

Minutes of the meeting of West Mercia Energy Joint Committee held in the Council Chamber, Westgate, Bridgnorth Monday 24 February 2014 at 10.00am.

Members Present:

Herefordshire Council	P Price
Shropshire Council	S Charmley M Owen (Vice-Chairman)
Telford & Wrekin Council	A England
Worcestershire County Council	A I Hardman (Chairman)

Officers Present:

West Mercia Energy	N Evans
Grant Thornton	J Hill
Shropshire Council	J Walton C Pilawski P Chadderton N Denton E Marshall
Worcestershire County Council	M Howard
Herefordshire County Council	R Wood
Telford and Wrekin	D. Sidaway S. Bass

1. ELECTION OF CHAIRMAN

M. Howard gave background information on the Constitutional arrangements for electing a Chairman of the Joint Committee, explaining that a representative from Telford and Wrekin Council was due to take on the role, however they had declined the role this year, the Chairmanship therefore passed to Worcestershire County Council, with a representative of Shropshire Council taking on the role of Vice-Chairman.

RESOLVED: That Councillor A. I. Hardman (Worcestershire) be elected Chairman for the ensuing year.

2. APPOINTMENT OF VICE-CHAIRMAN

RESOLVED: That Councillor M. Owen (Shropshire) be appointed Vice-Chairman for the ensuing year.

3. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors B. McClements (Telford and Wrekin) and P. Morgan (Herefordshire).

4. NAMED SUBSTITUTIONS

There were no substitutes in attendance.

5. DISCLOSABLE PECUNIARY INTERESTS

Members were reminded that they must not participate in the discussion or voting on any matter in which they had a Disclosable Pecuniary Interest and should leave the room prior to the commencement of the debate.

6. MINUTES

RESOLVED:

That the Minutes of the meeting held on 23rd September 2013 be approved as a correct record.

7. EXTERNAL AUDIT – ANNUAL AUDIT LETTER 2012/13 – WEST MERCIA SUPPLIES JOINT COMMITTEE

Ms. J. Hill (Grant Thornton) presented the Annual Audit Letter 2012/13 for West Mercia Supplies Joint Committee. Ms. Hill outlined the purpose of the Letter and outlined the key areas for the Joint Committee's attention.

RESOLVED:

That the West Mercia Supplies Joint Committee Annual Audit Letter 2012/13 be noted.

8. EXTERNAL AUDIT – AUDIT PLAN 2013/14 WEST MERCIA ENERGY JOINT COMMITTEE

Ms. J. Hill (Grant Thornton) presented the Audit Plan 2013/14 for West Mercia Energy Joint Committee. An amended page 8 was circulated to the Committee. In response to a question from a Member, Ms. J. Hill explained that variations to fees were all agreed by the Audit Commission and a request for a variation of fees was usually made in response to additional audit work.

A Member questioned whether the size of the Audit was in proportion to the size of the business. In response J. Hill explained that as West Mercia Energy was a public body and a set of statutory accounts was required to be published and at present the scale of the audit was supported by the Audit Commission, however the arrangements would be reviewed by the body taking over from the Audit Commission in 2015. The Joint Committee agreed that as a public body it was very important to have a thorough audit system in place.

RESOLVED:

That the West Mercia Energy Joint Committee Audit Plan 2013/14 be noted.

9. EXTERNAL AUDIT – INFORMING THE AUDIT RISK ASSESSMENT PAPER

2013/14 WEST MERCIA ENERGY JOINT COMMITTEE

Ms. J. Hill (Grant Thornton) presented the Informing the Audit Risk Assessment Paper 2013/14 for West Mercia Energy Joint Committee, explaining that the report contributed towards transparency and the effective two-way communication between the Joint Committee and external audit.

In response to questions, N. Evans Director confirmed that the staff were fully aware of what to do if they suspected fraud, the Whistle Blowing Policy had recently been updated in consultation with Shropshire Council, WME worked closely with Shropshire Council's Internal Audit Team and Claire Porter (Shropshire Council) was the monitoring officer.

In response to a question relating to Going Concern Considerations, Mr N Evans explained that the business was trading positively, with all customers extending their contracts, however it seemed sensible and appropriate to review the Going Concern assessment in twelve months time as part of the Business Plan.

RESOLVED:

That the West Mercia Energy Joint Committee Informing the Risk Assessment Paper 2013/14 be noted.

10 EXTERNAL AUDIT – INTERNAL AUDIT – EXTERNAL AUDIT PROTOCOL FOR WME

Ms. J. Hill (Grant Thornton) presented the Internal Audit External Audit Protocol for West Mercia Energy, which set out the key principles and procedures underpinning the working relationship between Audit Services and the Joint Committee's external auditors, establishing a framework for coordination cooperation and exchange of information.

RESOLVED:

That the Internal Audit/External Audit Protocol for West Mercia Energy report be noted.

11. INTERNAL AUDIT REPORTS 2013/2014

11a Corporate Governance 2013/14

Ms. C. Pilawski (Audit Services Manager) outlined the report, explaining that the overall assurance level was reasonable and that all of the recommendations had been implemented or partially implemented. One recommendation had been classed as significant and the detail of this was explained. In response to a question, N. Evans (Director) explained that the recommendation related to the redundancy multiplier of 2.5 for West Mercia Energy staff which differed to the multiplier in place at Shropshire Council. It was agreed that N Evans would liaise with the Treasurer, HR and legal from Shropshire Council to review this in greater detail and to report back as appropriate.

11b Finance 2013/14

Ms. C. Pilawski (Audit Services Manager) outlined the report, explaining that the overall assurance level was good and there was a sound system of control

in place, with controls being consistently applied.

11c West Mercia Energy Supplier Rebates 2013/14

Ms. C. Pilawski (Audit Services Manager) outlined the report, explaining that the overall assurance level was good and there was one best practice recommendation which was detailed within the report.

11d Income Streams

Ms. C. Pilawski (Audit Services Manager) outlined the report, explaining that the overall assurance level was good.

11e Follow Up on Previous Recommendations 2013/14

Ms. C. Pilawski (Audit Services Manager) outlined the report, commenting that excellent progress had been made in the implementation of previous recommendations.

RESOLVED:

That the Internal Audit Reports 2013/14 be noted.

12. INTERNAL AUDIT – AUDIT PLAN 2014/2015

Ms. C. Pilawski (Audit Services Manager) outlined the report, drawing Members attention to Appendix A of the report, which detailed the proposed Audit Programme for 2014/15. Councillor Arnold England questioned the amount of contingency days that had been allocated for Engagement Management and requested that his reservations in this area be noted. In response, Ms C. Pilawski explained that this was a contingency only and it would not necessarily be used but was based on previous knowledge and experience of requirements.

RESOLVED:

That the Internal Audit Programme of Audits for 2014/2015 be approved.

Ms. J. Hill (Grant Thornton) left the meeting at this point.

13. EXCLUSION OF PUBLIC AND PRESS

RESOLVED: That under Section 100(A)(A4) of the Local Government Act 1972, the public be excluded during the consideration of the following items of business on the grounds that they might involve the likely disclosure of exempt information as defined in Schedule 12(A) of the Act.

14. EXEMPT MINUTES

(The full version of Minute 14 constitutes exempt information under the Access to Information Rules and has accordingly been withheld from publication.)

RESOLVED: That the Exempt Minutes of the meeting held on 23rd September 2013 be approved as a correct record.

15. WEST MERCIA ENERGY TRADING PERFORMANCE TO DATE 2013/14

(The full version of Minute 15 constitutes exempt information under the Access to Information Rules and has accordingly been withheld from publication.)

RESOLVED: That the contents of the report be noted.

16 WEST MERCIA ENERGY BUSINESS PLAN AND BUDGET FOR 2014/15

(The full version of Minute 16 constitutes exempt information under the Access to Information Rules and has accordingly been withheld from publication.)

RESOLVED: That the contents of the report be noted.

17. MINUTES OF THE FLEXIBLE ENERGY MANAGEMENT PANEL

(The full version of Minute 17 constitutes exempt information under the Access to Information Rules and has accordingly been withheld from publication.)

RESOLVED: That the minutes of the meetings of the Flexible Energy Management Panel be received.

18. WEST MERCIA ENERGY EQUALITY POLICY

(The full version of Minute 18 constitutes exempt information under the Access to Information Rules and has accordingly been withheld from publication.)

RESOLVED: That the report be noted.

19. AREAS OF CONSIDERATION PRIOR TO SEPTEMBER 2014

(The full version of Minute 19 constitutes exempt information under the Access to Information Rules and has accordingly been withheld from publication.)

RESOLVED: That the report be noted.

20. DATE OF NEXT MEETING

It was noted that the next meeting of the West Mercia Energy Joint Committee would be held on Monday, 22nd September 2014 at 10.00 a.m., venue to be confirmed.

The meeting ended at 11:50 a.m.

Signed

Dated