

From: [Keith Avis](#)
To: [Hutchinson, Peter](#)
Cc: [McCutcheon, Joanne](#); [Mary Smith](#); [Matthew Harnack](#); [Hepper, Fiona](#)
Subject: RE: NIRHI: Audit
Date: 06 December 2012 17:34:13
Attachments: [image001.gif](#)
[image002.png](#)

Peter cc: As above

Picking up on your emails of last night and this morning on audits, there are some points that we can make which will hopefully satisfy you Audit Committee. These are as follows:

Ofgem's internal processes are designed to identify and address any instance of fraud. We have a fraud prevention strategy and the assurance reports undertaken by Deloitte ensure that we have adequately addressed fraud as part of our delivery mechanisms.

Deloitte reports do provide assurance on the efficiency and robustness of our own internal procedures and processes for individual schemes.

The Terms of Reference of each report is agreed before work starts, and is targeted to ensure that we will be in the best position to operate and deliver against our objectives. In drafting the Terms of Reference, we will take account of all ongoing issues that are impacting on our operation of the scheme.

On the question of how often Deloitte would carry out such audits, we would anticipate that Deloitte would carry out audits once a year, with the potential for additional audits when new areas of work are added or any changes to the scheme are made. As this is a new process the timings may change slightly.

We anticipate that NI payments would be separated out in any RHI payment process report .

To be consistent with our current procedures we would be willing to share a summary of any report and any responses to them.

I hope that this helps you move forward. There may be other points that need to be agreed between Matthew and Fiona tomorrow, but would be grateful if you could flag these to Mary and myself beforehand where you are able so that we can consider before the telephone call.

Regards

Keith

Keith Avis
Senior Manager