

Section 10 : Plan Quality Assurance

In this section we describe the comprehensive quality assurance process we have followed in producing this plan

Introduction

10.1 For WRMPI4 we have followed a comprehensive quality assurance process which is consistent with the standard internal process we follow for all of our statutory reporting. It has been tailored to meet the requirements in Section 3 of the Water Resources Management Plan Direction 2012 (with reference to the relevant sections of the Water Industry Act 1991) with particular focus to the challenges the WRMPI4 is addressing.

Overall plan assurance

10.2 The processes and systems of control followed for the completion of WRMPI4 is consistent with that followed for all statutory and non-statutory public reports. The process flows from the Board to technical leads within the company, as shown in Figure 10.1.

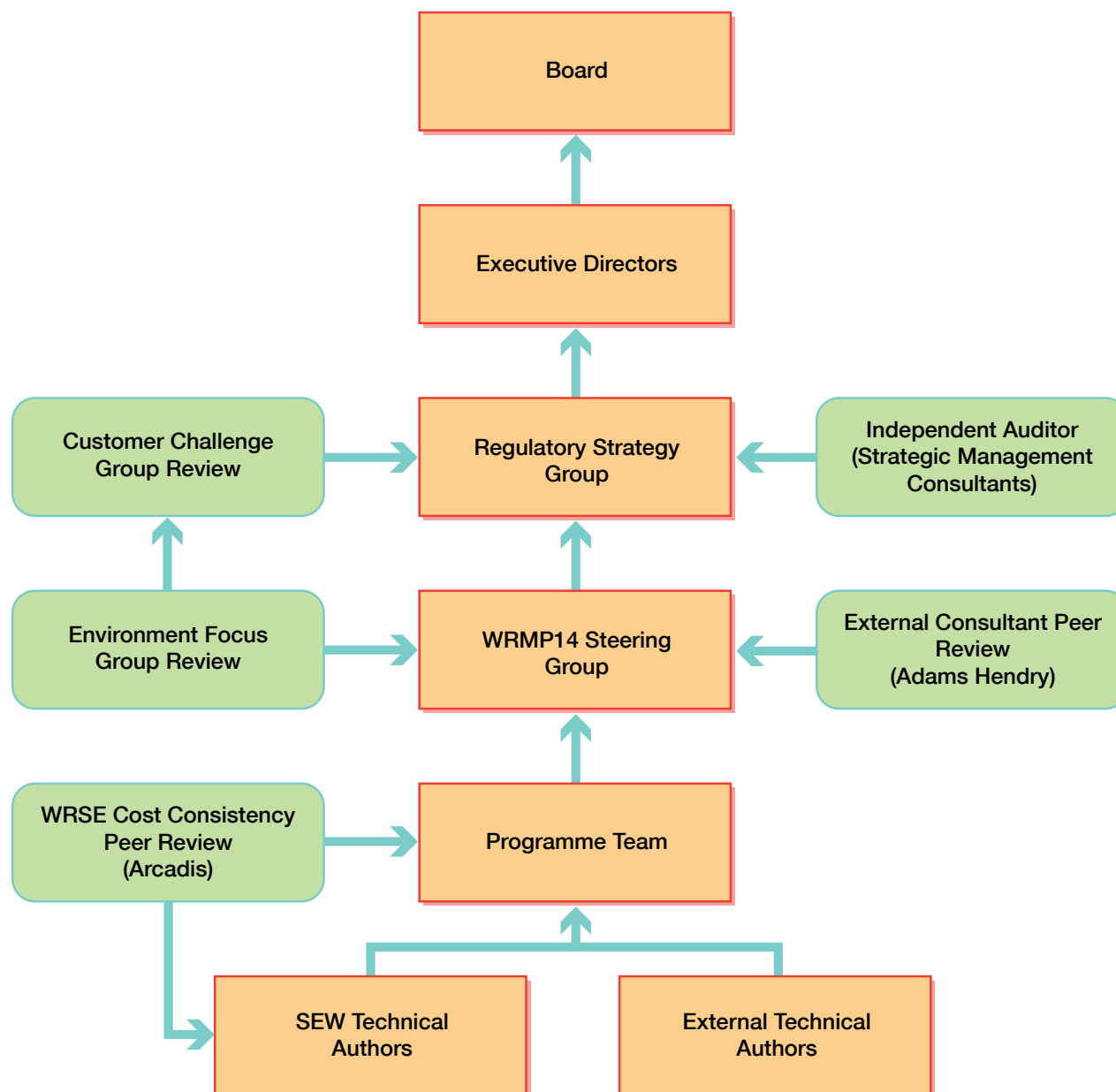
10.3 The WRMPI4 has had a clear ownership structure; each component of the plan has had a technical lead accountable to the WRMPI4 programme team led by the Head of Water Resources and Environmental. The programme team was accountable to the WRMPI4 Steering Group chaired by the Asset Director. The WRMPI4 Steering Group was accountable to the Regulatory Strategy Group (RSG) chaired by the Finance Director

10.4 The technical leads were responsible for the preparation and reporting of the baseline data and key assumptions, which in turn were reviewed by the programme team, WRMPI4 Steering Group and RSG. All key assumptions made when compiling the baseline data are described within the associated technical reports developed.

10.5 As part of our quality assurance process, all technical reports have been shared with the



Figure 10.1: Assurance process



Environment Focus Group (EFG), the external consultant peer reviewer (Adams Hendry) and our independent auditor Strategic Management Consultants (SMC).

10.6 As described in Section 2 and in the Stakeholder Engagement Plan in Appendix 2 the EFG has been taken through the building blocks of WRMP14 from the start of the plan development. All technical reports have been shared with the EFG and they have been given opportunity to challenge and provide input to the baseline data and assumptions made. In particular the EFG has spent considerable time inputting to the options appraisal process. Whilst this has helped shape the WRMP14 it has also given a level of assurance on the contents of the technical reports used as the basis of the WRMP14.

10.7 We appointed Adams Hendry Consulting Ltd, a town planning and environmental consultancy to provide peer review of the WRMP14. All technical reports have been shared with Adams Hendry to provide an independent peer review of the assumptions made and the base data used in the supply demand balance. Adams Hendry were also in attendance at a number of EFG meetings and were appointed to manage our engagement with LPAs.

10.8 As standard practice for our statutory plans we have carried out an audit of the work

completed. This has been carried out by our independent auditors, SMC and provides the Board with assurance on the robustness of WRMP14. The scope of the audit was comprehensive and included examination and comment on the robustness of material assumptions underpinning

our supply and demand forecasts and optioneering process, including consistency of the information submitted and explanations given by the Company with the supporting information.

Specific Assurance on Investment Option Costs

10.9 Assurance around the costing of each investment option has been two fold. Firstly there has been a cost consistency review as part of the WRSE Group work and secondly a sample audit of option costs was completed as part of the independent audit described above.

10.10 For the WRSE Group, a review of cost consistency across options was undertaken by Arcadis UK (specialist engineering and management consultants). A systematic approach was applied for cost consistency checks on the data provided by the WRSE Group companies. Two parallel streams of checks were undertaken: one of arithmetic data and its completeness, and the other of estimating principles and methods used to derive the costs for the options presented for the optimisation model. Checking of the cost data and calculations involved benchmark comparison of unit costs information, and discussions with each water company to review the methods used and query possible outliers. The benchmarking for each option type was undertaken separately on total costs, capital costs,

fixed operating costs, variable operating costs, and environmental and social costs. The cost consistency review found significant progressive improvement through the study in the completeness and consistency of the data provided by water companies and the methods used to derive the data.

10.11 As described SMC were appointed to carry out an audit which included a review of option costs. SMC confirmed that we have adequately taken account of environmental and social costs and the underlying scheme cost assumptions are largely as expected by SMC.

Concluding Statement

10.12 The Board confirms that the WRMP14 has been compiled in accordance with the statutory requirements of Section 37A to 37D of the Water Industry Act 1991 (as amended by the Water Act 2003) and the Water Resources Management Plan Direction 2012.

10.13 To ensure the robustness, accuracy and completeness of the data reported, a well-established and thorough process has been followed, as documented above.

10.14 The Board is generally satisfied that the processes and systems of control used to compile the WRMP14 are adequate and appropriate. The Board cannot guarantee absolute accuracy but it

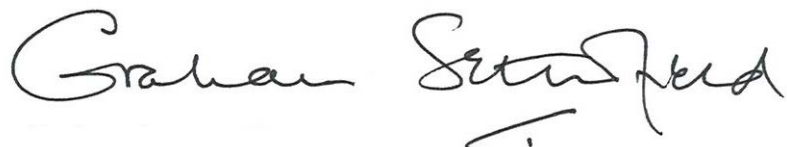


has satisfied itself that the data collection systems and procedures used to compile the data for the WRMP14 are adequate and appropriate. The Board is satisfied that compliance and accuracy is within a tolerance acceptable to the Board.

Signed on behalf of the South East Water Board



Paul Butler
Managing Director



Graham Setterfield
Independent Non-Executive Director