Risks, Strengths & Weaknesses Statement

November 2019

YorkshireWater

1　　**2**

Navigating this document

Contents page

The contents page is linked to every section within this document. Clicking on a specific section will instantly take you to it.

1 Click on the contents button to return to the contents page.

2 The back button returns you to the last page you visited.

3 This button takes you to the previous page.

4 This button takes you to the next page.

5 'Breadcrumb' navigation allows you to retrace your steps within a section.

3　　　　　　　　　　　　　　　　　　　　　　　　　　　　**4**

There are also many other clickable links within this document which we've made easy to spot by underlining and highlighting them in **blue**. If you click on one of these links, but then wish to navigate back to the page you were viewing previously, simply click the '**Back**' button at the top of the page.
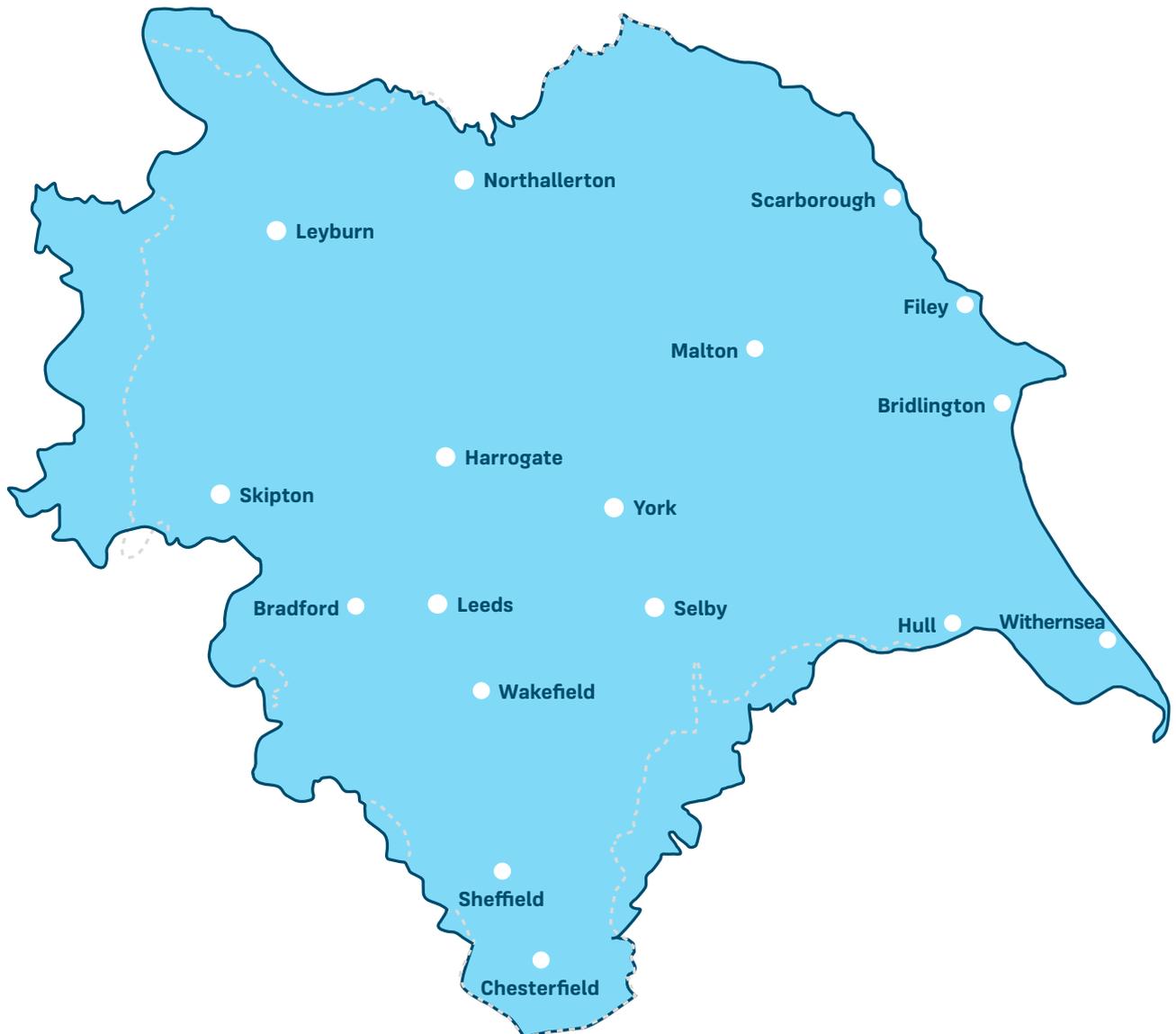
5

About us

Yorkshire Water at a glance

Northallerton

Scarborough

Leyburn

Filey

Malton

Bridlington

Harrogate

Skipton

York

Bradford

Leeds

Selby

Hull

Withernsea

Wakefield

Sheffield

Chesterfield

We supply water and waste water services and are custodians of essential infrastructure and the natural environment. We do all of this for about £1 a day for the average customer, amongst the lowest water and waste water bills in the country.

Operational boundary
Water service

Operational boundary
Sewerage service

What we do

We provide essential water and waste water services to the people and businesses of the Yorkshire and Humberside region, playing a key role in the region's health, wellbeing and prosperity.

Collecting, treating and supplying around **1.3bn litres** of water every day

Investing over £1m every day to maintain and enhance Yorkshire's network of water pipes, pumps and treatment works

Managing 28,000 hectares of land to protect water quality & enable recreational opportunities

Managing £1bn of water bills every year and providing customer service when it's needed

Collecting, treating, and safely returning to the environment **1bn litres** of water every day

Recycling nutrients and generating energy from leftover human waste

All delivered by around **3,500 employees** using a fleet of over **2,000 vehicles** and increasingly complex technology, delivering for today and planning for the long-term

Contents

We have produced a summary of this statement which has achieved the Plain English Campaign Crystal Mark. This can be found on our reports webpage here: **www.yorkshirewater.com/reports**

1. About this statement

About this statement

Each year we carry out a risks, strengths and weaknesses exercise so that we can improve how we provide information to you. We believe that if our customers and stakeholders are to gain trust in our information that they should be involved in the process we carry out to improve it.

The first step in this exercise is to get feedback from our customers and stakeholders on how we are currently doing in providing information that people want and trust. Through this process we gather the views of all our stakeholders and combine them with our own assessment of our performance so that we have a clear understanding of the improvements we need to make. We call these our 'targeted areas'.

Each year, we publish information about the services we deliver, the charges we levy and our performance in meeting our commitments to you. We know that our information needs to cover what customers and stakeholders want and need to know, and that it must be easy to find and easy to read. You need to be assured that all the information is accurate and reliable, so you can have confidence and trust in what we publish.

The information we publish about our performance tells you how well we are doing against our promises. If we don't assure, present and publicise our performance information correctly then we risk losing your trust and confidence.

Get in touch with us

To gather information for this statement, we made every effort to make sure we got in touch with all our stakeholders. We talk more about this in our approach to gathering information.

If we have missed you off our stakeholder list and you would like to give us feedback on risks, strengths and weaknesses to providing information, please get in touch with us using the details on this page. We may ask you to call our switchboard if you use our webchat communication channel.

We will also make sure that we get in touch with you the next time we write our statement so that you have the opportunity to help shape this statement.

You can contact us in the following ways.

Email: publicaffairs@yorkshirewater.co.uk

Sending comments via our website link: **www.yorkshirewater.com/contactus**

Or posting them to us:
Regulation Department
Yorkshire Water, Western House,
Western Way, Buttershaw,
Bradford, BD6 2SZ.

This statement shares with you what we have heard, what we plan to do to improve and how you can have your say on these plans.

2. Assurance framework

Where does this statement fit in our reporting cycle?

The cycle begins with a risks, strengths and weaknesses statement which we publish each autumn. The flow diagram below describes the process that we follow during the reporting year. It's a step by step approach to making sure we focus our efforts where there is greatest risk to the accuracy of our reporting, and drives continuous improvement so that each year, we get better at providing information that you want and will trust.

1. Risks, strengths and weaknesses statement (this publication)

We proactively engage with our customers and stakeholders to identify assurance areas we will target to improve our reporting.

Published November 2019

2. Draft assurance plan

We describe the assurance we will carry out on the targeted areas identified in our risks, strengths and weaknesses statement.

Published November 2019

3. Engagement on our draft assurance plan

We will proactively engage with our stakeholders and customers to get feedback on our draft assurance plan, giving them the opportunity to shape our assurance going forward.

November 2019 – January 2020

Learning from feedback

4. Final assurance plan

We will publish a final assurance plan which will incorporate the feedback we received from the engagement on our draft assurance plan. We will respond to any comments we receive.

March 2020

Learning from feedback

5. Annual performance report

We will publish our Annual Performance Report and supplementary documents. We will include a summary of the assurance we have completed throughout the year on our targeted areas identified from the risks, strengths and weaknesses exercise.

July 2020

Learning from feedback

Continuous improvement

Trusting the information we publish

Every year we publish lots of information on how we are performing as a company, from the quality of the water we supply, to the length of river that we improve each year.

We believe this information is important to you and so we must get it right. Any errors in this information would mean that you would lose trust and confidence in us. From the UK customer satisfaction index score published by the Institute of Customer Service, we know that to build an emotional connection, our customers need trust in us. We also know that to be ethical, we need to be open and transparent.

This is why we check all of the information that we publish. To make sure it's correct, before it reaches you. We call the checks that we carry out, 'assurance'.

Our assurance activities are grouped into three levels and we apply this methodology to all our information.

Level 1

Business operations
This assurance is timely, takes place throughout the year and comes from business experts who understand the performance and the challenges faced.

Level 2

Oversight functions
This assurance involves a review of information for technical accuracy and against wider company expectations. This assurance is separate from those who have responsibility for delivery as described in Level 1.

Level 3

Independent assurance
This assurance is carried out by independent assurance providers. The teams that carry out this assurance operate to professional and ethical standards. This means they will form their own opinions on the information and evidence they review.

If you'd like to learn more about how we check our reports and information, click here to view our reports webpage, where you can find our draft assurance plan. **www.yorkshirewater.com/reports**
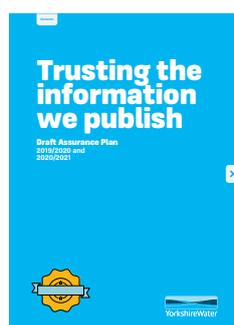
The information we have obtained from our risks, strengths and weaknesses exercise has been incorporated into our new draft assurance plan for 2019/2020 and 2020/2021. We want to continue to maintain what went well from last year and continue to improve in areas where we've identified risks and weaknesses.

This draft assurance plan is open for consultation and feedback until 31 January 2020. We welcome any comments you may have on our plan. Our contact details can be found on page 07. Your views help us to improve how we provide information.

3. Our approach to gathering information
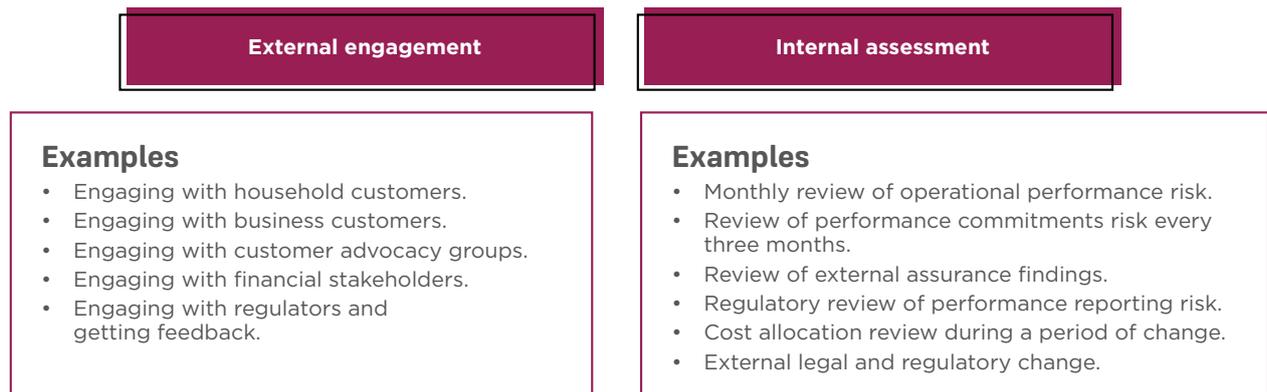
Our approach to understanding our risks, strengths and weaknesses

We gather information from a variety of sources to understand where there are risks, strengths and weaknesses in the information we publish and in the way we report it. Our four-step process to identify our targeted areas for assurance is set out below.

1. Gather information

External engagement	Internal assessment

Examples
- Engaging with household customers.
- Engaging with business customers.
- Engaging with customer advocacy groups.
- Engaging with financial stakeholders.
- Engaging with regulators and getting feedback.

Examples
- Monthly review of operational performance risk.
- Review of performance commitments risk every three months.
- Review of external assurance findings.
- Regulatory review of performance reporting risk.
- Cost allocation review during a period of change.
- External legal and regulatory change.

2. Summarise and analyse information gathered

We then summarise the information gathered from our external engagement and internal assessment.

3. Identify risks, strengths and weaknesses

We take the information we gathered from the previous step to identify the risks, strengths and weaknesses in relation to how easy it is to find, read and trust our information.

Risks to trust

Is the information what's wanted and needed?	Is the information correct, assured and reliable?	Is the presentation simple and transparent?	Is there awareness of the information?

4. Identify targeted areas for assurance

We use the information gathered to identify areas that will need more focused assurance in 2019/2020. We call these our targeted areas.

4. Summary of our findings

Summary of our findings

This section is quite long, so we have broken it down into smaller sub sections to make it easier to read starting with a summary of the feedback we received from our customers.

Summary of the feedback from our **customers.**

Page 15

Summary of the feedback from our other **stakeholders.**

Page 24

Summary of the findings from our **internal assessment.**

Page 31
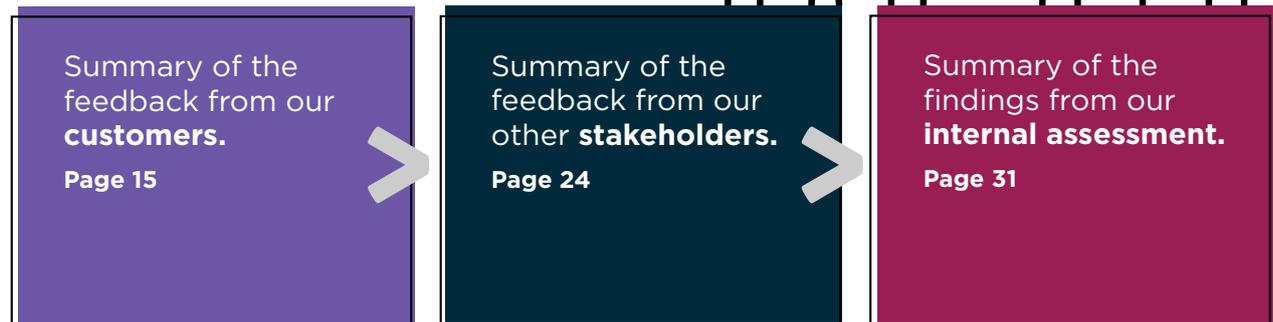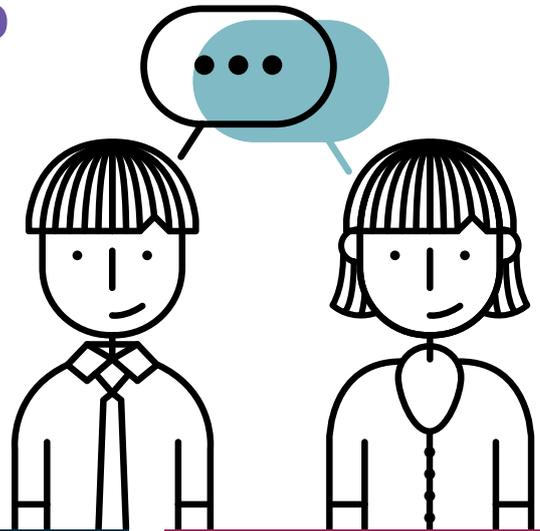
Summary of our findings from customer engagement

How we engage with our customers

We have and will continue to use the following channels of engagement with our customers:

Engagement channels

1

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3

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Online community called Your Water which consists of over 1,000 customers who regularly comment on and take part in research covering different subjects related to topics like customer service, reporting, our plans or even just the way in which we communicate with them.
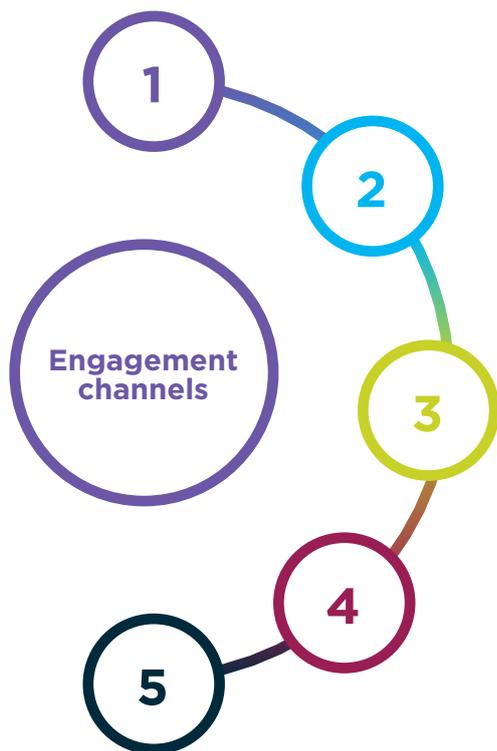
Focus groups with our customers to obtain direct face-to-face feedback. Prior to attending the workshop, participants are sent a draft or final version of the report we are seeking feedback on. They are asked to read the report thoroughly. They are also sent a workbook to record their individual views. The focus groups allow group discussion and collation of the feedback.

Monthly customer tracking survey where we track customer sentiment, brand awareness, communication channel awareness and our net promoter score.

Weekly analysis of our social media data to look for trends, improvements, new conversation threads and total published posts.

Making documents readily available on our website for anyone to provide feedback.

We always make sure we engage with a wide range of customers considering vulnerability, age, gender, ethnicity, working status, location and whether their water supply is metered or unmetered across all channels. We have continual engagement with our customers throughout the year through the channels mentioned above.
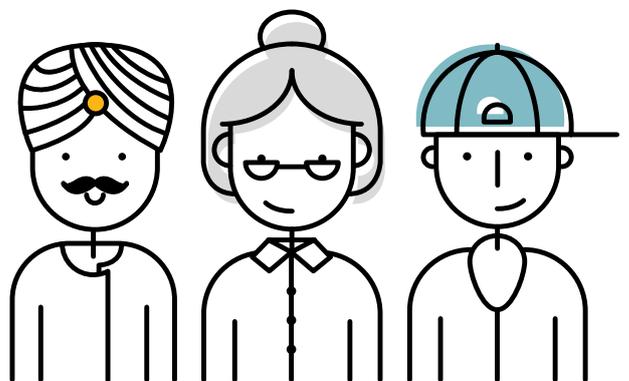
Summary of the feedback from our customers

Our engagement over the last year has built on previous discussions with our customers. Over the past year, we have undertaken 10 main consultations with our customers relating to regulatory reporting. The main findings from each of these consultations is detailed below.

Our customer engagement has been focused around four key themes. This allows us to test whether we are providing information that our customers want and can trust.

Key themes

Current concerns about the information that is reported.	Relative importance a customer places on the various information the company reports.	How a customer uses our information and the level of precision they require.	If customers would value information presented in a different way or, desire further information.

Naming our assurance publications

What was this consultation about?

We wanted to find out whether our assurance publications had appropriate titles and subtitles. For this exercise, we used our 2019 Final assurance plan and 2019 Data assurance summary 2019.

Both publications have the subtitle: 'Trusting the information we publish'.

Background

For this exercise we created a 10-minute survey for our online community. We had 139 responses.

Key findings

Over 80% of our participants found both the 'assurance plan' and 'data assurance summary' titles and subtitles to be appropriate, however there is some confusion around the word 'assurance' with more clarity desired.

The subtitle 'Trusting the information we publish' is widely understood and felt to be appropriate.

What did our customers tell us? – these are all verbatim comments.

- I like the title as it needs no explanation it describes the plan.
- I like the title, it's clear and to the point. It's a good title that accurately explains what document is about. I would not change it.
- 'Assurance' doesn't really describe the process very well which is more about assessing and/or verifying whether the data you collect is accurate.

Performance webpage survey

What was this consultation about?

We wanted to find out whether our performance page is easily accessible on our website and whether the information on this page is what our customers wanted and needed. We did this by:

- Setting a task for participants to locate our performance page.
- Asking whether it was easy to locate our performance page and the route they had taken.
- Asking whether the information was presented well and how we could improve it.

Background

We had 106 members of the online community participate in an online 10-minute survey.

What did our customers tell us? – these are all verbatim comments

- I would suggest cutting down on the amount of writing there is and concentrate more on charts or graphics to show everything.
- I particularly like the clipboard images. I think this makes the information presented a bit more digestible.
- There is a lot of information. It is very easy to read though, and interesting.

Key findings

- When tasked with finding a page that shows Yorkshire Water's performance against targets on the website, the majority were successful. However, 1 in 5 (22%) said they couldn't locate such a page.

- Those successful in finding the page, said it was easy to find, however there are some calls for a more obvious link on the website.

- Most members actually went through the 'Our Reports' page to access 'Our Performance', they told us that having a link on the Home page is more intuitive.

- An overwhelming majority (92%) found the title 'Our Performance' adequate and clear, and agreed that the information on the page is what they expected.

Publications relevance survey

What was this consultation about?

We created a 10-minute survey to understand what information and specifically which publications customers want and need Yorkshire Water to publish. We also wanted to understand the relative importance our customers place on the various information we report.

Background

We had 132 members of the online community participate in an online 10-minute survey.

Key findings

- Publications on topics which are relevant and directly impact customers are most likely to be read and are top priority to be published.

- Reports about performance are also important to publish, as it shows customers where their money is going, allowing Yorkshire Water to be transparent and take accountability.

We asked our customers to rank the following publications in order of how important they are for us to publish and make available.

Publication	%
Household Charges	60%
Our Performance at a Glance	51%
Performance Summary	48%
Annual Performance Report	45%
New Connection Services Charging Arrangements	42%
Annual Report and Financial Statements	39%
Assurance Plan Summary	36%
Risks, Strengths and Weaknesses Statement Summary	35%
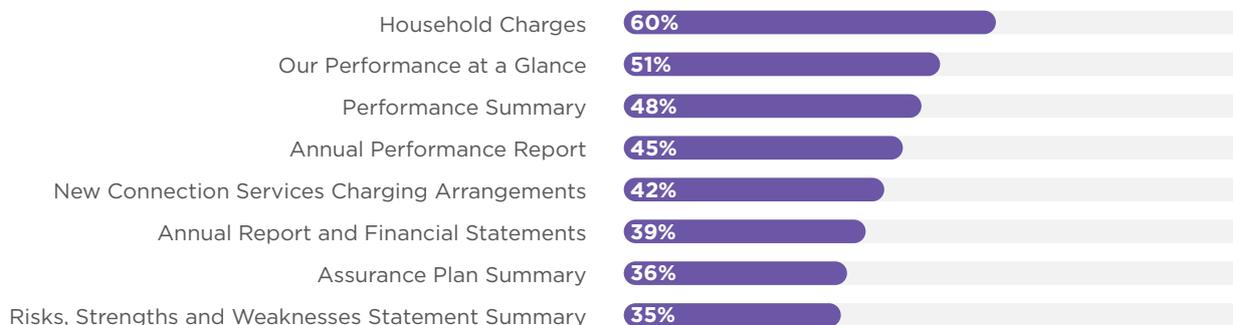
Annual performance report (APR)

What was this consultation about?

We wanted to involve our customers with the changes we were proposing to make to our 2019 annual performance report, specifically to sections 1 (introduction) and 3 (introduction to our performance). Our survey included questions on the following areas:

- Flow, language and presentation.
- Trust in the information.
- The usefulness and relevance of the information.
- The level of detail available.

We also asked participants to highlight areas they most and least understood.

Background

For this exercise we created a short survey for our online community. We had 211 responses.

Key findings

Members are satisfied with sections 1 (75%) and 3 (84%) of the APR, with the majority applauding the flow and presentation.

The majority of information in both sections is understood and no additional detail is required. Over 80% of participants agreed that they trust the information provided in sections 1 and 3.

The information in sections 1 and 3 is presented in a clear way using plain language. The charts in these sections provided good detail of how the company are doing and what it aims to do next year. The pages with infographics are most engaging.

Members believe the two sections can be further improved by reducing the amount of text and including infographics in text-heavy sections.

However, pages where abbreviations or more technical language is used are less understood. Some of the participants least understood the information on the company monitoring framework.

What did our customers tell us? – these are all verbatim comments.

- The information was presented in a clear way using plain language. The chart provided good detail of how the company are doing and what it aims to do next year.

- Some of the sections are still a bit corporate. The sections with infographics are more engaging.

Performance summary survey

What was this consultation about?

We wanted to involve our customers in developing our 2019 performance summary. Our survey included questions on the following areas:

- Flow, language and presentation.
- Balance between graphics and text.
- Trust in the information.
- The usefulness and relevance of the information.

Background

For this exercise we created a short survey for our online community. We had 259 responses.

Key findings

The majority of members were satisfied (85% satisfied, 14% neutral) with the performance summary, with the level of transparency being applauded.

Visual infographics helped aid this understanding as members believe it made it quick and easy to read. The balance of text to infographics was also praised by members throughout.

The length of the document divided members, with just over 2 in 5 agreeing the report was the right length.

4 in 5 members are confident the Plain English Campaigns Crystal Mark shows the document has been written in plain English.

What did our customers tell us? – these are all verbatim comments.

- I love the layout and the mixture of text and imagery. I feel it keeps you interested and breaks the information down in a readable format.
- Great deal of transparency and detail in the performance summary. All points are well covered and in great depth.
- Big coloured pages that serve no relevance and make the document big. If this is printed out these pages would be a waste of ink.

Our performance at a glance survey

What was this consultation about?

From a previous survey, 9 in 10 participants told us they would be interested in a one-page summary of our performance, so we created a performance summary called 'Our performance at a glance'. We engaged with our customers to make sure we had created something they wanted.

Background

For this exercise we created a short survey for our online community. We had 260 responses.

Key findings

Satisfaction with the one-page summary is high (85%) with members commending the layout and flow. 87% agreed that the information on performance was clear, with three quarters agreeing the amount of information is 'just right'.

Members praised the one-page summary document for being transparent and easy to read and would like to see more of these documents in the future.

What did our customers tell us? – these are all verbatim comments.

- It has lots of information, but it's written in a way that's easy to read and understand. It's not flooded with complicated terminology. The graphics make it feel customer friendly too. Information is clear, easy to understand and concise.
- Overall good – maybe make each section stand out a little more visually, colour coded possibly – it's hard to tell they relate to different aspects.

Performance video

What was this consultation about?

We recognise that our reports are quite long, and our customers have told us that videos and animations can be a good way for us to present information. In 2019, we created a video on our performance. To make sure we included the right information, we asked our customers for feedback.

Background

For this exercise we created a discussion board on our online community and 75 participants took part. We asked them to view the video and feedback any comments they had.

Key findings

94% of the participants found the video interesting to watch. The graphics and animation were helpful and aided the clarity of the video for participants. Despite some participants stating the video could work as a standalone update, many feel it would be better as a supplement to the report. This is so they can refer to the report for extra detail.

> **What did our customers tell us? – these are all verbatim comments.**
>
> - Brilliant – I love the Video, how it is set out and the artwork. Fantastic idea and very informative and easy to understand.
>
> - I think that the video gives a great snapshot of the performance summary information, but it would be better as an addition to the report summary as it gives nowhere near as much detail as the written report.
>
> - I think a video is a useful addition to the performance summary, especially for those that don't have much time and so just want a quick update on the key aims, targets and achievements referred to more fully in the original performance summary document.

Annual performance report – the changes we have made survey

What was this consultation about?

We published our 2017/2018 annual performance report (APR) on 13 July 2018. Following the identification of some changes that needed to be made to the APR after its original publication, we republished our APR in December 2018. We wanted to be transparent with our customers on what we changed and why, so we produced an APR change log. We wanted to involve our customers to make sure the information was presented in a simple and transparent way.

Background

For this exercise we created a short survey for our online community and 92 members took part. We asked them to review the document and asked the community whether it increased Yorkshire Water's level of transparency.

Key findings

An overwhelming majority (77%) of members feel the change log has had a positive impact to the transparency of Yorkshire Water's performance, with only 3% disagreeing.

We were commended for publishing the document; however, some members are doubtful customers will be interested in reading it.

Members suggest shortening the document or creating a summary with the key points to improve the current document.

> **What did our customers tell us? – these are all verbatim comments.**
>
> - Yes, I think it is important and admirable that Yorkshire Water publish this document, it clearly shows that Yorkshire Water is committed to openness and transparency.
>
> - I think it's really respectable that YW publish this information. I think it makes them seem much more trustworthy as a company as I'm not sure that other companies would do this.
>
> - Only improvement would maybe a condensed version with essential key points for people who did not want to read the full document.

Draft assurance plan 2018 consultation

What was this consultation about?

Each year we publish our final assurance plan in March. Before we publish the final version, we create a draft version and involve customers and stakeholders so that they can shape our assurance activities. To get feedback on our 2018 draft assurance plan we used multiple methods of communication and engagement including; using our website and social media, an online survey and through focus groups with our customers and students from Bradford University's school of management.

We were interested in seeking feedback in these areas:

1. Whether we were planning to assure the information that is important to customers.

2. Whether the assurance we had planned gave our customers confidence that our information will be accurate and accessible.

3. Whether customers felt that the plan is easy to read and understand.

Background

130 online community members reviewed the draft assurance plan and completed the online questionnaires, 29 customers attended focus groups, 12 students attended focus groups and three customers provided feedback independently via the website.

Key findings

A vast proportion (82%) of customers consulted are confident in Yorkshire Water to assign the right level of assurance to target areas, and for any data reported to be accurate and correct.

The assurance process is considered worthwhile and robust and (further) develops customer trust in Yorkshire Water.

Some participants found the assurance plan to be reassuringly thorough but challenging to comprehend. Despite mostly being written in 'plain English', most customers struggled to understand the plan in any real depth.

Customers were interested in receiving a summary of the assurance plan, with over 70% saying they would like to see a shortened version with the key points broken down.

What did our customers tell us? – these are all verbatim comments.

- It (assurance plan) seems very thorough and detailed and can only improve how Yorkshire Water do their business reporting.

- As always, I think a condensed version should be available to customers, as I can't see many wanting to read the full document.

Trust and confidence in our publications

What was this consultation about?

We want to understand what gives our customers confidence in the information we publish and what is important in making sure our publications are accessible.

Background

For this exercise we created a short survey for our online community.

Key findings

We asked the community members what factors would be most effective in instilling confidence and which would be the least effective. The chart below shows the factors ranked highest priority to lowest.

Factor	Value
Making the report widely available for customers to view e.g. on our website	171
Providing summaries of longer documents	169
Including a page in the document that explains the checks (assurance) the document has been through and the findings from those checks	156
Having diagrams and graphics	140
Independent audit reports published alongside/ within the document	107
Plain English crystal mark logo (an accreditation given to documents that are written in Plain English)	93
Including a page with customer feedback and quotes in the document	93
Professional look and feel	89
Publishing documents on time	87
Including the Yorkshire Water logo on the front and back of the document	49
Photographs of employees/our sites/customers	23
Quotes and/or signatures from the Board/CEO	23

- High priority
- Priority
- Average priority
- Low priority

Other key findings

Make sure reports are available to all customers as well as continuing to provide summary documents.	Make sure reports have independent accreditation from impartial organisations.	Keep word formatting and language clear and concise.	Make sure customers know how to access reports by regularly updating them in customer communications.

New connection services charging arrangements 2019

What was this consultation about?

We wanted to involve our customers in developing our 2019 new connection services charging arrangements. To reach as many of our customers as possible, we have used multiple methods of communication and engagement. This has included an online survey, face to face meetings, workshops and discussions.

We wanted to get feedback on the following areas:

- New connection services charging arrangements document, specifically on:
    - Flow, language and presentation.
    - The usefulness and relevance of the information.
    - The level of detail available.
    - Whether information on infrastructure and requisition charges was clear and easy to understand.

- Suggestions for improving the charges publication.
- Online application portal.
- Our approach to engagement.

Background

We contacted over 150 customers as part of this consultation. Including:

- Developers.
- Consultant engineers.
- Self-Lay provider.
- New appointment variations.
- Consumer Council for Water.
- Portable & Sewage provider.

Key findings from our consultation

73% agree that the document provides useful guidance on connection charges.	Only 67% are aware of the current incentives in place for developers.	Overall customers did not have concerns over the infrastructure charges and the removal of income offsets.	The document can be improved, with better explanations and narratives of the functions we provide.
The customers also raised a desire to have all charges available in a single place within the document.	The engagement on our charging arrangements should be a continuous process.	Worked examples of several scenarios is vital information for customers.	Further developments to the functionality of the online application portal.

What did our customers tell us? – these are verbatim comments.

More clarity on infrastructure charges and when they don't apply.

Add an index with page numbers. For someone who doesn't read the document regularly I found myself searching for a lot of information.

Welcome all moves to cost reflectivity at a local level.

Summary of our findings from stakeholder engagement

Here we will describe who our stakeholders are, how we engage with them and summarise the feedback we received.

Summary of the feedback from our **customers.**

Page 15

Summary of the feedback from our other **stakeholders.**

Page 24

Summary of the findings from our **internal assessment.**

Page 31

**Here are some of the stakeholders we have engaged with.**

- The Environment Agency.
- Ofwat.
- Consumer Council for Water.
- Drinking Water Inspectorate.
- Natural England.
- Yorkshire Forum for Water Customers.
- Banks / Ratings agencies.
- Business customers.
- Developers.
- Self-lay providers.

How we engage with our other stakeholders

We have sought to gain a diverse and balanced view from a wide range of stakeholders, including businesses, financial representatives, customer advocates and other regulators within our sector.

We have used the following methods of engagement for this statement with our stakeholders:

This continues to be a challenging area for us to gain sufficient feedback. Our experience is that these groups are busy meeting their own objectives and we need to find a simpler way of engaging with these groups to make it easier for them to feedback to us.

Engagement channels

1
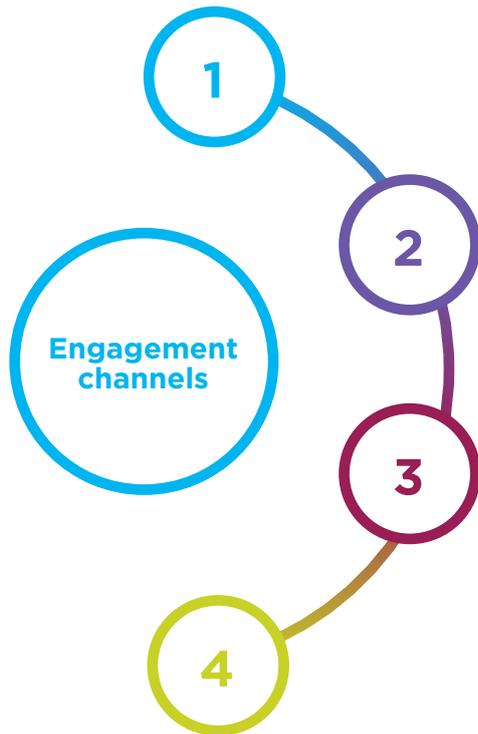
We regularly meet face to face with our regulators Ofwat, the Environment Agency, Consumer Council for Water and the Drinking Water Inspectorate.

2

We created questionnaires to gather feedback specifically for our risks, strengths and weaknesses exercise to support the information we gather throughout the year. We tailored the questionnaire and engagement method to each stakeholder to explore different issues with different stakeholders.

3

The Yorkshire Forum for Water Customers is an independent group of customer and stakeholder representatives brought together by Yorkshire Water under the guidance of an Independent Chair, to support us in managing our business in the best interests of our customers. They meet monthly. We attend their meetings.

4

We engage with developers, self-lay providers, and new appointments and variations (NAVs) through online surveys, workshops and meetings.

Summary of the feedback from our other stakeholders

Yorkshire Forum for Water Customers
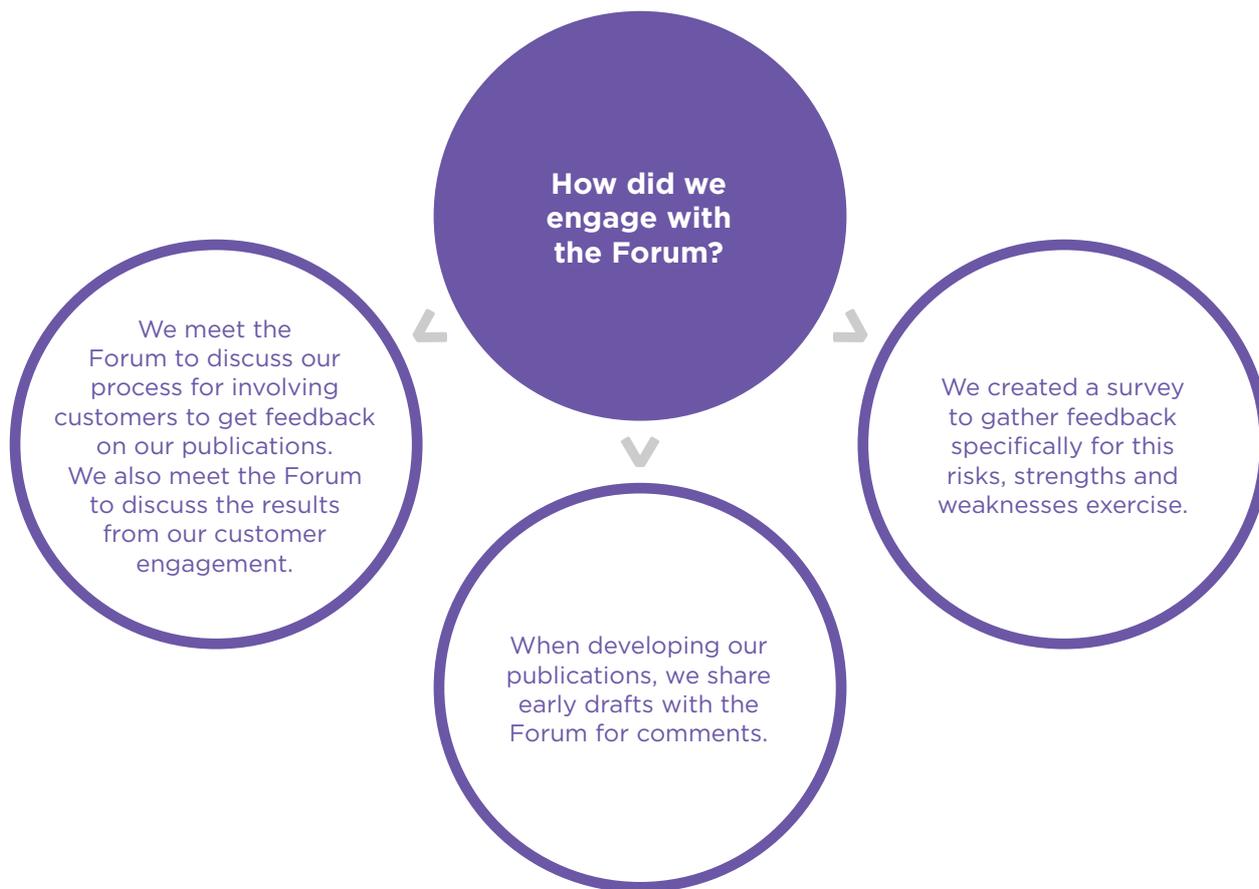### Who are they?

The Yorkshire Forum for Water Customers (the Forum) is an independent group of customer and stakeholder representatives brought together by Yorkshire Water under the guidance of an independent chair, to support us in managing our business in the best interests of our customers. The Forum includes representation from: Consumer Council for Water, Natural England, Citizens Advice Rotherham, National Farmers Union, The Rivers Trust, Pennine Prospects Ltd and the Environment Agency. It also includes an independent member who previously represented Yorkshire local authorities (2012 to 2015). The Forum meets every month.

You can view and download the minutes from previous Yorkshire Forum for Water Customers meetings and its statement on our performance here: **www.yorkshirewater.com/yorkshire-forum-for-water-customers/**

The Forum is responsible for:

- Challenging the quality of the process for involving customers.
- Commenting on the quality and depth of customer research.
- Challenging how well the proposed outcomes and outcome delivery incentives reflect customers' views and priorities.
- Monitoring progress against the performance commitments set out in the previous business plan.
- Providing an independent report to Ofwat at the same time as we submit our business plan to Ofwat.

How did we engage with the Forum?

We meet the Forum to discuss our process for involving customers to get feedback on our publications. We also meet the Forum to discuss the results from our customer engagement.

We created a survey to gather feedback specifically for this risks, strengths and weaknesses exercise.

When developing our publications, we share early drafts with the Forum for comments.

What did the Forum tell us?

In 2017/2018, the Forum set us some specific challenges to improve our reporting. In our survey, we asked the Forum whether they agree or disagree on whether we have improved in these areas.

Challenges set by the Forum

	100%	0%	100%

- Meet the standards of the Plain English Crystal Mark
- Improve the clarity of reporting on our company and corporate governance structures
- Include the annual statement from the Customer Forum in a prominent position
- Make better use of infographics for the detailed information we report
- Use colours carefully in our reports, to aid readers

● Strongly disagree   ● Disagree   ● Neutral   ● Agree   ● Strongly agree

Forum members agree or strongly agree that we have improved in all areas except for using colours carefully in our reports, to aid readers, where some members remained neutral.

Key findings from our engagement with the Forum

The Forum found our publications easy to find.	Continue to provide summary versions of detailed reports.	Continue to look to simplify how we present information in our reports.	The Forum has asked us to review the names of some publications.
Continue to keep updating and reacting to feedback promptly.	Publish performance highlights on social media such as Twitter and Facebook.	Provide information in different formats (paper, digital, PDF, interactive webpage).	Improve use of colour (sufficient contrast between background and foreground colours).

Ofwat

Who are they?

Ofwat is the economic regulator of the water sector in England and Wales. Ofwat work with the water companies and other stakeholders to deliver trust and confidence in water and wastewater services among customers, investors and society as a whole.

Ofwat Company Monitoring Framework

The most recent company monitoring framework (CMF) assessment was in January 2019. We were placed in the targeted category along with most other water companies, which is the same category we were placed in as part of the previous November 2017 assessment.

We exceeded Ofwat's expectations in three areas but Ofwat had minor concerns in one assessment area and serious concerns in another area. The table below shows our result against the 11 CMF assessment categories.

What is the company monitoring framework (CMF)?

Our regulator Ofwat, has introduced a process for assessing the quality of the information we provide for our customers and stakeholders. It assesses whether the information is accurate, transparent, timely and tailored to its audience. This is called the CMF.

Ofwat completes a CMF assessment annually and places companies into one of three assurance categories: self-assurance; targeted; or prescribed. Each year, water companies can move up from targeted to self-assurance, or prescribed to targeted assurance, they cannot move up two categories, for example, from prescribed to self-assurance. They can also move down.

| CMF assessment category	2019 result	What we have done to address any concerns
Financial monitoring framework	Minor concerns	In our 2017/2018 annual performance report (APR), we incorrectly calculated the dividend yield and dividend cover figures. We republished our APR that same year with the correct figures for dividend yield and dividend cover along with additional narrative to explain the figures. We carried out additional assurance during the 2018/2019 APR to make sure these figures are correct.
Charges engagement	Serious concerns	We made some improvements to our 2018/2019 new connection charging arrangements for developers, self-lay providers and new appointments and variations and republished the document in April 2018 following its initial publication in February 2018. However, we didn't make it very clear what had changed in the charges document, and we didn't communicate these changes effectively with the customers listed above, our regulators and affected trade organisations. For our 2019/2020 new connection charging arrangements, we included a change log in the front of the document to make our stakeholders aware of any changes we have made. We have also made it clear on our developer services charges webpage when the new connection charging arrangements had been republished.
Outcomes	Exceeds expectations	
Water resources management plan and market information	Meets expectations	
Long-term viability statement	Meets expectations	
Financial flows	Meets expectations	We had no concerns in these areas of the CMF. We will continue to make improvements to these areas so that we meet and exceed expectations.
Risk & compliance statement	Exceeds expectations	
Assurance plan	Exceeds expectations	
Cost assessment	Meets expectations	
Data consistency	Meets expectations	
Data quality	Meets expectations	

Ofwat queries

In July 2019 we published our annual performance report (APR) and our annual report and financial statements. Ofwat reviewed our publications and there were some instances where they needed to raise queries about the information we published.

At the time of publishing this risks, strengths and weaknesses statement, we had received 20 queries from Ofwat on our publications.

17 of those queries were for more information and three were related to incorrect information. At the time of publication, this is an improvement from 2018, where we made 12 corrections.

15%

85%

● More information, 17
● Incorrect information, 3
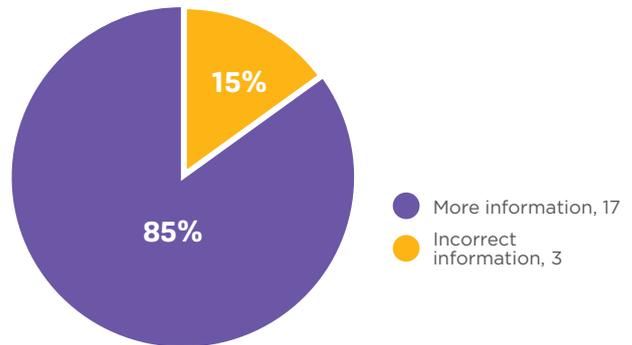
Our objective is to have zero errors in our publications, so every correction we have had to make is one too many. We can learn from these queries and amendments and therefore this is an area we can continue to improve on.

The table below summarises what we have learnt from this process and the steps we will take to make sure this doesn't happen again.

Learning	Our response
Our reported data is complicated and might not be explained well enough which raises questions that we have not provided answers to in the original publication.	Where our data is complicated, we will improve our descriptions and commentaries to improve the understanding of the data in our reports.
There are still opportunities for us to prevent the small number of errors in the data we publish.	We will share these cases with our reporting and assurance communities to make sure they are aware of the data checks they need to carry out to prevent errors from happening.
Sometimes our reported information does not include enough information to understand the trends and narrative in our reports.	We will include supplementary information in our reporting where this improves the understanding of our reports.

We have summarised all other feedback from our stakeholders below.

This includes feedback from banks and wholesale customers.

★★★★☆

Our customers rated our wholesale charges scheme 2019/2020
4.33 out of 5.

1 = very poor
5 = excellent

Earlier release of Indicative Pricing would be beneficial to us.

Business customer feedback from Wholesale Charges Scheme consultation 2019

We asked our stakeholders if there is any information they would like to see that we don't currently publish now and in the future.
They told us:

More detail on fixed-float ratios with fixed being broken down into fixed and inflation linked debt.	Provide a link to Kelda group investor website.	Provide a breakdown of derivatives.	Make up of debt - maturity profiles.

We asked our stakeholders how we can improve how we provide information to you.
They told us:

Send email notifications when there are new publications available.	Interactive contents page where you can click on the section you want to go to.	A better site map / list of contents for both overall Kelda site and YW site.	More regular invites to update calls.

We asked our stakeholders how we can make our publications more accessible.
They told us:

- Use clear and transparent language.
- Not to use abbreviations and acronyms.
- Keep paragraphs short.
- Provide information in different formats where possible.
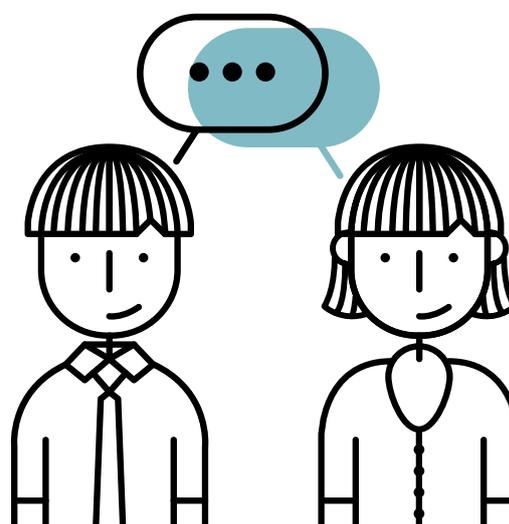
Summary of our findings from our internal assessment

Here we provide the findings from our internal review of the risks, strengths and weaknesses.

Summary of the feedback from our **customers.** **Page 15**	Summary of the feedback from our other **stakeholders.** **Page 24**	Summary of the findings from our **internal assessment.** **Page 31**

Our internal review approach

- areas where our internal and external assurance processes have identified areas for improvement.
- performance areas where we did not deliver to plan last year, where there may be a pressure to perform.
- areas where we were close to not meeting our commitment and we need to be sure of the reported performance.
- areas where we performed better than planned and we want to make sure this continues to be a true reflection.
- areas where financial rewards and penalties are at stake, providing strong incentives to perform.
- areas where we have to gather many pieces of data to compile the information we publish.
- areas where we rely on other people to provide some information.
- areas where we are going through change be it internally or externally driven.
- changes in reporting requirements.

We have reviewed our assurance processes, performance commitments and changes in the external environment against a set of principles. This review allows us to create a more robust and comprehensive assurance plan for our reporting and publications.

Annual performance report (APR) assurance findings

Jacobs (Halcrow Management Sciences Limited), our technical assurance provider carried out the audits of our performance commitments and supporting information as well as other non-financial information contained within the APR.

Jacobs were content with the information reported in the APR but raised 67 observations where there were opportunities to make improvements in the future.

The areas for improvement have been put into an action plan with identified action owners. Progress against the completion of these actions will be reviewed by senior management and reviewed by Jacobs at future audits. The table below shows the categories where observations were made.

Summary of issues remaining at audit closure		RAG status		
Issue group	Issue category	R	A	B
1	Minor concerns over data accuracy or forecasts	-	-	3
2	Methodologies – complex and/or in need of improvement	-	-	29
3	Confidence grades – improvements recommended	-	-	4
4	Poor evidence of quality assurance checks, document control, sign-off	-	-	10
5	Data not confirmed as final	-	-	2
6	Enhancements to APR commentary recommended	-	-	1
7	Assumptions – amendments/improvements suggested	-	-	4
8	Ambiguity in guidance - clarification required	-	-	3
9	Poor source data quality and/or handling improvements required	-	-	7
10	Acknowledging performance issues	-	-	4
	Totals	0	0	67

● Material concerns over the validity of the reported information.

● Potential material concerns over reported information.

● Content with reported information but supporting data needs completion/ noting/or future improvements required.

Website analytics

To further understand the relative importance our customers and stakeholders place on the information we publish, we have analysed the number of times our publications have been viewed and downloaded from 'Our reports' and 'Our performance' webpage between 1st April 2018 and 31st March 2019.
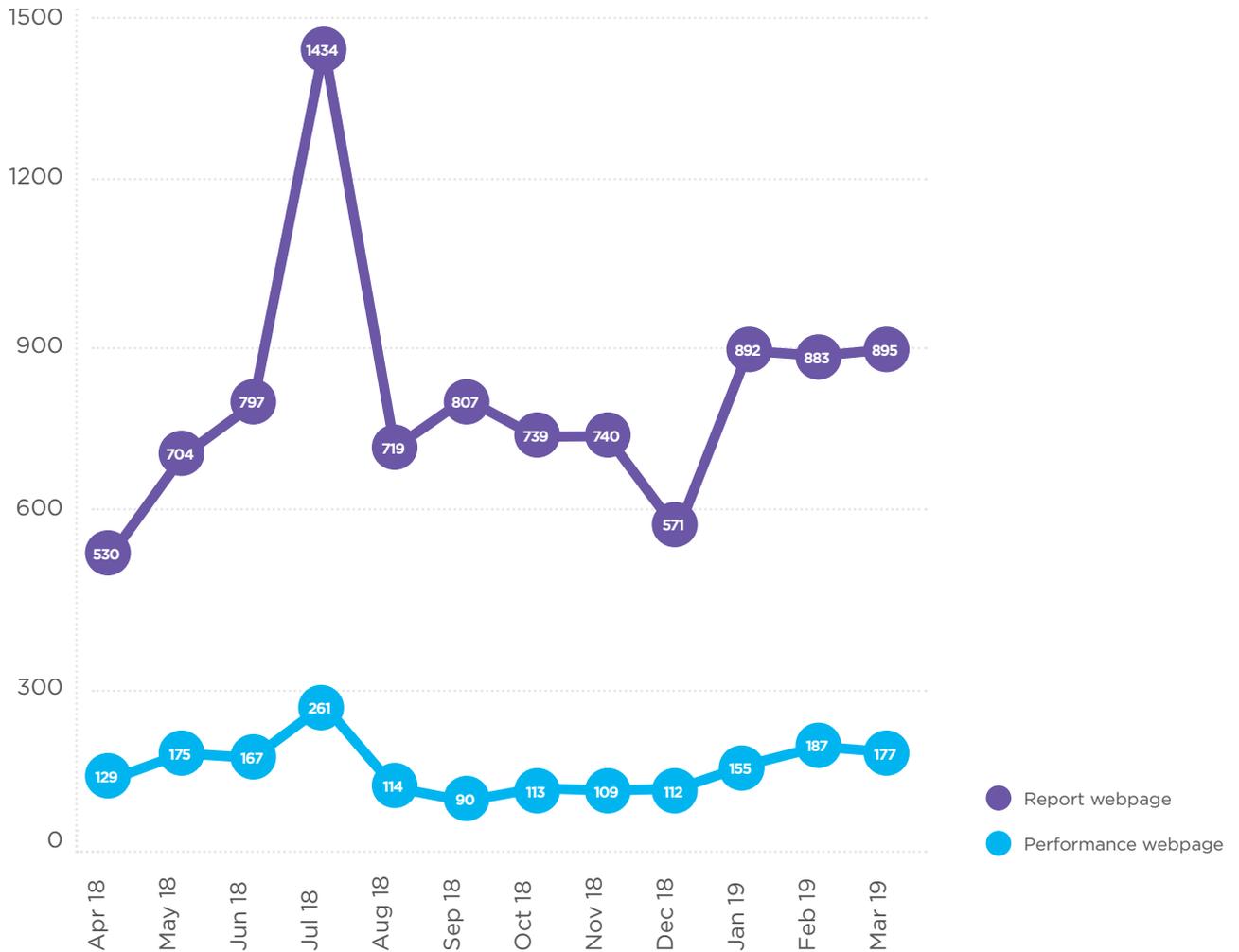
We also tracked the number of webpage views.

Total **performance** page views
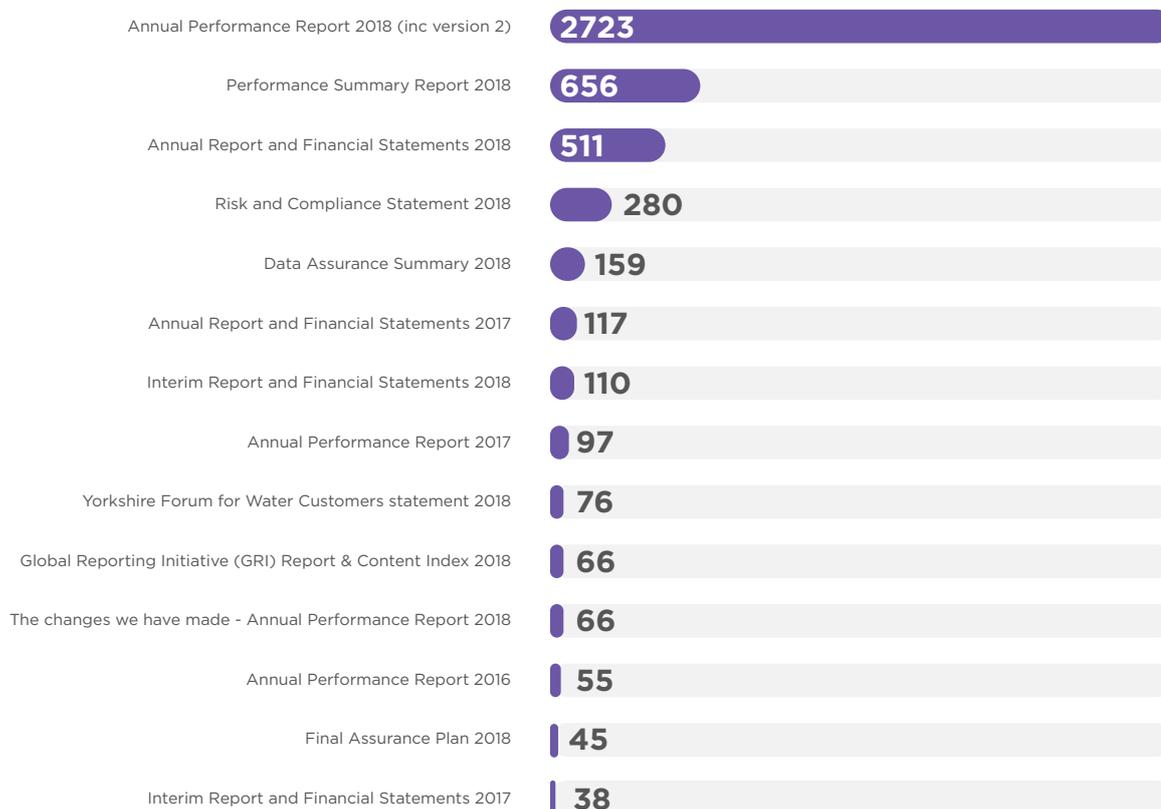
1,789

Total **reports** page views

9,711

Webpage views

The webpage views chart shows that our reports webpage is most popular in July. It also shows that the number of page views is trending upwards over time.

- Report webpage
- Performance webpage

Publication downloads

The publication downloads chart shows that the annual performance report 2018 is our most popular publication followed by the performance summary report and the annual report and financial statement.

Publication	Downloads
Annual Performance Report 2018 (inc version 2)	2723
Performance Summary Report 2018	656
Annual Report and Financial Statements 2018	511
Risk and Compliance Statement 2018	280
Data Assurance Summary 2018	159
Annual Report and Financial Statements 2017	117
Interim Report and Financial Statements 2018	110
Annual Performance Report 2017	97
Yorkshire Forum for Water Customers statement 2018	76
Global Reporting Initiative (GRI) Report & Content Index 2018	66
The changes we have made - Annual Performance Report 2018	66
Annual Performance Report 2016	55
Final Assurance Plan 2018	45
Interim Report and Financial Statements 2017	38

Devices

The devices chart shows that nearly a quarter of our customers and stakeholders access our information through mobile and tablet devices.

We will continue to make sure that our website is configured for use across multiple devices so that our information is always accessible.

11%
11%
78%

● Desktop
● Tablet
● Mobile
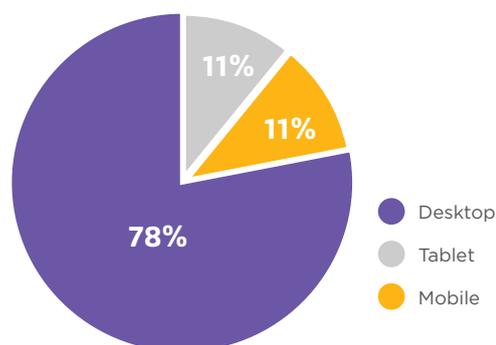
Safeguarding officer review

We have appointed a safeguarding officer which has given us wider skills in understanding the needs of our customers. Our safeguarding officer has reviewed our reports and our reports webpage and our performance webpage.

Strengths

- The information in the documents was presented to the level of precision needed and was presented in the format expected.

- Reports are easily accessible via our homepage both in terms of positioning on the website and the accessibility tool recite me.

- The performance summary is a great way of providing information in a straightforward way.

Weaknesses

- Not enough engagement is done with customers once documents are published.

- More can be done to make publications accessible.

Recommendations

- The following can make publications more accessible:
  - Provide information in different formats (paper, digital, PDF, interactive webpage).
  - Provide documents in different languages.
  - Offering documents in large print.
  - Good use of colour (sufficient contrast between background and foreground colours).
- Engage with customers through campaigns to raise awareness of publications.
- Consider changing the names of publications to help with customer engagement.
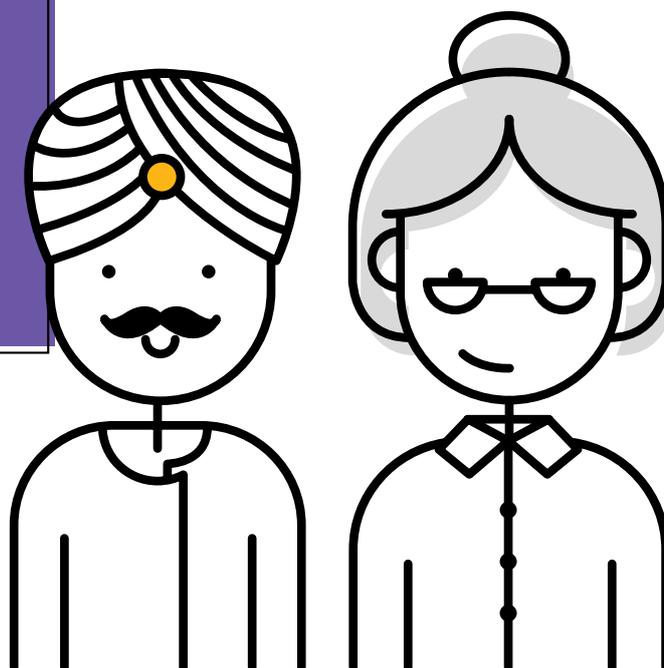
Corporate risk assessment

We operate within a risk-based framework and all our key risks are recorded in our corporate risk register. Our risk register is comprehensive and includes the controls and mitigations we have in place for each risk. The risk register is reviewed at appropriate intervals and our principal risks are published annually in the annual report and financial statements.

Specific risk assessments consider the risks concerning the information we provide to our stakeholders whether as part of annual reporting or at other times. These risk assessments make sure that appropriate levels of assurance are obtained in respect of this information.

The Audit Committee oversees these assessments, the assurance performed and the publications we make to meet our regulatory and statutory obligations.

Read more about our principal risks at March 2019 in our annual report and financial statements which can be found on our reports page here: **www.yorkshirewater.com/reports**

Risks to reporting

To identify the risks, strengths and weaknesses in how we provide information to our customers and stakeholders, we created an internal online survey and sent it to teams across Yorkshire Water.

Teams included:

- Regulation.
- Finance.
- Internal audit.
- Risk.
- Legal.
- Information technology.
- Customer insight.
- Customer experience.
- Marketing and campaigns.

We have analysed the areas of reporting which will change for next year. Some of these areas are new requirements which pose a risk, and some are existing requirements which we need to continue to review.

These teams covered the following topic areas:

- Changes to regulatory requirements.
- Changes to statutory requirements.
- Changes in legislation and obligations.
- Changes to systems, processes and technology.
- Changes to team/department structure.
- Changes in customer expectations and requirements.
- Changes in the external environment.
- Changes to our licence.
- AMP7 readiness.

Changes to reporting

1. Changes in performance commitment definitions for example: SIM to C-MeX/D-MeX. There will need to be a change in how we collect and report information for our new performance commitments.

2. Our Board has committed to publishing a quarterly customer focused update on how it is progressing and delivering on its 2020-2025 performance commitments and outcome projections on its enhanced performance webpage.

What is C-MeX?
The customer measure of experience (C-MeX) is a mechanism to incentivise water companies to provide an excellent customer experience for residential customers, across both the retail and wholesale parts of the value chain.

What is SIM?
Service incentive mechanism (SIM) encourages water companies in England and Wales to provide better service to their customers. The SIM allows comparison of companies' performance.

What is D-MeX?
The developer services measure of experience (D-MeX) is a mechanism to incentivise water companies to provide an excellent customer experience for developer services (new connections) customers. These customers include small and large property developers, self-lay providers (SLPs), and those with new appointments and variations (NAVs).

Additional reporting

1. Enhanced disclosure on transition to IFRS 16 - which affects our reporting for Eurobond, Kelda Holdings and KF1 companies.

2. In 2020, we must publish additional information in our annual report and financial statements such as:
   - Continuously changing disclosure requirements for banks and ratings agencies.
   - Additional disclosure required for climate change/sustainability matters.

Accessibility

1. Every year, our annual performance report has increased in size. This is because we include more information for our stakeholders each year. However, this means that information could be more difficult to find in a larger document. We risk reducing the accessibility of information our customers want and need.

2. Many of our publications are only available on our website in PDF format. This means that our stakeholders who do not have internet access would not be able to access these reports. We risk reducing the accessibility of information our customers want and need.

Change to assurance provider
The contract with our technical assurance provider Jacobs (Halcrow Management Sciences Limited), is coming to an end. This means that we could be working with a different assurance provider in 2020 on some of our publications.

Systems
We replaced our SAP system in 2019. SAP is enterprise software to manage business operations and customer relations. This means that how we collect and report information in our systems has changed.
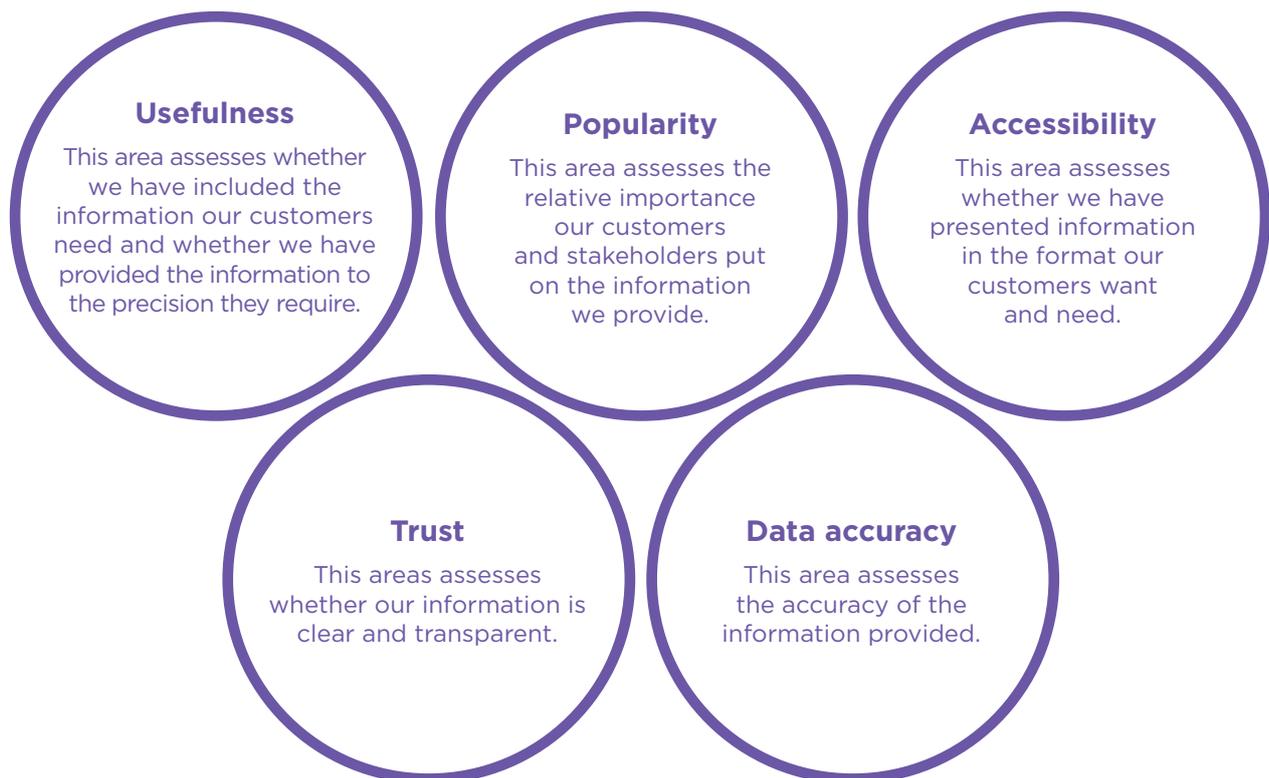
Changes in external environment
The UK is implementing the EU Directive on the security of networks and information systems (known as the NIS Directive). The NIS Directive applies to companies and organisations identified as operators of essential services (OES), this includes the water sector. The NIS regulations require us to take appropriate measures to secure our network and information systems, consider potential risks facing the systems and take appropriate measures to prevent and minimise the impact of security incidents to ensure service continuity. We will continue to review and monitor this area to make sure we are aware of any effects to our reporting.

There have been recent changes in legislation relating to data protection. We recognise there will be an important balance for us to strike in meeting the requirements of the general data protection regulations (GDPR), whilst ensuring the transparency and usefulness of our reports and publications.

Publication assessment

Using the information we have gathered in the year through the internal and external engagement and our internal assessment we are able to assess whether our publications provide information our customers and stakeholders want and trust.

We have assessed our 2019 annual performance report across five areas:

Usefulness
This area assesses whether we have included the information our customers need and whether we have provided the information to the precision they require.

Popularity
This area assesses the relative importance our customers and stakeholders put on the information we provide.

Accessibility
This area assesses whether we have presented information in the format our customers want and need.

Trust
This areas assesses whether our information is clear and transparent.

Data accuracy
This area assesses the accuracy of the information provided.

Annual performance report (APR) 2019 assessment

We know from our external engagement with customers that the information in the APR is useful and it is trusted. Our customers regularly tell us that our information is transparent and clear.

From our website analytics we know that the APR is our most popular publication. However, the number of readers is small in comparison to other areas of our website. We know we can do more to raise awareness of our APR.

Our APR is only available in PDF format on our website. Whilst we provide a summary and a video, there are other improvements we can make to the APR so that it is more accessible.

All our data has been through an assurance sign off process and Jacobs, our technical assurance provider, made zero amber and red observations. This gives us confidence in the information published in the APR. However, since the APR was published on 15 July 2019, two errors have been identified. We strive for zero errors and know that we can do better.
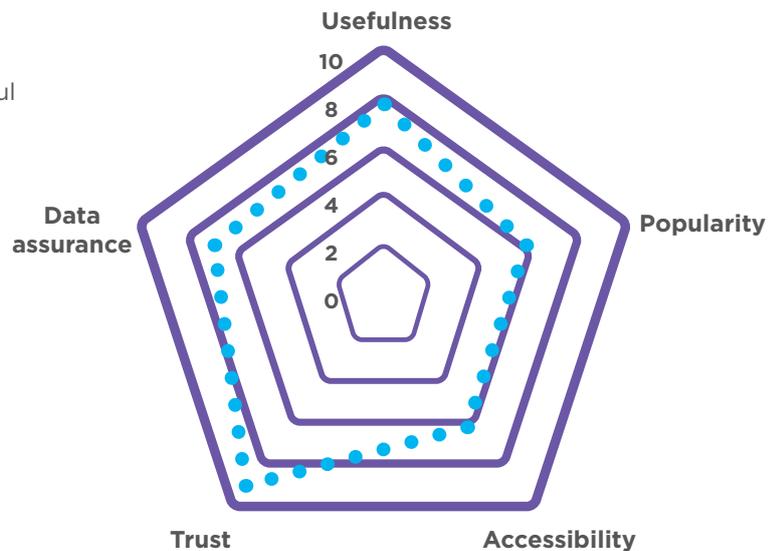
Performance commitments

In 2018/2019 we met or exceeded 21 of our 26 performance commitments. The results from the review of our performance commitments are set out under the following headings.

We have grouped our performance commitments into three categories.

Performance commitments where the target was missed.	Performance commitments where the target was close to being missed.	Performance commitments where we are forecasting an outperformance or underperformance payment.

We provide you with water that is clean and safe to drink

- Drinking water quality compliance
- Corrective actions
- Drink water quality contacts
- Long-term stability and reliability factor of water quality

We make sure that you always have enough water

- Leakage
- Water use
- Water supply interruptions
- Long-term stability and reliability factor of water networks

We take care of your waste water and protect you and the environment from sewer flooding

- Internal flooding
- External flooding
- Serious pollution incidents | Minor pollution incidents
- Long-term stability and reliability of waste water networks

We protect and improve the water environment

- Bathing water
- Working with others
- Visitor satisfaction
- Land conserved and enhanced
- Length of river improved
- Long-term stability and reliability of waste water treatment

We understand our impact on the wider environment and act responsibly

- Energy generation
- Waste diverted from landfill

We provide the level of customer service you would expect and value

- Measure of customer service (SIM)
- Overall customer satisfaction
- Service commitment failures

We keep bills as low as possible

- Helping you pay
- Bad debt
- Value for money

You can read more about how we have performed against our performance commitments here: **www.yorkshirewater.com/our-performance/**

Key

- ● Target missed
- ● Target almost missed
- ● Not targeted
- ● Outperformance / underperformance

5. Our risks, strengths and weaknesses

Taking all of the feedback we have received and considering our own internal assessment we have identified the following risks, strengths and weaknesses in relation to how easy it is to find, read and trust our information within our regulatory reports.

We have linked our risks, strengths and weaknesses to the information we gathered described earlier in this statement.

Risks

1) Decrease in the number of people reading our publications

Description	The size of some of our publications is increasing as well as the number of documents we publish each year.
Link to information gathered	Customer and stakeholder engagement. Customers regularly tell us to reduce the size of our publications.

2) Performance webpage is hard to find

Description	Some of our customers and stakeholders have told us that they find it difficult to find information on our website. There is a risk that important information that customers want and need cannot be found.
Link to information gathered	Customer and stakeholder engagement on the performance webpage.

3) Changes to the reporting system (SAP)

Description	We replaced our SAP system in 2019. SAP is enterprise software to manage business operations and customer relations. This means that how we collect and report information in our systems has changed.
Link to information gathered	Internal assessment.

4) Errors in our reporting could erode trust and confidence

Description	Through our own internal assessment and Ofwat's query process we identified some errors in our reporting.
Link to information gathered	Internal assessment and Ofwat assessment.

5) Changes to reporting requirements could lead to errors

Description	We need to make sure we understand and meet new requirements or requirements which have changed. For example, changes to the Ofwat regulatory accounting guidelines.
Link to information gathered	Internal assessment.

Strengths

1) Performance webpage

Description	Some of our customers told us that there is lot of information on our performance webpage and that it is very easy to read.
Link to information gathered	Customer feedback from our online community and internal assessment.

2) Trust in our reporting

Description	Customers find our publications transparent and clear. They find us a trustworthy company because of the level of information we provide.
Link to information gathered	Customer engagement. Online survey feedback.

3) Met the standard of the Plain English Campaign Crystal Mark

Description	Yorkshire Forum for Water Customers members agreed that we have progressed in this area.
	Our customers also find that the Plain English Campaigns Crystal Mark instils confidence in our publications.
Link to information gathered	Yorkshire Forum for Water Customers. Online survey.

4) Exceeds expectations in the 'outcome' assessment category

Description	We exceeded Ofwat's expectations in three company monitoring framework assessment areas. We are particularly pleased with exceeding expectations in the 'outcomes' category.
Link to information gathered	Ofwat company monitoring framework assessment publication. (January 2019).

5) Confidence in our assurance plan

Description	Customers have told us that our assurance plan is very thorough and detailed. Customers considered the assurance process worthwhile and robust and (further) develops customer trust in Yorkshire Water.
Link to information gathered	Customer engagement. Online survey feedback and focus groups.

6) Information provided in different formats

Description	In 2019, we created a video on how we are delivering against our performance commitments. Our customers told us that they found the video interesting. The graphics and animation were helpful and aided the clarity of the video.
Link to information gathered	Customer engagement. Online survey feedback.

Weaknesses

1) Performance commitments where the target has been missed or close to being missed

Description	We have missed the target for five of our performance commitments and were close to missing the target for two other performance commitments.
Link to information gathered	Internal assessment of our performance.

2) Data errors in Section 8. Regulatory information of the Annual Performance Report (APR)

Description	Through our own internal assessment and Ofwat's query process, we identified some errors in our reporting. Whilst we have significantly reduced the number of errors compared to 2018, we can continue to improve in this area.
Link to information gathered	Internal assessment, Ofwat query process and company monitoring framework assessment.

3) New Connection Charges Arrangements publication

Description	Our customers told us that the document can be improved, with better explanations and narratives of the functions we provide. Our customers also told us that the engagement on our charging arrangements should be a continuous process.
Link to information gathered	Stakeholder engagement, internal assessment and Ofwat company monitoring framework assessment.

4) Too much content on the performance webpage

Description	Some of our customers told us that our performance webpage had too much writing and it could be reduced. We need to find the right balance of information to show on our performance webpage.
Link to information gathered	Customer feedback from our online community.

5) Poor accessibility

Description	Some customers continue to tell us that some of our publications are too long. Members of the Yorkshire Forum for Water Customers have told us that there is more we can do to make sure our publications reach a wider audience. Our safeguarding officer also made similar recommendations to improve accessibility of our publications.
Link to information gathered	Feedback from our customers, from our Safeguarding officer and from the Yorkshire Forum for Water Customers.

6) Awareness of our publications

Description	We have used web analytics to see the number of views our reports receive. The number of views remains low which means there is more we can do in this area to improve awareness.
Link to information gathered	Customer feedback from our online community, customer focus groups and internal assessment.

6. Our targeted areas of assurance

Our targeted areas of assurance

A review of the risks, strengths and weaknesses identified through this consultation has helped us to see the areas that will need more focus in 2019 and 2020. We call these our targeted areas.

On the following pages we describe the six targeted areas of assurance we will be focusing on in 2019/2020 and the reason why they are most important.

1. Performance commitments where the target was missed or was close to being missed in the previous year

We have missed the target for five of our performance commitments and were close to missing the target for two other performance commitments. We need to make sure we report this information in a transparent way for our customers to prevent losing trust and confidence.

Status: This targeted area has been identified through risk 4 and weakness 1. We have updated this targeted area of assurance from last year by including performance commitments where the target was close to being missed in the previous year.

This links to our data and wider assurance process.

2. Performance commitments where we received queries from Ofwat

Our reported information on our performance commitments is sometimes complicated and might not be explained well enough which raises questions from Ofwat. Whilst these were not errors, we could have provided more information on our performance commitment sub measures in our annual performance report.

Status: This targeted area has been identified through risk 4 and weakness 2. This is a new targeted area of assurance for this year.

This links to our data and wider assurance process.

3. Effect of our internal SAP programme on our reported information

In 2019 we upgraded our SAP system. SAP is enterprise software to manage business operations and customer relations. We are targeting this area because the accuracy and completeness of the information from our information technology systems is central to the overall accuracy of the information we report on. Our assurance will focus more on making sure the information we report on is accurate during the period where we change from our old SAP system to our new SAP system.

Status: This targeted area has been identified through risk 3. We have carried this targeted area forward from last year.

This links to our data assurance process.

4. New Connection Charges Arrangements publication

Our stakeholders and Ofwat have told us that we can improve in this area. In the company monitoring framework assessment, Ofwat identified serious concerns with our new connection charges arrangements publication.

Status: This targeted area has been identified through risk 4 and weakness 3. This is a new targeted area of assurance for this year.

This links to our data and wider assurance process.

5. Regulatory information section of our Annual Performance Report

Through our own internal assessment and Ofwat's query process we identified some errors in our reporting.

Status: This targeted area has been identified through risk 5 and weakness 2. This is a new targeted area of assurance for this year.

This links to our data assurance process.

6. Improving accessibility and awareness

Through our risks, strengths and weaknesses exercise, we have identified a weakness in accessibility and awareness of our publications. We are targeting this area because we want to continue to build on our strength of transparency and remove the weaknesses in our reporting. Our customers also told us that our performance webpage had lots of information, but the amount of text could be reduced. We need to find the right balance of text to visual images on our performance and reports webpage.

Status: This targeted area has been identified through weakness 4, 5 and 6. This is a new targeted area of assurance for this year.

This links to our data and wider assurance process.

Update on the 2018/2019 targeted areas of assurance

We describe the assurance we carried out and the actions we took on these targeted areas of assurance on page 123 of our 2019 annual performance report. Here is a link to our reports webpage: **www.yorkshirewater.com/reports**

	Targeted area of assurance from 2018	Status
1	Performance commitments where the target was missed in the previous year.	We have kept this targeted area for this year and added to it by including performance commitments where the target was close to being missed in the previous year.
2	Performance commitments where we are forecasting a financial incentive reward (at September 2018).	We have removed this targeted area of assurance for this year because we believe we have appropriate assurance in this area and have assessed it as low risk.
3	Price control cost allocation.	We have removed this targeted area of assurance for this year because there were no findings raised specifically on this through our independent Level 3 external assurance with Jacobs as detailed in their July 2019 Technical Assurance Report audit findings.
4	Customer understanding and awareness of the information we provide.	We have evolved this targeted area of assurance into the accessibility and awareness targeted area.
5	Effect of our internal SAP programme on our reported information.	We have carried this targeted area forward from last year.
6	Meeting regulatory guidance.	We have evolved this targeted area of assurance into the regulatory information section of our annual performance report targeted area.
7	Accuracy of information.	We have evolved this targeted area of assurance into the regulatory information section of our annual performance report targeted area. This is so that we can focus our assurance to where it is needed most.

Next steps

The draft assurance plan associated with our regulatory reporting and our targeted areas has been published alongside this risks, strengths and weaknesses statement. The draft assurance plan can be found on our website here: www.yorkshirewater.com/reports

In our draft assurance plan, we will describe how we are going to build on our strengths, deal with our risks and correct our weaknesses. We will describe how we will do this, when we will do it by and how we will monitor it to make sure we are on track.

We will describe the checks we will carry out for our targeted areas.

The draft assurance plan has been published for consultation.

All feedback received before 31 January 2020 will be used to create our final assurance plan. All feedback received later will be used in our future review processes. We will publish the final assurance plan in March 2020.

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