

**Consultation on Portsmouth Water’s draft Assurance Plan – the Company Monitoring Framework**

**6 March 2020**

**Consultation on Portsmouth Water’s draft Assurance Plan – the Monitoring Framework**

# **About this document**

The purpose of this consultation is to invite views on our Draft Assurance Plan over regulatory information which we will publish as part of our Annual Performance Review (APR) in particular.

The first stage of the exercise was to consult on a Statement of Risks, Strengths and Weaknesses (the “Statement”) and invite comments from customers and other stakeholders on:

* the overall approach to the risk assessment undertaken;
* whether or not they agreed with our assessment of the Risks, Strengths and Weaknesses highlighted in the Statement; and
* which particular Performance Measure was of greatest importance to them.

The consultation, which can be found at the link below, closed formally on the 14 January 2020.

<https://www.portsmouthwater.co.uk/wp-content/uploads/2019/11/Risks-Strengths-and-weaknesses-2019-20.pdf>

The outputs of this exercise have been used to inform the proposed assurance activities.

Having discussed our process and the Statement with a number of key stakeholders and having regard to previous written comments received from Ofwat in particular, we have prepared this draft Assurance Plan (the “Draft Plan”) and are now seeking further feedback.

This draft Plan explains what we are doing to provide assurance that the information we will publish in our 2019/20 Annual Performance Report, is reliable and complete. In this document we consider the assurance in terms of two categories of data; ‘financial’ and ‘non-financial’. Non-financial data in the APR primarily consists of the Performance Measures which are the service level commitments we have made to our customers, whilst financial data is reported on through the audit of the APR Financial tables by the financial auditors.

This data referred to in this assurance plan has been used as part of our Business Plan we submitted to Ofwat in September 2018 and their Final Determination in December 2019. It is has therefore been important that the performance data underpinning our future plans is well founded and has had appropriate third party assurance so that stakeholders can have trust and confidence in our Business Plan.

The APR is a document required by Ofwat and published annually. It contains both financial and non-financial information and is prepared in line with Regulatory Accounting Guidelines (RAGs) and other guidance published by Ofwat. The financial components of the APR are subject to financial audit by our auditors KPMG in line with UK auditing standards and the RAGs.

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# **Responding to this consultation**

We welcome your response to this consultation by close of business on 20 March 2020.

You can email your responses to s.morley@portsmouthwater.co.uk or post them to:

Monitoring Plan Consultation

Portsmouth Water

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Havant

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Information provided in response to this consultation, including personal information may be published or disclosed in accordance with access to information legislation – primarily the Data Protection Act 2018 and the Environmental Information Regulations 2004.

If you would like the information you provide to be treated as confidential, please explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that we can maintain confidentiality in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on us.

# **Overview and Consultation Questions**

In this document we set out the background to this Draft Assurance Plan and explain how we will ensure the information we publish is of appropriate quality and meets the needs of our customers and other stakeholders.

We also explain:

* The outcomes of the risk, strengths and weaknesses assessment including feedback from stakeholders, and how this has informed this Draft Assurance Plan; we include our responses to the feedback in this document.
* The activities associated with data quality assurance for each of our Performance Measures. We have focused on those Performance Measures contained within the 2014 Final Determination and 2019 Final Determination as well as additional pieces of data identified by our CCG;
* The activities associated with data quality and accuracy for our financial performance in the year.
* The next steps of this process

**Consultation questions**

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| **Q1 Do you have any comments on the content or layout of this Draft Assurance Plan?**  |
| **Q2 Are the processes outlined in this consultation document sufficient to provide you with appropriate assurance that reported data is accurate and reliable?**  |
| **Q3 Is there any further information that you feel could be provided that would help build stakeholder and customer confidence and trust in the company?** |

 |
|  **Q4 Any other comments** |
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We welcome your responses to this consultation by close of business on 20 March 2020.

We will use your responses to our consultation questions to inform the Final Assurance Plan, which we intend publishing in early April 2020.

# **Background**

* 1. We published our “Annual Performance Report” (APR) for the first time, reporting on the year 2015/16. It enabled stakeholders to assess how we performed against those measures of success that are regarded by our customers as being the most important factors (the “Performance Measures”). The targets for the Performance Measures were the commitment the Company made to its customers following extensive customer engagement exercise carried out when we were preparing our business plans for the 2015-2020 period. Further, it provided stakeholders with an understanding of our Financial Performance in the year and allowed stakeholders to compare against the assumptions made at the 2014 Price Review. We have published our APR each year subsequently.
	2. The Company recognise the importance of providing information to customers and other stakeholders that is; customer-led, relevant, reliable, complete, accurate, objective, understandable and timely. Our ongoing objective is to make information available that is easy to understand and which enables stakeholders to see how we are performing; this helps build trust and confidence in the business.
	3. Ofwat has acknowledged that Companies and their Boards are best placed to identify the risks, strengths and weaknesses associated with providing such information. To allow us to develop a “targeted” assurance plan, in November 2019 we again undertook a risk assessment for all relevant non-financial data that will be contained in the APR and looked forward to the new ODIs which will apply in the period 2020-25. This was an important exercise and was the basis of a Statement of Risks, Strengths and Weaknesses upon which we consulted. The consultation closed on the 14 January 2020. This statement is available on our website at

[www.portsmouthwater.co.uk/news/publications/company-monitoring-plans/](http://www.portsmouthwater.co.uk/news/publications/company-monitoring-plans/)

* 1. Having regard to discussions and comments received, we have prepared this Draft Assurance Plan. This plan sets out the processes we propose to follow in the case of each individual Performance Measure, to demonstrate that the data we will report in the 2019/20 Performance Report is of appropriate quality. It also provides an overview of the financial performance measures we will publish.
	2. In Sections 2 and 3 we provide details of the overarching Assurance Framework and the assurance processes currently in place, as well as the additional steps we propose to introduce for 2019/20 where we (and stakeholders) think it necessary.
	3. The next steps are set out in Section 5.

# **Assurance Framework**

1. The information that we publish on our performance will be assured by the Board to maintain and build a high level of trust and confidence from our customers and stakeholders. For this to be effective, performance needs to be reported in a clear way and assured to an appropriate level. We adopt a risk-based approach to assurance, using internal and external review, to provide robust challenge and scrutiny of our published performance.
2. Supporting this process is an audit framework designed to allow monitoring and evaluation of the various aspects of our performance, to ensure that standards of data quality are being met.

This involves:-

* having appropriate governance arrangements
* close involvement by our Board in the assurance process
* the right level of independence in the process to provide third party review and challenge

This gives assurance to our Board, stakeholders and customers as to the level of performance and service that we are providing and reporting.

2.3 We consider that we already have in place robust processes and systems of control that provide the necessary internal assurance in respect of the reliability and completeness of the information published. For each of the Performance Measures, we will continue to apply these. However, in making this assessment we have undertaken robust challenges and sought feedback, as described in Section 1. The following summarises the processes and systems of control in place.

# **Governance Structure**

2.4 Within the business we have well-established governance and accountability processes. This is shown in Figure 1.

**Figure 1 Governance structure**

**Board**

2.5 The Board seeks assurance that risk management systems and processes are identified and risks are managed through the following:

* Monthly performance reports to the Board outlining achievement against Performance Measures
* Compliance with standards and guidance
* Assurance from the Audit Committee that the company’s data reporting is accurate, complete, reliable, relevant and timely
* Annual review of the Data Assurance Plan
* Board Assurance Framework
* Company’s progress against its strategic and corporate objectives.

This allows the Board to sign off the Annual Performance Report

**Audit Committee**

* 1. The Audit Committee has responsibility for the review and approval of reporting information including the annual statutory accounts and the APR.  Following review the Audit committee makes recommendation for approval to the Board.  As part of this responsibility the Committee monitors the effectiveness of internal control processes across the business.

The Committee also has an oversight and approval role with respect to the provision of third party assurance. This primarily relates to the provision of financial assurance by our Financial Auditors (KPMG and Frontier Economics) and non-financial (technical) assurance by the Reporter (Jacobs) but also includes other third party assurance generally of a specific technical nature (together the “Assurance Provider”).

The Committee reviews the scope, quality, results, cost effectiveness, independence and objectivity of any Assurance Provider.

The responsibilities of the Committee include:

* To assess the qualification, expertise and independence of the assurance provider
* To review the nature and scope of the assurance
* To review, with management, the fee and letter of engagement/terms of reference
* To consider the results, findings and recommendations of the Assurance Provider and to make such reports and/or recommendations to the Board as considered necessary
* In the case of recurring appointments to consider the ongoing independence and effectiveness of the Assurance Provider and to make appropriate recommendations to the Board regarding the continuance or re-selection process if considered necessary.

**Executive Team**

* 1. Financial and Performance Measures are reported to the Executive Team monthly. The Finance department prepare the Financial Performance and signs off the report.

The Regulation department prepares the Performance Measures Report. Part of this monthly process includes reviewing the data from each department. The report is reviewed by the Regulation Manager who signs it off monthly before discussion with the Executive Team. Discussions are held with data owners on any issues found with the data prior to sign off.

**Finance Department**

2.8 The finance department prepares the data submitted in our Annual Performance Report working closely with both the Regulation department and individuals in the wider business. The Finance department is also responsible for preparing the Accounting Separation methodology statement, which provides detailed costs of the business units in the Company, and is reviewed and approved by the Finance & Regulation Director

**Regulation Department**

2.9 The Regulation department coordinates the technical data submitted in our Annual Performance Report which contains our key performance measures, including all ODIs. Similarly, the Finance Department have responsibility for all financial information. The Regulation department coordinate the collection of data from all areas of the company which have a key data provider. These data providers are specialists in the data from their department and for the majority of the Performance Measures have experience in preparation an annual submission of data. In order to provide robust information into our data reports, we have developed Methodology Statements for the majority of measures which outline the processes and procedures for collecting data and reporting our Performance Measures.

**Data Originator and Management sign off**

2.10 Data from each department is signed off by the data owner and the senior manager from the department. The Regulation department review the data, compare the data to previous years, ensure compliance with definitions and guidance and enquire on the methodology followed and any assumptions made.

**Other relevant information**

* 1. A table setting out each Performance Measure and the sources of assurance is shown in Appendix 2.
	2. The final detail of the targeted enhanced assurance activities for each relevant Performance Measure will be finalised and documented when we publish our Final Assurance Plan.

**Technical Assurance**

* 1. Our technical auditor, Jacobs, is a professional engineer and certifier of regulated activities. Jacobs have a good understanding of the water industry and were awarded a five year contract in 2019 replacing Atkins who had been our advisor since 2013. The Reporter carries out a formal audit of the key performance measures that will be included in the Annual Performance Report.

2.14 The Regulation department coordinate the Reporter’s audit timetable and ensure key data experts from each department meet with the Reporter. The Reporter examines the source of data, checks calculations and assesses the accuracy and compliance to the data requirements of the reported data. The Reporter then produces a report on each audit carried out. This includes key findings from the audit and a list of any issues found.

2.15 The Lead Auditor attends the Audit Committee before we publish our Annual Performance Report and answers questions raised on the audits and data contained within the Annual Performance Report. She will provide assurance on the data contained in the report.

**Financial assurance**

2.16 Financial assurance over the APR is performed by our financial auditors KPMG. Our financial auditors, are a firm of registered auditors with a good understanding of regulated activities for the Water Industry. The assurance activities that they undertake largely leverage the statutory audit process. The assurance provided is in the form of two types of assurance processes;

* **An independent audit report**. This is a publicly available report in a standard format agreed between Ofwat and our external auditors KPMG. The areas covered are set out in the table below, see 4.2.

On an annual basis the financial auditors undertake audit planning and report on the audit approach to the Audit committee based upon UK auditing standards together with the requirements of the Regulatory Accounting Guidelines issued by Ofwat (this is a subset of the annual planning process for Statutory Accounts). They also report by exception on going concern and upon the related licence condition F.

* **Agreed upon procedures over other specified financial information**. This is a report to the Company setting out the results of certain specified procedures covering other tables within the APR. The financial auditors do not form a professional opinion on this work but report their findings leaving management and the Audit Committee to form their own opinion.

To the extent that matters arise in respect of these procedures they would be considered and generally reflected in revisions to the relevant tables. The plan for agreed upon procedures are reviewed by the Finance Director and Audit Committee annually and are revised, to reflect any changes in reporting requirements, new tables, Ofwat feedback from previous years and overall risk assessment.

2.17 The Finance Department coordinate the financial audit timetable and ensure relevant staff members are available to support any audit enquiries. Key findings from the audit and a list of any issues found are discussed with the Finance Director and are reported to the Audit committee. The audit partner attends the Audit Committee before we publish our Annual Performance Report and answers questions raised on the audits and data contained within the Annual Performance Report.

**Oversight of financial reporting**

2.18 To the extent that information leverages the underlying financial results this is subject to review with the Executive Team through Monthly Board reporting.

**Systems and controls**

2.19 A significant portion of the financial data reported in the APR is derived from our financial systems. This includes the Accounting Separation analysis, which provides detailed costs of the business units in the Company. These financial systems are subject to a wide range of systems and controls supporting the accuracy of underlying data. These include but are not limited to;

* Monthly reporting to Executive Team and main Board
* Budget setting and review process
* Transactional controls including embedded authorisations and approvals
* Controls in relation to accuracy of coding and allocation of costs to cost centres
* Reconciliations and control account processes
* Analytical review processes

**Third Party Assurers**

2.20 Our Third party assurers have been chosen given their knowledge of the regulatory framework of the Water Industry.

* Jacobs were appointed as the reporter in September 2019.
* KPMG became the company’s financial auditor in 2017 as a result of a thorough tendering process.
* Frontier Economics were appointed in 2015 and have provided external third party assurance on our Charges during this AMP period.

# **Feedback from stakeholders**

3.1 In August 2019 Ofwat issued IN 19/04, which can be located as follows:-

<https://www.ofwat.gov.uk/wp-content/uploads/2019/08/CMF-information-notice.pdf>

3.2 This explained that Ofwat will no longer publish Company Monitoring Framework (CMF) assessments, but it will continue to scrutinise and challenge companies’ approaches to data quality and assurance of their reporting.

3.3 Thus we now longer have direct feedback from a key stakeholder.

3.4 The last CMF assessment published by Ofwat was on 31 January 2019, where we were assessed as “Targeted.” The categorisation has remained the same since 2015. We have no information that indicates that this classification would be any different and therefore our strategy remains appropriate.

**Risks, Strengths and Weaknesses Consultation**

3.5 This section provides details of our engagement thus far with key stakeholders this year on our Risks, Strengths and Weaknesses report.

3.6 We primarily engage with our stakeholders via our Customer Challenge Group (CCG). The Portsmouth Water CCG was established in 2012 and the group comprises regulators, customer representatives, local government elected members and key stakeholders. We invited all members of the CCG to respond to our Risks, Strengths and Weaknesses consultation, we additionally published the consultation on our website open to the wider public.

3.7 We received a response from one stakeholder, CCWater as shown below. We also include our response to each comment in red.

**Q1 Comments on Overall Approach**

Recognising that you are using a process that is defined as best practice I have two comments but note that these may have been defined by the process you have followed.  Otherwise the approach looks sound and thorough.

Page 10 - I wonder if a Risk with a high probability (4) and yet a low impact (1) should be medium rather than low, however, I do note you don't have any risks in this category.

As you have noted, our methodology results in this combination being classified as low risk. Whilst we understand the issue you raise, if the impact is low, then the impact on the overall estimate is not sensitive to variability and thus the level of required audit is low. To give you comfort we err on the side of being risk averse on our assessments and further, all of the ODIs listed are thoroughly reviewed as part of our assurance process.

Page 18 - I also wonder whether the definition for the impact on customers is sufficient.  Is there a requirement for an additional category between ‘4 - all customers’ and ‘3 - individual customers’ ie if something impacts 10 customers is it a different risk to something that impacts 1000 customers?

Yes – very fair point. It is possible that the use of the word individual is somewhat misleading. For example our interruptions to supply ODI will look at the impact on a small number of customers, typically no more than 100 individuals. We will review the methodology we use next year and score this scenario higher than the impact on one individual customer.

**Q2 Do you agree with our assessment of the Risks, Strengths and Weaknesses summarised in this statement?**

For each of the performance commitments I support the risk assessments made.

Have you considered summarising the levels of action taken for the different categories of risk in this document? Perhaps it is covered in the assurance plan and defined for each risk assessed. On page 14 you note, in weaknesses, that you plan to develop documentation to cover the formal procedures for reporting purposes, I wondered if you should include a summary here by risk category eg :

* low - monitored by line manager / head of department
* medium - reviewed at head of department level weekly/monthly
* high - reviewed by executive committee monthly
* critical - reviewed by the board weekly ....

Thank you for this suggestion. We will included a section in our report next year.

Appendix 2 shows the sources of assurances and review. Everything with high and medium risk has visibility at the monthly Board, but we can also be flexible on what we provided to the Board. If issues arise during the year on any performance measure it is quickly elevated to Board level.

**Q3 Which particular measure is of greatest importance to you?**

I was reassured to see Leakage move back to amber for PR19 - although you have made great progress on leakage I think it is still an area where you may be exposed, given the PR19 targets.

Thank you for this comment. Please remember this is about the confidence we have in the reported data as opposed to the performance itself. You are right that it has returned to Amber classification, primarily because we are moving to a new leakage methodology next year, 2020/21.

Avoidance of water restrictions is very important to me personally.

Noted.

**Q4 Is there any data not included which you rely on or think should be included (paraphrased)?**

The data which appears to be missing is information regarding on going customer feedback. Possibly this is covered by CMEX.  Whilst there is no formal performance commitment on continuing to monitor customer feedback, and I recognise this is an expense, you have a lot of valuable data which is current now.  Will you be testing customer feedback before the next price review, if yes, then include it, if not, then why not?

This data is indeed very important in helping us understand how / what customers’ think of the service we provide and help us plan for the future. We think that it will be reflected in the Customer Experience survey undertaken for C-Mex but will consider how we share more feedback from our customers with stakeholders.

# **Targeted Audit Plan**

4.1 Our Audit Plan, which will be the subject of a third document in April 2020 will develop a Targeted Audit Plan.

4.2 We have prioritised areas for our Targeted Audit Plan based on general feedback from Ofwat, the ‘Risks, Strengths and Weaknesses’ Consultation and from the results of various audits throughout the year. The table below outlines the areas we intend to target with the justification and proposed actions;

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| **Item(s)** | **Category** | **Justification** | **Actions** |
| Common performance commitments:1. Compliance Risk Index
2. Leakage
3. Supply interruptions
4. Mains bursts
5. Unplanned outage
6. Per capita consumption (PCC)
7. Risk of severe restrictions in a drought
 | Non-financial | Common performance commitment as outlined by Ofwat subject to methodology review&Atkins 2018-19 Annual Performance Report audit | * Review the Company Methodology Statement for appropriateness and completeness
* Compare with the convergence project methodology for this measure.
* Confirm the accuracy of the figure to be reported.
* Confirm the magnitude of the change in as a result of the new methodology.
* A full review by our technical auditor as part of the Annual Performance Report process.
 |
| Risks, Strengths and Weaknesses 2019 publication | Non-financial | Suggestions provided by CCWater as part of the Risks, Strengths and Weaknesses 2019 consultation | * To act upon the advice suggested by CCWater, Considering how we can give stakeholders a greater understanding of customer feedback.
 |
| Primary regulatory financial reporting statements, segmental reporting tables & related notes and Condition F | Financial | Regulatory requirement | Audit planning meeting to cover change in systems, risks and audit approach.Review KPMG APR planning document and obtain approval form the Audit committee on panned approach.Review form of agreed Ofwat reporting. |
| Other financial reporting tables, 1F, Section 4 tables & Financial Funds Flow table | Financial | Audit Committee requirement based on assurance need | Audit planning meeting to cover change in systems, risks and audit approach.Review proposed agreed upon procedures and obtain approval form the Audit committee on panned approach. |

**Next Steps**

5.1 It is important that we get stakeholder views as we move towards the finalisation of the Assurance Plan. We would therefore welcome comments. In the meantime, we continue to engage with key stakeholders during this consultation phase and are available to meet to discuss any aspect of this consultation.

5.2 We are not restricting consultation to those key stakeholders identified and welcome responses from customers and any other stakeholders.

5.3 We welcome your responses to this consultation by close of business on 20 March 2020 and we repeat the questions below.

5.4 We will have regard to comments received and intend publishing our Final Assurance Plan in early April 2020.

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| **Q1 Do you have any comments on the content or layout of this Draft Assurance Plan?**  |
| **Q2 Are the processes outlined in this consultation document sufficient to provide you with appropriate assurance that reported data is accurate and reliable?**  |
| **Q3 Is there any further information that you feel could be provided that would help build stakeholder and customer confidence and trust in the company?** |

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|  **Q4 Any other comments** |
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# **Appendix 1 - Outcome of Risk Assessment**

In November 2019 the Company published the outcome of its risk assessment of the data it places in the public domain. This was the subject of the Risk Strengths and Weaknesses consultation.

The grid below shows the ranking we have determined for each of our 25 data items based on our PR14 commitments etc. The degree of audit / assurance we would expect to provide is guided by this assessment. Thus the degree of assurance we expect to provide for say leakage is greater than that for meter optants.

Our results from our consultation supported our assessment of risk and our Audit Plan, the subject of a third document, will be produced accordingly.



Our analysis for PR14 only classifies Per Capita Consumption as being at high risk and we recognise we need to provide all stakeholders with the confidence that the planned assurance and related control frameworks we have for these items are appropriate. This was classified as an issue at the audit by Atkins in 2017 and although downgraded in 2018 and 2019, there remains a risk with the assumptions made with the per capita consumption model.

For the 25 new PR19 measures we have categorised them as 2 high and 17 medium. This reflects there are, in many cases, new definitions we will need to report against.



The 2 measures categorised as high risk, Per Capita Consumption and Leakage are both subject to new regulatory definitions. For AMP7 there are significant developments for reporting of leakage and PCC. The new definitions will ensure consistency of reporting between companies. Further, to comply with the new definitions has required specific capital investment in the network to record data which will underpin the new measures. As such reporting of leakage is seen as a classification higher in AMP7 relative to our well established methodology being applied in AMP6.

Many of the medium risk items are a consequence of revised measures being defined by two of our regulators, Ofwat and DWI. The remaining 6 measures have a lower assessment as we have reported against in the past to Ofwat and EA in particular.

# **Appendix 2 - Sources of Assurance**

We have four levels of review. Our performance measures are reviewed at our monthly Board meeting, which the Non-Executive Directors attend, with other performance measures reviewed at the Monthly Executive Team Meeting. Internally there is a weekly Operations meeting where certain KPIs are also reviewed.

All of our performance measures are subject to external review. This includes audits undertaken by our technical Reporter. We report performance measures to several bodies including CCWater, Drinking Water Inspectorate, Environment Agency, Health and Safety Executive, Natural England, Ofwat and Water UK.

We also report these to our Customer Challenge Group every six months with updates on specific issues such as leakage as required.

Further, we include data requested by stakeholders in the past. This includes abstraction compliance, levels of service to developers, green-house gases and a number of customer service metrics.

**PR14 Performance Measures**

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| --- | --- | --- | --- | --- | --- |
| **Ref** | **Performance Measure** | **Board** | **Executive Team** | **Other review** | **External review** |
| RA1 | Service Incentive Mechanism | Monthly review | Monthly review | Reported at weekly Operations meeting | Reported to CCWater on quarterly basis. Audited by Jacobs at the end of reporting year. Reported in Annual Performance Report (APR). |
| RC1 | Developer Survey | Yearly review | Yearly review |  | Reported in APR. |
| RB1 | Per capita consumption | Yearly review | Yearly review |  | Reported to CCWater. Audited by Jacobs at the end of the reporting year. Reported in APR and in the Annual Return to the Environment Agency. |
| WA1 | Number of bursts | Monthly review | Monthly review | Reported at weekly Operations meeting | Audited by Jacobs at the end of reporting year. Reported in APR. |
| WA3 | Mean Zonal Compliance | Monthly review | Monthly review | Reported at weekly Operations meeting | Reported in Chief Inspectors Annual Report. Reported in APR. |
| WA4 | Number of water quality contacts | Monthly review | Monthly review | Reported at weekly Operations meeting  | Audited by Jacobs at calendar year end. Reported in Chief Inspectors Annual Report. Reported in APR. |
| WA5 | Temporary usage bans | Monthly review | Monthly review |  | Reported in APR and in the Annual Return to the Environment Agency. |
| WB1 | Leakage | Monthly review | Monthly review | Reported at weekly Operations meeting | Reported to CCWater on a 6 monthly basis. Audited by Jacobs at the end of the reporting year. Reported in APR and Annual Return to the Environment Agency. |

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| --- | --- | --- | --- | --- | --- |
| **Ref** | **Performance Measure** | **Board** | **Executive Team** | **Other review** | **External review** |
| WC1 | Interruptions to supply | Monthly review | Monthly review | Reported at weekly Operations meeting | Reported quarterly to CCWater. Audited by Jacobs at the end of the reporting year. Reported in APR. |
| WD1 | Biodiversity | Yearly review | Six monthly |  | Audited by Jacobs. Reported in APR. Progress discussed with CCG and Natural England every six months |
| WD2 | Water Framework Directive | Yearly review | Six monthly |  | Reported in APR. Progress discussed with CCG and Natural England every six months |
| WD3 | Carbon commitment to renewables | Yearly review | Electricity consumption reviewed. |  | Audited by Jacobs at the end of the reporting year. Reported in APR. |
| WG1 | RoSPA | Accidents reported monthly | Accidents reported monthly |  | Audited by Jacobs. Reported to the Health and Safety Executive. Reported in APR. |
| **Other Measures** |
| O1 | Abstraction Incentive Mechanism | Yearly review | Monthly review |  | Reported in APR. |
| O2 | Optional meters installed | Monthly review  | Monthly review | Reported at weekly Operations meeting  | Reported annually to the Environment Agency. Audited by Jacobs at the end of the reporting year. |
| O3 | Abstraction - compliance with licence conditions | Yearly review | Monthly review | Reported at weekly Operations meeting | Audited by Jacobs Reported annually to the Environment Agency. |
| O4 | Guaranteed Standards of Service | Monthly review | Monthly review | Reported at weekly Operations meeting | Audited by Jacobs at the end of the reporting year. |
| O5 | Watersure  | Yearly review | Monthly review | Reported at weekly Operations meeting | Reported quarterly to CCWater. Audited by Jacobs at the end of the reporting year. |
| O6 | Social tariff | Yearly review | Monthly review | Reported at weekly Operations meeting | Reported quarterly to CCWater. Audited by Jacobs at the end of the reporting year. |
| O7 | New development – levels of service | Yearly review | Monthly review |  | Reported quarterly to Water UK. Audited by Jacobs at the end of the reporting year. |
| O8 | Green House Gas Emissions | Yearly review | Yearly review |  | Audited by Jacobs at the end of the reporting year. |
| O9 | Written Complaints by class and cause | Monthly review | Monthly review | Reported at weekly Operations meeting | Reported to CCWater on a quarterly basis. Audited by Jacobs at the end of the reporting year.  |
| O10 | Communication pipes | Yearly review | Yearly review |  | Audited by Jacobs at the end of the reporting year. |
| O11 | Meters renewed | Yearly review | Yearly review |  | Audited by Jacobs at the end of the reporting year. |
| O12 | Pumping Head | Yearly review | Yearly review |  | Audited by Jacobs at the end of the reporting year. |

**PR19 Performance Measures (many of the measures have been applied in PR14 and carry into PR19)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Ref** | **Performance Measure** | **Board** | **Executive Team**  | **Other review** | **External review** |
| NP01 | Compliance Risk Index | Monthly review | Monthly review | Reported at weekly Operations meeting | Reported in Chief Inspectors Annual Report. Shadow reporting for 2019. Reported in APR as of 2020/21 |
| NP02 | Interruptions to supply (new methodology) | Monthly review | Monthly review | Reported at weekly Operations meeting | Reported quarterly to CCWater. Audited by Jacobs at the end of the reporting year. Reported in APR. |
| NP07 | Leakage (new methodology) | Monthly review | Monthly review | Reported fortnightly at Operations meeting | Reported to CCWater on a 6 monthly basis. Audited by Jacobs at the end of the reporting year. Reported in APR and Annual Return to the EA, with Shadow reporting also for 2019/20. |
| WR03 | Per capita consumption (new methodology) | Annual review | Annual review | Internal review quarterly (as of April 2020)  | Reported to CCWater. Audited by Jacobs at the end of the reporting year. Reported in APR and in the Annual Return to the EA with Shadow reporting also for 2019/20. |
| NP03 | Mains repairs | Monthly review | Monthly review | Reported at weekly Operations meeting | Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21. Shadow reporting for 2019/20. |
| NP04 | Unplanned outage | Monthly Review (as of April 2020) | Monthly Review (as of April 2020) | Reported at weekly Operations meeting (as of April 2020) | Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21. Shadow reporting for 2019/20. |
| WR04 | Risk of severe restrictions in a drought | Annual review | Annual review | Internal review quarterly (as of April 2020)  | Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21. Shadow reporting for 2019/20. |
| R05 | Priority Services | Monthly Review (as of April 2020) | Monthly Review (as of April 2020) | Reported at weekly Operations meeting (as of April 2020) | Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21. Shadow reporting for 2019/20. |
| R01 | C-Mex | Monthly Review (as of April 2020) | Monthly Review (as of April 2020) | Internal review quarterly (as of April 2020) | Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21. Shadow reporting for 2019/20. |
| NP11 | D-Mex | Monthly Review (as of April 2020) | Monthly Review (as of April 2020) | Internal review quarterly (as of April 2020) | Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21. Shadow reporting for 2019/20. |
| NP06 | Water quality contacts  | Monthly review | Monthly review | Reported at weekly Operations meeting  | Reported in Chief Inspectors Annual Report. Reported in APR. |
| NP05 | Properties at Risk of Low Pressure | Annual review | Annual review | Internal review quarterly (as of April 2020)  | Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21. |
| NP08 | Catchment management  | Annual review | Annual review | Internal review quarterly (as of April 2020)  | Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21. |
| WR02 | Abstraction Incentive Mechanism | Annual review | Annual review | Internal review quarterly (as of April 2020)  | Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21. |
| WR01 | Biodiversity reward (grant scheme) | Annual review | Annual review | Internal review quarterly (as of April 2020)  | Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21. |
| WR06 | Biodiversity penalty (operational sites) | Annual review | Annual review | Internal review quarterly (as of April 2020)  | Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21. |
| R02 | Void properties | Monthly Review (as of April 2020) | Monthly Review (as of April 2020) | Reported at weekly Operations meeting (as of April 2020) | Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21. |
| R03 | Affordability | Monthly Review (as of April 2020) | Monthly Review (as of April 2020) | Reported at weekly Operations meeting (as of April 2020) | Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21. |
| NP12 | Resilience Schemes | Annual review | Annual review | Internal review quarterly (as of April 2020)  | Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21. |
| WR05 | Avoidance of water restrictions | Annual review | Annual review | Internal review quarterly (as of April 2020)  | Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21. |
| NP09 | Carbon | Annual review | Annual review | Internal review quarterly (as of April 2020)  | Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21. |
| R04 | Vulnerability | Annual review | Annual review | Annual review following survey | Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21. |
| NP10 | RoSPA | Accidents reported monthly | Accidents reported monthly | Operational Managers review weekly | Reported to the Health and Safety Executive. Reported in APR. |
| NEP01 | WINEP (delivery) | Annual review | Annual review | Internal review quarterly (as of April 2020)  | Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21. |
| NEP02 | WINEP (timing) | Annual review | Annual review | Internal review quarterly (as of April 2020)  | Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21. |
| Havant Thicket | Havant Thicket | Monthly Review | Monthly Review | Weekly update at Operational Managers Meeting | Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21. |