

**To:** Teri Clifton[teri.clifton@ofgem.gov.uk]  
**From:** Wightman, Stuart  
**Sent:** 2015-11-16T16:02:22Z  
**Importance:** Normal  
**Subject:** RE: Audit Activity - NI RHI Scheme  
**Received:** 2015-11-16T16:03:24Z

Teri

Normally, legislation like this would sail through however, there's been quite a bit of political interest in this over the last few days. I'll say 70% confident.

St

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**From:** Teri Clifton [mailto:teri.clifton@ofgem.gov.uk]  
**Sent:** 16 November 2015 16:00  
**To:** Wightman, Stuart  
**Subject:** RE: Audit Activity - NI RHI Scheme

Hi Stuart

What's your level of confidence? 345 submitted for this month as at this morning...

Regards

Teri

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**From:** Wightman, Stuart [mailto:Stuart.Wightman@detini.gov.uk]  
**Sent:** 16 November 2015 15:55  
**To:** Teri Clifton  
**Cc:** Edmund Ward; Katy Read; Willis, Adele  
**Subject:** RE: Audit Activity - NI RHI Scheme

Thanks Teri

Hopefully, we'll get our legislation through tomorrow.

Stuart

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**From:** Teri Clifton [mailto:teri.clifton@ofgem.gov.uk]  
**Sent:** 16 November 2015 15:52  
**To:** Wightman, Stuart  
**Cc:** Willis, Adele; Edmund Ward  
**Subject:** RE: Audit Activity - NI RHI Scheme  
**Importance:** High

Hi Stuart

Edmund will be in contact with you about this as he leads the audit & compliance team for us here. I've also copied Katy in as she has worked closely with DECC colleagues on 'gaming' and our ability or not to prove it as she mentioned at our last catch up.

We have a rigorous process at the start of the process to prove eligibility at outset. We also ask for expected heat use. From that we monitor usage through their PD submissions and identify if there is extreme high generation. From this we contact the participant to better understand why this might be the case. If we have further concerns, controls are in place to refer to compliance for further investigation.

I hope that helps give some reassurance. We are currently completing very basic eligibility checks on the new cases that have been submitted to determine whether we have what we need to start the review.

Regards

Teri

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**From:** Wightman, Stuart [mailto:Stuart.Wightman@detini.gov.uk]  
**Sent:** 16 November 2015 15:20  
**To:** Teri Clifton  
**Cc:** Willis, Adele; Edmund Ward  
**Subject:** FW: Audit Activity - NI RHI Scheme

Teri

Further to my query below, I've just spoken to my Finance colleagues who have confirmed that they are particularly interested in what checks are carried out to ensure that:

- (i) A new installation has an eligible heat requirement and isn't simply heating an empty building i.e. how do we know the building is being used. Has an accreditation ever been refused over the eligibility of the heat use?
- (ii) An existing installation isn't being run excessively to claim increased RHI payments i.e. Do Ofgem question large heat users and ask for justification why heat consumption has increased? Has Ofgem ever terminated an accreditation because of 'gaming'?

I need a brief explanation on the 2 queries above. I apologise for landing this with you. Due to the large increase in applications and associated NI expenditure, finance officials are interested in the controls we currently have in place.

Stuart

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**From:** Wightman, Stuart  
**Sent:** 16 November 2015 13:29  
**To:** 'Teri Clifton'  
**Cc:** Hughes, Seamus; Willis, Adele; 'Edmund Ward'  
**Subject:** Audit Activity - NI RHI Scheme

Teri

Would it be possible to please have a copy of the TOR for the Ricardo AEA Audit work? Is there any chance I could have something this afternoon? In light of the recent surge in applications, we're **urgently** being asked by our Finance colleagues what checks are being done. The Annex in the Admin Agreement states that ***Ofgem will communicate with DETI regarding the Terms of Reference for the audit activity undertaken by Deloitte/AEA, and endeavour to ensure that any DETI concerns regarding the NI RHI are adequately addressed. Upon completion of the audits, Ofgem will share the outcomes where they relate to the NI RHI.***

Effectively we're being asked what frequency of audit inspection has been agreed. I therefore want to go back providing assurance that the eligibility requirements (MCS accredited installer, photographed Serial No, Meter Reading, etc) reduce fraud risk and that Ofgem (through Ricardo) carry out a sample of site checks based on .....

I will also refer to my recent letter requesting increases audits for NI.

Happy to discuss.

Thx, Stuart

**Stuart Wightman**

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