

Portsmouth Water's Final Assurance Plan 2020/21

1 April 2021



About this document

This is the third document in the process we adopt to seek stakeholder feedback on the information we publish annually.

We recognise the importance of high quality and transparent reporting of the key business measures that customers and stakeholders use to monitor our performance. We recognise the importance of this process in establishing trust and legitimacy in the industry. This information is primarily reported through the Annual Performance Report (APR). In order to develop stakeholder confidence, in relation to the quality of our reporting, we prepare a plan for assurance over the regulatory information that we publish in the APR.

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 closed formally on the 15 January 2021. 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 written comments received from Ofwat in prior years, we have consulted upon our draft Assurance Plan (the “Draft Plan”). The consultation closed on 19 March 2021.

This Final Audit Plan explains what procedures we are proposing to gain assurance against for the information we will publish in our 2020/21 Annual Performance Report, to ensure it 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 assured on through the audit of the APR Financial tables by the financial auditors.

The Plan also recognises IN21/01, published by Ofwat on 1 April 2021, which sets out their expectations for reporting 2020/21. This can be found on the following link.

www.ofwat.gov.uk/publication/in-21-01-expectations-for-monopoly-company-annual-performance-reporting-2020-21/

The data referred to in this assurance plan has been used as part of our Business Plan, submitted to Ofwat in September 2018 and their Final Determination in December 2019. Our APR will allow stakeholders to understand our performance in the first year of this new Price Review period. It is 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 performance.

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.

We would like to thank all of our stakeholders who have commented on the previous two documents. This has allowed us to publish this Final Assurance Plan for the data we will publish on our performance in 2020/21.



Michael Coffin
Independent Non-Executive Director
and Chair of Audit Committee



Helen Orton
Finance & Regulation Director



Who are we?

We have been supplying water to Portsmouth and the surrounding area since 1857. The area supplied by the Company extends through South East Hampshire and West Sussex from the River Meon in the west to the River Arun in the east, encompassing 868 sq. km.

Our purpose

Delivering excellence for our customers, our people, the environment and the communities that we serve.

Our vision

To supply high quality drinking water whilst providing excellent levels of service for our customers at the lowest price in the country.

Our values

Our values underpin how we behave in delivering all aspects of our work. These are Excellence, Respect & Integrity.



Contents

1. Background	5
2. Assurance Framework	6
3. Assurance Activities	10
4. Feedback from Stakeholders	12
5. Final Assurance Plan 2019/20	13
6. Next Steps	15
Appendix 1 – Outcome of Risk Assessment	16
Appendix 2 – Sources of Assurance	18
Appendix 3 – Targeted Audit Plan	21

If you would like this document in large print please contact us.



1. Background

We publish our “Annual Performance Report” (APR) which enables 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”). Our APR was published for the first time in 2015/16. The targets for the Performance Measures are the commitment the Company made to its customers following extensive customer engagement. We have now completed the 2019 Price Review period and thus have new commitments for the 2020-2025 period. This document refers to the first year of this new Business Plan period, 2020/21.

The Company recognises 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.

In June 2015 Ofwat published guidance, “The Company Monitoring Framework” which formalised the process through which they will oversee that stakeholders can have confidence in companies’ published Performance Measures.

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 2020 we undertook a risk assessment for all relevant non-financial data that will be contained in the APR. 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 15 January 2021.

This document is available on our website at

www.portsmouthwater.co.uk/news/publications/company-monitoring-plans/

The second stage of the exercise was to consult on our draft Audit Plan. This described the audit processes the Company either has or plans to have in place to provide third parties with the confidence that the data we provide is accurate. That consultation closed on 19 March 2021.

Similarly this can be found on our website at

www.portsmouthwater.co.uk/news/publications/company-monitoring-plans/

Having regard to all discussions and comments received, we now publish this Final Assurance Plan to explain how stakeholders can be confident that the data we will report in the 2020/21 Annual Performance Report is reliable and accurate. The items to be covered by the Assurance are shown in Section 5.

2. Assurance framework

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.

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:-

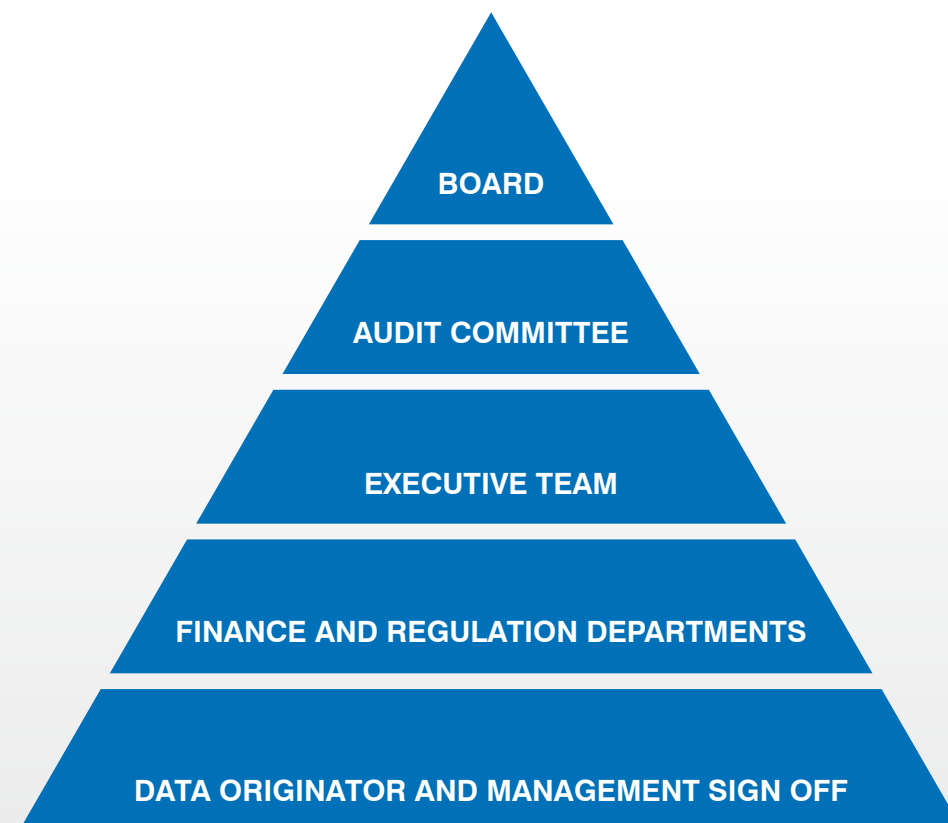
- having appropriate governance arrangements
- close involvement by our Board in the assurance process
- the right level of independence in the process to provide third party review and challenge

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

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 robust internal processes. 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

Within the business we have well-established governance and accountability processes. This is shown below.



Board

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

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 Technical Assurance Advisor (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

Financial and Performance Measures are reported to the Executive Team monthly. The Finance department prepare the Financial Performance Measures 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 any discussion with the Executive Team. Discussions are held with data owners on any issues found with the data prior to sign off.

Finance Department

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

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

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

A table setting out each Performance Measure and the sources of assurance is shown in Appendix 2.

Technical Assurance

Our Technical Assurance Advisor, 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 Technical Assurance Adviser carries out a formal audit of the key performance measures that will be included in the Annual Performance Report.

The Regulation department coordinate the Technical Assurance Advisor's audit timetable and ensure key data experts from each department meet with

the team. The Technical Assurance Adviser examines the source of data, checks calculations and assesses the accuracy and compliance to the data requirements of the reported data. The Technical Assurance Adviser then produces a report on each audit carried out. This includes key findings from the audit and a list of any issues found.

The Lead Technical Assurance Adviser 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. Jacobs will provide an assurance statement on the data contained in the report.

Financial assurance

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 financial auditors do not form an opinion on this work but report their findings to Management and the Audit Committee who use these findings to form an opinion on the data.

- **An independent audit report**

This is a publicly available report in a standard format agreed between Ofwat and our external auditors KPMG.

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.

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

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

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

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

- Jacobs were appointed as the Technical Assurance Advisor in September 2019 as a result of a thorough tendering process.
- 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 since that date.

Our processes also ensure there is dialogue between Jacobs and KPMG during the APR audit season, where audited technical data feeds into the financial tables.

3. Assurance activities

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

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

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.

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

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.

The Ofwat assessment published in January 2019, looked at thirteen areas covering both financial and non-financial assurance activities. Whilst it focused on publications relating to the year 2017/18 it also covered the draft Water Resources Management plan, published in March 2018 and Ofwat's initial assessment of our Business Plan (September 2018).

In the table below we outline assurance activities that relate to 2020/21 relative to each of the measures reviewed by Ofwat in its January 2019 assessment.



Area	Key submission	Assurer(s)	Publication Date
Financial monitoring framework	Annual Performance Report	KPMG	July 2021
Charges engagement	Publication of Charges Schemes	Atkins, Frontier	January 2020
Outcomes	Annual Performance Report	Jacobs	July 2021
Water resources management plan and market information	2019 Water Resources Management Plan	n/a	n/a approved for publication November 2019
Long-term Viability Statement	Annual Performance Report	KPMG	July 2021
Financial Flows	Annual Performance Report	KPMG	July 2021
Risk & compliance statement	Annual Performance Report	KPMG	July 2021
Assurance plan	Assurance Plan	-	April 2021
Cost assessment	Company Business Plan	n/a	n/a as Business Plan complete
Casework*		n/a	n/a
PR19 Initial assessment of business plans – data consistency	Company Business Plan	Atkins, KPMG	n/a as Business Plan complete
PR19 Initial assessment of business plans – data quality	Company Business Plan	Atkins, KPMG	n/a as Business Plan complete
Wider assurance and information	DWI / EA / Natural England	No explicit third party assurance	Ongoing

Third Party Assurers

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- 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.



4. Feedback from stakeholders

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

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.

We received a response from one stakeholder, Jacobs, who made some very helpful observations on our approach to identifying Risk, Strengths and Weaknesses in the data we provided, based on their experience last year.

5. Final Assurance Plan 2020/21

Our Annual Performance Report is the primary way that we will document our annual performance and hold ourselves publicly to account. The Annual Performance Report includes:

- The Regulatory Accounts – audited separately by KPMG
- Performance against our ODIs - audited by Jacobs
- Other information to explain more broadly our performance against other commitments and responsibilities to stakeholders and customers

Performance Commitments and Outcome Delivery Incentives (ODIs)

Our Business Plan for the period 2020–25 resulted in 26 commitments to our customers with a clear set of targets to deliver by 2025.

In addition, our stakeholder engagement exercise in the past has highlighted opportunities to improve reporting in specific areas namely;

- Providing trend performance data, where relevant
- Providing comparative performance data for key areas;
- Delivering against the Water Industry National Environment Programme (WINEP); and
- Reporting on the management of our one Site of Special Scientific Interest at the river Itchen (SSSIs) and the delivery against our Water Resources Management Plan;

The points above will be specifically included within the Annual Performance Report and will be reviewed and commented upon by the Technical Assurance Advisor (Jacobs).

Detail of the items to be reviewed as part of this year's Assurance are shown on page 14.

In AMP7 the Company have 26 ODIs. 23 will be reviewed as part of this process. The remaining 3 are as follows:-

- Water Quality Contacts - audited at calendar year end when submitted to the DWI
- Compliance Risk Index – assessed by DWI with no need to assure
- Resilience Schemes – planned for later in AMP7.

Our regulatory financial information, including accounting separation and other related disclosures are subject to an independent audit opinion in a format agreed with Ofwat. This covers the financial reporting tables and the segmental reporting tables. In addition a report in relation to Condition F is published by exception.

In addition, further assurance in the form of “agreed upon procedures” is obtained in respect of the remaining financial tables.



Proposed Audit Plan

Assurance Area	KPI/ODI Reference / Driver / Source	ODI	Other
Serviceability Water Infrastructure	Interruptions to supply	1	
	Mains repairs	1	
	Network statistics		1
	Low Pressure	1	
	Unplanned outage	1	
Leakage & PCC	Leakage	1	
	Water Balance & leakage		1
	Per Capita Consumption	1	
	Properties (incl. Voids) & Population (Table 7)	1	
	Bulk Supplies		1
	Need to impose restrictions on use	1	
	Risk of restrictions in severe droughts	1	
Customer Service	Written complaints		1
	Affordability - Social Tariff	1	
	Vulnerability survey	1	
	WaterSure		1
	Priority Services Register	1	
	C-Mex	1	
Developer Services	D-Mex	1	
Environmental performance	Compliance with abstraction licences		1
	Delivery of WINEP programme	2	
	Abstraction Incentive Mechanism (AIM)	1	
	Biodiversity Action Plan	1	
	Catchment Management	1	
	Grant Scheme	1	
	Carbon	1	
Other audits	Health & Safety	1	
	Open Water - audit of wholesale desk		1
	Havant Thicket	1	
Total		23	7

6. Next steps

This plan will be published on our website and distributed via email to our stakeholders. We will also provide it to our Customer Challenge Group.

Our Annual Performance Review for 2020/21 will then be published by **15 July 2021**.



APPENDIX ONE OUTCOME OF RISK ASSESSMENT

In November 2020 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 26 data items based on our PR19 commitments. 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 our Health & Safety classification by RoSPA.

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

For the 26 PR19 measures we have categorised them as 4 high and 19 medium and 3 low. This reflects there are, in many cases, new definitions we will need to report against.

PR19 ODIs

TEMPORARY USAGE BAN				4
COMPLIANCE RISK INDEX VOIDS INTERRUPTIONS LOW PRESSURE AFFORDABILITY PRIORITY SERVICE REGISTER WQ CONTACTS MAINS REPAIRS	C-MEX D-MEX SEVERE DROUGHT UNPLANNED OUTAGE	PER CAPITA CONSUMPTION LEAKAGE HAVANT THICKET CARBON		3
WATER INDUSTRY NATIONAL ENVIRONMENT PROGRAMME (WINEP) - TIMING	CATCHMENT MANAGEMENT ABSTRACTION INCENTIVE MECHANISM GRANT SCHEME BIODIVERSITY RESILIENCE SCHEMES VULNERABILITY			2
WATER INDUSTRY NATIONAL ENVIRONMENT PROGRAMME (WINEP) - DELIVERY ROSPA AWARD				1
1	2	3	4	
PROBABILITY SCORE				

IMPACT SCORE

Two of the four measures categorised as high risk, Per Capita Consumption and Leakage, are subject to new regulatory definitions. For AMP7 there have been 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.

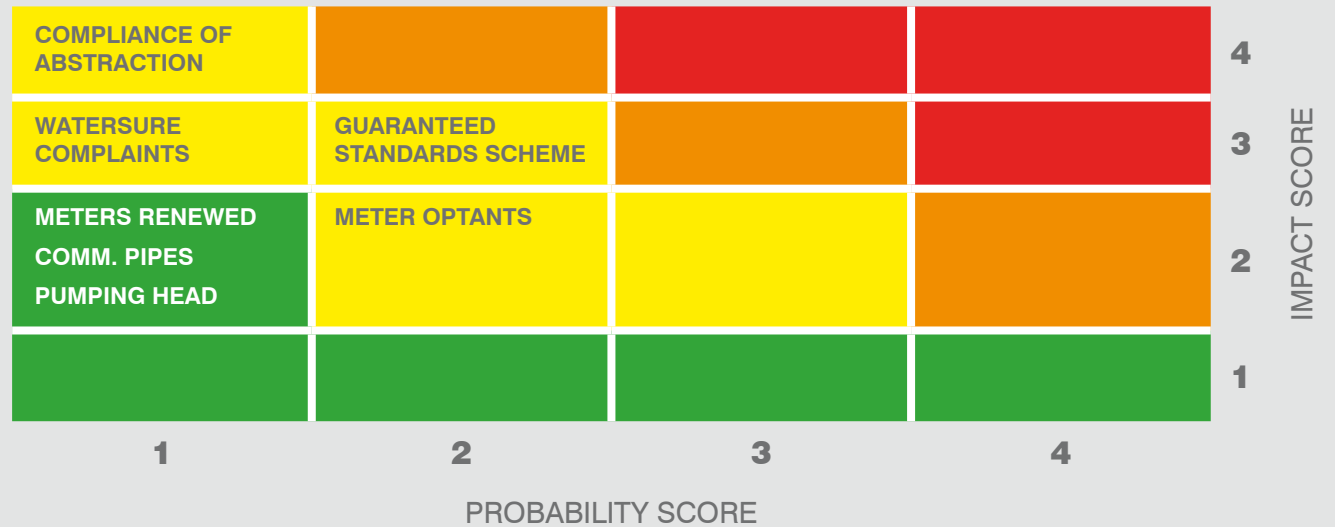
The other two high risk measures are Havant Thicket and Carbon, which are both very high profile within the industry and for stakeholders.

Many of the medium risk items are the result that they are new measures being defined by two of our regulators, Ofwat and DWI.

The remaining 3 measures have a lower assessment as we have reported against in the past to Ofwat and EA in particular.

Turning to the additional data requested by stakeholders, we have categorised 5 as medium risk and 3 as low risk. Again we have reported all of these measures externally for many years to Ofwat, EA and CCW.

OTHER DATA - REQUESTED BY STAKEHOLDERS



APPENDIX TWO **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 Assurance Advisor. We report performance measures to several bodies including CCW, 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, a number of customer service metrics and a number of engineering metrics.

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. Reported in APR as of 2020/21.
NP02	Interruptions to supply	Monthly review	Monthly review	Reported at weekly Operations meeting	Reported quarterly to CCW. Audited by Jacobs at the end of the reporting year. Reported in APR as of 2020/21.
NP07	Leakage	Monthly review	Monthly review	Reported fortnightly at Operations meeting	Reported to CCW on a 6 monthly basis. Audited by Jacobs at the end of the reporting year. Reported in APR and Annual Return to the EA as of 2020/21.
WR03	Per capita consumption	Quarterly review	Quarterly review	Internal review quarterly	Reported to CCW. Audited by Jacobs at the end of the reporting year. Reported in APR and in the Annual Return to the EA as of 2020/21.
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.
NP04	Unplanned outage	Quarterly review	Quarterly review	Reported at weekly Operations meeting	Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21.
WR04	Risk of severe restrictions in a drought	Annually review	Annually review	Internal review quarterly (as of April 2020)	Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21.
R05	Priority Services	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.
R01	C-Mex	Quarterly review	Quarterly review	Internal review quarterly	Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21.
NP11	D-Mex	Quarterly review	Quarterly review	Internal review quarterly	Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21.
NP06	Water quality contacts	Monthly review	Monthly review	Reported at weekly Operations meeting	Reported in Chief Inspectors Annual Report. Reported in APR as of 2020/21.
NP05	Properties at risk of low pressure	Quarterly review	Quarterly review	Internal review quarterly	Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21.
NP08	Catchment management	Quarterly review	Quarterly review	Internal review quarterly	Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21.
WR02	Abstraction Incentive Mechanism	Quarterly review	Quarterly review	Internal review quarterly	Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21.
WR01	Biodiversity reward (grant scheme)	Quarterly review	Quarterly review	Internal review quarterly	Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21.
WR06	Biodiversity penalty (operational sites)	Quarterly review	Quarterly review	Internal review quarterly	Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21.
R02	Void properties	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.
R03	Affordability	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.
NP12	Resilience Schemes	Quarterly review	Quarterly review	Internal review quarterly	Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21.
WR05	Avoidance of water restrictions	Quarterly review	Quarterly review	Internal review quarterly	Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21.
NP09	Carbon	Quarterly review	Quarterly review	Internal review quarterly	Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21.
R04	Vulnerability	Annually review	Annually 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 as of 2020/21.
NEP01	WINEP (delivery)	Quarterly review	Quarterly review	Internal review quarterly	Audited by Jacobs at the end of reporting year. Reported in APR as of 2020/21.
NEP02	WINEP (timing)	Quarterly review	Quarterly review	Internal review quarterly	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.

Other measures

Ref.	Performance measure	Board	Executive Team	Other review	External review
O1	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.
O2	Abstraction - compliance with licence conditions	Yearly review	Monthly review	Reported at weekly Operations meeting	Audited by Jacobs Reported annually to the Environment Agency.
O3	Guaranteed Standards of Service	Monthly review	Monthly review	Reported at weekly Operations meeting	Audited by Jacobs at the end of the reporting year.
O4	WaterSure	Yearly review	Monthly review	Reported at weekly Operations meeting	Reported quarterly to CCW. Audited by Jacobs at the end of the reporting year.
O5	Written Complaints by class and cause	Monthly review	Monthly review	Reported at weekly Operations meeting	Reported to CCW on a quarterly basis. Audited by Jacobs at the end of the reporting year.
O6	Communication pipes	Yearly review	Yearly review		Audited by Jacobs at the end of the reporting year.
O7	Meters renewed	Yearly review	Yearly review		Audited by Jacobs at the end of the reporting year.
O8	Pumping Head	Yearly review	Yearly review		Audited by Jacobs at the end of the reporting year.

APPENDIX THREE **TARGETED AUDIT PLAN**

In its most recent assessment, Ofwat classified Company reporting processes into one of three categories.

Some companies are not required to obtain third party assurance – and can **self-certify** their data. At the other extreme Ofwat can be **prescriptive** over the issues it wishes the Company to obtain Third Party assurance upon.

Portsmouth Water have been classified as **targeted** – which means we do need to get third party assurance – but it is the Board who decide what (and what level of detail) is reviewed.

By way of illustration we comment upon our 4 “high” risk performance measures, as identified in our Risk Strengths and Weaknesses consultation. These are per capita consumption, leakage, Havant Thicket and Carbon.

Per capita consumption

- Review the Company Methodology Statement for appropriateness and completeness
- Compare the methodology with the regulatory expectations
- Review the calculation of PCC and all elements of the water balance
- Confirm the accuracy of the figure to be reported for PCC

Leakage

- Review the Company Methodology Statement for appropriateness and completeness
- Compare the methodology with the regulatory expectations
- Review the calculation of leakage all elements of the water balance
- Confirm the accuracy of the figure to be reported for leakage

Havant Thicket

- Review the Company report on Havant Thicket
- Confirm the accuracy of the report

Carbon

- Review the Company Methodology Statement for appropriateness and completeness
- Review the calculation of carbon using the UKWIR methodology
- Confirm the accuracy of the figure to be reported for carbon