

ofgem e-serve Making a positive difference
for energy consumers

Non-Domestic RHI Scheme
Governance Arrangements

Assurance & Governance Team
April 2014

ofgem



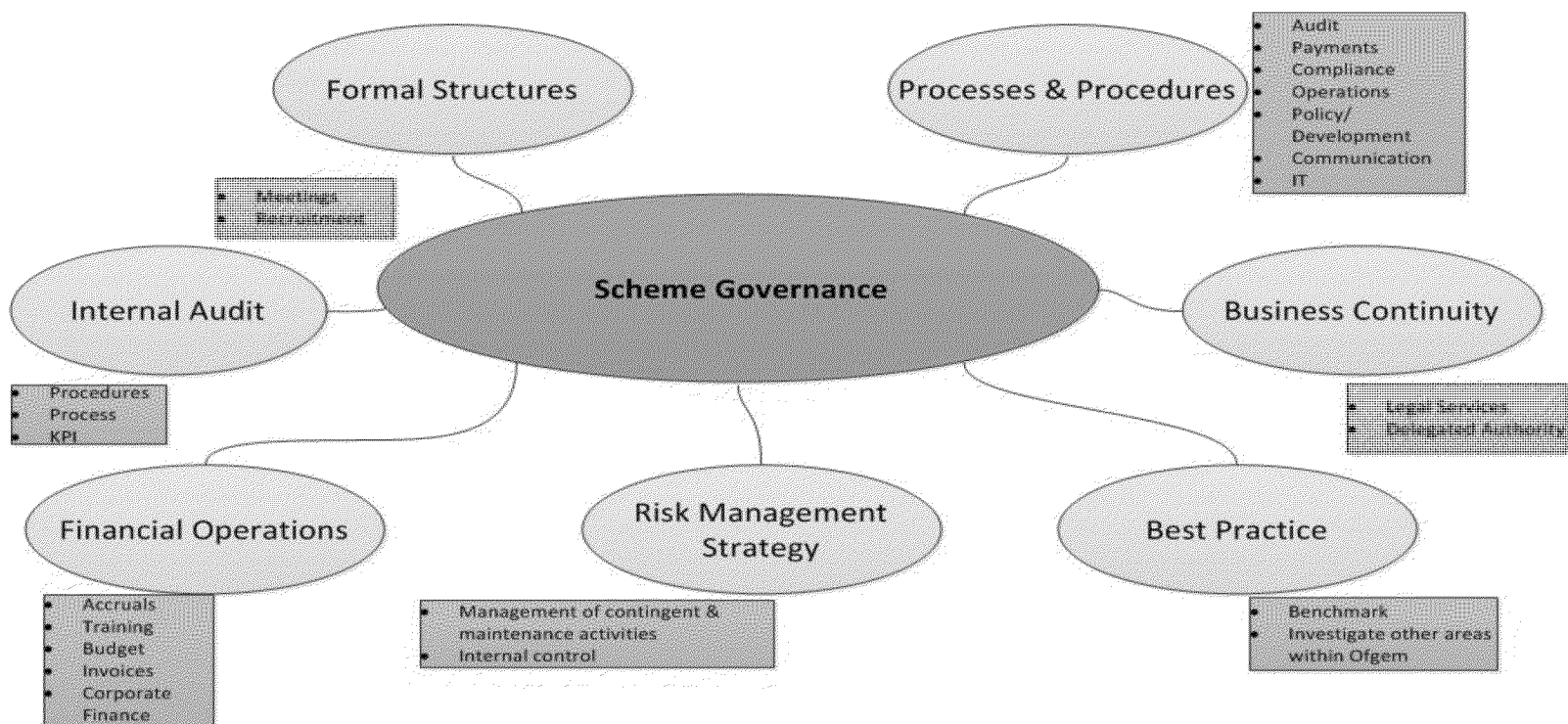
Introduction – Review & updates

This document aims to outline the governance arrangements for the scheme. This review will focus on the review of the existing structures and propose appropriate enhancement to support with the performance and direction of the scheme.

The original governance arrangements were established when the scheme launched, and were due a comprehensive review. The duration of the review is 6 months from April 2014.

This review is to ensure existing governance are still fit for purpose and to identify any changes that might be needed. In order to be effective the governance structure needs to facilitate decision making at the appropriate levels with the right staff involved. The findings of the review will be shared with Associate Director and Senior Management.

Corporate Governance





Processes & Procedures (Payments, Audit, Compliance, Technical, Operations, Policy, Comms & IT)

- Update the current list of procedures
- Ensure the responsible staff detail is correct
- Ensure the procedures are in the same format
- Ensure version document control
- Place information onto SharePoint
- Ensure document sign off

Business Continuity (Legal Services including Delegated Authority)

- Update current procedures (for seeking advice from our Legal Team)
- Standard template for requesting Legal information
- Place request templates on SharePoint
- Place summary list of previous legal request on SharePoint
- Evaluate and periodically update DA's procedures/information



Best Practice Activities (Benchmarking)

Benchmarking

- Explore Best Practice across E-serve including Offshore (in terms of Governance, Risk and Reporting)
- Explore Best Practice across other area of Ofgem
- Identify Best Practice suitable for NDRHI
- Generate Best Practice guide for NDRHI

Risk Management Strategy

Ensuring enhanced Internal controls

Review policies, processes, strategies and plans which describes activities

Review and update processes and procedures

Formal Structures (Meetings & Recruitment)

Generate Best Practice a guide for Effective Meetings

Terms of Reference for NDRHI governance meetings

Review and update exist questions (ex staff), Team structure, Staff Survey



Financial Operations

Accruals -What are Accruals? When are they due?

Training - Who is responsible for ensuring that they are delivered

- Identify basic Finance training required

- Identify skills required

- Share information of other sources of training on-line

Budgets - What is a budget? How is it developed?

Invoices – What needs to be done? When they need to be approved?

Corporate Finance – How we operate with Corporate Finance and what the important interlinks are.

Internal Audit

Set of questions for each procedure

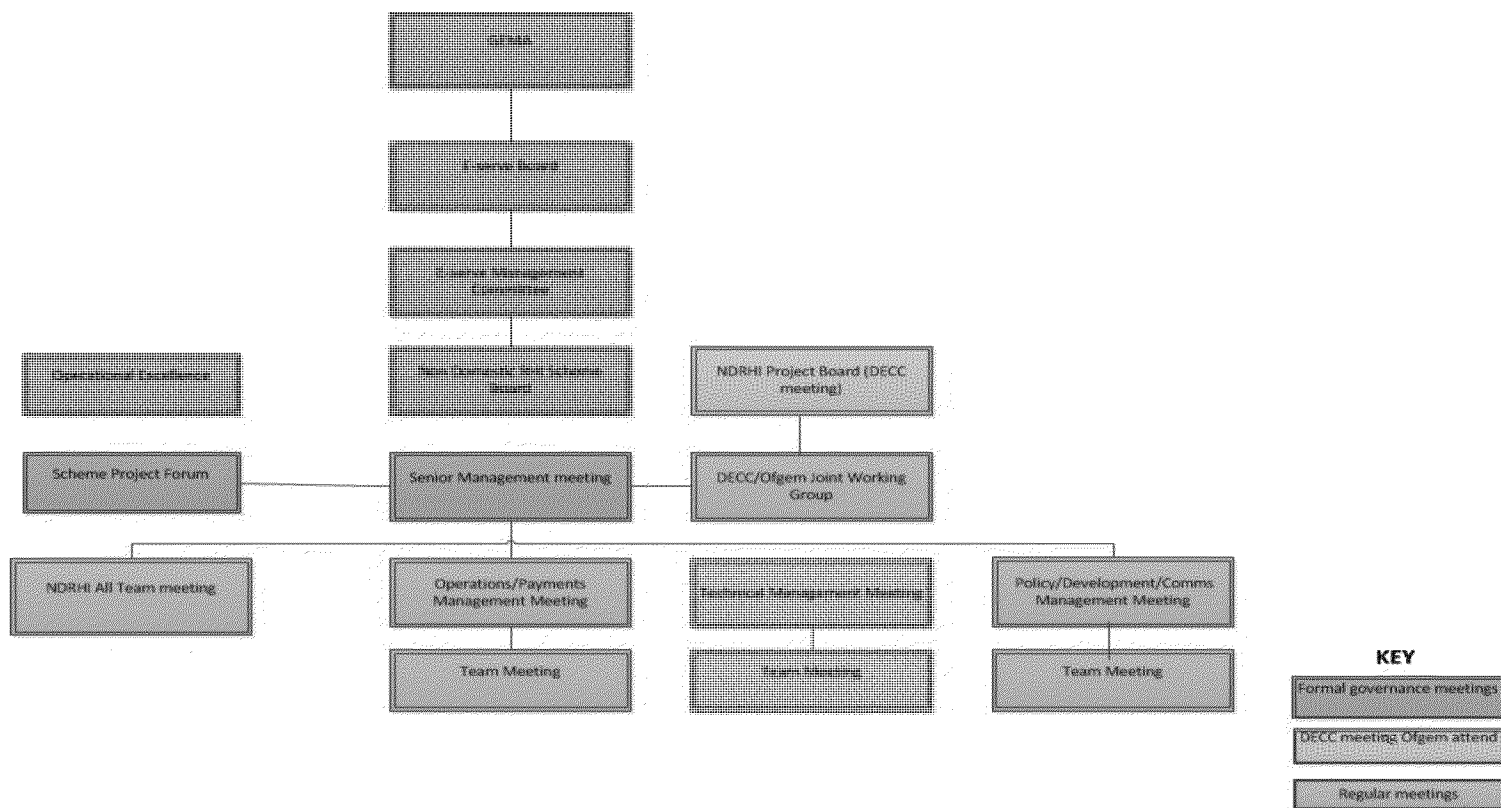
Generate a plan for Audit

Create an IA Action Plan

Create a monthly/bi monthly IA team meeting to discuss action



Non Domestic Governance Structure





Non Domestic RHI Governance Plan	2015																							
	April				May				June				July				August				September			
	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4
Processes & Procedures					█																			
Deloitte Audit											★													
Financial Operations					█																			
Internal Audit									█															
Risk Management Strategy									█															
Best Practice													█											
Formal Structures Meetings/ Recruitment									█															
Business Continuity					○																			

Keys

Activities: █

Milestone: ★



Governance Project Timelines

	Task Name	Duration	Start	Finish
	Non Domestic RHI Governance Planning			
1	Processes & Procedures	25 days	Mon 04/05/15	Fri 05/06/15
2	Deloitte	5 days	Mon 08/06/15	Fri 12/06/15
3	Financial Opertaions	42 days	Mon 04/05/15	Tue 30/06/15
4	Internal Audit	26 days	Fri 29/05/15	Fri 03/07/15
5	Risk Management	23 days	Fri 29/05/15	Tue 30/06/15
6	Best Practices	65 days	Mon 08/06/15	Fri 04/09/15
7	Formal Structures (Meetings/Recruitment)	43 days	Fri 01/05/15	Tue 30/06/15
8	Business Continuity			



Decision making levels –

The table below provide a guide to what level decisions should be made, depending on the scope

		Set Direction	Implementation	Assure
Decision Scope	Steer	Set Overall Objectives & Priorities for delivery <ul style="list-style-type: none"> Scheme Board and Management Committee Senior Management –escalate to Scheme Board 	Define Strategy to achieve Objectives <ul style="list-style-type: none"> Senior Management Team Teams 	Define Review, Monitoring and Audit Policies <ul style="list-style-type: none"> Scheme Board Risk Management Strategy
Decision Scope	Manage	Define Policies & Standards <ul style="list-style-type: none"> Issues & Precedents Meeting Senior Management Team 	Plan & Coordinate Activities <ul style="list-style-type: none"> Senior Management Team Operation, Technical & CI team level 	Peer Review & Technical Verification <ul style="list-style-type: none"> Senior Management Meeting Scheme Board E-Serve leadership team
Decision Scope	Execute	Manage Tools and Libraries Operation, Technical, CI team level	Hands-on Execution <ul style="list-style-type: none"> Operation, Technical & CI team level – at the lower grade possible - escalates upwards via Management chain within team if budgetary, applicant or other impacts. Risk owners responsible for taking lead on ensuring their risk is mitigated. 	Audit Trails & others Controls <ul style="list-style-type: none"> Operation, Technical & CI team level



Terms of Reference for Non Domestic RHI governance meetings

The terms of reference provide the structure within which a meeting should operate in order to achieve its intended aims in an efficient and effective manner.

The following page provide terms of reference for meetings within the Non Domestic RHI governance structure that are organised by the Scheme:

- Non Domestic RHI Board
- Senior Management meeting
- Joint Working group (organised jointly with DECC)
- Team meeting

**Board:** Non Domestic RHI**Purpose:**

To provide strategic direction, assurance and to monitor the performance of the Scheme including resources, budget, risks and changes to the scheme

Terms of reference:

The Board will:

Review actions from last meeting and decisions required in the current meeting

Review the scheme's balanced scorecard

Provide an update on IT development work

Provide a policy and communication update for the scheme

Provide an update on continuous improvement activity

Review scheme risk and issues, including escalations

Review scheme finances on quarterly monthly basis

Provide a resource and HR update

Reporting Arrangement:

The Board reports to Management Committee using the Board Report (via Associate Director)

Performance is reported through E-serve dashboard

Membership:

Associate Director (Chair), Head of Operations, Head of Technical, Head of Continuous Improvement, IT Project Manager, IT Director...

Other Ofgem Attendees: Finance representative, Legal representative

Adviser: Independent Adviser

Frequency: Monthly

Duration: 2 hours



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We work effectively with, but independently of, government, the energy industry and other stakeholders. We do so within a legal framework determined by the UK government and the European Union.

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