

From: [Edmund Ward](#)
To: [McCann, Brendan](#); [Wightman, Stuart](#); [Woods, Michael \(DfE\)](#); [Marten, Lucy](#)
Cc: [Gareth John](#); [Teri Clifton](#); [Jane Pierce](#)
Subject: PwC report - actions and next steps [OFFICIAL]
Date: 05 October 2016 10:47:37

Morning Brendan/Stuart/All

I just wanted to consolidate a few points this morning, to ensure we make good progress in the meeting tomorrow. Apologies for the lengthy email; happy to discuss.

[I haven't copied this to PwC colleagues but happy for you to forward/extract or to pick up direct with Ian/etc on some of these points if you prefer].

1. Process & Controls section of PwC report

In order to ensure we're all on the same page tomorrow, it would be really useful if we could get sight of a latest PwC draft report – acknowledging it will still be in draft form – by the end of today.

We believe we have shared everything expected and that this has been received, as per emails/confirmations yesterday. Please let me know by return if you believe anything is outstanding.

2. Full PwC report

As we understand it, the report going to PAC on Friday will be referenced in public session, so can I repeat our request to have sight of the report in advance of that (as previously mentioned in correspondence between Andrew McCormick and Chris Poulton)? To clarify, this request is not intended to seek to influence the conclusions or drafting of the report, but we would appreciate having visibility so that we can prepare any lines/response etc. We also need to be clear that some of the information provided to PwC via DfE under our arrangements was information of a confidential nature. If parts of the report might reasonably give insights into our risk and control processes that could benefit anyone wishing to exploit the scheme, this would be at the expense of the public and to the detriment of the value for money that the scheme offers, and would seem to be at odds with some of the grounds for commissioning the report. We're therefore keen for the opportunity to review and ensure it's clear what is being shared, and on what basis.

3. Data-sharing constraints / Hold Harmless letters

We've received these from PwC and I've asked for a clarification on what, if any, information PwC would release to participants if they were asked for information regarding findings/data held in respect of the site inspections. I'm conscious we should ensure our respective positions are clear on this. In particular, point 3 of the letter refers:

3. neither the reports, nor information obtained from them, may be made available to anyone else without our prior written consent, except where required by law or regulation.

Is your expectation that we should seek (general) permission from PwC to release details of any individual reports, specifically to the owner of the affected installation? If so, I'm happy to respond to PwC on that basis. If not, we need to be clear that, if we can't disclose PwC findings to individual scheme participants, this will have an impact on our approach to compliance actions. For example, in order to impose sanctions such as suspending payments to investigate, one of the conditions set out in legislation is that we must provide reasons setting out our decision. If we are unable to reference findings this may limit our ability to take action in some cases.

If we can't make progress on this today, perhaps this is something that could be addressed at our meeting tomorrow. However, and just to make you aware, until we are clear on this it will prevent the reports being released. This in turn will continue to impact on our ability to commence sanctions against affected installations.

4. Action on Categories 2, 3 and 4

Conscious that there were previous re-categorisation of findings between categories 2/3 and 4, do you have a master document setting out the PwC audit findings and their categorisation, by installation? We're planning possible compliance actions and flagging in our systems to ensure that we have visibility of the evidence received for each of these sites, and are keen to ensure this is based on the latest/complete picture. I'm happy to engage direct to PwC on this if easier?

5. DfE Internal Audit Report

We've also previously requested sight of the DfE internal audit report, in the interest of common visibility. I'm conscious this is something that Alison and Gareth had engaged on, but as Alison has now moved on would you be able to update on the status of this?

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Next steps

It might make sense to follow up during the course of today to ensure we're aligned in advance of tomorrow? If you agree, you can reach me on Personal information redacted by the RHI Inquiry or we could arrange a time via email?

Kind regards,
Edmund

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