

BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

AUDIT COMMITTEE

Minutes from the Meeting of the Audit Committee held on Thursday, 3rd July, 2025 at 4.30 pm in the Council Chamber, Town Hall, Saturday Market Place, King's Lynn PE30 5DQ

PRESENT: Councillors A Ryves (Chair)
S Bearshaw, T de Winton, P Devulapalli, A Moore and S Nash (Vice-Chair)

Officers:

Alexa Baker, Monitoring Officer
Debbie Ess, Performance Officer
Teresa Sharman, Head of Internal Audit
David Riglar, External Auditor, Ernst and Young
Mark Russell, External Auditor, Ernst and Young
Carl Holland, Assistant Director for Finance and Deputy Section 151 Officer

A1 APPOINTMENT OF VICE-CHAIR FOR MUNICIPAL YEAR

RESOLVED: Councillor S Nash was appointed Vice-Chair for the Municipal Year 2025/2026.

A2 APOLOGIES

Apologies were received from Councillor Morley, Long and Jones.

A3 MINUTES

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

A4 DECLARATIONS OF INTEREST

There were none.

A5 URGENT BUSINESS UNDER STANDING ORDER 7

There was no urgent business.

A6 MEMBERS PRESENT PURSUANT TO STANDING ORDER 34

There were no members present under Standing Order 34.

A7 CHAIR'S CORRESPONDENCE (IF ANY)

There was none.

A8

EXTERNAL AUDIT PLAN 2024/2025

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

The External Auditor presented the External Audit Plan 2024/2025

The Chair thanked Officers and invited questions and comments from the Committee.

Councillor de Winton referred to page 23, and sought clarification on the context in which leases were being referred to. He questioned the effect of leases on the balance sheet.

The External Auditor confirmed this would impact the balance sheet and largely affect operating leases. He explained to the Committee previously finance leases were on the balance sheet however operating leases were not. He highlighted these were external leases where the Council benefits from the use of assets.

In response to a further question from Councillor de Winton, the External Auditor confirmed the accounting standard in local government was implemented the 2024//25 year.

The Committee commented on the importance of Climate Change being recognised in the report and it was explained that this was included in the Risk Register.

Councillor Devulapalli questioned the risk in relation to West Norfolk Housing Company, West Norfolk Property Limited and Alive West Norfolk.

The External Auditor explained the risk applied to all components being consolidated into the Council's financial statements. The risk would apply to the consolidation of Alive West Norfolk in 2024/25 until the final year of full account had been done.

In response to the Chair, Councillor Ryves, the External Auditor provided further clarification on leases and added this referred to any lease where the Council is receiving a right of use asset. He identified the exceptions which included short term leases under 12 months and the asset value of the lease under £10,000.

The Assistant Director for Finance responded to a question from Councillor Ryves and explained Alive West Norfolk came back into the Council from the 1st April 2025. He provided assurance, the External Auditors previously spoke to the External Auditors as part of their

diligence work also liaised with the External Auditors of Alive West Norfolk.

Following the Committee discussing the definition of materiality, the External Auditor provided further context. He explained materiality was planning materiality, performance materiality, component performance materiality and audit difference threshold.

The Chair, Councillor Ryves, sought clarification on the risk in relation to Local Government Reorganisation and it was explained that this was currently a limited risk until timescales had been confirmed.

Councillor de Winton, referred to page 33 and sought clarification on the risk column on the financial statements and it was explained this was included in the report in accordance with standards to possibility of miss-posted transactions.

In response to the Chair, the External Auditor explained a disclaimed opinion for 2024/2025 would be expected as the auditor does not have assurance over opening balances or the comparatives reported in the 2024/25 financial statements. The Council had not published the 2024/25 financial statements by the 30 June, it would be important for the Council to produce accurate financial statements to support the rebuild of assurance.

The Vice-Chair, Councillor Nash referred to page 22, the valuation of land and difference in value of asset and sought clarification on the significance and questioned if there was a national framework.

The External Auditor advised any valuer's needed to comply with the RICS standards and the national framework. He added there was differences in interpretation and approaches in how assets were valued. In response to a further question from Councillor Nash, the External Auditor explained there was different assumptions as part of the valuations and each valuer has different understanding of the assets.

The Assistant Director for Finance explained as a result of appointing a new valuer there was a difference in assumption from previous years and provided assurance that a working paper has been compiled on the valuation of assets and discussions which are being had in relation to this.

RESOLVED: The Audit Committee are recommended to note the External Audit Plan 2024/2025.

A9

RISK REGISTER UPDATE

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

The Monitoring Officer and Corporate Performance Officer gave a presentation on the risk register, a copy which is attached.

The Chair thanked Officers and invited questions and comments from the Committee.

Councillor Bearshaw thanked Officers for the report and new format which was easy to read. He commented on identifying the severity of the risk and preventive and recovery control along with the effectiveness being documented. He added an additional column for the responsible Assistant Director in relation to the risk.

Councillor de Winton asked how easy it was to merge from the existing system to the new system and previous data and history was not lost.

The Monitoring Officer confirmed key history would not be lost. She explained it was a longer rollout period as transferring the data was manual.

The Corporate Performance Officer commented further there was limited training and temporary templates as the data needed to be inputted manually.

Councillor Bearshaw commented this allowed the risks to be reassessed when changing to the new system.

Councillor de Winton commented the name of the relevant Cabinet Member should be included as well as the Lead Officer for further accountability.

In response to Councillor Devulapalli, the Monitoring Officer confirmed the matrix included in the presentation was an example.

The Chair, Councillor Ryves commented this was a good piece of work which allowed members to be kept up to date with current risks and an officer was accountable to the risk. He commented a helpful mechanism would be, when there were changes to the risks the Audit Committee could be notified and then reviewed.

In response to Councillor Bearshaw's question in relation to LGR, the Monitoring Officer confirmed Breckland risk register had been considered depending on a two or three tier authority.

In response to Councillor Moore, the Corporate Performance Officer explained the system will be used for reporting and other systems would not work together. She added the system needed to include the data and be kept up to date. She explained landing pages were to be created and the Audit Committee and CLT were to be consulted.

Following further discussions from the Committee the Monitoring Officer explained the new system was part of a digital transformation.

RESOLVED: The Audit Committee was asked to consider and provide feedback on development of the draft revised Corporate Risk Register as set out at Appendix A.

A10

ANNUAL INTERNAL AUDIT PROGRESS REPORT

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

The Head of Internal Audit presented the report.

The Chair invited questions and comments from the Committee.

In response to Councillor de Winton, the Head of Internal Audit referred the Committee to page 146 which provided a response and update to contract management.

The Chair, Councillor Ryves commented the report provided an understanding of internal audit to the Committee. He referred to page 124 of the report and queried wording around the guildhall and the project cost and funding gap. Officers provided information relating to funding sources, the report being considered by the Cabinet and Full Council and the Capital Programme

Councillor Bearshaw referred to page 106 and sought clarification in the reasoning for the cancelled audits.

The Head of Internal Audit provided further detail around the cancelled audits, advised property services were currently being audited and an audit of car parking which had start in 2024/2025 was being completed in 2025/2026. She added areas such as electoral services were cancelled as there was recent successful elections therefore resources were used elsewhere.

Councillor Bearshaw referred to page 144 and thanked Officers for including a column in for the priority and asked for a risk to be associated with all recommendations.

The Head of Internal Audit explained this was included in the full version of the report rather than the overview which was presented. She added high recommendations were expected to be added to the risk register by the service area.

In response to a further question from Councillor Bearshaw, the Head of Internal Audit confirmed appendix 3 only included the high and medium recommendations.

Councillor de Winton referred to page 145 of the agenda and sought further clarification on debt recovery and it was explained that this had recently been presented to Cabinet and provided an overview of the

methods for collecting debt. The Assistant Director added he was unable to confirm specific amounts as there are a variety of small and larger amounts of debt, with varying volumes.

The Chair, Councillor Ryves identified the one high priority recommendation which was the capital programme and asked for further detail and it was explained that this was an asset management plan which included Offices, Industrial Units and Infrastructure Units. He added further the management plan would take time to complete but progress had been made. He commented a risk-based approach was determined with consideration to future maintenance requirements.

In response to Councillor Ryves, the Monitoring Officer explained the corporate complaints process was being reviewed by the Chief Executive. She advised the Committee that recommendations were going to be logged and tracked.

In response to Councillor Ryves, the Head of Internal Audit explained the internal audits which had been deferred were based on being done time appropriate.

The Assistant Director for Finance provided further detail on the asset management plan and the effect Local Government Reorganisation had on the priorities of the asset management plan. He advised the Committee that selling Council land was a key decision and outlined the process of call- in for members.

The Vice-Chair, Councillor Nash referred to page 106 of the agenda and sought further information on insufficient resources to carry out an internal audit in relation to legal.

The Assistant Director for Finance confirmed this was resources in relation to internal audit team not the legal department.

The Head of Internal Audit confirmed the internal audits which had been carried out were prioritised and for further resources for internal audit would have incurred further expenditure.

The Assistant Director for Finance highlighted to the Committee further that estimating a budget for legal advice outside of the Council is an estimate and varies due to demand. For last year the outturn report shows the level of legal services was in excess of the budget as the authority undertakes compliance and enforcement activities.

The Monitoring Officer provided further detail on the budget which was set for the day to day cost of the legal services within the Council and there were further costs for enforcement.

The Committee discussed the legal department being in excess of the budget which was considered as a low risk.

The Assistant Director for Finance explained a budget is an estimated cost and expenditure in some departments was difficult to predict. He added there was contingencies to fund overspend in areas such as the legal department.

The Vice-Chair, Councillor Nash questioned if a management plan for expenditure from enforcement departments could be put in place to track where money was being spent.

RESOLVED: The Audit Committee noted the Progress Report on internal audit activity.

A11

ANNUAL INTERNAL AUDIT OPINION

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

The Head of Internal Audit presented the report.

The Chair invited questions and comments from the Committee.

Councillor Devulapalli and Councillor de Winton asked for an update on contract management training.

The Head of Internal Audit advised the timescale given was September 2025.

The Monitoring Officer explained this was part of the next stage of the procurement transformation which included DocuSign and financial authorisations.

In response to Councillor Devulapalli question on the tree strategy the Head of Internal Audit explained a new strategy was being written.

In response to a question from the Chair it was advised that there were a lower number of recommendations compared to the previous year.

The Chair, Councillor Ryves, referred to page 91 and asked for further detail on the audit which provided no assurance.

The Head of Internal Audit explained this referred to a position statement and the network infrastructure audit was finalised following completion of the internal audit opinion report.

RESOLVED: The Committee was requested to:

- Receive and consider the contents of the Annual Opinion Report of the Head of Internal Audit.
- Note that a reasonable audit opinion has been given in relation to the framework of governance, risk management and control for the year ended 31 March 2025.

- Note that the opinions expressed together with significant matters arising from internal audit work and contained within this report should be given due consideration when developing and reviewing the Council's Annual Governance Statement for 2024/25.
- Note the outcomes of the Internal Audit's performance measures and the Quality Assurance and Improvement Programme (QAIP)

A12 **COMMITTEE WORK PROGRAMME AND FORWARD DECISION LIST 2025/2026**

The Audit Committee discussed making a recommendation to a Scrutiny Panel in relation to a post project evaluation of Southend Road following the recent call – in.

RESOLVED: 1. The Audit Committee recommend that a Post Project Evaluation on Southend Road be scrutinised by the relevant Scrutiny Panel.

2. The Committee noted the Work Programme for 2025/2026

A13 **DATE OF NEXT MEETING**

An additional meeting of the Audit Committee was scheduled for the **15th July 2025 at 4:30pm** in the **Council Chamber, Town Hall.**

The meeting closed at 6.41 pm