

# Hafren Dyfrdwy Cyfyngedig Board Assurance Statement



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## Hafren Dyfrdwy Board Assurance

### Statement Final Charges 2026-27

This assurance statement is in relation to Hafren Dyfrdwy charges for 2026-27. We pride ourselves on being transparent about the information we publish, ensuring we are compliant with statutory and legal obligations and the requirements set out by Ofwat.

We believe high quality assurance is important in providing stakeholders with trust and confidence in the charges we apply and the information we publish.

### Our assurance model – three lines of assurance

We operate a three lines of assurance model. This risk-based approach enables us to operate an effective programme of assurance. Areas that are higher risk receive the full three lines of assurance while other areas, where the risk is lower, are targeted with first or second-line assurance. This approach ensures we can continually reassess our assurance activity as risk is reduced in certain areas, where mature and stable processes exist, and increased where new risks are emerging, resulting in a proportionate and appropriate assurance spend.

More information on our governance and assurance framework can be found in our Annual Performance Report (APR) on our website<sup>1</sup>.

Our indicative wholesale charges process has been identified as one of our key focus areas both internally and externally by our customers and stakeholders. As such, the submission is reviewed by three lines of assurance, with the third line provided by:

- **KPMG** – who reviewed the new tariff model that has been developed to calculate the company's primary charges.
- **Jacobs** – who review our methodologies and processes of how our charges formed and ensure that we comply with our regulatory and statutory obligations.
- **Internal Audit** – provide data, process and completeness assurance.

### Our Assurance Framework

We have an established, rigorous and robust assurance and performance reporting framework. The assurance approach builds on best practice from external organisations. It ensures that managers, leaders and Directors are responsible and accountable for delivering high quality data through robust processes and methodology.

Our established framework is underpinned by four main principles that provide consistency and clarity for our people, and allows flexibility for our assurance processes to build and evolve with our company and the environment we operate in.

- **Robust assurance** – we operate a three-lines of assurance model, targeted at areas of greatest risk.
- **Ownership and accountability** – we have clear lines of ownership for both the delivery of performance, and the accuracy of the data provided.
- **Effective governance** – provided by our Board, Audit and Risk Committee, Executive Disclosure Committee and Executive Committee.
- **Transparency and public accountability** – we publicly report on our performance and hold ourselves to account where we do not meet our commitments.

<sup>1</sup> <https://www.stwater.co.uk/regulatory-library/regulatory-library-documents/>

## Transparency and Public Accountability

To ensure that we are transparent in our approach we engage with CCW and other stakeholders to provide insight into our strategy and the impact on customer bills.

We produce and publish a Statement of Significant Changes document to inform stakeholders of the scope of proposed changes if we intend to make any significant changes to our primary charges.

We also publish our full Wholesale and End-User Charges on our website [Hafren Dyfrdwy Regulatory Library](#) to ensure that all customers and broader stakeholders have access to our full charging documents.

## Assurance Findings

**KPMG** undertook a review of the tariff model's logic and integrity. All issues identified during their work were addressed and in the final version reviewed there were:

- *No errors which have an impact on the model or a high risk of misinterpretation.*
- *No errors that may have an impact on outputs from the model if current inputs were changed.*
- *No outstanding comments relating to generally agreed best practice in the structure, layout or presentation of the model.*

**Jacobs confirmed:** *Based on our scope of work and the limited assurance undertaken, we did not find any material issues or misstatement. Subject to completion of your engagement with CCWater through a written update, and updates for November CPIH and Ofwat's final Blind Year Adjustment, we consider that:*

- *The Company complies with its legal obligations relating to the charges set out in its charges schemes.*
- *The charges comply with legal obligations and the relevant charging rules.*
- *The Company has appropriate systems and processes in place to make sure that the information contained in the charges schemes is accurate.*
- *The Company has consulted with relevant stakeholders, including the Consumer Council for Water (CCWater), in a timely and effective manner on its charges schemes.*

**Internal Audit** undertook a review focused on the following objectives:

- *Confirmed that all actions raised have been completed.*
- *Reviewed the assurance reports and confirmed that any material issues raised have been resolved.*
- *Reviewed the tick and tie process with Group Compliance and Assurance and confirmed completed. All queries were answered.*

Following their review, Internal Audit confirm *All assurance as outlined in the Assurance Framework has been completed.*

*Internal Audit have reviewed the reports provided by Jacobs and confirmed that recommendations had been tracked to completion.*

## Hafren Dyfrdwy Board Assurance Statement

### Final Charges 2026-27

This assurance statement is in relation to Hafren Dyfrdwy's final charges for 2026-27. We want to be transparent about the information we publish, ensuring we are compliant with statutory and legal obligations and the requirements set out by Ofwat.

We pride ourselves on having a high-functioning, well-composed, independent and diverse Board and being transparent in all that we do. Maintaining the highest standards of governance is imperative, and our governance framework ensures that the Board is effective in both making decisions and maintaining oversight. Our Annual Performance Report provides more information about our governance, compliance and assurance frameworks and the outcomes of our assurance activities.

### Board Assurance Statement

The Board considers that in approving these charges the Company has applied the governance and assurance frameworks described in our Annual Performance Report. The processes and internal controls have been applied in a manner which has enabled it to satisfy itself, to the extent that it is able to do so from the information available, that the indicative wholesale charges comply with our statutory and regulatory obligations in all material respects. Therefore, the Board confirms:

- The Company complies with its legal obligations relating to the charges it has published; and
- The Board has assessed the effects of the new charges on water supply and sewerage licensees (as a whole or in groups) who are retailing wholesale services and on customers (as a whole or in groups) and approves the impact assessments and handling strategies developed in instances where bill increases for licensees (as a whole or in groups) who are retailing wholesale services and on customers occupying (as a whole or in groups) exceed 5%; and
- The Company has appropriate systems and processes in place (including up-to-date models and data) to make sure that the information published about its charges is accurate; and
- The Company has consulted with relevant stakeholders in a timely and effective manner on its charges.

This endorsement can only apply to data supplied from our own systems and processes. Where we use data from other water and sewerage companies or from the Central Market Operator System, we do so on the basis that other companies apply similar measures to ensure that their data meets Ofwat requirements.

**Signed by and on behalf of the Board:**



**James Jesic**  
Managing Director  
Hafren Dyfrdwy Cyfyngedig  
13 January 2026



**Sarah Legg**  
Chair  
Hafren Dyfrdwy Cyfyngedig  
13 January 2026



**Sally Jones-Evans**  
Non-Executive Director  
Hafren Dyfrdwy Cyfyngedig  
13 January 2026