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To: [McCormick, Andrew \(DETI\)](#)
Cc: [Rooney, Eugene](#); [Stewart, Chris \(DETI\)](#); [Cooper, Trevor](#); [Mills, John \(DETI\)](#); [Wightman, Stuart](#); [Saunders, David](#); [Bagdonaitė, Dovile](#)
Subject: Inspection of RHI non domestic installations
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Andrew

We are currently undertaking a audit review of the RHI non-domestic scheme. In light of the issues that have been raised regarding possible abuse of the scheme there is a requirement now as part of this review to engage external expertise to undertake a number of inspection visits to installations in Northern Ireland.

I have discussed with colleges in Energy Division and i they have advised that OFGEM currently undertake post payment/ award inspections of installations. OFGEM subcontract this work to Ricardo AGA who in turn engage Action Renewables to undertake these checks in Northern Ireland. Given the need to respond quickly to the allegations that have been raised on possible abuse of the scheme I suggest the following course of action:

- 1) Confirm with OFGEM that Action Renewables have the necessary expertise to undertaken inspections of installations, ensuring compliance with the scheme criteria and legislation (I have asked Stuart to confirm this with OFGEM);
- 2) Contact Action Renewables and confirm they can undertake these inspections (they have already confirmed this with Energy Division);
- 3) Select a sample from current applications awaiting approval and a separate sample of installations which have already received an award, confirm any additional questions we may need answered and then ask Action Renewables to submit a proposal with costs to undertaken these inspections and reporting directly to me. Energy have advise that OFGEM could only undertake a small number of inspections and to adequately address these issues i consider we will need to test a larger population, OFGEM also only undertake post payment inspections i consider a sample of applicants awaiting approval also need to be sampled. Finally having this work undertaken directly and reporting to me would provide more independence in using the findings as part of my review;
- 4) To engage Action Renewables directly within the timescale required will mean a Direct Award Contract. If content to proceed i will liaise with Energy on a Business Case and specification for the review, including a sample for inspection;
- 5) Additional budget cover will be required to cover the cost of these inspections, the cost will be dependent on the size of sample selected; and
- 6) In addition, i am meeting with the group Head of Internal Audit on Friday morning to review the current Terms of Reference for the audit review to ensure that this will cover the issues to be considered, include the additional verification work by Action Renewables and to plan the work my team will need to undertake in OFGEM to understand the system they have in place to assess applications and validate payments.

If you are content i will proceed as suggested, i will of course agree to sample size and additional questions before engaging Action Renewables. The alternative would be to ask OFGEM to undertake more inspections however, it is not clear they have the capacity to do so and this would not be as independent as engaging directly with the inspection company.

Happy to Discuss

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