

49. I note from paragraph 4.34 that the Department's approval was neither sought nor provided for Ofgem's audit strategy. Did Ofgem consult the Department in relation to the strategy? Given the local knowledge possessed by the Department, do you think Ofgem should have consulted?
50. What skills and qualifications are possessed by Ofgem staff who carry out site inspections? What training do they receive?
51. Did Ofgem identify any of the issues relating to abuse of the scheme that were identified by PwC? What is the reason for these issues not being identified?
52. Paragraphs 4.35 and 4.36 of the PwC report show that scamming of the scheme was widespread. Although the Department's ineptitude in designing the scheme contributed to it being scammed, it is disappointing that Ofgem failed to identify that the scheme was being scammed. What is your explanation for this failure?
53. Paragraphs 4.37 to 4.40 suggest that even when concerns are raised internally by Ofgem there is:
- a. a better than 50/50 chance that the applicants won't receive a site visit;
  - b. if a site visit does take place it will be pre-announced to give the person scamming the scheme every opportunity to get rid of the evidence;
  - c. the site visit will certainly not be followed up if it does take place; and
  - d. there will be distinct lack of urgency in following up points that arise.
54. Given PwC's findings it is unsurprising that scamming is widespread. What is your response to these findings?
55. Nothing but a root and branch overhaul of your inspection regime will do. What changes are you making?