

TOPIC – APPOINTMENT OF OFGEM AND COSTS

- Why did DETI select OFGEM?
- When did discussions start?
- What was the feasibility study for?
- Why no tender process?
- Who approved this?
- Why not consider other administrators?
- What was funding for scheme administration?
- What has department paid OFGEM?

OFGEM said 2012/13 £526K
(scheme set up, IT system)

13/14	-	£165K
14/15	-	£211K
15/16	-	£253K
16/17	-	£394K forecast

- Does department agree?
- What oversight of OFGEM did department have during period?
- What is the total expenditure of OFGEM?
- Could department get out of arrangement with OFGEM? If so how quickly?
- Are dept content with service provided by OFGEM?
- Is DfE content that OFGEM met its key duties and responsibilities?
- Was it vfm?
- What share of blame should OFGEM take?

CHANGE REQUEST DETAILS - DEC 2015 – Time 37:00 -

- Details of this?
- Basis for?
- Who approved?
- What was cost?

CONSULTATION WITH OFGEM ON SCHEME

- What consultation was there with OFGEM?

Early engagement - OFGEM referred to feasibility and raising 3 issues – bio liquids, heavy industry and different technologies not on GB scheme.

- How was this raised? [in feasibility study]

- Why were these areas removed from scheme?
- Did they raise any other issues?

OFGEM CONCERNS RE TIERING AND OTHER ISSUES

- What concerns did OFGEM raise with the department?
- When?
- How? Who with who? Formal/Informal?
- Action taken?
- Did OFGEM ever specifically raise tiering issue?
- What information has the department that supports this?

2013 CONSULTATION PROCESS – 33.30

- What input did OFGEM have to 2013 consultation process?
- What evidence of input?
- Did they respond formally to consultation?

1:06 - Chris Poulton refers to consultation and use of digression in GB and that in May 14 – there were tiering and digression emails (Edmund Ward to provide – PAC Clerk has now written requesting these).
[Need to know detail]

MEETINGS CHRIS POULTON – April 2014

59:30 - Trevor Clark refers to “flagging up risk early in scheme”.

Chris Poulton referred to April 2014 meeting after Chris Poulton started flagged up digression.

- What meeting?
- Who?
- What was discussed?
- Record of?

January 2014 - Chris Poulton also referred to meeting

15:18 - January 2014 – Chris Poulton

- Date of Meeting?
- Why meet?
- Who initiated?
- Who attended?
- What was discussed?
- Minuted?

- What action taken?

Also Chris mentioned April and October 2014 meetings (not minuted but notes)

- Who attended? “3/4 either side”?

2014 MEETINGS also referred to at 3.18

3:18 - Meetings DETI and OFGEM

April 2014 – said discussed take up low: increase uptake.

- Who was meeting with?

May 2014 – Edmund Ward discussion – 13 May 2014
Edmund Ward email – 14 May 2014
24/7 boilers; boiler size

- Who was meeting with?
- Who was email to?
- Where was it held?
- When did DETI become aware of it?

Edmund Ward referred to tiering and tariff changes.

SPIKE PERIOD MEETINGS

16:30 What meetings/engagement were there during the spike period?
and

54:00 What discussions were there between OFGEM and department?

- With whom?
- How often?
- Minuted?
- Edmund refers to “daily contact”. – who with?

MINUTE-ING OF MEETINGS

28:40 - November 2015 – why did department start to minute meetings around this period?

- Who took this decision?
- Who subsequently minuted meetings?
- Were all meeting subsequently minuted?
- Does department have all records of meetings?

TOPIC – SHARING OF INFORMATION/ DATA PROTOCOL

17:00 - What was shared weekly by OFGEM?

and What did this contain?

44:00 Who sent it?

What grade received it?

What was done with it?

Who reviewed it?

3:08 - Edmund Ward gave detail of what was sent weekly from June 2013. Does DETI agree?

42:30 - OFGEM refers to performance/reporting pack that they were using internally.

- Did department get this?
- Did they know it was available?
- Do dept now get this? (OFGEM said they are receiving it - 44:30 ish)

46:20 - 2014 – Discussions with Chris Poulton re sharing additional data – Led to Sharing Protocol.

- Details of meeting?
- Who agreed?
- What's now in protocol?
- What difference did that make?

3:02 - Sharing of Fraud Investigations and other data.

3:04 Declan Kearney said Report refers to data sharing difficulties. Chris Poulton says was sorted by data sharing protocol 2014.

- Is this the case?
- Was named data routinely provided after this?
- If so what was provided?
- Do you agree protocol resolved issues?

Need copy of protocol.

TOPIC – AUDITS AND ABUSE OF SCHEME

24:10- What did department receive on audits undertaken by OFGEM?
Were these provided to dept? Or raised with department?

- Who shared?
- When?
- How often?
- Did they show abuse?
- What was done with these?

1:31 - Site Audits
How many done?
E Ward said:-

2013/14	5	audits
2014/15	12	audits
2015/16	14	audits
2016/17	26	audits

Said expect to do more following PAC.

- Do department agree with this?
- How did department agree these levels?
- Did you consider it appropriate?

- Did the department not realise the need for greater numbers of upfront/early audits; or
- that installations would only cover each installation in its lifetime?
- Why no consideration given to auditing/inspecting all at early stage of scheme?
- Would department accept site visits level was not appropriate to scheme risk level?

Non-compliances

2014/15 year

1:39 - 20 non compliances in 11 sites and 1 pre accreditation.
e.g. heat loss/inefficient pipe cover;
lack fuel record;
meters not installed properly.

Was department aware?

Edmund Ward - Referred to sanctions, financial impact

- What were these?
- What numbers?
- Why were sanctions applied?
- Was department advised?
- Was it aware of level of non compliance?
- How?
- What action was taken?

1:44 - Nov 15 – full summary of non compliance provided to department.

- When?
- What was shared?
- What did department do?

Inspections

1:48 How are number of audits/inspections allocated?

& 1:59 - relates to 3% funding (Barnett)

&2:07

Need to be able to explain this.

- How funding translates into number of inspections?
- Why was there a time delay in getting 3% when spike occurred?
- Did DETI not set a mandatory/minimum number of inspections?

Suspensions

1:53 - How many are suspended from scheme?

Zero – did DETI know this?

2:05 - Did you know the cost of each audit? (£1,000?)

Do you think this is vfm?

Did OFGEM share info on these costs with you?

2:08 - EW said audits not designed to assess policy or cost control measures.

- Do you agree?

2:39 - PWC 14 sites – Category 4

Edmund Ward advised they were aware of 5 category 4 sites. Haven't met burden of proof or already notified of change – payments on hold. Need details of this.

Category 2 and 3 – 6 sites where have evidence to investigate further. Based on findings don't think any further action required on other sites.

- Does DFE agree?

- 2:56 - Parasitic Boilers – PWC report
- Number of parasitic applications declined by OFGEM?
 - Number of parasitic boilers payments suspended by OFGEM?
 - Was the department aware of this practice?
- 3.31 - Chris Poulton says department content with audit arrangements.
- Do you agree?

TOPIC – APPLICATION FORM/PROCESS

- 1:09 - Who developed application form?
- Did DETI approve?
- 11:11 - What clawback options were within scheme?
- What sanctions can be applied?
 - Were department aware form said “if 168 hours say so”?
- 1:16 - EW refers to certification and annual declarations – need copies of these [PAC will ask for – noted that department hadn’t told PAC of this.]
- Also referred to letter of authenticity – appropriate persons – need copy.
- 1:23 - EW refers to letter that refers to cautions etc. – need detail of.
- 1:25 - Time to evaluate application from 7-8 months, return to applicants on 50% cases.
- Did department know this?
- 1:27 - Discussions with DARD – Single Farm payment confirmation actually farmers.
- Did department know level of validation of applications done by OFGEM?
 - Any plans for data matching between NFI and SFP?
- 2:14 - Edmund Ward outlines eligibility requirements. Says they are quite wide and OFGEMs responsibility to decide in line with regulations.
- Is department content with regulations and the looseness of regulations?
 - Is it your view that OFGEM should have reverted more decisions back or interpretations of NI policy back to you on a more frequent basis?

APPLICATION AFTER INSTALLATION

- 1:38
- Why post installation application?
 - Who made this decision?
 - Why?
 - Is this a key weakness?
 - What was the pre approval/accreditation process under scheme?

NUMBERS OF APPLICATIONS/REJECTIONS

- Applications 2128
- Refused - 12 – rejections outright
- Others cancelled/withdrawn/not progressed
- Total 3% not approved (64)

- Did department know this?
- What reasons were there for 12 rejections?
- Reason for other non progressed applications?
- Any of these reapplied for? And allowed onto scheme?

APPEALS

1:21

- What is process for appeals?
- How many appeals?
- Who considered?
- How approved?
- How many successful?
- What was department's role in this?

TOPIC – RHI REGULATIONS

Process for development of regulations:

- Who took forward?
- Timescales and process for regulations?
- Legal advice received?

Need Departmental position on:

- Multiples
- Selling of boilers – owners and incentive transfer
- Domestic use
- Parasitic boilers (2:53 – 2:56)

HOUSE HEATING

2:20 - Need to consider Edmund Ward's evidence re use of scheme to heat house – especially reference to 95/99% use.

Department's position on this.

TOPIC – METER READING

- 2:23 - Understanding of process required.
- Who sends in meter readings?
 - How often?
 - Ever inspected/validated?
 - If so are you content that there is no on site meter reading process?
 - Did department understand this was the case?
 - Any plans to change this? Edmund Ward said in discussion with department on this point.
 - Did department understand how weak meter reading validation was?
 - Why was photographic evidence not sought? EW still discussing this with department.
- [Trevor Clarke made reference to ROCS process.] – what is the standard on other DFE schemes?

TOPIC – WHISTLEBLOWING TO OFGEM

- 3:51 - Chris Poulton refers to Whistleblowing allegations.
- Need to find out what these are.
 - Who received these? Directly/indirectly?
 - Was department aware of these?
- 3:53 - Edmund Ward refers to 9 cases – 4 referrals not progressed; 5 gone to suspect fraud cases; 2 not taken forward (internal referrals) 3 ongoing.- need to match up details here.
- 3:54 - Edmund Ward 2014 – 2 raised in 2014 both internal referrals done by audit; 1 asked for further info – no further action taken.
- Details of these.

TOPIC – FRAUD INVESTIGATIONS

- 1:38 - 'Haven't concluded any investigations – have number of ongoing investigations – could lead to prosecution'.
- 1:54 - 3 ongoing cases suspected fraud cases.
- What are these?
 - Details of these?
 - Did DETI know about these?
 - Did they notify C&AG / DoF?
- 1:58 - Robin Swann – is department aware of 3 cases? – advised aware of number not details.
- Is this correct?
- 3:05 - 3 and 5 cases referred to:
- Need general details of these cases.
 - 2 cases closed.
 - Were DETI aware of these?
 - How were they highlighted?
 - To whom?
- 3:07 - Referred to PSNI investigation.
- What was engagement with PSNI?
 - Is dept aware?

Need to get facts from OFGEM on this area – as very confused.

TOPIC – INSPECTOR CONTRACTOR – RICARDO 2013/14

- 1:56 - Was DETI aware Richardo done audits?
Did DETI agree this?
Did DETI approve template uses?
- 2:07 - Richardo less than 1%. OFGEM responsible for this.
Does department agree?
- 2:37 - Is there any conflict of interest with Richardo carrying out inspection process?
Are they installing boilers in NI?

OTHER GENERAL TOPICS

TOPIC – UPDATE ON FACT FINDING – HR

- What stage fact finding is at?
- What number staff interviewed?
- What Grades?
- Dates conducted over?
- Who by?
- Process applied – invites; attendance: follow-up/Statements produced?
- Costs?
- Why the need for secondary stage?
- What happens next?

TOPIC - EMAIL CORRESPONDENCE (OF WHICH PAC ARE IN RECEIPT OF)

Email 1: Finance issues

- When did AO become aware of this email correspondence?
- How did it come to your attention?
- Where was this saved/recorded with departmental records?
- Who brought it to your attention?
- Why was this not known to later departmental staff working on this Scheme?

[Will need to know details of emails]

O'Hagan emails

- See questions above.

Handover note – need to be familiar with details of.

TOPIC - WHISTLEBLOWING GUIDANCE

- What guidance did DETI have on dealing with Whistleblowers at this time?

Also need to be aware/clear of any other Whistleblowing concerns raised either with department and/or with OFGEM about RHI – this came up in the OFGEM hearing.

TOPIC - CONTROL OF EXPENDITURE

4:03 - Oliver McMullan asked was this a case of the department have to spend the money.

TOPIC – ABUSE OF GB SCHEME

2:11/18 - Do you think GB scheme open to abuse?
Have you had any conversation with GB department?

TOPIC – BOILER INSTALLER

2:34 - Oliver McMullan refers to contractors appointed to provide boilers.
o Is this related to the handover note? RHI or another scheme? Need details.

TOPIC – LIST OF APPLICANTS PROVIDED TO PAC ALREADY

- Where did this come from?
- Is this what the department routinely receives?

3:50 - Edmund Ward referred to high levels in poultry and mushroom farmers.

Department should categorise this information into sectors; boiler sizes; etc. So information is available if asked. Specifically need details on :

- 168 hour applications
- Sectors of applications

Who in DFE has seen the names of applicants?
Why?

What is your legal advice on not providing names?
What processes would have to be followed?
What objections would prevent the names being released?

TOPIC – INTERNAL AUDIT

Why was the scheme not subject to IA coverage during its existence?
Was it ever on the audit plan? If so why removed?
What did the 2016? IA report say?

TOPIC – FINANCIAL INFORMATION

What was the monitoring arrangements in place throughout period?
Who produced this?
Who reviewed?

TOPIC – MARKETING ACTIVITY

Who?
What?
When?
Cost?
Outcome?
Department's role?
OFGEM role?

TOPIC – 2015 TO CLOSURE

Detail leading to spike in 2015
Reasons
Actions taken
Timescales
Eventual closure
Process for closure
Delay in closing

TOPIC – FINAL PWC REPORT

Detail including recommendations