

**WELSH WATER PROTOCOL ON
ENGAGEMENT WITH
STAKEHOLDERS ON DATA
ASSURANCE**

2016/2017

Background

Ofwat's shared vision for the water sector in England and Wales is one where customers, the environment and wider society have trust and confidence in vital public water and wastewater services.

Having information that is easy to understand and navigate provides transparency and helps everyone build trust and confidence in water. Ofwat expects us to provide information to our customers and stakeholders that enables them to understand how we are performing. Ofwat also expects us to have processes in place to make sure our published information can be trusted. If there is a lack of confidence in the information that individual water companies provide about their performance, Ofwat will step in to protect customers.

Our vision is to earn the trust of our customers every day by adopting values such as:

- being trusted to do the right thing;
- being honest with everyone; and
- ensuring excellence in everything we do.

Our Code of Conduct makes it clear that "it is vitally important that the data and information we provide is accurate and complete, so that our customers and stakeholders can trust what we say".

Principles

In 2014, Ofwat set the price and service package (price controls) that each monopoly company must deliver to their customers in the five years between 2015-16 and 2019-20. In setting prices they gave companies greater responsibility for:

- delivering the things that customers, society and the environment want (outcomes);
- owning their relationships with their customers and stakeholders; and
- using these relationships to understand and enable delivery of these outcomes.

The information we report will be used by our customers and other stakeholders to challenge our performance and hold us to account. For this to be effective, we recognise the need to report our performance in a clear and transparent way. Our overarching principles to achieve this are to provide information to customers and stakeholders that is customer-led, accessible, clear, accurate, transparent and timely.

We have an audit and assurance framework designed to allow the systematic monitoring and evaluation of the various aspects of our performance to ensure that standards of quality are being met. This involves having appropriate governance arrangements, close involvement by our Board in the assurance process, and the right level of independence in the process to provide third party review and challenge. This provides assurance to our Board, stakeholders and customers to give legitimacy and certainty of the level of performance and service that we are delivering.

Information that we publish on our performance will be assured to maintain and build a high level of trust and confidence from our customers and stakeholders.

Key Stakeholders

It is important that we continue to review what information our customers and other stakeholders want and need. We are committed to ensuring that there is regular and effective engagement with our stakeholders and will tailor the type and extent of engagement to each particular stakeholder.

We will engage proactively with stakeholders and most likely this will mean that we may explore different issues with different stakeholders. How we do this will always be on the basis of what is in the customer's best interests. Our key stakeholders have been determined as;

- CCWater;
- Customers (Customer Challenge Group);
- DWI;
- NRW;
- Ofwat; and
- Welsh Government

Annual Risks, Strengths and Weaknesses Exercise

Each year we will carry out an exercise in order to target areas where there is room to improve. The areas to be targeted may not be those of greatest underlying risk as we may be able to demonstrate that we already have strengths in these areas.

During this exercise we will:

- aim to take account of stakeholders' views;
- demonstrate our efforts to engage proactively with stakeholders and how we do this will be made on the basis of what is in customers' best interests; and
- tailor the type and extent of engagement to each particular stakeholder. It is most likely that we will want to explore different issues with different stakeholders. For example, we may wish to understand:
 - stakeholders' current concerns about reported information;
 - the relative importance a stakeholder places on the information we report;
 - how a stakeholder uses information and their requirements for precision; and
 - if stakeholders would value information presented in a different way or further information.

Annual Statement of Risks, Strengths and Weaknesses

Each year we will publish on our website a Statement on the Risks, Strengths and Weaknesses exercise.

The Statement will allow stakeholders to understand how the exercise has been carried out and why the areas highlighted are the most appropriate. Prior engagement on the exercise should result in a Statement that is acceptable to our stakeholders.

Ofwat will be one of those stakeholders but we acknowledge that they do not expect extensive involvement.

Publication of the Statement of Risks, Strengths and Weaknesses

We will consider how we can effectively engage with stakeholders when deciding on the timing of our exercise, engagement and subsequent publication.

This will take into account both the ability of stakeholders to be involved in the process and our understanding and response to stakeholders’ views.

The Statement will be published on our website before we publish the Draft Assurance Plan but we may consider publishing at the same time.

Publication of the Draft Assurance Plan

Following the Statement on Risks, Strengths and Weaknesses we will publish a Draft Assurance Plan on our website. The purpose of the Assurance Plan is to target areas for improvement identified in the Statement of Risks, Strengths and Weaknesses.

The Draft Assurance Plan will:

- be in such a format that stakeholders will best understand and be able to navigate;
- take into account conversations we have had with our stakeholders;
- be developed in the context of the wider assurance that we provide to our stakeholders to demonstrate that we are listening to their needs;
- be clear on the data assurance activities that we will put in place to provide accurate data that underpins the information we provide; and
- follow a risk-based approach and be clear how and what risks we have identified and how we will appropriately reduce these risks to acceptable levels.

Publication of the Final Assurance Plan

We will be clear on the comments we have received and provide a response to them whether or not this has changed in the Final Assurance Plan.

We will publish a Final Assurance Plan on our website.

It is worth reiterating that the areas to be targeted may not be those of greatest underlying risk as we may be able to demonstrate that we already have strengths in these areas.

Summary

ACTIVITY	SUMMARY DESCRIPTION
Engagement on Risks Strengths and Weaknesses exercise	We will proactively engage to give stakeholders the opportunity to provide input to the exercise.
Publish Statement of Risks, Strengths and Weaknesses	We will consider how we can effectively engage with when deciding on the timing of publication but we will publish before 30 November.
Publish Assurance Plans	We will consider how we will be able to engage with stakeholders before deciding on the timing of the Draft and Final Plans.
Consultation on Draft Assurance Plan	We will proactively consult with customers and stakeholders to give the opportunity to provide comments on the Draft Assurance Plan. We may consider publishing the Draft Assurance Plan at the same time as the Statement of Risks, Strengths and Weaknesses.
Publish Final Assurance Plan	We will publish a Final Assurance Plan before the end of March, providing responses to any comments we have received.