

AffinityWater

Affinity Water- Independent Challenge Group

Internal Audit following Independent Review recommendations, March 2023





Affinity Water - Independent Challenge Group

Internal Audit following independent review recommendations March 2023

- The CCW commissioned review of all Independent Challenge Groups across England and Wales has now been published.
- The checklist below headlines the recommendations from this review.
- This document offers a view from the Affinity ICG regarding accordance with these recommendations.

Recommendations

Behaviours

- **Company:** welcoming 'uncomfortable' challenge
- **ICG:** acting as a critical friend, not just a critic
- **Both:** having honest conversations as issues arise

ICG view The company welcomes all 'uncomfortable' challenge. Members are professionals who understand the role of a 'critical friend' and seek to ask questions that share the joint endeavour with the company to improve outcomes for citizens. Honest conversations are business as usual. Expectations regarding behaviours are detailed in the Terms of Reference.

Action Nothing further.

Governance

ICG Terms of Reference include:

- **A clear remit:** set out a common objective for the company and the ICG that is outcome-focused and customer-centred
- **The ICG's source of authority and role:** set out the source of the ICG's authority to act, along with a high-level view of what effective delivery looks like
- **Board accountability:** make clear how the Board will discharge the ICG related part of its accountability for customer challenge

ICG view The remit for the group is made clear in the Terms of Reference that has been agreed with members, the company's Management Team and the company's Board. The ICG's authority flows from this agreement. The Board are now in the process of finalising how they plan to discharge the ICG related part of accountability for customer challenge.

Action The ICG Chair is working with the CEO and Board Chair to establish clear accountabilities for the assurance of customer challenge. The Board Chair and ICG Chair have agreed to arrange a meeting with Board members and ICG members to discuss alignment in preparations for PR24 and beyond.

Operational

Right mix of members

- Subject expertise
- Quality of challenge
- Constructive approach

ICG view All members have now been appointed and the group has a strong range of subject experts. We seek to offer high quality and constructive challenge at all times.

Action Nothing further.

Independence Guarded

- Processes as behaviours established
- Written down

ICG view Members are confident that established behaviours are appropriately independent. Most members are experienced taking independent positions through non-executive and citizen advocacy work. However, we do not currently have any declarations written down beyond those detailed in the terms of reference.

Action Members have agreed to underline our independence with a 'Declaration of Independence' which will signed and published.

Providing Relevant Information

- Appropriate level
- Comparative data
- Wider perspectives

ICG view The company provides appropriate and relevant information, and we expect this to continue to be the case as we review the PR24 Business Plan. Comparative data is made available and additional data is shared via CCW. Members would, however, like to see a more use made of wider perspectives, especially those of stakeholders.

Action While members are confident that the company provides the group with appropriate information, we have pressed for this to continue at pace to enable the ICG to provide informed commentary on the Business Plan. Additionally, we note that stakeholder engagement feels like a potential weak point and have asked for insights from this programme to be identified and shared with the group. The company has confirmed that this will be the case.

Resourced Appropriately

- Sufficient time to scrutinise
- Appropriate secretariat support and timely updating of online material
- Sufficient engagement from Management Team and technical experts

ICG view The company offers excellent secretariat support along with comprehensive engagement from the Management Team and technical experts. The publication of recent documents remains outstanding.

Action The company have confirmed that a series of documents will be updated and then published on the website in line with the agreed Terms of Reference.