

Minutes of the meeting of West Mercia Energy Joint Committee held in the Council Chamber, Westgate, Bridgnorth Monday 23 September 2013 at 10.00am.

Members Present:

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

Officers Present:

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

20. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors A England (Telford and Wrekin) and J Smith (Worcestershire).

21. NAMED SUBSTITUTIONS

There were no substitutes in attendance.

22. 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.

23. MINUTES

RESOLVED:

- 1) That the Minutes of the West Mercia Supplies Audit Committee held on 24th June 2013 be received.
- 2) That the Minutes of the West Mercia Supplies Joint Committee held on 24th June 2013 be received.

24. STATEMENT OF ACCOUNTS 2012/13 AND ANNUAL GOVERNANCE STATEMENT 2012/13

The Treasurer explained that there had been some changes around the disclosure element of the document, so items 5 (Statement of Accounts 2012/13 and Annual Governance Statement 2012/13) and 6 (External Audit – Audit Findings Report) would be dealt with together. It was explained that the draft Statement of Accounts had been reviewed by the Audit and Joint Committee in June 2013. Since then the main substance of the Accounts had not changed but there had been a number of minor disclosure issues identified by external Audit, however these had not affected the bottom line figures.

Mr Grant Patterson (Grant Thornton) presented the Audit Findings Report for 2012/13 explaining that the key issue arising from the audit was that External Audit were proposing to issue an unqualified opinion on the Joint Committee's financial statements and an unqualified Value for Monday conclusion.

The key messages arising from the audit of the Joint Committee's financial statements were explained and two adjustments that had been made were highlighted.

Mr Grant Patterson explained in more detail, one of the risks that had been identified in the review of journal controls was the risk of management override of controls. Mr Patterson stressed that the audit work had not identified any evidence of management override of controls, but that the lack of segregation of duties in this area had been identified as a weakness. Members of the Joint Committee sought further clarification, in response the Treasurer explained that within a small organisation it could be difficult to segregate duties however he was confident that there were other checks and balances within the organisation that meant that the processes were secure. The Committee accepted that some change in the process was required in this area and requested that the Treasurer, the Director of West Mercia Energy and the Audit Services Manager should investigate further.

With regard to the Statement of Accounts, Mr Grant Patterson explained that some slight issues had been identified that would need amending but that these did not affect the overall bottom line figures contained within the Accounts.

To conclude, Mr Patterson explained that the fee had varied this year to take into account of the additional work around the sale of the supplies division.

RESOLVED:

- 1) That the Treasurer's Letter of Representation be received and signed by the Chairman.
- 2) That authority be delegated to the Director of West Mercia Energy, in consultation with the Chairman of the Joint Committee to finalise and sign off the Statement of Accounts for 2012/13.
- 3) That the Annual Governance Statement 2012/13 be received.

25. EXTERNAL AUDIT – AUDIT FINDINGS REPORT 2012/13

See Minute 5 above

RESOLVED: That the Audit Findings report, 2012/13 be received.

26. INTERNAL AUDIT – CREDITORS SYSTEM 2013/14

Ms C Pilawski, Audit Services Manager presented the report, confirming that the overall assurance level was rated as good.

RESOLVED: That the Internal Audit Report be noted.

27. INTERNAL AUDIT – PAYROLL 2013/14

Ms C Pilawski, Audit Services Manager presented the report, confirming that the overall assurance level was rated as good.

RESOLVED: That the Internal Audit Report be noted.

28. 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.

29. EXEMPT MINUTES

(The full version of Minute 29 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 24TH June 2013 be approved as a correct record.

30. PROFIT RELATED PAY SCHEME

(The full version of Minute 30 constitutes exempt information under the Access to Information Rules and has accordingly been withheld from publication.)

RESOLVED: That the recommendations contained within the report be approved.

31. DISTRIBUTION OF SURPLUS

(The full version of Minute 31 constitutes exempt information under the Access to Information Rules and has accordingly been withheld from publication.)

RESOLVED: That the recommendations contained within the report be approved.

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

(The full version of Minute 32 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.

33. MINUTES OF THE FLEXIBLE ENERGY MANAGEMENT PANEL

(The full version of Minute 33 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.

34. DATE OF NEXT MEETING

It was noted that the next meeting of the West Mercia Energy Joint Committee would be held on Monday, 24 February 2014 at 10.00 a.m. in the Council Chamber, Westgate, Bridgnorth.

The meeting ended at 11.10 a.m.

Signed

Dated