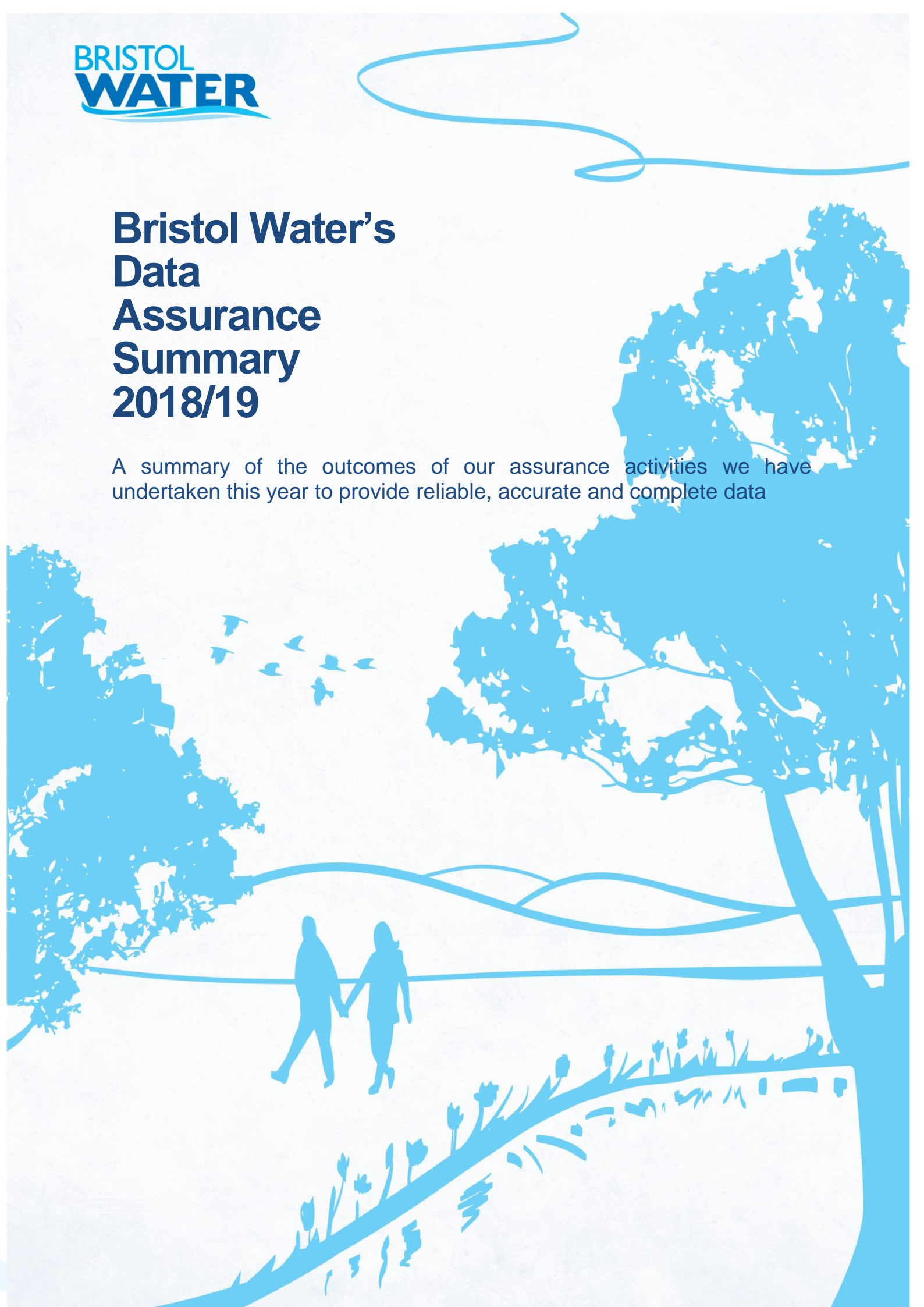


Bristol Water's Data Assurance Summary 2018/19

A summary of the outcomes of our assurance activities we have undertaken this year to provide reliable, accurate and complete data



Contents

Executive Summary	3
1. Introduction	4
1.1 About Bristol Water	4
1.2 About this Document – Our Data Assurance Summary	5
1.3 Regulatory Requirements	7
2. Our Risk Assessment	10
2.1 Our Statement of Risks, Strengths and Weaknesses	10
2.2 Our Targeted Assurance Activities	11
3. Our Approach to Assurance	16
3.1 Internal Governance	16
3.2 External Assurance	18
3.2.1 2018/19 Annual Performance Report and Annual Performance	18
3.2.2 2020/21 Wholesale and Retail Charges Schedule, Charging Arrangements and Charges Schemes and Data on New Connections	34
3.2.3 2018/19 Guaranteed Standards Scheme	34
3.2.4 Water Resources Management Plan and Market Information	34
3.3 Data Issues Identified at Audit	35
4. Our Response to the Outcome of our Data Assurance Activities	36
Glossary	38

Executive Summary



This document summarises the results of the data assurance activities that Bristol Water has undertaken throughout 2018/19 to evidence that the information we have published in various documents throughout this reporting year is accurate, reliable and complete.

Bristol Water takes the trust and confidence of customers and stakeholders in our data very seriously. It is our intention that by publishing transparent, accurate and reliable information, through the processes set out in our Assurance Plan¹, that we will demonstrate compliance with our assurance requirements. Our ambition is to ensure that all of the information we communicate externally is assured to be accurate, timely, appropriate for the intended audience and transparent.

This year, fifteen data items we report on and publish externally were identified as presenting a 'high' risk as part of our Statement of Risk exercise. Although strong internal and external control frameworks are in place, these data items were identified at risk for a range of factors. These factors did not reflect an expectation of any adverse impact on customers, but rather reflects the Company's ability to identify the potential for errors and act accordingly to address them. Targeted assurance activities were therefore then identified and explained in our Assurance Plan for each of these data items. The results of our assurance activities in regards to all the data items reported on in this reporting year are explained in section 3.

We publish a range of information about our services and performance, including how we are performing against the commitments we made in our 2015-2020 business plan. This helps to provide our customers and stakeholders with assurance that we are delivering what they have told us they need and want from their water company. It is important that we have robust assurance arrangements in place to ensure that this information is accurate, clear and transparent. This is essential to building and maintaining a high level of trust and confidence with our customers and stakeholders.

This document (Bristol Water's Data Assurance Summary) sits alongside our Annual Performance Report and provides a summary of the outcome of the assurance activities we have undertaken in order to minimise the risk of inaccurately reporting on any data items published throughout this reporting year. It summarises our data assurance activities for 2018-19 and provides us with an opportunity to highlight any changes required as part of our targeted assurance activities, ahead of reporting in 2019-20. The document provides the following:

An overview of the companies' assurance methods and processes

Progress on the targeted areas identified in our Assurance Plan

A summary of the documents and data items that have been audited throughout this reporting year

A summary of the views of our external auditors on the data included in these documents

¹ [Bristol Water's Assurance Plan 2019/20](#)

1. Introduction

1.1 About Bristol Water



Wessex Water.

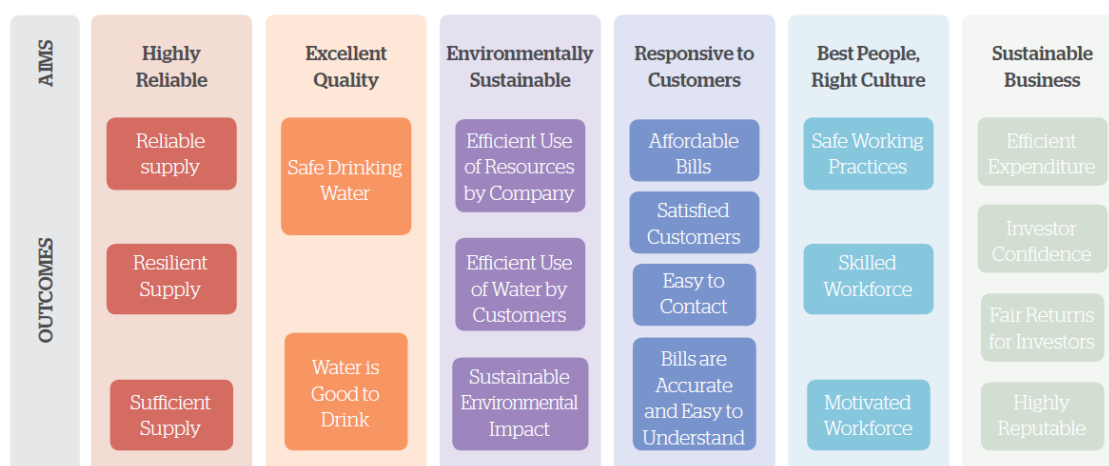
Bristol Water is a water supply company, responsible for the provision of water to 1.2 million people in the city of Bristol and surrounding area.

Our vision is to meet our customers' expectations by providing an outstanding water service in a sustainable and affordable way.

We are one of 17 companies in England and Wales who distribute water and Bristol Water is one of six that focuses exclusively on water, not waste water. In our supply area, waste water services are provided by

Bristol Water was founded as a private water company in 1846 and has continued in this role ever since. Parts of our network still date from these early days. Our original aim then, as it is today, was to supply good clean drinking water with a high quality service and that is value for money. We provide excellent quality of water, and some of the lowest levels of leakage in the country.

In 2014 we published a business plan setting out our priorities for 2015-20. This included a number of key aims and outcomes that we want to deliver for our customers and stakeholders. We published a revised strategy and business plan with an updated set of performance commitments in 2018, which will apply from 2020-25. The aims and outcomes in our PR14 plan are as follows:



In our mid-year performance report, published in December 2018, we set out our performance to date in 2015-18, and included comparisons to other companies' performance in 2017/18.

In addition, over the last couple of years Bristol Water has participated in the European Benchmarking Co-operation (EBC), a water industry-based, not-for-profit benchmarking exercise to compare costs, performance and relevant statistics on our asset base, as well as areas of best practise.

Benchmarking is most effective if we can use the lessons learned from the exercise to improve our own performance and data quality. The EBC Foundation has awarded Bristol Water with a certificate², in acknowledgement of:

- participating in the programme for at least two consecutive benchmarking cycles;
- providing timely and good quality data; and
- participating actively in the programme, in particular by attending the annual benchmarking workshop and presenting our data at the workshop.



**Member of EBC's
utility improvement
programme**

1.2 About this Document – Our Data Assurance Summary

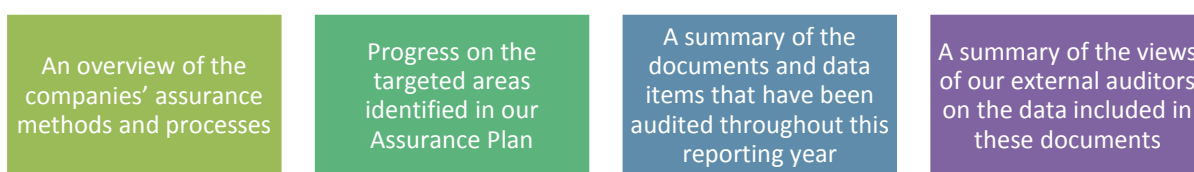
We publish a range of information about our services and performance, including how we are performing against the commitments we made in our 2015-2020 business plan. This helps to provide our customers and stakeholders with assurance that we are delivering what they have told us they need and want from their water company. It is important that we have robust assurance arrangements in place to ensure that this information is accurate, clear and transparent. This is essential to building and maintaining a high level of trust and confidence with our customers and stakeholders.

This document is known as Bristol Water's Data Assurance Summary. It sets out the scope and results of our assurance activities that we have put in place to provide reliable, accurate and complete data, together with the wider assurance activities that we have undertaken or initiated to ensure that we can effectively listen to our customers and other stakeholders' views and continue to deliver the services that they want and can afford.

On 29 March 2019, following two consultations with customers and stakeholders (one on our Statement of Risks Strengths and Weaknesses between November and December 2018 and one on our Draft Assurance Plan between January and February 2019), we published our final Assurance Plan. Consistent with guidance from our economic regulator, Ofwat, this document firstly reviewed our assessment of any risks, strengths and weaknesses associated with meeting our obligations and commitments, or with providing information of appropriate quality. It then detailed the checks and balances – or targeted assurance activities – that we planned to put in place to address these risks.

This document (Bristol Water's Data Assurance Summary) sits alongside our Annual Performance Report and provides a summary of the outcome of the assurance activities we have undertaken (as outlined in the Assurance Plan) in order to minimise the risk of inaccurately reporting on any data items published throughout this reporting year. It summarises our data assurance activities for 2018-19 and provides us with an opportunity to highlight any changes required as part of our targeted assurance activities, ahead of reporting in 2019-20. The document provides the following:

² Further information about this certificate can be found on the website of EBC Foundation www.waterbenchmark.org



This document is one of a number of documents which, taken together, detail how we assure the information on our performance that we report to Ofwat and other regulators³:

Figure 1 – 2018/19 Assurance Documents

Statement of Risks, Strengths and Weaknesses of Information	<ul style="list-style-type: none"> • An internal assessment of the risks of data items we publish that could be inaccurately reported • The assessment informs the Assurance Plan • This document was published as a consultation document at the end of November 2018
Assurance Plan	<ul style="list-style-type: none"> • Our approach to assurance of the information that we publish, including information on 'targeted' risk items (the data items identified most at risk as part of the Statement of Risk exercise) • Our draft Assurance Plan was published as a consultation document at the end of January 2019 • The final version was published in March 2019
Data Assurance Summary (this document)	<ul style="list-style-type: none"> • Summarises the processes and findings from the assurance activities on our reported data items to demonstrate the information provided in accurate • Published July 2019 (alongside the Annual Performance Report)
Risk & Compliance Statement	<ul style="list-style-type: none"> • Confirmation from our Board that it is compliant with all its obligations, that it is confident that appropriate systems and sufficient processes are in place and that it has taken ownership of the risks identified throughout the reporting year • Published July 2019 (alongside the Annual Performance Report)

Our initial risk assessment was set out in our consultation on our Risks, Strengths and Weaknesses of Information, published on our website. This exercise calculated for each key data item the probability of inaccurate reporting, after taking into account the control framework we have in place, and what the impact of inaccurate reporting would be on customers, our reputation, financial incentives and industry comparisons. Based on those assessments, each item was classified as low, medium, high or critical risk.

The risks identified as critical or high does not reflect an expectation of an increase in any adverse impact on customers compared to last year, but rather reflects the Company's ability to identify the

³ These documents can be found on our website, here: <https://www.bristolwater.co.uk/about-us/performance/>

potential for errors and act accordingly to address them. The results of the risk assessment are summarised in section 2.1.

Following our data items' risks assessments, we set out in the Assurance Plan the targeted assurance activities which would be undertaken. The Assurance Plan also identified how this information would be reported on and where our customers could find the following relevant documents. These were:

1. 2018/19 Annual Performance Report (including our regulatory accounts and our 2015-2020 performance commitments) and 2019/20 Mid-Year Performance Report
2. 2018/19 Annual Report (including our statutory accounts)
3. 2020/21 Wholesale and Retail Charges Schedule, Charging Arrangements and Charges Schemes
4. 2018/19 Guaranteed Standards Scheme (GSS) payments
5. Data on New Connections performance
6. Complaints reporting to CCWater
7. Water quality information provided to the Drinking Water Inspectorate
8. Information provided to the Environment Agency (including our Water Resources Management Plan and Market Information)
9. Data reporting for non-household competition, reported to MOSL
10. Data provided to the Discover Water website, an industry-backed dashboard designed to provide accessible comparative information for customers and stakeholders

The results of our assurance activities (these activities were explored in our Assurance Plan) in regards to the data items reported in the documents above, are summarised in this document, our Data Assurance Summary.

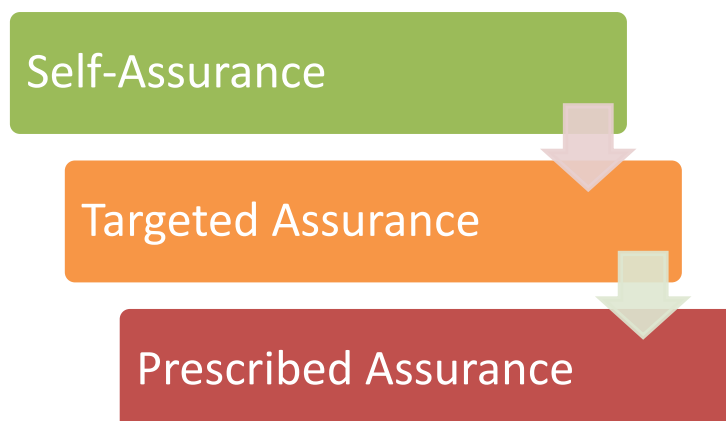
This document should also be read in conjunction with our Annual Report and our Annual Performance Report 2018/19, which provide full details of our performance during the year, as well as other statutory and regulatory information. Our Risk and Compliance statement provides confirmation from the Board that the Company has complied with all its relevant statutory, licence and regulatory obligations and is taking appropriate steps to manage and/or mitigate any risks it faces. These documents should also be read alongside the report prepared by the Bristol Water Challenge Panel⁴, on its views of our 2018/19 performance, which can also be found on our website, along with all of our assurance documents.

1.3 Regulatory Requirements

In June 2015 Ofwat published its Company Monitoring Framework⁵, which set out how the regulator intended to oversee the information that water companies in England and Wales provide to their customers and stakeholders. Ofwat expects companies to be transparent and to provide information that enables them to understand how the Company is performing. This framework is intended to provide customers and stakeholders with confidence in the information that companies produce, and allow Ofwat to take action where it feels that its requirements are not being met.

The framework sets out the different levels of assurance to support the information we publish, depending on Ofwat's confidence in the quality of the information that companies produce. Companies are categorised as 'self-assurance' where Ofwat has given the most discretion to

Figure 2 – Ofwat's Categories of Assurance



⁴ [Bristol Water Challenge Panel Reports](#)

⁵ [Company monitoring framework](#)

decide what assurance is needed above the minimum required, and have the most trust from the regulator. Ofwat categorises companies as ‘targeted’ where it considers companies have not consistently met the high standards customers and other stakeholders expect. Ofwat categorises companies as ‘prescribed’ where companies have not provided them with sufficient confidence in their ability to deliver, monitor and report performance.

In November 2015, Ofwat informed Bristol Water that it intended to move the company into the ‘prescribed’ category of assurance, citing concerns with the quality of our evidence provided for the PR14 business plan and CMA reference. We had remained in the prescribed category in the assessments undertaken since the first assessments made in 2015 (with the other assessments being undertaken in November 2016 and November 2017). However in January 2019⁶ Ofwat announced that it was moving Bristol Water to the targeted category of assurance. Ofwat noted:

“The company has demonstrated that it has acted upon feedback that we provided, and has made significant improvements from the previous year. It has exceeded our expectations for the risk and compliance statement and met our expectations in all but three of the other specific assessments areas (financial flows, financial monitoring framework and charges engagement).”

“The company has met the requirements for being promoted to the targeted assurance category. It has not shown evidence of behaviour that leads to a reduction in the trust and confidence stakeholders can place in it. It has had no significant problems with its assurance plan and has been in the prescribed category for at least 12 months. Companies in the prescribed assurance category in the previous year can only move up to the targeted category in one year.”

As a ‘targeted’ company we are required to undertake the activities listed below. These are set within the context of the requirements for the other two categories of assessment.

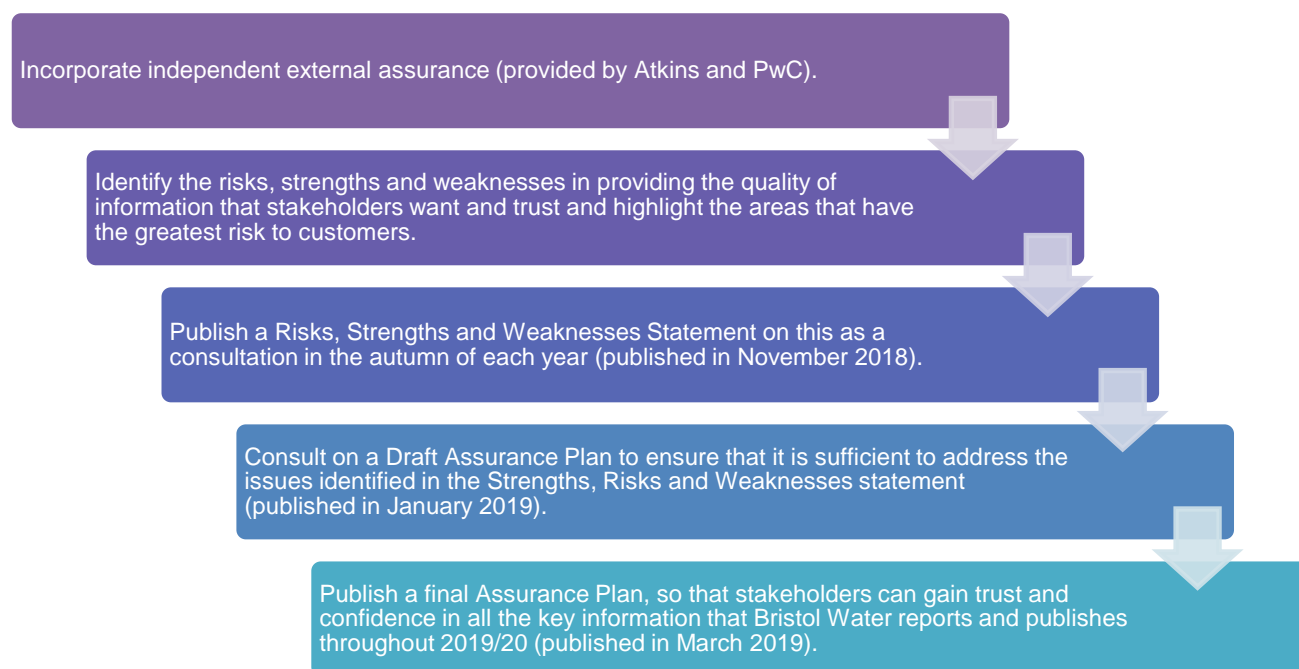
Table 1 – Assurance Requirements

Assurance Category	Assurance Requirements
Self-assurance	Alongside each set of information they provide, the Boards of these water companies must provide: <ul style="list-style-type: none"> • explicit sign off on the assurance that they are providing; and • full transparency on the audit procedures; and a summary of the outcome of the assurance that their company has carried out.
Targeted assurance	In addition to meeting the requirements for the self-assurance category, companies in the targeted category are required to: <ul style="list-style-type: none"> • carry out an exercise with stakeholders to target issues to address (the statement of risks, strengths and weaknesses exercise); and • publish a statement on this in the autumn of each year in advance of submitting information. For issues a company targets, they are required to publish draft Assurance Plan and speak with and listen to stakeholders before confirming final Assurance Plans, but only in these targeted areas.
Prescribed assurance	In addition to meeting the requirements of self-assurance and targeted categories, companies in the prescribed category are required to publish their assurance plans for all information in advance of reporting. This is so that stakeholders (including Ofwat) can gain confidence and, if necessary, provide comments or guidance that the company would need to respond to. The risks, strengths and weaknesses exercise that a prescribed company carries out (this document) must highlight the areas of reporting that have the most significance or are of greatest risk to customers (the ‘targeted’ areas). For these areas the company must incorporate independent external assurance as part of its assurance plans.

⁶ Company monitoring framework: 2018 assessment – Individual company report – Bristol Water, <https://www.ofwat.gov.uk/wp-content/uploads/2019/01/Individual-company-report-BRL.pdf>

All companies in the targeted assurance band are required to undertake the requirements identified in the figure below.

Figure 3 – Targeted Assurance Requirements



The table below presents an overall comparison of the annual assessments Ofwat has made for Bristol Water to date since the Company Monitoring Framework was introduced.

Table 2 – Company Monitoring Framework Assessments of Bristol Water

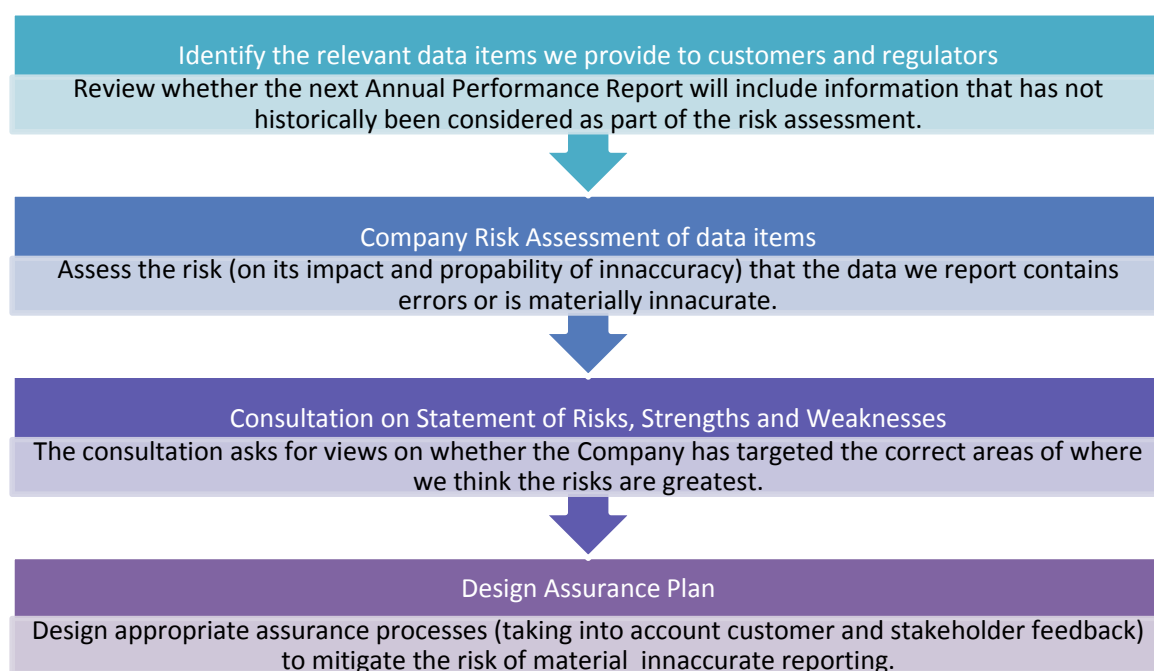
Area of Assessment	2016 Assessment	2017 Assessment	2018 Assessment
Financial Monitoring Framework	Meets expectations	Meets expectations	Minor concerns
Charges schemes assurance/ Charges engagement	Meets expectations	Meets expectations	Minor concerns
Financial information	Meets expectations	Not included	Not included
Final 2010-15 reconciliation data submission	Meets expectations	Not included	Not included
Outcomes	Meets expectations	Serious concerns	Meets expectations
Compliance with principles of board leadership, transparency and governance	Meets expectations	Meets expectations	Not included
Water resources management plan and market information	Not included	Not included	Meets expectations
Long-term viability statement	Not included	Not included	Meets expectations
Financial flows	Not included	Not included	Minor concerns
Risk and compliance statement	Meets expectations	Meets expectations	Exceeds expectations
Assurance plan	Minor concerns	Meets expectations	Meets expectations
Targeted reviews	Minor concerns	Not included	Not included
Data assurance summary	Minor concerns	Minor concerns	Not included
Cost assessment	Not included	Not included	Meets expectations
Casework	Minor concerns	Minor concerns	Meets expectations
PR19 initial assessment of business plans – data consistency	Not included	Not included	Meets expectations
PR19 initial assessment of business plans – data quality	Not included	Not included	Meets expectations
Wider assurance and information	Not included	No issues	No issues

2. Our Risk Assessment

2.1 Our Statement of Risks, Strengths and Weaknesses

There are many sources of information on which to base the assessment of our risks, strengths and weaknesses and we have used all of these to form our Statement of Risks, Strengths and Weaknesses of Information 2018/19, an exercise we undertook in November 2018. Information and feedback comes from both internal and external sources throughout the year, and we proactively seek customer feedback. Improvement is a continuous process. The steps involved in the process of establishing what information we need to report needs including in our assurance plan is set out in the figure below.

Figure 4 - Identifying Risk Items



Our initial risk assessment was set out in our consultation on our Risks, Strengths and Weaknesses of Information, published on our website. This exercise calculated for each key data item the probability of inaccurate reporting, after taking into account the control framework we have in place, and what the impact of inaccurate reporting would be on customers, our reputation, financial incentives and industry comparisons. Based on those assessments, each item was classified as low, medium, high or critical risk.

The risks identified as critical or high did not reflect an expectation of an increase in any adverse impact on customers compared to last year, but rather reflects the Company's ability to identify the potential for errors and act accordingly to address them. The results of our final risk assessment are shown in the diagram below.

Figure 5 - results of risk assessment

Impact Metric Score	4	Meter Penetration DWI Data Return on Capital Wholesale Totex Water Turbidity Unplanned Maintenance Events Hosepipe ban frequency Mean Zonal Compliance Negative Water Quality Contacts Reportable Accidents PR14 Reconciliation Models Population at Risk from Asset Failure	C-MeX D-MeX Service Incentive Mechanism Leakage Low Pressure Bursts Unplanned Customer Minutes Lost Per Capita Consumption Regulatory Accounts Tariffs and Charges GSS Payments Developer Services Info Supply Interruptions CCWater Complaints Data	None	None
	3	EA Data Stakeholder Survey Credit Rating Negative Billing Contacts Waste Disposal Compliance Customers in Water Poverty Customer Satisfaction Surveys Value for Money Ease of Contact	Non-Financial Data (Water Resources, Treatment and Distribution) Financial Data (info not covered by regulatory accounts) Water Quality Compliance AIM SSSI Raw Water Quality of Sources Biodiversity Index NHH Market (Performance) Data NHH Market (Operational) Data Properties and Population Data Unplanned Outage Drought Restrictions Water Resources Market Info Void Properties	Total Carbon Emissions	None
	2	Staff Satisfaction	Training Matrix Compliance	Vulnerable Customer Satisfaction Financial Funds Flow	None
	1	None	None	None	None
		1	2	3	4
		Probability Metric Score			

Key:

Low	Medium	High	Critical
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2.2 Our Targeted Assurance Activities

Following our data items' risks assessments, the outcomes of our targeted assurance activities undertaken to date, in terms of our internal checks and external audits, have been included in the table below. In our 2019/20 Assurance Plan we identified fifteen data items that required targeted assurance activities. These data items have been targeted for one of the following reasons:

- The risk of inaccurate reporting has significantly increased compared to 2017/18, to the extent that the data item has deteriorated in its overall risk assessment i.e. it has moved from a 'medium risk' in 2017/18 to a 'high risk' in 2018/19.
- The data item was reported as either 'high' or 'critical risk' in 2017/18 and has remained within either of these categories for 2018/19.
- The data item is a new reporting requirement for 2018/19 and has been identified as either a 'high' or a 'critical' risk.

Following our external audits, no further data items have been identified as being at risk of misreporting.

Table 3 - Risk Assessments and Assurance Activities

Data Item	2018/19 Risk Assessment	Reason for Risk Assessment	Update on internal targeted assurance activity outlined in Assurance Plan 2019/20	Update on the outcome of external audit identified as part of targeted assurance activity outlined in Assurance Plan 2019/20
Customer measure of experience (C-MeX)	High	New data item - affects control framework	<p>This measure will replace the current measure of customer satisfaction, SIM, from 2020/21. Shadow reporting is being undertaken in 2019/20.</p> <p>This data item will follow the same internal reporting requirements that our other performance commitments follow, as outlined in our Statement of Risks, Strengths and Weaknesses of Information.</p>	Our shadow data will be externally audited by our technical assurer as part of our mid-year assurance programme, at the end of 2019.
Developer services measure of experience (D-MeX)	High	New data item - affects control framework	<p>This measure comes into effect from 2020/21 with shadow reporting being undertaken in 2019/20.</p> <p>This data item will follow the same internal reporting requirements that our other performance commitments follow, as outlined in our Statement of Risks, Strengths and Weaknesses of Information.</p>	Our shadow data will be externally audited by our technical assurer as part of our mid-year assurance programme, at the end of 2019.
Service Incentive Mechanism (SIM)	High	Identified weaknesses in control framework	<p>Reporting of this data item has followed the same internal reporting requirements that our other performance commitments follow, as outlined in our Statement of Risks, Strengths and Weaknesses of Information. An internal 'action plan' has also been implemented to improve the logging of unwanted calls.</p> <p><i>Data collation risks and controls</i> Steps have been implemented to reduce manual data entry by linking the central spreadsheet used to the numerous contributory reports.</p> <p><i>The accuracy of reporting of unwanted calls</i> The vast majority of logged unwanted calls (95%) are received via our operational customer support team and are therefore subject to existing monthly controls activities, which include call listening of a sample of calls by managers responsible for reviewing the accuracy of the data logged. We recognise that despite the relatively low call volumes received by the teams outside of our operational customer support team (the remaining 5% of unwanted calls), stronger control activities were required to ensure that these calls continue to be logged accurately. As a result, call recording has now been introduced. A weekly manager review of 10% of the calls is now being undertaken for each team.</p>	<p>Our data has been externally audited by our technical assurer, Atkins.</p> <p>Atkins found no material issues with our data or methodology for reporting this data item (see section 3.2).</p>

Data Item	2018/19 Risk Assessment	Reason for 2018/19 Risk Assessment	Update on internal targeted assurance activity outlined in Assurance Plan 2019/20	Update on the outcome of external audit identified as part of targeted assurance activity outlined in Assurance Plan 2019/20
			Performance information has been updated in our interactive performance graphic on our website.	
Leakage	High	High impact on customers, stakeholders or company reputation, if risk materialises	<p>Reporting of this data item has followed the same internal reporting requirements that our other performance commitments follow, as outlined in our Statement of Risks, Strengths and Weaknesses of Information.</p> <p>We have also agreed with the regulator to dual-report on this performance commitment and provide thorough explanations behind the methodologies undertaken within our Annual Performance Report. We will continue to dual-report on this performance commitment until the end of 2019/20.</p> <p>Performance information has been updated in our interactive performance graphic on our website.</p>	<p>Our data has been externally audited by our technical assurer, Atkins.</p> <p>Atkins found no material issues with our data or methodology for reporting this data item (see section 3.2).</p>
Low Pressure	High	High impact on customers, stakeholders or company reputation, if risk materialises	<p>Reporting of this data item has followed the same internal reporting requirements that our other performance commitments follow, as outlined in our Statement of Risks, Strengths and Weaknesses of Information.</p> <p>Performance information has been updated in our interactive performance graphic on our website.</p>	<p>Our data has been externally audited by our technical assurer, Atkins.</p> <p>Atkins found no material issues with our data or methodology for reporting this data item (see section 3.2).</p>
Bursts	High	High impact on customers, stakeholders or company reputation, if risk materialises	<p>Reporting of this data item has followed the same internal reporting requirements that our other performance commitments follow, as outlined in our Statement of Risks, Strengths and Weaknesses of Information.</p> <p>Performance information has been updated in our interactive performance graphic on our website.</p>	<p>Our data has been externally audited by our technical assurer, Atkins.</p> <p>Atkins found no material issues with our data or methodology for reporting this data item (see section 3.2).</p>
Unplanned Customer Minutes Lost (UCML)	High	High impact on customers, stakeholders or company reputation, if risk materialises	<p>Reporting of this data item has followed the same internal reporting requirements that our other performance commitments follow, as outlined in our Statement of Risks, Strengths and Weaknesses of Information.</p> <p>Performance information has been updated in our interactive performance graphic on our website.</p>	<p>Our data has been externally audited by our technical assurer, Atkins.</p> <p>Atkins found no material issues with our data or methodology for reporting this data item (see section 3.2).</p>
Per Capita	High	High impact on	Reporting of this data item has followed the same internal reporting	Our data has been externally audited by our technical

Data Item	2018/19 Risk Assessment	Reason for 2018/19 Risk Assessment	Update on internal targeted assurance activity outlined in Assurance Plan 2019/20	Update on the outcome of external audit identified as part of targeted assurance activity outlined in Assurance Plan 2019/20
Consumption (PCC)		customers, stakeholders or company reputation, if risk materialises	<p>requirements that our other performance commitments follow, as outlined in our Statement of Risks, Strengths and Weaknesses of Information.</p> <p>We have also agreed with the regulator to dual-report on this performance commitment and provide thorough explanations behind the methodologies undertaken within our Annual Performance Report. We will continue to dual-report on this performance commitment until the end of 2019/20.</p> <p>Performance information has been updated in our interactive performance graphic on our website.</p>	<p>assurer, Atkins.</p> <p>Atkins found no material issues with our data or methodology for reporting this data item (see section 3.2).</p>
Regulatory Accounts	High	Identified disclosure omission last year	<p>The high risk rating was primarily in recognition of omitted specific disclosure information that we should have included in our regulatory accounts notes, which was not included in our Annual Performance Report 2017/18 (APR) and, consequently, led to a number of queries being raised by Ofwat.</p> <p>A review of all required disclosures has been included in our approval process for the 2018/19 APR.</p>	Our data has been externally audited by our financial auditor, PwC. PwC's views are summarised in section 3.2.1.2 of this report.
Tariffs & Charges	High	High impact on customers, stakeholders or company reputation, if risk materialises	<p>Our tariff and charges publications (particularly for new connections charges) now include more customer-friendly language and user-friendly graphics, to improve their readability for interested parties.</p> <p>Our Statement of Assurance on our tariffs also now includes an engagement summary section on who we have spoken to and what changes we have made to the information we present in our tariffs and charges publications as a result, which brings it in line with industry best practice.</p>	Our data has been externally audited by our financial auditor, PwC. PwC have provided an assurance statement to the Board to support approval of the tariff submission.
Guaranteed Standards Scheme (GSS) Payments	High	High impact on customers, stakeholders or company reputation, if risk materialises	A process map has been introduced as part of the reporting methodology, in order to reduce the probability of inaccurate reporting from materialising for this data item. This approach is already included in the methodologies for our performance commitments.	<p>Our data has been externally audited by our technical assurer, Atkins.</p> <p>Atkins found no material issues with our data or methodology for reporting this data item (see section 3.2).</p>
Developer Services Data	High	High impact on customers, stakeholders or	Our new connections charges now include more customer-friendly language and user-friendly graphics to improve transparency.	Although not part of the external audit process, as this data item has again been identified as a high risk, we provided additional explanation of our charges with the

Data Item	2018/19 Risk Assessment	Reason for 2018/19 Risk Assessment	Update on internal targeted assurance activity outlined in Assurance Plan 2019/20	Update on the outcome of external audit identified as part of targeted assurance activity outlined in Assurance Plan 2019/20
		company reputation, if risk materialises	<p>We have continued to expand upon our tailored engagement activities with our developers to ensure that their voices are heard alongside our stakeholders in the wider Bristol area. We established our Market Engagement Days in 2017 as an on-going engagement activity to bring together developers and self-lay providers (SLPs) to build relationships, communicate information, and receive feedback.</p> <p>We also continue to undertake quarterly reporting on our developer services performance to Water UK and the SIM action plan includes the processes our new supplies team and Kier will undertake to ensure accurate complaints reporting is addressed.</p>	<p>assurance statement provided by our Board, which was published in January 2019⁷.</p> <p>Developer services data is reported in section 2 of the APR, which has been externally audited by our financial auditor, PwC.</p>
Shadow Supply Interruptions	High	High impact on customers, stakeholders or company reputation, if risk materialises	<p>This measure comes into effect from 2020/21 with shadow reporting being undertaken since 2016/17.</p> <p>Reporting of this data item has followed the same internal reporting requirements that our other performance commitments follow, as outlined in our Statement of Risks, Strengths and Weaknesses of Information.</p>	<p>Our data has been externally audited by our technical assurer, Atkins.</p> <p>Atkins found no material issues with our data or methodology for reporting this data item (however as this relates to shadow performance data, this report is not publically available).</p>
CCWater Complaints Data	High	High impact on customers, stakeholders or company reputation, if risk materialises	<p>This data is reviewed monthly by an internal staff sub-group. These processes have now produced reliable complaints data that we report more frequently to CCWater.</p>	<p>Atkins' audit scope of the SIM data item is linked to the information for this data item. No issues were identified by Atkins in relation to written complaint reporting.</p>
Total Carbon Emissions	High	High probability of inaccurate reporting	<p>Reporting of this data item has followed the same internal reporting requirements that our other performance commitments follow, as outlined in our Statement of Risks, Strengths and Weaknesses of Information. A new member of staff is now responsible for reporting on this performance commitment; their expertise has contributed to ensuring accurate information is recorded and reported.</p> <p>Performance information has been updated in our interactive performance graphic on our website.</p>	<p>Our data has been externally audited by our technical assurer, Atkins.</p> <p>Atkins found no material issues with our data or methodology for reporting this data item (see section 3.2).</p>

⁷ Statement of Assurance 19-20, <https://www.bristolwater.co.uk/wp-content/uploads/2019/01/Statement-of-Assurance-19-20.pdf>

3. Our Approach to Assurance

We consider it important to demonstrate to our customers and other stakeholders that we report information on our performance that is transparent, reliable, relevant, complete and up-to-date. This is part of our commitment to demonstrate that we take ownership of what we report.

3.1 Internal Governance

Our approach to assurance utilises our well established and mature governance and assurance arrangements. We use a thorough system of controls to make sure that the information we report and publish is as accurate as possible. Each piece of information has a specific owner and reviewer, responsible for production and updating the reporting methodology statement. Data owners and reviewers are required to provide signed confirmation that the data has been compiled in accordance with the relevant methodology, and that the data is a true representation of the facts. This form provides the opportunity for the data owner to identify any concerns with the quality of the data, for investigation by senior managers and Directors.

A committee of Executive Directors reviews key data and information before it is published. Progress against key metrics is reviewed in detail monthly so that emerging trends in both performance and data quality can be addressed. Major regulatory submissions, including annual reports, tariffs, accounts and business plans are subject to Board review and approval prior to submission.

Our approach to reporting on data included in the APR is set out in the figure below:

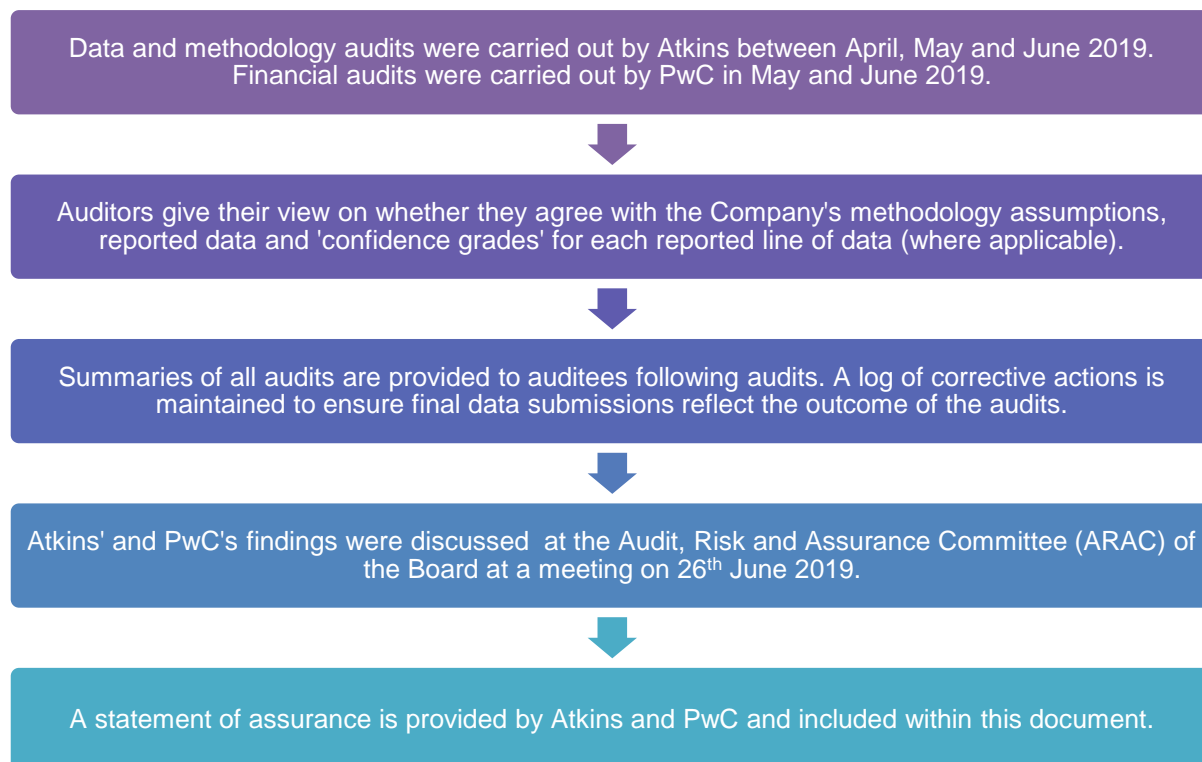
Figure 6 – Internal Approval Process



3.2 External Assurance

We also use external expert auditors to review our methods, systems and processes for reporting key data and information. In particular, Atkins provides technical assurance on our regulatory submissions, and our financial auditors, PwC, audit our key financial data. We also have an internal audit function that reviews our compliance with our governance and assurance procedures. These auditors provide reports to our Board to provide confidence in the accuracy of the information produced. Our approach to reporting on data included in the APR is set out in the figure below:

Figure 7 – External Assurance



3.2.1 2018/19 Annual Performance Report and Annual Performance

A summary of the Annual Performance Report tables that have been externally assured is presented in the table below. The results of the assurance are summarised in this section. As Bristol Water is a water only company we are not required to complete some tables in the APR template related to wastewater services⁸.

⁸ This includes tables 2G, 2H, 3C, 4E, 4K, 4M, 4N, 4O, 4R, 4S, 4T, 4U and 4W

Table 4 - APR Assurance Providers

Annual Performance Report Tables	Auditor
<i>Section 1 – Regulatory financial reporting</i>	
1A - Income statement	PwC
1B - Statement of comprehensive income	PwC
1C - Statement of financial position	PwC
1D - Statement of cash flows	PwC
1E - Net debt analysis	PwC
1F – Financial flows (Price Base – 20212-13 RPI Average)	PwC
<i>Section 2 – Price review and other segmental reporting</i>	
2A - Segmental income statement	PwC
2B - Totex analysis - wholesale	PwC
2C - Operating cost analysis - retail	PwC
2D - Historic cost analysis of fixed assets - wholesale & retail	PwC
2E - Analysis of capital contributions and land sales - wholesale	PwC
2F - Household - revenues by customer type	PwC
2I - Revenue analysis	PwC
2J - Infrastructure network reinforcement costs	PwC
2K – Infrastructure charges reconciliation	PwC
<i>Section 3 – Performance summary</i>	
3A - Outcome performance	Atkins
3B - Sub measure performance	Atkins
3D – Service incentive mechanism (SIM)	Atkins
3S - Shadow reporting of new definition data (not publically available)	Atkins
<i>Section 4 – Additional regulatory information</i>	
4A - Non-financial information	Atkins
4B - Wholesale totex analysis	Atkins
4C - Impact of AMP performance to date on RCV	Atkins
4D - Wholesale totex analysis - water	Atkins
4F - Cost analysis - household retail	Atkins
4G - Wholesale current cost financial performance	Atkins
4H - Financial metrics	PwC
4I - Financial derivatives	PwC
4J - Atypical expenditure by business unit - wholesale water	Atkins
4L - Enhancement capital expenditure by purpose – wholesale water	Atkins
4P - Non-financial data for Water Resources, Water Treatment and Water Distribution	Atkins
4Q - Non-financial data - properties, population and other – wholesale water	Atkins
4V - Operating cost analysis - water resources	Atkins

3.2.1.1 Technical Assurance Statement - Atkins

Appendix 1 of our 2019/20 Assurance Plan explained the roles of our external auditors and the assurance activities they undertake as part of the publication of our Annual Performance Report. A summary statement by our technical assurers, Atkins, is below:

This is Atkins Limited's assurance statement that encapsulates observations we made during the technical audit of aspects of Bristol Water's Annual Performance Report for 2018/19. Our findings were presented to Bristol Water's Executive Team on 17 June 2019 and the Bristol Water Challenge Panel on 13 June 2019.

This statement is part of a continuous improvement process that has involved detailed consideration of the methodologies and their applications by which Bristol Water reports on its performance at financial year end and at the mid-year point. We have been providing this service since 2015. From the Company Monitoring Framework: 2018 Assessment, we are pleased to note that Bristol Water has met the criteria for promotion to the "targeted" assurance category.

For the areas we cover and from the information we have been provided with, we conclude that the Company has a full understanding of and has sufficient processes and internal systems of control to meet its reporting obligations. We also conclude that the Company has appropriate systems and processes in place to allow it to manage its reporting risks.

Our approach to technical assurance is to draw upon our experiences at previous rounds of audit and to plan in detail who should be present, what information will be covered, where and when. We issue a notification, carry out the audit, provide immediate verbal feedback, provide key issue feedback within 24 hours and a formal feedback summary including requests for further information or clarification with a table of issues raised. The issues across all of the audits are gathered into an Issues Log, which is used to manage the resolution of reporting issues before the finalisation of the technical assurance process. This statement reflects the technical assurance position after the iterative process of resolving outstanding issues has concluded. It should be read in conjunction with Bristol Water's Risk and Compliance Statement 2018/19 and associated documentation.

Bristol Water has 21 Performance Commitments (PCs), ten of which have associated financial penalties and rewards.

As part of our independent assurance of Bristol Water's Annual Performance Report 2018/19, we have been engaged to audit the following tables and submissions to be published in Bristol Water's 2018/19 Annual Performance Report and regulatory reporting:

- Data and commentary reported as part of the Annual Performance Report (APR) to Ofwat:
- Table 3A – Outcome performance table, including underperformance penalties and outperformance payments.
- Table 3B – Sub-measure performance table
- Table 3D – SIM (Service Incentive Mechanism)
- Tables 4A, 4B, 4C, 4D, 4F and 4G
- Table 3S – shadow reporting of new definition data (included in separate report)
- Tables 4J, 4L, 4P, 4Q and 4V (formerly Wholesale Cost Tables)
- WRMP Annual Review
- GSS payments

In a series of approximately 25 meetings and 10 remote audits in May and June 2019, we carried out combined methodology and data audits designed to test:

- The Company's internal control systems to produce the submission;
- Whether reporting appears to align with relevant guidance;
- If data has been compiled in accordance with Company methods and procedures; and
- Whether commentary is consistent with our observations on performance levels, trends and the information we were provided with at audit.

We were provided with a copy of the commentary the Company proposed to publish to explain and clarify its reported performance information. We provided feedback on whether it was a reasonable interpretation of what we had seen during our audits.

Bristol Water has met 9 of its 21 committed performance levels for 2018/19 and will incur financial penalties on 4 of the 12 PCs where it has underperformed. Nevertheless, unplanned customer minutes lost, asset reliability sub-indicators (infrastructure and non-infrastructure), mean zonal compliance, leakage, meter penetration, total carbon emissions, raw water quality of sources, biodiversity index, service incentive mechanism, general satisfaction from surveys and negative billing contacts all show an improvement since 2017/18. Notable observations on Bristol Water's performance are set out below.

- Unplanned customer minutes show a significant reduction since 2017/18 (from 73.7 minutes to 14.7 minutes); however, due to ongoing impacts from the 'beast from the east' in early 2018, the hot, dry summer of 2018 and a supply interruption event at Frenchay in November 2018 the reported performance remains above the target and the Company will therefore incur a financial penalty. The commentary sets out the Company's planned transformational activities, through which it is anticipating that it will meet the committed performance levels for the final year of the AMP and AMP7 targets.

- Performance on infrastructure asset reliability has improved since 2017/18; however, due to the 'marginal' assessment last year, the Company can only report a 'marginal' assessment for the current year. However, the Company is forecasting to meet its committed performance level for the final year of the AMP.
- The Company has successfully met its committed performance levels on non-infrastructure asset reliability, security of supply index and hosepipe ban frequency for the fourth year in a row and is on track to meet its targets for the final year of the AMP.
- Despite continued focus on metering activity, the Company has not met its metering penetration target for the current year or the past three years and is now forecasting to underperform against the target for the final year of the AMP. The Company has a number of initiatives planned to meet its targets for AMP7.
- The Company has significantly improved its leakage performance from 2017/18 although its performance remains slightly above the target level due to the hot weather and high summer demand experienced in 2018. The Company has introduced a new leakage strategy since 2017/18 and this should allow the Company to meet its leakage targets for the final year of the AMP.
- The Company's Service Incentive Mechanism (SIM) score has improved since 2017/18 although the Company has missed its committed performance level. The Company's commentary explains that this is primarily due to poor pressure caused by high demand in the long hot summer during the first half of the reporting year. It sets out activities it is undertaking to improve customer satisfaction as part of its transformation programme. Based on the actions taken by the Company we believe the Company should be able to continue to improve its performance next year. Our audit of Bristol Water's reporting against Performance Commitment J1: Service Incentive Mechanism highlighted improvements in the Company's reporting of unwanted calls since 2017/18 and we would anticipate the accuracy of telephone reporting to continue to improve with the quality assurance checks that have been implemented.
- The Company has continued to improve its customer satisfaction in relation to the general satisfaction from surveys Performance Commitment, although it has not yet met its challenging target of 93% for all years of the AMP. We believe the Company should be able to continue to improve its performance through the measures set out in the commentary.

During the assurance activities, we have had free access to the Director of Strategy and Regulation and his team and the full cooperation of the people responsible for preparing and reporting the 2018/19 APR and regulatory submissions and the supporting information.

We are pleased to provide assurance that, overall, we consider the information published by Bristol Water has been compiled using information which is accurate, reliable and complete. We have traced selected information to data sources and information systems. We consider the published metrics and commentary provide a fair and reasonable account of Bristol Water's performance in 2018/19 and progress towards achieving its 2020 targets.

While we observed a number of issues for which we provide comment within our main report, we believe these do not impact materially upon the potential to sign-off the Company submission. Each is an area we believe should be given further consideration as part of continuing improvement to performance reporting by Bristol Water.

Jonathan P Archer

Regulation Director

Reporter providing Technical Assurance Services to Bristol Water

A summary of the assessments undertaken by our technical assurers, Atkins, is included in the tables below.

Table 5 – Atkins' Data Categories for each Performance Commitment

Performance Commitment	Data						
	2015/16	2016/17 Mid-Year	2016/17	2017/18 Mid-Year	2017/18	2018/19 Mid-Year	2018/19

Data							
Performance Commitment	2015/16	2016/17 Mid-Year	2016/17	2017/18 Mid-Year	2017/18	2018/19 Mid-Year	2018/19
Unplanned customer minutes lost	Green	Green	Green	Green	Green	Green	Green
Asset reliability - infrastructure (bursts and DG2 low pressure)	Green	Green	Green	Green	Green	Green	Green
Asset reliability - non-infrastructure (turbidity and unplanned maintenance)	Green	Green	Green	Green	Green	Green	Green
Population in centres >25,000 at risk from asset failure	Green	Green	Green	Green	Green	Green	Green
Security of supply index (SOSI)	Green	Not included	Green	Not included	Green	Not included	Green
Hosepipe ban frequency	Green	Not included	Green	Not included	Green	Not included	Green
Mean zonal compliance (MZC)	Green	Green	Green	Green	Green	Green	Green
Negative water quality contacts	Green	Green	Green	Green	Green	To be completed Jan 2019	Green
Leakage	Green	Green	Green	Green	Green	Green	Green
Per capita consumption (PCC)	Green	Green	Green	Green	Green	Green	Green
Meter penetration	Green	Green	Green	Green	Green	Green	Green
Total carbon emissions	Green	Green	Green	Green	Green	Green	Green
Raw water quality of sources	Green	Not included	Green	Green	Green	Green	Green
Biodiversity index	Green	Not included	Green	Green	Green	Green	Green
Waste disposal compliance	Green	Green	Green	Green	Green	Green	Green
Percentage of customers in water poverty	Green	Not included	Green	Not included	Green	Not included	Green
Service incentive mechanism (SIM)	Green	Green	Green	Green	Amber	Green	Green
General satisfaction from surveys	Green	Not included	Green	Not included	Green	Not included	Green
Value for money	Green	Green	Green	Green	Green	Green	Green
Ease of contact from surveys	Green	Green	Green	Green	Green	Green	Green
Negative billing contacts	Green	Not included	Green	Green	Green	Green	Green

This data assessment provides us with confidence that there are no material issues with the quality of our data systems for reporting on our performance measures.

Table 6 – Atkins' Methodology Categories for each Performance Commitment

Methodology							
Performance Commitment	2015/16	2016/17 Mid-Year	2016/17	2017/18 Mid-Year	2017/18	2018/19 Mid-Year	2018/19
Unplanned customer minutes	Amber	Amber	Green	Green	Green	Green	Green

Methodology							
Performance Commitment	2015/16	2016/17 Mid-Year	2016/17	2017/18 Mid-Year	2017/18	2018/19 Mid-Year	2018/19
lost							
Asset reliability - infrastructure (bursts and DG2 low pressure)	Amber	Amber	Amber	Green	Green	Green	Green
Asset reliability - non-infrastructure (turbidity and unplanned maintenance)	Amber	Green	Green	Green	Green	Green	Green
Population in centres >25,000 at risk from asset failure	Amber	Amber	Green	Green	Green	Green	Green
Security of supply index (SOSI)	Amber	Not included	Green	Green	Green	Green	Green
Hosepipe ban frequency	Amber	Not included	Green	Green	Green	Green	Green
Mean zonal compliance (MZC)	Green	Green	Green	Green	Green	Green	Green
Negative water quality contacts	Green	Green	Green	Green	Green	To be completed Jan 2019	Green
Leakage	Amber	Green	Green	Green	Green	Amber	Green
Per capita consumption (PCC)	Amber	Green	Green	Green	Green	Amber	Green
Meter penetration	Green	Green	Green	Green	Green	Green	Green
Total carbon emissions	Green	Green	Green	Green	Green	Green	Green
Raw water quality of sources	Amber	Not included	Green	Green	Green	Green	Green
Biodiversity index	Amber	Green	Amber	Green	Green	Green	Green
Waste disposal compliance	Green	Green	Green	Green	Green	Green	Green
Percentage of customers in water poverty	Green	Not included	Green	Not included	Green	Green	Green
Service incentive mechanism (SIM)	Green	Green	Green	Amber	Amber	Amber	Green
General satisfaction from surveys	Green	Not included	Green	Not included	Green	Green	Green
Value for money	Green	Amber	Green	Green	Green	Green	Green
Ease of contact from surveys	Green	Amber	Green	Green	Green	Green	Green
Negative billing contacts	Green	Not included	Green	Green	Green	Green	Green

This methodology assessment provides us with confidence that there are no material issues with our documentation and process mapping for reporting on our performance measures.

Table 7 - Atkins' Data Categories for each table in section 3 of the APR

Data				
Table	2015/16	2016/17	2017/18	2018/19
3A - Outcome performance table (including underperformance penalties and outperformance payments)	Not included in audit	Not included in audit	Green	Green
3B - Sub-measure performance table	Not included in audit	Not included in audit	Green	Green
3D - SIM (Service Incentive Mechanism)	Not included in audit	Not included in audit	Amber	Green
3S - Shadow reporting of new definition data	Not included in audit	Included in separate report	Included in separate report	Included in separate report

Atkins' assessment of our underperformance penalties and outperformance payments provides us with confidence that there are no material issues with the quality of our reporting and on the impact this will have on our customers' bills.

Table 8 - Atkins' Methodology Categories for each table in section 3 of the APR

Methodology				
Table	2015/16	2016/17	2017/18	2018/19
3A - Outcome performance table (including underperformance penalties and outperformance payments)	Not included in audit	Not included in audit	Green	Green
3B - Sub-measure performance table	Not included in audit	Not included in audit	Green	Green
3D - SIM (Service Incentive Mechanism)	Not included in audit	Not included in audit	Amber	Green
3S - Shadow reporting of new definition data	Not included in audit	Included in separate report	Included in separate report	Included in separate report

Table 9 - Atkins' Data Categories for each table in section 4 of the APR (financial and non-financial information)

Data				
Table	2015/16	2016/17	2017/18	2018/19
4A - Non-financial information	Not included in audit	Covered in APR and WRMP audits	Green	Green
4B - Totex analysis	Not included in audit	Green	Green	Green
4C - Impact of AMP6 Performance to date on RCV	Not included in audit	Green	Green	Green
4D - Wholesale totex analysis - wholesale water	Not included in audit	Green	Green	Green
4F - Operating Cost analysis - household retail	Not included in audit	Green	Green	Green
4G - Wholesale current cost financial performance	Not included in audit	Green	Not included in audit	Green

Table 10 - Atkins' Methodology Categories for each table in section 4 of the APR (financial and non-financial information)

Methodology				
Table	2015/16	2016/17	2017/18	2018/19
4A – Non-financial information	Not included in audit	Covered in APR and WRMP audits	Green	Covered in APR and WRMP audits
4B – Totex analysis	Not included in audit	Green	Green	Green
4C – Impact of AMP6 Performance to date on RCV	Not included in audit	Green	Green	Green
4D – Wholesale totex analysis – wholesale water	Not included in audit	Green	Green	Green
4F – Operating Cost analysis – household retail	Not included in audit	Amber	Green	Green
4G – Wholesale current cost financial performance	Not included in audit	Green	Not included in audit	Green

Table 11 - Atkins' Data Categories for each table in section 4 of the APR (previously wholesale cost tables)

Data						
Table	Lines	Line numbers	2015/16	2016/17	2017/18	2018/19
4J - Atypical expenditure by business unit	Operating Expenditure	1 to 11	Not included in audit	Green	See 4D	See 4D
	Capital Expenditure	12 to 21	Not included in audit	Green	See 4D	See 4D
	Cash Expenditure	22 to 24	Not included in audit	Green	See 4D	See 4D
	Atypical Expenditure	25 to 30	Not included in audit	Green	N/a	N/a
	Total Expenditure	31	Not included in audit	Green	See 4D	See 4D
4L - Enhancement capital expenditure by purpose	Enhancement expenditure by purpose	1 to 33	Not included in audit	Green	Green	Green
4P - Non-financial data for WR, WT and WD: Resources	Proportion of distribution input by source type	1 to 8	Not included in audit	Green	Green	Green
	Number and capacity of sources	9 to 23	Not included in audit	Green	Green	Green
	Length of raw mains	24, 27	Not included in audit	Green	Green	Green
	Pumping head	25 to 26	Not included in audit	Green	Green	Green
	Water resources capacity	28	Not included in audit	Not included in audit	Not included in audit	Green

Data						
Table	Lines	Line numbers	2015/16	2016/17	2017/18	2018/19
4P - Non-financial data for WR, WT and WD: Treatment	Total water treated	29 to 43	Not included in audit	Green	Green	Green
	Number of treatment works	44 to 58	Not included in audit	Green	Green	Green
	Zonal population receiving water treated with orthophosphate	59	Not included in audit	Green	Green	Green
	Average pumping head – water treatment	60	Not included in audit	Green	Green	Green
4P - Non-financial data for WR, WT and WD: Distribution	Main lengths	61 to 68	Not included in audit	Green	Green	Amber
	Capacity	69 to 71	Not included in audit	Green	Green	Green
	Distribution input	72	Not included in audit	Covered in FL: Leakage audit	Green	Green
	Water Delivered	73 to 76	Not included in audit	Covered in FL: Leakage audit	Green	Green
	Leakage	77 to 79	Not included in audit	Covered in FL: Leakage audit	Green	Green
	Comms pipes	80 to 82	Not included in audit	Green	Green	Green
	Network	83 to 85	Not included in audit	Green	Green	Green
	Age of Network	86 to 93	Not included in audit	Green	Green	Green
	Average pumping head – distribution	94	Not included in audit	Green	Green	Green
	WTW in size bands	95 to 102	Not included in audit	Green	Green	Green
	Proportion of Total MPC band	103 to 110	Not included in audit	Green	Green	Green
4Q - Non-financial data - Properties, population and other	Properties, population and meters	1 to 14, 16 to 17	Not included in audit	Green	Green	Green
	Total Population Served	15	Not included in audit	Green	Green	Green
	Company area	18	Not included in audit	Green	Green	Green

Data						
Table	Lines	Line numbers	2015/16	2016/17	2017/18	2018/19
	Lead Communication pipes	19	Not included in audit	Green	Green	Green
	Supply / Demand	20 to 23	Not included in audit	Green	Green	Green
	Energy Consumption	24 to 26	Not included in audit	Green	Green	Green
	Mean zonal compliance	27	Not included in audit	See D1: MZC	See D1: MZC	See D1: MZC
	Compliance Risk Index	28	Not included in audit	Not included in audit	Not included in audit	Green
	Events Risk Index	28	Not included in audit	Not included in audit	Not included in audit	Green
	Volume of leakage	30	Not included in audit	Covered in FL: Leakage audit	Green	Green
4V - Operating cost analysis	Opex	1 to 22	Not included in audit	Green	Green	Green

This data assessment provides us with confidence that there are no material issues with the quality of our data systems for reporting on this information.

Table 12 - Atkins' Methodology Categories for each table in section 4 of the APR (previously wholesale cost tables)

Methodology						
Table	Lines	Line numbers	2015/16	2016/17	2017/18	2018/19
4J - Atypical expenditure by business unit	Operating Expenditure	1 to 11	Not included in audit	Green	See 4D	See 4D
	Capital Expenditure	12 to 21	Not included in audit	Amber	See 4D	See 4D
	Cash Expenditure	22 to 24	Not included in audit	Green	Green	See 4D
	Atypical Expenditure	25 to 30	Not included in audit	Green	N/a	N/a
	Total Expenditure	31	Not included in audit	Green	See 4D	See 4D
4L - Enhancement capital expenditure by purpose	Enhancement expenditure by purpose	1 to 33	Not included in audit	Amber	Green	Green

Methodology						
Table	Lines	Line numbers	2015/16	2016/17	2017/18	2018/19
4P - Non-financial data for WR, WT and WD: Resources	Proportion of distribution input by source type	1 to 8	Not included in audit	Amber	Green	Green
	Number and capacity of sources	9 to 23	Not included in audit	Amber	Green	Green
	Length of raw mains	24, 27	Not included in audit	Amber	Green	Green
	Pumping head	25 to 26	Not included in audit	Amber	Green	Green
	Water resources capacity	28	Not included in audit	Not included in audit	Not included in audit	Green
4P - Non-financial data for WR, WT and WD: Treatment	Total water treated	29 to 43	Not included in audit	Green	Green	Green
	Number of treatment works	44 to 58	Not included in audit	Green	Green	Green
	Zonal population receiving water treated with orthophosphate	59	Not included in audit	Green	Green	Green
	Average pumping head – water treatment	60	Not included in audit	Amber	Green	Green
4P - Non-financial data for WR, WT and WD: Distribution	Main lengths	61 to 68	Not included in audit	Amber	Green	Green
	Capacity	69 to 71	Not included in audit	Green	Green	Green
	Distribution input	72	Not included in audit	Covered in FL: Leakage audit	Green	Amber
	Water Delivered	73 to 76	Not included in audit	Covered in FL: Leakage audit	Green	Green
	Leakage	77 to 79	Not included in audit	Covered in FL: Leakage audit	Green	Green
	Comms pipes	80 to 82	Not included in audit	Amber	Green	Green
	Network	83 to 85	Not included in audit	Green	Green	Green
	Age of Network	86 to 93	Not included in audit	Amber	Green	Green
	Average pumping head – distribution	94	Not included in audit	Amber	Green	Green

Methodology						
Table	Lines	Line numbers	2015/16	2016/17	2017/18	2018/19
	WTW in size bands	95 to 102	Not included in audit	Green	Green	Green
	Proportion of Total MPC band	103 to 110	Not included in audit	Green	Green	Green
4Q - Non-financial data - Properties, population and other	Properties, population and meters	1 to 14, 16 to 17	Not included in audit	Green	Green	Green
	Total Population Served	15	Not included in audit	Green	Green	Green
	Company area	18	Not included in audit	Green	Green	Green
	Lead Communication pipes	19	Not included in audit	Amber	Green	Green
	Supply / Demand	20 to 23	Not included in audit	Amber	Green	Green
	Energy Consumption	24 to 26	Not included in audit	Amber	Green	Green
	Mean zonal compliance	27	Not included in audit	See D1: MZC	See D1: MZC	See D1: MZC
	Compliance Risk Index	28	Not included in audit	Not included in audit	Not included in audit	Green
	Events Risk Index	28	Not included in audit	Not included in audit	Not included in audit	Green
	Volume of leakage	30	Not included in audit	Covered in FL: Leakage audit	Green	Green
4V - Operating cost analysis	Opex	1 to 22	Not included in audit	Amber	Green	Green

Atkins has published a report that further explains their assessments for all the information stated above for 2018/19. The full report can be found on the Bristol Water website⁹.

⁹ [Regulatory Reports – Assurance Plan](#)

3.2.1.2 Financial Assurance Statement - PwC

Appendix 1 of our 2019/20 Assurance Plan explained the roles of our external auditors and the assurance activities they undertake as part of the publication of our Annual Performance Report. A summary statement by our financial assurers, PwC, is summarised below:

Independent Auditors' report to the Water Services Regulation Authority (the WSRA) and the Directors of Bristol Water plc

Report on the Annual Performance Report

Opinion on Annual Performance Report

In our opinion, Bristol Water plc's Regulatory Accounting Statements within the Annual Performance Report have been properly prepared in accordance with Condition F, the Regulatory Accounting Guidelines issued by the WSRA (RAG1.08, RAG2.07, RAG3.11, RAG4.08 and RAG5.07) and the accounting policies (including the company's published accounting methodology statement(s), as defined in RAG 3.11, appendix 2) set out in the Annual Performance Report.

What we have audited

The tables within Bristol Water plc's Annual Performance Report that we have audited ("the Regulatory Accounting Statements") comprise:

- the regulatory financial reporting tables comprising the income statement (table 1A), the statement of comprehensive income (table 1B), the statement of financial position (table 1C), the statement of cash flows (table 1D) and the net debt analysis (table 1E) the financial flows (table 1F) and the related notes; and
- the regulatory price review and other segmental reporting tables comprising the segmental income statement (table 2A), the totex analysis for wholesale water and wastewater (table 2B), the operating cost analysis for retail (table 2C), the historical cost analysis of fixed assets for wholesale and retail (table 2D), the analysis of capital contributions and land sales for wholesale (table 2E), the household water revenues by customer type (table 2F), the non-household water revenues by customer type (table 2G), the non-household wastewater revenues by customer type (table 2H), the revenue analysis and wholesale control reconciliation (table 2I), the infrastructure network reinforcement costs (table 2J), the infrastructure charges reconciliation (table 2K) and the related notes.

We have not audited the Outcome performance tables (tables 3A to 3S) and the additional regulatory information in tables 4A to 4W.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800, and applicable law, except as stated in the section on Auditors' responsibilities for the audit of the Annual Performance Report below, and having regard to the guidance contained in *ICAEW Technical Release Tech 02/16 AAF 'Reporting to Regulators on Regulatory Accounts'* issued by the Institute of Chartered Accountants in England & Wales.

Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the Regulatory accounting statements within the Annual Performance Report section of our report. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements under the FRC Ethical Standard. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – special purpose basis of preparation

In forming our opinion on the Regulatory Accounting Statements within the Annual Performance Report, which is not modified, we draw attention to the fact that the Annual Performance Report has been prepared in accordance with Condition F, the Regulatory Accounting Guidelines, the accounting policies (including the company's published accounting methodology statement(s), as

defined in RAG 3.11, appendix 2) set out in the statement of accounting policies and under the historical cost convention. The nature, form and content of the Regulatory Accounting Statements are determined by the WSRA. It is not appropriate for us to assess whether the nature of the information being reported upon is suitable or appropriate for the WSRA's purpose. Accordingly we make no such assessment.

The Annual Performance Report is separate from the statutory financial statements of the Company and has not been prepared under the basis of United Kingdom Generally Accepted Accounting Practice ("UK GAAP"). Financial information other than that prepared on the basis of UK GAAP does not necessarily represent a true and fair view of the financial performance or financial position of a company as shown in statutory financial statements prepared in accordance with the Companies Act 2006.

The Regulatory Accounting Statements on in the Annual Performance Report have been drawn up in accordance with Regulatory Accounting Guidelines with a number of departures from UK GAAP. A summary of the effect of these departures from Generally Accepted Accounting Practice in the Company's statutory financial statements is included in the tables within section 1.

The Regulatory Accounting Statements are prepared in accordance with a special purpose framework for the specific purpose as described in the Responsibilities for the Annual Performance Statement and the audit section below. As a result, the Regulatory Accounting Statements may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the Regulatory Accounting Statements is not appropriate; or
- the directors have not disclosed in the Regulatory Accounting Statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Regulatory Accounting Statements are authorised for issue.

Reporting on other information

The other information comprises all of the information in the Annual Performance Report other than the Regulatory Accounting Statements within the Annual Performance Report and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the Regulatory Accounting Statements within the Annual Performance Report does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the Regulatory Accounting Statements within the Annual Performance Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Regulatory Accounting Statements within the Annual Performance Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the Regulatory Accounting Statements within the Annual Performance Report or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

We have nothing to report based on these responsibilities.

Responsibilities for the Annual Performance Report and the audit

Responsibilities of the Directors for the Annual Performance Report

As explained more fully in the Statement of Directors' Responsibilities in the Annual Performance Report, the directors are responsible for the preparation of the Annual Performance Report in accordance with Condition F, the Regulatory Accounting Guidelines issued by the WSRA and the Company's accounting policies (including the company's published accounting methodology statement(s), as defined in RAG 3.11, appendix 2).

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of the Annual Performance Report that is free from material misstatement, whether due to fraud or error.

In preparing the Annual Performance Report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the Audit of the Regulatory Accounting Statements within the Annual Performance Report

Our objectives are to obtain reasonable assurance about whether the Annual Performance Report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Annual Performance Report.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the company's Annual Performance Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.
- Assess the reasonableness of significant accounting estimates and related

The Company has presented the allocation of operating costs and assets in accordance with the accounting separation policy set out in the Annual Performance Report and its accounting methodology statement(s) published on the Company's website on 12 July 2019. We are not required to assess whether the methods of cost allocation set out in the Methodology Statement are appropriate to the circumstances of the Company or whether they meet the requirements of the WSRA, which would have been required if we were to express an audit opinion under International Standards on Auditing (UK).

Opinion on other matters prescribed by Condition F

Under the terms of our contract we have assumed responsibility to provide those additional opinions required by Condition F in relation to the accounting records. In our opinion:

- proper accounting records have been kept by the appointee as required by paragraph 3 of Condition F; and
- the Regulatory Accounting Statements are in agreement with the accounting records and returns retained for the purpose of preparing the Annual Performance Report.

Use of this report

This report is made, on terms that have been agreed, solely to the Company and the WSRA in order to meet the requirements of Condition F of the Instrument of Appointment granted by the Secretary of State for the Environment to the Company as a water and sewage undertaker under the Water Industry Act 1991 ("Condition F"). Our audit work has been undertaken so that we might state to the Company and the WSRA those matters that we have agreed to state to them in our report, in order (a) to assist the Company to meet its obligation under Condition F to procure such a report and (b) to facilitate the carrying out by the WSRA of its regulatory functions, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the WSRA, for our audit work, for this report or for the opinions we have formed.

Our opinion on the Regulatory Accounting Statements within the Annual Performance Report is separate from our opinion on the statutory financial statements of the Company for the year ended 31 March 2019 on which we reported on 12 July 2019, which are prepared for a different purpose. Our audit report in relation to the statutory financial statements of the Company (our "Statutory audit") was made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our Statutory audit work was undertaken so that we might state to the Company's members those matters we are required to state to them in a statutory audit report and for no other purpose. In these circumstances, to the fullest extent permitted by law, we do not accept or assume responsibility for any other purpose or to any other person to whom our Statutory audit report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
5 July 2019

3.2.2 2020/21 Wholesale and Retail Charges Schedule, Charging Arrangements and Charges Schemes and Data on New Connections

Our Statement of Assurance 2019/20¹⁰, which covers our retail charges scheme, our wholesale charges schedule and charging arrangements for New Connections, was published in January 2019.

The statement covers the Charges Scheme that applies to end user customer tariffs and charges, wholesale charges to licensed retailers supplying eligible business customer premises and new connection charging arrangements to developers. Our statement is accompanied by supporting useful information on our charges. The statement was signed by the Bristol Water Board.

External assurance of the charges submission was provided by PwC, who provided an assurance statement to the Board to support approval of the tariff submission.

3.2.3 2018/19 Guaranteed Standards Scheme

Our technical assurers, Atkins, have undertaken the audits for this information. Atkins' assessment of our GSS payments provides us with confidence that there are no material issues with the quality of our reporting and records.

Table 13 - Atkins' Data Category for GSS payments

Data				
Report	2015/16	2016/17	2017/18	2018/19
GSS Payments	Not included in audit	Green	Green	Green

Table 14 - Atkins' Methodology Category for GSS payments

Methodology				
Report	2015/16	2016/17	2017/18	2018/19
GSS Payments	Not included in audit	Green	Amber	Green

3.2.4 Water Resources Management Plan and Market Information

As a key part of long-term management and planning for public water supply, water companies are required to produce a Water Resources Management Plan (WRMP) and to update it every five years. Our last WRMP was published in June 2014, and we have now reviewed it. Our technical assurers, Atkins, have undertaken the audits for this review.

Table 15 - Atkins' Data Category for WRMP Annual review

Data				
Report	2015/16	2016/17	2017/18	2018/19
WRMP Annual Review	Not included in audit	Green	Green	Green

¹⁰ Statement of Assurance 2019/20 Charges, <https://www.bristolwater.co.uk/wp-content/uploads/2019/01/Statement-of-Assurance-19-20.pdf>

Table 16 - Atkins' Methodology Category for WRMP Annual review

Methodology				
Report	2015/16	2016/17	2017/18	2018/19
WRMP Annual Review	Not included in audit	Not included in audit	Green	Green

3.3 Data Issues Identified at Audit

Following external audits from Atkins and PwC, we are confident that the final assessments, summarised in section 3.2 this document, will provide our Board, customers and stakeholders with confidence that there are no material issues with the quality of our data systems for reporting on our performance measures.

4. Our Response to the Outcome of our Data Assurance Activities

Assurance is a year round activity at Bristol Water. Strong personal and collective ownership is critical for ensuring the accuracy of information we produce, driving improvements and holding ourselves to account. Regular internal performance reporting to our Executive Committee (undertaken monthly) and Board, and half-yearly performance reporting reinforces this culture of ownership and accountability. Every year we refresh our risk assessment framework to ensure that individual accountabilities are assigned to our regulatory and statutory obligations. We operate a rigorous process of sign-off for our performance data – sign-off by the data owner, the responsible senior manager and finally the accountable director in addition to our Board governance arrangements.

We take the trust and confidence of customers and stakeholders in our data very seriously. It is our intention that by publishing transparent, accurate and reliable information, through the processes set out in our Assurance Plan, that we will demonstrate compliance with our assurance requirements. Our ambition is to ensure that all of the information we communicate externally is assured to be accurate, timely, appropriate for the intended audience and transparent. Changes that we have made to deliver on this ambition within the past year include:

- We have again published a mid-year performance report¹¹. This provides an update on performance for a number of data items, comparative information on our performance and forecasts of our future performance, as well as:
 - A statement from our Chief Executive Officer;
 - A statement from the Bristol Water Challenge Panel;
 - A statement from our independent technical assurer, Atkins, that our description of performance is fair and reasonable;
- We have updated the interactive performance graphic on our website, to include information included in our Annual Performance Report 2018/19, as well as adding information on our customers' average bill. The information about our APR on our website has also been re-designed to be more user-friendly;
- We have continued to 'dual report' our leakage performance, and its impact on per capita consumption for 2015-20 so the impact of technical improvements to the way leakage is calculated is transparent;
- Our tariff and charges publications (particularly for new connections charges) now include more customer-friendly language and user-friendly graphics, to improve their readability for interested parties. Our Statement of Assurance¹² on our tariffs also now includes an engagement summary section, setting out the organisations we have consulted and what changes we have made to the information we present as a result;
- Improvements to the format and contents of our Annual Performance Report and Data Assurance Summary, which makes it easier for our customers and stakeholders to find information, so that our performance against our Assurance Plan is transparent; and
- In addition to the Risk & Compliance Statement, our Board is also committed to publishing our 'Trust beyond water' statement, which goes beyond the legal and statutory commitments. The statement reflects on the Board's views on our operational and financial performance, assurance activities and long-term strategy. It has been published as a stand-alone document but is also included within our APR.

To provide our customer and stakeholders with confidence that we have followed our published Assurance Plan we will do the following:

¹¹ Bristol Water Mid-Year Performance Report 2018/19, <https://www.bristolwater.co.uk/wp-content/uploads/2018/12/2018-19-Mid-year-report-FINAL.pdf>

¹² <https://www.bristolwater.co.uk/charges-in-detail>

1. If during 2019/20 we plan to not meet a performance commitment, because we consider doing so would be in the best interests of our customers, we guarantee that we will:

- Be proactive and seek to engage with our customers and stakeholders at an early opportunity (for example by publishing our forecasts and management decisions in a mid-year performance report);
- Explain how our plans are in the best interests of customers; and
- Explain how customers are not worse off (for example, demonstrating in practice how customers rather than the Company will benefit from targets not met, particularly if there are impacts on bills).

2. If during 2019/20 we consider that there are errors in data we publish, even if they are not significant to customers, we guarantee that we will:

- Be proactive and seek to engage with our stakeholders at an early opportunity;
- Be able to demonstrate that the issues are not the result of failings in our assurance procedures; and
- Set out in a timely fashion how we will address the errors.

We are continually adapting our practices to address areas of data accuracy and transparency concerns and we know that to improve our assurance status we have to do more than just meet Ofwat's expectations, but to exceed the regulator's expectations by a clear margin, in particular showing how we will boost trust and confidence in the Company and in the sector, by the activities that we undertake. By demonstrating that we have a thorough system of controls (both internally and externally) to make sure that the information we report and publish achieves a high level of accuracy, our aim is to help build trust and confidence in Bristol Water and the wider water sector.

Glossary

Item	Description
Annual Performance Report	This report is the principal way we will document our yearly performance and hold ourselves publicly to account. The report will include inputs from other areas covered by this assurance plan (e.g. financial accounts) and require some forecasts of performance.
Assurance	Assurance is about providing confidence and a level of certainty that a piece of information or data is correct.
Assurance Plan	A document that aims to provide customers and stakeholders with the information to understand how confident we are as a company that the data we publish is accurate and can be trusted.
Business Plan	A document summarising our wholesale and retail plans. Our PR14 business plan covers the period 2015 to 2020. Our PR19 business plan will cover the period 2020 to 2025.
Company Monitoring Framework	Ofwat's framework that sets out the way in which companies provide performance information to their customers and stakeholders between 2015-2020. It is a tool Ofwat use to challenge all companies to demonstrate information is reliable, timely and appropriate.
Customer Challenge Panel	Known as the Bristol Water Challenge Panel (BWCP), this is an independent group of representatives who ensure we continue to be held to account for delivering our commitments and meeting the promises we make to our customers.
Drinking Water Inspectorate (DWI)	The independent regulator of drinking water in England and Wales, ensuring that water companies supply safe drinking water that is acceptable to consumers and meets the standards set down in law.
Environment Agency (EA)	Regulator for the natural environment in England.
Guaranteed Standards Scheme (GSS) payments	All customers of water and sewerage companies are entitled to guaranteed minimum standards of service, as laid down by the Government, known as the guaranteed standards scheme. Where a company fails to meet any of these standards of service then it is required to make a specified payment to the affected customer. Ofwat monitor the scheme and recommend charges.
Methodology	A system of processes and procedures for collecting data and calculating our performance commitment measures. Formal methodologies make sure our approach to reporting performance is consistent.
Non-household competition	The Government introduced a legislative framework for a reformed retail market for non-household customers (businesses, charities and public sector), which commenced in England in April 2017.
Ofwat	The colloquial term often used to refer to the Water Services Regulation Authority, which acts as the economic regulator of the water industry.
Outcomes	Higher-level objectives that company actions, activities and achievements are intended to help deliver, representing what customers and society really value.
Performance commitments	Our outcomes are supported by associated performance commitments that identify our committed level of performance under each outcome.
Price controls	The limits set by Ofwat on the charges that appointed companies can make for their services
Water Resources Management Plan (WRMP) 2019	The Water Resource Management Plan is an appointed water undertaker's strategic plan for managing water supply / demand balance over a 25 year period.