

# **PAC Mod**

## **Performance Assurance**

### **Techniques & Controls**

**5<sup>th</sup> November 2018**

## Performance Assurance – Status Quo

The current framework lacks ‘teeth’ to reduce settlement error and uncertainty

Pre Sep-18

Status Quo

Proposed Developments

Gemserv appointed PAFA following tender

Reports specified & developed

Risk register evaluated 2015

No consequences for failing to meet acceptable performance standard (e.g. read performance)

First set of full reports delivered; questionable quality of reports

Draft letter reviewed; no further consequences

XoS CAM engaged under PAC guidance

No definitive list of ‘must-meet’ metrics

Read performance mods progressing (PC1?)

⇒ **Proposed modification (see below)**

⇒ **Targets And Incentives Methodology document**

⇒ **Definitive list of must-meet metrics and mods to codify**

⇒ **Risk register re-vamp**

⇒ **Review R&R, contracts & accountabilities**

⇒ **Develop PAF process**

# The Proposal

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Main elements of proposal is to introduce :

- A. Performance Assurance Objectives
- B. Performance Assurance Proportionality
- C. Materiality Assessment
- D. Escalation Framework
- E. Performance Targets & Charges
- F. Scalability & Change
- G. Consequences
- H. Review Cycle
- I. Preventive Controls
- J. Disputes
- K. Budget