

RbD Audit Sub Committee Minutes

Thursday 27 April 2006

Novotel, Birmingham International Airport

Attendees

Julian Majdanski (Chair)	JM	Joint Office of Gas Transporters
Helen Cuin (Secretary)	HC	Joint Office of Gas Transporters
Lorna Dupont	LD	Joint Office of Gas Transporters
Alex Travell	AT	E.ON (Member)
Joanne Ferguson	JF	Northern Gas Networks
Linda Whitcroft	LW	xoserve
Nick Woodward	NW	Ernst & Young
Richard Fairholme	RF	E.ON UK
Rochelle Hudson	RH	Centrica (Member)
Simon Howe	SH	RWE Npower (Member)
Sue Lake	SL	xoserve

Apologies

Jon Dixon	Ofgem
Mark Jones	Scottish and Southern (Member)
Savita Shaunak	EdF Energy

1. Status Review

1.1. Minutes from January 2006 RbD Audit Sub Committee

No comments were received. The Minutes of the previous meeting were approved.

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

The actions were reviewed (see Action Table Appendix 1).

2. 2005 Audit Report

NW confirmed that the conduct of the audit had gone well and that there were no significant issues. One minor problem had occurred; when wanting to re-perform the AQ calculation the specific date chosen was not available, so a different date had to be used. A request had been made to xoserve that the historical data be kept for next time. AT questioned why AQ Data for specific dates was not available. LW thought that it may be a space issue but was not certain, and agreed to take this query away and respond.

Action: LW to confirm why AQ Data for specific dates was not available.

RH questioned why Threshold Crossers had been included in the audit; AT confirmed that these had been included as part of the revised scope.

NW stated that all processes audited were well adhered to.

AT questioned whether there had been any change in performance and whether there might be any concerns with the age of the systems being used to perform the processes. NW confirmed that the systems are performing well and there was no cause for concern.

RH questioned if Distribution Network Sales had any impact. NW observed that the processes were well established, and that there was no noticeable change following Network Sales.

JM requested that to ensure transparency, the report be released to a wider audience than just those Users who received RbD charges.

Action: LW to write to NW, requesting permission to release report to wider audience.

Action: JM to contact two members not present and seek their acceptance of the report.

3. Feeder Processes for 2006 Audit

Ernst & Young have been appointed to cover the audit requirements for this calendar year (2006), to be carried out in the autumn and early 2007.

LW circulated an RbD Input Control Audit Report to assist with the group's selection of three Feeder Processes for this audit.

AT questioned when the process selection needed to be confirmed.

Action: LW to confirm date by which the Feeder Process selection needed to be confirmed.

AT also questioned the scope of a potential audit of LDZ measurement and CSEP reconciliation and whether this would include source data. SH commented that the audit was relatively simple and concentrated on the processing of supplied data and not on the appropriateness of the data submitted. It was understood that the Ofgem consultation was considering this. AT confirmed his support for the NExA changes for CSEP reconciliation, as this would alter the scope of audit.

RH suggested that LDZ Measurement was of high importance however the current scope of the audit meant that it would only assess the processing of data. SH observed that the RbD Audit was defined in UNC Section V, and that this had always been seen to be a potential weakness in the report. SL confirmed that the data would only be checked through the audit to ensure correct input; it would not ensure that the source data was correct.

A general discussion followed on which processes might be considered for the next audit. RH suggested the inclusion of GRE prices and the usage of SAP, and was keen to include DM Reconciliation (including resynchronisation). AT expressed an interest in the inclusion of CSEP AQ for Spring 2007 and also questioned if NDM Reconciliation has previously been undertaken. SH confirmed an interest in Prime & Subs Reconciliation due to the manual intervention element.

To avoid duplication JM suggested that an examination of previous reports and which feeder processes had been audited previously may help the group to decide which processes to concentrate on for the next audit.

Following some debate it was agreed that Financial Adjustments, Prime & Subs Reconciliation, and DM and NDM Reconciliation were the four feeder processes that members present at the meeting wish to be considered. A final decision on three of the four will need to be taken by all members by the date of the next meeting.

Action: JM to write to members (including members not present) to advise of the short list of Feeder Processes, and to seek each member's order of choice for inclusion in the next audit.

4. Appointment of Auditor for 2007 – 2009

LW confirmed that xoserve are content to extend the current audit contact. A Timeline was provided to indicate the required decision stages and the requirement for additional meetings should the group decide not to extend the current contract. JM highlighted that the extension can only be undertaken twice.

A short discussion took place and AT highlighted the positives of extending the auditor contract.

All members present agreed that in view of the impending Ofgem RbD Consultation it would be favourable to extend the contract, until the end of 2007.

Action: LW to confirm the process for appointing/reappointing the auditor.

5. AOB

No other business was brought to the attention of the group.

6. Diary Planning for Sub Committee

Next Meetings (following the Distribution Workstream):

Thursday 27 July 2006, Novotel, Birmingham International Airport.

Thursday 26 October 2006, Novotel, Birmingham International Airport.

Action Table (Appendix 1)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RbD1003	27.10.05	2	RbD Audit Sub Committee to consider auditor appointment early in 2006.	All	Action: C/F
RbD0101	26.01.06	3	All to consider a 1-year extension to existing auditor contract.	All	Action: Complete
RbD0102	26.01.06	3	FC to send out a copy of the previous "invitation to tender" letter and provide an appointment timetable at April's meeting.	xoserve (FC)	Action: Complete
	27.04.06		LW to confirm why AQ Data for specific dates was not available.	xoserve (LW)	
	27.04.06		LW to write to NW, requesting permission to release report to wider audience.	xoserve (LW)	
	27.04.06		JM to contact two members not present and seek their acceptance of the report.	Joint Office (JM)	
	27.04.06		LW to confirm date by which the Feeder Process selection needed to be confirmed.	xoserve (LW)	
	27.04.06		JM to write to members (including members not present) to advise of the short list of Feeder Processes, and to seek each member's order of choice for inclusion in the next audit.	Joint Office (JM)	
	27.04.06		LW to confirm the process for appointing/reappointing the auditor.	xoserve (LW)	