

Online Pre-Conference

WATER, MEGACITIES AND GLOBAL CHANGE

7 – 11 December 2020

Innovative Initiatives 3

10 December 2020

Assessing Integrity Management In Water Utilities

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Summary

1. Introduction
2. Integrity assessment tool
3. Methodology
4. Assessment process
5. Results
6. Conclusions

1. Introduction

Integrity risks are high in urban W&S utilities

- natural monopolies, technically complex projects, high initial capital and maintenance costs, large teams of people, fragmented governance and accountability

Climate change funding exacerbates risks

- large funds as water sector is among the sectors that are most frequently identified as “key priority sectors”
- untested funding channels

- **Integrity is a driver of utility performance**

Association with increased efficiency, higher employee satisfaction, engagement, and compliance

2. Integrity assessment tool



Diagnostic assessment tool



Produce evidence on integrity preparedness of water utility organizations



Monitor and improve integrity practices



Improve reputation, creditworthiness, performance

3. Methodology



5 integrity risk management principles

- Guide organizations in creating an integrity management approach to minimize risks
- 1.Control environment, 2.Risk assessment, 3.Integrity controls, 4.Corrective action, 5.Monitoring

16 indicators

- A minimum set of processes and practices to prevent integrity risks

58 components

- A checklist elements to evaluate the fulfillment of indicators

4. Assessment process



Detailed introduction of the tool and assessment process



Data collection



Verification of data – Independent review of supporting documents, interviews



Validation workshop – Discussion of the results with the management team



Finalization of the results

5. Results

Utility Profile:

CEA

The integrity assessment tool for water utilities consists of three main components: principles, indicators, and components.

Principles

The main building blocks of the integrity assessment tool are the five principles of integrity management. The principles are assessed on a 0 to 100% scale, determined by the scores of a set of indicators for each principle. The five principles assessed in the integrity assessment tool are:

Indicators

Each principle is broken down into a number of indicators, which are themselves broken down into components. The indicators are assessed on a 0 to 100% scale, determined by the scores of their respective components.

Components

To aid the assessment of the indicators, each is composed of several components. During data collection, components take binary values: 1 (yes) if the component of an integrity process or practice is in place and 0 (no) otherwise. Data verification is performed at the component level. If it is determined that a component is functional, then the component retains its score of 1. Otherwise, the component score is downgraded to 0.



Conclusions

- 3 pilot application of the most recent methodology in utilities with differences in size, population served, corporate governance, resources, etc
- Assessment tool is highly effective in identifying strengths and weaknesses
- Actionable results
 - Sample follow-up actions selected by participating utilities: adopt an integrity management strategy; finalize and approve a code of conduct; incorporate anti-corruption provisions in tenders, improve transparency of job vacancies, etc.
- Suitable for self-evaluation and as an external accountability mechanism

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Thank you for your attention !

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