



# Integrity Instruments for Kenyan Water Service Providers

## Description WSP Integrity Instruments 1.0



BMZ



Federal Ministry  
for Economic Cooperation  
and Development

**giz** Deutsche Gesellschaft  
für Internationale  
Zusammenarbeit (GIZ) GmbH

**WIN** Water  
Integrity  
Network  
Fighting corruption in water worldwide

**cewas**  
international centre for water management services

## IMPRINT

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## List of Abbreviations

BoD	Board of Directors (of Water Service Providers)
cewas	International centre for water management services
CPC	Corruption Prevention Committee
DFID	Department for International Development (UK)
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
IC	Integrity Committee
KEWI	Kenyan Water Institute
MD	Managing Director
MoU	Memorandum of Understanding
MWI	Ministry of Water and Irrigation
NGO	Non-governmental organisation
OECD	Organisation for Economic Cooperation and Development
PPDA	Public Procurement and Disposal Act
PPOA	Public Procurement Oversight Authority
SECO	State Secretariat for Economic Affairs
SOP	Standard Operating Procedure
TI	Transparency International
TI-K	Transparency International Kenya
UNDP	United Nations Development Program
USSD	Unstructured Supplement Service Data
WAG	Water Action Group
WARIS	Water Regulatory Information System
WSB	Water Service Board
WSP	Water Service Provider
WASPA	Water Services Providers Association
WASREB	Water Services Regulatory Board
WIN	Water Integrity Network

# 1 Accounts and Finance manual

	<b>Integrity Management Instrument</b>
Description / Definition	A 'finance manual' is a manual for Accounts & Finance staff that supports them in carrying out their day to day work systematically and consistently. Such a manual may contain pertinent rules, guidelines or policies as well as organisational standards for corporate accounts. A finance manual should provide detailed information on the various tasks and procedures, such as budgeting, bookkeeping, or preparing financial statements and reports (INVESTOPEDIA n.y.). As such, an Accounts and Finance Manual serves as an umbrella for more detailed tools relating to accounting (such as reconciliation and auditing of accounting records, computerised financial accounting, enhancing expenditures and budget accountability etc.).
Purpose	<p>According to the WASREB corporate governance guidelines (2009, p.5-10), the WSP's have a responsibility to ensure the financial stability and credibility of the water sector. Furthermore, the WSP directors need to be in the position to fully understand the financial statements. An accounts and finance manual can help to attain these goals.</p> <p>The overall purpose of the Financial Manual is to set out an organisation's principles, policies and practices on all finance and accounting matters. More specifically, a financial manual should:</p> <ul style="list-style-type: none"> <li>• Standardize the way finance and accounts activities are carried out in order to ensure consistence</li> <li>• To provide overall guidance to all staff of Accounts and Finance for smooth execution of their duties</li> <li>• To have in place an adequate system of internal controls that promotes a high level of compliance with a company's / utility's policies and procedures.</li> <li>• To continuously review the internal control system to be able to meet the challenges of growth and globalization.</li> <li>• To implement and maintain this system of control to assist the utility/company to carry out its activities in an efficient and orderly manner, ensure adherence to management policies, safeguard the company's / utility's assets, and secure the accuracy and reliability of its records.</li> </ul> <p>(UNHABITAT 2008, p.1)</p>
Link to integrity	Clear, transparent and understandable policies as well as defined responsibilities are essential to prevent fraud and misconduct, but also to prevent misunderstandings and lacking consistency.
Examples/How to	<p>A finance manual or work guide should include (MANGO n.y.):</p> <ul style="list-style-type: none"> <li>• Organisation's values, mission and strategy</li> <li>• Key responsibilities and organisational structure</li> <li>• Detailed explanation of specific finance policies and corresponding procedures (i.e. budget planning, budget expenditure, financial statement, payroll, etc.)</li> <li>• Specific finance procedures (i.e. banking, accounting routines)</li> <li>• Chart of accounts</li> <li>• Additional information, i.e. examples, resources materials, checklists.</li> </ul>
Specific/generic	Specific
Complex/simple	Complex



Mandatory/optional	Mandatory
References and Further readings	<p>INVESTOPEDIA. n.y. Accounting manual. <a href="http://www.investopedia.com/terms/a/accounting-manual.asp">http://www.investopedia.com/terms/a/accounting-manual.asp</a> (Accessed on 15.4.2013).</p> <p>UNHABITAT. 2008 Finance and accounts policies and procedures manual.</p> <p>MANGO. n.y. Finance Manual. <a href="http://www.mango.org.uk/Guide/FinanceManual">http://www.mango.org.uk/Guide/FinanceManual</a> (Accessed on 22.03.2013)</p> <p>WASREB. 2009. Corporate Governance Guidelines for the Water Service Sector.</p> <p>MAF EUROPE. 2006. Finance and Related Matters Reference Book.</p> <p>MANGO.2012. Financial Management Essentials. A Handbook for NGOs. Oxford: Management Accounting for Non-governmental Organisations.</p> <p>MOSIN. 2009. Sample accounting manual</p>

## 2 Anti-Corruption Policy

	<b>Integrity Management Instrument</b>
Description / Definition	An Anti-Corruption Policy is a document that provides guidance regarding the standards of conduct regarding bribery and corruption (ELEKTA 2011).
Purpose	<p>Integrity in the water sector requires an adequate sector organization that distinguishes clearly between the roles of policy formulation and sector planning, delivery of services and sectoral regulation, access and service quality, and operating efficiency and tariffs and financial performance (WORLD BANK 2009).</p> <p>Tackling corruption in municipal water supply and sanitation services requires a holistic approach, focusing on governance reform and particularly on developing and implementing anticorruption strategies at the sectoral and institutional levels (WORLD BANK 2009).</p> <p>In Kenya, all public institutions are required to formulate and implement an Anti-Corruption Policy, in order to address issues of corruption and define strategies and measures to be put in place (KENYA ANTI-CORRUPTION COMMISSION 2007a, p. 3).</p> <p>An anti-corruption policy is founded on good corporate governance. In the Water services sector, good corporate governance means that boards and senior management of the Services Boards and water service providers govern their entities with integrity and enterprise in a manner which entrenches and enhances the objectives agreed under the license and the service provision agreement (WASREB 2009).</p>



Link to integrity	Cost effective and efficient management and operation of water services can only be realized if the leadership in the water sector institutions is guided by the tenets of good governance (WASREB 2009).
Examples/How to	<p>An Anti-Corruption Policy should generally address the following</p> <ul style="list-style-type: none"> <li>• Statement of recognition of corruption risk in the organization and acknowledgement that corruption can occur.</li> <li>• Statement confirming that the responsibility of addressing corruption rests with management, staff and stakeholders.</li> <li>• Structures put in place to prevent, detect, investigate and punish corrupt officers.</li> <li>• A summary of possible corrupt practices in an institution to guide public servants.</li> <li>• A breakdown of corruption risk areas and corrupt practices in the institution.</li> <li>• Composition of corrupt prevention committee members, its mandate and operations.</li> <li>• How to report corruption internally and externally.</li> <li>• Confidentiality of information and protection of informers and whistle blowers (KENYA ANTI-CORRUPTION COMMISSION 2007a, p. 3).</li> </ul> <p>See also: Guidelines for the preparation of an Anti-Corruption Policy for public institutions (KENYA ANTI-CORRUPTION COMMISSION 2007b)</p>
Specific/generic	
Complex/simple	Complex
Mandatory/optional	Optional
References and Further readings	<p>ELEKTA. 2011. Elekta anti-corruption policy.</p> <p>KENYA ANTI-CORRUPTION COMMISSION. 2007a. Framework for Mainstreaming Corruption</p> <p>KENYA ANTI-CORRUPTION COMMISSION. 2007b. Guidelines for the Preparation of an Anti-Corruption Policy for Public Institutions</p> <p>WORLD BANK. 2009. Improving Transparency, Integrity, and Accountability in Water Supply and Sanitation - Action, Learning, Experiences</p> <p>WASREB 2009 Corporate Governance Guidelines for the Water Services Sector</p> <p>INSTITUTE OF BUSINESS ETHICS. 2012. Anti-Bribery &amp; Corruption (ABC) Standards and Frameworks.</p> <p>HANNA ET AL. 2011. The effectiveness of anti-corruption policy</p> <p>UN ODCCP. 2001. United Nations Manual on Anti-Corruption Policy.</p>





	VEENMAN. 2012. Anti-Bribery and Anti-Corruption Policy.
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### 3 Asset Management in Utility Stores

	<b>Integrity Management Instrument</b>
Description / Definition	<p>In general, asset management is a systematic process to guide planning, acquisition, maintenance, operation, renewal and disposal of assets in order to maximise the asset service delivery potential and to manage involved risks and costs (TWEED SHIRE COUNCIL n.y., p.3).</p> <p>In regards to water services provision, asset management means to monitor and maintain facilities systems with the objective of providing the best possible service to users, and ensuring that installations achieve a good return.</p>
Purpose	<p>Fixed assets in utility stores may represent considerable capital of a WSP and require special attention to ensure that their value is maintained and that they do not disappear through lack of vigilance.</p> <p>An asset management in the utility store ensures accurate asset accounting by tracking, unitising and capitalising assets. By doing so, an asset management can help the WSPs to yield better performance and to increase the reliability of the asset portfolio at reduced cost. It can improve the maintenance, and helps to identify and correct errors and failures. In addition, it can help the WSPs to plan preventatively (ORACLE n.y.).</p>
Link to integrity	Putting sophisticated asset management systems in place will minimise the risk of opportunistic theft or loss due to lack of monitoring. This includes common sense tools, such as physical controls (24-hour cameras), asset registers and monitoring procedures.
Examples/How to	<ul style="list-style-type: none"> <li>• A simple asset register is the minimum precondition for the management of utility store assets with an entry or record sheet for each item. Each asset should be tagged with a unique reference number for identification purposes. The record sheet should also state the responsible parties for its maintenance and security. The assets register should be checked by a senior manager or committee member every quarter, and any discrepancies need to be reported and followed up by appropriate action (MANGO 2012, p. 93).</li> <li>• Make qualified staff directly accountable for stores (NORDMANN 2012b).</li> <li>• Utility stores should be automatized to enforce proper booking. Sophisticated automated asset management systems improve accountability, make risk management more reliable and reduce costs (KENYA WATER INSTITUTE 2012; BMC Software n.y.).</li> <li>• Maintain inventory systems, accounting controls and record keeping systems for utility stores for non-fixed assets (NORDMANN 2012b)</li> </ul>
Specific/generic	Specific
Complex/simple	Simple
Mandatory/optional	Optional



References and Further readings	<p>BMC SOFTWARE. n.y. Automated IT Asset Management. Maximize organisational value using BMC Track-It.</p> <p>KENYA WATER INSTITUTE. 2012. Enhancing Water Integrity in the Provision of Quality Water and Sanitation Services in Kenya - Documentation Report</p> <p>MANGO.2012. Financial Management Essentials. A Handbook for NGOs..</p> <p>NORDMANN 2012b Deepening Governance in Water and Sanitation Services</p> <p>ORACLE. n.y. Oracle Utilities Work and Asset Management. <a href="http://www.oracle.com/us/products/applications/utilities/business-solutions/work-asset-management/overview/index.html">http://www.oracle.com/us/products/applications/utilities/business-solutions/work-asset-management/overview/index.html</a> (Accessed on 15.4.2013).</p> <p>TWEED SHIRE COUNCIL. n.y. Asset Management. Policy. Version 1.4</p> <p>EPA. 2012. A Handbook for Water and Wastewater Utilities.</p> <p>GIZ. 2013. Good Governance in the Kenyan Water Sector (NORDMANN).</p> <p>NORDMANN. 2012a. Good Governance in the Kenyan Water Sector.</p>
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## 4 Asset Management Policy

	<b>Integrity Management Instrument</b>
Description / Definition	<p>In general, asset management is a systematic process to guide planning, acquisition, maintenance, operation, renewal and disposal of assets in order to maximise the asset service delivery potential and to manage involved risks and costs (TWEED SHIRE COUNCIL n.y., p.3).</p> <p>In regards to water services provision, asset management means to monitor and maintain facilities systems with the objective of providing the best possible service to users, and ensuring that installations achieve a good return. Asset Management Policy provides the framework for such a management system from procurement to disposal. It applies to all assets owned or controlled by the WSP (TWEED SHIRE COUNCIL n.y.).</p>
Purpose	<p>An Asset Management Policy ensures that fixed assets' value (such as water infrastructure, buildings, vehicles, machinery and office equipment) are maintained, properly operated, managed and secured. An Asset Management Policy articulates a utility's commitment to Asset Management and provides policy statements to guide staff in carrying out the WSP's business strategies, plans and activities. The policy also should clearly outline how Asset Management is to be integrated within the organization in order that it is coordinated, cost effective and organizationally sustainable (LGAMWG n.y., p. 2).</p>
Link to integrity	<p>Ensuring that assets are managed properly decreases the risk for fraud and furthermore ensures that assets can be utilised effectively and throughout their entire life span.</p>



Examples/How to	<p>An asset management system should cover the following domains (MANGO 2012, p. 92-93):</p> <ul style="list-style-type: none"> <li>• An <b>assets register</b> should be established with an entry or record for each item. Each asset should be tagged with a unique reference number for identification purposes. The register should record important information about each asset, such as: where and when the item was purchased and how much it cost, where it is held or located or how much it is insured for (including serial numbers details of guarantees or warranties). The depreciation rate and method can be included where relevant. The record sheet should also state who is responsible for its maintenance and security. The assets register should be checked by a senior manager or committee member every quarter and any discrepancies reported and appropriate action taken.</li> <li>• In regards to <b>equipment</b>, the asset management policy must ensure proper functioning and maintenance. Office equipment such as computers, photocopiers etc. should also receive regular services by qualified staff to ensure they are operating properly.</li> <li>• Every organisation that owns vehicles should have a <b>vehicle policy</b>. This will set down the policy on a range of issues such as: depreciation, insurance, purchasing, replacement and disposal, maintenance and repair, private use of vehicles by staff, what to do when accidents happen, driver qualifications and training, carrying of passengers, etc. The costs of repairs and replacements must also be adequately reflected in the budget process.</li> <li>• Asset management also includes the <b>proper management of buildings and infrastructure</b> – which is, of course, more complex. The aim of the asset management policy is to ensure that infrastructure is maintained properly, in order to remain functional as long as possible. This can, for example, be achieved with a maintenance contract for which a realistic budget must be provided (for an example, see also Clause 11 of WASREB’s Sample Service Provision Agreement, p. 25).</li> </ul>
Specific/generic	Specific
Complex/simple	Complex
Mandatory/optional	Optional
References and Further readings	<p>WASREB. 2010. Service Provision Agreement.</p> <p>LGAMWG. n.y. A Guide to Developing a municipal asset management policy.</p> <p>MANGO. 2012. Financial Management Essentials. A Handbook for NGOs.</p> <p>TWEED SHIRE COUNCIL. n.y. Asset Management. Policy. Version 1.4</p> <p>EPA. 2008. Asset Management: A Best Practices Guide.</p> <p>MANGO. 2012. Appendix 19 - , Appendix 22.</p>



	<p>MCGRAW_HILL CONSTRUCTIONS. 2013. Water Infrastructure Asset Management. Adopting Best Practices to Enable Better Investments.</p> <p>RIVERINA WATER COUNTY COUNCIL. 2012. Asset management policy..</p>
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## 5 Budget Transparency

	<b>Integrity Management Instrument</b>
Description / Definition	Budget transparency is defined as “the full disclosure of all relevant fiscal information in a timely and systematic manner” (PEKKONEN AND MALENA n.y., p. 1). It means that citizens and civil society organisations have access to all information on how resources are allocated (PEKKONEN AND MALENA n.y.).
Purpose	Budget Transparency enables citizens to evaluate the stewardship of public money. It also allows them to participate in and provide inputs to the budget process. In addition, an early identification of weaknesses and strengths of budget policies can reduce risks while it fosters fiscal and macroeconomic stability. Last but not least, Budget Transparency can enhance revenue collection, as citizens may be more willing to pay if they know how their money is used (PEKKONEN AND MALENA n.y.).
Link to integrity	Transparent Budgets play a significant role in improving accountability, as a lack of transparency in budget processes can open up opportunities for graft and corruption. Since WSP staff and officials may act more responsibly if the budget is open to public scrutiny, Budget Transparency can reduce the chance for budget manipulations and misappropriation of resources. Budget Transparency also enables independent budget analysis and expenditure tracking, which can prevent mismanagement and corruption (IBP n.y.; PEKKONEN AND MALENA n.y.).
Examples/How to	<p>There are a number of steps that are typically involved in achieving budget transparency (PEKKONEN AND MALENA n.y.):</p> <ul style="list-style-type: none"> <li>• Assess the existing level of budget transparency</li> <li>• Advocating for greater budget transparency</li> <li>• Obtain, demystify and disseminate budget information</li> <li>• Enhance the level of budget literacy</li> </ul> <p>The following steps are demanded by the civil society group “Make Budgets Public NOW”:</p> <ul style="list-style-type: none"> <li>• Publishing the budget proposal</li> <li>• Publishing an independent audit of progress against this proposal</li> <li>• Allow public hearings during the budget debate. (For the government budget, the Kenyan constitution stipulates that a committee from the National Assembly has to seek participation from the public to discuss the budget (IBP 2012, p. 35).)</li> <li>• Publish a citizens budget</li> </ul> <p>(MAKE BUDGETS PUBLIC NOW n.y.)</p>
Specific/generic	
Complex/simple	



Mandatory/optional	
References and Further readings	<p>GLOBAL MOVEMENT FOR BTAP n.y. What is BTAP? <a href="http://www.globalbtap.org/what-is-the-global-movement-for-budget-transparency-accountability-and-participation-make-budgets-public/">http://www.globalbtap.org/what-is-the-global-movement-for-budget-transparency-accountability-and-participation-make-budgets-public/</a> (Accessed on 24.4.2013).</p> <p>MAKE BUDGETS PUBLIC NOW. n.y. What do we want? <a href="http://makebudgetspublic.org/">http://makebudgetspublic.org/</a> (Accessed on 25.4.2013).</p> <p>PEKKONEN AND MALENA. n.y. Budget Transparency.</p> <p>IBP. n.y. Social audits in Kenya. Budget transparency and accountability.</p> <p>IBP. 2012. Open Budget survey 2012.</p> <p>CONSTANCE. 2005. Between a rock and a web page. <a href="http://www.iadb.org/idbamerica/index.cfm?thisid=3741&amp;lanid=1">http://www.iadb.org/idbamerica/index.cfm?thisid=3741&amp;lanid=1</a> <a href="http://www.iadb.org/idbamerica/index.cfm?thisid=3741&amp;lanid=1">http://www.iadb.org/idbamerica/index.cfm?thisid=3741&amp;lanid=1</a> (Accessed on 25.4.2013).</p> <p>IMF. 2007. Manual on Fiscal Transparency.</p> <p>MORGAN. 2002. Handbook on public budgeting.</p> <p>MWENDA AND GACHOCHO. 2003. Budget transparency. Kenyan perspective.</p> <p>OECD. 2002. Best practices for budget transparency.</p> <p>UPADHYAY AND O'LEARY. 2012. Nepal. Budget Accountability and Transparency in Water supply and sanitation (WSS) sector.</p>

## 6 Clarified Corporate Governance Structure

	<b>Integrity Management Instrument</b>
Description / Definition	<p>Corporate Governance is the system by which a business is directed and controlled. The Corporate Governance structure specifies the distribution of rights and responsibilities among different stakeholders, such as the board, managers or shareholders, and spells out the rules and procedures for decision-making in corporate affairs (OECD 2004).</p> <p>According to WASREB (2009, p.5), the term refers to an “appropriate legal, economic and institutional environment that allows companies to thrive as institutions for advancing long-term shareholder value and maximum human-centred development while remaining conscious of their other responsibilities to stakeholders, the environment and the society in general.”</p>



	Good Corporate Governance requires an effective system of mutual checks and balances among the top corporate bodies (SWISS RE 2013).
Purpose	Clear roles and responsibilities on each level (from the board, to the management, staff and stakeholders) are essential for a utility to function efficiently and to ensure that each level is held at bay by a system of checks and balances. Clarifying Corporate Governance structures means establishing a system of sound approaches by which utilities are directed and controlled, focusing both on internal and external corporate structures. The Water Act 2002 (section 47(h)) assigned WASREB with the development of Corporate Governance guidelines, which were then created to educate the water services sector institutions on their management practices, interactions with the shareholders and other stakeholders (WASREB 2009, p.4-5).
Link to integrity	Clear Corporate Governance structures allow to monitor the actions of management and directors and thereby mitigate agency risks that may stem from the misdeeds of corporate officers (adapted from WIKIPEDIA n.y.). Cost effective and efficient management and operation of water services can only be realized if the leadership in the water sector institutions is guided by the tenets of good governance (WASREB 2009).
Examples/How to	Principles of Good Corporate Governance (APPLIED CORPORATE GOVERNANCE 2013): <ul style="list-style-type: none"> <li>• An ethical approach towards society must be a key organisational paradigm.</li> <li>• Objectives should be balanced and respect the goals of all interested parties.</li> <li>• The roles of key players such as the board, the management or staff/stakeholders must be clarified.</li> <li>• A decision-making process must be in place - reflecting the first three principles and giving due weight to all stakeholders.</li> <li>• Equal concern must be given for all stakeholders - albeit some have greater weight than others.</li> <li>• Accountability and transparency is necessary - to all stakeholders.</li> </ul> <p>A detailed description of Corporate Governance guidelines can be found in WASREB 2009.</p>
Specific/generic	Specific
Complex/simple	Complex
Mandatory/optional	Optional
References and Further readings	APPLIED CORPORATE GOVERNANCE. 2013. Best Corporate Governance Practice. <a href="http://www.applied-corporate-governance.com/best-corporate-governance-practice.html">http://www.applied-corporate-governance.com/best-corporate-governance-practice.html</a> (Accessed on 27.03.2013).  ORGANISATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD). 2004. The OECD Principles of Corporate Governance.  SWISS RE. 2013. Our approach to corporate governance: fulfilling our commitment to our stakeholders. <a href="http://www.swissre.com/about_us/corporate_governance/">http://www.swissre.com/about_us/corporate_governance/</a> (Accessed on 27.03.2013).  WASREB. 2009. Corporate Governance Guidelines for the Water Services Sector.





	<p>ECONOMIESUISSE. 2008 Swiss Code of Best Practice for Corporate Governance.</p> <p>MULILI AND WONG. 2011. Corporate Governance Practices in Developing Countries.</p> <p>PRIVATE SECTOR INITIATIVE FOR CORPORATE GOVERNANCE. n.y. Principles for corporate governance in Kenya.</p> <p>RAMPA. 2011. Analysing governance in the water sector in Kenya.</p>
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## 7 Clear Job Descriptions

	<b>Integrity Management Instrument</b>
Description / Definition	Employee job descriptions are written statements that describe the duties, responsibilities, qualifications, and reporting relationships of a job. They are based on a job analysis, an understanding of the competencies and skills and the needs of the organization (HEATHFIELD n.y.).
Purpose	If effectively developed, employee job descriptions are communication tools that can foster the WSP's success. Poorly written job descriptions, on the other hand, can lead to workplace confusion, hurt communication, and make people unsure about what is expected from them (HEATHFIELD n.y.).
Link to integrity	Clear job descriptions that include the responsibilities of the workers can serve as basis on which employees can be held accountable when acting outside their competences. As such, clear job descriptions can help to curb corruption and other unethical behaviour, especially when they emphasize the staff's responsibility to report such behaviour (adapted from SECO n.y., p. 21).
Examples/How to	<p>Clear job descriptions should include at least the following elements (HEBERT 2011, SCHLEIFER 2007):</p> <ol style="list-style-type: none"> <li>1. Job title, location, department, and to whom the employee reports.</li> <li>2. Key responsibilities.</li> <li>3. Qualifications.</li> <li>4. Terms such as work schedule, salary or pay grade, and any special benefits.</li> <li>5. Special requirements, such as the ability to do heavy physical work or the need to spend a lot of time on the road.</li> <li>6. Goals.</li> </ol>
Specific/generic	Specific
Complex/simple	Simple
Mandatory/optional	Optional
References and Further readings	<p>HEATHFIELD. 2013. Why Effective Employee Job Descriptions Make Business Sense. 5 Tips About Employee Job Descriptions. <a href="http://humanresources.about.com/od/glossary/a/jobdescriptions.htm">http://humanresources.about.com/od/glossary/a/jobdescriptions.htm</a> (Accessed on 18.4.2013).</p> <p>HEBERT.2011. Writing Clear Job Descriptions. <a href="http://management411.net/writing-clear-job-descriptions/">http://management411.net/writing-clear-job-descriptions/</a> (Accessed on 18.4.2013).</p>



	<p>SCHLEIFFER.2007. Job Descriptions: Essential Elements Explained. <a href="http://hrdailyadvisor.blr.com/archive/2007/08/22/job_descriptions_elements_sample_prewritten.aspx">http://hrdailyadvisor.blr.com/archive/2007/08/22/job_descriptions_elements_sample_prewritten.aspx</a> (Accessed on 18.4.2013).</p> <p>SECO. n.y. Preventing corruption. Information for Swiss businesses operating abroad.</p> <p>SHEPELL FGI. 2011. Delineating Responsibilities. Crafting a clear job description.</p> <p>UNIVERSITY OF MINNESOTA. 2011. Writing a job description.</p>
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## 8 Code of Conduct

	<b>Integrity Management Instrument</b>
Description / Definition	The Code of Conduct is a “statement of principles and values that establishes a set of expectations and standards for how an organisation, government body, company, affiliated group or individual will behave, including minimal levels of compliance and disciplinary actions for the organisation, its staff, and volunteers” (TRANSPARENCY INTERNATIONAL 2009, p. 8).
Purpose	A Code of Conduct is a central guide and reference for the day-conduct of WSP decision making. It clarifies an organisation’s vision, mission, values, and principles and links them with standards of professional conduct (KENYA ANTI-CORRUPTION COMMISSION n. y., p. 1).
Link to integrity	A Code of Conduct encourages discussion about ethics and guides employees when dealing with ethical dilemmas, prejudices and grey areas of everyday work and life encounters (KENYA ANTI-CORRUPTION COMMISSION n.y., p. 1).
Examples/How to	<p>A Code of Conduct should:</p> <ul style="list-style-type: none"> <li>• Include values, beliefs and expectations rather than facts</li> <li>• Be based on the organization’s values,.</li> <li>• Be simple but at the same time precise</li> <li>• Define what conduct is acceptable and what not</li> <li>• Give examples when appropriate.</li> <li>• Incorporate opinions from members of the organization to ensure ownership</li> <li>• Be fully disseminated among the staff</li> </ul> <p>(KENYA ANTI-CORRUPTION COMMISSION n.y., p. 2)</p>
Specific/generic	Specific
Complex/simple	Simple
Mandatory/optional	Mandatory
References and Further readings	KENYA ANTI-CORRUPTION COMMISSION. n.y. Guidelines for the Development of a code of conduct and ethics for public officers.





	<p>TRANSPARENCY INTERNATIONAL. 2009. The Anti-Corruption Plain Language Guide.</p> <p>WASREB. 2009. Corporate Governance Guidelines for the Water Services Sector.</p> <p>NYERI WATER &amp; SEWERAGE COMPANY (NYEWASCO). 2007. Code of Conduct for Employees.</p> <p>WIN. 2008. Code of Conduct.</p>
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## 9 Compliance officer

	<b>Integrity Management Instrument</b>
Description / Definition	A Compliance Officer is a member of the staff that makes sure that the company complies with outside regulations and internal policies (INVESTOPEDIA n.y.)
Purpose	WSPs – just like any business - need to comply with certain rules and laws. The aim of appointing a Compliance Officer is to mitigate the risk that a WSP breaks with the regulations such as the Companies Act, the Water Act (2002) or the Public Procurement and Disposal Act (2005). He or she can prevent the WSP from legal problems and penalties and can support the process of internal audits (INVESTOPEDIA n.y.; WASREB 2009, p. 10; THE BEST PRACTICE NETWORK GUIDELINES n.y.)
Link to integrity	Besides ensuring that the WSP complies with the above mentioned regulations, a Compliance Officer can also make sure that all procedures are in accordance with the set standards and regulations relating to corruption, fraud, etc. and that the business complies with the Anti-Corruption and Economic Crimes Act. It is one of the key duties of a Compliance Officer, to ensure that the employees and management are acting ethically (THE BEST PRACTICE NETWORK GUIDELINES n.y.)
Examples/How to	<p>In order for the work of the Compliance Officer to be effective, it is important that he or she</p> <ul style="list-style-type: none"> <li>• Carefully monitors the staff and interacts with the employees on an individual basis</li> <li>• Investigates root causes of occurring non-compliance</li> <li>• Takes corrective action in case of non-compliance</li> <li>• Establishes risk control measures</li> <li>• Is part of the senior management in order not to be perceived as a subordinate</li> <li>• Receives a clear commitment from the top management</li> <li>• Is constantly involved in the WSP's business</li> <li>• Is independent and impartial</li> <li>• Has unlimited access to relevant information</li> <li>• Has enough resources available</li> </ul> <p>(THE BEST PRACTICE NETWORK GUIDELINES n.y.; FOY 2012a, FOX 2012b)</p>
Specific/generic	
Complex/simple	Complex



Mandatory/optional	Optional
References and Further readings	<p>FOX TR. 2012a. Three keys to the role of a chief compliance officer. <a href="http://tfoxlaw.wordpress.com/2012/03/22/three-keys-to-the-role-of-a-chief-compliance-officer/">http://tfoxlaw.wordpress.com/2012/03/22/three-keys-to-the-role-of-a-chief-compliance-officer/</a> (Accessed on 28.3.2013).</p> <p>FOX TR. 2012b. Five essentials of a chief compliance officer position. <a href="http://www.infosecisland.com/blogview/22769-Five-Essentials-of-a-Chief-Compliance-Officer-Position.html">http://www.infosecisland.com/blogview/22769-Five-Essentials-of-a-Chief-Compliance-Officer-Position.html</a> (Accessed on 28.3.2013).</p> <p>INVESTOPEDIA. n.y. Compliance officer. <a href="http://www.investopedia.com/terms/c/compliance-officer.asp">http://www.investopedia.com/terms/c/compliance-officer.asp</a> (Accessed on 28.3.2013).</p> <p>THE BEST PRACTICE NETWORK GUIDELINES. n.y. Duties of a compliance officer. <a href="http://www.best-practice.com/compliance-best-practices/compliance-management/duties-of-a-compliance-officer/">http://www.best-practice.com/compliance-best-practices/compliance-management/duties-of-a-compliance-officer/</a> (Accessed on 28.3.2013).</p> <p>WASREB. 2009. Corporate governance guidelines for the water services sector.</p> <p>1CONSULTING. n.y. Compliance Officer role and responsibilities tip sheet.</p> <p>FONDATION GENEVE PLACE FINANCIERE. 2006. Compliance officer.</p>

## 10 Computerised Financial Accounting

	<b>Integrity Management Instrument</b>
Description / Definition	Computerised Financial Accounting is the process of digitally recording, summarizing and reporting financial transactions (INVESTOPEDIA n.y.).
Purpose	The purpose of Computerised Financial Accounting is to have a clear, transparent and reliable system to keep track of financial transactions. Such a system can prevent poor planning and budgeting, which can help to reduce the WSP's expenditures and ultimately to increase their revenues (KENYA WATER INSTITUTE 2012, p. 23).
Link to integrity	Computerised Financial Accounting can serve as entry point to mitigate the abuse of procurement of goods and/or services for private gain (e.g. collusion, bribery, fraud, abuse of discretion or clientelism) (NORDMANN 2012b, p.8).
Examples/How to	<p>Computerised Financial Accounting should:</p> <ul style="list-style-type: none"> <li>• Give an overview of different types of annual revenues (e.g. water tariffs, setting up of connections, etc.)</li> <li>• Provide insight on different types of expenses (e.g. materials, rent, staff)</li> <li>• Connect billing and accounting systems: Billing and collections should be integrated into the accounting system (NORDMANN 2012b)</li> </ul> <p>There are various options for centralised computerised financial accounting on the market, also specifically for Kenya. Practical questions to clarify are:</p> <ul style="list-style-type: none"> <li>• Is the necessary hardware (e.g. computers, internet connection etc.) available?</li> </ul>



	<ul style="list-style-type: none"> <li>• What are the costs of implementing such a system (e.g. training, programmes, support)?</li> <li>• How to make sure that the staff is capable and confident in using a computerised accounting system?</li> <li>• How to ensure consistency and comparability with the existing accounting system?</li> <li>• Can billing and collection be integrated in the financial accounting system?</li> </ul> <p>It is worthwhile comparing different options to find a solution that is adapted to the specific needs and size of the WSP.</p>
Specific/generic	
Complex/simple	Simple
Mandatory/optional	Optional
References and Further readings	<p>INVESTOPEDIA. N.y. Financial Accounting. <a href="http://www.investopedia.com/terms/f/financialaccounting.asp">http://www.investopedia.com/terms/f/financialaccounting.asp</a> (Accessed on 15.4.2013).</p> <p>KENYA WATER INSTITUTE.2012. Enhancing Water Integrity in the Provision of Quality Water and Sanitation Services in Kenya - Documentation Report.</p> <p>MANGO. 2012. Financial Management Essentials. A Handbook for NGOs).</p> <p>NORDMANN. 2012b. Deepening Governance in Water and Sanitation Services.</p> <p>INDEPENDENT COMMISSION AGAINST CORRUPTION. 2011. Investigation into Corrupt Conduct of Sidney Water employees and others.</p>

## 11 Counter Overpricing

	<b>Integrity Management Instrument</b>
Description / Definition	Overpricing or overcharging refers to the difference between an observed market price and a billed price (CONNOR 2003, p. 3).
Purpose	Countering Overpricing ensures fair and transparent prices for consumers and increases their readiness to pay. Lowering prices also means that more families are able to afford water services, which in turn means increased business for the WSPs (UNDP 2011, p. 6).
Link to integrity	Overpricing is often a consequence of corruption. If it can be countered, the means to finance questionable activities can be reduced (UNDP 2011, p. 6).
Examples/How to	<p>Overpricing can be countered in numerous ways:</p> <ul style="list-style-type: none"> <li>• Making transparent and accessible financial statements of all WSPs mandatory. This makes it easier for regulators to assess price indices.</li> <li>• Developing a sector-specific price index for goods and services (for everything from pipes to borehole-drilling or pipe-laying) to counteract inflated prices (GIZ 2013, p. 32). A good example for this is the WASREB Tariff guidelines (see WASREB n.y.)</li> </ul>



	<ul style="list-style-type: none"> <li>• Monitoring and comparing costs for standard commodities. Here, official tariff guidelines (as described above) are very helpful.</li> <li>• Inviting customers to obtain at least two cost estimations from different enterprises.</li> <li>• In case the WSP has overcharged a customer, correcting the tariff in the next billing cycle and issuing a refund. The refund should be followed by a public apology (WASREB n.y.).</li> <li>• Forbidding unauthorised shifts of revenues between the approved costs per category for WSP and WSB (WASREB n.y., p. 27).</li> </ul>
Specific/generic	Specific
Complex/simple	Simple
Mandatory/optional	Optional
References and Further readings	<p>CONNOR. 2009. Price-fixing overcharges.</p> <p>GIZ. 2013. Good Governance in the Kenyan Water Sector.</p> <p>UNDP. 2011. Fighting Corruption in the water Sector.</p> <p>WASREB. n.y. Tariff Guidelines.</p>

## 12 Due Diligence Investigation of Suppliers & Sub-Contractors

	<b>Integrity Management Instrument</b>
Description / Definition	Due Diligence refers to the care a reasonable and prudent person should take before entering into an agreement or transaction with another party. It involves a systematic collection and analysis of information on how a particular company does business (e.g. data on the history, finances, performance, clients, etc.) (INVESTOPEDIA n.y.; PINOW n.y.).
Purpose	A Due Diligence investigation reveals whether a potential partner commits to proven and recognized business practices, and uncovers the risks and opportunities involved in a potential alliance. By conducting such investigations, WSPs can reduce the chance for unpleasant surprises - in both financial and non-financial terms (TAFE QUEENSLAND INTERNATIONAL 2011, 10; USAID n.y.-a). Due Diligence has special relevance in procurement, particularly in general and in public procurement. In this case, the Public Procurement and Disposal Act (2005) commands WSPs to install evaluation committees that perform due diligence evaluations (NATIONAL COUNCIL FOR LAW REPORTING. 2010, p. 77). Additionally, for each contract, this law requires a statement that verifies that the contractor is not debarred from participation in procurement under Part IV, as well as a declaration that the person will not engage in any corrupt practice (NATIONAL COUNCIL FOR LAW REPORTING 2010, p. 23).
Link to integrity	By conducting Due Diligence investigations, WSPs can assess the multiple dimensions of integrity (accountability, transparency, rule of law, etc.) of their partners. This contributes to the WSP's own integrity, as the risk of getting involved in dubious affairs with collaborators in the water sector can be reduced.



Examples/How to	<p>A Due Diligence investigation usually includes 5 areas, namely the corporate image (e.g. positive representation in the media), social responsibility (e.g. towards water users and local communities), environmental accountability (e.g. enhancement of water quality), financial soundness (e.g. transparency) and policy compatibility (e.g. compatibility with the Kenyan Water Act).</p> <p>The assessment and analysis of these themes should be woven into a 5-step outline:</p> <ol style="list-style-type: none"> <li>1. Planning</li> <li>2. Gathering available information (websites, annual reports, references, further available data)</li> <li>3. Analysing the information gathered</li> <li>4. Drafting a memo that details the results of the analysis of the above-mentioned areas for the attention of operational decision makers</li> <li>5. Continuing Due Diligence investigations beyond the formation of partnerships in order to identify new issues (USAID n.y.-a; USAID n.y.-b)</li> </ol>
Specific/generic	Generic
Complex/simple	Complex
Mandatory/optional	Mandatory
References and Further readings	<p>INVESTOPEDIA. n.y. Definition of 'Due Diligence - DD.' <a href="http://www.investopedia.com/terms/d/duediligence.asp">http://www.investopedia.com/terms/d/duediligence.asp</a> (Accessed on 25.3.2013)</p> <p>NATIONAL COUNCIL FOR LAW REPORTING. 2010. The public procurement and disposal act. Chapter 412C.</p> <p>PINOW n.y. Due Diligence Investigations. <a href="http://www.pinow.com/investigations/due-diligence">http://www.pinow.com/investigations/due-diligence</a> (Accessed on 25.3.2013)</p> <p>TAFE Queensland International. 2011. Queensland VET Sector Partnership Due Diligence. A Best Practice Guide for Partnership Due Diligence. Brisbane: TAFE Queensland International. Department of Education, Training and Employment. <a href="http://training.qld.gov.au/resources/information/pdf/due-diligence-best-practice-guide.pdf">http://training.qld.gov.au/resources/information/pdf/due-diligence-best-practice-guide.pdf</a> (Accessed on 25.3.2013).</p> <p>USAID. n.y.-a Due Diligence: A Step-by-Step Guide. Washington DC: United States Agency for International Development. <a href="http://idea.usaid.gov/gp/due-diligence-step-step-guide">http://idea.usaid.gov/gp/due-diligence-step-step-guide</a> (Accessed on 25.3.2013)</p> <p>USAID. n.y.-b. Due Diligence: Step 1-5. Washington DC: United States Agency for International Development. <a href="http://idea.usaid.gov/gp/due-diligence-step-1-5">http://idea.usaid.gov/gp/due-diligence-step-1-5</a> (Accessed on 25.3.2013)</p> <p>DFID. n.y. Due Diligence Frequently Asked Questions.</p> <p>MILLER THOMSON LLP. n.y. Exercising due diligence in municipal water systems.</p> <p>TAYLOR ET AL. 2009. Due diligence for human rights</p>



## 13 Enhance Accountability for Expenditures

	<b>Integrity Management Instrument</b>
Description / Definition	Accountability for Expenditures is the moral or legal duty to submit financial reports to scrutiny and to explain to all stakeholders how funds, equipment, or authority was used, and what was achieved as a result (MANGO 2012, p. 9). In Kenya, all WSPs have the legal obligation (Service Provision Agreement, Clause 14, Section 2) to submit their annual reports, including a financial report, to the WSB. Financial statements also need to be provided to third parties such as donors or banks, and a short summary of the annual report needs to be made available to the public. In cases where WSPs receive revenues for the national government, the financial statements have to be published and publicised (ANTI-CORRUPTION RESOURCE CENTRE 2013, p. 6; WASREB 2010, p. 31-32; WASREB 2007, p. 8; NATIONAL COUNCIL FOR LAW REPORTING 2012; p.95).
Purpose	By being accountable for expenditures, WSPs can display their commitment to transparency, establish credibility, and foster confidence among water users (MANGO 2012, 76, 101). Especially the WSP Board of Directors expenditures can be extremely high: GIZ (2013, p. 8) reported cases with expenditures surpassing 10% of the income. In order to increase the WSP's financial efficiency, it is important that the expenditures are tracked, controlled and made subject to scrutiny.
Link to integrity	Unreasonably high expenditures point towards questionable practices (GIZ 2013, p. 18). Thus, Accountability for Expenditures builds safeguards against corruption, bribery, embezzlement, money laundering and theft (PG EXCHANGE n.y, p. 1; KHAN AND CHOWDHURY n.y., p. 1).
Examples/How to	The Accountability For Expenditures can be increased by: <ul style="list-style-type: none"> <li>• Submitting the budget and expenditures to audits</li> <li>• Dividing the responsibility for processing financial transactions</li> <li>• Reviewing guidelines to make sure that expenditures are in compliance</li> <li>• Reviewing transaction reports in a timely manner</li> <li>• Holding a annual public hearing on the WSP expenditures</li> </ul> (BLINK UC SAN DIEGO 2012;MANGO 2012,)
Specific/generic	
Complex/simple	
Mandatory/optional	
References and Further readings	<p>ANTI-CORRUPTION RESOURCE CENTRE. 2013. Key features of NGO accountability systems.</p> <p>BLINK UC SAN DIEGO. 2012. Expenditure Accountability Checklist. <a href="http://blink.ucsd.edu/go/accountability">http://blink.ucsd.edu/go/accountability</a> (Accessed on 26.3.2013)</p> <p>GIZ. 2013. Good Governance in the Kenyan Water Sector.</p> <p>KHAN MA, CHOWDHURY N. n.y. Public accountability, corruption control and service delivery.</p>





	<p>MANGO. 2012. Financial Management Essentials. A Handbook for NGO's.</p> <p>NATIONAL COUNCIL FOR LAW REPORTING. 2012. The public finance management act 2012.</p> <p>PG EXCHANGE. n.y. Public Budgets and Expenditures. PG Exchange Toolkit. <a href="http://www.pgexchange.org/images/toolkits/">http://www.pgexchange.org/images/toolkits/</a></p> <p>PGX_G_Public%20Budgets%20and%20Expenditures.pdf (Accessed on 26.3.2013).</p> <p>WASREB. 2008. Reporting guidelines. Water regulation information system (WARIS).</p> <p>DFID. 2005. Citizens, accountability and public expenditures.</p> <p>OECD. 2005. Accountability and control of public spending in a decentralised and delegated environment.</p> <p>USAID. 2008 Public expenditure and financial accountability.</p>
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## 14 Establish and Disseminate Delegated Authority Document

	<b>Integrity Management Instrument</b>
Description / Definition	Delegation of Authority means dividing authority and powers downwards to the subordinate (MANAGEMENT STUDY GUIDE n.y.). The decisions taken regarding Delegation of Authority should be detailed in a Delegated Authority Document. This document clarifies who has the authority to make decisions, to commit expenditures or to sign legal undertakings on behalf of the organisation (MANGO 2012, p. 84).
Purpose	A Delegated Authority Document prevents confusion about responsibilities (MANGO 2012, p. 84).
Link to integrity	<p>If Delegated Authority is not documented, WSP employees can claim authority to make decisions for corrupt purposes. Employees can act outside their delegation, for example, by granting a development approval that benefits the employee, awarding a contractor, or discontinuing enforcement in exchange for a bribe (INDEPENDENT COMMISSION AGAINST CORRUPTION n.y.).</p> <p>Transactions for personal benefit are less likely if Delegated Authority is documented, as this document makes the individual vulnerable to accusations of abuse.</p> <p>In addition, it can act as a control tool, as members of the staff who are not authorised to sign (but did) can be held responsible. Having a procedure in place to</p>



	standardise the procedure of payment approval will diminish the chances of employees committing any fraud.
Examples/How to	<p>The Delegated Authority Document should be reviewed every year in order to make sure that it still fits current needs. Breach of Delegated Authority should be dealt with appropriately (MANGO 2012, p 84):</p> <p>The Delegated Authority Document should include instructions for duties such as:</p> <ul style="list-style-type: none"> <li>• Placing and authorising orders for goods and services</li> <li>• Signing cheques</li> <li>• Authorising staff expenses</li> <li>• Handling incoming cash and cheques</li> <li>• Access to the safe and petty cash</li> <li>• Checking and authorising accounting records</li> <li>• Signing legal undertakings</li> </ul> <p>Available to all personnel, it shows who has to be involved for which decisions. This document also acts as a control measure for financial transactions and other important decisions: if the required signatures are not on the paper, the documents are not valid.</p> <p>The knowledge of who has the authority to make decisions and commit expenditures makes it clear which members of the staff should be included in the decision-making process. In case of illness, holidays or other absences, this Delegated Authority Document does not give room for any exception or excuses such as “I had to decide, and you were not here.” Authorised personnel should receive additional training on this document and how the procedures work, including suggestions about refusal of signatures.</p> <p>Leaving the Delegated Authority Document in a drawer will not lead to its intended success: it should be available to all staff. Furthermore, personnel with particular tasks (e.g. pay out money) should receive additional training on different procedures of expenditures and decision-making structures. These persons can identify misconduct when they see that expenditures don't have the required signatures, and refuse to carry out the transaction until all requirements are met.</p> <p>This procedure can be supported by means of a document with which the staff members can crosscheck the authenticity of the signatures.</p>
Specific/generic	Specific
Complex/simple	Simple
Mandatory/optional	Optional





References and Further readings	<p>INDEPENDENT COMMISSION AGAINST CORRUPTION. n.y. Delegation of Authority. <a href="http://www.icac.nsw.gov.au/preventing-corruption/knowning-your-risks/delegation-of-authority/4895">http://www.icac.nsw.gov.au/preventing-corruption/knowning-your-risks/delegation-of-authority/4895</a> (Accessed on 18.4.2013).</p> <p>MANAGEMENT STUDY GUIDE. N.y. Delegation of Authority. <a href="http://www.managementstudyguide.com/delegation_of_authority.htm">http://www.managementstudyguide.com/delegation_of_authority.htm</a> (Accessed on 18.4.2013).</p> <p>MANGO. 2012. Financial Management Essentials. A Handbook for NGOs.</p> <p>MANGO.2012. Appendix 2.</p> <p>PUBLIC HEALTH SEATTLE AND KING COUNTY. n.y. Delegations of authority.</p> <p>UNITED NATIONS. 2004. Delegation of authority and accountability.</p>
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## 15 Extended Code of Ethics for Board of Directors

	<b>Integrity Management Instrument</b>
Description / Definition	The Code of Ethics for members of the Board of Directors (BoD) of WSPs comprises the ethical principles that are considered essential in providing guidance for the expected conduct of the BoD when handling matters relating to the company (WASREB 2010, p. 5). While it is mandatory for the Board to sign a basic Code of Ethics (as circulated by WASREB) before commencing business, WSPs are free to extend the Code and further specify guidelines on the conduct of members of the board of directors.
Purpose	The Code aims to ensure that the principles of Corporate Governance are understood, embraced and adhered to by the Board members in order to achieve the vision, mission, organisational goals and objectives of the WSP. In the case that a Board member breaches the Code, the director shall resign from the position (WASREB 2010, p. 5).
Link to integrity	An extended Code of Ethics for the BoD members can help to ensure that the directors indeed foster Corporate Governance, which includes accountability, responsibility and transparency. The standards and values that refer to integrity (such as corruption, nepotism or patronage) can thus further be strengthened (WASREB 2010, p. 4).
Examples/How to	<p>There is need to identify ethical principles that are most relevant to the organisation or institution. Some of the values that need to be considered in extending the code include:</p> <ul style="list-style-type: none"> <li>• Integrity</li> <li>• Professionalism</li> <li>• Service delivery</li> <li>• Respect</li> <li>• Accountability</li> <li>• Transparency</li> <li>• Justice</li> <li>• Selflessness</li> </ul>



	<ul style="list-style-type: none"> <li>• Objectivity</li> <li>• Honesty</li> <li>• Loyalty</li> <li>• Leadership</li> <li>• Decency</li> </ul> <p>(KENYA ANTI-CORRUPTION COMMISSION n.y., p. 3)</p>
Specific/generic	Specific
Complex/simple	Simple
Mandatory/optional	Mandatory
References and Further readings	<p>WASREB 2010 Model Code Of Ethics For the Board of Directors.</p> <p>KENYA ANTI-CORRUPTION COMMISSION n.y. Guidelines for the Development of a code of conduct and ethics for public officers.</p> <p>GLOBAL COMPACT NETWORK KENYA n.y. Code of Ethics for Business in Kenya.</p> <p>NYEWASCO 2012 Code of Ethics for the Board of Directors of Nyeri Water &amp; Sewerage Company.</p> <p>TRANSPARENCY INTERNATIONAL 2009 The Anti-Corruption Plain Language Guide.</p>

## 16 External Audits

	<b>Integrity Management Instrument</b>
Description / Definition	<p>An External Audit is a periodic, independent examination of account books and records conducted by an external and qualified accountant (BUSINESSDICTIONARY n.y.; CIMA n.y.).</p> <p>According to the Service Provision Agreement (WASREB 2010), “the financial accounts of the Service Provider must be submitted annually to an independent financial and technical audit at the Service Provider’s cost.” The appointment of such an External Auditor needs to be made by the Board of Directors of each WSP. Where the WSP is using public assets, the external auditor needs to be appointed under the guidance of the Controller and Auditor-General (WASREB 2009, p. 15).</p>
Purpose	<p>The objective of an External Audit is to determine whether the accounting records of a WSP are accurate, complete, and free of material misstatements, fraud, or error, whether they are prepared in accordance with the provisions of Generally Accepted Accounting Principles, and whether the statements fairly present the organisation's financial position, as well as the results of its financial operations (BUSINESS DICTIONARY n.y.).</p>
Link to integrity	<p>Based on sampling, an External Audit is not designed to provide absolute assurance to detect errors or – worse – fraud. However, these independent (financial) checks are an established tool to uncover and prevent irregularities such as fraud, corruption or nepotism and to add a further level of assurance that money is spent as intended (DFID 2013, p. 2; KENYA REVENUE AUTHORITY 2006, p. 6; DOIG AND RILEY 1998, p. 46).</p>



<p>Examples/How to</p>	<p>In addition to the statutory requirements of the Companies Act (Cap 486) and a technical report to facilitate the monitoring of its financial, commercial and technical operations, the Service Provider has to produce an audited financial report (WASREB 2010). Details on the requirements are stated in the Service Provision Agreement between the WSP and the WSB.</p> <p>The External Audit of the financial statement can only be undertaken by a recognised auditing firm. Usually, it is a part of the service of the chosen auditing firm to inform the WSP on how the financial statement has to be produced before it can be audited.</p> <p>Needless to say, an audit stands and falls with the independence and reputation of the auditor, who thus has to be chosen carefully.</p> <p>Moreover, it is vital that the external audits are accompanied by consistent and effective penalties in order to ensure the compliance with regulations and quality standards (GOGO KWS in N.A. n.y, p. 7).</p>
<p>Specific/generic</p>	
<p>Complex/simple</p>	
<p>Mandatory/optional</p>	
<p>References and Further readings</p>	<p>BUSINESS DICTIONARY. n.y. External Audit. <a href="http://www.businessdictionary.com/definition/external-audit.html">http://www.businessdictionary.com/definition/external-audit.html</a> (Accessed on 16.4.2013).</p> <p>CIMA. n.y. Guidelines on the contribution external audit experience may make towards a successful application for membership of CIMA.</p> <p>DFID. 2013. DFID’s Anti-Corruption Strategy for Kenya.</p> <p>DOIG AND RILEY. 1998. Corruption and Anti-Corruption Strategies. Issues and case studies from developing countries.</p> <p>KENYA REVENUE AUTHORITY. 2006. Anti-fraud and corruption policy.</p> <p>KENYA WATER INSTITUTE 2012. Enhancing Water Integrity in the provision of Quality Water and Sanitation services in Kenya.</p> <p>N.A. n.y. Corruption and good governance in the Water Sector.</p> <p>WASREB. 2009. Corporate Governance Guidelines for the Water Services Sector.</p> <p>WASREB. 2010. Service Provision Agreement</p> <p>LARCKER AND TAYAN. 2011. Financial reporting and external audit.</p> <p>MANGO. 2012. Financial Management Essentials.</p> <p>NATIONAL COUNCIL FOR LAW REPORTING. 2012. The public finance management act 2012.</p>



## 17 Field Inspections

	<b>Integrity Management Instrument</b>
Description / Definition	Field inspections relate to the regular monitoring of field staff and their work by dedicated field inspectors or supervisors.
Purpose	<p>Regular field inspections can improve the quality of work because employees know that their work is monitored on a regular basis. This reduces costs for operation and maintenance as well as investments in new infrastructure. With continuous visits, employees may be reluctant to collude with customers or steal materials. Supervision of meter readers can directly increase revenue, fostering improved meter reading and detecting possible bribery.</p> <p>Reports on field inspections can also provide the management with feedback about staff motivation, work culture and possible problems with the operations of the WSP.</p>
Link to integrity	Regular field inspections can unveil and reduce low quality of work, theft of assets and other illicit practices. Misuse of work time can also be detected. Inspections reduce the opportunity for corruption between staff and customers.
Examples/How to	<p>Different methods exist to ensure inspections are successful, such as:</p> <ul style="list-style-type: none"> <li>• <b>Random sampling:</b> an inspector reviews employees' work through random sampling. A manager or another inspector goes back over an inspector's reports and randomly reviews a certain percentage of these reports. This sampling will reveal a pattern, if any exists, in quality problems of work.</li> <li>• <b>Separation of duties:</b> Another successful method is separating employee duties in inspection procedures. This can be explained in a quality plan, which details how to inspect every product or work step at each stage, such as the beginning, middle and end, or it might be in the creation of an inspection form. For example, a cashier might use two employees to verify an employee's monies collected at the end of a cashier shift, and both employees would sign to confirm their findings.</li> <li>• <b>Customer complaint investigation:</b> Quality inspections can also be more successful when companies use their inspectors to research customer complaints about quality. An investigation might reveal, for example, when a faulty product was installed because of a lapse in employee adherence to quality control procedures. In this sense, customer complaints are the beginning of addressing problems in employee performance.</li> <li>• Field inspectors should <b>operate independently</b> without direct interactions with meter readers and other field staff. Careful selection of honest staff for field inspections is important.</li> <li>• Field inspections should not be limited to tasks of utility staff, but are especially important for projects and tasks in which <b>external firms</b> are involved.</li> </ul>
Specific/generic	Specific
Complex/simple	Complex



Mandatory/optional	Optional
References and Further readings	<p>MARIN MUNICIPAL WATER DISTRICT (2006): Customer Service Field Inspector. URL: <a href="http://www.marinwater.org/documents/Customer_Service_Field_Inspector.pdf">http://www.marinwater.org/documents/Customer_Service_Field_Inspector.pdf</a> [Accessed: 14.03.2013]</p> <p>EHOW 2013: Methods to Ensure Quality Inspection Are Successful. URL: <a href="http://www.ehow.com/info_8543763_methods-ensure-quality-inspection-successful.html">http://www.ehow.com/info_8543763_methods-ensure-quality-inspection-successful.html</a> [Accessed 19.04.2013].</p>

## 18 Following the Public Procurement and Disposal Act

	<b>Integrity Management Instrument</b>
Description / Definition	As public institutions, WSPs are bound to the Public Procurement and Disposal Act (PPDA 2005), which outlines the rules, guidelines, standards and procedures that govern the process of acquiring public goods and services (UNOPS 2012, p. I; WISEGEEK n.y.). It is mandatory for all WSPs to implement and adhere to all contents of this law (NATIONAL COUNCIL FOR LAW REPORTING 2010, p. 7; WASREB 2009, p. 4).
Purpose	<p>The uniform guidance provided by PPDA 2005 ensures transparency and accountability, enhances public confidence and facilitates economic development. Furthermore, it aims to promote fair competition and to improve the efficiency and effectiveness of operations in public entities.</p> <p>Clear and transparent procurement policies do not only give all potential contractors an equal chance and thus increase healthy competition, they also force potential contractors to abide to set standards if they do not want to be subject to grave consequences (NATIONAL COUNCIL FOR LAW REPORTING 2010, p. 7; GOVERNMENT OF THE REPUBLIC OF SIERRA LEONE 2006, p. 8; WASREB 2009, p. 4).</p>
Link to integrity	Procurement processes are particularly vulnerable to unethical conduct. Procurement departments have to make decisions on large sums of money, which invites bribery, fraud, facilitation payments, collusion and general mismanagement of public funds. The guidelines provided by PPDA 2005 help to increase the transparency of public procurement and to impede such dishonest behaviour (GIZ 2013, p. 11; UNOPS 2012, p. I; TRANSPARENCY INTERNATIONAL 2010, p. 2).
Examples/How to	<p>The regulations to be followed provided by PPDA 2005 relate to the following points:</p> <ul style="list-style-type: none"> <li>• The bodies involved in the regulation of public procurement</li> <li>• The internal organisation of public entities relating to procurement</li> <li>• General procurement rules</li> <li>• Open tendering</li> <li>• Alternative procurement procedures</li> <li>• The administrative review of procurement proceedings</li> <li>• Authority powers to ensure compliance</li> <li>• The debarment from participating in procurement proceedings</li> <li>• The disposal of stores and equipment</li> </ul>



	The detailed regulations can be found in the procurement act itself under NATIONAL COUNCIL FOR LAW REPORTING (2010).
Specific/generic	Specific
Complex/simple	Simple
Mandatory/optional	Optional
References and Further readings	<p>GIZ. 2013. Good Governance in the Kenyan water sector.</p> <p>NATIONAL COUNCIL FOR LAW REPORTING. 2010. The public procurement and disposal act. Chapter 412C.</p> <p>TRANSPARENCY INTERNATIONAL. 2010. Corruption and public procurement.</p> <p>UNOPS. 2012. Transparency and public procurement.</p> <p>WASREB. 2010. Service provision agreement.</p> <p>WISEGEEK. 2012. What is procurement policy? <a href="http://www.wisegeek.com/what-is-procurement-policy.htm">http://www.wisegeek.com/what-is-procurement-policy.htm</a> (Accessed on 22.4.2013).</p> <p>ANTI-CORRUPTION RESOURCE CENTRE. 2009. Good practice in addressing corruption in water resource management projects.</p> <p>KACC AND PPOA. 2009. Corruption prevention guidelines in public procurement.</p> <p>MINISTER FOR FINANCE. 2006. The public procurement and disposal act, 2005 Legislative Supplement No. 53.</p> <p>MINISTRY OF FINANCNE. n.y. Directorate of Public Procurement. <a href="http://www.treasury.go.ke/index.php/departments/directorate-of-public-procurement">http://www.treasury.go.ke/index.php/departments/directorate-of-public-procurement</a> (Accessed on 25.4.2013)</p> <p>OECD.2008. Enhancing Integrity in Public Procurement. A Checklist.</p> <p>OCHIENG AND MUEHLE. n.y. Development and reform of the Kenyan public procurement system.</p> <p>OGACHI. n.y. Public Procurement in Kenya. Current practices and future direction.</p> <p>PUBLIC PROCUREMENT OVERSIGHT AUTHORITY. 2007. Assessment of the procurement system in Kenya.</p> <p>THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION. n.y. Procurement policies and guidelines for organisations.</p> <p>TRANSPARENCY INTERNATIONAL. 2006. Curbing corruption public procurement.</p> <p>WASREB. 2012. Impact report 5.</p>

## 19 Impartial Recruitment of Auditor

	<b>Integrity Management Instrument</b>
Description / Definition	The (external) auditor is responsible for reviewing a firm's financial reporting, fiscal and internal control, and risk management, as well as for monitoring the integrity of its financial statements. To recruit auditors impartially means to appoint him or her neutrally, merit-based, independently from the view of the management or other interested parties and not according to favours, bribes, family relations, or friendship (INSTITUTE OF CHARTERED ACCOUNTANTS 2003, p. 2; UNITED NATIONS 2009, p. 17 NDUNG'U WAINAINA 2012).
Purpose	An impartial appointment is crucial to ensure that the auditor is independent and unbiased. If the auditor fails to fulfil these requirements, a truthful and open auditing is hindered.  Honest audits increase trust, can augment the attractiveness for funding by donors, and reduce the risk for filing inappropriate tax returns that could lead to hefty penalties (INSTITUTE OF CHARTERED ACCOUNTANTS 2003, p. 2; UNITED NATIONS 2009, p. 17; YEN AND SHIONG 2008).
Link to integrity	An improperly conducted recruitment of the auditor can foster corruption, fraud, and misappropriation of funds, and can lead to reduced accountability. Impartiality helps to set the tone for integrity (YEN AND SHIONG 2008).
Examples/How to	In order to make an impartial appointment, the auditor should be recruited based on: <ul style="list-style-type: none"> <li>• The fulfilment of clearly defined and documented requirements</li> <li>• Experience in the field of auditing in the water sector</li> <li>• The approval of the audit committee (WASREB 2009)</li> </ul> Furthermore, the board should ensure that there is the appointment of an external auditor who ensures that financial statements and annual audits have been completed and reviewed every year. Where the WSP is using public assets, the external auditor shall be appointed under the guidance of the Controller and Auditor General (WASREB 2009).  (INSTITUTE OF CHARTERED ACCOUNTANTS 2003; WAPP, p. 2)
Specific/generic	
Complex/simple	Complex
Mandatory/optional	optional
References and Further readings	YEN CP, SHIONG LT. 2008. Does an external audit add value? <a href="http://www.asiaone.com/Business/SME%2BCentral/Dollars%2B%2526%2BSense/Story/A1Story20081112-100164.html">http://www.asiaone.com/Business/SME%2BCentral/Dollars%2B%2526%2BSense/Story/A1Story20081112-100164.html</a> (Accessed on 28.3.2013)  NDUNG'U WAINAINA. 2012. NPSC should conduct recruitment process with Impartiality and Integrity. <a href="http://ke.kcsis.org/np-sc-should-conduct-recruitment-process-with-impartiality-and-integrity/">http://ke.kcsis.org/np-sc-should-conduct-recruitment-process-with-impartiality-and-integrity/</a> (Accessed on 28.3.2013)  UNITED NATIONS. 2009. Audit Manual.





	<p>INSTITUTE OF CHARTERED ACCOUNTANTS. 2003. Reviewing auditor independence. Guidance for audit committees.</p> <p>WAPP. 2013. Recruitment of the external auditor of the west African Power Pool (WAPP).</p> <p>WASREB. 2009. Corporate Governance Guidelines for the Water Services Sector.</p> <p>NEW ZEALAND WATER AND WASTE ASSOCIATION. n.y. External Audit Independence Policy.</p> <p>WHO. 2011. Appointment of the External Auditor.</p>
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## 20 Implement MajiVoice

	<b>Integrity Management Instrument</b>
Description / Definition	MajiVoice is an innovative two-way communication platform between consumers and Water Institutions using affordable, accessible and user-friendly technologies. It enables beneficiaries to submit real-time feedback on water service delivery using SMS, an online website, or unstructured supplementary service data (USSD). Citizens can report corruption, file a complaint, request additional information on a bill or give suggestions. Upon placing a complaint, the consumers receive a reference number that allows them to track the progress of the response to the complaint (WORLD BANK 2012, p. 14; WORLD BANK n.y.).
Purpose	The purpose of MajiVoice is to strengthen the dialogue between citizens and the WSPs and to ensure timely and transparent resolution of consumer concerns. It aims to improve efficiency, accountability, responsiveness and transparency of urban water service providers in Kenya. MajiVoice complements existing modes of lodging complaints and allows WASREB to monitor the performance of the WSPs and WSBs with respect to addressing consumer complaints and feedback. It is also the main monitoring and reporting tool for WAGs (WORLD BANK 2012, p. 31; WASREB 2012, p. 20).
Link to integrity	MajiVoice allows citizens to report corruption. An electronic feedback system like MajiVoice provides a demand-side tool to facilitate information access. By tracking progress in real-time, it also helps to assure accountability in resolving consumer cases (WORLD BANK 2012, p. 14; WORLD BANK n.y.).
Examples/How to	MajiVoice is currently being piloted (2013). After the piloting phase, it is expected that WASREB will introduce and operate the tool on their behalf for all WSPs in Kenya.
Specific/generic	Specific
Complex/simple	Simple
Mandatory/optional	Optional
References and Further readings	<p>WASREB. 2012. Impact Report 5.</p> <p>WATER GOVERNANCE FACILITY n.y. Training Manual on Water Integrity</p>





	<p>WORLD BANK. 2012. Water hackathon. Lessons Learned.</p> <p>WORLD BANK. n.y. Citizen Feedback Drives Performance Improvements in Kenya's Water and Sanitation Services. <a href="http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0..contentMDK:23302835~pagePK:34370~piPK:34424~theSitePK:4607_00.html">http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0..contentMDK:23302835~pagePK:34370~piPK:34424~theSitePK:4607_00.html</a> (Accessed on 17.4.2013).</p> <p>IHUB. 2012. Technology in Solving Society's Water Problems in Kenya</p>
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## 21 Implement WASREB Consumer Engagement Guideline

	<b>Integrity Management Instrument</b>
Description / Definition	<p>The purpose of the WASREB Consumer Engagement Guidelines is to institutionalise consumer participation, going beyond the ad-hoc involvement of consumers, e.g. through civil society organizations. The Guidelines are in the process of being approved. The Guidelines have the objective of guaranteeing the rights of consumers by enabling them to effectively engage in the services provided by WSPs and WSBs. This involves information provision by water sector institutions, formalised customer consultation, customer participation in service provision, and effective handling of consumer complaints relating to the services.</p> <p>This formalised participation involves consumer representatives in decision making, implementation and monitoring, enabling a two-way dialogue between WSPs and consumers in order to channel and respond to feedback from the grassroots level to WSPs and WSBs.</p> <p>While it is the responsibility of WASREB to set up the Water Action Groups (WAGs), the WSPs also need to take action to enable consumer engagement from their side. This includes the allocation of a dedicated focal person, stated as the Customer Relations/Service Manager.</p>
Purpose	<p>The purpose of the Consumer Engagement Guidelines is to set rules and enforce standards that guide the sector towards consumer protection and access to efficient, adequate, affordable and sustainable services. This institutionalised consumer participation with two-way dialogue enables long-lasting involvement and calls for more transparency for civil society.</p>
Link to integrity	<p>A higher Consumer Engagement can lead to:</p> <ul style="list-style-type: none"> <li>• Improved social accountability of WSPs</li> <li>• Improved access to information on services. This increases the transparency in the sector and enhances the public awareness on the rights and obligations of consumers and Water Sector Institutions, such as WSPs.</li> <li>• Advanced utility-consumer relations and trust that improve the image of WSPs (especially in low-income areas).</li> <li>• Increased willingness to pay, reduced illegal connections and vandalism, and realistic expectations by consumers.</li> </ul> <p>(WASREB 2013, p. 4)</p>
Examples/How to	<p>To assure that increased customer engagement process will be successful, the WSPs are obliged to:</p>



	<p><b>Information Provision</b></p> <ul style="list-style-type: none"> <li>• Provide easy access to information</li> <li>• Maintain a customer service centre</li> <li>• Issue at minimum one consumer bill per month</li> <li>• Implement community outreach and public awareness-raising activities</li> <li>• Publish a summary of their Annual Report</li> <li>• Share complaints and service delivery related information with WAG representatives</li> </ul> <p><b>Consumer Consultation and Participation</b></p> <ul style="list-style-type: none"> <li>• Initiate community forums</li> <li>• Initiate a Public Consultation on Tariff Adjustment</li> <li>• Agree with the respective WSB on appropriate actions to respond to consumer concerns</li> <li>• Provide for adequate representation of consumers on its Board of Directors</li> <li>• Co-convene public hearings with WAGs</li> </ul> <p><b>Consumer Complaints Resolution</b></p> <ul style="list-style-type: none"> <li>• Put in place adequate procedures, instruments (such as Customer Service Centres, (electronic) Complaint Registers), organisational structures and at least one trained and dedicated Customer Complaints Officer</li> <li>• Enter into a customer contract with each of its customers</li> <li>• Publish a tailor-made service charter</li> <li>• Be fully responsible for the services delivered through communal water points</li> <li>• Provide the Customer Relations/Service Manager as the main contact person for WAGs</li> <li>• Swiftly attend to and act on consumer complaints forwarded by the WAG.</li> <li>• Co-convene monthly Consolidation Meetings with the Water Action Group</li> <li>• Participate in quarterly Review Meetings convened by the Water Action Group</li> <li>• Pay compensation to consumers as ordered by the WSB (WASREB 2013, p. 14-18)</li> </ul>
Specific/generic	Specific
Complex/simple	Complex
Mandatory/optional	Mandatory
References and Further readings	<p>WASREB. 2013 Consumer Engagement Guideline</p> <p>POLITICAL PRESS 2012 Citizen Feedback Drives Performance Improvements in Kenya's Water and Sanitation Services. <a href="http://politicalpress.eu/2012/11/citizen-feedback-drives-performance-improvements-in-kenyas-water-and-sanitation-services/">http://politicalpress.eu/2012/11/citizen-feedback-drives-performance-improvements-in-kenyas-water-and-sanitation-services/</a> (Accessed on 9.5.2013).</p> <p>SWAPKENYA n.y. Community engagement and social entrepreneurship for distribution of household water.</p>



	<p>WASREB 2010 Enhancing consumer participation in water service delivery through water action groups.</p> <p>WSP 2011 Promoting voice and accountability in urban water and sanitation services.</p>
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## 22 Implement WASREB Corporate Governance Guidelines

	<b>Integrity Management Instrument</b>
Description / Definition	<p>“Corporate governance refers to the establishment of an appropriate legal, economic and institutional environment that allows companies to thrive as institutions for advancing long-term shareholder value and maximum human-centred development while remaining conscious of their other responsibilities to stakeholders, the environment and the society in general.” (WASREB 2009)</p> <p>The Water Act 2002 (section 47(h)) assigned WASREB with the development of Corporate Governance guidelines, which were then created to educate the water services sector institutions on their management practices, interactions with the shareholders and other stakeholders (WASREB 2009, p.4-5).</p>
Purpose	<p>The Corporate Governance Principles “essentially define leadership at board level” and push this leadership through various rules which ensure correct behaviour of the Board of Directors (BoD). The Guidelines set the framework for the roles and responsibilities of the BoD, the BoD selection procedure and the BoD training and development.</p> <p>WSPs adhering to the mandatory Corporate Governance Guidelines and implementing them effectively are respected by WASREB for their good service delivery and face fewer legal risks as they comply with the official guidelines (WASREB 2009, p. 10).</p>
Link to integrity	<p>The Corporate Governance Guidelines include guiding principles on how BoDs can contribute to the advancement towards fair and ethical service delivery, on how to instil a culture of performance and appropriate rewards, as well as on how to monitor performance. These principles provide a basis to foster upright behaviour of the BoDs (WASREB 2009).</p>
Examples/How to	<p>The Corporate Governance Guidelines include instructions for the BoD on:</p> <ul style="list-style-type: none"> <li>• Size and composition of the Board</li> <li>• Eligibility criteria and the background for BoD candidates</li> <li>• Training of BoD members</li> <li>• Stakeholder participation in the BoD selection procedure</li> <li>• Board succession policies and the period in the office</li> <li>• With which acts the BoD has to comply</li> <li>• Which reports the BoD needs to deliver (and to whom)</li> <li>• The establishment of the Audit Committee of the Board</li> <li>• Definition and time schedule for BoD meetings</li> <li>• The regulatory framework to curb political interference</li> </ul> <p>(WASREB 2009)</p>
Specific/generic	
Complex/simple	Complex



Mandatory/optional	Mandatory
References and Further readings	<p>WASREB. 2009. Corporate Governance Guidelines for the Water Services Sector.</p> <p>APPLIED CORPORATE GOVERNANCE. 2013. Best Corporate Governance Practice. <a href="http://www.applied-corporate-governance.com/best-corporate-governance-practice.html">http://www.applied-corporate-governance.com/best-corporate-governance-practice.html</a> (Accessed on 27.03.2013).</p> <p>ECONOMIESUISSE. 2008 Swiss Code of Best Practice for Corporate Governance.</p> <p>MULILI AND WONG. 2011. Corporate Governance Practices in Developing Countries.</p> <p>ORGANISATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD). 2004. The OECD Principles of Corporate Governance.</p> <p>PRIVATE SECTOR INITIATIVE FOR CORPORATE GOVERNANCE. n.y. Principles for corporate governance in Kenya.</p> <p>RAMPA. 2011. Analysing governance in the water sector in Kenya.</p> <p>SWISS RE. 2013. Our approach to corporate governance: fulfilling our commitment to our stakeholders. <a href="http://www.swissre.com/about_us/corporate_governance/">http://www.swissre.com/about_us/corporate_governance/</a> (Accessed on 27.03.2013).</p>

## 23 Improve Work Environment and Conditions for Staff

	<b>Integrity Management Instrument</b>
Description / Definition	The term "work environment" comprises the physical, geographical location and the immediate surroundings of a workplace (including factors like air quality, noise level, etc.), as well as the perks and benefits associated with an employment. Working conditions, on the other hand, are circumstances such as working hours, stress, degree of safety, or danger that affect the workplace (BUSINESSDICTIONARY n.y.-a; BUSINESSDICTIONARY n.y.-b; EIONET 2012).
Purpose	Improving the work environment and conditions contributes greatly to the staff's motivation, and subsequently to their performance. An improved work environment and better work conditions can also reduce staff turnover and the related costs (HISSOM 2009; LEBLEBICI 2012).
Link to integrity	Workplace climate is one of the nonfinancial factors affecting morale and motivation. Staff members that are satisfied with their work environment will more likely comply with the WSP's rules and interests. As they strive to keep their position, they will prefer to put their personal interests behind the business's, and refrain from dishonest behaviour such as fraud, embezzlement, accepting bribes, engaging in corrupt activities, or theft.
Examples/How to	An initiative to improve work conditions and conditions should focus on four key areas: customer/staff relationship, staff/supervisor relationship, workplace environment and worker wellness.



	<p>One successful approach used in health care in Kenya is that facility-based teams assessed their own work climates and generated activity plans to test low-cost approaches for improvement. Accomplishments include departmental work plans, more equitable shifts, managed inventories, safe waste disposal, cleaner yards and facilities, organised customer flow, staff lounges with free tea, new resource centres, community outreach days, painted and refurbished facilities, new equipment and more frequent team meetings and sharing of information (CAPACITY PROJECT 2009).</p> <p>Other factors of work environment and conditions that could be improved by WSPs include:</p> <ul style="list-style-type: none"> <li>• Vacation and holidays</li> <li>• Payment and compensation of overtime</li> <li>• Job security</li> <li>• Work intensity and pace</li> <li>• Teamwork</li> <li>• Autonomy and freedom</li> <li>• Flexibility of working hours</li> <li>• Health and safety</li> <li>• Training and personal development</li> </ul> <p>(EUROFOUND 2012; LOWE 2006)</p>
Specific/generic	
Complex/simple	Complex
Mandatory/optional	Optional
References and Further readings	<p>CAPACITY PROJECT 2009 What about the Health Workers? Improving the Work Climate at Rural Facilities in Kenya. <a href="http://www.intrahealth.org/page/voices-from-the-capacity-project-what-about-the-health-workers">http://www.intrahealth.org/page/voices-from-the-capacity-project-what-about-the-health-workers</a> (Accessed on 23.4.2013).</p> <p>BUSINESSDICTIONARY n.y.-a. Working conditions. <a href="http://www.businessdictionary.com/definition/working-conditions.html">http://www.businessdictionary.com/definition/working-conditions.html</a> (Accessed on 28.3.2013)</p> <p>BUSINESSDICTIONARY n.y.-b. Work environment. <a href="http://www.businessdictionary.com/definition/work-environment.html">http://www.businessdictionary.com/definition/work-environment.html</a> (Accessed on 28.3.2013).</p> <p>EIONET. 2012. Working conditions. <a href="http://www.eionet.europa.eu/gemet/concept?ns=1&amp;cp=9369">http://www.eionet.europa.eu/gemet/concept?ns=1&amp;cp=9369</a> (Accessed on 28.3.2013).</p> <p>EUROFOUND. 2012. Trend of improved working conditions. HISSOM A. 2009. Human resource management. Understanding and controlling employee turnover.</p> <p>LEBLEBICI D. 2012. Impact of workplace quality on employees productivity. Case study of a bank in Turkey.</p> <p>LOWE GS. 2006. Creating a quality work environment. Results from the HSAA 2006 work environment survey. Submitted to the health sciences association of Alberta.</p>



## 24 Improved Board Selection Procedure

	<b>Integrity Management Instrument</b>
Description / Definition	Improved Board of Directors (BoD) Selection Procedures are tools designed to make BoD selection procedures more transparent.
Purpose	The Corporate Governance guidelines of WASREB (2009) define the selection procedure for BoD members in detail. However, further improved BoD Selection Procedures can help to significantly impede adverse effects of inadequate integrity of Board members by (GIZ WAVE+ 2013, p. 7): <ul style="list-style-type: none"> <li>• Avoiding conflict of interests on Board level</li> <li>• Selecting adequate directors of Boards of WSPs</li> </ul>
Link to integrity	Improved BoD Selection Procedures help minimize the risk of selection of: <ul style="list-style-type: none"> <li>• Board members with questionable reputation (e.g. on-going court cases)</li> <li>• Board members with conflicting activities outside the institution/WSP</li> <li>• Underqualified Board members</li> <li>• lack of representation of key professional areas (for instance financial management, consumer representation).</li> </ul> (GIZ WAVE+ 2013, p. 7)
Examples/How to	Improved BoD Selection Procedures may consider (amongst others) the following (GIZ WAVE+ 2013, p. 7): <ul style="list-style-type: none"> <li>• Applying the guidelines on good Corporate Governance of the regulator (WASREB 2009)</li> <li>• A well-defined selection process and involvement of external experts in the selection of Board members.</li> <li>• A thorough screening of Board members during selection process, documenting results and considering false information as a basis for immediate disqualification by the ministry for sector institutions and WSPs by shareholders.</li> <li>• Considering deficiencies in skills</li> </ul> (WASREB 2009, p. 17; GIZ WAVE+ 2013, p. 7)
Specific/generic	
Complex/simple	
Mandatory/optional	
References and Further readings	GIZ WAVEplus. 2013. Proposed Integrity Guideline Manual for the Kenyan Water Sector (Draft).  GIZ. 2013. Good governance in the Kenyan water sector.  WASREB. 2009. Corporate Governance Guidelines for the Water Services Sector.  DAVIES. 2000. The board of directors. Composition, structure, duties and powers.  FLORY. 2004. Best Practices in Board Selection Processes.





NGOCONNECT. 2012. How to set up an effective board of directors.
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## 25 Improved Customer Complaint Management

	<b>Integrity Management Instrument</b>
Description / Definition	Customer Complaint Management is a system that allows customers to file their dissatisfaction with the WSP. It allows businesses to obtain feedback on how to improve their services and to decrease the likelihood for problems with the customer base (CUSTOMER EXPRESSIONS CORPORATION n.y.).
Purpose	An effective Customer Complaint mechanism can improve accountability, make sure that customers' expectations are met and ensure that water services provision and sanitation is continuously improved (WORLD BANK 2009, p. 116, ANTI-CORRUPTION RESOURCE CENTRE 2007).
Link to integrity	A Customer Complaint System is an effective tool to establish good governance. Without effective Complaint Mechanisms, and where awareness about the rights and responsibilities of WSPs and consumers is lacking, poor households are unable to seek redress (GIZ 2013, p. 13ff).
Examples/How to	<p>Customers should be provided with various ways of filing complaints. Everyone should be enabled to file a complaint and no one ought to be discriminated against (e.g. illiterate customers, those without mobile phones etc.). Ways of how complaints can be filed include:</p> <ul style="list-style-type: none"> <li>• Establishing complaint committees.</li> <li>• Installing complaint boxes attached to the village information board.</li> <li>• Setting up complaint telephone numbers.</li> <li>• Preparing ready-made complaint forms.</li> </ul> <p>Furthermore, it should be kept in mind that:</p> <ul style="list-style-type: none"> <li>• Information received from complainants need to be treated in confidence. Witnesses, victims and whistleblowers need to be protected.</li> <li>• A register of complaints should be maintained – complaints are a goldmine of information. Evaluating complaints and taking corresponding measures will result in improved service quality.</li> <li>• A defined process on how to deal with complaints (filing, registration, addressing, responding) should be developed.</li> <li>• The independence of investigation into complaints needs to be ensured, in particular in serious cases or alleged fraud or corruption. In such cases, the person dealing with the complaint must not be the same person that the complaint is directed against.</li> <li>• A zero-tolerance policy for fraud and corruption should be displayed.</li> <li>• Responses to complainants and communities need to be given according to a defined time span (e.g. 7 days after being processed by a desk officer).</li> <li>• Complaints should be resolved thoroughly. A detailed procedure for managing complaints can be found in WASREB n.y., Consumer Engagement Guideline, p. 25.</li> <li>• An example for strong citizen feedback and communication is the Kenya Water and Sanitation Services Improvement Project (WASSIP), where the World Bank's Water and Sanitation Program helps WASREB to reach out</li> </ul>



	<p>to communities and establish Water Action Groups. The committees facilitate feedback by holding quarterly focus groups and biannual public hearings. The WAGs provide citizens with a grievance redress mechanism by ensuring that unresolved complaints can be taken from WSPs to WSBs and then to the national regulatory agency. The project has also introduced water and sanitation report cards on which citizens can rate the quality of the water services they are receiving. The report cards are then collected, analyzed, and used to identify service gaps.</p> <p>Another example for an effective customer complaint system is MajiVoice (see instrument “ Implement MajiVoice”) (POLITICAL PRESS 2012)</p>
Specific/generic	Specific
Complex/simple	Complex
Mandatory/optional	Optional
References and Further readings	<p>ANTI-CORRUPTION RESOURCE CENTRE. 2007. Anti-corruption complaint mechanisms.</p> <p>CUSTOMER EXPRESSIONS CORPORATION. n.y. Consumer Complaints Management Summary.GIZ. n.y. Summary WAG complaint mechanism.</p> <p>GIZ. 2013. Good Governance in the Kenyan Water Sector.</p> <p>GIZ WAVE plus. 2013. Proposed Integrity Guideline Manual for the Kenyan Water Sector.</p> <p>KENYA WATER INSTITUTE. 2012. Enhancing Water Integrity in the Provision of Quality Water and Sanitation Services in Kenya - Documentation Report.</p> <p>POLITICAL PRESS. 2012. Citizen Feedback Drives Performance Improvements in Kenya’s Water and Sanitation Services</p> <p>STRATEGIC. n.y. Corruption Practices and the available Complaint, feedback, redress tool(s) and anti-corruption tool(s) in water and sanitation sector - bondo district.</p> <p>WASREB. n.y. Consumer Engagement Guidelines, Final Draft.</p> <p>WORLD BANK.2009. Improving Transparency, Integrity, and Accountability in Water Supply and Sanitation - Action, Learning, Experiences</p> <p>CONSUMER COUNCIL FOR WATER. 2011. Complaint Handling in the Water Industry.</p> <p>GRAHAM AND LENNARD. 2007. Complaint handling. Principles and best practice.</p> <p>ISIGHT. n.y. Handling Customer Complaints, a best practice guide.</p> <p>K’AKUMU. 2007. Toward effective governance of water services in Kenya.</p> <p>NWSC EXTERNAL SERVICES UGANDA. 2008. Customer services user manual.</p>





## 26 Improved Meter Reading Procedures

	<b>Integrity Management Instrument</b>
Description / Definition	To estimate the water consumption and to produce the water bill of consumers with water meters, dedicated staff of WSPs regularly (usually monthly) manually check the meters of the consumers at their premises. If the meter reading is correct and fair, the effectively consumed water can be billed.
Purpose	Correct and fair meter reading can lead to higher revenues, as it allows to increase billing efficiency of water consumed by customers. Eventually, this will improve customer relations and the image of the WSP.
Link to integrity	Improved meter reading procedures can reduce risks such as collusion of the meter reader or side payments for under-billing or fraudulent meter readings (NORDMANN 2012b, p.10). Additionally, illegal connections can be uncovered. Thus, improved meter reading procedures reduce the opportunities for petty corruption between staff and customers as well as private water vending through company staff.
Examples/How to	<p>To enhance honest and correct meter reading, several methods can be applied:</p> <ul style="list-style-type: none"> <li>• Organize your meter reading areas: A useful strategy is to design zones and routes that are approximately equal. By organizing the reading operation into equal zones and routes, it's easier to ensure that readers get equal workload throughout the cycle. More importantly for larger WSPs, if continuous billing is employed, a good plan can ensure that your revenue flow is smooth throughout the month.</li> <li>• Changing meter readers' routes on a regular basis: Ensure that every meter reader can work in any route or zone in the company. If only one reader is familiar with certain routes, he can introduce habitual errors that may be costly for the company. Secondly, by ensuring that any reader can read any route, you can assure to all staff that the leave calendar will be honoured independent of which zone is being read.</li> <li>• Directions to your meters: If you do not have resources to invest in GPS (Global Positioning System) enabled data loggers, there is a simple way to assist the readers to quickly locate the meters. Store simple direction notes e.g. "10 steps behind XYZ kiosk". Providing directions is a simple way to ensure that even readers who are not very familiar with a route do not struggle too much, or even fail to obtain a reading.</li> <li>• Sequence your meters: Are your meter readers reading the meters in an organized manner or is it haphazardly done within the routes? If you read meters at the same time every month every time, you are less likely to surprise your customer with a bill that will make them come to the office with a complaint. You can streamline your reading operation further by ensuring that meters are read in a certain sequence every time. Sequencing makes it harder to miss any meter. If you are using an electronic device to read the meters, this is much easier to enforce since the accounts can be loaded as sequenced. It's also possible with manual reading, but slightly more difficult.</li> <li>• Rationalise the comments: When deciding what comments you want the meter readers to report, ensure that each comment is unique and actionable (i.e.</li> </ul>



	<p>leads to some corrective action by your team). A comment “Meter Stopped” should prompt your technical team to organize for a quick replacement. “Misty Dial” should be used by procurement to plan for the next order of meters. “Not found” means the meter’s location needs to be clarified. A rationalized list of comments is also an optimum one – neither too long nor too short.</p> <ul style="list-style-type: none"> <li>• Evaluate route and meter reader performance: An important management adage is “If you can’t measure it, you can’t manage it.” This is also true in meter reading. Some useful measurements include “how many meters is each staff reading per cycle?” You can also benchmark zones with a view to improve the areas that are lagging (e.g. the zone that features most “Not Found” anomalies). With measurement, it becomes easier to improve or know when things are not being done correctly.</li> <li>• Installing automated, wireless reading of meters and direct data entry into customer database (see Instrument “Smart Meter Reader”).</li> <li>• Removing past billing information from meter readers’ books or using new meter reading application (e.g. via mobile phone) not showing old customer data.</li> <li>• Manage the Meter Readers: Recruit readers well (they are a main interface to the clients!). Train the readers (readers should be aware of the importance of their work through training and regular interaction with management). Keep them responsible for the readings &amp; evaluate readers’ performance. Reward performance.</li> <li>• Install pre-paid meter readers (METER-READING.CO.KE 2012a).</li> <li>• Educate the consumers on how to read the meters (METER-READING.CO.KE 2012a, METER-READING.CO.KE 2012b, METER-READING.CO.KE 2012c).</li> </ul> <p>Meter readings can also be missed due to genuine causes, such as in the cases of: Access Denied, Fierce Dogs, Gate Locked, Meter Not Found, Misty Dial, No Meter, and Straight Piece. A separate entry field may diminish junk readings. (METER-READING.CO.KE 2012b; NORDMANN 2012b, p. 10; NORDMANN 2012a, p. 18; GIZ WAVEplus 2013, p. 12).</p>
Specific/generic	Specific
Complex/simple	Complex
Mandatory/optional	Optional
References and Further readings	<p>GIZ. 2013. Good Governance in the Kenyan Water Sector.</p> <p>GIZ WAVEplus. 2013. Proposed Integrity Guideline Manual for the Kenyan Water Sector.</p> <p>METER READING.CO.KE 2012a Is it Time to Consider Prepaid Water Meters. <a href="http://meter-reading.co.ke/?p=302">http://meter-reading.co.ke/?p=302</a> (Accessed on 19.04.2013)</p> <p>METER READING.CO.KE 2012b Did the Meter Reader Read the Meter? <a href="http://meter-reading.co.ke/?p=288">http://meter-reading.co.ke/?p=288</a> (Accessed on 19.04.2013).</p> <p>METER-READING.CO.KE 2012c. Are you following best practice in meter reading? <a href="http://meter-reading.co.ke/?p=208">http://meter-reading.co.ke/?p=208</a> (Accessed on 23.4.2013).</p>



	<p>NORDMANN. 2012b. Deepening Governance in Water and Sanitation Services.</p> <p>HOPE ET AL 2011. Smart Water Systems. Project report to UK DFID, April 2011.</p> <p>KENYA WATER INSTITUTE. 2012. Enhancing Water Integrity in the Provision of Quality Water and Sanitation Services in Kenya.</p>
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## 27 Increase Citizen Participation

	<b>Integrity Management Instrument</b>
Description / Definition	Citizen participation is a process in which ordinary people are involved or associated – whether on a voluntary or mandatory basis, acting alone or as part of a group – with choices that affect their community. Such participation can be institutionalised (such as Citizen Report Cards) or public (e.g. Community Meetings or Barrasas) (ANDRÉ ET AL 2012, p. 1).
Purpose	Citizen participation is a suitable mechanism to capture consumer concerns and community feedback on service delivery. Key functions are the sensitisation and dissemination of information as well as a better understanding of roles and obligations of consumers and WSPs. Bottom-up feedback can assist in service delivery improvement (WASREB 2011, WASREB 2013).
Link to integrity	Civil society participation is one of the Good Governance principles in addition to accountability, transparency and non-discrimination. It allows to capture feedback from customers and the poor about the quality of service delivery and complaint response. It is a tool to expose inadequate practices and to ensure transparency in fulfilling the rights of consumers and underserved communities (GIZ 2013, p.30; WASREB 2013, p.8; WIN 2010, p.30).
Examples/How to	<p>Several forms of institutionalised and non-institutionalised citizen participation exist:</p> <ul style="list-style-type: none"> <li>• Citizen Report Cards: capture feedback from customers in general, as well as the poor and other marginalised groups in particular, about the quality of public service delivery. A seven-point rating scale can be used to quantify levels of citizen satisfaction levels with regard to service delivery, dimensions of corruption, staff behaviour and so on. In India, it contributed to a significant increase in citizen satisfaction with the services and a visible decline in corruption. Public officials were brought together in workshops and seminars, which saw active participation from civic groups, to address issues uncovered by the feedback (WIN 2010, 30).</li> <li>• Community meetings to validate information on Red Flags or complaints (WIN 2010, p.46).</li> <li>• Local barrasas/stakeholder meetings with local leaders.</li> <li>• Increased work with Water Action Groups (WAGs), consisting of mandated and carefully recruited volunteers: Functions of these locally based groups include: <ul style="list-style-type: none"> <li>○ Giving the urban underserved and consumers of formalised water services a voice and authority by articulating consumers’ interests vis-à-vis sector institutions (WSPs, WSBs and WASREB)</li> <li>○ Delivering consumer sensitisation support</li> </ul> </li> </ul>



	<ul style="list-style-type: none"> <li>○ Acting as negotiation partners for water companies to follow up on consumer complaints</li> <li>○ Facilitating and disseminating consumer information/consultation/sensitisation</li> <li>○ Providing and channelling feedback on consumer needs and service quality</li> <li>○ Facilitating understanding of roles and obligations of consumers and sector institutions</li> </ul> <p>Considering WAGs as the most suitable mechanism to channel consumer concerns, WASREB appointed, trained and piloted WAGs in four selected towns in Kenya (Nairobi, Kisumu, Kakamega, and Mombasa) to learn about the benefits and challenges of the initiative and to gather information on how structured consumer engagement can help improve water and sewerage service provision in the country (WASREB 2011, p. 6; GIZ 2013, p. 30f.).</p>
Specific/generic	Specific
Complex/simple	Complex
Mandatory/optional	Optional
References and Further readings	<p>ANDRÉ, ET AL. 2012. Citizen Participation.</p> <p>WIN 2010 Advocacy Guide.</p> <p>GIZ. 2013. Good Governance in the Kenyan Water Sector.</p> <p>WASREB. 2011. Water Action Groups (WAGs) - Implementing the Human Right to Water and Sanitation in the Kenyan Urban Setting by Empowering Consumers and the Underserved.</p> <p>WASREB 2010 Enhancing Consumer Participation in Water Service Delivery through Water Action Groups</p> <p>WASREB n.y. Consumer Engagement Guideline.</p>

## 28 Increased Transparency of Water Connection Procedure

	<b>Integrity Management Instrument</b>
Description / Definition	Transparency of Water Connection Procedures means being open, predictable, clear, understandable and visible in the disclosure of information, rules, plans, processes and actions regarding water connections. (based on TRANSPARENCY INTERNATIONAL 2007 in TRANSPARENCY INTERNATIONAL 2009, p. 44)
Purpose	Restricted transparency at the interface between water providers and consumers can threaten both the economic viability of service providers and the sustainability of water resources management in general (ANTI CORRUPTION RESOURCE CENTRE 2009, p. 2)
Link to integrity	Increased transparency can help to prevent fraudulent activities between water providers and users such as



	<ul style="list-style-type: none"> <li>• Bribery to prevent law enforcement; to enhance the content of user licenses or to install illegal connections</li> <li>• Raised water charges</li> <li>• Corruption regarding payment, access or connection speed</li> </ul> <p>(ANTI CORRUPTION RESOURCE CENTRE 2009, p. 2)</p>
Examples/How to	<p>Measures to increase the transparency may involve:</p> <ul style="list-style-type: none"> <li>• Simplifying the application procedure for water licences</li> <li>• Publishing or providing access to the register of water users and annual reports</li> <li>• Strengthening complaint systems</li> <li>• Publishing standard consumer fees and information about user rights</li> <li>• Clearly defining periods between applications, purchases and effecting of new connections</li> </ul> <p>(ANTI CORRUPTION RESOURCE CENTRE 2009, p. 2-4; GIZ et al 2012, p. 9-10, 19)</p>
Specific/generic	
Complex/simple	Simple
Mandatory/optional	Optional
References and Further readings	<p>ANTI-CORRUPTION RESOURCE CENTRE. 2009. Not so petty. Corruption risks in payment and licensing systems for water.</p> <p>GIZ, APWO, MINISTRY OF WATER AND ENVIRONMENT. 2012. WAVEplus training programme.</p> <p>TRANSPARENCY INTERNATIONAL. 2009. The Anti-Corruption Plain Language Guide.</p> <p>COMMISSION FOR ENERGY REGULATION n.y. Code of Practice on Disconnection.</p> <p>PLAINVIEW WATER DISTRICT. 2013. Procedures for Service Disconnections.</p> <p>WASREB n.y. Model Water services Regulations.</p>

## 29 Independent Procurement Committee

	<b>Integrity Management Instrument</b>
Description / Definition	<p>As public institutions, WSPs are bound to the Public Procurement and Disposal Act (PPDA 2005), which outlines the rules, guidelines, standards and procedures for public procurement processes. This uniform guidance ensures transparency and accountability, enhances public confidence and facilitates economic development. Furthermore, it aims to promote fair competition and to improve the efficiency and effectiveness of operations in public entities (NATIONAL COUNCIL FOR LAW</p>



	<p>REPORTING 2010, p. 7; GOVERNMENT OF THE REPUBLIC OF SIERRA LEONE 2006, p. 8; WASREB 2009, p. 4).</p> <p>The PPDA requires all procuring entities to establish a Procurement Committee (MINISTER FOR FINANCE 2006, p.1136). Formed by the management and in accordance with PPDA 2005 and the regulations of 2006, these committees ensure a fair and transparent process of purchasing and tendering (WASREB 2009, p. 14).</p>
Purpose	<p>The procurement committee is responsible for procurement below the threshold of the tender committee set out in the First Schedule, for instance provisions relating to members of the advisory board. The Procurement Committee is entitled to approve submissions, reject submissions with reasons or to approve submissions subject to minor clarification by the procurement unit. However, the committee is not allowed to modify submissions or to reject submissions without reason (NATIONAL COUNCIL FOR LAW REPORTING 2010; p. 74-75)</p> <p>A Procurement Committee's purpose is, inter alia, to review an institution's tendering and procurement policies and practises to ensure that the operating policies and procedures relating to tendering and procurement are recognised as "best practice," that all tenders are conducted in a fair and ethical manner and that no conflict of interest exists with any Director or executive connected to the tendering and procurement process (STARCOMMS 2007, p. 1).</p>
Link to integrity	<p>Efforts to enhance Good Governance and integrity in public procurement are fully part of an efficient and effective management of public resources. Through corrupt practices, market competition is hindered and the price paid by the administration for goods and services is artificially raised, which has a direct impact on public expenditures and therefore on taxpayers' resources. Effective procedures that enhance transparency, good management, prevention of misconduct, accountability and control contribute to preventing not only corruption but also the waste of public resources (OECD 2008, p. 8).</p>
Examples/How to	<p>The Procurement Committee should be composed of:</p> <ul style="list-style-type: none"> <li>• An official delegated by the head of the procuring entity or the accounting officer (chairman of the committee)</li> <li>• The finance officer or an officer carrying out related functions</li> <li>• Three other members appointed by the head</li> </ul> <p>(MINISTER OF FINANCE 2005, p.1136-1137).</p> <p>When running a procurement committee, it is important that:</p> <ul style="list-style-type: none"> <li>• Authority is only delegated to officials with appropriate skills and experience</li> <li>• Decisions are made by consensus (where there is no consensus, the decision shall be through voting by simple majority. Where there is a tie, the chairman has a second or casting vote).</li> <li>• Where members of the procurement committee have an interest in any matter, they need to declare it and refrain from participation in the deliberations or decision-making process.</li> <li>• People in the committee are people with integrity so as to enhance transparency and accountability (MINISTER OF FINANCE 2005, p.1136-1141; KACC AND PPOA 2009, p. 19).</li> </ul>





	<p>Procurement Committees may have the principal recurring functions in carrying out its responsibilities (STARCOMMS 2007, p. 3):</p> <ul style="list-style-type: none"> <li>• Review the company’s tendering and procurement practises and assess the accordance with PPDA 2005.</li> <li>• Ensure that the operating policies and procedures relating to tendering and procurement are recognised as “best practice.”</li> <li>• Ensure that all tenders are conducted in a fair and ethical manner.</li> <li>• Ensure that no conflict of interest exists with any Director or executive connected to the tendering and procurement process.</li> <li>• Declare the tender or procurement process flawed if it subsequently discovers any undeclared conflict of interest and ensure the process is repeated in a fair and ethical manner.</li> <li>• Ensure that all companies who tender for company business have the financial and operating capability to deliver under the terms of the tender or contract.</li> <li>• Review periodically the Limits of Authority that govern the financial limits under which management can commit the company without the further approval of (a) the Chairperson (b) the Committee, and (c) the Board.</li> <li>• Liaise with the internal audit department and the independent auditors in the event that the Committee suspects or discovers evidence that there has been wrong-doing in any tender or procurement.</li> </ul>
Specific/generic	
Complex/simple	
Mandatory/optional	
References and Further readings	<p>KACC AND PPOA. 2009. Corruption prevention guidelines in public procurement.</p> <p>GOVERNMENT OF THE REPUBLIC OF SIERRA LEONE. 2006. Public procurement manual.</p> <p>NATIONAL COUNCIL FOR LAW REPORTING. 2010. The public procurement and disposal act. Chapter 412C.</p> <p>MINISTER FOR FINANCE. 2006. The public procurement and disposal act, 2005 Legislative Supplement No. 53.</p> <p>OECD.2008. Enhancing Integrity in Public Procurement. A Checklist.</p> <p>STARCOMMS. 2007. Tendering and Procurement Committee Charter.</p> <p>WASREB. 2009. Corporate Governance Guidelines for the Water sector.</p> <p>MINISTRY OF FINANCNE. n.y. Directorate of Public Procurement.  <a href="http://www.treasury.go.ke/index.php/departments/directorate-of-public-procurement">http://www.treasury.go.ke/index.php/departments/directorate-of-public-procurement</a>          (Accessed on 25.4.2013).</p>





	<p>OCHIENG AND MUEHLE. n.y. Development and reform of the Kenyan public procurement system.</p> <p>OGACHI. n.y. Public Procurement in Kenya. Current practices and future direction.</p> <p>PUBLIC PROCUREMENT OVERSIGHT AUTHORITY. 2007. Assessment of the procurement system in Kenya.</p> <p>TRANSPARENCY INTERNATIONAL. 2006. Curbing corruption public procurement.</p> <p>TRANSPARENCY INTERNATIONAL. 2010. Corruption and public procurement.</p> <p>UNOPS. 2012. Transparency and public procurement.</p>
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### 30 Integrated Financial System

	<b>Integrity Management Instrument</b>
Description / Definition	<p>An Integrated Financial System is a software-based budgeting and accounting system for the management of spending, payment processing, budgeting and reporting. It computerizes and automates key aspects of budgeting and accounting and combines them into a unified database and user interface (BUSINESS DIRECTORY n.y., TECHOPEDIA n.y., US AID n.y, p. 1).</p> <p>Integrated Financial Systems allow a variety of reports for budgeting, funding, treasury, cash flow, accounting, audit, and day-to-day management concerns.</p>
Purpose	<p>In their Corporate Governance Guidelines, WASREB (2009, p. 10) explicitly recommend the installation of financial management information systems.</p> <p>Integrated Financial Management Systems can strengthen the financial and managerial capacity of water establishments by enhancing the management of cash, debt and liabilities, using historical information to provide improved budget modelling processes, reducing costs for financial transactions, and gaining effective control over finances and budget execution (TECHOPEDIA n.y.; US AID n.y., p. 1; ANTI-CORRUPTION RESOURCE CENTRE 2009, p. 2; DAI n.y.).</p>
Link to integrity	<p>Integrated Financial Systems enhance the comprehensiveness, transparency and accountability and thus the confidence and credibility of finances. Such systems also deter corruption and fraud by increasing the risks of detection. A number of features (for example automated identification of exceptions to normal operations, patterns of suspicious activities, automated cross-referencing of personal identification numbers for fraud, cross-reference of asset inventories with equipment purchase, automated cash disbursement rules, identification of ghost workers, etc.) help detect excessive payments, fraud and theft (US AID n.y., p. 1; ANTI-CORRUPTION RESOURCE CENTRE 2009, p. 1-2)</p>
Examples/How to	<p>The installation and operation of Integrated Financial Systems has proven to be challenging in practice. Successful implementation can be attained by</p>



	<ul style="list-style-type: none"> <li>• purchasing appropriate software,</li> <li>• ensuring ICT readiness among the responsible staff members,</li> <li>• sound project design and management,</li> <li>• a phased approach to implementation,</li> <li>• adequately allocated financial and human resources (ANTI-CORRUPTION RESOURCE CENTRE 2009, p. 1).</li> </ul>
Specific/generic	
Complex/simple	
Mandatory/optional	
References and Further readings	<p>BUSINESSDIRECTORY. n.y. Integrated financial system. <a href="http://www.businessdictionary.com/definition/integrated-financial-system.html#ixzz2OjmYE9aA">http://www.businessdictionary.com/definition/integrated-financial-system.html#ixzz2OjmYE9aA</a> (Accessed on 27.3.2013)</p> <p>ANTI-CORRUPTION RESOURCE CENTRE. 2009. The Implementation of Integrated Financial Information Management Systems (IFMIS). U4 Expert Answer..</p> <p>DAI. n.y. Water and Wastewater Sector Support (LWWSS). <a href="http://dai.com/our-work/projects/lebanon%E2%80%94water-and-wastewater-sector-support-lwwss">http://dai.com/our-work/projects/lebanon%E2%80%94water-and-wastewater-sector-support-lwwss</a>. (Accessed on 16.4.2013)</p> <p>TECHOPEDIA. n.y. Integrated Financial Management System (IFMS). <a href="http://www.techopedia.com/definition/981/integrated-financial-management-system-ifms">http://www.techopedia.com/definition/981/integrated-financial-management-system-ifms</a> (Accessed on 27.3.2013).</p> <p>USAID. n.y. Introducing Integrated Financial Management Information Systems. Best Practices in Fiscal Reform and Economic Governance. <a href="http://blog-pfm.imf.org/pfmblog/files/ifmis_bpn_web1.pdf">http://blog-pfm.imf.org/pfmblog/files/ifmis_bpn_web1.pdf</a> (Accessed on 26.3.2013)</p> <p>USAID. 2008. Integrated financial management information systems. A practical guide.</p>

### 31 Integrity Pacts

	<b>Integrity Management Instrument</b>
Description / Definition	Integrity Pacts are a tool developed by Transparency International for preventing corruption in public contracting. They are an agreement between a government agency and companies that bid that they will abstain from bribery, collusion and other corrupt practices for the extent of the contract. To ensure accountability, Integrity Pacts also include a monitoring system typically led by civil society groups (TRANSPARENCY INTERNATIONAL n.y.; WIN n.y.).
Purpose	Integrity Pacts are legally binding contracts with the purpose of clarifying the rules of the game for contract bidders. If corruption does occur, it is detected and



	<p>eliminated from the process. The breach of contract also triggers sanctions such as loss of contract, financial compensation and debarment from future tenders (WIN 2010, p. 10).</p> <p>As a side effect, Integrity Pacts increase trust in WSPs and improve the reputation of all participants (WIN 2010, p. 10).</p>
Link to integrity	<p>“The sanctions triggered upon contract breaching are a powerful disincentive for corrupt behaviour. Integrity pacts are thus never simply goodwill gestures but instruments that enable WSPs to reduce the cost and the distorting impact of corruption on public procurement, privatisation or licensing, and to deliver better services to citizens.”</p> <p>(WIN 2010, p. 10)</p>
Examples/How to	<p>The distribution of responsibilities between the authority and the implementing NGO is individually arranged for each Integrity Pact, which is why there is no one-size-fits-all recipe. Nevertheless, every Integrity Pact process should involve the following steps (which need to be planned individually for each pact):</p> <ol style="list-style-type: none"> <li>1. Learn about the Integrity Pact and issues of corruption in public contracting in the water sector, and read about successful examples.</li> <li>2. Plan the Integrity Pact process (when to start, whom to involve, communication etc.).</li> <li>3. Undertake initial activities, such as deciding on implementation arrangements and monitoring arrangements.</li> <li>4. Prepare the Integrity Pact documents and make sure to have appropriate legal support.</li> <li>5. Sign the Integrity Pact (government offices and bidders, etc.).</li> <li>6. Monitor the bidding process and take action if the pact is breached.</li> <li>7. Once the bidding is closed, oversee that contract execution is in line with the obligations set in the Integrity Pact.</li> </ol> <p>The whole contracting process needs to be undertaken in a transparent and accountable manner, free from corruption and from delays caused by trouble, confusion and a lack of transparency (WIN 2010, p. 10-18).</p>
Specific/generic	Specific
Complex/simple	Simple
Mandatory/optional	Optional
References and Further readings	<p>WIN. 2010. Integrity Pacts in the Water Sector.</p> <p>TRANSPARENCY INTERNATIONAL. n.y. Integrity Pacts. <a href="http://www.transparency.org/whatwedo/tools/integrity_pacts">http://www.transparency.org/whatwedo/tools/integrity_pacts</a> (Accessed on 16.4.2013).</p> <p>WIN. n.y. Integrity Pacts. URL: <a href="http://www.waterintegritynetwork.net/integrity-pacts/integrity-pacts">http://www.waterintegritynetwork.net/integrity-pacts/integrity-pacts</a> (Accessed on 16.4.2013).</p> <p>WORLD BANK. 2009. Improving Transparency, Integrity, and Accountability in Water Supply and Sanitation - Action, Learning, Experiences.</p>



GIZ. 2013. Good Governance in the Kenyan Water Sector.
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## 32 Integrity Training for Staff & Management

	<b>Integrity Management Instrument</b>
Description / Definition	By providing a conceptual background, an overview of available instruments and tools as well as examples of good practice, Integrity Training aims to build the capacities, knowledge, and skills on integrity, accountability and anti-corruption necessary to initiate positive change (UNDP et al 2011, p. 8).
Purpose	Integrity Trainings can help shape negative attitudes towards corruption and ethically questionable practices and can promote commitment to integrity among WSP staff and management. They also aim to raise awareness - not only on responsibilities, but also on the financial benefits of integrity (US SECURITIES AND EXCHANGE COMMISSION 2005, p. 2; OECD 2011, p. 4; RITTER 2011, p. 50; SIHVER 2011, p. 50-65).
Link to integrity	Integrity Trainings are an essential guide in the identification of corruption opportunities and in sealing loopholes. Furthermore, they can help change the culture, attitudes and behaviour within WSPs that favour unethical behaviour. Training in integrity provides managers and staff members with the necessary background, skills and knowledge necessary to promote and ensure integrity within the WSPs (INTERNATIONAL GOVERNANCE INSTITUTE 2007, p.6).
Examples/How to	According to the Water Integrity Training Manual, an Integrity Training in the water sector should provide knowledge and capacities in the fields of water governance, corruption in the water sector, corruption risks, anti-corruption laws, institutions and instruments, transparency, and access to information and accountability. To convey this content, methodologies such as plenary brainstorming, group work, presentation of examples, role-play, panel discussions or testing of tools like the corruption risk assessment tool can be used (UNDP et al 2011).
Specific/generic	
Complex/simple	Complex
Mandatory/optional	Optional
References and Further readings	INTERNATIONAL GOVERNANCE INSTITUTE. 2007. Public Service Integrity Training Program.  OECD. 2011. Introduction. Proceedings of the Expert Seminar Anti-Corruption Policy and Integrity Training held in Vilnius, Lithuania, 23-25.3.20.11  RITTER S. 2011. Ensuring integrity in public administration and training managers about their responsibility. The Austrian approach.  SIHVER A. 2011. How to develop ethical competence in public service through integrity training and guidelines.



	<p>UNDP/WGF/SIWI, WIN, Cap-Net, WaterNet. 2011. Training Manual on Water Integrity.</p> <p>US SECURITIES AND EXCHANGE COMMISSION. 2005. Field Officers Integrity Program. Evaluation Report 395. Washington DC: US Securities and Exchange Commission.</p>
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### 33 Internal Complaints and Reporting System

	<b>Integrity Management Instrument</b>
Description / Definition	An Internal Complaint and Reporting System is a system that allows those with concerns and suggestions to file them with a trusted body that is endowed with the powers to investigate (OSCE 2004, p. 75)
Purpose	<p>Such systems are implemented in order to:</p> <ul style="list-style-type: none"> <li>• Contribute to the creation of a supportive environment and a culture of transparency and accountability.</li> <li>• Set integrity standards.</li> <li>• Help identify and address sensitive areas or processes.</li> <li>• Empower victims of misconduct.</li> </ul> <p>(ANTI-CORRUPTION RESOUCE CENTRE 2007, p. 1-2)</p>
Link to integrity	An Internal Complaint and Reporting System that properly deals with every input is an effective tool to enhance integrity (e.g. through improved transparency and accountability, or prevented bribes, fraud and corruption) (ANTI-CORRUPTION RESOUCE CENTRE 2007, p. 2; GIZ 2013, p. 13; GIZ WAVEplus 2013, p. 10). If such a system is absent, honest managers may be unaware of what is going on within the WSP. Dishonest managers, on the other hand, are free to act, as they know that they are safe from subordinates' scrutiny (OSCE 2004, p. 75).
Examples/How to	<p>In order to be effective, the complaint management system should:</p> <ul style="list-style-type: none"> <li>• Have a clear scope and procedure.</li> <li>• Be 100% confidential in order to motivate the staff to forward allegations of misconduct.</li> <li>• Comprise an ombudsperson that assesses all complaints, refers the matters to authorities, reviews and conducts inquiries and formal investigations, reports to the general manager, and makes recommendations.</li> <li>• Include a quick response system that can deal with urgent complaints.</li> <li>• Protect the ones placing the complaints/suggestions.</li> <li>• Be widely publicised.</li> </ul> <p>(OSCE 2004, p. 75; WARRINGAH COUNCIL 2004, p. 1-6; KWOK MAN-WAI 2006, p. 199; ANTI-CORRUPTION RESOUCE CENTRE 2013, p. 5)</p>
Specific/generic	
Complex/simple	Complex
Mandatory/optional	Optional
References and Further readings	ANTI-CORRUPTION RESOUCE CENTRE. 2007. Anti-corruption complaints mechanisms. U4 Expert Answer.



	<p>ANTI-CORRUPTION RESOURCE CENTRE. 2013. Key features of NGO accountability systems. U4 Expert Answer.</p> <p>GIZ. 2013. Good Governance in the Kenyan Water Sector.</p> <p>GIZ WAVEplus. 2013. Proposed Integrity Guideline Manual for the Kenyan Water Sector.</p> <p>KWOK MAN-WAI T. 2006. Formulating an effective anti-corruption strategy. The experience of Hong Kong ICAC.</p> <p>OSCE. 2004. Complaint mechanisms and the Ombudsman.</p> <p>WARRINGAH COUNCIL. 2004. Complaint Management Procedures and Implementation Guidelines.</p> <p>BIOA. 2007. Guide to principles of good complaint handling.</p> <p>COMMONWEALTH OMBUDSMAN. 2009. Better practice guide to complaint handling.</p> <p>IRC. 2006. About corruption and transparency in the water and sanitation sector.</p>
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## 34 Listing of Contractors

	<b>Integrity Management Instrument</b>
Description / Definition	<p>Contractors can be listed in two ways, either on blacklists or whitelists.</p> <p>A blacklist is a list of groups or people that are regarded as unacceptable or untrustworthy (OXFORD DICTIONARIES n.y.-a).</p> <p>In this case, these could be businesses from the water or sanitation sector that have been involved in illegal activities or have not complied with the Public Procurement and Disposal Act (PPDA 2005; Art. 90 and 115). Blacklisting or debarment of contractors means preventing an entity from engaging in further contracts for a certain time. This process is done on the basis of pre-established grounds (ANTI CORRUPTION RESOURCE CENTRE 2006, p. 1). Such lists are also published by the Public Procurement Oversight Authority (NATIONAL COUNCIL FOR LAW REPORTING 2010, p. 55).</p> <p>A whitelist, on the other hand, is a list of entities that, for one reason or another, are considered acceptable or trustworthy (OXFORD DICTIONARIES. n.y.-b.). In this context, it could be businesses who have performed particularly well, in an especially transparent manner, who have introduced particular anti-corruption measures, or also simply all those who are not blacklisted.</p>



Purpose	Black- and whitelists are precautionary instruments with the purpose of preventing and/or deterring unacceptable behaviour. They serve the purpose of transparently informing both government and civil society on the integrity and quality of the work performed by contractors of public services (ANTI-CORRUPTION RESOURCE CENTRE 2006, p. 2).
Link to integrity	Black- and whitelists motivate and encourage companies to set up anti-corruption procedures in order to be listed on the whitelist or not to appear on the blacklist. There is a strong incentive, as being blacklisted doesn't only lead to serious damage to the company's reputation, but can mean significant loss of business prospects. Companies on the whitelist, on the other hand, increase their chances of becoming contractors and gain public reputation and trust (ANTI-CORRUPTION RESOURCE CENTRE 2006, p. 2).
Examples/How to	<p>"The following procedures should be considered when engaging in blacklisting:</p> <ul style="list-style-type: none"> <li>• Rules, procedures and sanctions need to be established and made known in order to ensure fairness and accountability. Publicity has a strong impact on the legitimacy, credibility and accountability of the lists.</li> <li>• The listing system should be timely, as delays in the beginning of a debarment process increase costs and reduce credibility.</li> <li>• The evidentiary requirement for putting an operator in the register, such as a final conviction ("res judicata") is the safest condition. However, this may take many years. Registration cannot be justified without adequate evidence. A middle way could be to blacklist a contractor, when the crime was committed "more likely than not."</li> <li>• The register should be fully public and accessible.</li> <li>• The list should be binding.</li> <li>• The debarment should be effective for a period of time that reflects the severity of the violation.</li> <li>• The conditions under which the contractor would be removed from the list need to be established prior to the lapse of the established period.</li> <li>• It needs to be established to what extent subsidiaries, parent companies or partners of a debarred company should be covered by the debarment.</li> <li>• The sanctions need to be scrupulously implemented until the debarred contractor puts new and convincing procedures in place."</li> </ul> <p>(TRANSPARENCY INTERNATIONAL 2006, p.58-59; ANTI_CORRUPTION RESOURCE CENTRE 2006, p. 2-3).</p>
Specific/generic	Specific
Complex/simple	Simple
Mandatory/optional	Optional
References and Further readings	<p>ANTI-CORRUPTION RESOURCE CENTRE. 2006. Using blacklisting against corrupt companies.</p> <p>NATIONAL COUNCIL FOR LAW REPORTING. 2010. The public procurement and disposal act. Chapter 412C.</p> <p>OXFORD DICTIONARIES. n.y.-a. Blacklist.  <a href="http://oxforddictionaries.com/definition/english/blacklist">http://oxforddictionaries.com/definition/english/blacklist</a> (Accessed on 17.4.2013).</p>





	<p>OXFORD DICTIONARIES. n.y.-b. Whitelist. <a href="http://oxforddictionaries.com/definition/english/white%2Blist?q=whitelist">http://oxforddictionaries.com/definition/english/white%2Blist?q=whitelist</a> (Accessed on 17.4.2013).</p> <p>TRANSPARENCY INTERNATIONAL. 2006. Curbing Corruption Public Procurement.</p> <p>The Philippines' Government Procurement Policy Board publishes a monthly blacklist of constructors. These are barred from participating in all government procurement opportunities and are only delisted after the time period stated in the official governmental Blacklisting order. <a href="http://www.gppb.gov.ph/monitoring/blacklistedCon.php">http://www.gppb.gov.ph/monitoring/blacklistedCon.php</a></p> <p>ALLAFRICA. 2011. Ghana: Blacklist Contractors Who Perform Poorly in Water Sector. URL: <a href="http://allafrica.com/stories/201111010479.html">http://allafrica.com/stories/201111010479.html</a> (Accessed on 17.4.2013).</p> <p>ECCHR. 2010. Blacklisted: Targeted sanctions, preemptive security and fundamental rights.</p> <p>TRANSPARENCY INTERNATIONAL. 2005. Corruption in the water sector. Opportunities for addressing a pervasive problem.</p>
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## 35 Lobby for Regulatory Change

<b>Integrity Management Instrument</b>	
Description / Definition	Lobbying is the act of attempting to influence decisions made by officials in the government or members of regulatory agencies.
Purpose	To influence policies and regulations, creating awareness and gaining the commitment of decision makers is very important (UN-WATER 2009). The goal of lobbying and advocacy is to make the issue in concern a political priority and to achieve change among decision makers. In many cases, it is beyond the direct decisional power of WSPs to change or adapt certain practices, frameworks, or procedures, as this is under the responsibility of the Water Services Boards, the regulator WASREB, or higher levels within the Government of Kenya. However, by lobbying and advocacy work, the management and board may be indirectly able to promote regulatory change in favour of its operations.
Link to integrity	Many decisions that lie beyond the decisional power of WSPs have a direct impact on integrity issues. If, for example, the WSPs are not owners of the water network and infrastructure (e.g. they belong to the Water Service Boards), the WSPs cannot directly influence integrity issues related with the extension of the network.
Examples/How to	<p>There are various channels for lobby work that can be used by WSPs to advocate among decision makers:</p> <ul style="list-style-type: none"> <li>• Interpersonal meetings are the most effective and participatory advocacy tools, but with limited human resources, the potential number of people reached is limited and further expansion is costly</li> <li>• Lobbying (working closely with key individuals in political and governmental structures) to influence the policy process. Lobby work can be performed</li> </ul>



	<p>through associations such as WASPA (Water Services Providers Association) or in partnerships with other institutions.</p> <ul style="list-style-type: none"> <li>• Meetings, usually as part of a lobbying strategy</li> <li>• Negotiation to reach a common position</li> <li>• Combining lobbying with communication instruments such as press conferences and press releases</li> <li>• Reaching the public via newsletters, e-mail and internet, flyers, petitions, or canvassing to influence leaders</li> <li>• The media reach the general public and contribute to setting the agenda for politicians and policy makers. See also media campaigns for posters and flyers, internet and email, radio, or video.</li> </ul> <p><b>Planning the Advocacy Work</b> Effective lobbying and advocacy work needs good planning. One way to organise your work is the advocacy planning cycle, provided by (UN-WATER 2009) which shows the most important steps in planning and implementing advocacy work:</p> <ol style="list-style-type: none"> <li>1. Identifying the issues: what do we want to change?</li> <li>2. Analysis: what do we already know and what information can we use? Local data will be most persuasive to local media and politicians.</li> <li>3. Setting objectives: what are our specific advocacy objectives? Advocacy objectives should be SMART: Specific, Measurable, Achievable, Relevant and Time-bound</li> <li>4. Identifying the targets: whom do we want to influence? Whom are we addressing: local or national politicians?</li> <li>5. Identifying allies: with whom can we work?</li> <li>6. Selecting the tools and developing the messages: how can we best reach our targets? There are numerous communication tools that can be used for good advocacy work.</li> <li>7. Monitoring &amp; Evaluation: how can we measure the impact of our activities?</li> </ol>
Specific/generic	
Complex/simple	Complex
Mandatory/optional	Optional
References and Further readings	<p>CONRADIN, K., KROPAC, M., SPUHLER, D. (Eds.) (2010): The SSWM Toolbox: <a href="http://www.sswm.info">http://www.sswm.info</a></p> <p>UN-WATER (Editor) (2009): <a href="#">Advocacy for Sanitation: A Brief Guide</a>.</p>

### 36 Merit-Based Appointments, Promotions & Job Security

	<b>Integrity Management Instrument</b>
Description / Definition	Appointments and promotions should be determined solely on the basis of relative ability, knowledge, and skills after fair and open competition that assures that all receive equal opportunity.



	<p>Employees with personnel authority shall not grant any preference or advantage not authorized by law, rule, or regulation to any employee or applicant for employment (including defining the scope or manner of competition or the requirements for any position) for the purpose of improving or injuring the prospects of any particular person for employment (NHPA n.y., p.1+26).</p> <p>Job security is the assurance that an employee has the continuity of gainful employment for his or her work life (BUSINESSDICTIONARY n.y.).</p>
<p>Purpose</p>	<p>Promoting and appointing the best performing/qualified employees can enhance the company's overall performance. It further enhances staff motivation as the prospect of a higher job is linked directly to their performance. Job security linked to the employees' performance increases the loyalty and quality of work delivered by them. Staff and executive personnel should be appointed or promoted according to their quality of work and their upright behaviour, not according to favours, bribes, family relations or friendship.</p> <p>The values and principles of service include merit as the basis of appointments and promotions (CONSTITUTION OF KENYA 2010).</p>
<p>Link to integrity</p>	<p>Performance and integrity are linked. If an employee engages in corrupt practices, the quality of their work is directly affected. Setting the priority on merit and staff performance as the basis for promotions and appointments of jobs and tasks will implicitly incentivise ethical behaviour.</p> <p>Appointments and promotions according to favours, bribes and/or ethnical considerations lead to inefficient work (not the best are selected), non-committed staff (as the promotions are not transparent) and a higher risk of company prosecution due to non-ethical staff in the middle management. Improper recruitment can also result in situations where a WSP is legally bound to poorly performing staff in the long run. A WSP may not be in the position anymore to easily cancel their contract or can face lawsuits from dismissed staff.</p> <p>Recruitment on the basis of high standards of professionalism, transparency, public participation, equal opportunities, fair competition and merit provides WSPs with an opportunity to signal their commitment to the realisation of a transformative and accountable justice system under the new Constitution. It provides the chance to regain public trust and confidence in the WSP's services, and chart the pace for the transformation of other institutions (KENYA LAW REPORTS 2011).</p>
<p>Examples/How to</p>	<p>Clear promotion policies and predictable salary increments based purely on merit state specific targets to be met and the maximum period within which staff serves at a given grade before being considered for the next grade. This strategy makes the staff buy time to wait for promotion (ASSOCIATION OF PROFESSIONAL SOCIETIES IN EAST AFRICA N.Y.).</p> <p>To base appointments and promotions according to merit:</p> <ul style="list-style-type: none"> <li>• In the job application or promotion, certain requirements can be listed. These requirements can be checked by the Human Resources Department. Only approved candidates can be selected.</li> </ul>



	<ul style="list-style-type: none"> <li>Recruitment should happen according to clear selection criteria, and the process should be properly documented.</li> <li>Each decision should be made by two people (four eyes principle). Private interviews negate the whole system of transparency and accountability. (INTERNATIONAL CENTER FOR POLICY AND CONFLICT N.Y., 12).</li> <li>Quality of work.</li> <li>Behaviour with integrity.</li> <li>Evaluation of quality of work can be performed by a performance checklist and/or by interviewing the direct superior as well as other staff.</li> <li>Formulate a written report on why someone was chosen and the others not (e.g. advantages &amp; disadvantages of the different candidates).</li> <li>Link the HR department's objectives with the overall performance of the WSP.</li> </ul> <p>To enhance transparency, processes and criteria for appointments and promotions should be documented and shared in a guideline or policy document.</p>
Specific/generic	Specific
Complex/simple	Complex
Mandatory/optional	Optional
References and Further readings	<p>ANTI-CORRUPTION RESOURCE CENTRE 2009b</p> <p>KENYA LAW REPORTS 2011 Judges Colloquium 2011- Opening Speech. URL: <a href="http://www.kenyalaw.org/klr/index.php?id=906">http://www.kenyalaw.org/klr/index.php?id=906</a> [Accessed: 19.04.2013]</p> <p>ASSOCIATION OF PROFESSIONAL SOCIETIES IN EAST AFRICA N.Y. How to Retain Key Staff in Competitive Environment. URL: <a href="http://www.apsea.or.ke/index.php?option=com_content&amp;view=article&amp;id=301%3Ahow-to-retain-key-staff-in-competitive-environment&amp;catid=29%3Aapseanews&amp;Itemid=16">http://www.apsea.or.ke/index.php?option=com_content&amp;view=article&amp;id=301%3Ahow-to-retain-key-staff-in-competitive-environment&amp;catid=29%3Aapseanews&amp;Itemid=16</a> [Accessed: 19.04.2013]</p> <p>INTERNATIONAL CENTER FOR POLICY AND CONFLICT N.Y. Vetting Policy for Kenya (Draft).</p> <p>NHPA n.y. Merit System PrinciplesBUSINESSDICTIONARY n.y. Job Security. URL: <a href="http://www.businessdictionary.com/definition/job-security.html">http://www.businessdictionary.com/definition/job-security.html</a> [Accessed: 24.04.2013]</p>

## 37 Monitoring of Staff Performance & Satisfaction

	<b>Integrity Management Instrument</b>
Description / Definition	Monitoring of staff performance and satisfaction is a periodic, structured and planned activity where the manager and the employee together compare the staff member's performance against the agreed performance objectives. This can and should include the co-worker's compliance with integrity management. (HENSHAW 2011, LAUREL 2009). The introduction of employee performance management in



	order to improve service delivery is one element of the Public Sector Reforms in Kenya (OBWAYA 2010)
Purpose	<p>Staff performance and satisfaction monitoring allows WSP's to recognise and reinforce good performance and to identify and improve unsatisfactory performance.</p> <p>This doesn't only bring out the best in the staff and improve the quality of the service but also facilitates recruitment and retaining of good and honest staff. Furthermore, it creates a culture of responsibility (DAIRYNZ 2012, p. 1; ETHICS AND ANTI-CORRUPTION COMMISSION n.y; GEM n.y., p. 1-2; LAUREL 2009).</p>
Link to integrity	<p>Performance and satisfaction monitoring can greatly increase the WSP's integrity in two ways. Firstly, it can support the WSPs in identifying staff members that do not comply with the set integrity goals.</p> <p>Secondly, performance monitoring can reduce dishonest behaviour, as the staff is aware that the management watches over them, takes them seriously, and values good performance.</p>
Examples/How to	<p>WSPs should implement a performance and satisfaction monitoring that includes the following steps:</p> <ol style="list-style-type: none"> <li>1. Agreeing on performance indicators with the staff</li> <li>2. Consistently supervising and evaluate the employee's performance based on their own feedback, others' feedback (e.g. of co-workers or customers), observations and the consultation of sales reports, deadlines met, error and accuracy reports, time sheets, work records, etc.</li> <li>3. Providing accurate, objective and balanced feedback in monthly or annual progress reviews to show the employees that their work is considered important and that their contribution to the business is valued</li> <li>3. Giving positive suggestions to strengthen the performance</li> <li>4. Using the best staff member as a model for current and future employees in order to validate the expectations and prove that the expectations are realistic and reasonable.</li> <li>5. Rewarding employees in order to make them feel appreciated and valued, which in turn increases their motivation to keep up the level of performance</li> </ol> <p>(HENSHAW 2011; JOAN 2012; LAUREL 2009; WOHNER 2013).</p> <p>Factors that were found to influence staff performance in different studies in Kenya and that would therefore be suitable for monitoring include:</p> <ul style="list-style-type: none"> <li>• Organisational structure</li> <li>• Work environment and living conditions</li> <li>• Work-life balance</li> <li>• Non-material incentives</li> <li>• Rewards</li> <li>• Management style</li> <li>• Level of motivation</li> <li>• Workload and stress</li> <li>• Workplace security</li> <li>• Training and support</li> </ul>



	<ul style="list-style-type: none"> <li>• Availability of resources and skills</li> <li>• Recruitment, selection and orientation of staff</li> <li>• Awareness of career opportunities</li> <li>• Transparent expectations</li> <li>• Supervisor feedback</li> <li>• Conflict resolution through supervision</li> <li>• Salary</li> </ul> <p>(OBWAYA 2010, SOKORO 2012, KILEL 2012, UNIVERSITY OF NAIROBI n.y.)</p>
Specific/generic	
Complex/simple	
Mandatory/optional	
References and Further readings	<p>DAIRYNZ. 2012. Monitoring performance. People smart factsheet.</p> <p>ETHICS AND ANTI-CORRUPTION COMMISSION. n.y. Annual Report of Activities and Financial Statements for the Financial Year 2010/2011 for the Kenya Anti-Corruption Commission.</p> <p>GEM. n.y. Staff performance monitoring and management. Learning outside the classroom heritage sector partnership guidance Notes.</p> <p>HENSHAW J. 2011. Performance Objectives Now. Why Monitor Employee Performance? The Purpose of Monitoring Employee Performance Against Objectives. <a href="http://www.performanceobjectivesnow.com/blog/why-monitor-performance/">http://www.performanceobjectivesnow.com/blog/why-monitor-performance/</a> (Accessed on 25.3.2013).</p> <p>KILEL. 2012. Factors affecting performance of employees of humanitarian non-governmental organizations in Kenya. A case of World Vision-Southern Sudan Program. Abstract available at <a href="http://ir-library.ku.ac.ke/ir/handle/123456789/5993">http://ir-library.ku.ac.ke/ir/handle/123456789/5993</a> (Accessed on 26.4.2013).</p> <p>JOAN. 2012. How to Monitor Staff Performance against Performance Objectives. <a href="http://www.10mmt.com/2012/performance-review/how-to-monitor-staff-performance-against-performance-objectives/">http://www.10mmt.com/2012/performance-review/how-to-monitor-staff-performance-against-performance-objectives/</a> (Accessed on 25.3.2013)</p> <p>LAUREL D. 2009. How to Monitor Employee Performance. <a href="http://EzineArticles.com/4048028">http://EzineArticles.com/4048028</a> (Accessed on 25.3.2013).</p> <p>OBWAYA. 2010. Effectiveness of employee performance management system at Kenya National Audit Office. Abstract available at <a href="http://erepository.uonbi.ac.ke/handle/123456789/5918?show=full">http://erepository.uonbi.ac.ke/handle/123456789/5918?show=full</a> (Accessed on 26.4.2013).</p>



	<p>SOKORO. 2012. Factors that influence employee performance in Kenya wildlife service. Abstract available at <a href="http://erepository.uonbi.ac.ke/handle/123456789/13299?show=full">http://erepository.uonbi.ac.ke/handle/123456789/13299?show=full</a> (Accessed on 26.4.2013).</p> <p>UNIVERSITY OF NAIROBI. n.y. Factors influencing performance of staff in public technical, industrial, vocational and entrepreneurship training (TIVET) institutions in Kisumu county, Kenya. Abstract available at <a href="http://business.uonbi.ac.ke/node/1043">http://business.uonbi.ac.ke/node/1043</a> (Accessed on 26.4.2013).</p> <p>WOHNER N. 2013. How to Monitor Employee Performance. <a href="http://www.ehow.com/how_5831433_monitor-employee-performance.html#ixzz2OYjbBa5Z">http://www.ehow.com/how_5831433_monitor-employee-performance.html#ixzz2OYjbBa5Z</a> (Accessed 25.3.2013)</p> <p>CEVENT. n.y. Employee satisfaction.</p> <p>OBINO MOKAYA. 2012. Effects of workplace recreation on employee performance. The case of Kenya Utalii College.</p> <p>OPM. 2001. A handbook for measuring employee performance. Aligning employee performance plans with organizational goals.</p> <p>HANNOVER RESEARCH. 2012. Assessing Faculty and Staff Satisfaction</p> <p>SAGEER ET AL. 2012. Identification of Variables Affecting Employee Satisfaction.</p>
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## 38 Payment Procedures

	<b>Integrity Management Instrument</b>
Description / Definition	A clear Payment Procedure gives guidance on the basic principles and safeguards associated with authorising expenditure and making payments. Quality controls should be appropriate to the scale of the assets at risk and the potential loss to the Water Service Provider.
Purpose	<p>WSPs should ensure that their use of resources is properly authorised and controlled. Payments should be incurred in a way that represents value for money, taking into account potential risks to regularity and propriety. Effective control over expenditures must be maintained at all stages and supported by an appropriate accounting system. Essentials of systems for committing and paying funds are as follows:</p> <ul style="list-style-type: none"> <li>• Internal controls to provide authority for acquiring the goods or services to be purchased.</li> <li>• System access to make and authorise these changes should be carefully restricted and logged.</li> <li>• Authorisation for payment should be separated from the process of making payment, with appropriate validation and recording at each step. This</li> </ul>





	<p>separation of duties similarly should also be maintained for receiving goods and services from the process of making payment.</p> <ul style="list-style-type: none"> <li>• The four-eye-principle should be obligatory for payments above a certain threshold amount. This authorisation reduces the likelihood of illicit behaviour.</li> <li>• Checks that the goods or services acquired have been supplied in accordance with the relevant agreement(s) before making payment.</li> <li>• Payment terms should be chosen or negotiated to provide good value.</li> <li>• Invoices should be paid accurately and on time.</li> <li>• A balance of preventive and detective controls to deter and tackle fraud.</li> <li>• Audit trails that can be checked readily and reported upon both internally and externally.</li> <li>• Periodic reviews to bring to bear any lessons from internal audit examination or other relevant experience, or to implement developments in good practice.</li> </ul>
Link to integrity	<p>Expenditures should be authorised in the operational area which entered into the commitment, with due consideration to separation of duties. No one person should be able to control all aspects of the payment authorisation procedure, and different people should be responsible for ordering goods and services, for approving payments, and for processing payments. Where this is not possible due to limited resources, alternative arrangements should be agreed with the organisation's central finance function.</p>
Examples/How to	<p>A clarified payment procedure must ensure that:</p> <ul style="list-style-type: none"> <li>• Where necessary, the expenditure has been approved and the proposed payment is in accordance with the approval.</li> <li>• The payment is properly due, supported by invoices, goods received notes or other vouchers and (if appropriate) certified.</li> <li>• The claim or invoice is arithmetically correct, in accordance with contract or other commitment (e.g. conditions of grant) and properly discounted.</li> <li>• Where payment is made by instalments (e.g. interim or part payments), the proposed payment is within the approved total cost.</li> <li>• The claim or invoice is not a duplicate, is not a statement, and has not previously been passed for payment.</li> <li>• Any increase in cost over the order price is permissible and has been agreed upon.</li> <li>• Checks for duplicate invoices are carried out periodically.</li> <li>• Amendments and deletions to accounting records are independently authorised. These should be evidenced by signature, together with name and grade,</li> <li>• Independent checks to ensure amendments have been carried out correctly. These should be evidenced by signature, together with name and grade.</li> <li>• Knowledge of transfer codes (and passwords if payments are initiated by computer) is restricted to approved individuals. Passwords should be changed frequently and always when staff leave.</li> <li>• Expenditures are authorised by an approver to confirm that spending is in line with budget and is appropriate.</li> <li>• An alternate approver is established so employees cannot authorize their own or their direct superior's reimbursements.</li> <li>• Signature authorizations are cancelled or changed with staff rotation.</li> </ul>



	The checks on payments should be reviewed on a sample basis to ensure they have been performed satisfactorily. (INDEPENDENT COMMISSION AGAINST CORRUPTION 2011; BLINK UC SAN DIEGO 2012; MANGO 2012).
Specific/generic	Specific
Complex/simple	Simple
Mandatory/optional	Optional
References and Further readings	BLINK UC SAN DIEGO. 2012. Expenditure Accountability Checklist. <a href="http://blink.ucsd.edu/go/accountability">http://blink.ucsd.edu/go/accountability</a> (Accessed on 26.3.2013)  HERIOT WATT UNIVERSITY. 2008. Managing the Risk of Fraud – Policy Support Paper. Risk and Controls in Specific Systems.  INDEPENDENT COMMISSION AGAINST CORRUPTION. 2011. Investigation into Corrupt Conduct.  MANGO. 2012. Financial Management Essentials. A Handbook for NGO's.  THE SCOTTISH GOVERNMENT. (2012. Expenditure and Payments. <a href="http://www.scotland.gov.uk/Topics/Government/Finance/spfm/payments">http://www.scotland.gov.uk/Topics/Government/Finance/spfm/payments</a> (Accessed on 23.4.2013).

## 39 Reconciliation of Accounting Records

	<b>Integrity Management Instrument</b>
Description / Definition	Reconciliation of Accounting Records is a review mechanism in which the integrity of different parts of an accounting system is verified (MANGO 2012, p. 89). This checking duty is the key responsibility of the Financial Manager and he/she needs to be held responsible for any irregularities.
Purpose	The purpose of reconciliation is to ensure that the accounting records of WSPs are free of errors or omissions by balancing the cash book to the bank statement (MANGO 2012).  Effective account reconciliation activities greatly increase executives' ability to proactively identify and resolve issues that could result in misstatements and could lead to substantial write-offs. They also help to safeguard cash by detecting errors. (PRICEWATERHOUSECOOPERS 2007, p. 1; OFFICE OF THE STATE COMPTROLLER n.y., p. 2).
Link to integrity	Reconciliation of accounting records is the most important instrument to detect any irregularities in accounting. It can prevent fraud like falsified or amended accounting records that allow unauthorised payments. Moreover, it strengthens the WSP's internal control, which in turn enhances accountability (PRAUD PREVENTION n.y.; OFFICE OF THE STATE COMPTROLLER n.y., p. 2). Reconciliation can also uncover theft, ghost workers or ghost equipment.
Examples/How to	Reconciliation of accounting records should be performed monthly



	<p>(OFFICE OF THE STATE COMPTRROLLER n.y., p. 4).</p> <p>Depending on the size and complexity of the WSP, various tools can be used to verify accounting records, from simple lists or Excel tools for small companies, up to specialised reconciliation software for larger enterprises. Records that should be reconciled at regular intervals are (MANGO 2012, p. 89-90):</p> <p><b>Bank records-</b> Ensure that the organisation’s own records agree with the bank’s records, which are rather like a parallel set of records. This should be reconciled once a month.</p> <p><b>Petty cash book-</b> Count up all the payments made since the last reimbursement, counting the cash in the tin. Cash should be counted and reconciled at least weekly.</p> <p><b>Stock control records-</b> Stock records must be checked against the supplies held in the store and receipts from sales to ensure that no errors have crept in (and no stock has crept out).</p> <p><b>Wages book-</b> This must be reconciled every month to ensure that the correct deductions are being made and passed on to the relevant authority.</p>
Specific/generic	Specific
Complex/simple	Simple
Mandatory/optional	Mandatory
References and Further readings	<p>FRAUD PREVENTION. n.y. Risks associated with cash handling. <a href="http://www.fraud-stoppers.info/risks/cash.html">http://www.fraud-stoppers.info/risks/cash.html</a> (Accessed on 17.4.2013).</p> <p>MANGO. 2012. Financial Management Essentials. A Handbook for NGOs.</p> <p>OFFICE OF THE STATE COMPTRROLLER. n.y. Technical assistance bulletin.</p> <p>PRICEWATERHOUSECOOPERS. 2007. How to improve account reconciliation activities.</p> <p>MANGO 2012 Appendix to financial management essentials (p.33: Financial reporting)</p>

## 40 Recruitment Guidelines & Policy

	<b>Integrity Management Instrument</b>
Description / Definition	Recruitment Guidelines & Policies for staff help to provide equal access to employment for all and to ensure that the best person, in terms of knowledge, skills, experience and aptitude, is chosen for each position that arises (adapted from CORK CIL 2012, p. 1).
Purpose	<p>Recruiting and selecting the right people is of paramount importance to the continued success of the WSOs (UCL 2013). Guidelines and Policies can help guide the process by setting out criteria and standards relating to (CORK CIL 2012, p. 2; AUSTRALIAN HUMAN RIGHTS COMMISSION n.y.):</p> <ul style="list-style-type: none"> <li>• Job descriptions and selection criteria</li> <li>• Personnel specifications</li> </ul>



	<ul style="list-style-type: none"> <li>• Advertising job vacancies</li> <li>• Application procedures</li> <li>• Short listing procedures</li> <li>• Reference checks</li> <li>• Interviewing and testing</li> <li>• Offers of employment</li> <li>• Management of panels</li> <li>• Unsuccessful candidates</li> </ul>
Link to integrity	<p>The staff recruitment process can be a potential source for unethical behaviour within WSPs, for example for bribing (in exchange for employment). Recruitment Guidelines and Policy can prevent such conduct by defining clear procedures and criteria. Recruitment Guidelines And Policies set out how to ensure, as far as possible, that the best people are recruited on merit and that the recruitment process is free from bias and discrimination. As such, Recruitment Guidelines are crucial in determining the transparency and accountability of WSPs (UNDP AND WGF 2007, p. 17; TRANSPARENCY INTERNATIONAL n.y., p. 44; UCL 2013).</p>
Examples/How to	<p>Recruitment Guidelines could describe the recruitment process as follows (CORK CIL 2012, p. 2):</p> <ol style="list-style-type: none"> <li>1. <b>Review of Vacancy:</b> When a post becomes vacant it will be reviewed by the manager and/or designate.</li> <li>2. <b>Recruitment Request Form:</b> When the decision to recruit to the post has been made, a recruitment request form will be completed by the service co-ordinator, finance officer and signed by the manager or designate before recruitment process is commenced.</li> <li>3. <b>The Job Description and Person Specification:</b> The job description and person specification will be reviewed and prepared for each post to ensure that they accurately and adequately reflect the skills, qualities, experience and attributes required for the post. As roles, duties and responsibilities change over time, where an advertisement, job description and/or person specification are already in existence, they must be checked and updated to ensure they clearly reflect the current requirements of the job. Job descriptions and personnel specifications and advertisements must be approved by the manager and or ALS coordinator.</li> <li>4. <b>Advertisement:</b> Vacancies will be advertised as openly and as widely as possible. The advertisement will state the overall purpose of the job and give clear guidance on the required method of application.</li> <li>5. <b>Shortlisting:</b> Shortlisting will be undertaken by a minimum of two people and referenced against the person specification.</li> <li>6. <b>Interview &amp; Selection:</b> Interviews will be undertaken by a minimum of two people and referenced against the person specification.</li> <li>7. <b>Reference Checks:</b> References will be taken up.</li> <li>8. <b>Vetting:</b> If applicable, posts are subject to Vetting prior to commencement</li> <li>9. <b>Formal Offer</b></li> <li>10. <b>Contract &amp; Commencement of Employment.</b></li> </ol>
Specific/generic	
Complex/simple	Simple



Mandatory/optional	Optional
References and Further readings	<p>AUSTRALIAN HUMAN RIGHTS COMMISSION. n.y. Best practice guidelines for recruitment and selection. <a href="http://www.humanrights.gov.au/best-practice-guidelines-recruitment-and-selection">http://www.humanrights.gov.au/best-practice-guidelines-recruitment-and-selection</a> (Accessed on 22.4.2013).</p> <p>CORK CIL.2012. Recruitment Policy and Procedure. Policy and Guidelines.</p> <p>TRANSPARENCY INTERNATIONAL. n.y. Preventing corruption in humanitarian operations. Pocket guide of good practices.</p> <p>UCL. 2013. Recruitment and Selection Policy. <a href="http://www.ucl.ac.uk/hr/docs/recruitment.php">http://www.ucl.ac.uk/hr/docs/recruitment.php</a> (Accessed on 22.4.2013).</p> <p>UNDP AND WGF. 2007. Improving water governance in Kenya through the human rights-based approach.</p> <p>PUBLIC SERVICE COMMISSION. n.y. A toolkit on recruitment and selection.</p> <p>QUAH. 2006. Preventing police corruption in Singapore. The role of recruitment, training and socialisation.</p>

## 41 Reduce illegal connections

	<b>Integrity Management Instrument</b>
Description / Definition	<p>By reducing illegal connections through proactive, effective and comprehensive identification and investigation of illegal water consumers in the water supply areas, a substantial part of commercial non-revenue water of WSPs can be reduced (UN HABITAT 2008, p.i).</p> <p>Illegal Connections can be categorised as follows:</p> <ul style="list-style-type: none"> <li>• Meter By – Pass: The customer has an alternative pipe taping water before the meter.</li> <li>• Illegal Connection: The consumer is not a customer of the water supply system but has connected himself to the network</li> <li>• Illegal Reconnection: The customer reconnects himself to the network after having has been disconnected for non-payment.</li> <li>• Meter Reversal: The customer installs the meter in reverse order so that it counts backwards to a desired reading.</li> <li>• Meter Tampering: The customer intentionally corrupts the meter so as to affect its efficiency or functionality.</li> </ul>
Purpose	<p>There are a number of incentives for WSPs to reduce illegal connections (UN HABITAT 2008, p. 4):</p> <ol style="list-style-type: none"> <li>1. Reduction of illegal consumption reduces the amount of Non Revenue Water</li> <li>2. Reduction of operational costs</li> <li>3. Less chemicals and electricity means optimized production</li> <li>4. Enhance the amount of water availed for legal consumption.</li> </ol>



	<p>4. Increase of revenue through the fining of illegal consumers.</p> <p>5. Improvement of planning and of the reliability of demand projections</p> <p>6. Optimizing the operation of the distribution system</p>
Link to integrity	<p>Installing and maintaining illegal connections involves a lot of unethical behaviour from customers, external contractors and staff of WSPs (meter readers, technical staff). By eradicating these practices, not only fraud and corruption can be reduced, but also more water will be available for legal consumption. In this way, operational costs can be decreased, revenues increased and a better service as well as a higher customer satisfaction can be achieved. Ultimately it can achieve autonomy in delivering sustainable services (SUWASA 2013).</p>
Examples/How to	<p>UN HABITAT (2008) suggests establishing and institutionalising a dedicated Illegal Use Reduction Unit within a WSP. The procedures that can be adopted to institutionalize the framework include:</p> <ol style="list-style-type: none"> <li>1. Illegal Use Reduction Policy: The Top management together with the technical team should develop this policies concerning illegal usage of water.</li> <li>2. Publicity: After developing a policy, it is important to notify the public about your position as a water service provider on the issue of illegal use of water.</li> <li>3. Amnesty: After the community has understood your position on illegal usage, the next stage is to start cleaning up. The number of illegal cases may be so great that dealing with each of them legally is uneconomical. Amnesty is therefore paramount at this stage. An amnesty period of three months is realistic.</li> <li>4. Reward mechanism for informers: Once the amnesty period expires, it is important to start the hunt. Much of the responsibility of tracing for illegal cases falls on the illegal use reduction team, but they can never comb the entire area. Informers are handy when it comes to reporting these cases.</li> <li>5. Fines: The penalties should be defined. For instance, if caught with any offence, you will be charged 200 US \$ (United States Dollars) as a fine. However, payment agreements (e.g. on monthly basis) should be possible.</li> <li>6. Identification of Illegal Use Cases: Before carrying out any investigation on-site, ensure you have a helpful list narrowing down your suspected customers such as: customers with a bad history, suppressed accounts, people who once applied for water but did not complete, off-supply customers, etc. An up-to-date customer database will be your key to success. (SUWASA 2013, p. 1).</li> <li>7. Investigation of Illegal Use Cases: Depending on the suspected type of illegal connection (see description), there are various different technical procedures to detect an illegal connection.</li> <li>8. Generate an up-to-date customer database services (SUWASA 2013, p. 1).</li> <li>9. Create a basic water accounting system to collect information on: Total water produced, account Water, non-account Water, Metered and Accounted for but not billed, unmetered Water, etc. (UN HABITAT 2008, .p. 11; COLORADO WATER CONSERVATION BOARD 2005)</li> </ol>
Specific/generic	Specific
Complex/simple	Complex
Mandatory/optional	Optional





References and Further readings	<p>COLORADO WATER CONSERVATION BOARD. 2005. Model Water Conservation Plan Development Guidance Document.</p> <p>UN HABITAT. 2008. Illegal use reduction operation manual.</p> <p>SUWASA. 2013. Nigeria - Consumer Count Aims to Improve Utility Revenue.</p> <p>BACOLOD CITY DISTRICT.2013. What is an illegal connection? <a href="http://www.baciwa.gov.ph/service_guide_illegal_connection">http://www.baciwa.gov.ph/service_guide_illegal_connection</a>, (Accessed on 21.03.2013).</p> <p>ROGGERS. 2012. Illegal water connections put on notice. <a href="http://m.news24.com/kenya/MyNews24/Illegal-water-connections-put-on-notice-by-NWSC-20121112">http://m.news24.com/kenya/MyNews24/Illegal-water-connections-put-on-notice-by-NWSC-20121112</a> (Accessed on 23.4.2913).</p>
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## 42 Regular Staff Rotation

	<b>Integrity Management Instrument</b>
Description / Definition	Staff Rotation is a management approach in which employees are shifted between assignments or jobs at regular intervals in order to expose them to all verticals of an organization. In this pre-planned approach, the employees’ skills and competencies are tested in order to place him or her at the right position. In addition, it reduces the monotony of the job, gives the employees a wider experience, and helps them gain more insights (MANAGEMENT STUDY GUIDE n.y.).
Purpose	The purpose of Staff Rotation is to give the staff the chance to explore the own interests and gain experience in different fields as well as reduce the boredom of the same job every day. On the other hand, it helps the management of WSPs to explore the potentials of their employees (MANAGEMENT STUDY GUIDE n.y.).
Link to integrity	<p>Staff Rotation is an instrument that aims at reforming organisational structures and procedures in order to create a less fertile ground for corruption (ABBINK 1999, p. 1)</p> <p>Long-time relationships between bribers and WSP officials create a particularly advantageous environment for bribery, as corruption is built on trust and reciprocity. Staff Rotation can prevent such long-time relationships to be built in the first place. This increases the uncertainty about the other person’s behaviour and thus reduces the temptation for unethical conduct (ABBINK 1999, p. 1).</p> <p>Furthermore, Staff Rotation reduces the monotony of a job and thus improves the work culture. This can increase work motivation and reduce the incentive for unethical behaviour.</p> <p>In WSPs, the regular changing of routes or meter reading areas of meter readers can be especially effective to prevent clientelism and corrupt practices. It prevents meter readers to build relationships with customers that may lead as far as meter readers establishing their own small WSPs within the WSP, but on their own account.</p>





Examples/How to	<p>Generally, the following points should be observed when initiating a Staff Rotation programme (ABOUT:COM n.y.; EHOW n.y.):</p> <ol style="list-style-type: none"> <li>1. Identify the operational divisions that could benefit from a job-rotation program.</li> <li>2. Determine the specific knowledge and tasks that must be shared during rotation.</li> <li>3. Specify the employees who will be allowed to participate in the program, and requirements for participating.</li> <li>4. Clarify if the program is optional, voluntary, or mandatory.</li> <li>5. Write a formal job-rotation policy to clarify all the parameters of the program.</li> <li>6. Perform a survey on employees before, during, and after each rotation. Implement employees' suggestions in the next rotation.</li> </ol> <p>Key areas for effective Staff Rotation:</p> <ul style="list-style-type: none"> <li>• Leave employees in the rotation long enough that they can learn the full responsibility of duties, but once the initial training is completed, don't keep an employee out of the assignment for too long.</li> <li>• Written documentation, an employee manual, or online resource enhances employee learning.</li> <li>• A mentor, internal trainer, or supervisor/trainer who has the responsibility to teach, answer questions, and mentor during the training should be provided at each step of the job rotation plan.</li> </ul>
Specific/generic	Specific
Complex/simple	Complex
Mandatory/optional	Optional
References and Further readings	<p>ABBINK. 1999. Staff rotation. A Powerful Weapon Against Corruption.</p> <p>ABOUT.COM. n.y. Job Rotation: Keys to Successful Job Rotation. <a href="http://humanresources.about.com/od/glossary/j/job-rotation.htm">http://humanresources.about.com/od/glossary/j/job-rotation.htm</a> (Accessed on 27.03.2013).</p> <p>MANAGEMENT STUDY GUIDE2013. Job Rotation – Meaning and its Objectives. <a href="http://www.managementstudyguide.com/job-rotation.htm">http://www.managementstudyguide.com/job-rotation.htm</a> (Accessed on 27.03.2013)</p> <p>EHOW.COM .2013. How to Implement an Effective Job-Rotation Program in your Company. <a href="http://www.ehow.com/how_4763302_effective-job-rotation-program-company.html">http://www.ehow.com/how_4763302_effective-job-rotation-program-company.html</a> (Accessed on 27.03.2013).</p> <p>MOHSAN ET AL. 2012. Impact of job rotation on employee motivation.</p> <p>SERRA 2012 Anti-corruption policies. Lessons from the lab.</p>

## 43 Reporting Unethical Behaviour

	<b>Integrity Management Instrument</b>
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Description / Definition	Illegal activities can only be unveiled if irregularities are reported. There needs to be a system in place that reduces the costs and/or raises the benefits for reporting unethical behaviour.
Purpose	Once unethical behaviour is brought to the attention of managers, they can sanction those involved. This in turn deters imitators, reduces costs and can bring back lost money to the company. Moreover, the public opinion of the WSP will improve if corrupt practices in the firm are prevented effectively.
Link to integrity	Incentives to report unethical behaviour help detecting and preventing irregularities, corruption and illicit practices with the help of staff, customers and other stakeholders. Such incentives also convey the message that the management cares about addressing misbehaviour.
Examples/How to	<p>Assuming rational decision making, a person will blow the whistle when the benefits exceed the costs (RAPP 1987). Possible ways of increasing the rate of reporting unethical behaviour include:</p> <ul style="list-style-type: none"> <li>• 10% rewards for reporting illegal meter reading, theft, illegal connection, etc. (staff and customers).</li> <li>• Non-monetary incentives that aim to increase the reputation of an employee or a citizen (e.g. employee of the month award, positive media coverage, etc.) (LEE AND FARGHER 2012, p. 5).</li> <li>• Providing protection for whistleblowers (see “Whistleblowers protection”) (LEE AND FARGHER 2012, p. 5).</li> <li>• Putting into place a system of mandatory whistleblowing by making not blowing the whistle a criminal offense (DE SCHEPPER 2009, p. 42).</li> <li>• Installation of an online tool to improve the quality and quantity of reports it receives, which enables the WSP to communicate with informants anonymously. This incentive system has been implemented at the Kenya Anti-Corruption Commission and is online available through their homepage. The idea of an anonymous, web-based reporting mechanism was conceived to address several challenges linked with high risks of reporting: it would guarantee security of reporting, allow two-way communication between the informant and KACC to improve the quality of data received, and facilitate case management by allowing KACC to filter and sort information (ANTI-CORRUPTION RESOURCE CENTRE 2010). Prominently placed complaint boxes are located in the most highly-trafficked areas such as the parking lot or the reception. Alternately, a public space often frequented could also allow more anonymity (ANTI-CORRUPTION RESOURCE CENTRE 2010).</li> <li>• Mobilisation and citizen-to-WSP interaction (analogue BungeSMS) empowers citizens to report unethical behaviour through the use of SMS and the web (SPIDER 2010, 56). Such a two-channel reporting system has a higher reach due to the widespread use of mobile phones (CRANDALL &amp; MUTUKU N.Y., 2).</li> <li>• Regular compliance surveys (e.g. every 6 months), which are mandatory for all staff with questions to non-ethical behaviour such as corruption and bribery. This “compliance radar” reduces the inhibition threshold to report internal irregularities because the whistleblowers don’t feel themselves as squealers – it’s part of the normal procedure.</li> <li>• Contractual agreements with employees to communicate corruption cases.</li> </ul>
Specific/generic	
Complex/simple	Complex



Mandatory/optional	Optional
References and Further readings	<p>ANTI-CORRUPTION RESOURCE CENTRE. 2010. Reducing Risks of Reporting Corruption. Lessons from an Online Complaints System in Kenya.</p> <p>DE SCHEPPER 2009 Setting the right incentives for whistleblowers.</p> <p>LEE AND FARGHER 2012. Whistle-blowing to detect fraud. Incentives, opportunities and fraud characteristics.</p> <p>RAPP. 1987. Beyond protection.</p> <p>SPIDER. 2010. Increasing Transparency &amp; Fighting Corruption through ICT. Empowering People &amp; Communities.</p> <p>CRANDALL A &amp; MUTUKU L. n.y. M-Governance: Exploratory Survey on Kenyan Service Delivery and Government Interaction</p>

## 44 Salary Guidelines & Policy

	<b>Integrity Management Instrument</b>
Description / Definition	Salary guidelines & policies are practical documents to aid in the administration of salaries of employees.
Purpose	The provisions in Salary Guidelines & Policies are to ensure that the same decision factors and priorities are consistently applied when adjusting salaries of WSP staff and when approving salary actions (OHIO UNIVERSITY n.y., p. 1).
Link to integrity	Salary equity among employees should be considered when setting/changing salaries, since perceived inequity impacts on employee morale and motivation and can trigger contentions of discrimination and/or other grievances. (UCDAVIS 2010).
Examples/How to	<p>When determining changes in salaries, the skills and work experience of the employee should be compared to the skills and work experience of others performing similar work and the result of the comparison should be factored into the salary decision. (UCDAVIS 2010).</p> <p>Salaries are typically determined by referring to the position being filled, the individual's job-related experience, knowledge and skills, current pay, and the salaries of other employees performing the same or similar job functions. In order to compare pay for employees in similar jobs, a manager must also analyse job-related characteristics for each employee, including (OHIO UNIVERSITY n.y., p. 2):</p> <ul style="list-style-type: none"> <li>• Job content (are employees doing similar work?)</li> <li>• Years of experience</li> <li>• Qualifications and education</li> <li>• Job-related knowledge</li> <li>• Skills (required and "premium")</li> <li>• Technical expertise</li> <li>• Performance</li> <li>• Value of job in the labour market</li> </ul>
Specific/generic	
Complex/simple	Simple



Mandatory/optional	Optional
References and Further readings	<p>UCDAVIS (2010): Salary Setting Guidelines for Classification Actions. <a href="http://www.hr.ucdavis.edu/salary/job-class/salarysetting">http://www.hr.ucdavis.edu/salary/job-class/salarysetting</a> (Accessed on 18.4.2013).</p> <p>OHIO UNIVERSITY. n.y. Managers' Guidelines for Salary Requests for Administrative Staff at Ohio University.</p> <p>INDIANA UNIVERSITY. 2009. Salary decisions for professional staff. <a href="http://www.indiana.edu/~uhrs/policies/nonunion/2.0/2.6.html">http://www.indiana.edu/~uhrs/policies/nonunion/2.0/2.6.html</a> (Accessed on 18.4.2013).</p>

## 45 Sanctions Catalogue for Unethical Behaviour

	<b>Integrity Management Instrument</b>
Description / Definition	A Catalogue of Sanctions for Unethical Behaviour is a collection of threatened penalties for disobeying ethical conduct (OXFORD DICTIONARIES n.y)
Purpose	In addition to providing incentives for integrity, sanctions can be formulated and enforced to discourage unethical behaviour (HUMBOLDT-VIADRINA SCHOOL OF GOVERNANCE 2012, p. 4).
Link to integrity	Sanctions against WSP staff, partners, or contractors where unethical behaviour was uncovered are a key element to deter dishonesty such as corruption and fraud (ANTI-CORRUPTION RESOURCE CENTRE 2009, 7). Sanctions are further believed to curb bribery, embezzlement, and collusion (UNDP 2011, p. 40).
Examples/How to	<p>In order for sanctions to be effective, they should be:</p> <ul style="list-style-type: none"> <li>• Credible, proportionate and dissuasive</li> <li>• Detailed and clear</li> <li>• Announced, publicized, and disseminated</li> <li>• Enforced</li> </ul> <p>Sanctions can be....</p> <p>...Of commercial and operational kind:</p> <ul style="list-style-type: none"> <li>• Termination of relationships</li> <li>• Debarment from future opportunities</li> <li>• Assignment of unfavorable conditions</li> </ul> <p>...Of legal nature:</p> <ul style="list-style-type: none"> <li>• Fines and penalties</li> <li>• Compensation for damages</li> <li>• Confiscation of proceeds</li> <li>• Judicial proceedings and imprisonment</li> </ul> <p>... Reputational:</p> <ul style="list-style-type: none"> <li>• Punishment through case publication</li> <li>• Punishment through analysis of comparative performance</li> </ul> <p>(ANTI-CORRUPTION RESOURCE CENTRE 2009, 7; LLZ 2010, 4; HUMBOLDT-VIADRINA SCHOOL OF GOVERNANCE 2012, 5)</p>



Specific/generic	
Complex/simple	Simple
Mandatory/optional	Optional
References and Further readings	<p>ANTI-CORRUPTION RESOURCE CENTRE. 2009. Good Practice in addressing corruption in water resource management projects.</p> <p>HUMBOLDT-VIADRINA SCHOOL OF GOVERNANCE. 2012. Siemens Integrity Initiative. Best Practice on Anti-Corruption Incentives and Sanctions for Business'. Executive overview.</p> <p>LLZ. 2010. Fighting Corruption? How Regulation can foster Transparency, Participation, Accountability and Integrity in the Water Sector- Lessons learned from Zambia, Boehm.</p> <p>OXFORD DICTIONARIES. n.y. Sanction. <a href="http://oxforddictionaries.com/definition/english/sanction">http://oxforddictionaries.com/definition/english/sanction</a> (Accessed on 28.3.2013).</p> <p>UNDP 2011 Fighting Corruption in the water Sector</p> <p>GAROUPA AND KLERMAN. 2004. Corruption and the optimal use of nonmonetary sanctions.</p> <p>NHS CFS. 2007. Applying appropriate sanctions consistently.</p> <p>WASREB. 2011. Water Action Groups (WAGs). Implementing the human right to water and sanitation in the Kenyan Urban Setting by Empowering Consumers and the Underserved.</p>

## 46 Self-Evaluation of Boards of Directors

	<b>Integrity Management Instrument</b>
Description / Definition	According to the WASREB (2009, p. 14) Corporate Governance Guidelines, “the BoD shall evaluate its performance once every year and set up achievable action points to achieve assessment of its performance as a whole and that of individual members including the managing director (MD). The report shall be presented at the general meeting of the shareholders”.
Purpose	<p>Some of the reasons for conducting BoD Self-Evaluations include:</p> <ul style="list-style-type: none"> <li>• Giving individual members an opportunity to reflect on their individual and corporate responsibilities.</li> <li>• Identifying different perceptions and opinions among board members.</li> <li>• Pointing to issues that need Board attention.</li> <li>• Serving as a springboard for Board improvements.</li> <li>• Increasing the level of board teamwork.</li> <li>• Providing an opportunity for providing mutual Board and staff expectations.</li> </ul>



	<ul style="list-style-type: none"> <li>• Demonstrating to staff and other stakeholders that accountability is a serious organizational issue in the Board.</li> <li>• Providing credibility with funders and other external persons/organizations.</li> </ul> <p>(WASREB 2009, p. 16)</p>
Link to integrity	If properly conducted, a Self-Evaluation can have a profound impact on a Board of Directors understanding of responsibilities, perceptions and behaviour – also in regards to integrity. If answers are given honestly, it can provide the impetus for a BoD to resolve issues that have remained simmering unattended to and create synergy among the members (WASREB 2009, p. 16).
Examples/How to	<p>The BoD self-evaluation may be in 3 sections:</p> <p>Section A: Contains an evaluation format of the board by all members and is in three parts, i.e.</p> <ol style="list-style-type: none"> <li>1. Board Responsibility</li> <li>2. Board Operations</li> <li>3. Board Effectiveness</li> </ol> <p>Section B: Contains an evaluation format of the chairperson by other members of the board.</p> <p>Section C: Contains an evaluation format of individual members of the board by the chairman.</p> <p>It is recommended that the Board starts with Section A and then move on to Sections B and C when the members have become more familiar and comfortable with Self-Evaluations.</p> <p>(WASREB 2009, p. 16)</p>
Specific/generic	
Complex/simple	Simple
Mandatory/optional	Mandatory
References and Further readings	<p>WASREB. 2009. Corporate Governance Guidelines for the Water Services Sector.</p> <p>DALHOUSIE UNIVERSITY. 2005. Board Self-Evaluation Questionnaire.</p> <p>GB ASSOCIATES n.y. Self-evaluation checklist for board of directors.</p> <p>STYBEL AND PEABODY. 2005. Structural options for board self-evaluations.</p>

## 47 Sensitisation of Contractors

	<b>Integrity Management Instrument</b>
Description / Definition	To sensitize contractors means to cause partners, suppliers and other contractors to respond to certain stimuli, in this case to issues relating to integrity (OXFORD DICTIONARIES n.y.).
Purpose	The aim of sensitisation is to familiarise the contractors with the WSP's values, norms and integrity systems, and thus to foster fairness, honesty, and mutual trust between the WSP's and their contractors (LITZINGER 2012, p. 2).



Link to integrity	Sensitising contractors on integrity issues raises their awareness and may lead to the initiation of integrity management processes within their business. Above all, when informing contractors about possible sanctions, WSPs can increase the likelihood of contractors to comply with the WSP's integrity standards.
Examples/How to	Contractors can be sensitised through: <ul style="list-style-type: none"> <li>• Informational letters</li> <li>• Seminars</li> <li>• Awareness training</li> <li>• Workshops</li> <li>• Information upon contract signature</li> </ul> <p>(LITZINGER 2012, p. 2; INDEPENDENT CORRUPT PRACTICES AND OTHER RELATED OFFENCES COMMISSION 2013; GIABA 2012)</p> <p>An example for sensitising contractors is the Berlin Water Utility (Berliner Wasser Betriebe, BWB), where suppliers and service providers were informed about new corruption prevention measures within the BWB in separate letters (WIN 2009, p. 2).</p>
Specific/generic	
Complex/simple	Simple
Mandatory/optional	Optional
References and Further readings	GIABA. 2012. Praia hosts sensitization seminar for francophone and lusophone journalists in ECOWAS.
	INDEPENDENT CORRUPT PRACTICES AND OTHER RELATED OFFENCES COMMISSION. 2013. Summary of Report of the inauguration of the anti-corruption and transparency unit (ACTU) and Gender sensitization workshop for cross river basin development authority, 4-5th October 2012. <a href="http://icpc.gov.ng/icpc-inaugurates-sensitizes-actu-of-cross-river-basin-development-authority-read-full-report/">http://icpc.gov.ng/icpc-inaugurates-sensitizes-actu-of-cross-river-basin-development-authority-read-full-report/</a> (AAccessed on 28.3.2013).
	OXFORD DICTIONARIES. n.y. Sensitize. <a href="http://oxforddictionaries.com/definition/english/sensitize">http://oxforddictionaries.com/definition/english/sensitize</a> (Accessed on 19.4.2013)
	LITZINGER. 2012. Integrity management at GIZ.
	WIN. 2009. Case information sheet. Corruption prevention strategies of the BWB.

## 48 Service or Customer Charter

	<b>Integrity Management Instrument</b>
Description / Definition	A Service Charter (also called Customer Charter) is a covenant between a service provider and a customer that informs customers about the services a utility provides, utility practices, but also rights and obligations of consumers (PPOA 2010).
Purpose	A Service Charter creates awareness on the role of a service provider, gives insights on its core activities, the services offered, the standards set, and also avenues for remedy where services fall short of standards. A Service Charter supports a service provider in its continuous





	improvement (PPOA 2010). WASREB demands that a WSP's board of directors must ensure that there is a Service Charter created and that is communicated to its stakeholders and consumers in the service area. The Service Charter should include the standards of service to be delivered and how complaints will be addressed (WASREB 2009, p. 9).
Link to integrity	Service Charters transparently lay down both services offered by a WSP as well as the duties of consumers (WASREB 2013, p. 17). As such, they are a type of social contract that is valid for all customers. In this way, a Service Charter promotes integrity and transparency.
Examples/How to	<p>A service charter may contain the following:</p> <ul style="list-style-type: none"> <li>• Specific service standards, such as continuity of supply, water quality, interval of taking water samples, pressure.</li> <li>• Information on the prices, if available.</li> <li>• A procedure for handling complaints.</li> <li>• Procedures for new connections.</li> <li>• Information on customers' rights.</li> <li>• Information on customers' duties (such as paying bills, water metering, and providing access to meter controls).</li> <li>• Information on sanctioning measures (such as surcharges, conditions for disconnections and reconnections).</li> <li>• Customer care phone numbers.</li> </ul> <p>(WASREB 2013, p. 17-20)</p>
Specific/generic	Specific
Complex/simple	Simple
Mandatory/optional	Optional
References and Further readings	<p>PPOA (Kenyan Public Procurement Oversight Authority. 2010. The service charter. <a href="http://www.ppoa.go.ke/index.php?option=com_content&amp;view=article&amp;id=95&amp;Itemid=138">http://www.ppoa.go.ke/index.php?option=com_content&amp;view=article&amp;id=95&amp;Itemid=138</a></p> <p>WASREB. 2009. Corporate Governance Guidelines for the Water Services Sector.</p> <p>WASREB. 2013. Consumer Engagement Guideline (final draft).</p> <p>CITY OF CAPY TOWN WATER AND SANITATION DEPARTMENT. n.y. Customer service charter.</p> <p>EAWA. 2011. Water customer service charter guidelines.</p> <p>NWSC. n.y. Customer Charter NWSC.</p>

## 49 Seven Golden Rules for Handling Cash

	<b>Integrity Management Instrument</b>
Description / Definition	Cash handling is a business activity that involves accepting, counting, tracking or dispensing cash (WISEGEEK n.y.). The Seven Golden Rules For Handling Cash, according to MANGO (2012), are simple but effective guidelines to manage cash in an organisation.



Purpose	Rules for cash handling aim to give guidelines to prevent mishandling or loss of WSP funds, and intend to ensure consistency of cash handling (UNIVERSITY OF WELLINGTON n.y., p.1). Clear cash handling processes help to keep petty cash under control. All payments made out of petty cash should be made in accordance with the WSP's policy governing petty cash use. Petty cash should mainly be used for emergencies or in very small amounts.
Link to integrity	Petty cash tends to be prone to integrity issues. Anyone responsible for sorting or handling cash is in the position to steal it or assist others in stealing it. A simple and clear process and management of cash helps to prevent corruption, theft or fraud (UN OFFICE ON DRUGS AND CRIME 2004).
Examples/How to	The Seven Golden Rules for Handling Cash are (MANGO 2012, p. 91f.):  <ol style="list-style-type: none"> <li>1. <b>Keep money coming in separate from money going out-</b> Never put cash received into the petty cash tin, as this will lead to error and confusion in the accounting records. All money coming into the organisation must be paid into the bank promptly and entered into the records before it is paid out again. Otherwise, it will lead to distortion of financial information.</li> <li>2. <b>Always give receipts for money received-</b> This protects the person receiving the money and assures the person handing it over that it is properly accounted for. Receipts must be written in ink and preferably from a numbered receipt book.</li> <li>3. <b>Always obtain receipts for money paid out-</b> If not possible, the cost of each transaction should be noted down straight away so that the amounts are not forgotten and so that they can then be transferred to a petty cash slip and authorised by a line manager.</li> <li>4. <b>Pay surplus cash into the bank-</b> Having cash lying around in the office is a temptation for theft. Additionally, the money would be better managed if it were earning interest on a bank account.</li> <li>5. <b>Have properly laid down procedures for receiving cash-</b> There should always be two people present when opening cash collection boxes in order to protect those handling money. Both should count the money and sign a receipt.</li> <li>6. <b>Restrict access to petty cash and the safe-</b> Keys to the petty cash box and the safe should only be given to authorised individuals. This should be recorded in the organisation's Delegated Authority document.</li> <li>7. <b>Keep cash transactions to an absolute minimum-</b> Petty cash should only be used for payments when all other methods are inappropriate. Wherever possible, suppliers' accounts should be set up and invoices paid by cheque, as this produces a parallel set of accounts in the form of the bank statement and ensures that only authorised people make payments. Thus, it reduces the likelihood of theft or fraud.</li> </ol>
Specific/generic	Specific
Complex/simple	Simple
Mandatory/optional	Optional
References and Further readings	MANGO. 2012. Financial Management Essentials. A Handbook for NGOs.  UN OFFICE ON DRUGS AND CRIME. 2004. UN anti-corruption toolkit.  UNIVERSITY OF WELLINGTON. n.y. Cash handling procedure.



	<p>WISEGEEK. N.y. What is cash handling? <a href="http://www.wisegeek.com/what-is-cash-handling.htm">http://www.wisegeek.com/what-is-cash-handling.htm</a> (Accessed on 23.4.2013).</p> <p>NORTHUMBRIA UNIVERSITY. 2011. Cash handling procedure.</p> <p>BYSTRYNSKI. N.y. Handling cash: 6 simple steps. <a href="http://www.ptoday.com/ptoday-articles/article/391-handling-cash-6-simple-steps">http://www.ptoday.com/ptoday-articles/article/391-handling-cash-6-simple-steps</a> (Accessed on 23.4.2013).</p> <p>UN HABITAT. 2008. Finance and accounts policies and procedures manual.</p>
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## 50 Smart Meters

	<b>Integrity Management Instrument</b>
Description / Definition	Smart Water Meters measure water consumption or abstraction and communicate that information in an automated fashion for monitoring and billing purposes. They measure consumption in more detail than conventional meters and have the benefit that they transmit the information back to the service provider without the need for manual readings (HOPE ET AL. 2011, p. 4)
Purpose	Smart Water Metering aims to reduce the inefficiencies in water supply systems by, for instance, reducing non-revenue water and increasing revenue. In addition, Smart Meters reduce costs relating to meter reading, complaint investigation, customer call centre services and transportation. Furthermore, they enable flexible tariff structures through improved date management and allow WSPs to monitor water resources remotely (HOPE ET AL 2011, p. 5)
Link to integrity	Smart Water Meters offer a number of benefits that relate to integrity (HOPE ET AL. 2011, p. 9): <ul style="list-style-type: none"> <li>• They allow remote detection of illegal connections</li> <li>• They increase billing accuracy to promote payments that reflect consumption (see instrument “Transparency of Bills”)</li> <li>• They prevent corrupt practices relating to meter reading and illegal connections</li> </ul>
Examples/How to	Smart Metering Systems can be configured in many ways, and when broadly defined, the term includes both Automated Meter Reading (AMR) and Advanced Metering Infrastructure (AMI) systems. While the former refers to a system that allows automatic collection of meter readings by radio transmission, the latter system involves two-way communication in which consumption information can be transmitted to WSPs, and commands can be sent to meters to undertake specific functions (HOPE ET AL. 2011, p. 4).
Specific/generic	
Complex/simple	Complex
Mandatory/optional	Optional
References and Further readings	HOPE ET AL 2011. Smart Water Systems. Project report to UK DFID, April 2011. AWA. n.y. What are smart meters? Fact sheet.



	<p>BLOM ET AL. 2010. Developing a policy position on smart water metering.</p> <p>EEI-AEIC-UTC. 2011. Smart meters and Smart meter systems. A metering industry perspective.</p> <p>MARCHMENT HILL. 2010. Smart water metering cost benefit study.</p> <p>ORACLE UTILITIES. 2009. Smart metering for water utilities.</p>
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## 51 Social Monitoring and Accountability

	Integrity Management Instrument
Description / Definition	<p>Accountability can be defined as the obligation of power-holders to take responsibility for their actions. Social accountability is an approach that aims to build accountability that relies on civic engagement, where citizens participate in demanding accountability from service providers and public officials. It generally combines information on rights and service delivery with collective action for change.</p> <p>(WORLD BANK 2009, p.1)</p>
Purpose	<p>Social Accountability serves three main purposes (WORLD BANK 2004, p.5):</p> <ul style="list-style-type: none"> <li>• <b>Improved governance:</b> Social accountability mechanisms allow ordinary citizens to access information, voice their needs, and demand accountability. Social Accountability practices enhance the ability of citizens to move beyond mere protest toward engaging with decision makers in a more informed, organized, constructive and systematic manner, thus increasing the chances of effecting positive change.</li> <li>• <b>Increased development effectiveness:</b> By enhancing the availability of information, strengthening citizen voice, promoting dialogue and consultation, social accountability mechanisms can go a long way toward improving the effectiveness of water service delivery and making public decision-making more transparent, participatory and pro-poor.</li> <li>• <b>Empowerment</b> (expanding freedom of choice and action) By providing critical information on rights and entitlements and soliciting systematic feedback from poor people, Social Accountability mechanisms provide a means to increase and aggregate the voice of disadvantaged and vulnerable groups. This enhanced voice empowers the poor and increases the chance of greater responsiveness on the part of the state to their needs</li> </ul>
Link to integrity	<p>Social accountability is recognized as a way to step toward democratic governance (WORLD BANK 2009, p. 1)</p> <p>Involving the public in monitoring WSPs performance enhances transparency and exposes potential failures and misdeeds – thus Social Accountability mechanisms are also powerful tools against corruption (WORLD BANK 2004, p. 7).</p> <p>By enhancing Social Accountability, credibility and recognition for performance can be gained, which can change the environment in the direction of performance rather than patronage (WORLD BANK 2009, p. 2).</p>
Examples/How to	<p>Increasing Social Accountability can be done through tools like participatory policy-making, participatory budgeting, public expenditure tracking, investigative journalism, public commissions, citizen advisory boards as well as citizen</p>



	<p>monitoring and evaluation - or specifically for the Kenyan Water Sector the Water Action Groups (WAGs). (WORLD BANK 2009, p. 2; WORLD BANK 2004, p. 8-9). In general, Social Accountability builds on five blocks</p> <ul style="list-style-type: none"> <li>• Mobilizing and sensitizing the population towards a problem (e.g. too high water prices)</li> <li>• Building a credible evidence base, collecting information serves to hold public officials accountable.</li> <li>• Going public, spreading the collected (and aggregated) information.</li> <li>• Rallying support and building coalitions with different partners.</li> <li>• Advocating and negotiating change: demanding a response from public officials and effecting a real change is the most difficult part.</li> </ul> <p>In an effort to strengthen the accountability and customer orientation of WSPs, in 2010/11 WASREB pilot the use of Water Action Groups (WAG) in several Kenyan towns. WAGs consist of locally based groups of volunteers, mandated and carefully recruited by the regulator. They are working with 10 WSPs in their respective service areas, delivering consumer sensitisation support and articulating consumer interests vis-à-vis sector institutions. As partners of WSPs, they negotiate with the water companies on matters of service provision, and follow up long-standing complaints, especially in low-income areas. Their work is framed by WASREB's consumer engagement guideline (WASREB n.y.)</p>
Specific/generic	Specific
Complex/simple	complex
Mandatory/optional	optional
References and Further readings	<p>WASREB. n.y. Consumer Engagement Guideline (final draft).</p> <p>WORLD BANK. 2009. Scaling up Social Accountability in WB operations.</p> <p>WORLD BANK. 2009. Improving Transparency, Integrity, and Accountability in Water Supply and Sanitation - Action, Learning, Experiences.</p> <p>ANSA EAP. 2010. A Manual for Trainers on Social Accountability.</p> <p>GIZ. 2013. Good Governance in the Kenyan Water Sector.</p> <p>WATERAID. 2010. Social accountability.</p> <p>WORLD BANK. 2009. Improving Transparency, Integrity, and Accountability in Water Supply and Sanitation - Action, Learning, Experiences.</p> <p>WORLD BANK INSTITUTE. 2010. Improving governance in water supply through social accountability.</p>



## 52 Sophisticated Checklist for Audits

	<b>Integrity Management Instrument</b>
Description / Definition	<p>An Audit is a formal examination of an organization’s records, procedures and activities, resulting in a report containing the findings. As a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and processes, an audit helps an organization accomplish its objectives (OECD 2011, p. 6).</p> <p>An Audit Checklist is a document that contains a list of tasks that need to be completed when performing an audit (SOX 2006; WESTFALL 2011; WISEGEEK n.y).</p>
Purpose	Using an Audit Checklist provides a documentation process for the audit that helps to shape the specifics of what needs to be looked at and how to measure the results. The goal of Audit Checklists is to add organisation and structure to audits and to ensure complete coverage (SOX 2006, WESTFALL 2011, WISEGEEK n.y.; RICHARDS n.y.).
Link to integrity	Audits increase the WSP’s credibility and are a crucial instrument to demonstrate transparency and accountability (MANGO 2012, p. 101). Being based on sampling, an audit is not designed to provide absolute assurance to detect errors or – worse – fraud. However, these checks are an established preventive tool against fraud in organisations. They also play a pivotal role in preventing corruption (OECD 2011, p. 9). By enhancing the quality of audits, Audit Checklists greatly contribute to integrity.
Examples/How to	<p>A number of aspects should be considered when developing an Audit Checklist (RICHARDS n.y.):</p> <ul style="list-style-type: none"> <li>• Define what you want to audit, how it can be done and what outcomes are desired.</li> <li>• Document the questions that can yield measurable answers.</li> <li>• Develop measurements (and respective scoring methods) that correspond to the audit’s objective.</li> <li>• Develop a checklist document that captures the result of the audit.</li> <li>• Perform quality assurance testing in order to find out if the criteria in the audit are valid and make sense for the desired outcomes.</li> </ul> <p>The following issues may be part of an Audit Checklist (adapted from SOX 2006):</p> <ul style="list-style-type: none"> <li>• Accounting policies exist, are kept current, and are communicated to the appropriate personnel.</li> <li>• Close procedures, including due dates, responsibilities, disclosure updates, and account classifications are defined, communicated, and implemented.</li> <li>• Access to accounting and reporting applications is limited to the appropriate individuals.</li> <li>• There is a checklist of the standard closing journal entries made at month-end, quarter-end, and year-end.</li> <li>• Pre-numbered vouchers are used to ensure that all non-recurring entries are processed only once in the system.</li> <li>• Write-offs and reserves are clearly defined, consistently applied, and monitored in accordance with company policy.</li> <li>• All account balances are reconciled prior to closing the books, including confirming that balances agree with related parties.</li> <li>• Significant variances in reconciliations are investigated and resolved in a timely manner.</li> </ul>





	<ul style="list-style-type: none"> <li>• Fluctuation analysis of actual to budget or prior periods is performed.</li> <li>• The financial reporting package is reviewed by management before submission to corporate offices.</li> <li>• Duties are appropriately segregated in the closing process.</li> </ul>
Specific/generic	Specific
Complex/simple	Simple
Mandatory/optional	Mandatory
References and Further readings	<p>MANGO. 2012. Financial Management Essentials. A Handbook for NGOs.</p> <p>OECD. 2011. Internal Control and Internal Audit. Ensuring Public Sector Integrity and Accountability.</p> <p>RICHARDS. N.y. How to design an audit checklist. <a href="http://www.ehow.com/how_6565214_design-audit-checklist.html">http://www.ehow.com/how_6565214_design-audit-checklist.html</a> (Accessed 19.4.2013).</p> <p>SOX 2006 Audit Checklists.</p> <p>WESTFALL. 2011. From audit requirements to checklist items to evidence gathering plans.</p> <p>WISEGEEK. n.y. What is an audit checklist? <a href="http://www.wisegeek.com/what-is-an-audit-checklist.htm">http://www.wisegeek.com/what-is-an-audit-checklist.htm</a> (Accessed on 19.4.2013).</p> <p>GOVERNMENT OF KENYA. n.y. Part I. Internal auditing regulations.</p> <p>GOVERNMENT OF KENYA. n.y. Internal audit manual. Appendices.</p> <p>NATIONAL COUNCIL FOR LAW REPORTING. 2012. The public finance management act 2012.</p> <p>UNITED NATIONS. 2009. Audit Manual.</p>

## 53 Sound Billing System

	<b>Integrity Management Instrument</b>
Description / Definition	In a Sound Billing System, the billing and payment patterns are regulated, monitored and externally audited; the bills accurate and transparent; the transactions, procedures and services correctly documented, and customer records properly stored and protected (BRITISH COLUMBIA MINISTRY OF HEALTH n.y.; SPARTANBURG REGIONAL HEALTH SERVICES DISTRICT n.y., p. 19-20).
Purpose	A Sound Billing System doesn't only allow for the identification and adjustment of inappropriate and incorrect billing practices but also improves the management of expenditures (BRITISH COLUMBIA MINISTRY OF HEALTH n.y.). Additionally, accurate bills are an important tool of communication that can encourage water consumers to engage in increasing water conservation (ASIAN WATER AND WASTEWATER 2013).





Link to integrity	Transparent billing systems are the hallmark of effective governance (K'AKUMU 2007, p. 533). By implementing a Sound Billing System, WSPs can detect and prevent dishonest activities related to billing and payment, such as bribery, petty cash theft or money laundering. It also increases the financial accountability and transparency.
Examples/How to	Examples of Sound Billing include: <ul style="list-style-type: none"> <li>• the use of standard invoices</li> <li>• the development and maintenance of supporting documentation (for all expenditures and incomes)</li> <li>• the implementation and verification of a billing system process</li> <li>• a good filing system to keep everything in order</li> </ul> (KONOVE ET AL 2011, p. 5-22)
Specific/generic	
Complex/simple	Complex
Mandatory/optional	Optional
References and Further readings	<p>ASIAN WATER AND WASTEWATER. 2013. The bill of confusion. <a href="http://sahanasingh.wordpress.com/2013/03/21/the-bill-of-confusion/">http://sahanasingh.wordpress.com/2013/03/21/the-bill-of-confusion/</a> (Accessed on 17.4.2013).</p> <p>BRITISH COLUMBIA MINISTRY OF HEALTH. n.y. Billing Integrity Program. <a href="http://www.health.gov.bc.ca/msp/infoprac/bip.html">http://www.health.gov.bc.ca/msp/infoprac/bip.html</a> (last accessed on 25.3.2013).</p> <p>KONOVE E, GRIFFITH E, WILSON A, SEPULVEDA J. 2011. The Billing Process. Sound Practices to Ensure Financial Integrity. Panel contribution to the 70th Annual Meeting of the Southeastern Association of State Highway and Transportation Officials (SASHTO) in Louisville, KY.</p> <p>K'AKUMU. 2007. Toward effective governance of water services in Kenya.</p> <p>MANGO.2012. Financial Management Essentials. A Handbook for NGOs. Oxford: Management Accounting for Non-governmental Organisations.</p> <p>SPARTANBURG REGIONAL HEALTH SERVICES DISTRICT, INC. N. Y. Guide of Integrity. Standards of Ethical Conduct. Spartanburg: Spartanburg Regional Health Services District, Inc.</p> <p>GAUDIN. 2004. Transparent prices for municipal water. Impact of pricing and billing practices on residential water use.</p> <p>WSP. 2008. Developing effective billing and collection practices.</p> <p>UN HABITAT. 1999. Community managed system for operation, billing and collection of water charges.</p>



## 54 Staff Engagement to Curb Corruption

	<b>Integrity Management Instrument</b>
Description / Definition	Staff engagement in Corruption Prevention Committees (CPCs), or Integrity Committees (IC) allows institutions from both the public and private sectors to spearhead and mainstream anti-corruption measures. The responsibility of such committees is to keep a constant check on organisational operations and procedures and to ensure that there are no or minimal opportunities for corruption (adapted from DCEC n.y.).
Purpose	Getting staff emotionally engaged in curbing corruption, letting them formulate their own anti-corruption measures and showing their contribution to the WSP's performance can not only enhance behaviour with integrity, but also increase customer satisfaction, productivity and profitability. Involving them in leading change, letting them generate their own activity plans and letting them implement measures themselves can unveil hidden qualities and be a great source for creativity, innovation, quality and improvements. (JOSTLE 2012, CAPACITY PROJECT 2009, p.1).
Link to integrity	Staff Engagement can lead to a more emotionally engaged workforce. Giving them a broader perspective, sharing feedback and letting them understand how their actions influence the customers' perception of service quality can decrease corruption and increase staff motivation and customer satisfaction, as well as lead to higher productivity (JOSTLE 2012).
Examples/How to	<p>While developing a staff engagement strategy, there are several useful tips, such as (EMPLOYEE ENGAGEMENT NETWORK n.y., p.24; JOSTLE 2012):</p> <ul style="list-style-type: none"> <li>• Clarify the purpose continuously: People need to know the grand purpose to which they are subscribing.</li> <li>• Show how they contribute: Show staff the results and give them the broader perspective.</li> <li>• Involve staff in leading change.</li> <li>• Foster communication</li> <li>• Use external and internal feedback.</li> <li>• Act on it: Show that the company cares by acting on the feedback. Better yet, involve people in implementing those actions.</li> <li>• Track your progress, celebrate your success and learn from your challenges.</li> <li>• Create an employee engagement advisory team that includes staff from all departments.</li> </ul> <p>One example of staff engagement is with health workers in rural facilities in Kenya who have developed their own activity plans to test low-cost approaches for improvement during team workshops. Such staff engagement led to higher satisfaction and motivation, and a higher use of the facilities' services (CAPACITY PROJECT 2009).</p> <p>Corruption Prevention Commissions (CPCs) or Integrity Commissions (ICs) are internal commissions whose responsibility it is to keep a constant check on organisational operations and procedures and to ensure that there are no or</p>



	<p>minimal opportunities for corruption (DCEC n.y.). The committee's role is to coordinate anti-corruption strategies in the organisation, specifically (KENYA ANTI-CORRUPTION COMMISSION 2007, p. 3f):</p> <ul style="list-style-type: none"> <li>• Setting priorities in the prevention of corruption within the relevant organizations.</li> <li>• Planning and coordinating corruption prevention strategies.</li> <li>• Integrating all corruption prevention initiatives in their organizations.</li> <li>• Monitoring and evaluating the impact of corruption prevention initiatives.</li> </ul>
Specific/generic	
Complex/simple	
Mandatory/optional	
References and Further readings	<p>JOSTLE 2012 9 Simple Ideas for Employee Engagement. URL: <a href="http://www.jostle.me/blog/9-simple-ideas-for-employee-engagement/">http://www.jostle.me/blog/9-simple-ideas-for-employee-engagement/</a> [Accessed: 25.04.2013]</p> <p>EMPLOYEE ENGAGEMENT NETWORK n.y. The Top Tens of Employee Engagement.</p> <p>DCEC. n.y. Corruption Prevention Division. URL: <a href="http://www.dcec.gov.bw/en/dcec-structure-topmenu-44/corruption-prevention">http://www.dcec.gov.bw/en/dcec-structure-topmenu-44/corruption-prevention</a></p> <p>ANTI CORRUPTION COMMISSION ZAMBIA. n.y.. Integrity Committees. URL: <a href="http://www.acc.gov.zm/?page_id=373">http://www.acc.gov.zm/?page_id=373</a></p> <p>KENYA ANTI-CORRUPTION COMMISSION 2007 Framework for Mainstreaming Corruption - Prevention in Public Institutions</p>

## 55 Standard Operating Procedures

	<b>Integrity Management Instrument</b>
Description / Definition	A Standard Operating Procedure (SOP) is a set of written instructions that document a routine or repetitive activity followed by an organization. SOPs address the who, what, where and when of an activity (EPA 2007, p. 1; BETHMANN n.y., p. 2).
Purpose	The development and use of SOPs is an integral part of a successful quality system, as they provide individuals with the information to perform a job properly, minimise variability and facilitate consistency and standardisation of the quality and integrity of a product or end-result. The term "SOP" may not always be appropriate and terms such as protocols, instructions, worksheets, and laboratory operating procedures may also be used (EPA 2007, p. 1; BERTHMANN n.y., p. 3).
Link to integrity	The development and use of SOPs minimizes variation and promotes quality through consistent implementation of a process or procedure within the organization, even if there are temporary or permanent personnel changes. SOPs can indicate compliance with WASREB guidelines and governmental requirements, and can be used as a part of a personnel training program, since they should provide detailed work instructions. They minimize opportunities for



	<p>miscommunication and can address safety concerns. When historical data are being evaluated for current use, SOPs can also be valuable for reconstructing project activities when no other references are available. In addition, SOPs are frequently used as checklists by inspectors when auditing procedures. Ultimately, the benefits of a valid SOP are reduced work effort, along with improved comparability, credibility, and legal defensibility (EPA 2007, p. 1f).</p>
Examples/How to	<p>When developing SOPs, one should consider the following aspects:</p> <ul style="list-style-type: none"> <li>• SOPs should be written in a concise, step-by-step, easy-to-read format.</li> <li>• They should be clear, complete, consistent and controlled. The information presented should be unambiguous and not overly complicated. SOPs should not include vague wording but should be formulated as precisely as possible.</li> <li>• SOPs need to remain current to be useful. Therefore, whenever procedures are changed, SOPs should be updated and re-approved.</li> <li>• Use a checklist of a consolidated set of work instructions for complex procedures</li> <li>• Procedures should be written in chronological order</li> <li>• Troubleshooting should be included where applicable</li> <li>• Use the same format, font and tone for all SOPs</li> <li>• The SOPs should be made up of the sections a) purpose, b) references, c) materials d) procedure, e) forms and documentation</li> <li>• Envision areas where deviation from SOPs may occur and address it (EPA 2007, p. 2f; BETHMANN n.y., p. 5-21).</li> </ul>
Specific/generic	
Complex/simple	Simple
Mandatory/optional	Optional
References and Further readings	<p>BETHMANN. n.y. Standard Operating Procedures.</p> <p>EPA 2007 Guidance for Preparing Standard Operating Procedures</p> <p>GLEASON. 2013. Standard operating procedures (SOPs) –a quick guide. <a href="http://clinfield.com/2013/03/standard-operating-procedures-sops/">http://clinfield.com/2013/03/standard-operating-procedures-sops/</a> (Accessed on 22.4.2013).</p> <p>GRUSENMEYER. n.y. Developing effective Standard Operation Procedures.</p> <p>HOMELAND SECURITY AND SAFECOM. n.y. Writing guide for standard operating procedures.</p> <p>LORETTE. N.y. How do I write a standard operations procedures manual? <a href="http://smallbusiness.chron.com/write-standard-operations-procedures-manual-2596.html">http://smallbusiness.chron.com/write-standard-operations-procedures-manual-2596.html</a> (Accessed on 22.4.2013).</p>

## 56 Standard Procedures for WARIS Reporting



	<b>Integrity Management Instrument</b>
Description / Definition	WSPs are required to report their activities under section 50(1-4) of the Water Act, 2002, into the Water Regulation Information System (WARIS). WARIS is a database application software established to facilitate data entry, aggregation, and evaluation of data for the WSPs, WSBs, and WASREB. Nationwide summaries of WARIS data are published annually in the WASREB Impact Reports (WASREB 2007; WASREB 2012).
Purpose	In the WARIS system, information can be easily entered and processed automatically, while the three different levels (WASREB, WSB, WSP) are connected. The system generates reports on three different levels, allowing each party to benefit from the system by receiving their own automated report. In this, WARIS is a key information tool in the sector. It allows monitoring of the Water and Sanitation Sector and enables WSPs to: <ul style="list-style-type: none"> <li>• Report in an efficient manner to the ministry, the regulator, their owner, customers, and other stakeholders.</li> <li>• Compare their performance with other WSPs.</li> <li>• Use WARIS for their internal management purposes.</li> </ul> (WASREB 2007, p. 7; GIZ 2007, p. 17)
Link to integrity	Correct and honest reporting based on the mandatory WARIS system leads to better identification of potential threats and strengths regarding the company's performance. The reporting guidelines mandate to report to various stakeholders (such as the regulator WASREB, the company's customers and certain ministries). This in turn enhances transparency and enables shareholders to hold the WSP and BoD accountable. Furthermore, benchmarking with other WSPs may lead to the aspiration of having a good reputation. This can be a stimulus to ethical behaviour for the managers and managing director. Various stakeholders (such as the public) have access to the reporting, allowing to validate information and share their own experiences. Such forms of participation are key elements to improve performance through higher levels of integrity, as they contribute to improving the WSP's ability to deliver quality services by taking the perspective of the clients into consideration.
Examples/How to	Required information for the annual report: <ul style="list-style-type: none"> <li>• General information (such as the number of board meetings per year, water and sanitation coverage, average service hours, etc.)</li> <li>• Financial management (such as revenues, subsidies, expenditures, balance sheets with fixed and current assets, investments, and financial sources)</li> <li>• Commercial management (such as metering, customer services, complaints, water connections, collection efficiency, water tariffs, rates, and fees)</li> <li>• Technical information (such as production and distribution details, water quality, treatment capacity of sewerage)</li> <li>• Personnel information (such as staff composition, connection metered per meter reader, number of staff per 1000 connections, training measures, and staff qualification)</li> </ul> All the reporting information is to be integrated into the WARIS system, a computerised databank system. (WASREB 2007, p. 8-9)
Specific/generic	



Complex/simple	Simple
Mandatory/optional	Mandatory
References and Further readings	<p>GIZ. 2007. Kenyan-German development cooperation in the water sector.</p> <p>WASREB. 2007. Reporting guidelines. Water Regulation Information System (WARIS).</p> <p>WASREB. 2012. Impact Report 5.</p> <p>UNDP AND WGF. 2007. Improving water governance in Kenya through the human rights-based approach.</p>

## 57 Strengthening Feedback and Communication with Customers

	<b>Integrity Management Instrument</b>
Description / Definition	Communicating with customers means providing customers with the necessary information that they fundamentally need to make informed decisions.
Purpose	Improving communication with customers and access to information increases transparency and accountability within the water sector. It is also an effective tool for WSPs to increase their marketing activities and adapt their services to the current demand (VIDICA 2012; WORLD BANK 2009, p. 116).
Link to integrity	Where information is not freely accessible, corruption can thrive and basic rights may not be realised. Armed with more and more useful information, customers can make sure they get the services they are entitled to (WORLD BANK 2009, p. 116; TRANSPARENCY INTERNATIONAL n.y.).
Examples/How to	<p>Concrete actions to improve customer feedback and communication include:</p> <ul style="list-style-type: none"> <li>• Providing performance-related information with bills</li> <li>• Providing customers with access to budget, expenditure and performance (see also Computerized Financial Accounting)</li> <li>• Mounting information campaigns on hygiene awareness and efficient use of water, as well as on investments made, coverage achieved, and quality of services</li> <li>• Holding workshops to explain contents of contracts for investments, works, and service provision</li> <li>• Publishing tariff structures</li> <li>• Conducting user surveys</li> </ul> <p>(WORLD BANK 2009, p. 116).</p>
Specific/generic	Specific
Complex/simple	Complex





Mandatory/optional	Optional
References and Further readings	<p>VIDICA. 2012. Best Practices for Communicating with Your Customers.</p> <p>WORLD BANK 2009 Improving Transparency, Integrity, and Accountability in Water Supply and Sanitation - Action, Learning, Experiences.</p> <p>TRANSPARENCY INTERNATIONAL. n.y. Access to Information. <a href="http://www.transparency.org/topic/detail/accesstoinformation">http://www.transparency.org/topic/detail/accesstoinformation</a> (Accessed on 16.4.2013).</p>

## 58 Strengthening Internal Auditing

	<b>Integrity Management Instrument</b>
Description / Definition	An Internal Auditing is defined as an independent and objective examination, monitoring and analysis of activities related to a company's operations (including its business structure, employee behavior, or information systems) (NATIONAL COUNCIL FOR LAW REPORTING 2012, p. 32; INVESTOPEDIA n.y.).
Purpose	<p>In an Internal Audit, the adequacy of WSP systems or procedures is reviewed, and it is made sure that they are implemented appropriately (MANGO 2012, p. 101). By bringing a systematic and disciplined approach to the evaluation and improvement of the effectiveness of risk management, control and governance processes, Internal Auditing aims to add value, improve operations and accomplish set objectives (NATIONAL COUNCIL FOR LAW REPORTING 2012, p. 32).</p> <p>While the internal auditing of financial statements is mandatory (WAREB 2010, p. 32), WSPs are free to conduct other internal audits.</p>
Link to integrity	Internal Audits increase the WSP's credibility and are a crucial instrument to demonstrate transparency and accountability (MANGO 2012, p. 101). Being based on sampling, an audit is not designed to provide absolute assurance to detect errors or worse, fraud. However, these independent (financial) checks are an established preventive tool against fraud in organisations. They also play a pivotal role in preventing corruption (OECD 2011, p. 9).
Examples/How to	<p>In Kenya, each national government entity needs to put the arrangements in place for conducting internal audits according to the guidelines of the Accounting Standards Boards. On behalf of the National Assembly, the Controller and Auditor-General shall examine, inquire into and audit the accounts of all accounting officers that deal with public money (MWENDA AND GACHOCHO 2003, p. 13). According to the Public Finance Management Act (2012), the Internal Auditor-General Department of the National Treasury needs to ensure that these arrangements include (NATIONAL COUNCIL FOR LAW REPORTING 2012, p.89-90):</p> <ul style="list-style-type: none"> <li>• Reviewing the governance mechanisms and mechanisms for transparency and accountability with regard to finances and assets.</li> <li>• Conducting risk-based, value-for-money and system audits in order to strengthen internal control mechanisms.</li> <li>• Verifying the existence of administered assets and ensuring their safeguards.</li> <li>• Providing assurance that the appropriate institutional policies and procedures and good business practices are followed.</li> <li>• Evaluating the adequacy and reliability of information available to the management for decision-making.</li> </ul> <p>Internal auditors, though generally independent of the activities they audit, are part of the organization they audit. In Kenyan WSPs, an internal auditor has to report to a mandatory Audit Committee, consisting of 3 directors, 2 of which should originate</p>





	<p>from the stakeholder group. The Audit Committee reviews the half-year and annual financial statements before submission to the Board (WASREB 2009, p. 13; NATIONAL COUNCIL FOR LAW REPORTING 2012, p. 90).</p> <p>Corrective action, perhaps by changing a procedure or training a staff member, can be implemented by the management based on internal audit reports (MANGO 2012).</p>
Specific/generic	
Complex/simple	
Mandatory/optional	
References and Further readings	<p>INVESTOPEDIA. n.y. Internal Audit. <a href="http://www.investopedia.com/terms/i/internalaudit.asp">http://www.investopedia.com/terms/i/internalaudit.asp</a> (Accessed on 26.4.2013).</p> <p>MANGO. 2012. Financial Management Essentials.</p> <p>MWENDA AND GACHOCHO. 2003. Budget transparency. Kenyan perspective.</p> <p>NATIONAL COUNCIL FOR LAW REPORTING. 2012. The public finance management act 2012.</p> <p>OECD. 2011. Internal control and internal audit.</p> <p>WASREB. 2009. Corporate Governance Guidelines for the Water Services Sector.</p> <p>WASREB. 2010. Service Provision Agreement.</p> <p>ACCA. 2012. Internal Audit.</p> <p>GOVERNMENT OF KENYA. N.y. Internal audit manual. Appendices.</p> <p>GOVERNMENT OF KENYA. n.y. Part I. Internal auditing regulations.</p> <p>GOVERNMENT OF KENYA. n.y. Part II. Audit Committees Regulations.</p> <p>MINISTRY OF FINANCE. n.y. Scope and authority of internal auditing in government. Internal audit charter. <a href="http://www.treasury.go.ke/index.php/component/content/article/60-internal-audit-department/187-scope-and-authority-of-internal-auditing-in-government">http://www.treasury.go.ke/index.php/component/content/article/60-internal-audit-department/187-scope-and-authority-of-internal-auditing-in-government</a> (Accessed on 26.4.2013).</p> <p>MINISTRY OF FINANCE. N.y. Extending the scope of internal auditing in government. <a href="http://www.treasury.go.ke/index.php/component/content/article/60-internal-audit-department/188-extending-the-scope-of-internal-auditing-in-government">http://www.treasury.go.ke/index.php/component/content/article/60-internal-audit-department/188-extending-the-scope-of-internal-auditing-in-government</a> (Accessed on 26.4.2013).</p> <p>MACGALLIVRAY ET AL. 2006. Risk analysis strategies in the water utility sector.</p> <p>OFFICE OF THE DEPUTY PRIME MINISTER AND MINISTRY OF FINANCE. n.y. Reforms In Public Finance Management.</p>



	UNITED NATIONS. 2009. Audit Manual.
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## 59 Supervision & Inspection of Staff

<b>Integrity Management Instrument</b>	
Description / Definition	While Staff Supervision is conducted by a line manager and comprises the overseeing of the productivity and the progress made by the employees, Staff Inspection is a process of checking other people’s work and is a quality control tool put in place by personnel who are not within the direct chain of command of the inspected people. Staff Inspection ensures that bureaucratic regulations and procedures are followed and that loyalty to the higher authorities is maintained (WANZARE 2012, p.1; PIERCE AND ROWELL 2006, p. 1; WAKEFIELD CHILDCARE 2013; MILWAUKEE POLICE DEPARTMENT 1988, p. 3-4; FLORIDA FISH AND WILDLIFE CONSERVATION COMMISSION 2012, p. 2)
Purpose	<p>The purpose of Staff Supervision is to monitor and promote the workers' performance and effectiveness as well as to enhance their professional and personal development. The benefits of supervision practices include facilitation of performance, improving the quality of work, and enabling instructional supervisors to monitor the staff's work.</p> <p>Staff Inspection, on the other hand, is conducted for:</p> <ul style="list-style-type: none"> <li>• Evaluation of quality, efficiency, and effectiveness of operations</li> <li>• Ensuring that the set goals are pursued</li> <li>• Certification that legal mandates, regulations, policies, and procedures are adhered to</li> <li>• Determination if resources are sufficiently and adequately used</li> <li>• Determination if equipment is properly maintained</li> <li>• Facilitation of performance</li> </ul> <p>Through regular inspections, patterns of organizational behaviour can be discerned and identified.</p> <p>(WANZARE 2012; NORDMANN 2012, p. 18; WAKEFIELDCHILDCARE 2013; FLORIDA FISH AND WILDLIFE CONSERVATION COMMISSION 2012, p. 1; EXECUTIVE OFFICE OF PUBLIC SAFETY AND SECURITY n.y.; MILWAUKEE POLICE DEPARTMENT 1988, p. 3-4)</p>
Link to integrity	Both supervision and inspection are important measures to enforce integrity. A lack of one of the two can make the staff feel as though they are free to act as they wish, which can lead to dishonest behaviour such as theft, fraud, and corruption. (GOGO KWS 2012, p. 19f; MILWAUKEE POLICE DEPARTMENT 1988, p. 3-4).
Examples/How to	<p>In order to be effective, supervision should:</p> <ul style="list-style-type: none"> <li>• Be fair and equal</li> <li>• Provide guidance and structure</li> <li>• Be consistent in time</li> <li>• Be encouraging and support growth</li> <li>• Foster a positive work climate and culture</li> <li>• Enhance professional and personal development</li> <li>• Be planned, regular, and systematic</li> <li>• Be negotiated between the supervisors and the subordinates</li> <li>• Be recorded and documented</li> </ul>



	<p>A survey on supervision in Kenyan schools showed that feedback, follow-up support, a time consistency, as well as clear policies for supervision can facilitate performance and improve the quality of work (WANZARE 2012).</p> <p>Effective inspection should:</p> <ul style="list-style-type: none"> <li>• Be accompanied by follow-up and penalties where needed</li> <li>• Yield accurate, persuasive, objective, and factual data, and provide conclusions and recommendations to the attention of supervisors</li> <li>• Be guided by an approved project work plan that describes the scope, goal, and methodological approach of the inspection</li> <li>• Be appropriately followed up</li> </ul> <p>(CIGIE 2011, p. 15-18; FLORIDA FISH AND WILDLIFE CONSERVATION COMMISSION 2012, p. 3; NYEWASCO 2007, p. 4; NORDMANN 2012, p. 25; PIERCE AND ROWELL 2006; WAKFEFIELD CHILDCARE 2013)</p>
Specific/generic	
Complex/simple	Complex
Mandatory/optional	Optional
References and Further readings	<p>COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND EFFICIENCY. 2011. Quality Standards for Inspection and Evaluation.</p> <p>EXECUTIVE OFFICE OF PUBLIC SAFETY AND SECURITY. n.y. Staff inspections. <a href="http://www.mass.gov/eopss/law-enforce-and-cj/law-enforce/prof-stds/staff-inspections.html">http://www.mass.gov/eopss/law-enforce-and-cj/law-enforce/prof-stds/staff-inspections.html</a> (Accessed on 28.3.2013)</p> <p>WANZARE 2012 Instructional Supervision in Public Secondary Schools in Kenya. URL; <a href="http://ema.sagepub.com/content/40/2/188.abstract">http://ema.sagepub.com/content/40/2/188.abstract</a> [Accessed: 24.04.2013]</p> <p>FLORIDA FISH AND WILDLIFE CONSERVATION COMMISSION. 2012. Staff inspections and accreditation management.</p> <p>GOGOKWS. 2012. Good Governance in the Kenyan Water Sector, GIZ &amp; WSRP.</p> <p>MILWAUKEE POLICE DEPARTMENT. 1988. Standard operating procedure. 500 - personnel evaluations/line and staff inspections.</p> <p>NORDMANN 2012. Policies, Pipes, and Participation of the People. Water Governance Practices on the Ground. Draft 3.</p> <p>NYEWASCO. 2007. Code of conduct for employees. Nyeri: NYEWASCO.</p> <p>PIERCE AND ROWELL. 2006. The 10 keys to effective supervision. A developmental approach. White paper January 2006.</p> <p>THEFREEDICTIONARY. n.y. Staff supervision. <a href="http://www.thefreedictionary.com/staff+supervision">http://www.thefreedictionary.com/staff+supervision</a> (Accessed on 28.3.2013).</p> <p>WAKEFIELD CHILDCARE. 2013. Staff supervision. Section 2. Definitions. <a href="http://wakefieldchildcare.proceduresonline.com/chapters/p_supervision.html">http://wakefieldchildcare.proceduresonline.com/chapters/p_supervision.html</a> (Accessed on 28.3.2013).</p>

## 60 Third-Party Oversight



	<b>Integrity Management Instrument</b>
Description / Definition	Third-party Oversight is an independent monitoring and investigation of operations and activities of an organisation by a third party (TRANSPARENCY INTERNATIONAL 2009)
Purpose	The purpose of Third-party Oversight is to ensure accountability and efficient use of resources (TRANSPARENCY INTERNATIONAL 2009).
Link to integrity	An independent Third-party Oversight in implementation and evaluation of WSPs increases transparency and verifies information on the impact of projects (GIZ 2013, p.32). When implemented in the context of important agreements, contracts and projects by an accepted and reputable third party can: <ul style="list-style-type: none"> <li>• Increase transparency</li> <li>• Increase liability</li> <li>• Ensure independent supervision</li> <li>• Ensure accurate financial information</li> <li>• Reduce risks for an organisation.</li> </ul>
Examples/How to	A WSP can define a Third-party Oversight on important agreements, contracts and projects. In certain cases (e.g. oversight of WASREB on the Service Provision Agreement between a WSP and the Water Service Board) such an oversight is mandatory. For other cases, an oversight by parliamentary bodies, water action groups (WAGs) or other public or civil bodies may help to build trust and safeguard the integrity in the provision of water and sanitation services by WSPs (OECD 2009, p. 17).
Specific/generic	Specific
Complex/simple	Simple
Mandatory/optional	Optional
References and Further readings	GIZ. 2013. Good Governance in the Kenyan Water Sector.  OECD. 2009. Private Sector Participation in Water Infrastructure.  TRANSPARENCY INTERNATIONAL. 2009. The Anti-Corruption Plain Language Guide.  WORLD BANK. 2009. Improving Transparency, Integrity, and Accountability in Water Supply and Sanitation - Action, Learning, Experiences.

## 61 Training & Sensitisation on Procurement Procedure

	<b>Integrity Management Instrument</b>
Description / Definition	As public institutions, WSPs are bound to the Public Procurement and Disposal Act (PPDA 2005), which outlines the rules, guidelines, standards and procedures for public procurement processes. This uniform guidance ensures transparency and accountability, enhances public confidence and facilitates economic development. Furthermore, it aims to promote fair competition and to improve the efficiency and effectiveness of operations in public entities (NATIONAL COUNCIL FOR LAW REPORTING 2010, p. 7; GOVERNMENT OF THE REPUBLIC OF SIERRA LEONE 2006, p. 8; WASREB 2009, p. 4). In order to make sure that WSP staff and officials are aware of these procedures, they need to be adequately trained and sensitised.



Purpose	<p>One of the main functions of the Public Procurement Oversight Authority of Kenya (PPOA) is to “develop, promote and support the training and professional development of persons involved in procurement” (NATIONAL COUNCIL FOR LAW REPORTING 2010, p. 13). Such training, based on the PPDA 2005, can provide awareness on the overall rules for Public Procurement. Additionally, the statutory liabilities and duties under the relevant laws (such as the PPDA 2005) are part of the training that members of the Board of Directors receive upon appointment (WASREB 2009, p. 8). Training that specifically targets procurement in the water sector can also be part of staff training and sensitisation, as the lack thereof can lead to inefficiency in WSP procurement. This can increase the overall costs for procurement.</p> <p>Besides clarifying the procedures of procurement, training and sensitisation aim to increase the officials’ and the staff’s awareness on the rights and wrongs in public procurement. This will help the WSP to know that when they act illegally, it negatively impacts the company’s performance, and there will be consequences if they are caught.</p>
Link to integrity	<p>Procurement Processes are particularly vulnerable to unethical conduct, as large sums of money can be involved. If the staff is trained insufficiently or inadequately on Procurement Procedures, the guidelines can be interpreted differently by WSP officials, which can lead to poor specification of requirements, inadequate bidding documentation and procedures, corruption, payment delays and inadequate contract management. If taking bribes is a common practice to win bids, or if nepotism and clientelism define the WSP’s relations with contractors and suppliers, the service provider suffers because orders do not go to the best and/or cheapest bidder, and price and quality of services are negatively affected (TRANSPARENCY INTERNATIONAL 2010, p. 2; (GOVERNMENT OF THE REPUBLIC OF SIERRA LEONE 2006, p. 8).</p> <p>Training and Sensitisation on Procurement Procedures make staff aware of what illicit behaviour in this area entails. Furthermore, knowledge of the Procurement Process is an effective instrument for staff to avoid engaging in corrupt practices.</p>
Examples/How to	<p>Training and Sensitisation on Procurement Procedure should encompass the whole Procurement Process:</p> <ul style="list-style-type: none"> <li>• Preparation for procurement, planning and strategy</li> <li>• Approval of specifications, terms of reference, procurement method and bidding documents</li> <li>• Announcement, solicitation and issue of bidding documents</li> <li>• Bid clarification, extension and cancellation</li> <li>• Reception of bids and bid opening</li> <li>• Risk assessment and management</li> <li>• Evaluation of bids and approvals</li> <li>• Contract approval, award, management, delivery and payment</li> <li>• Procurement reporting, monitoring and evaluation</li> <li>• Dispute management</li> <li>• Ethics and integrity in procurement (including possible actions employees can take if they are confronted with corruption or bribery)</li> </ul>



	(GOVERNMENT OF THE REPUBLIC OF SIERRA LEONE 2006; UNDP 2012, p. 4)
Specific/generic	Specific
Complex/simple	Simple
Mandatory/optional	Optional
References and Further readings	<p>BUSINESSDICTIONARY. n.y. Procurement. <a href="http://www.businessdictionary.com/definition/procurement.html">http://www.businessdictionary.com/definition/procurement.html</a> (Accessed on 22.4.2013).</p> <p>GOVERNMENT OF THE REPUBLIC OF SIERRA LEONE. 2006. Public procurement manual.</p> <p>NATIONAL COUNCIL FOR LAW REPORTING. 2010. The public procurement and disposal act. Chapter 412C.</p> <p>TRANSPARENCY INTERNATIONAL. 2010. Corruption and public procurement.</p> <p>UNDP. 2012. Procurement training and certification catalogue 2012.</p> <p>WASREB. 2009. Corporate Governance Guidelines for the Water Services Sector.</p> <p>EUROJUST. n.y. Procurement policy and procedure. <a href="http://eurojust.europa.eu/procurement/Pages/procurement-policy-procedure.aspx">http://eurojust.europa.eu/procurement/Pages/procurement-policy-procedure.aspx</a> (Accessed on 22.4.2013).</p> <p>KACC AND PPOA. 2009. Corruption prevention guidelines in public procurement.</p> <p>KENYA WATER INSTITUTE. 2012. Enhancing water integrity in the provision of quality water and sanitation services in Kenya.</p> <p>MINISTER FOR FINANCE. 2006. The public procurement and disposal act, 2005 Legislative Supplement No. 53.</p> <p>MINISTRY OF FINANCNE. n.y. Directorate of Public Procurement. <a href="http://www.treasury.go.ke/index.php/departments/directorate-of-public-procurement">http://www.treasury.go.ke/index.php/departments/directorate-of-public-procurement</a> (Accessed on 25.4.2013)</p> <p>OECD. 2010. Public procurement training for IPA beneficiaries.</p> <p>OECD.2008. Enhancing Integrity in Public Procurement. A Checklist.</p> <p>OCHIENG AND MUEHLE. n.y. Development and reform of the Kenyan public procurement system.</p> <p>OGACHI. n.y. Public Procurement in Kenya. Current practices and future direction.</p> <p>PUBLIC PROCUREMENT OVERSIGHT AUTHORITY. 2007. Assessment of the procurement system in Kenya.</p>





	TRANSPARENCY INTERNATIONAL. 2006. Curbing corruption public procurement.
	UNOPS. 2012. Transparency and public procurement.

## 62 Training and Sensitisation of BoD on Corporate Governance

	<b>Integrity Management Instrument</b>
Description / Definition	<p>“Corporate Governance refers to the establishment of an appropriate legal, economic and institutional environment that allows companies to thrive as institutions for advancing long-term shareholder value and maximum human-centred development while remaining conscious of their other responsibilities to stakeholders, the environment and the society in general.” (WASREB 2009)</p> <p>Training and Sensitising the Board of Directors (BoD) on Corporate Governance means providing the members with knowledge, skills and competencies on the principles of Corporate Governance.</p>
Purpose	<p>The purpose of sensitisation and training is to ensure that the BoD understands what Corporate Governance entails, and what their role and obligations comprise. In order to comply with Corporate Governance Principles, the BoDs need to acquire knowledge on:</p> <ul style="list-style-type: none"> <li>• Roles and responsibilities of the board</li> <li>• Integrity and ethical behaviour</li> <li>• Rights and equitable treatment of shareholders</li> <li>• Interests of other stakeholders, including employees, investors, creditors, suppliers, local communities, customers, and policy makers.</li> <li>• Disclosure and transparency</li> </ul> <p>Cost effective and efficient management and operation of water services can only be realized if the leadership in the water sector institutions is guided by the tenets of Good Governance (WASREB 2009, p. 5)</p>
Link to integrity	Familiarising BoDs with the principles of Corporate Governance provides a basis to foster upright behaviour of the BoDs (WASREB 2009). By providing BoD members with knowledge on their roles and responsibilities, ethical behaviour, integrity, and the rights of stakeholders, trainings on corporate governance reduce fraud and corruption, and ensure that the BoDs work efficiently.
Examples/How to	<p>All new board members must undergo a Good Governance training (standard obligation) (WASREB 2009, p. 9).</p> <p>Besides familiarising the BoDs with the concept of Corporate Governance, the training should also provide them with knowledge on how Corporate Governance can help to (WASREB 2009, p. 5):</p> <ol style="list-style-type: none"> <li>1. Ensure the profitability and efficiency of water services delivery.</li> <li>2. Create ethical business enterprises and their capacity to create wealth and employment.</li> <li>3. Ensure the long-term competitiveness of the water sector.</li> </ol>





	<p>4. Ensure the stability and credibility of the water sector financially.</p> <p>5. Improve relationships between the different players in the water sector so as to be able to deliver quality, affordable water in a sustainable manner.</p> <p>6. Improve the relationship between such water enterprises and their various stakeholders comprising shareholders, managers, employees, customers, suppliers, labour unions, communities, providers of finance, etc.</p>
Specific/generic	Specific
Complex/simple	Simple
Mandatory/optional	Mandatory
References and Further readings	<p>GIZ WAVEplus. 2013. Proposed Integrity Guideline Manual for the Kenyan Water Sector (Draft)</p> <p>NORDMANN. 2012. Deepening Governance in Water and Sanitation Services.</p> <p>WASREB. 2009. Corporate Governance Guidelines for the Water Services Sector.</p> <p>GIZ. 2012. WAVEplus Training Programme Report of the Water Integrity Training for the Private Water Operators and Staff of the Ministry of Water and Environment in Uganda</p> <p>KENYA WATER INSTITUTE. 2012. Enhancing Water Integrity in the Provision of Quality Water and Sanitation Services in Kenya - Documentation Report</p> <p>OECD. 2004. The OECD principles of corporate Governance.</p> <p>PRICEWATERHOUSECOOPERS. 2005. Corporate governance toolkit for small and medium enterprises.</p> <p>THE AUSTRALIAN SECURITIES EXCHANGE. n.y. ASX Corporate Governance Council Principles and Recommendations.. <a href="http://www.asx.com.au/governance/corporate-governance.htm">http://www.asx.com.au/governance/corporate-governance.htm</a> (Accessed on 22.03.2013).</p>

## 63 Training of Accounting Skills for Financial Staff

	<b>Integrity Management Instrument</b>
Description / Definition	Accounting is the classification and recording of monetary transactions and the presentation of financial results of activities in a way that shows how the business is doing (PEARSON EDUCATION n.y., p. 3). The purpose of accounting is to accumulate and report financial information about the performance, financial position and cash flows of a company. This information is then compiled into a financial statement, comprising the income statement, balance sheet, statement of cash flows and statement of retained earnings (ACCOUNTINGTOOLS 2011).
Purpose	Accounting and finance lie at the heart of any WSP, and serious faults within the management and control of the finances will sooner or later lead to its failure. Good accounting helps to keep the business under control and provides information and confidence to make the right decisions (RYAN 2008, p. 1). Ensuring that the WSP financial staff has sufficient accounting skills is essential to being able to produce proper financial statements.



Link to integrity	<p>Well-trained financial staff can ensure that accounting serves as an important measure to promote transparency and accountability. The use of transparent financial accounting information enhances the effectiveness of the governance process, which in turn can help prevent corruption (UN n.y.; VIRGINIA ET AL n.y.). Disclosure of financial statements and accounting can prevent (UN n.y., p. 11):</p> <ul style="list-style-type: none"> <li>• The establishment of off-the-books accounts</li> <li>• The making of inadequately identified transactions</li> <li>• Recording non-existent expenditures</li> <li>• Entry of liabilities with incorrect identification of their objects</li> <li>• Internal destruction of bookkeeping earlier than foreseen by the law</li> </ul>
Examples/How to	<p>Basic training in accounting should consist of:</p> <ul style="list-style-type: none"> <li>• Familiarising staff with basic concepts such as income statements, balance sheets, and debits and credits.</li> <li>• Providing staff with the necessary skills to operate a computerised financial accounting system.</li> <li>• Teaching staff the specific accounting requirements for the utility.</li> <li>• Training staff in bookkeeping.</li> <li>• Training staff in producing balance sheets and income statements.</li> </ul> <p>It is important that all staff working in finance (also clerks) have at least a basic understanding of accounting procedures.</p>
Specific/generic	
Complex/simple	Simple
Mandatory/optional	Optional
References and Further readings	<p>ACCOUNTINGTOOLS. 2011. What is the purpose of accounting? <a href="http://www.accountingtools.com/questions-and-answers/what-is-the-purpose-of-accounting.html">http://www.accountingtools.com/questions-and-answers/what-is-the-purpose-of-accounting.html</a> (Accessed on 19.4.2013).</p> <p>PEARSON EDUCATION. n.y. The importance of financial accounting.</p> <p>RYAN. 2008. The role of accounting and finance in business.</p> <p>UN. n.y. United Nations convention against corruption. Preamble.</p> <p>VIRGINIA ET AL. n.y. The role of financial accounting information in strengthening corporate control mechanisms to alleviate corporate corruption.</p> <p>MANGO. 2012. Financial Management Essentials - A Handbook for NGOs.</p> <p>THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. 2010. Mitigating the risks of corruption.</p> <p>UNHABITAT 2008 Finance and accounts policies and procedures manual.</p>

## 64 Transparency of Bills

	<b>Integrity Management Instrument</b>
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Description / Definition	Billing transparency means to provide access to and explanation of every process within the billing cycle (MONEYMAKER AND KENNEDY n.y., p. 2).
Purpose	Increased transparency of bills informs customers on their bills. If customers see what they are charged for, they may be more likely to pay their bills. In addition, accurate billing is an important tool of communication that can encourage water consumers to engage in water conservation (ASIAN WATER AND WASTEWATER 2013).
Link to integrity	Transparent billing systems are the hallmark of effective governance (K'AKUMU 2007, p. 533).  Increased transparency of bills gives customers the chance to crosscheck their water charges and – if necessary – to file a complaint if the amounts don't correspond. Thus, transparent billing impedes overpricing, as WSPs are forced to charge according to the correct tariffs (PRNEWSWIRE 2012).
Examples/How to	Strategies for a transparent water bill include: <ul style="list-style-type: none"> <li>• Using litres per day rather than other units (as they are harder to understand)</li> <li>• Distinguishing charges for drinking water from charges for other services such as wastewater</li> <li>• Providing simple comparisons of past water use to help the consumers to understand how their water use changes over time (PACIFIC INSTITUTE n.y., p. 2)</li> </ul> <p>A good example that fosters transparent bills is MajiSMS, which allows customers to check their account balances and meter readings via SMS (NAIROBI CITY WATER AND SEWERAGE COMPANY n.y.)</p>
Specific/generic	
Complex/simple	Simple
Mandatory/optional	Optional
References and Further readings	ASIAN WATER AND WASTEWATER. 2013. The bill of confusion. <a href="http://sahanasingh.wordpress.com/2013/03/21/the-bill-of-confusion/">http://sahanasingh.wordpress.com/2013/03/21/the-bill-of-confusion/</a> (Accessed on 17.4.2013).  GIZ.2012. WAVEplus Training Programme Report of the Water Integrity Training for the Private Water Operators and Staff of the Ministry of Waster and Environment in Uganda.  K'AKUMU. 2007. Toward effective governance of water services in Kenya.  MONEYMAKER AND KENNEDY. n.y. Billing transparency. See-through processes improve every step if the emergency medicine billing cycle.  NAIROBI CITY WATER AND SEWERAGE COMPANY n.y. Bill balance and meter reading. MajiSMS. <a href="http://www.nairobiwater.co.ke/">http://www.nairobiwater.co.ke/</a> (Accessed on 18.4.2013).  PACIFIC INSTITUTE. n.y. Water rates. Communication and Education.



	<p>PRNEWswire. 2012. Transparent billing may save governments billions. <a href="http://www.prnewswire.com/news-releases/transparent-billing-may-save-governments-billions-140846763.html">http://www.prnewswire.com/news-releases/transparent-billing-may-save-governments-billions-140846763.html</a> (Accessed on 23.4.2013).</p> <p>IRC. 2013. Applying a life-cycle costs approach to water.</p> <p>WASREB. N.y. Tariff Guidelines.</p> <p>SAMED. 2008. SAMED Policy and Procedure. Transparent invoicing model.</p>
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## 65 Transparent Board of Directors Proceedings

	<b>Integrity Management Instrument</b>
Description / Definition	The role of a Board of Directors (BoD) is to ensure the company's prosperity by collectively directing the company's affairs. Overseeing rather than actively managing the day-to-day operation, the BoD is responsible for the company's stewardship, and for meeting the interests of its shareholders and stakeholders (PROMETIC n.y, p.1, BREFIGROUP 2000, p.1).
Purpose	<p>By adequately structuring and documenting the roles, functions, procedures and proceedings of the BoD, the WSPs can increase their work flow (WASREB 2009, p. 6).</p> <p>Board of directors' meetings and proceedings should:</p> <ul style="list-style-type: none"> <li>• Ensure accessibility of board decisions by all stakeholders</li> <li>• Ensure that board decisions are made in line with the policies and interests of institution</li> <li>• Mitigate conflicts of interests for board members</li> <li>• Mitigate unjustified levels of board expenditures</li> </ul>
Link to integrity	By laying bare the BoD proceedings, the transparency for all stakeholders can be increased. The transparent proceedings can ensure that Board decisions are made in line with the policy and interest of the WSP and can help to mitigate unjustified levels of Board expenditures (GIZ WAVEplus 2013).
Examples/How to	<p>To ensure transparency in the Board proceedings, the following actions can be undertaken (adapted from WASREB 2009):</p> <ul style="list-style-type: none"> <li>• Have a schedule for the next year's full Board meetings at the end of every year.</li> <li>• Have only one full Board meeting per quarter. Extraordinary Board meetings should be communicated to the WSBs</li> <li>• All meetings should be properly recorded and the minutes of the proceedings kept. Minutes and papers of the Board should be circulated at least 7 days before a meeting.</li> <li>• Records of resolutions need to be kept and communicated in writing to shareholders and relevant stakeholders.</li> <li>• Documentation of Board decisions (minutes of meetings, reports on decisions, etc.) need to be accessible, for example on the website or in other modes of communication.</li> </ul>
Specific/generic	



Complex/simple	
Mandatory/optional	
References and Further readings	<p>BREFIGROUP. 2000. The Board of Directors – roles and responsibilities.</p> <p>GIZ WAVEplus. 2013. Proposed Integrity Guideline Manual for the Kenyan Water Sector.</p> <p>PROMETIC. n.y. Board of Directors Charter.</p> <p>WASREB. 2009. Corporate Governance Guidelines for the Water Services Sector.</p>

## 66 Transparent Procedures for Disconnection & Reconnection

	<b>Integrity Management Instrument</b>
Description / Definition	Procedures for Disconnection/ and Reconnection specify conditions for the termination/renewal of water provision, in particular due to non-payment of bills, by-passes of water meters and water theft.
Purpose	<p>Water disconnection is a severe sanctioning mechanism for customers who have</p> <ul style="list-style-type: none"> <li>illegally connected to water services,</li> <li>not paid their bills,</li> <li>manipulated or bypassed water meters</li> <li>not granted access for inspection, meter reading or maintenance.</li> </ul> <p>(WASREB n.y., p. 26-27).</p> <p>Clear Procedures for Disconnection and Reconnection serve several purposes.</p> <ul style="list-style-type: none"> <li>They inform customers transparently about their rights, but also their duties.</li> <li>Clear procedures also ensure that all customers – whether households or commercial users – are treated the same.</li> <li>Clearly laid out procedures support staff in fulfilling their duties (i.e. to justify a water disconnection), and reduce the risk for fraud.</li> </ul> <p>They reduce revenue losses for WSPs, as they can disconnect and reconnect customers more efficiently.</p>
Link to integrity	<p>Lacking principles for water disconnection and reconnection has the consequence that not all customers are treated equally. This is a direct risk for fraud and corruption (e.g. staff colluding with customers to illegally reconnect water, accepting bribes to be reconnected etc.).</p> <p>The Water Integrity Course conducted by GIZ in 2012 revealed the lack of policies on Water Disconnection as one of the main starting points for problems relating to corruption, fraud or bribery (KENYA WATER INSTITUTE 2012, p. 30).</p>
Examples/How to	Suppliers must put in place a full escalation process before disconnecting a customer. This process will include contacting and notifying the customer to inform them they are in arrears (e.g. by telephone and in writing), providing information on any options the customer has to make payment, and providing contact details for customers wishing to enter into a payment plan or, where appropriate, in the case of domestic customers, how to arrange a pre-payment meter or budget controller. A supplier may develop different escalation processes for domestic and non-domestic customers should they so wish. The process for each customer category must be



	<p>clearly set out (adapted from COMMISSION FOR ENERGY REGULATION n.y., p. 2-4).</p> <p>A WSP may disconnect service to a consumer on the occurrence of any of the following events (adapted from WASREB n.y., p. 26-27):</p> <ul style="list-style-type: none"> <li>• Non-payment of bills more than fourteen days in arrears, provided that the water service provider issues the 14-day notice to pay in its bill to consumers, subject to any modification by the WSB.</li> <li>• Unauthorized interference with or diversion of use of the water service provider service.</li> <li>• Unauthorized use or theft of water.</li> <li>• Refusal to grant access at reasonable times to equipment installed upon the premises of the consumer for the purpose of inspection, meter reading, or maintenance.</li> <li>• Failure to reimburse the water service provider for repairs to or replacement of water service provider’s property used to supply service, when such repairs or replacements are necessitated by negligence or deliberation on the part of the consumer.</li> <li>• Misrepresentation of identity for the purpose of obtaining service.</li> <li>• Actions adversely affecting the safety of any consumer, or the integrity of the water service provider’s water and/or sewerage systems.</li> <li>• Any other reason identified by the WSB approved by the regulator and notified to the consumer.</li> </ul> <p>However, there are also situations in which termination of water provision is prohibited. These include:</p> <ul style="list-style-type: none"> <li>• Delinquency in payment for service by a previous occupant of the premises unless a filial or professional relationship with previous occupant is shown.</li> <li>• Failure to pay for service or merchandise other than the provision of water or wastewater services provided by the water service provider.</li> <li>• Failure to pay charges not properly reflected on a water service provider bill.</li> <li>• Failure to pay disputed charges, until the water service provider has received a ruling in its favour in accordance with dispute resolution mechanisms in these regulations.</li> </ul> <p>Where a disconnected customer has reached a settlement with its supplier (through a payment plan or payment in full), the customer shall be entitled to be reconnected under the standard network terms and conditions offered by the supplier including, where appropriate, the provision of a security bond/deposit or other such measure that is reasonably required to ensure that disconnection for non-payment not will occur in the future (adapted from COMMISSION FOR ENERGY REGULATION n.y., p. 2-4).</p>
Specific/generic	
Complex/simple	Simple
Mandatory/optional	Optional
References and Further readings	COMMISSION FOR ENERGY REGULATION n.y. Code of Practice on Disconnection.





	<p>KENYA WATER INSTITUTE 2012. Enhancing Water Integrity in the Provision of Quality Water and Sanitation Services in Kenya</p> <p>WASREB n.y. Model Water services Regulations.</p> <p>NWSC EXTERNAL SERVICES UGANDA. 2008. Customer services user manual.</p> <p>PLAINVIEW WATER DISTRICT. 2013. Procedures for Service Disconnections.</p>
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## 67 Water Development Pacts

	<b>Integrity Management Instrument</b>
Description / Definition	A Water Development Pact is a Memorandum of Understanding (MoU) that formalises the relationship between water service users and suppliers. It acknowledges the important role that water users play in water service provision and emphasises the need for a collaborative approach for improving service delivery and good governance in the water sector (TRANSPARENCY INTERNATIONAL 2011; TISDAKENYA 2011).
Purpose	A Water Development Pact pursues the vision of a reliable drinking water supply and aims to improve water service delivery by cultivating direct and transparent lines of accountability. Its goals are to improve the communication between users and suppliers, to enhance cooperation between technicians and users to develop better reporting and billing systems, and to motivate community members to commit to maintaining the facilities and to actively cooperate with technicians. It aims to unite the efforts of all parties affected by the difficulties experienced around water provision and pursues clear and agreed upon actions (TRANSPARENCY INTERNATIONAL 2011; TISDAKENYA 2011).
Link to integrity	Water Development Pacts can improve integrity in a number of ways. They can: <ul style="list-style-type: none"> <li>• Increase the reporting on illegal connections, as the water users realise that such connections contribute to water prices.</li> <li>• Reduce unaccounted-for water through improved cooperation between water users and service providers.</li> <li>• Increase the transparency of the responsibilities on both ends of service provision.</li> <li>• Enhance the participation of customers and ensure that their needs are known and should be met. This customer orientation improves the company's public image, which can enhance the willingness to pay (WIN 2012, p. 1-2).</li> </ul>
Examples/How to	<p>A Water Development Pact was signed in Mombasa, Kenya, between OLD TOWN users and the Mombasa Water and Sewerage Company (MOWASCO) on 20.5.2011. This example illustrates how evidence-based dialogue can lead to improved cooperation between water users and WSPs. The signing of the pact was the result of a case study undertaken by TRANSPARENCY INTERNATIONAL-KENYA in 2010, which explored the levels of transparency, accountability and participation between water sector actors. MOWASCO was the first WSP in Kenya to formalise the engagement with its users in a MoU (TISDAKENYA 2011, WIN 2012).</p> <p>The following was achieved with the Mombasa Water Improvement Pact (WIN 2012):</p>





	<ul style="list-style-type: none"> <li>• During the establishment of the Pact, it brought together key stakeholders to identify integrity risks. The validation and confirmation of recommendations for the Pact by water users and suppliers established trust and generated ownership.</li> <li>• It assessed the actual situation and described the desired future state (i.e. explored levels of transparency, accountability and participation in the relationships between different water sector actors).</li> <li>• As a basis for an agreement, the necessary steps to reach the desired future state as well as the willingness and ability of each actor to contribute to this process were then listed as a basis for the agreement.</li> <li>• The agreement proposed a number of recommendations from the customers' perspective in order to improve water service provision and enhance integrity.</li> <li>• The Pact resulted in the establishment of a grace period to legalise illegal connections, since it was recognised that cutting them off did not encourage people to get a proper connection installed.</li> </ul>
Specific/generic	Specific
Complex/simple	Complex
Mandatory/optional	Mandatory
References and Further readings	<p>TISDAKENYA. 2011. The Mombasa MoU.Pact for Impact. <a href="http://tisdakenya.wordpress.com/2011/05/23/the-mombasa-mou-pact-for-impact/">http://tisdakenya.wordpress.com/2011/05/23/the-mombasa-mou-pact-for-impact/</a> (Accessed on 19.4.2013).</p> <p>TRANSPARENCY INTERNATIONAL. 2011. Pioneering pact promises fresh approach to water provision. <a href="http://blog.transparency.org/2011/06/15/pioneering-pact-promises-fresh-approach-to-water-provision/">http://blog.transparency.org/2011/06/15/pioneering-pact-promises-fresh-approach-to-water-provision/</a> (Accessed on 19.4.2013).</p> <p>WIN. 2012. Case Information Sheet Kenya: Mombasa Water Improvement Pact - bringing water providers and users together.</p> <p>MOMBASA WATER ACCOUNTABILITY CAMPAIGN. n.y. The water problem in Mombasa. <a href="http://www.mombasawateraccountabilitycampaign.org/">http://www.mombasawateraccountabilitycampaign.org/</a> (Accessed on 19.4.2013).</p>

## 68 Whistleblowers' Protection

	<b>Integrity Management Instrument</b>
Description / Definition	<p>Whistleblowing refers to the event, when a person (an employee, a director or an external person) sounds an alarm in order to reveal alleged neglect or abuse within an organisation, government body or company (or a business partner) that threatens its integrity and reputation (TRANSPARENCY INTERNATIONAL 2010, p. 45).</p> <p>Protecting whistleblowers from retaliation or reprisal is an important strategy to encourage people to report illegal activities or misconduct. (ANTI-CORRUPTION RESOURCE CENTRE 2008, p. 1)</p>
Purpose	<p>Frequently, whistleblowers risk to lose their jobs, dampen their career prospects and put their lives at risk when reporting wrongdoing (TRANSPARENCY INTERNATIONAL 2010, p. 1). Facing such grave consequences, people who witness dishonest or illegal activities frequently decide not to report their findings and hence unwillingly perpetuate such activities.</p>



	<p>WSPs which fail to protect genuine whistleblowers, and permit, or take, reprisal action against them, increasingly face, at a minimum, severe public censure, and may furthermore risk legal action. Appropriate whistleblowing legislation and enforcement are central to foster a culture of compliance and integrity. It is an effective instrument, as employees often have the best access to information on unethical practice. The purpose of whistleblowers protection is to provide them with a safe alternative to silence and to empower them to report wrongdoing. (TRANSPARENCY INTERNATIONAL 2010, p. 1-2; ANTI-CORRUPTION RESOURCE CENTRE 2008, p. 3, ANTI-CORRUPTION RESOURCE CENTRE 2009, p. 2)</p>
Link to integrity	<p>Protection of whistleblowers is broadly accepted as an essential tool for strengthening accountability, transparency, integrity and reducing corruption. By helping to detect corruption, whistleblowers play an important role in converting a vicious cycle of secrecy into a virtuous cycle. If a corruption case is effectively prosecuted, the culture of corruption can change (ANTI-CORRUPTION RESOURCE CENTRE 2008, p.1; TRANSPARENCY INTERNATIONAL 2010, p. 2, ANTI-CORRUPTION RESOURCE CENTRE 2009, p. 3)</p>
Examples/How to	<p>Whistleblowers protection should entail</p> <ul style="list-style-type: none"> <li>• effective protection against retaliation with compensation in case of reprisal</li> <li>• adequate mechanisms for properly handling and thoroughly investigating disclosures</li> <li>• information and training about the benefit of whistleblowing</li> </ul> <p>(TRANSPARENCY INTERNATIONAL 2010, p. 1-2)</p> <p>The following guiding principles for drafting whistleblowing legislations can be recommended:</p> <ul style="list-style-type: none"> <li>• Developing a single, clear and comprehensive framework in order to be most effective</li> <li>• Ensuring safety for whistleblowers and closely associated individuals</li> <li>• Whistleblowers should receive professional or social recognition for having prevented harm to the organisation or society (e.g. financial rewards)</li> <li>• Both internal and external reporting must be protected</li> <li>• Whistleblowers protection needs to be effectively and consistently enforced</li> </ul> <p>(TRANSPARENCY INTERNATIONAL 2010, p. 2-4)</p>
Specific/generic	Specific
Complex/simple	Complex
Mandatory/optional	Optional
References and Further readings	<p>ANTI-CORRUPTION RESOURCE CENTRE. 2008. Making Whistleblower Protection Work.</p> <p>ANTI-CORRUPTION RESOURCE CENTRE. 2009. Good practice in Whistleblowing Protection Legislation (WPL).</p> <p>TRANSPARENCY INTERNATIONAL. 2010. Whistleblowing, an effective tool in the fight against corruption.</p>



	<p>BANISAR. 2006. Whistleblowing. International standards and developments.</p> <p>DE MARIA. 2005. Whistleblower Protection - Is Africa Ready?</p> <p>LATIMER AND BROWN. 2008. Whistleblower law. International best practice.</p> <p>WHISTLEBLOWER INFO. n.y. Whistleblower info. <a href="http://www.whistleblowingprotection.org/">http://www.whistleblowingprotection.org/</a> (Accessed on 18.4.2013).</p>
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## 69 Work Culture Training

	<b>Integrity Management Instrument</b>
Description / Definition	Work Culture Training is training that aims to improve work ambience determining factors such as teamwork, leadership, dialogue, respect and appreciation (MANAGEMENT STUDY GUIDE n.y)
Purpose	Work culture training helps to develop a positive work culture that motivates the staff to follow rules and regulations and to perform better. As the staff's performance ultimately drives the business's success, creating a positive work culture can contribute greatly to the WSP's prosperity. Improved work culture can also reduce staff turnover and the related costs. (MCGABE 2010; ROLTGEN 2010)
Link to integrity	<p>Work culture training sensitises staff members on their behaviour and work morale, and sets their actions into the bigger context for the firm and its vision and mission. Giving staff a broader picture and a training of how they are expected to conduct their work can lead to higher motivation and quality of work (adapted from JOSTLE 2012).</p> <p>Staff members who are satisfied with their work environment will more likely comply with the WSP's rules and interests. As they strive to keep their position, they will prefer to put their personal interests behind the business's and refrain from dishonest behaviour such as fraud, embezzlement, accepting bribes, engaging in corrupt activities or theft.</p>
Examples/How to	<p>Work culture training focuses on:</p> <ul style="list-style-type: none"> <li>• Team building</li> <li>• Emphasizing shared beliefs and values</li> <li>• Enhancing the feeling of safety, openness and trust</li> <li>• Improving communication, cooperation and teamwork</li> <li>• Emphasizing personal responsibilities</li> <li>• Acknowledging and appreciating hard work and initiative</li> <li>• Personal contact between management and employees</li> <li>• Encouraging ownership and participation</li> <li>• Considering staff suggestions (evaluation forms, suggestion boxes)</li> <li>• Fair and equal treatment of employees</li> <li>• Making sure all employees are getting fair and equal treatment</li> <li>• Giving employees outlets to express feelings</li> </ul>



	(DYAR N.Y., MCGABE 2010, PHEGAN 2003, SHAH N.Y.)
Specific/generic	Generic
Complex/simple	Simple
Mandatory/optional	Optional
References and Further readings	<p>DYAR A. N.Y. How to Improve Workplace Culture. <a href="http://www.ehow.com/how_6512546_improve-workplace-culture.html#ixzz2OegvWOW6">http://www.ehow.com/how_6512546_improve-workplace-culture.html#ixzz2OegvWOW6</a> (Accessed on 26.3.2013).</p> <p>JOSTLE 2012 9 Simple Ideas for Employee Engagement. <a href="http://www.jostle.me/blog/9-simple-ideas-for-employee-engagement/">http://www.jostle.me/blog/9-simple-ideas-for-employee-engagement/</a> (Accessed on 25.04.2013).</p> <p>MCGABE C. 2010. How to Create a Positive Work Culture in an Organisation. <a href="http://retainhr.blogspot.ch/2010/05/how-to-create-positive-work-culture-in.html">http://retainhr.blogspot.ch/2010/05/how-to-create-positive-work-culture-in.html</a> (Accessed on 26.3.2013).</p> <p>MANAGEMENT STUDY GUIDE. n.y. Work Culture - Meaning, Importance and Characteristics of a Healthy Culture. <a href="http://www.managementstudyguide.com/work-culture.htm">http://www.managementstudyguide.com/work-culture.htm</a> (Accessed on 26.3.2013).</p> <p>PHEGAN B. 2003. A Good Company Culture Defined. Company Culture. Introduction. leadership and motivation training. <a href="http://www.companyculture.com/basics/good.htm">http://www.companyculture.com/basics/good.htm</a> (Accessed on 26.3.2013).</p> <p>ROLTGEN W. 2010. Creating a positive work culture to motivate staff. <a href="http://suite101.com/article/creating-a-positive-work-culture-to-motivate-staff-a247683">http://suite101.com/article/creating-a-positive-work-culture-to-motivate-staff-a247683</a> (Accessed on 26.3.2013)</p> <p>SHAH P. n.y. How To Improve Work Culture? <a href="http://www.citehr.com/187657-how-improve-work-culture-team-building.html#ixzz2OegGtAbD">http://www.citehr.com/187657-how-improve-work-culture-team-building.html#ixzz2OegGtAbD</a> (Accessed on 26.3.2013).</p> <p>MINISTRY OF MANPOWER. 2010. Energising Work Culture.</p> <p>MOWBRAY. 2009. A Positive Work Culture – essential for wellbeing and performance at work.</p>