

From: Coyne, Terence
To: [Sewell, Julie](#)
Subject: FW: Policy Group - Six Monthly Assurance Statement
Date: 11 November 2016 17:38:00
Attachments: [Policy Group - Composite MS Group HoG Statement iro Six Monthly Assurance Statement.DOC](#)
[Policy Group - Composite Annex C - Six Monthly Assurance Statements.DOC](#)

Julie

Statement for six months to end of March 2012 attached. No issues raised on the statement. The checklist refers to consultancy and to the casework committee to consider RHI. Again this is consistent with other information.

Regards

Terry

Terence Coyne

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From: Johnston, Iris **On Behalf Of** Thomson, David
Sent: 11 June 2012 14:35
To: Sterling, David; Hill, Janice
Cc: Coyne, Terence; Donnelly, Carol; McAvera, Gerry; Johnston, Iris
Subject: Policy Group - Six Monthly Assurance Statement

David

Please see attached Six Monthly Assurance Statement from David Thomson.

Many thanks

Iris

Iris Johnston

Personal Secretary to David Thomson

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Department of Enterprise, Trade and Investment: Six Monthly Assurance Statement on the System of Internal Control - Period Ended 31 March 2012**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 31 March 2012 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 Government Internal Audit Standards. 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.

Issues to Note

Energy

Sensitive legal information redacted by the RHI Inquiry

Telecoms, Tourism & GSNI Policy

11. In relation to the Titanic Signature Building, there has been no change in the last 6 months. The Division is still awaiting the Commission's response to the supplementary information provided in October 2011.
12. The management response in respect of the IAS report on Minerals was made in October of last year. Since then, all areas of concern have been addressed and are being monitored by the Director of GSNI and G7 responsible for liaison between the Department and GSNI. IAU were invited to revisit Minerals at the beginning of 2012. An auditor met with colleagues in GSNI and all queries have been answered. A formal response on the outcome of this visit is awaited, but the Grade 5 has not been notified of any concerns.
13. A number of actions have been set in train following receipt of the final report into the Telecoms project which was in receipt of Interreg IIIA funding.

Significant Internal Control Problems

14. None to report.



Head of Group

Date: 11 June 2012

DEPARTMENT OF ENTERPRISE, TRADE AND INVESTMENT

Checklist for Six Monthly Assurance Statement on Internal Control

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.

INTERNAL CONTROL CHECKLIST

1 – Business Planning


| 1.1 | Yes | No | Partly |
|--|-----|----|--------|
| Divisions/Units and Branches within the Group have plans which contain measurable targets against which performance and progress can be measured. | ✓ | | |
| <p>Comments:</p> <p><u>Energy:</u></p> <p>Renewables / Sustainables – no comment Energy Co-Ordination - 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 following public consultation by Regulators on FUI/SEM integration ending 20 April 2012. Regular meetings with Head of Division to report on progress. Domestic Market - Divisional Business Plans agreed for 2011/12, on which progress is formally reported. Regular meetings with Head of Division to report on progress. IME3 Project Implementation Steering Group established with NIAUR and has regular meetings.</p> <p><u>TT & GSNI</u></p> <p>Telecoms - Corporate and Divisional Plan Targets agreed. Individual projects are managed under the PRINCE2 methodology, with clearly defined milestones and deliverables. TPB - Tourism Policy Branch Plan in place. Titanic & 2012 Projects - All project specific targets in place and monitored on ongoing basis.</p> <p><u>ASU</u></p> <p>ASU Business Plan was prepared in Q1 2011/12. ASU Work Programme for 2012/13 was circulated to Divisions for Inputs at the end of 2011/12.</p> <p><u>EPD</u></p> <p>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 and which is updated on a quarterly basis.</p> | | | |

| 1.2 | Yes | No | Partly |
|--|-----|----|--------|
| <p>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.</p> | ✓ | | |
| <p>Comments:</p> <p><u>Energy:</u></p> <p>Renewables / Sustainables – no comment Energy Co-Ordination - Progress against 2011/12 targets to end March 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 e.g. Isles completed on schedule end 2011, with BioMara now due to complete by end 2012. . DETI working with NIAUR timetable agreed with DECC and EC for IME2 compliance by July 2012. 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. Increased potential for EC to commence early stages of infraction proceedings re IME3 transposition.</p> <p><u>TT & GSNI</u></p> <p>Telecoms - 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. TPB - These include Management liaison/performance monitoring meetings, including financial/corporate governance issues. Titanic & 2012 Projects - Formal advisory groups e.g. PAG & TAG continue to meet bi-monthly following the opening of the Titanic Signature Building and Risk Register updated.</p> <p><u>ASU</u></p> <p>Key ASU Objectives are reflected in the Corporate Plan and Risk Register.</p> <p><u>EPD</u></p> <p>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.</p> | | | |

| 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><u>Energy:</u></p> <p>Renewables / Sustainables, Energy Co-Ordination, External Markets & Domestic Market – no comment</p> <p><u>TT & GSNI</u></p> <p>Telecoms - Building-specific BCP is reviewed and responsibilities noted.</p> <p><u>ASU</u></p> <p>Following the DETI restructuring ASU has developed its own Branch Continuity Plan.</p> <p><u>EPD</u></p> <p>Branch BCP's are in place and are reviewed and updated on a regular basis, most recently in November 2011. IPU - Continuity plans were updated in May 2012 to reflect the structure of the branch and new start in February 2012.</p> | | | |

| 1.4 | Yes | No | Partly |
|---|-----|----|--------|
| Divisions/Units within the Group have Branch-level Business Continuity Plan in place that are fully embedded, reviewed, updated and validated/tested, as appropriate, on a regular basis. | ✓ | | |
| <p>Comments:</p> <p><u>Energy:</u></p> <p>Renewables / Sustainables – no comment Energy Co-Ordination - Branch-level BCP updated April 2012. Alan Chowney represents Energy Division on the Netherleigh Business Continuity Group and feeds into validation and testing exercises. External Markets - Work ongoing to ensure new staff are aware of arrangements.</p> <p><u>TT & GSNI</u></p> <p>Telecoms - Branch BCP in place and this is reviewed and updated on a regular basis. The BCP was updated in March 2012 to reflect changes in staffing within Unit, stakeholder contacts information with regard to contract changes, decant building arrangements and critical resource considerations in event of requirement to activate plan. TPB - Tourism Policy Branch BCP updated 09/11/11. Titanic & 2012 Projects - Will be incorporated in TPB.</p> <p><u>ASU</u></p> <p>N/A – See above at 1.3</p> | | | |

2 – Legislative and Other Authorities

| 2.1 | Yes | No | Partly |
|---|-----|----|---|
| Divisions/Units 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><u>Energy:</u></p> <p>Renewables / Sustainable - 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 was approved by the Northern Ireland Assembly 14 March 2011. The DECC Energy Bill was then appropriately amended and received Royal Assent on 18/10/11. 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 – however Executive approval for the LCM will be required before the DECC Energy Bill is introduced – Executive approval is anticipated April/ May 12. Energy Co-Ordination – 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 legislation such as IME3 Regulations, and inputs sought from DSO on subsequent IME3 and other legislative issues. Also Ministerial approval obtained for IME3 Regulations. Contract in place for external legal spend.</p> <p><u>TT & GSNI</u></p> <p>Minerals - Legislative Authority is grounded in current NI Minerals & Petroleum legislation. Telecoms - Main powers flow from Section 149 of the Communications Act 2003 TPB - Guidance from and adherence to NI Tourism Order 1992. Titanic & 2012 Projects - Staff aware and following Departmental legislation regarding spend etc.</p> <p><u>ASU</u> – no comment</p> <p><u>EPD</u></p> <p>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. Legislative cover for BDU spend on social economy activity is provided under the Financial Provisions Act 2009.</p> | | | |

| 2.2 | Yes | No | Partly |
|---|-----|----|----------------|
| Divisions/Units and Branches within the Group have obtained necessary DFP approvals for expenditure (where appropriate). | ✓ | | ✓ TT & GSNI |
| <p>Comments:</p> <p><u>Energy:</u></p> <p>Renewables / Sustainables – no comment Energy Co-Ordination – DFP approval secured in respect of new legal contract from 1 April 2011.</p> <p>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 end 2012. Domestic Market – DETI Casework and DFP approval obtained for the Energy Storage Study and DFP approval for the Gas Network Extension Study. DFP approval of gas extension Strategic Outline Business Case (SOC) obtained to go to OBC stage.</p> <p><u>TT & GSNI</u></p> <p>Minerals - MAPB submission for Atkins Consultancy including covering letter for DFP approval with DETI Senior Management for clearance and issue.</p> <p>Telecoms - Procedures followed where required. DFP approval sought and obtained during the period ending 31 March 2012 with regard to consultancy support for two new projects (2 Mbps Universal Service Commitment and 3G/4G Mobile pilot). TPB - N/A No grants paid by Tourism Policy Branch.</p> <p>Titanic & 2012 Projects - Where additional bids for money were sought iro TSB the necessary DETI Casework, Finance Branch and DFP guidance was sought and obtained.</p> <p><u>ASU</u></p> <p>No DFP approvals were required in the period past.</p> <p><u>EPD</u> – no comment</p> | | | |

| 2.3 | Yes | No | Partly |
|--|-----|----|--------|
| Divisions/Units and Branches within the Group have obtained necessary Ministerial and / or Casework Committee approval for expenditure. | ✓ | | |
| <p>Comments:</p> <p><u>Energy:</u></p> <p>Renewables / Sustainables - 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. The Casework Committee considered the final proposals for the NI RHI and Renewable Heat Premium Payments at a meeting on 9/3/12; approval was obtained. The proposals were then submitted for Ministerial approval (obtained April 2012). Ministerial approval granted for Appropriate Assessment study for the on shore renewable electricity strategic action plan during this period. Energy Co-Ordination – Casework Committee/Minister’s approval secured in respect of new legal contract from 1 April 2011. External Markets – (see 2.2 above). Domestic Market – (see 2.2 above).</p> <p><u>TT & GSNI</u></p> <p>Telecoms - Advice sought and procedures followed where required. No casework approvals were required in this reporting period. Ministerial approval was sought and obtained with regard to consultancy support for two new projects (2 Mbps Universal Service Commitment and 3G/4G Mobile pilot) and award of the Remote Broadband Services Contract to Onwave Ltd. TPB - N/A NITB have casework meetings. Titanic & 2012 Projects - Advice sought and procedures followed where appropriate.</p> <p><u>ASU</u> – no comment</p> <p><u>EPD</u></p> <p>Advice sought and procedures followed when required.</p> | | | |

3 – Economic Appraisal, Post Project Evaluation and Consultancy

| 3.1 | Yes | No | Partly |
|--|-----|----|--------|
| Divisions/Units 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>Comments:</p> <p><u>Energy:</u></p> <p>Renewables / Sustainable - Additional analysis in relation to the Economic appraisal on Renewable Heat Incentive was completed in Feb 2012. Business Case for on-shore appropriate assessment completed and approved during this period. Energy Co-Ordination – 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. Regulators review ongoing implementation costs set against 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><u>TT & GSNI</u></p> <p>Telecoms - TPU is aware of this requirement and adheres to the guidance. During the period four business cases were developed and approved as follows: -</p> <ul style="list-style-type: none"> • Appointment of consultants to complete an Economic Appraisal for the 2 Mbps Universal Service Commitment project; • Appointment of consultants to complete an Economic Appraisal for the 3G/4G Mobile Pilot project; • Appointment of consultants to complete a technical study on the integration of fixed and mobile networks; and • Appointment of consultants to support the development and procurement of the 2mBps USC and 3G/4G pilot projects. <p>TPB - Business cases reflect Departmental guidance. NITB may ask Tourism Policy Branch for advice. Titanic & 2012 Projects - Business cases reflect Departmental guidance; results reported to ACB on a monthly basis. Independent appraisals carried out ensuring VFM.</p> <p><u>ASU</u></p> <p>Business cases for econometric (statistical) software and Geographical Mapping Software have been completed during the period. An overall Business Case was also prepared for the DETI Research Programme and is awaiting G3 Approval.</p> <p><u>EPD</u></p> <p>EPD currently has a number of areas of business to which public funds are committed.</p> | | | |

| 3.2 | Yes | No | Partly |
|--|-----|----|--|
| <p>Divisions/Units and Branches within the Group conduct post project evaluations to consider the effectiveness of expenditure. All post project evaluations have been completed on schedule.</p> | ✓ | | ✓ TT & GSNI (Minerals) ✓ Energy & EPD |
| <p>Comments:</p> <p>Energy:</p> <p>Renewables / Sustainables - The following PPEs were active during this period:-</p> <p>PPE of 5 outstanding Interreg 3A projects still delayed due to other higher priority work but now underway. PPE of Action Renewables Work Plan completed and approved during this period. PPE on Big Energy Shift completed during this period. PPE on CEPA EMR study delayed due to other higher priority work. PPEs on the offshore Regional Locational Guidance and Appropriate Assessment delayed due to other higher priority work.</p> <p>Energy Co-Ordination – no comment 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 was completed with technical input from GSNI, after final Energy Storage Study reports 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.</p> <p>TT & GSNI</p> <p>Minerals - PPEs for the Tellus2 project and Deep Geothermal Projects, which ended in March 2011 are in progress. Telecoms - 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. Within this period 3 PPEs have been completed on TPU projects.</p> <ul style="list-style-type: none"> • Technical Consultancy (MPD International) for Project Kelvin; • Technical Consultancy (Offshore Marine Management) for Project Kelvin; and <p>Ducting project on A4, Tamlaght Road, Enniskillen.</p> <p>TPB - Post-project evaluations conducted as required Titanic & 2012 Projects -PPE's are built into TSB Operator's contract to ensure visitor numbers and trends are captured and evaluated to ensure VFM.</p> <p>ASU – no comment</p> <p>EPD</p> <p>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.</p> | | | |

| 3.3 | Yes | No | Partly |
|---|-----|----|--------|
| Divisions/Units 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>Comments:</p> <p><u>Energy</u></p> <p>Renewables / Sustainables - Business Case completed iro of additional analysis conducted by CEPA/AEA for the NI RHI. Business Case for on-shore appropriate assessment completed and approved during this period. Energy Co-Ordination – no comment. External Markets - Business case and approvals granted to conduct a technical review of secondary fuel stocking requirements to be held by generators. Domestic Market – Business case for the STA for external assessment of the IME3 Limited Disapplication completed and approved. Business case prepared and approved by Minister for tendering of gas extension OBC.</p> <p><u>TT & GSNI</u></p> <p>Telecoms - Telecommunications Policy Unit follows guidance on the use of consultants when appointing consultancy contracts. Four business cases were completed by TPU during this reporting period in relation to consultancy assignments: -</p> <ul style="list-style-type: none"> • Appointment of consultants to complete an Economic Appraisal for the 2 Mbps Universal Service Commitment project; • Appointment of consultants to compete an Economic Appraisal for the 3G/4G Mobile Pilot project; • Appointment of consultants to complete a technical study on the integration of fixed and mobile networks; and • Appointment of consultants to support the development and procurement of the 2mBps USC and 3G/4G pilot projects <p>TPB Proper process undertaken in compliance with DETI guidance – Air access consultancy. Titanic & 2012 Projects - Division not responsible for the direct appointment of consultants/external contractors etc but is involved in the oversight of how such contracts are awarded by third parties involved in the wider TQ project. DETI works in an advisory capacity and maintains the role of lead contact in respect of additional works and future planning schemes re public realm.</p> <p><u>ASU</u> – no comment</p> <p><u>EPD</u></p> <p>The Division appoints consultants/external contractors in line with guidance and advice is sought, as appropriate, before any activity to procure commences.</p> | | | |

4 – Monitoring of Expenditure

| 4.1 | Yes | No | Partly |
|---|-----|----|--------|
| Divisions/Units and Branches within the Group review financial reports reviewed to monitor expenditure against budget. | ✓ | | |
| <p>Comments:</p> <p><u>Energy</u></p> <p>Renewables / Sustainables, Energy Co-Ordination – no comment External Markets – ISLES and BioMara project spend monitored in conjunction with EU Programmes and SEUPB. Wayleave costs monitored against reports and ongoing caseload. 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. Legal contract expenditure monitor maintained.</p> <p><u>TT & GSNI</u></p> <p>Telecoms -</p> <ul style="list-style-type: none"> • Monthly exercises undertaken on financial monitoring, reviewing past expenditure and forecasting future requirements. • HOD is also updated on spend through monthly Budget reporting exercise. <p>TPB - Financial monitoring through monthly profiling, monitoring rounds on a quarterly basis. Titanic & 2012 Projects - Financial monitoring through monthly profiling, monitoring rounds on a quarterly basis.</p> <p><u>ASU</u> – no comment</p> <p><u>EPD</u></p> <p>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> | | | |

5 - Procurement

| 5.1 | Yes | No | Partly |
|--|-----|----|--------|
| All procurement activity by Divisions/Units 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><u>Energy</u></p> <p>Renewables / Sustainables, Energy Co-Ordination – no comment External Markets – processes followed for 3.3 above. 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). Also DFP/CPD utilised for tender for gas extension OBC.</p> <p><u>TT & GSNI</u></p> <p>Telecoms –</p> <ul style="list-style-type: none"> • Procedures followed in accordance with published guidance • There have been three procurement exercises completed in this reporting period – appointment of consultants to complete an Economic Appraisal for the 2 Mbps Universal Service Commitment project; appointment of consultants to complete an Economic Appraisal for the 3G/4G Mobile Pilot project; appointment of consultants to complete a technical study on the integration of fixed and mobile networks. <p>TPB - Monitored and completed by admin team, with appropriate authorisation DP/G7. Titanic & 2012 Projects - Compliance with procurement policy and where necessary consults with Central Procurement Directorate. No such contracts awarded directly by the Division during the reporting period.</p> <p><u>ASU</u> – no comment</p> <p><u>EPD</u></p> <p>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> | | | |

| 5.2 | Yes | No | Partly |
|---|-----|----|--------|
| Appropriate arrangements are in place to ensure that all assets within the Group are properly safeguarded and controlled against unauthorised use or disposal. | ✓ | | |
| <p>Comments:</p> <p><u>Energy</u></p> <p>Renewables / Sustainables, Energy Co-Ordination, External Markets & Domestic Market – no comment.</p> <p><u>TT & GSNI</u></p> <p>Telecoms – Checks are made on branch assets to ensure compliance.</p> <p>TPB - DETI own land at Ulster American Folk Park. Rent of £2k paid via BACs on yearly basis. Request for payment, monitoring and retention of receipts carried out by admin team. Titanic & 2012 Projects - Branch IT assets database maintained by Corporate Services kept updated.</p> <p><u>ASU</u></p> <p>ASU, by its nature, has minimal physical assets.</p> <p><u>EPD</u></p> <p>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> | | | |

| 5.3 | Yes | No | Partly |
|---|-----|----|--------|
| Divisions/Units and Branches within the Group have obtained prior approval from the Accounting Officer for the procurement of consultants by single tender action. | ✓ | | |
| <p>Comments:</p> <p><u>Energy</u></p> <p>Renewables / Sustainables – Accounting Officer approval obtained (Dec 2011) for the additional analysis conducted by external consultants iro the economic appraisal of the NI RHI. Energy Co-Ordination – 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.</p> <p><u>TT & GSNI</u></p> <p>Minerals - Not applicable to MAPB for this period. Telecoms - TPU are aware of and adhere to this requirement. There have been no STAs in this reporting period. Titanic & 2012 Projects - No such contracts have been appointed by Titanic team.</p> <p><u>ASU</u></p> <p>No STAs were conducted during the period past.</p> <p><u>EPD</u> – no comment</p> | | | |

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><u>Energy</u></p> <p>Renewables / Sustainable, Energy Co-Ordination, External Markets & Domestic Market – no comment.</p> <p><u>TT & GSNI</u></p> <p>Telecoms</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/PPAs, 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>TPB</p> <p>(a) Operating Plan/Branch Plan/PPAs (b) Regular Branch meetings Regular informal contact. Timely completion of annual reports.</p> <p>Titanic & 2012 Projects - PPA/PDP's are in place for staff; lines of authority well defined etc.</p> <p><u>ASU</u></p> <p>Any material spend is signed off by Head of ASU.</p> <p><u>EPD</u></p> <p>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.</p> <p>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.</p> <p>Mid Year Reviews took place in October 2011 and end year reviews are currently taking place.</p> | | | |

| 6.2 | Yes | No | Partly |
|--|-----|----|--------|
| Guidance and instructions are disseminated to appropriate staff. | ✓ | | |
| <p>Comments:</p> <p><u>Energy</u></p> <p>Renewables / Sustainables, Energy Co-Ordination, External Markets & Domestic Market – no comment.</p> <p><u>TT & GSNI</u></p> <p>Telecoms –</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>TPB - Review of procedures manual currently under way. Titanic & 2012 Projects - All staff have access to HR Connect; TRIM etc and instructions are conveyed via outlook or in person where appropriate.</p> <p><u>ASU</u> – no comment</p> <p><u>EPD</u></p> <p>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> | | | |

| 6.3 | Yes | No | Partly |
|---|-----|----|--------|
| Staff are adhering to guidance on gifts and hospitality and records are kept of the receipt of gifts and hospitality. Gifts & hospitality registers are complete and up to date. | ✓ | | |
| <p>Comments:</p> <p><u>Energy</u></p> <p>Renewables / Sustainables - no comment. Energy Co-Ordination, External Markets & Domestic Market - Divisional hospitality register controlled centrally and updated on a six-monthly basis.</p> <p><u>TT & GSNI</u></p> <p>Telecoms – 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. TPB - Gifts and hospitality information/receipts for Branch held on TRIM. Titanic & 2012 Projects - Gift/hospitality register maintained – circulated quarterly.</p> <p><u>ASU</u></p> <p>ASU has developed its own Gifts and Hospitality Register and it is maintained.</p> <p><u>EPD</u></p> <p>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> | | | |

| 6.4 | Yes | No | Partly |
|--|-----|----|--------|
| 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>Comments:</p> <p><u>Energy</u></p> <p>Renewables / Sustainables, Energy Co-Ordination, External Markets & Domestic Market – no comment.</p> <p><u>TT & GSNI</u></p> <p>Telecoms - Telecoms Policy Unit line managers are aware of their responsibilities and have been implementing procedures. TPB - Regular review of HR Connect procedures. Absences recorded by line management as appropriate. Titanic & 2012 Projects - Staff aware of Departmental procedures governing good management of staff practice. Attendance register kept updated and HR Connect kept updated etc.</p> <p><u>ASU</u> – no comment</p> <p><u>EPD</u></p> <p>All staff are aware of, and are fully implementing, Departmental procedures. Return to work interviews are completed within the necessary timeframes.</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. | ✓ | | |
| <p>Comments:</p> <p><u>Energy</u></p> <p>Renewables / Sustainable, Energy Co-Ordination, External Markets & Domestic Market – N/A</p> <p><u>TT & GSNI</u></p> <p>Minerals – Not applicable Telecoms - 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). TPB - Monitoring of NDPBs' adherence to MSFMs is carried out on quarterly and yearly basis and recorded appropriately. This is carried out through quarterly oversight meetings, regular technical meetings and by on site visits. Titanic & 2012 Projects – N/A</p> <p><u>ASU</u> – N/A</p> <p><u>EPD</u></p> <p>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> | | | |

| 7.2 | Yes | No | Partly |
|---|-----|----|--------|
| <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> | ✓ | | |
| <p>Comments:</p> <p><u>Energy</u></p> <p>Renewables / Sustainables, Energy Co-Ordination, External Markets & Domestic Market – N/A</p> <p><u>TT & GSNI</u></p> <p>Minerals – Not applicable Telecoms – See 7.1 TPB - Branch is satisfied that all relevant information to monitor adherence to the MSFM is forthcoming from NDPBs as and when required. Titanic & 2012 Projects - Not applicable</p> <p><u>ASU</u> – N/A</p> <p><u>EPD</u></p> <p>IPU - Financial checks and Article 13 checks are carried out as per terms of ERDF funding.</p> | | | |

| 7.3 | Yes | No | Partly |
|--|-----|----|--------|
| 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>Energy</u></p> <p>Renewables / Sustainables – N/A – Energy Division did not fund any TPOs since April 2011 Energy Co-Ordination – 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><u>TT & GSNI</u></p> <p>Minerals – Not applicable Telecoms - Telecoms Policy Unit are aware of the procedures but do not currently need to implement them as they do not support any EDOs or TPOs TPB – N/A. Titanic & 2012 Projects -N/A.</p> <p><u>ASU</u> – N/A</p> <p><u>EPD</u></p> <p>SEN (NI) designated TPO status. SEN ceased operations at end August 2011.</p> | | | |

| 7.4 | Yes | No | Partly |
|--|-----|----|--------|
| Divisions/Units 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:</p> <p><u>Energy</u></p> <p>Renewables / Sustainables, Energy Co-Ordination – 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><u>TT & GSNI</u></p> <p>Telecoms – See 7.3. Minerals, TPB, Titanic & 2012 Projects - N/A.</p> <p><u>ASU</u> – N/A</p> <p><u>EPD</u></p> <p>Expense of social economy activity is closely monitored.</p> | | | |

| 7.5 | Yes | No | Partly |
|---|-----|----|--------|
| Divisions/Units 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. | ✓ | | |
| <p>Comments:</p> <p><u>Energy</u></p> <p>Renewables / Sustainable, Energy Co-Ordination – no comment Domestic Market – See comments at 7.3 and 7.4 above.</p> <p><u>TT & GSNI</u></p> <p>Minerals – Not applicable Telecoms - 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>TPB - Not Applicable. Titanic & 2012 Projects - In relation to monies allocated towards the TSP re additional works, liaison with NITB and CPD ensure that monies represent Value for money. In addition the appropriate legal documentation has been put in place to support decisions etc.</p> <p><u>ASU</u> – N/A</p> <p><u>EPD</u></p> <p>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> | | | |

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 (Sustainables) |
| <p>Comments:</p> <p><u>Energy:</u></p> <div data-bbox="236 562 1342 837" style="background-color: black; color: white; padding: 5px; text-align: center;"> Sensitive legal information redacted by the RHI Inquiry </div> <p><u>TT & GSNI</u></p> <p>Telecoms – the report of the investigation into anonymous allegations made against a company that received a grant under Interreg IIIA is with the HoD.who has sought input from nominated individuals within the TPU team to whom circulation of the report has been confined.</p> <p>TPB – BIT reviews of procedures of Tourism Policy Branch processed in October 2008 did not identify any weaknesses. Titanic & 2012 Projects - At present KPMG on behalf of Internal Audit have carried out a review and audit of the TSB project. The Consultants are waiting to make their external visit to Titanic Foundation Limited (TFL) before any report in draft is made available for response.</p> <p><u>ASU</u></p> <p>The most recent Internal Audit Report on the previous SPES Division did not identify any risks graded in excess of medium.</p> <p><u>EPD</u></p> <p>IPU - KPMG completed a report August 11 which highlighted three areas of low risk between NISP and DETI.</p> | | | |

| 8.2 | Yes | No | Partly |
|---|-----|----|--------|
| <p>Recommendations arising from internal and external audit reports and PAC hearings are implemented and implementation is monitored by Heads of Division.</p> | ✓ | | |
| <p>Comments:</p> <p><u>Energy:</u></p> <p>Renewables / Sustainables - All issues identified for Sustainable Energy Branch in Internal Audit reports have been actioned. Energy Co-Ordination – N/A External Markets & Domestic Market – no comment.</p> <p><u>TT & GSNI</u></p> <p>Telecoms –</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>TPB – Adheres to guidance issued by DFP. Titanic & 2012 Projects - Not applicable.</p> <p><u>ASU</u></p> <p>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><u>EPD</u></p> <p>IPU - The recommendations to address these have been implemented.</p> | | | |

9 – Data Management

| 9.1 | Yes | No | Partly |
|---|-----|----|--------|
| <p>Appropriate arrangements are in place within Divisions/Units 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 Human Resources and Central Support Division.</p> | ✓ | | |
| <p>Comments:</p> <p><u>Energy:</u></p> <p>Renewables / Sustainable – no comment Energy Co-Ordination - 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 quarter) now in place and HoD updated accordingly. External Markets & Domestic Market – no comment.</p> <p><u>IT & GSNI</u></p> <p>Telecoms –</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>TPB - All data is managed, classified, etc in accordance with information management and information security guidelines. Titanic & 2012 Projects - All data is managed, classified, etc in accordance with information management and information security guidelines.</p> <p><u>ASU</u> – no comment</p> <p><u>EPD</u></p> <p>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> | | | |

10 – Other Issues

| 10.1 | Yes | No | Partly |
|--|-----|----|--------|
| <p>Apart from the issues raised above, there are no significant control or other matters arising within the Group which could adversely affect the signing of the biannual SIC.</p> | ✓ | | |
| <p>Comments:</p> <p><u>Energy:</u></p> <p>Renewables / Sustainables, Energy Co-Ordination, External Markets & Domestic Market – no comment.</p> <p><u>TT & GSNI</u></p> <p>Telecoms - 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. Titanic & 2012 Projects - There are no significant matters arising within the Titanic team to report during this period.</p> <p><u>ASU</u> – no comment</p> <p><u>EPD</u></p> <p>At this point there are no significant matters arising within the Division which would significantly affect the signing of the six monthly SIC.</p> | | | |