



from
**Southern
Water**

Assurance Strategy and Draft Assurance Plan for AMP8

in relation to our performance
information for 2025–30

Consultation document
30 November 2025



Contents

Introduction	03	4. Risks, Strengths, and Weaknesses	07
1. How to respond to this consultation	03	4.1. Areas of Risk	07
2. Context	04	4.2. Areas of Strength	07
2.1. Ofwat	04	Robust Governance	07
2.2. Wastewater investigations	04	Risk and Compliance	07
2.3. Condition P assurance	04	Assurance	08
2.4. Our Business Plan for the Period 2025–30	05	4.3. Areas of Weakness	08
3. Continuous stakeholder and customer engagement	06	5. Our Approach to Assurance in AMP8	09
3.1. Customer engagement	06	5.1. Continuous Improvement Approach to Assurance Planning	09
3.2. Stakeholder and regulator engagement	06	5.2. Approach to providing Internal and Third-party Assurance	09
Drinking Water Inspectorate	06	5.3. Types of Assurance and Coverage	09
Environment Agency	06	5.4. Our Third-party Assurers	10
		5.5. Managing Conflicts of Interest	10
		6. Draft Assurance Plan for 2025–26	11

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Introduction

Southern Water supplies essential water services to 2.6 million customers, and wastewater services to more than 4.6 million customers across Sussex, Kent, Hampshire, and the Isle of Wight. We provide water for life to enhance health and wellbeing, protect and improve the environment and sustain the economy.

This document presents our Assurance Strategy and Draft Assurance Plan for performance reporting for the entire five-year Asset Management Period (AMP8) 2025–30.

This consultation document sets out our initial assessment of where assurance will be most important in the five-year cycle. We welcome views on this and in particular: what regulatory information is most important to our customers; the level of risk associated with that information; and whether our proposed assurance plans are appropriate to mitigate those risks.

In this exciting and unprecedented period of investment with significantly increased scrutiny of our performance, we lean on the programme of improvements we have embedded to continue to ensure our regulators and other stakeholders can trust the data that we report.

We use assurance to thoroughly test information we publish in a manner that is independent and verifiable. Our Board, via the Audit Committee, oversees this process. We aim for the assurance that we perform and commission to provide our internal and external stakeholders with sufficient comfort over the robustness and quality of the information that we report.

Once the consultation has closed, our Final Assurance Plan for performance reporting in the five-year Asset Management Period (AMP8) 2025–30 will be published on our website by 31 March 2026 to detail our planned assurance activities over this period. We will review this document annually to ensure it remains accurate; if changes are required, we will publish an updated version.

How to respond to this consultation

We welcome your views. If you would like to respond to this consultation, please answer the following questions after reading this document:

- Q1: Are there any risks or areas of concern that you feel have not been identified and that should drive our assurance plan?
- Q2: Does our plan provide sufficient assurance to our identified areas of risk? If not, what improvements could we make?
- Q3: Do you have any other comments?

The consultation will remain open until 31 January 2026.

Responses can be emailed to regassurance@southernwater.co.uk or can be sent to:

Head of Risk, Audit and Assurance
Southern House
Yeoman Road
Durrington
West Sussex
BN13 3NX.

2. Context

The Water Industry is experiencing a major shift through significant Regulatory reform and investment, calling for consolidated oversight, evolving assurance expectations, and increased transparency that will help reshape delivery, compliance, and company-regulator relationships.

This period of Regulatory transition is an opportunity for us to build stakeholder trust and confidence through strong assurance, governance, and proactive engagement, that maintain confidence and demonstrate our readiness to adapt in these changing times and circumstances.

We are setting our Final Assurance Plan in a truly transformative period, when the roles and structures of our Regulators are under formal review and will likely change during the delivery of this Plan. Notwithstanding any associated uncertainties, we are committed to understanding how these changes in Regulation will impact our activities. We will continue to work effectively with our regulators, customers, and stakeholders on how we can enhance supervisory requirements, harness the growth of new digital technologies and continue to provide reliable high-quality data and accurate information.

2.1 Ofwat

As part of its agreement on funding for our business plan, our regulator, Ofwat has set out a number of performance commitments and price control deliverables that we are required to deliver. In addition to ensuring our performance data is transparent and accurate, we also seek to ensure customers and stakeholders can access and understand relevant information.

2.2 Wastewater investigations

In previous reviews we have reported on our formal Undertakings pursuant to Section 19 of the Water Industry Act 1991, and the work that we have completed over the past six years to fully deliver and assure changes across our business as required by our Regulator.

As part of their wider Industry investigation, we are now working closely with Ofwat, to consider our compliance with the requirements of Section 94 of the Water Industry Act 1991 and the Urban Waste Water Treatment (England and Wales) Regulations 1994. This work builds on the Section 19 programme of undertakings that were in place between 2019 and 2024.

2.3 Condition P assurance

In order to meet the Licence Condition P Certificate requirements of the Ofwat Licence of Appointment, the Southern Water Board needs to be able to clearly evidence the level of diligent enquiry that the board has undertaken, to ensure that it is able to demonstrate that the company will have sufficient:

- financial resources and facilities;
- management resources; and
- systems of planning and internal control.

The Southern Water Board signs off Condition P assurance statements. These enable the Board to clearly demonstrate it has discharged its responsibilities and has made diligent enquiry into the principal risks facing the business. The Condition P assurance statements were updated this year to reflect some of the uncertainties built into our business plan, and Ofwat's price review determinations. The statements were also updated to focus on some of our core regulatory and statutory duties including Section 94 of the Water Industry Act and the Urban Wastewater Treatment Regulations.

The Condition P certification process is subject to external review of Assurance Statements from our external auditor. The Condition P process is also aligned to the Risk and Compliance statement made in our Annual Performance Report.

2. Context continued

2.4 Our Business Plan for the Period 2025–30

We are now six months into a new five-year Asset Management Period (AMP8) which will take us from April 2025 to end of March 2030. Our 2025–30 business plan has been published on our website here: [Our plans 2025–30](#).

Our Final Determination was published by Ofwat in December 2024 and sets out a number of performance commitments associated with pre-determined financial incentives based on their achievement. Ofwat also introduced a set of price control deliverables (PCD)s with associated financial incentives based on the PCD outcome and/or outputs to deliver as part of the scheme or the group of schemes. We are required to report progress on these, and other enhancement schemes to Ofwat. We will ensure we can accurately report against these and identify the risks and controls to support provision of accurate information about our performance.

Earlier this year, we challenged Ofwat's Final Determination and appealed to the Competition and Markets Authority (CMA), alongside four other companies. Their provisional determination allocates extra revenue funding and is now under consideration. While our focus on concluding this process is ongoing, we are strengthening the business to deliver a major capital programme over the next five years.

For AMP8, Ofwat has increased their expectations for assurers, and greater accountability is reflected in our AMP8 framework documents. Ofwat require us to set out our assurance strategy, outlining:

- our approach to providing internal and third-party assurance (to meet the requirements set out in Ofwat's document 'PR24 final determinations: Expenditure allowances – assurance requirements for the delivery of enhancement schemes appendix'¹);
- the type of and coverage of assurance;
- who the assurers are (including 'curriculum vitae' for lead third-party providers);
- the process by which conflicts of interest will be managed; and
- a requirement for actionable duty of care (that is a legal right of action) against an assurer in relation to certain matters.

We outline our assurance approach in Section 5 of this document.

¹ofwat.gov.uk/publication/pr24-final-determinations-expenditure-allowances-assurance-requirements-for-delivery-of-enhancement-schemes-appendix/

3. Continuous stakeholder and customer engagement

3.1 Customer engagement

Our insight work allows us to have a deep understanding of what our customers want and helps us to drive improvements in what we deliver. In 2024–25 we engaged with over 50,000 customers over 10,000 hours, receiving direct feedback on our service and plans.

We analyse millions of data points including social listening, complaints, demographic data and externally produced reports.

Our Water Futures 2030 Panel representing household customers meets monthly to help share day-to-day insight (e.g., improving a blockages campaign or reviewing improved website pages) or more strategic work (e.g., our business plan or water resource planning). The group, managed by an independent research partner, provides feedback that over time has helped us develop clearer bill increase communications and informed changes to the process for customers to report a pollution incident.

We also use the insight from Water Futures 2030 with a Customer Committee. A diverse group of community leaders also review the feedback to make sure that views from harder-to-reach communities are represented. Our Customer and Communities Challenge Group, made up of experts, help us to review, challenge, and improve our plans.

Our Rivers and Seas Watch User Research Panel, primarily open water enthusiasts: from experts to casual sea dippers, help validate changes we make and uncover new user needs and behaviours. We also host a working group made up of recreational water leaders, environmental activists, and local councilors. Members receive feedback on and ask questions about upcoming changes to the service, including those called for by an independent expert review.

All these groups follow best practice guidance, as set out by the Consumer Council for Water (CCW), to provide a continuous dialogue on both our current delivery and future planning.

3.2 Stakeholder and regulator engagement

Drinking Water Inspectorate

We have a varied programme of activity helping to improve our information management systems and processes. This package of work started in 2020, and a programme of asset and IT improvements designed in cooperation with the DWI was due to conclude in March 2025. This work was within the scope of our Section 19 Information Management Undertaking (IMU) with the DWI which formalises this element of our programme. Following submission of our annual progress report to the DWI in March 2025, the DWI agreed that the majority of the programme was complete, however they have agreed revised dates for the outstanding elements of 'Manage Operational Boundaries' and the Operational Technologies Transformation Programme. A report confirming completion is due on 31 January 2026, and a progress report is due by 31 December 2026.

Environment Agency

We provide a significant amount of data to the Environment Agency about the performance of our assets, our abstraction and management of water and any wastewater or sewage discharges we make into rivers, streams and coastal waters. We are committed to transparent reporting of high-quality data that can be trusted by our customers, stakeholders and regulators.

Increased monitoring is essential to improve our wider environmental performance and to achieve a significant reduction in the use of storm overflows. We continue to invest in improvements to the timeliness and accuracy of our data. Event Duration Monitors (EDMs) remain an important part of monitoring the quality of our waters and providing accurate information on sewage discharges. We now have EDM coverage across 100% of our storm overflow outfalls, including inland outfalls. Our on-going programme of maintenance ensures that we can maintain at least 95% availability of these assets.

We have a mature programme of installation and active monitoring of maintenance in place to support this programme. Any EDM that has not reported for up to three days is automatically added to our maintenance schedule and is actively tracked to ensure completion of the task. In addition to this regular review of EDM availability, less reliable monitors are being phased out of the estate. This is allowing us to push our EDM availability to beyond 95% (we expect this to keep progressing through the year).

Following feedback from our working group, customers, and an independent review, we have been working hard to develop a new and improved version of Beachbuoy, called Rivers and Seas Watch, which was launched in June 2024. Our Rivers and Seas Watch tool provides near real-time information about storm release activity near coastal bathing waters through an interactive map, pop ups and release table. This 24/7 reporting provides information about any release and its frequency. Rivers and Seas Watch is a critical part of our dedication to transparency, and we regularly ask for feedback from our User Group which includes councils, campaign groups and bathing water users to ensure the best possible service.

4. Risks, Strengths, and Weaknesses

Identifying our risks, strengths, and weaknesses is key to developing our assurance approach. We consider a range of factors and assess their impact on our customers, our stakeholders, and our business as a whole.

In order to continue to build confidence that we can deliver on the commitments we have made to our regulators and customers we publish our Assurance Plan (in draft and final versions) to ensure that our critical regulatory commitments are at the core of our assurance approach.

4.1 Areas of Risk

This section sets out those areas where either data errors, or other failures or oversights could have the greatest impact on our customers, and in turn on their trust and confidence in us. These are the areas which we will continue to focus on in our Draft Assurance Plan:

- Maintaining high-quality regulatory and statutory reporting across our commitments in an accurate and timely manner;
- Meeting the stringent assurance and reporting requirements for the new five-year business plan, including action plans that we have agreed with our regulators around our business plan. This will include ensuring that our assurance approach meets the business and regulatory requirements for the period 2025–30;

- Continuing to embed effective first and second line assurance across our processes that support regulatory reporting requirements, helping to embed trust and confidence in the quality of information we report;
- Ensuring we respond in an effective and timely manner to feedback from our regulators both on their concerns and new requirements;
- Meeting the requirements of undertakings or other commitments that we have entered into with our regulators;
- Ongoing transformation within the business and ensuring the continuity in our reporting arrangements;
- Level of public scrutiny on transparency of data which has also led to an increase in Environmental Information Request (EIR)s from the media, the general public and environmental stakeholder groups;
- Ensuring that the delivery model(s) that we adopt for the commitments we have made are robust; and
- Focused mitigation activities to reduce risks relating to regulatory compliance and cyber security.

Southern Water Executives review and moderate the corporate risk profile of the company. We currently have twelve principal risks that are outlined in our annual report². Principal risks relating to our assurance work have been listed on our Draft Assurance Plan detailed in Table Three, to ensure that we are prioritising our assurance work where it is most needed in our higher risk areas.

4.2 Areas of Strength

This section identifies those areas where we have identified strengths within our business that we will continue to build on and that form the basis of building trust and confidence in the information that we provide. We rely heavily on the outputs of our assurance work to monitor improvements made in areas of risk identified above, and where we are developing strength in our reporting processes. We also rely on assurance to continually improve and embed improvements in our reporting processes.

Robust Governance

- Board focus and oversight of risk and assurance activity via the Southern Water Board, Audit Committee, and Health & Safety and Operational Risk Committee;
- Southern Water Board signs off Condition P assurance statements as part of its annual approval process of the Annual Report and Annual Performance Report;
- Continuous engagement with our stakeholders and regulators and more collaborative relationships, which include regular updates on compliance and performance with our Water Futures Groups;
- Our internal and external performance monitoring regimes identify areas of focus and success;
- Improved quality and transparency in respect of our reporting in our Annual Report and on our website;

Risk and Compliance

- We have improved our enterprise risk management processes and are enhancing our resilience capability which is overseen by our Board Audit Committee;
- Our Executive Committee reviews performance and compliance on a monthly basis;

²southernwater.co.uk/media/lophbgbt/southern-water-ar2025_.pdf

4. Risks, Strengths, and Weaknesses continued

- Our risk management approach has been applied to our approach to regulatory reporting; this includes action plans to support achieving low levels of risk appetite in this area as mandated by the Southern Water Board.

Assurance

- The Board signs off Condition P assurance statements. This process is subject to external assurance and is supported by our Licence of Appointment review;
- We have robust tracking of assurance and improvement actions;
- A continuous improvement programme for annual assurance which includes data returns to Ofwat, the DWI, EA, and CCW; and
- A strong second-line and third-line assurance team who support the wider business to manage assurance engagements and ensure quality of assurance outputs.

4.3 Areas of Weakness

We have robust governance, assurance, and risk management arrangements in place on an ongoing basis. Our processes highlight points of detail which we address through continuous improvement, to enhance the robustness of our data and the quality of information we provide to customers and stakeholders. The business is dealing with a wide range of operational pressures, managing core activities whilst at the same time trying to deliver business transformation.

Table One considers the mitigating actions we are taking to address each of these areas of weakness.

Table One – Areas of Weakness and Mitigating Actions

Potential Weakness	Action to address
<p>Fragility of our information management systems including our water & wastewater asset data, and the complexity of processes which underpin some of our difficulties in reporting our performance. Data can be difficult to interpret and use due to lack of common data approach and information strategy for operational and asset data. There are also potential security risks to data access, including an increased threat of cyber security attacks on our network.</p> <p>As reported on our website, the company was previously subject to a cyber ransomware attack. This impacted a limited part of Southern Water's server estate; we have notified in the order of five to ten percent of our customer base to let them know that their personal data has been impacted. We also notified our current and former employees.</p>	<p>A significant IT transformation took place as part of our S19 Information Management Undertaking with the DWI.</p> <p>We have established a continual improvement plan to drive a more robust approach to Cyber and Network Security as part of our response to the Security of Network and Information Systems (NIS) Directive.</p> <p>In response to the cyber security attack, the company commissioned a review by independent cyber specialists. Working with our independent technical advisers, we have now concluded our in-depth investigation of the potentially compromised data.</p> <p>We've strengthened digital and operational technology to better protect systems and data from cyber threats. This includes new enterprise systems for asset management, upgraded connectivity and communications at sites and enhanced cybersecurity measures. The Operational Control Centre has been modernised for greater security and reliability. Customer-facing digital platforms have also been improved. A new risk management approach has been set up to ensure a consistent and proactive approach to digital risk.</p>
<p>Service disruptions have led to more customer complaints, negative media attention and political pressure. We are also facing significant public scrutiny over our environmental performance, as well as a demand for real-time information and updates on our incident responses.</p>	<p>Our emergency planning is subject to continuous improvement. Since launching our Turnaround Plan in 2023, we have modernised customer service systems, improved the website, and introduced tools to speed up service and reduce complaints. New digital services like our virtual inspector and real-time incident maps have improved transparency and response times.</p>
<p>An increase in reporting requirements from both our regulators and our customers, as well as new regulatory reporting metrics in our Business Plan period 2025–30. We remain under close scrutiny from multiple regulators.</p> <p>We have also noticed that the complexity and volume of Environmental Information Request (EIR)s we receive is increasing year on year.</p>	<p>We have appropriate Board Governance which provides oversight and approval of strategic plan submissions to our regulators. Key milestones for regulatory submissions are factored into our assurance planning to ensure inclusion in our plans. We follow our three lines of defence approach to flex our assurance resource between internal and external assurance as required.</p>

5. Our Approach to Assurance in AMP8

5.1 Continuous Improvement Approach to Assurance Planning

At Southern Water we align our assurance to the ‘three lines of defence’ framework for our reporting governance and assurance activity. This helps to assure performance information by applying multiple levels of control. We are committed to driving continuous improvement to support the embedment of a modern, transparent, and ethical compliance framework under our Modern Compliance Framework. We continue to significantly strengthen our performance monitoring capability which underpins the completeness and accuracy of our performance data and provides more confidence in the information we publish.

We apply internal controls and have improved processes in place to mitigate the risk of supplying incorrect or inaccurate information on all our non-financial regulatory reporting. Ultimately, all assurance activity has oversight from the Audit Committee and Board.

The Audit Committee monitors the integrity of our non-financial information reported by the company in fulfilment of its regulatory, legal, and environmental obligations. This includes information required by Ofwat, the DWI and the EA. The assurance plans are approved by the Audit Committee, which is responsible for overseeing and challenging the effectiveness of our approach.

Our assurance strategy, and the resource and capability of the relevant teams have been reviewed and re-set to ensure that our assurance strategies are fit for purpose in AMP8. Our refreshed approach and revised structure enable us to better support our ambitious AMP8 plans, providing the business, our Board, and our regulators, confidence in the quality of the work being delivered in AMP8.

5.2 Approach to providing Internal and Third-party Assurance

Ofwat expect companies to appoint their third party assurers in line with the expectations outlined in their PR24 guidance documents, and to make sure that the terms of appointment between companies and third-party assurers includes terms that provide Ofwat with an actionable duty of care (that is a legal right of action) against the assurer in relation to certain matters (in addition to any such duty that would be owed to the company by the assurer).

Our technical assurance framework agreement in place for our five-year Business Plan Period (AMP8) allows us to appoint the most suitable provider to different technical projects. Where external assurance support was required during AMP8 before the new framework agreement was in place, this was carried out using our existing AMP7 assurance framework; assurers were required to sign a ‘Letter of Reliance’ with Ofwat, in order to meet the requirements of Ofwat’s actionable duty of care.

In ‘PR24 final determinations: Expenditure allowances – assurance requirements for the delivery of enhancement schemes appendix’³, Ofwat specifies which elements are subject to third-party assurance. We will apply this guidance in our approach to providing third-party assurance.

For assurance outside of this we will apply a risk-based approach; in general, any high/critical risk reporting will also be subject to third-party assurance, and low/medium risk reporting subject to internal second line assurance.

5.3 Types of Assurance and Coverage

Whilst the assurance requirements for our different regulators are different, we have a standard approach to the way we prioritise and plan assurance across all our non-financial regulatory reporting across our main regulators:

- Ofwat;
- The Environment Agency (EA);
- The Drinking Water Inspectorate (DWI);
- The Consumer Council for Water (CCW).

The focus of our work is on the provision of risk based second-line and third-line assurance over information that is provided to our regulators and the end-to-end processes that support the collection and analysis of that information. The range of different activity that could be undertaken means that each potential area of work will be risk assessed to ensure that work is focused on areas of highest risk. The different types of assurance that we undertake include:

Assurance over data reported to Regulators

- Assurance over monthly/quarterly/annual/event-based information provided to regulators;
- Mandatory requirement (Ofwat);
- Best practice and risk-based approach for assurance over reporting to other regulators; and
- Risk-based approach to whether assurance provision is internal or external unless otherwise prescribed.

Assurance over Regulatory Action Plans

- Specific assurance activity (internal and external) over action plans that have been agreed with Regulators; and
- Activity can be driven from business plans and regulatory enforcement undertakings.

³ofwat.gov.uk/publication/pr24-final-determinations-expenditure-allowances-assurance-requirements-for-delivery-of-enhancement-schemes-appendix/

5. Our Approach to Assurance in AMP8 continued

Themed Reviews

- Audits of specific areas of high risk and non-financial regulatory issues; and
- Derived from analysis of areas of risk and weakness and our on-going stakeholder engagement.

5.4 Our Third-party Assurers

The procurement activity to appoint our technical assurance framework agreement for our five-year Business Plan Period (AMP8) concluded in November 2025 and we are pleased to confirm the following assurers have been appointed to the framework:

Table Two – AMP8 Assurers

Lot ref	Assurer Name
Lot A – Regulatory Assurance	1) Aqua Consultants
	2) Jacobs UK Limited
	3) Turner & Townsend Project Management & Nera
	4) Stantec UK
Lot B – Internal Audit & Fraud investigations	1) J.S. Held UK
	2) BDO LLP

Ofwat expect all independent third-party assurance providers to be suitably qualified and independent in the relevant field. Assurance providers will have a named lead assurer with appropriate experience and qualifications to be able to approve all assurance reports. The lead assurer will be a senior individual (equivalent to Senior Director or Partner level) with appropriate experience and qualifications. They will be:

- Responsible for overall assurance sign-off
- Instructed to provide an objective, unbiased opinion on matters within their expertise and to consider all material facts, including those which might detract from Southern Water's opinion
- Required to provide a specific statement that they understand that they are appointed, at Southern Water's cost, to accurately assess and assure our performance, possess sufficient experience to do so, and have a duty to help Ofwat in that regard; and
- Required to provide their 'curriculum vitae' in an appendix to their overall assurance reports.

5.5 Managing Conflicts of Interest

During the procurement exercise to appoint assurers to our AMP8 technical assurance framework agreement, we investigated any actual, potential or perceived conflicts of interest with the third-party assurers. Any potential conflicts identified require the third-party assurers to set out mitigations they have in place; their processes to manage these were assessed prior to appointment on our framework agreement.

Ofwat have set out specific requirements regarding conflicts of interest in their PR24 Final Determination guidance. Prior to a new engagement for third-party assurance commencing, we will again investigate any actual, potential or perceived conflicts of interest with the assurance provider, including the individuals to undertake the work as well as the company. Third-party assurers are required to sign a 'No Conflict-of-Interest Declaration', prior to the commencement of assurance activity. If a third-party assurer is unable to sign a 'No Conflict-of-Interest Declaration', we will seek an alternative assurer from our framework agreement.

6. Draft Assurance Plan for 2025–30

Following both our risk-based review and external/internal engagement, we propose the following areas to be subject to a greater level of assurance. In Table Three we outline the main elements of our Draft Assurance Plan for 2025–30.

Our assurance plan is set out in line with our ‘three lines of defence’ framework of assurance and is also a response to the key risks and areas of weakness highlighted in this report, as well as taking on views from our ongoing engagement with regulators, our external assurers, and customers.

Table Three – Draft Assurance Plan 2025–30

Alignment to Principal Risks	Risk area	Why?	The assurance we will be doing	Established/new
Compliance, Corporate Affairs AND Delivery	Ofwat Annual Performance Report (APR), including Performance Commitments and Outcome Delivery Incentives (ODIs); Cost Assessment Tables	We believe customers should be able to trust our reporting of all our non-financial performance information. Independent external technical assurance providers complete reviews of our regulatory compliance reporting processes and associated data, as well as reporting to our board, Executive Committee and the Audit Committee. This information is published in our Annual Performance Report.	Year-end non-financial assurance – external assurance and internal assurance. A risk assessment will be completed of all the reporting processes to determine whether assurance will be internally or externally provided. Testing of the high and critical risk data lines for performance commitments and the cost assessment tables will be performed by an independent assurance provider. The independent assurance provider will identify its own approach to conducting audits including its own risk assessment and testing methodologies to deliver its conclusions. Low risk testing will be undertaken in-house. As we develop our approach to regulatory reporting the emphasis will move towards the level of maturity of our control environment.	Established approach for assuring end of year Ofwat APR information provided. This will continue for the remainder of the current business plan period.
	Mid-year assurance	AMP8 will introduce new reporting measures that have not previously been reported, or that include changes to the methodology since AMP7.	We will undertake detailed end to end process assurance over the risks and controls associated with the production of these new measures.	Established approach which will continue taking account of any evolving regulatory requirements.
	Annual Report and Accounts, including financial APR data	We have a statutory obligation to ensure that our financial accounts are robust, accurate and complete. Our Annual Report is the primary way we publish our annual performance information, and it is made publicly available to all stakeholders. The annual report includes our statutory accounts and our performance over the year and how this compares against our performance commitments as well as broader information on our commitments and responsibilities to stakeholders and customers.	Methodology and data are subject to three lines of assurance with our financial auditor, performing third line assurance in accordance with the appropriate accounting standards. Our financial auditors will carry out assurance of reported performance data and presentation of information and risks.	Established approach which will continue taking account of any evolving regulatory requirements.
	Business Plan 2030–35 (PR29) assurance	A PR29 assurance workstream will be defined as we start to develop our business plan for the next five years (PR29).	We will engage with the PR29 workstream to understand any assurance requirements specifically for the Price Review. This will include assurance activity from 2027 through to 2029 and be implemented in accordance with our business-as-usual approach to assurance to ensure good practice. This will include strategic assurance of the whole plan in addition to technical assurance of specific workstreams, consistent with DWMP, WRMP and WINEP requirements.	Established approach which will continue taking account of any evolving regulatory requirements.

6. Draft Assurance Plan for 2025–30 continued

Table Three – Draft Assurance Plan 2025–30 continued

Alignment to Principal Risks	Risk area	Why?	The assurance we will be doing	Established/new
Delivery	Delivery Plan, Delivery Action Plan and Delivery Plan progress report for 2025–30 assurance	Our Delivery Plan will set out the milestones for the completion of our capital delivery programmes and our PCD output targets for 2020–25. Our Delivery Action Plan will set out the actions we propose to expand our delivery capacity. Both plans are subject to monitoring through the Delivery Plan progress report.	Ofwat require us to publish assured versions of our Delivery Plan and Delivery Action Plan on our website in line with publication of our Annual Performance Report in July. We are also required to report progress against both plans to Ofwat, at least every six months and up to three months. Where Ofwat specify that external assurance is required, we will procure this through an appropriate third party. Where the information falls outside of this, we will undertake second line assurance.	New requirement for 2025–30.
	PCD Assurance reports	Ofwat require an overall PCD assurance report to be provided alongside each delivery plan progress report in July of each year over the 2026–30 period. Individual PCD assurance reports should also be provided alongside the overall PCD assurance report in July of 2028, 2029 and 2030.	An independent assurance provider will provide an overall PCD assurance report with a risk assessment (in the form of a RAG rating) of our overall performance against all PCDs and against each individual PCD. Ofwat expect the assurance provider to prepare individual PCD assurance reports to support the overall PCD assurance report. Individual PCD assurance reports should also be made available to Ofwat on request.	New requirement from 2026.
	Direct procurement for customers (DPC) projects	Direct procurement for customers (DPC) improves value for money by increasing competition in the delivery of large infrastructure projects. Projects which are delivered by competitive tendering (DPC or Specified Infrastructure Projects Regulations (SIPR)) must go through a process entailing four Ofwat approval stages.	Ofwat’s consent is required before we can put a DPC project out to tender or enter into a CAP Agreement. There are four approval stages: <ul style="list-style-type: none"> • Stage 1: Establishing the Strategic Case; • Stage 2: Approach to procurement plans, outline of the commercial model and designation of the project; • Stage 3: Gaining consent to procure the project; and • Stage 4: Gaining consent to enter into a CAP Agreement. We will appoint external technical assurers to support our submissions to Ofwat.	New requirement for 2025–30.
	Large Gated Schemes and RAPID projects	Very large capital delivery schemes will require regulatory approval at defined milestones or ‘gates’ and will be externally assured at each gate. Ofwat requires external assurance over schemes at each gate, and we will not be able to proceed to the next gate until assurance has been undertaken. There are also a small number of major projects that are Rapid Projects but are not eligible for delivery through either the DPC or SIPR competitive tendering models and will be delivered in-house using our own procurement processes (but will still have RAPID oversight).	Technical assurance will assess our schemes from an engineering and investment perspective. Commercial assurance will assess the cost estimation element by looking at efficiency of our schemes and changes to costs since the business plan was published. If assurers cannot agree our costs, an anomaly and exclusion report will be issued to us and Ofwat by assurers. Projects with RAPID oversight need to go through four RAPID gates in addition to the Ofwat stages.	New requirement for 2025–30.
	Business Continuity Management	Business Continuity and Functional Continuity Plans are in place to support the company’s capacity to work effectively in the event of a significant power outage. A recent review highlighted a gap in regular testing and need for refreshment of some plans.	The Business Continuity Management Oversight Committee provides quarterly reviews ensuring ongoing assessment and maintaining resilience to such events. Internal assurance will also be completed on Business Continuity and Functional Continuity plans to ensure evidence of contingencies in place to adequately cover such a scenario.	New requirement for 2025–30.

6. Draft Assurance Plan for 2025–30 continued

Table Three – Draft Assurance Plan 2025–30 continued

Alignment to Principal Risks	Risk area	Why?	The assurance we will be doing	Established/new
Digital and Water	Security of Network and Information Systems (NIS) and Cyber Security assurance	The Security of Network & Information System Regulations provide legal measures to boost the level of security (both cyber and physical resilience) of network and information services for the provision of essential services and digital services.	We will ensure appropriate external assurance is completed over the NIS annual return.	Established approach.
Compliance	Ofwat Undertakings	<p>We have previously faced investigations by Ofwat which have led to enforcement action. This may include formal requests for data and information through a section 203 notice.</p> <p>In June 2019, Ofwat issued a notice to impose a penalty on Southern Water following their investigation which highlighted significant failings relating to the management, operation and performance of our wastewater treatments works. As a result, Southern Water had committed to implement a range of financial and non-financial measures ('Undertakings').</p>	<p>Our significant programme of reparation and improvement to fulfil our S19 Undertaking commitments was successfully delivered, independently assured and extensively reported.</p> <p>New undertakings are being discussed that will support Ofwat's focus on wider industry priorities to improve our compliance with S94 of the Water Industry Act 1991, and the Urban Waste Water Treatment (England and Wales) Regulations 1994.</p> <p>Any future undertakings will be subject to assurance to ensure that any issues identified have been stopped and cannot be repeated.</p>	Established approach – with a change in focus.
	Reporting to the DWI and DWI Information Management Undertaking	<p>We provide a significant amount of information to the DWI with respect to our assets, our drinking water data, and our water quality sampling.</p> <p>A report confirming completion of our remaining S19 Information Management Undertaking (IMU) actions is due on 31 January 2026, and a progress report is due by 31 December 2026.</p>	<p>All annual data returns provided to the DWI, and the water quality sampling programme, will be subject to first line control and will also be the subject of second line assurance.</p> <p>Second line assurance is undertaken biannually to confirm and track the implementation of the agreed actions included in the Information Management Undertaking.</p>	Established approach.
	Annual Report to CCW	CCW is the statutory customer representative body for the water industry. We want to ensure that the information provided to them on a quarterly and annual basis is accurate.	Much of the information provided in the returns comes from our Ofwat Performance Commitments – this data is assured under our Annual Performance Report assurance processes (see above). Where the information falls outside of this, we will undertake second line assurance.	Established approach.
	Carbon Accounting Workbook	An Ofwat requirement aligned to the APR submission, this detailed tool calculates our greenhouse gas emissions and other carbon data.	We will engage an external assurer to complete technical assurance of our Carbon Accounting Workbook. This will be carried out as part of our APR year-end process.	Established approach.
	ESG reporting – Sustainable Bonds	Sustainable Investment Bonds – as a result of raising over £1 billion of sustainable bonds, one of the mandatory requirements is to report to our investors on an annual basis and provide them a report annually on the impact their investment has had on our ESG (environmental, social and governance) credentials, this is known as an 'impact report'.	The first report for Southern Water took place in the 2020–21 reporting period by external assurers. External assurance to take place annually.	Established approach.
	Ofwat Operating licence	We have a wide range of obligations to meet as part of our Ofwat licence to operate. We want to ensure that we can demonstrate that our activities as a business align to these requirements.	<p>Second line assurance will be undertaken as part of an annual review of our Ofwat Operating Licence.</p> <p>The review will also support our Condition P annual assurance as part of the publication of our Annual Performance Report.</p>	Established approach.

6. Draft Assurance Plan for 2025–30 continued

Table Three – Draft Assurance Plan 2025–30 continued

Alignment to Principal Risks	Risk area	Why?	The assurance we will be doing	Established/new
Wastewater and compliance	Reporting to the EA	<p>We provide a significant amount of data to the Environment Agency about the performance of our assets, our abstraction and management of water and any wastewater or sewage discharges we make into rivers, streams and coastal waters.</p> <p>Historic and ongoing investigations into the company from the EA means that we are under significant scrutiny over the information we provide.</p>	<p>The EA have been consulting on upcoming methodology and reporting changes that will come into effect during AMP8. Shadow assessments are ongoing for some of the Environmental Performance Assessment (EPA) metrics that are still being developed, with the intention of going live in the period 2026–30.</p> <p>Regulatory reports provided to the EA will be subject to first line controls.</p> <p>Areas of reporting that have been analysed as higher risk will be subject to second line assurance.</p>	Established approach which will continue taking account of any evolving regulatory requirements.
	Pollution Incident Reduction Plan	Our Pollution Incident Reduction Plan is updated annually and sets out how we will achieve a reduction in pollution incidents. This is also crucial to our work to improve our rating in the Environmental Performance Assessment.	We will undertake annual second line assurance over our Pollution Incident Reduction Plan to assess effectiveness of the current plan against meeting our targets.	Established approach.
	Delivery Monitoring Framework (DMF)	The Environment Agency, Ofwat, Natural England, and Defra have jointly developed a DMF to provide clarity and consistency of the reporting of the WINEP. The framework sets out how Southern Water should track the progress and delivery of WINEP schemes during AMP8 (2025–30) and links to our PCD reporting.	<p>We report completion of our WINEP actions to the EA. Prior to claiming an output, we need to prepare an action completion report with supporting evidence pack which has been assured by our own assurance process.</p> <p>As this is a novel approach to WINEP oversight, the second line assurance team will work with the first line teams to understand existing processes and governance around scheme completion reports and evidence packs, ensuring they are compliant with regulatory requirements, and to recommend improvements where appropriate.</p>	New approach for 2025–30.
	Drainage and Wastewater Management Plan (DWMP)	We are producing our second DWMP following the approach developed by Water UK, which will establish our long-term approach to improving and maintaining a robust and resilient drainage and wastewater system over the next 25 years and more.	<p>Defra have confirmed the below statutory milestones:</p> <ul style="list-style-type: none"> • The draft DWMP is required by 1 November 2027 (including a 12-week consultation period) • The final DWMP is due by 31 August 2028 <p>External assurance will be undertaken on the plan as required, ahead of the statutory milestones.</p>	Established approach, expected to continue until 2028.

6. Draft Assurance Plan for 2025–30 continued

Table Three – Draft Assurance Plan 2025–30 continued

Alignment to Principal Risks	Risk area	Why?	The assurance we will be doing	Established/new
Water	Western Area Strategic Solution (Water for Life – Hampshire)	We have committed to working with other water companies to address our water resource issues and have several proposed solutions in scope for development. The work is being overseen by RAPID (Regulators' Alliance for Progressing Infrastructure Development) comprising representatives from Ofwat, EA and DWI. The funding agreement with Ofwat for 2020–25 states we are required to obtain 'external assurance of data and approaches supported by Board statement'.	Assurance has continued ahead of reporting milestones to RAPID. The second line assurance team will continue to provide support to the programme to ensure we meet RAPID's requirements, and that activity aligns with the PR24 business plan and WRMP24.	Established approach, expected to continue in line with RAPID milestones.
	Drought Plan	We're required to update our Drought Plan every five years as per the Water Industry Act. Work has already commenced to develop our Drought Plan 2027.	This process will require assurance of the final plan and the Statement of Response as well as of the revised draft plan if one is produced. The timing of all of these is dependent on the timetable confirmed by Defra.	Established approach which will continue taking account of any evolving regulatory requirements.
	Water Resources Management Plan 2024 (WRMP24) AND Water Resources Management Plan 2029 (WRMP29)	Our Water Resources Management Plan (WRMP) published every five years, forecasts how much water we'll need in the future and proposes a mix of options to make sure we can meet demand.	Technical and legal assurance over the methodology and content of the plan and the data tables. We submitted our final draft WRMP24 to Defra in May 2025; once approved, we will publish the plan. If Defra recommends material changes to the plan, assurance will need to be repeated to allow the Board to approve publication. We will follow the same approach for WRMP29. We are also required to provide an annual update to the EA on our WRMP. Second line assurance will be undertaken to review consistency and accuracy of data reported.	Established approach.
Customer	GSS missed appointments payments	Changes to the Guaranteed Standards of Service came into force from October 2025.	Second line assurance on compliance with revised GSS requirements.	Change in requirements from 2025.



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