

10 Confidence and assurance

10.1. Key messages



- **Comprehensive Board Assurance Statement:** Board ownership of the strategic direction of the plan
- **Robust assurance processes support plan production:** Appropriate use of internal and external assurance providers
- **Financeable and deliverable plan, consistent with statutory obligations, regulatory requirements and customer priorities:** Deep and thorough engagement with the widest range of stakeholders to ensure obligations can be met
- **Strong track record of transparency and good governance:** Meeting and exceeding standards of corporate governance for the sector and beyond
- **Commitment to continuing strong record of company performance reporting:** Targeting to meet or exceed requirements for self-assurance in regulatory reporting
- **Strong consultative framework established for future sharing of outperformance:** Transparent consultation and scrutiny of application of benefit sharing

10.2. Overview

This chapter sets out information on our assurance framework and findings, transparency of our reporting and the resulting confidence in and assurance of our plan. It is accompanied by the UUW Board Assurance Statement and UUW Viability Statement which are provided as document C0011.

A further supplementary document 'S9001 - Confidence and assurance: Process, controls and assurance of our business plan' also provides additional evidence in support of this chapter. In particular, section 2 of that document provides further detail on the process, checks, controls and assurance that has been applied to demonstrate that the information to support each element of the plan is of high quality and fully complies with all aspects of Ofwat's PR19 methodology. Section 3 of that document provides an itemised list of the independent assurance reports that have been used to support the business plan.

10.3. Overview of the PR19 assurance framework

Building confidence in our plan

We have demonstrated throughout the process that we have worked hard to develop robust proposals to meet each of the different requirements of the AMP7 business plan.

In many cases this work has developed over a number of years and has involved the use of independent specialists to challenge and review, or to directly support the development of our approach in these areas. This has been instrumental in building confidence that we have been developing a plan which is demonstrably stretching, but which is also deliverable.

Applying a robust assurance framework to the plan

We have utilised a structured assurance framework to ensure that the assurance that we have applied to each area of the plan is both comprehensive and appropriately detailed. The PR19 assurance framework is comprised of five linked processes which are summarised in the diagram and supporting text below.

Requirements — All requirements set out within the PR19 methodology have been cross referenced to deliverables within the programme to confirm that all internal and external requirements were being addressed by the programme and to establish success criteria for each deliverable.

Executive accountability — A programme wide “RACI” matrix was developed (RACI is a matrix defining who within a programme of work is: responsible for delivering the activity; accountable for the activity; needs to be consulted on the activity or needs to be informed about the activity), which identified each executive high-level accountabilities and responsibilities. Each executive was responsible for the management, risk assessment and assurance of the delivery of their deliverables.

Programme management — The programme was managed through a central high level plan, supported by more detailed plans managed by the individual work streams. The programme was developed and reviewed through three iterations, with each iteration leading up to a series of gateway reviews (bronze, silver and gold).

Risk assessment — Each deliverable was subject to a risk assessment, with this risk assessment process being used to determine both the level of governance that was to be applied to the deliverable and the level of assurance required.

Robust assurance processes — We applied a structured risk-based three lines of assurance process to the deliverables within the programme. This included the use of a central PR19 assurance provider, Deloitte.

The approach to assuring the outputs of the PR19 programme was assessed by Deloitte. This included three programme assessments different stages of the programme, as well as twenty deep dives into specific areas, alongside assurance activities performed by United Utilities and other third party providers. In its final report Deloitte reported that *“UJW prepared a comprehensive assurance framework for the PR19 programme setting out a range of assurance activities across the breadth of the programme. This covered the entirety of the plan, in order to produce a high quality PR19 business plan and provide the required level of assurance to the Board to support the plan’s submission to Ofwat”*. See third party report T9007 - Cross programme review 3 - Deloitte assurance report. Acting upon the feedback provided allowed us to improve both our assurance approach and the individual elements of the plan.

10.3.1. Governance and accountability

The UJW Limited Board has ownership of the overall strategy and long term direction of the plan. Clear governance processes are in place to support the day to day operation of the business and to ensure that the Board have appropriate oversight and control of the development of the AMP7 business plan.

UJW maintains high ethical standards of business conduct and corporate governance — through systems and processes by which our organisation is managed, controlled and held accountable. These include procedures and policies in place to ensure that we act in accordance with the Universal Declaration of Human Rights.

The Board seeks to ensure that the company continues to behave as a responsible business, and our business principles can be found on our website¹. Core values of acting with integrity and focusing on our customers

Figure 10.1 Assurance Framework



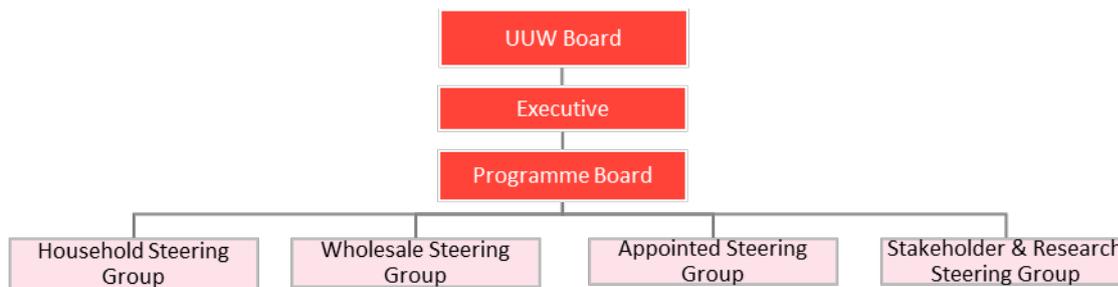
¹ Our business principles can be found on our website <https://www.unitedutilities.com/corporate/about-us/governance/business-principles/>

provide the framework for our business culture and the way in which our employees go about their daily work. Behaving responsibly has been part of the United Utilities' ethos for many years.

We comply fully with the principles and the spirit of the UK Corporate Governance Code and Ofwat's principles on Board Leadership, Transparency and Governance. This is set out in the United Utilities' Code on Board leadership, transparency and governance, published on 26 June 2018. The code can be found on our website².

The governance approach that has been applied to the development of the AMP7 business plan has ensured that the Board strategy and direction have been implemented throughout the plan and that key risks and issues have been escalated appropriately within the organisation and where appropriate to Board level.

Figure 10.2: PR19 governance of the programme in relation to assurance activities



Programme wide issues were managed through the price review programme Board who reported to the Executive, which is chaired by the Chief Executive and includes the other executives in the business.

The development of the plan was undertaken through four main steering groups, chaired by the director of the business area who is accountable for that area of the plan as part of their business as usual accountabilities.

To ensure that there was clear accountability for each deliverable within the programme, a programme wide "RACI" matrix was developed. The matrix identified owners, reviewers and executives with clear responsibilities and accountabilities for ensuring that each deliverable with each area of the plan was developed in a way that fully met the requirements of that area of the plan.

The high level RACI, showing accountability for each area of the plan is shown in Table 10.1:

Table 10.1: Overview of the PR19 RACI

IAP Test		Executive accountable				
		Customer service and people director	Chief operating officer	Corporate affairs director	Group controller	Strategy and regulation director
1	Engaging customers	X		X		
2	Addressing affordability and vulnerability	X				
3	Delivering outcomes for customers	X	X			
4	Securing long term resilience		X		X	
5	Targeted controls, markets and innovation	X	X			
6	Securing cost efficiency	X	X			
7	Aligning risk and return				X	
8	Accounting for past delivery	X	X			
9	Securing confidence and assurance					X

Each executive was responsible for the management, risk assessment and assurance of the delivery of their suite of deliverables and confirmed that their work and the supporting assurance actions had been fully completed, to support the Board decision to sign the Board Assurance Statement.

The Board has unanimously approved the submission of the Board Assurance Statement and the publication and submission of the business plan. The full Board Assurance Statement is provided in document C0011.

² Our code on Board Leadership, Transparency and Governance can be found on our website https://www.unitedutilities.com/globalassets/z_corporate-site/corporate-governance/code-on-board-leadership-transparency-and-governance-26-june-2018.pdf

10.3.2. Requirements

We developed a list of all the requirements set out within published PR19 methodology documents, with this list being kept live throughout the programme and updated to reflect the final methodology and then the subsequent query process.

We also added to this list requirements from other regulators and key internal requirements to the programme. This list provided a definitive set of requirements for the programme.

These requirements were managed via a detailed requirements traceability matrix (RTM). The RTM was a significant tool in enabling us to ensure that in developing our business plan, we were able to track that we also met the requirements of the methodology, enabling us to ensure that each requirement was being addressed by one (or in some cases a number of) deliverables. This mapping was used to confirm that all the requirements of the programme were being addressed and to establish requirements and success criteria for each deliverable.

Each specific deliverable was assured against success criteria which reflected, amongst other things, the PR19 methodology (including the expectations set out in the “Initial assessment of plans”), the requirements of other regulators, the desire to develop a high quality plan and the company’s internal requirements based upon the overall direction and objectives set by the UUW Board.

The effectiveness of the RTM process was reviewed as part of confirmed by Deloitte as part of their final cross programme review, which concluded that **“UUW followed a thorough approach to understand and assess the requirements set out by Ofwat in the PR19 final methodology which were used as requirements for the programme itself and monitored by programme controls and processes”**. See third party report T9007 - Cross programme review 3 - Deloitte assurance report.

10.3.3. Programme

Each deliverable within the programme was managed through a central high level plan, supported by more detailed plans managed by the individual work streams.

To ensure that we could expose issues and ensure that the business plan was demonstrably robust and struck the appropriate balance, the programme was developed and reviewed through three main iterations, with each iteration leading up to a series of gateway reviews (bronze, silver and gold).

The assurance that was undertaken on the plan was also undertaken in an iterative way with reviews being scheduled sufficiently in advance of submission dates to allow detailed quality checks and assurance to be undertaken over draft deliverables in a sufficiently developed form. This approach was designed to highlight risks and issues early, providing sufficient time to fully review and address these risks or recommendations.

Where issues and recommendations were identified, the required corrective actions were tracked by a dedicated PR19 programme management office, with the effectiveness of this process being reviewed by UU Corporate Audit and our central assurance provider Deloitte.

Internal and independent reviews of the effectiveness of the programme management were undertaken at the start of the programme and during the programme by both UU Corporate Audit and Deloitte. Deloitte also including a summary of their review of the programme in their final cross programme report, which concluded that **“Effective programme management controls and reporting has been in place from the outset and enhanced over the duration, most notably in April/May 2018, which included improvements in programme controls and the overall structure and ownership of the programme”**. See third party report T9007 - Cross programme review 3 - Deloitte assurance report.

10.3.4. Risk assessment

We have adopted a structured risk assessment process to underpin the governance and assurance processes supporting our PR19 submission. The risk assessment builds on the approach we have adopted in our existing AMP6 regulatory reporting, which was designed to meet the expectations of Ofwat’s company monitoring framework.

Each deliverable within the plan was risk assessed to determine the level of governance and the level of assurance that was required. We successfully adopted a similar approach during the Market Reform programme and use it to support our Annual Performance Report and other key regulatory submissions. The outline of this risk assessment process and the resultant higher risk items were set out in our Assuring our Performance 2015-2020, which is available on our website³.

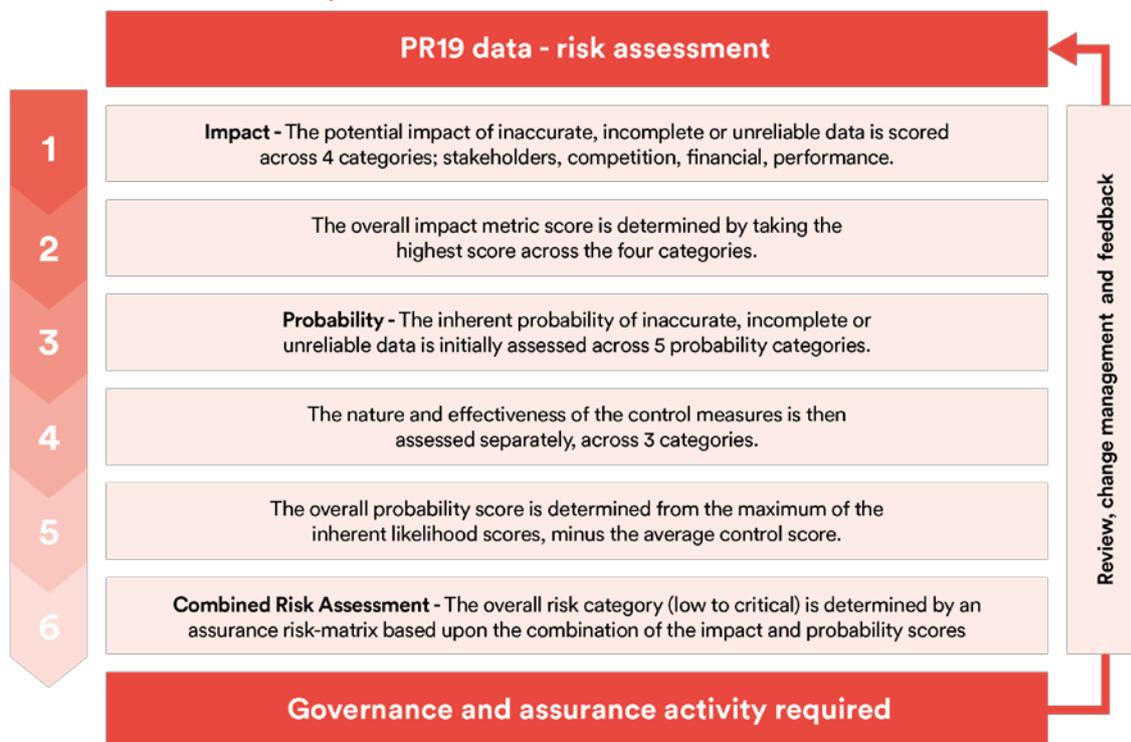
The key component of this approach is the assessment of each deliverable (data item or document) against a set of criteria to establish the impact and probability of potential miscalculations or misreporting of the information.

Whilst the framework used for the risk assessment is the same as that used for the UU risk assessment process, the specific risk assessment criteria have been reviewed and where appropriate revised to reflect the specific risk that are applicable to a price review. The risk assessment process separately reviews the impact and probability of any potential risks associated with misreporting of each data item. The risk assessment is undertaken within a model and generates an overall combined risk rating (low, medium, high or critical).

The impact score assesses the scale of the potential consequence of inaccurate, incomplete, misreported or late data across four categories; stakeholders, competition, finance and performance targets or outcomes.

The probability score is assessed via two steps; initially the inherent risk involved in the processes for data collection, manipulation and reporting the data is assessed and then the mitigating effect of any established control activities, systems and processes is then assessed to determine the overall likelihood rating. The overall combined risk rating is then derived from the combination of the impact and the likelihood score.

Figure 10.3: PR19 risk assessment process



The risk assessment was initially undertaken at the start of the programme and was then revisited on two further occasions during the programme to challenge and validate the risk level, and to reflect changes in the methodology and key deliverables as the programme matured.

The risk assessment was led by an identified assurance lead within each work stream, and to ensure consistency the work was undertaken alongside and with oversight by specialists from Economic Regulation. The results were also scrutinised by the multifunctional PR19 Assurance Task group.

³ The Assuring our performance 2015-2020 section of our website is available on the following link <https://www.unitedutilities.com/corporate/about-us/performance/assuring-our-performance-2015-2020/>

The process was also reviewed by UU Corporate Audit and Deloitte to confirm that the approach was robust and that an appropriate risk assessment process was being utilised.

10.3.5. Robust assurance processes

The assurance framework ensured that a structured risk-based three lines of assurance process was applied to all deliverables within the programme. The coverage of each line is summarised below:

1st line assurance: Developing and maintaining sound processes, systems and controls.

Accountability for first line assurance of each area of the business plan, was assigned to the business functions that owned and managed that area of the plan. Fundamental to this concept is that those responsible for delivery are ultimately responsible for assurance of that delivery. The key components of the first line assurance were:

- Each executive sponsor was accountable for their work stream implementing a structured first line assurance process for all of the data that they were accountable for. This accountability was supported by each work stream appointing a nominated assurance lead, who would report progress and issues to the executive director
- The 1st line assurance process required detailed methodology statements to be produced, which documented the checks and controls that were applied to the data within their area of the plan. Each assurance check or control was recorded and archived in order to identify who undertook it, the nature of the review and challenge that had been applied and any risks or issues that had been highlighted and escalated through the process
- Methodologies and associated checks and controls were stored on a central SharePoint site and the completeness and effective application of these methodologies, checks controls and management challenge and review processes, were reviewed by Corporate Audit with their findings being reported to the UUW Executive and then UUW Board to support the signature of the Board Assurance Statement
- Independent technical expertise was utilised to support the business function and mitigate the risks associated with the development of new or technically complex elements of the plan, such as the direct procurement of the enhancement to the Manchester and Pennines resilience. The key independent technical experts used to support each area of the plan are set out in summarised in section 10.5 of this chapter with a comprehensive list of independent support being set out in supplementary document S9001.

2nd line assurance: Providing the enabling framework and governance for the development of the plan.

Second line assurance and approval of the plan was provided by business functions that oversee or specialise in risk management. Second line assurance was delivered independently of the deliverables owner, but was coordinated with the owner. The second line also monitored and provided assurance on the quality and robustness of the submission, through activities such as peer reviews and gateway checkpoints.

All second line assurance was recorded when carried out, centrally collated and an auditable trail was stored on our SharePoint site to ensure the robustness of the challenge. The second line assurance process was provided by a combination of:

- The assurance framework was developed by the PR19 Assurance work stream, who were accountable for central oversight of the application of the risk assessment process and the adequacy and delivery of the 1st line assurance. They were also accountable for managing the implementation of the third line assurance process and ensuring that actions were tracked and delivered
- A series of internal technical reviews were also undertaken on medium risk deliverables. These peer reviews were undertaken by independent teams with equivalent technical knowledge to the team responsible for the deliverable
- Deloitte provided early assurance on the programme and its governance, with further scheduled reviews at key stages. Corporate Audit undertook reviews at three key stages: An initial review of the scope of the assurance activity; targeted reviews of deliverables during the development of the plan and a final review to confirm that the assurance had been completed in line with the original assurance plan. The findings from corporate audits review were provided to and reviewed by the UUW Executive and the UUW Board

- Three programme wide **gateway reviews** were undertaken (bronze, silver, gold), at key stages during the development of the plan.
 - Bronze reviews held in February 2018
 - Silver reviews held in April 2018
 - Gold reviews held in June/July/August 2018

2nd line assurance: Gateway reviews.

The gateway reviews were management and peer reviews, which assessed progress and the quality of the deliverables against increasingly exacting approval criteria. Documents failing at a gateway were required to be re-worked and re-submitted.

The bronze and silver gateway reviews were used to assess the progress and quality of the deliverables at that point in time, to review any outstanding risks and issues and to confirm the actions that needed to be put in place to address these risks before the next gateway review. The key purpose of the bronze and silver gateways was to:

- Confirm the plan to produce the final business plan submission
- Refine the deliverables – structure and chapters, supporting evidence and tables to make it a high quality, submission
- Confirm the authors, contributors, reviewers and approvers, as well as the time required from each resource to produce their deliverables (bronze). Identifying any individuals that may be a single-point-of-failure or that required external support
- Confirm how other inputs would be sourced and the associated decision(s) required

The gold gateway reviews were used to confirm that the plans had been fully completed and fully assured. The checklist requirements to pass the gold gateway were that:

- The relevant documentation was ready to be submitted
- The requirement traceability matrix (RTM) requirements had been checked and adequately addressed
- The data within the tables, models and documentation had been validated back to an assured source
- Any required second line peer review and management review and sign off had occurred
- The first, second and third line assurance and actions had been completed and addressed

At the gold gateway review meetings, evidence was provided to the accountable executive sponsor to confirm that all key deliverables had been addressed. Confirmation that each gold gateway had been passed and that the plans had been fully completed and fully assured was provided to the UUW Board.

3rd line assurance: Providing independent review and assurance of the plan.

We utilised third parties to undertake a detailed and wide ranging independent review of our business plan. The main purpose of the independent assurance was to provide specialist and/or independent review and feedback to the deliverable owner and executive sponsors; with this being used to provide the Executive and UUW Board with independent assurance and confidence in the quality of the submission, prior to signoff. The independent assurance was provided by a combination of:

- **A central assurance provider (Deloitte):** Deloitte provided overarching assurance over the plan and undertook detailed reviews of higher risk areas. The contract with Deloitte ensured that appropriate controls were in place to ensure no possible conflict of interest with other work undertaken for UUW by Deloitte. Further details of the work undertaken by Deloitte are set out below

- **Existing independent assurance providers:** The scope of the assurance activities provided by our existing independent assurance providers, was extended to cover the methodologies for the data that is reported in both the PR19 submission and other related submissions such as the Annual Performance Report
- **Specialist assurance providers:** Targeted technical assurance providers were utilised, based on their specific knowledge and expertise in specific areas such as capital cost efficiency, or analysis of the impacts of deprivation upon our retail cost base. The key specialist assurance providers used to support each area of the plan are listed in Section 3 of supplementary document S9001.

Application of this approach to the AMP7 business plan

As set out above we established an assurance framework which has identified, measured and monitored the deliverables required to submit a high quality business plan. This process included detailed scrutiny from senior management, first and second line risk and assurance teams, as well as a panel of independent experts with third line assurance performed by Deloitte and other external providers.

The framework sought to address:

- Whether U UW was delivering a fit-for-purpose product
- Whether U UW was accurately assessing the risk exposure against Ofwat's nine test areas
- Whether U UW was developing a submission which would provide reliable, accurate and complete data, which can also be assessed as high quality against Ofwat's criteria
- Whether U UW was developing planned submissions, which would deliver to the quality and time assumptions set out in the PR19 programme plan
- Whether U UW was undertaking a robust PR19 process as an input to the resultant AMP7 programme and respective commitments

Assurance support providers were engaged to deliver specific aspects of this plan, with overall co-ordination by U UW. Deloitte were appointed as the central assurance provider for the programme, with their work seeking to assess the approach and processes adopted by U UW in order to deliver a high quality business plan, by providing an independent assessment of how U UW has managed the risks affecting the quality of the submission.

Deloitte's review was undertaken by completing:

- **Three cross-programme reviews;** an initial review to confirm that all required activities were in place, an intermediate review to confirm progress and a final review to confirm that all issues from the previous cross programme reviews and the deep dives had been addressed
- **Twenty deep-dives** into areas selected based on risk. The deep-dives were undertaken to assess delivery of key elements of the AMP7 business plan. The deep-dives were scheduled sufficiently in advance of submission dates to allow detailed quality checks and assurance to be undertaken over draft deliverables in a sufficiently developed form. This surfaced risks and issues early, providing time for the teams to discuss and address these. Where findings and recommendations were identified, they were shared with management to enable them to take corrective action prior to completion of the relevant deliverable, with the resulting actions being logged and managed centrally. Completion of the actions was managed through the central programme office and programme governance structure

As the initial reviews were undertaken relatively early in the process 281 specific actions were identified. Evidence that every action had been addressed was reviewed as part of Deloitte's final cross programme review and was part of the evidence pack used by each executive sponsor to confirm that their elements of the plan had been fully completed.

As part of the final cross programme review (Supplementary document T9007), Deloitte concluded that ***“U UW prepared a comprehensive assurance framework for the PR19 programme setting out a range of assurance activities across the breadth of the programme. This covered the entirety of the plan, in order to produce a high quality PR19 business plan and provide the required level of assurance to the Board to support the plan's submission to Ofwat”.***

The review also concluded that ***“Based on the agreed scope and assessment procedures we have undertaken, we confirmed that the U UW assurance framework and supporting governance and processes have been applied consistently and effectively, and were proportionate to the complexity of the PR19 business plan and its components.”***

The findings from Deloitte final cross programme review, which included a summary of the findings from all of the previous cross programme reviews and deep dives, was presented to and discussed with the U UW Board to support their decision to sign the Board Assurance Statement, provided as document C0011.

10.3.6. Independent review by YourVoice

In addition to the three lines of assurance that was undertaken to support our plan, we have worked with YourVoice, the customer challenge group, to ensure that we have effectively understood customer requirements and priorities and that these priorities have been adequately reflected in our business plan. The UU Chief Executive Officer, Steve Mogford attends YourVoice at least once a year to discuss the company’s plans and issues relating to the CCG’s role and work. In addition, the YourVoice Chair has ongoing access to the Chief Executive Officer and non-Executive Board members where needed. She attends the UU Board meeting at least once a year to report on and discuss YourVoice’s views on company performance, customer engagement, business planning and any other relevant issues; and also attends the company’s the Board Corporate Responsibility Committee each year.

YourVoice has played an active role in challenging and shaping our plan. It has scrutinized, reviewed and commented on it. In 2018 the Chair of YourVoice attended the April, June and July U UW Board meetings to present and discuss her thoughts and conclusions on the business plan and the process that had been followed to develop the business plan. YourVoice has published its independent review of our business plan, which is provided as document C0007.

10.4. Transparency of our reporting

As part of our last price review submission we committed to providing annual reporting on progress against our targets during the AMP6 period and that our reporting and our engagement with customers during the development of the business plan would be overseen by YourVoice.

In line with this commitment, we currently publish a range of reports which initially consult on the way that we assure and report our performance and then, based upon this feedback, our progress against our AMP6 targets. We have worked with YourVoice during the AMP6 period to continue to enhance the coverage and clarity of our reports and by taking on board their comments we have improved both the presentation of and engagement with our Annual Performance Report⁴.

We are always looking to increase the coverage and improve the transparency of our reporting and in our July 2018 Annual Performance Report we included additional detail on financial flows and a signed statement by the U UW Board on company direction and performance, setting set out how the Board set its ambitions and targets for the year and how the company is performing against them.

One key aspect of our annual reporting is the publication of a customer-focused version of the report which achieves the Crystal Mark for plain English, as well as using other channels to explain our performance, good and bad, to customers and other stakeholders. The transparency of our reporting has been one of the key contributory factors in achieving a rating of “Self-Assured” in the company monitoring framework in 2015/16 and retaining this status in 2016/17.

⁴ United Utilities 2017/18 Annual Performance Report

https://www.unitedutilities.com/globalassets/z_corporate-site/about-us-pdfs/apr/united-utilities-annual-performance-report-2017---2018.pdf

Our Annual Performance Report is one of a number of annual publications that we now make. Other key reports include the United Utilities Group Annual Report and Financial Statements, our charges scheme and our corporate responsibility website⁵.

In September 2017 we worked with YourVoice and published our first annual Affordability and Vulnerability report⁶ which lays out our framework for assisting customers in vulnerable circumstances, setting out what we are doing now and how we aim to continue to develop this in the future.

We have also worked with YourVoice to develop a suite of publications to support this business plan submission, which are designed to provide targeted information to a range of customers and other stakeholders.

Transparency of our AMP7 reporting

We are planning to reinforce, rather than to radically change, our performance reporting approach in the AMP7 period. The feedback that we have received to date has been mainly positive and we have active lessons learnt and continual improvement processes in place.

We will therefore continue to engage with customers and continue to seek innovative ways to improve the effectiveness of these processes. We will also continue to work with YourVoice or any future equivalent customer challenge group to ensure that our reporting continues to be a fair representation of our performance and to jointly develop improvements to the quality and format of the information that we publish.

We will continue to publish this information in a main Annual Performance Report and to consult on the coverage and format of this report and to supplement this information with supporting publications, both on an annual basis and an ad hoc basis, where applicable.

As a consequence of the fact that our ODIs will generate in period adjustments to revenues and customers' bills, we will provide increased focus on the impact to date and potential future impact of performance against our performance commitments and the impact that this could have in terms of revisions to customer bills.

In AMP7 we are proposing an additional benefit sharing mechanism, CommUnity Share, which is incremental to the approach we have taken to voluntary reinvestment in previous AMPs. This mechanism provides for £71m of guaranteed company funded financial support for customers and guarantees further contributions in the event that gearing or dividends are much higher than envisaged in the plan. As set out in Chapter 9, we will consult with customers and stakeholders on how to utilise any additional funding released into the scheme – this could be through general bill discounts for all customers, targeted financial support or grants for community schemes. This will be undertaken under the scrutiny of the YourVoice CCG. We will report on outcomes of this process through our APR and, where appropriate, through social media channels. We will also ask YourVoice to report on our approach as part of its annual reporting cycle.

10.5. Resultant confidence and assurance

Figure 10.4 below summarises each of these independent reviews that have been undertaken to provide confidence and assurance to support our plan in relation to the IAP test requirements. The centre of the circle builds from the IAP requirements and aims to show how we build confidence in our processes and plan and how that is then assured through our framework.

The “confidence” layer sets out the key external experts that we have worked with to develop our proposals for each area of the business plan and provide confidence that the plan is robust and deliverable.

⁵ United Utilities Corporate Responsibility website <https://corporate.unitedutilities.com/corporate/responsibility/our-approach/>

⁶ Affordability and Vulnerability Report https://www.unitedutilities.com/globalassets/z_corporate-site/responsibility-pdfs/affordability-document-2017---web-ready.pdf

The “assurance” layer of the wheel sets out the key independent assurance providers that we have utilised to review this process and ensure that the resulting plan is high quality and has fully and effectively addressed each area of the plan.

Details of how we have addressed each IAP test area and the assurance undertaken is set out in the UUW Board statement and, at a more granular level, in section 2 of supplementary document S9001. Section 3 of S9001 provides an index of the independent assurance reports which support the plan.

This framework has ensured that we have **confidence** in the process that we have adopted to develop our proposals for each area of the plan and that this process has been subject to robust **assurance**, with the results and findings from this assurance process being presented to the UUW Board to support their decision to sign the UUW Board Assurance Statement.

Figure 10.4 Third party support for confidence and assurance

