

AMP7 Reporter

2022/23 Annual Performance Assurance Report

Affinity Water

20th June 2023



Notice

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Document history

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2	Addressing feedback from Affinity Water	J. Jacobs	R. Davies	J. Archer	J. Jacobs	07/06/23
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Contents

Chapter	Page
Assurance Statement for Affinity Water's 2022/23 Annual Performance Report	4
1. Scope of Work	6
2. Key Findings	6
2.1. AMP7 Performance Commitments – 2022/23	6
2.2. AMP7 Performance Commitments – Forecasts	11
2.2 Reporting of Additional Regulatory Information	14
2.3. Summary of Changes in Company Submission	15
Appendix A. Detailed Scope of Works	19

Assurance Statement for Affinity Water's 2022/23 Annual Performance Report

Atkins is engaged by Affinity Water to provide independent assurance on technical and some expenditure items in the Annual Performance Report for 2022/23. This assurance statement encapsulates observations we made during the course of our technical audit programme. We presented our findings to Affinity Water's Regulation Team on 8th June 2023 and the Affinity Water Audit Risk and Assurance Committee (ARAC) on 21st June 2023. This statement is part of a continuous improvement process that has involved detailed consideration of the methodologies and their applications by which Affinity Water reports on its performance at financial year end.

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 and a formal feedback summary including requests for further information or clarification with a table of issues raised. The issues from all of the audits and subsequent interactions are compiled 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.

Affinity Water has 28 Performance Commitments (PCs), 17 of which have associated financial incentives. As part of our independent assurance of Affinity Water's annual reporting, we have been engaged to audit the tables and submissions to be published in Affinity Water's 2022/23 Annual Performance Report and regulatory reporting to other bodies. The areas in scope for this assurance are:

- Data and commentary (where applicable) reported as part of the Annual Performance Report (APR) to Ofwat:
 - Table 3A & 3E - Outcome performance tables (common and bespoke measures)
 - Table 3C – C-MeX
 - Table 3D – D-MeX
 - Table 3F; 3I; 4A; 4D; 4F; 4J; 4L; 4Q; 4R; 5A; 6A; 6B; 6C; 6D; 6F – Asset and financial data.
 - 11A – Operational greenhouse gas emissions reporting
- Environment Agency – Annual average out-turns
- Report to CCW
- Reported financial Performance Commitments:
 - Common Performance Commitments – 3A.1 to 3A.6, 3C, 3D
 - Bespoke Performance Commitments – 3A.7 to 3A.15

In a series of approximately 40 video enabled meetings in April and May 2023, we carried out combined methodology and data audits designed to confirm whether:

- Affinity Water has appropriate systems, procedures and reporting mechanisms in place to control and meet its reporting obligations.
- Affinity Water understands the accuracy of the data that it is providing and is able to identify where specific reported data may not be appropriate to meet regulatory expectations. Many of the items that we audit inherently contain an element of uncertainty, so it is not possible to assure their absolute accuracy.
- The key assumptions and processes that are used to report against Affinity Water's Performance Commitments are consistent with the way that the target was set for the PR19 Final Determination.
- The methodologies that have been used for reporting of the common metrics are consistent with the technical guidance that has been published by Ofwat and other bodies (DWI, WaterUK, CCW).

We traced reported data back to data sources and information systems. There were 14 changes to reported data or methodology where we identified some errors in calculations and/or areas of misunderstanding in relation to the reporting guidelines or methodology. We raised 172 issues with the Company (compared to 175 in 2021/22 and 197 in 2020/21), 120 of these have been closed, 36 have been marked to revisit during next year's audits and 16 remain open as of 08/06/2023.

Areas of note which we identified with the reporting of the Company's AMP7 Performance Commitments are:

- 3A.4 Per Capita Consumption (PCC) - PCC is sourced from the water balance calculations and is in part reliant upon a domestic consumption monitor. The Company has made considerable effort to improve the function of the Watcom study, reported as having an issue with representativeness last year, which is now back as an input into the reporting with some further work required to reduce the uncertainty across the consumer classifications.
- 3E 7-12 Customers in Vulnerable Circumstances – Whilst the Company is not fully meeting the requirements as set out in its Final Determination to conduct surveys using multiple channels of communication, there has been an improvement with one more channel offered compared to the previous year and this is unlikely to materially affect the survey results. The Company has confirmed its plan to employ the full range of survey types next year as well as a system development to resolve the review that it must undertake periodically.
- The Company is reporting a significant reduction in Household Complaints for the report year. We were unable to validate from our sample the accuracy of the Company's reporting. While Affinity Water has checks in place, we found errors within those checks and also the Company did not have visibility on the error rate in its dashboard due to a misunderstanding in how this is calculated. The issue with the dashboard has now been addressed and confirms that the error rate is beyond the Company's +/-10% confidence range and therefore that the total is being under-reported by a larger margin. We would expect the learnings taken from this year's audit combined with the visibility provided by the dashboard to lead to improvements in the accuracy of the reporting next year.

We consider that the published metrics provide a fair and reasonable account of Affinity Water's performance in 2022/23 relative to its AMP7 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.

We confirm that Affinity Water has continued to provide us with full and transparent access to its systems and processes, including unrestricted access to all systems, files and documents that we requested from the Company. During the assurance activities, we had free access to Regulation team and the full cooperation of the people responsible for preparing and reporting the 2022/23 APR and regulatory submissions and the supporting information.



Jonathan Archer
Regulation Director
Reporter providing Technical Assurance Services to Affinity Water

1. Scope of Work

Atkins Limited has been appointed to provide external assurance on the regulatory submissions presented by Affinity to Ofwat under the conditions set out in its Licence with the Secretary of State. There is also associated regulatory reporting to the EA, Water UK and CC Water which falls within the scope of our assurance.

The areas in scope for assurance are:

- Data and commentary (where applicable) reported as part of the Annual Performance Report (APR) to Ofwat:
 - Table 3A & 3E - Outcome performance tables (common and bespoke measures)
 - Table 3C – C-MeX
 - Table 3D – D-MeX
 - Table 3F; 3I; 4A; 4D; 4F; 4J; 4L; 4Q; 4R; 5A; 6A; 6B; 6C; 6D; 6F – Asset and financial data.
 - Table 11A - Operational greenhouse gas emissions reporting
- Reported financial Performance Commitments:
 - Common Performance Commitments – 3A.1 to 3A.6, 3C, 3D
 - Bespoke Performance Commitments – 3A.7 to 3A.15
- Environment Agency – Annual average outturns
- Report to CCW
- Reporting to WaterUK
- Forecasts of Performance Commitments until the end of AMP7
- Re-statement of data for historic Water Balance reporting 2017/18, 2018/19, 2019/20 (AMP6) and 2020/21 (AMP7)

A more granular scope of works is provided in Appendix A.

2. Key Findings

2.1. AMP7 Performance Commitments – 2022/23

As with previous years we classify our findings into ‘Red’, ‘Amber’ and ‘Green’ categories. The definition for each category as follows:

- ‘Red’. These are material reporting risks to the Company relating to either the application of the methodology, the accuracy of the reported data and/or the meeting of a performance commitment.
- ‘Amber’. These are significant issues that may need to be addressed to mitigate the risk to the business. They may relate to the methodology and/or data and/or performance.
- ‘Green’ signifies either no issues or relatively minor issues that are designed to provide continuous improvement to the reporting process and are highlighted within the individual audit summaries that we provide for the Company.

Table 2-1 Summary of key findings on APR-23 reporting

PC Ref.	Performance Commitment	Findings	Methodology	Data
3A.1	Water Quality Compliance (CRI)	The Company’s methodology for reporting is robust, checks and controls are built into the processes and no issues were identified with the data that is reported to the DWI. The reported score is provided by DWI. The score is described as a provisional figure, but no change is expected in the final score.	Green	Green

PC Ref.	Performance Commitment	Findings	Methodology	Data
3A.2	Water Supply Interruptions	The Company's methodology is robust, robust checks and controls have been built in and the reporting appears to be effective and reliable.	Green	Green
3A.3	Leakage	The company continues to make further progress to determining the components of the water balance through implementation of the company action plan. There has been no significant change to the methodology documentation following last year's enhancement. Checks and control processes continue to be refined and tightened up as demonstrated by apportionment of trunk main leakage to OSCM areas which have become DMAs. Progress has been made to improve the coverage of DMAs which is dependent upon realising the benefits from the capital meter installation programme and the rate of commissioning.	Green	Green
3A.4	Per capita consumption	PCC is sourced from the water balance calculations and is in part reliant upon a domestic consumption monitor. Through proactive management of Watcom, the Company has brought consumption back into reporting. The issue is now no longer one of representativeness of sample size, but the uncertainty generated by the lower proportions of properties within certain classifications.	Amber	Amber
3A.5	Mains repairs	The approach used by the Company to track and calculate main repairs appears to be robust and the jobs can be tracked from being raised through the corporate systems. The checks that the Company has in place for its data give confidence in the process and by extension the reporting. Mains repairs is a measure that is greatly impacted by the weather conditions within a year, reflected in this year's reporting.	Green	Green
3A.6	Unplanned outage	The outage reporting process is robust with strong checks and controls built into the business-as-usual process and improvements are continuing to be made to the reporting systems.	Green	Green
3A.7	Environmental innovation - delivery of community projects	The Company has continued to deliver projects which have an innovation theme and is claiming 6 project units	Green	Green

PC Ref.	Performance Commitment	Findings	Methodology	Data
		this year. The Independent Challenge Group is responsible for signing these off.		
3A.8	Reducing the total number of void properties by identifying false voids	The Company's methodology for reporting is robust, checks and controls are built into the processes and no issues were identified with the reporting.	Green	Green
3A.9	River restoration	<p>The processes have been further developed for delivering the river restoration requirements, which is a positive change.</p> <p>The Company has had 3 units signed off by the EA, and has exceeded its targets for the reporting year for the River Restoration PC. It is in a good position to deliver its further and challenging targets over the AMP.</p>	Green	Green
3A.10	Abstraction reduction	Company is reporting a figure of zero reductions, in line with the target for year 3 of the AMP. The Company has updated the method based on the mid-year audit review.	Green	Green
3A.11	Number of sources operating under the Abstraction Incentive Mechanism	Methodology and processes are robust. The method utilises abstraction returns which are not subject to external assurance. It has been recommended this data is subject to the same assurance. This is for review in 2023/24. Only minor recommendations were made in the audit which were implemented.	Green	Green
3A.12	Properties at risk of receiving low pressure	Reporting methodology has changed following dialogue with Ofwat from APR22. This is now more aligned with historic DG2 methods of reporting, that is to have a Poor Pressure register of which properties can only be removed based on evidence, rather than perceived reduction in risk. There were no concerns regarding these changes and the implementation made.	Green	Green
3A.13	Number of occupied properties not billed (Gap sites)	The Company's methodology for reporting is robust, checks and controls are built into the processes and no issues were identified with its reporting.	Green	Green
3A.14	Unplanned interruptions to supply over 12 hours	The Company's methodology is robust, checks and controls have been built in and we did not identify any issues with the reporting.	Green	Green

PC Ref.	Performance Commitment	Findings	Methodology	Data
3A.15	Customer contacts per 1,000 population for Water Quality (taste, odour & appearance)	The Company's methodology for reporting is robust, checks and controls are built into the processes and no issues were identified with the reporting.	Green	Green
3C.1-3	Annual C-MeX survey score	We were able to confirm that complete datasets are sent to the market research company for the purposes of conducting the customer service survey.	Green	Green
3C.5-7	C-MeX Total Household Complaints	The Company is reporting a significant reduction in Household Complaints for the report year. We were unable to validate from our sample the accuracy of the Company's reporting. While Affinity Water has checks in place, we found errors within those checks and also the Company did not have visibility on the error rate in its dashboard due to a misunderstanding in how this is calculated. The issue with the dashboard has now been addressed and confirms that the error rate is beyond the Company's +/-10% confidence range and therefore that the total is being under-reported by a larger margin. We would expect the learnings taken from this year's audit combined with the visibility provided by the dashboard to lead to improvements in the accuracy of the reporting next year. We do think there are inherent weaknesses in the guidance for "real-time" complaint reporting - telephone, social media, webchat, text messages. These make up the majority of contacts and many companies have struggled to implement effectively the guidance.	Amber	Amber
3D.1-3	D-MeX	The Company's processes are considered fit for purpose, and we are satisfied that the data reported is robust and that the survey sample provided to the market research company is accurate and complete.	Green	Green
3E.1	Risk of severe restrictions in a drought	The method has been classified as Amber due to a challenge we made regarding the use of actual Distribution Input which may not always represent a dry year. While this does not impact on the 2022/23 reporting, it could do in future years. The Company confirmed this would be reviewed for the next report year.	Amber	Green

PC Ref.	Performance Commitment	Findings	Methodology	Data
3E.2-4	Priority services for customers in vulnerable circumstances - PSR reach; Attempted contacts; Actual contacts	The Company's methodology and data were to a high standard. We did not identify any issues and during data sampling we were able to drill down from the Company's dashboard into its operational systems to verify a customers' PSR status.	Green	Green
3E.6	Average time properties experience low pressure	The Company's methodology for reporting is robust and we did not identify any material issues during the data sampling.	Green	Green
3E.7, 11	Customers in vulnerable circumstances satisfied with our service (receiving financial help & not receiving financial help)	The Company is not fully compliant with the requirements of its Final Determination. In this reporting period the Company has not issued any letters, and whilst it has a web survey in place, it was not set up in such a way that would allow the results to be useable in order to report on PSR customers. There is a risk that certain customers are therefore excluded as a result of not offering the full range of survey options. The Company has confirmed it will be offering the full range of contact mechanisms next year as well as putting in place a system development to resolve the review that it must undertake periodically.	Amber	Green
3E.8,12	Customers in vulnerable circumstances who found us easy to deal with (receiving financial help & not receiving financial help)		Amber	Green
3E.9	BSI accreditation	The Company's BSI accreditation is valid until 28/04/26. The Company reported that it is moving to an ISO standard in period 2023/24. We consider this to meet with its Final Determination criteria.	Green	Green
3E.10	IT resilience	The Company's methodology for reporting is robust, checks and controls are built into the processes and no issues were identified with the reporting.	Green	Green
3E.13	Value for Money Survey	We did not identify any issues with the method or data and consider the reporting to be accurate and complete.	Green	Green
3E.14	Delivery of water industry national environment programme requirements	The Company has a well-developed process for delivering its river restoration and WINEP deliverables. It has met its targets for the WINEP PC and has evidence from the EA that it agrees that the required projects have been delivered.	Green	Green

We were also asked to assure the potential re-statement to Ofwat of Water Balance reporting and summarise our interim findings below.

Reporting area	Findings	Methodology	Data
<p>Historic Water Balance reporting 2017/18, 2018/19, 2019/20 (AMP6) and 2020/21 (AMP7)</p>	<p>There is a lack of audit trail for the calculations underpinning the Water Balance baseline which was used to set the AMP7 targets for Leakage and Per Capita Consumption.</p> <p>We have undertaken a high-level review of the methodology and also the re-stated data. The data changes, which relate to the addition of void consumption and to correct water taken illegally unbilled, ensures a consistent and auditable approach to reporting across the period and addresses the inconsistencies in the data that Ofwat and Affinity Water have been in discussion about.</p> <p>For Leakage: the bottom up calculation remains unchanged and the changes relate only to the Water Balance element. The impact of including the missing data on the reporting years in question is a reduction in leakage reported post MLE. Leakage 3 year rolling average drops from 188.8 to 187.1 Ml/d, which is a small change. Overall these changes do not affect the Performance Commitment as the Company still did not meet the leakage targets in Years 1 and 2 although it does marginally reduce the leakage level needed to meet the Company's AMP7 leakage commitment.</p> <p>For Per Capital Consumption: The impact of including the data on the reporting years in question is a reduction in PCC reported post MLE. PCC rolling 3 year average drops from 155.1 to 154.0 l/hd/d. Overall this will reduce the level needed to meet the Company's AMP7 commitment further adding to the challenges for the Company of achieving the AMP7 target.</p> <p>We are satisfied with the approach taken and by extension with the robustness of the revised reporting.</p>	<p>Green</p>	<p>Green</p>

2.2. AMP7 Performance Commitments – Forecasts

The 'Red', 'Amber' and 'Green' categories for forecasts are applied as follows:

- 'Red'. We have explained the reason(s) that we do not believe the Company will meet its forecast performance but Affinity Water has elected to maintain its original forecasts.
- 'Amber'. We have explained the reason(s) that we do believe there is a risk or uncertainty that the Company will meet its forecast performance but Affinity Water has elected to maintain its original forecasts.
- 'Green'. We concur with the Company's forecasts for the remainder of AMP8.

Table 2-2 Summary of key findings for Year 4 and Year 5 forecasts

PC Ref.	Performance Commitment	Findings	Forecasts
3A.1	Water Quality Compliance (CRI)	We concur with the Company's forecasts to the end of the AMP. The APR-24 forecast takes account of the downturn in the 2023 year-to-date performance	Green
3A.2	Water Supply Interruptions	We concur with the Company's forecasts for the remainder of the AMP.	Green
3A.3	Leakage	The Company has achieved this year's target and is realising the benefit from its investment and action plan implementation. The Company is on track to deliver the 0 forecast for the remainder of the AMP.	Green
3A.4	Per capita consumption	The Company has again failed to meet its target reduction due to the post pandemic effect of people working from home. The Company is forecasting improvements for Years 4 and 5 which will not meet the PC. A drastic reduction is needed to meet the PC. The Company is targeting a reduction on 19/20 baseline in Years 4 and 5 based on Year 3 performance and agreed funding for ongoing and new campaigns to reduce PCC. We think this is reasonable.	Green
3A.5	Mains repairs	We concur with the projections and method used for them around Mains Repair, recognising that there is difficulty in accuracy due to the measure being very dependent on weather events.	Green
3A.6	Unplanned outage	We believe the projections are realistic (i.e. achievable, all being well), but rather optimistic, insofar as unforeseeable problems do happen and there will be no facility to exclude in AMP8. Unforeseeable circumstances could include raw water quality, extreme weather events, consequences of extreme weather (e.g. flooding, access issues due to fallen trees, deep snow, etc. and power outages on the national grid) as well as other issues like sourcing of supplies, which has been an issue associated with Brexit and the Covid pandemic. We believe a forecast at or near PC target would set up a more achievable starting for AMP8.	Amber
3A.7	Environmental innovation - delivery of community projects	The Company is aiming to deliver 3 project units and appears to be on track to meet this Performance Commitment.	Green
3A.8	Reducing the total number of void properties by identifying false voids	We reviewed the Company's forecasts for Years 4 and 5, which remain unchanged from the Final Determination. The Company stated that reportable instances for voids are decreasing, which is positive. We agree with its approach and the reasons for retaining its Final Determination forecasts.	Green
3A.9	River restoration	The Company is on track to meet its targets for Years 4 and 5.	Green
3A.10	Abstraction reduction	The Company demonstrated they are on track to meet the Year 5 performance commitment.	Green
3A.11	Number of sources operating under the	The Company has met the PC target for Years 1-3 for AIM and is forecasting to meet its PC targets for years 4 and 5,	Green

PC Ref.	Performance Commitment	Findings	Forecasts
	Abstraction Incentive Mechanism	which we think is reasonable. The Company demonstrated proactive tracking of AIM and outages to support meeting the target.	
3A.12	Properties at risk of receiving low pressure	The Company is not forecasting any material change in the remaining two years of the AMP, which we think is reasonable to conclude. While we concur that closer examination of sites currently on the register should reveal further properties that can now be removed, in all probability there will be new locations that develop pressure problems in Years 4 and 5 and the Company is not proposing any significant capex spend for pressure improvement schemes in this period.	Green
3A.13	Number of occupied properties not billed (Gap sites)	We reviewed the Company's forecasts for Years 4 and 5, which remain unchanged from the Final Determination. The Company stated that reportable instances for Gap sites are decreasing, which is positive. We agree with its approach and the reasons for retaining its Final Determination forecasts.	Green
3A.14	Unplanned interruptions to supply over 12 hours	We concur with the Company's forecasts for the remainder of the AMP.	Green
3A.15	Customer contacts per 1,000 population for Water Quality (taste, odour & appearance)	We concur with the Company's forecasts for the remainder of the AMP.	Green
3C.3	C-MeX survey	The Company believes Year 4 will mirror Year 3's performance, which we think is reasonable, but it is then predicting a step change in performance compared with other water companies from 14 th to 9 th position in the league table for Year 5. We do not concur with the Company's underlying assumptions for its forecast for Year 5 and we think a more realistic forecast would be closer to the current position based on performance over this and previous AMP periods.	Amber
3D.1-3	D-MeX	The Company is in the process of improving its systems and process in the remainder of the AMP, and its forecasts are reflective of this. We consider its forecasts to be accurate.	Green
3E.1	Risk of severe restrictions in a drought	There is not a direct forecast for this measure as it uses a 25-year average value. However, based on performance in Years 1-3, where the Company has failed the PC, there is a high probability of failing Years 4 and 5 due to demand and leakage being higher than forecast in WRMP19.	Amber
3E.2-4	Priority services for customers in vulnerable circumstances - PSR reach; Attempted contacts; Actual contacts	We reviewed the Company's commentary and its forecasts for Years 4 and 5, and its plans for improvements within the next reporting period (2023/24). We believe that the Company is capable of exceeding its Final Determination targets and meet the stretch targets it has set itself for 3E.2-4.	Green

PC Ref.	Performance Commitment	Findings	Forecasts
3E.6	Average time properties experience low pressure	The Company is forecasting to achieve 02:00:00 hours for Years 4 and 5, which we think is reasonable. This is based on a best central estimate assuming a benign summer and winter weather, such as in 2021-22, which would result in a forecast of 01:30:00, compared with assuming severe summer and winter weather as in 2022-23, and a forecast of 02:30:00.	Green
3E.7, 11	Customers in vulnerable circumstances satisfied with our service (receiving financial help & not receiving financial help)	The Company has forecasted 2023-24, and 2024-25 to match the outcome of this period 2022-23. We would concur with the Company's commentary and predicted forecast for YR4 & YR5 of AMP7.	Green
3E.8,12	Customers in vulnerable circumstances who found us easy to deal with (receiving financial help & not receiving financial help)	The Company has forecasted 2023-24, and 2024-25 to match the outcome of this period 2022-23. We would concur with the Company's commentary and predicted forecast for Years 4 and 5 of AMP7.	Green
3E.9	BSI accreditation	The Company reported that it is moving to an ISO standard in period 2023/24. We consider this to meet its Final Determination criteria for the remainder of the AMP.	Green
3E.10	IT resilience	The Company has achieved its committed performance level for this reporting year, as it has done so for the two previous years, reporting significantly under its committed performance level. The Company informed us while it has several transformational projects to deliver in the coming year, there is some uncertainty on the impacts this may have, so it has decided to maintain its current forecasts for Years 4 and 5. We agree with the reasoning.	Green
3E.13	Value for Money Survey	The Company has forecasted Years 4 and 5 to match the outcome for this year, which it has failed. We have no reason to question this forecast.	Green
3E.14	Delivery of water industry national environment programme requirements	The Company has a challenging workload of WINEP projects to deliver in Years 4 and 5 but has confidence that it is on track to achieve this. We have no reason to think otherwise.	Green

2.2 Reporting of Additional Regulatory Information

We have reviewed other data reported and highlight on an exception basis any areas of note. This includes regulatory reporting of asset and financial data to Ofwat (277 data lines), the EA (45 data lines) and CC Water (107 data lines). We have only identified two other areas to note. The full scope of assurance is set out in Appendix A.

Table 2-3 Areas of note encountered during audit of additional regulatory information tables

Table Ref	Reporting area	Findings	Methodology	Data
6C.9-11	Communications Pipes	The ongoing issue around infilling of Maximo data has been resolved late in the reporting year, this means this year's data will still carry the same risks as previous years around its accuracy, but the situation should be resolved going forward.	Green	Amber

2.3. Summary of Changes in Company Submission

As part of the audit process, we maintain an issues log which captures the key issues arising from each audit. This year we raised 172 issues with the Company (compared to 175 in 2021/22 and 197 in 2020/21). 115 of the issues have been closed, 35 have been marked to revisit during next year's audits and 22 remain open as of 5th June 2023.

We have listed below a summary of the changes made as a result of the technical assurance of the Company's submission. These changes relate to either or both changes to the Company methodology and the reported data. In total, there have been 14 changes to reported data and methodology compared with what was originally presented for audit (compared to 17 in 2021/22). Their RAG status was at one time either likely to be "Amber" or "Red" but these areas generally have a "Green" status now because the issue(s) identified have been addressed and therefore are no longer likely to represent notable issues or risks.

If a reporting area is not listed herein, there were no issues identified with the reported data and if any changes to the methodology were suggested, they were only minor improvements to the documentation of the end-to-end processes.

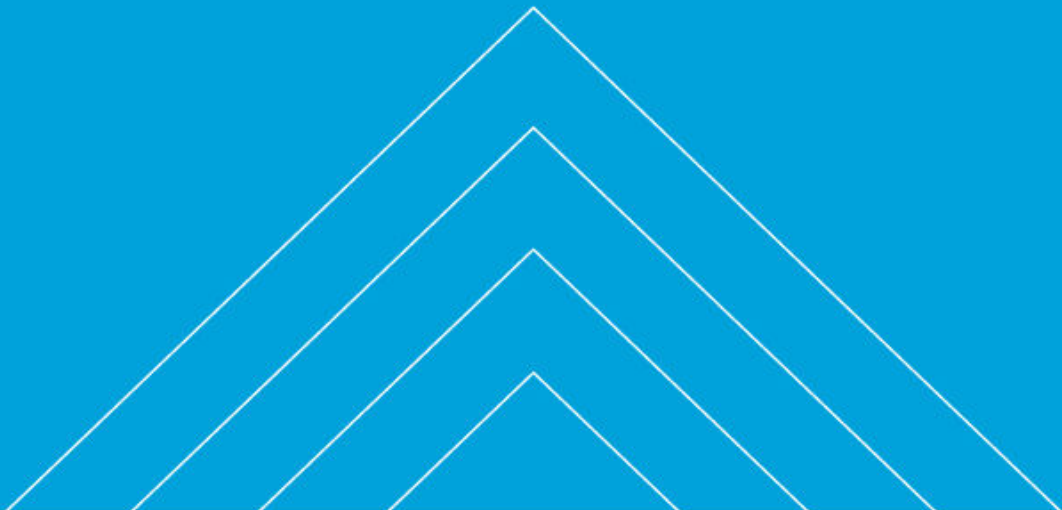
Table 2-4 Summary of Changes to Company Methodology and/or Reported Data

Table, Line and Subject	Changes to Methodology	Changes to Reported Data	Reported Data	
			Audit	Final
3C.5 Total household complaints		Issues found with reporting of Stage 2 complaints and other errors identified.	4,431	TBC
3C.6 and 7 Complaints per 10,000 customers		The unit was in the wrong format, which had a knock on effect of reporting Complaints per 10,000 incorrect	1,497 29549.556	1,497,146 29.596
3E.7, 8, 11, 12 Customers in vulnerable circumstances	The Company moved service providers and its process only report 10 months of survey results (June 22 to March 23).	The Company did not provide final numbers during the first audit.	Fail	Pass
4D, 4F, 4J, 4L Capex Lines	Egham WTW can be used to supply SE Water as well as the Company's customers. There is an agreement in place which sets out the proportion of capex which can be	The Company has amended its approach and aligned the allocation to the agreement with SE Water.		

Table, Line and Subject	Changes to Methodology	Changes to Reported Data	Reported Data	
			Audit	Final
	recharged to SEW but the Company was reporting all of its capex as third party capex rather than just a proportion.			
5A.29 Water resources capacity yield	The method and associated documentation were updated to reflect the change in calculation.	The calculation was using an import of water in the overall sum of water resources capacity yield which is not in line with the guidance. This has now been removed.	1023.21	973.21
6F.7 WRMP annual reporting on delivery - non-leakage activities		Demand Capex and Opex at present does not align with 4L which the guidance states. This is currently being investigated.	5.114 Capex £m 1.420 Opex £m	TBC
6D.8 New Business Meters Installed	Include an additional step in the methodology to check the meters that are designated as AMR but do not have serial numbers to ensure correct designation.	One (1) meter moved from basic to AMR	Basic: 2 AMR: 65	Basic: 1 AMR: 66
6D.10 Business Meters	Include an additional step in the methodology to check against the meter reading software.	107 meters moved from basic to AMR	Basic: 125 AMR: 982	Basic: 17 AMR: 1089
6D.8, 10, 13, 14 Business meters	Include an additional step in the methodology to periodically (monthly) review any AMR meters with no serial number with the wholesale service desk team.	Changes incorporated in 6D.8 and 6D.10	Changes incorporated in 6D.8 and 6D.10	Changes incorporated in 6D.8 and 6D.10
6D.9 Residential Meters Renewed	No changes	Around 1,000 meters were not reported because they did not include a serial number. This is inconsistent with Affinity Water's methodology. This was suggested to be reinstated into the final number	~11,000	12,254
6D.7 New Selective Meters Installed for Existing Customers	No changes	30 meters were identified to have old meter serial numbers which indicated that they should not be included in the new meters per Ofwat's	46,095	46,065

Table, Line and Subject	Changes to Methodology	Changes to Reported Data	Reported Data	
			Audit	Final
		guidance. Those were removed		
6D.11 Replacement of Basic Meters with Smart Meters for Residential Customers	Develop a methodology to address this line item as there were no methodology developed at the time of the audit. This was due to misinterpretation of Ofwat's guidance.	No data was reported at the time of the audit. 9,720 meters were identified to be replacement from Basic to AMR meters	N/A	9,720
6D.17, 19 Meters Benefits - Replacement of Basic Meter with Smart Meters for Residential and Business Customers	Develop a methodology to address this line item as there were no methodology developed at the time of the audit. This was due to misinterpretation of Ofwat's guidance.	The data was reported based on all meters renewed rather than meters replacement from Basic to AMR.	N/A	6D.17: -0.319 6D.19: -0.742

Appendices



Appendix A. Detailed Scope of Works

Scope of assurance – AMP7 Performance Commitments and end AMP7 forecasts

Performance Measure	Methodology and Data Audit
3A.1 Water Quality (CRI)	✓
3A.2 Water Supply Interruptions	✓
3A.3 Leakage	✓
3A.4 Per capita consumption	✓
3A.5 Mains repairs	✓
3A.6 Unplanned outage	✓
3E.1 Risk of severe restrictions in a drought	✓
3E.2-4 Priority services for customers in vulnerable circumstances - PSR reach; Attempted contacts; Actual contacts	✓
Table 3C C-MeX	✓
Table 3D D-MeX	✓
3E.6 Average time properties experience low pressure	✓
3E.11 & 3E.7 Customers in vulnerable circumstances satisfied with our service (receiving financial help & not receiving financial help)	✓
3E.12 & 3E.8 Customers in vulnerable circumstances who found us easy to deal with (receiving financial help & not receiving financial help)	✓
3A.7 Environmental innovation - delivery of community projects	✓
3A.8 Reducing the total number of void properties by identifying false voids	✓
3A.9 River restoration	✓
3A.10 Abstraction reduction	✓
3A.11 Number of sources operating under the Abstraction Incentive Mechanism	✓
3A.12 Properties at risk of receiving low pressure	✓
3A.13 Number of occupied properties not billed (Gap sites)	✓
3A.14 Unplanned interruptions to supply over 12 hours	✓
3A.15 Customer contacts per 1000 population for Water Quality (taste, odour & appearance)	✓
3E.9 BSI accreditation	✓
3E.10 IT resilience	✓
3E.13 Value for Money Survey	✓
3E.14 Delivery of water industry national environment programme requirements	✓

Scope of assurance – APR Asset and Financial Data

Table	Lines	Line numbers	Methodology and Data Audit
3F - Underlying calculations for common performance commitments - water and retail	Mains repairs	1-3	✓
	Per capita consumption	4;6	✓
	Leakage	5	✓
	Water Supply Interruptions	7	✓
	Unplanned outage	8	✓
	PSR	9	✓
3H - Summary information on outcome delivery incentive payments	Calculations of revenue adjustment	1-21	X
3I - Supplementary outcomes information	Planned outage	3I.1	✓
	Risk of severe restrictions in drought	3I.2	✓
4A - Water bulk supply information	Bulk Supply	1-6, 11, 12-22	✓
4D - Totex analysis	Operating expenditure	1-7	X
	Capital expenditure	8-14	✓
	Cash expenditure	15-18	X
	Atypical expenditure	19-24	X
4F – Major project expenditure	Capex	1-11, 15-17	✓
	Opex	12-14, 18-22	X
4J – Base expenditure analysis	Opex / service charge / traffic management	1-14;18	X
	Capital expenditure	15-17	✓
4L – Enhancement expenditure	Capex lines from enhancement programme	1, 4, 7, 10, 13, 16, 20, 23, 26, 29, 32, 35, 39, 42, 45, 48, 51, 54, 57, 60, 63, 66, 69, 72, 75, 77, 79, 81, 83, 86	✓
	Opex/Totex lines from enhancement programme	2, 3, 5, 6, 8, 9, 11, 12, 14, 15, 17, 18, 19, 21, 22, 24, 25, 27, 28, 30, 31, 33, 34, 36, 37, 38, 40, 41, 43, 44, 46, 47, 49, 50, 52, 53, 55, 56, 58, 59, 61, 62, 64, 65, 67, 68, 70, 71, 73, 74, 76, 78, 80, 84, 85	X
4Q – Developer Services	New connections	1-4	✓
	Properties volume data	5-12	✓
	New Water mains	13-14	✓

4R – Connected properties, customers and population	Customer numbers - average during the year	1-9	✓
	Property numbers - average during the year	10-16	✓
	Property and meter numbers - at end of year (31st March)	17-25	✓
	Population	26-27	✓
5A – Water resources asset and volumes data	Water resources	1-29	✓
6A – Raw water transport	Raw water transport and storage	1-12	✓
	Water treatment - treatment type analysis	13-19	✓
	WwTW size band	20-27	✓
	Water treatment - other information	28-36	✓
6B – Treated water distribution	Assets and operations	1-32	✓
6C – Mains, communication pipes and other data	Treated water distribution - mains analysis	1-8	✓
	Communication pipes	9-11	✓
	Treated water distribution - mains age profile	12-19	✓
	Other	20-26	✓
6D – Demand Management	Totex expenditure	1-5	X
	Metering activities	6-15	✓
	Totex Leakage	16	X
	Per capita consumption	17-18	✓
6F – WRMP	Annual reporting on delivery – non-leakage activities	1-10	✓
11A – Operational greenhouse gas emissions reporting	Scope 1-3 emissions, Gross operational emissions, emissions reductions, net annual emissions, GHG intensity ratios	1-38	✓

Scope of assurance - GSS payments

Performance Measure	Methodology and Data Audit
Guaranteed Standards Scheme (GSS)	X

Scope of assurance – Environment Agency – Annual average out-turns (WRMP Annual Review)

Performance report	Methodology and Data Audit
Supply	✓
Demand	✓
Customers	✓
Population	✓
Metering	✓
Supply-Demand Balance	✓

Scope of assurance – Report to CCW

Performance report	Methodology and Data Audit
Connected and Billed Properties	✓
Complaints – Household only	✓
Vulnerable customers	✓
Leakage	✓
Supply Interruptions	✓
Metering	✓
Water demand	✓

Financial Performance Commitments

Reported financial Performance Commitments	Common Performance Commitment	Bespoke Performance Commitment
3A.1 Water Quality (CRI)	✓	X
3A.2 Water Supply Interruptions	✓	X
3A.3 Leakage	✓	X
3A.4 Per capita consumption	✓	X
3A.5 Mains repairs	✓	X
3A.6 Unplanned outage	✓	X
3C. C-MeX	✓	X
3D. D-MeX	✓	X
3A.7 Environmental innovation - delivery of community projects	X	✓
3A.8 Reducing the total number of void properties by identifying false voids	X	✓
3A.9 River restoration	X	✓
3A.10 Abstraction reduction	X	✓
3A.9 River restoration	X	✓
3A.10 Abstraction reduction	X	✓
3A.11 Number of sources operating under the Abstraction Incentive Mechanism	X	✓
3A.12 Properties at risk of receiving low pressure	X	✓
3A.13 Number of occupied properties not billed (Gap sites)		
3A.14 Unplanned interruptions to supply over 12 hours	X	✓
3A.15 Customer contacts per 1000 population for Water Quality (taste, odour & appearance)	X	✓

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