



SOUTH STAFFORDSHIRE WATER PLC – INTERNAL AUDIT

In line with the Company's Framework Agreement, Internal Audit was requested to carry out an independent review of the information in tables one and two being submitted to Ofwat in relation to the recent impact of the changing weather.

In carrying out this review, Internal Audit has discussed and challenged senior management regarding the methodology used to produce the relevant information. Production of certain information involved a degree of interpretation of the information requirements and detailed interrogation of internal works management and billing systems.

As the impact of the changing weather was significantly greater within the South Staffordshire region Internal Audit has focused its attention on the figures reported for that specific region. The audit work was performed on a sample of data lines representing over 70% of table one information and 100% of table two information.

The audit work did highlight an inconsistency between the interpretations of two data lines which has been remedied by the business prior to submission.

In conclusion, Internal Audit has carried out an independent review of the figures provided in tables one and two based upon discussions and supporting information presented by management. Internal Audit can confirm that the figures being submitted have been produced from internal systems in line with internal assumptions of the information requirements.

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Group Internal Audit Manager
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