WATER SERVICES BUSINESS MANAGEMENT REQUIREMENTS 2013
Data Assessment Period: 2012-2013

South African Water Services Risk-adjusted Performance Regulation

	Requirement	Sub-Requirements	Sub-Requirement Performance Weighting
1	**Risk Management** **20%** All requirements also apply to external WSPs	(a) Enterprise risk management policy and strategy • compliance with Public sector Risk Management Framework	***Weighting = 30%***
		(b) Proof of appropriate water services personnel participating in organisational risk management: • *Minutes of meetings* • *Attendance register*	***Weighting = 20%***
		(c) Risk Management plan • Clear risk assessment methodology • Risk assessment covers the two elements assessed this year – tariffs, and contracts • Proof of Control measures in place and/or planned • Summarised risk register • Plan/s detailing management and monitoring of identified risks • Integration with enterprise-wide plan	***Weighting = 40%***
		(d) Proof of implementation • Proof of training relevant staff on risk management (can be internal by risk manager) • Clearly assigned roles and responsibilities • Minutes of meetings with risk owners and champions • Action plan, timeframe, and budgets for high risks • Proof of a risk mitigation intervention following assessment • Quarterly updates of risk register	***Weighting = 10%***
		BONUS: Proof of an implemented enterprise risk management system that fully incorporates the areas of the water services business – finance, technical, institutional and customer. *Extra bonus for ISO 31 000 certification*	*ISO 31 000 certification = +5% (to total)* *Or ERM system = +3% (to total)*

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2	**Tariffs** **40%** External WSPs to report on consumer demand requirements. Municipal Bulk WSPs to also report on bulk tariff method. Retail WSPs responsible for billing to also report on the billing records	(a) Details of **Revenue Requirements methodology.** Proof that the following costs have been taken into account: • raw water purchases • bulk water purchases / costs • staff costs • direct operating cost • maintenance cost • outsourced services • overheads • Net financial charges • Depreciation • Provisions for bad debts All apply for water, and all except the first two for sanitation. Water and sanitation costs must be accounted for separately. If a flat rate for water or sanitation is used, the above requirements still apply. (b) **Bulk Tariff methodology.** Applicable to bulk service providers. Provide proof of costs included.	***Weighting = 40%***
		(c) **Billing system** • Records consumption per consumer categories • Records volumetric use per tariff block in each category	***Weighting = 15%***
		(d) **Consumer demand** • Bulk meter readings per zone • Total consumption for previous year • Demand projections • Proof that the above have been factored into tariff calculations	***Weighting = 20%***
		(e) **Tariff Structure** details • Provide published tariff documentation for water and sanitation • Differentiation between consumer categories	***Weighting = 10%***
		(f) Water Services **Policies** • All required policies in place • Proof of review and update on an annual basis	***Weighting = 15%***
		BONUS: Full costs, and consumption profiles are available per supply scheme	*Weighting = **+5%*** (to Total)
		BONUS: IWA water balance for the area has been calculated and been utilised to inform tariffs	*Weighting = **+5%*** (to Total)
		PENALTY: Tariff structure not reflected on the consumer bill	*Weighting = **-5%*** (From Total)
		PENALTY: Unpaid overdue bulk water services provider accounts.	*Weighting = **-5%*** (From Total)

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3	**Contracts** **40%** External WSPs to report on contract management elements	(a) Contracts all have at least the following **basic requirements:** • Interpretation and Objectives • Appointment, Scope, Duration & review Date • Roles and Responsibilities • Management of Water Services Systems • Key performance Indicators, Targets, reporting thereof • Performance review • Water Charges & Payments • Financial Matters • Communication and Co-ordination • Liability, Breach, Termination (b) Submitted for reviewed DWA (c) Internal performance management in place for WSAs that are also WSPs • **Business plan supported by** Performance agreements of relevant HODs Workplans of relevant staff	***Weighting = 40%***
		(d) Proof that contracts are **managed and monitored** • Proof that a contract manager has been assigned • Proof of performance evaluation • KPIs, financials, tariffs, volumetric demands and targets reviewed annually • Proof of contract management meetings • Proof of on-going relationship between contracted parties • Records of contract administration (finances, payments, contractual issues) • Records of dispute resolution processes followed *Please note* that proof of performance/work plan management and monitoring is also required.	***Weighting = 60%***
		Water services intermediary contracts • Advert for registration of intermediaries • Intermediary register/database • Contracts in place (assessed as per sub-requirements of a), b) and c)	
		PENALTY: A penalty shall apply for each contract that is unsigned, draft, expired, longer than 30yrs, or not in place.	Weighting = - 5% (From Contracts Total) for each contract
	OVERALL PENALTY	**PENALTY:** Penalty will apply should the Department find proof during / post assessment that the WSI is guilty of an offence as per Section 82 of the Water Services Act, by only submitting partial information in order to present a false impression of Performance and/or compliance.	Weighting = - 10%