

## **Independent Water Networks Limited**

### **Risk and Compliance Statement – June 2015**

#### 1. General

- I. Independent Water Networks Limited “IWNL” is a new market entrant that gains inset appointments under sections 6-8 of the Water Industry Act 1991 (as amended by the Water Act 2003). To date IWNL has been granted 9 inset appointments on new housing developments.

As part of the 2015 June Return and in line with Ofwat’s risk based approach to regulation, IWNL has developed this Risk and Compliance Statement to satisfy the relevant reporting requirements. This statement shall be subject to review at least every 12 months.

#### 2. Methodology

- I. Risk Management – This is a key principle in carrying out the appointed activities of IWNL. A clear framework for risk management allows for the identification of risks to IWNL and consequent allocation of suitable control measures.
- II. Clear Lines of Responsibility – The IWNL Board has a clear structure and meets regularly with contractors. This is further explained in paragraph 3 below “Controls”.
- III. Working to accredited standards – operations are conducted to the following standards;
  - (Aligned to or Consistent with principles of) PAS 55
  - BS EN ISO 9001:2008 – Quality Management Systems
  - BS EN ISO 14001:2004- Environmental Management Systems
  - BS OHSAS 18001:2007 – Occupational Health and Safety Management Systems
  - WIRS – Water Industry Registration Scheme
- IV. Information Systems – IWNL has internally developed bespoke operating and billing systems. Such an approach ensures systems can be developed to the specific requirements of IWNL whilst also being flexible enough to meet the needs of the business.

#### 3. Controls

- I. A central risk register holds identified risks and control measures and is subject to continuous review.
- II. Monthly reports are circulated to management to monitor the performance of IWNL which form the basis for any improvement plans.
- III. IWNL has developed a Distribution, Operations and Maintenance Strategy “DOMS” that helps identify and manage the risks that occur during the operations and maintenance of a water supply network. The strategy assists management in the development of the procedures which are necessary to ensure the IWNL distribution network delivers water that complies with the Water Supply with the

Water Supply (Water Quality) Regulations 2000 to customers connected to its network. These distribution system procedures include the operation of valves, hydrants, washout etc., the maintenance of water distribution mains, including repairs, bursts mains, flushing, control valves and mains extensions. As the IWNL business expands procedures will be further enhanced to include water treatment works, service reservoirs, pumping stations and trunk mains as required.

- IV. Drinking Water Safety Plans “DWSP” are developed for each inset appointment. DWSP presents the risk assessment and management approach to water safety under Regulation 27(3)(b) of the Water Supply (Water Quality) Regulations 2000 (2001 in Wales) (Amendment) Regulations 2007 in respect of any other catchments, treatment works and connected supply system (not covered by Regulation 27(3)(b)). IWNL has to regularly liaise with the upstream supplier in order to identify any unacceptable risks that may initially be present at the time the NAV is granted or may arise over time. As such IWNL’s DWSPs are subject to continuous review and ongoing development.
- V. Regulatory monitoring is undertaken in accordance with the requirements of the Water Supply (Water Quality) Regulations 2000. In addition an operational sampling and analysis programme runs in parallel with regulatory compliance programme. This operational programme includes:
  - Sampling and analysis to inform IWNLs DOM Strategy
  - Sampling and analysis in response to customer contacts or queries;
  - Investigative sampling and analysis in response to water quality issues within the network e.g. bacteriological or chemical failure, elevated plate counts, discoloured water taste; odour;

The process of managing the expectations of any organisations, people etc that have an influence, interest or will be affected by the deliverables and/or outputs of the Water Quality Team are set out in the water quality Stakeholder Management Plan.

- VI. Under the requirements of the Water Industry Act 1991 (as amended by the Water Act of 2003), IWNL has a drought plan which sets out to how IWNL will supply adequate quantities of wholesome water, with as little resource as reasonably possible. The drought plan will be subject to review and revised in each of the following cases:
  - If there is a material change of circumstances;
  - If directed to do so by the secretary of state;
  - In any event, not later than the end of the period of three years beginning with the date when the plan (or revised plan) was last published.

#### 4. Statement

- I. IWNL considers it has a full understanding of, and is meeting, its obligations and has taken steps to understand and meet customer expectations.
- II. IWNL has satisfied itself that it has sufficient processes and internal systems of control to fully meet its obligations.
- III. IWNL has appropriate systems and processes in place to allow it to identify, manage and review its risks.

Signed by the Directors of the Appointee

Name ..... DARRYL CORNEY  
Signature ..... *Darryl Corney*  
Date ..... 15/7/15