

**To:** Keith Avis[Keith.Avis@ofgem.gov.uk]  
**Cc:** Jacqueline Balian[Jacqueline.Balian@ofgem.gov.uk]  
**From:** Mary Smith  
**Sent:** 2012-11-28T19:02:56Z  
**Importance:** High  
**Subject:** FW: RHI - Vouching of Development Costs  
**Received:** 2012-11-28T19:02:58Z

Hi Keith

I've just spoken to Matthew about this. Please can you liaise with Louise to set up a time for Bob and Matthew to discuss the arrangements/ next steps tomorrow. We should also be available for the discussion so we can provide background.

Please can you also then liaise with Louise about setting up a call for Bob, Matthew, you and me to have with Fiona, ideally on Friday so we can try and resolve this.

In terms of the points below, in summary Matthew's view is that if DETI were to want to go down this route, their costs would end up being higher and we would probably end up with staff dedicated to NIRHI not actually doing anything. Additionally there is some info that we just wouldn't be able to share e.g. salary info.

Thanks

Mary

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**From:** Mary Smith  
**Sent:** 27 November 2012 18:21  
**To:** Matthew Harnack  
**Cc:** Keith Avis; Jacqueline Balian  
**Subject:** FW: RHI - Vouching of Development Costs

Matthew,

DETI have provided a long list below of the information that their Audit team now requires to understand the costs incurred by us in running the scheme.

As you know, although we have said we're willing to provide as much information as we can, we have said so on the basis we can legally provide it and it's not going to have a financial impact due to resources needed to compile it. The information below seems both very detailed and would require some time to pull together; additionally I'm not sure how costs from this would compare with costs based on the formula provided/ our rough assumption of 3% of GB RHI costs.

Also re audits, we have made clear to Joanne that we would not be able to accommodate site visits by their auditors. She will however need to explain their auditor's position and our view to Fiona to get her opinion.

The DETI audit function are still viewing our agreement as being like a standard supplier contract arrangement and although we have discussed with Joanne how this differs and been very clear on the detail we are willing to provide, she is passing their requirements direct to us, we're pushing back and then she will take this to Fiona for a decision.

Given both of these issues, I feel the fastest way to try and agree a way forward would be discuss with Fiona and understand direct from her how much information DETI can live with/ what she is prepared to accept bearing in mind what we're willing to provide and what her audit function are requiring. Please could you let me know your thoughts and whether you would like me to set up a call?

Thanks

Mary

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**From:** McCutcheon, Joanne [mailto:Joanne.McCutcheon@detini.gov.uk]  
**Sent:** 27 November 2012 11:38  
**To:** Keith Avis  
**Cc:** Mary Smith; Hutchinson, Peter; Thompson, Sandra  
**Subject:** RHI - Vouching of Development Costs

Keith

I have now heard back from Audit colleagues. We have been advised that we need to be satisfied that the expenditure claimed is eligible and directly attributable to the NIRHI. We need you to provide a clear audit trail of all scheme transactions as a means of assuring that funding has not been claimed against another scheme / similar operation.

**Specific advice is that:**

**Staff Costs**

Staff will either be directed 100% towards the delivery of NIRHI or multi tasked. We need all staff salary related costs to be fully supported by contracts of employment, payroll records, authorised timesheets etc, accurately calculated (including hourly rates) and (where applicable) apportioned accordingly. Salary costs claimed should be traced through to a supporting payroll report / BACs report (or equivalent) and confirmed as leaving the Ofgem bank account i.e. paid.

**Recruitment Costs**

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