



Minutes of a meeting of the ESPO Management Committee held at County Hall, Glenfield, Leicestershire on Thursday, 29 September 2011.

PRESENT

Leicester City Council

Cllr. R. Patel;

Leicestershire County Council

Cllr. R. K. A. Feltham (Chairman, in the Chair); Cllr. M. B. Page;

Lincolnshire County Council

Cllr. S. Rawlins;

Norfolk County Council

Cllr. G. Jones; Cllr. R. Smith;

Peterborough City Council

Cllr. J. f. Holdich OBE

Warwickshire County Council

Cllr. D. Wright

Apologies for absence.

Apologies for absence were received from:- Cllr. S. Count, Cllr. D. Jenkins and Cllr. J. Reynolds (Cambridgeshire County Council), Cllr. J. Thomas (Leicester City Council), Cllr. D. R. Parsons CBE (Leicestershire County Council), Cllr. D. Hoyes MBE and Cllr. R. Shore (Lincolnshire County Council), Cllr. T. Naylor and Cllr. J. Whitehouse (Warwickshire County Council).

85. Minutes.

The minutes of the meeting held on 24 June 2011 were taken as read, confirmed and signed as a correct record.

86. Urgent Items.

The Chairman reported that there were no urgent items for consideration.

87. Declarations of interest.

There were no declarations of interest in respect of items on the agenda.

88. Audit Letter 2010/11.

The Chairman welcomed to the meeting Ms Alison Breedon and Ms Charlotte Kennedy of PricewaterhouseCoopers (PWC).

The Management Committee considered a joint report of the Interim Director and Consortium Treasurer, the purpose of which was for the external auditor to communicate certain matters arising from its audit of the 2010/11 financial statements to those charged with governance, prior to their certification. A copy of the report, marked 'B', is filed with these minutes.

Arising from discussion, the following points were noted:

- i) The audit had identified no significant audit and accounting issues, with only minor adjustments to the accounts requested and agreed;
- ii) No material weaknesses were identified in the accounting and internal control systems, with only a small number of minor control weaknesses which had been reported separately to the Assistant Director – Finance;
- iii) The Committee was satisfied with the appropriateness of accounting for gas accruals on a cash basis and the process that had been adopted in accruing for rebates, noting that this had increased rebate income by £703,000 in 2010/11 due directly to the change in accounting process, rather than an increase in trading and underlying performance.
- iv) The financial statements would be certified by PWC with an unqualified opinion;

The Chairman thanked Ms Breedon and Ms Kennedy for their contribution to the meeting.

RESOLVED:

- a) That the content and matters raised in the audit letter 2011/12 be noted;
- b) That the audit letter 2011/12 be approved.

89. Statement of Accounts and Annual Governance Statement 2010/11.

The Management Committee considered a joint report of the Interim Director and Consortium Treasurer which presented the Statement of Accounts and Annual Governance Statement for the financial year 2010/11. A copy of the report, marked 'C' is filed with these minutes.

Arising from discussion, the following principal points were noted:

- i) Following consideration of the draft Statement of Accounts by the Committee on 24 June 2011, subsequent minor changes had resulted in a net change of £99,000 in the final accounts;
- ii) In terms of the significant governance issues contained in the Annual Governance Statement (appendix 2 to the report refers) it was noted that:

- In respect of actioning the recommendations of the Business Strategy Review, work had progressed on the Change Management Programme and both a Programme Initiation Document and the results of a review undertaken of alternative governance models would be presented to the next meeting of the Committee;
 - A number of reports around business risk had been presented to Committee in recent months and a new strategy, developed in conjunction with the Senior Officer Group, was now in place.
- iii) The bad debt provision of £244,000 that had been written off of £244,000 during 2010/11 was due to a customer that had failed during 2009/10 and for which the debts had proved unrecoverable;

RESOLVED:

That the Statement of Accounts and Annual Governance Statement for 2010/11 be approved.

90. Dates of Future Meetings.

It was noted that future meetings of the Management Committee would be held on:

Thursday 3 November at 11.00 am; and

Friday 2 March 2012 at 11.00 am.

11.05 am - 12.00 pm
29 September 2011

CHAIRMAN