Statement of Risks, Strengths and Weaknesses of Information 2019/20

A consultation with our customers and stakeholders on the accuracy and reliability of the information we report and publish on.

Contents

Introduction

About Bristol 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 achieve Trust beyond water – providing excellent customer experiences. Our mission is to be a company which our communities trust and are proud of. In doing so, we will deliver excellent experiences and create social and economic value.

We been providing an essential public water service to the communities within and surrounding the city of Bristol since 1846. We were established by an Act of Parliament as a privately financed water company with a strong social purpose to improve public health by the provision of a clean and affordable supply of water to the whole city (not just the wealthy few).

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 Wessex Water.

In 2014 we published a business plan setting out our priorities for 2015-20. This included a number of key aims and the outcomes that we want to deliver for our customers and stakeholders.
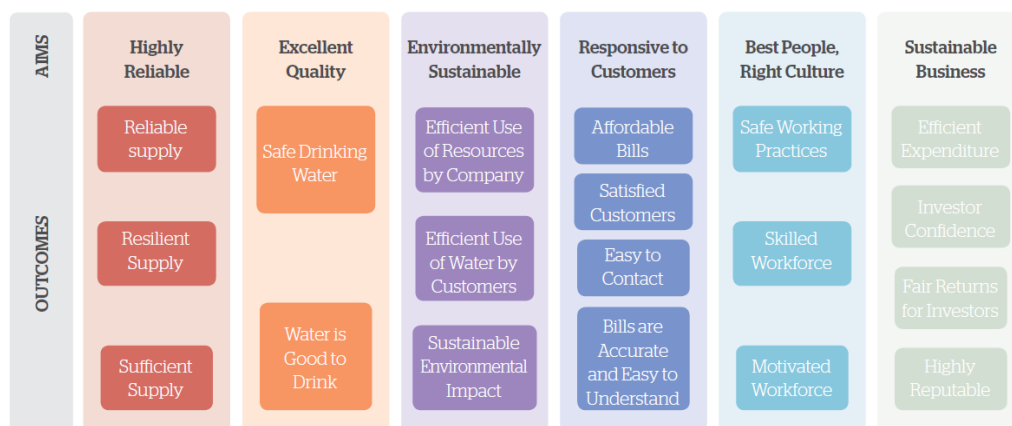
In our Annual Performance Report, published in July 2019, we set out our performance to date in 2015-19, and included comparisons to other companies' performance in 2017/18 (the most recent year availability of comparisons to other companies' performance could be made).

Over the last few years Bristol Water has participated in the European Benchmarking Co-operation (EBC), a water industry-based, not-for-profit benchmarking exercise on costs, performance and asset base. 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 certificate[1], 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.

About this Document

This document considers the risks, strengths and weaknesses of the data we assess and report on, and how we aim to safeguard trust and confidence in the information we provide. It presents the results in two risk matrixes.

We consider it important to demonstrate to our customers and other stakeholders that the information that we regularly report on 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. The milestones that contribute to this process are presented in the table below.

Document	Date published
Statement of Risks, Strengths and Weaknesses 2019/20 (this document)	November 2019
Mid-Year Performance Report	December 2019
Draft Assurance Plan	January/ February 2020
Final Assurance Plan	March 2020
2019/20 Annual Performance Report, Data Assurance Summary and Risk & Compliance Statement	July 2020

We first published an assessment of our risks, strengths and weaknesses in November 2015 and undertook the same process in November 2016, November 2017 and November 2018. This latest version takes into account the outcomes of the assurance work we have carried out in the last year.

This year we have presented the results of our risk assessments into two risk matrices. This is because we have not limited our risks assessments to just our end of year performance reporting, but rather considered the information we provide to customers and stakeholders, and our

---

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

regulatory and statutory obligations, more broadly. We have therefore extended the scope of our review to include additional data that we publish and provide to regulators; including data we have submitted as part of our Business Plan for 2020-2025 and associated 'shadow' data (data that is submitted to Ofwat but which will not be published until after April 2020). The two risk matrices show data that is reported on for 2019/20 and data reported on from April 2020 (in the 2020/21 reporting year).

Much of this data is also used to determine the activities and initiatives we undertake as part of our social contract.[2] We see a social contract as a framework that will help us have a positive impact on the wellbeing of society. It has to provide assurance of how we deliver services that go beyond the basic requirements of competitive markets, regulation and legislation and corporate social responsibility.

The risks, strengths and weaknesses exercise considers both data assurance and how we provide information on our assurance activities to customers more generally. A number of factors are taken into account when determining the assessment of risk for each item of data we report on, such as:

Figure 1 – Risk assessments that determine a risk rating

- Company risk assessments – our methodology is discussed in this paper
- Independent assurance – in addition to our internal processes, we incorporate the feedback from our technical auditors (Atkins), financial auditors (PwC) and any feedback we have received from Ofwat from previous years
- External engagement – we consider the views of the Bristol Water Challenge Panel and will also take into account any feedback we receive as part of this consultation exercise
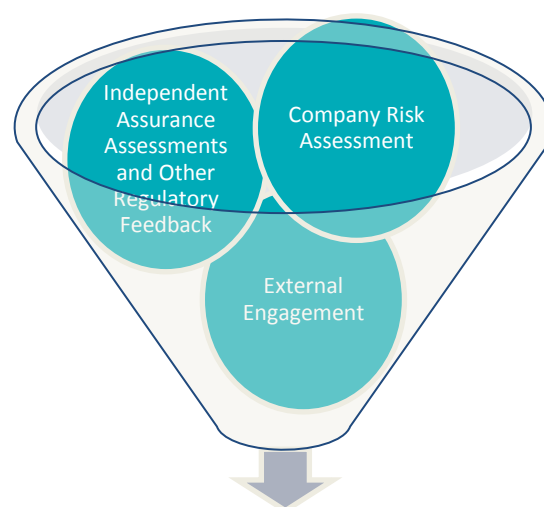
Assessment of risk for each data item

---

[2] Bristol Water for All: our purpose and social contract to buid trust beyond water

In this document, we set out the results of our analysis of our risk assessment, the controls that we have in place to minimise inaccurate reporting of data and identify the areas where we will target our assurance activities. The assurance activities will be explored further in our draft Assurance Plan, which will be published as a part of a consultation in early 2020.

The document concludes with our statement on our risks, strengths and weaknesses, which is intended to add transparency and clarity for our customers and stakeholders, to allow them to understand how the exercise has been carried out and why the areas highlighted are the most appropriate areas to target for the reporting year ahead. This exercise will help to prevent inaccurate reporting of data that will be included in our key regulatory submissions, such as in our Annual Performance Report. We will publish a final version of our Assurance Plan by 31 March 2020, ahead of our annual reporting and audit programme.

Regulatory Requirements

In June 2015, the economic regulator of the water sector, Ofwat, published a Company Monitoring Framework (CMF), which set out how it 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. Ofwat introduced the CMF to encourage all water companies to conduct high quality assurance of the information that they produce. Ofwat's view is that since the CMF was introduced it has raised standards of company reporting and assurance.

Previous assessments of the CMF are below, but Ofwat has recently announced[3] that it will not publish further CMF assessments; it is developing and updating a framework for monitoring and assessing company performance through the launch of a new strategy in the near future.

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

---

[3] Ofwat IN19/04 – August 2019 - https://www.ofwat.gov.uk/wp-content/uploads/2019/08/CMF-information-notice.pdf

Area of Assessment	2016 Assessment	2017 Assessment	2018 Assessment
PR19 initial assessment of business plans – data quality	Not included	Not included	Meets expectations
Wider assurance and information	Not included	No issues	No issues

Although these assessments will no longer be published, there are a number of minimum requirements Ofwat expects companies to continue to undertake.

Activity	Detail	Date
Engagement on and publish risks, strengths and weaknesses exercise and statement (this document)	We must carry out a consultation exercise each year to consider the risks, strengths and weaknesses of the areas of information we publish, in order to target areas to improve. This exercise considers both data assurance and how we provide assurance to customers more generally. The exercise takes account of our stakeholders' views. We must complete and publish our statements on our risks, strengths and weaknesses exercise by 30 November. This will be published on our website.	30 November 2019
Publish draft assurance plans	We need to complete the risks, strengths and weaknesses exercise before we can publish our draft Assurance Plans. We engage with stakeholders, giving them the opportunity to provide comments on our draft Assurance Plans. For areas that the exercise identifies we should target, we will publish our draft Assurance Plans on our website.	January/ February 2020
Publish final assurance plans	We will publish our final Assurance Plan, providing responses to any comments we have received.	31 March 2020
Other requirements	We must also provide: • transparency on the audit procedures we have put in place in relation to data assurance; and • a summary of the outcome of the data assurance that has been carried out.	15 July 2020

In addition, in June 2019 Ofwat wrote to all companies to highlight the consequences of "deliberate misreporting" and its expectaction that we consider the following questions to ensure we can continue to demonstrate that we act with integrity, honesty and transparency:[4]

---

[4] [Letter from Rachel Fletcher to water companies on obligations](#)

Are Ofwat's findings against Southern Water (the deliberate misreporting of its poor performance from 2010 to 2017), and the public reaction, widely understood across your business?

How confident are you that the events in Southern Water could not happen in your company? How does your Board test that the governance and assurance arrangements you have in place give you the right information about your performance? What do you do to encourage an appropriate culture in the organisation as a whole? How do you encourage your people to speak up if something is wrong?

What are you doing to allow your stakeholders and especially those in the communities you serve, to help you understand the impact you are having? For example, could you provide more open access to raw performance data? Are you and your Board plugged in to what influencers and customers are saying on social media? Are you making it easy enough for local groups to have a two way dialogue with you about their concerns?

This framework then 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. This statement of risks, strengths and weaknesses is therefore another opportunity to address the concerns raised in our assurance activities taken to date and it has taken on board the challenges listed above that Ofwat has set the industry.

The Board of Bristol Water use the statement of risks, strengths and weaknesses as part of the continuous process of ensuring data builds trust amongst a wide range of users. The link in our social contract of engaging on how delivery across sectors and different types of organisations helps to achieve this aim. For instance, our Resource West initiative includes looking at how open data approaches may provide greater insight. Improving automation for our internal reporting also is part of how we are ensuring insight on a wide range of performance drivers helps to ensure that data is accurate as well as being reliable so that it can be used to fully understand the drivers of both good and poor performance.

Responding to this Consultation

We have published this document as a consultation. We engage with our customers and stakeholders annually to understand any issues with the data and information we intend to publish. We would therefore like to hear your views on the way we assess data and information and how we present our performance to customers and other stakeholders. We would ask you to read through the whole document and carefully consider the following questions, which we invite your views upon:

1. Is the information that Bristol Water publishes produced in a useful and easy to understand format, and sufficiently precise for your needs?
2. What do you consider to be the most important type of information that Bristol Water provides? This could be information about your bill, the work we are doing in your area, whether we are meeting our customer service targets, our financial performance or other information and data that we publish.
3. Is there any information that Bristol Water does not currently publish that you consider would be useful?
4. Do you have any concerns about the quality of the information that is provided by Bristol Water? Do you consider it to usually be reliable?
5. Are there lessons we could learn from elsewhere to improve the reliability of our information?
6. Are there any types of information identified in the risk matrix that you think have a substantial impact on you as a stakeholder/ customer? Please indicate which data item if so.
7. Are there any other risks, strengths or weaknesses in the information that we report on and publish that you think we should address?

Please let us know your thoughts on the consultation questions or any other comments you may have. You can respond by email to alex.smethurst@bristolwater.co.uk, or by post to:

Alex Smethurst
Bristol Water
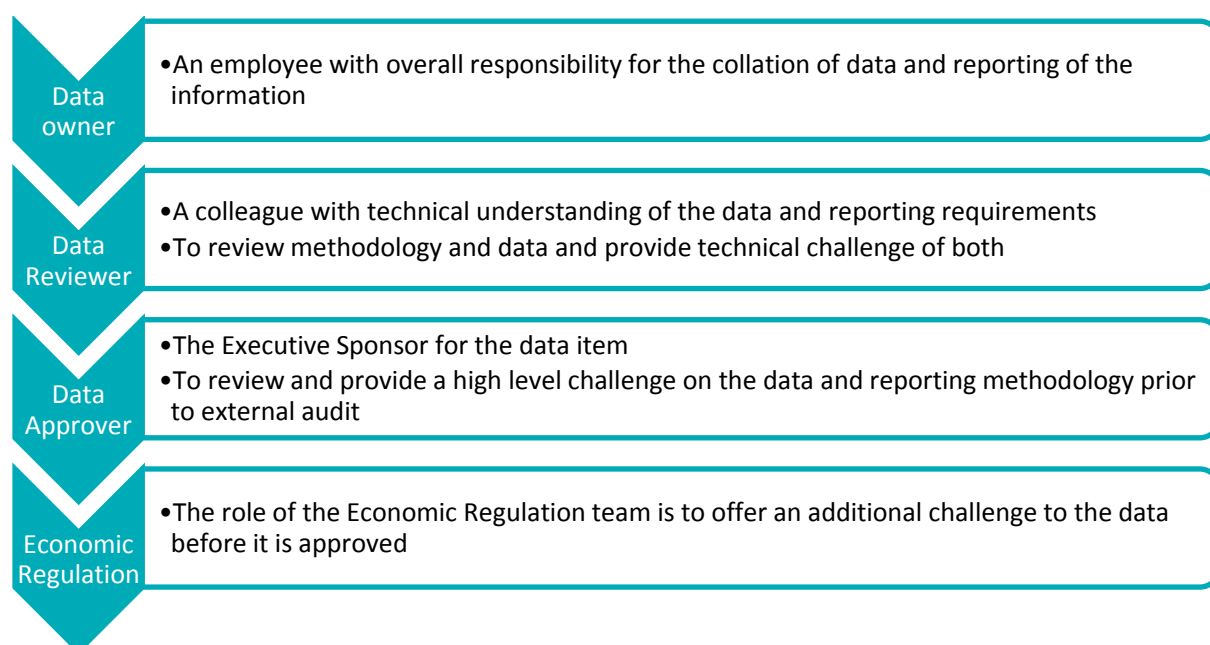Bridgwater Road
Bristol
BS13 7AT

Your views are requested by 31 December 2019. The feedback we receive will be used to inform and develop our draft Assurance Plan, which will be published as a consultation document by early February 2020 and finalised by 31 March 2020.

Our Risks, Strengths and Weaknesses Exercise

Our approach to providing information and reporting on performance

We use a thorough system of controls to make sure that the information we report and publish is as accurate as possible. For the data items that are most critical to our customers' understanding of our performance (information reported in sections 3 and 4 of our Annual Performance Report), 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 and reviewer to identify any concerns with the quality of the data, for investigation by senior managers and Directors. A data approver (the Executive Director responsible for the area the data item relates to) then approves the quality of the data, in consultation with Economic Regulation team. The roles and responsibilities are summarised below.

Figure 2 – Roles and Responsibilities for Data Items

Data owner	• An employee with overall responsibility for the collation of data and reporting of the information
Data Reviewer	• A colleague with technical understanding of the data and reporting requirements • To review methodology and data and provide technical challenge of both
Data Approver	• The Executive Sponsor for the data item • To review and provide a high level challenge on the data and reporting methodology prior to external audit
Economic Regulation	• The role of the Economic Regulation team is to offer an additional challenge to the data before it is approved

A committee of Executive Directors reviews all 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.

Figure 3 – Tiers of internal assurance
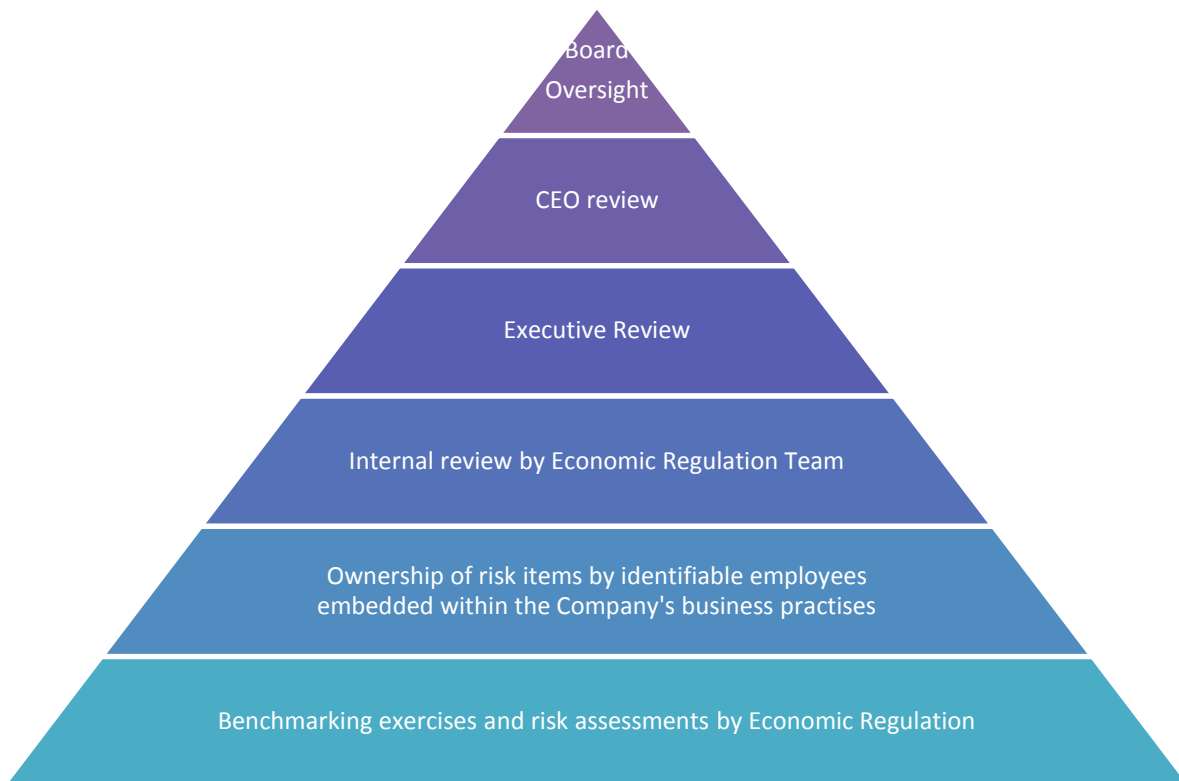
We also use external expert auditors to review our methods, systems and processes for reporting key data and information. In particular Atkins provides technical assurance on our regulatory submissions, and financial auditors, PwC, audit our key financial data. We also have an internal audit function, which is currently outsourced to Mazars. These auditors provide reports to our Board to provide confidence in the accuracy of the information produced. Our main regulatory submissions are subject to sign off by the Board before we send them to Ofwat.

In addition, we have continued the practise of undertaking mid-year audits of data and methodologies for our PR14 performance commitments, carried out by Atkins, as our performance for these data items directly impact our customers. Measures which are assessed based on an annual calculation were not reviewed at mid-year. The outcome of these two audits on our data and methodology documents, as well the assessments for previous years, is as follows:

Table 1 - Review of Data Quality

Performance Commitment	2015/16	2016/17 Mid-Year	2016/17	2017/18 Mid-Year	2017/18	2018/19 Mid-Year	2018/19	2019/20 Mid-Year
Unplanned customer minutes lost	Green	Green	Green	Green	Green	Green	Green	Green
Asset reliability - infrastructure (bursts and low pressure)	Green	Green	Green	Green	Green	Green	Green	Green
Asset reliability - non-infrastructure (turbidity and unplanned maintenance)	Green	Green	Green	Green	Green	Green	Green	Green
Population in centres >25,000 at risk from asset failure	Green	Green	Green	Green	Green	Green	Green	Not included – scheme completed
Security of supply index (SOSI)	Green	Not included	Green	Not included	Green	Not included	Green	Not included
Hosepipe ban frequency	Green	Not included	Green	Not included	Green	Not included	Green	Not included
Mean zonal compliance (MZC)	Green	Green	Green	Green	Green	Green	Green	Green
Negative water quality contacts	Green	Green	Green	Green	Green	To be completed Jan 2020	Green	To be completed Jan 2020
Leakage	Green	Green	Green	Green	Green	Green	Green	Green
Per capita consumption (PCC)	Green	Green	Green	Green	Green	Green	Green	Green
Meter penetration	Green	Green	Green	Green	Green	Green	Green	Green
Total carbon emissions	Green	Green	Green	Green	Green	Green	Green	Green
Raw water quality of sources	Green	Not included	Green	Green	Green	Green	Green	Green
Biodiversity index	Green	Not included	Green	Green	Green	Green	Green	Green
Waste disposal compliance	Green	Green	Green	Green	Green	Green	Green	Green
Percentage of customers in water poverty	Green	Not included	Green	Not included	Green	Not included	Green	Not included
Service incentive mechanism (SIM)	Green	Green	Green	Green	Amber	Green	Green	Green
General satisfaction from surveys	Green	Not included	Green	Not included	Green	Not included	Green	Not included
Value for money	Green	Green	Green	Green	Green	Green	Green	Green
Ease of contact from surveys	Green	Green	Green	Green	Green	Green	Green	Green
Negative billing contacts	Green	Not included	Green	Green	Green	Green	Green	Green

Table 2 - Methodology Assessments

Performance Commitment	2015/16	2016/17 Mid-Year	2016/17	2017/18 Mid-Year	2017/18	2018/19 Mid-Year	2018/19	2019/20 Mid-Year
Unplanned customer minutes lost	Amber	Amber	Green	Green	Green	Green	Green	Green
Asset reliability - infrastructure (bursts and low pressure)	Amber	Amber	Amber	Green	Green	Green	Green	Green
Asset reliability - non-infrastructure (turbidity and unplanned maintenance)	Amber	Green	Green	Green	Green	Green	Green	Green
Population in centres >25,000 at risk from asset failure	Amber	Amber	Green	Green	Green	Green	Green	Not included – scheme completed
Security of supply index (SOSI)	Amber	Not included	Green	Green	Green	Green	Green	Not included
Hosepipe ban frequency	Amber	Not included	Green	Green	Green	Green	Green	Not included
Mean zonal compliance (MZC)	Green	Green	Green	Green	Green	Green	Green	Green
Negative water quality contacts	Green	Green	Green	Green	Green	To be completed Jan 2019	Green	To be completed Jan 2020
Leakage	Amber	Green	Green	Green	Green	Amber	Green	Green
Per capita consumption (PCC)	Amber	Green	Green	Green	Green	Amber	Green	Green
Meter penetration	Green	Green	Green	Green	Green	Green	Green	Green
Total carbon emissions	Green	Green	Green	Green	Green	Green	Green	Green
Raw water quality of sources	Amber	Not included	Green	Green	Green	Green	Green	Green
Biodiversity index	Amber	Green	Amber	Green	Green	Green	Green	Green
Waste disposal compliance	Green	Green	Green	Green	Green	Green	Green	Green
Percentage of customers in water poverty	Green	Not included	Green	Not included	Green	Green	Green	Not included
Service incentive mechanism (SIM)	Green	Green	Green	Amber	Amber	Amber	Green	Assessed at component level due to overlap with C-MeX
General satisfaction from surveys	Green	Not included	Green	Not included	Green	Green	Green	Not included
Value for money	Green	Amber	Green	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	2019/20 Mid-Year
Ease of contact from surveys	Green	Amber	Green	Green	Green	Green	Green	Green
Negative billing contacts	Green	Not included	Green	Green	Green	Green	Green	Green

We have reflected these findings in our risk assessments, to indicate that controls need to be strengthened where the status of our methodology documents and data quality is shown as Amber, i.e. SIM.

In addition, the Bristol Water Challenge Panel (BWCP) reviews our performance against delivery of our PR14 business plan, including the assurance arrangements in place to support data reporting. The BWCP is comprised of representatives from the Consumer Council for Water, the Environment Agency, Natural England and local councillors. In addition, the Panel has several independent members representing Regional Industry, Local Farming and Public Health.

Figure 4 – Challenge Panel Membership
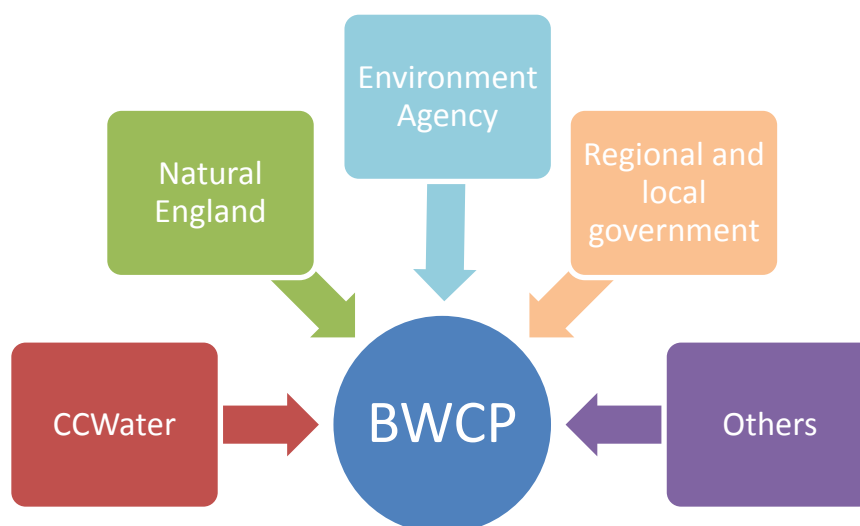
We provided details of our 2018/19 performance to the BWCP on 13 June 2019. A further meeting of the BWCP was convened on 27 November 2019 to review our 2019/20 mid-year performance, our assurance framework and progress against actions raised from year end reporting.

Progress on delivery of our assurance plan will be reviewed by the BWCP in the summer of 2020, when 2019/20 year-end performance data will be presented.

Identification of risk items

In addition to our PR14 performance commitments, there are many other sources of information on which to base the assessment of our risks, strengths and weaknesses. 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 on is set out in the figure below.

Figure 5 - Identifying Risk Items

Identify the immediate relevant data items we provide to customers and regulators

Review whether the next Annual Performance Report and other regulatory submissions will include information that has not historically been considered as part of the risk assessment.

Identify the relevant data items we will provide to customers and regulators in future years

Review whether the Company is reporting on information to regulators that will in future years be published.

Assess the relevancy of existing data items included in risk assessment

Determine whether data items included in previous risk assessments will continue to be reported on.

Consult on Statement of Risks, Strengths and Weaknesses (this document)

Consultation with our stakeholders is an important part of this process. The consultation asks for views on whether the Company has targeted the correct areas of where we think the risks are greatest and whether there are any areas missing.

This year we have presented the results of our risk assessments into two risk matrices. The two risk matrices show data that is reported on in 2019/20 and data reported on from April 2020 (in the 2020/21 reporting year). The data items have been included for the following reasons:

- Performance commitments made in our PR14 business plan
- The customer tariffs we publish each year in our charges scheme
- Our regulatory accounts that we publish each year
- Information on compensation payments made through the 'Guaranteed Standards Scheme' and the Bristol Water Bond
- Information on water quality provided to the Drinking Water Inspectorate
- Information provided to the Environment Agency
- Information on customer complaints provided to the Consumer Council for Water
- Data provided for opening of the market for retail services to non-household customers from April 2017
- Information provided to Water UK on services to developers
- Information required as part of Annual Performance Reporting
- Industry standardised performance commitments due to come into effect in April 2020
- Other performance commitments identified in our PR19 business plan due to come into effect in April 2020
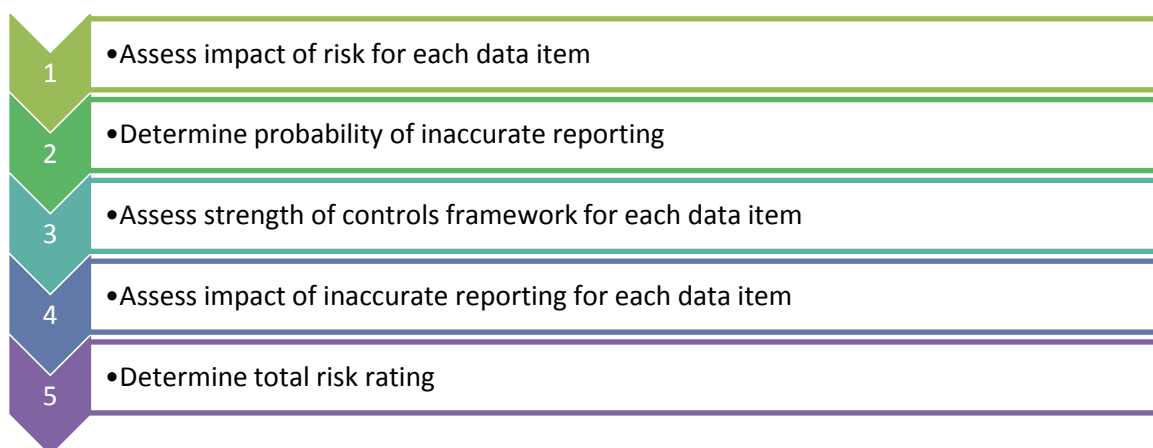
A full list of the data items we will report on for 2019/20 is included in appendix 1 and a full list of the data items we will report on for 2020/21 is included in appendix 2.

Our methodology for assessing our risks, strengths and weaknesses

The Company risk assessment has been carried out by the team in Bristol Water responsible for reporting information to customers, regulators and stakeholders, the Economic Regulation team, in consultation with risk item data owners. This team has detailed knowledge of our reporting processes and requirements, and the control framework in place for assurance of our information.

To carry out our analysis we have examined the inherent probability of inaccurate reporting this information, the strength of the control framework we have in place to mitigate this risk and the potential impacts of any errors. We have based our methodology on the Data Assurance Guidance for Electricity and Gas Network Companies, published by Ofgem in February 2015. This framework provides a sound basis for assessment of data reported by utility companies. We have in some cases made alterations to the detail of our assessment to take account of differences in priorities or processes between the water and energy industries. This methodology identifies a five-stage risk assessment process, as set out in the figure below. The full methodology can be found in appendix 3.

Figure 6 – Risk Assessment Methodology

1	•Assess impact of risk for each data item
2	•Determine probability of inaccurate reporting
3	•Assess strength of controls framework for each data item
4	•Assess impact of inaccurate reporting for each data item
5	•Determine total risk rating

Assess the impact of risk for each data item

A risk is defined as an uncertain future outcome that, if it occurs, will have negative effects on the quality and reliability of our Annual Performance Report and other regulatory submissions. A risk is specified by the combination of the probability of it occurring and a measure of the impact should it occur. We have not limited our risks assessments to just our end of year performance reporting, but rather considered the information we provide to customers and stakeholders, and our regulatory and statutory obligations, more broadly.

Determine probability of inaccurate reporting

The inherent probability of inaccurate reporting is assessed against four criteria:

- Complexity of data sources.
- Completeness of data set.
- Extent of manual intervention.
- Complexity and maturity of reporting rules.

Each data item is given a score between two and four, with four representing the highest risk of inaccurate reporting.

Assess strength of control framework

The control framework for each measure is assessed against three criteria:

- Control activities.
- Experience of personnel.
- Evidence of historical errors with this data.

Each data item is given a score between zero and two, with zero representing the least effective control framework. No item has been awarded a score of two if Atkins has identified the internal methodology we use as needing improvement.

Assess impact of inaccurate reporting

We have assessed the impact of inaccurate reporting or calculation of each measure against four criteria[5]:

- Impact on customers.
- Impact on company reputation.
- Strength of financial incentive.
- Use as industry comparator.

Each data item is given a score between one and four, with four representing the greatest impact. If a customer or stakeholder responds to our consultation questions with a suggestion that a data item has a significant impact on them, then we will re-assess the data items' risk assessment before publishing our assurance plan in March 2019.

Determine total risk rating

A total risk rating relates to the level of expectation that inaccurate or incomplete data will be submitted to our stakeholders in the future and the possible consequences. The probability score is taken as the maximum of any of the scores given in that assessment. The control score is taken as the average of the scores given in that assessment. A post-control probability score is taken by deducting the control score from the probability. Where this produces a result of zero, a score of one is applied.

The post-control probability and impact scores are taken together to ascertain a position on a risk matrix:

---

[5] We have chosen the company reputation criterion in place of the competition criterion suggested in the Ofgem paper, as this was considered to be a more appropriate consideration for assessment of our outcomes, most of which do not impact on the competitive market

Figure 7 - Impact Probability Risk Matrix[6]
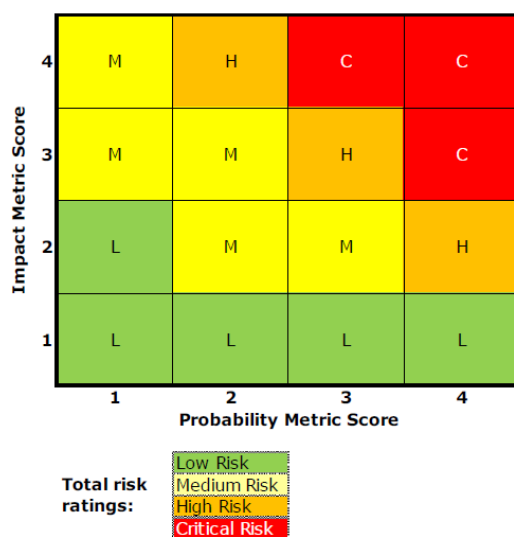
A measure can only be classified as 'critical' where there are potential weaknesses in the control framework; our aim is to ensure that any such weaknesses are identified and addressed. Our objective is for the probability score to be no greater than 2, and that therefore each measure is no greater than medium risk, unless it has a very high impact.

Probability metric scores of 3 or 4 could be due to factors such as the range of data sources used or the complexity of reporting rules and associated assumptions. In these cases we will review whether simplification is possible, and whether the control framework can be further strengthened to minimise the risk of inaccurate reporting. Probability metric scores of 3 or 4 are also likely for new reporting requirements, where although we will strengthen the control framework as part of our process, the probability score will often be high in advance of this initial reporting process being completed.

Risk assessment results

The position on the assessment matrix of each piece of information we have assessed is shown in the figure below. The full results of the assessments we carried out are set out in Appendix 1 and 2. Impact is on the vertical axis and probability is on the horizontal axis.

These factors do not reflect an expectation of an increase in any adverse impact on customers, but rather reflects the Company's ability to identify the potential for errors and act accordingly to address them.

---

[6] Taken from Ofgem Data Assurance Guidance, page 16

Figure 8 - Results of Risk Assessment for 2019/20 data

For the risk assessment relating to 2019/20 data items, 35 out of 45 data items have been assessed as either a low or medium risk rating.

Key:

Low	Medium	High	Critical

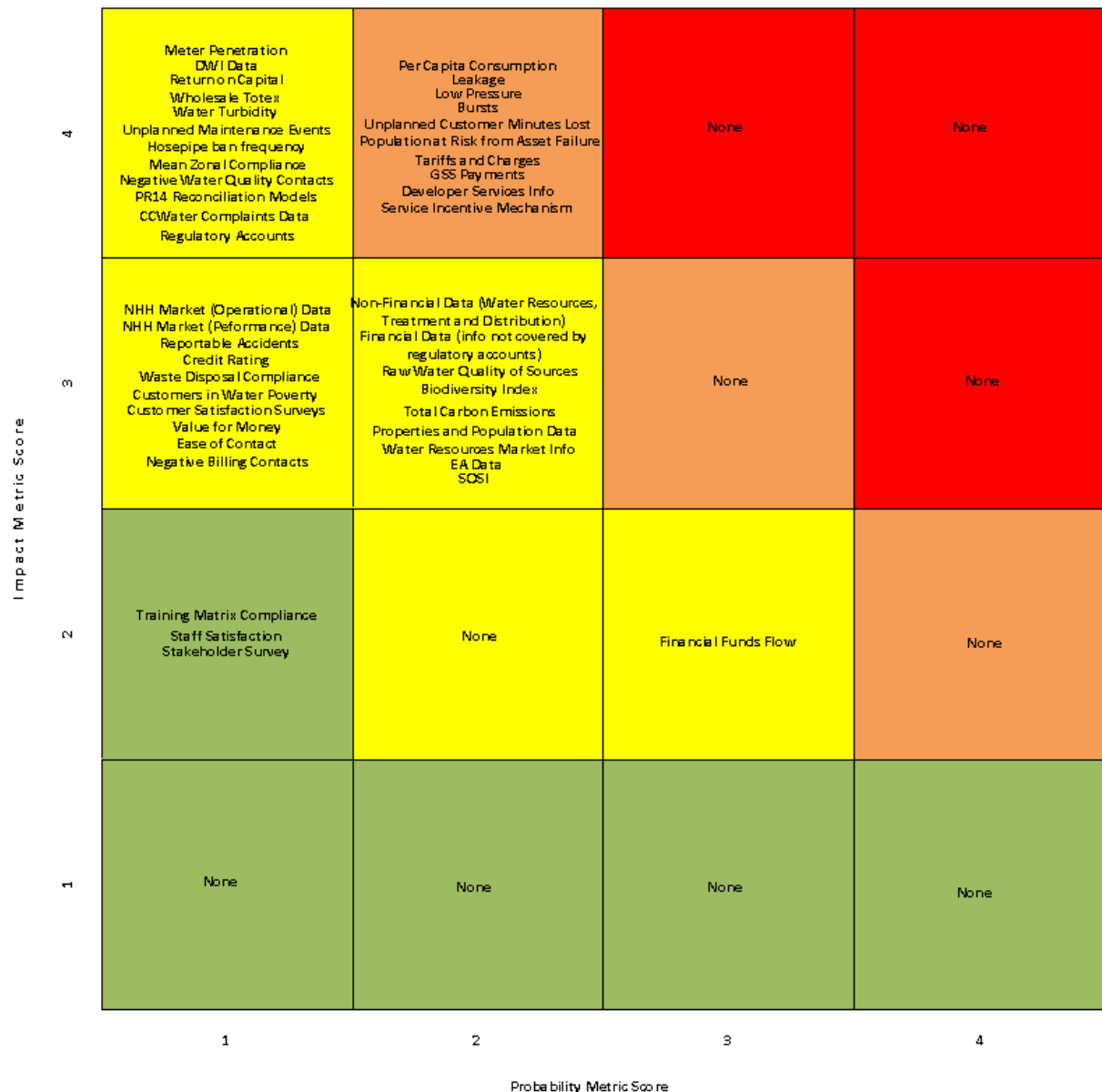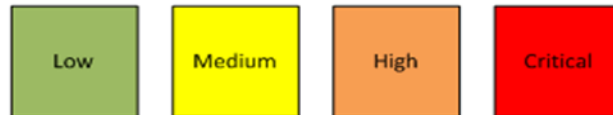| Impact Metric Score	Probability 1	Probability 2	Probability 3	Probability 4
4	Meter Penetration DWI Data Return on Capital Wholesale Totex Water Turbidity Unplanned Maintenance Events Hosepipe ban frequency Mean Zonal Compliance Negative Water Quality Contacts PR14 Reconciliation Models CCWater Complaints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

Probability Metric Score

Figure 9 - Results of Risk Assessment for 2020/21 data

For the risk assessment relating to 2020/21 data items, 34 out of 45 data items have been assessed as either a low or medium risk rating.

Impact Metric Score	Probability Metric Score 1	Probability Metric Score 2	Probability Metric Score 3	Probability Metric Score 4
4	PSR Data PR14 Final Reconciliation & ODIs DWI Data Regulatory Accounts Water Turbidity Unplanned Maintenance Events Meter Penetration Water Quality – Taste/Odour Contacts Water Quality – Appearance Contacts Complaints Data D-MeX	Per Capita Consumption Leakage Low Pressure Bursts Reducing Population at Risk from Asset Failure Tariffs and Charges GSS Payments Developer Services Info Supply Interruptions C-MeX	None	None
3	NHH Market (Operational) Data NHH Market (Performance) Data Waste Disposal Compliance Customers in Water Poverty Value for Money Unplanned Outage WINEP Data	Non-Financial Data (Water Resources, Treatment and Distribution) Financial Data (info not covered by regulatory accounts) AIM Revenue Forecasting Incentive Raw Water Quality of Sources Biodiversity Index Carbon Emissions Properties and Population Data Drought Restrictions Water Resources Market Info EA Data Water Quality Compliance	Void Properties	None
2	None	Vulnerable Customer Satisfaction	Local Community Satisfaction Financial Funds Flow Social Contract Mechanism	None
1	None	None	None	None

Probability Metric Score

It is our intention that all information assigned as high or critical risk (in either risk assessment matrix) would be subject to external assurance prior to publication. This would normally be from our technical assurers or financial auditors, who provide a statement to our Board on their findings. Where risks are identified as low or medium, we will consider the extent to which external assurance is required, or whether our internal controls will provide sufficient confidence in the quality of the data.

Critical

No measures were identified as being within the critical category in either risk assessment. This is the third year in a row that no data items have been assessed as a critical risk.

High

Ten data items were identified as high risk in the 2019/20 risk assessment and eleven data items were identified as high risk in the 2020/21 risk assesment. Most of the data items at high risk in the

2019/20 risk assessment overlap with the 2020/21 risk assessment (however changes in definition impact three of the data items). The one additional data item at risk in the the 2020/21 risk assessment is the void properties data item.

All such data items will be 'targeted' as part of our assurance plan activities, which will be developed as part of Assurance Plan. The initial reasoning behind their high risk assessment is provided below for completeness.

Open access to raw performance data could help to improve the risk rating for nine of the high risk data items (leakage, PCC, low pressure, bursts, UCML, supply interruptions, population at risk from asset failure, SIM and void properties); the benefits and risks of publishing such data is being evaluated.

Leakage
This data item has been identified as high risk in both risk assessments. The impact of inaccurate reporting would be significant due to the financial incentive attached to leakage performance, the reputational impact and Ofwat's use of leakage to compare company performance. We control these risks through a strong control framework, which applies to our current measuring approach and the shadow reporting of the future leakage metric. The complexity of data sources involved in the collation of data is however contributing to a high probability of inaccurate reporting materialising.

In addition, athough having an immaterial impact, there are a number of outstanding areas of data improvement highlighted by Atkins that need addressing for this data item.

Per Capita Consumption (PCC)
This data item has been identified as high risk in both risk assessments. Although a strong control framework is in place, the risk rating is due to the complexity of data sources involved. The impact of inaccurate reporting is high because of the impact on customers and because the measure will be used as an industry comparator.

Although Atkins had highlighted a lower confidence grade attributed to the unmeasured consumption component as an outstanding area for improvement, our remedial actions over plumbing loss reporting has ensured this has been resolved.

Low Pressure
This data item has been identified as high risk in both risk assessments. Although a strong control framework is in place, the risk rating is due to the complexity of data sources, which involves multiple systems. The impact of inaccurate reporting would be significant due to the impact on service to customers and the financial consequences to the company for our infrastructure asset reliability performance.

Bursts
This data item has been identified as high risk in both risk assessments. Although a strong control framework is in place, the risk rating is due to the complexity of data sources, which involves multiple systems. The impact of inaccurate reporting would be significant due to the impact on service to customers, the impact on our reputation and the financial consequences to the company for our infrastructure asset reliability performance.

Unplanned Customer Minutes Lost (UCML)

Although a strong control framework is in place, this risk rating is due to the complexity of the data involved, with sources derived from multiple systems. The impact of inaccurate reporting would be significant due to the impact on customers, the impact on our reputation and the financial incentive attached to the measure.

Population at Risk from Asset Failure

This risk item is influenced solely by delivery of specific schemes so the metric has to be viewed in the context of the AMP6 investment plan (derived through PR14 investment planning). It improves the reliability of the water supply provided to customers in areas with a population greater than 25,000. Although a strong control framework is in place, this risk rating is due to the complexity of the data sources involved, which are derived from multiple systems. The impact of inaccurate reporting would be significant due to the financial incentive attached to the measure.

Tariffs and Charges

This data item has been identified as high risk in both risk assessments. Although a strong control framework is in place, the risk rating is due to the significant level of manipulation of data and judgement involved in the interpretation of the data. The impact of inaccurate reporting would be highly significant due to the impact on bills paid by customers.

GSS Payments

This data item has been identified as high risk in both risk assessments. Although a strong control framework is in place, the risk rating is due to the significant level of manipulation of data and judgement involved in the interpretation of the data, as well as the complexity of data sources involved. The impact of inaccurate reporting would be highly significant due to the impact on bills paid by customers.

In addition, although having an immaterial impact, Atkins had highlighted some training issues, as well as suggesting improvements to record keeping, so as not to expose the Company to the risk of non-compliance with the GSS legislation. In response to this an action plan is being developed, which our Assurance Plan will provide an update on.

Developer Services Information

This data item has been identified as high risk in both risk assessments. Since April 2015 all water companies have been required to publish information on their performance in handling enquiries from developers. This information is collated by the industry body Water UK. The complexity of data sources involved in the collation of data is however contributing to a high probability of inaccurate reporting and the impact of inaccurate reporting is high because of the impact on our customers and recognition that the measure is used as an industry comparator.

Service Incentive Mechanism (SIM)

The high risk rating is primarily in recognition of the concerns Atkins raised in its assurance report of 2019/20 mid-year performance. Atkins noted that for 2019/20 the SIM guidance is significantly different from previous years (due to the changes required to report on C-MeX from 2020/21) and as such it was be anticipated that there would be challenges for the industry (not just Bristol Water) in interpreting the guidance and bedding in new systems and processes. These challenges are reflected in Atkins' findings and therefore in the risk assessment.

Customer Measure of Experience (C-MeX)

The high risk rating is primarily in recognition of the concerns Atkins raised in its assurance report of 2019/20 mid-year performance. Atkins noted that the guidance is significantly different from the

pilot year and as such it was be anticipated that there would be challenges for the industry (not just Bristol Water) in interpreting the guidance and bedding in new systems and processes. hese challenges are reflected in Atkins' findings and therefore in the risk assessment.

Supply Interruptions

This data item uses a different definition to our current performance commitment for supply interruptions (UCML). It has been included as a separate risk item as we will adopt the metric from April 2020 and we are shadow reporting the data to Ofwat in 2019/20. This risk rating is primarily due to the complexity of the data involved and because of the impact on our customers, our reputation and recognition that the measure is used as an industry comparator.

Reducing Population at Risk from Asset Failure

This data item uses a different definition to our current performance commitment for measuring the population at risk from asset failure. It improves the reliability of the water supply provided to customers in areas with a population greater than 10,000 (including the resilience of the water supply in the Glastonbury Street area by providing a secondary source of supply). This risk item is influenced by delivery of specific schemes so the metric has to be viewed in the context of the AMP7 investment plan (which covers 40 discrete schemes). Although a strong control framework is in place, this risk rating is due to the complexity of the data sources involved, which are derived from multiple systems. The impact of inaccurate reporting would be significant due to the financial incentive attached to the measure (due to the risk item including a subset of the 2019/20 data item, Population at risk from asset failure).

Void Properties

The risk assessment highlights the increased importance of control frameworks (which require improvement for this data item) as the data affects financial incentives.

Medium

32 data items were identified as medium risk in the 2019/20 risk assessment and 34 data items were identified as medium risk in the 2020/21 risk assessment.

Low

Three data items were identified as being low risk in the 2019/20 risk assessment as there is minimal risk of inaccurate reporting, and impacts would primarily be internal to the Company. Zero data items were identified as low risk in the 2020/21 risk assessment.

Our Statement of Risks, Strengths and Weaknesses

We have analysed the current risks, strengths and weaknesses of the key information we report and publish on. This year we have presented the results of our risk assessments into two risk matrixes. This is because we have not limited our risks assessments to just our end of year performance reporting.

Our initial assessment is that the probability of inaccurate reporting the majority of our key information is on the lower end of the scale (the majority data items have been assessed as either a low or medium risk rating). No data items were identified as being within the critical category. This is the third year in a row that no data items have been assessed as a critical risk. Although strong internal and external control frameworks are in place for some measures, a number of the items remain within the high risk category. This has been caused by a range of factors, including:

- The Atkins' 2018/19 year-end and 2019/20 mid-year reviews of our performance commitment methodologies and data, which has helped identify potential weaknesses promptly, such as SIM and C-MeX;
- The inclusion of new data items, some of which the Company has little evidence of data or experience in collating data for, such as void properties; and
- Prioritising data items that have been previously queried by Ofwat or have recently led to errors in reporting, such as leakage.

These factors do not reflect an expectation of an increase in any adverse impact on customers, but rather reflects the Company's ability to identify the potential for errors and act accordingly to address them.

We also recognise that most of the information we have assessed carries a high impact. This could lead to adverse consequences for customers and the Company if errors occur. We take this risk into account when deciding the level of scrutiny that each piece of information requires before we provide it to others.

As a result of our internal reporting processes and our risk assessments we have:

- Developed action plans to establish the most effective reporting approach to make sure our reporting is accessible, understandable and fit for purpose such as SIM;
- Considered reporting risks identified in 2018/19 and checked whether our assurance plans were successful in reducing those risks to an acceptable level;
- Considered and acted upon feedback from external sources;
- Developed our assurance plans to make sure that our information is accurate, accessible, reliable and complete (our draft Assurance Plan will be published in early 2020, allowing customers and stakeholders to comment further on our approach, with our final Assurance Plan due to be published by 31 March 2020); and therefore
- Initially assessed our data items and targeted those most at risk for 2019/20.

Our finalised risk ratings will be included in our Assurance Plan, which will take into account the Company's risk assessments, independent assurance and external feedback. We will set out the level of internal and external assurance that we propose to apply to each piece of information in our draft Assurance Plan and report back to our customers on improvements made throughout the year in our Data Assurance Summary. Our Board will review our proposed audit plan, set out the level of internal and external assurance it requires to provide comfort in the accuracy of our data and

approve the assurance processes undertaken in their Risk & Compliance Statement, due to be published in July 2020.

Next Steps

We intend to use this consultation as the basis for further engagement with our customers and stakeholders as we develop our assurance activities.

We will publish a draft version of our plan for assurance of our data in early 2020, which will take into account the views received in response to this consultation. We will discuss this draft plan with Ofwat and key stakeholders to ensure that it meets their expectations. We will then publish a final version of our assurance plan by 31 March 2020. This plan will support the publication of our reports on our performance in 2019/20, which will be published in July 2020. A summary of all the outcome of all the data assurance that has been carried out throughout the reporting year will also be published in July 2020.

In the event that Ofwat deems our current assurance activities to not be satisfactory we will re-evaluate our risk assessments and assurance activities accordingly.

Appendix 1 – Full results of the Company Risk Assessment – 2019/20 data

Data Item	Reason for inclusion	Complexity of Data	Completeness of Data	Extent of Manual	Complexity and Materiality of Reporting	Control Activities	Experience of	Evidence of historical errors with data	Impact on	Impact on Company	Strength of ODI Incentive	Industrys Compa	Probability	Control Score	Post-Control Probability	Impact Metric	2019 Reporting
Unplanned Customer Minutes Lost	PR14 business plan	4	2	3	2	2	2	2	4	4	4	3	4	2	2	4	
Infrastructure Asset reliability - Bursts	PR14 business plan	4	2	3	2	2	2	2	4	4	4	4	4	2	2	4	
Infrastructure Asset reliability - Low Pressure	PR14 business plan	4	2	3	2	2	2	2	4	3	4	4	4	2	2	4	
Non-infrastructure Asset reliability - Unplanned	PR14 business plan	2	2	3	2	2	2	2	2	2	4	3	3	2	1	4	
Non-infrastructure Asset reliability - Turbidity at WTWs	PR14 business plan	2	2	3	2	2	2	2	3	2	4	3	3	2	1	4	
Population at risk from Asset failure	PR14 business plan	4	2	3	2	2	2	2	2	3	4	2	4	2	2	4	
Security of Supply Index (SOSI)	PR14 business plan	4	2	3	2	2	2	2	2	2	3	3	4	2	2	3	
Hosepipe ban frequency	PR14 business plan	3	2	3	2	2	2	2	2	4	4	4	3	2	1	4	
Mean Zonal Compliance (MZC)	PR14 business plan	2	2	3	2	2	2	2	4	3	4	4	3	2	1	4	
Negative Water Quality contacts	PR14 business plan	2	2	3	2	2	2	2	4	3	4	4	3	2	1	4	
Leakage	PR14 business plan	4	2	3	2	2	2	2	2	4	4	4	4	2	2	4	
PCC	PR14 business plan	4	2	3	2	2	2	2	4	2	3	4	4	2	2	4	
Meter penetration	PR14 business plan	3	2	2	2	2	2	2	2	2	4	3	3	2	1	4	
Total Carbon Emissions	PR14 business plan	4	3	3	2	2	1	2	1	2	3	2	4	2	2	3	
Raw Water Quality of Sources	PR14 business plan	4	2	3	2	2	2	2	1	2	3	1	4	2	2	3	
Biodiversity Index	PR14 business plan	4	2	3	2	2	2	2	1	2	3	1	4	2	2	3	
Waste disposal compliance	PR14 business plan	2	2	3	2	2	2	2	1	2	3	1	3	2	1	3	
% customers in water poverty	PR14 business plan	2	2	2	2	2	2	2	1	2	3	1	2	2	0	3	
Customer satisfaction surveys	PR14 business plan	2	2	2	2	2	1	2	1	2	3	1	2	2	0	3	
Service Incentive Mechanism (SIM)	PR14 business plan	3	2	3	2	1	1	1	4	4	3	4	3	1	2	4	
Value for Money	PR14 business plan	2	2	3	2	2	1	2	1	2	3	2	3	2	1	3	
Ease of contact from surveys	PR14 business plan	2	2	3	2	2	1	2	1	2	3	2	3	2	1	3	
Negative billing contacts	PR14 business plan	2	2	2	2	2	1	2	1	2	3	2	2	2	0	3	
Reportable Accidents	PR14 business plan	2	2	2	2	2	2	2	1	3	2	3	2	2	0	3	
Training Matrix compliance	PR14 business plan	2	2	2	2	1	1	1	2	1	2	1	2	1	1	2	
Staff Satisfaction	PR14 business plan	2	2	2	2	2	2	1	2	1	2	1	2	2	0	2	
Wholesale Totex	PR14 business plan	2	2	3	2	2	2	2	2	2	2	4	3	2	1	4	
Moodys Credit Rating	PR14 business plan	2	2	2	2	2	2	2	1	2	2	3	2	2	0	3	
Post Tax Return on capital	PR14 business plan	2	2	2	2	2	2	2	1	2	2	4	2	2	0	4	
Stakeholder Survey	PR14 business plan	2	2	2	2	2	2	1	2	2	2	1	2	2	0	2	
Tariffs & Charges	Regulatory submission	3	2	4	3	2	2	2	4	3	2	3	4	2	2	4	
Regulatory Accounts	Regulatory submission	2	2	3	3	2	2	1	1	2	1	4	3	2	1	4	
GSS Payments	Regulatory submission	4	3	4	3	2	2	2	4	3	1	3	4	2	2	4	
CCWater Complaints Data	Regulatory submission	3	2	3	3	2	1	2	3	4	1	3	3	2	1	4	
NHH Market (Performance) Data	Regulatory submission	2	3	2	3	2	2	1	3	2	1	3	3	2	1	3	
NHH Market (Operational Performan	Regulatory submission	2	3	3	3	2	2	1	3	2	1	3	3	2	1	3	
Developer Services Information	Regulatory submission	4	2	3	2	2	2	1	2	4	1	4	4	2	2	4	

Data Item	Reason for inclusion	Inherent Probability				Control Framework			Impact Metric				Risk Matrix Results				2019 Reporting
		Complexity of Data Sources	Completeness of Data Set	Extent of Manual Intervention	Complexity and Maturity of Reporting Rules	Control Activities	Experience of	Confidence in historical error with data	Impact on Customers	Impact on Company Reputation	Strength of ODI Incentive	Industry Comparator	Probability Score	Control Score	Post-Control Probability	Impact Metric	
DWI Data	Regulatory submission	2	2	2	2	2	2	2	2	2	1	4	2	2	0	4	
EA Data	Regulatory submission	4	2	3	2	1	2	2	2	2	1	3	4	2	2	3	
Financial Data (information not covered by regulatory accounts)	Included in APR	4	2	4	2	2	2	2	2	2	1	3	4	2	2	3	
Non-Financial Data (Water Resources, Water Treatment and Water Distribution)	Included in APR	4	2	3	2	2	2	2	2	2	1	3	4	2	2	3	
Non-Financial Data (Properties and Population)	Included in APR	4	2	3	2	2	2	2	2	2	1	3	4	2	2	3	
Water Resources Market Information	Regulatory submission	4	3	3	3	2	2	2	1	3	1	3	4	2	2	3	
PR14 Reconciliation Models	Regulatory submission	2	3	3	3	2	2	2	2	3	4	4	3	2	1	4	
Financial Funds Flow	Included in APR	4	2	3	2	1	1	1	1	1	1	2	4	1	3	2	

Appendix 2 – Full results of the Company Risk Assessment – 2020/21 data

Data Item	Reason for inclusion	Complexity of Data	Completeness of Data	Extent of Manual Intervent	Complexity and Maturity of	Control Activities	Experience of	Evidence of historical errors with	Impact on	Impact on Company	Strength of ODI Incentive	Industry Comparator	Probability	Control Score	Post-Control Probability	Impact Metric	2019 Reporting
Water Quality Compliance	PR19 business plan – Safe and Reliable Supply	4	3	2	2	2	2	2	3	3	1	3	4	2	2	3	
Supply Interuptions >3 hours	PR19 business plan – Safe and Reliable Supply	4	2	3	2	2	2	2	4	4	1	4	4	2	2	4	
Mains bursts	PR19 business plan – Safe and Reliable Supply	4	2	3	2	2	2	2	4	4	4	4	4	2	2	4	
Drought Restrictions	PR19 business plan – Safe and Reliable Supply	3	3	2	2	1	2	1	2	3	1	3	3	1	2	3	
Unplanned Outage	PR19 business plan – Safe and Reliable Supply	3	3	2	2	1	2	2	2	3	1	3	3	2	1	3	
Low pressure	PR19 business plan – Safe and Reliable Supply	4	2	3	2	2	2	2	4	3	4	2	4	2	2	4	
Unplanned maintenance events	PR19 business plan – Safe and Reliable Supply	2	2	3	2	2	2	2	2	2	4	3	3	2	1	4	
Turbidity at WTWs	PR19 business plan – Safe and Reliable Supply	2	2	3	2	2	2	2	3	2	4	3	3	2	1	4	
Reducing population at risk from asset failure	PR19 business plan – Safe and Reliable Supply	4	2	3	2	2	2	2	2	3	4	2	4	2	2	4	
Customer contacts about water quality appearance	PR19 business plan – Safe and Reliable Supply	2	2	3	2	2	2	2	4	3	4	4	3	2	1	4	
Customer contacts about water quality taste and odour	PR19 business plan – Safe and Reliable Supply	2	2	3	2	2	2	2	4	3	4	4	3	2	1	4	
Leakage	PR19 business plan – Local & Environmental Resilience (and Public Interest Commitment)	4	2	3	2	2	2	2	2	4	4	4	4	2	2	4	
PCC	PR19 business plan – Local & Environmental Resilience	4	2	3	2	2	2	2	4	2	3	4	4	2	2	4	
Meter penetration	PR19 business plan – Local & Environmental Resilience	3	2	2	2	2	2	2	2	2	4	3	3	2	1	4	
AIM	PR19 business plan – Local & Environmental Resilience	2	3	2	2	1	1	1	1	2	1	3	3	1	2	3	
Raw Water Quality of Sources	PR19 business plan – Local & Environmental Resilience	4	2	3	2	2	2	2	1	2	3	1	4	2	2	3	
Biodiversity Index	PR19 business plan – Local & Environmental Resilience	4	2	3	2	2	2	2	1	2	3	1	4	2	2	3	
Waste disposal compliance	PR19 business plan – Local & Environmental Resilience	2	2	3	2	2	2	2	1	2	3	1	3	2	1	3	
WINEP Data	PR19 business plan – Local & Environmental Resilience	2	2	2	2	1	1	0	1	3	1	3	2	1	1	3	
Local Community Satisfaction	PR19 business plan – Local & Environmental Resilience	2	3	2	2	0	0	0	1	2	1	1	3	0	3	2	
C-Mex	PR19 business plan – Excellent Customer Experiences	3	2	3	2	1	1	1	4	4	1	2	3	1	2	4	

Data Items		Inherent Probability				Control Framework			Impact Metric				Risk Matrix Results				2019 Reporting
Data Item	Reason for inclusion	Complexity of Data Sources	Completeness of Data Set	Extent of Manual Intervention	Complexity and Maturity of Reporting Rules	Control Activities	Experience of	Evidence of historical errors with data	Impact on Customers	Impact on Company Reputation	Strength of ODI Incentive	Industry Comparator	Probability Score	Control Score	Post-Control Probability	Impact Metric	
Priority Services Register Data	PR19 business plan – Excellent Customer Experiences	2	2	2	2	1	1	2	1	3	1	4	2	1	1	4	
D-Mex	PR19 business plan – Excellent Customer Experiences	3	2	3	2	2	2	2	4	3	1	2	3	2	1	4	
Void Properties	PR19 business plan – Excellent Customer Experiences	3	3	3	3	0	0	1	3	3	1	1	3	0	3	3	
% customers in water poverty	PR19 business plan – Excellent Customer Experiences (and Public Interest Commitment)	2	2	2	2	2	2	2	1	2	3	1	2	2	0	3	
Vulnerability Satisfaction	PR19 business plan – Excellent Customer Experiences	2	3	2	2	1	0	1	1	2	1	1	3	1	2	2	
Value for Money	PR19 business plan – Excellent Customer Experiences	2	2	3	2	2	1	2	1	2	3	2	3	2	1	3	
Total customer complaints (CCWater Complaints Data)	PR19 business plan – Excellent Customer Experiences	3	2	3	3	2	1	2	3	4	1	3	3	2	1	4	
Total Carbon Emissions	Internal KPI (and Public Interest Commitment)	4	3	3	2	2	1	2	1	2	3	2	4	2	2	3	
Tariffs & Charges	Regulatory submission	3	2	4	3	2	2	2	4	3	2	3	4	2	2	4	
Regulatory Accounts	Regulatory submission	2	2	3	3	2	2	1	1	2	1	4	3	2	1	4	
GSS Payments	Regulatory submission	4	3	4	3	2	2	2	4	3	1	3	4	2	2	4	
NHH Market (Performance) Data	Regulatory submission	2	3	2	3	2	2	1	3	2	1	3	3	2	1	3	
NHH Market (Operational Performance)	Regulatory submission	2	3	3	3	2	2	1	3	2	1	3	3	2	1	3	
Developer Services Information	Regulatory submission	4	2	3	2	2	2	1	2	4	1	4	4	2	2	4	
DWI Data	Regulatory submission	2	2	2	2	2	2	2	2	2	1	4	2	2	0	4	
EA Data	Regulatory submission	4	2	3	2	1	2	2	2	2	1	3	4	2	2	3	
Financial Data (information not covered by regulatory accounts)	Included in APR	4	2	4	2	2	2	2	2	2	1	3	4	2	2	3	
Non-Financial Data (Water Resources, Water Treatment and Water Distribution)	Included in APR	4	2	3	2	2	2	2	2	2	1	3	4	2	2	3	
Water Resources Market Information	Regulatory submission	4	3	3	3	2	2	2	1	3	1	3	4	2	2	3	
and Population)	Included in APR	4	2	3	2	2	2	2	2	2	1	3	4	2	2	3	
Revenue Forecasting Incentive / Dev	Regulatory submission	4	3	3	3	2	2	2	1	3	1	3	4	2	2	3	
PR14 final reconciliation and PR19 OD	Regulatory submission	2	3	3	3	2	2	2	2	3	4	4	3	2	1	4	
Financial Funds Flow	Included in APR	4	2	3	2	1	1	1	1	1	1	2	4	1	3	2	
Social contract mechanism	PR19 business plan	2	4	3	2	1	1	2	1	2	1	1	4	1	3	2	

Appendix 3 – Company Risk Assessment Methodology Scoring System

Assessment Methodology	Score Range	0	1	2	3	4
Complexity of Data Sources	2-4			Single data system used to populate submission	One numerical and one financial data system used to populate submission	Data derived from two numerical systems, two financial systems, or more than two data systems
Completeness of Data Set	2-4			Complete data set routinely captured to populate this report for 2 years or more	Data routinely captured but for less than 2 years, or some elements of reporting based on extrapolation of sample data	Data not routinely captured to report performance against this measure - significant level of extrapolation required
Extent of Manual Intervention	2-4			Data collation and reporting are fully automated	More than 0% but less than 60% of the data is manually collated and reported	Significant level of manipulation of data and application of assumptions required, - more than 60%
Complexity and Maturity of Reporting Rules	2-4			Rule set is complete, the rules require no interpretation, judgement or assumptions, the rules have been in place for more than 12 months	The rule set is complete and has not changed for at least 12 months, but the rules require some interpretation, judgement or assumptions	The rule set is incomplete, the rules require significant interpretation, judgement or assumptions, or the rules have been newly developed within the last year
Control Activities	0-2	There are inadequate validation/preventative controls, or controls have been in place for less than 12 months, or systems and processes not document and control points not assessed, or regulatory submissions are not subject to effective review of supervision processes	There are adequate validation/preventative controls, in place for 12-24 months, systems and processes substantially documents and control points assessed, and regulatory submissions subject to effective review or supervision process	There are extensive validation/preventative controls which have been in place for more than 2 years, systems and process fully documented and control points fully evaluated and assessed, and regulatory submissions subject to comprehensive and effective review and supervision processes.		

Assessment Methodology	Score Range	0	1	2	3	4
Experience of Personnel	0-2	Submission collated by employees with no prior experience of doing so and no method statement available to explain prior year approach to completing report	Submission collated by employees with no prior experience but using method statements for prior submissions, or submission collated by employees with prior experience but with not method statements for prior years available	Submission collated by employees with prior experience, with method statements for prior years in place		
Evidence of historical errors with data	0-2	Material errors identified for this data within the last two years and the issues have not been eliminated, or no audit undertaken on this data in the last five years	Material errors identified within the last two years, for which all issues have been remediated but not yet validated, or no audits undertaken on data within the last two years but has been undertaken within last 5 years	Audit has been undertaken within the last two years and no material errors identified, and either no previously identified errors in submissions or audit confirmed that any previously identified issues have been properly addressed		
Impact on Customers	1-4		Performance has no or negligible service impact on all customers, other network operators or service providers	Performance has limited indirect impact on service to customers, mainly through longer term effects	Performance reflects indirect impact on service to customers	Performance reflects direct impact on service to customers
Impact on Company Reputation	1-4		Level of performance has no material impact on Company reputation	Level of performance has impact on Company reputation with specialist regulators or relevant stakeholders	Level of performance impacts Company reputation with affected customers, and/or within industry and with regulators. Potential for coverage in industry or local media.	Level of performance has significant impact on company reputation, likely to attract media coverage at regional level
Strength of ODI Incentive	1-4		Measure is not subject to regulatory financial incentive	Measure is subject to regulatory reputational incentive but is not a performance commitment	Measure is subject to regulatory reputational incentive	Measure is subject to regulatory financial incentive
Industry Comparator	1-4		Measure is only relevant to BW and not used for external comparisons	Measure is largely only relevant to BW but comparisons may be drawn with other companies on similar measures	Measure may be used by Ofwat or other regulators and stakeholders to make comparisons between companies	Measure is directly used by Ofwat or other regulators to compare and incentivise company performance