

Minutes of the meeting of West Mercia Energy Audit Committee held at Westgate, Bridgnorth on Monday 24th June 2013 at 10.00am.

Members Present:

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

Officers Present:

West Mercia Energy Grant Thornton	N Evans G. Patterson J Hill
Telford & Wrekin Council Shropshire Council	D Sidaway E Marshall C. Pilawski K. Hall J Walton
Worcestershire County Council	M Howard

1. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor B McClements and Mr D. Powell (Herefordshire Council)

2. NAMED SUBSTITUTES

Councillor A. England was in attendance as a substitute for Councillor McClements.

3. 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.

4. MINUTES

RESOLVED: That the minutes of the meeting held on 25th February 2013 be approved as a correct record.

5. EXTERNAL AUDIT - ANNUAL AUDIT PLAN 2012/13

Mr G Patterson (Grant Thornton) presented the Annual Audit Plan 2012/2013. G. Patterson outlined the significant developments relevant to WME and within the Audit sector generally, such as changes to the CIPFA Code of Practice and changes that were due to the Local Government Pension Scheme (LGPS).

J. Hill outlined the audit was focused on risks and those significant risks identified for the 2012/13 audit.

The Audit Findings report for the audit would be brought to the September meeting.

RESOLVED: That the Annual Audit Plan 2012/13 be noted.

6. EXTERNAL AUDIT - FEES LETTER 2013/14

Mr G. Patterson (Grant Thornton) presented the Fees Letter 2013/14.

RESOLVED: That the Fees Letter 2013/14 be noted.

7. CORPORATE GOVERNANCE AND RISK MANAGEMENT REPORT 2012/13

C. Pilawski presented the report, highlighting that the Audit had revealed that there was a reasonable assurance that corporate governance arrangements were in place. C. Pilawski reported that three significant issues had been identified and paragraph 11 of the report detailed recommendations arising from these issues. In response to a question, C. Pilawski stated that Financial Regulations and Standing Orders for contracts would be considered by the Joint Committee, immediately following the Audit Committee.

RESOLVED: That the Corporate Governance and Risk Management Final Internal Audit Report 2012/13 be noted.

8. FINANCIAL RESULTS 2012/13 AND STATUTORY STATEMENT OF ACCOUNTS 2012/13

J. Walton (Treasurer) introduced the report, outlining the key points for discussion. In response to a question J. Walton confirmed that the pensions liability previously built up had remained with the owners, following the sale. It was further explained that the staff who transferred under TUPE were members of the Shropshire Council Pension fund, however the new owner of the supplies division were not eligible for admitted body status in the Shropshire Council Pension fund.

J. Walton explained that the pension deficit which remained with the owners following the sale was currently being reviewed and would continue to be reviewed every three years.

RESOLVED:

That the Statement of Accounts for the financial year ended 31 March 2013 be noted.

That the Annual Governance Statement 2012/13 be noted.

9. INTERNAL AUDIT 2012/13 SUMMARY AUDIT REPORT

C. Pilawski outlined the Internal Audit 2012/2013 Summary Audit Report,

highlighting that she was pleased to deliver a positive year end opinion on West Mercia Energy's internal control environment for 2012/13.

RESOLVED:

That performance against the Audit Plan for the year ended 31 March 2013 be endorsed.

That the effective operation of the system of internal control be noted and relied upon when considering the Annual Governance Statement for 2012/13.

That the Audit Service Manager's positive year end opinion on WME's internal control environment for 2012/13 be noted, on the basis of the work undertaken and management responses received.

10 INTERNAL AUDIT STRATEGIC PLAN 2012/13 TO 2015/16

C. Pilawski outlined the report which detailed the proposed programme of audit work for the year 2013/14.

RESOLVED:

That the programme of audits for 2013/14 be approved.

11. DATE OF NEXT MEETING

The next meeting would take place on Monday, 23rd September 2013 at 10.00 a.m. in the Council Chamber, Westgate Bridgnorth.

The meeting ended at 10.56 a.m.

Signed

Dated