

RbD Audit Sub Committee Minutes

Thursday 23 November 2006

Elexon, 350 Euston Road, London

Attendees

Julian Majdanski (Chair)	JM	Joint Office of Gas Transporters
Helen Cuin (Secretary)	HC	Joint Office of Gas Transporters
Alex Travell	AT	E.ON UK (Member)
Jenny Boothe	JB	Ofgem
Linda Whitcroft	LW	xoserve
Mark Jones	MJ	Scottish and Southern (Member)
Rochelle Hudson	RH	Centrica (Member)
Simon Howe	SH	RWE Npower (Alternate)

Apologies

Ndidi Njoku	Ofgem
James Boraston	RWE Npower (Member)
Savita Shaunak	EdF Energy (Member)

1. Status Review

JM welcomed members to the meeting, which was quorate.

1.1. Minutes from July 2006 RbD Audit Sub Committee

The Minutes of the previous meeting were approved.

1.2. Review of Actions from April 2006 RbD Audit Sub Committee

Action RbD 0706: Scheduled October meeting postponed until November.

Action: Complete.

2. 2006 Half Year Audit Report

LW discussed the letter provided by Ernst & Young along with the Audit Approach highlighting that there were no issues found.

The Committee unanimously agreed to the circulation of the Ernst & Young Audit Report Letter to the RbD Shippers. LW had obtained prior consent from Ernst & Young.

Action RbD1101: Ernst & Young Audit Report Letter to be circulated to all RbD Shippers.

3. Feeder Processes – Scope of Audit Work

LW provided Committee Members with the Feeder Process Audit Approach document for discussion.

RH requested if sites which have been suppressed and subsequently taken out of the Suppressed Pot can be included within the NDM - Reconciliation proposed Audit Approach. LW confirmed that this request will be submitted to the auditor for consideration.

LW agreed that xoserve will confirm how many Financial Adjustment are likely to be undertaken each month to assess if one adjustment from the "002 APD" file within the Financial Adjustments – Duplicate Adjustments proposed Audit Approach is an adequate sample size.

RH questioned if the one adjustment from the "002 APD" file is at an MPRN or file level. RH suggested that if the one adjustment is likely to be a single MPRN that this would not be an adequate sample size. The committee members present agreed that at least 10 MPRNs ought to be sampled and that if the randomly selected "002 APD" file contained less than 10 MPRNs an additional or alternative file should be selected.

SH requested if xoserve could confirm the average number of One-off Adjustments and Duplicates Adjustments over a month to assess if the proposed audit sample size selected is adequate. MJ also requested if xoserve could confirm all of the types' of adjustments undertaken and whether this information could be included within the Final Audit Report. The committee discussed whether it would be useful to understand the total value of adjustments, however it was agreed that this information would not be required.

JM confirmed that the RbD Audit only assesses if the processes outlined in the UNC are being followed and as these are automated processes increasing sample sizes may not be necessary.

Action RbD1102: LW to request that at least one site which has been suppressed and subsequently taken out of the Suppressed Pot can be included within the NDM - Reconciliation proposed Audit Approach.

Action RbD1103: LW to confirm how many Financial Adjustment are likely to be undertaken each month.

Action RbD1104: LW to request that at least 10 MPRNs are sampled from the "002 APD" files within the Financial Adjustments – Duplicate Adjustments proposed Audit Approach

Action RbD1105: LW to confirm the average number of One-off Adjustments and Duplicates Adjustments over a month to assess if the proposed audit sample size selected is adequate.

Action RbD1106: LW to confirm all of the types' of adjustments undertaken and request that this information is included within the Final Audit Report.

4. AOB

LW highlighted that the auditor contract has been extended and could be extended again for another year. Therefore the committee should consider whether to re-appoint Ernst & Young or re-tender. A decision will need to be made at the January meeting to allow adequate time for the tender process.

Action RbD1107: All RbD Audit Sub Committee Members to consider if they wish to appoint a new auditor for when the existing Audit contract ends and provide a view at the January meeting.

5. Diary Planning for Sub Committee

Thursday 25 January 2007, Novotel, Birmingham International Airport (following the Distribution Workstream).

Action Table (Appendix 1)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RbD0706	27.07.06	3	JM to write out in advance of the next meeting as to whether to hold the meeting	Joint Office (JM)	Action: Complete
RbD1101	23.11.06	3	Ernst & Young Audit Report Letter to be circulated to all RbD Shippers.	xoserve (LW)	Action: Pending
RbD1102	23.11.06	3	LW to request that at least one site which has been suppressed and subsequently taken out of the Suppressed Pot can be included within the NDM - Reconciliation proposed Audit Approach.	xoserve (LW)	Action: Pending
RbD1103	23.11.06	3	LW to confirm how many Financial Adjustment are likely to be undertaken each month.	xoserve (LW)	Action: Pending
RbD1104	23.11.06	3	LW to request that at least 10 MPRNs are sampled from the "002 APD" files within the Financial Adjustments – Duplicate Adjustments proposed Audit Approach	xoserve (LW)	Action: Pending
RbD1105	23.11.06	3	LW to confirm the average number of One-off Adjustments and Duplicates Adjustments over a month to assess if the proposed audit sample size selected is adequate.	xoserve (LW)	Action: Pending
RbD1106	23.11.06	3	LW to confirm all of the types' of adjustments undertaken and request that this information is included within the Final Audit Report.	xoserve (LW)	Action: Pending
RbD1107	23.11.06	4	All RbD Audit Sub Committee Members to consider if they wish to appoint a new auditor for when the existing Audit contract ends and provide a view at the January meeting.	All Members	Action: Pending