

From: Hutchinson, Peter
To: ["Mary Smith"](#)
Cc: [McCutcheon, Joanne](#); ["Keith Avis"](#)
Subject: RE: Administrative Arrangements and Associated documents - conversation with Fiona
Date: 05 December 2012 16:39:00
Attachments: [image002.png](#)
[image003.gif](#)

Mary,

Thanks for this.

I'll check with Fiona's secretary re potential availability for a conversation with Matthew on Friday to discuss outstanding issues before he goes on leave – will let you know if there is a suitable time.

In regards to the Audit position, as advised this is currently being considered by our Head of Finance and Head of Internal Audit – they need to be satisfied that DETI will be in a position to vouch/account/monitor all funds transferred to Ofgem for either payments to accredited installers or for the actual running of the scheme. I have spoken with our Head of Internal Audit and they are currently considering all the relevant papers and will hopefully respond shortly. As discussed, one issue they are considering in particular is how the Northern Ireland Audit Office will view accepting audit reports from the National Audit Office and your own internal audit team (via Deloitte) rather than from the DETI audit team – given the lack of access rights. This issue will be discussed further tomorrow between our Internal Audit and NIAO.

As you will know the issue of access rights has been one of concern. One issue our Audit team have just raised is what might happen in the scenario where there is an allegation of fraud against an Ofgem member of staff or if DETI had concerns in relation to the integrity of the documentation being provided remotely. In order to minimise risk in this area we may need to consider some agreement in the scenario where you (Ofgem) request your internal auditor (in the event of this allegation) to undertake a specific investigation – that DETI could input into and agree the scope of the investigation and that the report would be shared with DETI.

Furthermore, to enhance assurance in relation to the documentation being provided remotely by yourselves for our desk vouching purposes, it would be useful if the Deloitte internal audit reports included the necessary detail so that this could be then used as corroborating evidence, i.e. we (and our Internal Audit) will be vouching documentation provided by yourselves to make necessary payments, the independent Deloitte reports should provide sufficient detail so it can corroborate information provided by yourselves.

I hope these points are clear. Happy to discuss as required.

I will be in touch re Fiona's availability on Friday for a call with Matthew and I am happy to speak again tomorrow to keep you updated on progress from our perspective. If you are able to consider the issues raised above that would be helpful also.

Thanks,

Peter

Peter Hutchinson

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www.ni2012.com

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From: Mary Smith [mailto:Mary.Smith@ofgem.gov.uk]
Sent: 05 December 2012 14:49
To: Hutchinson, Peter
Subject: Administrative Arrangements and Associated documents - conversation with Fiona

Hi Peter,

Further to our conversation – in case there’s no update from your Audit/ Finance colleagues in order for us to have a conversation with Fiona later on today, could we arrange a time for a call with Fiona/ Matthew on Friday morning when we can hopefully run through any outstanding points with her then? I can liaise with her PA directly to set this up if that would be easier?

Kind regards

Mary

Mary Smith

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