

**From:** Coyne, Terence  
**To:** [Sewell, Julie](#)  
**Subject:** FW: Six Monthly Assurance Statements - Policy Branch  
**Date:** 14 November 2016 11:04:00  
**Attachments:** [Annex A - HOG Pro Forma - Six Monthly Assurance Statements.DOC](#)  
[Annex C - Six Monthly Assurance Statements - Policy.DOC](#)  
[image001.png](#)  
[image002.gif](#)

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Julie

Please find attached the final six monthly assurance statement which covers the six months to 30 September 2014. David Sterling transferred to DFP (DoF) during this period.

No internal control issues relating to RHI were raised during the period when David Sterling was Permanent Secretary of DETI.

Regards

Terry

## Terence Coyne

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[NI Year of Food & Drink 2016](#)

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**From:** McIlwrath, Linda  
**Sent:** 28 October 2014 09:27  
**To:** McCormick, Andrew (DETI)  
**Cc:** Coyne, Terence; Morrison, Rosemary; Shaw, Matthew; Hill, Janice; Stewart, Chris (DETI)  
**Subject:** Six Monthly Assurance Statements - Policy Branch

Andrew,

Please find attached completed Six Monthly Assurance Statements from Policy Branch.

Many thanks

Linda

**LINDA McILWRATH**

**Personal Secretary to Chris Stewart**

Head of Policy Group

Department of Enterprise, Trade & Investment

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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 2014****Scope of Responsibility**

1. As the Senior Civil Servant responsible for Policy Group / Management Services 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 2014 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 Public Sector Internal Audit Standards. Regular reports are submitted 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**

10. None.

**Head of Group:**



**Chris Stewart**

**Date:**

**28<sup>th</sup> October 2014**

ANNEX C

**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 and Risk Management;
2. Legislative and Other Authorities;
3. Economic Appraisal, Post Project Evaluation and Consultancy;
4. Procurement;
5. Contract and Project Management;
6. Monitoring of Expenditure;
7. Staff (including gifts and hospitality);
8. NDPBs, Third Party Organisations, Grant Recipients and Entering of Payments to the Voluntary and Community Sector on the DSD Database;
9. Internal and External Audit Reports;
10. Data Management;
11. Transposition of EU Directives; and
12. Other Issues.

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

## INTERNAL CONTROL CHECKLIST

### 1 – Business Planning and Risk Management

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><b>Comments:</b></p>			

1.2	Yes	No	Partly
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><b>Comments:</b></p>			

1.3	Yes	No	Partly
Risk management is fully embedded and is an integral part of the business planning process in Divisions, Units and Branches within the Group.	✓		
<p><b>Comments:</b></p>			

1.4	Yes	No	Partly
Divisions, Units and Branches within the Group have reviewed their respective responsibilities/entries in the relevant <b><i>Building-Specific Business Continuity Plan</i></b> and taken appropriate action to maintain upkeep.	✓		
<p><b>Comments:</b></p>			

1.5	Yes	No	Partly
Divisions, Units and Branches within the Group have <b>Branch-level Business Continuity Plan</b> in place that are fully embedded, reviewed, updated and validated/tested, as appropriate, on a regular basis.	✓		
<p><b>Comments:</b></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.			✓



**Comments:****Minerals**

Legislative Authority is grounded in current NI Minerals & Petroleum legislation.

[Incomplete transposition/implementation in NI of EU Directive CCS/CDD 2009/31/EC the Carbon Capture & Storage Directive]

DSO is now involved in drafting a set of 2.2 regulations – target date for completion mid November 2014. MAPB considering need for consultation.

The aim is to complete transposition before the EU Commission's next Report due in March 2015.

**Sustainables**

Legislative authority is in place for Phase 1 of the Renewable Heat Incentive (1/11/12). Authority for Phase 2 (Domestic RHI and extension of Non-domestic Scheme) will be provided through secondary legislation during 2014/15.

New NI Offshore Renewable Energy Bill currently on hold as issues around liabilities need to be resolved. No legislative drafting can be commenced until liability issue is resolved.

New Energy Bill needed to give powers for energy efficiency obligation; duties and obligations of Department and Regulator; small-scale feed-in tariff; enforcement of licences; transfer and assignment of licences and gas storage.

2.2 Regulations to transpose Energy Efficiency Directive in place from 04/07/14.

2.2	Yes	No	Partly
Divisions, Branches and Units within the Group have obtained necessary DFP approvals for expenditure (where appropriate).	✓		
<b>Comments:</b>			

2.3	Yes	No	Partly
Divisions, Units and Branches within the Group have obtained necessary Ministerial and / or Casework Committee approval for expenditure.	✓		
<b>Comments:</b>			

2.4	Yes	No	Partly
Divisions, Units and Branches within the Group which provide assistance to companies or any other organisations that engage in economic activities have considered the State Aid implications of that assistance and have consulted European Support Unit as necessary.	✓		
<b>Comments:</b>			

### 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.	✓		
<b>Comments:</b>			

3.2	Yes	No	Partly
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><b>Comments:</b> The following PPEs were active during this period:-</p> <p>PPEs on outstanding Interreg 3A projects completed in September / October 2013.</p> <p>PPE on small scale FIT analysis complete 29 May 2014. .</p> <p>PPE on Craigavon Borough Council legal advice now complete.</p> <p>PPEs on Onshore Renewable Electricity Action Plan's Strategic Environmental Assessment and Habitats Regulations Appraisal complete 29 May 2014.</p> <p>PPE on communities and renewable energy drafted and awaiting approval.</p> <p><b>Comments: Telecoms</b> PPEs undertaken on projects as required.</p> <p><b>Minerals/GSNI</b></p> <p>Some additional analysis of the outcomes of the the Deep Geothermal Energy Project, is currently being undertaken with a view to establishing the scope for further informing DGE policy going forward– work on the analysis of the outcome from Deep Geothermal Energy Research project has been delayed because of the higher priority demand for advice and support on petroleum licensing, shale gas and hydraulic fracturing. Revised target for completion of PPE is 31 March 2015.</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.	✓		
<b>Comments:</b>			

#### 4 - Procurement

4.1	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.	✓		
<b>Comments:</b>			

4.2	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.	✓		
<b>Comments:</b>			

4.3	Yes	No	Partly
Divisions, Units and Branches within the Group have obtained prior approval from the Accounting Officer for the procurement of consultants by direct award contract.	✓		
<b>Comments:</b>			

### 5. – Contract and Project Management

5.1	Yes	No	Partly
Contracts are managed in accordance with the principles set out Central Procurement Directorate's Procurement Guidance Note, PGN 01/12: Contract Management Procedures and Principles.	✓		
<b>Comments:</b>			

5.2	Yes	No	Partly
Programmes and projects are managed in accordance with good practice including, where appropriate, Gateway Reviews, Prince II Methodology and guidance that issues from Central Procurement Directorate.	✓		
<b>Comments:</b>			

## 6 – Monitoring of Expenditure

6.1	Yes	No	Partly
Divisions, Units and Branches within the Group review financial reports reviewed to monitor expenditure against budget.	✓		
<b>Comments:</b>			

## 7 – Staff

7.1	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.	✓		
<b>Comments:</b>			

7.2	Yes	No	Partly
Guidance and instructions are disseminated to appropriate staff.	✓		
<b>Comments:</b>			

7.3	Yes	No	Partly
Conflicts of interest are managed in accordance with relevant guidance.	✓		
<b>Comments:</b>			

7.4	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.	✓		
<b>Comments:</b>			

7.5	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.	✓		
<b>Comments:</b>			

### 8 – NDPBs, Third Party Organisations, Grant Recipients and Entering of Payments to the Voluntary and Community Sector on the DSD Database

8.1	Yes	No	Partly
Where applicable, appropriate procedures are in place to monitor the adherence of NDPBs to Management Statement and Financial Memorandums (MSFMs).	✓		
<b>Comments:</b>			



8.2	Yes	No	Partly
On the basis of monitoring performed, the Department is satisfied that NDPBs have been adhering to the requirements of their MSFMs and there are no significant problems.	✓		
<b>Comments:</b>			

8.3	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.	✓		
<b>Comments:</b>			

8.4	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.	✓		
<b>Comments:</b>			

8.5	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 adequately vouched and is used for the purposes intended by the Department.	✓		
<p><b>Comments:</b></p>			

8.6	Yes	No	Partly
Divisions, Units and Branches within the Group that make payments to the Voluntary and Community Sector enter details on the DSD database.	✓		
<p><b>Comments:</b></p>			

## 9 – Internal and External Audit Reports

9.1	Yes	No	Partly
Internal and external audit reports relating to the activities of the Group have revealed no significant weaknesses. If significant weaknesses have been revealed provide details below.	✓		
<p><b>Comments:</b></p>			

9.2	Yes	No	Partly
Recommendations arising from internal and external audit reports and PAC hearings are implemented and implementation is monitored by Heads of Division/Heads of Unit.	✓		
<p><b>Comments:</b></p>			

## 10 – Data Management

10.1	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 the Northern Ireland Civil Service Guide to Physical, Document and IT Security published on 2 April 2014 and available on the DETI Intranet.</p>			✓
<p><b>Comments:</b></p> <p>Further clarification is being sought from Information Management Unit (IMU) as to the NICS Secure File Transfer Protocol.</p>			

## 11 – Transposition of EU Directives

11.1	Yes	No	Partly
<p>Divisions, Units and Branches within the Group are taking action is taken to ensure the transposition relevant EU Directives.</p>			✓
<p><b>Comments:</b></p> <p>Work ongoing with GB to transpose residual elements of Energy Efficiency Directive.</p>			

## 12 – Other Issues

### 12.1

If there are any other issues which point to significant internal control weaknesses, or other matters arising within the Group which could adversely affect the signing of the six monthly Assurance Statement, details should be provided below.

#### Minerals

A pre-action protocol letter has been received by DETI related to Tamboran Resources request to the courts for leave to review DETI Minister's decision of 30/9/2014, not to permit a further extension IRO Tamboran's Petroleum Licence PL2/10. Chronology was prepared for Senior Counsel. Pre-leave meeting with DETI Senior Counsel scheduled took place on 20/10/14. The case was in court on 24/10/14 and has been put back to 10/11/14 for a pre application hearing.

MAPB functions and activities a pro pos Mineral & Petroleum Licensing in NI are primarily informed by the enacting legislation available to DETI, i.e.:

Mineral Development Act (NI) 1969 (MDA 1969)  
Petroleum (Production) Act (NI) 1964; and  
2010 Hydrocarbon Regulations.

Unquestionably the volume and complexity of MAPB's work has continued to increase substantially in this reporting period particularly in relation to the work required to help inform and formulate DETI/NI policy on potential fracking and to deal with the resultant AQs, CORs, TOFs, briefing and FOI/EIR requests received.

Notwithstanding the challenges presented by this and the need to bring the CCS/CDD Directive transposition to fruition, there is a need to review DETI's current Petroleum & Minerals Legislation and policies to ensure that they continue to provide an appropriate framework for the regulation and support of mineral, oil & gas exploration and development in Northern Ireland.

Over and above this, there is a pressing need to develop greater liaison and stronger relationships with DECC counterparts, other NI Departments and others.