

February 2020

Trust in water

Information for applicants

**Independent committee member:
Audit and Risk Assurance
Committee**

www.ofwat.gov.uk

ofwat



Introduction from Rachel Fletcher, Chief Executive



Improving life through water

Water companies support all aspects of life. Safe and reliable water and wastewater services are essential for our day to day lives, our wellbeing, and our natural world.

And as the economic regulator of water and wastewater in England and Wales, our role is to enable, incentivise and hold companies to account for providing the very best for customers, society and the environment now and in the future. We also oversee the markets that exist in the water sector to make sure they are working for customers.

To achieve this, we've set ourselves three goals. They are to:

- transform water companies' performance;
- drive water companies to meet long-term challenges through increased collaboration and partnerships; and
- for water companies to provide greater public value, delivering more for customers, society and the environment.

Delivering these goals will help to meet customers' needs: ensure reliable and safe water supplies today with a better environment, affordable bills and a resilient and sustainable future for water. As we do this, we will be working to fulfil the UK and Welsh Governments' strategic priorities for Ofwat.

Our Executive and Non-Executive director (NED) Board members bring a genuine passion to their role. We need, and benefit from, a diverse range of skills, experience and background within the Board as a whole. We are looking for an independent member of our Audit and Risk Assurance Committee who will bring good challenge, support and judgement to complement the strong teamwork on this Committee and who shares our ambitions for the future.

Rachel Fletcher
Ofwat Chief Executive

About Ofwat and the role

The Water Services Regulation Authority (Ofwat) is the independent economic regulator of the water and wastewater sector in England and Wales. Ofwat's role is to:

- hold the water and wastewater industry to account and in doing so to protect the interests of consumers, including making sure markets work in the interests of consumers;
- ensure that efficient companies are able to finance the effective carrying out of their functions;
- promote the long term resilience of water supply and wastewater systems; and
- contribute to a wide range of policy goals including sustainable development.

As an independent economic regulator, Ofwat is a non-ministerial government department that is accountable directly to Parliament. Within Whitehall, Ofwat is sponsored by the Department for Environment, Food and Rural Affairs (Defra) and in Wales by the Welsh Government.

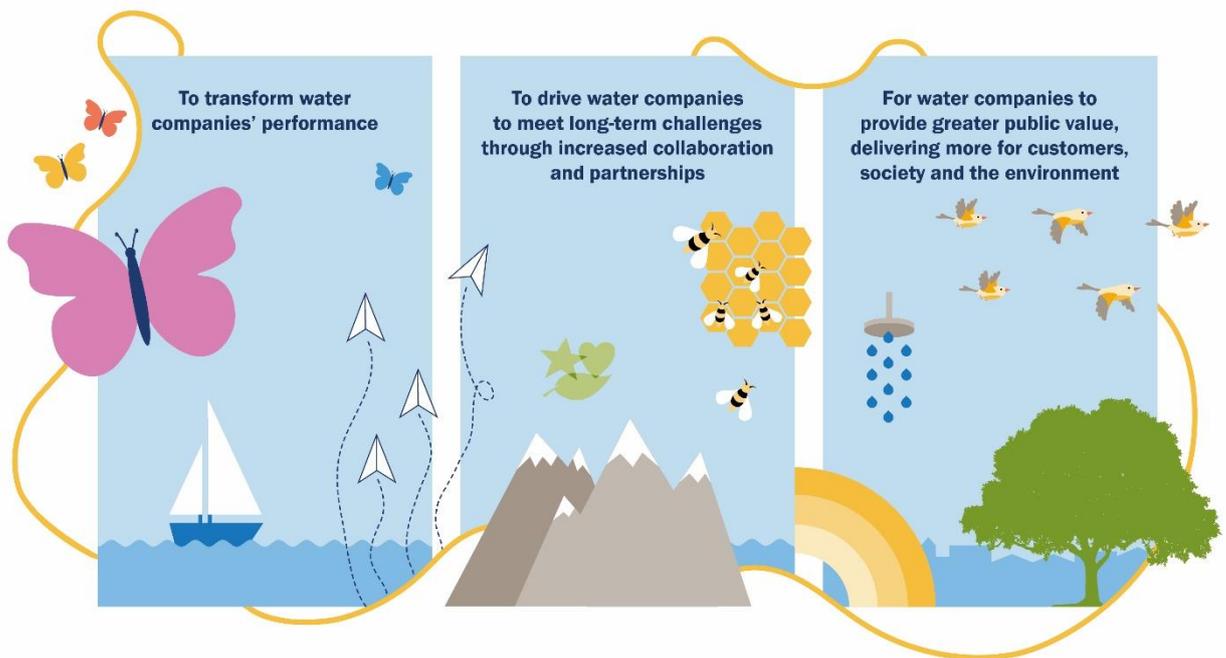
The Board's non-executive appointments to the main Board are made by Defra's Secretary of State in consultation with the Welsh Government, but this appointment is made by Ofwat itself.

Established in 1989, Ofwat employs around 240 people based in Birmingham and London. Staff have a broad range of professional backgrounds including economists, accountants, lawyers, engineers, scientists and support service specialists.

Ofwat has been through a considerable change over the last seven years under a largely new Board and, since January 2018, a new Chief Executive, Rachel Fletcher. Ofwat has also delivered significant change in the sector it regulates. The Board has four executive directors including the Chief Executive who is also Ofwat's Accounting Officer, six Non-Executives (who collectively span a range of business leadership, consumer, public service, capital markets and economic backgrounds) and a Chair, Jonson Cox.

Ofwat's strategic goals

Ofwat has just refreshed its future strategy by reference to the strategic priorities and objectives set by the Defra Secretary of State and the Welsh Government, considering the tools it should use to address the challenges facing the sector and the kind of regulator it needs to be from 2020 onwards. It has been working with Governments, regulators, consumer bodies and the water companies to set a shared vision for the water sector. Our three goals are set out below.



The future agenda has very considerable commercial, environmental and consumer challenges in the form of a growing population, increasing demand on water resources, with per capita consumption one of the highest in Europe, and pressures on the natural environment. Customers have increasingly sophisticated expectations and the sector itself continues to face a substantial challenge to its legitimacy. Against this backdrop the sector needs to deliver sustainable services now and in the long term. Economic regulation must play its part in enabling that delivery. To tackle these challenges, Ofwat continues to reflect on how it needs to position itself as a regulator capable of playing its part to maintain trust and confidence in the water sector.

One of the foundations of our work over the next few years is Ofwat's price review for the five-year period to 2025 which we concluded in December 2019. We built on the 2014 review which implemented a radically new approach with fast-tracking for exceptional plans, requirements for greater customer engagement, and a demanding

focus on companies reaching new frontiers in operations and service to customers. Ofwat's focus in the 2019 price review has been on four key themes.

Ofwat's 2019 price review themes



In terms of resilience, Ofwat holds companies to account for the resilience of their service to customers and of the assets that support this. By resilience, Ofwat means “resilience in the round”, i.e. that water companies have the right information, systems, processes, governance, capabilities and finances to make decisions about their operations, maintenance and investment in the short and long term.

As one aspect of resilience, it is clear that there is more for some companies to do individually and in collaboration to minimise service interruptions, including in the face of climate change, and to provide support for customers – especially vulnerable customers – when problems arise.

In addition to steering through the price review, the Non-Executives on Ofwat's Board have been pivotal in bringing a considerable breadth of experience to bear on the full range of the Ofwat's activities:

- challenging the sector's readiness to address issues associated with climate change, including the sector's response to the “Beast from the East” in late February 2018;
- monitoring the development of the business retail market for water and wastewater services which opened in April 2017; and
- creating a cross-regulatory team called ‘RAPID’ (Regulators’ Alliance for Progressing Infrastructure Development) with the Environment Agency and the Drinking Water Inspectorate to facilitate large-scale regional and national water resources infrastructure projects (there will be close liaison with the Welsh Government and Natural Resources Wales).

Ofwat's values

Ofwat's work is underpinned by its six 'SAILOR' values shown below. Much time is spent as new colleagues join across the whole organisation to help with induction into Ofwat ways of working.

We are Ofwat

We aspire to act in line with our values in everything we do



Role expectations

As part of the Board's role in ensuring that effective governance, risk management and internal controls are in place, Ofwat's Audit and Risk Assurance Committee supports the Board and the Accounting Officer in discharging their respective responsibilities.

The Audit and Risk Assurance Committee is formed of three non-executive members of the Ofwat Board, one of whom, Alison Munro, is the Chair. To support the Committee we are looking to appoint a qualified accountant as an independent member to provide insight, specialist advice and strong independent challenge. If appointed, you will be accountable to the Accounting Officer through the chair of the Committee. We have had an independent member on our Audit and Risk Assurance Committee for a number of years.

The role of the Audit and Risk Assurance Committee is to:

- consider whether the sources of assurance that are in place are sufficiently comprehensive, complete and reliable to provide assurance as to the adequacy and effectiveness of Ofwat's systems and processes; and
- advise on how well the Board and the Accounting Officer are supported in decision making and discharging their accountability obligations (particularly with respect to financial reporting and risk management, and the effective and efficient use of public funds).

To support your understanding of the governance arrangements and the role of the Audit and Risk Assurance Committee in government please click on the links below:

["Corporate governance in central government departments"](#)

["HM Treasury "Audit and Risk Assurance Committee Handbook"](#)

Essential criteria

We are seeking to appoint an individual who can process complex information and data in order to identify key issues/implications and somebody who has a genuine enthusiasm for good governance.

- Candidates should demonstrate a commitment to being an effective independent member of the Audit and Risk Assurance Committee, and have the capacity to be an engaged Committee member at meetings.
- They will have good interpersonal and communications skills, with an ability to engage effectively with Committee members and executive colleagues, contribute to debate and challenge constructively.
- Candidates should have a strong background in audit, finance and risk and be able to demonstrate an understanding of current approaches to risk management, internal control and corporate governance and have experience of dealing with internal and external audit.
- They will be a qualified accountant.
- Candidates should have an understanding and experience of public sector accounts and Managing Public Money.
- Candidates should have experience of operating at Board and / or Audit Committee level in the public or private sector.

Time commitment

The Audit and Risk Assurance Committee normally meets four times a year at appropriate intervals in the financial reporting and audit cycle. The chair of the Audit and Risk Assurance Committee may convene additional meetings from time to time and there is usually an additional meeting to consider the draft Annual Report and Accounts.

Your duties as an independent Audit and Risk Assurance Committee member are expected to take typically twelve days a year, including time to read papers in preparation for meetings, and a programme of activity to keep you in touch with the organisation's wider activities and priorities, including attendance at up to two strategic discussions with the full Board.

Contract

This appointment is until June 2022, commencing April 1, 2020.

Remuneration and expenses

The remuneration for this role is £500 per day. Expenses are payable for expenditure reasonably and necessarily incurred on behalf of Ofwat and in accordance with Ofwat's travel expenses policy from time to time.

How to apply

Applications should include a:

- curriculum vitae (**CV**);
- **covering letter** or supporting statement that outlines the contribution you can make to Ofwat as independent member of the Audit and Risk Assurance Committee, including how you feel you meet our professional requirements;

Please email your CV and supporting documents to recruitment@ofwat.gov.uk by the closing date.

If you are unable to make an electronic application, you may submit your application on paper. Please contact us to find out how.

Selection timetable

| | |
|----------------|------------------------------|
| Closing date | Thursday, 5 March @ 5:00PM |
| Sifting | Monday, 9 March 2020 |
| Interview date | Tuesday, 17 March (strictly) |

If you have any queries about any aspect of this role or selection process, please email recruitment@ofwat.gov.uk

Appointment process

The Appointments panel will comprise:

- Rachel Fletcher, Chief Executive
- Alison Munro, Chair of the Committee
- Jenny Block, General Counsel and Committee Secretary

Applications will be sifted after the closing date.

A list of candidates will be selected for interview in March 2020. The interviews will be held in London.

Subject to the required approvals, the successful candidate will be expected to take up the post formally from 1 April 2020.

These dates are accurate at the time of writing but are subject to change.

Further information

Conflicts of interest

If a candidate has any interests that might be relevant to the work of Ofwat and which could lead to a real or perceived conflict of interest if they were to be appointed, it is important that details are provided in the application (see **Annex 1**). If you have queries about this and would like to discuss further, please contact recruitment@ofwat.gov.uk.

If it appears from the information provided that a possible conflict might exist, or may arise in the future, this will be fully explored with the candidate with a view to

establishing whether it is sufficiently significant to prevent them from carrying out the duties of the post.

Please note that the Ofwat Board Rules of Procedure set out details of Prohibited Interests and any candidate holding such interests should note them on the conflicts of interest form (see [here](#)).

Conduct, probity and due diligence

We must ensure that any individual appointed is committed to the principles and values of public service. The Seven Principles of Public Life are: Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership and are set out in the Code of Conduct for Board Members of Public Bodies most recently updated in July 2019 ([here](#)).

Ineligibility criteria

You cannot be considered for this appointment if:

- you become bankrupt or make an arrangement with creditors;
- your estate has been sequestrated in Scotland or you enter into a debt arrangement programme under Part 1 of the Debt Arrangement and Attachment (Scotland) Act 2002 (asp 17) as the debtor or have, under Scots law, granted a trust deed for creditors;
- you are disqualified from acting as a company director under the Company Directors Disqualification Act 1986;
- you have been convicted of a criminal offence, the conviction not being spent for the purposes of the Rehabilitation of Offenders Act 1974 (c. 53);
- you become subject to a debt relief order or a bankruptcy restrictions order; or
- you fail to declare any conflict of interest.

Data protection

We will use your application only to inform the selection process. If you are successful it will form the basis of your personal employee record with us and we will store it electronically within our SharePoint Electronic Document Management System (EDRMS) and our HR system iTrent. Unsuccessful applications are not retained and will be destroyed using Ofwat's secure disposal methods. If you have indicated that you would like Ofwat to retain your information for future similar

opportunities we will retain this information. If at any point you decide you do not wish Ofwat to retain your information for these purposes, please contact us and we will ensure your information is removed from our systems, unless we are legally obliged to hold it for a further period.

We will hold any data about you in completely secure conditions and with restricted access. Information in statistical form on present and former employees in some instances is provided to appropriate outside bodies. Wherever possible Ofwat ensures that statistical information is anonymised.

We will include data that you provide on the diversity monitoring form in a general database for statistical monitoring purposes only. This enables us to monitor the effectiveness of our policy on equal opportunities in employment.

Ofwat processes all the personal data you have provided during your application as set out in Ofwat's privacy policy which is available here:

<https://www.ofwat.gov.uk/publication/privacy-policy/>. If you have any concerns regarding the processing of some or all of your data please inform the People Hub in writing to people@ofwat.gov.uk and/or the Data Protection Officer by emailing FOI@ofwat.gov.uk.

Annex 1 Conflicts of interest

What is a conflict of interest?

Please use this form to update Ofwat's conflict of interest declaration. Examples of what could constitute a potential or actual conflict of interest are:

- where you are or may be in a position to influence the organisation or the decisions it takes in ways which could lead to any form of personal gain, or give improper advantage to others to the detriment of Ofwat;
- when commitments and obligations are likely to be compromised by your other interests or commitments (such as committee membership of a pressure group whose agenda includes water related issues or within an external organisation whose work may be related to Ofwat, e.g. research work, non-executive directorships, training organisations);
- when you have a financial interest in a decision. A financial interest is a direct or indirect interest in the contract being awarded (eg holding a position as a director, officer, partner, trustee, employee, advisor or any other position of management in a company to whom a contract is being tendered); or
- when you have a close personal or social relationship with another member of Ofwat staff and are in a position of influence for matters such as pay or career development.

This is not an exhaustive list. If you have any doubts as to whether a conflict of interest should be disclosed then you should err on the side of caution and complete this disclosure.

Register of interests

I wish to disclose the following conflicts or potential conflicts of interest for inclusion in Ofwat’s register of interests (give as much detail as possible):

| | |
|------------------|--|
| Signature | |
| Name | |
| Date | |