

To: Jacqueline Balian[Jacqueline.Balian@ofgem.gov.uk]
Cc: Tasfin Ahmed[Tasfin.Ahmed@ofgem.gov.uk]; Ade Obaye[Ade.Obaye@ofgem.gov.uk]
From: Robert Reid
Sent: 2013-09-06T07:21:11Z
Importance: High
Subject: FYI: RHI Audit Programme - Revised Forecast Costs - 2013-16
Received: 2013-09-06T07:21:12Z
[RHI Audit Programme - Forecast Audit Volumes and Costs - 2013-16.xlsx](#)

Jacqueline,

Further to our conversation late yesterday regarding forecast audit costs in 2014-15 and 2015-16, please find attached an updated spreadsheet to reflect the following:

- No forecast efficiency savings in 2014-15 as any savings from increased audit volumes will be lost due to additional costs to carry out audit checks for Phase 2 and Phase 3 requirements
- 10% efficiency savings in 2015-16 subject to new E-Serve wide audit contract providing economies of scale through increased audit volumes

As an aside, I do not appreciate the fact that I was put in such a difficult position to provide forecast efficiency savings through Clive via Tasfin yesterday afternoon. To be provided with only 30 minutes to provide estimates that I would then be held to account over the next 2.5 years is completely unacceptable. I appreciate that everyone is under significant pressure with tight deadlines, however rushing such important work only increases the likelihood that mistakes are made.

Thanks,
Rob

From: Robert Reid

Sent: 05 September 2013 14:06

To: Tasfin Ahmed

Subject: FYI: RHI Audit Programme - Revised Forecast Costs - 2013-16

Hi Tasfin,

As requested, see attached reducing the unit cost/audit by 10% in 2014-15 and a further 10% in 2015-16. I have not reduced this any further as the price quoted by Ricardo-AEA in the existing contract was already far lower than other framework suppliers. Should we appoint an E-Serve wide audit contractor this could potentially be reduced further through economies of scale. However, no decision on the RHI audit programme has been taken at this stage.

Thanks,
Rob

Robert Reid

Manager, Audit Programme
Renewable Heat Incentive
9 Millbank
London
SW1P 3GE
Tel: 020 7901 7298
www.ofgem.gov.uk

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EXCEL - Slip Sheet - Refer to Native Excel file