

From: [McCann, Brendan](#)
To: [Clydesdale, Alison](#); [Marten, Lucy](#); [Woods, Michael \(DET\)](#)
Subject: RHI Risk template
Date: 22 June 2016 11:00:56
Attachments: [RHI Risk template.docx](#)

All,

Please see attached a first draft of the Risk Register for the RHI Project. Can you please consider and add any additional material requested and return to me by close of play tomorrow so that I can issue to Steering Group members on Friday before lunch.

Thanks in anticipation.

Brendan

PROJECT RISK REGISTER: RENEWABLE HEAT INCENTIVE SCHEME

1	2	3	4	5		6	7		8
Identifier	Risk	Risk Owner	Cause of Risk	Assessment		Controls in Place	Assessment		Action Planned & Responsibility <i>Target Date</i>
				Inherent			Residual		
				Impact	Likelihood		Impact	Likelihood	
R1	Widespread Non-compliance with the Scheme Rules	Alison Clydesdale	<ul style="list-style-type: none"> • Applications not checked for eligibility • Claims submitted not checked for Compliance • Monitoring visits not undertaken to required level • Monitoring visits ineffective • Poor Scheme Design • Abuse by Scheme participants 	4	4	<ul style="list-style-type: none"> • Eligibility checks conducted by OFGEM • Monitoring visits / site inspections carried out by OFGEM • MOU in place with OFGEM 	3	3	<ul style="list-style-type: none"> • Additional monitoring visits procured locally (revised NI Inspection Programme) (A Clydesdale - Dec16) • Consultants appointed to assess the application of controls over the RHI Scheme (A Clydesdale / B. McCann / M. Woods - 10 July 2016)

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				Impact	Likelihood		Impact	Likelihood	
R2	RHI Scheme is not affordable from 2016-17 to Scheme end in 2020	Alison Clydesdale	<ul style="list-style-type: none"> Tariffs set too high Surge in applications during 2015-16 No caps on number of applications 	4	4	<ul style="list-style-type: none"> Revised Tariffs in place for applicants approved from Nov 2015 Scheme now closed to new applicants (Feb 2016) 	4	4	<ul style="list-style-type: none"> Revisited Tariffs / cost controls for all participants) (A Clydesdale - Dec16) Revised Business Case (A Clydesdale - Dec 2016) Legislation for new Tariffs (A Clydesdale – Jan / Feb 2017)

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R3	Bid to cover Expenditure on 2016-17 not met	Alison Clydesdale / Stephen McMurray	<ul style="list-style-type: none"> No available funding elsewhere in the Department Bid not met by DOF because of pressures in NI Block 	4	4	<ul style="list-style-type: none"> Quarterly Monitoring Rounds Bids to DOF for Additional Monies 	4	4	<ul style="list-style-type: none"> Cost controls considered (A Clydesdale - Dec16) Revised Business Case for Scheme until 2020 (A Clydesdale - Dec 2016) Submission of further bids through Monitoring Rounds / liaison with DOF (S McMurray – various)

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R4	All DOF Approvals required are not secured	Alison Clydesdale	<ul style="list-style-type: none"> Request not sent to DOF on time Retrospective approval is still not given All information not provided to enable DOF Decision 	4	4	<ul style="list-style-type: none"> Quality Assurance of submissions by Department Management Quality Assurance by Finance Division Casework Committee Scrutiny 	4	4	<ul style="list-style-type: none"> Secure additional finance resource Develop revised cost controls / tariffs Develop Revised Business case with new tariffs for submission to DOF and Minister (A Clydesdale – by Mar 2017)

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R5	Revised Tariffs not agreed and in place from 1 April 2017 onwards	Alison Clydesdale	<ul style="list-style-type: none"> Resistance from Participants Rates not agreed with DOF 	4	4	<ul style="list-style-type: none"> RHI Steering Group established to oversee planning work Expertise available to develop revised tariffs Close working with DSO on emerging issues 	4	3	<ul style="list-style-type: none"> Case reduction measures to be developed and implemented from April 2017 (A Clydesdale – Mar 2017)

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R6	Monitoring Visits not carried out to the required level	Alison Clydesdale	<ul style="list-style-type: none"> • Inspections / visits not carried out because of a surge in demand • Funding for Inspections / visits not available • Backlog of Inspections / visits 	4	4	<ul style="list-style-type: none"> • MOU with OFGEM through which Ricardo is employed to carry out Inspections / visits 	4	4	<ul style="list-style-type: none"> • Independent assessment of the scheme (A Clydesdale – xx 2016) • Revised Northern Ireland Programme of visits planned (A Clydesdale – Sep 2016) • Procurement of Organisation to carry out NI Programme of visits (A Clydesdale – xx 2016)

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R7	Department insufficiently prepared for PAC	Iain McFarlane	<ul style="list-style-type: none"> Lack of required staff resources Staff resources do not have the skills required Department fails to collect all information required 	4	4	<ul style="list-style-type: none"> Steering Group established / chaired by Perm Sec / Dep Perm Sec Staff with required skills on Steering Group 	4	3	<ul style="list-style-type: none"> Action Plan for project to be developed (B McCann / A Clydesdale – 30 June 2016) Preparation for PAC to be co-ordinated by Accountability and Casework Branch (I McFarlane)

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R8	RHI Scheme does not comply with State Aid Rules	Alison Clydesdale	<ul style="list-style-type: none"> Scheme tariffs breach return allowed under State Aid Rules 	3	2	<ul style="list-style-type: none"> DN: Alison to provide please 			<ul style="list-style-type: none"> DN: Alison to provide please (A Clydesdale – xx)

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R9	RHI Scheme is not value for money	Alison Clydesdale	<ul style="list-style-type: none"> Tariffs set too high Return on Investment for participants higher than anticipated in original Business Case 	4	3	<ul style="list-style-type: none"> Original Business Case approved by DOF 			<ul style="list-style-type: none"> Independent Review of the Scheme by external consultants (B McCann / A Clydesdale – Jul-Sep 2016) Economist Evaluation of the Scheme Development of Cost Control measures

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R10	Reputational Damage to the Department which Impacts on Future Schemes	Alison Clydesdale	<ul style="list-style-type: none"> Complaints about Department's handling of the Scheme Perceived poor performance at PAC Widespread reporting of NIAO's comments on 2015-16 Accounts 	4	3	<ul style="list-style-type: none"> Steering Group established / chaired by Perm Sec / Dep Perm Sec DN: Alison to provide additional controls please 			<ul style="list-style-type: none"> 'Lines to take' developed and agreed with Private Office (L Martin – June 2016) Cascade of IA Findings to wider Department (B McCann – Aug 2016) Consultation on proposed changes (A Clydesdale – xx)