

From: Coyne, Terence
To: [Sewell, Julie](#)
Subject: FW: Policy Group - Six Monthly Assurance Statement
Date: 11 November 2016 17:34:00
Attachments: [Policy Group - Composite Annex A - HoG 6MAS Pro Forma.DOC](#)
[Policy Group - Composite checklist for 6MAS Sep 11.DOC](#)

Julie

There was a six monthly assurance process in place from 1 April 2011 onwards. This is the first statement to David covering the six months to 30 September 2011 when the scheme was being undertaken. Energy Division referred to the implementation of EU Directives and there is a reference to approvals being in place for RHI consultancy – this is consistent with the submissions sent earlier.

Regards

Terry

Terence Coyne

Governance Accountability and Casework

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From: Johnston, Iris **On Behalf Of** Thomson, David
Sent: 02 December 2011 12:11
To: Sterling, David; Hill, Janice
Cc: Coyne, Terence; Donnelly, Carol; McAvera, Gerry
Subject: Policy Group - Six Monthly Assurance Statement

David

Please see attached Six Monthly Assurance Statement from David Thomson.

Many thanks

Iris

Iris Johnston

PS/David Thomson

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ANNEX A**Department of Enterprise, Trade and Investment: Six Monthly Assurance Statement on the System of Internal Control - Period Ended 30 September 2011****Scope of Responsibility**

1. As the Senior Civil Servant responsible for Policy Group, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Department of Enterprise, Trade and Investment's policies, aims and objectives, whilst safeguarding the public funds and Departmental assets for which I am responsible.

The Purpose of the System of Internal Control

2. The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.
3. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of my Group's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the six months ended 30 September 2011 in the Group for which I am responsible and accords with Department of Finance and Personnel guidance.

Capacity to Handle Risk

4. My Group is carrying out appropriate procedures to ensure that it identifies its objectives and risks and a control strategy has been devised for each of the significant risks. As a result, risk ownership has been allocated to appropriate staff.

The Risk and Control Framework

5. The Departmental Board, of which I am a member, has ensured that procedures are in place for verifying that risk management and internal control are regularly reviewed and reported on. As well as regular reports to the Departmental Board, risk management and internal control are regularly reviewed by the Departmental Audit Committee. Risk management is continually being incorporated into the corporate planning and decision-making processes of my Group.
6. The Departmental Board and Departmental Audit Committee receive periodic reports concerning internal control. The appropriate steps

are being taken to manage risks in significant areas of responsibility and monitor progress on key projects.

7. The Department's key objectives and risks are regularly assessed to ensure consistency of treatment.
8. The Department has an Internal Audit Service, which operates to standards defined in the Government Internal Audit Manual. They submit regular reports which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Department's system of internal control together with recommendations for improvement.

Review of Effectiveness

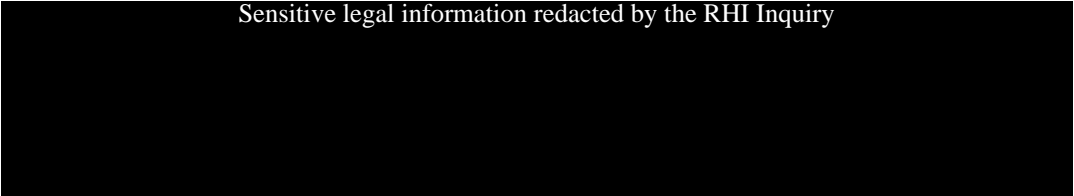
9. As Head of Group I am responsible for reviewing the effectiveness of the system of internal control within my Group. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Department who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their management letters and other reports.

Significant Internal Control Problems

Energy Division

10. There are a number of issues around the implementation of EU Directives. The Division is aware of these and actions are in place for taking them forward.

Sensitive legal information redacted by the RHI Inquiry



Titanic

12. We still await clearance from the EU authorities in relation to procurement issues, to enable us to use EU grant towards the funding of the Signature Building.

Telecoms/Minerals

13. An internal audit report was completed on Minerals Branch which has raised a number of issues. These are being addressed, but it has raised a number of issues.

14. We are dealing with a draft report on telecoms project which, if finalised in current form, would result in the conclusion that a significant amount of funding in relation to a telecoms project would be ineligible for EU grant.

A handwritten signature in black ink, appearing to read 'D. Thompson'. The signature is written in a cursive style with a large initial 'D'.

Head of Group

Date: 2 December 2011

DEPARTMENT OF ENTERPRISE, TRADE AND INVESTMENT

Checklist for Six Monthly Assurance Statement on Internal Control – Six months ended 30 September 2011

Policy Group

This checklist covers the following:

1. Business Planning;
2. Legislative and Other Authorities
3. Business Cases (including Economic Appraisal), Post Project Evaluation and Consultancy;
4. Monitoring of Expenditure;
5. Procurement;
6. Staff (including gifts and hospitality);
7. NDPBs and Third Party Organisations;
8. Internal and External Audit Reports;
9. Data Management; and
10. Other Issues.

Note: If a question is not applicable this should be stated in the comments section.

1 – Business Planning

| 1.1 | Yes | No | Partly |
|---|-----|----|--------|
| Divisions and Branches within the Group have plans which contain measurable targets against which performance and progress can be measured. | √ | | |
| <p>Comments</p> <p>EPD - A full Divisional Plan for 2011/12 is in place that all Branches contributed to. This includes all relevant PfG, Corporate and Operating Plan commitments. All targets are measurable and performance against these is formally monitored, quarterly progress measured and any corrective action taken. In addition each Branch in the Division has a more detailed Operating Plan which each HOB monitors. Business Development Unit has developed a branch operating plan which sets out details of measurable targets for the branch</p> <p>ASU - ASU Business Plan was prepared in Q1 2011/12</p> <p>Energy: Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – no comment. Energy Co-Ordination Branch - Divisional Business Plan agreed and progress against targets reported to HoD on a quarterly basis. External Markets – Plans for Regional Market development will be reviewed in light of the revised Strategic Energy Framework, and subsequent consideration with DCENR, of the All-Island Energy Market Development Framework priorities and targets in 2011/12. Domestic Market - Divisional Business Plans agreed for 2011/12, on which progress is formally reported. IME3 Project Implementation Steering Group established with NIAUR and has regular meetings.</p> <p>TT & GSNI Pol. - Telecomms - Corporate and Divisional Plan Targets agreed Individual projects are managed under the PRINCE2 methodology, with clearly defined milestones and deliverables.</p> <p>Titanic & 2012 Div. - The Titanic project has a number of key targets associated with ensuring that the performance of the overall construction work is on schedule. The building work is within budget and is scheduled to open in April 2012 as anticipated. All project specific targets are monitoring closely on a day by day basis with formalised reporting each month.</p> | | | |

| 1.2 | Yes | No | DFE # 179699 |
|---|-----|----|--------------|
| Timely, relevant and reliable reports on progress against targets are produced and reviewed at the appropriate level to ensure that corrective action is taken as required. | √ | | |

EPD - As noted above, the Divisional Plan is formally updated and monitored quarterly by HOD (and HOBs), including Corporate and Operating Plan targets. This requires progress to be documented alongside any remedial action that has either been taken or is planned in order to keep targets on schedule. Branch Plans are also formally monitored by HOBs at the same time. In addition HOBs monitor progress on an ongoing basis, and HOD undertakes formal 2-weekly work progress meetings with HOBs (and DPs) – any necessary remedial action is discussed and agreed prior to implementation.

ASU - Key ASU Objectives are reflected in the Corporate Plan and Risk Register.

Energy: Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – no comment Energy Co-Ordination Branch - Progress against 2011/12 targets to end September currently being compiled. **External Markets** – Joint Steering Group monitors progress on All-island Energy Market targets and priorities. Project Boards for ISLES and BioMara Interreg IVA projects monitor progress. Isles on schedule for completion by end 2011. BioMara subject to extension of 6 months due to staffing resources and effect on research schedule. DETI working to DECC/UK/EC timetable for IME2 compliance following EU infringement letters to Member States including UK/NI. **Domestic Market** – Progress against targets monitored through: Branch Progress meetings with Grade 5 and HOBs; individually with Grade 5; and through Divisional Business Plan and SEF Implementation Plan reporting.

TT & GSNI Pol. - **Telecomms** - Risk register formally reviewed and updated on a quarterly basis. In addition, highlight reports are produced on a regular basis for those projects following Prince2 project management for the SRO/ Project Board/s. Furthermore, project management issues logs are updated on weekly/ fortnightly basis as appropriate. Progress on all projects contributing to Programme for Government commitments is input to the ISNI delivery tracking system on a monthly basis. In addition, progress in respect of those projects which are part-funded through the ERDF Competitiveness Programme is reported through System 2007.

Titanic & 2012 Div. - The Titanic Project involves a number of key funders and stakeholders. To manage the wider project and ensure that the project progresses and associated targets are met (i.e. the timely completion of construction works and the opening of the Titanic Signature Building etc). A number of formal advisory groups exist and meet each month to track progress. DETI Senior Officials attend both the Project Advisory Group (PAG) and the Titanic Advisory Group (TAG). Asset Holders and Stakeholders formally report on progress identified in the Project Specific Risk Register. The Risk Register forms the key agenda item and those in attendance provide an update against it. This ensures the project is managed in a timely, effective manner and that progress is reported on a monthly basis.

| 1.3 | Yes | No | Partly |
|---|-----|----|--------|
| Divisions within the Group have reviewed their respective responsibilities/entries in the relevant <i>Building-Specific Business Continuity Plan</i> and taken appropriate action to maintain upkeep. | √ | | |
| <p>Comments:</p> <p>EPD - reviews the Business – Specific BCP and responsibilities are noted and updates made as required. A Netherleigh Business Continuity Steering Committee is being set up to look at how the Business – Specific BCP is regularly reviewed and updated. A representative from EPD will be sitting on this group and will feed back to the Division on a regular basis. Business-specific BCP is reviewed/ updated as necessary.</p> <p>ASU - Following the restructuring ASU has developed its own BCP.</p> <p>Energy: Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – no comment. Energy Co-Ordination Branch – no comment. External Markets & Domestic Market – no comment</p> <p>TT & GSNI Pol. - Tourism – N/A Telecomms - Building-specific BCP is reviewed and responsibilities noted.</p> <p>Titanic & 2012 Div. - Titanic & 2012 Projects Division is aware of the specific business continuity plans that are in place and regularly reviews those responsibilities that impact upon them. Senior Management has been involved in BCP briefing sessions.</p> | | | |

| 1.4 | Yes | No | DFE #179702 |
|---|-----|----|-------------|
| Divisions within the Group have Branch-level Business Continuity Plans in place that are fully embedded, reviewed, updated and validated/tested, as appropriate, on a regular basis. | √ | | |
| <p>Comments:</p> <p>EPD - Branch BCP's are in place and are reviewed and updated on a regular basis, most recently in September 2011.</p> <p>ASU - N/A – See above at 1.3</p> <p>Energy: Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – no comment. Energy Co-Ordination Branch – Branch-level BCP updated September 2011. Alan Chowney represents Energy Division on the Netherleigh Business Continuity Group and feeds into validation and testing exercises. External Markets & Domestic Market – no comment.</p> <p>TT & GSNI Pol. - Telecomms - Branch BCP in place and this is reviewed and updated on a regular basis. The BCP was updated in October 2011 to reflect changes in staffing within Unit and decant building arrangements and critical resource considerations in event of requirement to activate plan.</p> <p>Titanic & 2012 Div. - Senior Management has been involved in Business Continuity Briefing sessions and the branches BCP's are in place and are reviewed and updated on a regular basis.</p> | | | |

2 – Legislative and Other Authorities

| 2.1 | Yes | No | Partly |
|--|-----|----|-------------|
| Divisions and Branches within the Group have the necessary legislative authority to undertake functions or activities and to spend money on those functions or activities. | √ | | √ Energy |
| <p>Comments:</p> <p>EPD - All branches, where appropriate, have the necessary legislation in place: IPU under the Industrial Development (NI) Order 1982, and in relation to the NI Science Park under the Northern Ireland Science Park Foundation Limited (Funding) Order (NI) 1999.</p> <p>ASU – no comment</p> <p>Energy: Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – Legislative authority will be required on the renewable heat incentive, and may be required on feed-in tariffs and various legislative actions to support offshore renewables. These will be taken forward in 2011/12. LCM to extend renewable heat incentive powers to Northern Ireland approved by the Northern Ireland Assembly 14 March 2011. The DECC Energy Bill has been appropriately amended and is due for Royal Assent shortly. Subordinate legislation for the implementation of the NI RHI is currently being drafted. New NI Energy Bill will look again at energy objectives and duties for DETI and NIAUR to ensure they align with need for sustainability. Minister has approved LCM for EMR powers in this period – this work will be taken forward Nov 11 – Mar 12. Energy Co-Ordination Branch – no comment. External Markets – Minister has given approval to put in place legislation to give authority for harmonisation of gas arrangements with ROI under the CAG project. Domestic Market – DSO scrutiny of IME3 Regulations, and inputs sought from DSO on subsequent IME3 and other legislative issues. Also Ministerial approval sought for IME3 Regulations. Contract in place for external legal spend.</p> <p>TT & GSNI Pol. - Telecomms - Main powers flow from Section 149 of the Communications Act 2003</p> <p>Titanic & 2012 Div - Titanic & 2012 Projects Division has the necessary legislation in place to undertake the functions which fall within its responsibility. Staffs are aware of the need to follow established procedures. The Division has no programme budget for which it has direct responsibility for making payments from. The appropriate management checks are in place to manage and profile spend such as DRC budget and a small mileage / hospitality budget. Although the Division makes no direct payments using the Account NI system staff are aware of the guidance surrounding such processes.</p> | | | |

| 2.2 | Yes | No | Partly |
|--|-----|----|--------|
| Divisions and Branches within the Group have obtained necessary DFP approvals for expenditure (where appropriate). | √ | | |
| <p>Comments:</p> <p>EPD – no comment</p> <p>ASU - No DFP approvals were required in the period past.</p> <p>Energy: Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – DFP approval for expenditure on Economic Appraisal of renewable heat received January 2011. DFP approval granted for the feasibility study by Ofgem into the implementation of the RHI. DFP approval granted for Energy Supplier Obligation study. Energy Co-Ordination Branch – DFP approval secured in respect of new legal contract from 1 April 2011. External Markets – All necessary approvals (internal & external) obtained for expenditure on tripartite “Isles” Offshore Grid Study for completion by end 2011 and “BioMara” research study for completion in 2012/13. Domestic Market – DETI Casework and DFP approval obtained for the Energy Storage Study and DFP approval for the Gas Network Extension Study.</p> <p>TT & GSNI Pol. - Tourism - N/A. No grants paid by Tourism Policy Branch. Responsibility only for releasing drawdowns. Telecomms - Procedures followed where required. No DFP approvals required for expenditure in this 6-month period.</p> <p>Titanic & 2012 Div - Titanic & 2012 Projects Division have obtained the necessary approvals for expenditure allocated towards the development of the wider Titanic project. Where appropriate any additional bids for monies are presented before the DETI Casework Panel, Finance Branch and DFP if required. All decisions and associated documentation to complete the audit trail are trimmed accordingly.</p> | | | |

| 2.3 | Yes | No | Partly |
|---|-----|----|--------|
| Divisions and Branches within the Group have obtained necessary Ministerial and / or Casework Committee approval for expenditure. | √ | | |
| <p>Comments:</p> <p>EPD - Advice sought and procedures followed when required.</p> <p>ASU - Retrospective approval, by the Minister, was gained for a £70k Consultancy Case carried over from the old SPES Division.</p> <p>Energy: Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – Ministerial and DFP approval received in February 2010 for £85k spend on consultancy on options for future support for renewable electricity generation. EU, Ministerial and DFP approval received in August and September for £80k for consultancy to develop Offshore Renewable Energy Regional Locational Guidance. Ministerial, EU and DFP approval secured in January 2011 for the economic appraisal of renewable heat incentive. Ministerial and DFP approval secured for the Ofgem feasibility study into the NI RHI. Ministerial DFP approval granted for Energy Supplier Obligation study. Energy Co-Ordination Branch – Casework Committee/Minister’s approval secured in respect of new legal contract from 1 April 2011. External Markets & Domestic Market – (see 2.2 above).</p> <p>TT & GSNI Pol. - Tourism - N/A Telecomms - Advice sought and procedures followed where required. No casework approvals were required in this reporting period.</p> <p>Titanic & 2012 Div. - Advice sought and procedures followed when required.</p> | | | |

3 – Economic Appraisal, Post Project Evaluation and Consultancy

| 3.1 | Yes | No | Partly |
|---|-----|----|--------|
| <p>Divisions and Branches within the Group produce business cases before committing public funds. Such business cases contain, where appropriate, economic appraisals conducted with proportionate effort in accordance with Departmental guidance.</p> | √ | | |
| <p>Comments:</p> <p>EPD – EPD currently has a number of areas of business to which public funds are committed.</p> <p>ASU - During the period BC completed for FAME. BC to be prepared for upcoming Research Programme.</p> <p>Energy: Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – Business case for sustainable energy communications approved during this period. Economic appraisal on Renewable Heat Incentive completed. Revised business case on energy supplier obligation approved by G5, EU programmes, Minister and DFP. Business Case for on-shore appropriate assessment underway during this period. Energy Co-Ordination Branch – no comment. External Markets – Business Case for Common Arrangements for Gas prepared, based on updated cost benefit analysis by NIAUR and CER– Revised CBA published April 2009. External review by Poyry and ERINI confirmed findings and broad benefits of CBA. NIAUR has confirmed that joint venture model for System Operator will not materially affect CBA. Discussions ongoing with NIAUR on any impact of new EU Security of Gas Supply Regulations on CAG and CBA. Domestic Market – Approval received for STA for procurement of external technical assessment of IME3 Art 9 (9) Limited Disapplication option. Business cases completed for Energy Storage and Gas Network Extension studies.</p> <p>TT & GSNI Pol. - Tourism - N/A. Tourism Policy Branch advise NITB on business cases as appropriate. Telecomms - is aware of this requirement and adheres to the guidance. During the period one business case was approved by HOD</p> <ul style="list-style-type: none"> • Procurement of legal expertise for development of replacement contract for provision of Remote Broadband Services <p>Titanic & 2012 Div. - Titanic & 2012 related Projects Division is aware of the guidance governing the use of public funds. Any decision to authorise and support funding in respect of the project will first require a business case accompanied by the necessary supporting independent economic appraisals to be undertaken. Any consultancy etc required in respect of the wider Titanic project has been taken forward in accordance with the guidance governing such expenditure. The results are reported to ACB on a monthly basis. DETI Senior Officials take an active role in the oversight of any third party appointments in respect of Titanic. This intervention ensures that any such contracts offer value for money and adhere to DETI procurement guidance.</p> | | | |

| 3.2 | Yes | No | Partly |
|--|-----|----|-------------|
| Divisions and Branches within the Group conduct post project evaluations to consider the effectiveness of expenditure. All post project evaluations have been completed on schedule. | √ | | √ Energy |

Comments:

EPD - Branches are aware of the need to undertake post-project evaluations. Mechanisms are in place across the division to ensure that post-project evaluations are carried out once current ongoing projects have come to a conclusion.

ASU – no comment

Energy: Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – The following PPEs were active during this period:-

- PPE of COI Communications Stage 2 work complete.
- PPE of 5 outstanding Interreg 3A projects delayed due to other higher priority work and loss of Staff Officer.
- PPE of Action Renewables Work Plan delayed due to higher priority work.
- PPEs on Oxera, Strathclyde, CEPA projects completed

Energy Co-Ordination Branch – PPE in respect of final year of previous legal contract to March 2011 – signed off on 4 May 2011. **External Markets** – PPEs completed for work on Common Arrangements for Gas CBA by Poyry Consultants and ERINI and on DMD Wayleave contract which ended February 2009. **Domestic Market** – PPE completed on the gas network study in March 2011. A PPE for the Energy Storage Study is being completed with technical input from GSNI, (final Energy Storage Study reports now received). PPEs completed for the ERINI Study on mutualisation (assumed that the final report will not be received from ERINI – note: final payment to ERINI not made), and for the Energy Efficiency Levy.

TT & GSNI Pol. - **Telecommunications Policy Unit** is aware of and follows this requirement. A detailed spreadsheet identifying due dates for completion of all project PPEs has been developed and circulated, and a rolling programme implemented for the completion of PPEs by assigned staff. Progress reporting is a standing agenda item in team meetings. Within this period 4 PPEs have been completed on TPU projects.

- Evaluation of the performance of consultants (FGS McClure Watters) appointed to complete post-project evaluation of 2006-2010 Telecoms Action Plan
- PPE of the Economic Appraisal for the replacement contract for provision of Remote Broadband Services
- PPE of Broadband Fund project delivered by H2O Ireland Limited (fibre-ring in Enniskillen)
- PPE of Broadband Fund project delivered by BT (23 fibred-cabinets)

Titanic & 2012 Div. - Titanic & 2012 Projects Division is aware of the need to undertake post-project evaluations. Mechanisms are in place across the division to ensure that post-project evaluations are carried out once current ongoing projects have come to a conclusion. PPE's are also built into contracts such as the Titanic Signature Building Operator's contract, to ensure that visitor numbers and trends are captured and that activity is reported and evaluated. This will give assurance to all funders that their investment can be measured both in terms of offering Value for money and long term sustainability. Senior Management will continue to work closely with all key stakeholders, particularly as the projects draws closer to the completion of the build aspect and the opening launch etc takes place.

| 3.3 | Yes | No | Partly |
|--|-----|----|--------|
| <p>Divisions and Branches within the Group comply with the Department's guidance on the use of consultants. This includes the completion of business cases in line with the Department's guidance to both justify the use of consultants and to define the scope and outputs of the consultancy exercise.</p> | √ | | |
| <p>Comments:</p> <p>EPD - The Division appoints consultants/external contractors in line with guidance and advice is sought, as appropriate, before any activity to procure commences.</p> <p>ASU – no comment</p> <p>Energy: Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – Revised business case on energy supplier obligation approved by G5, EU programmes, Minister and DFP. Energy Co-Ordination Branch – no comment Domestic Market – Business case for the STA for external assessment of the IME3 Limited Disapplication completed and approved.</p> <p>TT & GSNI Pol. - Tourism – Business case approved for aviation consultancy contract up to £30k and Ministerial approval obtained as required for contracts over £10k. Telecommunications Policy Unit follow guidance on the use of consultants when appointing consultancy contracts. One business case was completed by TPU during this reporting period.</p> <ul style="list-style-type: none"> • Examination of options for provision of legal expertise in development of successor contract for delivery of remote broadband services <p>Titanic & 2012 Div. - Titanic & 2012 Projects Division are familiar with the Department's guidance in relation to the appointment of consultants etc. The Division is not responsible for the direct appointment of consultants/external contractors but is involved in the oversight of how such contracts are awarded by third parties involved in the wider Titanic build project. DETI continues to work in an advisory capacity and lead contact in respect of much of the ongoing works.</p> | | | |

4 – Monitoring of Expenditure

| 4.1 | Yes | No | Partly |
|---|-----|----|--------|
| Divisions and Branches within the Group review financial reports reviewed to monitor expenditure against budget. | √ | | |
| <p>Comments:</p> <p>EPD - Finances (DRC and programme expenditure) are monitored on a monthly and quarterly basis. All transactions and profiling/re-profiling are undertaken at this time. Appropriate staff within the Division have been trained on Account NI procedures. IPU - Bi-annually finance checks are carried out on NISP Connect as part of ERDF drawdown.</p> <p>ASU – no comment</p> <p>Energy: Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – EU expenditure to Action Renewables ceased 31 March 2011 - residual final vouching of expenditure completed in this period. Article 13 on Action Renewables completed September 2011. Energy Co-Ordination Branch – no comment. External Markets – ISLES and BioMara project spend monitored in conjunction with EU Programmes and SEUPB. Domestic Market – Claim for significant additional costs by consultant involved in completing the Gas Network Extension Study resolved, resulting in agreement to pay around 20% of full claim, with full study costs less than next acceptable tender.</p> <p>TT& GSNI Pol. - Telecomms</p> <ul style="list-style-type: none"> • Monthly exercises undertaken on financial monitoring, reviewing past expenditure and forecasting future requirements • Standing agenda item at team meetings and regular item at work programme meetings with HOD <p>Titanic & 2012 Div. - The Division is responsible for the monthly profiling of DRC's and a small budget (£1k) which is used for mileage, hospitality expenditure. These lines of expenditure are monitored on a monthly basis. Appropriate staffs within the Division have been trained on how to run the appropriate Cognos finance reports to monitor such spend.</p> | | | |

| 5.1 | Yes | No | Partly |
|--|-----|----|--------|
| All procurement activity by Divisions and Branches within the Group is undertaken in accordance with the procedures in place and by officers with the necessary delegated purchasing authority. | √ | | |
| <p>Comments:</p> <p>EPD - The Division fully complies with procurement policy and has worked closely with Central Procurement Directorate to ensure that tendering arrangements are in line with best practice and represent value for money. CPD oversees all procurement activity and sits on all selection panels.</p> <p>ASU – no comment</p> <p>Energy: Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – no comment. Energy Co-Ordination Branch – no comment. Domestic Market – DFP/CPD assistance utilized in tendering for gas extension study, grid SEA study contract, Energy Efficiency Levy PPE contract and IME3 Act 9 (9) assessment study (no responses received). (See also sections 3.3 and 5.3).</p> <p>TT & GSNI Pol. - Telecomms</p> <ul style="list-style-type: none"> • Procedures followed in accordance with published guidance • There has been one procurement exercise completed in this reporting period – award of contract for provision of legal expertise in the development of a contract for delivery of a successor contract for remote broadband services • In addition one procurement exercise has commenced during this reporting period i.e. procurement of broadband services for remote and rural areas of Northern Ireland. <p>Titanic & 2012 Div. - The Division fully complies with procurement policy and is aware of the need to work closely with bodies such as Central procurement Directorate etc to ensure that any tendering arrangements are in line with best practice and represent value for money. In the reporting period (Mar 2011 to Sept 2011) no such contracts have been awarded directly by the Division.</p> | | | |

| 5.2 | Yes | No | DFE #179712 |
|--|-----|----|-------------|
| <p>Appropriate arrangements are in place to ensure that all assets within the Group are properly safeguarded and controlled against unauthorised use or disposal.</p> | √ | | |
| <p>Comments:</p> <p>EPD - The majority of assets in the Division are IT related and all hardware is listed on the IT Assets database maintained by Corporate Services. Staff are also encouraged to update the Global Address List with details of the IT equipment allocated to them. EPD has participated in the DETI assessment of data security in terms of how information is held and transferred, providing an opportunity to review branch security procedures where necessary.</p> <p>ASU - ASU, by its nature, has minimal physical assets.</p> <p>Energy: Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – no comment. Energy Co-Ordination Branch – no comment. External Markets & Domestic Market – no comment.</p> <p>TT & GSNI Pol. – Telecomms</p> <ul style="list-style-type: none"> • Checks are made on branch assets to ensure compliance <p>Titanic & 2012 Div. - The assets within the division are IT related and all hardware is listed on the IT Assets database maintained by Corporate services. Staff is also encouraged to update the Global address List with details of the IT equipment allocated to them. Staffs within the unit is aware of IT security policy and ensure that assets are stored correctly and that information is stored securely on the Department's storage solution – TRIM. All commercially sensitive information is stored appropriately on TRIM which is locked down to the staff within the division and the TRIM administrator.</p> | | | |

5.3

Yes

No

Divisions and Branches within the Group have obtained prior approval from the Accounting Officer for the procurement of consultants by single tender action.

√

Comments:

EPD – no comment

ASU - No STAs were conducted during the period past.

Energy: Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – no comment. **Energy Co-Ordination Branch** – no comment. **Domestic Market** – ERINI study of Mutualisation of energy assets and IME3 Art 9(9) technical study – STA approval obtained in both cases. IME3 Act 9 (9) study was tendered via CPD, and no responses obtained.

TT & GSNI Pol. - Telecomms - are aware of and adhere to this requirement. There have been no STAs in this reporting period.

Titanic & 2012 Div. - Staff is aware of the guidance in relation to the procurement of consultants by single tender action. No such contracts have been appointed during the reporting period.

6 – Staff

| 6.1 | Yes | No | Partly |
|---|-----|----|--------|
| (a) Authority, responsibility and accountability within the Group are clearly defined so that decisions are made and actions taken by appropriate people. | √ | | |
| (b) Staff within the Group are made fully aware of their job responsibilities. | √ | | |
| <p>Comments:</p> <p>EPD - Personal Performance Agreements/PDPs for 2011/12 are linked to targets in Branch, Divisional and Operating Plans. Lines of authority are well defined and regular Branch and Divisional monitoring of progress against targets ensures responsibility for delivery is further embedded. Regular branch meetings are undertaken, plus HOBs meet collectively with HoD on a regular basis. HoD also has detailed fortnightly work planning meetings with each Branch. Mid Year Reviews have taken place in October 2011.</p> <p>ASU - Any material spend is signed off by Head of ASU.</p> <p>Energy: Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – no comment. Energy Co-Ordination Branch – no comment. External Markets & Domestic Market – no comment.</p> <p>TT & GSNI Pol. – Telecomms</p> <ul style="list-style-type: none"> • Lines of authority are well defined and understood by staff across the unit • Staff are aware of their responsibilities through updates to PDPs/PAs, dissemination of relevant information through divisional and staff briefings and corporate electronic messaging systems • We have appropriate levels of separation in respect of financial procedures (approvals/authorisations/payment) for each project. We also have named personnel for the management of specific project risks. <p>Titanic & 2012 Div. - Personal Performance Agreements /PDPs for 2011/12 are in place for staff. Lines of authority are well defined. Staff is kept well informed of decisions made regarding the wider developments of the project. Regular team meetings take place between the HOD and staff. The HOD ensures that staff have the necessary background information to fulfil their job responsibilities.</p> | | | |

| 6.2 | Yes | No | Partly |
|---|-----|----|--------|
| Guidance and instructions are disseminated to appropriate staff. | √ | | |
| <p>Comments:</p> <p>EPD - All staff have access to the e-mail system regarding receipt of instructions. Where necessary any issues are raised and discussed at either the regular Branch/Team or HOB meetings; or in the context of the monthly divisional Team Brief.</p> <p>ASU – no comment</p> <p>Energy: Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – no comment. Energy Co-Ordination Branch – no comment. External Markets & Domestic Market – no comment.</p> <p>TT & GSNI Pol. – Telecomms</p> <ul style="list-style-type: none"> • All staff have access to and are competent in accessing departmental IT systems • Issues discussed through regular formal and informal team meetings and briefings <p>Titanic & 2012 Div. - All staff has access to information on TRIM and DETI email system. Staff members also have access to HR Connect and an open door policy exists to ensure that good communication exists across the Division. Where necessary any issues are raised and discussed at either the regular Team meeting; or in the context of the monthly divisional Team brief. The Branch manager also accompanies the HOB to meetings which further promotes the dissemination of guidance and background information etc.</p> | | | |

| 6.3 | Yes | No | DFE #179716 |
|--|-----|----|-------------|
| Staff are adhering to guidance on gifts and hospitality and records are kept of the receipt of gifts and hospitality. | √ | | |
| <p>Comments:</p> <p>EPD - A gift/hospitality register is maintained by the Division. It is circulated quarterly and all staff are reminded of their obligations under the guidance. Once the update of the register is completed, the latest position is forwarded to HOD to either note or for any action required.</p> <p>ASU - Following the DETI restructuring ASU has developed its own Hospitality Register.</p> <p>Energy: Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – no comment. Energy Co-Ordination Branch – Divisional hospitality register controlled centrally and updated on a quarterly basis. External Markets & Domestic Market – Divisional hospitality register maintained centrally.</p> <p>TT & GSNI Pol. - Telecomms Reminders issued regularly to staff asking them to complete the register and <u>to the best of our knowledge</u> staff adhere to the guidance.</p> <p>Titanic & 2012 Div. - A gift/hospitality register is maintained by the Division. It is circulated quarterly and all staff is reminded of their obligations under the guidance. Once the update of the register is completed, the latest position is forwarded to HODs to either note or for any action required.</p> | | | |

| 6.4 | Yes | No | DFE #179717 |
|---|-----|----|-------------|
| <p>Line Managers are aware of their responsibilities to actively manage staff attendance and are adhering to and implementing sick absence procedures in a timely manner.</p> | √ | | |
| <p>Comments:</p> <p>EPD - All staff are aware of, and are fully implementing, Departmental procedures. Return to work interviews are completed within the necessary timeframes.</p> <p>ASU – no comment</p> <p>Energy: Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – no comment. Energy Co-Ordination Branch – no comment External Markets & Domestic Market – no comment.</p> <p>TT & GSNI Pol. – Telecomms</p> <ul style="list-style-type: none"> • Telecoms Policy Unit line managers are aware of their responsibilities and have been implementing procedures <p>Titanic & 2012 Div. - All staff is aware of the Departmental procedures governing the effective management of staff. An attendance register is kept and updated daily. Staff make good use of IT packages such as HR Connect to record attendance etc.</p> | | | |

7 – NDPBs, Third Party Organisations and Grant Recipients

| 7.1 | Yes | No | Partly |
|--|-----|---------------------|--------|
| Where applicable, appropriate procedures are in place to monitor the NDPB's adherence to its Management Statement and Financial Memorandum. | √ | √ Titanic & 2012 | |
| <p>Comments:</p> <p>EPD - IPU - Quarterly NISP/DETI liaison meetings are held to ensure compliance. A Memorandum of Understanding is in place with NISP. In addition bi-annual meetings are held between NISP Connect and DETI and progress reports accompany financial checks.</p> <p>ASU – N/A</p> <p>Energy: Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – N/A Energy Co-Ordination Branch – N/A External Markets & Domestic Market – N/A</p> <p>TT & GSNI Pol. - Tourism – Appropriate procedures in place to manage NITB and Tourism Ireland adherence to Management Statement and Financial Memorandum. Minerals – N/A Telecomms - Staff within Telecoms Policy Unit are aware of the need for appropriate procedures in relation to the monitoring of NDPBs (but do not currently need to implement them as they do not support any NDPBs)</p> <p>Titanic & 2012 Div. - Not applicable.</p> | | | |

| 7.2 | Yes | No | DFE # 179719 |
|--|-----|---------------------|--------------|
| <p>From the monitoring performed the Department is satisfied that the NDPBs have been adhering to the requirements of the Financial Memorandum and there are no significant problems.</p> | √ | √ Titanic & 2012 | |
| <p>Comments:</p> <p><u>EPD - IPU</u> - Financial checks and Article 13 checks are carried out as per terms of ERDF funding.</p> <p><u>ASU</u> – N/A</p> <p><u>Energy:</u> Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – N/A Energy Co-Ordination Branch – N/A External Markets & Domestic Market – N/A</p> <p><u>TT & GSNI Pol.</u> - Minerals – N/A Telecomms - See 7.1</p> <p><u>Titanic & 2012 Div.</u> - Not applicable.</p> | | | |

| 7.3 | Yes | No | DFE #179720 |
|--|-----|----|-------------|
| Departmental procedures are followed in relation to the establishment and operation of External Delivery Organisations (EDOs) / Third Party Organisations (TPOs) that distribute funds on behalf of the Department. | | | |
| <p>Comments:</p> <p><u>EPD</u> - SEN (NI) designated TPO status. SEN ceased operations at end August 2011.</p> <p><u>ASU</u> – N/A</p> <p>Energy: Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – N/A – Energy Division did not fund any TPOs since April 2011. Energy Co-Ordination Branch – no comment Domestic Market - NIE Limited was put in place as Trustee for the distribution of funds to defray the Energy Efficiency Levy (EEL) in 2004/05 and 2005/06. The Department used the same means to defray the EEL in 2007/08 and as such NIE Limited remained classed as a TPO, with the existing monitoring arrangements continuing where spend occurs. However no further EEL defrayal is planned and a final audit of the account was completed by Ernst and Young for NIE in June 2011. The EEL trust fund account was closed in January 2011.</p> <p>TT & GSNI Pol. - Tourism – N/A Telecoms Policy Unit are aware of the procedures but do not currently need to implement them as they do not support any TPOs</p> <p>Titanic & 2012 Div. – no comment /no entry</p> | | | |

| 7.4 | Yes | No | Partly |
|---|-----|----|--------|
| Divisions and Branches within the Group that distribute money via External Delivery Organisations (EDOs) / Third Party Organisations (TPOs) have adequate monitoring systems in place. | | | |
| <p>Comments: <u>EPD & ASU</u> – N/A</p> <p>Energy: Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – no comment. Energy Co-Ordination Branch – no comment. Domestic Market - Contract awarded in March 2010 for completion of Energy Efficiency levy PPEs and work was completed in May 2010. A final audit of the remaining amount in the account was completed by Ernst and Young for NIE in June 2011.</p> <p>TT & GSNI Pol. - Telecomms - See 7.3 Tourism – N/A</p> <p>Titanic & 2012 Div. – not applicable</p> | | | |

| 7.5 | Yes | No | DFE #179722 |
|--|-----|---------------------|-------------|
| Divisions and Branches within the Group that distribute money in the form of grant have adequate monitoring (claims inspection) systems in place to ensure that the grant is used for the purposes intended by the Department. | √ | √ Titanic & 2012 | |
| <p>Comments:</p> <p>EPD - BDU Agreed systems in place to enable vouching of claims to be undertaken by Invest NI on behalf of DETI in relation to SEN (NI) Ltd.</p> <p>ASU – N/A</p> <p>Energy: Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – 100% monthly vouching and inspection of Action Renewables completed during this period. Energy Co-Ordination Branch – no comment. Domestic Market – See comments at 7.3 and 7.4 above.</p> <p>TT & GSNI Pol. - Telecomms - Tourism – N/A Telecommunications Policy Unit have various monitoring and claims inspection procedures in place to monitor disbursement of monies and have developed grant skills of staff within the unit; Monitoring and claims inspection activities have been reviewed by DETI IAS and recommendations incorporated into procedures as appropriate; Appropriate levels of separation in respect of financial procedures (approvals/authorisations/payment) are in place for each project. There are also named personnel for the management of specific project risks; A number of staff have completed the CIPFA “Fraud Awareness for Grant Funders” training course; Nine members of staff have completed CIPFA training in Vouching of Grants and Verification Visits; and, documentation and monitoring arrangements for Next Generation Access, Broadband Fund and Logon-Ni programme have also been agreed with DETI European Programmes Branch (Managing Authority for the ERDF programme) as part of the projects designation procedures and to ensure compliance with auditing procedures. All TPU staff have either attended, or will attend as required, mandatory training provided by the DETI Managing Authority in relation to EU</p> <p>Titanic & 2012 Div. - Titanic & 2012 Projects Division does not administer or distribute any monies in the form of grant as it does not hold a Programme budget. Staff members are aware of the correct procedures for doing so should this position change in the future.</p> | | | |

8 – Internal and External Audit Reports

| 8.1 | Yes | No | Partly |
|--|-----|----|-------------|
| Internal and external audit reports relating to the activities of the Group have not revealed any significant weaknesses. | √ | | √ Energy |
| <p>Comments:</p> <p>EPD - IPU - KPMG completed a report August 11 which highlighted three areas of low risk between NISP and DETI.</p> <p>ASU - The most recent Internal Audit Report on the previous SPES Division did not identify any risks graded in excess of medium.</p> <p>Energy: Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – <small>Sensitive legal information redacted by the RHI Inquiry</small></p> <p>Energy Co-Ordination Branch – no comment. Domestic Market – Internal audits in 2011 of ESB/NIE transaction, Climate Change Levy and IME3, revealed no significant weaknesses.</p> <p>TT & GSNI Pol. - Telecomms - Audit Service continues to investigate anonymous allegations made against a company that received a grant under InterregIIIA. This report is with the HOD who has sought input from nominated individuals within the TPU team to whom circulation of the report has been confined. GSNI/Minerals – Internal audit reported a number of weaknesses which have been noted and a management response accepted. All weaknesses are being addressed as a matter of urgency.</p> <p>Titanic & 2012 Div. - To date no internal or external audit reviews specifically in relation to the Titanic Project have taken place. Staff is aware of the need to maintain an audit trail of documentation to support decisions made. These documents are stored on TRIM.</p> | | | |

| 8.2 | Yes | No | DFE #179724 |
|---|-----|---------------------|-------------|
| <p>Recommendations arising from internal and external audit reports and PAC hearings are implemented and implementation is monitored by Heads of Division.</p> | √ | √ Titanic & 2012 | |
| <p>Comments:</p> <p>EPD - IPU - The recommendations to address these have been implemented.</p> <p>ASU - Any Internal Audit Report recommendation on the previous SPES Division, that relates to activities that now sit with ASU, has been taken forward by ASU.</p> <p>Energy: Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – All issues identified for Sustainable Energy Branch in Internal Audit reports have been actioned.</p> <p>Energy Co-Ordination Branch – N/A External Markets & Domestic Market – no comment.</p> <p>TT & GSNI Pol. –</p> <p>Telecomms</p> <ul style="list-style-type: none"> • Recommendations made by IAS have been implemented and are monitored by HOB and reported to HOD. • European Programmes Branch carries out quarterly Drawdown verification checks and as yet there have been no issues arising. <p>GSNI/Minerals</p> <ul style="list-style-type: none"> • All recommendations arising from an Internal Audit report have been or are in the process of being implemented. Actions are being monitored by the Head of Division and progress is being feedback on a regular basis. <p>Titanic & 2012 Div. - Not applicable.</p> | | | |

| 9.1 | Yes | No | Partly |
|---|-----|----|--------|
| <p>Appropriate arrangements are in place within Divisions and Branches in the Group to ensure that all data is correctly classified, held, transmitted and transported in line with guidance provided by the Security Advisory Unit in OFMDFM and, where appropriate, supplemented by additional advice and guidance from Personnel and Central Support Division.</p> | √ | | |
| <p>Comments:</p> <p>EPD - All data held are categorised at “Restricted” or lower level in accordance with approved NICS EDRMS. All data are stored centrally to approved EDRMS with appropriate access permissions within file-plan agreed with DETI Departmental Information Manager. As part of a departmental rollout programme, members of staff using laptops or other portable devices have had the appropriate security enhancements implemented by the DETI IT team.</p> <p>ASU – no comment</p> <p>Energy: Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – CD containing Reconnect data destroyed in this period. All data held on TRIM. Energy Co-Ordination Branch – A checklist for all Divisional staff was developed and is circulated alongside a reminder about the full guidance on a regular basis. Regular Divisional security checks (every 8-10 weeks) now in place and HoD updated accordingly. External Markets & Domestic Market – no comment.</p> <p>TT & GSNI Pol. –</p> <p>Telecomms</p> <ul style="list-style-type: none"> • All data held by Telecoms Policy Unit is categorised at “Restricted” or lower level in accordance with approved NICS Guidance • All data is stored centrally to approved Guidance with appropriate access permissions within file-plan agreed with DETI Departmental Information Manager • Stored 3rd party personal data comprises basic identifier detail such as name/address/telephone number/s only and is generated typically as a consequence of complaint/enquiry management. If additional data is required to be gathered Telecommunications Policy Unit liaise with the Departmental Information Manager to ensure best practice guidelines are followed • Data transmission by e-mail (no 3rd party courier arrangements or use of alternative storage media for data transportation) • Data security arrangements have also been discussed with and security enhancements implemented as part of a roll-out programme by DETI IT Branch for those members of staff using laptops or other portable devices • All laptops are Iron-key protected • A member of the TPU management team has also received the Cabinet Office Information Asset Owner training delivered by CESG, the National Technical Authority for Information Assurance <p>Titanic & 2012 Div. - All data is stored centrally on the approved EDRMS system (TRIM) with appropriate access permissions within file-plan agreed with DETI Departmental Information Manager. Members of staff using laptops or other portable devices have had the appropriate security enhancements implemented by the DETI team and are aware of the guidance pertaining to their usage.</p> | | | |

10 – Other Issues

| 10.1 | Yes | No | Partly |
|---|-----|----|--------|
| <p>Apart from the issues raised above, there is no significant control or other matters arising within the Group which could adversely affect the signing of the six monthly SIC.</p> | √ | | |
| <p>Comments:</p> <p>EPD - At this point there are no significant matters arising within the Division which would significantly affect the signing of the six monthly SIC.</p> <p>ASU – no comment</p> <p>Energy: Renewable Electricity Policy & Legislation Branch, Renewable Heat Branch, Sustainable Energy Branch – no comment. Energy Co-Ordination Branch – no comment. External Markets & Domestic Market – no comment.</p> <p>TT & GSNI Pol. - Telecoms Policy Unit are not aware of any significant control or other matters arising within the Branch which could adversely affect the signing of the quarterly SIC.</p> <p>Titanic & 2012 Div. - There are no significant matters arising within the Division which would significantly affect the signing of the Six Monthly Assurance Statement on Internal Control.</p> | | | |