

## PR24 Data Table Technical Assurance Report

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Portsmouth Water

PR24 Data Table Technical Assurance



## PR24 Data Table Technical Assurance Report

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## 1. Introduction

Portsmouth Water (PRT) requested Jacobs to audit their process documentation and methodology for producing their P424 data tables against the PR24 final methodology guidance, including data inputs. The purpose of the audits was to review the methodologies for compiling the information, trace information to sources, provide an opinion on the accuracy, reliability and completeness of the data, and ultimately to provide independent assurance to the PR24 Steering Committee and Board of PRT that the reported performance is an accurate account of PRT's performance.

Our data table audits commenced in August 2023 and were completed by the end of September 2023. All data table audits took place remotely via Microsoft Teams.

## 2. Scope & approach

Ofwat’s expectations and requirements for PR24 reporting are contained in “PR24 Final methodology submission tables and guidance” dated August 2023 (<https://www.ofwat.gov.uk/regulated-companies/price-review/2024-price-review/final-methodology/pr24-final-methodology-submission-tables-and-guidance/>).

PRT asked us to undertake combined process and data audits across several data tables. We reviewed the processes, procedures, systems, data and analysis in place to gather and report performance information in line with Ofwat’s prescribed definitions (RAG 4.11) and the required format in the data tables.

We met with data owners to obtain evidence of documented procedures and methodologies which describe the data sources, systems and processes in place. We sampled information and traced it back to source to confirm that the stated processes were being followed and that internal checks were in place to verify the information.

Specifically, we:

- Reviewed process documentation and methodology for producing the data against the PR24 final methodology guidance, including inputs.
- Reviewed process methodology checks, controls, risks and assumptions.
- Confirmed alignment to PR24 definitions/reporting guidance/RAG guidance.
- Confirmed the process as set out in the methodology was used to produce the data.
- Confirmed that all data and validation checks and controls have been undertaken and can be evidenced.
- Reviewed the proposed confidence grades (if available).
- Undertook proportionate sample checks of data back to source and reviewed calculations and forecasts.
- Ensured the team could explain variances from previous years/forecast.
- Reviewed the commentary to be submitted alongside the data tables by checking that it reflects the process applied to produce the data and explains any areas of uncertainty within the data/assumptions applied.

The result of our approach is a risk-based assessment of A, B, C or D. The scoring criteria are shown below in Table 1 and again in Appendix A. A list of the 38 data tables we assured (grouped into 29 audits) is included in Appendix B.

**Table 1. Summary of scoring framework for our assurance**

Score	Meaning for score
A	Low risk – no weaknesses in the methodology and no weaknesses or deviations from methodology in production of data and confidence grade is appropriate
B	Low to medium risk - no material weaknesses in the methodology and no material weaknesses or deviations in production of data and confidence grade is appropriate
C	Medium to high risk - material weakness in the methodology (or number of minor ones with material effect) and material weakness or unjustified deviations (or number of minor ones with material effect) or confidence grade is not appropriate
D	High risk – multiply material weaknesses in the methodology and material weakness or deviation (or number of minor ones with material effect) or confidence grade is not appropriate

### 3. Observations and Findings

#### 3.1 General observations

A breakdown of the final data table audit scoring is shown in Figure 1. All scores and summary findings are presented in Appendix A.

By the end of the review cycle, most audits received a score of A or B meaning we identified little to no weakness in methodology or production of data. We note that some measures still lack documented reporting methodologies, and this is reflected in a number of non-material actions for the 'B' scoring audits. We observed some internal checks and validation (first and second-line assurance), however this has not been applied consistently for all reported information. We note that where first and second-line assurance has not been completed, our third line assurance has been applied. Our third line assurance is designed to complement internal first and second-line assurance but should not replace it. The company is aware of these non-material issues and work is ongoing to address the identified gaps in reporting methodology.

At this time, two (2) audits have scored a C indicating there is a medium to high risk associated with the reported data reflecting material weakness in the methodology or material weakness in compliance with the definitions for the data requirements. Audits currently scoring a C are as follows:

- Greenhouse gas emissions/Carbon/Energy (lines from OUT1,2,3,4)
- SUP15

We provide reasoning for C scores and an overview for areas of material concern in Section 3.2 below.

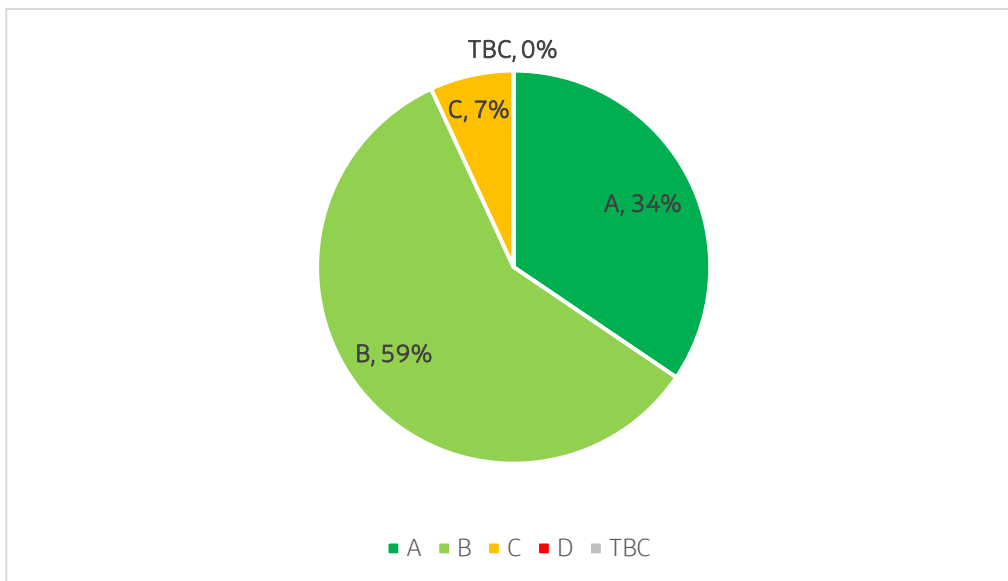


Figure 1: Summary of Scores for Data Table Assurance

#### 3.2 Material issues

For audits initially scoring C, the primary reasons for the score are as follows:

- **Data classification:** There were some instances where additional evidence of source data is required or where issues with data reliability and availability should be clearly noted. Some additional spot checking is needed.

- **Consistency:** Consistency in reporting figures across other regulatory returns is required. Data needs to be consistent with Ofwat guidance, WINEP, LTDS, etc.
- **Commentary:** Commentaries still require work and should be completed in accordance with Ofwat requirements.

Many of the initially identified material or potentially material items have been resolved across the data table audits completed. However, Table 2 sets out the remaining material findings and recommended actions, prior to submission, for the remaining two audits scoring a C.

It should be noted that for the Greenhouse gas/Energy/Carbon audit, Jacobs has not been able to complete our assurance process including sample checks as the data was not provided with sufficient time ahead of the Ofwat submission. It is our understanding that PRT has contracted a third party to complete this data table and it is assumed that appropriate first- and second-line assurance will take place on the final table prior to submission. The score is a C because Jacobs has not been able to complete our scoped assurance process.

It is anticipated that the company will address all remaining material items before submission.

**Table 2. Summary of remaining material findings and recommended actions**

Audit Grouping	#	Remaining Material Findings and Recommended Actions
Greenhouse gas emissions/ Energy/Carbon	1	Sample checks were not able to take place during audit due to data access. While PRT provided evidence of the source data (i.e., the Carbon Accounting Workbook) so sample checks could be carried out on 28/09/2023, Jacobs was not able to complete spot checks of the data/spreadsheet prior to Ofwat submission.
	2	PRT should provide evidence that Version 17 of the Carbon Accounting Workbook has been used and evidence that this is the final version. Jacobs was not able to confirm this prior to Ofwat submission.
	3	PRT should provide some sample background calculations on how the external consultant has forecasted emissions for future AMP periods- for example we would expect to see something back to the impact of interventions on energy consumption. Jacobs was not able to review sample calculations prior to Ofwat submission.
SUP15	4	A methodology document was not prepared. PRT should prepare a methodology document to justify the calculations made for each line.
	5	Input tables were not complete at time of the audit. PRT provided updated tables post audit and they appear to be complete except for line SUP15.59 (doubtful debt) for years 2020-21 & 2021-22, and for line SUP15.41(Customer Assistance with income maximisation and managing debts) for years 2020-21, 2021-22 and 2022-23. If the blanks are intentional, PRT should make this clear in the commentary.



## 4. Conclusion

Overall, at the end of our assurance work, for the data we covered, and other than where indicated above and in our detailed feedback (Appendix A), we consider for our third line assurance that data is competently sourced and processed and that PRT demonstrated a good understanding of the Ofwat guidance.

We have made a number of non-material recommendations in our detailed feedback reports. Whilst they do not directly influence the reporting figures for PR24 these should be reviewed and addressed. These recommendations are focused on enhancing the company's internal procedures and data processing. We have also identified material actions, relating to data provenance and integrity. We recommend that first and second line assurance processes within the company are further enhanced to include data checks and verification of data sources.

## Appendix A. Summary of assessments

As we note in the report above, our assurance approach focuses on the level of risk associated with reporting the PR24 data tables. The result of our approach is a score of A, B, C or D for each detailed feedback to explain our assessment. In assessing your data, we used a standard scoring framework to produce results that are comparable across the measures. Table A - 1 below summarises this framework.

**Table A - 1. Summary of scoring framework for our assurance**

Score	Meaning for score
A	Low risk – no weaknesses in the methodology and no weaknesses or deviations from methodology in production of data and confidence grade is appropriate
B	Low to medium risk - no material weaknesses in the methodology and no material weaknesses or deviations in production of data and confidence grade is appropriate
C	Medium to high risk - material weakness in the methodology (or number of minor ones with material effect) and material weakness or unjustified deviations (or number of minor ones with material effect) or confidence grade is not appropriate
D	High risk – multiply material weaknesses in the methodology and material weakness or deviation (or number of minor ones with material effect) or confidence grade is not appropriate

Table A - 2. Summary of A - 2 reports on the PR24 data table audits carried out. The score and rationale behind our assessment are included. We consider the summary rationale is consistent with the feedback we provided to your teams.

**Table A - 2. Summary of PR24 data table assessments**

PR24 Submission Topic	#	Audit Grouping ID	Score	Data Table	Data Lines	Summary
Developer Services	1	DS1e/DS2e/DS4	B	DS1e	All lines	<p>Overall, the team were found to be knowledgeable of the reporting requirements and data checks did not identify any material errors in the table production. We did, however, note the following material and potentially material issues which require resolution prior to submission:</p> <ul style="list-style-type: none"> <li>Internal first-and-second line assurance checks should be completed and documented.</li> <li>Lack of a timing difference between G&amp;C costs and revenues: We noted that your own worksheets identify that new connection and requisitions schemes frequently take longer than a financial year to complete. The current versions of the tables, however, are recording costs and revenue in the same year. There is a risk that the assumption used is not reflective of the underlying cost profile. We recommend that that this assumption is reviewed and, either amended, or recorded as a risk.</li> <li>Diversions forecast in outturn: The diversions forecast is based on the historical average of diversions revenue. We noted during the audit however, that the historical data is still in outturn prices rather than first being inflated to 22/23 prices which is the table format. Again, we recommend that that this assumption is reviewed and, either amended, or recorded as a risk.</li> <li>The team noted that the £100k pa recorded in line 8 should actually be recorded in in line 9. Additionally, the £100k environmental incentive should be netted off the infrastructure charge receipts recorded in line 4. The team noted that they will update the table.</li> <li>Commentary: Ofwat have issued requirements for the commentaries associated with the tables audited during this session. We note that the current version of these commentaries does not contains sufficient details to meet Ofwat's requirements.</li> </ul> <p>Post audit, the team provided progress updates on their material and potentially material audit actions via email. Based on the information received we note that all the recommendations have been actioned. We have recommended that the table commentary be further updated to explain what a 'medium' confidence grade means in practice and the rationale for the data being awarded this grade (as opposed to a high or a low grade).</p>
				DS2e	All lines	
				DS4	All lines	

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PR24 Submission Topic	#	Audit Grouping ID	Score	Data Table	Data Lines	Summary
						<p>We note that you have recorded and accepted the risks regarding your approach to the forecasting of new connection costs and diversions income. We believe that the risk still remains however, we acknowledge your confirmation that it is within your risk tolerances.</p> <p>In light of this, we have increased the table's risk score from a 'C' to a 'B'. the score is provisional on your completion of the updated commentary recommendation.</p>
	2	DS5/DS6	B	DS5	All lines	<p>No material issues identified or resulting actions required.</p> <p>Approach taken to produce the table is reasonable and clear to understand and validate to source material.</p> <p>Internal assurance processes outlined are informal, however undertaken by appropriate personnel with suitable check/challenge procedures in place. It is suggested that a formal and documented procedure for first and second line assurance is developed.</p>
				DS6	All lines	<p>It was noted that further detailed design work is required in due course as projects progress and the hydraulic model is finalised. The company should consider how variances are identified/recorded between early estimates and detailed designs and used to inform future exercises/base assumptions.</p>
Water Resources	3	RES1	B	RES1	All lines	<p>No issues identified with the data. A few changes made during the audit, however internal checks and sign offs yet to be completed. Commentary also to be completed and signed off.</p> <p>The team demonstrated that they clearly understood the data and where it had been sourced/ generated from.</p> <p>A final version of the commentary document should be sent across for review upon completion.</p>
Retail	4	RET1/RET1a	A	RET1	All lines	<p>Process of data generation and data checks completed during RET1 and RET1a audit. No material issues identified. The company would benefit from having a formal first and second-line assurance process. It was also noted that the commentary needed to be updated to separate the reporting methodology from the commentary required by Ofwat for the submission. One addition was identified on the commentary around the Smooth Deby 2019-20 and 2020-21 RET1.4 line data which has been requested.</p>
				RET1a	All lines	

## PR24 Data Table Technical Assurance Report

PR24 Submission Topic	#	Audit Grouping ID	Score	Data Table	Data Lines	Summary
						<p>The risk score was categorised as a conditional A score as a final data sign off meeting was set to happen post audit. As long as there are no substantive changes made in this meeting the A score will remain.</p> <p>Post audit, we were informed that the data sign off took place with Chris Milner CFO. No substantive changes made.</p>
Supplementary Tables	5	SUP11	A	SUP11	All lines	<p>No material issues identified or resulting actions required.</p> <p>Approach taken to produce the table is reasonable and clear to understand and validate to source material.</p> <p>Split/allocation across cost types has been calculate based on previous period data and views from internal specialists. This is appropriate given the data type, consistency across periods as anticipated and how resulting analysis is used (i.e., no follow-on impact of other data – only used for comparison purposes).</p> <p>Internal assurance processes outlined are informal, however undertaken by appropriate personnel with suitable check/challenge procedures in place. Review procedures are sufficient considering the low complexity of the table. As a general comment the company should consider implementing formal first- and second-line assurance checks on regulatory data submissions.</p>
	6	SUP14	B	SUP14	All lines	<p>No material issues identified. Some minor non-material actions relating to process such as internal assurance and development of a formal reporting methodology.</p>
	7	SUP15	C	SUP15	All lines	<p>The table for these lines has not yet been fully completed which we have flagged as a material issue. There is also a potential material risk that values may not be checked correctly internally or externally as there is no methodology provided for data in this table. There was some confusion during the audit over the number of decimal places specified by Ofwat and this had resulted in the team editing some of the figures during the audit.</p> <p>Additionally, we have identified several non-material issues regarding a lack of evidence of checks, sign off and a completed commentary.</p> <p>Post audit, the PRT team provided the commentary and input tables that had been completed; however, there are still some outstanding potential material and non-material issues to be actioned by the team. It is anticipated that the company will resolve material issues ahead of submission to Ofwat.</p>

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PR24 Submission Topic	#	Audit Grouping ID	Score	Data Table	Data Lines	Summary
Outcomes	8	SUP1A/SUP1B	B	SUP1A	All lines	The data for all lines has been taken from the final draft WRMP and adjusted to align with that reported in the APR23. We identified no issues with the methodology but note that the first and second line assurance has not been undertaken. We have given this assurance audit a risk score of B as there is limited data processing and we identified no errors in our spot checks.
				SUP1B	All lines	
	9	Greenhouse gas emissions/ Energy/Carbon	C	OUT1	OUT1.7	<p>There is an outstanding action with the auditee to provide evidence showing that the carbon estimates for the 2021-22 baseline have been compiled using the Carbon Accounting Workbook (CAW) v17. There is currently no documented check and review process for the carbon calculations, so it has not been possible to ascertain if the final version of the CAW has been used in calculating the audited lines. There is an outstanding action with the auditee to provide background calculations and an explanation for how the forward forecast of operational emissions has been estimated. The requested additional information is needed to carry out sample checks. Further detail is required in the commentary to explain the methodology adopted.</p> <p>While updated information was provided to Jacobs on 28<sup>th</sup> September, insufficient time was available to complete sample checks and review updated material. Due to Jacobs not being able to complete our assurance scope on these data table lines, the score remains a C. It is anticipated that Portsmouth will complete internal first and second line assurance checks and resolve material actions ahead of the Ofwat submission.</p>
				OUT2	OUT2.7	
				OUT3	OUT3.7	
				OUT4	OUT4.24 - OUT4.29	
	10	Unplanned Outage	B	OUT1	OUT1.19	<p>Because there is a change of methodology since PR19, statistics have needed to be recalculated from the original event data using the new definition of "unplanned". The team understand the new requirements well and no issues were found with the calculations, however we note that the calculation has been done only once, by one person, with no independent check. The data available during the audit did not contain all events, appearing to lack those which had been excluded under the old definition, so could not be used to replicate the calculation. We therefore recommend that the calculation be repeated from the raw data, using the new definition and therefore including certain events which had been excluded at the time, to provide a check.</p> <p>We note that, since outages due to the actions of third parties are no longer excluded and some such actions might lead to lengthy outages if it took time to confirm an aquifer was not contaminated, there is a risk that the target may be exceeded for reasons outside the company's control.</p> <p>The approach to identifying performance improvements due to base expenditure (i.e., improved maintenance) is to identify the proportion of recent outages caused by specific</p>
				OUT2	OUT2.19	

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PR24 Submission Topic	#	Audit Grouping ID	Score	Data Table	Data Lines	Summary
			B	OUT3	OUT3.19	issues amenable to being eliminated by better maintenance/management, assuming they are eliminated over a 20-year period and then spreading the numerical reduction over that period, so that 5% of it occurs in each of the 5 years. Outages due to other issues are assumed to be reduced in the last few years before the 2050 target date, when technological improvements may be available. We concur that this approach is reasonable. One minor improvement due to an enhancement investment has been included in the year when it is planned to be realised.
				OUT4	OUT4.96 - OUT4.98	The score for the most recent year will be much higher under the new methodology than the old. The reasons for this were explained and relate to a company decision not to rush a site back into supply after a short unplanned outage. The high score could have been avoided if the PR24 definition had already been in use, therefore this one high score does not in itself represent a material risk to achieving the target in future. With the exception of this one issue, the historic figures recalculated under the new definition are higher than the original figures but show the same downward trend.  Post audit, the commentary and data were updated and provided for another review. Material actions closed.
11	Pollutions, discharge permit compliance and storm overflows and water supply interruptions and mains repairs	B	OUT1	OUT1.1, OUT1.12 - OUT1.14, OUT1.18	The team used a variety of methods to forecast the data and where applicable, carried over figures from APR tables. Forecasts are based upon sound reasoning, historical data and provides adequate justification. Each process was individually reviewed, and sample checks conducted. No issues were found. All necessary material was provided in advance. The team demonstrated a deep understanding of the lines, methodology, and guidance and provided sufficient evidence and justification where necessary.	
			OUT2	OUT2.1, OUT2.12 - OUT2.14, OUT2.18		
			OUT3	OUT3.1, OUT3.13, OUT3.14, OUT3.18	We note the integrated nature between OUT4, OUT2 and OUT3. Many figures have additionally been assured prior to this audit as a result of the interconnected nature of the lines and through the use of APR data. Due to there being no enhancement spending in related lines, all figures reported remain zero.	
			OUT4	OUT4.1 - OUT4.6, OUT4.81- OUT4.87, OUT4.89 -OUT 4.94		
12	Water Quality	B	OUT1	OUT1.2 - OUT1.3, OUT1.15 - OUT1.16, OUT1.32	Overall, the data audited is sound with no material issues identified. A few non-material actions as seen below were noted during the audit.	
			OUT2	OUT2.2 - OUT2.3, OUT2.15 - OUT2.16, OUT2.32	Only area considered medium risk is the choice to say there will be no improvements to CRI from enhancement expenditure. The commentary associated with these lines in OUT2 and OUT3 needs to clearly justify why the company are taking this approach. In addition, the company should ensure all documents are aligned with this position before submission.	

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PR24 Submission Topic	#	Audit Grouping ID	Score	Data Table	Data Lines	Summary
				OUT3	OUT3.2 - OUT3.3, OUT3.15 - OUT3.16, OUT3.30	
				OUT4	OUT4.7 - OUT4.11	
	13	OUT6/OUT8	B	OUT6	All lines	
14	OUT7	A	OUT7	All lines	<p>No material issues identified or resulting actions required.</p> <p>Approach taken to produce the table is reasonable and clear to understand and validated to source material.</p> <p>This tables sets out the price control allocation, marginal benefits, benefits sharing factors, and enhanced outperformance thresholds of common performance commitments.</p> <p>Internal assurance processes outlined are informal, however undertaken by appropriate personnel with suitable check/challenge procedures in place.</p> <p>Much of the data/approach is sourced directly from OFWAT and any deviations from this standard have been outlined in a paper reviewed by Board and discussed directly with OFWAT.</p> <p>Review procedures are sufficient considering the low complexity and source of the data in the table.</p>	



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PR24 Submission Topic	#	Audit Grouping ID	Score	Data Table	Data Lines	Summary				
	15	OUT9 and other biodiversity	B	OUT1	OUT1.6	The process of data generation and data checks completed during the OUT9 and other biodiversity lines audit (OUT1,2,3,4) identified no material issues.  The company would benefit from having methodologies which could include a more formal first and second line assurance process.				
				OUT2	OUT2.6					
				OUT3	OUT3.6					
								OUT4	OUT4.12 - OUT4.23	It was noted that the values in OUT9 needed to be updated to increased decimal places in order to align with the table guidance.
								OUT9	All lines	Additionally, it was noted that commentary was not provided or reviewed for OUT4 and OUT9 and additional insights to how the third party provided data is derived would be helpful.  The risk score has been categorised as a B score as some non-material actions were identified.
Costs (wholesale)	16	CW1/CW1a	A	CW1	All lines	No material issues identified or resulting actions required.  Approach taken to produce the table is reasonable and clear to understand and validate to source material.  This tables collates and summarises data from various other tables reviewed as part of the audit process – hence focus was on corroborating to source material and ensuring data/information had been transposed and allocated appropriately.				
				CW1a	All lines	Internal assurance processes outlined are informal, however undertaken by appropriate personnel with suitable check/challenge procedures in place. Review procedures are sufficient considering the low complexity of the table.				
	17	CW2/CW3/CW9	B	CW2	All lines	Overall, the approach to the production of tables CW2 and CW3 is reasonable and consistent, with CW9 a mechanistic table which calculates a cumulative version of CW2. Development of data tables are aligned with methodology or guidance.				
				CW3	All lines					
				CW9	All lines					

PR24 Submission Topic	#	Audit Grouping ID	Score	Data Table	Data Lines	Summary
	18	CW4	B	CW4	All lines	<p>The audit was completed across two separate audit meetings.</p> <p>At the initial audit meeting, the team explained there were several entries that were still being finalised. Additionally, there were several entries that were amended to comply with guidance or to match APR23 data.</p> <p>Further offline checks and amendments were identified as material actions. There material actions were resolved at the second audit meeting on 8th of September. There is one remaining material action regarding the completion of the submission Commentary. The score of 'B' is conditional on final signoff and the commentary being completed.</p> <p>Potential risk that may impact future reporting:</p> <p>The PR24 defines 'works' as 'an individual location which receives raw or partially treated water for treatment and direct delivery to customers. There are two boreholes that have been counted as two separate works, Lower Upham and Newtown. Water abstracted at these sites is treated at Northbrook and Soberton treatment works respectively. Historically, the company has categorised the borehole sites as treatment works. This does not appear to align with the Ofwat definition of 'works'. The team acknowledge this potential inconsistency with the guidance and plan to review the categorisation of the works in the future.</p> <p>We recommend the team seek clarification from Ofwat on this point and explain the current approach in the PR24 submission commentary. Given these works have not been operational for the last 5 years, and are unlikely to be operated in AMP8, we consider this issue is non-material.</p> <p>The audit has been assigned a RAG score of B for the following reasons:</p> <ul style="list-style-type: none"> <li>• There is some uncertainty in relation to the guidance interpretation of 'works' categorisation. To address this aspect for this reporting period, we recommend the team include an explanation in the submission commentary noting the historical categorisation of works and the materiality of the impact on the reporting lines.</li> <li>• There is no updated methodology that describes the key assumptions and process to prepare AMP8 forecasts.</li> </ul> <p>The B score is conditional on:</p>

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PR24 Submission Topic	#	Audit Grouping ID	Score	Data Table	Data Lines	Summary
						<ul style="list-style-type: none"> <li>Final sign-off</li> <li>Commentary prepared in accordance with guidance and to include the recommendations noted above.</li> </ul> <p>After the audit, commentary was provided by the company and reviewed. Related action closed.</p>
	19	CW5	B	CW5	CW5.1 – CW5.30	<p>Data score of C was initially given due to the number of lines that need to be reviewed (listed as potentially material actions).</p> <p>The issues found within this audit relate to interpretation of the guidance. In Lines CW5.5, CW5.21, CW5.23, CW5.27 and CW5.28 need to be changed. These changes are expected to be quick fixes and completed prior to submission. Please provide Jacobs with evidence that the required corrections have been applied when available.</p> <p>The CW5 data table line audited have been created from multiple sources of data, including from previously audited data as part of APR (such as flow data and telemetry data).</p> <p>The data checks flagged some issues relating to the interpretation of the guidance, these have been listed in the actions log below and should be resolved before submission.</p> <p>Post audit, the revised data table and commentary were provided showing action completion. No material or potentially material actions remain following the updates provided. Score updated to a 'B'.</p>
	20	CW6 (Part 1)	B	CW6	CW6.1 - CW6.27	<p>A data score of 'B' has been given. A data score of 'C' was initially given at the end of the audit, however the team completed actions regarding the data tables so score improved to a B.</p> <p>The audit found issues in the lines:</p> <p>CW6.13 – Incorrect figure input into Data Tables</p> <p>CW6.6 &amp; CW6.7 – Anomalous year in trend data creating unrealistic data. Projections to be recalculated based on 3 years of data in place of 4.</p> <p>CW6.23 – fluctuations in previous year activity causing fluctuations in forecast data, which should vary in line with CW6.21 &amp; 22.</p>

PR24 Data Table Technical Assurance Report

PR24 Submission Topic	#	Audit Grouping ID	Score	Data Table	Data Lines	Summary
						<p>These issues have been rectified post audit.</p> <p>The data tables were created using previous years data. The Trends were used to proportion changes across the bandings. The trend data was then aligned to the actual total figure, to produce the data.</p>
	21	CW (Part 2)	B	CW6	CW6.28 - CW6.30	<p>Portsmouth Water (PRT) has developed a sensible and concise methodology to generate forecast data based on all reliable historic information available. The team were aware of the volatile nature of performance and relevant factors that may influence future trends in Compliance Risk Index (CRI) and Event Risk Index (ERI). The volatility of both CRI and ERI means that any meaningfully challenging target will be exceeded in some years, with a resulting penalty in the case of CRI. No material issues were identified during the audit.</p>
	22	CW7 (non-finance lines)	A	CW7	CW7.6 - CW7.23 and CW7.42 - CW7.51	<p>The company provided a clear audit trail document, which clearly specific the source of each data item and identified any assumptions or processing rules that were applied to align the WRMP24 source with PR24 definitions.</p> <p>Both these tables draw their data from the WRMP24 tables. A small number of lines are derived from the source data previously assured where an additional breakdown of the data is required.</p> <p>We undertook sample checks during the audit and found no issues. All costs within these tables were audited separately.</p>
	23	CW7 (finance lines)	A	CW7	CW7.1 - CW7.5 and CW7.24 - CW7.41	<p>No material issues identified or resulting actions required.</p> <p>Approach taken to produce the table is reasonable and clear to understand and validate to source material.</p> <p>Commentary provided also covers methodology and rationale and reviewed internally by an appropriate member of staff.</p> <p>Review procedures are sufficient considering the basis of the table and source of the underlying information.</p>

## PR24 Data Table Technical Assurance Report

PR24 Submission Topic	#	Audit Grouping ID	Score	Data Table	Data Lines	Summary
	24	CW8	A	CW8	All lines	<p>No material issues identified or resulting actions required.</p> <p>Approach taken to produce the table is reasonable and clear to understand and validate to source material.</p> <p>Commentary provided also covers methodology and rationale and reviewed internally by an appropriate member of staff.</p> <p>Review procedures are sufficient considering the basis of the table and source of the underlying information.</p>
	25	CW13/CW14/CW15/CW16	B	CW13	All lines	<p>Overall, the team were found to be knowledgeable about the underlying data and the table's requirements. A sample of data entries was able to be traced back to the primary worksheets and we did not identify any material issues with the process used to prepare the table.</p>
				CW14	All lines	<p>We did, however, identify a number of issues that impact on the table's reliability. Firstly, we identified that cost data had been transposed into tables CW13 and 14 in the wrong units (£k rather than £m). Additionally, the team identified that they have included some 25-year environment plan schemes that are due to start in AMP9, the table guidance is that only schemes expected to start in AMP8 should be included.</p>
				CW15	All lines	<p>At the time of the audit, the accompanying commentary for the tables had not been written. The table guidance outlines a number of items that need to be included in the commentary.</p>
				CW16	All lines	<p>We also noted that internal checks carried out on the underlying data and the table itself had not been documented. We also noted that the methodology used to prepare the tables is undocumented. We have made improvement recommendations to address all of these points.</p> <p>Post audit, the revised data table and commentary were provided showing action completion. No material or potentially material actions remain following the updates provided. Score updated to a 'B'.</p>

## PR24 Data Table Technical Assurance Report

PR24 Submission Topic	#	Audit Grouping ID	Score	Data Table	Data Lines	Summary
	26	CW17	A	CW17	All lines	<p>No material issues identified or resulting actions required.</p> <p>Approach taken to produce the table is reasonable and clear to understand and validate to source material.</p> <p>Approval for total spend/business plan for the Smart Metering programme evidenced within Board minutes.</p> <p>Commentary provided also covers methodology and reviewed internally by an appropriate member of staff.</p> <p>Review procedures are sufficient considering the low complexity of the table.</p>
	27	CW19	B	CW19	All lines	<p>The team clearly understand the reporting requirements for all lines covered and the processes used to derive reported values appear robust and consistent with regulatory guidance.</p> <p>We did not see evidence of internal assurance checks for the data lines, but we have been informed that 1st line checks have been completed and 2nd line checks will be done by the Regulation team.</p> <p>Some data related to customer leaks were missing due to staff leave within PRT.</p> <p>Post audit, the issue with data related to customer leaks was rectified and an updated spreadsheet and commentary were provided.</p>
	28	CW20	A	CW20	All lines	<p>The team are clear on the interpretation of the line descriptions, definitions, and submission guidance. They appeared to understand the context of the reported figures in relation to transitional AMP 7 years and forecasted AMP 8 performance.</p> <p>The regulation team will be conducting further checks on the CW20 figures before the final submission.</p> <p>We did not identify any emerging risks or issues that may impact on future reporting, although there were some minor non-material actions that we recommended the team complete before final submission. These are detailed in the table below.</p> <p>We conducted a sample check of the lines and traced them back through the calculations to source data. We did not find any issues with the figures.</p>

## PR24 Data Table Technical Assurance Report

PR24 Submission Topic	#	Audit Grouping ID	Score	Data Table	Data Lines	Summary
						<p>Post audit, confirmation was received that the following actions have been completed:</p> <ul style="list-style-type: none"> <li>Action 1 – Commentary updated.</li> <li>Action 2 – Commentary updated. Company have chosen to round earlier in the proportion process, to ensure no decimals across cohorts.</li> <li>Action 3 – Commentary updated.</li> <li>Action 4 – Commentary updated.</li> <li>Action 5 – Ofwat additional table complete (viewed as part of the update email). Commentary updated.</li> </ul> <p>Audit grade uplifted from 'B' to 'A'.</p>
Outcomes / Costs (wholesale)	29	Leakage, PCC, Demand	A	CW5	CW5.31 - CW5.39 and CW5.58 - CW5.67	The majority of the lines reviewed during this audit are obtained directly from other lines within the PR24, WRMP24 or APR23 tables. A small number of lines are derived from the source data previously assured where an additional breakdown of the data is required.
				OUT1	OUT1.9 - 1.11 and OUT1.21 - 1.26	We undertook sample checks during the audit and found no issues.
				OUT2	OUT2.9 - 2.11 and OUT2.21 - 2.26	In one instance, for PCC, the company has revised its population forecast since WRMP24, so has made the decision to use the PCC forecast. This would have a minor impact on the demand forecast (0.34 MI/d) but we consider this is within a normal level of uncertainty (0.19% of DI) and target headroom (6.8% of target headroom).
				OUT3	OUT3.9 - 3.11 and OUT3.21 - 3.26	We note there were minor rounding errors (e.g. between OUT4 and OU1 – company aiming to resolve) which we do not consider to be material.
				OUT4	OUT4.30 - OUT4.80	

## Appendix B. List of audited data tables

#	Table No.	Table Title
1	DS1e	Developer services revenue (English companies)
2	DS2e	Developer services expenditure - water (English companies)
3	DS4	Developer services - new connections, properties and mains
4	DS5	Network reinforcement costs
5	DS6	Network reinforcement drivers - potable mains, sewers, pumping stations and pumping capacity
6	RES1	Water resources asset and volumes data
7	RET1	Cost analysis - residential retail (post frontier shift and real price effects)
8	RET1a	Cost analysis - residential retail
9	SUP11	Real price effects and frontier shift
10	SUP14	Customer engagement and affordability/ acceptability of plans
11	SUP15	Social tariffs - residential customers
12	SUP1A	Connected properties, customers and population
13	SUP1B	Properties and meters
14	OUT1	Overall outcome performance - Performance commitments
15	OUT2	Outcome performance from base expenditure - Performance commitments
16	OUT3	Outcome performance from enhancement expenditure - Performance commitments
17	OUT4	Underlying calculations for common performance commitments - water and retail
18	OUT6	Summary information on outcome delivery incentive payments
19	OUT8	PR19 outcome performance summary
20	OUT7	Outcome performance - ODIs (financial)



## PR24 Data Table Technical Assurance Report

#	Table No.	Table Title
21	OUT9	Biodiversity- Habitat information
22	CW1	Totex analysis - water resources and water network+ (post frontier shift and real price effects)
23	CW1a	Totex analysis - water resources and water network+ (pre frontier shift and real price effects)
24	CW2	Base expenditure analysis - water resources and water network+
25	CW3	Enhancement expenditure - water resources and water network+
26	CW9	Enhancement expenditure (cumulative) - water resources and water network+
27	CW4	Raw water transport, raw water storage and water treatment data
28	CW5	Treated water distribution - assets and operations
29	CW6	Water network+ - Mains, communication pipes and other data
30	CW7	Demand management - Metering and leakage activities
31	CW8	WRMP schemes (excluding leakage and metering activities)
32	CW13	Best value analysis; enhancement expenditure - water resources and water network+
33	CW14	Best value analysis; enhancement expenditure of least cost options - water resources and water network+
34	CW15	Best value analysis; enhancement benefits - water resources and water network+
35	CW16	Best value analysis; enhancement benefits of least cost options - water resources and water network+
36	CW17	Accelerated programme expenditure - water resources and water network+
37	CW19	Demand management - Leakage expenditure and activity data
38	CW20	Distribution mains condition