

AFT BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

AUDIT COMMITTEE

Minutes from the Meeting of the Audit Committee held on Monday, 15th June, 2026 at 4.30 pm in the Council Chamber, Town Hall, Saturday Market Place, King's Lynn PE30 5DQ

PRESENT: Councillors T de Winton (Chair), S Bearshaw, A Jamieson, B Jones and A Ryves

Portfolio Holders

Councillor A Beales

Councillor C Morley, Finance

Officers:

Kate Blakemore, Chief Executive

Emma Hodds, Chief of Staff and Monitoring Officer

Emma Kavanagh, Chief Operating Officer

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

Charlotte Marriott, Interim Corporate Governance Manager

Debbie Ess, Senior Corporate Governance Officer

Matthew Head, Senior Internal Auditor

Teresa Sharman, Head of Internal Audit

External Attendees: David Riglar and Mark Russell for Ernst and Young External Auditors

A1 APPOINTMENT OF VICE - CHAIR FOR THE MUNICIPAL YEAR 2026/2027

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

A2 APOLOGIES

There were no apologies.

A3 MINUTES

RESOLVED: The minutes from the meeting held on the 23rd March 2026 were agreed as a correct record and signed by the Chair.

A4 DECLARATIONS OF INTEREST

There were no declarations of interest.

A5 **URGENT BUSINESS UNDER STANDING ORDER 7**

There was no urgent business.

A6 **MEMBERS PRESENT PURSUANT TO STANDING ORDER 34**

There was none.

A7 **AUDIT COMMITTEE TERMS OF REFERENCE**

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The Audit Committee reviewed the terms of reference and the Chair asked for comments from the Committee.

Councillor Ryves requested that the Committee arrange private meetings with Internal and External Auditors without Officers present, which was confirmed as already included in the terms of reference and noted as an action for Officers to arrange.

The Assistant Director for Finance and Deputy Section 151 Officer highlighted to the Committee, the terms of reference were updated to include a section on Independent Co-opted Members, reflecting the Committee's intention to appoint such members and aligning with best practice.

Councillor Ryves raised concerns about oversight of wholly owned companies, particularly regarding loan agreements and briefing Members; the Committee agreed to address these issues in future meetings and noted Officers' awareness.

RESOLVED: The Committee noted and agreed to fulfil the Terms of Reference.

A8 **AUDIT AND SCRUTINY RELATIONSHIP PROTOCOL**

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The Audit Committee discussed the Audit and Scrutiny relationship protocol to clarify roles and prevent duplication.

The committee discussed the protocol to clarify the distinction between audit and scrutiny functions, with the Democratic Services Officer explaining that the protocol encourages periodic collaboration between Chairs to ensure reports were directed appropriately and avoided overlap.

Councillor Ryves questioned clause 3.2.2 regarding recommendations to the executive; Officers provided clarification and amendment to remove 3.2.2 and 3.2.1 read 'Direct management or approval of budgets. Instead, only making recommendations to executive officers regarding budget considerations related to the internal audit function'.

A9

APPOINTMENT OF INDEPENDENT MEMBERS TO THE AUDIT COMMITTEE

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The Assistant Director for Finance and Deputy Section 151 Officer presented the report and explained the interview process for Independent Members, which involved a Panel including Deputy Chief Executive (S151 Officer), and himself, guided by the Audit Chair, using a set of criteria and questions to assess candidates.

The Independent Members were selected based on credentials in risk management and internal audit, with the expectation that they will contribute objectivity and challenge to the Committee, complementing its diversity and expertise.

The Assistant Director for Finance and Deputy Section 151 Officer explained the appointments are for up to four years, subject to references and a probation period of two meetings; Officers confirmed an informal introduction and induction was to be arranged, including participation in upcoming training sessions.

RESOLVED: 1.1 The Audit Committee appointed Michael Laird as Independent Person and Sean Beckett as Independent Person for a term of up to four years commencing on the first meeting following agreement approval of this decision.

1.2 That delegated authority be given to the Assistant Director (Finance) Officer to make any necessary administrative arrangements to formalise the appointments.

A10

EXTERNAL AUDITORS 2024/2025 AUDITOR ANNUAL REPORT

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

The External Auditor Partner from Ernst and Young presented the report highlighting a disclaimer of opinion for 24-25, improvements in working paper delivery, audit risks for the coming year, and the importance of timely collaboration between the finance team and auditors

The Portfolio Holder, Councillor Morley brought to the Committees attention page 45 which identified the External Auditors conclusion that

the Council had proper arrangements in place to manage its resources to ensure it continued to deliver its services.

In response to Councillor Ryves, the External Auditors reported that 40% of working papers were not delivered on time; the Assistant Director of Finance and Deputy Section 151 Officer acknowledged the statistic and provided assurance to the Committee by explaining that additional capacity has been introduced to improve future performance and quality.

The Chief Executive provided further assurance to the Committee and recognised the transformation the Finance team had gone through resulting in now being fully staffed. She provided context to the Committee highlighting the financial stability of the Council.

The Chair, Councillor de Winton referred to page 37 and sought further information on valuation of land, buildings, investment properties and pension valuation. The Assistant Director for Finance and Deputy Section 151 Officer confirmed the valuation on properties were being completed by external valuations and currently on target. Additionally, he advised the pension valuation was highlighted by the External Auditors and that external organisations were given deadlines ahead of schedule to support the timely audit of the Council's Statement of Accounts

In response to the Vice- Chair, Councillor Jamieson question on the wholly owned companies, the Assistant Director for Finance and Deputy Section 151 Officer explained the External Auditors of the Wholly Owned Companies were scheduled to feed into the Audit of the Council's.

RESOLVED: The Audit Committee noted the report.

A11

EXTERNAL AUDITORS 2025/2026 AUDIT PLAN

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The External Auditor Partner from Ernst and Young presented the report; the 2025-2026 audit plan identified risks including management override, inappropriate capitalisation, revenue recognition, capital accounting, property valuation, pensions, IFRS 16 implementation, and group accounting, with detailed procedures planned for each area.

The Vice- Chair, Councillor Jamieson sought further clarification in the pension liability of Alive Leisure being brought back into the Borough Council. The External Auditor advised this was to be considered including how the pension was set up along with information provided to staff.

In response to Councillor Ryves, the External Auditor explained that a qualified opinion is likely for 25-26 due to historical gaps in audited balances, and outlined the steps required to rebuild assurance and move towards a clean opinion in future years.

In response to the Chair, Councillor de Winton, the External Auditors provided assurance the Audit for 2025 – 2026 was currently on schedule and the working paper supported this. The Assistant Director for Finance and Deputy Section 151 Officer provide context on the response to the backlog since 2021 and the collaborative progress being made with the External Auditors.

In response to a further question from the Vice- Chair, Councillor Jamieson, the External Auditor explained the audit timeline aims for completion by December, with progress updates to be shared with the committee; the External Auditor suggested regular reporting of key performance indicators to track audit progress and address issues proactively.

RESOLVED: The Audit Committee noted the report.

A12

DRAFT 2026 ANNUAL GOVERNANCE STATEMENT

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

The Interim Corporate Governance Manager presented the draft Annual Governance Statement (AGS) for 2025-26, detailing enhancements in assurance processes, identification of significant governance issues, and targeted action plans, with the committee reviewing and recommending the AGS for approval pending external audit feedback.

Key issues identified included inconsistent performance management, workforce capacity and training compliance, financial sustainability, project management framework, information governance, non-compliant procurement spend, and health and safety compliance.

The Chief of Staff and Monitoring Officer explained the AGS process was strengthened by introducing structured assurance statements from assistant directors and service managers, quarterly reviews, and triangulation of evidence, making the AGS an executive-led document.

The Vice – Chair, Councillor, Councillor Jamieson thanked Officers for a comprehensive report and questioned if the Audit Committee could see the Wholly Owned Companies align with the corporate aims.

The Chief of Staff and Monitoring Officer explained the Interim Corporate Governance Manager had taken on the client-side role for wholly owned companies, supporting oversight and risk management,

with the Committee expressing interest in reviewing loans and risks associated with these entities.

Appendix 2 of the AGS contains a risk-based action plan addressing significant issues, with operational plans for lower-level improvements; progress is monitored through assurance statements and regular updates.

The Assistant Director for Finance and Deputy Section 151 Officer provided context on procurement and added the historic spend was being considered along with requesting further evidence. He reported a phase one of external assurance and consideration of next phases was to be considered over the next two of months. The Portfolio Holder, Councillor Morley, added further context, noting the wider transformation and work being done.

The Leader, Councillor Beales welcomed the requested assurance from the Committee on the Wholly Owned Companies and outlined the ambition for the Companies and highlighted to the difference and difficulties of the Companies.

The External Auditors confirmed that the review of the AGS focuses on consistency with expected content and messaging, with no findings at present.

RESOLVED: The Audit Committee

- 1) Reviewed and commented on the draft 2025/26 AGS.
- 2) Confirmed that the AGS appropriately reflects the Council's governance arrangements and complies with the requirements of the CIPFA Addendum.
- 3) Recommended the AGS for approval and inclusion within the 2025/26 Statement of Accounts, pending external auditor feedback.

A13

2026 - 2027 CORPORATE RISK REGISTER UPDATE

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

The Senior Corporate Governance Officer presented the corporate risk register for 2026-2027, highlighting changes in risk categorisation, new risks, and alignment with AGS actions.

The assignment of risks to Executive Leadership Team has been reviewed and changes include separating the data management risk to introduce a new cyber security risk The officer explain the reputation management risk is embedded in all risk and so the separate. The cost-of-living risk has been removed as a result of the administration of funding and administration moving got the County. A new risk related to the St James's swimming pool has been added

Councillor Ryves questioned the green rating for wholly owned companies, with the Chief of Staff and Monitoring Officer along with the Leader providing assurance about robust governance, client side oversight, and the role of the Shareholder Committee, while agreeing to increase Audit Committee exposure.

In response to the Vice – Chair, Councillor Jamieson, the Chief of Staff and Monitoring Officer explained the criteria for risk scoring, offering to provide the committee with details of impact and likelihood assessments and the cascade between operational and corporate risk registers.

In response to Councillor Jones, the Chief of Staff and Monitoring Officer explained the data management risk score increased due to greater knowledge and identified areas for improvement, with action plans in place.

Councillor Ryves sought further clarification on the risk for community cohesion. The Chief Executive explained community cohesion remains a high risk due to national and local factors, supported by local data and interventions.

The Chair, Councillor de Winton referred to risk R17 – Health and Safety. The Chief Executive explained efforts were underway to centralise asset management and improve health and safety compliance, with recent positive feedback from an HSE Audit and ongoing work expected to reduce risk levels in the coming months.

Portfolio Holder, Councillor Morley highlighted the work the IT department were doing to resolve both cyber security and data management.

RESOLVED: The Audit Committee noted the update to the corporate risk register.

A14

ANNUAL INTERNAL AUDIT PROGRESS REPORT

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

The Head of Internal Audit presented the report. presented the internal audit progress report noting outstanding recommendations, and reasonable overall assurance, with the committee discussing audit planning, contract management, and the role of the audit committee in selecting audit areas.

The final progress report for 25-26 included five executive summaries with positive assurance, deferred cyber security audit, and 47 outstanding recommendations, some of which are longstanding and high priority.

Councillor Ryves commented the overall number of recommendations had reduced but provided examples such as car parking which remained an issue. He noted a contradiction in the risk management of Alive Leisure. The Head of Internal Audit reported positive assurance on Alive Leisure being brought in house but recognised the External Auditors identifying this as a risk.

The Chair, Councillor de Winton sought clarification on the company ACEOM. The Senior Internal Auditor confirmed this was a consultant used for the Car Parking Strategy. In response to the Chair, the Chief of Staff and Monitoring Officer commented current issues with civil enforcement would not be included in the progress report due the outstanding recommendation referring to a previous audit.

The Chair, Councillor de Winton sought clarification that Section 106 agreement were monitored. The Leader responded and provided assurance the agreements were monitored.

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

A15

ANNUAL INTERNAL AUDIT OPINION REPORT

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

The Head of Internal Audit reported the annual opinion provided reasonable assurance on internal control, risk, and governance, acknowledging reduced recommendations but highlighting weaknesses in certain areas and the need for timely implementation.

The Chief Executive highlighted to the Committee the outstanding recommendations were noted and identified the significant improvement which had been made but recognised the remaining needed resolving. She explained the shift in Audit was to focus on adding value to areas of highest risk and welcomed independent recommendations to support continued improvements.

The Committee discussed the importance of audit committee input in selecting audit areas, with the Chief of Staff and Monitoring Officer confirming existing collaborative planning processes and the Head of Internal Audit highlighting the right to meet auditors privately, encouraging informal sessions to raise concerns.

In response to the Vice – Chair, Councillor Jamieson, the Assistant Director for Finance and Deputy Section 151 Officer, explained a contract management audit was recently completed, focusing on a sample of contracts and management processes; The conclusion of

the current audit will provide the committee with visibility of the contract register and further insight into procurement and contract management.

RESOLVED: The Audit Committee

- 1) Received and considered the contents of the Annual Opinion Report of the Head of Internal Audit.
- 2) Noted 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 2026.
- 3) Noted 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 2025/26.
- 4) Noted the outcomes of the Internal Audit's performance measures and the Quality Assurance and Improvement Programme (QAIP).

A16

CHAIR'S CORRESPONDENCE

The Chair addressed the Committee and outlined plans for training sessions covering key governance topics, with three sessions scheduled for Committee Members and new Independent Members, aiming to ensure a common foundation and support effective participation.

The Chair highlighted to the Committee the training points to be covered in three sessions, each including discussion and Q&A, scheduled for evenings to accommodate Members' schedules.

The Assistant Director for Finance and Deputy Section 151 Officer confirmed that new independent members will participate in the training and receive an informal introduction to the committee, with dates to be arranged ahead of the September meeting.

A17

WORK PROGRAMME AND FORWARD DECISION LIST

The Committee reviewed the work programme and cabinet forward decision list, confirming plans to include wholly owned subsidiaries as a specific item and noting the schedule for future meetings and agenda items.

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

A18

DATE OF NEXT MEETING

The next meeting of the Audit Committee was scheduled to take place on the 14th September 2026 at 4:30pm in the Council Chamber, Town Hall, Saturday Market Place, King's Lynn.

The meeting closed at 6.42 pm