

APR22 Technical Assurance Report

Document no: v3.0
Revision no: Final

Portsmouth Water

APR22 Technical Assurance
30 June 2022



APR22 Technical Assurance Report

Client name: Portsmouth Water
Project name: APR22 Technical Assurance
Client reference: [Client reference] **Project no:** B2377300
Document no: v3.0 **Project manager:** Carly Merrett
Revision no: Final **Prepared by:** Alex Martin
Date: 30 June 2022 **File name:** APR22 Technical Assurance Report - PRT FINAL: - 30June22

Document history and status

Revision	Date	Description	Author	Checked	Reviewed	Approved
v1.0	18/05/22	Draft – appendix only	CM / GH	AKM	AKM	
v2.0	24/05/22	Final	AKM	PH	PH	CM
v3.0	30/06/22	Revised final following client comment	AKM	PH	PH	CM

Distribution of copies

Revision	Issue approved	Date issued	Issued to	Comments

Jacobs U.K. Limited

7th Floor, 2 Colmore Square
38 Colmore Circus, Queensway
Birmingham, B4 6BN
United Kingdom

T +44 (0)121 237 4000
www.jacobs.com

Copyright Jacobs U.K. Limited © 2022.

All rights reserved. The concepts and information contained in this document are the property of the Jacobs group of companies. Use or copying of this document in whole or in part without the written permission of Jacobs constitutes an infringement of copyright. Jacobs, the Jacobs logo, and all other Jacobs trademarks are the property of Jacobs.

NOTICE: This document has been prepared exclusively for the use and benefit of Jacobs' client. Jacobs accepts no liability or responsibility for any use or reliance upon this document by any third party.

Important note about your report

This document has been prepared by a division, subsidiary or affiliate of Jacobs U.K. Limited ("Jacobs") in its professional capacity as consultants in accordance with the terms and conditions of Jacobs' contract with the commissioning party (the "Client"). Regard should be had to those terms and conditions when considering and/or placing any reliance on this document. No part of this document may be copied or reproduced by any means without prior written permission from Jacobs. If you have received this document in error, please destroy all copies in your possession or control and notify Jacobs.

Any advice, opinions, or recommendations within this document (a) should be read and relied upon only in the context of the document as a whole; (b) do not, in any way, purport to include any manner of legal advice or opinion; (c) are based upon the information made available to Jacobs at the date of this document and using a sample of information since an audit is conducted during a finite period of time and with finite resources. No liability is accepted by Jacobs for any use of this document, other than for the purposes for which it was originally prepared and provided.

This document has been prepared for the exclusive use of the Client and unless otherwise agreed in writing by Jacobs, no other party may use, make use of or rely on the contents of this document. Should the Client wish to release this document to a third party, Jacobs may, at its discretion, agree to such release provided that (a) Jacobs' written agreement is obtained prior to such release; and (b) by release of the document to the third party, that third party does not acquire any rights, contractual or otherwise, whatsoever against Jacobs and Jacobs, accordingly, assume no duties, liabilities or obligations to that third party; and (c) Jacobs accepts no responsibility for any loss or damage incurred by the Client or for any conflict of Jacobs' interests arising out of the Client's release of this document to the third party.

Contents

1.	Introduction.....	5
2.	Scope & approach	6
3.	Observations and findings	7
	3.1 General observations	7
	3.2 Material issues	7
4.	Conclusion	10

Appendices

	Appendix A. Summary of assessments.....	11
	Appendix B. List of audited data	23

1. Introduction

Portsmouth Water (PRT) has compiled its Annual Performance Report for the period 1 April 2021 to 31 March 2022, which is the first year of the 2020-25 (AMP7) regulatory period. PRT has 26 Performance Commitments (PCs) for the AMP7 period defined in Ofwat's PR19 Final Determination dated December 2019. PRT's Senior Management and Directors have monitored and measured the company's performance throughout the year.

PRT requested Jacobs to audit and assure the technical elements of the 2021/22 APR to include the Company's performance against the PCs which are derived from data contained in Ofwat's APR22 data tables. 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 Audit Committee and Board of PRT that the reported performance is an accurate account of PRT's performance.

Our audits commenced in March 2022 for information reported on a calendar year basis. These were completed as planned. The year-end audits were completed in line with the agreed programme. We provided a progress statement for the Audit Committee which we attended on 19 May 2022. All audits took place remotely via Microsoft Teams.

PRT's staff have been extremely flexible at working remotely with collaboration throughout the process.

2. Scope & approach

Ofwat's expectations and requirements for 2022 APR reporting are contained in Information Notice dated March 2022 "IN 22/01 Expectations for monopoly company annual performance reporting 2021-22". The other key documents relevant to APR reporting are:

- RAG 4.10 – Guideline for the table definitions in the annual performance report (Ofwat, May 2021).
- RAG Query Log.
- PR19 final determinations, Portsmouth Water – Outcomes performance commitment appendix (Ofwat, December 2019).

PRT asked us to undertake combined process and data audits across a range of reporting data. Our assurance activities included:

- Audits of 24 of 26 Performance Commitments contained in Ofwat's final determination and reported in Part 3 of the APR. The performance commitments for Compliance Risk Index (CRI) and Resilience schemes were excluded from our scope.
- Audits of selected data reported in Parts 4-9 of the APR.
- Some other data not directly reported in the APR.

A list of the data we assured is included in Appendix B.

As agreed, we did not review any commentaries associated with the data. The calculation of any rewards or penalties was outside the scope of our audit.

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 4.09) 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:

- Checked whether the teams had been through Portsmouth Water's internal assurance processes;
- Asked the teams to demonstrate how they had produced the proposed data;
- Sampled data back to source inputs;
- Tested teams' understanding of proposed data; and
- Reviewed the appropriateness of the confidence grades your teams assigned to the proposed data.

The result of our approach is a risk-based assessment of A, B, C or D. The scoring criteria are shown in Table 1 in Appendix A.

3. Observations and findings

3.1 General observations

We are pleased to confirm that progress has been made since the APR21 audits to document reporting methodologies for Performance Commitments and other data. We note that some measures and Performance Commitments still lack documented reporting methodologies. The Company is aware of these and we found that some are work in progress.

We observed some improvement in internal checks and validation (first and second line assurance), however this has not always been applied for all reported information. We note that in these situations our third line assurance has been applied, however the initial internal checks should still be completed.

We have had full access to Portsmouth Water’s staff, systems and data. All teams are diligent, committed to producing accurate information and have been receptive to our feedback. We are grateful for staff’s co-operation and flexibility to accommodate our audits and remote working arrangements.

All scores and summary findings are presented in Appendix A. We provide an overview for areas of material concern below.

3.2 Material issues

3.2.1 Performance Commitments

Eight of the 24 performance commitments we reviewed were scored 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. The risks can be categorised as follows:

- Four of the issues identified with PC reporting relate to clarity of definition of the performance commitment (Catchment Management, Biodiversity Reward, Biodiversity Penalty, Risk of Restrictions),
- Three relate to data quality or data availability (Leakage, PCC, Vulnerability Survey)
- One relates to completion of reporting requirements (Priority Services Register).

Table 3-1 sets out the primary reasons for the score.

Table 3-1: Material issues

AMP7 PC Code	Performance Commitment	Summary findings
PR19PRT_PRT-Network Plus-07	Leakage	The score of C reflects issues with the components of the water balance identified in separate audits (primarily the low availability of data for bottom-up leakage and the representativeness of the unmeasured PHC monitor data). In addition to this there are a number of elements of the compliance RAG which are not green. (13-unmeasured consumption, 15-other water use, 16-water balance gap being). As APR22 compliance indicates a deterioration from last year, we recommend the commentary explains this carefully.

AMP7 PC Code	Performance Commitment	Summary findings
PR19PRT_PRT-Network Plus-08	Catchment Management (Biodiversity)	The definition of the performance commitment is unclear and you are seeking to clarify with Ofwat. Until this is resolved there is a risk that Ofwat may interpret your reported performance as no additional schemes delivered in year two. This may result in a penalty being applied. We recommend mitigating this risk by including appropriate commentary. Post audit note: The team confirmed they would report cumulative performance
PR19PRT_PRT-Retail-04	Vulnerability Survey	The team has used its best endeavours to meet the reporting requirements. Nevertheless, the performance commitment definition requires survey responses from a minimum of 50 organisations, while the survey provider received responses from only 24. The team should note this in its commentary.
PR19PRT_PRT-Retail-05	Priority Services Register (PSR)	We did not identify any issues with the reported number of customers on the PSR or the contact numbers. The team had not completed the additional reporting requirements set out in the FD outcomes performance commitment appendix, and this omission is reflected in the overall score.
PR19PRT_PRT-Water Resources-01	Biodiversity reward	The definition of the performance commitment is unclear and you are seeking to clarify with Ofwat. Until this is resolved there is a risk that Ofwat may interpret your reported performance as an additional £619.20 of funding delivered in year two when in fact you have delivered an additional £49,999.30. This may result in a penalty being applied. We recommend mitigating this risk by including appropriate commentary. Post audit note: The team confirmed they would report cumulative performance
PR19PRT_PRT-Water Resources 03	Per capita consumption	There were emerging issues at APR21 around the representativeness of the unmeasured consumption monitor to be addressed by including additional areas. The proposed increase in Small Area Monitor (SAM) areas has not concluded for APR22. The score reflects the ongoing representativeness issues and is in the context of the increased water balance gap for APR22 (4.9%).
PR19PRT_PRT-Water Resources-04	Risk of Severe Restrictions in a Drought	Since the development of the dWRMP19 (used to set the ODI), the SDB has been updated for a Final WRMP and then revised again since then. This means the meaningfulness of the ODI is limited in terms of informing stakeholders of risks. A score of C has been assigned because the status of the baseline SDB is not clear as it has not been agreed with the EA.
PR19PRT_PRT-Water Resources-06	Biodiversity Penalty (operational sites)	The definition of this PC does not reflect the company's intentions proposed within the business plan at PR19. There is also very limited evidence available to prove which operational jobs were proposed as part of the performance commitment and whether they had been completed.

Of the material issues identified, only the omission of the additional reporting requirements for the PSR PC can be resolved before submission of the 2021-22 Annual Performance Report.

3.2.2 Other data

Two of the other 16 assurance assessments were scored as C:

- We scored our separate review of the water balance (the process for deriving reported Leakage and PCC) as C reflecting the issues noted in the assessment of those PCs.
- For new connections data submitted in Table 4Q, the team cannot differentiate new connections and new properties i.e. it is not able to determine how many properties a newly installed bulk meter serves. It will not be possible to correct this ex-post and update the reported figure for APR22. We

recommend that the team acknowledges this issue in the commentary for APR22 and makes the change in time for APR23.

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, we consider:

- Data is competently sourced and processed.
- Data collection and reporting has not been impacted by COVID-19.
- Teams demonstrated good understanding of the Ofwat guidance.
- The reported performance data against the year 2 performance commitment targets are a fair and accurate account of the Company's performance 1st April 2021 to 31 March 2022.

As last year, we have been impressed by the open and collaborative approach of your staff.

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 PCs and APR Sections. 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 1 below summarises this framework.

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

Table 2. 'AMP7 PC Summary' sets out the results of our assessment of the data and summarises our rationale, noting our understanding of the performance figure where applicable. We consider the summary rationale is consistent with the feedback we provided to your teams.

Table 3. 'AMP7 APR Table Audit Summary' reports on the audits carried out on the APR tables and other data. The score and rationale behind our assessment are included.

Table 2. AMP7 PC Summary

AMP7 PC Code	Performance Commitment	Score	Summary	2021/22 FD target	2021/22 Performance
PR19PRT_15 A	Havant Thicket	A	No material issues or discrepancies were found during spot checks of statements made in the audit presentation and cross checking back to the relevant sections of the annual report. There are some minimal delays on aspects of the programme (i.e. planning permission delay now granted, one land-sell delay) but these are not affecting the overall programme.	N/A	Progress made
PR19PRT_NEPO1 PR19PRT_NEPO2	WINEP (Delivery and Timing)	B	<p>The team was able to explain the process clearly. At the time of the audit, there was significant uncertainty about the status of some of the evidence provided, leading to several material actions. Those actions have been completed, resolving the uncertainty around the reported performance.</p> <p>The team propose to report cumulative delivery of 3 schemes (two from 20-21 and one from 21-22). The team has</p> <ul style="list-style-type: none"> confirmed that the additional work required for the two schemes from 20-21 has not been included in the updated WINEP portal and they therefore consider it is not part of the requirements for completion. formal EA sign-off for one scheme for 2021-22. confirmation from the EA that one scheme is not delivered formal approval (Alterations Form) for an extension for 3 schemes. <p>Our overall score is a 'B', although this is on the proviso that the team submits a commentary to explain the reported performance. In the absence of commentary, there is a risk that Ofwat will interpret the level of underperformance as a shortfall of 4 schemes (3 complete against a target of 7), rather than as a shortfall of 1 scheme (3 complete against an adjusted target of 4). This would generate a higher underperformance penalty.</p> <p>The team should note the evidence (formal EA sign-off) required to confirm completion or extension for future audits.</p>	<ul style="list-style-type: none"> NEP01: "Met" NEP02: 7 schemes delivered 	<ul style="list-style-type: none"> Not met 3 schemes delivered
PR19PRT_PRT-Network Plus-01	CRI	Not audited by Jacobs			
PR19PRT_PRT-Network Plus-02	Water supply interruptions	A	No material issues or discrepancies were found during the audit. Ofwat's target has been achieved, as well as Portsmouth's own internal target. One change in methodology following closure of the Operations Centre. This has not impacted upon the processes or performance.	00:06:08 (Hrs:Mins:Secs – average time lost per customer for interruptions)	00:02:21

AMP7 PC Code	Performance Commitment	Score	Summary	2021/22 FD target	2021/22 Performance
				exceeding 3 hours)	
PR19PRT_PRT-Network Plus-03	Mains repairs	B	The team successfully demonstrated their understanding of the reported measures and the process. Proactive and reactive burst repairs are now documented separately. We identified one action to improve the way address re-visits are checked and confirmed. Post audit we identified an action to include 'repairs on repairs' as per Ofwat guidance. The action is complete and resulted in a revised performance figure.	72.4 (repairs per 1000km)	47.34 (revised from 45.86)
PR19PRT_PRT-Network Plus-NP04	Unplanned outage	B	We identified a number of errors during our audit indicating that the first and second-line assurance could be improved. The process relies on the completion of the Ops Log in real time as unplanned outages occur. We understand that the team who currently complete the Ops Log is being disbanded and it is not clear how this will be covered in future.	2.34% (% of peak week production capacity)	0.76%
PR19PRT_PRT-Network Plus-NP05	Properties at Risk of Low Pressure	A	No material issues or discrepancies were found during the audit. Ofwat's target has been achieved. Good monitoring of properties at risk of low pressure and thorough investigations to review properties on the register to add and remove as necessary.	50 (properties)	23
PR19PRT_PRT-Network Plus-06	Water Quality Contacts	A	Audited in January 2022. The team has a good understanding of the process and the data. No issues were identified when tracing the figures back to the source (RAPID system). The audit confirmed the process operates satisfactorily, producing accurate information reflecting good performance against the target.	0.43 per 1000 population	0.405
PR19PRT_PRT-Network Plus-07	Leakage	C	<u>Bottom-up leakage</u> The methodology is not fully compliant with the convergence methodology - five elements of the RAG are assessed as amber: i. 2a - availability (77%) ii. 3c – void consumption iii. 5d and 5e - sample size and representativeness iv. 7a - Hour to day factor. Availability of data has improved this year (77%) compared to last year (66% APR21). But this has not been sufficient to address the trend of poor availability over recent years and is still significantly below the target of 90%. This should remain a priority. Continued low availability could bring into question the basis of the reported figures.	N/A	25.77ML/d (APR21 22.77ML/d)

AMP7 PC Code	Performance Commitment	Score	Summary	2021/22 FD target	2021/22 Performance
			We have scored this component as C due to the ongoing availability issues, other non-compliant elements and within the context of the increased water balance gap for APR21 (4.9%)		
		C	<p><u>Post MLE reported leakage</u></p> <p>The score of C reflects issues with the components of the water balance identified in separate audits (primarily the low availability of data for bottom-up leakage and the representativeness of the unmeasured PHC monitor data). In addition to this there are a number of elements of the compliance RAG which are not green - components 13 (unmeasured consumption) and 15 (other water use) are overall amber and 16 is red due to the water balance gap being 4.9% (5% is the threshold for the MLE methodology). Other elements of component 16 are also amber (confidence intervals). As APR22 compliance indicates a deterioration from last year, we recommend the commentary explains this carefully.</p>	6.2% reduction in baseline leakage (baseline = 28.4ML/d)	In year Leakage = 26.9 ML/d 3yr average = 25.0 ML/d 12% reduction from baseline
PR19PRT_PRT-Network Plus-08	Catchment Management (Biodiversity)	C	<p>We note that the team's understanding is that the performance commitment was intended to be cumulative performance. However, the final determination does not state cumulative targets. The company has spoken to Ofwat about changing the performance commitment to clarify this, but no progress has been made in the past 12 months and so this uncertainty remains.</p> <p>The target performance for year 2 is stated as 20 in the FD which the team consider is cumulative of 10 for APR21 and 10 for APR22. The team is proposing to report the delivery of 10 schemes in the year. There is a risk that Ofwat may interpret this statement as no additional schemes delivered in year two. This may result in a penalty being applied. We recommend mitigating this risk by including appropriate commentary.</p> <p>The team was able to explain the process, but we recommend they develop an evidence chain which should include the Nutrient management plan set up at each farm.</p> <p>Post audit note: The team confirmed they will report a cumulative figure of 20 schemes for 2021/22 performance.</p>	20 (number of farmers who have committed, following engagement, to implement a Farm Management Plan)	10 revised to the cumulative figure of 20 schemes post audit.
PR19PRT_PRT-Network Plus-09	Carbon	B	<p>A couple of material actions identified during the 1st audit were resolved ahead of the 2nd audit. No material issues remained following further review, updates & discussion in the 2nd audit.</p> <p>The team showed a good understanding of the data audited, the input data, source data and checks/controls.</p> <p>Some minor actions were identified to improve future reporting.</p>	2.0% (% reduction in kilograms carbon equivalent)	29.8%

AMP7 PC Code	Performance Commitment	Score	Summary	2021/22 FD target	2021/22 Performance
				(kgCO2e) per million litres (ML) of water put into supply from a 2019-20 baseline)	
PR19PRT_PRT-Network Plus-10	RoSPA	A	No material errors found. Confirmation shown of the award received – Order of Distinction (17 Consecutive Gold Awards)	Gold	Gold
PR19PRT_PRT-Network Plus-11	D-Mex	A	The team successfully demonstrated their understanding of the reported measures and the process. We identified one material action and one non-material action in relation to detailed reporting issues, but the team addressed these shortly after the audit, so they are now complete.	N/A	Overall D-MeX score – Not available until qualitative score made available by 3rd party survey company (3 June)
PR19PRT_PRT-Network Plus-12	Resilience Schemes	Not audited by Jacobs			
PR19PRT_PRT-Retail-01	C-Mex	B	The team demonstrated that all contacts made available to the survey agency are derived from contacts logged in the Rapid Extra billing system. The team demonstrated a good understanding of the reporting requirements and checking of the reported outputs. We noted an emerging material risk for 2022-23 since the company is now reliant on data from a contractor for out-of-hours contacts. We have noted 2 actions related to this risk which are non-material for APR22 but which may become material for APR23. We recommended the team document the new process and gain an understanding of the checks and controls on the out-of-hours contractor's data.	N/A	The performance measure for C-MeX is returned by the survey agency appointed by Ofwat, not reported directly by Portsmouth Water. Accordingly, in this assurance process we comment on the robustness of data provided to the survey company by Portsmouth Water, not the final measure itself. 83.76 - ranked 3rd
PR19PRT_PRT-Retail-02	Voids	A	We did not identify any issues with the void data. The void ODI target of 2% has not been achieved. There has been an impact from Covid - last year activity was constrained by covid and so the void figure at the start of the year was high against target. Additionally, the team has struggled to recruit a debt recovery manager. The trend in voids was upwards in the first 6 months but	2.00% (household voids as % of household properties)	2.28%

AMP7 PC Code	Performance Commitment	Score	Summary	2021/22 FD target	2021/22 Performance
			has been steadily downwards since recruitment. A number of initiatives are now in place including metering void properties.		
PR19PRT_PRT-Retail-03	Affordability - Social Tariff	B	We did not identify any material issues. We noted that the team checks the data against a departmental spreadsheet which is not reliably completed. We noted an emerging risk from the impact of positive bill adjustments (adjustments are expected to be negative discounts to reduce customer bills) for Social Tariff customers as the company gets closer to its customer WTP threshold and recommended the team track the materiality of those adjustments	Number of customers benefitting from social tariff: 8,500	Number of customers benefitting from social tariff: 10,254 Total discount applied to bills: £241,821.35
PR19PRT_PRT-Retail-04	Vulnerability Survey	C	The team has used its best endeavours to meet the reporting requirements. Nevertheless, the performance commitment definition requires survey responses from a minimum of 50 organisations, while the survey provider received responses from only 24. The team should note this in its commentary. We also noted material actions for the team to complete its checks and sign-off process.	85% (survey satisfaction measure)	70%
PR19PRT_PRT-Retail-05	Priority Services Register	C	We did not identify any issues with the reported number of customers on the PSR or the contact numbers. At the time of our audit, first and second line assurance had not been completed on the reported contacts. We noted the emerging risk that the company could miss responses which are not recorded as PSR on the billing system. We recommend the team develops the checks and controls on this process as the number of company contacts of customers on the PSR will increase significantly in future reporting years. The team had not completed the additional reporting requirements set out in the FD outcomes performance commitment appendix, and this omission is reflected in the overall score. Post audit note: Ofwat reissued guidance and the data table requiring contacts over a 2 year period to be reported not one year. The team revised the figures accordingly and presented the new data to us. We found no issues with the revised figures	1) Reach: 3.7% 2) Actual contacts: 35 % 3) Attempted contacts: 90 %	1) Total households on PSR: 31,529 (10%) 2) Actual contacts: 27 (0.2%) 3) Attempted contacts: 177 (0.6%) Post audit update: Actual contacts over a 2 yr period: 47 (13.4%) Attempted contacts over 2 yr period: 337 (96.3%)
PR19PRT_PRT-Water Resources-01	Biodiversity reward	C	We note that the team understand the performance commitment was intended to be cumulative performance. However, the final determination does not state cumulative targets. The company has spoken to Ofwat about changing the	£0.100m (assumed to be cumulative over	£0.050m (for 2021-22 alone, not cumulative) revised to the cumulative figure of £0.099m post audit

AMP7 PC Code	Performance Commitment	Score	Summary	2021/22 FD target	2021/22 Performance
			<p>performance commitment to clarify this, but no progress has been made in the past 12 months and so this uncertainty remains.</p> <p>The target performance for year 2 is stated as £0.100m in the FD which the team consider is cumulative of £0.050m for APR21 and £0.050m for APR22. The team is proposing to report the delivery of £49,999.30 in grants schemes in the year and Ofwat may interpret this statement as an additional £619.20 funding delivered in year two. This may result in a penalty being applied. We recommend mitigating this risk by including appropriate commentary.</p> <p>Post audit note: The team confirmed they will report a cumulative figure of £0.099m for 2021/22 performance.</p>	2020-21 and 2021-22)	
PR19PRT_PRT-Water Resources-02	Abstraction Incentive Mechanism (AIM)	B	<p>For this reporting period the AIM was not triggered.</p> <p>There is presently no documented methodology for reporting against this measure and this is highly recommended. The company has recently restructured with both auditees being new to the role having inherited the previous system. Although the AIM did not apply this year, the dry winter means this may apply next year and a robust methodology for reporting this, including all relevant checks and controls, risks and assurances should be documented. This was also highlighted in last year's APR21 Technical Assurance Report.</p>	0.0 Ml	N/A (not triggered)
PR19PRT_PRT-Water Resources 03	Per capita consumption	C	<p>There were emerging issues at APR21 around the representativeness of the unmeasured consumption monitor to be addressed by including additional areas. The proposed increase in Small Area Monitor (SAM) areas has not concluded for APR22.</p> <p>The water balance gap has degraded overall to 4.9% (above 5% indicates a non-compliant water balance) and this indicates growing uncertainty in the input figures. The representativeness may be contributing to this.</p> <p>We have scored this component as C due to the ongoing representativeness issues and within the context of the increased water balance gap for APR22 (4.9%).</p>	2.5% reduction from baseline (Baseline = 149.3l/h/d)	In year PCC 160.26 l/h/d 3yr average = 160.2 l/h/d 7.3% increase from baseline
PR19PRT_PRT-Water Resources-04	Risk of Severe Restrictions in a Drought	C	<p>This common ODI was based on balancing future commitments for bulk transfer exports with implementing WRMP19 schemes in AMP7 including leakage options, metering targets, water efficiency and borehole recovery and borehole drilling schemes.</p> <p>During 2021/22 the borehole recovery schemes were delayed, the metering targets were not met by a small amount and water efficiency options were not implemented. The volumes associated with leakage options were not significant enough for PRT to achieve their stated ODI target of 0.84.</p>	0.84% (% of population at risk of severe restrictions in a 1-in-200-year drought)	0.88%

AMP7 PC Code	Performance Commitment	Score	Summary	2021/22 FD target	2021/22 Performance
			Since the development of the dWRMP19 (used to set the ODI), the SDB has been updated for a Final WRMP and then revised again since then. This means the meaningfulness of the ODI is limited in terms of informing stakeholders of risks. A score of C has been assigned because the status of the baseline SDB is not clear as it has not been agreed with the EA.		
PR19PRT_PRT-Water Resources-05	Avoidance of water supply restrictions	A	This is a simple measure and the team are reporting 0 – i.e they have not implemented TUBs during the reporting year. There are sufficient checks and controls on the process and data, and there were no issues found during the audit.	0 (number of restrictions)	0
PR19PRT_PRT-Water Resources-06	Biodiversity Penalty (operational sites)	C	There is a problem with the Ofwat Final Determination (FD) as the Performance Commitment (PC) set does not reflect the company's intentions proposed within the business plan at PR19. There is also very limited evidence available to prove which operational jobs were proposed as part of the performance commitment and whether they had been completed.	90%	90.4% updated to 90.7% (01/04/21 – 31/03/22)

Table 3. AMP7 APR Table Audit Summary

Other data	Score	Summary	2021/22 Performance Figure
Table 4A – lines 1-4 – bulk supplies	B	This includes bulk exports to Southern Water and to NAV sites. Bulk export volumes for Southern Water were audited as part of the DI audit. We identified the need for a formal methodology to improve the process.	1,899.02Ml volume £0.21m operating costs £0.43m revenue
Table 4R – properties and population	B	The derivation of property and population data is a well-established process. There are method documents in place to report on properties, household voids (ODI) and population. The methods have not changed from last year and there is a structured process to gather end of year data from MOSL and RAPID and review its accuracy with data comparisons and 2nd level checks. We identified some areas for improvement including document / version control, summary data table in the reporting format and consideration of alternative data sets to provide 'live' population updates.	Multiple
Table 6C - Length of mains	B	The process Portsmouth Water has developed to capture data on network mains is largely unchanged but has been updated to include further quality assurance measures. The process is robust and the team have a clear understanding of the reporting requirements. We identified just two non-material actions – one to improve quality assurance, and one to add formal sign-off.	Multiple

Other data	Score	Summary	2021/22 Performance Figure
Table 5A, Water resources Table 6A, Water distribution Table 6B, Water treatment	A	The team demonstrated a clear process for producing the outputs and were confident of the source data and regulatory context. Note that some required lines (5A.29, 6A.29, 6A.30, and 6B.5 - 11) were not reviewed in this audit, because the data comes from the water balance provided by others in Portsmouth Water.	Multiple
Table 6D, Capital activities – Demand management activities	B	Following initial manual inputs, much of this process is automated. There is a thorough process for checking manual inputs on a weekly basis. We recommend recording the results of these checks in a spreadsheet, which would then enable a cross-check of the automated reports that Power BI produces (and on which the team currently relies). Due to a change in responsibilities, it is important to make sure that the actions recorded here are handed over to the new team that will carry out the end-of-year process for APR23.	Multiple
Water Balance	C	See Post MLE leakage comments	Multiple
Non- Written complaints	B	There is a well-established and documented process within the team for producing the numbers ready for reporting. Information regarding reporting the final numbers to CCW was not available during the time of the audit and was provided post audit by the Regulation Manager on the 13/5/22. There were several minor single digit discrepancies found when filtering from the source spreadsheet and comparing to the CCW reported number. This will have a non-material impact but must be investigated and rectified where necessary before the final numbers are provided to CCW.	Telephone (Billing 321; Water 108); Social media (Billing 2; Water 0); Web Chat (Billing 8; Water 1); SMS 0; Visit 0
Written Complaints	B	This is a well-established and coherent process within the team for production of the numbers ready for reporting, although there are some manual aspects of the process that could be automated to reduce potential human error risk. Information regarding reporting the final numbers to CCW was not available during the time of the audit and was provided by the Regulation Manager on the 13/5/22, post audit. It is recommended that the Reporting Methodology itself is documented, including all checks and controls, any reporting risks and first and second- line assurance information. The Reporting Methodology from the non-written complaints could potentially be used as a template.	125 Billing; 166 Water; 0 Wastewater
Table 2N, Social tariff	B	We checked each line back to source and did not identify any issues. We note that second line assurance checks had not been completed. Our score is provisional on the final sign-off of the financial accounts by KPMG and of table 4R by Jacobs, from which some data for this table is sourced.	Multiple

Other data	Score	Summary	2021/22 Performance Figure
Table 2F, Retail revenue	B	We checked each data line back to the source spreadsheet calculations and identified one issue with the methodology for line 2F.9. The team corrected this in the audit and will update the methodology and commentary. Our score is provisional on the final sign-off of the financial accounts and the regulatory accounts table 2I by KPMG.	Multiple
Table 4Q, Developer Connections	C	The team cannot differentiate new connections and new properties i.e. it is not able to determine how many properties a newly installed bulk meter serves. It will not be possible to correct this <i>ex-post</i> and update the reported figure for APR22. We recommend that the team acknowledges this issue in the commentary for APR22 and makes the change in time for APR23.	Total number of new connections: 2094
Open Water - audit of wholesale desk	A	Our assurance focused on the processes involved in producing the data. We have not assured the final figures. There are 683 reportable processes with a significant amount of data reported to MOSL for each, hence it was not feasible to review each one or to record all of the reported data. The team are knowledgeable about the process and systems used by the Wholesale Service Desk. Recommendations are to implement second line assurance and develop a process document.	Multiple
Covid impacts on PRT	N/A	The Covid-19 pandemic has impacted PRT's PC for Per Capita Consumption (PCC). The team has collated data to support that the increase in PCC has been due to behavioural changes caused by Covid restrictions. PRT has developed a methodology for estimating the impact that Covid has had on PCC and is continuing to evaluate the data to establish a new baseline for household consumption. There is no emerging risk to future reporting (process) but there remains a risk to Portsmouth Water achieving the PCC target at the end of the AMP and whether or not Ofwat may agree to change (or abandon) the targets for the industry in view of the covid impact.	N/A
Compliance Risk Index	Not audited by Jacobs		
WaterSure	B	We did not identify any material issues in this audit. Actions identified in the APR21 audit are still outstanding and relevant, so we have carried them forward. We recommended further non-material actions to bolster the internal checking process and to produce a more detailed Reporting Methodology to allow others to replicate the process.	Customers on WaterSure scheme: 248
EA Abstraction Data	B	All sample data that was checked through to source was accurate. The team at Portsmouth Water recognise that the current process for reporting to the EA is overly complex and aim to simplify this and fully document this more streamlined process in the coming year. We note that this year's audit has taken place after the EA submission date of the end of April.	Multiple
Distribution Input Flow Data and Bulk Supplies	B	There are outstanding non-material actions from the APR21 audit. We do not consider that their cumulative impact represents a material risk to this year's data reporting, however, we recommend they are completed before next year end reporting. The outstanding actions include: <ul style="list-style-type: none"> • Documentation – Methodology and Process • Audit Trails and History for Checks and Manual Changes • Confidence Grade 	Pre MLE DI = 179.37 ML/d Post MLE DI = 177.19 ML/d (19/20 = 170.4ML/d 20/21 = 179.33ML/d)

Other data	Score	Summary	2021/22 Performance Figure
		<ul style="list-style-type: none"> Record Running to Waste Data We note that these actions are now in hand.	Bulk Supplies to SWS: 1,689,950m ³ (4.63 ML/d)

Appendix B. List of audited data

	AMP7 PC Code	Performance Commitment	Comments
1	PR19PRT_15 A	Havant Thicket	
2 and 3	PR19PRT_NEP01 PR19PRT_NEP02	WINEP (Delivery and Timing)	
4	PR19PRT_PRT-Network Plus-01	CRI	Not audited by Jacobs
5	PR19PRT_PRT-Network Plus-02	Water supply interruptions	
6	PR19PRT_PRT-Network Plus-03	Mains repairs	
7	PR19PRT_PRT-Network Plus-04	Unplanned outage	
8	PR19PRT_PRT-Network Plus-05	Properties at Risk of Low Pressure	
9	PR19PRT_PRT-Network Plus-06	Water Quality Contacts	Audited in January 2021
10	PR19PRT_PRT-Network Plus-07	Leakage	
11	PR19PRT_PRT-Network Plus-08	Catchment Management (Biodiversity)	
12	PR19PRT_PRT-Network Plus-09	Carbon	
13	PR19PRT_PRT-Network Plus-10	RoSPA	
14	PR19PRT_PRT-Network Plus-11	D-Mex	
15	PR19PRT_PRT-Network Plus-12	Resilience Schemes	Not audited by Jacobs
16	PR19PRT_PRT-Retail-01	C-Mex	
17	PR19PRT_PRT-Retail-02	Voids	
18	PR19PRT_PRT-Retail-03	Affordability - Social Tariff	

19	PR19PRT_PRT-Retail-04	Vulnerability Survey	
20	PR19PRT_PRT-Retail-05	Priority Services Register	
21	PR19PRT_PRT-Water Resources-01	Biodiversity reward	
22	PR19PRT_PRT-Water Resources-02	Abstraction Incentive Mechanism (AIM)	
23	PR19PRT_PRT-Water Resources-03	Per capita consumption	
24	PR19PRT_PRT-Water Resources-04	Risk of Severe Restrictions in a Drought	
25	PR19PRT_PRT-Water Resources-05	Avoidance of water supply restrictions	
26	PR19PRT_PRT-Water Resources-06	Biodiversity Penalty (operational sites)	
	APR Table	Data description	Comment
	2F	Residential retail revenue	
	2N	Residential retail - social tariff	
	4A	Bulk supplies information	
	4Q	Developer services data	
	4R	Properties, customers and population	
	5A	Water resources asset and volume data	
	6A	Raw water transport, raw water storage and water treatment	
	6B	Treated water distribution – assets and operations	
	6C	Water network+ - mains, communication pipes and other data	
	6D	Demand management - metering and leakage activities	

	Other data		
	1	Written complaints	
	2	Non-written complaints	
	3	Watersure	
	4	Wholesale service desk	
	5	Water balance	
	6	Distribution input	
	7	Abstraction licences	
	8	Covid impacts on PRT	