

FROM THE PERMANENT SECRETARY
Andrew McCormick



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Fiona Hepper
Deputy Secretary
Department for Education
Rathgael House
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4 November 2016

Dear Fiona

NON-DOMESTIC RENEWABLE HEAT INCENTIVE

I am writing to set out the approach we are taking to the investigation of some important aspects of the Non-Domestic Renewable Heat Incentive. In the course of the scrutiny of this issue by the Public Accounts Committee, a number of documents came to DfE's attention which led us to need clarification on how they had been handled, as they were directly relevant to the key issues that were the subject of the NIAO Report of July 2016 on this subject and the questions raised by the Committee at the hearing on 28 September.

I am very grateful to all those who have already been interviewed by PWC as part of this work, and would be very grateful for the continued co-operation of all recipients of this letter. I want to make it very clear that the current stage of work is purely a fact-finding exercise and no decisions have been taken as to whether there are any issues of performance or conduct that need to be addressed in relation to any individual.

I know I do not need to elaborate on the degree of concern that has been expressed by the PAC already in its discussions of this issue. It is, therefore, necessary, in light of all we know so far to:

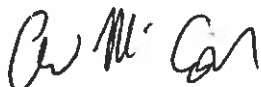
- draw together the evidence arising from the documents mentioned in the initial Terms of Reference and other related documents;
- consider carefully what that evidence tells us in relation to the relevant decisions taken by DETI over the period 2011 to February 2016 in relation to the design and operation of the scheme; and
- ensure that the issues that led to the significant failings of financial control and poor value for money are addressed fairly and transparently. This is essential in our accountability to the Assembly for the public funds for which DETI was responsible.

We will also ensure that all those interviewed are given the opportunity to draw attention to any other evidence that may not otherwise be brought to attention.

The initial report from PWC on the fact-finding that has been undertaken so far suggests there is a need for some further interviews and examination of the available documentation to provide a fuller analysis than is available at this stage. Thereafter, and if the evidence suggest this is appropriate, an independent external HR advisor would be commissioned to consider the facts and advise on whether any issues of performance or conduct by any individual would need to be addressed in line with the NICS Handbook. I would stress that a final decision on this has not been taken and will only be taken when we have a final report from PWC on the fact finding exercise, including the second stage which has not yet begun. If it is decided to proceed with a commission to an independent external HR advisor, that would be on behalf of all Departments who may be involved.

I hope this is helpful.

Yours sincerely

A handwritten signature in black ink, appearing to read 'A. McCormick', written in a cursive style.

ANDREW McCORMICK
Permanent Secretary