



Our data assurance  
summary for 2018/2019





# Contents

<b>01.</b>	<b>What is assurance?</b>	<b>04</b>
	<b>In this section, we explain what assurance is, how assurance works and why it's important to us.</b>	
<b>02.</b>	<b>About this document</b>	<b>06</b>
	<b>We have structured this document with increasing levels of information so you can choose how much you would like to read.</b>	
<b>03.</b>	<b>Our assurance process</b>	<b>08</b>
	<b>In this section, we explain our risk based approach and our three levels of assurance.</b>	
<b>04.</b>	<b>Completed assurance and key findings</b>	<b>16</b>
	<b>In this section, we explain 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 any risks.</b>	
<b>05.</b>	<b>Glossary</b>	<b>40</b>
<b>Appendix A.</b>	<b>Our assurance activities in detail for 2018/2019</b>	<b>42</b>
	<b>In this section, we explain in detail the assurance activities we have carried out for each of our publications.</b>	

# **01.** **What is assurance?**



### What is assurance?

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

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

Getting this right builds trust and confidence in us as a company.



### How does it work?

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

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

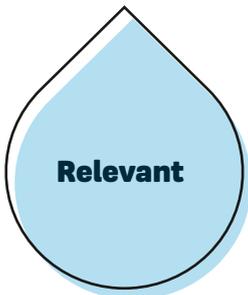
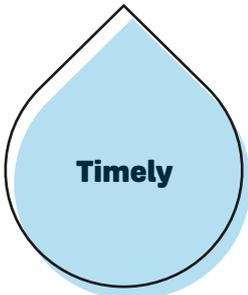
We follow this assurance plan over the year and report on our key findings. This report provides a summary of our findings.



### 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.

### We believe that good assurance is:



# **02.** **About this document**

We want to provide our customers with information that they can trust.

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

## Risks, strengths and weaknesses statement

October 2018

A summary version of this report is available

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.

[www.yorkshirewater.com/media/1406/yorkshire\\_water\\_risks\\_strengths\\_weakness\\_statement\\_oct\\_2018.pdf](http://www.yorkshirewater.com/media/1406/yorkshire_water_risks_strengths_weakness_statement_oct_2018.pdf)



## Assurance plan

March 2019

A summary version of this report is available

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 target the areas of most concern to you or the areas with the highest risk.

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

[www.yorkshirewater.com/sites/default/files/Final%20Assurance%20Plan%202018-19.pdf](http://www.yorkshirewater.com/sites/default/files/Final%20Assurance%20Plan%202018-19.pdf)



## Data assurance summary (this document)

July 2019

This document summarises our assurance for all the information we published in 2018/19. It provides you with the main findings from the assurance activities set out in the assurance plan.

This document was published in July 2019, after completing all assurance activities for 2018/19. This includes completion of the assurance for the Annual Performance Report, which provides information on our 2018/19 performance.



# **03.** **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.

Our assurance approach is risk-based and uses a method called 'three levels of assurance'. This is best practice

and 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.



## **Our Assurance Methodology**

We apply assurance to our data and our publications. We have data assurance processes in place to ensure that the data contained within our publications is accurate. We have a wider assurance process in place to make sure that our publications meet any regulatory guidance and are accessible and easy to read.

Our assurance is risk-based and uses a method called 'three levels of assurance'. This is best practice and makes sure that our assurance activities are proportionate to the level of risk of error associated with the information or publication.

Our Annual Performance Reporting process is certified to the Quality Management System standard ISO9001:2015. We apply the principles of this standard to the assurance processes in our other publications.

**The process we follow to get our data and publications assured and published includes:**

- 1. Planning and understanding the requirements**
- 2. Risk assessment of the publication and the information within the publication**
- 3. Developing an assurance plan and completing the audit programme**
- 4. Approval and publication**
- 5. Review**

The diagram on the following page summarises the process we follow to get our data and publications assured and published. We then provide you with more detail on each of these steps on the following pages.

# Steps



# Activities



## A. Planning

We assign a publication manager and an assurance manager to each publication. These roles are responsible for understanding the guidance and any rules around the information that is required. They are responsible for delivering the publication to the necessary timescales. They decide how the final publication looks and they make sure we have all the people necessary to provide the information required.

## B. Risk Assessment

Annually we publish a statement that details our risks, strengths and weaknesses in our reporting. We gather information from a variety of sources to understand the risks, strengths and weaknesses in the information we publish and how we report it. We use the information gathered to identify areas that will need more focused assurance. **We call these our targeted areas.**

You can view our current risks, strengths and weaknesses statement here:  
[www.yorkshirewater.com/reports](http://www.yorkshirewater.com/reports)

The publication manager and the assurance manager carry out a risk assessment of the publication and the information within the publication. They take account of any relevant targeted areas as part of this risk assessment.

Not all data is the same. We recognise that we need to give you greater confidence in the areas that present a bigger risk or are important to you.

All our information is checked to make sure it is accurate and meets your needs. This will happen whether the information is considered higher risk or not. The high-risk information just has more assurance overall.

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

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



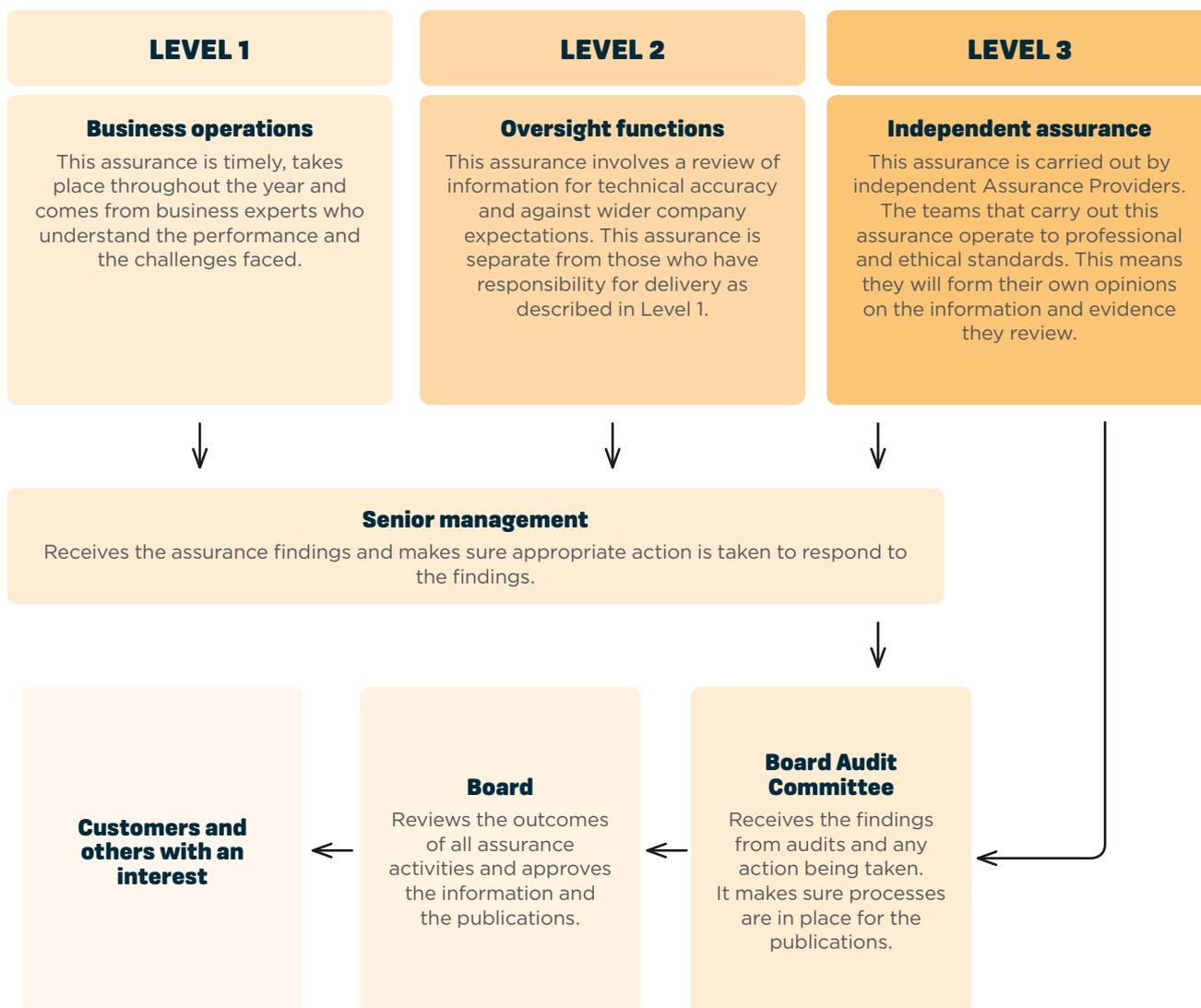
**THE AREAS WHERE WE APPLY MORE ASSURANCE**

- Where we exceed our performance commitments and want to make sure this continues.
- Where there are financial rewards and penalties involved in the performance commitments (Ofwat call this outperformance and under performance).
- Where we have to gather lots of information for our publications.
- Where we rely on other people and other companies to provide information for our reports.
- Where there is change inside or outside the organisation.
- Where we forecast that we will not meet our commitments or where we did not meet them in the previous year.

**C. Assurance Plan & Audit Programme**

We risk assess each publication to decide how much assurance we need to put in place. The higher risk information will have more assurance overall. Our assurance comes from several sources and is a year-round activity.

We use the three levels of assurance and apply this to our reporting. By putting our assurance into three levels, we make sure that we apply the right amount of assurance at the right time. Our three levels of assurance is shown in the diagram overleaf.



The assurance manager ensures that the overall publication and the information contained within it is fully assured. Some lower risk information will be assured to Level 1 and Level 2 only. Any areas identified as targeted areas for assurance, or considered higher risk based on the previous risk assessment, has Level 3 assurance applied. The assurance plan is approved by the publication manager and by the Board Audit Committee.

The assurance manager puts in place processes for Level 1 and Level 2 assurance reviews and approvals. The assurance manager will appoint the external auditors for Level 3. Based on the risk assessment, the assurance manager will work with the auditors to ensure all relevant information is audited. This will be put into a plan. Progress against the plan will be reviewed regularly. Any actions arising from audits will be completed.

The results of our performance are presented to the Yorkshire Forum for Water Customers (the Forum). Our technical assurance providers, Jacobs, attends the Forum to present its views on our performance. The Forum has the opportunity to challenge us on our performance and how we are delivering against our commitments.

## D. Approval & Publication

The overall Annual Performance Report and the supporting Performance Summary are presented to the Forum. The Forum has the opportunity to review whether the publication is accessible and easy to read as well as challenging us on our current performance.

The findings from all of the assurance reviews and any reports from the auditors are collated and presented to the Board Audit Committee.

The Board Audit Committee receive the findings from the audits and any action taken or being taken. The independent assurance providers report directly to the Board Audit Committee. This provides independence over the people managing the publication.

The Board Audit Committee ask questions of the publication manager, assurance manager, other senior managers involved and the independent assurance providers. This allows the Board Audit Committee to understand whether the processes in place have been followed and to understand any matters arising out of the audits and assurance reviews. The Board Audit Committee provide an update to the Board.

Our Board is accountable for the quality of our information. They own and approve the publication. To do this, they seek confirmation from the Board Audit Committee that the processes have been followed. If satisfied, the Board sign the Board Assurance Statement.

This approval gives the publication manager the authority to publish the publication.

## E. Review

After we have published our information, we review the process that we have followed. We also review the assurance findings and any queries we received on the publication. This helps us to identify the lessons we learned for things we need to keep doing or things we need to improve on for future publications. We make sure we take action to continually improve our reporting processes.

We consult with our customers and stakeholders on some of our publications to find out whether they agree that the overall publication is easy to read and understand and to find out whether it meets their needs.

We feed all our findings into the next risks, strengths and weaknesses exercise to help us identify the areas that will need targeted assurance.

# **04.** **Completed assurance and key findings**

## Targeted Assurance

Targeted assurance areas are areas that we have identified as being important to you or are considered to be a higher risk and therefore these have received more assurance to give you the confidence that the information we publish is correct.

We identify these areas as part of our risks, strengths and weaknesses exercise. All of these targeted assurance areas are relevant to the Annual Performance Report. Our targeted areas are as follows:

### 1. Performance commitments

We want additional focus on areas where a performance commitment target was missed in the previous year or where we are forecasting (at September 2018) a financial incentive reward (known by Ofwat as an outperformance).

### 2. Price control cost allocation

We made some mistakes in this area in our 2017/2018 reporting. We have learnt from these errors and improved our processes. Our targeted assurance delivers additional assurance to check the improvements have been made.

### 3. Customer understanding and awareness of the information we provide

We receive good feedback in this area, so it is one of our strengths. However, we want to ensure we continue to improve our customer understanding and awareness of our information.

### 4. Effect of our internal SAP programme on our reported information

Accuracy and completeness of information from our IT systems is central to the overall accuracy of the information we report to you. We are currently going through a significant update to our SAP system. Our targeted assurance will make sure that our systems continue to deliver accurate information.

### 5. Meeting regulatory guidance

There are two areas we want to target this year: application of principal use and calculation of average pumping head. These are areas where Jacobs raised concerns in our 2017/2018 reporting.

### 6. Accuracy of information

We have had some minor errors in our reported information. We want additional assurance on the areas where there is greatest risk of errors occurring.

The table on the following page summarises all of our targeted areas and shows why they are targeted for more assurance. Further detail then follows on each of the targeted areas in turn to provide a progress update on the actions we have undertaken.

This table provides a summary of why the targeted area has been included.

Targeted Areas	Comments	Target missed in 2017/18 and/or forecast to be missed in 2018/19 (as at Sept-18)	A financial incentive reward is being forecast (as at Sept-18)	Errors in previous reporting	High priority area	Internal change
Performance commitment: Drinking water Quality	This continues to be a targeted area. This has been a targeted area over the last 3 years due to our failure to meet our target.					
Performance commitment: Drinking water quality contacts	This continues to be a targeted area. This has been a targeted area over the last 3 years due to our failure to meet our target.					
Performance commitment: Leakage	This is a new targeted area for 2018/19 as the target was missed in 2017/18 and was forecast to be missed for 2018/19. Leakage is a high priority area for us and our customers place high importance on this measure.					
Performance commitment: Energy generation	This continues to be a targeted area. This has been a targeted area for us over the last 3 years.					
Performance commitment: Serious pollution incidents	This is a new targeted area for 2018/19 because we forecast that our target would be missed this year.					
Performance commitment: Category 3 pollution incidents	This performance commitment target received an outperformance payment in 2017/18 and was forecast to receive another for 2018/19.					
Performance commitment: Water supply interruptions	This performance commitment target received an outperformance payment in 2017/18 and was forecast to receive another for 2018/19.					
Performance commitment: internal sewer flooding	This performance commitment target received an outperformance payment in 2017/18 and was forecast to receive another for 2018/19.					

Targeted Areas	Comments	Target missed in 2017/18 and/or forecast to be missed in 2018/19 (as at Sept-18)	A financial incentive reward is being forecast (as at Sept-18)	Errors in previous reporting	High priority area	Internal change
Performance commitment: working with others	This performance commitment target received an outperformance payment in 2017/18 and was forecast to receive another for 2018/19.					
Price control cost allocation	This continues to be a targeted area. This has been a targeted area over the last 3 years due to its importance and minor errors in our reporting.					
Customer understanding and awareness of the information we provide	This continues to be a targeted area. This has been a targeted area over the last 3 years as we wish to continue to improve.					
Effect of our internal SAP programme on our reported information	This is a new targeted area. We are upgrading our SAP system. The accuracy and completeness of the information from our IT systems is central to the overall accuracy of the information we report.					
Meeting regulatory guidance: average pumping head	This is a new targeted area identified as part of our risks, strengths and weaknesses process following a review of the auditor findings from our last Annual Performance Report.					
Meeting regulatory guidance: principal use	This is a new targeted area identified as part of our risks, strengths and weaknesses process following a review of the auditor findings from our last Annual Performance Report.					
Accuracy of reporting	This is a new targeted area to pick up general improvements required across the whole of the Annual Performance Report to strengthen our assurance on the data reported.					

# Targeted area 1. Performance commitments where the target was missed in the previous year or was forecast to be missed in the current reporting year

## Why we included this as a targeted area

There is potentially a higher risk to the accuracy of reported information where we are close to missing or have already missed our target. The performance commitments where we missed our target or where we forecast to miss our target were:

- Drinking water quality
- Drinking water quality contacts
- Leakage
- Energy generation
- Serious pollution incidents

## What we said we would do and the assurance that we said we would carry out.

To make sure our reporting is accurate, we will continue to regularly monitor how we are performing against our performance commitments. This will include a review by our Delivery Assurance Groups (DAGs) that review and challenge our monthly performance. They set corrective actions when we deviate from our targets.

We review our performance commitments at our Board Investment Committee (BIC). BIC review the impact of missing our targets and set action plans to make improvements, based on the data that is presented.

We are working with data providers and data managers to develop an automated process for capturing performance commitment data to reduce the risk of human error and mistakes.

## An update on our progress and key assurance findings

Our DAGs continue to review and challenge our monthly performance and set corrective actions when we deviate from our targets.

In 2018/19 we set up a Wholesale Board and an Upper Quartile Steering Group. The DAGs regularly report on their progress to these two groups.

Our DAGs report to the BIC at least once per year. In addition, our outcome delivery incentives are reviewed as part of internal business planning at BIC and reviewed again for year-end reporting and forecasting. Any issues arising in the delivery of our performance commitments may involve further scrutiny from BIC in order to approve funding for improvement and/or monitor performance.

Our data providers and data managers regularly review their reporting procedures to see how data can be further improved or automated. Our SAP upgrade has provided an opportunity to improve our data capture and reporting processes. The first phase of our SAP upgrade went live in June 2019 and the upgrade of our performance commitment data is in the next phase of our improvement programme. The relevant parts of our business community are involved in our SAP improvement programme to take advantage of this opportunity.

What we said we would do and the assurance that we said we would carry out.	An update on our progress and key assurance findings
<p>Our assurance process will continue to work with the Yorkshire Forum for Water Customers (the Forum) which challenges our performance, when our targets are missed.</p>	<p>We continue to work with the Forum to brief it on our performance commitments. Performance commitments and the APR were discussed with the Forum in June, July, August and October 2018. We briefed the Forum in May 2019 with our estimated 2018/2019 outturn performance and in June 2019 with our final audited numbers for the APR. On this targeted area we discussed leakage and pollution with the Forum in December 2018 and then provided a further update on pollution in January, February and March 2019. All the minutes of the meetings can be seen on our website: <a href="http://www.yorkshirewater.com/customerforum">www.yorkshirewater.com/customerforum</a></p>

Jacobs, our technical auditor, will perform a detailed review of these performance commitments for the 2018/19 APR.

Jacobs has completed a detailed audit on the five performance commitments where the target was, or was forecast to be, missed. The assurance findings from Jacobs are summarised later within this report and its assurance statement is included in Appendix 2 of the Annual Performance Report.

Next steps and action plan
<p>We complete a review of all our reporting after the publication date to take into account any feedback or queries we receive. We use this to consider how we can continue to improve our reporting and any areas we may want to include as a targeted area throughout the following year. We proactively engage with our customers to identify the areas we will target for additional assurance to improve our reporting. We will publish our findings in our risks, strengths and weaknesses statement in the autumn.</p>

## Targeted area - 2. Performance commitments where we are forecasting a financial incentive reward (at September 2018)

### Why we included this as a targeted area

Our reported data is used to calculate our rewards and must be accurate to make sure we have achieved the rewards we said we have. The performance commitments where we forecast a reward for our performance in 2018/19 (as at September 2018) were:

- Category 3 pollution incidents
- Water-supply interruptions
- Internal sewer flooding
- Working with others

### What we said we would do and the assurance that we said we would carry out.

To make sure our reporting is accurate, we will continue to regularly monitor how we are performing against our performance commitments. This will include reviews by our Delivery Assurance Groups (DAGs) who review and challenge our monthly performance. They set corrective actions when we deviate from our targets.

We review the information that is presented on our performance commitments at our Business Investment Committee (BIC). BIC review the financial impact of missing our targets and set actions plans to make improvements, based on the data that is presented.

We are working with data providers and data managers to develop an automated process for capturing performance commitment data to reduce the risk of human error in our reporting.

### An update on our progress and key assurance findings

Our DAGs continue to review and challenge our monthly performance and set corrective actions when we deviate from our targets.

In 2018/19 we set up a Wholesale Board and an Upper Quartile Steering Group. The DAGs regularly report on their progress to these two groups.

Our DAGs report to the BIC at least once per year. In addition, our outcome delivery incentives are reviewed as part of internal business planning at BIC and reviewed again for year-end reporting and forecasting. Any issues arising in the delivery of our performance commitments may involve further scrutiny from BIC in order to approve funding for improvement and/or monitor performance.

Our data providers and data managers regularly review their reporting procedures to see how data can be further improved or automated. Our SAP upgrade has provided an opportunity to improve our data capture and reporting processes. The first phase of our SAP upgrade went live in June 2019 and the upgrade of our performance commitment data is in the next phase of our improvement programme. The relevant parts of our business community are involved in our SAP improvement programme to take advantage of this opportunity.

What we said we would do and the assurance that we said we would carry out.	An update on our progress and key assurance findings
<p>Our assurance process will continue to include work with the Yorkshire Forum for Water Customers (the Forum) who challenge our performance, where our targets are missed.</p>	<p>We continue to work with the Forum to brief it on our performance commitments. Performance commitments and the APR were discussed with the Forum in June, July, August and October 2018. We briefed the Forum in May 2019 with our estimated 2018/19 outturn performance and in June 2019 with our final audited numbers for the APR. On this targeted area we discussed pollution with the Forum in December 2018 and then provided a further update on pollution in January, February and March 2019. All the minutes of the meetings can be seen on our website: <a href="http://www.yorkshirewater.com/customerforum">www.yorkshirewater.com/customerforum</a></p>
<p>As part of our assurance we are planning to check the data collection process we use to collect data for our performance commitments. This will be used to confirm where the information comes from, the underlying processes and controls, and the accuracy of our data reporting to identify any opportunities to improve.</p>	<p>This is in progress and we continue to develop an oversight of assurance provided within Yorkshire Water throughout the data collection process. We have looked at the assurance to deliver data on our supply interruptions and pollution incident performance. This is part of our current work to build a new Integrated Assurance framework.</p>
<p>We will continue to meet with the Environment Agency regularly to agree on categorisation of pollution incidents and to discuss any exclusions.</p>	<p>We continue to meet with the Environment Agency where we agree categorisation of pollution incidents.</p>
<p>Jacobs, our technical auditor, will perform a detailed review of these performance commitments for the 2018/2019 APR.</p>	<p>Jacobs have completed a deep audit on the four performance commitments where we were forecasting a financial incentive reward. The assurance findings from Jacobs are included in Appendix 2 of the Annual Performance Report.</p>

### Next steps and action plan

We complete a review of all our reporting after the publication date to take into account any feedback or queries we receive. We use this to consider how we can continue to improve our reporting and any areas we may want to include as a targeted area throughout the following year. We proactively engage with our customers to identify the areas we will target for additional assurance to improve our reporting. We will publish our findings in our risks, strengths and weaknesses statement in the autumn.

## Targeted area - 3. Price control cost allocation

### Why we included this as a targeted area

It is important that our reported information is free from error. Our experience has told us that we need to apply more rigour to the assurance we apply to areas where errors are most likely to happen. One of the areas we will target our assurance to is 'price control cost allocation'. Ofwat introduced price controls in 2014. There are currently four price controls. Cost allocation is used to divide our costs across each of these four price controls.

### What we said we would do and the assurance that we said we would carry out.

We are meeting with our data providers and data managers who contribute to our price control cost allocations to understand our current processes, the data and our reporting methodology.

Our review will include a detailed check and comparison with the Regulatory Accounting Guidance (RAGs) from Ofwat to understand and improve the method we use to complete price control cost allocations.

As part of our wider assurance process we are also improving our internal sign off process so that there is an increased level of scrutiny and ownership of the data that we provide in our APR.

Our assurance will make sure there is sufficient checking on the financial costs which are recorded in our financial systems during the year. These are the costs that will be allocated to our four price controls for our annual reporting in 2018/19.

### An update on our progress and key assurance findings

A thorough review of our processes to provide data against the price control allocations has been completed. We also discussed and compared our processes against our industry peers. Some changes to our methodology were made as a result, for example, outsourced functions that use Yorkshire Water IT systems and facilities now attract an appropriate overhead recharge meaning that the allocations will not change whether the function is outsourced or insourced. We have a detailed methodology statement that is published within our APR (see Appendix 3). This has been identified as best practice by Ofwat in their Company Monitoring Framework assessment published in January 2019.

A team of three accountants undertake a review of the annually revised RAGs to understand any required procedural changes and to consider any data improvements that can be made. These are documented in a procedure document that details how the data will be provided and how it will be compliant with the RAGs. These procedures are then reviewed and approved by the Head of Finance prior to any data collection taking place.

A review of our Level 1 and Level 2 assurance processes has taken place throughout the year. A strengthened assurance statement has been implemented to support Level 1 and Level 2 assurance review checks.

Operational managers understand and document the reasons for the material cost movements between price controls year on year. Finance managers meet regularly with operational managers to discuss these costs.

### What we said we would do and the assurance that we said we would carry out.

We will make sure our finance team and managers scrutinise the cost assessments run at the end of the year so that our cost allocations accurately reflect our levels of expenditure in 2018/19 and that our price cost allocations meet the specific Regulatory Accounting Guidelines (RAGs) guidance from Ofwat.

Our assurance will check the cost allocation information, manual adjustments, and the assumptions we make to complete our cost assessments which will be recorded in the accounting methodology statement that we publish. This will give a full explanation of the cost allocation method we have used.

We will use our independent technical auditors Jacobs and Deloitte, to review the detail of our cost allocations in our APR for 2018/19 and provide an opinion in line with Ofwat's audit requirements.

### An update on our progress and key assurance findings

Our finance team undertake a review of the RAGs and make sure the financial data they provide is accurate and meets the guidance. They review the information from the operational managers on material cost movements. The summary of material cost movements between the price controls are included in our accounting methodology statement which is published in Appendix 3 of our APR.

This has been completed and is detailed within our accounting methodology statement, included within Appendix 3 of the APR.

Jacobs and Deloitte have completed independent assurance on our APR. The audit opinion from Deloitte is included in Appendix 1. of the Annual Performance Report. The assurance statement from Jacobs is included in Appendix 2. of the Annual Performance Report

### Next steps and action plan

We complete a review of all our reporting after the publication date to take into account any feedback or queries we receive. We use this to consider how we can continue to improve our reporting and any areas we may want to include as a targeted area throughout the following year. We proactively engage with our customers to identify the areas we will target for additional assurance to improve our reporting. We will publish our findings in our risks, strengths and weaknesses statement in the autumn.

# Targeted area - 4. Customer understanding and awareness of the information we provide

## Why we included this as a targeted area

This is an area which we identified as a strength from positive customer feedback and support from the Yorkshire Forum for Water Customers, but there is always more we can do. We want to build on our strengths and continue to improve in this area. We want to continue to make sure:

- Information is easy to read and understand
- Information is easy to find
- Information published is what customers and stakeholders want and need

What we said we would do and the assurance that we said we would carry out.	An update on our progress and key assurance findings
---	--

### Information is easy to read and understand

We will make sure our publications are easy to read and written in Plain English. We will continue to use Plain English to review our reports and obtain the Crystal Mark for some of our publications.

We have improved how our reports can be found on our website. The webpage showing our reports has been reviewed by Plain English Campaign to make sure it is clear, well-designed and accessible.

Over the last year, we have obtained a Plain English Crystal Mark for: our Data Assurance Summary; Summary of the Risks, Strengths and Weaknesses; Final Assurance Plan for 2017/18 and 2018/19; Board Statement on Company Direction & Performance; Performance Summary; and Performance at a glance.

The Yorkshire Form for Water Customers statement has also obtained a Plain English Crystal Mark for the second year in a row.

<p>We will continue to increase the use of infographics, colour and tables to explain information in our publications. Where we can, we will test key infographics to make our information easier to understand.</p>	<p>We have continued to review our publications and test our publications and infographics with our customers. We have previously tested our company structure infographic with our customers. Following feedback on our assurance plan, we included some new infographics to aid understanding of how our assurance process is managed.</p>
--	--

For publications that are longer than 30 pages, we will include a shorter, customer-friendly version, if this is appropriate.

We have published a performance summary report alongside our APR. Over the last year, we have also published a summary of our Risks, Strengths and Weaknesses and a summary of our Assurance Plan.

What we said we would do and the assurance that we said we would carry out.	An update on our progress and key assurance findings
Information is easy to read and understand	
<p>We will continue to work with the Yorkshire Forum for Water Customers (the Forum) to make sure that the style, format and content of our reporting is tailored to the feedback we receive.</p>	<p>Through our customer engagement, we learned that our customers wanted a summary of our main publications. As the performance summary for the APR was 22 pages long last year, we worked with the Forum to understand whether a more concise performance would be easier for our customers to understand. Although there were some concerns on adding to the number of documents that we publish, it was suggested that a short one- or two-page summary would be useful and could provide an opportunity to display this through different communication channels. The Forum continue to receive the findings of customer feedback and continue to challenge us to ensure our publications are what customers want and need.</p>
Information is easy to find	
<p>We will test our website with customers using our online community and take action based on their feedback.</p>	<p>Our website has been tested with our customers. We asked our online community to try and find our reports page. As a result of their feedback, we amended the structure of our website to make it easier to find the information we publish. We continue to review our webpages from this perspective.</p>
<p>We will improve our Performance Webpage by making information available on the webpage itself rather than needing to download a PDF.</p>	<p>This is an improvement we made this year. Our performance commitments can now be seen directly on our website: <b><a href="http://www.yorkshirewater.com/ourperformance">www.yorkshirewater.com/ourperformance</a></b></p>
<p>We will make our publications easier to find by mapping customer journeys on our website and redesigning our website as necessary.</p>	<p>As part of the improvement of our website, we looked at the volume of traffic on our webpages and the journey our customers make to find the information they have been looking for. Using this information, we have updated to our website to help customers find the information they need. We have improved our website so that all our reports are available in one place.</p>
<p>We will continue to optimise search engine results to make sure the most current and relevant versions of our reports are at the top of the search results.</p>	<p>We continue to optimise search engine results to make sure the most current and relevant versions of our reports are at the top of the search results.</p>

## Targeted area - 4. Continued

**What we said we would do and the assurance that we said we would carry out.**

**An update on our progress and key assurance findings**

### Information is easy to find

We will continue research into the ways we engage with you, including social media, our website, blogger engagement, traditional media and email.

Our ongoing customer research recognises that our customers lifestyles are changing, and therefore the way they expect to contact us and be contacted is changing with it. They expect to be able to contact us 24 hours a day, seven days a week whether for a service related query or to pay a bill. We have over the last couple of years developed digital channels which allow our customers to contact us 24/7, including live chat, web self-serve and call back options. We are also tailoring our service offering to customers through intelligent personalisation, ensuring the customer receives a level of service which meets their lifestyle needs.

We work with our customers to understand how they want us to communicate with them. We use all traditional and digital channels to engage with our customers.

What we said we would do and the assurance that we said we would carry out.	An update on our progress and key assurance findings
Information is easy to find	
<p>We will continue to explore new ways to promote our publications through social media and our website.</p>	<p>Our ongoing customer and stakeholder research programme has informed and developed both our long-term strategy and business plan 2020-25. Based on feedback from over 30,000 customers and stakeholders, 88% of household and 82% of non-household customers supported our plan. 78% of our customers we surveyed also said the plan was affordable. This was achieved through engaging customers via traditional and digital channels. The Yorkshire Forum for Water Customers also recognised that the programme of activity undertaken for PR19 has been much greater in both scope and scale, than previous price reviews.</p> <p>“The level of innovation and the extent and reach of the customer research programme is commendable and has meant that Yorkshire Water now has an expanded depth and understanding about its customers to shape its services around their preferences.”</p> <p>Yorkshire Forum for Water Customers, PR19 Assurance Report, September 2018</p> <p>Our ongoing conversations with customers using both traditional and digital channels have informed the development of our ambitious ‘upper quartile’ customer service targets for the business. Throughout the research programme, our customers told us that when compared to the rest of the industry, they wanted to see improvements in three specific areas of service; leakage, pollution and internal sewer flooding. We have therefore set ambitious targets to achieve this expectation which our customers support. We have committed to reducing leakage by 70%, reducing pollution by 40% and reducing internal sewer flooding incidents by 70% by 2025. Progress against these ambitions will be reported via the various communications channels our customers use. Our ongoing customer research programme and communications strategy will continue to provide the insight we need to ensure our customers are accessing our publications at a time and in a way that is convenient for them.</p>

## Targeted area - 4. Continued

**What we said we would do and the assurance that we said we would carry out.**

**An update on our progress and key assurance findings**

### Information is what customers and stakeholders want and need

We will continue to use our online research community made up from 1,000 Yorkshire Water customers from across our region to ask for feedback on the information we report.

We continue to strengthen our online community which has over 1,000 customers who regularly comment on and take part in research and discussions on a host of different subjects related to topics like customer service, regulatory and company reporting, our plans or even just the way in which we communicate with them. This engagement, alongside our regular interactions with customers and stakeholders has given us much-improved insights into the diverse and changing needs of our customers and stakeholders.

“It’s been an absolute pleasure to be involved in a project that has involved the customer so much and given feedback on all our contributions. How lovely and refreshing. Many organisations could learn from your example.”

Customer (Leeds), Your Water online community, September 2018

In 2018/19, we have consulted with our online research community on: our Assurance Plan; Annual Performance Report; the structure and presentation of our website; Group structure diagram and description; Long term strategy; Wholesale charges scheme; and the Risks, Strengths and Weaknesses statement.

Our research will include face-to-face consultation with focus groups.

In 2018/19, we have held face-to-face consultation with focus groups to discuss and review the following publications: our Assurance Plan and Performance Summary Report. We took note of the feedback and amended our publications prior to publishing. Further information on the feedback received from this consultation can be found in each of the reports.

We will make sure our customer engagement process is representative of our overall customer base, particularly with customers in vulnerable circumstances.

We always review our customer engagement process to make sure it is representative of our overall customer base. Our Safeguarding Officer has reviewed some of our publications to make sure they meet the needs of customers in vulnerable circumstances. The Safeguarding Officer provided some principles on our documentation which we continue to work towards.

### Next steps and action plan

We complete a review of all our reporting after the publication date to take into account any feedback or queries we receive. We use this to consider how we can continue to improve our reporting and any areas we may want to include as a targeted area throughout the following year. We proactively engage with our customers to identify the areas we will target for additional assurance to improve our reporting. We will publish our findings in our risks, strengths and weaknesses statement in the autumn.

## Targeted area - 5. Effect of our internal SAP programme on our reported information

### Why we included this as a targeted area

This is a targeted area of assurance for us in 2018/19 because we are upgrading our SAP system. Our upgrade project is called our SAP programme, and the accuracy and completeness of the information from our IT systems is central to the overall accuracy of the information we report on.

### What we said we would do and the assurance that we said we would carry out.

The activities that will deliver assurance on our data are User Acceptance Testing, workshops, training and dual reporting.

Level 1 assurance. Our Level 1 assurance is from the Quality Assurance processes we use for our Data Stream process. They cover the data quality and migration work carried out to review and check the quality of our data. This assurance was completed by the end of December 2018.

Level 2 assurance. Our Level 2 assurance is from the Quality Assurance function in our SAP Programme Management team who complete a continual Quality Review of our strategy and the delivery of our plans. This has and will include stage gates for each phase of our SAP programme to provide assurance on the data stream, our plans, our strategy and the results of data loads and migrations.

Level 3 assurance. Independent assurance will be completed on the SAP programme.

The reports completed by our Level 3 assurers will be reviewed at the Board Audit Committee and Board.

### An update on our progress and key assurance findings

Programme progress is reviewed on a weekly basis at the programme steering group. PwC are working with Internal Audit to assure the programme. An action log, based on observations from PwC, is reviewed weekly at the Steering Group. The SAP programme is being delivered in phases. The first phase of SAP implementation went live on 30 June 2019.

Our Level 1 assurance has been completed on 'mock' data we uploaded into our SAP system. Our assurance checked the quality of the migration process and the quality of the data that had been migrated. Our Data Stream programme carried out six separate data loads to check the quality of our data and each one was successful.

The SAP programme has a Quality Assurance function. They ensure that stage gate reviews take place for each phase of the SAP programme. They report their findings to the Steering Group on a regular basis.

Internal Audit and PwC have jointly conducted assurance on the technology, data, planning, governance, finances, and business readiness of our SAP programme. The actions arising from this assurance have been managed by the Programme Management Office and discussed at the Steering Group. A data audit conducted by Deloitte commenced in July 2019, immediately after go-live, with further assurance activity taking place throughout July and August 2019.

The reports completed by our Level 2 and 3 assurers have and will be reviewed at the Board Audit Committee and Board, where approval will be required before final go live of our new SAP system.

### Next steps and action plan

We complete a review of all our reporting after the publication date to take into account any feedback or queries we receive. We use this to consider how we can continue to improve our reporting and any areas we may want to include as a targeted area throughout the following year. We proactively engage with our customers to identify the areas we will target for additional assurance to improve our reporting. We will publish our findings in our risks, strengths and weaknesses statement in the autumn.

## Targeted area - 6. Meeting regulatory guidance

### Why we included this as a targeted area

This was a targeted area for us because all the information we publish must meet the requirements set by Ofwat. Our regulator publishes updated requirements and regulatory guidance every year and if we don't understand and meet this, there is a risk information we report that is incorrect. There are two areas where we have chosen to target our assurance this year after feedback from Jacobs our technical auditor, and by Ofwat in our reporting. The specific areas are -

- Application of principal use – our capital spending and associated loss in value of an asset should be directly attributed to one of the four defined price control units. If this is not possible it should be reported in the service where it is used the most with recharges made to the other services to reflect the proportion of the asset used there.
- Calculation of average pumping head – this is the vertical distance that we are able to pump our water when it is stored in boreholes for example.

### What we said we would do and the assurance that we said we would carry out.

We will have workshops with the data providers and data managers involved with principal use and the calculation of average pumping head to discuss the guidance and requirements set by our regulator. This will make sure that our understanding of these requirements are understood internally.

We will update processes and procedures so that they are aligned to the requirements.

Will make sure our publication managers continue to be trained in the application of our 'three levels of assurance' methodology. Our training will explain how the information providers and content authors who supply information on principal use and pumping head must understand the guidance from Ofwat to improve our reporting in these two areas.

### An update on our progress and key assurance findings

On principle use, we understand the requirements but consider additional clarity and guidance is required from Ofwat to ensure consistency across the industry. We have continued to allocate capital costs using PACE allocation rather than principal use as we still believe that this is the most accurate way to report capital expenditure to meet cost allocation principles. We have made this clear in our reporting and we have discussed it with our independent external auditor Jacobs.

On average pumping head, we have reviewed the guidance and applied additional reviews on the data. We have improved the link with the telemetry team to ensure validation with pump run information and the correct exclusion of those larger pumps not running during the year. The data has been reviewed by Jacobs.

All our procedures are reviewed annually in accordance with the latest Regulatory Accounting Guidelines (RAGs). Our procedures are updated to ensure data can be reported against the relevant regulatory requirements. Our procedures are signed off and approved before they are used.

Training has continued through the year. For the APR, we hold a launch event where we provide key messages on our assurance requirements. We followed up this launch event with more detailed smaller briefing sessions. We continue to review the processes we have in place to provide Level 1 and Level 2 assurance. As part of this review, we have strengthened the assurance statement, which is the internal statement our data providers, data managers and senior leaders make to confirm the accuracy of their data and the steps they have taken to confirm this.

What we said we would do and the assurance that we said we would carry out.	An update on our progress and key assurance findings
Our assurance model is defined in our internal Regulatory Assurance Framework and says that we will use Level 1 and Level 2 approvals to confirm that all our reported information is complete and accurate. These statements will be required for all the publications in this plan.	Level 1 and Level 2 assurance statements have been obtained for all of the data published within the APR.

Next steps and action plan
We complete a review of all our reporting after the publication date to take into account any feedback or queries we receive. We use this to consider how we can continue to improve our reporting and any areas we may want to include as a targeted area throughout the following year. We proactively engage with our customers to identify the areas we will target for additional assurance to improve our reporting. We will publish our findings in our risks, strengths and weaknesses statement in the autumn.

## Targeted area - 7. Accuracy of information

Why we included this as a targeted area
The accuracy of our information is included for more assurance based on our own internal assessment and minor errors in our recent reporting. To reduce the risk of errors happening we have applied an increased amount of rigour in our assurance to improve the accuracy of our published information.

What we said we would do and the assurance that we said we would carry out.	An update on our progress and key assurance findings
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.	Where errors in our data have been identified, we have spoken with the relevant data providers to see what additional checks can be put in place. We spoke about our learnings with our data providers and data managers as part of our APR launch event. We have also put in place additional quality assurance checks on the tables in this year's APR.
On occasions our reported data can be out of line with the historical trend. Where data is materially different from previous years we will improve our explanation of the trend it is showing.	We spoke about our learnings with our data providers and data managers as part of our APR launch event. We have also put in place additional quality assurance checks on the tables in this year's APR.
Each year we seek to improve our reporting, which can lead to a change from previous years. We will explain clearly where we have made improvements to reporting and any material impacts this has on the data.	A review of our Level 1 and Level 2 assurance processes has taken place throughout the year. We have strengthened the assurance statement, which is the internal statement our data providers, data managers and senior leaders make to confirm the accuracy of their data and the steps they have taken to confirm this.

## Targeted area - 7. Continued

What we said we would do and the assurance that we said we would carry out.	An update on our progress and key assurance findings
<p>We need to be confident that every piece of information is in the correct format. We will strengthen our internal processes to ensure that the data is reported in the correct format and is in line with the guidance.</p> <p>We are also using new technologies to control and protect our data sources with suitably documented quality checks and change controls to prevent accidental corruption.</p>	<p>We spoke about our learnings with our data providers and data managers as part of our APR launch event. We have also put in place additional quality assurance checks on the tables in this year's APR.</p> <p>To make sure we deliver assurance to a consistent quality, our data providers and data managers are required to document how they produce and check their data. Our data providers and data managers regularly review their reporting procedures to see how data can be further improved or automated. Our SAP improvement programme should allow our data providers and data managers to take advantage of new technologies to control and check the quality of our data in the future.</p>
<p>Our assurance will make sure our publication managers and all those who contribute information to our reporting process and publications are aware of and can carry out assurance based on our 'three levels of assurance' methodology.</p>	<p>Training has continued throughout the year. For the APR, we hold a launch event where we provide key messages on our assurance requirements. We followed up this launch event with more detailed smaller assurance briefing sessions. A review of our Level 1 and Level 2 assurance processes has taken place throughout the year. A strengthened assurance statement has been implemented to support Level 1 and Level 2 assurance review checks.</p>
<p>Our assurance model has been defined internally in our Regulatory Assurance Framework which specifies that we will use Level 1 and Level 2 approvals to confirm that all our reported information is complete and accurate.</p>	<p>Level 1 and Level 2 approvals have been obtained for all the information reported within the APR.</p>
<p>We will continue use our technical auditors Jacobs, to assure information in our APR, and engage with them on other areas of reporting that have a greater risk around accuracy.</p>	<p>The assurance findings from Jacobs are summarised later within this report and their assurance statement is included in Appendix 2.</p>
<p>We are also researching data analytic solutions to apply intelligence to our reporting that will allow us to identify and correct errors. This will include checks across our reports to check for data inconsistencies.</p>	<p>We continue to look at the best solutions available to assist in our quality assurance checks. In the meantime, we have implemented additional manual quality assurance checks of tables to check for data inconsistencies.</p>

### Next steps and action plan

We complete a review of all our reporting after the publication date to take into account any feedback or queries we receive. We use this to consider how we can continue to improve our reporting and any areas we may want to include as a targeted area throughout the following year. We proactively engage with our customers to identify the areas we will target for additional assurance to improve our reporting. We will publish our findings in our risks, strengths and weaknesses statement in the autumn.

## Publication Assurance

We have data assurance processes in place to ensure that the data contained within our publications is accurate. We have a wider assurance process in place to make sure that our publications meet any regulatory guidance and are accessible and easy to read. There are 29 publications that we have included as part of our assurance plan. We have applied our assurance process to them.

The table below provides a summary of the publications that had Level 3 assurance and the main findings from the Level 3 assurance reviews. Appendix A provides further information on our completed assurance activities for all our 2018/2019 publications. Appendix A provides a link to all of our publications.



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
 <p>Price Review 2019 (PR19) Cost Adjustment Claims (May 2018)</p>	<p>The purpose of this early submission was to provide clarity about our approach to developing Cost Adjustment Claims. The submission allowed companies to make claims for unique and material costs that would not be captured by the cost baselines in the main PR19 business plan.</p> <p>Our technical assurance provider, Jacobs, reviewed our approach for developing our claims. Jacobs found no material exceptions and confirmed that our approach was compliant with the requirements. This submission in May did not require us to complete assurance on the specific claims. However, as part of the PR19 Business Plan, we included three claims that were fully audited by Jacobs prior to submission.</p>
 <p>Drinking Water Inspectorate (DWI) long term strategic planning statement (May 2018)</p>	<p>This is a statement submitted to the DWI to set out long term plans based on future risk scenarios to ensure the provision of a continual supply of quality drinking water in the future.</p> <p>Independent assurance was provided by our technical assurance provider, Jacobs, who confirmed that our submission had been developed in line with the guidance and was consistent with the strategic long-term plans that were being proposed for the PR19 business plan.</p>
 <p>PR19 performance commitment definitions (May 2018)</p>	<p>This early PR19 submission confirmed the adoption of standard definitions and reporting guidance for common performance commitments. It also presented information on bespoke company specific performance commitments for the PR19 business plan.</p> <p>Jacobs provided independent assurance of the new performance commitment definitions, historic data and target-setting assumptions. The assurance of our performance commitments was completed using an iterative approach commencing with this early submission where an early indication of draft definitions and historic data was reviewed. Jacobs confirmed that all material issues or risks that were identified during their audits have been satisfactorily resolved, that our procedures were compliant, and the information presented was based on appropriate supporting data and assumptions.</p>

Publication	Main findings and outcomes
 <p>Bulk supply charges (July 2018)</p>	<p>Our publication sets out our charging arrangements for the provision of bulk supply of services to New Appointment and Variation (NAV) organisations that operate within the Yorkshire Water region.</p> <p>Independent assurance was provided by Jacobs who confirmed that our Bulk Supply Pricing (BSP) model for NAVs was consistent with our user guide. In addition, they confirmed that our charges publication was accurate and had been developed in line with the ‘Bulk Charges for NAVs: Final Guidance’ issued by Ofwat in May 2018.</p> <p>Jacobs confirmed that the data used to populate the BSP Model was appropriate and that they were able to track all the input data back to source.</p> <p>The publication of our Bulk Supply Charges for NAVs was concluded later than originally intended. We published our charging arrangements on our website in May 2019.</p>
 <p>Price Review 2014 (PR14) reconciliation (July 2018 &amp; July 2019)</p>	<p>This publication is part of the PR19 business plan submission, which is the detailed plan to deliver services to our customers from 2020 to 2025. The PR14 reconciliation is the calculation of adjustments that take account of our past performance and the impact of incentive mechanisms from our performance in the PR14 business plan period from 2014 to 2019.</p> <p>Independent assurance for our PR14 reconciliation was provided by Deloitte and Jacobs, who assessed the submission for compliance with the Ofwat guidance, and the accuracy of our data and models to ensure our submission is complete and accurate.</p> <p>No material issues were identified and any actions arising from the audits were closed before submission.</p>
 <p>Price Review 2019 (PR19) Business Plan</p>	<p>Our PR19 business plan is the detailed plan on how we intend to deliver services to our customers and the environment from 2020 to 2025.</p> <p>Assurance for our PR19 plan was provided by our independent technical auditors, Jacobs, and our financial assurers, Deloitte. Jointly assuring the submission, they provided a technical and financial challenge against the delivery and content of our plan and an assessment of how well we met Ofwat’s final methodology for the 2019 price review.</p> <p>The findings from this assurance confirmed that our procedures were compliant, that information presented was based on appropriate supporting data and assumptions and had been subjected to reasonable levels of scrutiny and challenge.</p> <p>It confirmed that PR19 data tables and supporting table commentaries provided a clear and fair representation of our proposals, and that overall, our proposals were stretching in terms of performance expectations and cost.</p> <p>It noted some areas of uncertainty around our efficiency but recognised that our Board was aware and considered the risks to be within the company’s capacity to manage them.</p>
 <p>Indicative Wholesale Charges Scheme (October 2018)</p>	<p>Each year we publish our Indicative Wholesale Charges Scheme. This publication contains primary and non-primary charges for retailers who operate in our region.</p> <p>Independent assurance was provided by our external auditors Jacobs and Deloitte. Deloitte completed a review of the tariff model to confirm that the functionality is correct. Jacobs reviewed the guidance and compared our approach to ensure that charges had been calculated from the tariff model correctly and regulatory requirements had been met.</p>

Publication		Main findings and outcomes
Cont.	Indicative Wholesale Charges Scheme (October 2018)	In addition, our Internal Audit department also carried out a billing audit. This audit confirmed that the tariffs have been included in our billing system correctly.
	Risks, Strengths and Weaknesses Statement (October 2018)	<p>Each year we complete a risks, strengths and weaknesses exercise to identify the areas where we need to provide extra assurance on our published information.</p> <p>Our Internal Audit team provided independent assurance to confirm that our statement was accurate and met the Ofwat guidance.</p> <p>In addition, the Yorkshire Forum for Water Customers reviewed our statement and challenged our customer and stakeholder engagement approach to make sure it was comprehensive.</p> <p>The findings from this assurance confirmed that our statement was accurate and had been written in line with Ofwat guidance.</p>
	Draft Assurance Plan (November 2018)	<p>Each year we publish an assurance plan for the information that we provide. We publish our draft plan followed by a period of consultation and we update the final plan based on the feedback we have received.</p> <p>Our Internal Audit team provided independent assurance on our Draft Assurance Plan and confirmed that overall, it was accurate and met the Ofwat guidance.</p> <p>Internal Audit noted the assurance plan demonstrated an understanding of the underlying themes in Ofwat's guidance surrounding trust, active stakeholder engagement and acting on the issues raised by stakeholders. Two minor improvements were raised relating to frequency of our self-assessment activity and consistent use of terms and acronyms. These recommendations were accepted and applied to the development of the final assurance plan.</p>
	Wholesale Charges Scheme (January 2019)	<p>Each year we publish our Wholesale Charges Scheme. This publication contains primary and non-primary charges for retailers who operate in our region.</p> <p>Independent assurance was provided by our external auditors Jacobs and Deloitte. Deloitte completed a review of the tariff model to confirm that the functionality is correct. Jacobs reviewed the guidance and compared our approach to ensure that charges had been calculated from the tariff model correctly and regulatory requirements had been met.</p> <p>In addition, our Internal Audit department also carried out a billing audit. This audit confirmed that the tariffs have been included in our billing system correctly.</p>
	Charging Arrangements for New Connection Services (February 2019)	<p>Each year we publish our Charging Arrangements for New Connection Services based on Ofwat rules. These are charges for new connections made into our existing networks, including connections for new housing developments.</p> <p>Independent assurance was provided by our external assurance provider Jacobs. Jacobs confirmed that we had complied with the charging rules and that our systems and processes were effective. They also confirmed that we reviewed the balance of charges between developers and other customers and demonstrated meaningful consultation with customers who were impacted by these arrangements.</p>

Publication	Main findings and outcomes
 <p>Charges Scheme (February 2019)</p>	<p>Every year we publish our Charges Scheme. This contains household and non-household end user charges.</p> <p>Independent assurance was provided by our external auditors Jacobs and Deloitte. Deloitte completed a review of the tariff model to confirm that the functionality is correct. Jacobs reviewed the guidance and compared our approach to ensure that charges had been calculated from the tariff model correctly and regulatory requirements had been met.</p> <p>In addition, our Internal Audit department also carried out a billing audit. This audit confirmed that the tariffs have been included in our billing system correctly.</p>
 <p>PR19: Response to IAP (April 2019)</p>	<p>Our PR19 business plan was submitted in September 2018 and set out the plans on how we intend to deliver services to our customers and the environment from 2020 to 2025. On 31 January 2019 Ofwat published results that scored our plans based on nine IAP categories. Ofwat also published 91 questions for us to answer on the technical detail in our plans. On the 1 April 2019 the responses to the questions and updated information in our PR19 data tables will be sent back to Ofwat for the next stage of approval.</p> <p>The assurance of our responses to IAP queries was provided by Jacobs and Deloitte. We risk assessed all our IAP queries to make sure that external assurance activity was applied to the most complex IAP queries or those that carried the greatest risk of error.</p> <p>Overall, the findings from this assurance confirmed that our procedures were compliant, that information presented was based on appropriate supporting data and assumptions and had been subjected to reasonable levels of scrutiny and challenge.</p>
 <p>PR19 IAP Action: Unplanned Outages (May 2019)</p>	<p>Unplanned outages is a new performance commitment that we included in our PR19 business plan submission. This submission will update our 2018/19 forecast performance with 2018/19 actual performance. We will also update the evidence for our forecast 2019/20 performance taking account of the actual 2018/19 performance. This submission was an action required through the Response to IAP.</p> <p>Jacobs provided the independent external assurance on this submission. Jacobs reviewed and tested the methodologies, processes and supporting evidence on which the data and statements are based, and considered the material accuracy of these statements, the performance data presented, and the conclusions drawn. Overall, Jacobs concluded that the information provided in this submission provides a reasonable assessment of current performance but that the forecasts have a lower level of confidence.</p>
 <p>Annual Report &amp; Financial Statements (July 2019)</p>	<p>Our Annual Report and Financial Statements (ARFS) are a legal requirement. They report on our strategy and provide detail on how we are governed and our performance in the last financial year. The ARFS is also part of our promise to deliver 'integrated reporting' which explains how we have and will create value for society and shareholders, outside of traditional financial measures, both now and in the future.</p> <p>Throughout the year, internal audit has completed audits on the controls in place within the financial systems.</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>

Publication		Main findings and outcomes
Cont.	Annual Report & Financial Statements (July 2019)	<p>The information on our performance commitments was assured as part of the Annual Performance Report assurance by our external technical auditors, Jacobs.</p> <p>Matters identified through the audits were discussed and action was taken to close these down before we published the document. Deloitte presented assurance information to the Board Audit Committee.</p>
	Risk and compliance statement (July 2019)	<p>Our risk and compliance statement sets out how we have complied with the statutory, licence and regulatory obligations where Ofwat is our regulator. Our statement in July 2019 covers the reporting year 1 April 2018 to 31 March 2019 for all obligations, except environmental compliance and water quality parameters which are reported 1 January 2018 to 31 December 2018.</p> <p>Jacobs provided independent assurance to review and confirm processes that support the declarations in our risk and compliance statement. 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>Jacobs concluded that Yorkshire Water had a full understanding of the company's relevant obligations and that Yorkshire Water had appropriate systems and processes in place to run the business and identify and manage risks in a way that meets the relevant obligations.</p>
	Bioresources market information (July 2018 & 2019)	<p>Our Bioresources Market Information is an annual publication which includes the data that Ofwat ask us to publish to support the development of a bioresource treatment market, and to monitor its operation.</p> <p>Our Bioresources Market Information submission was assured by Jacobs to confirm that the information was accurate and generated in line with the guidance provided.</p> <p>Jacobs completed their audit on seven areas - an independent review of performance and reporting, methodology, assumptions, source data, clarity of audit trails and governance.</p> <p>Jacobs concluded that the information provided in the Bioresources Market Information submission 2019 provides a fair, balanced and understandable summary of the Company's sludge production and sludge treatment facilities and the contracts that have been agreed with third parties to provide bioresources services.</p>
	Annual Performance Report (July 2019)	<p>Our APR, provides detailed information on our performance against our customer outcomes and commitments and our financial performance.</p> <p>The external independent assurance on the information within our annual performance report was provided by Deloitte and Jacobs. We have included findings from the assurance reviews from Jacobs and Deloitte in our annual performance report.</p>

# 05. Glossary

Term	Definition
Annual Performance Report (APR)	A report that we publish each year to show 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 manager	They will work with the Publication Manager to understand the guidance and the reporting requirements. They will design the assurance placed on publication. They will ensure that the assurance is completed and report on findings to Board Audit Committee and Board.
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 accountable for controlling the business, our strategy and our decisions. They are responsible for the quality of our publications.
Board Audit Committee	The Board Audit Committee reviews the processes in place and the level of assurance. They report their views on the quality of our assurance to the Board.
Data assurance	Processes in place to make sure that the information we produce is accurate.
Independent assurance provider	We hire independent assurance providers to review the information we publish. This can include interviews with colleagues, tracing information back to source and assessing the quality of our processes. Independent assurance can be an external resource or from our company Internal audit team, who are independent and governed by international standards.
ISO9001 Quality Management Standard	ISO9001 is the internationally recognised Quality Management System. It is the standard that our annual performance reporting process has been judged to meet. By being ISO 9001 certified, our regulatory reporting process is considered to consistently provide information that meets customer and statutory and regulatory requirements.
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.
Publication manager	They will review the guidance, design the format of the final report, choose the people across the business to provide the required data and set up a timeline for publication.
Risks, strengths and weaknesses statement	This is a document we produce every year after consulting with 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 risk identified as part of this process.
SAP	SAP is an IT system designed to provide efficient working practices, consistent information, joined-up systems across Yorkshire Water and standardised ways of working.
Wider assurance	Processes in place to make sure our publications meet any relevant guidance and that our publications are accessible and easy to understand.

# **Appendix A**

# **Our detailed assurance activities in 2018/2019**

This appendix provides a description of each of our publications for 2018/2019 and the assurance activities that we completed prior to their publication.

April 2018

Condition R Compliance  
Code Statement

Moderate risk

**What is it?**

Our Condition R Compliance Code Statement confirms we have met specific obligations under our licence. It provides transparency to our customers and regulators on how we operate in competitive markets.

**Why is it important to you?**

Our Condition R Compliance Code statement is important because it demonstrates how we work in a competitive market and provides assurance that we treat all those who do business with us fairly.

**Why is it important to us?**

This statement is important to us because we fully support competition in our industry and we recognise our regulatory and statutory obligations under Competition Law. This statement is a summary for our regulators of the controls we apply to enable us to operate fairly in competitive markets.

**Our planned assurance****Level 1**

Our legal department and compliance officer reviewed the appropriate guidelines and prepared a draft compliance code that has been published.

Throughout the year, we used our Compliance Monitoring Plan to test the controls we have in place to ensure compliance with Competition in the retail market

**Level 2**

Level 2 assurance was provided by our Senior Competition Lawyer and the Director of Regulation who approved the publication to proceed to the Board for sign off.

**Level 3**

In applying our risk-based approach, we determined that no independent assurance was required for this publication.

**Publication**

The Board reviewed and approved this publication.

The publication can be seen at: [www.yorkshirewater.com/sites/default/files/730284\\_YW\\_Compliance\\_Report\\_A4%20%28004%29.pdf](http://www.yorkshirewater.com/sites/default/files/730284_YW_Compliance_Report_A4%20%28004%29.pdf)

**What is it?**

This early PR19 submission summarised the cost adjusted claims in the main PR19 plan to be published in September 2018. The submission allowed companies to make claims for unique and material costs that would not be captured by the cost baselines in the main PR19 business plan.

**Why is it important to you?**

The detailed cost information in the PR19 business plan as cost adjustment claims, are important because they allow you to understand situations where we may have higher than expected costs due to circumstances that are out of our control.

**Why is it important to us?**

The cost adjustment claims submission is important because it provides clear and detailed evidence for unique or material costs that relate to our business. The submission allows us to build trust and to demonstrate that we are not proposing to charge our customers more than is necessary due to inefficiency in our business.

**Our planned assurance**

Level 1	Level 2	Level 3
<p>Our Level 1 assurance included checks on detailed numbers and commentaries, including evidence that claims reflected in the cost adjustment activities were supported by customers, and were needed to deliver the services in our wider PR19 plan.</p> <p>A Submission Manager followed our wider assurance process and made sure that the numbers and commentaries for our cost adjustment claims were based on the guidance and set out in the submission format that was specified by Ofwat.</p>	<p>The Level 2 assurance for the cost adjustment claims submitted for our PR19 plan was completed by Senior Managers and directors.</p>	<p>The Level 3 assurance of our cost adjustment claims was provided by the independent consultant Oxera.</p> <p>The overall approach and the overall submission was assured by Jacobs.</p> <p>At this early submission stage, assurance on the actual claims was not required. However, all findings from this assurance were reviewed in detail with all actions addressed to resolve concerns.</p>

**Publication**

Our approach to cost adjustment claims: [www.yorkshirewater.com/media/1345/appendix-8h-approach-to-cost-adjustment-claims.pdf](http://www.yorkshirewater.com/media/1345/appendix-8h-approach-to-cost-adjustment-claims.pdf)

An assessment of our cost adjustment claims: [www.yorkshirewater.com/media/1343/appendix-8i-an-in-the-round-assessment-of-cost-adj-claims.pdf](http://www.yorkshirewater.com/media/1343/appendix-8i-an-in-the-round-assessment-of-cost-adj-claims.pdf)

May 2018

DWI long term strategic planning statement

Highest risk

**What is it?**

This is a statement submitted to the Drinking Water Inspectorate (DWI) to set out long term plans based on future risk scenarios to ensure the provision of a continual supply of quality drinking water in the future.

**Why is it important to you?**

This submission is important to provide confidence in our ability to deliver a continual supply of safe drinking water in the long term based on appropriate risk assessments and mitigation activities.

**Why is it important to us?**

This submission is important to us because it sets out the long-term strategic planning for our water quality and supply arrangements which are essential for us to always deliver our customers with a continual supply of safe drinking water.

**Our planned assurance**

Level 1	Level 2	Level 3
<p>The data in the submission was provided by internal experts as data providers and data managers.</p> <p>A Submission Manager made sure that these roles delivered Level 1 assurance on the data and commentary in the submission. They ensured the submission was completed in the relevant timescales and in line with the requirements and guidance.</p>	<p>Level 2 assurance was provided by named Senior Managers and directors who reviewed and approved the information provided.</p> <p>A peer review of the information and the submission was carried out.</p>	<p>Level 3 assurance was provided by our technical assurance provider, Jacobs. They ensured the submission was developed in line with the guidance and was consistent with the strategic long-term plans that were being proposed for the PR19 business plan.</p>

**Publication**

Our DWI long term strategic planning statement was published to the DWI published in May 2018 and subsequently published on our website as part of our PR19 Business Plan submission. [www.yorkshirewater.com/media/1493/ykycmia5-5-appendix-14a-drinking-water-quality-dwi-submission.pdf](http://www.yorkshirewater.com/media/1493/ykycmia5-5-appendix-14a-drinking-water-quality-dwi-submission.pdf)

**What is it?**

This early PR19 submission confirmed the adoption of standard definitions and reporting guidance for common performance commitments, and presented information on bespoke company specific performance commitments for the PR19 business plan.

**Why is it important to you?**

The PR19 plan must deliver for our customers and our success is communicated through our performance commitments. They are designed by customers, stakeholders and our regulators as a set of measures to assess how well we deliver our services. They are standard definitions from Ofwat and some bespoke company specific definitions. These must be correct so you can assess our performance from 2020-2025.

**Why is it important to us?**

This submission is important to provide a clear summary of the outcomes, performance commitments and outcome delivery incentives (ODI's) we will use to measure the delivery of our PR19 business plan. The submission confirms that we have adopted standard definitions for common performance commitments, and provided transparency to our customers on our company specific bespoke performance commitments.

**Our planned assurance**

Level 1	Level 2	Level 3
<p>The data and commentaries included in the submission for our performance commitment definitions was obtained from internal experts and assured data sources. Our Level 1 assurance was evidenced through signed assurance statements for the supporting information that was provided for our performance commitment definitions.</p> <p>A Submission Manager followed our wider assurance process and made sure that the numbers and commentaries were based on the guidance and set out in the format that had been specified by Ofwat.</p>	<p>The Level 2 assurance for our performance commitment definitions submission was provided by Senior Managers and directors.</p> <p>Our Level 2 assurance ensured the evidence and explanations to support the accuracy and completeness of the definitions was complete and accurate.</p> <p>Our Level 2 assurance was evidenced through signed assurance statements.</p>	<p>The Level 3 assurance for our PR19 plan was provided by our independent technical auditors, Jacobs.</p> <p>The findings from the assurance process were reviewed in detail and actions that had been identified to address any concerns were implemented and checked before the final definitions we submitted.</p>

**Publication**

Our performance commitment definitions were published on our website as part of our PR19 Business Plan submission. [www.yorkshirewater.com/media/1346/19b\\_bespoke-performance-commitment-definitions.pdf](http://www.yorkshirewater.com/media/1346/19b_bespoke-performance-commitment-definitions.pdf)

July 2018

Bulk Supply Charges

Higher risk

**What is it?**

Our publication sets out our charging arrangements for the provision of bulk supply of services to New Appointment and Variation organisations (NAVs) that operate within the Yorkshire Water region.

**Why is it important to you?**

This charging information is important to NAVs and developers so that they can evaluate opportunities and understand the relevant upstream and downstream costs that support the prospective new NAV networks.

**Why is it important to us?**

Our bulk supply and discharge charges support new markets in the water sector in England and Wales. It is important to us that NAVs can consider new developments and compete fairly with other market participants. To enable this, we need to publish charges that are clear, accurate and meet the guidance.

**Our planned assurance**

Level 1	Level 2	Level 3
<p>All our data input into our bulk supply tariff model was taken from various business sources, some of which had already been assured.</p> <p>We reviewed and updated our tariff model, and the outputs were assessed for their impact on customers to make sure they were reasonable. The model and publication were informed by stakeholders and included outputs from consultation.</p> <p>Our data managers made sure the publication was completed on time and in line with Ofwat guidance.</p>	<p>Our Level 2 assurance used named Senior Managers and directors to review and approve the tariffs and information provided for this scheme.</p> <p>Our Level 2 assurance consulted with our internal tariff steering group, which includes business experts in regulatory finance, retail services and tariffs on the content of our bulk supply charging scheme.</p>	<p>Our technical assurance provider, Jacobs carried out assurance to check that our bulk supply tariff model and our charges publication were accurate and had been developed in line with the Ofwat guidance.</p> <p>Jacobs provided assurance that we had included suitable feedback from the stakeholder consultation process to compile our charges scheme.</p>

**Publication**

The publication of our Bulk Supply Charges for NAVs was concluded later than originally intended, but followed effective consultation with stakeholders. We published our charging arrangements on our website in May 2019. [www.yorkshirewater.com/media/1519/yorkshire-water-bulk-supply-charging-2019-20.pdf](http://www.yorkshirewater.com/media/1519/yorkshire-water-bulk-supply-charging-2019-20.pdf)

**What is it?**

Our Annual Report and Financial Statements (ARFS) are a legal requirement. They report on our strategy and provide detail on how we are governed and our performance in the last financial year. The ARFS is also part of our promise to deliver 'integrated reporting' which explains how we have and will create value for society and shareholders, outside of traditional financial measures, both now and in the future.

**Why is it important to you?**

Our ARFS are important to show that we are compliant with our investors and industry regulations. The ARFS are important to keep you informed on our latest financial results and strategies. The reporting is prepared to meet your needs as an integrated report, including financial and non financial measures of our performance.

**Why is it important to us?**

Our ARFS are important because they share detailed financial and other information with our stakeholders. They provide financial reporting on our performance, including additional information for specialist groups and at the same time meet our statutory legal requirements. They also include results from 'integrated reporting' on the economic, environmental and social impacts of our operations which our customers are increasingly interested in hearing about.

**Our planned assurance**

Level 1	Level 2	Level 3
To deliver Level 1 assurance, throughout the year, our accountants performed day-to-day accounting activities based on defined and documented procedures.	To provide Level 2 assurance, throughout the year, management oversaw the activities performed by our accountants. This included monthly reviews and reporting on our financial information.	Our Internal Audit team completed Level 3 assurance through an annual financial and regulatory accounting audit on the processes and controls for financial accounting.
To produce the ARFS we had named data providers and data managers who were responsible for providing accurate information to support the financial guidance and regulations which are in place to prepare this publication.	This activity formed part of the in-built three levels of assurance process for activities within our finance teams. This assurance was mapped through activity carried out by our Integrated Assurance team.	Our financial auditors Deloitte, audited the year end information in our statutory accounts to confirm that it was true and fair, based on company affairs and that the accounts had been prepared in line with our underlying accounting policies.
Our Publication Manager for the ARFS followed a wider assurance process to make sure that the final document was accurate, accessible and easy to understand.	Before publication, the financial statements were reviewed and approved by the Head of Finance, and the Director of Finance, Regulation and Markets.	The information on our performance commitments in the ARFS was assured by our external technical auditors, Jacobs.

**Publication**

Our assurance was presented to the Board Audit Committee, we obtained a Board Assurance Statement and published the ARFS including the independent auditors report on our website.

[www.yorkshirewater.com/sites/default/files/730444\\_YWS\\_ARFS%202018%20FINAL.pdf](http://www.yorkshirewater.com/sites/default/files/730444_YWS_ARFS%202018%20FINAL.pdf)

July 2018 &amp; July 2019

Bioresources Market  
Information

Higher risk

**What is it?**

Our Bioresources Market Information is an annual publication which includes the data that Ofwat ask us to publish to support the development of a bioresource treatment market, and to monitor its operation.

**Why is it important to you?**

This information is important because it helps to promote market development in bioresources activities. If we publish the right information markets can inform and encourage efficiencies and new ideas for the benefit of customers, the environment and to wider society from new developments in the bioresource market.

**Why is it important to us?**

This publication is important to us because the creation of the bioresources treatment market will drive efficiency, boost resilience and deliver innovation within our industry. It is important for us to deliver data that is accurate, reliable and accessible and will allow conversations between us and third parties to explore new market opportunities.

**Our planned assurance**

Level 1	Level 2	Level 3
<p>To deliver our Level 1 assurance our data assurance process was used to make sure the data in our submission was complete and accurate.</p> <p>We had named data providers and data managers who provided information in line with Ofwat guidance.</p> <p>Our publication was owned by a Submission Manager who followed our wider assurance process, to make sure the submission was completed on time and meets the requirements and guidance.</p>	<p>Our Level 2 assurance was provided through our senior management review and sign off.</p> <p>A peer review of the detailed information and the submission was carried out by the Bioresources Steering Group.</p> <p>We also used named Senior Managers to review and approve the information in our publication.</p> <p>Finally, a Senior Manager approved the report before publication.</p>	<p>Our technical auditor, Jacobs completed Level 3 assurance to confirm that our data is accurate and met the guidance. They reviewed and tested our methodologies, processes and the supporting evidence on which our market information submission was based.</p> <p>They checked the accuracy of our information and the explanations of our activities to make sure they were reasonable.</p>

**Publication**

The bioresources market information is published on our website: [www.yorkshirewater.com/bioresources](http://www.yorkshirewater.com/bioresources)

**What is it?**

Our Data Assurance Summary, summarises the risk-based assurance we have completed on our 2018/2019 performance information. It summarises the main findings from the assurance we defined in our final assurance plan.

**Why is it important to you?**

This summary is important because it provides you with the outcomes of our assurance on targeted areas and the assurance on each of our publications. It should give you trust and confidence in our published data and information.

**Why is it important to us?**

Our data assurance summary is important because we explain how we have assured our published information and the findings from our assurance activities. It is important because we want to make sure our customers and stakeholders can be sure of the quality of our published information and have trust and confidence in us as a responsible business.

**Our planned assurance**

Level 1	Level 2	Level 3
<p>The Level 1 assurance on our Data Assurance Summary was managed and documented by a Senior Manager in our Regulation team in line with the guidance from Ofwat.</p> <p>Our Publication Manager followed the wider assurance process making sure that the document was written in a format which was accurate, accessible and easy to understand.</p>	<p>Our Data Assurance Summary was delivered at the same time as our APR which included Level 2 assurance from our APR steering group who reviewed the requirements and made sure they we met those requirements.</p>	<p>In applying our risk-based approach, we determined that no independent assurance was required for this publication.</p>

**Publication**

The Regulatory Compliance and Assurance Manager approved the summary before final publication. This is the data assurance summary. It is published on our website.

July 2018 &amp; July 2019

Performance Summary

Moderate risk

**What is it?**

Our performance summary gives an overview of how we have performed against the promises we made to our customers in 2015. The summary presents the results under our seven customer outcomes and the 26 performance commitments that sit under them.

**Why is it important to you?**

Our performance summary describes our performance against our commitments including the rewards and penalties we have incurred. This is a summary of the detailed information in our APR, in a shorter and simpler format. The performance summary we publish in July 2019 will report our performance from 1 April 2018 to 31 March 2019.

**Why is it important to us?**

Our performance summary is important to us so our customers can clearly see how we are doing in delivering water and waste services as the leading, responsible business, that we strive to be. It's important because it explains the detailed information in our APR in a simple and clear way.

**Our planned assurance****Level 1**

All the information included within the performance summary is obtained from the Annual Performance Report (APR).

We have regularly monthly reporting of our performance commitments to Board. We have Delivery Assurance Groups (DAGs) that review and challenge our monthly performance. They set corrective actions when we deviate from our targets.

We have defined data providers and data managers who provided the information on our performance commitments.

We assigned a Publication Manager to create the summary and pull the information from the and make sure it was accurate, accessible and easy to understand.

**Level 2**

Throughout the year, managers oversaw our performance reporting activities. Performance commitments are reviewed as part of internal business planning at the Board Investment Committee (BIC) and reviewed again for year-end reporting and forecasting. Any issues arising in the delivery of our performance commitments may involve further scrutiny from BIC in order to approve funding for improvement and/or monitor performance.

Senior managers confirmed that the data had been prepared in line with the procedures. Senior managers confirmed that they had confidence in our data and that trends were understood and explained, and any material assumptions we made were also explained.

The Regulatory Compliance and Assurance Manager made sure that information was provided in line with the guidance.

**Level 3**

In applying our risk-based approach, we recognised that Level 3 assurance had been applied to the data and commentaries in our performance summary during our APR assurance processes.

**Publication**

The Performance Summary is approved as part of the APR approval process. The performance summary is published on our website alongside our APR: [www.yorkshirewater.com/reports#ls2](http://www.yorkshirewater.com/reports#ls2)

**What is it?**

Our risk and compliance statement sets out how we have complied with the statutory, licence and regulatory obligations where Ofwat is our regulator. Our statement in July 2019 covers the reporting year 1 April 2018 to 31 March 2019 for all obligations, except environmental compliance and water quality parameters which are reported separately.

**Why is it important to you?**

The most important responsibilities we have are to provide an uninterrupted supply of clean, safe drinking water and to remove waste water. These must be achieved in a way that is safe and compliant, and protects and enhances our natural environment. This statement is a summary of how we have met with our regulatory and legal obligations.

**Why is it important to us?**

The statement is important to us because it sets out how we have complied with the statutory, licence and regulatory obligations where Ofwat is our regulator. It demonstrates our clear accountability to both our customers and to Ofwat.

**Our planned assurance**

Level 1	Level 2	Level 3
<p>The day-to-day activities we carry out are governed by a range of legislation and the requirements of our Licence. To make sure we comply with these requirements we use experts to understand the detail in the requirements and embed compliant policies and procedures for colleagues to apply. This delivers much of our Level 1 assurance.</p> <p>This expertise includes, Legal Services, the Regulation team, Company Secretariat, Financial Services, Health and Safety, Asset and Process Engineers and Human Resources. These teams draw on deeper external expertise to ensure that any changes to our obligations are appropriately applied.</p> <p>The statement was owned by a Publication Manager who followed the wider assurance process to make sure that our final document was accurate, accessible and easy to understand.</p>	<p>Compliance with approved policies and procedures was monitored through our business as usual Level 2 assurance activities. Our assurance was mapped to ensure effective coverage and escalation of issues.</p> <p>Our delivery of integrated assurance through day-to-day activities has been mapped and improved by our Integrated Assurance team.</p> <p>To support this approach, all our senior leaders provided assurance over their team's compliance with relevant legislation, regulation and governance by completing an annual Control and Risk Self-Assessment (CRSA). The results of our CRSA were triangulated with other sources of assurance to make sure our level of compliance was understood.</p> <p>Our risk and compliance statement was reviewed by Senior Managers and directors with final approval from a Senior Manager.</p>	<p>Our Audit Risk and Assurance team completed an audit of our CRSA. They checked the accuracy and consistency on the level of compliance with the relevant legislation that is reported in our Risk and Compliance statement.</p> <p>Our technical auditor Jacobs performed a Level 3 review of the CRSA processes to assess compliance with our obligations. They provided advice on the content of our risk and compliance statement which has been reflected in the final version.</p> <p>We presented the statement and our assurance to the Board Audit Committee.</p>

**Publication**

The **Risk and Compliance Statement** is approved by the Board. It is published within the APR and as a separate document. It can be viewed at: [www.yorkshirewater.com/reports#ls2](http://www.yorkshirewater.com/reports#ls2)

July 2018 &amp; July 2019

PR14 Reconciliation

Highest risk

**What is it?**

This publication is part of the PR19 business plan submission which is the detailed plan to deliver services to our customers from 2020 to 2025. The PR14 reconciliation is the calculation of adjustments that take account of our past performance and the impact of incentive mechanisms from our performance in the PR14 business plan period from 2014 to 2019.

**Why is it important to you?**

Our PR14 reconciliation is important because adjustments from the reconciliation calculations are used in our PR19 plan. The calculation of the adjustments is complicated, and it is important that the adjustments are correct to deliver a PR19 business plan that you can have confidence in.

**Why is it important to us?**

The PR19 business plan sets out the detailed plans on how we propose to deliver our services from 2020 to 2025. It is important that we get these plans right and meet Ofwat's framework requirements and methodology which includes adjustments from the PR14 reconciliation. The information we submitted on 15 July 2018 for our PR14 reconciliation was included in our PR19 plan for the period 2020 to 2025.

**Our planned assurance**

Level 1	Level 2	Level 3
<p>The data and commentaries for our PR14 reconciliation were obtained from internal experts and assured data sources. The submission was made up of a number of reconciliations governed by the PR14 reconciliations rule book which is published by Ofwat.</p> <p>The information for the submission included detailed evidence on the information in the supporting PR19 data tables and commentaries.</p> <p>Our Level 1 assurance ensured the numbers and supporting calculations in the submission were accurate, reasonable and had been explained appropriately.</p>	<p>The Level 2 assurance completed on our PR14 reconciliation submission was completed by Senior Managers or a director.</p> <p>Our Level 2 assurance checked and approved the evidence to support the accuracy and completeness of the PR14 reconciliation information provided by Level 1 assurance.</p>	<p>Level 3 assurance provided an assessment of the PR14 reconciliations, checked the supporting data tables on a sample basis, assessed the controls for the reconciliation process and checked whether the reconciliations met the Ofwat guidance including the PR14 reconciliations rule book.</p>

**Publication**

Our Board approved this publication. It can be viewed at: [www.yorkshirewater.com/ourbusinessplan](http://www.yorkshirewater.com/ourbusinessplan)

September 2018

Price Review (PR19)  
Business Plan

Highest risk

### What is it?

Our PR19 business plan is the detailed plan on how we intend to deliver services to our customers and the environment from 2020 to 2025.

### Why is it important to you?

Our PR19 business plan is important because it sets out the services you will receive from 2020 to 2025. It is important that our PR19 business plan meets the needs and expectations of all our customers and stakeholders and Yorkshire Water delivers services as a responsible water and sewerage company both now and in the future.

### Why is it important to us?

Our PR19 business plan is important to us because it must meet the expectations of our customers in delivering the services they need, both now and in the future, at a price they can afford to pay. It is important to us that the PR19 business plan meets all our statutory requirements including the legislative and regulatory framework under which we operate, UK government strategic policy statements, Ofwat's final methodology for the 2019 price review and the DWI and Environment Agency's specific requirements.

### Our planned assurance

#### Level 1

Our assurance for our PR19 business plan followed our three levels of assurance methodology.

Our Level 1 assurance included audit checks and challenges to data providers and data managers on the data which populated the data tables that were published and submitted to Ofwat with our plan.

Our Level 1 assurance also included checks on the methodologies and commentaries with the detailed information to support our plan. Our Level 1 assurance was evidenced through signed assurance statements for all the business plan data tables we published and submitted to Ofwat.

Our wider assurance also extended to the preparation, production and publication of the information that underpinned our PR19 business plan.

#### Level 2

The Level 2 assurance for the data tables and commentaries in our PR19 plan was completed by Senior Managers and Directors.

Our Level 2 assurance checked and approved the evidence to support the accuracy and completeness of the numbers in the data tables and the detailed commentaries that had been checked by our Level 1 assurance providers.

Our Level 2 assurance was evidenced through signed assurance statements for all the business plan data tables we published and submitted to Ofwat.

#### Level 3

The Level 3 assurance for our PR19 plan was provided by our independent technical auditors, Jacobs, and our financial assurers, Deloitte.

Our Level 3 assurance provided a technical challenge on the delivery of our plan including assurance on the delivery and content of our plan to meet Ofwat's final methodology for the 2019 price review.

Our assurance process ensured that all relevant audit information and risks were exposed to our independent assurers.

### Publication

Our Board approved this publication. The Business Plan and associated documents can be found at: [www.yorkshirewater.com/ourbusinessplan](http://www.yorkshirewater.com/ourbusinessplan)

The overall PR19 assurance statement from Jacobs and Deloitte can be found here: [www.yorkshirewater.com/media/1335/appendix-4e-halcrow-pr19-assurance-report-and-statement.pdf](http://www.yorkshirewater.com/media/1335/appendix-4e-halcrow-pr19-assurance-report-and-statement.pdf)  
[www.yorkshirewater.com/media/1336/appendix-4d-yorkshire-water-cover-letter-deloitte-pr19-assessment-support.pdf](http://www.yorkshirewater.com/media/1336/appendix-4d-yorkshire-water-cover-letter-deloitte-pr19-assessment-support.pdf)

<b>October 2018</b>	<b>Indicative Wholesale Charges Scheme</b>	<b>Higher risk</b>
---------------------	--	--------------------

### What is it?

Each year we publish our Indicative Wholesale Charges Scheme. This publication contains primary and non-primary charges for retailers who operate in our region.

### Why is it important to you?

It is important because our charges must be correct and accessible to retailers to enable them to budget and to build their business plans.

### Why is it important to us?

Our charges scheme is important to us because we want to make sure that we provide consistent and reliable information to all our retailers.

### Our planned assurance

Level 1	Level 2	Level 3
<p>All data inputs into the tariff model were from assured data sources, internal experts or forecasts. Our assurance was provided by our Regulatory Tariff Accountant and our Regulatory Finance Manager.</p> <p>Level 1 assurance included checks on any movements in our tariffs, assessing the effect on bills, and making sure that the effects were reasonable and could be explained.</p> <p>The team provided Level 1 assurance to make sure we stayed in line with the four revenue price controls and adhered to guidelines.</p>	<p>Level 2 assurance was provided by the Tariff Steering Group, which included internal business experts in regulatory finance, retail services and tariffs.</p> <p>Level 2 assurance was also provided by the Head of Financial Planning and Pricing, the Regulation Director and the Head of Household Retail. As part of the assurance process they documented their observations before signing off. Any queries raised were resolved prior to a Board review.</p> <p>A qualified member of our internal legal team agreed any changes to our charges scheme book.</p>	<p>Level 3 assurance was provided by our external auditors Jacobs and Deloitte. Deloitte completed a review of the tariff model to confirm that it was correct. Jacobs assured our approach against the guidance to confirm that we had applied it correctly and to confirm that charges were calculated from the tariff model and regulatory requirements had been met.</p> <p>A paper was submitted to Board Audit Committee which included the auditor's findings and a comparison of charges.</p> <p>Internal audit also carried out a billing audit to confirm that the tariffs had been included in our billing system correctly.</p>

### Publication

The **Indicative Wholesale Charges Scheme** is an annual publication. This has been approved by our Board.

The Board Assurance Statement can be seen here:

[www.yorkshirewater.com/media/1237/board-assurance-statement-indictaive-wholesale-charges-2018-19.pdf](http://www.yorkshirewater.com/media/1237/board-assurance-statement-indictaive-wholesale-charges-2018-19.pdf)

The publication can be seen here:

[www.yorkshirewater.com/media/1400/indicative-wholesale-charges-2019-2020.pdf](http://www.yorkshirewater.com/media/1400/indicative-wholesale-charges-2019-2020.pdf)

**What is it?**

Each year we complete a Risks, Strengths and Weaknesses exercise to identify the areas where we need to provide extra assurance on our published information.

**Why is it important to you?**

This statement is important because it includes the feedback we obtain from you on the areas of our reporting where there are risks, we have performed well, or we can still improve. Your feedback is valuable because it helps us build an assurance plan to improve how we will assure and report information to you.

**Why is it important to us?**

Our Risks, Strengths and Weaknesses Statement is important to us because it allows us to demonstrate how we have listened to you and will build more trust and confidence in the information we publish.

**Our planned assurance**

Level 1	Level 2	Level 3
<p>Our Risks, Strengths and Weaknesses Statement is owned by a Publication Manager and has used specific data providers to provide the information we needed. Our assurance has included a check on the guidance from Ofwat and a gap analysis to make sure we didn't miss anything. We requested feedback from a wide range of stakeholders and used questionnaires which were customised to the audience who were asked specific questions.</p>	<p>Our Level 2 assurance included a peer review of our statement from our Regulatory Investment and Group Communications Teams.</p> <p>Our Level 2 assurance also included a review by senior management and by the Director of Regulation. They reviewed and approved our approach to compiling the statement and approved the final document.</p>	<p>Our Level 3 assurance was provided by our Internal Audit team to confirm that our statement was accurate and had been written to meet the Ofwat guidance. They provided an audit report on this statement with a score of 'significant assurance'.</p> <p>Our statement was presented to the Yorkshire Forum for Water Customers who also provided us with their feedback to build the content in this statement.</p>

**Publication**

The **Risks, Strengths and Weaknesses Statement** is an annual publication. The latest report can be viewed here: [www.yorkshirewater.com/media/1406/yorkshire\\_water\\_risks\\_strengths\\_weakness\\_statement\\_oct\\_2018.pdf](http://www.yorkshirewater.com/media/1406/yorkshire_water_risks_strengths_weakness_statement_oct_2018.pdf)

November 2018

Draft Assurance Plan

Moderate risk

**What is it?**

Each year we publish an assurance plan for the information that we provide. We publish our draft plan followed by a period of consultation and we update the final plan based on the feedback we have received.

**Why is it important to you?**

Our assurance plan is important to give you confidence that our published information is accurate, accessible and easy to understand, otherwise we risk losing your trust and confidence. Our plan explains how we will carry out assurance to meet these objectives. Your feedback on our draft plan is valuable to build our final assurance plan.

**Why is it important to us?**

Our assurance plan is important because it makes sure that our assurance is carried out at the right time, is focused on higher-risk areas, asks the right questions and produces good evidence to support the statements we make.

Our statement also identifies the key areas we will focus on with 'targeted assurance'.

**Our planned assurance**

Level 1	Level 2	Level 3
<p>Our draft assurance plan was owned by a Publication Manager and used data providers to provide the information we needed.</p> <p>Our Level 1 assurance included a check on the guidance from Ofwat and a gap analysis to make sure we didn't miss any information that was needed.</p>	<p>Our Level 2 assurance included a review by Senior Management and by the Director of Regulation. Collectively, they reviewed and approved our approach to compiling the draft assurance plan and approved the document before publication.</p>	<p>Our Internal Audit team provided independent assurance to confirm that our draft assurance plan was accurate and met Ofwat guidance. They provided an audit report on this plan with a score of full assurance.</p> <p>Our draft assurance plan was presented to the Yorkshire Forum for Water Customers who provided us with their initial feedback which was considered in the development of the final assurance plan.</p>

**Publication**

The **Draft Assurance Plan** is reviewed by the Board Audit Committee. It is published annually. It can be seen here: [www.yorkshirewater.com/sites/default/files/732238\\_YWS\\_Draft-Assurance\\_Plan\\_2018\\_19.pdf](http://www.yorkshirewater.com/sites/default/files/732238_YWS_Draft-Assurance_Plan_2018_19.pdf)

**What is it?**

Our interim financial statements are a requirement of our investors and our regulator Ofwat. This statement is our report for the six-month period ending 30 September 2018.

**Why is it important to you?**

Our interim financial statements are important to show that we are compliant with our investors and industry regulations. They are important to keep our stakeholders informed of our latest financial results.

**Why is it important to us?**

The primary purpose of our financial reporting is to make sure we are compliant with regulatory and banking requirements and to share a range of financial and other information. It is important that we respond to the needs of our customers and stakeholders and provide an overview of our latest results.

**Our planned assurance**

Level 1	Level 2	Level 3
<p>Throughout the year, we applied Level 1 assurance through our day-to-day accounting activities carried out by our accountants. This included maintaining accounting systems and performing end-of month reconciliation. We used named data providers and data managers to provide accurate financial information in line with the guidance that was provided.</p> <p>Our interim financial statements were prepared by a Publication Manager who followed our wider assurance process to make sure that the final document was accurate, accessible and easy to understand.</p>	<p>Throughout the year, our Level 2 assurance included management oversight of our accountants' activities. This included a senior management review of our monthly financial results and information.</p> <p>Before publication, the interim financial statements were reviewed by the Head of Finance, the Director of Finance, Regulation and Markets, and our Board Audit Committee, before they were approved by the Board.</p>	<p>In applying our risk-based approach, we have determined that no Level 3 assurance is required for this publication.</p>

**Publication**

The Interim Financial Statements are an annual publication approved by the Board. The publication can be viewed here: [www.yorkshirewater.com/sites/default/files/Yorkshire%20Water%20Services%20Limited%20Interim%20Financial%20Statements%2030%20September%202018.pdf](http://www.yorkshirewater.com/sites/default/files/Yorkshire%20Water%20Services%20Limited%20Interim%20Financial%20Statements%2030%20September%202018.pdf)

January 2019

Wholesale Charges Scheme

Higher risk

**What is it?**

Each year we publish our Wholesale Charges Scheme. This publication contains primary and non-primary charges for retailers who operate in our region.

**Why is it important to you?**

It is important because our charges must be correct and accessible to retailers to enable them to confirm their business plans.

**Why is it important to us?**

Our wholesale charges scheme is important to us because we want to make sure that we provide consistent and reliable information to all our retailers.

**Our planned assurance****Level 1**

All data inputs into the tariff model were from assured data sources, internal experts or forecasts. Our assurance was provided by our Regulatory Tariff Accountant and our Regulatory Finance Manager. Level 1 assurance checked any movements in tariffs and assessed the effect on bills, making sure that the effects were reasonable and could be explained.

The team provided Level 1 assurance to make sure we stayed in line with the four revenue price controls and adhered to guidelines.

**Level 2**

Level 2 assurance was provided by the Tariff Steering Group, which included internal business experts in regulatory finance, retail services and tariffs.

Level 2 assurance was provided by the Head of Financial Planning and Pricing, the Regulation Director and the Head of Household Retail. As part of this assurance process they documented their observations before signing off. Any queries raised were resolved prior to Board review.

A qualified member of our internal legal team agreed any changes to our charges scheme book.

**Level 3**

Level 3 assurance was provided by our external auditors Jacobs and Deloitte. Deloitte completed a review of the tariff model to confirm that it was correct. Jacobs assured our approach against the guidance to confirm that we had applied it correctly and to confirm that charges were calculated from the tariff model and regulatory requirements had been met.

A paper was submitted to the Board Audit Committee which included the auditor's findings and a comparison of charges.

Internal audit also carried out a billing audit to confirm that the tariffs have been correctly included in our billing system.

**Publication**

Our Board approve the Wholesale Charges Scheme and have published a Board Assurance Statement, which can be viewed here: [www.yorkshirewater.com/media/1453/wholesale-charges-board-assurance-statement-2019-10.pdf](http://www.yorkshirewater.com/media/1453/wholesale-charges-board-assurance-statement-2019-10.pdf)

Our published wholesale charges can be viewed here: [www.yorkshirewater.com/media/1454/wholesale-charges-scheme-2019-2020.pdf](http://www.yorkshirewater.com/media/1454/wholesale-charges-scheme-2019-2020.pdf)

February 2019

Charging Arrangements for  
New Connection Services

Higher risk

### What is it?

Each year we publish our Charging Arrangements for New Connection Services based on Ofwat rules. These are charges for new connections made into our existing networks, including connections for new housing developments.

### Why is it important to you?

This information is important because the costs of connection services should be accurate, sensible and easy to understand.

### Why is it important to us?

Our charging arrangements for new connection services are important for us to maintain stakeholder confidence, encourage competition and new developments, and to prevent disputes and claims.

### Our planned assurance

Level 1	Level 2	Level 3
<p>Our publication for charging arrangements for new connection services was owned by a Publication Manager. They used expert data providers to provide the information that was needed.</p> <p>Level 1 assurance was provided by a Tariff Specialist and evidenced through a sign off by our Developer Services Manager.</p>	<p>Level 2 assurance for these charging arrangements was delivered through peer review and challenge sessions with experts from the Developer Services and Regulation departments.</p> <p>Level 2 assurance was signed-off by the Head of Service Delivery and the Director of Regulation.</p>	<p>Our Level 3 assurance was provided by our external assurance provider Jacobs.</p> <p>Their independent challenge and assurance focused on our compliance with the charging rules, our systems and processes, the balance of charges between developers and other customers. In addition, they considered how we demonstrated meaningful consultation with customers who were impacted by these arrangements.</p> <p>A paper was submitted to the Board Audit Committee for sign off on the assurance of our charging arrangements which included a summary of the Level 3 audit findings.</p>

### Publication

Our Board approved this publication and published a supporting Board Assurance Statement, which can be viewed here:

[www.yorkshirewater.com/media/1466/new-connection-services-board-assurance-statement-2019-2020.pdf](http://www.yorkshirewater.com/media/1466/new-connection-services-board-assurance-statement-2019-2020.pdf)

Our published charging arrangements can be viewed here:

[www.yorkshirewater.com/media/1496/yorkshire-water-new-connection-services-charging-arrangements-2019-2020-april-2019.pdf](http://www.yorkshirewater.com/media/1496/yorkshire-water-new-connection-services-charging-arrangements-2019-2020-april-2019.pdf)

February 2019

Charges Scheme

Higher risk

**What is it?**

Every year we publish our Charges Scheme. This contains household and non-household end user charges.

**Why is it important to you?**

Our charges scheme is important because it sets out our charges for the next twelve months.

**Why is it important to us?**

Our charges scheme is important because the information in our published charges scheme must be consistent and reliable. This publication is a condition of our licence and must meet Ofwat rules.

**Our planned assurance**

Level 1	Level 2	Level 3
<p>All data inputs into the tariff model were obtained from assured data sources, internal experts or forecasts. Our assurance was provided by our Regulatory Tariff Accountant and our Regulatory Finance Manager.</p> <p>Level 1 assurance checked any movements in tariffs and assessed the effect on bills, making sure that the effects were reasonable and could be explained.</p> <p>The team provided Level 1 assurance make sure we stayed in line with the four revenue price controls and the published charges principles and guidelines.</p>	<p>Level 2 assurance was provided by the Tariff Steering Group, which included internal business experts in regulatory finance, retail services and tariffs.</p> <p>Level 2 assurance was also provided by the Head of Financial Planning and Pricing, the Head of Household Retail and the Director of Regulation. As part of this assurance they documented their observations before signing off. Any queries raised were resolved prior to Board review.</p> <p>A qualified member of our internal legal team agreed any changes to our charges scheme book.</p>	<p>Level 3 assurance was provided by our external auditors Jacobs and Deloitte. Deloitte completed a review of the tariff model to confirm that it was correct. Jacobs assured our approach against the guidance to confirm that we had applied it correctly and to confirm that charges were calculated from the tariff model and regulatory requirements had been met.</p> <p>Internal audit also carried out a billing audit to confirm that the tariffs have been included in our billing system correctly.</p>

**Publication**

Our Board approve the Charges Scheme and have published a Board Assurance Statement, which can be viewed here: [www.yorkshirewater.com/media/1465/board-assurance-statement-2019-20.pdf](http://www.yorkshirewater.com/media/1465/board-assurance-statement-2019-20.pdf)

Our published charges scheme can be viewed here: [www.yorkshirewater.com/media/1466/charges-2019-20.pdf](http://www.yorkshirewater.com/media/1466/charges-2019-20.pdf)

**What is it?**

Each year we publish a final assurance plan for the information we provide. Our final assurance plan is based on our draft plan which is updated from feedback from customer and stakeholder consultations.

**Why is it important to you?**

Our assurance plan is important to give you confidence that our published information is accurate, accessible and easy to understand. If we don't get this right, we risk losing your trust and confidence. Our final assurance plan says how we will carry out specific assurance on our data and publications to meet these objectives.

**Why is it important to us?**

Our assurance plan is important because it makes sure that our assurance is carried out at the right time, is focused on higher-risk areas, asks the right questions and produces good evidence to support the statements we make.

Our plan also identifies the key areas we will focus on with 'targeted assurance'.

**Our planned assurance**

Level 1	Level 2	Level 3
<p>Our final assurance plan was owned by a Publication Manager supported by defined data providers who provided the information needed.</p> <p>Level 1 assurance included a final check of the guidance from Ofwat to make sure we hadn't missed any information that was needed.</p>	<p>Level 2 assurance on our Final Assurance Plan included a review by Senior Management and the Director of Regulation. They reviewed and approved our approach and the final document before it was published.</p>	<p>In applying our risk-based approach, we determined that Level 3 assurance is not required for this publication.</p>

**Publication**

Our **Final Assurance Plan** is an annual publication that is published on our website: [www.yorkshirewater.com/sites/default/files/Final%20Assurance%20Plan%202018-19.pdf](http://www.yorkshirewater.com/sites/default/files/Final%20Assurance%20Plan%202018-19.pdf)

<b>As required</b>	<b>Ofwat Casework</b>	<b>Moderate risk</b>
--------------------	-----------------------	----------------------

### What is it?

Casework involves providing information to Ofwat relating to customer disputes about legislation, pricing and other license related issues.

### Why is it important to you?

Ofwat casework is important to our customers and stakeholders because it allows them to raise a dispute or challenge with the regulator in relation to our actions and company policy.

### Why is it important to us?

Ofwat casework is important to us because it provides customers and stakeholders with confidence that our information is accurate and that our responses to Ofwat are substantive.

### Our planned assurance

Level 1	Level 2	Level 3
<p>Level 1 assurance and specific casework investigations is assigned to a case manager who will investigate and gather the appropriate information we need to report back to Ofwat.</p> <p>The case is reviewed by senior management who draft an initial response document.</p>	<p>Level 2 assurance is completed by Senior Managers within our Household Retail department who review and approve the information in our response.</p> <p>They review, provide comments and approve the final response to a casework request before it is sent to Ofwat.</p>	<p>In applying our risk-based approach, we determined that no independent assurance is required for this publication.</p>

### Publication

During 2018/19 we are pleased to report that we did not receive any Ofwat casework.

Monthly

Operational Market  
Performance Reports

Lowest risk

### What is it?

This reporting relates to information we need to provide for the services we deliver to the non-household retail market, which opened in April 2017. The reports are sent to the retail market operator, Market Operator Services Ltd (MOSL). They use this data to publish an industry comparison report every month.

### Why is it important to you?

This information is important to retailers in the non-household retail market so they can see and compare how we are performing when we deliver operational service to non-household customers. Ofwat use this information to make sure we are performing as expected as a water wholesaler in the non-household retail market.

### Why is it important to us?

Our Operational Market Performance data is important to us because it helps us monitor our wholesale service to non-household customers to ensure it is in line with the service levels we are required to work to.

### Our planned assurance

#### Level 1

Level 1 assurance was provided by a dedicated Wholesale Service Desk who monitor our daily service level performance. We use our systems to track performance and produce data which has been reviewed by our data providers.

Data managers checked these reports prior to submission to make sure the information we are reported met the requirements.

#### Level 2

Our Level 2 assurance was provided by a dedicated Compliance Team who checks that the data submitted each month in our Operational Market Reports was accurate and in line with the requirements.

#### Level 3

In applying our risk-based approach, we determined that no independent assurance was required for this publication.

### Publication

Our monthly reports are published on the MOSL website: [www.mosl.co.uk/](http://www.mosl.co.uk/)

July 2019	Annual Board Statement	Lowest risk
-----------	------------------------	-------------

**What is it?**

As part of the Annual Performance Report, we have published a short statement on how we are delivering for everybody who depends on our services and how we have set our aspirations. This statement explains:

- how we set our ambitions and targets and how the company is performing against them.
- how we are thinking dynamically about the expectations of customers in the long term and how our commitments do not remain static.
- the relationship between our financial performance, executive rewards and delivery of services to our customers and how these impacts future plans.

**Why is it important to you?**

This statement provides information on how we are providing our services to you and will help provide confidence in how we set our ambitions in the short and long term. This statement also helps to provide transparency about the extent to which rewards are fair and in line with the benefits that customers receive.

**Why is it important to us?**

It is important that we provide the information requested by Ofwat and by our customers in a way that assist transparency in our operations.

Our planned assurance		
Level 1	Level 2	Level 3
A Publication Manager followed the wider assurance process making sure that the final document is accurate, accessible and easy to understand	Senior managers and directors reviewed information included in the annual statement. The report has been reviewed by the Head of Regulation, the Director of Regulation and the Company Secretary.	In applying our risk-based approach, we determined that no independent assurance was required for this publication.

**Publication**

The Board Statement was reviewed and approved by the Board. The Annual Board Statement is published annually. This is published within the APR and as a separate report. It can be viewed here: [www.yorkshirewater.com/reports#ls2](http://www.yorkshirewater.com/reports#ls2)

**What is it?**

Our APR, provides detailed information on our performance against our customer outcomes and commitments and our financial performance. The APR to be published in July 2019 will report our performance from 1 April 2018 to 31 March 2019.

**Why is it important to you?**

Our APR is important because it tells you how well we are delivering our commitments, including our service levels, cost information and financial performance. You can also compare our performance with other companies in the industry.

**Why is it important to us?**

Our APR is important because it summarises how well we are delivering the outcomes and performance commitments we agreed for the period 2015 to 2020. Our APR also reports information on how well we have delivered services to our customers, including financial information on income, costs, assets and liabilities in our regulatory accounts.

**Our planned assurance**

Level 1	Level 2	Level 3
<p>The process for the collection of data in our APR was certified to the ISO9001 Quality Management standard. This process required data providers and data managers to provide information to be included in the detailed sections in our APR. The same process was followed for production and approval of written narrative for the report which has been assured by appropriate technical owners.</p> <p>The governance section of our APR was produced by our Company Secretary team in line with the requirements and approved by their Senior Managers.</p> <p>Our Publication Manager followed our wider assurance process to make sure that the overall APR document was accurate, accessible and easy to understand.</p>	<p>Our Level 2 assurance used the APR working group, and steering group, to review, provide input and assurance on the technical requirements of our APR to ensure that we met the timetable for delivery.</p> <p>Senior managers and directors reviewed the numerical and written information included in our APR.</p> <p>The report was reviewed by the Head of Regulation, Director of Regulation and the Director of Finance, Regulation and Markets.</p> <p>Our final APR was approved for publication by our Director of Regulation.</p>	<p>Level 3 assurance was provided by our technical auditors, Jacobs and included detailed assurance of our performance commitment results including the information presented in the APR data tables.</p> <p>Level 3 assurance on our financial information, including our regulatory accounts was also completed by Deloitte to ensure we met the requirements in Ofwat's regulatory accounting guidelines (RAGs).</p> <p>The APR was also independently proof read by our Internal Audit team to check the accuracy of our report.</p> <p>Our performance was presented to the Yorkshire Forum for Water Customers who challenged us on how we are delivering for customers against our commitments.</p>

**Publication**

The Annual Performance Report is an annual publication that is a requirement of our licence. The APR is reviewed and approved by the Board. Our report can be found at: [www.yorkshirewater.com/reports#ls2](http://www.yorkshirewater.com/reports#ls2)

The publication includes a Board Assurance Statement and an assurance statement from our external auditors, Deloitte and Jacobs



**[yorkshirewater.com](http://yorkshirewater.com)**

Yorkshire Water Services Limited, Western House, Halifax Road,  
Bradford, BD6 2SZ. Registered in England and Wales No.2366682

