



# A summary of our assurance plan



March 2019

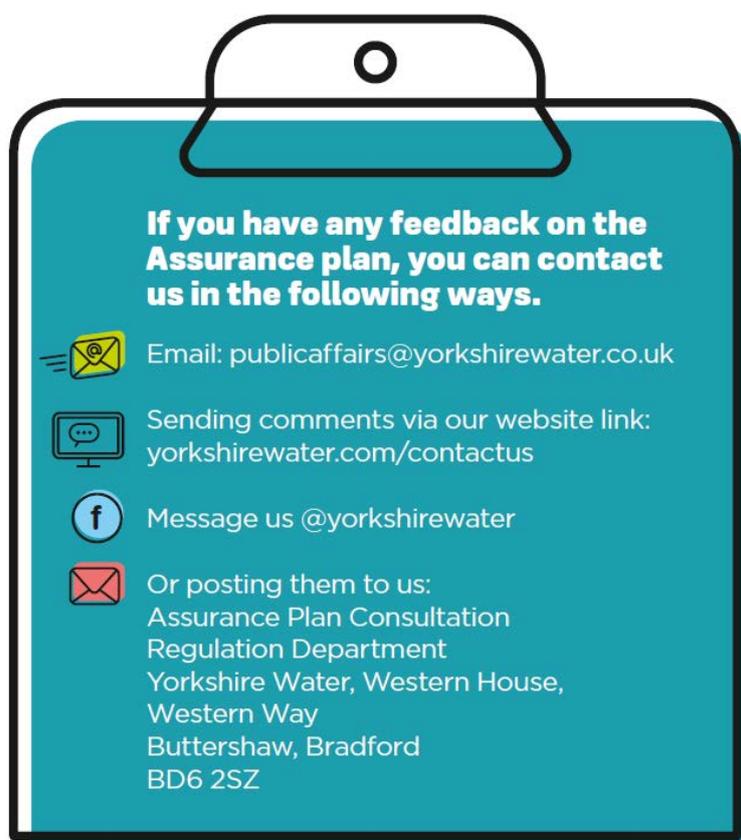
# Welcome

The purpose of the assurance plan is to describe our assurance approach and the assurance activities we have planned for the coming year and beyond.

This is the summary of our assurance plan. Our full assurance plan and the feedback that customers have provided can be viewed on the following [link](#).

This summary will provide you with information on:

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# What is assurance?

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

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

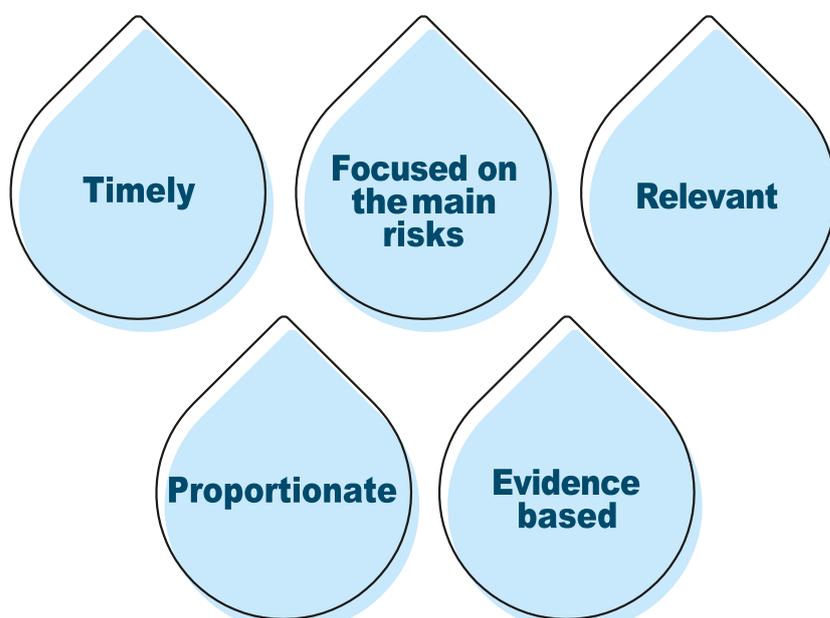
Our Board is accountable for the quality of our information and we want to make sure it meets your needs.

## Why does assurance matter?



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

We believe that good assurance is:



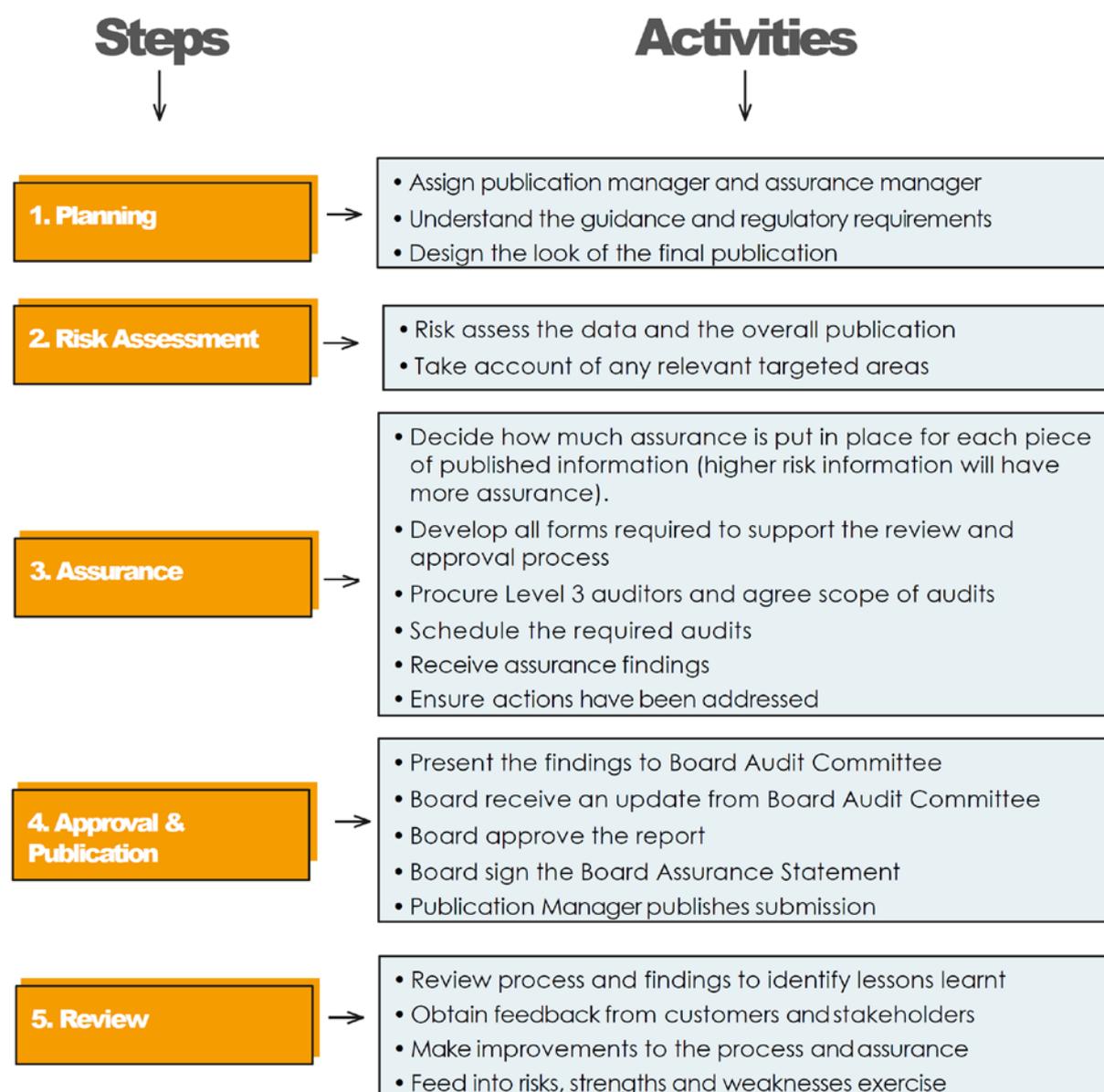
# Our assurance process

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 that our publications 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.

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

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



## 1. Planning

We assign a publication manager and 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 will decide on what the final publication will look like and ensure we have all the people necessary to provide the information required.

## 2. 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 in the way 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 risks, strengths and weaknesses statement by clicking this [link](#).

The publication manager and assurance manager will carry out a risk assessment of the publication and the information that will be within the publication. They will 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 will be 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 will just have more assurance overall.

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

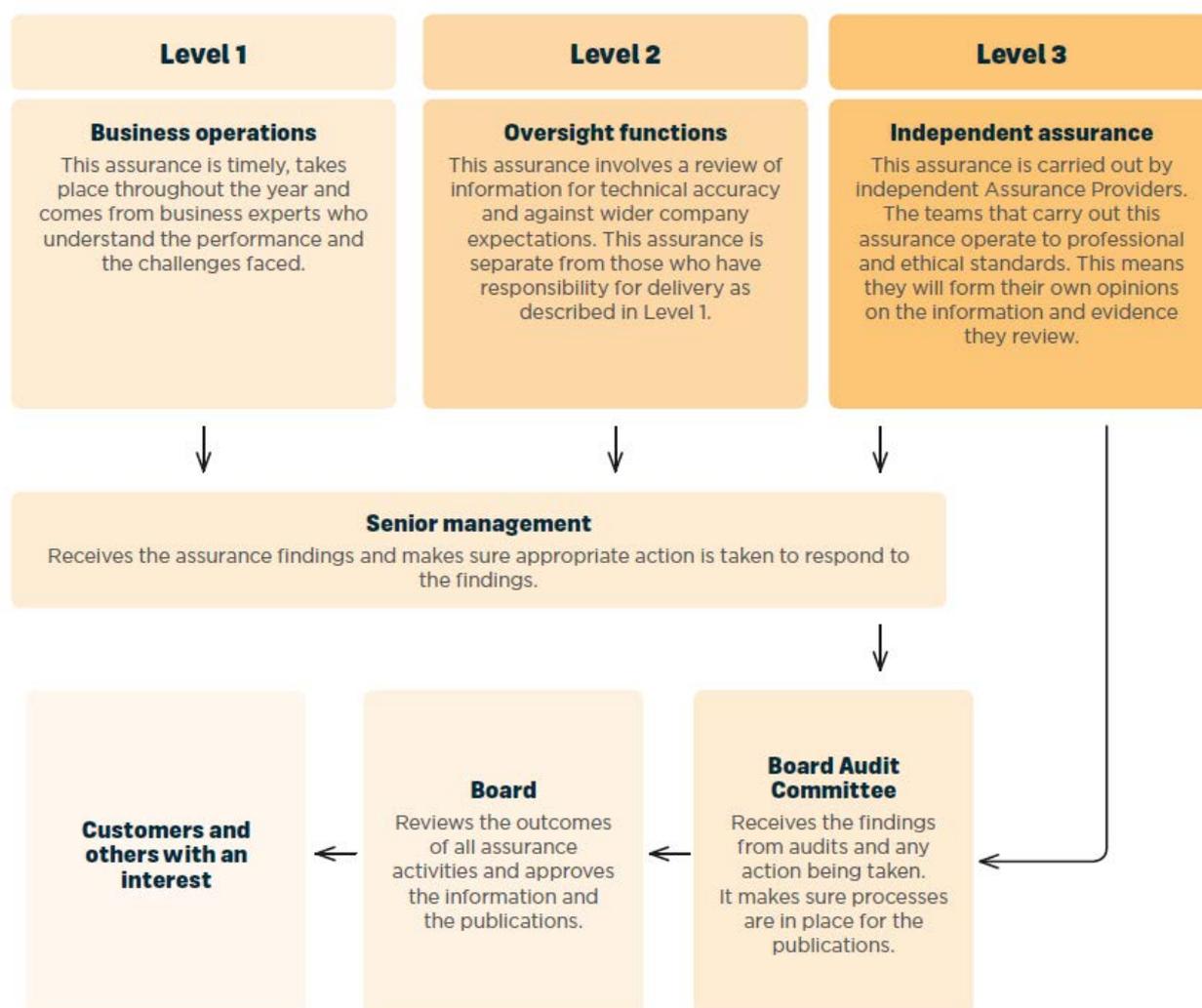
- Where we exceed our commitments and want to make sure this continues.
- Where there are financial rewards and penalties involved. (Ofwat call this outperformance and under performance)
- Where we have to gather lots of information for our publications.
- Where we rely on other people and other companies 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.



### 3. Assurance

We decide how much assurance we put in place for each piece of published information. We use the risk assessment to determine how much assurance we should apply. The higher risk information will have more assurance overall. Our assurance comes from several sources and is a year-round activity.

We operate three levels of assurance and apply this model 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 below.



The assurance manager will ensure that the overall publication and the information contained within the publication is all assured. Some of this will be to Level 1 or Level 2 assurance only. Any areas identified as targeted areas for assurance or considered higher risk based on the previous risk assessment will have Level 3 assurance applied. The assurance plan will be approved by the publication manager and sometimes also by the Board Audit Committee.

The assurance manager will put in place processes for Level 1 and Level 2 assurance reviews and approvals. They will also ensure appropriate auditors are available to complete any audits and will develop the scope of these audits. Audits will be scheduled and managed. Actions arising from audits will be reviewed and addressed. Progress with the audit programme will be shared with the publication manager. The publication manager will be informed when the assurance has been fully completed.

## 4. Approval & Publication

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

The Board Audit Committee will 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 will provide an update to 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 will sign the Board Assurance Statement.

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

## 5. Review

After we have published our information, we review the process that we followed. We also review the assurance findings and any queries we received on the publication. This helps us to identify the lessons we have learnt for things we need to keep doing or things we need to improve on for future publications. We ensure 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.



# Assurance in 2018/19 and 2019/20

## Targeted Assurance

Areas that we have identified as being important to you or being higher risk should have more assurance to give the confidence that the information is correct. We call these are targeted areas. We identify these areas as part of our risks, strengths and weaknesses exercise where we consult with our customers and stakeholders and we conduct internal analysis to understand our areas of focus. We apply targeted assurance to these areas. Our targeted areas are as follows:

### 1. Performance commitments

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

### 2. Price control cost allocation

We made some mistakes in our 2017/18 reporting. We have learnt from these errors and improved our processes. Our targeted assurance will deliver 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 check 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.

### 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.

For more information on these targeted areas, please see our [Assurance Plan](#).

## 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 [Assurance Plan](#) provides more information on these publications, the risk assessment of the publications and the assurance applied to them. Table 1 provides a summary of these assured publications.

Table 1. Assured publications

Publication	Description	Date
Annual Board Statement	An annual statement by the Board of Directors on the direction of the company and its performance.	Jul-19
Annual Performance Report (APR)	Describes our performance against our customer outcomes and commitments.	Jul-18 & Jul-19
Annual Report & Financial Statements	Publishes data requested by Ofwat in the development of a bioresource treatment market	Jul-18 & Jul-19
Unplanned outages	Explains our performance on unplanned outages in 2018/19 and forecasts our performance over the next 5 years. This supports PR19.	May-19
Assurance Plan (Draft)	Explains how we will assure our data, so our customers can be confident in the information we publish.	Nov-18 & Nov-19
Assurance Plan (Final)	Explains how we will assure our information to give customers confidence in our publications.	Mar-19 & Mar-20
Bioresources Market Information	Publishes data requested by Ofwat in the development of a bioresource treatment market	Jul-18 & Jul-19
Bulk Supply Charges	Explains charging arrangements for bulk supply services so interested parties can evaluate opportunities	Jul-18 & Jul-19
Casework (response to Ofwat)	Provides information to Ofwat about customer disputes relating to legislation, pricing and other license issues.	As required
Charges Scheme	Publishes charges for household and non-household customers for the next twelve months.	Feb-19 & Feb-20
Charging New Connection Services	Explains the charges we make for new network connections such as new housing developments	Feb-19 & Feb-20
Condition R Compliance Code	Confirms that we operate fairly in a competitive market and meet specific obligations set out in our licence.	Apr-18 & Apr-19
Data Assurance Summary	Explains the risk-based assurance we completed on our 2018/2019 performance information	Jul-18 & Jul-19
Indicative Wholesale Charges Scheme	Publishes primary and non-primary charges for retailers who operate in our region	Oct-18 & Oct-19
Interim Financial Statements	Explains our latest financial results, demonstrating compliance with investor and regulatory requirements	Nov-18 & Nov-19
Operational Market Performance Reports	Provides information about the services we deliver to the non-household retail market.	Monthly
Performance summary	Provides an overview of how we have performed against the promises we made to our customers in 2015	Jul-18 & Jul-19
PR14 Reconciliation & past performance	Explains our performance against our PR14 Business Plan since 2015.	Jul-18 & Jul-19
PR19 Cost Adjustment Claims	Describes the cost adjustments that we asked Ofwat to consider as part of their review of our business plan.	May-18
PR19 Draft determination	Our response to Ofwat's draft determination of our PR19 Business Plan.	Aug-19
PR19 DWI Submission	Periodic reviews provide companies with an opportunity to review long-term drinking water quality and supply arrangements.	May 2018
PR19 Performance Commitments	Describes the definitions of our performance commitments for 2020-2025 which were sent to Ofwat on 3 May 2018.	May 2018
Price Review (PR19) Business Plan	Price reviews are one of the ways Ofwat sets the price, investment and service package that customers receive. This is our business plan.	Sept-18
PR19 initial assessment of plans.	Explains the action we have taken in response to Ofwat's initial assessment of our PR19 Business Plan.	Apr-19
Risk & Compliance Statement	Sets out how we have complied with our statutory, licence and regulatory obligations.	Jul-18 & Jul-19
Risks, Strengths & Weaknesses	Reports on the risks we have identified, where we have performed well and where we can improve.	Oct-18 & Nov-19
Water Resources Management Plan	Sets out how we plan to balance water supply and demand across the Yorkshire region for at least 25 years.	Sep-19
Water Resources Market Information	Provides water resources market information so that interested parties know where to look for opportunities in our region.	Sep-19
Wholesale Charges Scheme	Publishes primary and non-primary charges for retailers who operate in our region.	Jan-19 & Jan-20

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