

## RbD Audit Sub Committee Minutes

Thursday 27 October 2005

Elexon, 350 Euston Road, London

### Attendees

Julian Majdanski (Chair)	JM	Joint Office of Gas Transporters
Helen Cuin (Secretary)	HC	Joint Office of Gas Transporters
Tim Davis	TD	Joint Office of Gas Transporters
Alex Travell	AT	E.ON
Fiona Cottam	FC	xoserve
Mark Jones	MJ	Scottish and Southern
Simon Howe	SH	RWE Npower

### Apologies

Rochelle Hudson	Centrica
Bryony Sheldon	Ofgem
Ernst & Young	

## 1. Status Review

### 1.1. Minutes from July RbD Audit Sub Committee

No comments received. Minutes approved.

### 1.2. Review of Actions from July RbD Audit Sub Committee

See Action Table Appendix 1 (Page 3)

## 2. 2005 Half Year Audit Report

FC presented letter from Ernst & Young reporting current status of work for period ended 30 June 2005. xoserve are looking for confirmation on whether the letter/report can be circulated. MJ highlighted a spelling error in the letter for correction.

**Action RbD1001:** FC to obtain permission from Sub Committee members and Ernst & Young before onward circulation of Audit Letter.

SH confirmed although meeting not quorate RWE Npower would have no objection for the current auditor to remain in term if no changes are made to current fees. AT sought clarification on the length of appointment of auditors.

**Action RbD1002:** FC to confirm period for auditor's contract.

**Post Meeting Note:** The contract expires on 31 December 2006, but allows for two separate one year extensions with the same terms and conditions.

FC pointed out that the Sub committee need to start the process for re-appointing an auditor early next year.

**Action RbD1003:** RbD Audit Sub Committee to consider auditor appointment early next year

### 3. Feeder Processes – Scope of Audit Work

Ernst & Young, following presentation of last audit report, agreed to provide clarification on scope of audit. FC presented Proposed Audit Approach for Feeder Process Review (considering what Ernst & Young believe can be achieved within a 5 day audit)

SH questioned the scope of the Threshold Crossers suggesting that it may be advisable to use a sample of AQs in the smaller supply point area and some larger.

**Action RbD1004:** FC to request inclusion of a wider sample than Threshold Crossers.

AT questioned the removal of meter exchanges.

**Action RdD1005:** FC to clarify removal of Meter Exchanges from audit scope.

AT challenged whether the audit ought to check the connections to and from iGMS particularly the provision of information to Gemini.

SH sought clarification with regards to the interpretation of calculation factors, requesting the audit checks the correct charging factors are being used to ensure that there is nothing similar to the Bottom Stop SOQ charging error.

FC explained that Ernst & Young completely re-perform the calculation of RbD charging from first principles, which mitigates any such risk.

**Action RbD1006:** FC to approach Ernst & Young to make changes to the scope of audit. In particular the inclusion of the interface from iGMS to Gemini. FC to circulate any revision to the document before the audit is undertaken. Preferably by the end of November 2005.

### 4. AOB

None

### 5. Diary Planning for Sub Committee

Next Meeting: Thursday 26 January 2006 (following the Distribution Workstream)  
Birmingham International Airport.

Action Table (Appendix 1)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
	13.07.05	3	JM to obtain agreement from the other Sub-Committee members to the suggested Processes for Audit agreed at this meeting. Confirmation of agreed Process for Audit will be required by mid August.	Joint Office (JM)	Action: Complete
RbD1001	27.10.05	2	FC to obtain permission from Sub Committee members and Ernst & Young before onward circulation of Audit Letter.	xoserve (FC)	Action:
RbD1002	27.10.05	2	FC to confirm period for auditor's contract.	xoserve (FC)	Action: Complete See Post Meeting Note
RbD1003	27.10.05	2	RbD Audit Sub Committee to consider auditor appointment early next year	All	Action:
RbD1004	27.10.05	3	FC to request inclusion of a wider sample than Threshold Crossers.	xoserve (FC)	Action:
RbD1005	27.10.05	3	FC to clarify removal of Meter Exchanges from audit scope	xoserve (FC)	Action:
RbD1006	27.10.05	3	FC to approach Ernst & Young to make changes to the scope of audit. In particular the inclusion of the interface from iGMS to Gemini. FC to circulate any revision to the document before the audit is undertaken. Preferably by the end of November 2005.	xoserve (FC)	Action: