

**From:** [Coyne, Terence](#)  
**To:** [Rooney, Eugene](#); [Johnston, Iris](#); [Stewart, Chris \(DETI\)](#); [McIlwrath, Linda](#)  
**Cc:** [Cooper, Trevor](#); [Hutchinson, Lee-Anne](#); [Linton, Rachel](#)  
**Subject:** Departmental Board: Risk Management Paper  
**Date:** 08 July 2015 18:08:07  
**Attachments:** [DB51-5 Risk Management Synopsis.DOC](#)  
[DB51-5 Risk Management Report.doc](#)  
[Corporate Risk Register for consideration by Departmental Board on 21 July 2015.docx](#)  
**Importance:** High

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Eugene and Chris

Please find attached for your consideration and clearance the Risk Management Paper for the meeting of Departmental Board on 21 July 2015.

If you clear the paper tomorrow, I should be grateful if you would let Lee-Anne Hutchinson and Rachel Linton know as I shall be on annual leave. Lee-Anne and Rachel can arrange for printing and for the paper to be provided to the Board Secretariat.

Regards

Terry

**Terence Coyne**

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**DEPARTMENTAL BOARD****TITLE: RISK MANAGEMENT**

**Paper presented by: Trevor Cooper**

**KEY ISSUES**

- A number of amendments have been proposed to the controls in place / actions planned / target dates in relation to the following Risks:
  - Risk 2 (Appropriate strategies and policies are not devised with the consequence that a dynamic, innovative, export-led economy for Northern Ireland is not developed). Economic Policy Division reports that the Exports Action Plan was agreed by the Minister in June 2015 and subsequently issued to the ETI Committee;
  - Risk 3 (Ineffective governance leading to poor value for money, fraud, loss to public funds, or irregular expenditure). Energy Division reports that the external DFP Gateway Health Check on the Gas to the West project has been completed and work is currently being undertaken on the Gas to the West business case prior to its consideration by a Casework Committee before the end of July;
  - Risk 4 (Inability to operate within allocated budget, avoiding overspend and managing underspend within a 2% resource target and a 3% capital target and, in addition, meeting EU expenditure targets). Finance Division reports that Energy Division is working with it and DFP to ensure that appropriate approvals and additional funding requirements of circa £12m are in place as soon as possible to facilitate the future operation of the Non-Domestic Renewable Heat Incentive Scheme at an affordable level of demand.
  - Risk 6 (Information held by the Department is not handled in accordance with relevant legislation with a consequent possibility of legal proceedings, criticism from regulatory authorities and embarrassment to the Department and its Minister). HRCS Division reports that there has been some improvement in compliance with FOI time limits. However, the Division considers that there is as yet no justification for reducing the likelihood of the risk which currently stands at high;
  - Risk 7 (The imposition of penalties as a result of not implementing EU Directives and/or not complying with EU State Aid rules or other relevant EU ERDF Regulations / Criticism for not replicating GB legislation in NI). The updates reflect:

- A delay in the production of a final decision paper by the Utility Regulator (NIAUR) on licence modifications in relation to the Energy Efficiency Directive - an extension is being sought to extend the existing licence making power to the autumn;
  - Work that Energy Division is undertaking on a response to a query from DG Competition on the use of capacity mechanisms in the Single Energy Market; and
  - Work that Tourism, Telecoms and GSNI Policy Division is undertaking on the transposition of a number of Articles of the Carbon Capture and Storage Directive. Current work is centred on the drafting of legislation with a target date of December 2015 for laying the legislation in the Assembly.
- Risk 8 (Failure to file disqualification proceedings in compliance with the Department's approved prioritisation framework within statutory limits, and against those directors where evidence of misconduct has been identified). The update reflects a slippage in the target date for securing call off arrangements for the provision of additional support to the Insolvency Service as a result of a consultation process involving the trade union.
- As regards NDPBs and Cross Border Bodies, Tourism NI, Tourism Ireland Ltd and InterTradeIreland continue to highlight budgetary issues as a consequence of the current PE environment. The Consumer Council has highlighted a risk relating to the inability of cost reduction plans to deliver the savings required to enable it to operate effectively within its income for 2015-16 and beyond.

## **ACTION REQUIRED**

The Departmental Board is asked to:

- a. Note the amendments to the Corporate Risk Register;
- b. Consider the completeness of the risk register as a whole and the reasonableness of the assessments of residual risk in relation to impact and likelihood;
- c. Note that the updated Corporate Risk Register will be circulated to Heads of Division / Heads of Unit prior to the next Departmental Board meeting on 22 September 2015; and
- d. Note the risks reported by NDPBs and Cross Border Bodies that are considered significant.

**TIMESCALE**

- The updated Corporate Risk Register will be circulated to Heads of Division / Unit for review prior to the next meeting of the Departmental Board.

**DEPARTMENTAL BOARD – 21 JULY 2015****RISK MANAGEMENT****CORPORATE RISK REGISTER****Introduction**

1. The Departmental Board reviewed the Corporate Risk Register and approved a number of amendments at its last meeting on 23 June 2015.
2. The Corporate Risk Register is circulated to Heads of Division and Heads of Unit prior to each Board meeting, with Division and Unit Heads being asked to:
  - a. Notify Accountability and Casework Branch of any new Corporate Risks that have not been previously identified at Corporate or Divisional level;
  - b. Notify Accountability and Casework Branch of any Divisional risks that they consider should be escalated for the Board to consider including in the Corporate Risk Register; and
  - c. Notify Accountability and Casework Branch of any additional actions they are currently taking or plan to take in relation to risks currently on the Corporate Risk Register.

The Corporate Risk Register was circulated to Heads of Division / Unit on 25 June 2015.

3. Having taken on Board any amendments from Divisions / Units, the updated Risk Register is circulated to the individual risk owners prior to each Departmental Board meeting.

**PROPOSED AMENDMENTS TO CORPORATE RISKS**

4. **Economic Policy Division** has updated the Target Date column at **Risk 2** “Appropriate strategies and policies are not devised with the consequence that a dynamic, innovative, export-led economy for Northern Ireland is not developed.” The revision reflects the agreement of the draft Exports Action Plan by the Minister in June 2015 and its subsequent issue to the ETI Committee.
5. **Energy Division** has updated the Controls in Place, Actions Planned and Target Date columns at **Risk 3** “Ineffective governance leading to poor value for money, fraud, loss to public funds, or irregular expenditure”. The Controls in Place column reflects the completion of the external DFP Gateway Health Check on the Gas to the West project. The Actions Planned column has been updated to reflect work being undertaken on the business case prior to a Casework Committee before the end of July.

6. **Finance Division** has updated the Actions Planned column at **Risk 4** “Inability to operate within allocated budget, avoiding overspend and managing underspend within a 2% resource target and a 3% capital target and, in addition, meeting EU expenditure targets”. The update reflects the requirement to obtain DFP approval for new commitments entered into in 2015-16 and beyond in the Non-Domestic Renewable Heat Incentive Scheme. Energy Division is working with Finance Division and DFP to ensure that the appropriate approvals and additional funding of circa £12m to facilitate the future operation of the Scheme at an affordable level of demand are in place as soon as possible.
7. **Human Resources and Central Support Division** has updated the Action Planned column at **Risk 6** “Information held by the Department is not handled in accordance with relevant legislation with a consequent possibility of legal proceedings, criticism from regulatory authorities and embarrassment to the Department and its Minister.” The update reflects an improvement in timeliness compliance rates for FOI requests (however, the likelihood of the risk occurring is still regarded as “high”.)
8. **Energy Division** has updated the Actions Planned columns at **Risk 7** “Non implementation of EU Directives and/or other relevant EU regulations leading to the imposition of penalties on the Department. Criticism of the Department for providing assistance which is not compliant with the EU’s ‘industrial’ State Aid rules and/or for not replicating GB legislation in NI.” The updates reflect a delay in the production by NIAUR of a final decision paper on licence modifications in relation to the Energy Efficiency Directive – an extension is being sought to extend the existing licence making power to the autumn. An additional action has been inserted in relation to responding to a query from DG Competition to member states on the use of capacity mechanisms in the Single Energy Market. The target date for this is 10 July 2015. A target date in relation to working with DCENR to agree changes which will give effect to obligations arising from Capacity Allocation and Congestion Management regulation has been deferred from June 2015 to August 2015.
9. **Tourism, Telecoms and GSNi Policy Division** has updated the Controls in Place and Actions Planned columns at **Risk 7**. The amendments reflect progress made in relation to the transposition of a number of Articles of the Carbon Capture and Storage Directive. Public consultation on two sets of Regulations, covering infrastructure and licencing provisions, is ongoing and is due to close on 17 September 2015. The target date for laying the Regulations is December 2015.
10. **Business Regulation Division** has updated the Actions Planned and Target Dates columns at **Risk 8** “Failure to file disqualification proceedings in compliance with the Department’s approved prioritisation framework within statutory limits, and against those directors where evidence of misconduct has been identified.” The target date for the proposed call off arrangements to provide the Insolvency Service with additional support has been moved back from September 2015 to December 2015 as a result of a consultation process with the trade union.
11. The proposed amendments to the above risks have been tracked for ease of reference in the Corporate Risk Register attached at **Annex A**.

**SIGNIFICANT NDPB CORPORATE RISKS**

12. **Invest NI** reports that it currently has no significant corporate risks as does the **Health and Safety Executive for Northern Ireland**.
13. **Tourism NI** has highlighted one significant risk around securing sustained long term investment due to what it represents as being insufficient funding. Tourism NI reports that additional budget allocations have been confirmed although they are significantly reduced on prior years, particularly in terms of investment in advertising which has been reduced from £4m to £1m. Tourism NI also notes that a capital shortfall of £1.1m will be the subject of a bid in June monitoring and that full funding has not been secured to support events. Tourism NI states that it is taking a number of actions to mitigate the risk. These include current and future engagement with decision makers to articulate the case for additional funding, optimising the use of existing funding, maximising opportunities to draw down EU funding, strengthening relationships with key delivery partners and identifying long term priorities. The Departmental Board will wish to note that the Minister agreed Tourism NI's budget allocations.
14. The **Consumer Council** has highlighted a significant risk relating to the inability of cost reduction plans to deliver the savings required to enable it to operate effectively within its income for 2015-16 and beyond. The risk is primarily linked to concerns about the availability of sufficient funding for the Consumer Council's Voluntary Exit Scheme. In addition, the Consumer Council considers that an in year bid will have to be made to cover the costs of dilapidations connected with its previous offices at Elizabeth House which it has recently vacated.
15. Both of DETI's North South bodies have reported significant risks. **InterTradelreland** has recently reviewed its risk management processes to align them more closely with HM Treasury guidance. It continues to highlight a risk relating to challenging economic conditions, which result in a lack of adequate funding to service existing programmes and to undertake new initiatives. Controls in place include roll out of its agreed operating plan, engagement with sponsor bodies and NSMC, and continual review of project portfolio to optimise available resources. InterTradelreland has also reported a new risk around restrictions on its capacity to fill critical vacancies, but considers that the significance of this risk will reduce as it has recently been able to commence advertising for staff to fill vacancies. InterTradelreland has, in addition, reported a risk that it may not be seen as relevant.
16. **Tourism Ireland Limited** continues to highlight a significant risk in relation to the effect of major events on tourism such as health scares (such as Ebola), terrorism, environmental events or an economic downturn. Controls in place include business continuity plans, contingency planning and industry liaison processes in place in the organisation. Tourism Ireland Ltd has also highlighted a risk around an inability to secure funding to enable it to achieve its objectives which will result in long term reductions in visitor revenues and numbers (TIL has also noted the potential pressure that the strengthening of the US dollar against the Euro puts on the cost of its operations and marketing activities in the US).

**Departmental Board Action**

17. The Departmental Board is asked to:

- a. Note the amendments to the Corporate Risk Register;
- b. Consider the completeness of the risk register as a whole and the reasonableness of the assessments of residual risk in relation to impact and likelihood;
- c. Note that the updated Corporate Risk Register will be circulated to Heads of Division / Heads of Unit prior to the next Departmental Board meeting on 22 September 2015; and
- d. Note the risks reported by NDPBs and Cross Border Bodies that are considered significant.

## DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015

Date of Last Review: 23 June 2015				Date of Current Review: 21 July 2015					
Risk Category	No	Residual Assessment at Start of Year		Description	Current Residual Assessment		Movement since last review	Board Owner	Actions Planned (Yes/No)
		Impact	L'hood		Impact	L'hood			
Reputation and Credibility	1	Medium	Low	DETI is unable to deliver on its Programme for Government, Corporate Plan and Business Plan commitments resulting in political and public criticism of the DETI Minister and Department.	Medium	Low	=>	CS (All Divs)	Yes
Operational and Policy Delivery	2	Medium	Medium	Appropriate strategies and policies are not devised with the consequence that a dynamic, innovative, export-led economy for Northern Ireland is not developed.	Medium	Medium	=>	CS (EPD)	Yes
Financial / VFM	3	Medium	Low	Ineffective governance leading to poor value for money, fraud, loss to public funds, or irregular expenditure.	Medium	Low	=>	ER (All Divs)	Yes
Financial / VFM	4	Medium	High	Inability to operate within allocated budget, avoiding overspend and managing underspend within a 2% resource target and a 3% capital target and, in addition, meeting EU expenditure targets.	Medium	High	=>	ER (Finance HRCS)	Yes
Financial / VFM	5	Medium	Medium	The loan and financial assistance grant package provided in connection with the Presbyterian Mutual Society are not repaid and as a consequence public expenditure pressures will be created for the Department and the NI Block.	Medium	Medium	=>	ER (BRD)	Yes
Compliance Legal / Regulatory	6	Medium	High	Information held by the Department is not handled in accordance with relevant legislation with a consequent possibility of legal proceedings, criticism from regulatory authorities and embarrassment to the Department and its Minister.	Medium	High	=>	ER (HRCS)	Yes

**DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015**

Compliance Legal / Regulatory	7	High	Medium	Non implementation of EU Directives and/or other relevant EU regulations leading to the imposition of penalties on the Department. Criticism of the Department for providing assistance which is not compliant with the EU's 'industrial' State Aid rules and/or for not replicating GB legislation in NI.	High	Medium	=>	CS (Energy Tourism, Telecom GSNI)	Yes
Compliance Legal / Regulatory	8	High	High	Failure to file disqualification proceedings in compliance with the Department's approved prioritisation framework within statutory limits, and against those directors where evidence of misconduct has been identified.	Medium	Medium	=>	ER (BRD)	Yes

**DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015**

<b>Objective:</b> <b>Generic risk supporting delivery of all objectives in the corporate plan.</b> <b>Category – Reputation and Credibility</b> <b>Risk Appetite – Cautious</b>			<b>For risks with a residual assessment of High or Medium Impact and High Likelihood:</b> <b>Number of Board Meetings at this Level: N/A</b>					
	<b>Inherent Assessment</b>		<b>CONTROLS IN PLACE</b>	<b>Residual Assessment</b>		<b>ACTION PLANNED</b>	<b>TARGET DATE</b>	<b>OWNER</b>
<b>RISK</b>	<b>Impact</b>	<b>Likelihood</b>		<b>Impact</b>	<b>Likelihood</b>			
1. DETI is unable to deliver on its Programme for Government, Corporate Plan and Business Plan commitments resulting in political and public criticism of the DETI Minister and Department.	High	Medium	<p>Approved Business/Operating Plans for the Department and its NDPBs are in place each financial year. NDPB Plans comply with the provisions of Managing Public Money for Northern Ireland (MPMNI) and respective Management Statements and Financial Memoranda (MSFM).</p> <p>The Departmental Board receives and monitors quarterly update reports on DETI Business Plan achievements and slippages and directs corrective actions where necessary.</p> <p>Performance monitoring of Programme for Government, Corporate Plan and Operating Plan performance is a standing agenda item at NDPB Oversight &amp; Liaison meetings.</p> <p>DETI CLU tightened up the controls around performance monitoring e.g. earlier commissioning of the monitoring exercises; reminder of IAU comments on timeliness of returns; emphasis on slippage reports; improved spreadsheets for recording and retrieval of information; improved reporting to Departmental Board, Minister and ETI Committee.</p>	Medium	Low	Reviewing DETI Corporate Plan and related Business Plans is a continuing action eg via quarterly monitoring process.	Ongoing	CS (All Divs)

**DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015**

			<p>In relation to Invest NI and Tourism NI, further performance monitoring is undertaken as part of quarterly Finance meetings, Oversight and Liaison meetings and via monthly Board debriefs delivered by the Invest NI and Tourism NI Chairmen.</p> <p>Ongoing and regular interaction between DETI Branches responsible for Financial Governance/Policy and NDPBs.</p> <p>Resource allocation regularly reviewed by Top Management team.</p> <p>Capability and capacity issues are considered at fortnightly DETI Senior Management Team meetings.</p> <p>Matters are regularly raised and discussed at weekly Issues meetings with the Minister and Special Advisor.</p>					
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**DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015**

Objective			For risks with a residual assessment of High or Medium Impact and High Likelihood:					
A1 – To devise strategies and policies for the development of a dynamic, innovative, export-led economy in Northern Ireland.			<b>Number of Board Meetings at this Level:</b> N/A					
Category – Operational and Policy Delivery								
Risk Appetite - Open								
RISK	Inherent Assessment		CONTROLS IN PLACE	Residual Assessment		ACTION PLANNED	TARGET DATE	OWNER
	Impact	Likelihood		Impact	Likelihood			
2. Appropriate strategies and policies are not devised with the consequence that a dynamic, innovative, export-led economy for Northern Ireland is not developed.	High	Medium	<p><b>Background:</b> EPD led on the development of the NI Economic Strategy and has worked closely with other Executive Departments &amp; Invest NI to ensure their policies and targets are consistent with the Strategy.</p> <p>There is a monthly Board de-brief between the Invest NI Chairman and DETI Top Management to discuss board discussion and other key issues including policy development and implementation.</p> <p>Policy development is a standing item of the quarterly NDPB Oversight &amp; Liaison meetings.</p> <p>The Head of EPD meets with the Invest NI Director of Strategic Management and Planning on a monthly basis to discuss policy issues.</p> <p>Regular Invest NI Executive</p>	Medium	Medium	<p>1. Supporting the NI Economic Strategy are a range of action plans:</p> <ul style="list-style-type: none"> <li>• There is a Comprehensive Action Plan in place covering the actions contained in the Economic Strategy.</li> <li>• This has been supplemented by further actions agreed as part of the Executive's Economy &amp; Jobs Initiative.</li> <li>• A refresh of the Economic Strategy to cover the 2015-16 period in line with the extended</li> </ul>	<p>Draft developed April 2015</p> <p>To be agreed by Executive Sub-</p>	CS (EPD)

DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015

			<p>Leadership Team and DETI Senior Management Team engagements take place during the year. Through this forum, DETI and Invest NI senior management discuss a range of strategic policy issues and ensure appropriate action is taken to ensure DETI's suite of policies and strategies remain relevant to delivery of the Department's high level priorities.</p> <p>The implementation of Economic Pact commitments will be overseen by a Sub-Group of the Permanent Secretaries Group, chaired by DETI Permanent Secretary.</p> <p>The Executive agreed the Innovation Strategy on 8 September 2014. The Strategy and Action Plan were published on 18 September 2014.</p>			<p>mandate of the Programme for Government is being developed by DETI EPD in conjunction with the Executive Sub-Committee on the Economy Officials Group.</p> <p>DETI EPD is responsible for monitoring implementation of these actions.</p> <p>2. Implementation of those commitments contained within the NI Economic Pact, (announced by the NI Executive and UK Government on 14 June 2013) continues to be taken forward by Departments.</p> <p>An implementation plan has been agreed by HOCs and the DETI Permanent Secretary, through EPD, will be responsible for monitoring delivery of the various commitments and for reporting progress to the NI Executive.</p>	<p>Committee on Economy following Executive agreement of the extended Programme for Government</p> <p>Making Life Simpler: Improving Business Regulation in NI was published on 24 November 2014. EPD is currently working towards obtaining Executive agreement in order to begin the implementation of the report's recommendations.</p>	
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DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015

						<p>3. Action Plans for Innovation/R&amp;D, Access to Finance, Exports and Business Incubation being developed.</p> <p>Access to Finance plan was produced by March 2014 in conjunction with DFP and Invest NI and is being monitored on a quarterly basis.</p> <p>A draft Exports Action Plan <del>issued to</del> <u>was agreed by the</u> DETI Minister in <del>May-June</del> <u>2015 for his agreement to formally launch and subsequently issued to the</u> <u>ETI Committee.</u></p> <p>The Business Incubation Action Plan will be delayed until later in 2015.</p>	
						<p>4. DETI Internal Audit Service</p> <p>Recs 1 &amp; 2 remain</p>	

DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015

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						<p>undertook a review of aspects of the work of Economic Policy Division. The final report issued on 17 July 2013. Three recommendations relating to the work of the Division were made which have been accepted. One has been implemented and the other two are being implemented.</p>	<p>outstanding. Although, in relation to Rec 2, regular (at least fortnightly) meetings between the Head of EPD and Invest NI Strategy provide the opportunities to discuss significant and emerging cross cutting issues. Relevant Invest NI Directors and DETI policy leads are involved in these meetings as necessary.</p> <p>Rec 3 has been fully implemented.</p> <p>PELU now receives regular updates on all categories of Invest NI Evaluation irrespective</p>	
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DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015

							of scale and have agreed with INI that evaluations are made available to EPD on completion and subsequently disseminated to the wider EPD audience through TRIM.
			<p><b>Background:</b> <i>The Department has decided to review its current policy and legislation to ensure it continues to provide an appropriate framework for the regulation and support of mineral, oil and gas exploration and development in Northern Ireland.</i></p>			<p>Further action will flow from the work that is currently being undertaken to scope legislative and policy requirements.</p> <p>MAPB/GSNI are continuing to assess the implications of recommendations for the regulation of the exploration and production of shale gas as published by the European Commission on 22 January 2014.</p> <p>The Minister has advised the Assembly that fracking is regarded</p>	<p>Date remains to be determined within the wider context of addressing issues pertaining to the potential future deployment in NI of high volume hydraulic fracturing (fracking).</p>

**DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015**

						as a novel and controversial issue and one on which the Executive will ultimately have to decide.		
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**DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015**

Objective: Generic Risk			For risks with a residual assessment of High or Medium Impact and High Likelihood:					
Category – Financial / VFM			<u>Number of Board Meetings at this Level:</u> N/A					
Risk Appetite – Minimal								
RISK	Inherent Assessment		CONTROLS IN PLACE	Residual Assessment		ACTION PLANNED	TARGET DATE	OWNER
	Impact	Likelihood		Impact	Likelihood			
3. Ineffective governance leading to poor value for money, fraud, loss to public funds, or irregular expenditure.	High	Medium	<p>Approved Operating Plans for the Department and its NDPBs are in place each financial year. NDPB Operating Plans comply with the provisions of MPMNI and respective MSFMs.</p> <p>The process of monitoring the DETI 2014/15 annual operating plans commenced in June 2014.</p> <p>Early consideration of the DETI Operating Plan for 2015/16 and Corporate Planning for 2016/17 to 2019/20 commenced in August 2014.</p> <p>Provision of six-monthly Assurance Statements by Heads of Group and CEOs of NDPBs</p> <p>Risk and Corporate Governance issues are standing agenda items at NDPB quarterly O&amp;L meetings and are also discussed at Departmental Board.</p> <p>Evaluation of programmes and projects.</p> <p>DETI-Invest NI Casework Committee established to consider significant Invest NI casework.</p>	Medium	Low	<p>The process of monitoring the DETI annual operating plans commenced following Ministerial approval of the Plans.</p> <p><del>External DFP Gateway Health Check on Gas to West Grant Project completed 26 February 2015, and final report received.</del></p> <p>DSO and SIB Legal have considered the Gas to the West grant Letter of Offer. <u>A draft was</u></p>	<p>Quarterly commencing June 2014</p> <p><del>March 2015</del></p> <p><u>June-July 2015</u></p>	ER (All Divs)

DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015

		<p>DETI-Tourism NI Casework Committee established to consider significant Tourism NI casework.</p> <p>DETI Casework Committee for Departmental cases involving expenditure greater than £500,000.</p> <p>Internal and DFP delegations for expenditure.</p> <p>Business cases prepared in accordance with DFP and DETI guidance.</p> <p><u>External DFP Gateway Health Check on Gas to West Grant Project completed on 26 February 2015, and final report received.</u></p> <p>Annual test drilling of economic appraisals and PPEs with recommendations implemented.</p> <p>Financial Governance Unit established for NDPBs and Cross Border bodies.</p> <p>Quarterly O&amp;L meetings.</p> <p>Departmental representation on NDPB Audit Committees. NDPBs provide written reports to the Departmental Audit Committee and attend if required.</p> <p>NDPB Management Statements and Financial Memorandums in place.</p> <p>Each NDPB has a fully functional Internal Audit function.</p> <p>There is a fully functional EU Audit Authority.</p>		<p><u>issued to the developers on 5 May 2015.</u> <u>Awaiting</u> <del>R</del>revised gas loads and design costs <u>received</u> from developers <del>for</del> <u>and OBC to be</u> <del>being</del> updated to FBC in advance of DETI Casework <u>in late July 2015.</u></p> <p>Assessing and addressing the implications of and requirements for the future operation of the Non Domestic Renewable Heat Incentive Scheme.</p>	July 2015	
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**DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015**

			<p>Authorisation limits for expenditure.</p> <p>Fraud awareness training provided by CAL.</p> <p>Documented whistleblowing procedures reviewed and updated in July 2012.</p> <p>Fraud Policy and Fraud Response Plan reviewed and updated in July 2012.</p> <p>Participation in biennial National Fraud Initiative data matching exercise.</p> <p>Implementation of Tourism NI's Governance Action Plan monitored and reported on as a standing agenda item at Tourism NI SMT meetings, Tourism NI Board meetings, Tourism NI Audit Committee meetings and DETI/Tourism NI O&amp;L meetings. The majority of actions outlined in the plan have been implemented and the outstanding actions are currently being progressed by Tourism NI.</p>					
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**DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015**

Objective – Generic Risk			For risks with a residual assessment of High or Medium Impact and High Likelihood:					
Category – Financial / VFM			<b>Number of Board Meetings at this Level: <span style="color: red;">Seven-Eight</span></b>					
Risk Appetite - Minimal			<b>(commencing 25 November 2014)</b>					
RISK	Inherent Assessment		CONTROLS IN PLACE	Residual Assessment		ACTION PLANNED	TARGET DATE	OWNER
	Impact	Likelihood		Impact	Likelihood			
4. Inability to operate within allocated budget, avoiding overspend and managing underspend within a 2% resource target and a 3% capital target and, in addition, meeting EU expenditure targets.	High	High	<p>Monthly cost centre reports produced.</p> <p>Expenditure profiled monthly.</p> <p>Monthly financial reporting to Departmental Board.</p> <p>Regular budget monitoring meetings with Invest NI and Tourism NI with additional meetings to deal with urgent issues being scheduled as necessary.</p> <p>Quarterly monitoring rounds.</p> <p>Quarterly Oversight &amp; Liaison meetings with NDPBs.</p> <p>Quarterly risk reporting and six-monthly Assurance reporting.</p> <p>Monitoring EU expenditure levels against forecasts.</p> <p>Monthly reporting to the Departmental Board on the numbers applying for and the outworking of the Voluntary Exit Scheme.</p> <p>Monthly reporting to the Senior</p>	Medium	High	<p>Ongoing monitoring of expenditure by NDPBs/Divisions and Finance Branch to get early sight of issues and implement remedies if possible.</p> <p>2015-16 budgets agreed. Ongoing monitoring will be implemented of outcome of VES versus Departmental reductions in 2015-16.</p> <p>Programme of engagement with HODs/G6 to examine priorities and assess staffing requirements</p>	Ongoing throughout 2015-16	ER (Finance HRCS)

DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015

			<p>Management Team on the workforce position. Bi-Monthly HR Business Partner Reports to the Board which include the staffing position.</p> <p>Regular Resourcing Group meetings to assess workforce position and consider priorities.</p>		<p>going forward to ensure ongoing delivery of paybill reductions iro staffing.</p> <p>Implement centrally agreed redeployment measures to secure staff for priority posts and/or reduce staff numbers based on Savings Plan.</p> <p><u>New commitments entered into in 2015-16 and beyond in the Non-Domestic Renewable Heat Incentive Scheme require DFP approval. Energy colleagues are working with Finance and DFP to ensure that the appropriate approvals, and additional funding requirements of circa £12M, to facilitate the future operation of the Scheme at an affordable level of demand.</u></p>		
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DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015

						<u>are in place as soon as possible.</u>		
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**DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015**

<p><b>Objective – To manage the £175 million commercial loan and a £50 million Financial Assistance grant package in support of a Mutual Access Fund provided in connection with the Presbyterian Mutual Society in line with the agreed financial schedule.</b></p> <p><b>Category – Financial / VFM</b></p> <p><b>Risk Appetite – Cautious</b></p>			<p><b>For risks with a residual assessment of High or Medium Impact and High Likelihood:</b></p> <p><b><u>Number of Board Meetings at this Level:</u> N/A</b></p>					
RISK	Inherent Assessment		CONTROLS IN PLACE	Residual Assessment		ACTION PLANNED	TARGET DATE	OWNER
	Impact	Likelihood		Impact	Likelihood			
<p>5. The £175m loan and package provided in connection with the Presbyterian Mutual Society is not repaid and as a consequence public expenditure pressures will be created for the Department and the NI Block.</p>	High	Medium	<p>Formal loan agreements.</p> <p>Due diligence reports on asset values.</p> <p>Departmental oversight and monitoring of supervisors, supported by input from legal and insolvency external consultants as required.</p> <p>Formal legal agreement with supervisors.</p> <p>A formal quarterly reporting mechanism from the supervisors to the Department is in place.</p> <p>An annual updated Business Plan is prepared by the Joint Supervisors and discussed and agreed with DETI prior to the commencement of each financial year.</p>	Medium	Medium	<p>A high level review of Plan to 2020 has been completed.</p> <p>Discussions have been held with Joint Supervisors on actions arising from the review.</p> <p>Regular meetings of PMS Steering Group to continue to monitor delivery of the Plan.</p>	Ongoing.	ER (BRD)

**DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015**

<b>Objective:</b>  <b>C3 - To maintain and review the effectiveness of the Department's processes for: financial management; corporate governance and risk management; information security; business continuity; emergency planning; and Assembly / Executive business.</b>  <b>Category – Compliance – legal / regulatory</b>  <b>Risk Appetite – Cautious</b>			<b>For risks with a residual assessment of High or Medium Impact and High Likelihood:</b>  <b>Number of Board Meetings at this Level: <span style="color: red;">Seven-Eight</span> (commencing 25 November 2014)</b>					
RISK	Inherent Assessment		CONTROLS IN PLACE	Residual Assessment		ACTION PLANNED	TARGET DATE	OWNER
	Impact	Likelihood		Impact	Likelihood			
6. Information held by the Department is not handled in accordance with relevant legislation with a consequent possibility of legal proceedings, criticism from regulatory authorities and embarrassment to the Department and its Minister.	High	High	<p>Policies and procedures are in place for information management.</p> <p>Security measures in place include restriction of access to buildings; backups of IT data; ERDMS document storage; accreditation of IT systems and an annual departmental security review.</p> <p>Revised UK-wide Protective Marking Scheme was introduced across NICS Departments wef 2 April 2014. E learning rolled out across DETI.</p> <p>Business Continuity Management regime in place covering Netherleigh and all non-HQ buildings. Internal Audit undertook a follow up review of previous Business Continuity Audit findings. A report was received in December 2014. All recommendations have been implemented.</p> <p>Well established network of Information Managers for FOI requests.</p>	Medium	High	<p>New approaches being trialed / proposed to streamline approval process and improve compliance with FOI/EIR response deadlines.</p> <p>ICO wrote to DETI on 8 October 2014 expressing concern about timeliness compliance rates and asking for further details. A response was issued on 11 November 2014.</p> <p>A second letter</p>	<p>Monitored on a regular basis. Key issue is timeliness of issue of responses Stats published by OFMDFM show that in Qtr 3, DETI issued only 22% of responses within the FOI/EIR statutory deadlines.</p>	ER (HRCS)

DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015

			<p>Internal Audit review of the DETI FOI process was completed in October 2013 and has recommended that action is required to improve compliance with FOI response time targets. Agreed actions have now been completed.</p>		<p>was received from the ICO on 8 December, requesting updated position. A response was issued on 8 January 2015.</p> <p>At ICO's request ICO senior officials met DETI IMU staff on 5 March. ICO advised that, at present, they are not putting DETI under formal monitoring, but will continue to watch the situation closely. A further update on compliance rates was sent to ICO at end April 2015.</p> <p><u>Although the last period has seen some improvement in timeliness compliance rates, it does not justify reducing the risk likelihood at this point. Although the number of outstanding requests is</u></p>		
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DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015

						currently at a reasonable level (because of a bulk clearance exercise and a reduction in requests received), the risk remains high. This is because the underlying issues surrounding the approval process have still not been resolved.		
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**DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015**

<b>Objective:</b>  <b>B1 – To provide clear policy direction and targets, and the necessary resources to deliver those targets.</b>  <b>B5 – To engage effectively with the European Union to secure the maximum financial and non-financial support available for growing the NI economy.</b>  <b>Category – Compliance – legal / regulatory</b>  <b>Risk Appetite - Open</b>			<b>For risks with a residual assessment of High or Medium Impact and High Likelihood:</b>  <u>Number of Board Meetings at this Level: N/A</u>					
	<b>Inherent Assessment</b>		<b>CONTROLS IN PLACE</b>	<b>Residual Assessment</b>		<b>ACTION PLANNED</b>	<b>TARGET DATE</b>	<b>OWNER</b>
<b>RISK</b>	<b>Impact</b>	<b>Likelihood</b>		<b>Impact</b>	<b>Likelihood</b>			
7. Non implementation of EU Directives and/or other relevant EU regulations leading to the imposition of penalties on the Department. Criticism of the Department for providing assistance which is not compliant with the EU's 'industrial' State Aid rules and/or for not replicating GB legislation in NI.	High	High	LMU circulate details of EC Directives that require implementation.  Stand alone website for the Competitiveness Programme with comprehensive guidance.  Internal Audit system reviews.  Memorandum of Understanding setting out requirements.  Audit Authority checks.  Managing Authority checks on compliance with MOU and spot checks on expenditure.  Regular and ongoing training of those involved in the management of EU funds.  Bi-lateral meetings with Intermediary Bodies focused on compliance issues.  Management verification checks on Intermediary Bodies to include specific	High	Medium	Circulation of relevant EC Directives when received from European Policy and Co-Ordination Unit, OFMDFM.	Ongoing	CS (Energy; Tourism, Telecoms and GSNI; ESU)

DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015

		<p>focus on ERDF requirements.</p> <p>Technical Assistance review undertaken of Intermediary Bodies to examine resource requirements. Bids have been made to the Managing Authority and approval obtained for additional staff.</p> <p>Provision of an advisory service to DETI Divisions and NDPB's by European Support Unit (ESU).</p>			<p>ESU to undertake awareness raising activities to ensure aid providers are aware of the 'industrial' State Aid rules. As required, ESU will offer aid providers with advice to assist them avoid State Aid being present or to obtain the necessary EC approval through the Commission's State Aid Notification Interactive System.</p>		
		<p>EC State Aid approval obtained on 11 July 2014 for NI Executive funding of up to £32.5m for provision of new natural gas networks in the West.</p> <p>Following DSO and OLC clearance, the Regulations to effect changes to the electricity and gas licence modification arrangements were made on 5 January</p>			<p>The following additional action is being taken by Energy Division:</p> <p>Continue to engage with DECC, NIAUR and DSO on a</p>	Ongoing	

DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015

			<p>2015 and came into operation on 6 February. The changes were required to ensure ongoing compliance with the Electricity and Gas Directives.</p> <p>Energy Division is progressing work to implement the extensive Energy Efficiency Directive 2012/27/EU.</p>			<p>range of EU compliance issues. These include compliance with existing requirements relating to off shore gas storage TPA and obligations under and pursuant to Electricity and Gas Regulations and the Gas Security of Supply Regulation. Energy Division is also engaging with DECC to assess the implications of forthcoming EU requirements including changes to the Gas Security of Supply Regulation, potential security of supply legislation and emerging electricity and gas network codes.</p>		
			<p>Regulations for Articles 9-11, 13 &amp; 15 came into operation on 25 July 2014.</p> <p>Regulations to transpose Article 14(10)</p>			<p>The Regulations include a duty on NIAUR to bring forward licence</p>	<p>October 2015</p>	

DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015

		<p>made on 18 November and came into operation on 10 December 2014.</p> <p>UK-wide Statutory Instruments laid by DECC at Westminster in April and June 2014 – NI is included where required.</p> <p>Energy Division is working with EU colleagues to ensure state aid approval is granted for Phase 2 of the RHI non domestic Scheme. This will be taken forward in 2015.</p> <p>Detailed programme for delivery of wholesale electricity market Target Model requirements published by Regulators.</p> <p>Successful outcome to discussions with European Commission on derogation for Target Model compliance – derogation to 31 December 2017 approved by Commission and referenced in Capacity Allocation and Congestion Management Network Code.</p> <p>Initial meeting held with DG Competition to discuss I-SEM Capacity Remuneration Mechanism and State Aid notification arrangements 14 April 2015</p>			<p>conditions / amendments in relation to the EED. <a href="#">Final decision paper on licence modifications from NIAUR delayed – extension being sought to extend the licence making power to the autumn. consultation document closed and draft decision paper drafted and agreed. NIAUR on track to seek Ministerial consent for modifications in June.</a></p> <p>Bring forward legislation to implement Phase 2 of the Non-Domestic RHI.</p> <p>Continue to work with DCENR, DECC and Regulators in a structured approach to EU.</p> <p>Engage with DG Comp, in support of State Aid</p>	<p>Ongoing until implementation in Dec 2017</p> <p>April 2015 onwards</p> <p>By October 2015</p>	
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DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015

			<p>Work progressing to give effect to immediate obligations arising from CACM Regulation (designation of National Electricity Market Operator) by Regulator.</p> <p>Legal advice taken from DSO on extent of legislative underpinning required for new market arrangements.</p> <p>The following additional action has been taken by Minerals and Petroleum Branch (MAPB) to address concerns that EU Directive CCS/CDD 2009/31/EC – the Carbon Capture and Storage Directive has not been fully transposed into</p>			<p>clearance for proposed Capacity Remuneration Mechanism.</p> <p>Support designation arrangements.</p> <p>Engage with DG Energy and DG Competition in relation to market design and capacity remuneration mechanism.</p> <p>Work with DCENR to agree required changes.</p> <p><a href="#">Respond to DG Comp sector enquiry to Member States on use of capacity mechanisms in SEM/I-SEM</a></p> <p><a href="#">Processes for drafting Subordinate Legislation will be followed – target date for laying</a></p>	<p>April 2015</p> <p>By end Dec 2015</p> <p><a href="#">June August 2015</a></p> <p><a href="#">10 July 2015</a></p> <p><a href="#">Autumn Dec 2015</a></p>	
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DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015

			<p>Northern Ireland:</p> <p>Ministerial approval for development of 2(2) Regulations to transpose a number of Articles from the CCS Directive received on 19 November 2014.</p> <p>Implementation plan developed by MAPB and Project Steering Group in place. Following engagement with DSO it was agreed that 2 sets of Regulations are required covering both infrastructure and licensing provisions. Both sets have been drafted and cross departmental issues have been addressed. <u>Public consultation ongoing – closes on 17 September 2015.</u></p> <p>Target date for compliance is <del>Autumn</del> <u>December</u> 2015. Ultimate compliance with the Directive continues to be constrained by a shortage of in-house expertise and will also continue to be impacted by the Subordinate Legislation processes, <del>particularly the need to consult on the proposed Regulations.</del></p>			<p><del>Statutory Regulation is mid December 2015. Awaiting final comments from DSO on draft regulations and consultation document.</del></p> <p><del>Ministerial approval was received on 4 June 2015 to brief the ETI committee and Executive and to commence the consultation, subject to final versions of regulations and consultation document being provided.</del></p> <p><del>12-week consultation due to commence at the end of June.</del></p>		
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**DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015**

<p><b>Objective:</b> To ensure disqualification orders are pursued against all directors whose conduct has been highlighted as a concern, within the 2 year statutory deadline.</p> <p><b>Category – Compliance – Legal / Regulatory</b></p> <p><b>Risk Appetite – Averse</b></p>			<p><b>For risks with a residual assessment of High or Medium Impact and High Likelihood:</b></p> <p><b>Number of Board Meetings at this Level:</b> N/A</p>					
RISK	Inherent Assessment		CONTROLS IN PLACE	Residual Assessment		ACTION PLANNED	TARGET DATE	OWNER
	Impact	Likelihood		Impact	Likelihood			
<p>8  Failure to file disqualification proceedings in compliance with the Department's approved prioritisation framework within statutory limits, and against those directors where evidence of misconduct has been identified.</p>	High	High	<p>Training and guidance for Directors Disqualification Unit (DDU) Examiners provided by the Senior Examiner.</p> <p>A dedicated Training Officer has been appointed in the branch to assist training of new staff.</p> <p>Prioritisation of cases to identify those where the most serious examples of misconduct have occurred, or where there has been a previous history of misconduct, to inform the decision on which cases are pursued. Prioritisation policy has been approved by the DETI Minister.</p> <p>Case investigation reviews carried out by the Senior Examiner to ensure all cases that are pursued are progressed on time.</p> <p>Legal advice and guidance provided by the Departmental</p>	Medium	Medium	<p>Business case for use of call-off arrangements to provide additional support has been approved by the Casework Committee. (Funding for the project will be provided through additional fee receipts and is not dependant on additional departmental resources being provided.) DSO advice is that outsourcing is not appropriate for the Department's investigation role for directors' disqualification and bankruptcy restriction orders. A project team has been assembled to take this project forward within the Insolvency Service and Gabriel Lynch from Central Procurement Directorate is providing guidance on the tender process. A visit to the Accountant in Bankruptcy in Scotland took place on 28 May 2015 to learn from their experiences. <u>TUS has registered a formal disagreement about the</u></p>	<p><del>Sept-Dec</del> 2015</p>	ER (BRD)

DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015

			<p>Solicitor.</p> <p>Forecasting of future staffing levels and early engagement with DHR.</p> <p>Operational plan targets and activities for 2014/15 have been amended to clarify the reporting of IS targets relating to disqualification of directors.</p> <p>A system is in place to identify directors' previous involvement in corporate insolvencies to inform the disqualification process.</p> <p>Training Officer, in liaison with unit management, has developed a training plan for new staff.</p> <p>Review of DDU skills and resourcing requirement and development of resource management strategy has been discussed with DHR and a business case prepared for the DETI Resources Committee. Process of filling outstanding SO vacancies agreed with DHR.</p> <p>A standard target period for case investigations to be completed has been introduced.</p> <p>Review of workflows, workloads, resource allocation, and impact on risk across Insolvency Service to ensure all cases are investigated in time to allow disqualification proceedings to be</p>		<p><u>proposals and referred the matter to the Departmental Whitley Committee in line with formal processes. This has resulted in a revision to the target date.</u></p>		
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**DETI CORPORATE RISK REGISTER – FOR CONSIDERATION BY THE DEPARTMENTAL BOARD ON 21 JULY 2015**

			<p>pursued, where appropriate, within the statutory timeframes.</p> <p>A new system has been introduced to ensure that all investigation cases are regularly reviewed and reviews recorded to keep investigations focussed.</p> <p>The DDU is fully staffed.</p>					
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