



To: Trevor Cooper  
Wendy Johnston  
Jackie Kerr  
Diarmuid McLean  
John Mills  
Mike Thompson  
Paul Brush  
Shane Murphy  
Maeve Hamilton

cc Eugene Rooney  
Chris Stewart  
Paul Dolaghan  
David Leonard  
Cheryl Snoddy  
Damien Ryan  
Sharon Smyth  
Marese McCormick  
Esther Colacio-McAlister  
David Francey  
Terry Coyne  
Rachel Linton  
Rosemary Morrison  
Mignonne Smith

Date: 29 December 2015

From: Lee-Anne Hutchinson

## **CORPORATE RISK REGISTER**

1. The Departmental Board reviewed the Corporate Risk Register at its meeting on 17 November 2015.
2. The next meeting of the Departmental Board is scheduled for 19 January 2016. I attach the Corporate Risk Register, which was agreed at the 17 November meeting, and would ask SMT members to consider, in advance of the next Departmental Board meeting, if there are any:
  - a. Risks that have not been previously identified at Corporate or Divisional level that should be included in the Corporate Risk Register;
  - b. Divisional risks that should be escalated to the Corporate Risk Register;
  - c. Revisions to actions that they are currently taking or plan to take in relation to risks currently in the Corporate Risk Register, to reflect, for example, actions completed; and

- d. Additional actions they are currently taking or plan to take in relation to risks currently in the Corporate Risk Register (target dates should be included – see paragraph 4 below).
3. Following the last meeting of the Departmental Board, Accountability and Casework Branch worked with a number of divisions to ensure that the risk register reflected the current position in respect of controls in place and actions planned. Recipients will note that the risk register already contains a number of tracked changes as a result. I would now ask all Heads of Division and Heads of Unit to review the register for completeness and accuracy.
4. If any of the matters referred to at paragraph 2 are identified, they should be notified in writing to me by **Wednesday 6 January 2016** to allow sufficient time for consideration by Eugene Rooney and Chris Stewart. A risk template should be completed for each new risk identified (see 2a above). An extract from the Divisional Risk Register should be provided for escalated Divisional Risks (see 2b above), and tracked changes should be made to the Corporate Risk Register to reflect additional actions (see 2c and d) above). **In addition, to assist preparation of the paper for the Departmental Board, a concise commentary should be provided (in the form of a separate note) to explain each proposed change to a corporate risk.**
5. The Departmental Board has specifically asked for target dates for the completion of additional actions to be included on the Corporate Risk Register and on Divisional Risk Registers. Heads of Division/Unit to whom additional actions fall should ensure that dates are inserted with changes being tracked. Revised dates should be inserted where there has been slippage.

*Lee-Anne Hutchinson*

**LEE-ANNE HUTCHINSON**

ANNEX B

DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

Date of Last Review: 20 October 2015				Date of Current Review: 17 November 2015					
Risk Category	No	Residual Assessment at Start of Year		Description	Current Residual Assessment		Move-ment 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	Medium	↑ ↑	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

**ANNEX B**

**DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 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 GSN)	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
Operational and Policy Delivery	9	Medium	Medium	Insufficient consideration is given to the structures and workflows of the new Department for the Economy with the result that it does not function effectively from the date of its creation.	Medium	Low	=>	ER	Yes

## DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

Objective:			For risks with a residual assessment of High or Medium Impact and High Likelihood:					
<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>Number of Board Meetings at this Level: N/A</b>					
			CONTROLS IN PLACE			Residual Assessment		ACTION PLANNED
RISK	Inherent Assessment			Impact	Likelihood			
	Impact	Likelihood						
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 and Cross Border bodies 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</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 –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

			<p>slippage reports; improved spreadsheets for recording and retrieval of information; improved reporting to Departmental Board, Minister and ETI Committee.</p> <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. In relation to Tourism Ireland quarterly oversight meetings and monthly meetings with Director of Corporate Services are held.</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>				
--	--	--	--	--	--	--	--

DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 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.			<u>Number of Board Meetings at this Level:</u> 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</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 <b>draft</b> refresh of the Economic</li> </ul>		CS (EPD, <b>IT</b> <b>GSNI</b> )

**DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015**

		<p>Management and Planning on a monthly basis to discuss policy issues.</p> <p>Regular Invest NI Executive 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>Strategy to cover the 2015-16 period in line with the extended mandate of the Programme for Government <del>has</del> <u>was been</u> developed <u>in April 2015</u> 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</p>	<p><del>April 2015</del></p> <p>To be agreed by Executive Sub-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</p>
--	--	---	--	--	--	---



DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

			<p><u>Access to Finance plan was produced by March 2014 in conjunction with DFP and Invest NI and was monitored on a quarterly basis. It has now been completed.</u></p>		<p>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>3. Action Plans for <del>Innovation/R&amp;D, Access to Finance,</del> Exports and Business Incubation being developed.</p>	<p>agreement on a way forward which will address the report's recommendations. Aim to secure Executive clearance by end 2015.</p> <p><del>Access to Finance plan was produced by March 2014 in conjunction with DFP and Invest NI and was monitored on a quarterly basis. It has now been completed.</del></p> <p>A draft Exports Action Plan was agreed by the DETI Minister in June 2015 and subsequently</p>
--	--	--	--	--	---	---

DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

						<p>issued to the ETI Committee and EAG for comment. <del>An amended Action Plan will be issued to the DETI Minister before end December 2015.</del></p> <p><del>The Business Incubation Action Plan will be delayed until later in 2015.</del></p> <p><del>Rees 1 &amp; 2 remain outstanding. Although, in relation to Rec-2, regular (at least fortnightly) meetings between the Head of EPD and Invest NI Strategy</del></p>
					<p>4. DETI Internal Audit Service 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. <del>One has been</del></p>	

DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

					<p>implemented and the other two are being implemented.  <u>All have been</u>  implemented.</p>	<p>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.    Rec <del>1-3</del> <u>have</u> been fully implemented.    BDLU now receives regular updates on all categories of Invest NI Evaluation irrespective of scale and have agreed with INI that evaluations are made available to EPD on</p>	
--	--	--	--	--	---	---	--

DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

			<p><i>Background - 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 previous DETI Minister advised the Assembly that fracking is regarded as a novel and</p>	<p>completion and subsequently disseminated to the wider EPD audience through TRIM.</p> <p>Date remains to be determined <del>within the is being impacted by</del> the wider context of addressing issues pertaining to the potential <del>for</del> future deployment in NI of high volume hydraulic fracturing (fracking).</p>	
--	--	--	---	--	--	---	--

DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

						<p>controversial issue and one on which the Executive will ultimately have to decide.</p> <p>Work <del>has commenced</del> <u>is almost complete</u> on scoping of the terms of reference for a study into the economic potential of NI's Mineral &amp; Petroleum Assets &amp; on identifying the range of financial &amp; human resources required to take such a study forward.</p>		
--	--	--	--	--	--	---	--	--

DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

Objective: Generic Risk			For risks with a residual assessment of High or Medium Impact and High Likelihood:					
Category – Financial / VFM			Number of Board Meetings at this Level: 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 and Cross Border Bodies are in place each financial year. NDPB Operating Plans comply with the provisions of MPMNI and respective MSFMs.</p> <p>Monitoring of the DETI 2015/16 Business Plan will commence in September 2015.</p> <p>The Corporate Planning Workstream of the DfE Restructuring Project is taking forward the development and preparation of a draft Corporate Plan for the new DfE.</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 and Cross Border Body quarterly O&amp;L meetings and are also discussed at Departmental Board.</p> <p>Evaluation of programmes and projects.</p>	Medium	LowMedium	<p>Monitoring of the DETI annual operating plans commenced following Ministerial approval of the Plans.</p> <p>DSO and SIB Legal have considered the Gas to the West grant Letter of Offer. A draft was issued to the developers on 5 May 2015. Revised gas loads and design costs received from developers</p>	Commencing September 2015 for the DETI 2015/16 Business Plan.	ER (All Divs)

Formatted Table

## DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

			<p>DETI-Invest NI Casework Committee established to consider significant Invest NI casework.</p> <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>External DFP Gateway Health Check on Gas to West Grant Project completed on 26 February 2015, and final report received.</p> <p>DETI Casework met on 29 July 2015 to consider further the proposals for grant support towards the Gas to the West project, and was attended by DFP officials.</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 with NDPBs and</p>			<p>and OBC updated to FBC in advance of DETI Casework meeting on 29 July 2015. Further legal advice received from Energy Division legal advisors on Gas to the West LoO and grant related issues, and further interaction with the developers is planned to finalise the LoO. <a href="#">DETI Casework Committee to consider Energy Division responses to post Casework questions.</a></p> <p>Assessing and addressing the implications of and</p>	<p><a href="#">Jan/ Feb Nov 2016</a></p>	
--	--	--	--	--	--	---	--	--

## DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

			<p>Cross Border Bodies.</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 and Cross Border Body has a fully functional Internal Audit function.</p> <p>Memorandums of Understanding in place for management of EU Programme expenditure (EU and National Funds).</p> <p>There is a fully functional EU Audit Authority.</p> <p>Authorisation limits for expenditure.</p> <p>Fraud awareness training provided by CAL.</p> <p>Documented whistleblowing procedures reviewed and updated in July 2015.</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</p>			<p>requirements for the future operation of the Non Domestic Renewable Heat Incentive Scheme.</p> <p>Additional EC compliance checks on NDPB and project expenditure</p>	Ongoing	ER (ESU)
--	--	--	--	--	--	--	---------	----------



DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

			<p>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> <p><u>Energy Division - context DETI exercises the Competent Authority role under the EU TEN-E Regulation. The Regulation sets out guidelines for streamlining the permitting processes for major energy infrastructure projects that contribute to European energy networks. These projects, referred to as "Projects of Common Interest" (PCIs). These projects are eligible to access grant funding under the Connecting Europe Facility (CEF). Two developer-led PCIs proposing energy infrastructure development in Northern Ireland are currently accessing funding under the 2014 CEF call and are seeking further funding under the 2<sup>nd</sup> 2015 CEF call. Member States have been kept at "arms-length" from the CEF application process. However, Grant Agreements between the Commission and project developers reference, inter alia, a requirement for a "statement by the Member State certifying the expenses actually incurred and/or payments made concerning the project" following some form of auditing procedure. First draw-down of grant funds is expected at end-March 2015.</u></p>			<p><u>Liaison with DECC (UK National Competent Authority for PCIs) to agree specific approach to format and content of required statement.</u></p>	<p><u>Ongoing</u></p>	<p><u>Energy Division</u></p>
--	--	--	---	--	--	--	-----------------------	-------------------------------

**DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015**

Objective – Generic Risk			For risks with a residual assessment of High or Medium Impact and High Likelihood:					
Category – Financial / VFM			Number of Board Meetings at this Level: Eleven (commencing 25 November 2014)					
Risk Appetite - Minimal			CONTROLS IN PLACE		Residual Assessment	ACTION PLANNED	TARGET DATE	OWNER
RISK	Inherent Assessment		Impact	Likelihood	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	Medium	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>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</p>	<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</p>	Ongoing throughout 2015-16	ER (Finance HRCS)

DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

		<p>the outworking of the Voluntary Exit Scheme.</p> <p>Monthly reporting to the Senior Management Team on the workforce position.</p> <p>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>Gas to the West developers have requested a single (c£25m) end of project grant payment in 2017/18 <del>instead of staged grant payments</del> <u>and this will reduce risks compared to staged grant payments during project construction.-</u></p> <p><u>DFP approval has been granted for the payments arising from new installations in the Non-Domestic Renewable Heat Incentive Scheme between 29 October 2015 and 31 March 2016. £11.5 m additional AME cover secured for 2015-16.</u></p>		<p>examine priorities and assess staffing requirements 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>Consideration ongoing on timing and method of making a single Gas to the West grant payment at end of construction.</u></p> <p><u>DFP approval has been granted for the payments arising from new installations in the Non-Domestic Renewable Heat</u></p>		<p>CS (Energy)</p>
--	--	---	--	--	--	------------------------

DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

						<p><a href="#">Incentive Scheme between 29 October 2015 and 31 March 2016.</a> DFP has still to consider the case for retrospective approval for new commitments under this scheme from 1 April 2015 to 28 October 2015.</p> <p><a href="#">Discussions ongoing between DFP and HMT iro future RHI funding following SR announcement on 25 Nov 2015.</a> £11.5 m additional AME cover secured for 2015-16.</p>		
--	--	--	--	--	--	--	--	--

Received from DFE on 05.05.2017  
Annotated by RHI Inquiry

DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 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>Number of Board Meetings at this Level: 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> <p><u><a href="#">A high level review of Plan to 2020 has been completed.</a></u></p>	Medium	Medium	<p><del>A high level review of Plan to 2020 has been completed.</del></p> <p><del>Discussions have been held with Joint Supervisors on actions arising from the review.</del></p> <p>Regular meetings of PMS Steering Group to continue to monitor delivery of the Plan.</p>	Ongoing.	ER (BRD)

**DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 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: Eleven (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</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</p>	<p>Monitored on a regular basis. Key issue is timeliness of issue of responses Stats published by OFMDFM show that in Qtr 3 2015, DETI issued only 22% of responses within the</p>	ER (HRCS)

DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

			<p>implemented.</p> <p>Well established network of Information Managers for FOI requests.</p> <p><del>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.</del></p> <p>Secure File Transfer Protocol in place between Energy Division and System Operator for Northern Ireland (SONI) for management of all records relating to security of electricity supply considerations.</p>			<p>issued on 11 November 2014.</p> <p>A second letter 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 2015. 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><del>Whilst still low, compliance rates have improved over the first two quarters of 2015 (33% and 58%</del></p>	FOI/EIR statutory deadlines.	
--	--	--	--	--	--	--	------------------------------	--

DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

			<p><u>New process introduced in November 2015 with the aim of streamlining clearance of FOI responses.</u></p>			<p><del>respectively). Despite this improvement, it is still too early to justify reducing the risk likelihood.</del></p> <p>ICO scrutiny continues. <u>Following an update on compliance rates, ICO held a further meeting with IMU on 2 December 2015. It was noted that compliance rates though still low (55% YTD), had improved and a new process had been put in place to try to streamline clearance. In view of this, ICO advised that they will not move to formal monitoring at this point but have asked, for further background information on our compliance rates YTD. Risk</u></p>		
--	--	--	--	--	--	---	--	--



DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

						likelihood remains high. In the last period, the ICO wrote to DETI, noting the low rate of compliance in 2014. They have requested further information on current caseload and compliance rates before deciding whether further regulatory action is required. This has now been provided and we await their response.		
--	--	--	--	--	--	--	--	--

**DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015**

<b>Objective:</b>			<b>For risks with a residual assessment of High or Medium Impact and High Likelihood:</b>					
<p><b>B1 – To provide clear policy direction and targets, and the necessary resources to deliver those targets.</b></p> <p><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></p>			<p><b>Number of Board Meetings at this Level: N/A</b></p>					
<b>Category – Compliance – legal / regulatory</b>			<b>Risk Appetite - Open</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>			
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	<p>LMU circulate details of EC Directives that require implementation.</p> <p>Stand alone website for the Competitiveness Programme with comprehensive guidance.</p> <p>Internal Audit system reviews.</p> <p>Memorandum of Understanding setting out requirements.</p> <p>Audit Authority checks.</p> <p>Managing Authority checks on compliance with MOU and spot checks on expenditure.</p> <p>Regular and ongoing training of those involved in the management of EU funds.</p> <p>Bi-lateral meetings with Intermediary Bodies focused on compliance issues.</p>	High	Medium	Circulation of relevant EC Directives when received from European Policy and Co-Ordination Unit, OFMDFM.	Ongoing	ER (ESU) CS (Energy; Tourism, Telecoms and GSNI; ESU)

DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

			<p>Management verification checks on Intermediary Bodies to include specific 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 a State Aid advisory service to DETI Divisions and NDPB's by European Support Unit (ESU).</p> <p><u>Energy division reports that the following action has been taken in relation to EU Directives and State Aid issues.</u></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>The following additional action is being taken by</p>	Ongoing	
--	--	--	---	--	--	---	---------	--

DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

			<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><del>Following DSO and OLC clearance, the Regulations to effect changes to the electricity and gas licence modification arrangements were made on 5 January 2015 and came into operation on 6 February. The changes were required to ensure ongoing compliance with the Electricity and Gas Directives.</del></p> <p><u>Energy Division is engaged in ongoing liaison with DECC on a range of EU legislative issues including proposed new EU legislation and review of arrangements put in place pursuant to IME 3 Directive implementation.</u></p> <p><u>Energy Division has sought and received advice from DSO on Regulations to provide for Third Party Access (TPA) to off-shore gas storage to comply with EU Third Energy Package requirements.</u></p>			<p>Energy Division:</p> <p>Continue to engage with DECC, NIAUR and DSO on a range of EU compliance issues. These include measures required for compliance with existing EU requirements relating to off shore gas storage Third Party Access (TPA) and obligations under and pursuant to Electricity and Gas Regulations and the Gas</p>			<p><u>Jan/Feb 2016</u></p>
--	--	--	---	--	--	--	--	--	----------------------------

## DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

			<p>Energy Division is progressing work to implement the extensive Energy Efficiency Directive 2012/27/EU.</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) made on 18 November and came into operation on 10 December 2014.</p>		<p>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><u>Ongoing assessment of resource implications and within Energy Division – issues can arise unexpectedly despite best endeavours and prioritisation of compliance issues can impact on other Divisional work.</u></p>	<p><u>ongoing</u></p> <p>March 2016</p>	
--	--	--	--	--	---	---	--

DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

			UK-wide Statutory Instruments laid by DECC at Westminster in April and June 2014 – NI is included where required.			<p><del>Complete – licence modifications to implement Articles 9-11, 13 &amp; 15 made on 23 November. The Regulations include a duty on NIAUR to bring forward licence conditions/ amendments in relation to the EED. Final decision paper on licence modifications from NIAUR delayed – the legislative power to make modifications has been extended to 24 November 2015. Further subordinate legislation will be made to review the Class Exemptions Order to reflect the requirements of the EED.</del></p>		
--	--	--	---	--	--	---	--	--

DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

			<p>Energy Division <del>is working</del><u>will -withwork with</u> EU colleagues to ensure state aid approval is granted for <u>any new technologies that may be introduced under phase</u> Phase 2 of the RHI non domestic Scheme. <del>This will be taken forward in 2015.</del></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</p>			Bring forward legislation to implement Phase 2 of the Non-Domestic RHI.			Ongoing until implementation in Dec 2017
--	--	--	--	--	--	---	--	--	--

ANNEX B

DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

		<p>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><del>Work progressing to give effect to immediate obligations arising from CACM Regulation (designation of National Electricity Market Operator) completed and agreement with DECC on mechanism for allocation of UK single vote in respect of decisions to be taken by Transmission System Operators</del></p> <p><del>Drafting of Legal advice taken from DSO on wording of legislative change is at required for new market arrangements and timing of legislation (given ROI is implementing via primary legislation)- an advanced stage and Regulations will be made early in 2016.</del></p>			<p>Continue to work with DCENR, DECC and Regulators in a structured approach to EU.</p> <p>Engage with DG Comp, <a href="#">DCENR, Regulators and BIS/UKRep</a> in support of <a href="#">preparation of State Aid Pre-Notification paper clearance</a> for proposed Capacity Remuneration Mechanism <a href="#">and state aid clearance of mechanism</a> <del>consider notification of proposed CRM.</del></p> <p><del>Support designation arrangements.</del></p> <p><del>Engage with DG Energy and DG Competition in relation to market</del></p>	<p>April 2015 onwards</p> <p>By Nov/Dec 2016</p> <p>April 2015</p> <p>By end Dec 2015</p>	
--	--	---	--	--	--	---	--



DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

			<p>NI response issued to DG Comp sector enquiry to Member States on use of capacity mechanisms in SEM / I-SEM</p> <p><del>The following additional action has been taken by-</del> <u>To complete implementation in Northern Ireland, of EU Directive CCS/CDD 2009/31/EC – the Carbon Capture and Storage Directive, Minerals and Petroleum Branch (MAPB) -made two sets of Regulations on 1 December 2015:</u></p> <ol style="list-style-type: none"> <li><u>1. the Storage of Carbon Dioxide (Access to Infrastructure) Regulations (Northern Ireland) 2015 ;and</u></li> <li><u>2. the Storage of Carbon Dioxide (Licensing Etc.) Regulations (Northern Ireland) 2015.</u></li> </ol> <p><del>to address concerns that EU Directive</del></p>			<p>design and capacity remuneration mechanism</p> <p><del>Work with DCENR to agree required changes; Work to secure final DSO and OLC clearance before making Regulations.</del></p> <p><u>The Statutory Period for passing a resolution of annulment ends on 2 February 2016. After this period MAPB will advise DECC that the Regulations have come into operation and ask them to update the EU.</u></p>	
--	--	--	--	--	--	---	--

DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

			<p><u>GCS/CDD 2009/31/EC – the Carbon Capture and Storage Directive has not been fully transposed into Northern Ireland. The Regulations were agreed by the ETI Committee on 8 December and no concerns have been raised by the Examiner of Statutory Rules.</u></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. Progress has been made in the following areas:</p> <ul style="list-style-type: none"> <li>• <u>Public Consultation complete;</u></li> <li>• <u>Minister notified of outcome of consultation;</u></li> <li>• <u>ETI Committee has approved SL4 letters;</u></li> <li>• <u>Executive Paper in progress; and</u></li> <li>• <u>Final scrutiny of both sets of draft Regulations requested from DSO</u></li> </ul> <p>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.</p>			<p><u>At this point this risk will be removed from the risk register.</u></p> <p><u>Processes for drafting Subordinate Legislation to be followed once Executive approval obtained, this is required as the Regulations are cross-cutting</u></p> <p><u>Engagement is ongoing with Private Office. Executive Secretariat and Legislative Monitoring Unit are securing Executive approval.</u></p> <p><u>Target date for laying the Regulations was mid-December 2015, however given executive approval had not yet been obtained; it is</u></p>	
--	--	--	--	--	--	---	--

DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

						anticipated that Regulations will be laid in early Spring 2016.		
--	--	--	--	--	--	---	--	--

Received from DFE on 05.05.2017  
Annotated by RHI Inquiry

**ANNEX B**

**DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 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: N/A</b></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</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</p>	Dec 2015	ER (BRD)

DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

		<p>time.</p> <p>Legal advice and guidance provided by the Departmental 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>2015 to learn from their experiences. TUS has registered a formal disagreement about the proposals and referred the matter to the Departmental Whitley Committee in line with formal processes. The target date has been revised to take account of the disagreement.</p> <p>MS and TUS have resolved the disagreement and a tender exercise has been launched for the provision of insolvency services with closing date of 22/11/15. If a suitable service provider is identified, as a result of the tender, a contract will be established in mid December.</p>		
--	--	---	--	--	--	--	--

DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

			<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 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>In order to manage the excessive caseloads within IS in general, and to ensure statutory timeframes are met for disqualification and BRO cases in particular, the Branch has been developing 3 main approaches, Short term overtime has commenced which will focus on case closures to reduce existing caseloads – targets have been set over the final 2 quarters of 2015/16 to achieve an additional 300 case closures which represents around 25% of total closures for 2014/15. In addition training of staff and development of training materials including procedural manuals and guidance is being prioritised which will improve staff efficiency</p>					
--	--	--	--	--	--	--	--	--

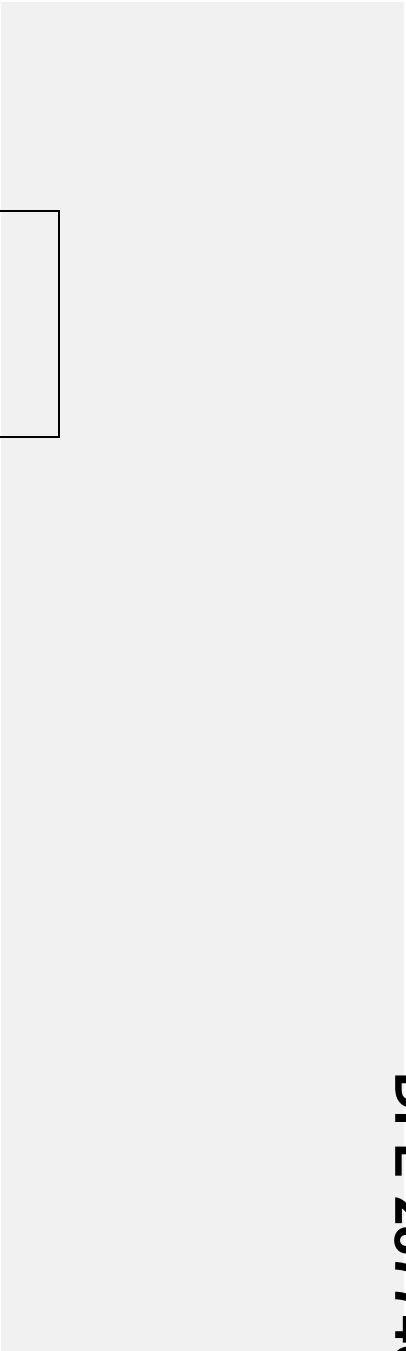
DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

			<p>and effectiveness. A tender for establishing a framework for provision of insolvency services is also being established which will facilitate the outsourcing of some casework to the private sector and relieve pressure on staff across the branch, including Companies Section which is responsible for the initial identification of matters of unfitness by directors. This contract will be funded by using fees that are received by IS that are in excess of its budget. Numbers of Staff in the DDU have reduced as a result of one SO being reassigned to Companies section as a result of a VES vacancy and one SO has resigned. IS are in regular contact with DHR regarding the vacant posts to ensure they are filled as quickly as current circumstances allow and will be continuing to review the workflows and prioritisation process within the Companies section and DDU to ensure high priority cases are progressed with statutory deadlines. Furthermore as a result of the implementation of some provisions from the small Business Enterprise and Employment Act in NI, from 1 October 2015 the statutory time period for disqualification has now moved from 2 years to 3</p>					
--	--	--	---	--	--	--	--	--

**DETI CORPORATE RISK REGISTER –APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015**

			years.					
--	--	--	--------	--	--	--	--	--

Received from DFE on 05.05.2017  
Annotated by RHI Inquiry





## ANNEX B

## DETI CORPORATE RISK REGISTER – APPROVED BY THE DEPARTMENTAL BOARD ON 17 NOVEMBER 2015

RISK		Inherent Assessment		CONTROLS IN PLACE		Residual Assessment		ACTION PLANNED	TARGET DATE	OWNER
		Impact	Likelihood	Impact	Likelihood	Impact	Likelihood			
9. Insufficient consideration is given to the structures and workflows of the new Department for the Economy with the result that it does not function effectively from the date of its creation.		Medium	Medium	<p>Senior Responsible Officer appointed.</p> <p>Project Board established.</p> <p>Full time project manager supported by project management team.</p> <p>Workstreams established to take forward specific areas of work with monthly reporting requirements</p> <p>Project and work stream plans nearing completion</p> <p>Staff and stakeholder engagement commenced</p>	Medium	Low	Gateway health check assessment to be carried out in October/November	Oct / Nov 2015	ER	

**Objective:** To ensure an orderly transition to the new Department for the Economy on its establishment.

**Category – Operational and Policy Delivery**

**Risk Appetite – Open**

**For risks with a residual assessment of High or Medium Impact and High Likelihood:**

**Number of Board Meetings at this Level: N/A**