



Dŵr Cymru
Welsh Water

Overview

Statement of Risks Strengths and Weaknesses and Draft Assurance Plan 2018/19

November 2018

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Who we are

Dŵr Cymru Welsh Water (DCWW) is the sixth largest of the ten regulated water and wastewater companies in England and Wales. DCWW is unique among utility companies in the UK – we are owned by Glas Cymru Cyfyngedig, a ‘not-for-profit’ company, limited by guarantee. We provide an essential public service and, as custodians of the water industry in our area, we are responsible for protecting the environment and delivering a high quality and reliable service to our customers.

Our aim

Our aim is to ‘Earn the Trust of our Customers’ every day, and we have a set of core values that will ensure that we do this today, and every day moving forward.

WE'RE A NOT-FOR-PROFIT WATER COMPANY.

WE DON'T HAVE SHAREHOLDERS, WHICH MEANS THAT EVERY SINGLE PENNY GOES BACK INTO LOOKING AFTER YOUR WATER AND ENVIRONMENT.

We keep over three million people healthy each day with safe, reliable water, and take away waste water to clean, before returning it safely to our beautiful rivers and seas.

We serve customers in most of Wales, Herefordshire and some communities along the English border.

THE AREA WE SERVE



EXCELLENCE
in everything
we do

HONEST
with everyone

OPEN
to new ideas

PROUD
to put
customers
first

TRUSTED
to do the
right thing

SAFE
at all times

Why we assure our data

It is important that we provide information to customers and stakeholders that is customer-led, accessible, clear, accurate, transparent and timely. Our ongoing objective therefore is to make available information that is easy to follow and navigate and which enables them to understand how we are performing. We also recognise that this helps build trust and confidence in the business.



Our Draft Assurance Plan

The purpose of this overview and our main document is to set out and seek views on our Statement of Risks, Strengths and Weaknesses associated with the assurance of regulatory reporting and the Draft Assurance Plan we intend putting in place to manage and mitigate such risks as have been identified.

Our assurance framework

Our overall aim is to ensure that the data and information we publish is accurate and reliable. Underpinning this is an assurance framework which contains a number of features, notably a corporate culture and governance regime that facilitates the processing of high quality information to the level our customers and other stakeholders expect.



We operate a three lines of assurance model which ensures that there is clear separation of accountabilities between those responsible for delivery of a performance commitment or a regulatory/statutory obligation and those responsible for ensuring the integrity of that data. This delineation is mirrored in our governance arrangements. More information can be found on our webpage [Our Assurance Framework](#)

Stakeholder engagement

Last year we engaged proactively with a range of key stakeholders, arranging meetings and conference calls where appropriate, as well as preparing presentation packs outlining our data assurance framework.



This year we are again engaging with our key stakeholders. We have also published our Draft Assurance Plan consultation on our website to encourage our customers to give us their thoughts.

What our stakeholders have said previously

Welsh Government

"The draft plan was well presented and easy to read, and we welcome the engagement with stakeholders you have undertaken during the course of its preparation."

Natural Resources Wales

"Generally, we find the document to be well presented and easy to follow."

We acknowledge the steps that DCWW have identified and put in place to assure the accuracy and reliability of their data."

CC Water

"We can see that you have included a section on Business Retail market and the new element of your work relating to assurances required in the context of a new open market for companies operating wholly or mainly in England. We are pleased to see that you have implemented a full range of systems, processes and business separation similar to that required in England."

What we propose to include in our 2018/19 plan

The following pages show the areas we feel are the most important to our customers and stakeholders and we are therefore proposing to include them in our plan.

We follow a risk based assurance approach which examines our end-to-end reporting processes to identify the risks, strengths and weaknesses associated with providing information that is of a high quality and which customers and stakeholders trust. It also examines the probability of these risks materialising and the potential impact that they may have. This ensures that we focus on the areas which would have the highest impact and allows us to take action to monitor and actively manage any relevant risks.

The approach we have followed is based on the methodology set out by Ofgem, which was developed to provide guidance on best practice for conducting and reporting risk assessment and data assurance activities in order to ensure complete, accurate and timely data is submitted.

Segmental Reporting

2015/16 was the start of a new price control period and we have separate price controls for wholesale (water and wastewater) and retail (household and non-household). With the introduction of greater competition, we want to ensure our customers and stakeholders can remain confident that costs are reflected properly in their charges and allocated correctly.

Performance Measures

In April 2015, we introduced our new Outcome Delivery Incentive Scheme. It provides a comprehensive suite of measures, both financial and non-financial, designed to challenge us to meet the expectations of customers in every respect and on every occasion, and to ensure that they are properly compensated where we fall short.

Annual Performance Report (APR)

The APR contains information that allows customers and stakeholders to review our performance and to make comparisons with other companies in the sector. It also provides specific information on the progress we have made on the delivery of customer outcomes and service levels and on our financial performance (including detailed revenue and cost information).

We are required to publish a single Annual Performance Report in a format prescribed by Ofwat.

Website Publications

There is an ongoing development of our website and we will take every opportunity to ensure that it continues to be a reliable platform for our customers and stakeholders to obtain information on aspects of our business.



Bioresources Market Information

To allow third parties to identify market opportunities and thus facilitate discussions companies are required to publish Bioresources Market Information as frequently as they deem necessary but this must be updated at least annually. The annual publication must be made by 31 July each year. Our assurance activities are aimed at publishing information that stakeholders can have trust and confidence in and is easy to navigate and understand.

Charges Schemes

We are required to publish a number of charges schemes each year in compliance with Licence Condition D and Ofwat's Charges Schemes Rules. These documents set out the company's charges for services provided and the terms and conditions of those charges.

Our assurance processes will continue to develop within the framework and guidelines being issued by Welsh Government and an assurance framework for 2018/19 was published in February 2018.

Water Resource Management Plan and Market Information

To stimulate third party engagement, companies operating wholly or mainly in Wales must publish market information in draft for public consultation alongside the next draft of their WRMPs in 2018. Companies also need to ensure that the published market information derived from the draft WRMPs are updated when the WRMPs are finalised. Subject to final approval by Welsh Ministers, we will be publishing our final WRMP in February 2019. Ofwat requires companies to update the market information in line with the final WRMP within one month of it being published.

Statutory Financial Reporting

The preparation of statutory accounts is a legal requirement and we also publish interim financial statements. Within our group Annual Report and Accounts we communicate our strategy, governance and performance, set within the context of our strategic objectives. We also report on the outcome of our financial resilience assessment in our long-term viability statement.

Our Annual Report and Accounts are published on our website in July each year, and our Interim Statements in November.

Payment Policies, Practices and Performance

The Department for Business Energy and Industrial Strategy outlined in its October 2017 report that every year, thousands of businesses experience severe administrative and financial burdens, simply because they are not paid on time. Our financial systems and procedures are configured to ensure that we pay all approved invoices within our agreed payment terms.

Natural Resources Wales – Compliance Tables

DCWW provide data to Natural Resources Wales (NRW) and the Environment Agency which is then used to complete the annual Compliance Tables.

The Compliance Tables contain information about the performance of our wastewater treatment works against their discharge permit. Each wastewater treatment work has a permit issued by NRW and EA which regulates the quality of wastewater the company is allowed to discharge into rivers and coastal waters. The Tables also contain details of any pollution incidents.



Customer Engagement

We ensure that data and information that is used to inform any customer research is derived from a reliable and accurate source and also that it processed correctly. In the last 12 months there was significant activity as we prepared for the price review. We also undertake “business as usual” customer research, including surveys to establish customer trust levels and awareness of our “not for profit” status.

Non-household customer contacts and complaints

Since 1 April 2017 non-household customers in England have been able to change their water retailer. In Wales, only large non-household customers are able to do this. To ensure that our non-household customers continue to receive excellent customer service, we have appointed a market research organisation to undertake two half-yearly satisfaction surveys on a random sample of 1,000 of our customers. We publish the results in our Annual Performance Report.



Our priority services for vulnerable customers

We want to make sure that we always give the best service possible to all of our customers. If customers have a particular requirement due to their age, health, medical condition or extra communication requirements, we ask them to register for Priority Services so that we can help adapt our services to meet their needs. We have a ‘Priority Services’ booklet that explains what is available, how we can help and how to apply.

PR19

Every five years, Ofwat sets limits on the prices which water companies in England and Wales can charge to their customers. This process is known as a price review. Ofwat is currently working on the price review for 2019 (called PR19) and this will set the price control for companies for the period 2020 to 2025, i.e. the price and service package that customers receive.

We have implemented a programme of assurance activities to review our approach to developing the Business Plan.

Corporate Resilience

Whilst resilience has always been important to us, we have for the first time included corporate resilience within our draft assurance plan. Corporate resilience can be summarised as:

“The ability of an organisation’s governance, accountability and assurance processes to help avoid, cope with and recover from, disruption of all types; and to anticipate trends and variability in its business operations”.

CC Water

CC Water publish a range of reports on company performance, and to assist them, we and other companies supply them with performance data. We therefore ensure that the data we provide follows the same high level of assurance that we provide to all of our other regulators.



Financial Resilience

Glas Cymru has one of the strongest credit ratings in the water sector, reflecting the group's high level of credit worthiness. Any data provided to our investors is subject to our full assurance process.

GDPR

The EU General Data Protection Regulation (GDPR), is a new set of rules that we have had to follow when collecting, storing, handling or using any personal information from 25 May 2018.

We collect and store information in lots of different ways, and for lots of different reasons – from writing a customer's details down on paper after a visit to their home, to someone's address and billing information being stored on our computer systems, or our own colleagues' records held on our HR systems.

We don't own this information. It belongs to the individual. However, we are responsible for protecting it while we handle it or pass it to our partners to do something with it on our behalf.

Next steps

We welcome customer and stakeholder comments on our Draft Assurance Plan by 11 January 2019. Our main consultation document can be found [here](#).

We will reply to all responses that we receive and explain what actions we have taken to address the comments submitted. We will use any feedback received to inform our Final Assurance Plan that we will publish in March 2019.