RENEWABLE HEAT INCENTIVE INQUIRY

RHI Inquiry
1st Floor, Waterfront Plaza
8 Laganbank Road
BELFAST BT1 3LY

T: 028 9040 8833
E: general@rhiinquiry.org
W: www.rhiinquiry.org

Seamus Hughes
c/o Caroline Martin LL.B.
Departmental Solicitors Office
2nd Floor,
Centre House
79 Chichester Street
BELFAST
BT1 4JE

By post and email Caroline.Martin@finance-ni.gov.uk

6 November 2018

Dear Madam,

Re: The Independent Public Inquiry into the Non Domestic Renewable Heat Incentive (RHI) Scheme
Provision of a Section 21 Notice requiring the provision of evidence in the form of a written statement

I am writing to you in my capacity as Solicitor to the Independent Public Inquiry into the Non Domestic Renewable Heat Incentive (RHI) Scheme (known as 'the RHI Inquiry') which has been set up under the Inquiries Act 2005 ('the Act').

I know you will by now be familiar with the work of the Inquiry and its Terms of Reference from your previous engagement with the Inquiry. The Inquiry is grateful for the witness statements and oral evidence you have already provided to it.

As you may be aware, the Inquiry is now in the process of seeking some further written evidence from witnesses and participants, particularly where issues have arisen in evidence recently provided in respect of which it is necessary, or appropriate, to provide an opportunity for further response. The Inquiry Chairman also retains the right to require witnesses to

attend to provide further oral evidence, and consideration will be given to whether that is necessary in light of additional written evidence which is received.

The Inquiry is likely to revert to you shortly seeking responses to a number of specific questions arising from evidence or documentation which has been considered by it in the course of its ongoing investigations or hearings. However, without prejudice to that requirement, it is considered that it would be helpful to now give you an opportunity to comment on two specific recent developments in order that the Inquiry might gain an early understanding of your position in respect of them, namely the recent oral evidence of Michael Woods (of 19 October 2018, found at TRA-15975 to TRA-16088) and the most recently received DfE corporate statement (DfE Corporate Statement No 12, of 26 October 2018, found at WIT-03560 to WIT-03576) which deals principally with a period of time during which 'Team 2' had responsibility for the RHI Scheme.

Please therefore find enclosed with this letter a further Section 21 Notice requiring you to provide evidence to the RHI Inquiry Panel in the form of a further written statement addressing these two matters, as identified in the Schedule to the Section 21 Notice.

As indicated above, it is likely that you (along with others) will receive a more detailed notice in the coming days, and you are likely to be able to expand more fully on some of the issues touched upon in Mr Woods' evidence and/or the recent DfE statement in response to that notice. However, your response to the enclosed notice – which I acknowledge is required within a short period – will be of assistance to the Inquiry generally in considering how best to approach any further evidence-gathering which may be required in relation to these issues.

I remind you again of the restriction orders made by the Chairman of the RHI Inquiry, which affect how you may deal with this correspondence and its enclosures (which are also provided to you under a duty of confidentiality to the RHI Inquiry). You may, of course, share the correspondence and the enclosed Notice and documents with your legal representative(s), under the same conditions as I set out in my previous correspondence.

Given the tight time-frame within which the RHI Inquiry must operate, the Chairman of the Inquiry would be grateful if you would comply with the requirements of the Section 21 Notice as soon as possible and, in any event, by the date set out for compliance in the Notice itself.

Finally, I would be grateful if you could acknowledge receipt of this correspondence and the enclosed notice by email to Patrick.Butler@rhiinquiry.org.

Please do not hesitate to contact me to discuss any matter arising.

Yours faithfully

Patrick Butler
Solicitor to the RHI Inquiry
02890408928

SCHEDULE

[No 199 of 2018]

The evidence of Mr Michael Woods

1. You are referred to the oral evidence of Michael Woods[1] given on 19 October 2018 (see TRA-15975 to TRA-16088). In the course of his oral evidence, Mr Woods appeared to make a number of express or implied criticisms of your and/or other officials within DETI Energy Division's conduct as to:

   a. the adequacy of Energy Division's questioning in relation to, and evaluation of, the value for money of the RHI Scheme in 2015 and 2016;

   b. failure to bring relevant matters in relation to the RHI Scheme to the attention of Internal Audit and/or the DETI Audit Committee during 2015 and 2016;

   c. the adequacy or utility of responses provided during the course of the 2016 Internal Audit investigation in relation to the RHI Scheme and the level of cooperation afforded to that investigation; and

   d. failure to provide full information to Internal Audit, or in the course of the Department's preparation in 2016 for the Public Accounts Committee's investigation into the RHI Scheme, as to the existence of:

      i. the May 2014 handover note prepared by Peter Hutchinson; and/or

      ii. Janette O'Hagan's 2013 to 2015 email communications with the Department,

[1] Mr Woods' written evidence, in his witness statement of 14 September 2017, is at WIT-23001 to WIT-23078 (along with annexed documentation at WIT-23079 to WIT-23552) and has been available to you for some time in your capacity as an enhanced participant with access to the Inquiry's witness statement bundle.

and what had been done with or in respect of each of these.

Please set out any response you wish to make to the evidence of Mr Woods to the extent (a) that the said issues have not already been addressed in your existing oral and written evidence and (b) that the further material you wish to provide constitutes evidence of fact as opposed to mere commentary on the evidence of another witness or participant which would be more appropriate for submissions.

DfE corporate statement No 12 of 26 October 2018

2. You are also referred to the recently provided supplementary corporate statement provided by Mr Brendan McCann on behalf of the Department for the Economy dated 26 October 2018 (DfE Corporate statement No 12, found at WIT-03560 to WIT-03576), the contents of which are said to relate to "*the management and control of the Scheme from mid* 2014" and respond, *inter alia*, to written and/or oral evidence you have provided to the Inquiry.

   Please set out any response you wish to make to the matters addressed in that witness statement to the extent (a) that the said issues have not already been addressed in your existing oral and written evidence and (b) that the further material you wish to provide constitutes evidence of fact as opposed to mere commentary on the evidence of another witness or participant which would be more appropriate for submissions.

NOTE:

It is important for the efficiency of the RHI Inquiry that the issues identified above are addressed as fully as possible and by reference, where available, to the dates and locations of specific incidents to which reference is made. The statement should be broken down into paragraphs, which should be numbered sequentially from '1' to the end. The use of appropriate section headings or sub-headings is also encouraged. A template witness statement is provided with this Notice for your assistance and should be used as the format for your response.

RENEWABLE HEAT INCENTIVE INQUIRY

INQUIRY INTO THE RENEWABLE HEAT INCENTIVE SCHEME

RHI REF: Notice 199 of 2018

DATE: 20 November 2018

Witness Statement of: Seamus Hughes

I, Seamus Hughes, will say as follows: -

The evidence of Mr Michael Woods

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[1] Mr Woods' written evidence, in his witness statement of 14 September 2017, is at WIT-23001 to WIT-23078 (along with annexed documentation at WIT-23079 to WIT-23552) and has been available to you for some time in your capacity as an enhanced participant with access to the Inquiry's witness statement bundle.

c. **the adequacy or utility of responses provided during the course of the 2016 Internal Audit investigation in relation to the RHI Scheme and the level of cooperation afforded to that investigation; and**

d. **failure to provide full information to Internal Audit, or in the course of the Department's preparation in 2016 for the Public Accounts Committee's investigation into the RHI Scheme, as to the existence of:**

   i. **the May 2014 handover note prepared by Peter Hutchinson; and/or**

   ii. **Janette O'Hagan's 2013 to 2015 email communications with the Department,**

   and what had been done with or in respect of each of these.

Please set out any response you wish to make to the evidence of Mr Woods to the extent (a) that the said issues have not already been addressed in your existing oral and written evidence and (b) that the further material you wish to provide constitutes evidence of fact as opposed to mere commentary on the evidence of another witness or participant which would be more appropriate for submissions.

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RENEWABLE HEAT INCENTIVE INQUIRY

***management and control of the Scheme from mid* 2014" and respond, *inter alia*, to written and/or oral evidence you have provided to the Inquiry.**

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Introduction

1. I make this further statement in response to Notice 199 of 2018 whereby the Inquiry has granted me the opportunity to give written evidence in response to the evidence of Mr Woods and the witness statement of Mr McCann on behalf of the Department for the Economy, referenced above.

Expressions of opinion as to the Standards of Conduct

2. For the avoidance of doubt, I do not question Mr Woods' audit findings or his right to make professional, evidence-based, criticisms of our work. I do, however, take significant issue with aspects of Mr Woods' evidence to the Inquiry.

3. I wish to address the assertion by Mr Woods that there was a failure on the part of officials to act in line with the Nolan principles (WIT-23064 §107 and WIT-23070 at §119). I reject any suggestion that I have acted contrary to the Nolan principles. Such a suggestion was not made to me by Mr Woods or any member of his team at the time of the audit or subsequently. Nor do I believe that there was any such complaint made about me to any more senior civil servant during or subsequent to the internal audit process. Aside from the fact

that these serious concerns do not feature in the audit report and were not raised with me (or, I believe, Mr Wightman) at the material time, I do not believe that any such concerns about me, on the part of Mr Woods, were raised with Chris Stewart or Andrew McCormick. I also note that Mr Woods did raise some concerns with Mr McCormick related to Mr Mills (TRA-16645/46), while, it appears, omitting to speak with Mr McCormick about his allegedly grave concerns about inadequate cooperation by other officials, including myself. Given the apparent seriousness of Mr Woods' concerns, that seems a striking omission. I would also ask the Inquiry to take into account that Mr Woods' alleged concerns find no support or corroboration from the evidence of Mr Donnelly (TRA-16218).

4. The first point at which I became aware of this suggestion was upon consideration of the written and oral evidence of Mr Woods to the Inquiry. I was shocked by this suggestion. This was not raised with me during my oral evidence to the Inquiry. I do not consider that Mr Woods has provided any adequate evidence to the Inquiry in order to support such a serious allegation. It is striking that Mr Woods is, I believe, the only person in the course of this Inquiry to explicitly accuse me of a breach of the Nolan principles.

5. During the Internal Audit Service (IAS) Review I was tasked by Mr Wightman to engage directly with the IAS team and that is exactly what I did to the best of my ability. I can recall frequent conversations and engagement with, in particular, Dovile Bagdonaite. I had no issues or difficulties in doing so and I did not detect any concerns from Dovile arising from our engagement. My clear recollection of this engagement with Dovile is one of the reasons why I find Mr Woods' evidence so surprising and upsetting. I was certainly not obstructive or difficult to deal with, and I sought to cooperate and be as helpful as I possibly could to the best of my ability. I can't be sure at this stage, but Dovile may well have been taking notes during my face to face contact with her.

6. I would also ask the Inquiry to note that Mr Woods, in his report, expressly thanked officials for our help and cooperation (WIT-23474). Given the stark nature of Mr Woods' belated criticisms it is very surprising that he would have

expressed such unreserved gratitude towards officials in his official report. Either, Mr Woods was willing to overlook his grave concerns at the time and make a misleading statement in his report (which would have been in dereliction of his obligations as an auditor, and, ironically, contrary to the Nolan principles) or he simply did not have any such concerns and was satisfied with the level of cooperation and engagement, as reflected in his report. Mr Woods did not acknowledge this point in his evidence to the Inquiry. I believe that the latter scenario is much more likely. While acknowledging that the Inquiry do not, in general, seek opinion evidence, I would be grateful if the Inquiry would allow me to express my own view of that being the most plausible explanation for Mr Woods' belated criticisms in his evidence to the Inquiry. I believe that these concerns only emerged after Mr Woods had carried out the internal audit and published his report and when Mr Woods became aware of the handover note and the concerns of Ms O'Hagan.

1a. the adequacy of Energy Division's questioning in relation to, and evaluation of, the value for money of the RHI Scheme in 2015 and 2016;

7. I consider that Mr Woods' *primary* concerns on value for money arose due to a response provided by Mr Mills dated 23 March 2016 (WIT-23067 at §113). I had no part in the response provided by Mr Mills.

8. Notwithstanding this, I fully accept that there were individual and systemic failures across the entire life of the scheme, to include design and implementation, to sufficiently appreciate, monitor and address, its value for money. When the branch received Mr Wood's paper/report in draft there was no substantive disagreement from either myself or Mr Wightman with the observations and criticisms made by Mr Woods in that regard.

1b. failure to bring relevant matters in relation to the RHI Scheme to the attention of Internal Audit and/or the DETI Audit Committee during 2015 and 2016;

9. I understand this to be a reference to Ms O'Hagan's emails and the handover note. I address each of these concerns below in answer to part 1d of the section 21 Notice. I accept that I did not bring either matter to the attention of Internal Audit or the Audit Committee during 2015 and 2016.

1c. the adequacy or utility of responses provided during the course of the 2016 Internal Audit investigation in relation to the RHI Scheme and the level of cooperation afforded to that investigation; and

10. I accept that some of the responses were inadequate and of little utility. As indicated above, I was asked by Mr Wightman to prepare an initial response to the questions and issues raised by Internal Audit. My recollection is that I provided responses as quickly as I could, taking into account the fact that we were already operating under significant time and resource pressures and having to deal with the internal audit was in addition to other pressing duties. The Inquiry already has my concerns regarding resources. I would also stress, these were only initial responses as part of a working document. It will be apparent that I was also relying, to some considerable degree, on Ofgem providing more detail for Mr Woods and his team. When I had completed my responses, I then sent the document to Ofgem for their input. I thought that they would be able to provide more detailed information. This reliance on Ofgem was, with hindsight, part of the problem with the management and oversight of the scheme. Another factor relates to the fact that many of the questions posed related to governance arrangements that were established (or not, as the case may be) when the scheme was set up and implemented. As such I had, as is apparent, only a very limited degree of knowledge in respect of some of the issues raised. I do not consider that these responses could reasonably be considered to demonstrate inadequate cooperation with Mr Woods and his team.

11. For sake of completeness I believe that I did circulate my responses to Mr Wightman prior to provision of same to Internal Audit but I do not recall any detailed discussion between us on same, but I believe he would have been of the same view as me that this was very much a working document.

12. These responses, however inadequate or lacking in utility, did represent an open and transparently honest statement of my level of knowledge with no attempt to apply any *"gloss"* to the reality of the situation to Internal Audit. At one level I can of course understand why these responses may have been considered inadequate. On the other hand, these answers did provide at least some useful information to Internal Audit that revealed, quite clearly, a lack of knowledge in respect of certain aspects of, in particular, the governance arrangements for the scheme.

13. While Mr Woods, with the benefit of hindsight, was scathing in his evidence to the Inquiry as to the inadequate nature of these responses, I would like to point out that when they were initially provided there was no such reaction or even a query from his office. I had actually sought Ofgem input by email of 9 March 2016. On 7 April 2016 I emailed IAS (Mr Woods) with a completed template (with my responses) from the Branch indicating that further input from Ofgem was also anticipated. I sent a further email to Mr Woods on 8 April 2016, with the additional Ofgem comments. See emails at **Annex A.** It can be noted from the email of 7 April 2016 that reference is made to a meeting between Mr Mills and Mr Woods on 8 April 2016. I believe I was also in attendance at this meeting. I do not recall Mr Woods raising any concerns about the comments provided to him by me on 7 April 2016. I have not seen any evidence to suggest that Mr Woods raised concerns about my responses with any other person at the material time of their provision to him. Indeed, given the position adopted by Mr Woods in his evidence to the Inquiry, it is perhaps surprising that he did not seek further clarification from the Branch on any of the issues of concern or where he felt that a particular response had been inadequate. As I have said, we considered this document to be a working document and would not have been surprised if there had been further queries raised with us on foot of the initial DETI and Ofgem responses, as provided on 8 April 2016.

14. As I have stated above, I consider that I cooperated as best I could at the time with Mr Woods and his team. I refute any suggestion that I failed to cooperate adequately with IAS during their investigation. On the contrary I tried my best

to be helpful and to engage as fully as I could, in a difficult, stressful and under-resourced position.

1d. failure to provide full information to Internal Audit, or in the course of the Department's preparation in 2016 for the Public Accounts Committee's investigation into the RHI Scheme, as to the existence of:

i. the May 2014 handover note prepared by Peter Hutchinson; and/or

ii. Janette O'Hagan's 2013 to 2015 email communications with the Department,

and what had been done with or in respect of each of these.

Disclosure of Handover Note

15. Mr Woods raised significant concerns in his oral evidence (TRA-16076 to 16088) about the fact that neither Mr Wightman nor I disclosed the handover note to him during the earlier audit process in 2016. Mr Woods only received a copy of this document in September 2016. I can readily understand why Mr Woods was concerned about this matter when it emerged at that stage. However, I wish to state in the strongest terms that I simply didn't recall the existence of any handover note during the audit process. I therefore did not intentionally suppress this document or try to hide it from Mr Woods or any other person. I simply forgot all about it. As apparent from my responses to the questions from IAS, I do not dissemble or try to hide inconvenient facts. I have been a Civil Servant for 37 years and have never, not once, been accused of such conduct until Mr Wood's allegations in his evidence to this Inquiry.

16. I had been provided with a hard copy of the handover note when I first took up post at the end of June 2014. However, I did not, for obvious reasons, appreciate the significance of some of the issues referenced in that document at the time – simply by virtue of the fact that I was just in post. At the time I considered this document to be a useful starting point but not an essential

document that would be required in order for me to perform my role beyond the initial few days in the job. This document was, after all, a *relatively* low-level and *relatively* informal document prepared by one DP for another to facilitate taking up a new post. In those circumstances one would not expect such a document to be the vehicle by which critical information was sought to be communicated during an unprecedented turnover in staff. Furthermore, I had to hit the ground running in order to start addressing the domestic scheme, which was my focus upon arrival in the Branch. As I confirmed in my oral evidence (TRA-05812) on 1 March 2018, I would not have used the handover note as a reference document beyond the first short period (perhaps only a matter of days) in the Branch.

17. I did, in fact, retain a hard copy of this handover document within my documents held within the Branch office. I had kept the document in my pedestal (a free-standing set of drawers that fits under my desk). Alison Clydesdale, in her witness statement, states that she had found out about the existence of a handover note directly from Peter Hutchinson shortly (a day or two) before the PAC Hearing on 28 September 2016 (WIT-12551). Mr Woods says that it was first brought to his attention on the 28 September 2016 (TRA-16075/76).

18. In any event, Alison Clydesdale says, in her witness statement, that she approached me and Stuart Wightman in our offices in Netherleigh (after she had been advised of the existence of a handover note). Alison states that she asked us if we knew of the existence of a handover note and whether we could provide a copy. She states (TRA-16076) that, *"Both indicated that they were aware of the handover note and Seamus was able to produce an annotated personal copy of the handover note from his desk pedestal."* In her oral evidence (TRA-01021) Ms Clydesdale clarified her evidence to say that I had shown her a copy of the handover note when she had raised the issue, and that this was in my drawer. Alison then stated that she couldn't remember if Stuart Wightman was in the room at the time or if he came into the room (presumably after I had found the handover note), but she states that Stuart also confirmed that he was aware of the note. She states, *"He seemed to*

indicate that he was aware of it." For my own part, and to the best of my recollection, I think that I was asked about the document and found it and it was, at that stage, that Stuart came on the scene and indicated that he too could remember the document from when he first arrived in the Branch. Alison Clydesdale's more nuanced oral evidence does not contradict this recollection.

19. For my part I had thought it was Lucy Marten who had asked about the handover note, but I accept that it could have been Alison Clydesdale. I believe that I was asked about this on the morning of the PAC Hearing, 28 September 2016. I would wish to clarify that, contrary to any impression created by Alison Clydesdale's witness statement, I did not immediately recall that (1) I had the handover note all along and (2) that it was kept in my pedestal. I believe that whenever I was asked about a specific handover document this jogged my memory and I thought that the natural place to start looking for this was in my pedestal, wherein I had stored a number of documents over my time in the Branch. I must stress, however, that when I went looking in the pedestal, I did not know that it was actually in the pedestal, I just thought that if such a document was still in my possession, this was the most likely place I would have filed the document. I searched the pedestal and found the document. Before I was asked about the handover note I had not recalled this document, nor did I know that it was still in my possession. After I was asked, I remembered the document and thought I might still have a copy.

20. It was suggested by Counsel to the Inquiry to Mr Woods during his oral evidence that I *"had [the handover note] almost to hand"* (TRA-16076). I did not have this document *"almost to hand"* and I do not accept the possible implication of that particular question. I didn't remember the handover document at all until I was asked about it specifically by, it would seem, Alison Clydesdale at the end of September 2016. I then had to search for the document and found it in in the most likely place I would have kept such documents, in my pedestal.

21. Contrary to the suggestion of Mr Woods that, when speaking with me and Stuart Wightman, he would have specifically focussed on any material that had been handed on from previous officials and made this *"absolutely clear"* to us

(TRA-16080). I do not recall any such specific discussions with the IAS team that focussed, emphatically or otherwise, on material that had been handed on from previous officials. I do not recall any specific questions from the IAS team on any handover note and I would be surprised if they were asked given that Mr Woods (and his team) did not know about this document until September 2016. I suspect that if a specific question had been asked, as in September 2016, this would have jogged my memory and I would have been able to produce the document at that stage. This suggests to me that this specific question was not asked. The evidence before the Inquiry also suggests that while IAS had also spoken directly with Joanne McCutcheon, she did not, it seems, provide any information about either the handover note (which she had some input into via Peter Hutchinson) or the Janette O'Hagan emails and meeting with officials in October 2013.

22. Given that Alison Clydesdale's evidence suggests that I had no issue in showing her my copy of the handover note, once located, this does not suggest that I had engaged in any form of document suppression. On the contrary, I was content to confirm that I had an awareness of such a document when I was prompted to recall it and to then openly search for this document and show Alison the document that I had located. These are not the actions of someone who wishes to suppress a document. Had I been constantly worrying about the fact of this *"ticking timebomb"* in my pedestal then it would have been easy for me – though totally reprehensible – to have destroyed my copy of that document. That was not, of course, what actually happened and the Inquiry will note that I have been subject to questioning at length over my failure to respond to all of the issues in that very document.

Ms O'Hagan Emails

23. I regret not following up on the March 2015 email from Ms O'Hagan. This was one of many missed opportunities that the Inquiry have uncovered during the course of these proceedings. I do not believe that I ever considered referring this email to Internal Audit at the time of receipt or subsequently. There was certainly no discussion of any such a referral within the Branch at that time,

though I do recall raising the fact of the email with Mr Wightman (and he was copied into my response). The normal approach would be to escalate any concerns and then for more senior management to determine whether or not a matter needed to be referred on to Internal Audit. In any event, at the time I received this email in March 2015 I had not made any connection between this contact and previous engagement by this individual with DETI or to the reference to her in the handover note. When I responded to Ms O'Hagan, I do not recall having considered the earlier chain of emails. When I had responded and, given that I did not appreciate the significance of the content of the email or of Ms O'Hagan's previous engagement with DETI officials, I did not give this matter further consideration. That is, as I have noted, regrettable (particularly with what we now know) but perhaps understandable given my own (limited) state of knowledge at the time and given that this was one of many hundreds of emails that I was dealing with every week in the Branch.

24. A year later, and with much water under the bridge, I simply did not remember the Ms O'Hagan contact when IAS were conducting their investigation (and likewise in the run up to the PAC Hearings in September 2016). I was not specifically asked about these emails for the simple reason that IAS were not aware of them. As such there was nothing about the IAS investigation that jogged my memory in respect of same. It should go without saying but I can confirm that I did not attempt to hide or cover up any evidence of any kind that would have been relevant to IAS.

25. Ms Hepper, Ms McCutcheon and Mr Hutchinson had actually met with Ms O'Hagan in October 2013. I do not believe that these officials alerted IAS to the fact of this meeting (and the concerns raised therein by Ms O'Hagan) either at the time of the meeting or subsequently (in respect of Ms Hepper and Ms McCutcheon) during the IAS investigation in 2016. At no stage did I ever meet with Ms O'Hagan.

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DFE Corporate Statement No 12 of 26 October 2018

2. You are also referred to the recently provided supplementary corporate statement provided by Mr Brendan McCann on behalf of the Department for the Economy dated 26 October 2018 (DfE Corporate statement No 12, found at WIT-03560 to WIT-03576), the contents of which are said to relate to "*the_management and control of the Scheme from mid*-2014" and respond, *inter alia*, to written and/or oral evidence you have provided to the Inquiry.

Please set out any response you wish to make to the matters addressed in that witness statement to the extent (a) that the said issues have not already been addressed in your existing oral and written evidence and (b) that the further material you wish to provide constitutes evidence of fact as opposed to mere commentary on the evidence of another witness or participant which would be more appropriate for submissions.

26. I understand that Mr Wightman has also been asked to address this issue in a further statement. That additional statement dated 13 November 2018 was provided to the Inquiry on that date. On 15 November 2018 my solicitor provided me with a copy of that signed and dated statement that had already been submitted to the Inquiry. I have read that statement in full and I note that at §§33 – 65 therein Mr Wightman responds to the evidence of Mr McCann. Rather than repeat Mr Wightman's evidence I can confirm that I am in agreement with his response to the further statement on behalf of the Department, so far as relevant to me and my own evidence to the Inquiry to date. I also have the significant concerns about the propriety and fairness of the statement provided. I consider that this statement is really just submissions/commentary and does not materially add to the evidence already before the Inquiry. I agree (generally) with Mr Wightman's responses (§§36 – 65) to the various criticisms (implied and express) set out within Mr McCann's statement in so far as relevant to me.

27. I would augment §45 to acknowledge that my work priorities were, in large measure, set by Mr Wightman. I would add to Mr Wightman's evidence at §§57 and §§58 to say that I did make efforts to try and clarify the funding position in and around March 2015. In respect of §62, I also concur that my own engagement with industry, while carried out in good faith and for legitimate policy reasons, was ill judged and demonstrated a lack of a commercial awareness. I would also point out that my contacts with industry were done openly and with the approval of Mr Wightman. This is clearly an area wherein an evaluative judgment is required. Neither Mr Wightman nor myself were provided with any training or guidance and were, in effect, left to make this delicate judgment on an *ad hoc* basis, and on our own in a high pressure and woefully under-resourced Branch.

Statement of Truth

I believe that the facts stated in this witness statement are true.

Signed: 

Dated: ___20 November 2018_____

ANNEX A

From: Hughes, Seamus
Sent: 08 April 2016 09:24
To: Woods, Michael (DETI) <Michael.Woods@detini.gov.uk>
Cc: Mills, John (DETI) <John.Mills@detini.gov.uk>; Wightman, Stuart <Stuart.Wightman@detini.gov.uk>; Bagdonaite, Dovile <Dovile.Bagdonaite@detini.gov.uk>; Willis, Adele <Adele.Willis@detini.gov.uk>; Briggs, Peter <Peter.Briggs@detini.gov.uk>
Subject: FW: RHI Internal Audit review - Governance and relationship with Ofgem

Michael

Ofgem responded with comment late yesterday afternoon and are shown in blue text throughout the document.

Regards

Seamus

Seamus Hughes
Energy Efficiency Branch
Department of Enterprise, Trade & Investment
Netherleigh
Massey Avenue
Belfast, BT4 2JP
Tel: 028 9052 9532 (ext: 29532)
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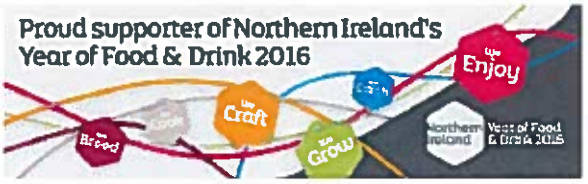
Web: www.detini.gov.uk



NI Year of Food & Drink 2016

Please consider the environment - do you really need to print this e-mail?

From: Hughes, Seamus
Sent: 07 April 2016 13:53
To: Woods, Michael (DETI)
Cc: Wightman, Stuart; Willis, Adele; Briggs, Peter; Bagdonaite, Dovile
Subject: RHI Internal Audit review - Governance and relationship with Ofgem

Michael

Please see attached with Energy responses to the questions posed. As you know this document was circulated to Ofgem for comment as some of the questions/issues relate to internal Ofgem procedures and processes but a response is still awaited at the time of writing.

I have requested a response from Ofgem before the meeting with John Mills tomorrow morning and if anything does come through this afternoon I will circulate.

Regards

Seamus

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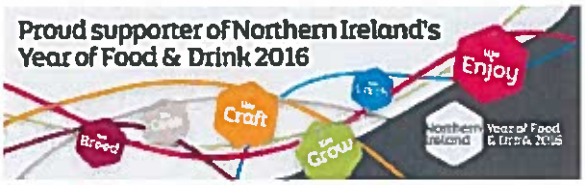

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From:	Hughes, Seamus
To:	Edmund Ward; "Teri Clifton"
Cc:	Wightman, Stuart; Willis, Adele; Briggs, Peter
Subject:	DETI Internal Audit Review of Non Domestic RHI
Date:	09 March 2016 14:43:00
Attachments:	image001.gif Paper from Internal Audit Governance and Relationship with Ofgem, 9 March 2016.tr5 Paper from Internal Audit Governance and Relationship with Ofgem, 9 March 2016.DOCX

Edmund/Teri

Please see attached governance document prepared by DETI Internal Audit in relation to the ongoing review of the Non Domestic RHI, and which asks a number of questions. Some of the questions relate specifically to DETI but others concern Ofgem and we would welcome your consideration and any comment you feel appropriate.

Given that our Internal Audit team are keen to conclude on the audit as soon as possible an early response would be appreciated.

Many thanks

Regards

Seamus

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