

# Focused Analysis

**Business Integrity**  
in water and sanitation utilities

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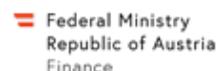
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A product of:

# AquaRating

## AquaFund



in collaboration with



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# Introduction

This document is part of the collection referred to as “**Focused Analyses**,” which specifically addresses relevant themes related to the provision of water and sanitation services.

The **Focused Analyses** have as an objective the establishment of a method and criteria for the characterization and description of a specific aspect of the management of provision of water services in terms of innovation, climate change, water losses, and business integrity. The current document relates to the theme of business integrity. All other **Focused Analyses** can be found at [www.aquarating.org](http://www.aquarating.org)

The idea of developing this collection arose from the need to analyze, in a specific, focused way and with a different perspective, a concrete aspect within the comprehensive, integrated framework of the AquaRating system when it is applied as a whole to a company. The characterization synthesizes a series of indicators and parameters that facilitate the analysis of this specific aspect, which is the goal of the **Focused Analysis**.

A **Focused Analysis** studies possible links between information already considered and the **AquaRating** evaluation structure, with the end goal of achieving a particular description of the work that complements the identification of information and the additional parameters needed for this new approach and this new perspective.

1. To obtain more information about the system, please consult the website [www.aquarating.org](http://www.aquarating.org).

Finally, an assessment is made with respect to the viability of expanding AquaRating’s evaluation elements based on previous experience and the parameters indicated in this document, for the generation of a **Focused Characterization**.



The functions of the Focused Analyses are:

- Arrive at a better understanding of a specific aspect of water and sanitation service management.
- Have a more focused description of a specific aspect of management.
- Determine potential improvements and additions to the AquaRating evaluation structure.
- Help to better understand the processes and ecosystem of a specific aspect of management.

This Focused Analysis has already been tested in various entities; however, information in this document may be subject to minor changes in future pilot projects in order to make improvements.

#### AquaRating products and results

The AquaRating Certification, the AquaRating Characterization, the AquaRating Focused Description, and other AquaRating products are based exclusively on information provided by water and sanitation utilities; therefore, responsibility for the accuracy and authenticity of said information rests exclusively with this Service Provider. Similarly, the result of the audit process carried out by the auditing firm is based on the information provided by the Service Provider; thus, the Inter-American Development Bank (IDB) is not responsible for, nor does it certify the result of, the audit.

The results of the AquaRating Characterization and/or the AquaRating Certification and/or the Focused Description and all of the information related to the AquaRating implementation do not necessarily reflect the opinion of the IDB, nor its Executive Board, nor the countries it represents.



# Management of Business Integrity



**P**rotection against corruption and its many consequences is one of the fundamental pillars in any company and business, both in the public and private spheres. There are many ways and varying degrees to which this protection can be promoted, but its results depend upon the starting point and the level of penetration of a culture of integrity that exists in company management and all the stakeholders with which it interacts.

One of the essential actions to protect the company against corruption is the development of transparency in all processes and decisions that are susceptible to malpractice or capable of fostering corruption. For this reason, the practice of protection against corruption is often confused with the practice of promoting transparency. But transparency alone does not ensure protection against corruption; it must be accompanied by a variety of positions, procedures, and methods that establish, monitor, and correct signs or evidence that could be linked to corruption.

These methods should be cross-cutting through the entire company structure and its key decision makers in search of integrity in each aspect of management that is susceptible to corruption at any hierarchical level. The methods should be cognizant of the magnitude and reach that corruption can have.

In this document, corruption is defined as the abuse of power expressed through the use of opportunities via public or private positions to obtain group or personal benefit.



# Water and sanitation in water and sanitation utilities

Since the beginning of this initiative, we have sought the term that best fits the objective being pursued by the Focused Analysis. Diverse terms were considered, including transparency, corruption, solvency, trust, or integrity.

Ultimately, it was decided to adopt the term “**Business Integrity**” (BI) as a positive approach to everything that should constitute the principles and methods that characterize the management of a company focused on protection against **corruption** and its consequences.

Corruption impacts the final cost of management or the quality and price of service provision, as well as its sustainability; thus, the search for integrity must have as its main purpose the assurance of adequate and continuous service provision.

In every analysis, it is essential to have a baseline understanding of the situation, and for that it is necessary to evaluate the positions and methods together within the set of evidence that is available at the moment of evaluation, as well as the culture and reality of BI within the company, along with its strengths, weaknesses, and failures.

Integrity is vital to the practice of every company in the world. For this reason, it is essential to establish methods for learning about its level —with the greatest reliability possible — with the goal of being able to evaluate it in any company and any context. Integrity matters, first of all, to companies in

water and sanitation utilities and to citizens who receive their services (essential services), but it also affects stakeholders who have some degree of responsibility, ascendancy, or authority, or maintain some type of relationship or business with the companies.

Ultimately, a lack of **integrity** generates inefficiency, makes service more expensive, reduces its quality, and puts its continuity and sustainability at risk. But it is essential to consider that protection against corruption, or the promotion of integrity, has a cost that, in addition to all expenses related to the acquisition or implementation of methods, systems, and resources, can manifest in a decrease in management dynamics or overall efficiency in the fulfillment of the company’s mission.

The scope and focus of this document are limited to water and sanitation service providing companies, with the goal of improving levels of service provision.

The methodological approach of the **AquaRating Focused Analyses** seeks to achieve applicability to any water and sanitation service providing company, of any type or size. Within this approach, the characterization of BI has been established based on a catalog of best practices that allow maximum BI to be achieved. It is known and assumed that some of the practices included in this work can only be implemented by companies that have a minimum size and management structure, but it has been decided to maintain the broadest spectrum



of options and techniques with respect to known and proven effectiveness, regardless of the feasibility of applying all of them in any size company. The intention of the methodology proposed here is to serve as a reference or list of procedures and structures for BI.

The exercise of applying this method will result in a series of values that should help identify opportunities for action and priorities for implementation. In this sense, carrying out a **Focused Analysis** should serve as the point of departure for improvement, and limiting the consideration of resulting values to an analysis of them must always be carried out in context.

## Definition of criteria and structure for characterization and rating

A company's integrity is important because it ensures that results obtained are not, nor will be, affected by corrupt acts in any area or at any level.

As detailed previously, the document proposes a methodology for knowing and characterizing the level of integrity in a company's management, understanding integrity as a set of positions, practices, and evidence of protection against corruption, in its broadest sense.

Initially, using the term **Business Integrity** (BI) is proposed, with the intention that the scope of the term includes all aspects that allow us to evaluate the company's practices and performance with respect to protecting and ensuring good, strong functioning, and minimizing the probability of incidents as it carries out its mandate efficiently. It also includes the company's commitments to society and the stakeholders who exert authority with respect to the company's smooth operations.

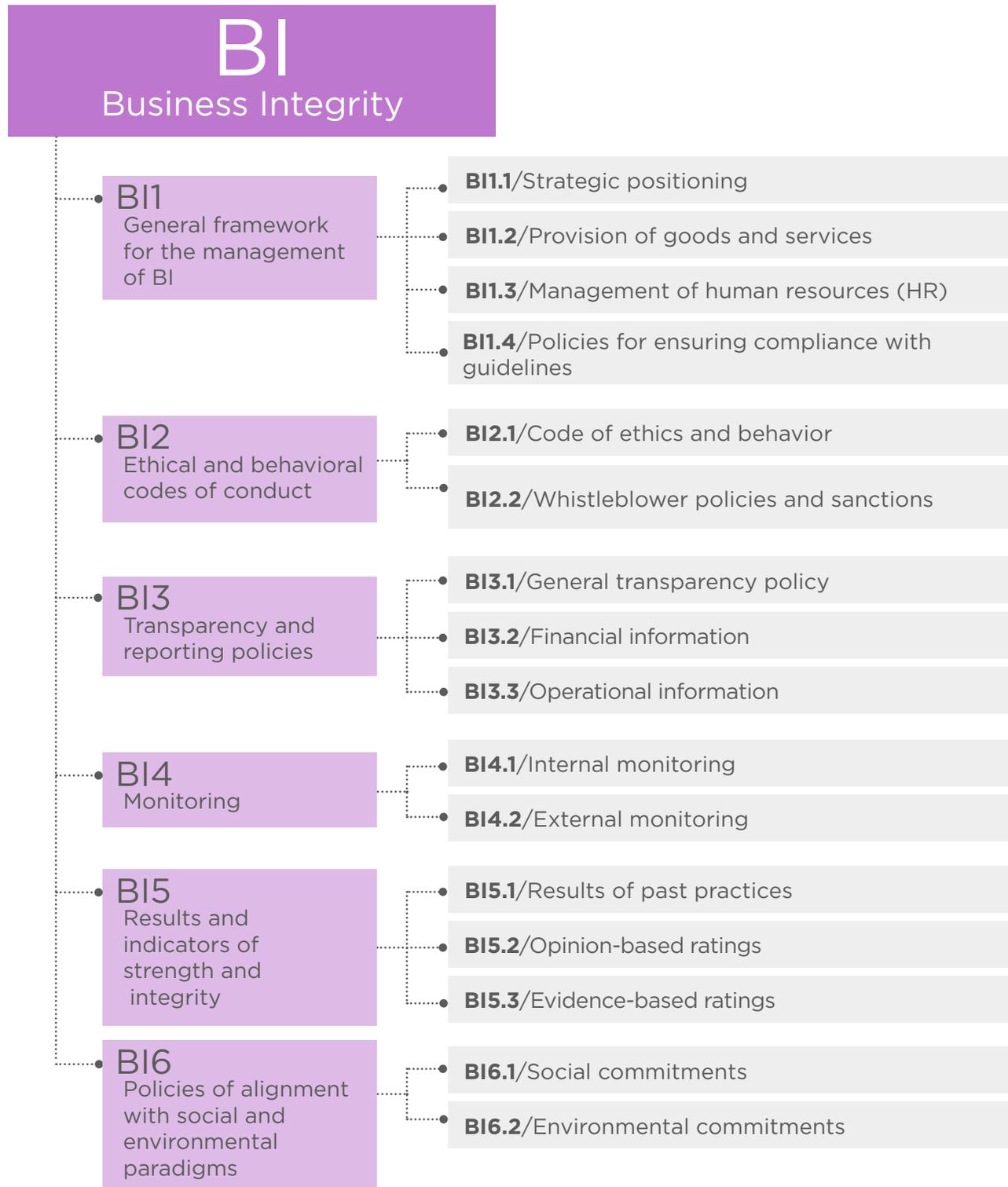
The methodology of characterization proposed here is limited to those aspects of protection against individual or corporate corruption practices that, excluding management practices, are transparent and in accordance with law, and pursue the best performance, although they could be questioned through different lenses with respect to commercial efficiency.

It is about considering and evaluating all aspects that can be linked to corruption by the absence or inadequate application of practices that influence economic results, company solvency, or the company climate or management culture.

The Focused Characterization will evaluate:

- The company's formal positions with respect to its different areas of reach, strategies, internal norms, structures, and practices of prevention, monitoring, transparency, etc.
- Evidence of real application of formal positions.
- Evidence and indicators of actual integrity in the company.

The Focused Analysis of integrity should evaluate the following approaches in order to carry out the characterization:



Each approach will be evaluated by the practices that are employed and by the results or values of the indicators, whenever possible.

In accordance with the AquaRating evaluation methodology, this Focused Analysis includes the reliability evaluation, both the degree of solidity and certainty of the application of practices and in the precision of variables with which the indicator values are determined.

An evaluation scale of 0 to 100 will be used at both the global level of analysis and in the evaluations of each approach and the groups into which approaches are subdivided, with 100 corresponding to the maximum value of integrity in each case.

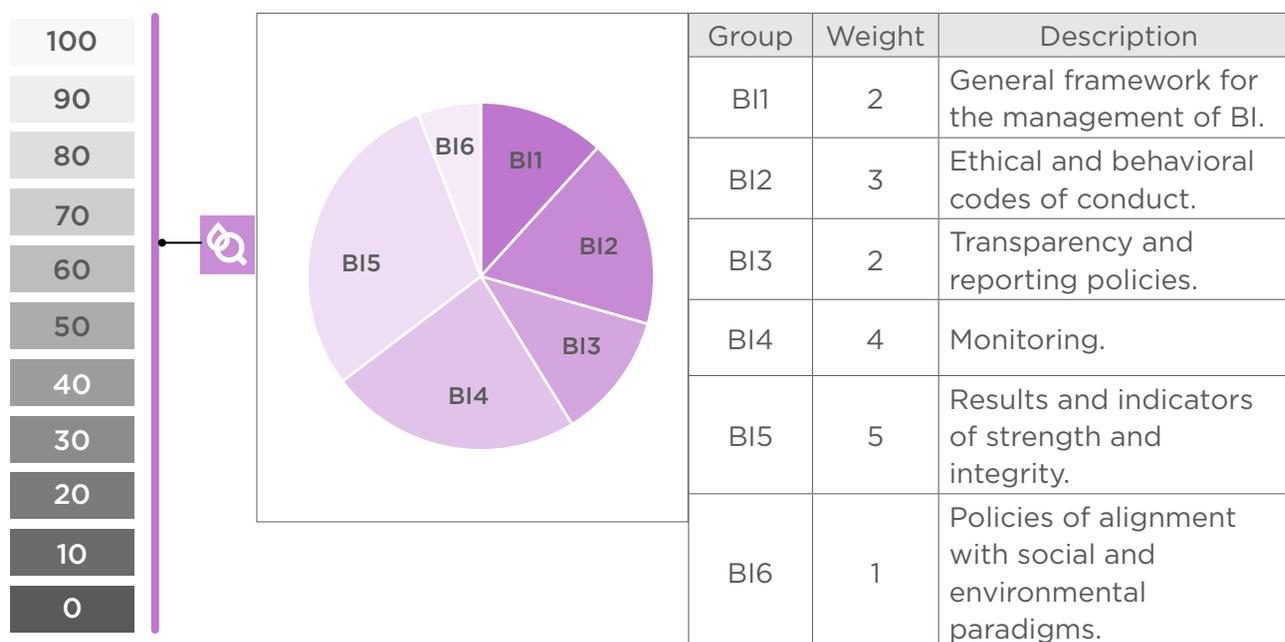
## Approaches for the focused analysis of Business Integrity



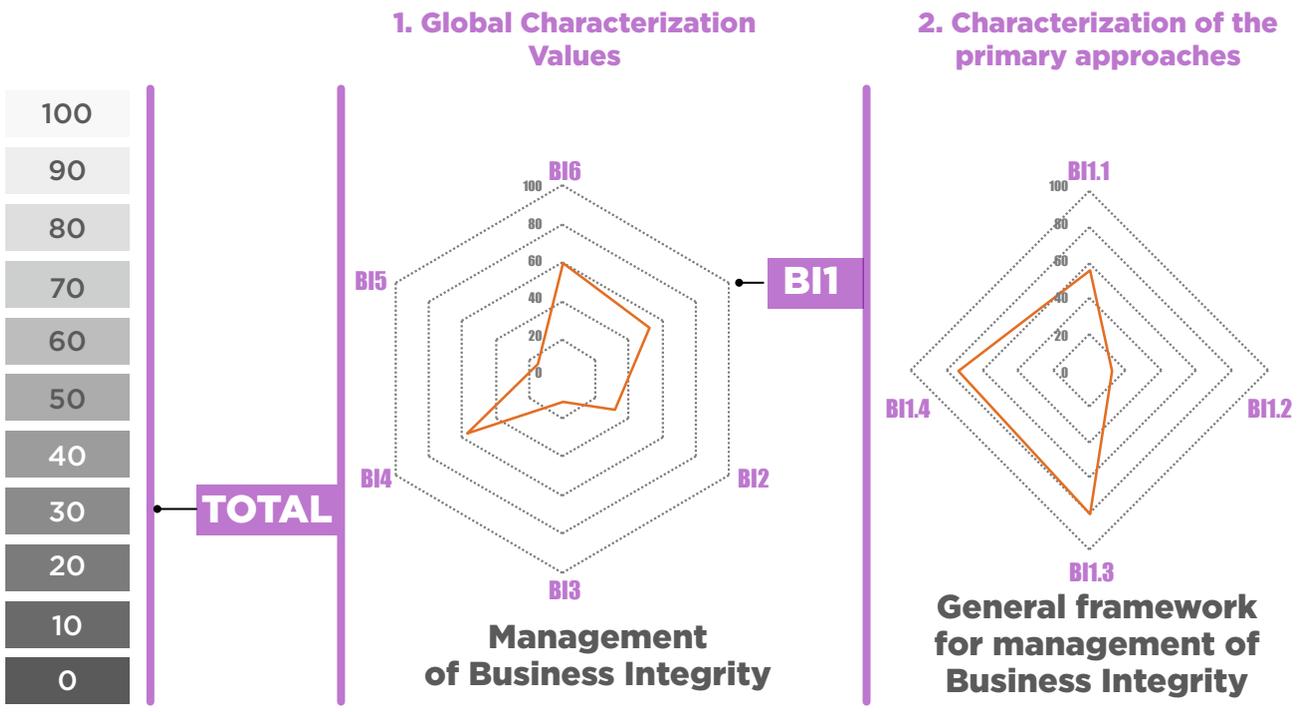
The global value of the BI Focused Characterization will be the result of the grouped and weighted characterization of the set of elements outlined in this document, which reflect both the strategic positioning and specific policies for the prevention, monitoring, and correction of potential risks to integrity. This parameter encompasses factors of a very specific nature and concentrates in a single figure the assessment of the general position of a company with respect to its integrity.

The global characterization value is determined using the values resulting from the different approaches (B11, B12, B13, B14, B15, and B16), weighted according to what is established in the following table, which is further broken down into their respective groups, individual practices, and indicators.

It will fall in a range between 0 and 100, and will be accompanied by the reliability factor that has been applied in determining the global value. The resulting global reliability will be the mean of the reliabilities resulting from each approach, using the same weighting.



By way of example, the following graph shows a Focused Characterization of BI with a final score of 35/100 in a company that provides water and sanitation services. The rating is comprised of the weighted aggregation of its six approaches, where each approach will have a score: for example in the B11 approach, which measures the general framework for the management of integrity in the company, there is a rating of 52/100 as a result of the weighting of the groups and elements that comprise it, with its respective calculations, weights, and reliabilities.



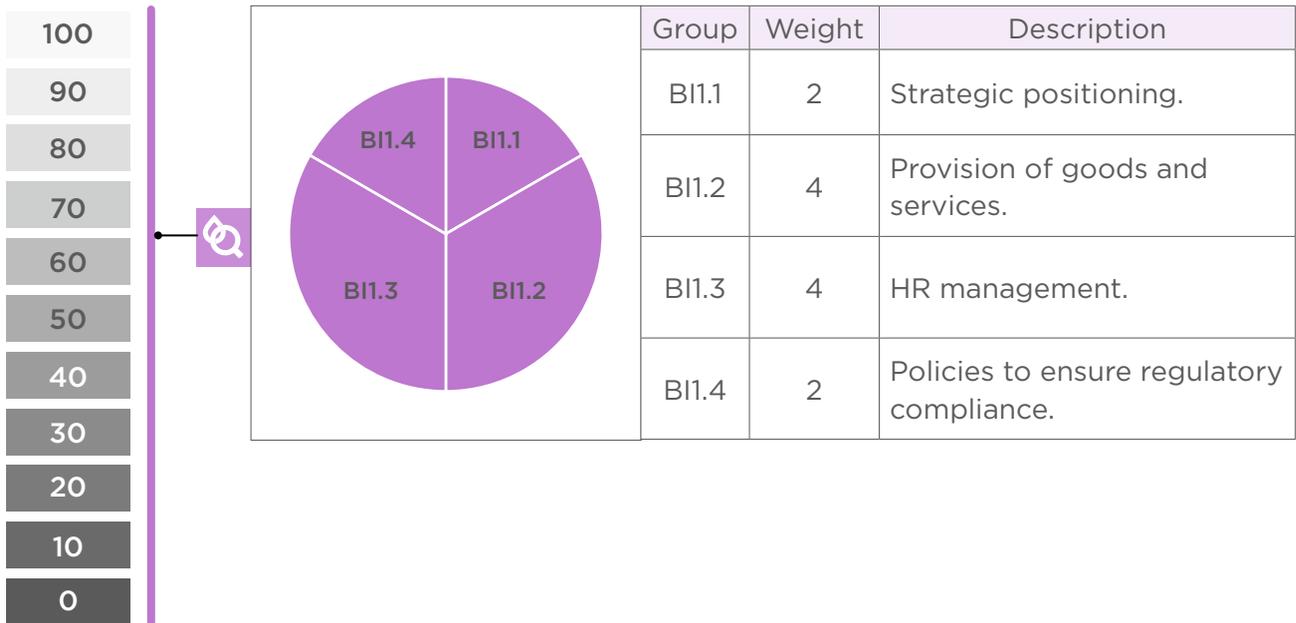
- BI1.1 = Strategic positioning.**
- BI1.2 = Provision of goods and services.**
- BI1.3 = Human resource management.**
- BI1.4 = Policies to ensure regulatory compliance.**

**BI1** General framework for management of Business Integrity

This approach includes all of the company’s statements, positions, and global management frameworks that establish the procedures and criteria intended to ensure BI.

This approach considers all the management phases that are likely to be susceptible to integrity violations, both at the business level and at the level of individuals who make up the company, as well as the occasions when decisions need to be made related to integrity. However, codes of ethics or behavior or transparency policies, which have been included in independent approaches, are not taken into account.

Evaluation of the BI1 approach will include a consolidation of groups BI1.1 to BI1.4, with their relative weights, which are detailed in the graph below. The evaluation will be the result of these groupings, based on a scale of 0 to 100, which will be accompanied by the corresponding reliability value.

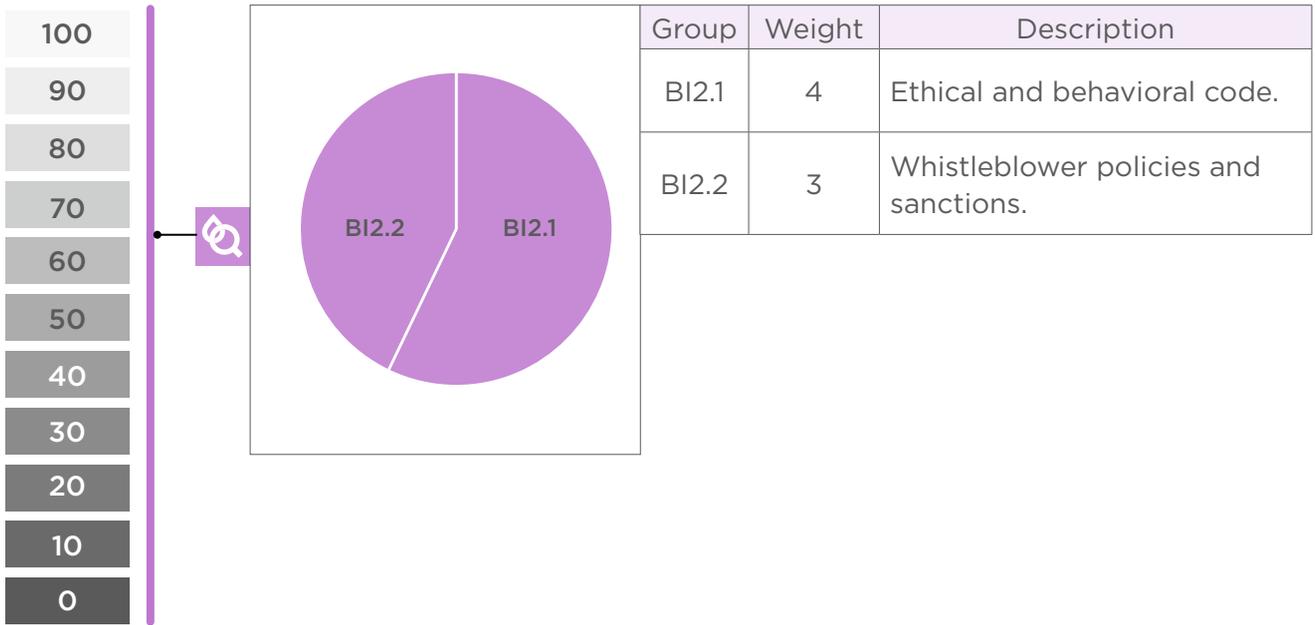


## BI2 Ethical and behavioral codes

This approach contains all of the practices involved in establishing, maintaining, and managing a code of ethics and conduct within a company, one that is applicable to all of its staff and all of the entities and companies with which it interacts.

Highlighted here is a consideration of the policies for penalizing and reporting irregularities, as well as the corporate governance practices that aim to ensure the correct interpretation and application of the codes of conduct.

Assessment of the BI2 approach will include a consolidation of groups BI2.1 and BI2.2, with their relative weightings, which are detailed in the graph below. The evaluation will be the result of these groupings, based on a scale from 0 to 100, which will be accompanied by the corresponding reliability value.



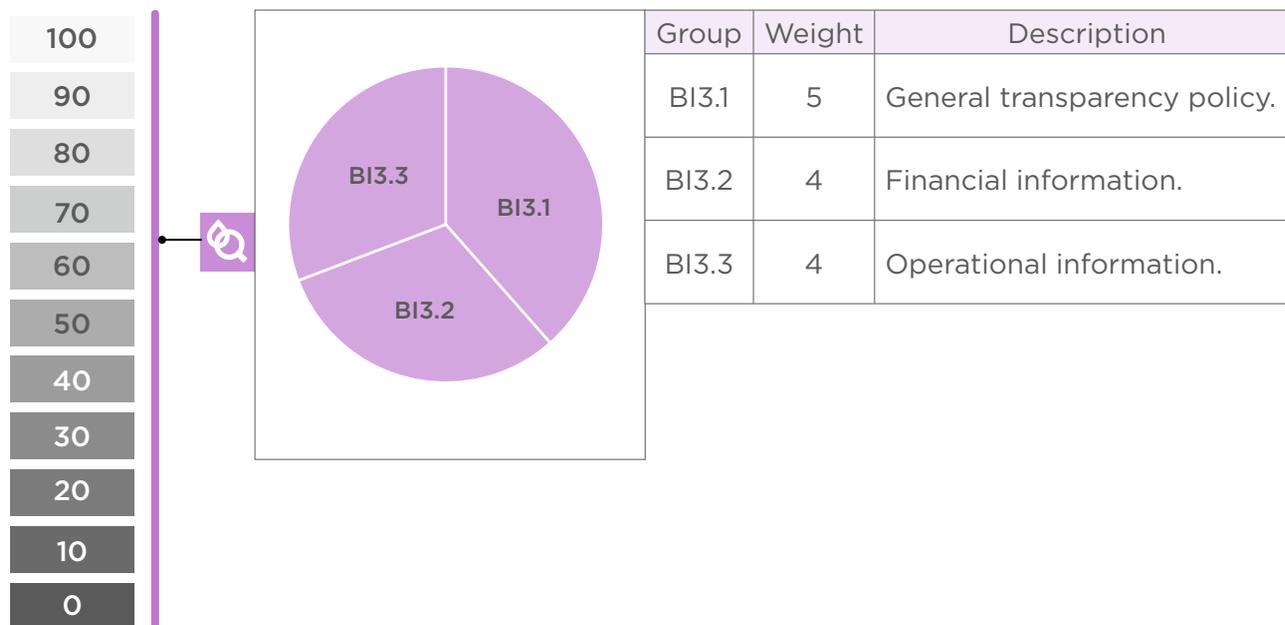
### BI3 Transparency and reporting policies

This approach takes into account all of the transparency practices in the management of and reporting to entities that may be linked with integrity or serve as a protection against potential corruption. Practices related to reporting the values linked to integrity, to entities, authorities, or representatives of society are included. Practices for disclosing operational aspects in which a risk to BI is not identified are not considered, though the disclosure of this information is considered a best practice of transparency in the broadest sense of the term.

While there is information to be disclosed regarding service quality or operational efficiency, only the information that is potentially linked to BI is considered in this approach.

With respect to the availability of information, it has been assumed that the company’s website is a sufficient method of information dissemination, but in cases in which a company does not have a webpage that is properly maintained and kept up to date, other means of dissemination may be accepted, as long as it is ensured that focus is maintained on lack of integrity and complaints about this issue. In this sense, commitments to responding to specific queries for information that are not reflected on the website and which are likely to be disclosed are also evaluated.

The evaluation of approach BI3 will include a consolidation of groups BI3.1 to BI3.3, with their relative weightings, which are detailed in the graph below. The assessment will be the result of these groupings, based on a scale of 0 to 100, which will be accompanied by the corresponding reliability value.

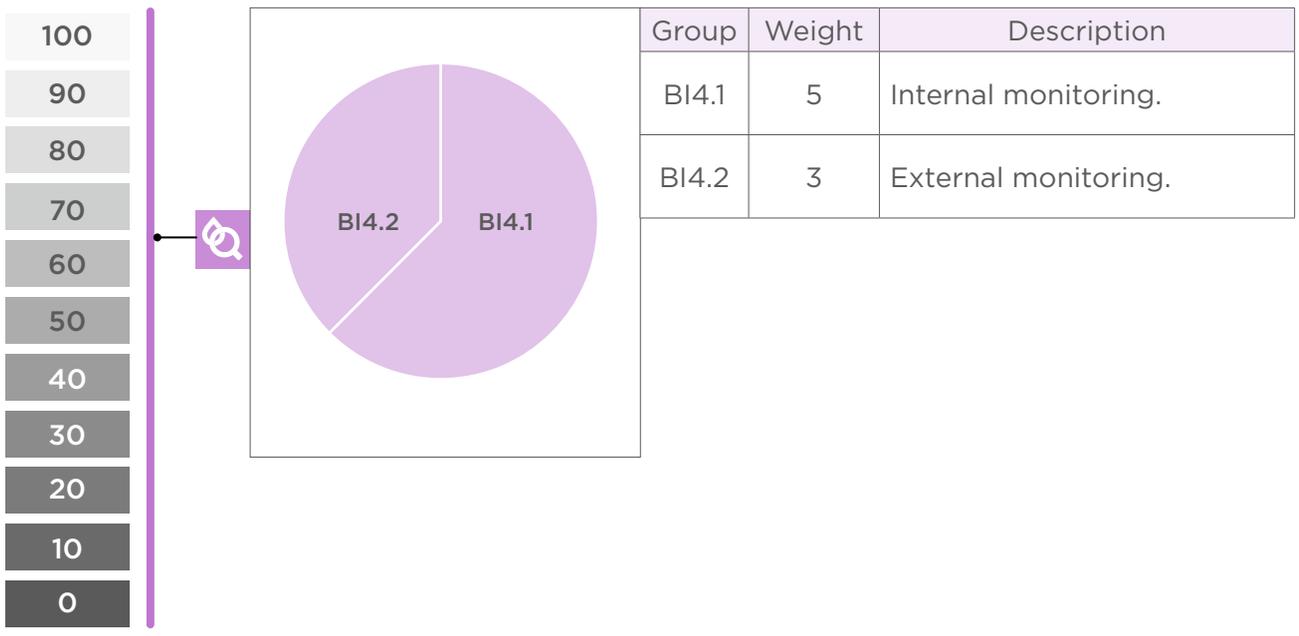


## BI4 Monitoring

This approach considers practices and procedures related to monitoring, vigilance, supervision, and penalization (if any) in situations where these can represent a breach in integrity.

This approach is limited to practices of monitoring, reserving the rating of its results for approach BI5, in terms of quantitative evidence.

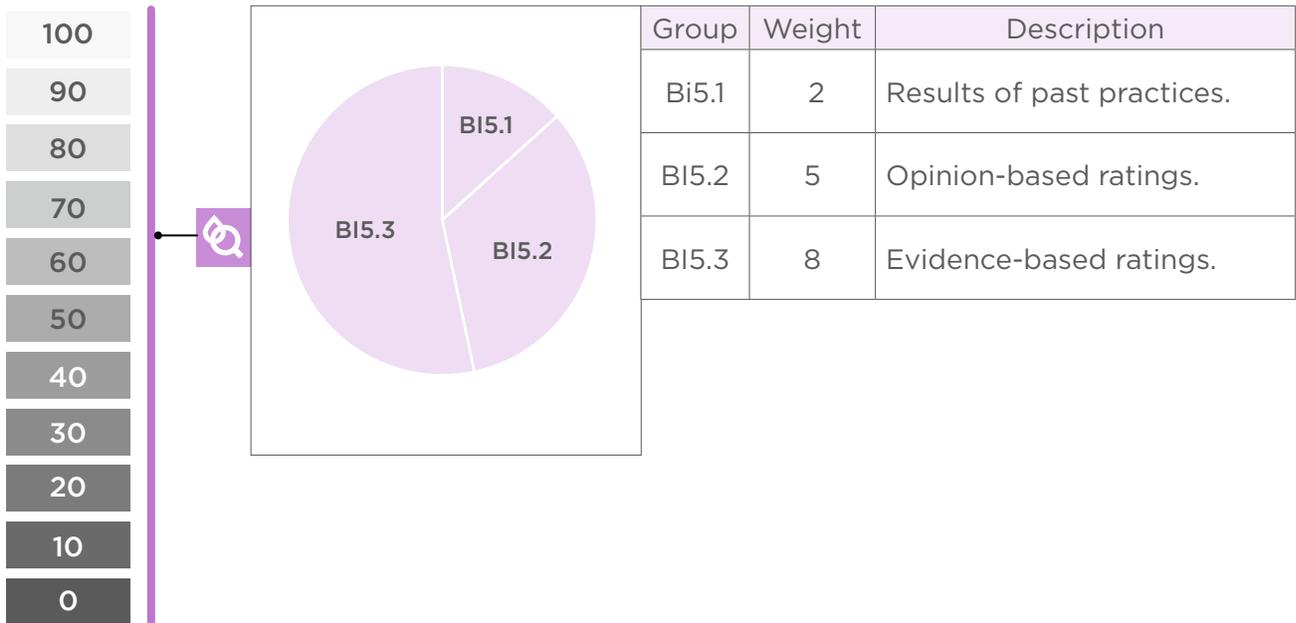
The assessment of approach BI4 will include a consolidation of groups BI4.1 and BI4.2, with their relative weightings, which are detailed in the graph below. The evaluation will be the result of these groupings, based on a scale of 0 to 100, which will be accompanied by the corresponding reliability value.



## BI5 Results and indicators of strength and integrity

This approach considers all parameters related to the degree of management integrity at the time of the evaluation, or about aspects of evolution and trends related to fines, complaints, surveys, workshops, corruption-related inefficiency, or unsustainable culture, image, or reputation. The assesment will be positive, based on a scale of 0 to 100, with 100 corresponding to the greatest evidence of integrity, though the parameters to be quantified will be related to evidence of risks to integrity, which will be normalized to the appropriate indicated scale.

The assesment of approach BI5 will include a consolidation of groups BI5.1 to BI5.3, with their relative weightings, which are detailed in the graph below. The evaluation will be the result of these groupings, based on a scale of 0 to 100, which will be accompanied by the corresponding reliability value.

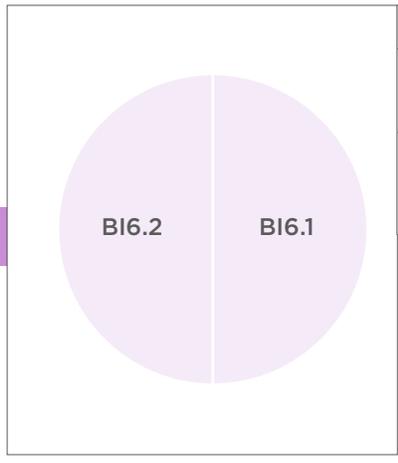
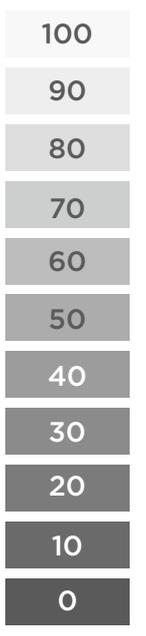


**BI6** Policies of alignment with social and environmental paradigms

Integrity can be assessed by the practices that reinforce compliance with the company's external or internal regulations that protect the company against corruption-related risk, as well as by the lack of alignment with social codes of conduct that predominate in the society where the company is located and its areas of service provision at the time the assessment is conducted.

This approach addresses the company's positioning and its effects on aspects of business that are not related directly to business results, but which form part of the values demanded by society, regardless of the mandates and obligations established by regulations that are in effect.

The assessment of approach BI6 will include the consolidation of groups BI6.1 and BI6.2, with their relative weightings, which are detailed in the graph below. The evaluation will be the result of these groupings, based on a scale of 0 to 100, which will be accompanied by the corresponding reliability value.

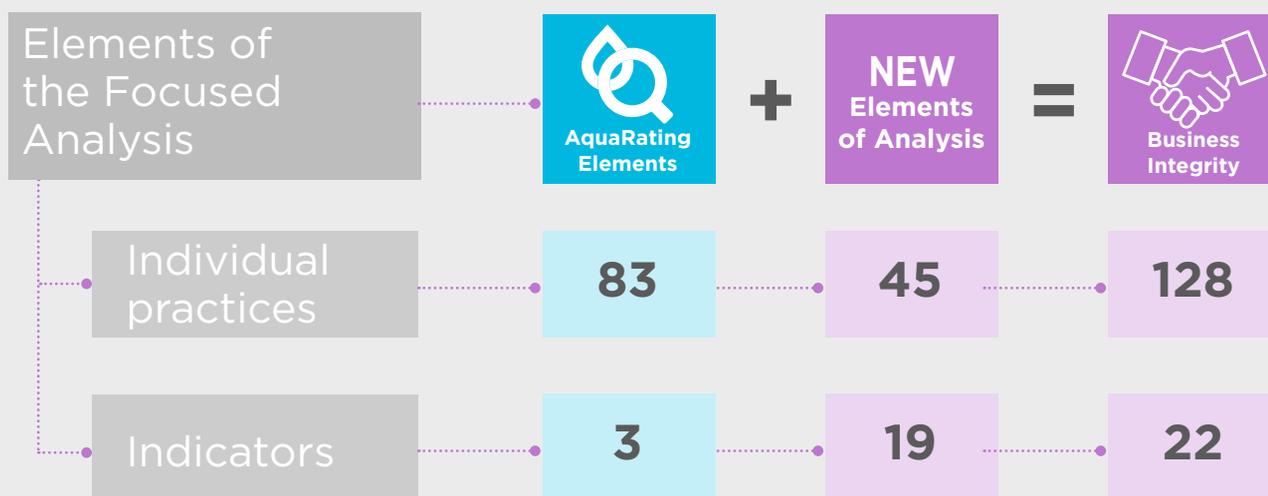


Group	Weight	Description
BI6.1	5	Social commitments.
BI6.2	5	Environmental commitment.



# Approaches for the analysis of Business Integrity

The Focused Characterization of integrity management in water and sanitation utilities is based on the analysis of a total of 128 individual practices and 21 indicators resulting from the combination of elements included in the AquaRating standard, in the integrity evaluation tool developed by the Inter-American Development Bank and the Water Integrity Network, and new elements of specific analysis.



Allakulov et al. (2022), *Assessing Integrity Management in Water Utilities*. In UNESCO, *Proceedings of the 2nd International Conference on Water, Megacities & Global Change*, pp. 891-908. Paris: UNESCO. Available at: <https://unesdoc.unesco.org/ark:/48223/pf0000380319>.

## Elements of analysis included in the AquaRating structure

The first step in selecting elements to characterize BI consisted of the search for and identification of elements of assessment, indicators, variables, and individual practices already included in the AquaRating structure that had some link to the integrity-related approaches, as mentioned in the preceding sections.

Eighty-three individual practices and three assessment elements of a quantitative nature have been identified.

The following criteria were taken into account for their selection:

- Indicators or practices that assess elements with some kind of link with integrity were not considered if they could have included other factors that were not related exclusively to integrity.
- The indicators and practices that provide information about some of the approaches to characterizing the company with respect to integrity have been considered, even if their contribution is of limited or indirect relevance. This has been taken into account when weighing its contribution to the global characterization or to each approach.

It should be noted that there is a good number of elements in the current AquaRating evaluation structure that serve to characterize practices and achievements in many areas related to BI; in fact, elements of these characteristics have been discovered for the six approaches selected.

Every element taken from AquaRating retains its original coding and is identified in the first column of the descriptive tables of individual elements with a “Q”.

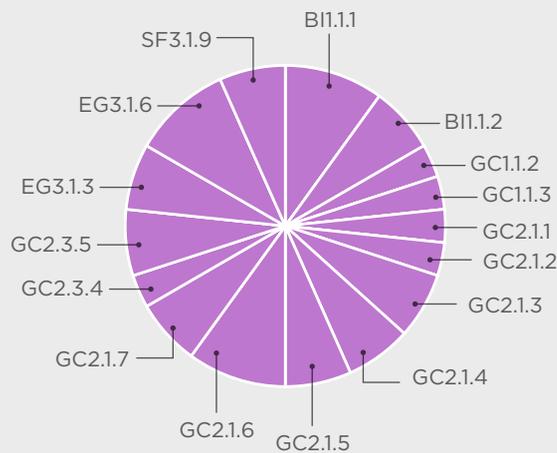
## New elements of analysis not included in the AquaRating structure

In order to achieve a more complete and detailed characterization of BI, in accordance with the components set forth in the previous sections, in addition to the evaluation elements and selected practices in the AquaRating structure, it is considered convenient to take parameters, indicators, and additional variables into account, taking advantage of the work carried out jointly by the Inter-American Development Bank and Water Integrity Network, as well as other lessons learned thanks to experience in the subject area. **In total, there are 45 individual practices and 19 quantitative indicator elements of evaluation.**

# General framework for the management of Business Integrity

## BI1.1 Strategic positioning

This group evaluates the company's positions with respect to integrity and all of its conditions. It includes statements, strategic goals, and high-level frameworks oriented around integrity in all areas of the company.



**Type** —————> Best practices  
**Normalization** —> Weighted by practice

AR	Group	Source code	Description	Reliability	Weight
+	BI1.1	BI1.1.1	There is a strategic position, approved by the company's board of directors, that guides all company decisions and in which there is a statement of its commitment to integrity, transparency, and protection from corruption.	T. 501	3
+	BI1.1	BI1.1.2	The strategic or investment plan dedicates at least one section exclusively to the development of BI.	T. 502	2
Q	GC1.1	GC1.1.2	There are legal instruments that clearly establish the "territory of service responsibility" and the obligations of the provider in relation to: nature of service, service quality, expansion goals or service coverage, rate issues, investment plans, and investment financing.	T. 105	1
Q	GC1.1	GC1.1.3	There is a valid social statute or equivalent instrument that establishes the structure, functions, and responsibilities of the company's decision-making bodies (for example: the assembly of "owners," the "board," etc.) and the decision-making rules of those entities.	T. 105	1
Q	GC2.1	GC2.1.1	There is a body that represents the owners and which is distinct from the board, both in its composition as well as in its assigned purview.	T. 105	1
Q	GC2.1	GC2.1.2	The main corporate entities (the ones representing the owners, the "board," or others mentioned in the provider's by-laws) meet in accordance with applicable regulations, and their decisions are recorded in formal minutes that ratify said meetings in a timely fashion.	T. 4	1





AR	Group	Source code	Description	Reliability	Weight
	GC2.1	GC2.1.3	All board members and their committees – if committees exist – receive notifications about meetings and meeting agendas in a timely fashion so that they can prepare and participate properly.	T. 4	2
	GC2.1	GC2.1.4	The documents (minutes) that transcribe decisions made in board and committee meetings –if committees exist – are circulated among all members of the board and committees within “acceptable terms” and are ratified according to the rule established for this purpose.	T. 4	2
	GC2.1	GC2.1.5	The documents (minutes) that transcribe the decisions made in the meetings of the entity that represents the owners are circulated among members and among all members of the board of directors and its committees, if these exist, within an acceptable timeframe. If it was indicated in GC2.1.1. that no such body exists, this practice is deemed to have been completed.	T. 4	2
	GC2.1	GC2.1.6	The documents (minutes) that transcribe the decisions made in the meetings of the entity that represents the owners are circulated among members and among all members of the board of directors and its committees, if these exist, within an acceptable timeframe. If it was indicated in GC2.1.1. that no such body exists, this practice is deemed to have been completed.	T. 4	3
	GC2.1	GC2.1.7	The service provider has a written, valid, duly approved set of corporate governance policies, that, at minimum, articulate the rights and treatment of owners, the role of the board, and decision-making processes and their disclosure.	T. 2	2

AR	Group	Source code	Description	Reliability	Weight
	GC2.3	GC2.3.4	The board has established committees for specific issues and at least one of the following exists: auditing, compensation, and nomination of directors and executives.	T. 106	1
	GC2.3	GC2.3.5	The established committee(s) mentioned in the practice above are comprised primarily of “independent directors.”	T. 106	2
	EG3.1	EG3.1.3	The current organizational structure meets the following conditions: i) is consistent with the role and objectives established by relevant legal provisions and/or in the institution’s by-laws (that is, the objectives or functions established in the legal instrument that created the institution are reflected in the functions actually in practice within the organization), and ii) includes changes defined in the strategic plan, in cases where organizational adjustments have been defined.	T. 56	2
	EG3.1	EG3.1.6	A legal advisory function is taken into account, one that is responsible for advising regarding requirements for timely compliance with legal, regulatory, and statutory norms that affect the organization. It regularizes water rights and is responsible for addressing and follow up regarding lawsuits affecting the organization or any claims it files; it also prepares and reviews contracts and accords required of the institution.	T. 56	3



AR	Group	Source code	Description	Reliability	Weight
	SF3.1	SF3.1.9	There is a fraud detection and regularization policy that addresses fraud's diverse aspects (meter calibration, detection of illegal connections, detection of false information with respect to type of use or other variables that influence rates), and systematic operations are conducted to detect illegal connections in the event that estimated losses due to causes due to commercial aspects exceed 10% of unbilled water. It is assumed that these exceed 10% of unbilled water if there are no estimates available for water losses due to commercial aspects.	T. 97	2

### BI1.1.1

It is valid if there is a strategic position or equivalent document that is approved by the company's board that: (i) establishes the company strategy; (ii) is in force (and is less than five years old); and (iii) expresses some type of commitment, objective, or initiative explicitly linked to integrity, transparency, and protection against corruption. It will not be considered valid if: (i) there is no strategic position or equivalent document; (ii) it is not approved by the company's board of directors; (iii) it exists, but there is no mention of integrity, transparency, and protection against corruption; and (iv) it contains a mention of this, but there is no mention of any goal or line of action whose compliance or implementation can be verified.

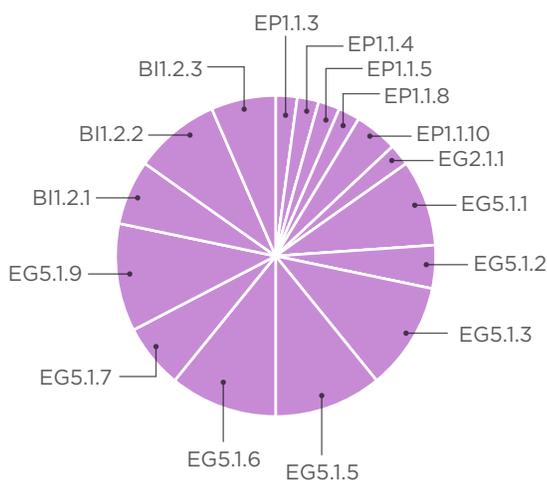
### BI1.1.2

It is valid if there is a strategic plan or investment plan (or a similar document incorporating those items) that dedicates at least one item exclusively to the promotion of BI.

## BI.2 Provision of goods and services

This group assesses all of the practices and criteria governing the provision of goods and services, from planning of investments and actions requiring bidding, to contests or actual acquisition of goods or contracting of services, as well as resulting cost deviations.

The objective is to ensure that all procedures that protect the company from malpractice or abuse have been taken into account.



**Type** ————— Best practices  
**Normalization** — Weighted by practice

AR	Group	Source code	Description	Reliability	Weight
	EP1.1	EP1.1.3	The investment plan identifies the budget of planned “works”, along with sources of intended financing.	T. 25	1
	EP1.1	EP1.1.4	The investment plan includes a detailed identification of the programs (set of projects) or specific projects intended to be developed.	T. 25	1
	EP1.1	EP1.1.5	The plan contains a timeline for its execution.	T. 25	1
	EP1.1	EP1.1.8	The plan includes a list of programs or projects by system, with a specific indication of: name, estimated cost, year of entry into operation, and observations or comments.	T. 25	1
	EP1.1	EP1.1.10	The plan is approved in its entirety by the board or competent authority, although it can be updated for individual works.	T. 27	2





AR	Group	Source code	Description	Reliability	Weight
	EG2.1	EG2.1.1	An annual budget is prepared that is used to assign and control the use of the provider's resources; it is monitored and controlled monthly.	T. 58	1
	EG5.1	EG5.1.1	There is a formally defined strategy and policy for the provision of goods and services, including studies and works.	T. 6	4
	EG5.1	EG5.1.2	There is an inventory-level definition of materials and spare parts, listed by type, to avoid lack of stock and losses due to obsolescence or deterioration, taking associated costs into account.	T. 6	2
	EG5.1	EG5.1.3	New inputs and alternative supply sources of goods and services are studied, depending on existing market options, which as a whole represent more than 70% of total operation-related purchases made during the previous year. Such a study is carried out at the date of qualification, at least once annually. Market options are considered to exist if there is more than one provider of goods or services, considering both the national and international market. In the event that there is only one supplier of a good or service, that supplier should be accredited.	T. 4	5
	EG5.1	EG5.1.5	The bid evaluation procedure is explicit, public, and defined in advance, and establishes the qualification and weighting of both technical and economic elements.	T. 6	5
	EG5.1	EG5.1.6	The requirements for publication of tenders (amounts, deadlines, means of publication) established in the legal or internal regulations (whichever are more rigorous) have been met.	T. 5	5

AR	Group	Source code	Description	Reliability	Weight
	EG5.1	EG5.1.7	Contracts or framework agreements are in place regarding the direct supply of regularly used goods and services.	T. 6	3
	EG5.1	EG5.1.9	Renewal or termination will be conducted for current contracts for outsourced services, as well as for the acquisition of regular goods and services that require a prior evaluation be carried out to ensure compliance with conditions in their respective contracts.	T. 4	5
	BI1.2	BI1.2.1	There is a policy for resolving and approving, where appropriate, deviations from certifications with respect to what was budgeted or contracted.	T. 502	3
	BI1.2	BI1.2.2	Sanction records and a black and/or white list of contractors is maintained in a centralized format so that company personnel can carry out background checks on bidders.	T. 503	4
	BI1.2	BI1.2.3	There is a process for objections as these pertain to contracting.	T. 502	3

### BI1.2.1

It is valid if there is a policy approved by the company's management and updated as needed, to resolve and approve through an independent department, deviations from certifications with respect to what was budgeted or contracted.

### BI1.2.2

It is valid if there are up-to-date sanction records and a black and/or white list of contractors that are maintained in a centralized format and the company's personnel have access to these in order to conduct background checks on bidders.

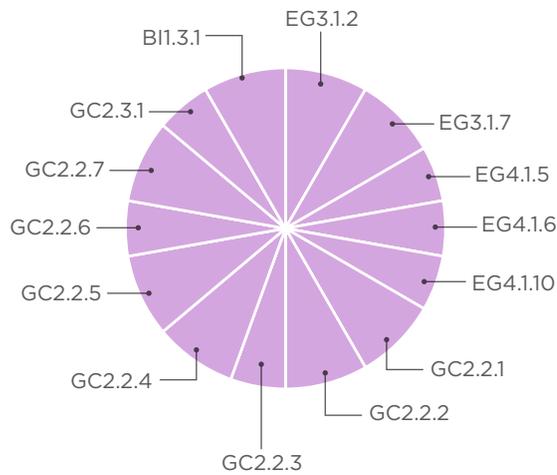
### BI1.2.3

It is valid if there is a process in place to handle objections related to contracting and if there is evidence of its activity within the past year.



## BI1.3 HR management

This group evaluates the existence of procedures and practices that ensure the adequate selection of people consistent with positions to be filled and the responsibilities to be carried out, as well as verifying that the necessary skills and experience exist and that situations lacking integrity in the selection or dismissal processes are avoided. The congruence of the salary profile to job positions and their occupants is also evaluated.



**Type** ————— Best practices  
**Normalization** — Weighted by practice

AR	Group	Source code	Description	Reliability	Weight
	EG3.1	EG3.1.2	The current organizational structure is documented in a manual that contains the roles of each unit, the general competencies for groups by roles and tasks, responsibilities, characteristics, and competency profiles for each position.	T. 63	3
	EG3.1	EG3.1.7	The current organizational structure is approved by the “board,” at least to the third level of structure, where the first level is general management.	T. 27	3
	EG4.1	EG4.1.5	A defined compensation policy exists and is applied, and it contains performance and results incentives.	T. 6	2

AR	Group	Source code	Description	Reliability	Weight
	EG4.1	EG4.1.6	A compensation scale is applied based on the relative importance of positions, using market standards as a point of reference, and based on the results of a study carried out specifically for such purposes within the year of evaluation and the two preceding years, or based on a compensation survey of institutions that provide regulated public services; this can be no more than three years old with respect to the evaluation year.	T. 6	2
	EG4.1	EG4.1.10	A review is conducted at least every three years to assess the number of staff and their composition, based on the job profiles that have been set to meet the provider's objectives, as well as an analysis of their productivity, which is documented.	T. 66	2
	GC2.2	GC2.2.1	The board members are elected based on a previously defined process that evaluates their professional background and their qualifications for the role.	T. 106	3
	GC2.2	GC2.2.2	The general manager (CEO) is selected based on a previously defined process that evaluates their professional background and qualifications for the role.	T. 106	3
	GC2.2	GC2.2.3	The role of board chairperson is held by someone other than the person who holds the position of general manager (CEO) of the service providing company.	T. 106	2
	GC2.2	GC2.2.4	The board members are elected or confirmed for their role at least every two years.	T. 107	3
	GC2.2	GC2.2.5	The advice of a firm specializing in executive searches or of a board committee specializing in the nomination of executives is used to select members of the board and the general manager (CEO).	T. 106	3



AR	Group	Source code	Description	Reliability	Weight
	GC2.2	GC2.2.6	The corporate bylaws make provisions for the nomination of independent directors and establish that at least 20% of the board members are independent.	T. 106	2
	GC2.2	GC2.2.7	A director's dismissal is only allowable in the event of well-founded reasons, and is explained in the bylaws or equivalent documents.	T. 106	3
	GC2.3	GC2.3.1	A director's dismissal is only allowable in the event of well-founded reasons, and is explained in the bylaws or equivalent documents.	T. 106	2
	BI1.3	BI1.3.1	Job openings are advertised in public and social media, with a clear description and statement of the minimum skills required.	T. 504	3

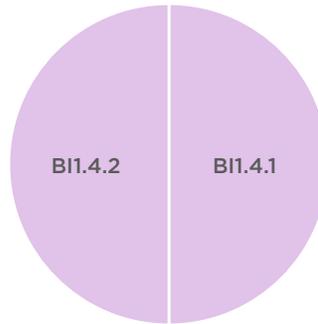
### BI1.3.1

It is valid if job openings are announced via public and social media networks, with a clear description of the job, a statement of the minimum skill sets required, and details about the hiring criteria and process. It will not be valid if this information is not found on the company's website.

## BI1.4 Policies to ensure regulatory compliance

Regulations refer to the performance of the company's tasks, and commit the company itself and the people who carry out responsibilities inherent to their roles to those tasks. This group assesses the existence, implementation, maintenance, and management of a company policy that ensures knowledge of and compliance with regulations linked to functions or responsibilities of each person who holds a job position.

Integrity starts with the assurance of compliance with obligations, and this is facilitated through a type of policy that standardizes management, updates and disseminates applicable regulations and laws, and explicitly recognizes knowledge and responsibility that corresponds to each moment and situation.



**Type** ————— Best practices  
**Normalization** — Weighted by practice

AR	Group	Source code	Description	Reliability	Weight
+	BI1.4	BI1.4.1	There is a policy that ensures compliance with regulations.	T. 502	5
+	BI1.4	BI1.4.2	There is a department responsible for implementing and updating everything relating to compliance.	T. 502	3

### BI1.4.1

It is valid if there is a policy approved by company management for ensuring compliance with applicable regulations, including, at the very least, all policies, codes of conduct, and regulations related to integrity, transparency, and protection against corruption. It also includes procedures to ensure knowledge of regulations and job occupants' commitment to upholding them.

### BI1.4.2

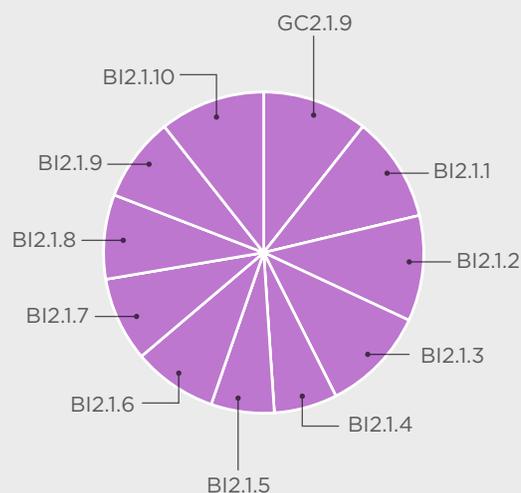
It is valid if there is evidence of the existence of a unit responsible for implementing and updating everything related to compliance, and if there is evidence of its activity within the past year.



# Ethical and behavioral codes

## BI2.1 Ethical and behavioral codes

This group includes everything linked to the existence of codes of ethics and behavior, their implementation, and follow-up with their compliance, both at the individual level and the corporate level.



**Type** —————> Best practices  
**Normalization** —> Weighted by practice  
**Glossary** —————> Código de ética y conducta

AR	Group	Source code	Description	Reliability	Weight
	GC2.1	GC2.1.9	The provider has a written code of ethics that is approved by the board and includes measures for corruption prevention and detection; this code is signed by all employees and board members.	T. 2	5



AR	Group	Source code	Description	Reliability	Weight
+	BI2.1	BI2.1.1	The company has a written code of ethics, approved by the company's board of directors, and signed by all employees, contractors, and entities that interact with the company.	T. 502	5
+	BI2.1	BI2.1.2	The code of ethics (or similar document) contains important information (see the description).	T. 505	5
+	BI2.1	BI2.1.3	There is a department that, among its responsibilities, is that of monitoring compliance with the code of ethics (or similar document).	T. 502	5
+	BI2.1	BI2.1.4	The code of ethics (or similar document) is reviewed annually and is updated as needed.	T. 502	3
+	BI2.1	BI2.1.5	Training about the code of ethics (or a similar document) is provided routinely to new employees as part of their onboarding program.	T. 506	3
+	BI2.1	BI2.1.6	There is a mechanism for board members, employees, and contractors to disclose any conflict of interest, whether potential or actual, with respect to the organization.	T. 502	4
+	BI2.1	BI2.1.7	The board's program/agenda includes a standing statement of interests that allow any entities to identify any conflicts of interest related specifically to the topics of the program or agenda under examination.	T. 502	4
+	BI2.1	BI2.1.8	The service company has an established practice for communicating periodically (at least once a year) its conflict of interest and anticorruption policy to contractors, providers, staff, and clients, as well as situations involving bidding, contracting, and contests for selecting personnel.	T. 506	4





AR	Group	Source code	Description	Reliability	Weight
+	BI2.1	BI2.1.9	Results of an investigation and corresponding disciplinary measures are published after having applied said disciplinary measures, so that personnel are conscious of consequences of corrupt behavior.	T. 502	4
+	BI2.1	BI2.1.10	Sanctioned organizations are required to take extensive corrective measures that will permit them to resume their relationship with the company. They must also agree to a period of ineligibility during which they will not carry out work for the company.	T. 502	5

### BI2.1.1

It is valid if there is a code of ethics or similar document that has been approved by the company and whose current version has been signed by all employees, contractors, and entities that interact with the company.

### BI2.1.2

It is valid if the code of ethics or similar document contains: (i) measures for corruption detection and prevention; (ii) a gifts policy that sets forth whether employees can accept gifts, defines the value and type of permissible gifts that employees are allowed to accept, and prohibits the acceptance of gifts or personal gratuities offered by vendors, subcontractors, and contractors; (iii) an ethical decision-making framework for the process of making decisions; (iv) generic examples of what constitutes acceptable and unacceptable behavior; (v) directives for making anonymous complaints about problems; (vi) policies related to responsibility for and discipline of unethical behavior; (vii) a list of resources related to ethics and compliance; (viii) a written policy for guiding directors or managers and to ensure coherence among disciplinary measures that respond to malpractice and poor conduct with respect to integrity; and (ix) a conflict of interest and anti-corruption policy. It will not be valid if any of these requirements are not met.

### BI2.1.3

It is valid if there is a department — and evidence of its activity within the past year — responsible for: (i) monitoring compliance with the code of ethics or similar extant document; (ii) receiving complaints or comments submitted by employees, contractors, clients, and any other entity or person who has a relationship with the company, with guarantees of confidentiality; and (iii) ensuring a fair evaluation of and follow-up on complaints, providing evidence of said evaluation.



### **BI2.1.4**

It is valid if there is evidence that the code of ethics or similar document is reviewed annually and is updated as needed, following the most recent changes in the workplace profile, which may include restructuring, relocation, changes in key responsibilities, or in decision-making processes.

### **BI2.1.5**

It is valid if there is evidence from within the past year that the formation of and/or training related to the code of ethics (or similar document) has been provided regularly to new employees as part of their onboarding program.

### **BI2.1.6**

It is valid if there exists — and if there is evidence of its activity within the past year — a mechanism for board members, employers, and contractors to declare any conflict of interest, whether potential or real, related to the organization.

### **BI2.1.7**

It is valid if (i) there is evidence within the past year that the program/the agenda of the board of directors includes a permanent point regarding a statement of interests so that participants can identify any conflict of interest related specifically to matters involving the program or the agenda that are being reviewed, and (ii) that relevant measures have been taken.

### **BI2.1.8**

It is valid if the service company has an established practice for communicating periodically — and at least once annually — its conflict of interest and corruption policies to contractors, providers, their staff and clients, as well as at the time of bidding, contracts, and selection of personnel. In each case, the policy must be signed by each person who is receiving it for the first time.

### **BI2.1.9**

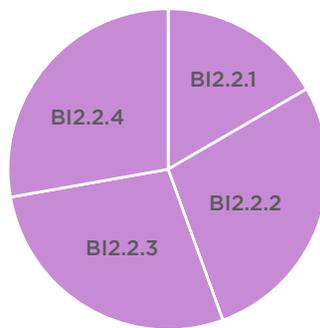
It is valid if there is evidence that disciplinary measures and their results are always published after an investigation and that once measures have been taken, that staff is conscious of the consequences of corrupt behavior.

### **BI2.1.10**

It is valid if there is evidence that sanctioned organizations have been required to apply extensive corrective measures that permit them to resume their relationship with the company, as well as accept a period of ineligibility during which they cannot carry out any work for the company.

## BI2.2 Policy for reporting irregularities and sanctions

The degree of supervision and the establishment of penalties or sanctions included in the code of ethics are evaluated. The evaluation will not analyze the penalties; rather, it is limited to confirming their existence and their adequate disclosure at the time of signing the code of ethics.



**Type** ————— Best practices  
**Normalization** — Weighted by practice

AR	Group	Source code	Description	Reliability	Weight
+	BI2.2	BI2.2.1	The service company has a written and approved sanctions policy.	T. 502	3
+	BI2.2	BI2.2.2	The service company has an evaluation committee that assesses violations, establishes disciplinary measures, and ensures consistency of actions against malpractice and misconduct related to integrity.	T. 502	5
+	BI2.2	BI2.2.3	The service company has a policy for reporting irregularities.	T. 501	5
+	BI2.2	BI2.2.4	Roles and responsibilities related to corruption prevention are defined clearly.	T. 507	5

### **BI2.2.1**

It is valid if there is a sanctions policy that has been approved by the company's board and is reviewed once a year. It is valid if this policy is integrated into the code of ethics.

### **BI2.2.2**

It is valid if there is — and if there is evidence of its activity within the past year — a violations evaluation committee or similar department that establishes disciplinary measures and ensures the consistency of measures against malpractice and misconduct related to integrity. It is valid if this committee coincides with the entity monitoring the code of ethics.

### **BI2.2.3**

It is valid if there is a whistleblower policy that is approved by the company's board and has been reviewed within the past year. Said policy must clearly specify anti-discrimination protection offered to employees, as well as other forms of retribution against whistleblowers, such as dismissal, for reporting misconduct or cooperating with an audit or an investigation. The whistleblower policy makes allowances for anonymous, non-traceable reports.

### **BI2.2.4**

It is valid if the tasks and responsibilities related to corruption prevention are clearly defined in terms of: (i) receiving reports; (ii) investigating reports; (iii) instituting and carrying out disciplinary measures for corruption cases; and (iv) referring corruption complaints to a relevant law enforcement agency or other appropriate entity.

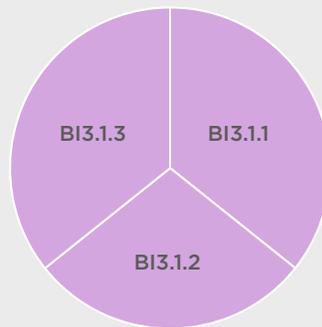


# Transparency and reporting policies

This approach evaluates the policies of disclosure to the general public of information that details and describes company management and those aspects of decision-making that are linked to integrity and do not violate any of the company’s principles regarding defense, right to privacy, or data protection.

## BI3.1 Transparency and reporting

This group evaluates the existence of policies related to transparency, accountability, and reporting, as well as the means for their application.



**Type** —————> Best practices  
**Normalization** —> Weighted by practice

AR	Group	Source code	Description	Reliability	Weight
+	BI3.1	BI3.1.1	Information that is disseminated is available in a searchable format on the company's website.	T. 508	5
+	BI3.1	BI3.1.2	There is a designated person or department responsible for guaranteeing transparency and information access, and that information has an appropriate level of detail and updating.	T. 505	4
+	BI3.1	BI3.1.3	There is a visible policy committed to attention and response to requests for information.	T. 502	5

### BI3.1.1

It is valid if information is available in a searchable format on the company's website, through a means that is accessible and intuitive and by which no more than three links have to be clicked.

### BI3.1.2

It is valid if there exists, and if there is evidence of its activity within the past year, of a person or department designated as responsible for: (i) identifying the information that is to be disclosed; (ii) guaranteeing transparency of and access to information; (iii) ensuring that this information is shared with the level of detail and updating that is required; and (iv) supervising that responses are given to specific requests for information.

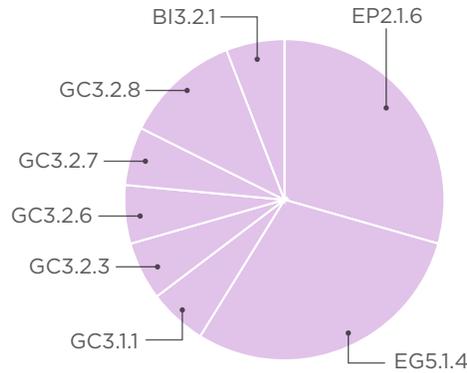
### BI3.1.3

It is valid if there exists a visible policy, at least on the company's website, of commitment to responding to requests for information, and this policy has been approved by the company's board.



## BI3.2 Financial information

This group evaluates the disclosure of all information related to accounting, expenses, income, and general finances.



**Type** ————— Best practices  
**Normalization** — Weighted by practice

AR	Group	Source code	Description	Reliability	Weight
	EP2.1	EP2.1.6	Information about cost or time overruns on projects or works are reported at least once a year to higher management.	T. 2	5
	EG5.1	EG5.1.4	In accordance with rules and requirements governing the provider, purchases of goods and services are made through an open and transparent public access computer system via the internet, through which terms of reference and other conditions regulating each purchase process are made available to interested parties.	T. 74	5
	GC3.1	GC3.1.1	The provider discloses or makes publicly available (at the very least, on its website) its fees and current pricing.	T. 108	1



AR	Group	Source code	Description	Reliability	Weight
	GC3.2	GC3.2.3	The provider discloses or makes publicly available (at the very least, on its website) its income statements and annual reports within the established timelines defined by its guidelines.	T. 108	1
	GC3.2	GC3.2.6	The provider discloses or makes publicly available (at the very least, on its website) the remuneration, fees, or allowances for each member of its “board.”	T. 108	1
	GC3.2	GC3.2.7	The provider discloses or makes publicly available (at the very least, on its website) the investment plan and bids for planned “works.”	T. 108	1
	GC3.2	GC3.2.8	The provider discloses or makes available to the public (at very least, on its website) the summary of information about all contracts that exceed the established amount in the guidelines that correspond to that purpose (in other words, the provider complies with its legal obligations to publish the contracts into which it enters).	T. 108	2
	BI3.2	BI3.2.1	Both the investment plan and its execution timeline are available on the service company’s website.	T. 508	1

### BI3.2.1

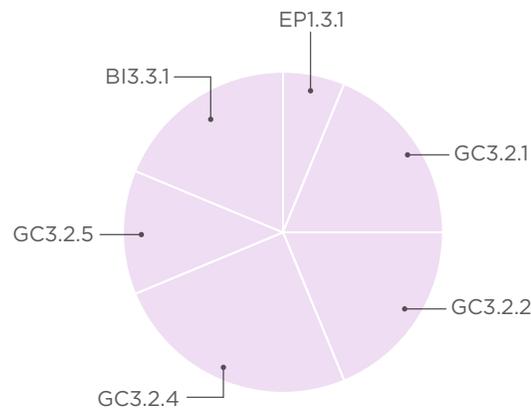
It is valid if the investment plan and its execution timeline are available on the service company’s website through a means that is accessible and intuitive and does not require clicking through more than three links.



## BI3.3 Operational information

This group includes the practices that make possible the transparency of those aspects that are not linked directly to economic or financial amounts.

Only practices in the operational field are taken into consideration, the dissemination of which can contribute to improving integrity, excluding those that allow evaluation of management efficiency or service quality, but are not linked to BI.



**Type** —————> Best practices  
**Normalization** —> Weighted by practice

AR	Group	Source code	Description	Reliability	Weight
	EP1.3	EP1.3.1	Information about selected projects is presented in a detailed list, along with corresponding costs.	T. 25	1
	GC3.2	GC3.2.1	The provider discloses or otherwise makes available publicly (at the very least, on its website) its corporate governance policy, the degree to which compliance with governance practices actually occurs, and the extent to which such practices conform to the country's voluntary code of good corporate governance practices.	T. 108	3

AR	Group	Source code	Description	Reliability	Weight
	GC3.2	GC3.2.2	The service provider discloses or otherwise makes public (at the very least, on its website) the provider's code of ethics, which have been duly approved.	T. 108	3
	GC3.2	GC3.2.4	Audit reports from external entities.	T. 108	4
	GC3.2	GC3.2.5	Information about who the "service provider owners" are and who are the members of (i) the "body representing the owners" and (ii) the "board".	T. 108	2
	BI3.3	IE3.3.1	Results of the recruiting process are announced publicly.	T. 508	3

### BI3.3.1

It is valid if recruitment process results are announced publicly and are made available on the service company's website through an accessible and intuitive medium, through which no more than three links need to be accessed.



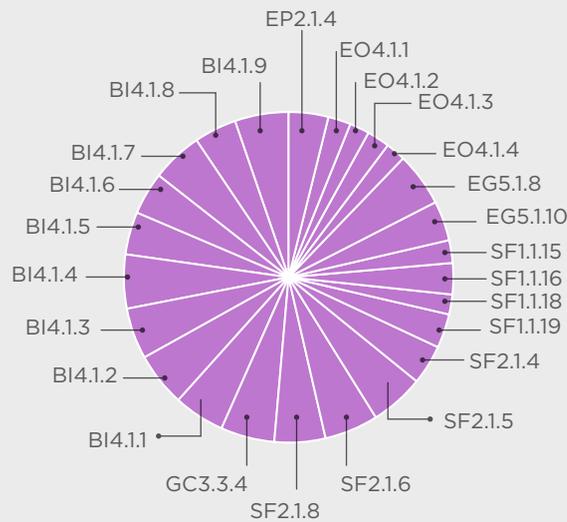
# Monitoring

In this approach, general monitoring practices are evaluated with respect to aspects and processes that are susceptible to integrity lapses.

Detailed monitoring practices that are part of some procedure have been included in the corresponding approach. This approach includes monitoring of general practices against integrity. Monitoring results are evaluated in the BI5 approach.

## BI4.1 Internal monitoring

Monitoring procedures that are carried out within the scope of the company itself are evaluated, both by internal entities and by consulting employees.



**Type** —————> Best practices  
**Normalization** —> Weighted by practice

AR	Group	Source code	Description	Reliability	Weight
	EP2.1	EP2.1.4	There is an integrated monitoring system that records the final costs of projects (or works) in relation to costs tendered. Causes of deviations greater than $\pm 20\%$ are recorded. All types of modifications made to the tendered project are included in the final costs.	T. 3	4
	EO4.1	EO4.1.1	Specific annual accounting analyses are carried out for operation and maintenance costs.	T. 2	2
	EO4.1	EO4.1.2	Specific annual accounting analyses are carried out for the system's operation and maintenance costs.	T. 2	2
	EO4.1	EO4.1.3	Monthly accounting is carried out that is specific to the main system installations, which include, at minimum: each potable water treatment station, each wastewater treatment station, main pumping stations, distribution and sewage networks, and operational support systems.	T. 6	2
	EO4.1	EO4.1.4	Specific and segregated monthly accounting analyses are conducted that address main cost components: personnel, reactivations, energy consumption, and third-party services.	T. 6	2
	EG5.1	EG5.1.8	At least once a year, a quantitative evaluation and qualitative performance assessment of suppliers and contractors are carried out, based on results of indicators defined by the provider, and their classification and profiles are updated.	T. 4	5
	EG5.1	EG5.1.10	Evaluations are carried out to determine the degree of satisfaction on the part of internal users with the services in the provision area.	T. 4	4





AR	Group	Source code	Description	Reliability	Weight
	SF1.1	SF1.1.5	Complete annual financial statements are generated that are prepared in compliance with international accounting norms and standards, and are reviewed by external auditors, whose report is issued within the first three months of the year following the year to which the statements refer.	T. 86	2
	SF1.1	SF1.1.6	Complete monthly financial statements are generated that are prepared in compliance with international accounting standards or those in effect in the country.	T. 86	3
	SF1.1	SF1.1.8	There is a cost system that provides information by cost center, stage of service (potable water production, potable water distribution, wastewater collection, wastewater treatment and disposal), and/or by activity.	T. 3	2
	SF1.1	SF1.1.9	The accounting system provides income, expense, and results reports by business unit/location, and for each service provided.	T. 3	3
	SF2.1	SF2.1.4	The internal auditing unit devises an annual work program based on an analysis of internal risk controls.	T. 2	4
	SF2.1	SF2.1.5	There is a manual or set of guidelines for internal audits that has been duly approved.	T. 90	5
	SF2.1	SF2.1.6	The internal audit department issues reviews and reports and follows up on observations, and there is proof that these have either been corrected or, in the event that no observation has been made, that a reason is provided.	T. 4	5
	GC2.1	GC2.1.8	There is a department that, among its functions, is assigned to ensure development of and compliance with corporate governance policies.	T. 105	5

AR	Group	Source code	Description	Reliability	Weight
	GC3.3	GC3.3.4	There is an internal auditing entity that reports to the “board” and to the board’s auditing committee.	T. 2	5
	BI4.1	BI4.1.1	The internal auditing department conducts corruption risk assessment on a regular basis and informs the board of directors regularly with respect to risks to integrity.	T. 509	5
	BI4.1	BI4.1.2	Purchases are reviewed to detect any out of line or excessive costs.	T. 502	5
	BI4.1	BI4.1.3	The board of directors has monitored the risk of management override and fraud.	T. 502	5
	BI4.1	BI4.1.4	The board of directors has monitored risks to integrity, regularly reviewing and evaluating risk management programs for the organization’s integrity and that of relevant departments.	T. 502	5
	BI4.1	BI4.1.5	Payroll records are reviewed periodically with the goal of avoiding any duplicate or “ghost” employees.	T. 502	4
	BI4.1	BI4.1.6	Reports of all complaints related to malpractice or corruption, as well as resulting disciplinary actions, are maintained in a centralized manner (for example, in the Human Resources department).	T. 502	4
	BI4.1	BI4.1.7	Surveys are conducted to determine the degree of staff satisfaction with respect to company integrity.	T. 502	5
	BI4.1	BI4.1.8	Pre-offer request documents are reviewed to identify any restriction on competition.	T. 502	4
	BI4.1	BI4.1.9	There is control of compliance with policies and codes of conduct established by the company.	T. 502	5



## **BI4.1.1**

It is valid if an internal audit conducts a corruption risk assessment at least once per year and there is evidence that it regularly reports integrity risks to the board of directors. The corruption risk assessment should include: (i) fraud; (ii) corruption; (iii) conflicts of interest; (iv) gifts; (v) purchases and bids; (vi) hiring of personnel; (vii) allegations of corruption and unethical behavior; (viii) discrimination, harassment, or sexual extortion; (ix) use of official resources; (x) theft of company assets; (xi) irregular acquisitions; (xii) nepotism; (xiii) employee intimidation; (xiv) bribery; (xv) misleading interest groups; (xvi) leaks of confidential information; and (xvii) substance abuse.

## **BI4.1.2**

It is valid if there is evidence from the past year that purchases have been reviewed with the goal of detecting costs that are out of line and/or in excessive amounts.

## **BI4.1.3**

It is valid if there is evidence from the past year that the board of directors has monitored the risk of management override and fraud.

## **BI4.1.4**

It is valid if there is evidence from the past year that the board of directors has monitored risks to integrity, regularly reviewing and evaluating risk management programs for the organization's integrity and that of relevant departments.

## **BI4.1.5**

It is valid if there is evidence that payroll records are reviewed periodically with the goal of eliminating duplicate or "ghost" employees.

## **BI4.1.6**

It is valid if there is evidence that reports of all complaints related to malpractice or corruption, as well as resulting disciplinary actions, are maintained in a centralized manner (for example, in the Human Resources department).

## **BI4.1.7**

It is valid if there is evidence that anonymous, annual surveys are conducted to learn about the degree of satisfaction on the part of staff with respect to the company's integrity.

## BI4.1.8

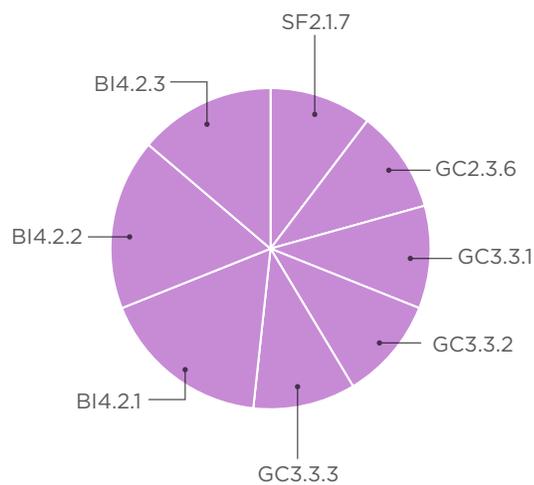
It is valid if there is evidence that the pre-offer request documents are reviewed to detect any restriction or competition.

## BI4.1.9

It is valid if there is evidence that compliance with the policies and codes of conduct established by the company is controlled.

## BI4.2 External monitoring

This group includes all the systematic practices in which external entities are relied upon to audit, evaluate, or learn about the perception of BI.



**Type** ——— Best practices  
**Normalization** — Weighted by practice



AR	Group	Source code	Description	Reliability	Weight
	SF2.1	SF2.1.7	The external auditors or the external financial control entity carry out an annual review of the internal control system and there is evidence that the observations in said report have been addressed or, in the case that any observation has not been accepted or addressed, a reason is provided.	T. 4	3
	GC2.3	GC2.3.6	The board supervises, directly or via the auditing committee, the internal and external audit of the service provider.	T. 2	3
	GC3.3	GC3.3.1	The external auditors are selected by the entity that represents the owners based on the board's recommendation or the external auditors are selected by the official financial control entity that is external to the service provider.	T. 107	3
	GC3.3	GC3.3.2	The board, or its auditing committee, examines and approves the reports from external auditors and those of the internal auditing unit.	T. 2	3
	GC3.3	GC3.3.3	The board, or its auditing committee, supervises the implementation of the external auditors' recommendations and those of the internal auditing department.	T. 2	3
	BI4.2	BI4.2.1	An independent auditor evaluates the application of integrity risk management on the part of the service provider.	T. 502	5

AR	Group	Source code	Description	Reliability	Weight
+	BI4.2	BI4.2.2	Based on the findings of an external audit, the service company implements an action plan, which includes deadlines for completing the actions.	T. 510	5
+	BI4.2	BI4.2.3	Surveys are carried out to learn the degree of satisfaction on the part of the client with respect to company integrity.	T. 502	4
+	BI4.2	BI4.2.4	Surveys are carried out in order to learn the degree of satisfaction on the part of providers, consultants, or bidders with respect to company integrity.	T. 502	4

### BI4.2.1

It is valid if there is evidence that an independent auditor evaluates the application of integrity risk management on the part of the service provider.

### BI4.2.2

It is valid if there is evidence that, based on the findings of an external audit, the service provider implements an action plan that includes deadlines for completing the actions.

### BI4.2.3

It is valid if there is evidence that anonymous, annual surveys have been conducted in order to learn the degree of satisfaction on the part of the client with respect to the company's integrity.

### BI4.2.4

It is valid if there is evidence that anonymous, annual surveys have been conducted in order to learn the degree of satisfaction on the part of providers, consultants, or bidders with respect to the company's integrity.

# Results and indicators of the strength of integrity

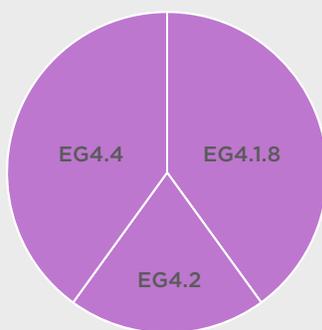
Within this focal area — and of paramount importance in evaluating a company’s integrity — is the inclusion of elements of a very specific nature, those that reflect recent scenarios or past practices that are difficult to pin down, even though there is a clear commitment to integrity.

For this reason, elements evaluating situations that stem from past practices and those that attempt to measure current or recent evidence are grouped in this approach. Within this last group, the data obtained through surveys and consultations, which imply a certain subjectivity of those consulted, and those based on facts and objective evidence, are also differentiated.

50

## BI5.1 Results of past practices

This group evaluates the consistency between the performance requirements established for each job position and the profiles of those who perform those jobs, a variable that could reflect the result of practices from times long preceding the evaluation.



**Type** ————— Best practices  
**Normalization** — Weighted by practice

AR	Group	Source code	Description	Reliability	Weight
	EG4.1	EG4.1.8	Personnel who hold first- and second-level leadership roles who possess at least a four-year higher education, have at least five years of experience from the date that those studies were completed, and comply with the specific education and experience requirements defined in the description of said roles.	T. 65	2
	EG4.2	EG4.2	Personnel onboarded via competition.		1
	EG4.4	EG4.4	Personnel who comply with descriptions of "key roles."		2

## EG4.2 Personnel onboarded via competition

**Definition** — Percentage of personnel onboarded via competition, with respect to the total number of personnel onboarded during the evaluation year and the two preceding years. If there were no employees onboarded during said period, data from the most recent year in which they were recorded should be taken into account.

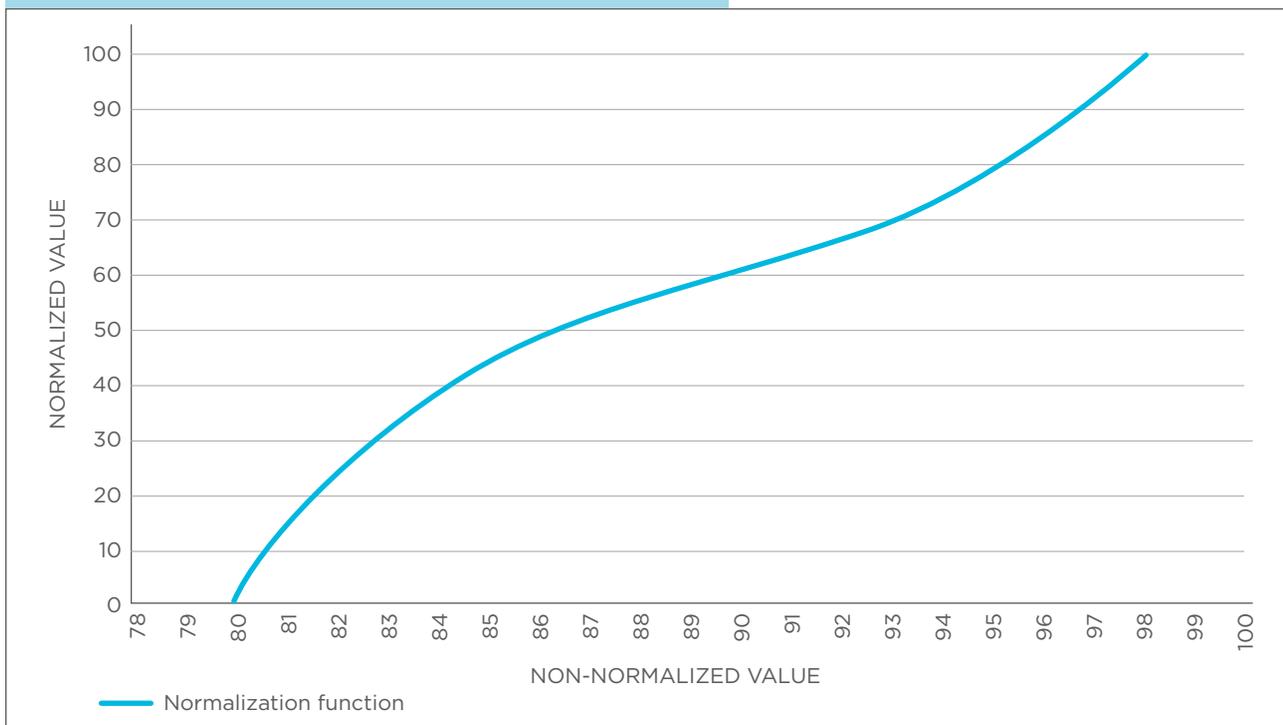
**Type** — Indicator

**Service** — Potable water and/or sanitation

**Formula** —  $([EG4-V1]/[EG4-V2])*100$  Unit: %



## Normalization function



## Variables

**[EG4-V1]** Number of employees onboarded via competition.

**Definition** — Total of employees onboarded via competition during the evaluation year and the two preceding years. If there was no onboarding of personnel during said period, data related to the most recent year during which there was onboarding should be taken into account.

**Units** — N.º

**Reliability** — Table 68

**[EG4-V2]** Total of onboarded employees.

**Definition** — Total of employees onboarded during the evaluation year and the two preceding years. If there was no onboarding of personnel during said period, data related to the most recent year during which there was onboarding should be taken into account.

**Units** — N.º

**Reliability** — Table 69

## EG4.4 Staff who fulfill descriptions of “key roles”

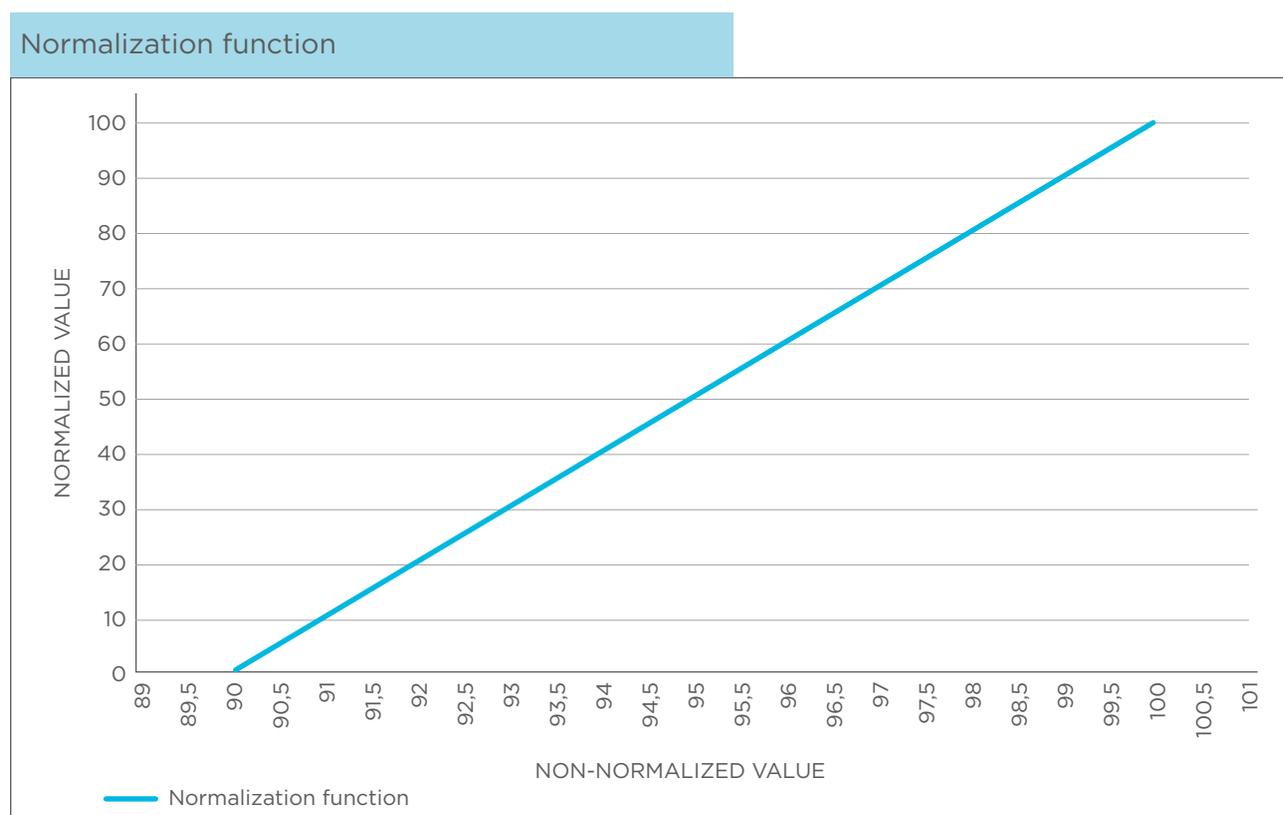
**Definition** — Percentage of staff who hold “key roles” and fulfill the “descriptions” of said roles, with respect to the total number of staff who fulfill said roles, within the evaluation year.

**Type** — Indicator

**Service** — Potable water and/or sanitation

**Glossary** — Key roles, description of role

**Formula** —  $([EG4-V5]/[EG4-V6])*100$  Unit: %



# Variables

**[EG4-V5]** Number of people who hold “key roles” and fulfill the respective “roles.”

**Definition** — Number of people who hold “key roles” and fulfill the respective “role descriptions.”

**Units** — N.º

**Reliability** — Table 72

**[EG4-V6]** Total number of people who hold “key roles.”

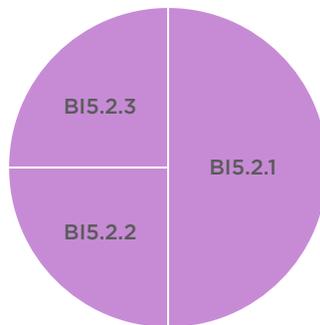
**Definition** — Total number of people who hold “key roles.”

**Units** — N.º

**Reliability** — Table 73

## BI5.2 Opinion-based ratings

This group evaluates subjective perceptions with respect to company integrity on the part of any stakeholder that is related to it.



**Type** — Best practices

**Normalization** — Weighted by practice



AR	Group	Source code	Description	Reliability	Weight
+	BI5.2	BI5.2.1	Result of anonymous surveys about integrity conducted among employees in the past year.		2
+	BI5.2	BI5.2.2	Result of anonymous surveys about integrity carried out among providers, consultants, and bidders in the past year.		1
+	BI5.2	BI5.2.3	Result of anonymous surveys about integrity carried out among providers, consultants, and bidders in the past year.		1

## BI5.2.1 Result of anonymous surveys about integrity carried out among employees in the past year.

**Definition** ——— Result of anonymous surveys about integrity carried out among employees in the past year.

**Type** ——— Indicator

**Service** ——— Potable water and/or sanitation

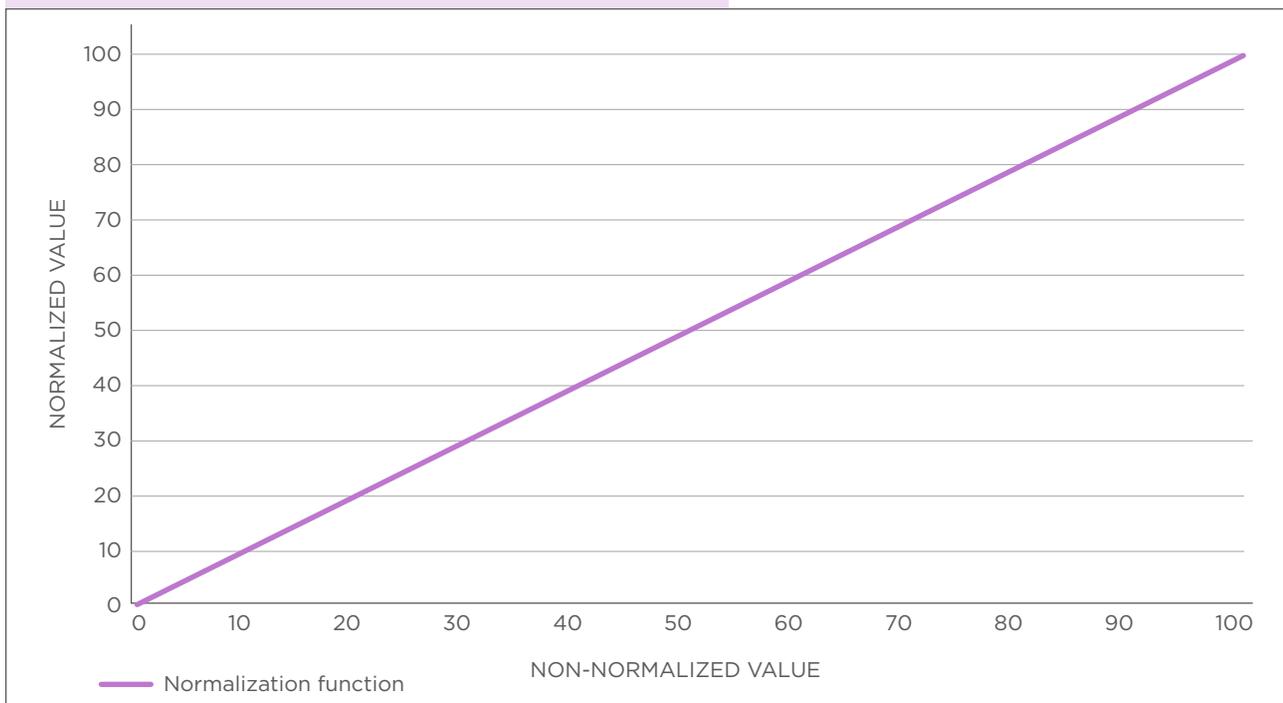
**Glossary** ——— —

**Formula** ———  $([BI5-V1]*100)/[BI5-V2]$

**Unit** ——— %



## Normalization function



## Variables

**[BI5-V1]** Result of anonymous surveys about integrity conducted among employees in the past year.

**Definition** — Result of anonymous surveys about integrity conducted among employees in the past year.

**Units** — N.º

**Reliability** — Table 511

**[BI5-V2]** Maximum result possible in the anonymous surveys about integrity conducted among employees.

**Definition** — Maximum result possible in the anonymous surveys about integrity conducted among employees.

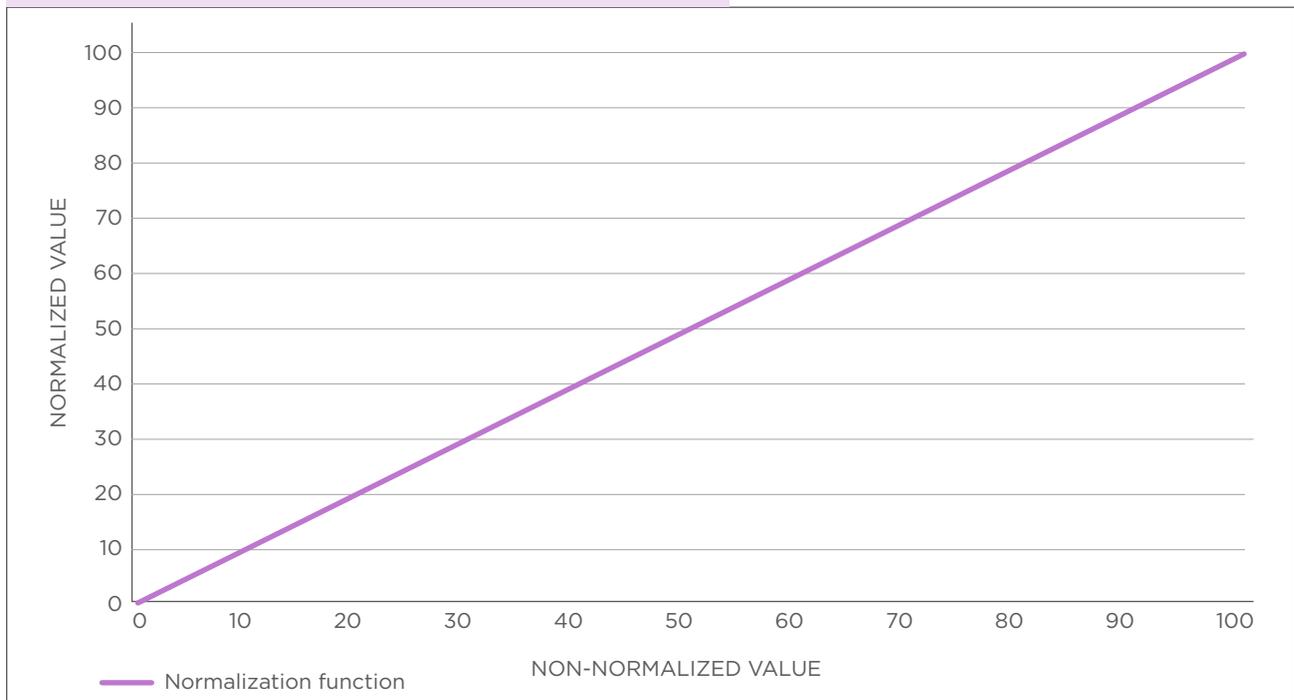
**Units** — N.º

**Reliability** — Table 511

## BI5.2.2 Result of anonymous surveys about integrity carried out among providers, consultants, and bidders during the past year.

<b>Definition</b>	Result of anonymous surveys about integrity carried out among providers, consultants, and bidders during the past year.
<b>Type</b>	Indicator
<b>Service</b>	Potable water and/or sanitation
<b>Glossary</b>	—
<b>Formula</b>	$([BI5-V3]*100)/[BI5-V4]$
<b>Unit</b>	%

Normalization function



## Variables

**[BI5-V3]** Result of the anonymous surveys about integrity conducted among providers, consultants, and bidders during the past year.

**Definition** ——— Result of the anonymous surveys about integrity conducted among providers, consultants, and bidders during the past year.

**Units** ————— N.º

**Reliability** ——— Table 511

**[BI5-V4]** Highest possible result in the anonymous surveys about integrity that are conducted among providers, consultants, and bidders.

**Definition** ——— Highest possible result in the anonymous surveys about integrity that are conducted among providers, consultants, and bidders.

**Units** ————— N.º

**Reliability** ——— Table 511

### **BI5.2.3** Result of anonymous surveys about integrity conducted among clients within the past year.

**Definition** ——— Result of anonymous surveys about integrity conducted among clients within the past year.

**Type** ————— Indicator

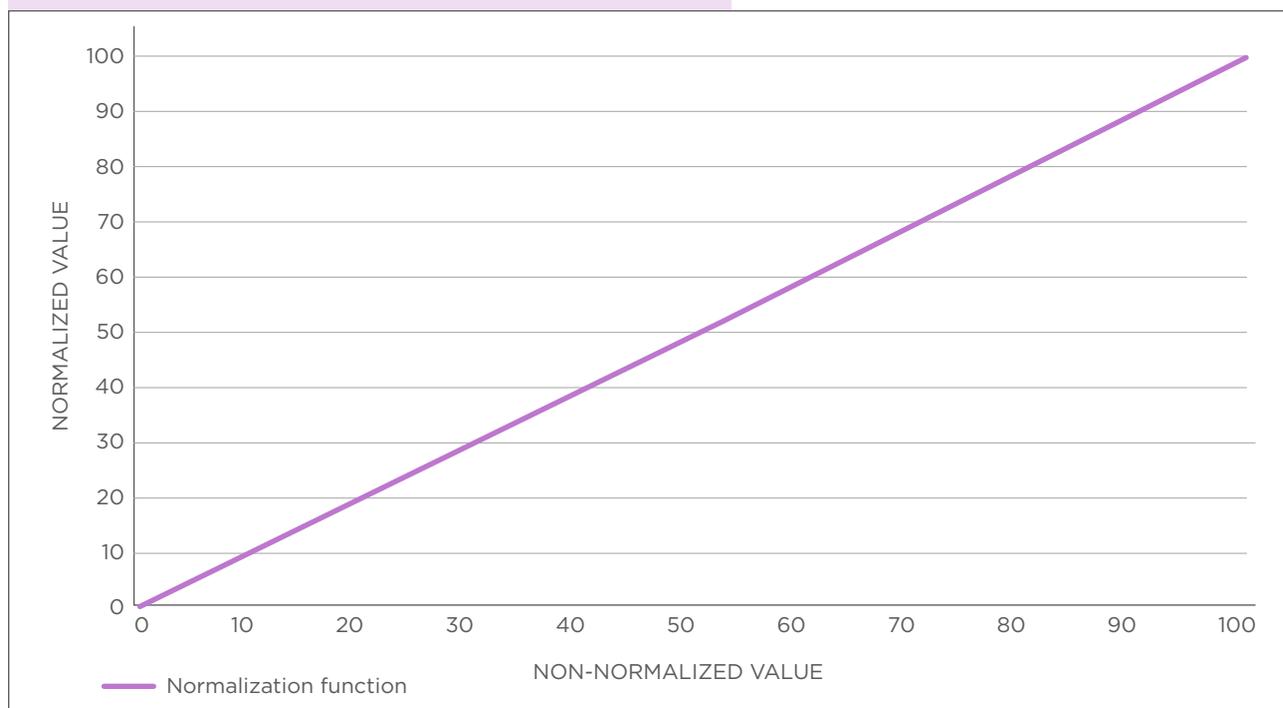
**Service** ————— Potable water and/or sanitation

**Glossary** ————— —

**Formula** —————  $([BI5-V5]*100)/[BI5-V6]$

**Unit** ————— %

## Normalization function



## Variables

**[BI5-V5]** Result of anonymous surveys about integrity, conducted among clients within the past year.

**Definition** ——— Result of anonymous surveys about integrity, conducted among clients within the past year.

**Units** ——— N.º

**Reliability** ——— Table 511

**[BI5-V6]** Highest possible result in anonymous surveys about integrity, conducted among clients.

**Definition** ——— Highest possible result in anonymous surveys about integrity, conducted among clients.

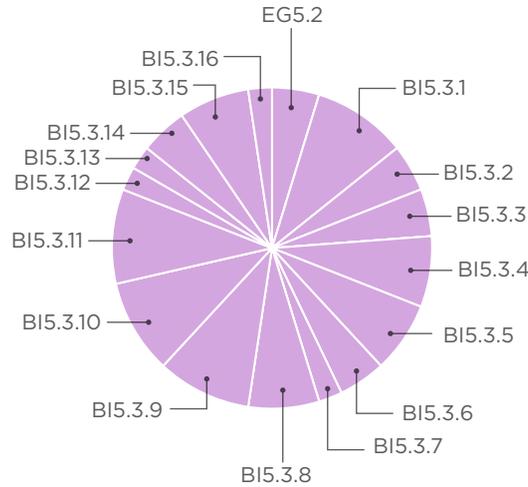
**Units** ——— N.º

**Reliability** ——— Table 511



## BI5.3 Evidence-based ratings

The company's integrity is evaluated in this group through the analysis of results and verifiable facts.



**Type** ————— Indicator  
**Normalization** — Weighted by indicator

AR	Group	Source code	Description	Reliability	Weight
	EG5.2	EG5.2	Purchases carried out via “public bidding.”		2
	BI5.3	BI5.3.1	Verified complaint related to non-compliance with a policy or code of conduct, to which measures have been applied.		4
	BI5.3	BI5.3.2	Deviation of project costs.		2
	BI5.3	BI5.3.3	Projects whose costs deviate more than 20%.		2
	BI5.3	BI5.3.4	Average rating of integrity and corruption based on audits carried out.		3
	BI5.3	BI5.3.5	Average rating of corruption risk based on audits carried out.		3



AR	Group	Source code	Description	Reliability	Weight
+	BI5.3	BI5.3.6	External complaints related to indices of abuse or corruption.		2
+	BI5.3	BI5.3.7	Client complaints related to transparency or requests for information that have not been addressed.		1
+	BI5.3	BI5.3.8	Internal complaints related to indices of abuse, corruption, or non-compliance with a code of conduct or company policy.		3
+	BI5.3	BI5.3.9	Cases with sanctions related to BI.		4
+	BI5.3	BI5.3.10	Cases with corrective measures related to BI.		4
+	BI5.3	BI5.3.11	Open cases related to BI.		4
+	BI5.3	BI5.3.12	Non-compliance with client compensation related to BI.		1
+	BI5.3	BI5.3.13	Complaints related to the environment with respect to BI.		1
+	BI5.3	BI5.3.14	Updating of the code of ethics.		2
+	BI5.3	BI5.3.15	Budget that is dedicated to the development of integrity and the fight against corruption.		3
+	BI5.3	BI5.3.16	Requests for access to information that have been addressed.		1

## EG5.2 Purchases made through “public bidding”

**Definition** — Percentage of purchases made through “public bidding,” with respect to the total purchases made during the evaluation year, expressed in monetary terms.

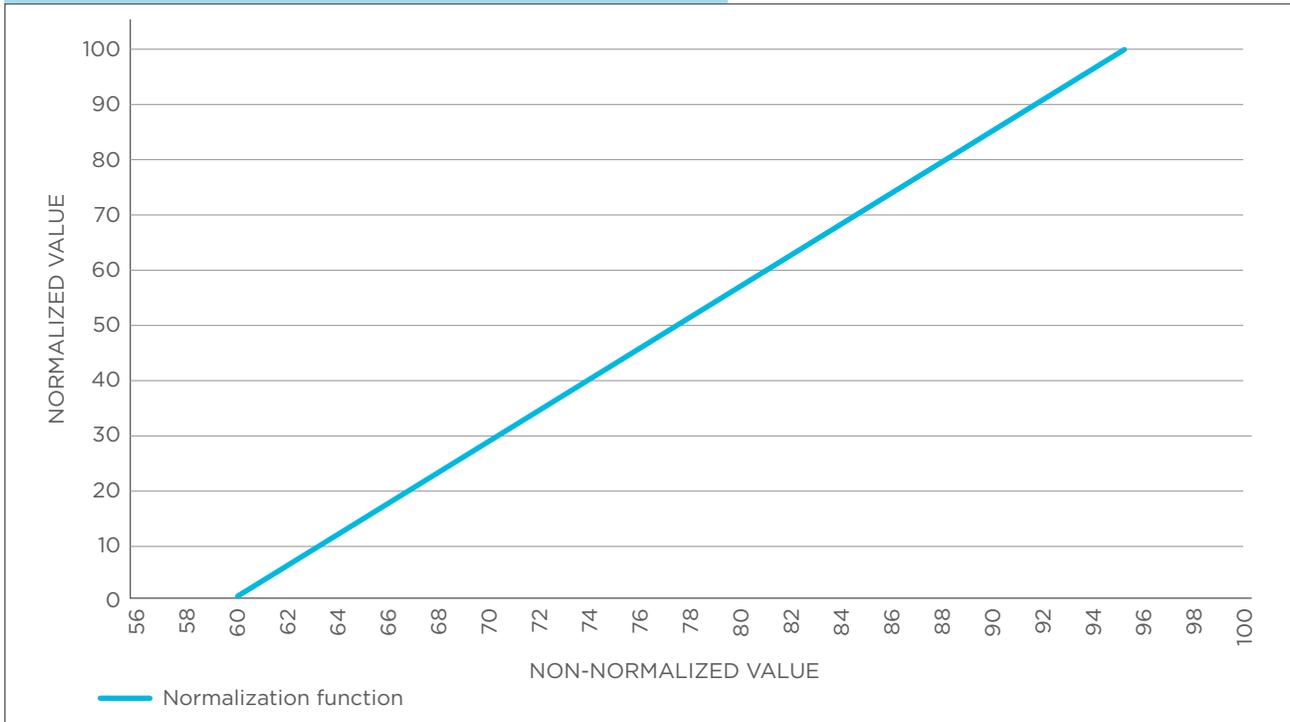
**Type** — Indicator

**Service** — Potable water and/or sanitation

**Glossary** — Public bidding

**Formula** —  $([EG5-V1]/[EG5-V2])*100$  Unit: %

## Normalization function



## Variables

**[EG5-V1]** Total amount of purchases completed via “public bidding.”

**Definition** — Amount of purchases of goods and services invoiced during the evaluation year, originating from “public bids” awarded in the evaluation year or in previous years, including corresponding studies and works. Only the amount invoiced during the year is considered, not the awarded amount.

**Units** — Local currency

**Reliability** — Table 75

**[EG5-V2]** Total amount of completed purchases.

**Definition** — Total amount of purchases of goods and services invoiced in the evaluation year, including those corresponding to studies and works, and excluding purchases made without “public bidding,” due to the fact that there is only one supplier of the respective good or service, and said circumstance is creditable.

**Units** — Local currency

**Reliability** — Table 76

# BI5.3.1 Verified complaints related to non-compliance with a policy or code of conduct, to which measures have been applied

**Definition** — Percentage of verified complaints related to non-compliance with a policy or code of conduct, to which measures have been applied, in relationship to the total number of complaints related to non-compliance with a policy or code of conduct.

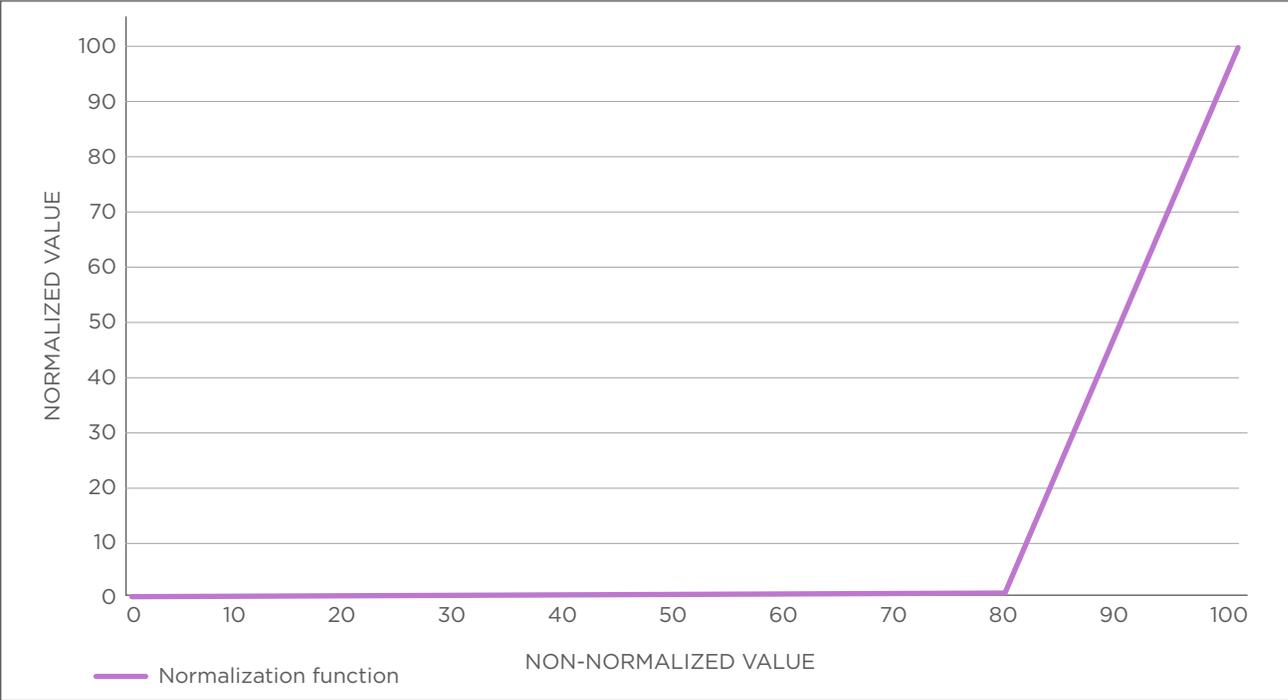
**Type** — Indicator.

**Service** — Potable water and/or sanitation.

**Glossary** — —

**Formula** —  $[(BI5-V7)/(BI5-V8)]*100$  Unit: %

Normalization function



## Variables

**[BI5-V7]** Number of verified complaints (internal and external) related to non-compliance with policies or codes of conduct, to which corresponding measures have been applied.

**Definition** — Number of verified complaints related to non-compliance with a company policy or code of conduct, to which corresponding measures have been applied.

**Units** — N.º

**Reliability** — Table 512

**[BI5-V8]** Number of verified complaints (internal and external) related to non-compliance with policies or codes of conduct.

### BI5.3.2 Project cost deviations

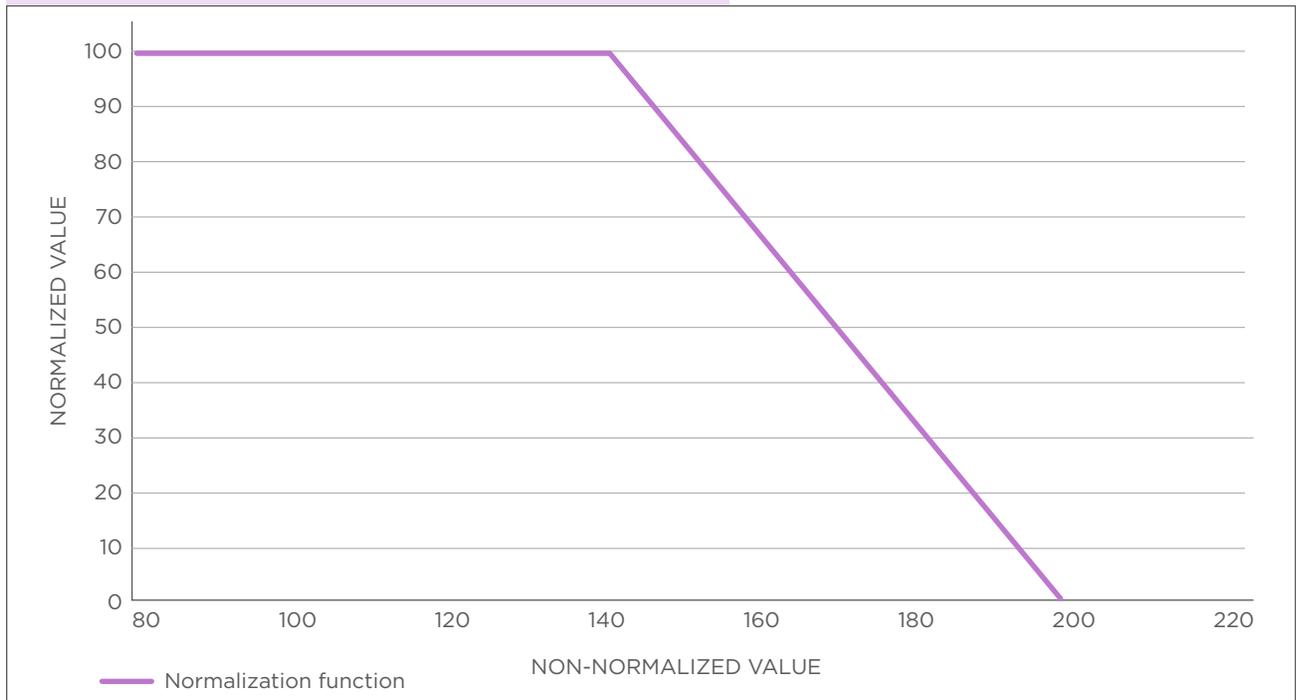
**Definition** — Percentage of deviation in total project costs during the year.

**Type** — Indicator

**Glossary** — —

**Formula** —  $([BI5-V9]/[BI5-V10])*100$  Unit: %

## Normalization function



## Variables

**[BI5-V9]** Total real cost of projects completed during the year.

**Definition** — Sum of real costs of all projects completed during the year.

**Units** — Local currency

**Reliability** — Table 1088

**[BI5-V10]** Sum of projected costs of all of the projects completed during the year.

**Definition** — Sum of projected costs of all of the projects completed in the past year.

**Units** — Local currency

**Reliability** — Table 1088





Elements of a specific nature and that reflect recent scenarios have been included within this approach, which is of paramount importance for assessing a company's integrity



## BI5.3.3 Projects whose costs deviated more than 20%

**Definition** — Percentage of projects whose costs deviated more than 20% in the year.

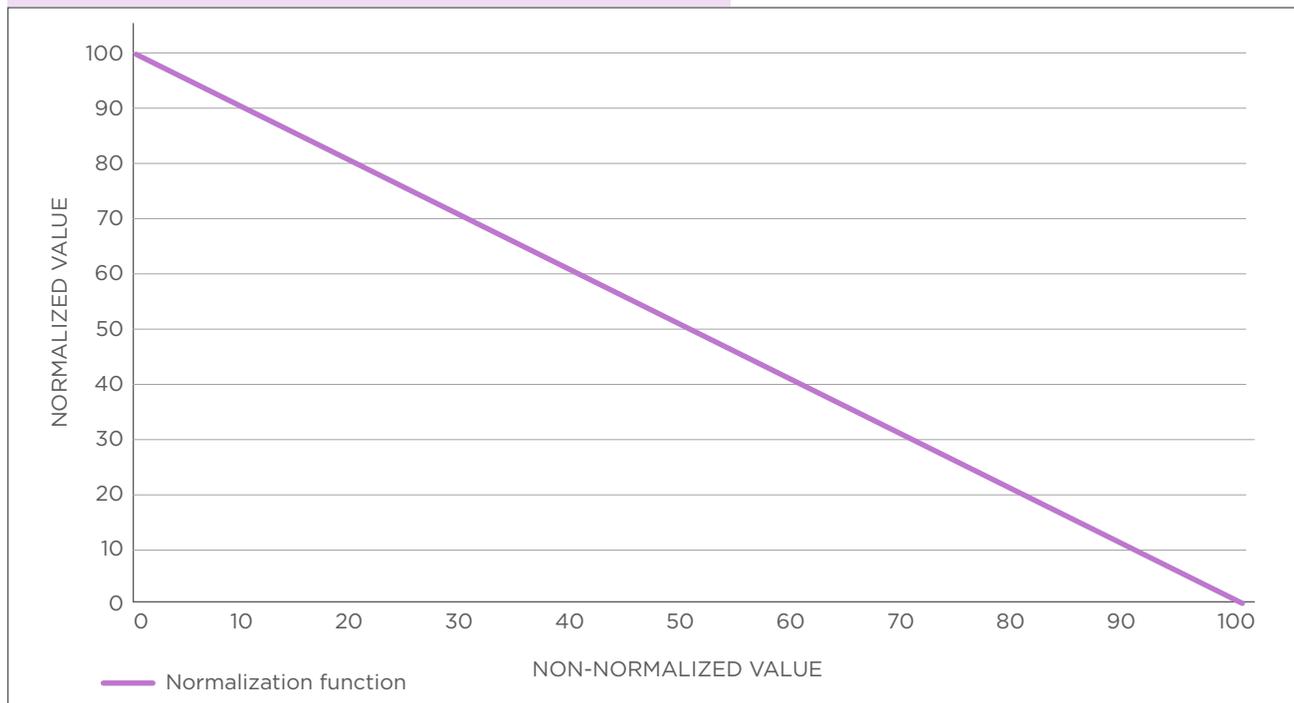
**Type** — Indicator

**Service** — Potable water and/or sanitation

**Glossary** — —

**Formula** —  $([BI5-V11]/[BI5-V12])*100$  Unit

Normalization function



## Variables

**[BI5-V11]** Number of projects completed in the year with costs that deviated 20% or more from those that were projected.

**Definition** — Number of projects completed in the year with costs that deviated 20% or more from those that were projected.

**Units** — N.º

**Reliability** — Table 514



**[BI5-V12]** Number of projects completed in the year.

**Definition** — Number of projects completed in the year.

**Units** — N.º

**Reliability** — Table 514

## **[BI5.3.4]** Average assessment of integrity and corruption based on audits carried out

**Definition** — Average assessment of integrity and corruption based on audits carried out.

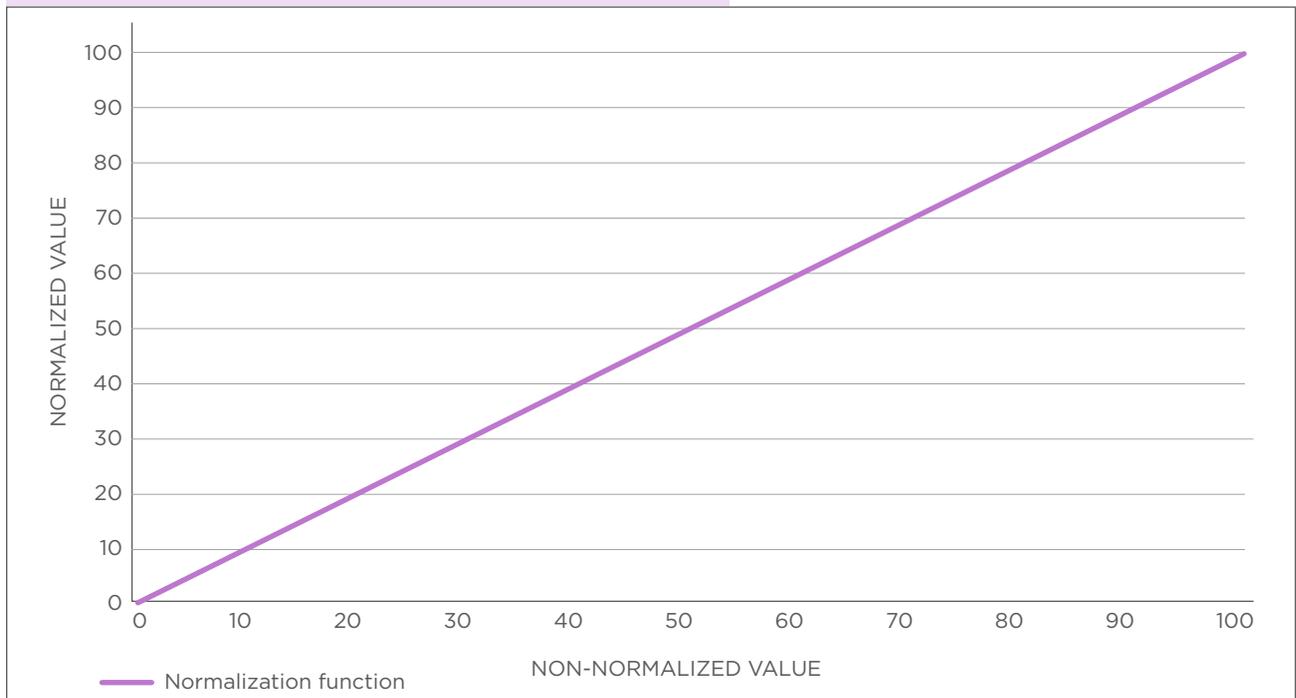
**Type** — Indicator

**Service** — Potable water and/or sanitation

**Glossary** — —

**Formula** — [BI5-V13] Unit:

Normalization function



# Variable

**[BI5-V13]** Average rating, out of 100, with respect to integrity and corruption, based on audits carried out.

**Definition** — Average rating, out of 100, with respect to integrity and corruption, based on audits carried out.

**Units** — N.º

**Reliability** — Table 511

## **[BI5.3.5]** Average assessment of corruption risk based on audits carried out

**Definition** — Average assessment of corruption risk based on audits carried out.

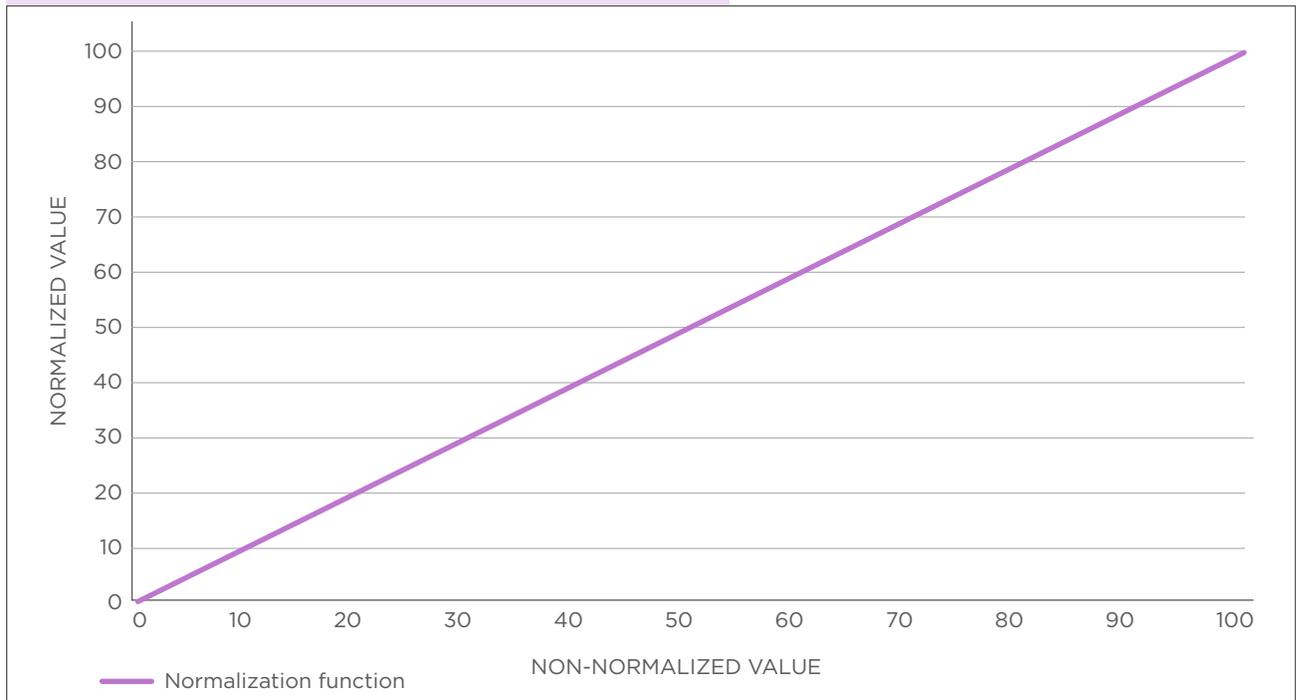
**Type** — Indicator

**Service** — Potable water and/or sanitation

**Glossary** — —

**Formula** —  $([BI5-V15]*100)/[BI5-V16]$  Unit: %

## Normalization function



## Variables

**[BI5-V15]** Weighted sum of audit results regarding corruption risk.

**Definition** — Weighted sum of audit results regarding corruption risk -  $\sum(\text{Result} * \text{MaxResultPossible}_j)$ .

**Units** — N.º

**Reliability** — Table 511

**[BI5-V16]** Sum of the maximum possible result regarding corruption risk based on audits carried out.

**Definition** — Sum of the maximum possible result regarding corruption risk based on audits carried out.

**Units** — N.º

**Reliability** — Table 511



# BI5.3.6 External complaints related to abuse or corruption

**Definition** — Percentage of external complaints related to abuse or corruption.

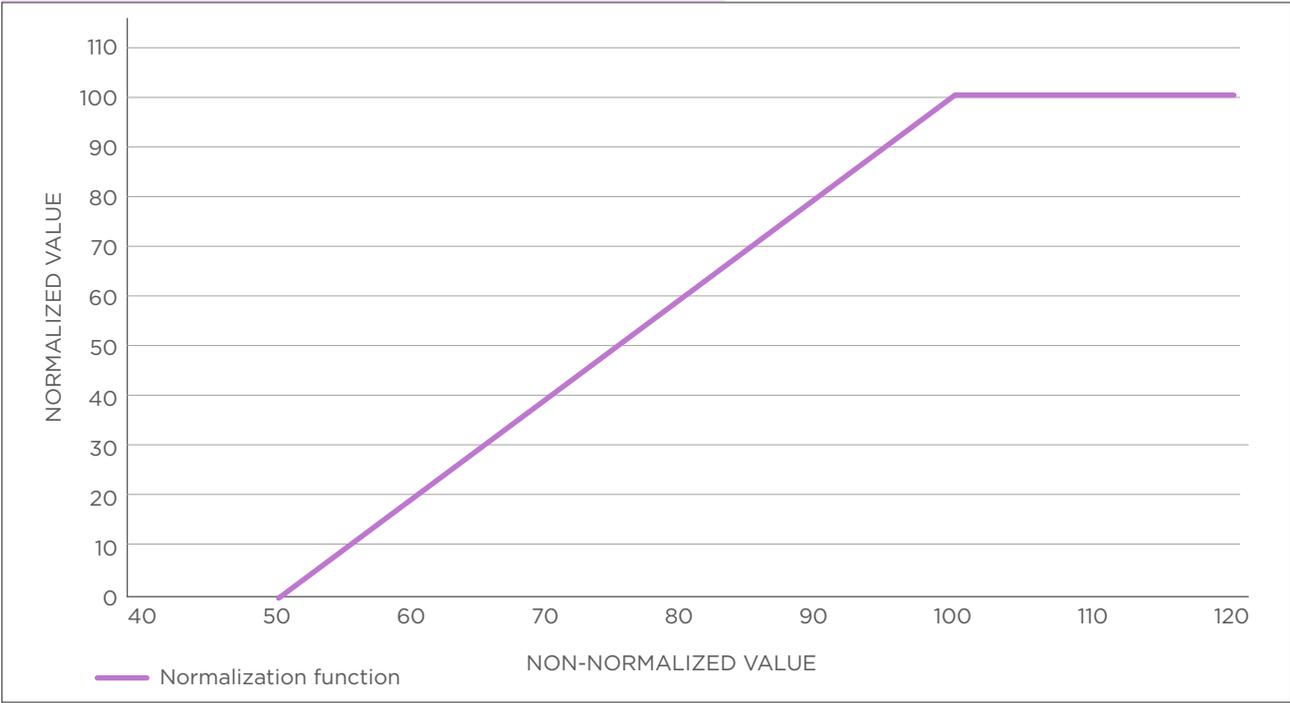
**Type** — Indicator

**Service** — Potable water and/or sanitation

**Glossary** — —

**Formula** —  $([BI5-V17]/[BI5-V18])*100$  Unit : %

Normalization function



## Variables

**[BI5-V17]** Number of confirmed external complaints related to abuse or corruption.

**Definition** — Number of confirmed external complaints related to abuse or corruption.

**Units** — N.º

**Reliability** — Table 512

**[BI5-V18]** Number of total complaints related to abuse or corruption.

**Definition** — Total number of complaints related to abuse or corruption.

**Units** — N.º

**Reliability** — Table 512

## BI5.3.7 Client complaints related to transparency or information requests that have not been addressed

**Definition** — Percentage of client complaints related to transparency or information requests that have not been addressed.

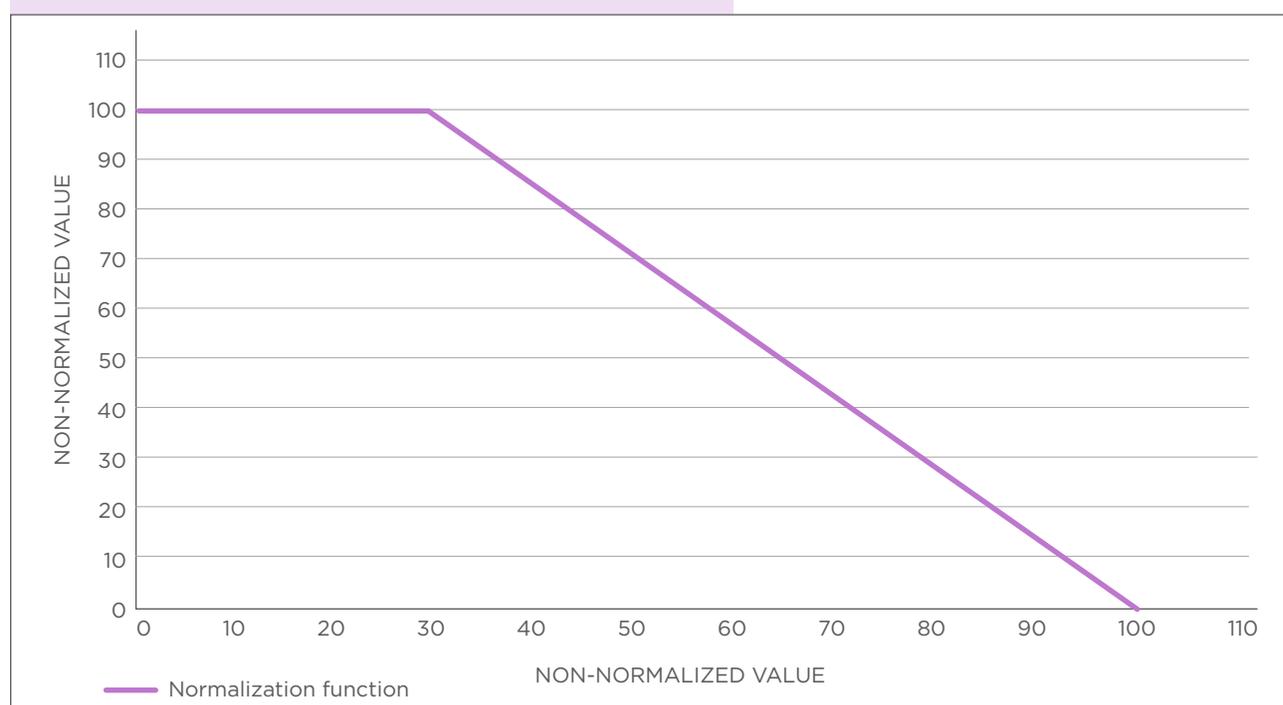
**Type** — Indicator

**Service** — Potable water and/or sanitation

**Glossary** — —

**Formula** —  $([BI5-V19]/[BI5-V20])*100$  Unit: %

Normalization function



## Variables

**[BI5-V19]** Number of confirmed client complaints due to a lack of transparency or requests for information that have not been addressed.

**Definition** — Number of confirmed client complaints due to a lack of transparency or requests for information that have not been addressed.

**Units** — N.º

**Reliability** — Table 512

**[BI5-V20]** Number of client complaints due to lack of transparency or requests for information.

**Definition** — Number of client complaints due to lack of transparency or requests for information.

**Units** — N.º

**Reliability** — Table 512

### **BI5.3.8** Internal complaints related to abuse, corruption, or non-compliance with a code of conduct or company policy

**Definition** — Confirmed internal complaints related to abuse, corruption, or non-compliance with a code of ethics or company policy on the part of the employee.

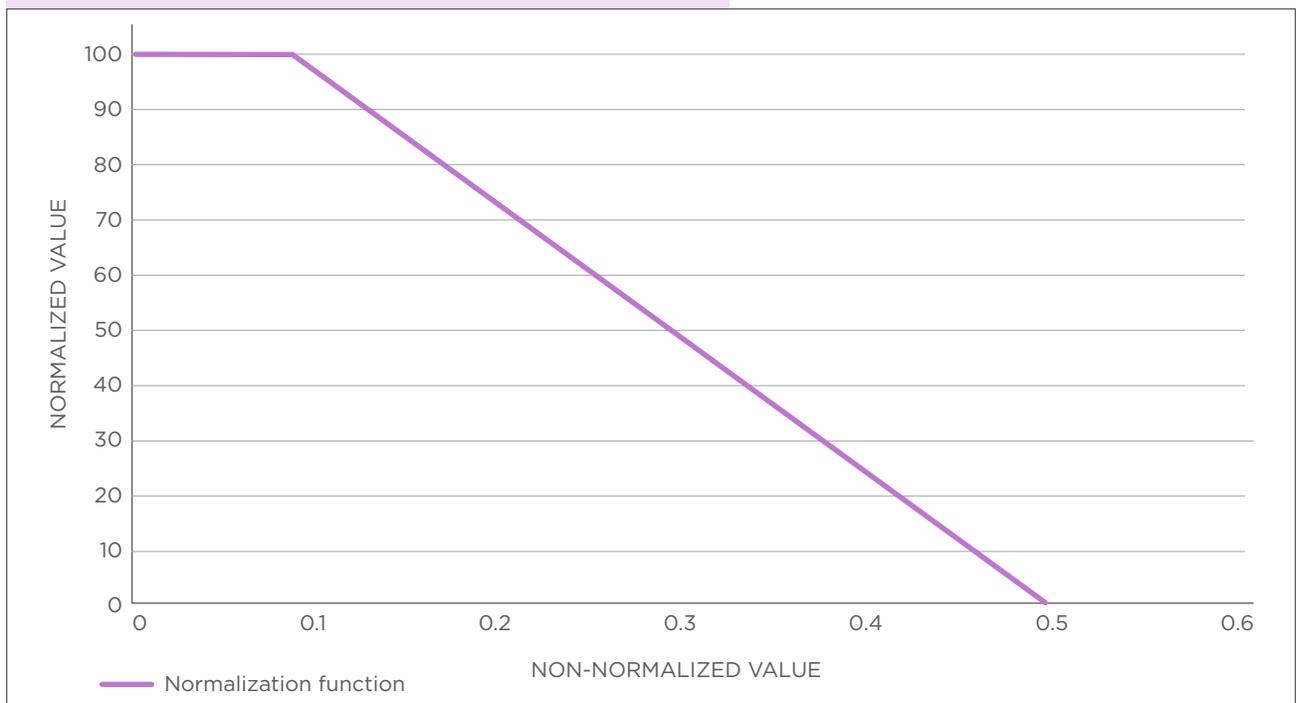
**Type** — Indicator

**Service** — Potable water and/or sanitation

**Glossary** — —

**Formula** —  $([BI5-V21])/[EG4-V4]$  Unit: N.º

## Normalization function



## Variables

**[BI5-V21]** Number of confirmed internal complaints about abuse, corruption, or non-compliance with the code of conduct or company policy.

**Definition** — Number of confirmed internal complaints about abuse, corruption, or non-compliance with the code of conduct or company policy.

**Units** — N.º

**Reliability** — Table 512

**[EG4-V4]** Total number of workers.

**Definition** — Total average number of workers during the evaluation year.

**Units** — N.º

**Reliability** — Table 71



## BI5.3.9 Cases with BI-related sanctions

**Definition** — Cases sanctioned for non-compliance with any code of conduct or company policy related to BI on the part of the employee.

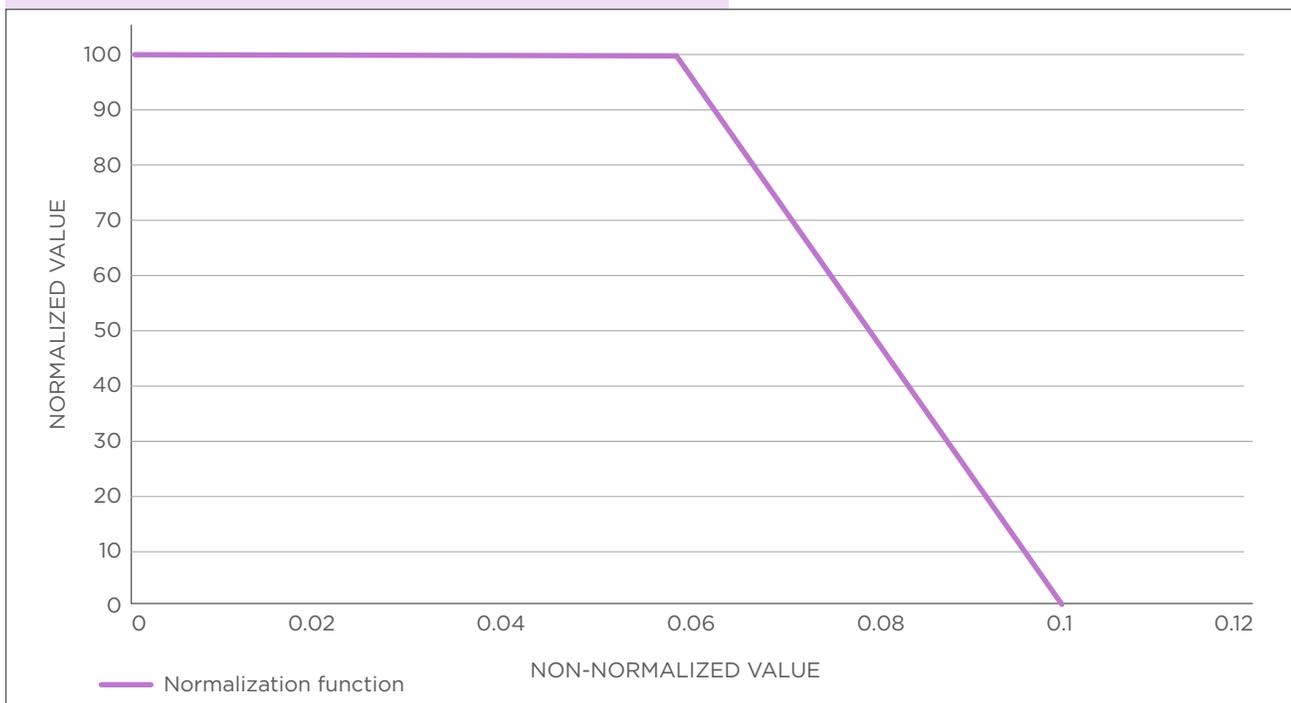
**Type** — Indicator

**Service** — Potable water and/or sanitation

**Glossary** — —

**Formula** —  $([BI5-V23]/[EG4-V4])$  Unit: N.º

Normalization function



## Variables

**[BI5-V23]** Number of cases with sanctions due to non-compliance with any code of conduct or company policy related to BI.

**Definition** — Number of cases with sanctions due to non-compliance with any code of conduct or company policy related to BI.

**Units** — N.º

**Reliability** — Table 513

**[EG4-V4]** Total number of workers.

**Definition** — Cases with corrective measures due to non-compliance with any code of conduct or company policy related to BI on the part of the employee.

**Units** — N.º

**Reliability** — Table 71

## BI5.3.10 Cases with BI-related corrective measures

**Definition** — Cases with corrective measures due to non-compliance with any code of conduct or company policy related to BI on the part of the employee.

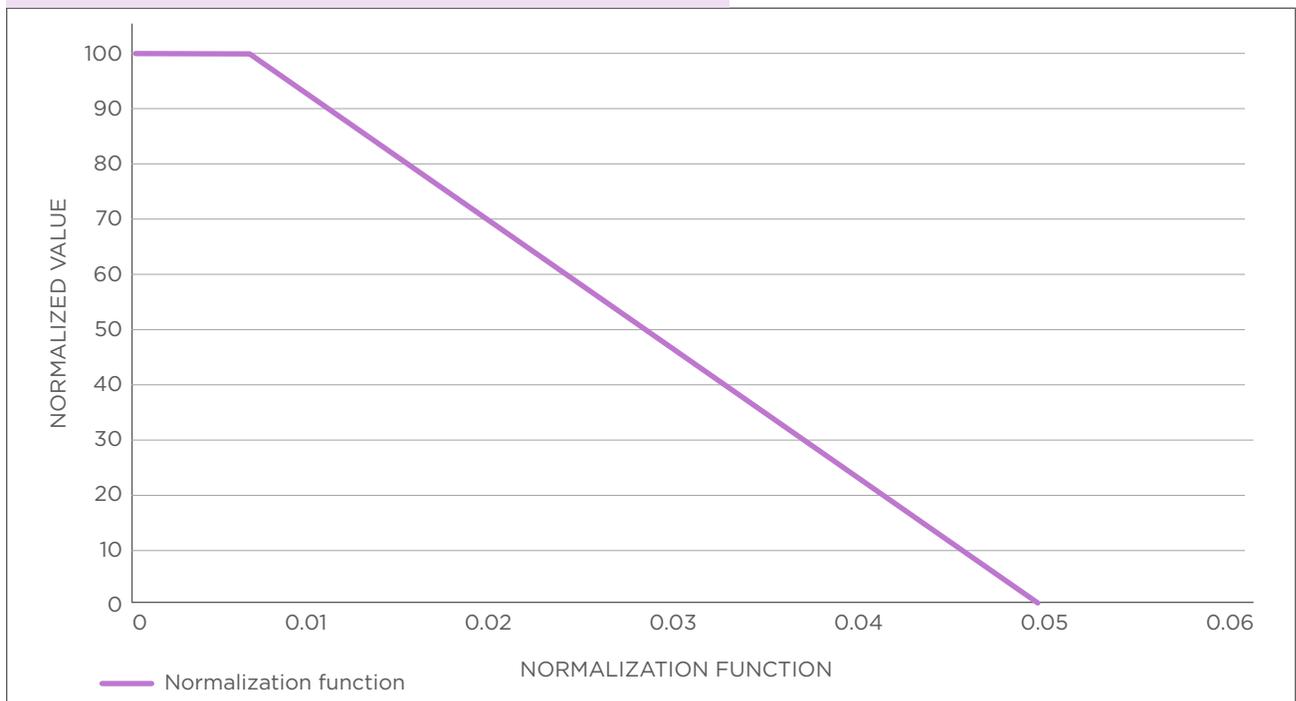
**Type** — Indicator

**Service** — Potable water and/or sanitation

**Glossary** — —

**Formula** —  $([BI5-V24]/[EG4-V4])$  Unit: N.º

Normalization function



## Variables

**[BI5-V24]** Number of cases with corrective measures due to non-compliance with any code of conduct or company policy related to BI.

**Definition** — Number of cases with corrective measures due to non-compliance with any code of conduct or company policy related to BI.

**Units** — N.º

**Reliability** — Table 513

**[EG4-V4]** Total number of workers.

**Definition** — Total average number of workers during the evaluation year.

**Units** — N.º

**Reliability** — Table 71

### BI5.3.11 Open cases related to BI

**Definition** — Percentage of open cases of violations of any aspect of the code of conduct or company policy related to BI on the part of the employee.

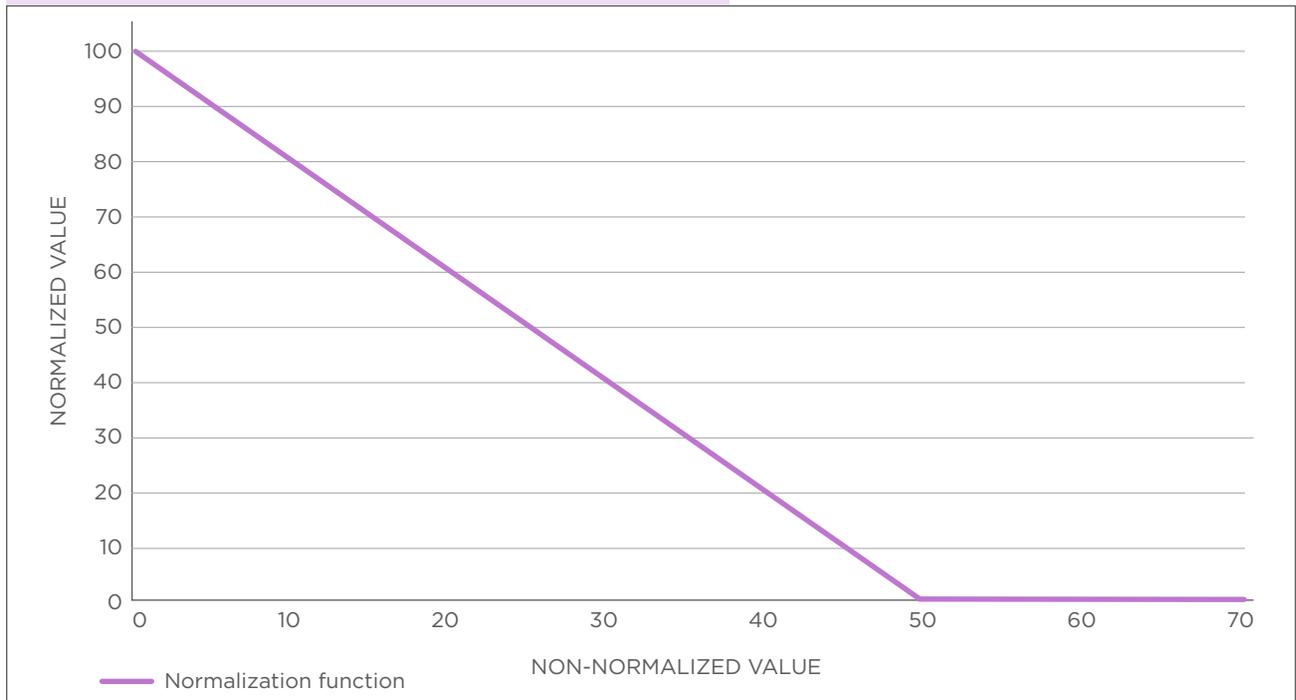
**Type** — Indicator

**Service** — Potable water and/or sanitation

**Glossary** — —

**Formula** —  $([BI5-V25]/[EG4-V4])*100$  Unit: %

## Normalization function



## Variables

**[BI5-V25]** Number of open cases related to non-compliance with any code of conduct or company policy related to BI.

**Definition** — Number of open cases related to non-compliance with any code of conduct or company policy related to BI.

**Units** — N.º

**Reliability** — Table 513

**[EG4-V4]** Total number of workers.

**Definition** — Average number of total “workers” during the evaluation year.

**Units** — N.º

**Reliability** — Table 71



# BI5.3.12 Client-facing BI-related violations that involved compensation.

**Definition** — Percentage of client-facing BI-related violations related to any aspect of the code of conduct or company policy that have ended with compensation.

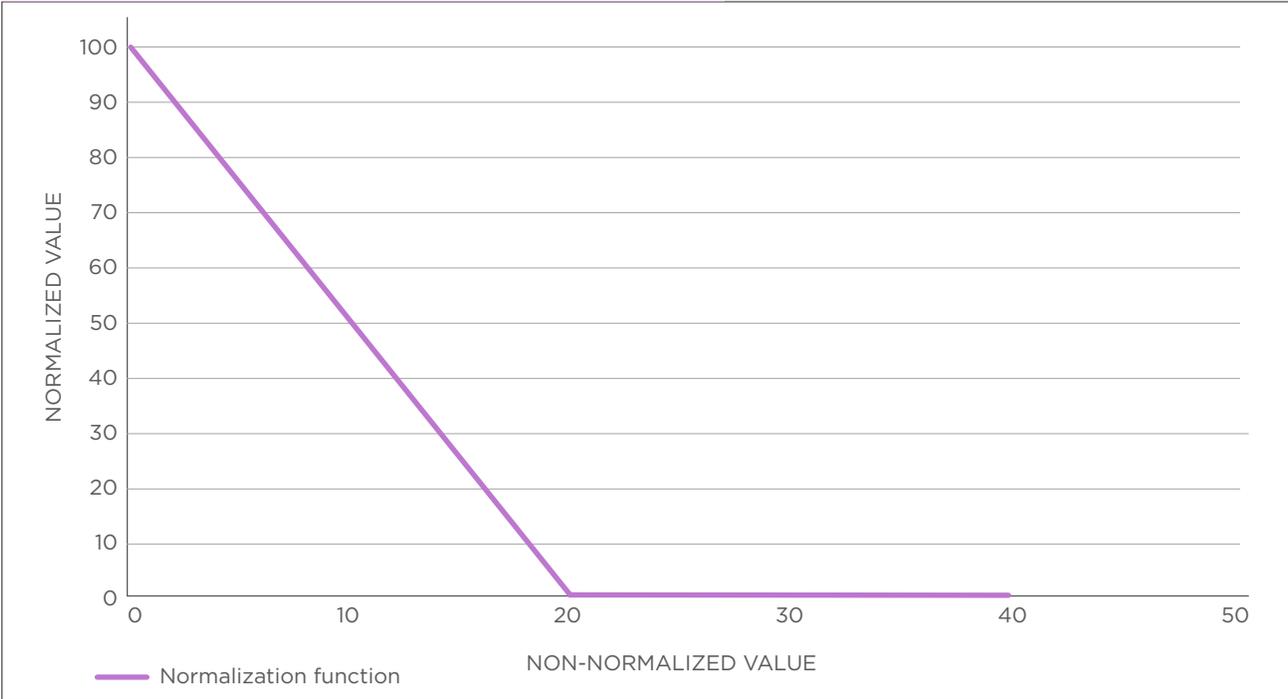
**Type** — Indicator

**Service** — Potable water and/or sanitation

**Glossary** — —

**Formula** —  $([BI5-V26]/[BI5-V20])*100$  Unit: %

Normalization function



## Variables

**[BI5-V26]** Number of BI-related client-facing violations related to any aspect of the code of conduct or company policy that have ended with compensation.

**Definition** — Number of BI-related client-facing violations related to any aspect of the code of conduct or company policy that have ended with compensation.

**Units** — N.º

**Reliability** — Table 513

[BI5-V20] Number of clients.

**Definition** — Number of clients.

**Units** — N.º

**Reliability** — Table 515

## BI5.3.13 Environmental-related complaints related to BI

**Definition** — Percentage of environmental-related complaints as they relate to BI.

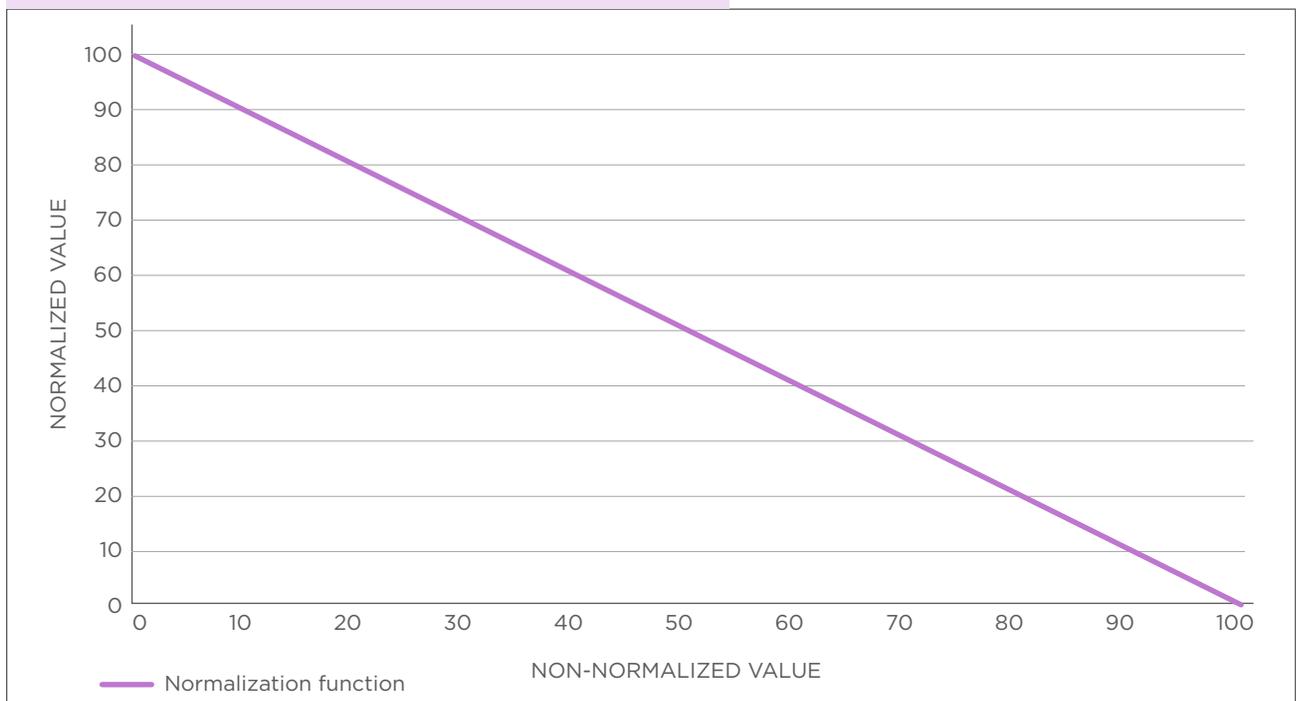
**Type** — Indicator

**Service** — Potable water and/or sanitation

**Glossary** — —

**Formula** —  $([BI5-V27]/[BI5-V28])*100$  Unit: %

Normalization function



## Variables

**[BI5-V27]** Number of environmental-related complaints as they relate to BI.

**Definition** — Number of environmental-related complaints as they relate to BI.

**Units** — N.º

**Reliability** — Table 512

**[BI5-V28]** Number of BI-related complaints.

**Definition** — Number of BI-related complaints.

**Units** — N.º

**Reliability** — Table 515

### BI5.3.14 Updating of the code of ethics

**Definition** — Quantitative evidence of updating or acceptance of the code of ethics.

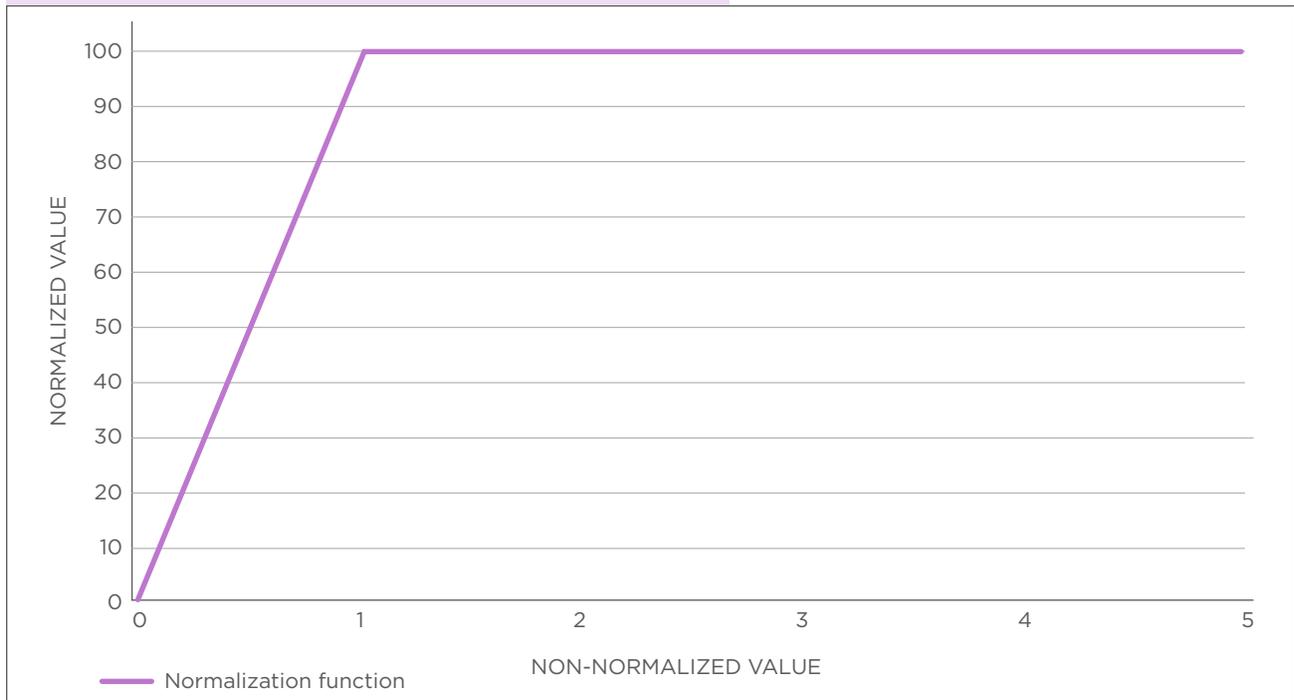
**Type** — Indicator

**Service** — Potable water and/or sanitation

**Glossary** — —

**Formula** — [BI5-V29]. Unit: %

## Normalization function



## Variable

**[BI5-V29]** Quantitative evidence of updating or acceptance of the code of ethics within the past year.

**Definition** — Quantitative evidence confirming that the code of ethics has been updated or accepted in the past year. Acceptable evidence includes: (i) a change; (ii) the acceptance of the code of ethics, updated by all members of the company and those with whom it has a relationship; (iii) any evidence that demonstrates that the code of ethics remains active. The automatic approval of the code of ethics from one year to the next will not be considered valid evidence.

**Units** — N.º

**Reliability** — Table 502

# BI5.3.15 Budget dedicated to integrity development and the fight against corruption

**Definition** — Percentage of the budget dedicated to integrity development within the past year with respect to the budget that was established in the strategic plan, or of investments (or equivalent document).

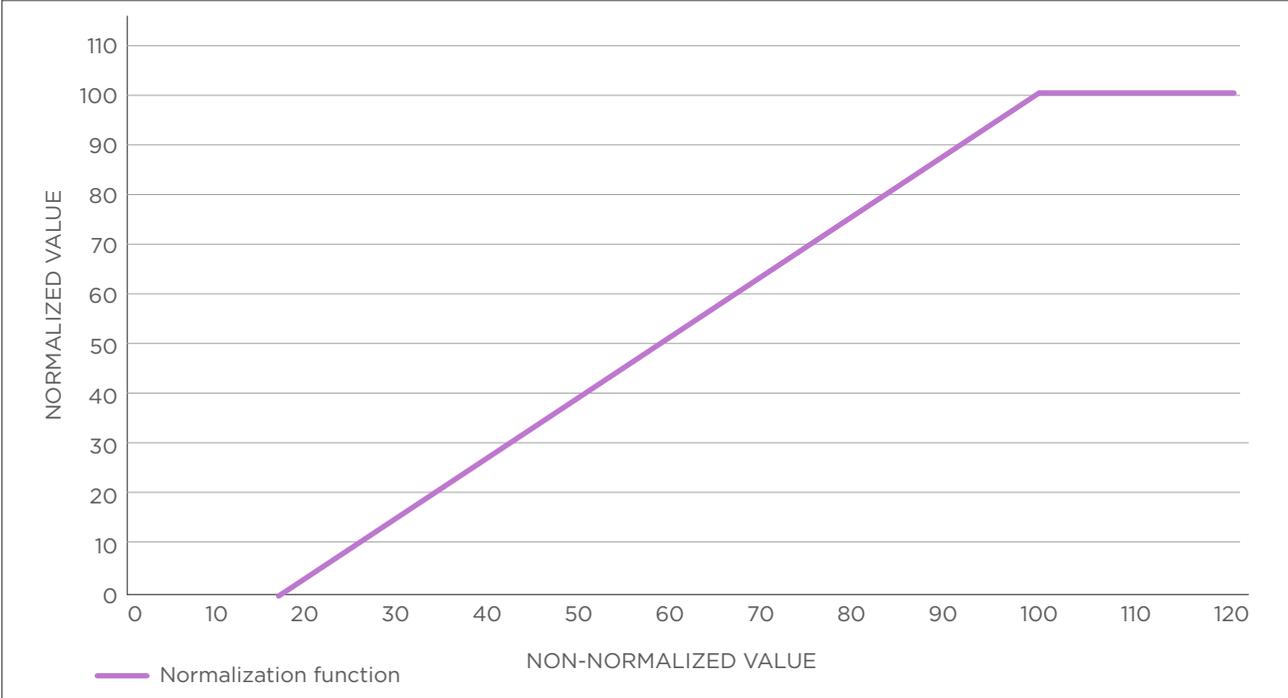
**Type** — Indicator

**Service** — Potable water and/or sanitation

**Glossary** — —

**Formula** —  $([BI5-V30]/[BI5-V31])*100$  Unit: %

Normalization function



## Variables

**[BI-V30]** Budget dedicated to integrity development within the past year.

**Definition** — Budget dedicated to integrity development within the past year.

**Units** — N.º

**Reliability** — Table 511

**[BI5-V31]** Budget for integrity development planned for the past year of the strategic plan or for investments (or equivalent document).

**Definition** — Budget for integrity development that is planned for the past year of the strategic plan or for investments (or equivalent document).

**Type** — Indicator

**Service** — Potable water and/or sanitation

**Glossary** — —

**Formula** —  $(BI5-V14/[BI5-V32])*100$  Unit: %

## BI5.3.16 Queries related to information access, and which have been addressed

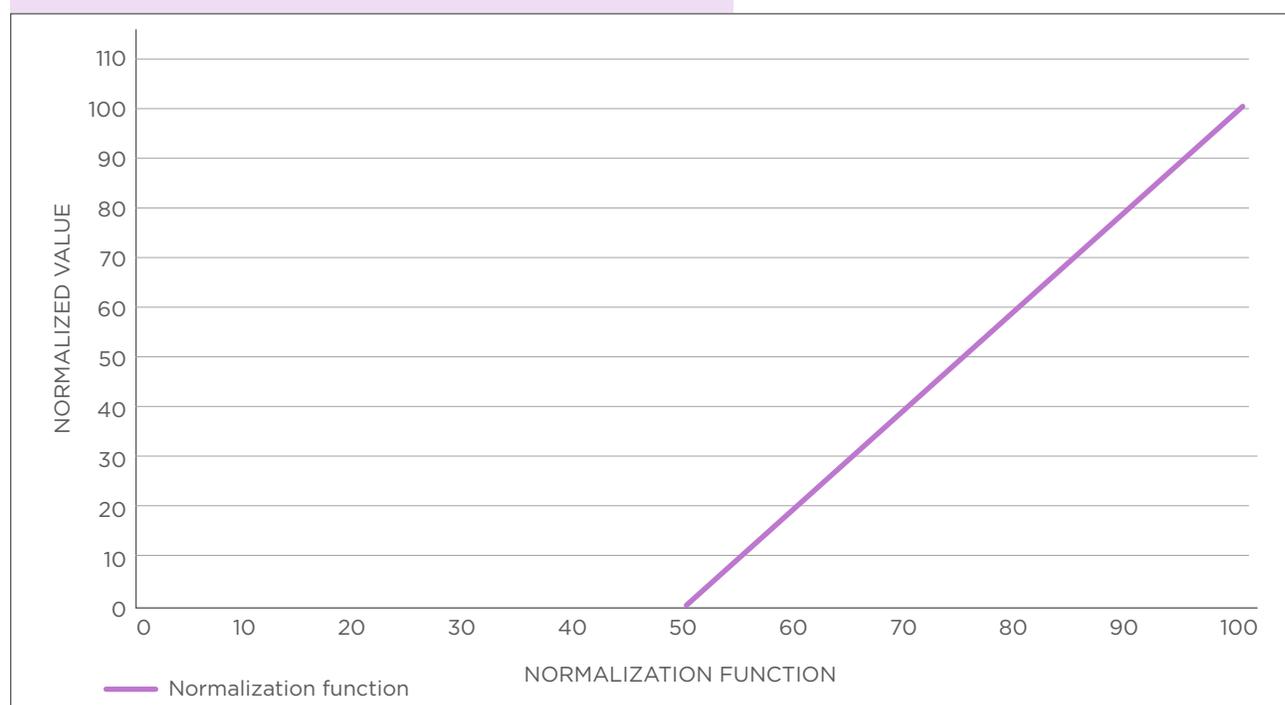
**Definition** — Percentage of addressed queries that are related to information access, which, according to current legislation, must be answered).

**Units** —

**Reliability** — Table 511

**Formula** —  $([BI5-V14]/[BI5-V32])*100$  Unit: %

Normalization function



# Variables

**[BI5-V14]** Number of responses with respect to the need to access information that complies with applicants' needs.

**Definition** — Number of responses with respect to the need to access information that complies with applicants' needs; in other words, that which facilitates all of the information that has been requested.

**Units** — N.º

**Reliability** — Table 511

**[BI5-V31]** Number of queries received that, according to current legislation, must be answered.

**Definition** — Number of queries received that, according to current legislation, must be answered.

**Units** — N.º

**Reliability** — Table 511

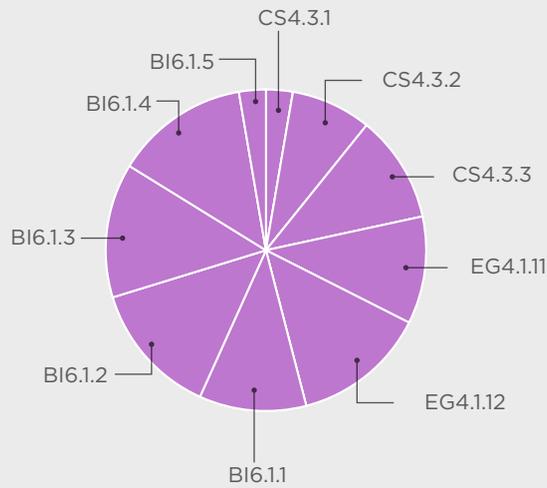


# Policies of alignment with social and environmental paradigms

## BI6.1 Social commitments

Within this focus and this group are included elements that indicate the company's position with respect to society's expectations, which are not reflected in the company's norms and obligations of its mandates.

They are an expression of BI that deserve to be assessed separately from the aforementioned foci.



**Type** ————— Best practices  
**Normalization** - - - - - Weighted by practice

AR	Group	Source code	Description	Reliability	Weight
	CS4.3	CS4.3.1	An Ombudsman figure exists.	T. 2	1
	CS4.3	CS4.3.2	There is a letter of commitment that is duly distributed (for example, on the website; sent to all users; etc.) that establishes the operator's commitment to a response time with respect to complaints; this response time is equal to or better than that which is established by the regulator in applicable cases.	T. 2	3
	CS4.3	CS4.3.3	The provider commits to compensating users in the event that it can not comply with terms established in its letter of commitment.	T. 2	4
	EG4.1	EG4.1.11	The work shift is planned so that its activities can be carried out within a normal schedule. Activities requiring night-time or continuous attention are planned accordingly. The use of overtime is limited to exceptional events or activities in which it is necessary to exceed the typical schedule, and this requires prior authorization by the corresponding supervisor.	T. 67	4
	EG4.1	EG4.1.12	There are measures intended to mitigate risk and protect from work accidents, work-related illnesses, and occupational health.	T. 67	5
	BI6.1	BI6.1.1	There is a pre-selection and interview process that is objective and transparent, that permits a fair assessment of each applicant, independent of their gender, race, ethnicity, religion, and physical ability.	T. 502	4
	BI6.1	BI6.1.2	The service company implements a public participation policy.	T. 509	5



AR	Group	Source code	Description	Reliability	Weight
+	BI6.1	BI6.1.3	The service company implements a gender policy.	T. 505	5
+	BI6.1	BI6.1.4	The company has an explicit commitment to human rights with respect to water and sanitation.	T. 502	5
+	BI6.1	BI6.1.5	The company supplies the vulnerable population.	T. 516	1

### BI6.1.1

It is valid if there is evidence from within the past year that the pre-selection and interview processes are objective and transparent, and that they permit a fair evaluation of each applicant, independent of their gender, race, ethnicity, religion, and physical ability.

### BI6.1.2

It is valid if there is evidence from within the past year that the service provider has implemented a public participation policy, which requires annual meetings with each segment of the client population, defined by interest group (including criteria related to gender, socioeconomic status, geography, ethnicity, and language), and assigns responsibilities to personnel to record, review, and respond to citizens' feedback.

### BI6.1.3

It is valid if there is evidence from within the past year that: (i) the service company implements a gender policy; (ii) that this policy has been approved and signed by the board; (iii) that it is known by employees and is available to everyone; (iv) that the gender policy includes safe whistleblowing measures that permit — to the extent possible — the anonymity of victims; (v) that define clear sanctioning procedures; (vi) that include mechanisms that permit merit-based equal work opportunities; (vii) that the gender policy establishes a responsible individual or department among whose functions is the obligation to resolve gender-related conflicts.

### BI6.1.4

It is valid if the company's strategic plan (or similar equivalent document) explicitly states that it supports humans' rights to water and sanitation.

### BI6.1.5

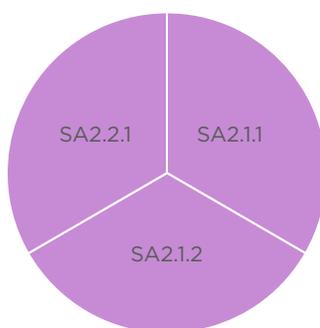
It is valid if there is evidence that the company provides or is in the process of providing water and sanitation to the vulnerable population (according to the United Nations Development Programme, the cost of water should not exceed 3% of the family unit's income).



## BI6.2. Environmental commitment

Within this focus and this group are included elements that indicate the company's position with respect to society's expectations related to the environment, which are not reflected in the companies' norms and obligations implied by their mandates.

They are an expression of BI that deserve to be evaluated separately from the aforementioned focal areas.



**Type** ————— Best practices  
**Normalization** → Weighted by practice

AR	Group	Source code	Description	Reliability	Weight
	SA2.1	SA2.1.1	It has a department or unit committed exclusively to the environment.	T. 6	5
	SA2.1	SA2.1.2	There are internal commitments and protocols or procedures that have a clear environmental focus.	T. 6	5
	SA2.2	SA2.2.1	The strategic plan includes environmental goals and includes mechanisms for follow-up and monitoring deviations.	T. 2	5







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# Appendices

## A. Reliability tables incorporated in the AquaRating evaluation system

**Table 2**

Reliability levels		Factor
<b>1</b>	The practice is not documented.	0
<b>2</b>	The practice is documented but there is no evidence of its application during the evaluation year.	0,5
<b>3</b>	The practice is documented and there is evidence of its application during the evaluation year.	0,7
<b>4</b>	The practice is documented and there is evidence of its application during the evaluation year and the year prior to the evaluation year.	1

**Table 3**

Reliability levels		Suma
<b>1</b>	There is descriptive documentation of the system and manuals for its use and maintenance.	0,25
<b>2</b>	There are personnel trained to use and maintain it.	0,25
<b>3</b>	It is installed or is able to executed in a permanent manner in all of the workstations where it is needed.	0,25
<b>4</b>	There are records of its systematic use.	0,25



**Table 4**

Reliability levels		Suma
<b>1</b>	There is no evidence of its application.	0
<b>2</b>	There is evidence of its application during the evaluation year.	0,7
<b>3</b>	There is evidence of its application during the evaluation year and in the year prior to the evaluation year.	1

**Table 5**

Reliability levels		Factor
<b>1</b>	There is no evidence of its application.	0
<b>2</b>	There is some evidence of its application.	0,7
<b>3</b>	There is evidence of its application within the evaluation year.	0,8
<b>4</b>	There is evidence of its application within the evaluation year and within the preceding year.	0,9
<b>5</b>	There is evidence of its application within the evaluation year and in the two years preceding it.	1



**Table 6**

Reliability levels		Factor
<b>1</b>	The practice is not documented.	0
<b>2</b>	The practice is documented, but there is no evidence of its application.	0,5
<b>3</b>	The practice is documented and there is some evidence of its application.	0,7
<b>4</b>	The practice is documented and there is evidence of its application within the evaluation year.	0,8
<b>5</b>	The practice is documented and there is evidence of its application within the evaluation year and in the year prior to evaluation.	0,9
<b>6</b>	The practice is documented and there is evidence of its application within the evaluation year and in the two years prior to evaluation.	1

**Table 25**

Reliability levels		Factor
<b>1</b>	There is no documentation.	0
<b>2</b>	There is documentation that is older than five years, with respect to its approval date.	0,5
<b>3</b>	There is documentation that is less than five years old, with respect to its approval date.	1



**Table 27**

Reliability levels		Factor
<b>1</b>	Cannot be corroborated.	0
<b>2</b>	There is documented evidence of its approval by a responsible authority.	1

**Table 56**

Reliability levels		Factor
<b>1</b>	There are no supporting documents.	0
<b>2</b>	There are supporting documents.	1

**Table 58**

Reliability levels		Factor
<b>1</b>	Cannot be corroborated.	0
<b>2</b>	There are supporting documents, but there is not proof of their application.	0,5
<b>3</b>	There is documented evidence of its periodic application.	0,9
<b>4</b>	There is documented evidence of its periodic application.	0,95
<b>5</b>	There is documented evidence of its periodic application in the evaluation year and the year prior to evaluation.	1

**Table 63**

Reliability levels		Factor
<b>1</b>	No supporting documents exist.	0
<b>2</b>	The manual contains at least a description of the tasks, responsibilities, and characteristics of each role.	0,5
<b>3</b>	The manual contains a description of the all of the aforementioned aspects as they are put into practice.	1

**Table 65**

Reliability levels		Factor
<b>1</b>	Cannot be corroborated.	0
<b>2</b>	Curriculum vitae of respective personnel.	0,8
<b>3</b>	Curriculum vitae is supported by the inclusion of documentation of relevant certifications.	1

**Table 66**

Reliability levels		Factor
<b>1</b>	Cannot be corroborated.	0
<b>2</b>	There is evidence that it has been carried out at least once during the evaluation year or within the preceding four years.	0,7
<b>3</b>	There is evidence that it has been carried out at least twice during the evaluation year or within the preceding four years.	0,9
<b>4</b>	There is evidence that it has been carried out at least three times during the evaluation year or within the preceding four years.	1



**Table 67**

Reliability levels		Factor
<b>1</b>	Cannot be corroborated.	0
<b>2</b>	It is documented, but there is no evidence to support that it has been applied during the year of evaluation.	0,5
<b>3</b>	It is documented and evidence of its application exists.	0,8
<b>4</b>	It is documented and there is evidence of its application within the year of evaluation.	0,9
<b>5</b>	It is documented and there is evidence of its application in the evaluation year and in the year prior to the evaluation year.	1

**Table 68**

Reliability levels		Factor
<b>1</b>	No record.	0
<b>2</b>	Global record indicating only the total number of people entered via contest.	0,4
<b>3</b>	Detailed record containing information of the people onboarded, including the date of onboarding and the means by which they were onboarded, but without supporting documentaiton.	0,8
<b>4</b>	Detailed record supported by the antecedents and results of the contests carried out.	1

**Table 69**

Reliability levels		Factor
<b>1</b>	No record.	0
<b>2</b>	Global record, indicating only the total number of workers onboarded.	0,4
<b>3</b>	Detailed record that lacks the support of workers who are onboarded.	0,8
<b>4</b>	Detailed record that lacks the support of workers who are onboarded.	1

**Table 71**

Reliability levels		Factor
<b>1</b>	No record.	0
<b>2</b>	Annual report that includes the provider's number of personnel, and the income and expenses, classified by contract type.	0,4
<b>3</b>	Quarterly report on the provider's number of personnel, and of the income and expenses, classified by contract type (permanent, temporary, and others), supported by human resource's information system.	0,8
<b>4</b>	Monthly report on the provider's number of personnel, and of the income and expenses, classified by contract type (permanent, temporary, and others), supported by human resource's information system.	1



**Table 72**

Reliability levels		Factor
<b>1</b>	No record.	0
<b>2</b>	Global record, indicating only the total number of people who perform “key roles” that correspond to their respective “descriptions of roles”.	0,4
<b>3</b>	Detailed record, but lacking supporting information, of the total number of people who perform “key roles” that correspond to their respective “descriptions of roles”.	0,8
<b>4</b>	Detailed record that is supported by a study that evaluates compliance with the “descriptions of roles” that is no more than three years old and that is updated according to changes made in the profiles and/or in the personnel who hold those roles.	1

**Glossary** ——— Key positions, Description of role.

**Table 73**

Reliability levels		Factor
<b>1</b>	No record.	0
<b>2</b>	Global record, indicating only the total number of people who perform “key roles.”	0,4
<b>3</b>	Detailed record, but without a listing of “key roles” and the people who carry them out.	0,8
<b>4</b>	Detailed record, supported by a manual that contains the description of the “key roles”.	1

**Glossary** ——— Key positions, Description of role.



**Table 74**

Reliability levels		Suma
<b>1</b>	The system's existence cannot be verified.	0
<b>2</b>	There is descriptive documentation of the system and manuals for its use and maintenance. (What is referred to as maintenance is not required in the event that the provider uses a system provided by the government).	0,25
<b>3</b>	There are personnel who are trained to use and maintain it.	0,25
<b>4</b>	It is permanently installed in all workstations where it is necessary.	0,25
<b>5</b>	There are records of its systematic use to conduct bidding for goods and services.	0,25

**Tabla 75**

Niveles de fiabilidad		Factor
<b>1</b>	Table 75	0
<b>2</b>	Global record, only with the total amount of purchases made via "public bidding."	0,4
<b>3</b>	Detailed record, but lacking the supporting information about purchases made that include their amounts and the ways in which they were carried out (with or without "public bidding").	0,8
<b>4</b>	Detailed record with supporting information.	1

**Glossary** ——— Public bidding.



**Table 76**

Reliability levels		Factor
<b>1</b>	No record.	0
<b>2</b>	Global record, only of the total amount of purchases made.	0,4
<b>3</b>	Detailed record, but lacking supporting information containing all the purchases made, their amounts, and the ways in which they were purchased.	0,8
<b>4</b>	Detailed record, with supporting information.	1

**Table 86**

Reliability levels		Factor
<b>1</b>	Cannot be corroborated.	0
<b>2</b>	Financial statements for the evaluation year are available, depending on whether it involves practice 5 or 6, respectively.	0,5
<b>3</b>	Financial statements for the evaluation year and the preceding year are available, depending on whether it involves practice 5 or 6, respectively.	0,9
<b>4</b>	Financial statements for the evaluation year are available, as are statements for at least the preceding two years, depending on whether it involves practice 5 or 6, respectively.	1

**Table 90**

Reliability levels		Factor
<b>1</b>	The practice is not documented.	0
<b>2</b>	There is a manual or policy, but there is no proof of it having been approved.	0,5
<b>3</b>	There is proof of its approval by general management.	0,8
<b>4</b>	There is evidence of its approval by the “board.”	1

**Glossary** ——— Board.

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**Table 97**

Reliability levels		Factor
<b>1</b>	Cannot be corroborated.	0
<b>2</b>	Is documented, but there is no proof of its application.	0,5
<b>3</b>	There is evidence of the policy's application with respect to one of the types of fraud within the last month in the evaluation year, and, additionally, in the event that the estimated losses attributable to business causes surpass 10% of the volume of unbilled water, there is evidence that at least two operations to detect illegal connections have been carried out within the evaluation year.	0,7

**Table 105**

Reliability levels		Factor
<b>1</b>	There are no supporting instruments or documents.	0
<b>2</b>	There are supporting instruments or documents, and they are duly approved by the responsible parties.	1

**Table 106**

Reliability levels		Factor
<b>1</b>	There are no current supporting documents.	0
<b>2</b>	There are existing supporting documents, but there is no written evidence of their application.	0,5
<b>3</b>	There is evidence of current supporting documents and there is written proof of their application within the year of evaluation or within the most recent opportunity that was available.	1

**Glossary** — Territorial area to be evaluated; Official responsible body.



**Table 107**

Reliability levels		Factor
<b>1</b>	There are no current supporting documents.	0
<b>2</b>	There are existing supporting documents, but there is no written evidence of their application.	0,5
<b>3</b>	There is evidence of current supporting documents and there is written proof of their application within the year of evaluation or within the year prior to the year of evaluation.	1

**Table 108**

Reliability levels		Suma
<b>1</b>	There is no proof of “publication on the institutional website” or other media.	0
<b>2</b>	There is proof of “publication on the institutional website” or in conventional media, but the information is not up-to-date.	0,2
<b>3</b>	There is proof of up-to-date information published on the “institutional website” or in conventional media, and the published information was not approved by the responsible external party/by the internal department responsible for it.	0,4
<b>4</b>	There is proof of up-to-date publication of information in conventional media and the published information is approved by the responsible external party or by the internal department responsible for it.	0,9
<b>5</b>	There is evidence of up-to-date information published on the “institutional website” and the published information is approved by the responsible external party or by the internal department responsible for it.	1

**Glossary** ——— Publication on the institutional website

**Table 1088**

Reliability levels		Factor
<b>1</b>	<p>i) There is no balance sheet or income statement at the level of the “scope of evaluation” or information about the financial situation and economic results per business vertical, or those that presented are “inconsistent” with the balance sheet of the provider, or are audited with an abstention of opinion or with a negative opinion; or</p> <p>ii) Financial statements of the provider are incomplete, unaudited, or audited with an abstention of opinion or with a negative opinion.</p>	0
<b>2</b>	<p>i) The unaudited balance sheet and income statement at the “scope of evaluation” are “consistent” and “reconciled” with the provider’s financial statements audited by external auditors (“registered” or unregistered), contain a non-quantified qualified opinion, and with effect on this indicator; or</p> <p>ii) Financial statements at the level of the “scope of evaluation” audited by external auditors (registered or unregistered), with a non-quantified qualified opinion, and with effect on this indicator; or</p> <p>iii) The financial situation and the economic results of the “scope of evaluation” and the other segments of business, are presented and broken down in a note to the provider’s financial statements and are “reconciled” with the information contained in said statements, which have been audited by external auditors (registered or unregistered), who have offered a non-quantitative qualified opinion, and with effect on this indicator.</p>	0,3
<b>3</b>	<p>Unaudited balance sheet and income statement at the level of the “scope of evaluation” are “consistent” and “reconciled” with the provider’s financial statements audited by non-registered external auditors, with an unqualified, non-quantified opinion, or with quantified qualifications or without effect on this indicator, and are published in the institutional archive or some other equivalent medium.</p>	0,6
<b>4</b>	<p>Unaudited balance sheet and income statement at the level of “scope of evaluation” are “consistent” and “reconciled” with the provider’s financial statements, which have been audited by “registered external auditors,” with an unquantified, non-qualified opinion or quantified and non-qualified opinion, have an effect on this indicator, and are published in the institution’s archive or in some equivalent medium.</p>	0,7



Niveles de Reliability		Factor
<b>5</b>	<p>i) Financial statements at the level of scope of evaluation and at the level of the service provider, audited by external auditors who are not “regisetered, opinion without qualifications, or with quantified qualifications, or with no effect on this indicator; or</p> <p>ii) The financial situation and economic results of the “scope of evaluation” and the rest of the business segments are broken down and explained in a note accompanying the provider’s financial statements, and are “reconciled” with the information contained in said non-registered, external, audited statements; opinion without qualifications; or with quantified qualifications; or with no impact on this indicator.</p>	0,8
<b>6</b>	<p>i) Financial statements at the level of “scope of evaluation” and the level of service provider, audited by “registered external auditors,” opinion without qualifications, or quantified qualifications, or without an effect on this indicator; or</p> <p>ii) The financial situation and economic results of the “scope of evaluation” and the rest of the business segments are presented in a note accompanying the provider’s financial statements and reconciled with the information contained in said audited statements by “registered external auditors”; opinion without qualifications; or with quantified qualifications; or without an impact on this indicator.</p>	1

**Glossary** ——— Registered external auditors, Scope of evaluation, Consistency of financial statements within the scope of the evaluation, Data reconciliation.

## B. New reliability tables incorporated for the analysis of the current Focused Analysis

**Table 501**

Reliability levels		Factor
<b>1</b>	There is no evidence of its existence.	0
<b>2</b>	There is evidence of its existence, but it has not been approved by the company's board.	0,2
<b>3</b>	There is evidence of its existence and it has been approved by the company's board, but it does not comply with everything included in the description of the practice.	0,6
<b>4</b>	There is evidence of its existence, it has been approved by the company's board, and it complies with everything included in the description of the practice.	1

**Table 502**

Reliability levels		Factor
<b>1</b>	There is no evidence of its existence.	0
<b>2</b>	There is evidence of its existence.	1



**Table 503**

Reliability levels		Factor
<b>1</b>	There is no evidence that it has been carried out.	0
<b>2</b>	There is evidence of the existence of a list of sanctions and a white or black list of contractors, that is maintained in a centralized manner, but no checks against it can be made.	0,3
<b>3</b>	There is evidence of the existence of a list of sanctions and a white or black list of contractors, that is maintained in a centralized manner, and checks against it can be made.	1

**Table 504**

Reliability levels		Factor
<b>1</b>	There is no evidence of its publication via electronic means.	0
<b>2</b>	There is evidence of its publication in non-digital media, with a clear description of work and the minimum skills required.	0,4
<b>3</b>	There is evidence of its publication in electronic media, but there is no clear description of the work nor of the minimum skills required.	0,6
<b>4</b>	There is evidence of its publication in electronic media and the description of the work and the minimum skills required are expressed clearly.	1

**Table 505**

Reliability levels		Factor
<b>1</b>	There is no evidence of its existence.	0
<b>2</b>	There is evidence of its existence and it contains 50% or less of the named items.	0,2
<b>3</b>	There is evidence of its existence and it does not contain all of the named items, but it includes more than 50% of the elements.	0,6
<b>4</b>	There is evidence of its existence and it contains all of the elements named in the description.	1



**Table 506**

Reliability levels		Factor
<b>1</b>	There is no evidence of it having been carried out.	0
<b>2</b>	There is evidence of it having been carried out, but all at once, once a year.	0,4
<b>3</b>	There is evidence of it always being carried out, always coinciding with the first work contact.	1

**Table 507**

Reliability levels		Factor
<b>1</b>	There is no evidence of its definition.	0
<b>2</b>	There is evidence of its definition having been articulated, but in practice, it does not comply with everything included in the description.	0,4
<b>3</b>	There is evidence of the definition's articulation and it complies with the description in practice.	1

**Table 508**

Reliability levels		Factor
<b>1</b>	There is no evidence of the availability of the information.	0
<b>2</b>	There is evidence of the information's availability via more than three different links.	0,6
<b>3</b>	There is evidence of the information's availability via three or fewer distinct links.	1



**Table 509**

Reliability levels		Factor
<b>1</b>	There is no evidence of its existence.	0
<b>2</b>	There is evidence of its existence and it contains 50% or less of the named items.	0,2
<b>3</b>	There is evidence of its existence and it does not contain all of the named items, but it includes more than 50% of the elements.	0,6
<b>4</b>	There is evidence of its existence and it contains all of the elements named in the description.	1

**Table 510**

Reliability levels		Factor
<b>1</b>	There is no evidence of its existence.	0
<b>2</b>	There is evidence that an action plan exists, but it does not take into account all of the results of the external audit.	0,1
<b>3</b>	There is evidence that an action plan exists, and that it takes into account all of the results of the external audit, but it does not have a timeline for completion.	0,6
<b>4</b>	There is evidence that an action plan exists, that it takes into account all of the results of the external audit, and has a timeline for completion.	1

**Table 511**

Reliability levels		Factor
<b>1</b>	There is no evidence of its existence.	0
<b>2</b>	There is evidence that the available results are not from the year being studied, but have been collected within the past two years.	0,3
<b>3</b>	There is evidence that the available results are from the year of study.	1

**Table 512**

Reliability levels		Factor
<b>1</b>	No record. Based on estimates.	0
<b>2</b>	There is evidence that is recorded on paper.	0,60
<b>3</b>	There is evidence recorded digitally.	0,65
<b>4</b>	There is evidence recorded digitally, with proof that a notification of resolution has been provided to the user.	0,7
<b>5</b>	Whether the records have been verified or confirmed.	+0,3

**Table 513**

Reliability levels		Factor
<b>1</b>	No record. Based on estimates.	0
<b>2</b>	There is evidence recorded on paper.	0,8
<b>3</b>	There is evidence of digital recording.	0,95
<b>4</b>	There is evidence of a digital record, with proof that a notification of resolution has been provided to the user.	1

**Table 514**

Reliability levels		Factor
<b>1</b>	No record. Based on estimates.	0
<b>2</b>	There is evidence of a record on paper.	0,8
<b>3</b>	There is evidence of a digital record.	1



**Table 515**

Reliability levels		Factor
<b>1</b>	There is no evidence of its existence.	0
<b>2</b>	There is evidence of results, but there is no written record.	0,4
<b>3</b>	There is evidence of results, and there is a written record.	1

**Table 516**

Reliability levels		Factor
<b>1</b>	There is evidence that more than 50% of the vulnerable population does not have a planned water and sanitation supply solution, despite the fact that it is technically viable.	0
<b>2</b>	There is evidence that between 50% and 100% of the vulnerable population has implemented or executed a solution for provision of water and sanitation services.	0,50
<b>3</b>	There is evidence that 100% of the vulnerable population has water and sanitation service via structural solutions that are being executed.	0,8
<b>4</b>	There is evidence that 100% of the vulnerable population has water and sanitation service.	1

# Glossary

## Scope of evaluation

Scope of AquaRating's application, defined by both the scope of action and territorial area to be rated.

## Territorial area to be evaluated

Corresponds to the territory in which the provider is responsible for providing water and/or sanitation services, defined in the provider's "mandate" (or mandates), which support the provision of qualifying services.

## Registered external auditors

Refers to those auditors who are registered in a multilateral financial institution in the respective superintendence of joint-stock companies or an equivalent public entity. In addition, in the case of small companies (with fewer than 10,000 water connections), the role of registered external auditors is considered equal to that of the Statutory Auditor as described in some countries' legislation (Colombia, for example).

## Key positions

For our purposes, key positions are defined as all management positions (in other words, positions that have personnel under their supervision) and those in charge of plants, laboratories, and critical equipment.

## Ethical and/or behavioral code

Articulates the company's values, as well as defines behavior based on criteria of ethics and integrity.

## Consistency of financial statements within the scope of the evaluation

Financial statements within the scope of the evaluation are considered consistent with the service provider's financial statements if the horizontal line-by-line sum of the financial statement components of the different areas in which the provider's accounting is segregated, match the values of the respective components of company-level financial statements, after discounting possible transactions between the areas in the event that they were accounted for.



## **Corruption (adapted from Transparency International, 2009)**

Consists of the abuse of power for personal benefit, both at the personal level and at the company level.

## **Data reconciliation**

Information about the financial situation and about economic results that fall within the “scope of evaluation” or business vertical that is being examined, is said to be reconciled with the content of the financial statement at the company level, if said information is presented in a table that demonstrates compliance with the definition of “Consistent with the financial statement at the level of the evaluation.”

## **Board (also referred to as Board of Directors, Administrative Council)**

The board of directors is a collegial body, both necessary and permanent, whose members are periodically appointed by shareholders in their meetings or by a body representing the owners, and whose function is to carry out all ordinary and extraordinary administrative acts, representing the provider before third parties, and assuming joint responsibility for infractions of the obligations that are imposed by the law, regulations, and statutes.

## **Integrity (adapted from Transparency International, 2009)**

Behaviors and actions that are consistent with a series of moral or ethical norms and principles adopted by the company.

## **Public bidding**

Procedure by which a public call is made via publicly accessible media to interested parties so that said parties can present proposals, from which those deemed most fitting will be selected and accepted.

## **Official responsible body**

Entity that, among the responsibilities bestowed upon it by the State, are those of determining, publishing, or verifying the number of inhabitants and/or households, and/or facts related to income or household expenditures, and/or water and/or sanitation service coverage, in the territory of which the provider’s “territory to be evaluated” forms a part.

## **Description of role**

Set of general and specific characteristics that a person must possess in order to perform a role. For the purposes of measuring this indicator, it is required that the institution have specifications regarding the education, experience (general and specific), and technical skills required to perform the role.



## **Publication on the institutional website**

Information is considered to be “published” when it is accessible on the provider’s institutional website, whether directly or by means of a reference and/or link to the website of a competent entity that allows the user to access said information.

## **Accountability (adapted from Transparency International, 2009)**

A company’s responsibility with respect to fulfilling its responsibilities adequately.

## **Transparency (adapted from Transparency International, 2009)**

Company characteristic of being open with respect to disclosing information, standards, plans, processes, and actions.



