

**DEPARTMENT OF ENTERPRISE, TRADE AND INVESTMENT**

**Checklist for Six Monthly Assurance Statement on Internal Control**

**Policy Group**

This checklist covers the following:

1. Business Planning;
2. Legislative and Other Authorities
3. Business Cases (including Economic Appraisal), Post Project Evaluation and Consultancy;
4. Monitoring of Expenditure
5. Procurement;
6. Staff (including gifts and hospitality);
7. NDPBs and Third Party Organisations;
8. Internal and External Audit Reports;
9. Data management; and
10. Other Issues.

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

**Renewable Electricity Policy & Legislation Branch  
Renewable Heat Branch  
Sustainable Energy Branch**

**March 2014**

## INTERNAL CONTROL CHECKLIST

### 1 – Business Planning

1.1	Yes	No	Partly
Divisions and Branches within the Group have plans which contain measurable targets against which performance and progress can be measured.	✓		
<p><b>Comments:</b></p>			

1.2	Yes	No	Partly
Timely, relevant and reliable reports on progress against targets are produced and reviewed at the appropriate level to ensure that corrective action is taken as required.	✓		
<p><b>Comments:</b></p>			

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

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

## 2 – Legislative and Other Authorities

2.1	Yes	No	Partly
<p>Divisions and Branches within the Group have the necessary legislative authority to undertake functions or activities and to spend money on those functions or activities.</p>			✓
<p><b>Comments:</b>            Legislative authority is in place for Phase 1 of the Renewable Heat Incentive (1/11/12) and authority for Phase 2 will be taken forward during 2013/14 prior to the launch of the second phase.            New NI Energy Bill will look again at energy objectives and duties for DETI and NIAUR to ensure they align with need for sustainability.</p> <p>New NI Offshore Renewable Energy Bill will look at overall regulatory regime for offshore renewable energy installations to include decommissioning, safety zones and extinguishment of public rights of navigation. Consultation process commenced March 2013. Offshore Bill put on hold as issues around liabilities need to be resolved.</p> <p>New Energy Bill needed to give powers for energy efficiency obligation; duties and obligations of Department and Regulator; small-scale feed-in tariff; enforcement of licences; transfer and assignment of licences and gas storage.</p> <p>2.2 – Regulation needed to transpose Energy Efficiency Directive.</p>			

2.2	Yes	No	Partly
<p>Divisions and Branches within the Group have obtained necessary DFP approvals for expenditure (where appropriate).</p>	✓		
<p><b>Comments:</b>            DFP approval received on 29 October 2013 for the external consultancy review of the costs and benefits of the 40% renewable electricity target.. Consultants appointed in February 2014.</p>			

2.3	Yes	No	Partly
Divisions and Branches within the Group have obtained necessary Ministerial and / or Casework Committee approval for expenditure.	✓		
<p><b>Comments:</b></p> <p>Ministerial approval received 29 July 2013 for £25k to contribute to the total cost of the appointment of consultants by DECC to assist in the development of a long term strategy for building renovation and to carry out an evaluation of the regulatory and non-regulatory barriers to energy efficiency as required by the Energy Efficiency Directive – Work still ongoing.</p> <p>Ministerial and EU approval received in August 2013 for the small scale ROC banding review. Work completed in February 2014.</p> <p>Ministerial approval received 7 October for the external consultancy review of the costs and benefits of the 40% renewable electricity target..</p>			

### 3 – Economic Appraisal, Post Project Evaluation and Consultancy

3.1	Yes	No	Partly
Divisions and Branches within the Group produce business cases before committing public funds. Such business cases contain, where appropriate, economic appraisals conducted with proportionate effort in accordance with Departmental guidance.	✓		
<p><b>Comments:</b></p> <p>Business case for appointing consultants to undertake a small scale ROC banding review was approved by the Minister on 5 August.</p> <p>Business case for appointing consultants to undertake a review of the costs and benefits of the 40% renewable electricity target was approved by the Minister on 7 October. Consultants appointed in February 2014.</p> <p>Business case for approval to contribute to the appointment of consultants by DECC to undertake an evaluation into barriers to energy efficiency as required by the Energy Efficiency Directive was approved by the Minister on 2 July 2013. Consultant appointed September 2013.</p>			

3.2	Yes	No	Partly
Divisions and Branches within the Group conduct post project evaluations to consider the effectiveness of expenditure. All post project evaluations have been completed on schedule.			✓
<p><b>Comments:</b> The following PPEs were active during this period:-</p> <p>PPEs on outstanding Interreg 3A projects completed in September / October 2013.</p> <p>PPE on small scale FIT analysis underway.</p> <p>PPE on Craigavon Borough Council legal advice now complete.</p> <p>PPEs on Onshore Renewable Electricity Action Plan's Strategic Environmental Assessment and Habitats Regulations Appraisal.</p>			

3.3	Yes	No	Partly
Divisions and Branches within the Group comply with the Department's guidance on the use of consultants. This includes the completion of business cases in line with the Department's guidance to both justify the use of consultants and to define the scope and outputs of the consultancy exercise.	✓		
<p><b>Comments:</b></p> <p>Business case for appointing consultants to undertake a small scale ROC banding review was approved by the Minister on 5 August.</p> <p>Business case for appointing consultants to undertake a review of the cost of the 40% renewable electricity target analysis was approved by the Minister on 7 October. Consultants appointed in February 2014.</p> <p>Business case for approval to contribute to the appointment of consultants by DECC for an evaluation into barriers to energy efficiency as required by the Energy Efficiency Directive was approved by the Minister on 2 July 2013. Consultant appointed September 2013.</p>			

#### 4 – Monitoring of Expenditure

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

#### 5 - Procurement

5.1	Yes	No	Partly
All procurement activity by Divisions and Branches within the Group is undertaken in accordance with the procedures in place and by officers with the necessary delegated purchasing authority.	✓		
<b>Comments:</b>			

5.2	Yes	No	Partly
Appropriate arrangements are in place to ensure that all assets within the Group are properly safeguarded and controlled against unauthorised use or disposal.	✓		
<b>Comments:</b>			

5.3	Yes	No	Partly
Divisions and Branches within the Group have obtained prior approval from the Accounting Officer for the procurement of consultants by single tender action.	✓		
<b>Comments:</b>			

## 6 – Staff

6.1	Yes	No	Partly
(a) Authority, responsibility and accountability within the Group are clearly defined so that decisions are made and actions taken by appropriate people.	✓		
(b) Staff within the Group are made fully aware of their job responsibilities.	✓		
<b>Comments:</b>			

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



6.3	Yes	No	Partly
Staff are adhering to guidance on gifts and hospitality and records are kept of the receipt of gifts and hospitality. Gifts & hospitality registers are complete and up to date.	✓		
<b>Comments:</b>			

6.4	Yes	No	Partly
Line Managers are aware of their responsibilities to actively manage staff attendance and are adhering to and implementing sick absence procedures in a timely manner.	✓		
<b>Comments:</b>			

## 7 – NDPBs, Third Party Organisations and Grant Recipients

7.1	Yes	No	Partly
Where applicable, appropriate procedures are in place to monitor the NDPB's adherence to its Management Statement and Financial Memorandum.			
<b>Comments:</b> N/A			

7.2	Yes	No	Partly
From the monitoring performed the Department is satisfied that the NDPBs have been adhering to the requirements of the Financial Memorandum and there are no significant problems.			
<b>Comments:</b> N/A			

7.3	Yes	No	Partly
Departmental procedures are followed in relation to the establishment and operation of Third Party Organisations (TPOs) that distribute funds on behalf of the Department.			
<b>Comments:</b> N/A – Energy Division has not funded any TPOs since April 2011.			

7.4	Yes	No	Partly
Divisions and Branches within the Group that distribute money via Third Party Organisations (TPOs) have adequate monitoring systems in place.	✓		
<b>Comments:</b>			

7.5	Yes	No	Partly
Divisions and Branches within the Group that distribute money in the form of grant have adequate monitoring (claims inspection) systems in place to ensure that the grant is used for the purposes intended by the Department.	✓		
<p><b>Comments:</b> The Renewable Heat Premium Payment scheme pays grants to domestic installers. During a site visit a discrepancy was discovered between the submitted paperwork and the installed technology. Further investigation showed that a particular installer had installed a number of non MCS accredited technologies. This was reported to Internal Audit on 6/11/13. To date, all but one of the installations has subsequently been accredited. It has been agreed with Internal Audit that if the remaining installation does not get accreditation, we will seek repayment of the grant</p>			

## 8 – Internal and External Audit Reports

8.1	Yes	No	Partly
Internal and external audit reports relating to the activities of the Group have not revealed any significant weaknesses.			✓
<p><b>Comments:</b> DETI continues to seek clawback of £198,747 from Craigavon Borough Council Protective Writ served on CBC in November 2011. Ongoing updates/meetings still in place with CBC. CBC continues to pursue through their insurance company. No repayment has yet been made. DETI wrote to CBC in November seeking a further update on the timescale for resolution of the issues.</p>			

8.2	Yes	No	Partly
Recommendations arising from internal and external audit reports and PAC hearings are implemented and implementation is monitored by Heads of Division.	✓		
<p><b>Comments:</b> All issues identified for Sustainable Energy Branch in Internal Audit reports have been actioned.</p> <p>HOD to write to CBC seeking repayment of overpayment in respect of Renewable Powered Visitors Centre project.</p>			

## 9 – Data Management

9.1	Yes	No	Partly
<p>Appropriate arrangements are in place within Divisions and Branches in the Group to ensure that all data is correctly classified, held, transmitted and transported in line with guidance provided by the Security Advisory Unit in OFMDFM and, where appropriate, supplemented by additional advice and guidance from Personnel and Central Support Division.</p>	✓		
<p><b>Comments:</b></p>			

## 10– Other Issues

10.1	Yes	No	Partly
<p>Apart from the issues raised above, there are no significant control or other matters arising within the Group which could adversely affect the signing of the quarterly SIC.</p>	✓		
<p><b>Comments:</b></p>			

**ANNEX B**

**SIX MONTHLY ASSURANCE STATEMENT FOR COMPLETION BY HEADS OF DIVISION/UNIT**

**From: Head of Energy**

**Date:**

**To: Head of Group**

1. Internal Control covers the policies, processes, tasks, behaviours and other aspects of an organisation's activities with derive from management action (rather than being imposed externally) and which are designed to:
  - Facilitate the achievement of objectives;
  - Ensure effective and efficient operation;
  - Protect and safeguard public funds and assets; and
  - Ensure compliance with legislation and other regulations.
2. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable (and not absolute) assurance regarding its effectiveness.
3. I acknowledge that I am personally responsible for developing and maintaining effective internal control within my Division/Unit. I am also responsible for reviewing the effectiveness of the system of internal control within the Division/Unit. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Division/Unit who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their management letters and other reports.
4. I confirm that:
  - I am aware of the requirements of internal control and the development of systems to manage and control risk;

- Throughout the six month period, internal control has been adequate, except for the areas noted below; and
- I am not aware of any significant weaknesses in control or of any irregularities in accounting practice which need to be drawn to your attention, except as noted below.

**Significant Internal Control Problems**

*[Insert Details of Significant Internal Control Problems of which the signatory is aware and action taken in response.]*

A handwritten signature in blue ink, appearing to read "A. Mills".

**Head of Energy**

**Date: 5 May 2014**