing, version control, cyber-security investment and business-continuity arrangements as areas receiving further work.

The Chair, Councillor de Winton questioned how long the E-Learning training took employees to complete. The Assistant Director for

Finance and Deputy Section 151 Officer explained no more than an hour, he highlighted support services were available and for employees with no online access then in person training was available.

RESOLVED: The Committee recommended adoption of the Anti-Fraud and Corruption Framework and agreed to receive a year end update in support of the Anti-Fraud and Corruption Strategy.

A28

WORK PROGRAMME AND FORWARD DECISION LIST

The Assistant Director for Finance and Deputy Section 151 Officer reminded the Committee of the upcoming training sessions. Members were encouraged to attend and use the sessions to identify matters requiring further examination through the committee's work programme.

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

A29

DATE OF NEXT MEETING

The next meeting of the Audit Committee was scheduled to take place on the 16th November 2026 at 4:30pm in the Council Chamber, Town Hall, Saturday Market Place, King's Lynn.

The meeting closed at 6.24 pm