



Our data assurance
summary for 2017/2018

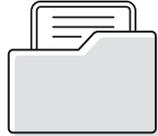


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1.

What is assurance?



What is assurance?

Assurance is a process aimed at giving confidence in the information we publish.

Assurance is how we review information and processes to make sure that our publications are accurate, accessible and easy to understand.



How does it work?

We have assurance teams to ask questions and challenge the information so that we can rely on it.

To do this in Yorkshire Water, we have an assurance plan.

This assurance plan shows you how we check and review our information to make sure that what we publish is correct and meets everyone's needs.



Why does assurance matter?

It is important that you can be sure of the quality of the information we publish so that you have trust and confidence in us and how well we are doing in delivering the promises we made to you.

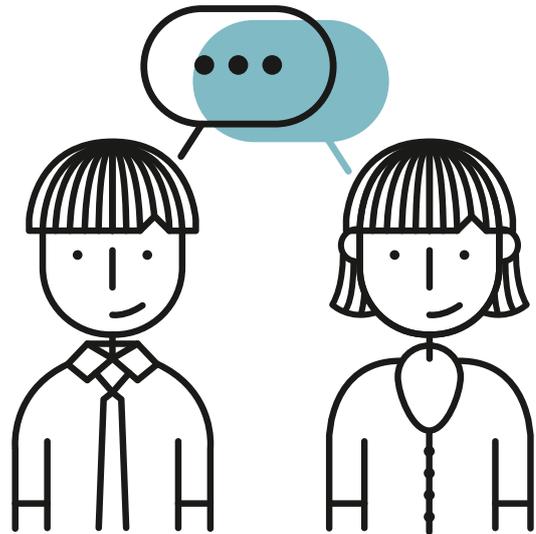
2.

About this document

We want to give you information that you can trust.

We publish three documents throughout the year. These documents aim to give you confidence in the completeness and accuracy of our information. They set out our assurance processes and plans and the main findings from those assurance activities.

Plain English Campaign have reviewed this document for clarity to make sure it is easy to read. We have earned the Crystal Mark for our data assurance summary.



Risks, strengths and weaknesses statement

We consulted with you to understand what we do well, what we need to improve and your concerns about our reporting.

We publish our findings in the Risks, strengths and weaknesses statement.

Here is a link to the document:
www.yorkshirewater.com/sites/default/files/720226_YW_RSW_Report_2017_A4_Interactive_0.pdf?_ga=2.254670088.1010294711.1524834658-1006188110.1524834658

Data assurance summary (this document)

This document summarises our assurance for all the information we published in 2017/2018. It gives you the main findings from the assurance activities set out in the assurance plan.

This document was published in July 2018, after completing all assurance activities for 2017/2018.

Assurance plan

Taking into account the risks, strengths and weaknesses identified through our consultation with you, we reviewed the assurance activities in place to make sure we targeted areas of most concern to you or have the highest risk.

Our assurance plan gives you information on the assurance activities that we have in place. We hope this gives you confidence that the information we publish is accurate, complete, accessible and easy to understand.

We published our assurance plan in March 2018 on our website www.yorkshirewater.com/sites/default/files/Yorkshire%20Water-Final-Assurance-Plan-2018.pdf

This document will provide you with:

1. An overview of why we have an assurance plan.
2. A summary of our approach to assurance.
3. The areas that we targeted for additional assurance.
4. The activities that we have assured.
5. The findings of the assurance activities.

3. **Glossary**

Term	Definition
Annual performance report	A report that we publish each year to show we are keeping to our separate price controls, and our performance against the promises we have made to you.
Assurance	Provides confidence and a level of certainty that a piece of information is correct.
Assurance plan	A plan of the activities that we will carry out to provide assurance on the information and publications we provide.
Board	Our board is responsible for controlling the business, our strategy and our decisions. They answer for the quality of our information and publications.
Board Audit Committee	The committee reviews the processes and controls in place and the level of assurance. They report their views of the quality of our assurance to the board.
Company monitoring framework	Ofwat's framework that sets out the way in which companies provide performance information to their customers, and others with an interest, between 2015 and 2020.
Corporate Governance Code	Also known as the UK Corporate Governance Code, this sets out good standards in relation to board leadership and effectiveness, pay, accountability and relations with shareholders.
The Yorkshire Forum for Water Customers (The forum)	An independent group representing domestic customers, business customers and environmental representatives, including quality regulators. They hold us to account for the quality of our involvement work, our plans and to check we are meeting the promises we made to you.
Data assurance	Processes in place to make sure that the information we produce is accurate.
Data Provider and Data Manager	Data Providers have specific responsibilities as part of our data-assurance process. They will record the steps we follow to gather, analyse, process and report on our performance. They will then include this information in the publication. The Data Provider is supported by a Data Manager. The Data Manager will make sure that the information produced and any supporting explanations match our reporting requirements.
Day-to-day controls	These are the activities that we complete every day as part of our front-line operations. Everything that we do supports the information that we eventually report.
Defra	Defra is the Department for Environment, Food and Rural Affairs. It is a UK government department responsible for protecting our natural environment, supporting the food and farming industry, and maintaining a thriving rural economy.
Delivery assurance groups	These are teams made up of Managers and operational colleagues. They are responsible for monitoring our performance as we deliver the performance commitments that we agreed with you.

Term	Definition
External audit (other)	The independent Assurance Providers that we hire to review the information we publish. We work with Halcrow as our operational-performance Assurance Providers. We have also worked with Deloitte and EY. These groups review the information we publish. This can include interviews with colleagues, tracing information back to the source and assessing the quality of our processes.
External audit (financial)	Deloitte, our external Auditors, provide an opinion on the accuracy of our financial statements.
Financial incentives / rewards and penalties	In our business plan, we consulted you to set challenging performance commitments. We agreed with you that some of our performance commitments would carry a financial as well as a reputational incentive. The incentives are set to reward performance that beats the commitments and penalise performance that falls short.
Internal audit	Internal audit is an independent team, governed by international standards, which focus on higher-risk areas across the business. They review second-line activity and test the design and operation of the controls to make sure we provide accurate information.
ISO 9001:2015 Quality Standard	ISO 9001:2015 is the internationally recognised Quality Management System (QMS) standard. It is the standard that our regulatory reporting process has been judged to meet. By being ISO 9001:2015 accredited, our regulatory reporting process is considered to consistently provide information that meets customer and statutory and regulatory requirements.
MOSL	Market Operator Services Limited. They work with Defra, Ofwat and the water companies as part of the Open Water Programme, which prepared the industry for the opening of the new non-household retail market in April 2017.
Ofwat	The Office of Water Services is the economic regulator of water services in England and Wales.
Performance commitment	In 2015 we worked with you to identify seven things that you wanted us to achieve between 2015 and 2020. We called them 'Outcomes for Yorkshire'. These seven outcomes are supported by 26 performance commitments. These are our commitments to you and the targets that we are working towards between 2015 and 2020. We have provided information on our performance commitments in Appendix A.
PR14	Periodic review 2014 – this is the Ofwat periodic review of price limits completed in 2014 to set prices for 2015 to 2020.
PR19	Periodic review 2019 – this is the Ofwat periodic review of price limits to be completed in 2019 to set prices for 2020 to 2025.
Procedures	A document that is completed by the Data Provider and then approved by the Senior Manager to say how we collect the information that we report. This makes sure our reporting over the years is consistent.

Term	Definition
Publication Manager	They will review the guidance, design the format of the final report, choose the Data Providers needed and set up a timeline for publication. They will collect the information, write the publication in plain English and make sure the publication is delivered on time.
Regulatory, financial and legal oversight	The teams that oversee the publications, regulations and legal obligations. The teams will review the information and the publications to make sure they meet our requirements and meet any guidance that we have.
Retail	Retail services are customer-facing activities such as billing, handling accounts (payments, managing debt, and reading meters) customer queries, water-efficiency advice and tackling leaks in customers' pipes.
Risks, strengths and weaknesses statement	This is a document we produce every year after consulting our customers and others with an interest in our business. It provides information on what you think about the performance information that we publish and how we will respond to any risks identified as part of this process.
Senior Manager and Director reviews	Senior Managers will review the information produced, how it has been worked out and any explanation of the results. They will 'check' that the information is accurate, consistent and meets reporting requirements. They will review that the information is in line with their expectations of company performance and make sure any differences are explained. They will complete a review of other information published inside and outside the organisation for consistency.
Senior Manager and Director self-certification and sign off	Senior Managers will be asked specific questions in the yearly self-certification process. These questions will relate to the quality of reporting information. Heads of departments must state whether the information reported is accurate. Evidence must be gathered to make this statement.
Steering groups	Steering groups are set up to help programme how we deliver Information. They will be involved in making sure that any requirements for a publication have been met.
Targeted assurance	Areas that we have identified as being important to you or being higher risk should have more assurance to give the confidence that the information is correct.
Wholesale	Wholesale services means delivering water via networks of pipes to and from customers' property boundaries, including taking water from a ground source, treating and transporting water, as well as collecting, treating and disposing of waste water.
Wider assurance	Processes in place to make sure that the overall publication meets any guidance and is accessible and easy to understand.

4.

Our assurance approach

Our Board is responsible for the quality of our information and wants to make sure it meets your needs. We are responsible to you for delivering the services you need, to the standard we have agreed with you, at a price you can afford. If we provide you with information that is easy to find and understand, this will allow you to hold conversations with us so that we can listen and deliver what is important to you.

We use an approach called 'three levels of assurance' which is based on risk. This makes sure that our assurance activities are proportionate to the level of risk of mistakes associated with the information we publish or with the publication itself. This approach is best practice for assurance.

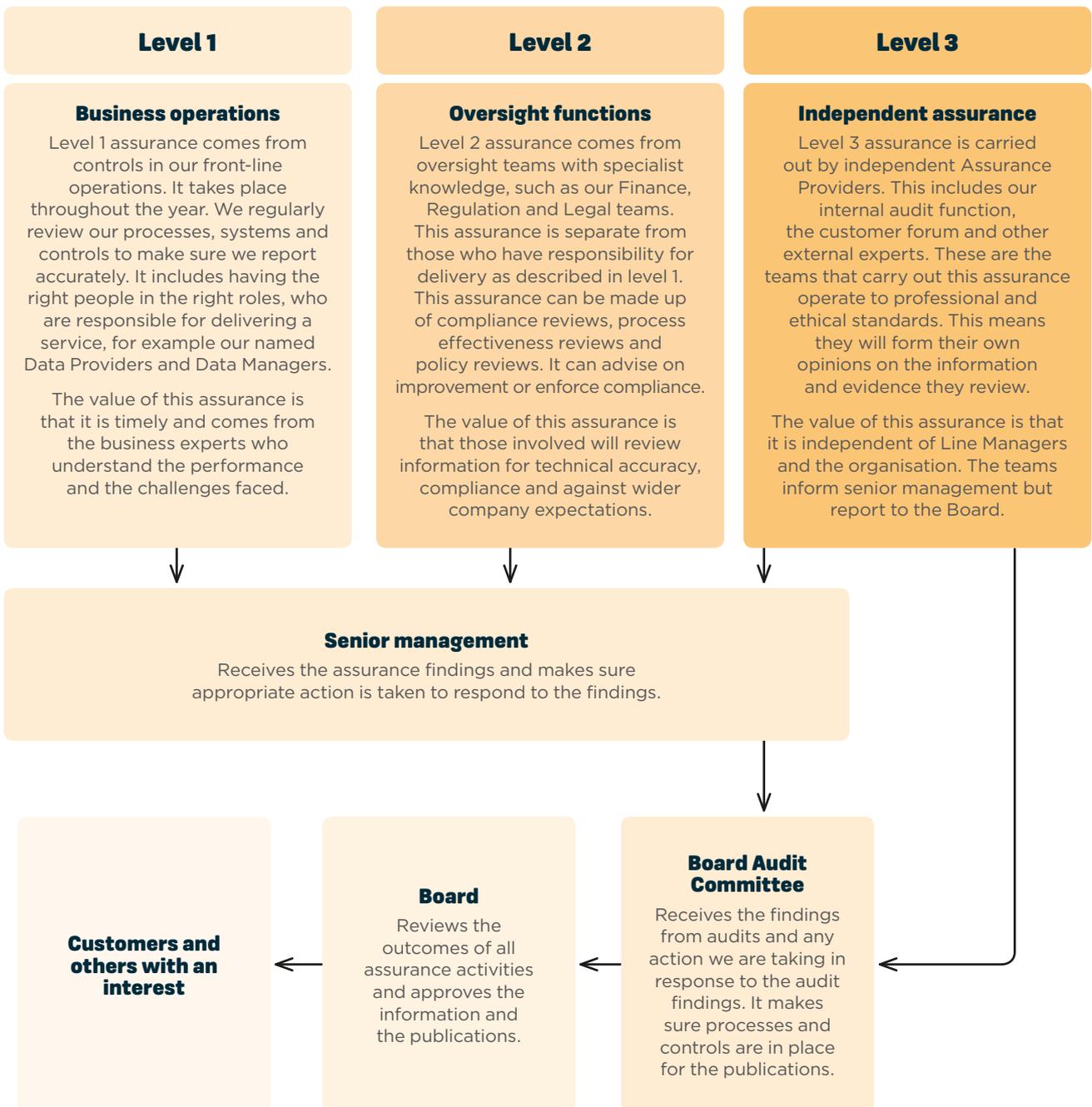


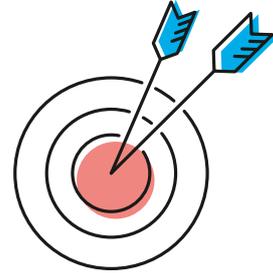
Our three levels of assurance

Our assurance comes from a number of sources and is a year-round activity. We operate three levels of assurance and apply this model to all of our reporting covered in our final assurance plan.

www.yorkshirewater.com/sites/default/files/Yorkshire%20Water-Final-Assurance-Plan-2018.pdf

By putting our assurance activities into three levels, we make sure that we give enough assurance at the right time. We should be able to spot mistakes missed at one level and correct them at the next level. A description of the levels of assurance is provided in the diagram below.





Our risk-based approach

We recognise that we need to give you greater confidence in the areas that are important to you or have higher risk. We call this our risk-based approach.

In terms of reporting, risk is defined as an uncertain future outcome that, if it happens, will have negative effects on the quality of our information in our reports. A risk is assessed on the probability of a mistake happening and on the effect if it does happen. Managing risk is important to us.

All information identified in our Assurance plan will be assessed to make sure that the information is accurate and meets your needs.

Our assurance aims to manage any risks which would harm the confidence you place in us or in our published information.

We decide how much assurance we put in place for each piece of published information. Where we identify areas with a higher risk to the accuracy and quality of the information, we will use extra checks to make sure it is right.

Our assurance processes

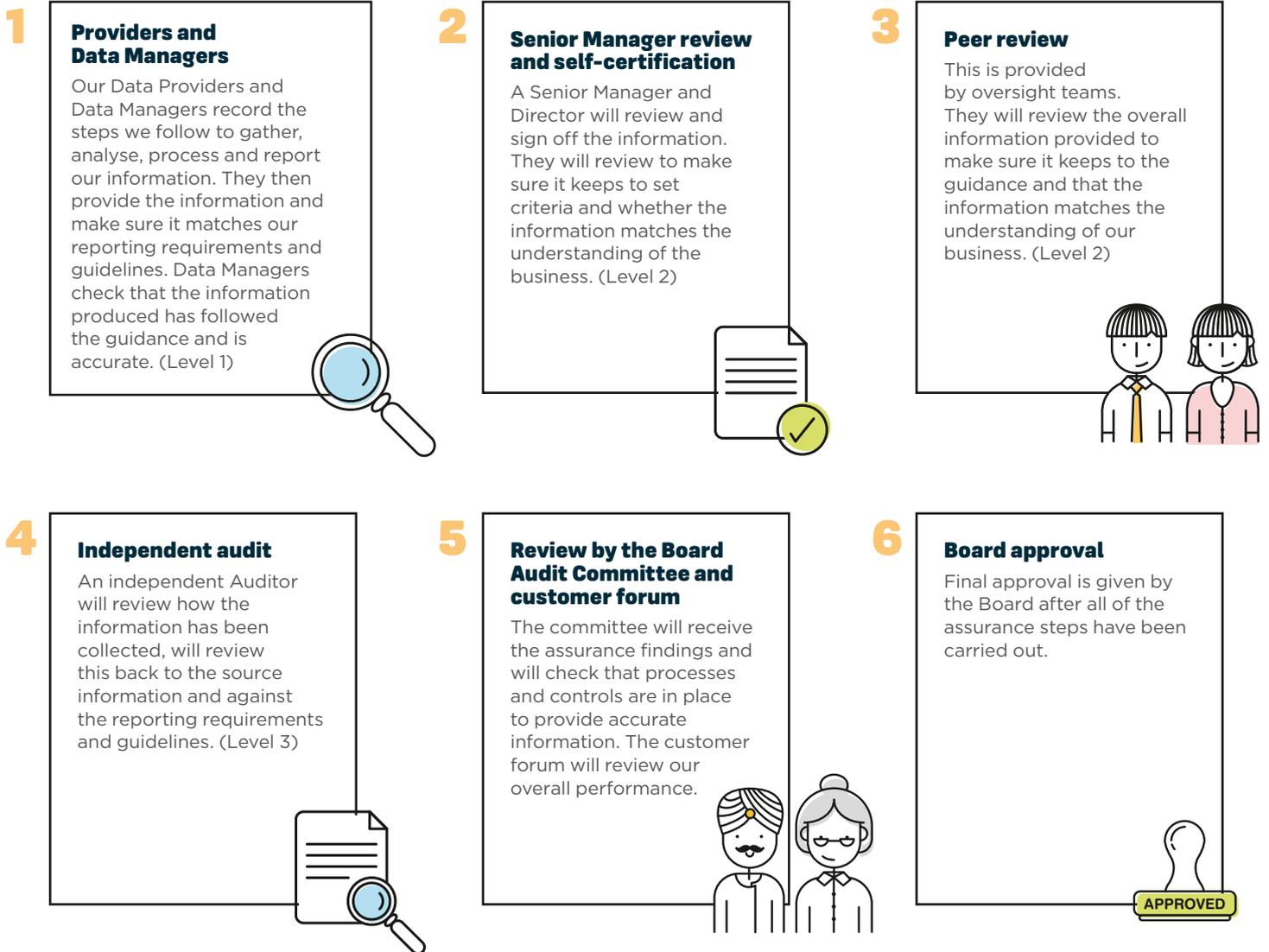
We have two assurance processes

1. A data-assurance process is in place to make sure that the information we produce is accurate.
2. A wider assurance process makes sure that the overall publication meets any guidance and that the publication is accessible and easy to understand.

We explain these two assurance processes on the following pages.

Our data-assurance process

Our assurance processes are in place to make sure that the information we produce is accurate.



Our wider assurance process

Our wider assurance process is in place to make sure that our publications meet regulatory guidance and are accessible and easy to understand.

We provide a Publication Manager for each of our publications. They are responsible for:

- Understanding the guidance.
- Designing the format of the report.
- Choosing Data Providers.
- Developing the timeline for the publication.
- Collecting information for the publication.
- Writing the publication in plain English.
- Delivering the publication on time.

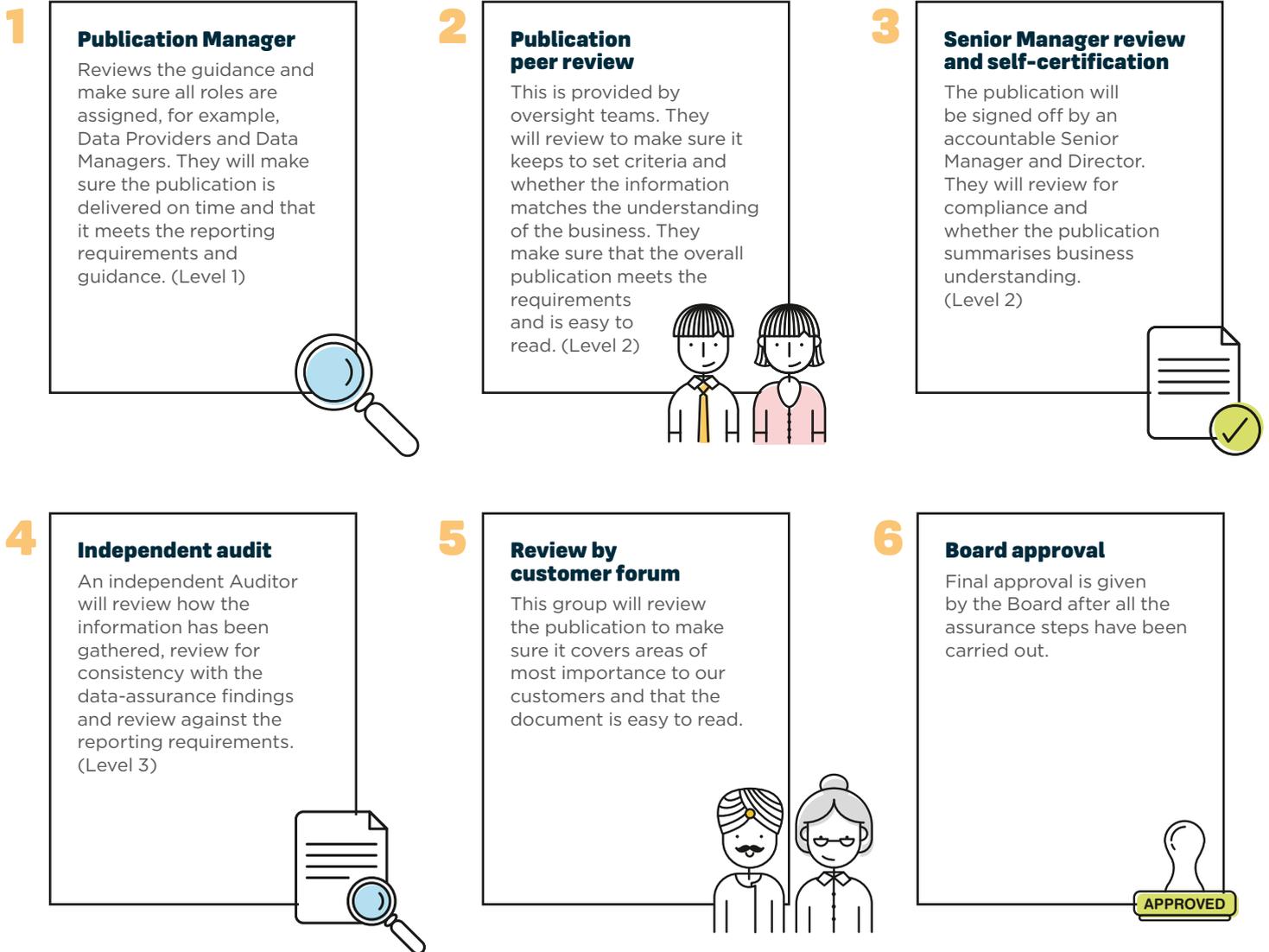
Oversight teams provide a peer review. They make sure that the overall publication meets the requirements and is easy to read.

A Senior Manager and a Director complete a self-certification statement that the publication is true, accurate, easy to read and meets any guidance or requirements. Independent Auditors review the overall publication for consistency with the findings from the data-assurance process.

We have a process in place with the customer forum. They hold us to account for meeting the promises we made to you and the accuracy of our reporting.

Our Board approves the publication once we have completed the full assurance process. Our Board answers for the quality of our publications. The Board owns and approves the publication and releasing of the information we make available for you.

Our wider assurance process



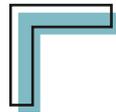
5. **Completed assurance and the main findings**

Our targeted assurance areas

Table 1 in this section shows the areas that we have targeted, why we are targeting this area, the assurance that we have completed and activities we have done to deal with the risk.

Table 2 in this section provides information on our publications that had Level 3 assurance and the main findings from the assurance reviews.

We have used our risk-based approach to decide what assurance activity is needed at each level.



Where do we target assurance?



In our risks, strengths and weaknesses statement, we identified areas that need more focused assurance. Our risk-based approach on page 15 was used to identify these target areas. Table 1 provides information on the assurance in place for these areas specifically.

As our business and reporting risk is an active process, we will keep our reporting risks and this document up to date. If we make any significant changes to our assurance plan before this, we will update this report and put it on our website.

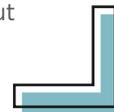


Table 1: Our targeted assurance areas

Through consultations with our customers and stakeholders on the risks, strengths and weaknesses around our reporting, we identified a number of areas for more targeted assurance during 2017/2018. Table 1 shows the areas that we have targeted, why we are targeting these areas and a description of the risk, what we are doing to deal with the risks, the assurance that we have completed and the main findings from the assurance reviews.

1.1 Information published is what customers and stakeholders want and need

Reason for targeted status

- If we do not get involved enough to understand what our customers and stakeholders want and need, we will lose their trust in the quality of the services we provide.
- The information we publish includes information on our performance against the promises we have made in our performance commitments.
- This information should reflect what our customers want to see and we should provide assurance on our approach to delivering of information to our customers and stakeholders.

Dealing with risk

- We have taken part in a more comprehensive programme of customer involvement to increase awareness of the reports we publish and to understand how they deliver compared with what our customers want and need.
- We have compared our reporting with other companies and used the feedback we received and the lessons we have applied from the results of our Company Monitoring Framework (CMF) score in November 2017.

Ongoing activities and targeted assurance

- To understand what our customers want we have set up a new bespoke online research community called Your Water. This is a community with 1,000 of our customers representing the voice of our customers. We also involve 7,000 customers who we communicate with by email.
- Our customer platforms allow us to continuously get involved with our customers, allowing us to tailor our service aims and communications to meet their needs. Our customer platforms are part of our wider research programme which makes sure customers are at the heart of what we do.
- We sent a draft version of this annual performance report to our online community and a number of customer focus groups. Their feedback is included in this report.
- We have continued to work with the Yorkshire Forum for Water Customers to make sure that the style, format and content of our reporting is tailored to their feedback.
- Our assurance has included a comparison across the industry of the detail from the CMF assessments in November 2017. These results have been used to improve our reporting.

1.2 Information is always accurate and reliable

Reason for targeted status

- The information we publish must be an accurate and reliable summary of our performance and must measure our performance correctly.
- We achieved this by publishing information that is always accurate and reliable. If our information is not accurate and reliable, we risk losing trust in the services we provide.

Dealing with risk

- We have continued to strengthen our assurance approach in 2017/2018.
- Our assurance is based on an integrated 'three levels of assurance' model which is recognised as assurance best practice from professional bodies including the Institute for Internal Auditors (IIA).
- Our assurance is proportionate and we deliver more assurance on the information with the highest risk of mistakes. This includes external technical assurance on our risk-assessed information.

Ongoing activities and targeted assurance

- We have applied our assurance model using the 'three levels of assurance' consistently when delivering our information.
- Our model has applied an integrated approach so our assurance matches the most important risks associated with our published information.
- This has meant our assurance has been delivered on a proportionate basis with more assurance on the numerical and written content with the highest risk of mistakes.
- We may increase the level of risk given to some information because we missed our performance target in previous years, the information is linked to a monetary reward or penalty or our Auditors have challenged our method of reporting.
- The targeted assurance areas we have described in this part of our report describe the detailed assurance we have use in high risk areas to make sure our information is always accurate and reliable.

1.3 Information is easy to find

Reason for targeted status

- If customers and stakeholders cannot find our information, they cannot rely on us. Our information should be available in a place which is convenient and easy to find.
- Customers who cannot find our information will lose confidence in our ability to act as a transparent company.

Dealing with risk

- To deal with this risk we have tried to understand our customers' and stakeholders' views and their priorities to identify the information they want to find.
- We have achieved this through a programme of customer involvement which has included the Yorkshire Forum for Water customers and customer-focus groups.

Ongoing activities and targeted assurance

- Our communication activities continue to look at the ways we involve our customers. This is through our website, social media, bloggers, traditional media, e-mails and customer involvement events.
- Our research has continued to listen to our customers and stakeholders to make sure we provide information using the right channels at the right time.
- Our digital improvement activity has continued to review and improve our website to make sure published information is easy to find and read.
- This has improved our website and we have grouped our reports on a single landing page to make them easier to find.
- We have carried out a survey with our customers and they responded positively on questions about how easy our information was to find.
- We will continue to ask the Yorkshire Forum for Water Customers to challenge us on progress with this priority.

1.4 Information is easy to read and understand

Reason for targeted status

- Information we publish to our customers and stakeholder should be easy to read and understand.
- If our customers and stakeholders cannot understand the information we publish they will not be able to rely on us or trust us to deliver the services we are expected to provide.

Dealing with risk

- The staff members we have identified as contributors and authors of our published information have been trained in plain English.
- Using plain English makes our publications easier to read and understand.
- Our aim is to achieve Crystal Mark certification from Plain English Campaign for many of our publications to make sure they are easy to read and understand.

Ongoing activities and targeted assurance

- There are clear roles in delivering our published information and one of the most important roles is the Publication Manager.
- Our Publication Managers review the guidance to deliver our information and make sure it is delivered to a quality that meets the specific reporting guidelines and is easy to read.
- We are aware that some of our activities are complicated. The Publication Manager will make sure that the information contained in our publications is clear and easy to read.
- The staff who deliver our written information have been on a plain English course and we apply what we have learnt from this training.
- Plain English Campaign reviewed our final assurance report and our report achieved a Crystal Mark.
- This has given us confidence that the information we are publishing is clear and easy to read.
- We will continue to ask the Yorkshire Forum for Water Customers to challenge us on progress with this priority.

1.5 Drinking water quality contacts – we missed our performance commitment target in the previous year

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|----------------------------|---|
| Reason for targeted status | <ul style="list-style-type: none"> • Our promise to deliver a quality supply of drinking water is target which is important to us. • The information we publish must be an accurate reflection of our performance. • We missed our performance target in 2016/2017 and we have not met it in 2017/2018. • This is an area of targeted assurance because we want to be sure that we are reporting correctly and accurately, especially where there has been a financial penalty. |
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| Dealing with risk | <ul style="list-style-type: none"> • If we do not report the number of drinking-water complaints correctly, we risk losing the trust of our customers and stakeholders. • We have used our integrated assurance model for reporting on this performance measure including assurance from our independent provider Halcrow. |
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| Ongoing activities and targeted assurance | <ul style="list-style-type: none"> • We have strengthened our assurance approach by using our ‘three levels of assurance’ model and we have applied this approach to the reported information on this performance. • We continue to monitor our performance in terms of drinking-water complaints and the Asset Delivery Assurance Group have agreed action plans. • This group has monitored our operational activities to improve our performance including extensive flushing activity across our network as part of an industry- leading programme. • We collect information through website content and self-diagnosis tools to help us to categorise our customer contacts. • Internal Audit reviewed our drinking-water quality contact performance in an audit of ‘Water Network Management’. They identified good practice around specific practices and no action was raised on water-quality contacts. • Halcrow have reviewed our results for 2017/2018. They reviewed our reporting method and process, assumptions, material trends, governance, and sample checked our information. • They checked the quality of our reporting of information and there were no issues found. |
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1.6 Generating energy – our performance commitment target where we missed the target in the previous year

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| Reason for targeted status | <ul style="list-style-type: none"> • Our performance should reflect the issues that are important to our customers and our ability to meet our energy self-generation target is an important measure of our environmental performance. • Our target was to generate 12% of our own electricity in 2016/2017 and 13.2% in 2017/2018. We have not met this target for the last two years • Our ability to generate electricity was reduced in 2015 when the plant we were building to deliver a significant amount of our energy was damaged by floods. • Generating energy is included as a targeted area for assurance because we want to be sure we are reporting our performance correctly. There is a risk that customers and stakeholders do not understand our performance or do not feel that we are taking our performance seriously and required improvement in this area. • Our responsibilities as a trusted company include meeting the environmental targets we have set ourselves. One of the measures we apply to prove our commitment to our environmental responsibilities is our progress to achieve an energy self-generation target. • We have not met our target for generating energy over the last two years and we want to make sure that we are reporting correctly on our performance. |
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| Dealing with risk | <ul style="list-style-type: none"> • Our environmental performance is important to our customers and stakeholders. There is a risk that the trust and confidence placed in us will be damaged if customers do not feel we are taking our performance in this area seriously. • We have tackled the risk of not meeting our energy-generation target by creating plans to increase the capacity of our 11 energy-generating sites to meet our 2020 performance commitment, and we measure and monitor the amount of energy we deliver every day. • All our energy-generating sites are metered to the required standards with measurements taken every half hour. The assurance on measuring generated energy has been delivered using our 'three levels of assurance' model. This has given assurance for the processes we use to collect and measure our information. • Our assurance has also checked the design and operation of the strategy to deliver our self-generated electricity target. This provides assurance that we are taking our performance and required improvements seriously. |
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| Ongoing activities and targeted assurance | <ul style="list-style-type: none"> • Our Technical Auditors Halcrow have assured our 2017/2018 energy-consumption and energy-generation information. • They say we use clear methods and processes to measure the energy we use in our water and waste-water activities. They are happy that we split the energy used into the correct cost brackets or cost allocations which is needed for our regulatory reporting. • They reviewed parts of our process on energy consumption that had changed compared with 2016/2017 in greatest detail. Any changes we needed to make have been included in our reported information. • There has been an internal audit in 2018 on electricity-consumption information and there was no action on the accuracy of the information we report. • We continue to monitor our performance on generating energy. Action plans are agreed or amended at the Asset Delivery Assurance Group. • We carried out an internal audit on Sludge Strategy and Energy Generation in 2017. It gave us significant assurance on the design and operation of the controls to measure and monitor energy generation. • Our performance for energy generation in 2017/2018 is slightly below target but factors affecting performance have been identified, understood and confirmed through our reporting. • Halcrow have confirmed our reporting process is well-managed. They have said our source data is clearly identified, complete and well-managed from the systems we use to record the information. |
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1.7 Waste diverted from landfill - performance commitment where our external Auditor provided further challenge

Reason for targeted status

- Our performance should accurately reflect the issues that are important to our customers, and our environmental performance is one of these issues. We must show that we are acting in a way which respects our environment and our performance commitment on waste diverted from landfill must be an accurate reflection of our performance.
- We achieved our performance commitment in the last two years. We have included clean-water sludges within this performance measure. Our external independent Assurance Providers Halcrow have challenged this measurement.
- We believe that we have included clean-water sludges into this commitment correctly and we want to make sure that we have explained this clearly. If we do not explain this decision well enough, we risk losing the trust of our customers and stakeholders.

Dealing with risk

- We have achieved our performance target for waste diverted to landfill in the last two years. In 2016/2017 we diverted 99.3% of waste from our activities away from landfill which was better than our target of 94%. In 2017/2018 we achieved 99.4%.
- To assure this performance we have followed our integrated data and assurance process. We have received technical assurance from our external Assurance Provider Halcrow.
- This means our calculation using clean-water sludges has received the right level of scrutiny.
- The action we have taken has included dialogue with Ofwat and our customers to explain our decision to include clean-water sludges in our method of calculation.

Ongoing activities and targeted assurance

- We completed a detailed review of the breakdown of waste included in our measurement of waste diverted to landfill in 2017/2018.
- We looked back at how we worked out the target as part of the Price Review 2014 and we are confident that clean-water sludges are included in this performance commitment.
- Halcrow, our technical Auditors, were given the findings from our internal review and they recommended that an action was needed to explain this position to our customers to make sure that they were satisfied with our approach.
- Halcrow have audited our 2017/2018 information. They found our collection of information has been well managed by the Delivery Assurance Group. The group has managed the processes to meet this performance target and to collect the information.
- Their audit confirmed our source information for waste diverted to landfill is clear, complete and well managed.
- Halcrow have said we have been clear in the way we report our performance and we have checked that this is acceptable to the Yorkshire Forum for Water Customers and Ofwat.

1.8 Reliability factor (sewer network) performance commitment where our Auditors provided further challenge

Reason for targeted status

- There are 20 supporting measures that make up this commitment and although we are still stable in our performance some of the supporting measure are not meeting their targets.
- We want to make sure we maintain our service levels and our reporting is accurate.
- This performance commitment has a financial incentive attached to it. If we do not report accurately we risk losing the trust of our customers and stakeholders.

Dealing with risk

- We have used our integrated assurance approach on all our reported information including the results for this performance commitment.
- Our assurance has delivered more assurance on the parts of the measure that are failing the target.

Ongoing activities and targeted assurance

- We have used our integrated assurance approach on the information and processes used to report this performance measure.
- Our external independent Assurance Providers, Halcrow, have completed a review of all the supporting measures we include in our stability and reliability service measures. Their review on reliability factors for the sewer network was completed as part of this work.
- They found the reporting methods and systems that we have used this year are the same, except for our reports on reactive maintenance which use a new reporting system. Halcrow confirmed the new system reports identical information to 2016/2017.
- Sub-measure audits also took place with no significant concerns with our information. Halcrow found all sub-measures were stable except the 'flooding other causes' sub-measure which is getting worse. These results are included in the information we have reported.

1.9 Drinking water quality compliance

Reason for targeted status

- In 2016/2017 we achieved a compliance score of 99.962% beating our target which was 99.960%. However, this year we achieved a compliance score of 99.953% against a target of 100% compliance.
- This is a targeted area for our assurance because we want to make sure that we are reporting our performance accurately.
- If we do not report accurately, we risk losing the trust of our customers and stakeholders.

Dealing with risk

- If we do not report our water-quality compliance performance correctly, we risk losing the trust of our customers and stakeholders.
- We have used our integrated assurance model to the reporting on this performance measure including assurance from our independent provider Halcrow.

Ongoing activities and targeted assurance

- We have continued to review and strengthen our assurance approach in 2017/2018. We will follow our improved data and wider assurance processes.
- We regularly monitor drinking water quality compliance and action plans agreed or amended by the Delivery Assurance Group.
- Our external independent Assurance Providers, Halcrow, have reviewed our water-quality reporting as part of their annual audit in May 2018.
- They found there have been no changes to our methods and process to collect our information. Our quality sampling is a planned process and the results are recorded on our Thermo Sample Manager system.
- Halcrow found the source data from our systems is clear and well managed. They found our reporting is more accurate on one line of information 'Table YKS 5'.
- There is high confidence in our reporting and no actions we need to deal with.

1.10 Pollution incidents

Reason for targeted status

- Our environmental performance is an area which is of great importance to our customers and we must act in a way which respects our natural environment.
- To meet our promise, our reporting of pollution incidents must be an accurate reflection of our performance. Our aim is to make sure the way we report on this remains one of the most accurate in the industry.
- The number of pollution incidents (category 3) is near to our target. This performance commitment has a financial incentive attached to it.
- If we do not report accurately, we risk losing the trust of our customers and stakeholders.

Dealing with risk

- The way we report our pollution incidents must be as accurate as possible. The method we use for assurance must support this and provide confidence in the information we are sharing in our publications.
- We have used our integrated assurance model in the reporting on this performance measure including assurance from our independent provider Halcrow.

Ongoing activities and targeted assurance

- We regularly monitor our pollution performance and action plans which are agreed and amended by a monthly Delivery Assurance Group.
- There are existing monitoring methods for pollution incidents which are continually refined.
- We track progress on performance through weekly pollution reporting and hub meetings. There are also operational improvements to improve the monitoring of information from our network, pumping stations and waste-water treatment works.
- Our external independent Assurance Providers, Halcrow, completed a detailed review of the reported numbers as part of their annual audits in May 2018.
- They found excellent evidence that we are following company procedures, working closely with the Environment Agency, and checking pollution incidents.
- They confirmed the numbers we are reporting are robust. There are also clear responsibilities to check the reliability of the information we report.

1.11 Water supply interruptions

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| Reason for targeted status | <ul style="list-style-type: none"> • Our performance is improving and we are likely to end the year near our target. • This performance commitment has a financial incentive attached to it. |
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| Dealing with risk | <ul style="list-style-type: none"> • If we do not report our water supply interruptions performance correctly, we risk losing the trust of our customers and stakeholders. • We have used our integrated assurance model which has been applied for reporting on this performance measure including assurance from our independent provider Halcrow. |
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| Ongoing activities and targeted assurance | <ul style="list-style-type: none"> • We have continued to review and strengthen our assurance approach in 2017/2018. We have followed our improved data and wider assurance processes. We regularly monitor performance and action plans are agreed or amended by the Delivery Assurance Group. • We have a regular meeting on planned activity that will interrupt supplies to our network. The meeting looks at our performance and makes sure we follow our processes. This has improved our performance and we have a greater level of confidence in our supply-interruption information. • Our assurance on this information is also improving by using a new review process including hydraulic analysis to measure the effect and length of time of supply interruptions. • Our external independent Assurance Providers, Halcrow, also reviewed our delivery plans in 2017. Our technical Auditor, Halcrow, completed a shadow reporting audit in August 2017 on our data and how well we are keeping to the AMP7 Supply Interruption guidance notes. This was an audit set up by Water UK on behalf of Ofwat to prepare our reporting practices for AMP7. • Water-supply interruptions were also audited to achieve industry leading performance by the end of Year 1 of AMP7. |
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1.12 Cost Allocation in the Kelda Group

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| Reason for targeted status | <ul style="list-style-type: none"> • The Kelda Group is currently selling a number of its other non-regulated companies that operate as Kelda Water Services. |
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| Dealing with Risk | <ul style="list-style-type: none"> • We want to make sure that our customers do not have to pay the costs of selling these companies. |
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| Ongoing activities and targeted assurance | <ul style="list-style-type: none"> • We continue to follow our improved data, and wider assurance processes to check that the costs of selling our non-regulated business do not affect us. • Our assurance processes monitor our cost allocations and we carry out reconciliations every three months. We record the assumptions made when allocating our costs and we clearly record any manual adjustments and calculations that we make related to selling these businesses. • Our financial Auditors Deloitte review our cost allocations every year. The financial Auditors' opinion is published within Appendix 1. |
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1.13 Price control cost allocation

Reason for targeted status

- Our customers cannot choose their supplier and one way that our regulator provides protection is to decide the price and service package ('price controls') that we deliver.
- Price controls affect the price customers pay for their water and the level of water and sewerage services our customers receive. It is important to all our customers.
- By setting price controls there must be enough money to pay for the functions that protect our customers' interests. Delivering the service package we have promised means we must spend our customers money in the right place.
- Under the current Asset Management Period (AMP6, 2014 to 2019) we use four price controls and we need to make sure we are allocating our costs correctly.
- If we fail to do this our customers and stakeholders will lose confidence in our charges and the delivery of our services and investments in the current AMP6 period.

Dealing with risk

- Our AMP6 price review made sure our price controls balanced our customers interests with the right amount of finance provided to deliver our water and sewerage services.
- We also designed our price controls to make sure we could meet our other legal obligations, including our environmental and social obligations.
- Our assurance and risk mitigation checks make sure that we are spending our customers money the way that we agreed to when the price controls were set up.

Ongoing activities and targeted assurance

- Each year we carry out cost assessments to make sure the money we have spent has met the price control cost allocation rules we agreed to in our AMP6 business plan.
- We use our three levels of assurance process to check the detailed cost information we publish each year.
- Our assurance includes Level 1 checks by our staff who are responsible for the information in our financial systems. Our Level 2 Assurance Providers (managers in the business) review our cost assessments to make sure they are accounted for correctly. This allows us to identify and explain any variances.
- Our financial processes record the assumptions made when allocating our costs and we clearly record any manual adjustments and calculations that we make. This is shown in our cost allocation methodology statement.
- Our independent Level 3 financial Auditors, Deloitte, review our cost allocations every year.

1.14 Periodic Review 2019 (PR19)

Reason for targeted status

- The information we produce now supports our business plan over the coming years. We need to know that our information is complete and accurate.

Dealing with risk

- Our assurance on the PR19 business plan must be effective and deliver assurance to a standard which meets the specific tests in the guidance for the plan issued by Ofwat.
- Our assurance must secure a high level of confidence and assurance. The programme of assurance will show that our full board has been given comprehensive assurance of our business plan and accompanying information.

Ongoing activities and targeted assurance

- We have taken the information we will use in our PR19 business plan from the results on our performance from the last three years of our current price review period (AMP6). Our PR19 business plan also includes forecast results on our future performance up to 2025.
- To assure all the information in our PR19 business plan we will follow our three levels of assurance data and wider assurance processes.
- There has been a detailed programme of assurance designed to check our approach to developing the business plan and to assure the information it contains.
- The delivery of our PR19 business plan has used a new system as part of our delivery and there has been an internal audit to provide assurance on its delivery.
- Our programme of assurance also includes detailed work from our independent Assurance Providers Halcrow and Deloitte on our investment programme and performance commitments as financial and operational delivery targets.
- Our independent Assurance Providers give us assurance on our plans, calculations and commentaries to make sure our business plan is accurate and can be approved by our Board of Directors.
- This will deliver an effective platform to give assurance to you, our customers, that our plan will meet and deliver the level of service you will expect from us in the five year period to 2025.
- Our full business plan for 2020 to 2025 will be available on our website in September 2018.

Table 2. Summary of audit findings and outcomes



Meets the requirements and no material exceptions. Some improvement opportunities may have been suggested



Potential material concerns over reported information



Material concerns over the validity of the reported information

Publication	Main findings and outcomes
Convergence measures 	<p>Independent assurance was provided by our independent technical Auditor Halcrow to confirm that we are providing consistent information for convergence measures shadow reporting.</p> <p>Following the new convergence measures definitions, Halcrow identified that we had improved in our reported performance for water-supply interruptions and sewer-flooding performance commitments with a slight deterioration in the reported performance for our performance commitment related to leaks.</p> <p>To meet the reporting requirements of the convergence measures, we provided a compliance assessment to Ofwat. Halcrow reviewed our processes and assured our compliance assessment. There were no observations.</p>
Risks, strengths and weaknesses statement 	<p>As a result of the Company Monitoring Framework (CMF) assessment by Ofwat we received external independent assurance from Halcrow on our updated version of the Risks, strengths and weaknesses statement.</p> <p>Halcrow made eight observations and suggested two recommendations to improve this statement. All of the recommendations were reviewed and agreed with our Director of Regulation and updates were made to the document as needed.</p> <p>We also presented the updated statement to the Yorkshire Forum for Water Customers. They continue to challenge us on making our publications easy to read and encourage us to use plain English. As a result of this challenge some of our Publication Managers have completed a plain English course run by Plain English Campaign.</p>
Assurance plan 	<p>Independent assurance was provided by internal audit.</p> <p>Internal audit identified 10 observations covering matters such as further internal training on the three levels of assurance, understanding the assurance provided at Level 1 throughout the year and sharing assurance reports internally to add value to the wider business, and to avoid duplication.</p> <p>All recommendations have been accepted and will be applied when developing our assurance plan for 2018/2019.</p>
Price review (PR19) RCV allocation Bioresources 	<p>In May 2016, Ofwat published Water 2020: our regulatory approach for water and waste-water services in England and Wales. This included a separate binding price control for bioresources in the 2019 price review (PR19) using a specific regulatory capital value (RCV) allocation. This guidance is reflected in the PR19 consultation documents that were released in July 2017.</p> <p>Halcrow provided independent assurance on our bioresources RCV allocation. Their assurance confirmed that we had followed the guidance and met the reporting requirements set by Ofwat.</p> <p>There were no observations that highlighted either significant or minor concerns over the validity of our submission.</p>

Publication	Main findings and outcomes
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Bioresources market information



Our Bioresources Market Information submission was assured by Halcrow to confirm that the information was accurate and generated in line with the guidance provided.

Halcrow completed their audit on seven areas - an independent review of performance and reporting, methodology, assumptions, source data, clarity of audit trails and governance.

Halcrow found our processes to be appropriate however they suggested some minor modifications which we will consider for our next submission. They confirmed that the evidence we provided was suitable and reliable, and the reporting process was well managed. Halcrow confirmed there was a detailed and comprehensive audit trail for the information in our submission.

Halcrow found the responsibilities for integrity of data and commentary were clearly defined. There were no other observations on our submission.

Price review (PR19): DWI (Drinking Water Inspectorate) submission



The assurance for the DWI submission was based on the three levels of assurance. The first level of assurance was provided by our data and information owners; the second line through technical and formal peer review and the third line by our external auditor, Halcrow.

The aim of our Level 3 assurance was to review the process, method and assumptions used in preparing the proposals to maintain and improve drinking-water quality as outlined in the DWI guidance to report on 'Long-term planning for the quality of drinking-water supplies'.

The assurance challenged the basis of the proposals and identified any issues that would impact our submission in December 2017.

Halcrow found that we followed the DWI guidance and good practice in identifying the current and future risks to water quality. They confirmed that the proposals adopted sustainable practices and that multi-stakeholder solutions were practical. They considered that suitable solutions had been proposed.

Price review (PR19): WRMP (water resource management plan) draft submission



The assurance for both of these submissions was provided by our external Auditor, Halcrow.

As part of the guidance for the WRMP submission, a very comprehensive checklist was provided against which the submission was assessed.

Halcrow used the checklist as the basis of their audit approach and provided feedback. A red, amber and green rating was used against each of the 269 items which were relevant to this stage of the submission and within the scope of their technical assurance.

Water resources market information submission



Halcrow were satisfied that we followed the guidance and adopted good practice and reasonable assumptions to develop our water resources market information. Halcrow considered that we had followed processes which are designed to identify suitably cost-effective options to meet the proposed outcomes. Where Halcrow found issues to be of significant concern to us, we provided a satisfactory response.

Publication	Main findings and outcomes
<p>Indicative wholesale charges scheme. Charges scheme, charging arrangements for new connection services and wholesale charges scheme</p> 	<p>Our wholesale charges scheme assurance was provided by PwC and Halcrow. PwC audited the tariff model to make sure calculations were accurate and reflected changes in guidance. Halcrow audited the publication to make sure it kept to charging principles and guidelines.</p> <p>Halcrow confirmed we had kept to our legal obligations, that the effect of the proposed charges on licensees had been assessed; and that we had consulted relevant stakeholders before the submission.</p>
<p>Price review (PR19) RCV allocation water resources</p> 	<p>Our assurance on our water resources RCV allocation was provided by Halcrow who confirmed that the submission tables, and commentary, met the Ofwat reporting requirements for the submission.</p> <p>Halcrow found that we had followed the Ofwat guidance to complete the tables. We dealt with any issues identified by Halcrow for the draft final submission table and submission document. Halcrow did not identify any red or amber issues which would highlight significant or minor concerns over the submission.</p>
<p>Annual performance report</p> 	<p>The external independent assurance on the information within our annual performance report was provided by Deloitte and Halcrow. We have included findings from the assurance reviews from Halcrow and Deloitte in our annual performance report.</p>
<p>Risk and compliance statement</p> 	<p>Jacobs provided independent assurance to review and confirm processes that support the declarations in our risk and compliance statement.</p> <p>Jacobs reviewed our obligations to decide whether there were any gaps in our delivery of the document. Jacobs checked that all obligations had adequate, documented processes in place with set roles and responsibilities. Jacobs also, took a sample of our processes and checked they were supported by suitable evidence.</p> <p>You can find the Halcrow assurance statement in our risk and compliance statement here: www.yorkshirewater.com/reports#ls2</p>
<p>Annual report & financial statements</p> 	<p>Throughout the year, internal audit has completed financial and regulatory accounting audits on the controls in place for financial accounting.</p> <p>On the annual report and financial statement external independent assurance was provided by Deloitte. Deloitte reviewed whether the information presented within our statutory accounts is true and fair. The audit also reviewed whether the accounts had been prepared in line with accounting policies.</p> <p>Matters identified through the audits were discussed and action was taken to close these down before we submitted the document. Deloitte presented assurance information to the Board Audit Committee.</p>

Appendix A

Our assurance activities in detail for 2017/2018

2017/2018 Publications	What is it?	Completed assurance
Condition R compliance code statement	<p>This sets out how we demonstrate compliance with Condition R of our licence in terms of confidentiality and protecting commercially sensitive information received from, or relating to, water supply licensees.</p> <p>This statement is published each year. We published it in our website in April 2018.</p>	<p>Level 1: The legal department and compliance officer reviewed the guidelines and prepared a draft compliance manual to publish. We appointed Eversheds to provide legal advice, review the guidelines and set up a framework for the compliance manual in 2016/2017. We will continue to refer to this when developing the latest statement.</p> <p>Level 2: Senior management from the regulation department reviewed the draft compliance manual and made recommendations to the compliance officer. A final review meeting was held with the company secretary and director before we published.</p> <p>Level 3: We didn't use independent assurance for this publication. However, we have referred to other level 3 assurance on elements of our retail competition obligations.</p>
Convergence measures shadow reporting	<p>Water companies have been working together to review four performance commitments in detail and make sure that these are reported consistently across the industry. We have given performance information against the new measures to Ofwat, ahead of these measures being put into practice across the industry from April 2020. We provide this information direct to Ofwat.</p>	<p>Level 1: We have named Data Providers and Data Managers who are responsible for providing accurate information in line with any guidance provided.</p> <p>Level 2: We have named Senior Managers and Directors who reviewed and approved the information provided. A peer review of the information and the submission was carried out. The relevant Manager made sure that information was provided in line with requirements.</p> <p>Level 3: Halcrow provided independent assurance to confirm that the information was accurate and created in line with the guidance provided.</p> <p>We got a Board Assurance Statement for this publication.</p>
Risks, strengths and weaknesses statement	<p>As part of Ofwat's company monitoring framework, we need to complete a risks, strengths and weaknesses exercise to identify the areas where we need to provide extra assurance. We publish the findings from this exercise every year in our risks, strengths and weaknesses statement. This was published on our website in September 2017.</p>	<p>Level 1: We chose a Publication Manager and Data Providers to provide the information we needed.</p> <p>Level 2: Senior Managers and Directors reviewed and approved the approach and the final document.</p> <p>Level 3: Halcrow provided independent assurance to confirm that the information was accurate and created in line with the guidance provided.</p>

2017/2018 Publications	What is it?	Completed assurance
Assurance plans (draft and final)	As part of Ofwat's company monitoring framework, we need to publish our assurance plan for the information that we provide. We publish this every year as a draft. We carry out consultation on this draft and then make changes based on the feedback. We published our draft assurance plan in September 2017 and the final one in March 2018. The plans are available on our website.	<p>Level 1: We chose a Publication Manager and Data Providers to provide the information we need.</p> <p>Level 2: Senior Managers and Directors reviewed and approved the approach and the final document.</p> <p>Level 3: Our internal audit team reviewed the information in our draft assurance plan.</p>
Price review (PR19) RCV allocation Bioresources	Ofwat published Water 2020 in May 2016. This introduced a separate price control for water resources and bioresources at PR19. The bioresource RCV allocation was sent direct to Ofwat in September 2017.	<p>Level 1: Named Data Providers and Data Managers provided accurate information in line with the guidance. A Submission Manager made sure that all Data Providers and Data Managers were chosen and that the submission was completed to the relevant timescales and in line with the requirements and guidance.</p> <p>Level 2: Named Senior Managers and Directors reviewed and approved the information provided. A peer review of the information and the submission was carried out.</p> <p>Level 3: Halcrow provided independent assurance to confirm that the information is accurate and created in line with the guidance provided.</p> <p>We got a Board Assurance Statement for this publication.</p>
Bioresources market information (voluntary publication)	<p>Ofwat wants to promote market development in bioresources (also known as sludge) activities. Markets can help with creating efficiencies and new ideas for the benefit of customers, the environment and wider society.</p> <p>Market information on where bioresources are produced, their quality or quantity is central to supporting bioresources markets by promoting and encouraging efficient entry, as well as monitoring progress and development of those markets. Water companies were asked to voluntarily publish information for 2016/2017 by autumn 2017.</p>	<p>Level 1: Named Data Providers and Data Managers were responsible for providing accurate information in line with any guidance provided. A Submission Manager made sure that all Data Providers and Data Managers were chosen and that the submission was completed to the relevant timescales and in line with the requirements and guidance.</p> <p>Level 2: Named Senior Managers reviewed and approved the information provided. A peer review of the information and the submission was carried out.</p> <p>Level 3: Halcrow provided independent assurance to confirm that the information was accurate and created in line with the guidance provided.</p>

2017/2018 Publications	What is it?	Completed assurance
Interim financial statements	Interim financial statements are a requirement of our investors and should be read with the annual report for that year. We publish our interim financial statements on our website.	<p>Level 1: Throughout the year, we have accountants carrying out day-to-day accounting activities, including maintaining accounting systems and end-of-month reconciliations. We have named Data Providers and Data Managers who are responsible for providing accurate information in line with any guidance provided. A Publication Manager is chosen and they follow the wider assurance process, making sure that the final document is accurate, accessible and easy to understand.</p> <p>Level 2: Throughout the year, management oversee the Accountant's, activities. This includes monthly reviews of information. A Senior Manager will review and approve the publication. We submit the interim financial statements to Board before they are published.</p> <p>Level 3: We did not use independent assurance for this publication.</p>
Price review (PR19): DWI (Drinking Water Inspectorate) submission	Periodic reviews give companies an opportunity to review long-term drinking water quality and supply arrangements. A submission was made direct to the Drinking Water Inspectorate.	<p>Level 1: A Submission Manager made sure that any Data Providers and Data Managers were chosen and that the submission was completed to the relevant timescales and in line with the requirements and guidance.</p> <p>Level 2: Named Senior Managers and Directors reviewed and approved the information provided. A peer review of the information and the submission was carried out.</p> <p>Level 3: Halcrow provided independent assurance to confirm that the information was accurate and the submission had been developed in line with the guidance provided.</p> <p>We got a Board Assurance Statement for this publication.</p>
Price review (PR19): WRMP (water resource management plan) draft submission.	By law, water companies have to supply water to people and businesses within their area. A water resources management plan (WRMP) must be prepared and it must set out how we plan to maintain the balance between water supply and demand. This plan must take a long-term view (at least 25 years). The duty to prepare and maintain a WRMP is set out in Section 37A to 37D of the Water Industry Act 1991. We sent this to Defra in December 2017.	<p>Level 1: Named Data Providers and Data Managers were responsible for providing accurate information in line with any guidance provided. A Submission Manager made sure that all Data Providers and Data Managers were chosen and that the submission is completed to the relevant timescales and in line with the requirements and guidance.</p> <p>Level 2: We have named Senior Managers and Directors who reviewed and approved the information provided. A peer review of the information and the submission are carried out.</p> <p>Level 3: Halcrow provided independent assurance to confirm that the information is accurate and the submission is developed in line with the guidance provided.</p> <p>We got a Board Assurance Statement for this publication.</p>

2017/2018 Publications	What is it?	Completed assurance
Water resources market information submission	<p>Ofwat wants to promote market development in providing, managing and developing water resources, demand management and leakage activities. Markets can inform, and encourage efficiencies and new ideas for the benefit of customers, the environment and wider society.</p> <p>Water companies were asked to publish information to match the publication of their draft water resources management plan consultation in January/February 2018, to be updated in line with the final water resource management plan which we will publish in autumn 2018.</p>	<p>Level 1: A Submission Manager made sure that Data Providers and Data Managers were chosen and that the submission was completed to the relevant timescales and in line with the requirements and guidance.</p> <p>Level 2: Named Senior Managers and Directors reviewed and approved the information provided. A peer review of the information and the submission was carried out.</p> <p>Level 3: Halcrow provided independent assurance to confirm that the data was accurate and the submission has been developed in line with the guidance provided.</p>
Indicative wholesale charges scheme. Wholesale charges scheme, charging arrangements for new connection services and charges scheme	<p>Every year we publish an indicative wholesale charges scheme in October, a wholesale charges scheme in January, a charges scheme and charging arrangements for new connection services in February. These documents contain our wholesale charges for water and sewerage services to retailers who operate in our region, the charges for customers who receive wholesale and retail services from us and the charges for connection services received for developers, self-lay operators and new appointees and variations.</p> <p>We include our standard terms and conditions in these documents.</p>	<p>Level 1: All data inputs into the tariff model are from assured data sources. We reviewed the tariff model and updated it when necessary. We reviewed all movements in tariffs and assessed the effect on bills making sure that the effects were reasonable and explained. The team providing Level 1 assurance made sure we kept to the four revenue and price controls and the published charges principles and guidelines.</p> <p>Level 2: There is a tariff steering group, which includes business experts in regulatory finance, retail services and tariffs. We completed a legal review of the charges scheme booklet. A Senior Manager and director reviewed the information provided and approved the final charges.</p> <p>Level 3: Independent assurance was provided by our financial Auditors on the tariff model to make sure calculations were accurate and reflected changes in guidelines for the indicative wholesale charges, charges scheme, and wholesale charges. Halcrow provided independent assurance of our publications for 2018.</p> <p>We got a Board Assurance Statement for each of these publications.</p> <p>Internal audit carry out a billing audit each year to confirm that the tariffs have been included in the billing system correctly.</p>

2017/2018 Publications	What is it?	Completed assurance
Targeted review on service	Ofwat carry out a targeted review on particular topics. Targeted reviews provide extra information on the industry's approach to a particular topic. They allow Ofwat to challenge the industry to improve by gathering information and assessing where companies have not identified or managed their risks. In 2017/2018 our targeted review was on service. The review was carried out between January and March 2018. We sent the information direct to Ofwat.	<p>Level 1: We chose Data Providers, Data Managers and a Publication Manager to gather the information needed for the targeted review.</p> <p>Level 2: A Senior Manager reviewed and approved the information in the publication, making sure it met the requirements of the targeted review.</p> <p>Level 3: We did not use independent assurance on this publication. However, referred to information assured through other processes and other publications.</p>
Price review (PR19) RCV allocation water resources	Ofwat published Water 2020 in May 2016. This introduced a separate price control for water resources and bioresources at PR19. So that they can create the separate price control for water resources, an explicit Regulatory Capital Value (RCV) allocation at 31 March 2020 is needed. The water resources RCV allocation was sent direct to Ofwat for review in January 2018.	<p>Level 1: Named Data Providers and Data Managers are responsible for providing accurate information in line with any guidance provided. A Submission Manager made sure that all Data Providers and Data Managers were chosen and that the submission was completed to the relevant timescales and in line with the requirements and guidance.</p> <p>Level 2: We have named Senior Managers and Directors who reviewed and approved the information provided. A peer review of the information and the submission was carried out.</p> <p>Level 3: Halcrow and Deloitte provided independent assurance to confirm that the information was accurate and created in line with the guidance provided.</p> <p>We got a Board Assurance Statement for this publication.</p>

2017/2018 Publications	What is it?	Completed assurance
Annual performance report (APR)	This report provides information on cost, financial performance and on our performance against our customer outcomes and commitments. The APR allows you to compare the performance of individual companies with the rest of the sector. We published this in July 2018.	<p>Level 1: The overall document has a Publication Manager, who followed the wider assurance process, making sure that the final document is accurate, accessible and easy to understand. We chose supporting Publication Managers, Data Providers and Data Managers for all the sections in the full APR.</p> <p>Level 2: There is an APR working group, which reviewed the requirements and made sure we are meeting the timetable for delivery. A Senior Manager reviewed and approved the publication.</p> <p>Level 3: The information in this document was assured by Deloitte and Halcrow. The data-assurance process for this publication is certified to the ISO9001 quality management standard. The customer forum reviewed the publication for accessibility and to make sure it is easy to read.</p> <p>We got a Board Assurance Statement for this publication.</p>
APR section 1: regulatory financial reporting	Section 1 of the APR contains our financial statements, including our profit-and-loss statements, cash flow, income statement and net debt.	<p>Level 1: Throughout the year, we have accountants who monitor and manage the costs in our business. For the publication, we have named Data Providers and Data Managers who were responsible for providing accurate information in line with any guidance provided.</p> <p>Level 2: Throughout the year, management reviewed the accountants' activities. This included monthly reviews of information. For the publication, we have named Senior Managers and Directors who reviewed the information provided and carried out checks. The Publication Manager also made sure that the information was provided in line with the requirements.</p> <p>Level 3: Deloitte are our independent financial Auditors. Every year they review our accounts against the regulatory accounting guidelines and complete a cross reference check to our statutory accounts.</p> <p>We got a Board Assurance Statement for the APR publication.</p>

2017/2018 Publications	What is it?	Completed assurance
APR section 2: price review and other segmental reporting	Section 2 of the APR provides further detail on our revenue and costs, to allow you to review companies' performance against the final determinations. Revenue and costs are split between the price controls and revenue is split further by the type of customer.	<p>Level 1: We have named Data Providers and Data Managers who are responsible for providing accurate information in line with any guidance provided.</p> <p>Level 2: We have named Senior Managers and Directors who reviewed the information provided and carried out reconciliation activities. The Publication Manager made sure that the information was provided in line with the requirements.</p> <p>Level 3: Deloitte are our independent financial Auditors. Every year they review the preparation of our accounts against the regulatory accounting guidelines and they complete a cross reference to our statutory accounts. Halcrow also checked the non-financial information in this section.</p> <p>We got a Board Assurance Statement for the APR publication.</p>
APR section 3: performance summary	Section 3 of the APR provides information on our performance against the customer outcomes, our performance commitments and whether our performance has been rewarded or penalised. This section provides a forecast on our performance to 2020.	<p>Level 1: We monitor and report on our performance commitments every month. Performance was reviewed at the delivery assurance groups and delivery plans are amended if needed. For the publication, we have named Data Providers and Data Managers who are responsible for providing accurate information in line with any guidance provided.</p> <p>Level 2: Throughout the year, management oversee the performance reporting activities. For the publication, we chose Senior Managers and Directors who reviewed and approved the information provided. The Publication Manager will make sure that information is provided in line with the requirements.</p> <p>Level 3: Halcrow provided independent assurance on the delivery plans in place for the performance commitments and to confirm that the information presented in the publication is accurate. They carried out extra checks on a number of our performance commitments, shown in our targeted assurance plans.</p> <p>We got a Board Assurance Statement for the APR publication.</p>

2017/2018 Publications	What is it?	Completed assurance
APR section 4: additional regulatory information	Section 4 of the APR provides additional information including accounting policies, totex (total expenditure) analysis, convergence measures shadow reporting and financial metrics.	<p>Level 1: We have named Data Providers and Data Managers who are responsible for providing accurate information in line with any guidance provided.</p> <p>Level 2: We have named Senior Managers and Directors who reviewed and approved the information provided. The Publication Manager also made sure that information is provided in line with the requirements.</p> <p>Level 3: Deloitte and Halcrow reviewed the accuracy of the information presented.</p> <p>We got a Board Assurance Statement for the APR publication.</p>
Data assurance summary (This document)	This is a yearly summary of the outcome of the assurance that has been carried out. We published this in July 2018, alongside the APR.	<p>Level 1: Our Publication Manager followed the wider assurance process making sure that the final document is accurate, accessible and easy to understand.</p> <p>Level 2: There is an APR working group in place, which reviewed the requirements and made sure these are being met on time. A Senior Manager reviewed and approved the publication.</p> <p>Level 3: Halcrow and Deloitte provided input into this document.</p>
Performance summary	This is a yearly summary of the information in the APR, including the information on our performance commitments. We published this in July 2018, alongside the APR.	<p>Level 1: Our Publication Manager followed the wider assurance process making sure that the final document is accurate, accessible and easy to understand.</p> <p>Level 2: There is an APR working group, which reviewed the requirements and made sure these are being met on time. A Senior Manager reviewed and approved the publication.</p> <p>Level 3: The customer forum reviewed the publication for accessibility and made sure it is easy to read. Halcrow and Deloitte checked the information in this publication.</p>

2017/2018 Publications	What is it?	Completed assurance
Risk and compliance statement	This is a yearly statement which explains how we have kept to our relevant statutory, licence and regulatory obligations. We published this in July 2018, alongside the APR.	<p>Level 1: Our Publication Manager followed the wider assurance process making sure that the final document is accurate, accessible and easy to understand.</p> <p>Level 2: There is an APR working group, which reviewed the requirements and made sure these are being met on time. A Senior Manager reviewed and approved the publication.</p> <p>Level 3: Halcrow and Deloitte reviewed this publication for accuracy in the statements being made and consistency with the information presented within the APR.</p> <p>We got a Board Assurance Statement for this publication as part of the wider APR.</p>
Annual report and financial statements (statutory accounts)	Statutory accounts are a legal requirement. Within this report we tell you about our strategy, how we are governed and our performance during 2017/2018. This is part of our 'integrated reporting' which tells you how we create value for society and shareholders now and in the long term. We published this in July 2018.	<p>Level 1: Throughout the year, we have accountants who perform the day-to-day accounting activities. We have named Data Providers and Data Managers who are responsible for providing accurate information in line with any guidance provided. The Publication Manager followed the wider assurance process making sure that the final document is accurate, accessible and easy to understand.</p> <p>Level 2: Throughout the year, we have management oversee the accountants' activities. This includes monthly reviews of information. A Senior Manager reviewed and approved the publication.</p> <p>Level 3: Internal audit completed a financial and regulatory accounting audit on the controls in place for financial accounting. Deloitte, our financial Auditors reviewed the information in our statutory accounts and assessed that it is true and fair based on company affairs and that the accounts have been prepared in line with accounting policies. The information on our performance commitments is assured by internal audit and independent assurance was provided by Halcrow.</p> <p>We got a Board Assurance Statement for this publication.</p>

2017/2018 Publications	What is it?	Completed assurance
<p>Bioresources market information</p>	<p>Ofwat wants to promote market development in bioresources (also known as sludge) activities. Markets can inform, and encourage efficiencies and new ideas for the benefit of customers, the environment and wider society.</p> <p>Market information on where bioresources are produced, their quality or quantity is central to supporting bioresources markets by promoting and encouraging efficient entry, as well as monitoring progress and development of those markets. Information for 2017/2018 was published in July 2018.</p>	<p>Level 1: Named Data Providers and Data Managers were responsible for providing accurate information in line with any guidance provided. A Submission Manager made sure that all Data Providers and Data Managers were chosen and that the submission is completed to the relevant timescales and in line with requirements and guidance.</p> <p>Level 2: We have named Senior Managers who reviewed and approved the information provided. A peer review of the information and the submission was carried out.</p> <p>Level 3: Halcrow provided independent assurance to confirm that the information was accurate and created in line with the guidance provided.</p>
<p>Operational market performance reports</p>	<p>The non-household retail market opened in April 2017. Every three months there will be a report showing how each company is keeping to the service-level agreements. We send our information direct to MOSL (Market Operator Services Limited). MOSL will publish the information every three months.</p>	<p>Level 1: Throughout the year, we monitored and reported on our performance with our service level agreements. We have teams who made sure we follow the processes and that we meet our obligations. We reviewed our performance at the market performance hub and changed our plans if necessary. For the publication, we had a Publication Manager and named Data Providers and Data Managers who were responsible for providing accurate information in line with any guidance provided.</p> <p>Level 2: Throughout the year, management has overseen the performance reporting activities. For the publication, we had named Senior Managers who reviewed and approved the information provided. The Publication Manager made sure that the information is provided in line with requirements.</p> <p>Level 3: We did not apply independent assurance to these reports.</p>

2017/2018 Publications	What is it?	Completed assurance
Price review (PR19) cost adjustment claims	<p>Companies that wanted to make a case for any company-specific cost adjustments as part of the PR19 business plan needed to send their supporting information to Ofwat by 3 May 2018.</p> <p>The final claims will be submitted to Ofwat in September 2018 with the final PR19 business plan submission.</p>	<p>Level 1: Named Data Providers and Data Managers were responsible for providing accurate information in line with any guidance provided. A Submission Manager made sure that all Data Providers and Data Managers were chosen and that the submission was completed to the relevant timescales and in line with the requirements and guidance.</p> <p>Level 2: There is a securing cost efficiency steering group, which reviewed the requirements and made sure these were met on time. We have named Senior Managers and directors who reviewed and approved the information provided. A peer review of the information and the submission was carried out.</p> <p>Level 3: External independent assurance had been provided as part of the PR19 assurance programme to confirm that the information was accurate and created in line with the guidance provided.</p>
Price review (PR19) performance commitment definitions	The definitions of our performance commitments were submitted to Ofwat in May 2018. This was to allow Ofwat to review the definitions of our bespoke performance commitments, and check that we are using the standard definitions for the common performance commitments.	<p>Level 1: Named Data Providers and Data Managers were responsible for providing accurate information in line with any guidance provided. A Submission Manager made sure that all Data Providers and Data Managers were chosen and that the submission was completed to the relevant timescales and in line with the requirements and guidance.</p> <p>Level 2: We used named Senior Managers and directors who reviewed and approved the information provided. A peer review of the information and the submission was carried out.</p> <p>Level 3: External independent assurance was provided as part of our PR19 assurance programme to confirm that the information was accurate and created in line with the guidance provided.</p>
Price review 2019 (PR19) - DWI submission - long term strategic planning statement	Periodic reviews provide companies with an opportunity to review long-term drinking water quality and supply arrangements. Following a submission made to the Drinking Water Inspectorate at the end of December 2017 a further submission was needed to provide assurance that future significant water quality risks and long-term planning had been taken into consideration.	<p>Level 1: A Submission Manager made sure that any Data Providers and Data Managers were chosen and that the submission is completed to the relevant timescales and in line with the requirements and guidance.</p> <p>Level 2: Named Senior Managers and Directors reviewed and approved the information provided. A peer review of the information and the submission was carried out.</p> <p>Level 3: Halcrow provided independent assurance to confirm the submission had been developed in line with the guidance provided and was consistent with the strategic long-term plans being proposed by us as part of the PR19 submission.</p>

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