



Central Water Authority



A N N U A L  
R E P O R T  
2 0 1 3





Central Water Authority



**A N N U A L  
R E P O R T  
2 0 1 3**

---

# MISSION

---

To secure and provide an excellent sustainable water supply service of appropriate quality, at a reasonable price, which meets the growing needs of the people, and supports the economic development of the country

---

# VISION

---

To excel in the provision of an uninterrupted round the clock service of world class standard throughout the year to the entire population of Mauritius

---

# VALUES

---

Responsiveness, Courtesy, Excellence,  
Integrity, Teamwork, Quality



# CONTENT



BOARD'S RESPONSIBILITY STATEMENT **P.07**

CHAIRMAN'S OVERVIEW **P.08-09**

ACTING GENERAL MANAGER'S REPORT **P.10-11**

CORPORATE GOVERNANCE REPORT **P15-24**

STRATEGIC PLAN 2014-2016 **P27-44**

OPERATIONAL REVIEW **P.47-64**

FINANCIAL REVIEW **P67-73**

REPORT OF THE DIRECTOR OF AUDIT **P74-78**

FINANCIAL STATEMENTS **P79-102**



# BOARD'S RESPONSIBILITY STATEMENT





## BOARD'S RESPONSIBILITY STATEMENT

The Central Water Board is responsible for the proper keeping of accounting records which disclose, with reasonable accuracy, at any time, the financial position of the Central Water Authority (CWA).

In line with the Statutory Bodies (Accounts and Audit) Act as subsequently amended, the Authority shall, not later than four months after the end of every Financial Year, prepare and submit an annual report, including the financial statements to the Auditor.

### FINANCIAL STATEMENTS

The Board is responsible for the preparation of financial statements in compliance with the International Public Sector Accounting Standards (IPSAS) issued by International Federation of Accountant (IFAC).

The Board is also responsible for the integrity of these annual financial statements and for the objectivity of any information presented therein.

In preparing these financial statements, the Board has:

- maintained proper accounting records which disclose with reasonable accuracy at any time the financial position of the Authority;
- ensured that the financial statements provide an integral and transparent state of affairs, Income and Expenditure Account and cash flows of the Authority;
- selected suitable accounting policies and applying them consistently;
- safeguarded the assets of the Authority by maintaining

- appropriate internal control systems and procedures;
- taken reasonable steps to prevent and detect fraud and any other irregularities;
- prepared same on a going concern basis;
- made judgments and estimates that are reasonable and prudent

### INTERNAL CONTROL

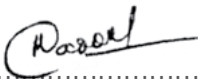
The Board has an overall responsibility for the safeguarding of assets of the Authority and to prevent and detect fraud and other irregularities. An Audit & Risk Committee has been set up to assist the Board in discharging its oversight duty and responsibility and ensuring the integrity of financial statements, compliance with applicable legal and regulatory requirements and an effective performance of the Internal Audit function.

The Authority has an established Internal Audit function which assists management in effectively discharging its responsibilities. The Internal Audit is an independent function that reports directly to the Audit & Risk Committee.

### CORPORATE GOVERNANCE

The Board, confirm to the best of its knowledge that the Central Water Authority has complied with all its obligations and requirements under the Code of Corporate Governance.

### SIGNED BY:

Signature: 

Name : **PREMCHAND SADDUL**

Chairman, CWB

Signature: 

Name : **YOUSOUF ISMAËL**

Member, CWB



---

# CHAIRMAN'S OVERVIEW

---



2013 has been a very special year for the CWA as it marked the 40th anniversary of the institution. As we pass this milestone, the nation looks up to the CWA as a matured public utility body that has done a tremendous job in making piped potable water a sustainable and affordable resource accessible to the entire population in the past four decades.

In 1974, when the CWA started its operations, only half of the country was connected to the public supply infrastructure. Today, 99.6% of the population, i.e., households, commercial and industrial consumers, has access to safe and high quality water. We have outperformed the Millennium Development Goal which aims at a reduction in the number of people with no access to safe drinking water by half by year 2015. Despite the many challenges, the Authority has stood

the test of time and has continued to serve the nation to the best of its ability to provide sufficient and quality water supply.

When a public service organisation reaches 40, it is often an opportune time to reflect on its mission and its very existence. In many cases, the organisation is tasked with a new mandate, mission and duties to justify its existence. This needs to be questioned in the light of new socio-economic, technological, environmental, meteorological and cultural realities. In my opinion, the CWA must reinvent itself to stay relevant in the new paradigm of sustainable water resources development.

Our mission at the CWA is to provide quality services to the public on a 24/7 basis. This promise rests on strong governance, healthy infrastructure, state-of-the art technology and customer focus. Ethics, integrity, professionalism and diligence are the cornerstones of sound governance. In this venture, we envision a staff that is more proactive and responsive to challenges, both foreseen and unforeseen.

One of our short-term objectives is the setting-up of a smart water grid that will provide the technological depth to the CWA to deliver on its mission as enunciated in the Master Plan 2012. The smart grid is a vital tool to combat water leakage and control water pressure to improve efficiency and productivity of our output and operations. The new computerised facility will automatically redefine the water network so that the whole system runs more effectively and efficiently and in the process make sizeable savings in the distribution of water. The smart water grid will be very helpful in reducing Non-Revenue Water (NRW). It will use advanced software to regulate and monitor water pressure and minimise leakage.

The need for an Integrated Water Resource Management System for achieving greater synergy amongst stakeholders was emphasized in the Water Sector Reform, which is a government strategic reform initiative regarding public utilities. The synergy will enable us to devise a more holistic approach towards addressing issues related to current and emerging problems in the water sector.

Water preservation and maintenance of the quality of our raw water remains a challenge in the face of pollution hazards emanating from widespread use of chemical fertilizers and biocides in agriculture. This requires a constant and regular monitoring as underground water (50%), reservoirs (30%) and rivers (20%) constitute our unique sources. We need to improve and upgrade our current infrastructure to increase our capacity to capture and store rain water.

We need to maintain quality and safety norms against a backdrop of increasing demand for water from all segments of the customer base. Economic development, new business activities, new lifestyles and urbanization are creating new patterns of demand while putting tremendous pressure on output. Communities are growing bigger and faster with new settlements emerging all over the island. Mauritius is experiencing the phenomenon of ruralisation along the rural-urban periphery. The Ebène Cyber City, the conversion of agricultural lands into extensive residential areas at Highlands, Rose Belle and Flic en Flac are striking examples. Other high-end integrated land and housing development projects like those falling under the Integrated Resort Scheme (IRS) and Real Estate Scheme (RES), hotels, business parks and golf courses are reshaping our urban and rural landscape with additional demands on water, both treated and raw.

Whilst improvements in people's lifestyles and living standards together with increased business and industrial activities are resulting in a higher water demand, supply is under threat with meteorological uncertainties in the context of global climate change. These changes mean that, among many other things, we must have a fresh look at our water catchment zones as rainfall patterns and trends are shifting both in time and space.

The response to these challenges is multi-pronged. At Government level, there is a clear intention to deal with the demand – supply issue from a holistic point of view, through a major intended institutional overhaul that will see the CWA, the Waste Water Management Authority and the Irrigation Authority merging to form a single Organisation. The amalgamated entity shall seek greater control to devise and execute an integrated water resources management strategy. This institutional architecture redesign is part of a wider plan targeting a long term horizon.

In the meantime, the CWA continues to address the demand-supply mismatch in a financially strained environment. Under my Chairmanship, we have taken critical actions to improve our operational efficiency through better internal management. The 2011- 2012 prolonged drought period has been a wake-up call for all of us and has highlighted the need to be proactive and to better mitigate risks.

As demand grows by 3% every year, we need to improve water storage capacity given our reliance on rainfall. We are exploring new underground water sources, building new reservoirs and upgrading existing ones, interconnecting impounding reservoirs and diverting excess water from rivers to reservoirs to top up capacity. There is an on going prospection for additional underground sources, given the layout of the surface and subsurface geology of the island. The CWA is encouraging hotels located along the coast to desalinate sea water for their potable water requirements. We need a technological breakthrough to make sea water desalination both economically and ecologically viable. This is an area which we will have to explore in the near future. The CWA

continues to adapt itself to new socio-economic, technological, environmental, meteorological and cultural realities.

Although we are faced with financial constraints, the CWA, with the support of the Government is investing in new supply infrastructure and supporting technologies. Investments in infrastructure and equipment are capital-intensive and operating costs are always on the rise. Water tariffs in Mauritius are among the lowest in the world, whilst per capita consumption (170 litres per day) is among the highest. This will have to change if we are to stimulate a rational use of water among consumers, and allow the CWA to be financially healthy to sustain its heavy investments in infrastructure development and improved service delivery. The last tariff increase in 2012 has helped us partly to that effect. However, we need to generate more revenues to meet our objectives.

The year 2013 saw the launching of two important projects to the tune of Rs 900M that aim to boost water treatment capacity, namely the upgrading and rehabilitation of the Pailles Water Treatment Plant (WTP) and the construction of a feeder pipeline from the Municipal Dyke to the Treatment Plant (part of Bagatelle WTP project). The new treatment facilities at Pailles would be ready by March 2015. CWA also invited bids for construction of the Bagatelle Dam Water Treatment Plant. This project aims at ensuring a more regular and reliable water supply service for residents in the district of Port Louis, Lower Plaines Wilhems and the northern part of Black River district.

In 2013, we also took a bold step to address the Non-Revenue Water problem. An important milestone was reached in June 2013 with the signature of an agreement between Government of Mauritius, as represented by the Ministry of Energy and Public Utilities (MEPU), and a consortium comprising Singapore Cooperation Enterprise, PUB Singapore, and CH2M HILL, for a reduction of Non Revenue Water in the MAV (Upper) zone. Upon completion, the project, which will span over two years, will allow a reduction of non-revenue water by 10% in this specific zone. The preliminary baseline report setting out performance targets was handed over in November 2013.

The Board has deep appreciation for the support and collaboration of MEPU, our parent Ministry, with special recognition of the commitment and dedication of the Deputy Prime Minister and Minister of Energy and Public Utilities, Dr the Honourable Ahmed Rashid Beebeejaun, G.C.S.K, F.R.C.P in safeguarding the overall interest of the water sector in Mauritius.

We are on track for providing a 24 /7 uninterrupted potable water service for the whole of Mauritius.

**PREM SADDUL**  
ASSOCIATE PROFESSOR  
CHAIRMAN



---

# ACTING GENERAL MANAGER'S REPORT

---



I am pleased to report on further improvements in operational and financial performance of the CWA for the period under review. But in the first, I would like to state that the year 2013 represented a unique milestone in the corporate lifetime of our institution. The CWA marked 40 years of existence as it crossed the 2013 timeline. The CWA is progressing steadily in its growth path since 1973 when at that point in time only 50% of the population was directly connected to piped potable network. Today, we boast almost 100% CWA network connection islandwide.

Over the past 40 years, the Authority has grown both in size and significance, its mission has become clearer and sharper. The CWA has become the cornerstone of the socio-economic development of Mauritius. We take pride in this achievement. To mark this ruby anniversary, an intensive corporate branding exercise was undertaken together with a series of activities, which culminated into the publication of our souvenir magazine.

As we mark this memorable milestone, we need to ensure that water keeps running in our taps. From an operational perspective, 2013 was a year of continuation and smooth transition from the previous year. We relentlessly continued to pursue our ambitious investment programme despite serious financial challenges.

The year 2013 witnessed the launching of two major projects that aimed at securing a reliable water supply for present and next generation. The first one is the project for the upgrading of Treatment Plant at Pailles, which involves a complete overhaul of treatment facilities at Pailles. It is specially designed to secure an additional 30,000 cubic metre of potable water for the Port Louis Water Supply system. The project was long awaited in view of water supply disruptions caused by the clogging of filters at the existing facility during heavy rainfall. The second project relates to the launching of bids for works associated with the Bagatelle Dam, viz, the Bagatelle Water Treatment Plant and Downstream Works.

By the end of 2013, we made some significant achievements in upgrading our distribution network. Some 40 km of major pipelines were laid against an investment of Rs 245M. Three important projects worth a total of Rs 280M were also completed with the objective of improving water reliability and security in regions such as Quartier Militaire, Mont Ida, the South East Coast and Beemanique/Balisson areas.

However, the financial pressure in managing our operations and keeping our focus on target has proved to be extremely challenging. The inadequate tariff revision in 2013 has been almost diluted by the implementation of PRB 2013 and EOACR and the phasing out of Government grants. In our drive for financial sustainability, CWA has also been championing bold measures to optimise productivity and efficiency on one hand and to control overheads on the other hand. Cost overruns have been investigated and nugatory expenses have, as far as possible, been avoided.

Our cost cutting strategy proved to be fruitful for the period under review. The 73 vehicles fitted with fuel sensors and GPS enabled the Authority to make a saving of some Rs 0.4 M for year 2013. Hundred additional vehicles will be equipped with GPS and Fuel Sensors in the near future and it is hoped to attain 100% coverage by end 2016. The GPS has helped to track reckless drivers and take preventive measures to reduce the number of accidents. On the energy efficiency front, photovoltaic stand-alone systems were installed at five strategic sites.

As part of the water sector reform, an intensive Non Revenue Water (NRW) project has been launched in July 2013 in the MAV (Upper) Zone. The focus was mainly on initial leak detection exercise and sub-DMA testing, reviewing existing standard bidding documents, on the job training and consolidating the GIS mapping. Some 100 km of non-performing pipelines have been identified for renewal in the MAV (Upper) Zone. The cost of the whole project is Rs 1 billion and the duration will cover a two-year period.

On the Operational front, the CWA strengthened its team to come up with a series of bold measures aiming at improving its responsiveness to consumer complaints. In May 2013, a dedicated team had been appointed to work after office hours and during the weekends, whilst five Emergency Cell Co-ordinators and one Head Emergency Cell Coordinator were appointed to drive this new initiative. Their mission was to reduce, among others, the backlog of critical complaints to an average of one day. Indeed, it is encouraging to observe that there has been a significant improvement in lead time for attending to critical complaints as early as from the Third Quarter of 2013. The complaint monitoring system at our Call Centre has also been upgraded where customers can log their complaints on a 24-hour basis.

The CWA makes no compromise regarding water quality. We have been actively involved in the Surveillance Programme launched at national level. It is aimed at monitoring the quality of water in our service reservoirs according to a given set of parameters. In that connection, samples of water were collected from Midlands Dam and La Nicolière reservoir and tested for detection of algae, pesticides, heavy metals, physico-chemical and bacteriological elements. The second phase of the programme which consisted of the extension of the testing and sampling to the remaining impounding reservoirs and rivers was also launched.

Regarding our human resources, staff turnover in engineering and other technical grades remains a huge challenge for the Authority. In order to attract and retain qualified engineers a staff retention scheme was devised for engineers whereby new recruits would be given a retention allowance in addition to their basic salary. Besides, additional increments would be granted to engineers with post registration experience. Succession planning is also becoming indispensable given CWA's ageing manpower base. Accordingly, most vacancies in the or-

ganization were filled in 2013 to ensure a timely take over by new generations.

We recognize that technology plays a pivotal role in our quest for service and operational excellence. We invested in a modern and robust IT platform, provided laptops and VPN (Virtual private Network) connection to senior officials. These facilities were meant to enhance staff productivity, connectivity between remote work stations and the main server and as a decision-support tool.

During the year 2013, the CWA made considerable efforts to provide a wide array of services and facilities to our customers. The online cash collection system was extended to some 76 Post Offices across the island. In addition to SBM Bill Pay service, the CWA is seeking additional partnerships to provide even more convenience to our customers to pay their bills.

In line with our policy to continuously improve the 'Service Experience' of our customers, the CWA has creatively renovated the Cash Offices at Mutual Aid Building and Hennessy Court in Port Louis and our Meter Reading Section at Vacoas. The Cash Office at St. Paul has also been renovated and is now more appealing and customer friendly. We intend to pursue this refurbishment strategy and extend this customer-friendly concept to Cash Offices in other regions. In the same vein, major renovations works were undertaken on Level One at the Head Office to accommodate both the NRW Cell, the newly restructured Centralised Procurement Unit and Bid Opening Room.

Regarding the water supply situation, the drought experience of 2010-2011 has taught us numerous lessons. A host of drought mitigation measures have been adopted to better cope with any unforeseen effect of climatic change. However, these measures bear a high price tag and a priority list was drawn to implement the most pressing projects. Besides climate change, other challenges such as population growth, expected increases in demand from emerging sectors are putting much pressure on the CWA water supply chain.

Looking into the future, we can confidently say that CWA has laid the necessary foundation both in terms of infrastructure and expertise to embrace a more dynamic water sector reform. The CWA three-year Strategic Plan, designed to provide strategic direction to the Authority over the short to medium term, will be the compass until the implementation of the measures under the Water Sector Reform. The Plan spells out the different objectives and strategies/plans with expected outputs and targets and associated investment costs.

**DEV ANAND AUKLE**  
ACTING GENERAL MANAGER





**1973**  
CWA is officially separated  
from the Ministry of Works

**1978**  
Creation of the Personnel  
Division

**1983**  
Creation of the Commercial  
Division to bill consumers

**1988**  
Introduction of Cost  
Centre

**1991**  
Computerisation of the  
cash collection system



1973



## Official separation of CWA from Ministry of Works

In 1973, the CWA was separated from the Ministry of Works and became a public utility organisation dedicated to the production, processing and distribution of water. At the time of its inception, only half of the country was connected with piped water as the country was still in a state of under-development.





# CORPORATE GOVERNANCE

Good governance is an essential ingredient in corporate success and sustainable economic growth. It emanates from sound corporate practice and norms of behaviour

As a guardian of the country's most precious natural resource, the CWA is duly bound to operate within a strong governance framework that rests on a value system of fairness, transparency, accountability, integrity and trust. The Central Water Board provides oversight and strategic governance leadership to the institution.

## The Central Water Board

The Central Water Authority Act 20/1971, declared by proclamation with effect from July 1971, established the Central Water Authority (CWA) and provides for the latter to be administered and controlled by a Central Water Board (CWB). The CWA is responsible for the control, development and conservation of water resources. It is worth noting that with the establishment of the Water Resources Unit (WRU) and the transfer of related responsibilities from the CWA to the WRU in 1993, the CWA has since then, been responsible only for the treatment and distribution of potable water.

Board members are fully aware of their responsibilities, both individually and collectively, to promote the long-term success of the Authority. The Board sets the organisation's overall strategic direction, reviews management performance and assesses whether the Authority has the necessary financial and human resources in place to meet its objectives. It also reviews the Authority's project management, approach to risk management and development of policies. Moreover, the Board is responsible promoting the long-term success of the CWA, ensuring that the principal goal of the organization is to provide an efficient service to the nation.

Through its vision, core values and formal policies, which set out what the CWA expects from employees in the running of its businesses, the Board seeks to engender a culture where business ethics, integrity and fairness are values that all employees endorse and apply in their everyday conduct.

In accordance with Section 7 (2) of the Central Water Authority Act 1971, the Board is constituted as follows:

- a chairperson – appointed by the Minister;

- a representative of the Ministry responsible for the subject of finance;
- a representative of the Ministry responsible for the subject of energy;
- a representative of the Ministry responsible for the subject of labour and industrial relations;
- 2 members with experience in agricultural, industrial, commercial, financial, scientific or administrative matters, appointed by the Minister.

The Chairman is appointed by the Minister on such terms and conditions as he thinks fit. Every ex-officio member remains a member for as long as he holds the office by virtue of which he became a member and every appointed member holds office for not more than 2 years but is eligible for re-appointment.

For the year under review, the CWB was constituted as follows:

### MR PREMCHAND SADDUL

Chairman

### MR SOMDUTH NEMCHAND

(Alternate: Mrs. Devika Moosoothur) Representative of the Ministry of Energy and Public Utilities (Ministry responsible for the subject of Energy)

### MR. KRESH SEEBUNDHUN

(up to 30 September 2013)  
(Alternate: Mrs. Parveen Rojoa)

### MR. VISVANADEN SOONDRAM

(as from 01 October 2013)  
(Alternate: Mr. Riad Fuzurully)  
Representative of the Ministry of Finance & Economic Development (Ministry responsible for the subject of Finance)

### MR. MANODAREN NAIDOO SOOBAYEN

(Alternate: Mr. B. Raghoonauth)  
Representative of the Ministry of Labour & Industrial Relations (Ministry responsible for the subject of labour and industrial relations)

### YOUSOUF ISMAËL

Member appointed by the Minister

### DANIEL MARION

Member appointed by the Minister



---

# BOARD MEMBERS

---



**(1) Premchand Saddul**  
(Associate Professor) Chairman

**(2) Somduth Nemchand**  
Ex-Officio Member

**(3) Visvanaden Soondram**  
Ex-Officio Member

**(4) Manodaren Naidoo Soobrayen**  
Ex-Officio Member

**(5) Yousouf Ismaël**  
Appointed Member

**(6) Daniel Marion**  
Appointed Member



In attendance :  
(7) Dev Anand Aukle  
Acting General Manager,  
and (8) Ramakrishna Neelayya,  
Administrative Secretary.



# CORPORATE GOVERNANCE

## The Chairman

The Chairman is primarily responsible for the efficient functioning of the Board, ensuring that Board Members are fully engaged in their roles and that they provide an efficient contribution to the operation of the Board and the promotion of the success of the Authority.

The Chairman is also responsible for ensuring that Board Members receive comprehensive information on a regular basis to enable them to perform their duties properly, supported by the Secretary of the Board. As part of the preparation of process for Board meetings, the Chairman has regular informal briefings with the members of the Board and the General Manager prior to the scheduled Board meetings.

## Board Members' Profiles

### PREMCHAND SADDUL (ASSOCIATE PROFESSOR)

Chairman

Holder of a BA (Hons), PGCE, M. Ed, F.R.G.S, Mr. Premchand Saddul has a wide experience in the field of academia. He was the former Director, of the Mauritius Institute of Education and former Officer in Charge of the P.S.S.A. From June 2000 to April 2002, he was holder of UNESCO Chair in Higher Education for Mauritius. He had been a Visiting Professor at the Jeju National University, S. Korea and the University of Virginia, U.S.A. Mr. P. Saddul is also a Fellow of the Royal Geographical Society of Great Britain (F.R.G.S).

### SOMDUTH NEMCHAND

Ex-Officio Member

Mr. Somduth Nemchand holds a Brevet International d'Administration Publique de l'Ecole Nationale d'Administration, ENA, France. He has extensive experience in the public sector and is presently the Acting Permanent Secretary in the Ministry of Energy & Public Utilities.

### KRESH SEEBUNDHUN

Ex-Officio Member up to 30 September 2013

Fellow of the Association of Chartered Certified Accountants (UK), Mr. Kresh Seebundhun is presently the Lead Analyst at the Ministry of Finance & Economic Development.

### MR. VISVANADEN SOONDRAM

Ex-Officio Member – as from 01 October 2013

Fellow of the Association of Chartered Certified Accountants (UK) and holder of a MSc in Finance. Mr. V. Soondram is presently Lead Analyst at the Ministry of Finance & Economic Development and has a vast experience in the Public Sector (including Financial Management Audit).

### MANODAREN NAIDOO SOOBRAYEN

Ex-Officio Member

Mr. Manodaren Naidoo Soobrayen is currently the Assistant Director at the Ministry of Labour & Industrial Relations.

### YOUSOUF ISMAËL

Appointed Member – as from 5th November 2012

Dr Ismaël holds a BSc. (Hons) in Agriculture, MSc. Development Economics & Planning, PhD Economics and a Post-Doctoral from the University of Reading, UK. He is presently the Head of Business Development & Marketing at St Aubin Group. He has over 14 years' experience in Project Management in Asia, Africa and UK.

### DANIEL MARION

Appointed Member – as from 5th November 2012

Mr. Marion has a vast experience in the academic field. He is holder of a 'Licence en Lettres Modernes', a 'Maitrise en Lettres' and a PGCE. He was the former Rector of John Kennedy College and has sat on several Boards.

## Board Committees

A structure of Board Committees has been set up to assist the Board in the discharge of its duties and responsibilities. Each Board Committee operates under defined Terms of Reference and recommends specific matters to the Board for approval. The Board Committees for the period under review were as below:

- Finance Committee
- Audit & Risk Committee
- Project Monitoring Committee
- Staff Committee
- Staff Selection Committee

## FINANCE COMMITTEE

The Terms of Reference of the Finance Committee

- To review the Authority's financial policies, strategies and take such actions and make such reports and recommendations to the Board as it deems advisable;
- To examine Bid Evaluation Reports prepared by Management in respects of bids whose value exceeds Rs 5 million and make recommendations to the Board for award;
- To recommend for approval to the Board expenditures exceeding the financial authority of the General Manager;
- To examine the Authority's Budgets, Cash Flow Statements, Management Accounts and Financial Statements and to make recommendations to the Board;
- To execute such other functions as may be referred to it from time to time by the Board.

During the year under review, the Finance Committee met on 12 occasions and was constituted as hereunder:

Finance Committee - 2013	
Chairperson	Mr. S. Nemchand
Members	Mr. K. Seebundhun (up to 30 September 2013) Mr. V. Soondram (as from 01 October 2013) Mr. Y. Ismaël

The General Manager, the Chairman of the Procurement Committee and the Deputy General Manager (Technical) were in attendance in the Finance Committee.

## STAFF COMMITTEE & STAFF SELECTION COMMITTEE

The Staff Committee considers and makes recommendations to the Board on matters relating to, inter-alia:

- Human Resource Strategies;
- Selection and Appointment;
- Remuneration and Performance Management;
- Training and Development;
- Industrial Relations.

During the period under review, the Staff Committee met on 12 occasions. Composition of the Staff Committee was as follows:

Staff Committee - 2013	
Chairperson	Mr. S. Nemchand
Members	Mr. M. Soobrayen Mr. D. Marion Ag. General Manager Deputy General Manager (A)

The Staff Selection Committee conducts interviews and makes recommendations for recruitment to the Staff Committee. During the period under review, the Staff Selection Committee met on 47 occasions.

Staff Selection Committee - 2013	
Chairman	Mr. S. Nemchand (up to October 2013) Mr. D. Marion (as from November 2013)
Members	Mr. M. Soobrayen Mr. D. Marion Ag. General Manager Deputy General Manager (A)

## AUDIT & RISK COMMITTEE

The Audit & Risk Committee gives the Board a means to monitor an effective internal control system. In addition it reinforces both the internal control system and the internal audit function. The Committee met on 4 occasions during the period under review.

The Audit & Risk Committee's main responsibilities include:

- Reviewing the financial reporting process to ensure the balance, transparency and integrity of published financial information;
- Monitoring the effectiveness of the system of internal financial control, accounting practices and internal audit;
- Examination and review of the annual financial statements;
- Examination of accounting and auditing concerns identified by internal and external audit.



## CORPORATE GOVERNANCE

### Audit & Risk Committee - 2013

Chairperson  
Mr. K. Seebundhun (up to 30 September 2013)  
Dr. Y. Ismaël (as from November 2013)

Members  
Mr. S. Nemchand  
Mr. V. Soondram (as from October 2013)  
Mr. M. Soobrayen

### PROJECT MONITORING COMMITTEE

In October 2013, the Board approved the setting up of a Project Monitoring Committee as a Sub- Committee of the Board to, inter-alia:

- monitor the progress of major projects implemented at the level of CWA;
- review the quarterly progress reports of the P&D Division with a view to ascertaining that projects are on schedule and to avoid as far as possible unnecessary claims from contractor/s at a later stage;
- ascertain that the appropriate recommendation/s are made to the Board for timely approval.

The Project Monitoring Committee was constituted as follows:

### Project Monitoring Committee - 2013

Chairperson  
Dr. Y. Ismaël

Members  
Mr. S. Nemchand  
Mr. V. Soondram

In 2013, the Project Monitoring Committee met only once.

### ATTENDANCE OF BOARD MEMBERS (BOARD & BOARD COMMITTEES)

Board Members	Board Meetings (including Special Board Meetings)	Finance Committee	Audit & Risk Committee	Project Monitoring Committee	Staff Committee	Staff Selection Committee
No. of meetings held	13	12	4	1	12	32
Mr P. Saddul (Chairman)	13	-	-	-	-	-
Mr. S. Nemchand	11	11	4	1	11	6
Mrs. D. Moosoohur (alternate to Mr. S. Nemchand)	2	1			1	26
Mr. K. Seebundhun (up to 30.09.13)	9	5	2			
Mrs. P. Rojooa (alternate to Mr. K. Seebundhun)	-	1				
Mr. V. Soondram (as from 01.10.13)	1	3		1		
Mr. R. Fuzurally (alternate to Mr. V. Soondram)	1					
Mr. M. N. Soobrayen	9		1		6	17
Mr. B. Raghoonauth (alternate to Mr. M.N. Soobrayen)	2		2		5	15
Dr. Y. Ismaël	13	11	4	1		
Mr. D. Marion	12				10	27

## REMUNERATION OF BOARD MEMBERS

Board members are remunerated from the General Fund as the Minister may determine. During the period under review, the fees paid to the Chairman and Board Members for attendance at Board and Board Committee meetings amounted to Rs 560,080/-

The Chairman of the Board was paid a monthly fee of Rs 18,000. All other Board Members were entitled to a monthly fee of Rs 2,500 in respect of attendance to the Board Meetings. No fee was payable if a Board Member absented himself during a calendar month. Likewise the fee is not payable if there was no meeting in a calendar month. An alternate Board Member is entitled to a fee of Rs 700 per sitting subject to a maximum of Rs 2,500 per month.

As regards to attendance at Sub Committee meetings, a monthly fee of Rs 1,500 was payable only if a Sub Committee member attended a meeting during one calendar month. No fee was payable in case of absence and non-holding of a meeting during a calendar month.

A Board Member (or Alternate) other than the chairman who was called upon to chair a Sub Committee meeting is entitled to an additional fee of Rs 500 per sitting.

## Code of conduct for CWA employees

The code of conduct for CWA employees which was approved by the Board in August 2012, rests upon a number of core values which require that CWA employees behave with integrity, selflessness, impartiality, objectivity, accountability, openness, honesty and justice.

The three guiding principles of the code are that CWA employees shall:

- fulfill their lawful obligations to the CWA with professionalism, integrity and loyalty;
- perform their official duties honestly, faithfully and efficiently while respecting the rights of the public and their colleagues; and
- not bring the CWA into disrepute through their private activities

## Transparency, Accountability & Integrity

### TRANSPARENCY

With a view to ensuring maximum transparency within the Authority, clear sets of internal procedures have been devised to eliminate the risks of fraud, errors and corruption. Well established and comprehensive Procedures have been worked out and are available on the Intranet of the Authority to ensure that all employees have easy access.

All internal and external circulars are published on the Intranet to ensure that all employees are updated. Besides, all major board decisions are also published on the Intranet in line with our transparency policy.

### ACCOUNTABILITY

In line with our Accountability policy, all payments are effected according to established procedures.

### INTEGRITY

The Authority ensures, as far as possible, that there is segregation of duties in all sections.



# PROFILE OF SENIOR MANAGEMENT STAFF



## **DEV ANAND AUKLE**

ACTING GENERAL  
MANAGER – SINCE  
DECEMBER 2010

Bachelor of Engineering  
(Bombay University). MSc  
in Engineering (Hydraulics  
& Water Resources)  
Canada. Certificate in  
Water Resources  
Management (Italy)



## **HERMANN JOSEPH**

DEPUTY GENERAL  
MANAGER (ADM.) - SINCE  
2004

MSc in Finance. Degree in  
Accounting and Computer  
Science. Ex-Member of  
The Association of Interna-  
tional Accountants (A.A.I.A)  
and The British Computer  
Society (M.B.C.S). MQA  
Registered Trainer in IT –  
NQF Level 5



## **JEETSING MUNBAUHAL**

AG. DEPUTY GENERAL  
MANAGER (TECHNICAL) –  
SINCE JANUARY 2012

Bachelor of Civil Engineer-  
ing (Australia). Certificate  
in Computer Science En-  
gineering (UoM). Member  
of Institute of Engineers  
(Australia).



## **ROHIT MUNGRA**

SENIOR ADVISOR -  
SINCE 2007

Mr R. Mungra was the  
General Manager of the  
CWA on contract basis  
from 2001 to 2005. BTech  
(Civil Engineering)- IIT. Di-  
ploma in Water Supply and  
Public Health Engineering.  
Diploma in Water Quality  
Control & Management



## **ROMESH CHANDRA KISHORE RAJCOOMAR**

CHIEF ENGINEER (WATER  
RESOURCES / OTHER  
SUPPORT SERVICES) –  
SINCE 2008

B.E Civil (Hons) India  
M.Tech (Env.Eng.) Com-  
monwealth Scholarship(  
India). Certificate in Water  
Resources Management  
(Italy)



## **SAYTOOKUMAR GUNGAH**

CHIEF ENGINEER (PLANNING  
& DEVELOPMENT) –  
SINCE SEPTEMBER 2012

BTech Civil Eng (I.I.T) Dip.  
Hydraulic Eng (Delft Neth-  
erlands) MSc Eng Project  
Management (UoM)  
AC/ Arb. – Associate Char-  
tered Institute of Arbitra-  
tors (UK)



## **KRISHNACOOMAR BISNATSINGH**

ACTING CHIEF ENGINEER  
(OPERATIONS)  
SINCE JULY 2012

Pre-Engineering Div.I  
BSc Civil Engineering



## **OUTTUM ISSUR** CHIEF FINANCIAL OFFICER – SINCE 2005

Fellow of the Association  
of Chartered Certified  
Accountants (FCCA) and  
MSc Finance. Member  
of the Mauritius Institute  
of Professional Account-  
ants (MIPA). Member of  
the Chartered Institute of  
Management Consultants,  
Canada.





**CHITTAMAN JUGROO**

MANAGER COMMERCIAL SERVICES – SINCE NOVEMBER 2010  
Fellow of Chartered. Certified Accountants (FCCA) and MSc Finance. Member of the Mauritius Institute of Professional Accountants (MIPA).



**YATEENDRANATH RAMKHELAWON**

HR MANAGER (ON CONTRACT) – SINCE JANUARY 2011  
Diploma in Personnel Management. LLB (Hons)



**DANIEL CHAN MOO LUN**

CHIEF INTERNAL AUDITOR – SINCE APRIL 1990  
Fellow of the Association of Chartered Certified Accountants (FCCA).



**RAMAKRISHNA NEELAYYA**

ADMINISTRATIVE SECRETARY – SINCE JANUARY 2011  
BSc (Hons) Economics  
Post Graduate Diploma (Marketing Management)



**KALLEEANEE HEERAMUN**

ECONOMIST / ANALYST (ON CONTRACT) SINCE MAY 2012  
BA (Hons) Economics - University of Delhi



**NITISH JHAGDAMBI**

Ag. IT MANAGER – AS FROM 12<sup>TH</sup> AUGUST 2013  
BSc Computer Science with Multimedia.  
*(Following Resignation of Amit Juggurnath)*



**BHISHEK NARAIN**

COMMUNICATION OFFICER (ON CONTRACT) SINCE JULY 2008  
Bachelor of Marketing (BM) in Information and Public Relations – Norwegian School of Marketing, Oslo, Norway

# CORPORATE GOVERNANCE

## RISK MANAGEMENT, INTERNAL CONTROL & INTERNAL AUDIT

The Board has the overall responsibility for the Authority's system of risk management and internal controls as well as for the assessing of their effectiveness. The Board views risk management as an integral component of good business practice with a view to supporting management's decision making, improving the reliability of business performance and assisting in the preparation of the Authority's consolidated accounts.

The Board delegates to executive management the responsibility for designing, operating and monitoring both the system and maintenance of effective internal control. The system of internal control is based upon an ongoing process of identifying, evaluating and managing key risks and includes the risk management processes as well.

The Internal Audit function provides Management and the Audit & Risk Committee with assurance that the internal controls in place are appropriate and effective.

The Internal Audit Division is governed by an Internal Audit Charter approved by the Audit Committee. It reports to the Audit Committee functionally and administratively to the General Manager.

The objective of the Internal Audit is to assist various levels of management in the effective discharge of their responsibilities. It also undertakes reliable assessment and value adding services relating to systems, internal controls and procedures.

Internal Audits are conducted as per the Annual Audit Plan approved by the Audit & Risk Committee. Special investigations are carried out at the request of the General Manager. The Internal Audit Team collaborates with the External Auditors as far as the review of system of internal

control is concerned and follow-up action on weaknesses noted by them.

## HEALTH & SAFETY

The Authority firmly believes that the security and health of its employees are sine qua non obligation. As a caring employer, CWA is committed to providing and maintaining a healthy, safe and secured working environment for its employees as well as for its stakeholders in general. During the year under review, the Authority has continued its effort to create an ideal environment for health, safety and welfare of its employees. Moreover, in line with the requirements of the Occupational Safety & Health Act 2005, Safety & Health Committees were conducted at regular intervals to look into all aspects health and safety pertaining to the Authority.

## POLITICAL & CHARITABLE DONATIONS

During the period under review, no political and charitable donations were made.

## CORPORATE SOCIAL RESPONSIBILITY

The CWA recognises the need to be socially committed and supportive to the lower income group. In this respect, during the year under review, CWA has maintained the Water Tank Grant Scheme with a view to supporting families in Mauritius and Rodrigues with a monthly income not exceeding Rs 12,000/- for the purchase of a water tank at a subsidised price.

## RELATED PARTY TRANSACTIONS

The particulars in respect of Related Party Transactions have been disclosed in Note 25 of the Financial Statements.

**1993**  
Inauguration of  
Head Office, St Paul

**1995**  
Creation of Information  
Technology Division

**1996**  
Transfer of Hydrology  
Staff to Water Res-  
sources Unit

**1998**  
Creation of a Hotline  
170 / Call Centre

**2000**  
Combined billing for  
CWA and WMA



1993



## Inauguration of eight- storey building at Head Office, St. Paul

The new Head Quarters of the CWA at St Paul are an expression of the institution strength as a public utility organisation. The CWA has continued to modernise its services and processes.





# STRATEGIC PLAN 2014-2016

## Background

The Central Water Authority is a Body Corporate established under the CWA Act 1971, with subsequent amendments and it became operational in 1973. It operates under the aegis of the Ministry of Energy and Public Utilities and is the sole Authority in Mauritius responsible for the treatment and distribution of potable water to households, government and the business community, among others, with a view to fostering economic growth and social development in Mauritius.

The CWA is administered and controlled by a seven member Central Water Board (CWB) which is expected to meet at least once every month. The General Manager is responsible for the execution of the water policy and the effective management of the day to day business activities of the Authority.

## Vision and Mission Statement

### VISION OF CWA

'To excel in the provision of an uninterrupted round the clock service of world class standard throughout the year to the entire population of Mauritius.'

### MISSION OF CWA

'To secure and provide an excellent sustainable water supply service of appropriate quality, at a reasonable price, which meets the growing needs of the people, and supports the economic development of the country.'

## Objective Of Strategic Plan

The purpose of this Plan is to embody the overall business strategy of the CWA. It sets out objectives and priorities for period 2014-2016.

Pending the imminent Water Sector Reform, this document acts as a roadmap for all activities related to the potable water sector for the next three years. The plans and initiatives that are part and parcel of this document will spearhead the Central Water Authority's short to medium term strategic drive.

The Strategic Plan provides:

- an overview of the current situation (SWOT), the main challenges and the strategic orientation of the organisation for the next three years;
- the Plan of Action under each strategy; and
- the Financial Planning

## The Service We Provide

The core business activity of CWA is the provision of safe drinking water to the Mauritian population, government bodies and business enterprises, which in all, make up the 341,620 registered subscribers, as at December 2013. In this endeavour, it has to manage some 4,175 km of pipe network (excluding house connections), seven (7) water treatment plants, around 116 boreholes and some 100 service reservoirs.

The CWA operates with a staff base of 985 employees (on establishment in Dec 2013) and is operationally structured to deliver service in six water supply zones as follows:

- Port Louis Water Supply System
- District Water Supply System (North)
- District Water Supply System (East)
- District Water Supply System (South)
- Mare aux Vacoas (Upper) Water Supply System
- Mare aux Vacoas (Lower) Water Supply System

## Business Performance

The total revenue of CWA was Rs1.9 billion (approx.) and the Authority's assets were worth some Rs 7.7 billion in 2013. The total volume sold was 95 million cubic metres, while production was of the order of 216 million cubic metres, made up of 50 % surface water and 50 % groundwater resources. The network efficiency ranged between 45 - 50%. Some 40 km of pipelines were constructed/renewed in 2013, made possible by an investment of some Rs 245 M, mostly coming from CWA own funds.

The total kilometres of pipelines laid over the past four years, together with the amount of disbursements made are recapitulated below:

## STRATEGIC PLAN 2014-2016

Year	Pipelines Constructed (km)	Disbursement (Rs. M)
2010	45	199
2011	80	340
2012	65	325
2013	40	245

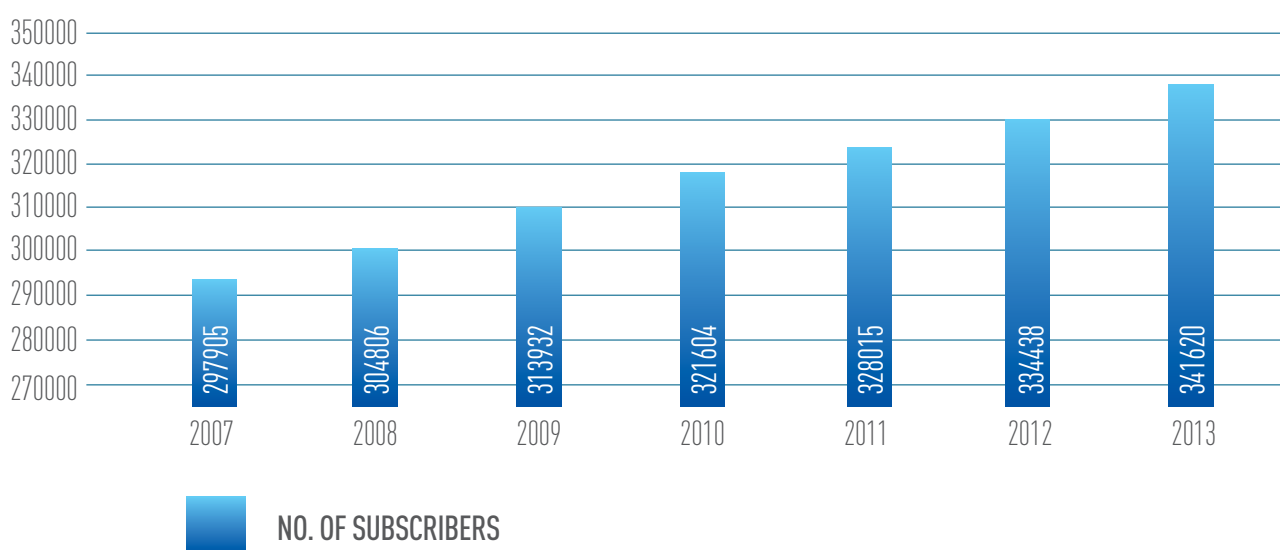
### Capital Expenditure on Pipelines

## Market Information

CWA has a registered customer base of some 341,620 subscribers, as detailed hereunder:

Customer Category	Number (December 2013 figures)
Domestic	317,786
Acquired (Concessionary Prise)	38
Business Consumers	1,118
Public Sector Agency Consumers	2,511
Industrial Consumers	598
Agricultural Consumers	3,942
Commercial Consumers	13,646
Religious & Charitable Institutions	1,981
<b>Total</b>	<b>341,620</b>

### Category of Consumers



The Authority experiences an average annual market growth of 2-2.5%. The market within which it operates has certain specific characteristics as depicted in the following section.



## INSTITUTIONAL SWOT (STRENGTHS/WEAKNESSES/OPPORTUNITIES/THREATS)

A SWOT Analysis of the Organisation reveals the following existing/emerging issues that impact upon the performance of the CWA and need to be given foremost attention while formulating any business strategy.

Internal and External Factors	Strengths	Weaknesses	Opportunities	Threats
<b>Financial Analysis</b>	Liquidity has slightly improved with a tariff increase effective as from Jan 2012	High direct and indirect costs of operation  Low profitability and no surplus to plough back into business for expansion  Heavy debt leverage	Potential for lowering of energy footprint in view of imminent implementation of green energy solutions  Re-invigoration of combat against illegal connections, minimising losses for the Authority	Foreign funding agencies are imposing stringent conditions for grant of loan
<b>Human Resource Analysis</b>	Annual Training Plan established after TNA being carried out  International exposure given to staff through attachments and other training programmes abroad  Procedural Agreement has been signed with Unions	Heavy staff base  High turnover among engineering and technical staff  Industrial relations not always easy	Recruitment of new blood has started  Staff retention scheme has been devised for Engineering grade  Recourse to consultancy services for key functions (feasibility/design/supervision)	Ageing manpower
<b>Operational Analysis</b>	The Authority's 40 years experience in provision of drinking water  99.8% of population has access to piped potable water	The extent of CWA pipe network that is old and inefficient and resulting high level of NRW  Pilferage  Lengthy and cumbersome procurement procedures  Wayleave Issues- RDA, local government, private owners  High volume of complaints from public	The NRW project in MAV(Upper) under Project Management Services  The Programme Based Budgeting which allows each Section/Unit to devise certain KPIs and enable regular monitoring of progress	

## STRATEGIC PLAN 2014-2016

Internal and External Factors	Strengths	Weaknesses	Opportunities	Threats
<b>Economic Analysis</b>	CWA is a public utility, virtually enjoying monopoly position	Limited opportunities for growth given small market	Public/Private Partnership (BOT, BOO, etc)  Scope for further increases in tariff as the relative weight of water bill is negligible in consumers basket of goods	
<b>Technological Analysis</b>	State of the Art IT applications, tools and techniques  Wide intranet/ internet coverage  Gradual computerisation of key functions, leading to saving of time and energy and shift to a paperless organisation	CWA lags behind in application of modern tools and techniques in Operations and Maintenance	The introduction/ extension of the Automated Remote Meter Reading/ Automated Mobile Meter Reading  The forthcoming Telemetry and Telesurveillance project in DWS(N)  Customer applications and payment solutions keeping pace with digital/cyber age	
<b>Political Analysis</b>	Government agreeable to stand as guarantor for foreign loans	Government Regulations with regard to price fixing	National Water Policy being formulated at Higher level  Water Sector Reform initiated by Government	The phasing out of Government grants
<b>Environmental Analysis</b>	CWA water quality meets the WHO/ Ministry of Environment standards for safe drinking water	The extent of distribution network made up of asbestos pipes that warrants replacement	Building Resilience to Climate Change -Pre-emptive measures being/to be taken by CWA to counter the effects of climate change  Surveillance programme set up at national level to look into the problem of pollution  Water treatment processes being revisited by CWA to take care of the problem of pollution	Water supply exposed to risks engendered by climate change, namely, deterioration of groundwater resources near coastal zones brought about by a rise in sea level  Water quality endangered by threat of algae proliferation and pollution of water courses

## Major Challenges

From the foregoing analysis, fundamentally, seven major challenges emerge, that need to be addressed during the Strategic Planning period:

### WATER SECTOR REFORM

The integrated approach to water sector issues, recommended in the proposed Water Sector Reform, is one challenge that CWA would have to face in the near future. The idea behind the reform process is to bring the interrelated services under the same umbrella so as to streamline procedures and reduce bureaucratic hassles for service users, in line with the concept of integrated water resource management. From a macroeconomic perspective, a holistic approach to water conservation and management will result in more informed decision making on the part of policy makers and in greater overall synergy in the water sector. Since there are wide reaching legal, institutional and financial implications for CWA, the preparedness of the organisation to embrace the changes will be a determining factor in the successful implementation of the reform programme. The legislation pertaining to the merger will be introduced in the National Assembly in 2014.

### THE AGEING OF CWA'S DISTRIBUTION NETWORK-THE SURGE IN VOLUME OF NON REVENUE WATER

Water is a valuable resource and its loss has to be minimized at all costs. Unfortunately, it is estimated that at least some 1,000 km of CWA pipe network is more than 50 years old and needs urgent replacement. Most of these pipes are of asbestos cement type, cast iron or galvanised iron type and subject to frequent bursts, and are responsible for the substantial level of losses in the distribution network. This short and medium term plan strives to bring down these losses to internationally acceptable levels, viz, to 25% in at least some of the water supply systems and to start with, the MAV (Upper) system. Accordingly, in 2013, the CWA has embarked on a Reduction of Non Revenue Water Project with the support of Singaporean Consultants under a Government to Government Agreement. The Project Management Services are being delivered by a consortium of international consultants from Singapore Cooperation Enterprise/PUB Singapore/CH2M HILL. The project will span over a two year period and includes components such as pipe renewal, replacement of meters and telemetry.

### CLIMATE CHANGE

The effects of global warming have, among others, been translated into uneven rainfall patterns affecting water resource availability in Mauritius. The Authority already had to cope with the drought experience of 2010/2011, which put a lot of strain on its existing manpower and other resources. CWA should get well prepared for worse scenarios in the near future, whereby satisfying the water needs of a growing population, while at the same time, sustaining the level of economic activity will become a challenge for the Authority. It is imperative that it starts, as from now, adopting a series of mitigation measures to counter the adverse effects of future droughts. Demand management measures also form part of this climate change adaptation strategy.

### WATER QUALITY



The possible proliferation of algae in our water courses and reservoirs is another issue that has been of concern recently. With increasing economic and social activity in vicinity of our rivers and impounding reservoirs, the risk of algal bloom has risen. This could eventually affect the quality of the potable water being supplied by CWA and may constitute a health hazard. Preventive measures are called for with a view to avoid the occurrence of such a situation. Consequently, a Surveillance Committee was set up in 2012 at the level of the Ministry of Energy and Public Utilities, comprising various stakeholders, to carry out sampling tests of water resources in our impounding reservoirs. The scope of the project, which was initially limited to Midlands/Nicolieri reservoirs, has been extended to the remaining reservoirs under phase II of the programme.



# STRATEGIC PLAN 2014-2016

## RESPONDING TO MARKET CHANGES

CWA anticipates an annual sustained growth of at least 2 % in demand, as a direct result of an annual population growth, tourism industry expected to pick up and other projected social and economic changes. It is expected that the hospitality and property development sector, together with the ocean economy (seafood and marine) and the knowledge hub will represent future catalysts for economic growth in our country. Besides, the residential and industrial expansion in urban and peri-urban zones and the growth of shopping malls/hypermarkets will undoubtedly continue. These developments will put much pressure on CWA's existing water supply network and will necessitate mobilization of additional amounts of water resources. Accordingly, the Central Water Authority will be called upon to expand its distribution network and treatment and storage capacities to be able to respond to the market opportunities ahead. It will also have to tap new sources of supply to supplement existing ones. Moreover, with economic growth and development, customers are becoming more and more demanding, both in terms of consistency of supply and quality of service provided. CWA is working towards meeting these rising expectations.

## SECURING FUNDING FOR GROWTH -SUSTAINING ITS OPERATIONS

CWA is not a profit seeking organisation but operates at cost covering levels, as it is called upon to fulfill Government's social objectives. Water tariffs are kept artificially low so as not to hamper social and economic progress. Besides, the operational costs at the CWA are very high, and this, despite measures taken to curtail these costs. As a result, the Authority finds itself in a situation where it has to rely heavily on loan funding to finance its capital development programme. The challenge here is for the CWA to generate enough internal resources in order to enable it to meet its debt service obligations and also, to ultimately become self-sufficient. As such, the strategy ahead includes further revisions of tariff while at the same time, CWA takes a firm commitment to eliminate wastage and curtail its overheads.

## BUILDING THE CORPORATE IMAGE OF CWA

CWA is called upon to deliver an essential service amidst odds such as a considerable network of ageing pipeline, which is subject to frequent leaks and bursts, as well as increasingly frequent drought conditions that culminate in water supply cuts. Inevitably, there is often public outcry against CWA's service. Managing the corporate image of CWA, under such circumstances, is therefore one of the major challenges the organization has to face. The process has already started through various outreach programmes and sensitization campaigns and personal contact with people in distress with a view to pacify them. Various platforms, including social media, are also being deployed by the CWA Communication Cell.

## STRATEGIC OBJECTIVES

The prevailing strategic objectives of the CWA are as hereunder :

- to ensure regularity and security of supply with a round the clock service
- to reduce non revenue water to an economically acceptable level by improving the network efficiency
- to sustain water quality to meet international benchmarks

## Strategy 1 - To be more Customer-Centric

### Action 1: Raising Standards of Service

- |     |  |
|-----|--|
| 1.1 | Renovation of the Customer Service Centres and construction of a new Customer Centre at Palmyre to achieve greater market proximity.   |
| 1.2 | Use of mobile, email and SMS will be envisaged for billing. CWA is embarking on an innovative payment solution known as M-Payment in collaboration with Orange, allowing consumers to pay their bills via their mobile phones.   |
| 1.3 | The CWA Customer Service Department undertakes to further reduce response time for attending to complaints.  |
| 1.4 | No. of payment outlets for CWA bills such as post offices and banks will be extended. The SBM bill pay has been launched where customers can settle their CWA bills through: <ul style="list-style-type: none"> <li>• over 100 SBM ATMs around the island</li> <li>• SBM Point of Sale (POS) terminals located at Winners Supermarkets across Mauritius</li> </ul> Customers will be encouraged to make use of these services. |
| 1.5 | Strategy for cross subsidisation of certain category of consumers will be maintained.  |
| 1.6 | The CWA's Customer Charter (2007), which spells out what the customer can expect from the different service desks, will be revisited and relevant benchmarks updated.  |

### Action 2: Ensuring Regularity and Security of Supply

- |     |  |
|-----|--|
| 2.1 | Some 50 km of pipelines will be replaced annually, over the next two years under the Reduction of Non Revenue Water Project being undertaken in the MAV (Upper) Zone under Project Management Services by Singapore Consultants.   |
| 2.2 | In addition to 2.1 above, some 50 km of old and inefficient pipelines, which include leaking pipes, asbestos pipes and non standard pipes, will be replaced island-wide, annually.   |
| 2.3 | The distribution network will be expanded in response to projected increases in demand.  |
| 2.4 | CWA is expanding its treatment capacity through the upgrade of the Pailles Water Treatment Plant which will allow for some 80,000 cubic metre of water to be treated daily. In parallel, a water treatment plant will be constructed downstream of the future Bagatelle Dam which will make possible the treatment of some additional 60,000 cubic metres to cater for the Port Louis and Lower Plaine Wilhems catchments. |
| 2.5 | Increase in reservoir storage capacity through construction of new service reservoirs, namely, at Cluny, Mont Fayence, Salazie and Riche en Eau, etc. Other service reservoirs will be rehabilitated.  |
| 2.6 | A number of boreholes/pumping stations will be upgraded.   |

### Action 3: Improving Water Quality

- |      |   |
|------|---|
| 3.1. | Sustaining the accreditation status of the CWA laboratory and increasing the number of parameters covered by the accreditation process by ten (to note that CWA lab is accredited to ISO 17025:2005 (E) Standards). |
| 3.2. | Increase in capacity of CWA lab to test other parameters so as to meet international benchmarks for quality. Accordingly, investment will be carried out in new equipment.  |

## STRATEGIC PLAN 2014-2016

### Strategy 1 - To be more Customer-Centric (Cont'd)

3.3	The treatment processes at the various treatment plants, namely, La Marie, Piton du Milieu, Riv. du Poste and Mont Blanc will be improved to strengthen the control capacity of chemical feeding and quality of water treated. The processes are also being enhanced to take care of the problem of algae, which is a potential threat to our water resources and a hindrance in the water treatment process.
3.4	In the context of the Surveillance Programme put in place at national level to monitor the water quality of our impounding reservoirs, sampling and testing of water for detection of algae, pesticides, heavy metals, physico-chemical and bacteriological elements will be sustained.

### Strategy 2: A CWA Committed to Change

#### Action 1: Enhancing Performance (Human Resource)

1.1	The CWA will establish a sound Performance Management System in line with the recommendations of PRB. In this connection, it is proposed to seek the assistance of MCS&AR in implementing the system. CWA may have to resort to the services of a consultant to carry out an organisational review, taking into consideration the mission/vision/objectives of the CWA. We are aiming for a leaner organization with higher value added.
1.2	A Staff Retention Plan will be worked out to address the issue of turnover among technical grades
1.3	Succession Planning will become an integral part of Human Resource Planning at CWA
1.4	The CWA will work towards improved gender balance, to the extent possible
1.5	Training Needs Analysis will be carried at regular intervals to ensure that new skills and knowledge are taken into account and a Training Plan will be established accordingly. New avenues of training will be explored, and the Authority will adopt an inclusive approach, targeting maximum no. of officers encompassing all grades.
1.6	CWA will work towards an improvement in industrial relations through regular meetings and contacts with unions
1.7	The Welfare Club will be reactivated
1.8	Health and Safety Audits will be conducted on a monthly basis and training on OSHA will be dispensed regularly. We aim to make CWA a safe place to work.

#### Action 2: Drive for Financial Sustainability

2.1	CWA will adopt an appropriate pricing policy that reflects the true cost of service
2.2	Renewal of all non working meters, as a matter of urgency
2.3	Tampering of meters will be discouraged (Anti-fraud measures will be reinforced)
2.4	Monitoring of Big Consumers on a weekly basis for any abuse
2.5	Review of fees charged by Scientific Services for private tests
2.6	Revision of connection fees for new supplies
2.7	Review of meter rentals



## Strategy 2: A CWA Committed to Change

2.8	A staggered billing policy will be implemented
2.9	CWA is targeting a lower energy footprint through implementation of different energy efficient options. Stand alone photovoltaic systems will be installed at strategic locations. Existing interior lighting systems will be replaced with energy efficient tube lights. Besides, CWA will establish its Energy Efficiency Action Plan with assistance from the Clinton Foundation.
2.10	Beefing up of systems and procedures put in place for monitoring of overtime
2.11	Lowering of transport costs and costs relating to fuel and oil ( The GPS, which has been installed in 73 vehicles, will be extended to the remaining fleet)
2.12	Cost effective maintenance solutions will be explored to reduce downtime and keep all vehicles and plants in good running condition
2.13	Reduction of intervention time/downtime to attend to breakdowns at pumping stations
2.14	Timely repair and testing of meters
2.15	Maximum use of hedging strategy to mitigate any adverse risk exposure in exchange rate fluctuations

### Action 3: Application of High Tech Gear/Smart Technology

3.1	Implementation of a Telemetry and Telesurveillance project in the North District Water Supply System
3.2.	Pilot project for Automated Remote Meter Reading System which will cover 500 big consumers
3.3.	Pilot project for Automated Mobile Meter Reading System which will cover some 5,000 customers
3.4.	Better integration of Information Technology in CWA processes to enhance productivity and customer service(implementation of new software solutions such as Oracle Financial and Idea Software)
3.5.	Implementation of e-budgeting, e-procurement and e-payment systems to improve, quicken and modernise budget preparation, procurement and payment cycles
3.6.	An online service for documents safekeeping and dispatching through the implementation of a Document Management System

### Action 4: A more Effective Communication Strategy

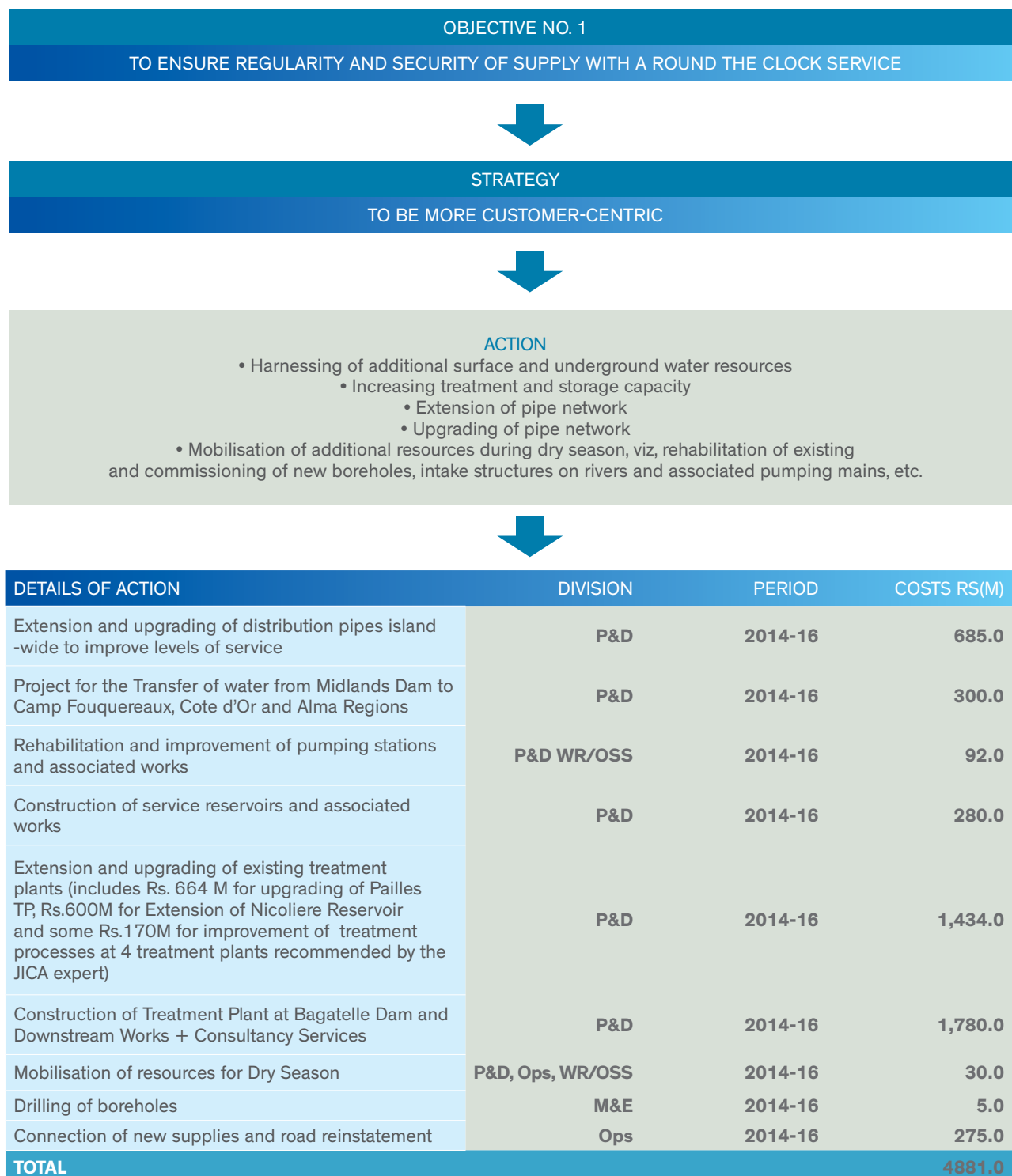
4.1.	A greater role played by social media as opposed to mass media communication strategies
4.2.	Regular and timely communication campaigns/interventions in public
4.3.	Revamping of CWA website to better respond to the communication needs of the organisation and be more customer friendly by incorporating interactive applications
4.4.	Adoption of Demand Management Measures to promote water efficient culture viz, Water Education Campaign at national level, save water campaigns in schools, distribution of brochures, water saving tips, etc
4.5.	Promotion of concept of rainwater harvesting, use of water tap aerators, etc
4.6.	Participation in World Water Day

STRATEGIC PLAN  
2014-2016



## ACTION PLAN

This section showcases the concrete actions under each strategy underpinning the various objectives spelt out in this document, which are in line with CWA's mission statement.





## STRATEGIC PLAN 2014-2016

### OBJECTIVE NO. 2

TO REDUCE NON-REVENUE WATER TO AN ECONOMICALLY ACCEPTABLE LEVEL



### STRATEGY

TO BE MORE CUSTOMER-CENTRIC



### ACTION

- Reduction of unaccounted for water
- To replace meters above 10 years old



DETAILS OF ACTION	DIVISION	PERIOD	COSTS RS(M)
Renewal of trunk/service mains aged over 30 years old.	P&D	2014-16	1,720.0
Reduction of non-revenue water in MAV Upper Zone	NRW Cell	2014-15	861.0
Establish discreteness of DMAs'	NRW Cell	2014-16	20.0
Replacement of 80,000 > 10 years old meters	Commercial Services	2014-16	90.0
Telemetry and Telesurveillance system- DWS North	WR/OSS	2014-15	60.0
<b>TOTAL</b>			<b>2,751.0</b>

OBJECTIVE NO. 3
TO SUSTAIN WATER QUALITY TO MEET INTERNATIONAL BENCHMARKS



STRATEGY
TO BE MORE CUSTOMER-CENTRIC



ACTION
<ul style="list-style-type: none"> <li>Monitoring of raw water resources tapped for treatment</li> <li>Cleaning and disinfection of reservoirs</li> </ul>



DETAILS OF ACTION	DIVISION	PERIOD	COSTS RS(M)
Monitoring programme for quality of raw water resources tapped for treatment	WR/OSS	2014-16	Imputed
Purchase of Equipment for water quality monitoring	WR/OSS	2014-16	28.0
Construction of chlorine shed and M&E workshop	WR/OSS	2014-16	105.0
Electro- Mechanical Equipment including pumps	WR/OSS	2014-16	45.3
Repair and maintenance of filters	Ops	2014-16	35.9
Cleaning and disinfection of reservoirs	Ops	2014-16	Imputed
Purchase of Strainers	Commercial	2014	2.0
Renovation of Laboratory at Treatment plants	WR/OSS	2015-16	6.0
<b>TOTAL</b>			<b>222.2</b>

## STRATEGIC PLAN 2014-2016

### OBJECTIVE NO. 4

TO ENHANCE CUSTOMER SERVICE AND MANAGE THE CORPORATE IMAGE



### STRATEGY

TO BE MORE CUSTOMER-CENTRIC



### ACTION

- To improve the system for management of complaints
  - Upgrading of customer centres
- Reinforce communication strategy and step up awareness campaigns



DETAILS OF ACTION	DIVISION	PERIOD	COSTS RS(M)
Construction of new customer centres and upgrading of existing ones	P&D	2014-16	275.0
Improving public relations and undertaking National Water Education Campaign (includes organisation of World Water Day, save water and rainwater harvest campaigns, etc.)	Communication cell	2014-16	20.0
Call Services outsourced	Commercial/Operations	2014-16	20.0
Updating the Customer Charter	Commercial/Communication Cell	2014	Imputed
Upgrading of CWA website	Communication cell	2014	Imputed
Purchase of meter chambers	Commercial	2014-16	22.5
Disconnection/re-metering	Commercial	2014-16	27.9
<b>TOTAL</b>			<b>365.4</b>



OBJECTIVE NO. 5

TO IMPROVE EFFECTIVENESS AND EFFICIENCY AND CONSOLIDATE THE FINANCIAL VIABILITY OF THE AUTHORITY



STRATEGY

A CWA COMMITTED TO CHANGE



ACTION

- Application of innovative software solutions to improve business processes
  - Revenue maximisation measures
  - Cost containment measures
  - Capacity Building



DETAILS OF ACTION	DIVISION	PERIOD	COSTS RS(M)
Servers, computers and other IT equipment including network upgrade	IT	2014-16	24.0
Software tools including software upgrade & applications, Oracle, Financial, Inventory & Purchasing	IT	2014-16	41.5
Development of Information Technology applications	IT	2014-16	4.0
New PABX at Head Office	Adm.	2014	2.0
Implementation of a Document Management System	Adm.	2014-15	5.0
Implementing the Staff Retention Plan/Performance Management System	HR	2013	Imputed
Capacity Building	HR	2014-16	16.0
Automated Remote Meter Reading and Automated Mobile Meter Reading Systems	Commercial	2015-16	210.0
Metering of all production sources	Ops	2013-14	9.0
Assets Management Consultancy Services	Fin./Adm	2015-16	Imputed
Upgrading of/Construction of new Office buildings & workshops	P&D/Adm	2013-15	300.0
Installation of GPS and fuel sensors in CWA vehicles	Adm/Trans.	2014	3.5
Purchase of Vehicles and other Machines	WR/OSS	2014-15	25.0
Stand-alone photovoltaic system	WR/OSS	2013-15	3.0
<b>TOTAL</b>			<b>643.0</b>

# FINANCIAL PLANNING



## FINANCIAL HIGHLIGHTS

The key objective of the CWA is to ensure its financial viability/ sustainability in its endeavour to keep pace with the economic development of the country.

The implementation of the capital investment programme of the CWA in the forthcoming years will undeniably warrant substantial amount of funds. Notwithstanding the last water tariff increase which became effective in January 2012, the current and anticipated level of revenue generated by the CWA will impede the smooth implementation of the capital projects.

It is worth pointing out that 2013 saw the abolition of the levy on bottled drinks introduced in 2012, resulting in a shortfall in gains of some Rs.200M. In exchange, Government decided to offset this loss against CWA's interest charges outstanding on GOM loans.

PRB 2013 has entailed additional financial implications for the Authority. Obligations in terms of salary and other staff benefits increased by 18%.

Negotiations with AFD for a loan financing for the Rehabilitation and Extension of Nicoliere Treatment Plant did not have a favourable outcome. On the other hand, the last withdrawal date for the EIB loan contract for the Non Revenue Water (NRW) project was extended for a further period of two years, as from 31 March 2013. The balance under this loan contract would be used for part financing the Reduction of NRW project in MAV (Upper), purchase of cold potable water meters and the telemetry and tele-surveillance project in DWS(North).

With a view to enabling this Authority to emerge out of the bleak financial situation portrayed above, without jeopardizing its capacity to implement the anticipated capital investment of the required magnitude, a proposal has been made to the government for an increase in water tariffs of 35% in the year 2014. It is forecasted that this increase will enable CWA to generate operating surplus to meet the capital investment needs over the short and medium term as well as improving its debt repayment capacity.

## Estimates & Forecasts

The Forecasts for 2014 - 2016(subject to increase in water tariffs) are depicted in the tables as hereunder:

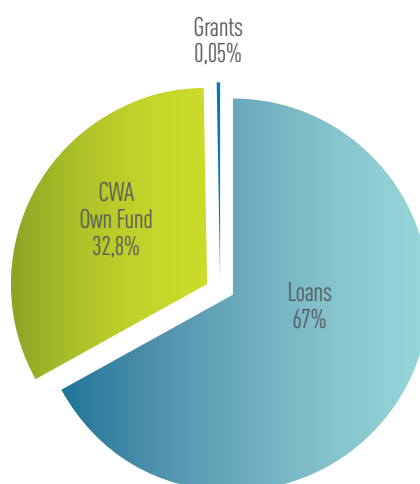
Description	2014 Rs'000	2015 Rs'000	2016 Rs'000
<b>Water Sales (assuming a tariff increases of 35% in 2014)</b>	1,875,583	1,919,171	1,965,400
<b>Other Operating Income</b>	332,000	334,000	336,000
<b>Total Revenue</b>	2,207,583	2,253,171	2,301,400
<b>Total Operating Expenses</b>	1,341,445	1,457,990	1,571,568
<b>Surplus/Deficit before Interest</b>	866,138	795,181	729,832
<b>Interest</b>	167,824	214,938	258,018
<b>Surplus/Deficit after Interest</b>	698,314	580,243	471,814

## Funding of Capital Projects

Description	2014 Rs'000	2015 Rs'000	2016 Rs'000
<b>Loans</b>	1,097,000	1,983,000	822,000
<b>Grants</b>	3,000	-	-
<b>CWA Own Funds</b>	712,000	724,000	471,000
<b>Total Capital Investment</b>	1,812,000	2,707,000	1,293,000

### Estimates & Forecasts

### SOURCE OF FUNDS FOR CWA'S CAPITAL INVESTMENT PROGRAMME (%)



Source of Funds



STRATEGIC PLAN  
2014-2016



**2002**  
Inauguration of  
La Nicolère Water  
Treatment Plant

**2004**  
Launching of Corporate  
Plan 2004 - 2008

**2005**  
Commissioning of new rapid  
gravity water treatment plant  
of 70,000m<sup>3</sup> capacity at La  
Marie

**2007**  
Master Plan for the Develop-  
ment of Sustainable Potable  
Water Supply in Mauritius

**2008**  
Implementation of GIS  
project



2002



# Inauguration of La Nicolère Water Treatment Plant of 66,000 m<sup>3</sup> capacity

The treatment facility opens a new chapter in the distribution of potable water to the northern regions. It demonstrates the CWA's endeavour and capacity to invest in critical processing infrastructure to deliver a product of good quality and a reliable service to the population.



# OPERATIONAL REVIEW

## Water Supply in Mauritius

Over the past four decades, the CWA has left no stone unturned to make drinking water accessible to each and every corner of the country. Challenges have been aplenty with industrialisation and economic diversification, urbanisation, changes in quality of life and lifestyles impacting demand patterns for water amidst climate change pressures and ageing infrastructure. Yet, the CWA never diverted from its endeavour to reach out to the remotest parts of the country, providing the community with high quality water at affordable rates.

Our services have grown exponentially. At the time of the inception of the CWA in 1973, Mauritius was still an underdeveloped country, and only 40% of the population had access to drinking water. Today, the country is part of the upper-middle income nations, and yet, almost the whole country is covered by piped potable water. Our country has achieved the Millennium Development Goal as far as accessibility to safe drinking water is concerned. During a normal/wet season, 86% of the population receive potable water on an 18-24 hour basis, thanks to ongoing efforts to make piped potable water universally accessible in Mauritius.

Safety is of essence at all times, and is benchmarked against rigorous standards. The potable water supplied by CWA is compliant to the norms of the World Health Organisation (WHO) and to the Drinking Water Standards set by the Ministry of Environment.

The CWA is today a matured public utility organisation, looking at the future with serenity and vision. The institution has gone through several phases of transformation over time. It is extremely symbolical that as the organisation reaches 40, a new vision is taking shape, with renewed emphasis on upgrading of distribution infrastruc-

ture to reduce Non Revenue Water (NRW), on exploring new sources of water to meet new demand requirements, and on institutional reforms and redesign in view to optimise water resources management and improve resources sustainability.

Water security is built on the foundations of sustainable water resources and management, led by a strong institution executing sound policies emanating from a clear vision. One milestone in the water sector is the elaboration of the Master Plan for the Development of Water Resources in Mauritius (2012) by NIRAS/Mega Design, which was approved and circulated to all stakeholders in 2013. The study, which was commissioned by the Ministry of Energy and Public Utilities (MEPU)/Water Resources Unit, has dealt with the integration and management of unevenly distributed water resources in Mauritius for the time horizons of 2025 and 2050 and proposes an investment plan for implementation of the associated water mobilisation infrastructure components. It recognises that the future water security of Mauritius will depend upon investments in civil works and distribution network, but also stresses on the reduction of system losses and improved management of water resources by relevant stakeholders to achieve a sustainable management of resources in the water sector.

The renewal of ageing and underperforming pipelines, causing considerable leaks across the system, is a foremost priority for the CWA. The organisation has sought international expertise to address the issue which is posing a serious threat to water security of the country. To that effect, the Government of Mauritius has signed an agreement with a consortium made up of Singapore Cooperation Enterprise, PUB Singapore and CM2M HILL, to work out a plan aiming at reduction of non revenue water in the Mare-aux-Vacoas (MAV) Upper zone.



## OPERATIONAL REVIEW

The project was launched in July 2013, and has a two-year time frame and the target is to achieve a 10% reduction in this specific area by the end of the assignment. The plan is to replicate this initiative to the entire system in the years to come so that NRW is dealt with at country-level in a standardised manner.

Potable water is supplied across the island through six distribution systems that are organized on a geographical basis as shown below:



Service delivery over the island is done through a distribution network of some 4,175 km, made up of trunk, service and distribution mains. Some 100 service reservoirs sustain supply with a total storage capacity of 238,000 cubic metres scattered all around the island.

Water management sustainability, stronger infrastructure and water quality assurance are the priorities of CWA. The institution continues to invest in its operational capabilities so that it can swiftly and effectively respond to new opportunities and threats.

The CWA has been building capabilities through people and technology. At a time when the organisation is investing heavily in technology upgrading, it must make sure it has the right skills to make an optimal use of these state-of-the-art technologies.

In 2013, we stepped up efforts to develop our talent base through professional development and succession planning. We want to build and sustain critical resources in engineering and technical positions to cope with ageing personnel. We are filling most vacant posts as part of a well-thought succession planning. At the same time, we have worked out a scheme to retain engineers and other technical grades that have put up with a high rate of staff turnover lately.

The CWA put a high emphasis on continuously improving customer care and interaction with the public. Our goal is to engage the community in our efforts to infuse sustainability in our production model and create more opportunities for demand management initiatives.

It is critical for Mauritius to be water-secure in the face of challenges such as climate change, population growth, etc. As such, balancing the equation between water availability and increasing demand and growing expectations for quality service, remains an on-going challenge for the CWA.

Some 40 km of pipelines were renewed in 2013 by the P&D section as against the targeted 50 km. Major projects such as Construction of Bagatelle Dam Water Treatment Plant (WTP) have been delayed, and so have the related pipelines network. Also, given the difficulties encountered in the construction of the dam, the tendering process for the water treatment plant and associated pipelines had to be postponed.

The contract for upgrade of Pailles WTP was awarded in July 2013 following negotiations with the lowest responsive bidder.

The Rehabilitation and Extension of Nicoliere WTP project suffered some setbacks because of the cancellation of the expression of Interest for consultancy works. A fresh invitation will be issued. As at Dec 2013, funding for this important project was not available.

## Water Treatment Plants

CWA operates seven water treatment plants, namely, two slow sand and five rapid gravity filtration plants with a total treatment capacity of 318,000 m<sup>3</sup>/day for the treatment of surface water as hereunder:

Treatment Plant	Treatment Capacity (m <sup>3</sup> /day)
La Marie (old)	60,000
La Marie (new)	70,000
La Nicolière	66,000
Pailles	60,000
Piton du Milieu	37,000
Rivière du Poste	15,000
Mont Blanc	10,000

## Building Resilience to Climate Change

The CWA has, over the years, been bracing itself to face the challenges brought about by climate change. It has put in place a contingency plan to palliate shortages during dry season and also to mitigate the effects of prolonged droughts. These measures include the renewal of some strategic old and leaking pipelines, construction of diversion pipelines, extension of existing treatment capacity, renewal of defective water meters, stepping up of measures against illegal tapping, etc. The tapping of river sources and the installation of containerised filtration plants also form part of this contingency plan. Besides, the CWA Emergency Cell ensures prompt intervention to hotline complaints of urgent nature. Water tanker facilities are provided to hardest hit areas. In parallel, a series of demand management measures are taken that include save water campaigns, promotion of rainwater harvesting systems, etc.

## OPERATIONAL REVIEW

### Inculcation of the Water Saving Culture/National Water Education

The CWA believes that education and sensitisation among the communities can make a change in the mind-set of people concerning water. We want families and businesses to make a judicious use of water and nurture a shared responsibility towards sustainable water management. The CWA continues to carry out awareness campaigns in the communities and education tours for students.

Talks and awareness campaigns were held in several Women's Association, youth and elderly clubs, up and down the island. Public talks in collaboration with District Councils and Community Centres focussed on the importance of saving water. Pamphlets on 'How to Save Water at Home', pens, posters, student notebooks, calendars and flyers were distributed. Flyers containing simple and routine 'Save Water Tips' were distributed to the public through Citizens Advice Bureaux, youth clubs and CWA cash offices. We also provided assistance and advice to schools on rain water harvesting.

### Improving Our Response To Complaints

Response time to emergencies is a key performance indicator of our service commitment. Our Emergency Cell Unit has provided effective and timely support to operations to attend to urgent water supply problems. The unit endeavours to ensure rapid interventions in any problem area at any time, particularly after normal working hours, during weekends and public holidays. Moreover, the Cell ensures regular contact with the different CWA operation zones in order to monitor the condition of the distribution network throughout the island.

The existing Emergency Cell network has been reinforced and re-organised. Six Emergency Cell Co-ordinators (ECC), each responsible for a particular zone have been appointed in a bid to deliver quicker localised response to emergencies.

### Water Tank Grant Scheme

The Water Tank Grant Scheme is a Government initiative to empower households to cope with drought. Since the start of the scheme in 2011, the CWA has received some 24,695 applications, of which 19,066 have been approved. This facility is meant to support families living on a monthly income not exceeding Rs 12,000 for the purchase of a water tank at a subsidized price, subject to established terms and conditions. An amount of Rs 55 Million was disbursed by Government by end 2013 under this scheme.

## Operations: Cornerstone of our activity

### PRODUCTION

The average daily throughput in the distribution network has hovered around 590,000 m<sup>3</sup>/day in 2013. Over the years, production has been consistently on the rise, except for year 2010-2011 which saw prolonged drought conditions. Groundwater constitutes some 50% of total water production and the balance is derived from surface sources. Groundwater is abstracted from some 116 boreholes with a total yield of some 312,000 m<sup>3</sup>/day during normal season and some 262,500 m<sup>3</sup>/day during the dry season. The water supplied by CWA conforms to the WHO norms and local standards for drinking water.

The water supply situation throughout the year was of a satisfactory level, with the flash floods in March 2013 going a long way to boost storage level of our reservoirs and to recharge our aquifers. The advent of the dry season was, however, characterised by the drying up of certain boreholes and low levels registered by some impounding reservoirs, namely, La Ferme and Midlands Dam. The heavy precipitations of early December were therefore a welcome relief, especially with the approach of the New Year, during which period water demand normally shoots up. The average reservoir storage was 50% by 31 December 2013 while this average was 40% same period, previous year. A redistribution plan is at work to beef up water capacity in reservoirs where it is most needed. Throughout 2013, the MAV reservoir was supplemented by an additional 20,000 m<sup>3</sup>/day of water resources from the Mare Longue basin.

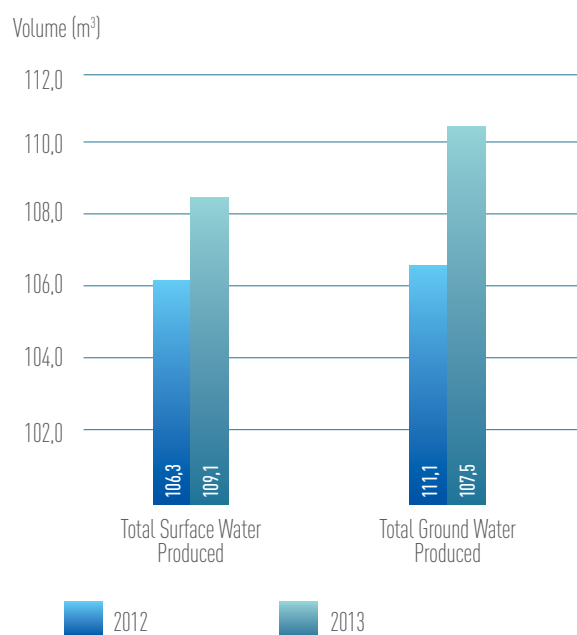
Water supply service in 2013 is recapitulated below:

- some 45% of the population received 24 hrs service
- some 16% received between 16-20 hrs service
- 12% received between 12-15 hrs service
- some 25% of the population received from 8-12 hrs service
- 2% of the population received less than 8 hrs supply service

Section	Volume of Water Produced(m <sup>3</sup> )	
	2012	2013
Port Louis	35.3	33.7
North	48.2	47.6
MAV Upper	42.5	49.8
MAV Lower	30.6	30.0
East	31.7	29.1
South	29.2	26.4
<b>Total</b>	<b>217.5</b>	<b>216.6</b>

Volume of Water Produced

### VOLUME OF WATER PRODUCED (2012 & 2013)



Volume of Water Produced-2012 &2013

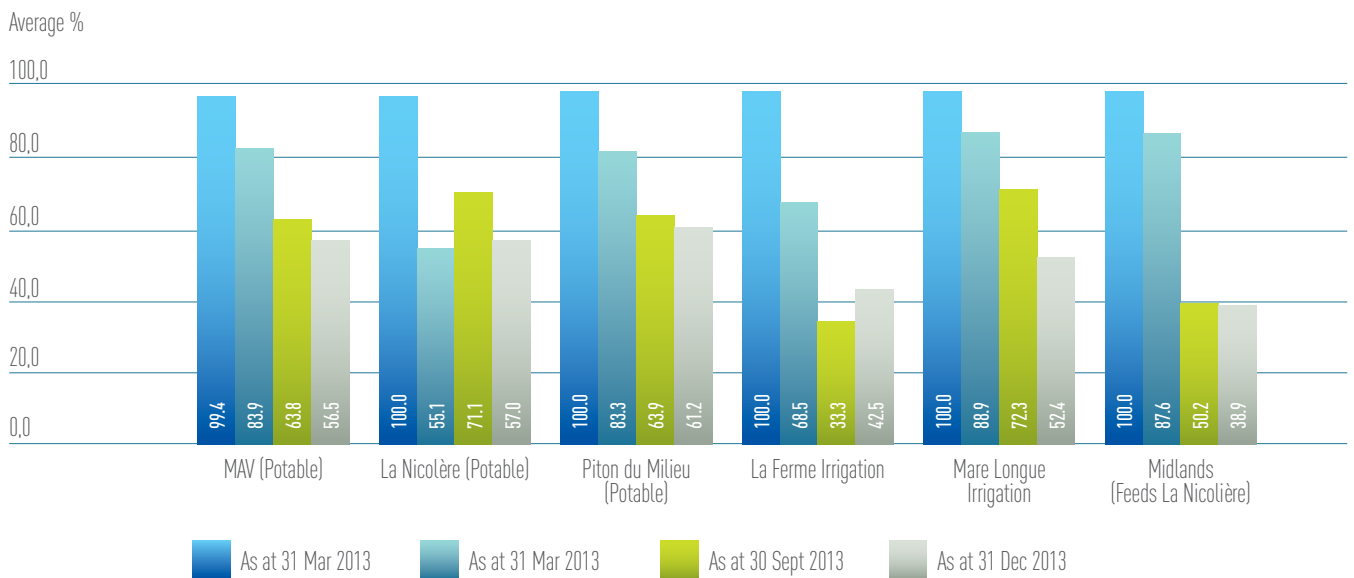


# OPERATIONAL REVIEW

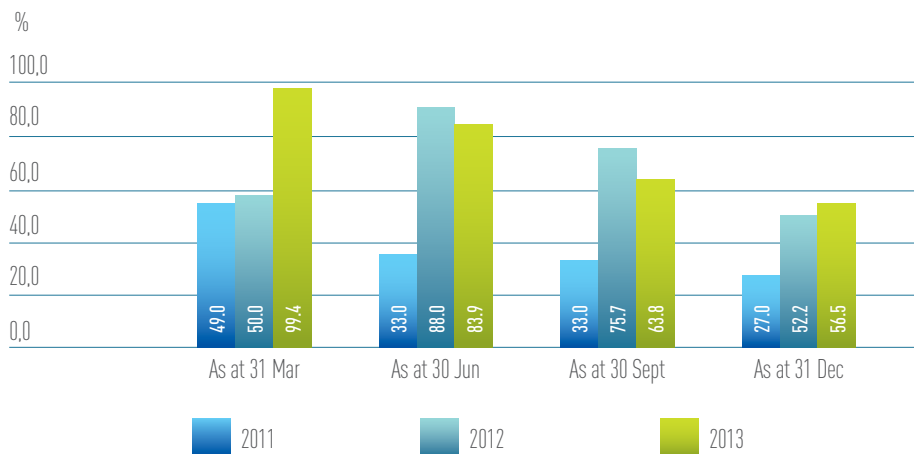
## RESERVOIR LEVEL

The reservoir levels, in terms of percentage, at the end of the four quarters are depicted hereunder:

## RESERVOIR STORAGE (2013)



## RESERVOIR MAV (POTABLE STORAGE (%))



**Mare aux Vacoas  
Reservoir Level**

## MAJOR INTERVENTIONS

During the year under review, the Operations Division, with the assistance of the Emergency Cell, and the Mechanical and Electrical Section undertook a range of projects in several regions to ease water supply situation. The CWA invested in developing new boreholes, installing pressure filters and laying of pipes in view to expand distribution capacity throughout its six distribution systems. Some of these works were carried out in anticipation of the dry season.

System	Intervention
Port Louis WSS	Installation of Pressure filter at Malenga Reservoir resulting in improved water quality to Vallee des Pretres
DWS(North)	(i) Commissioning of a new borehole at Forbach with a production of 4,000 m <sup>3</sup> /day leading to an improvement in supply in the regions of Pte aux Canoniers, Grand Bay, Sottise, etc, from 10 hrs to 24 hrs/day (ii) Commissioning of a new borehole at Camp La Boue thereby improving supply to the area (iii) Installation of pressure filter at Bassin Loulou resulting in improved water quality at Montagne Longue
DWS(East)	(i) Laying of pipe from Salazie to Pont Bon Dieu leading to an improvement in water supply in upper lallmatie, Bon Accueil and Belvedere (ii) Harnessing additional resources to Belle Rose Reservoir from Deep River at Pont Lardier thereby improving supply to Bel Air, Caroline, Trou D'Eau Douce, Ecoignard and Camp Ithier (iii) Commissioning of standby pump at Camp Ithier and laying of pipe therefrom to La Bastille, thereby improving supply to Montee Bastille, Trou D'Eau Douce, previously supplied by water tanker
DWS(South)	Commissioning a pipeline resulting in an increase in production at Riviere du Poste TP from 14,000 to 19,000 m <sup>3</sup> /day, thereby improving supply to Rose Belle, Balisson, Union Park, Camp Berthaud and Britannia
MAV(Upper)	Commissioning of Borehole 797 at Minissy with a yield of 3,000 m <sup>3</sup> /day of water thereby improving supply to Moka, St Pierre, Mt Ory, Reduit and Soreze.
MAV(Lower)	(i) Commissioning of a new borehole at Pont Fer producing 4,000 m <sup>3</sup> /day, hence, improving supply to Plaisance, Stanley, Roches Brunes, Camp Levieux and Mont Roches. (ii) Commissioning of a new borehole at Beaux Songes producing 5,000 m <sup>3</sup> /day thereby improving supply to Flic en Flac and Wolmar (iii) Improvement of supply at Tamarin following laying of pipe from Trois Mamelles Reservoir to Bon Asile Reservoir and from Bon Asile Reservoir to Tamarin

## EMERGENCY CELL UNIT

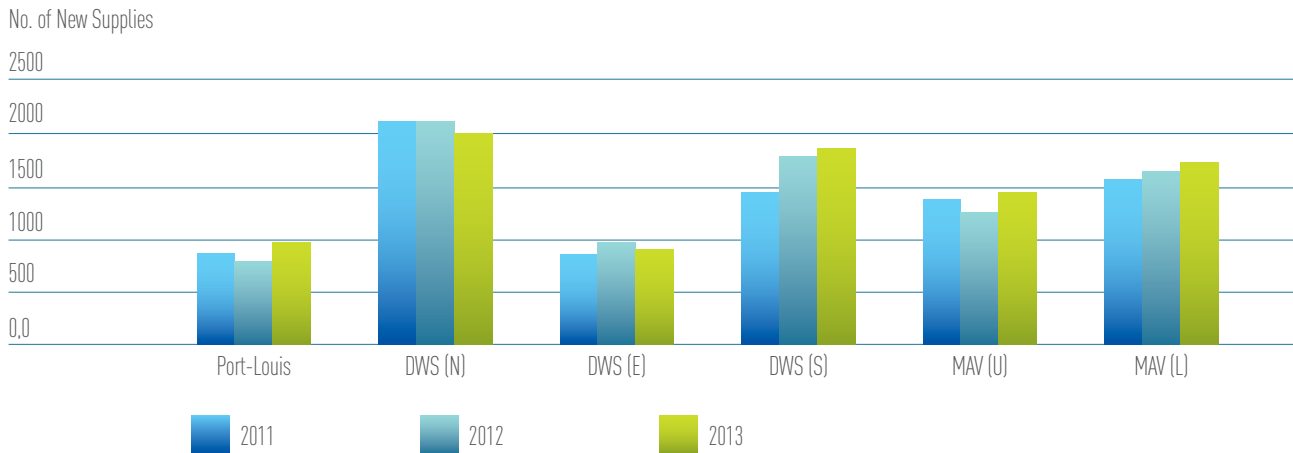
The Emergency Cell Unit played a very important role in alleviating the water supply problems of the population. The service provided assistance to the following areas/projects:

- (1) Salazie - Water supply improved along Brisee Verdier, Latapie, Quatre Bords and Bon Accueil
- (2) Yemen Project – There has been considerable improvement in the water supply situation and pressure flow at Tamarin, Morcellements Carlos, Black Rock, etc, as a result of which, daily and night valve operation on the road ceased at once.
- (3) Commissioning of the new Nulleytamby pump at Phoenix - Water problems at Stanley, Plaisance, Roches Brunes and Camp Levieux were greatly relieved.
- (4) Commissioning of new pump at Forbach - Water supply supply in the regions of Pte aux Piments, Grand Baie and Pereybere was significantly improved.
- (5) Commissioning of stand by pump at Camp Marcellin and Chamarel.

## OPERATIONAL REVIEW

### NEW SUPPLIES CONNECTED

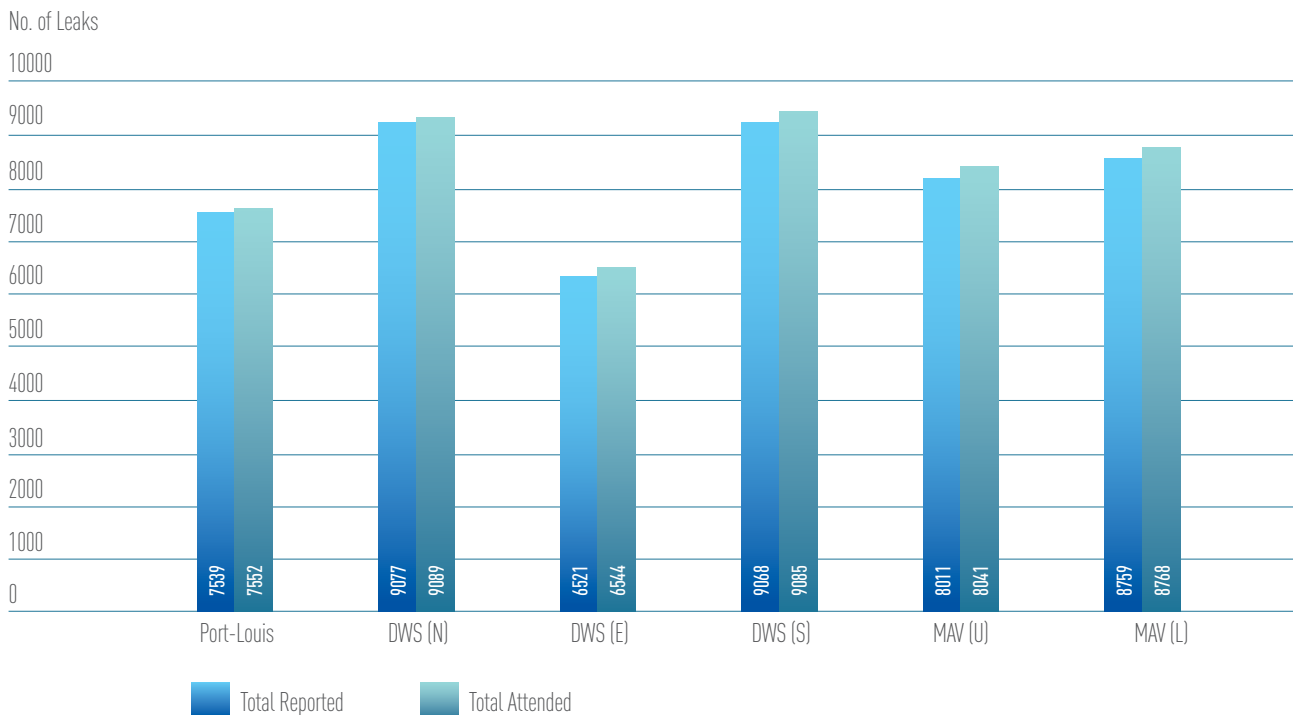
New supplies connected in 2013 grew by 2.5% to 8,747. The graph below shows the geographical distribution of the new connections.



### LEAKS AND COMPLAINTS

The Operations Division attended to some 49,079 leaks, a system-wise breakdown of which is as hereunder:

### LEAK ANALYSIS SYSTEM-WISE (2013)



The average monthly backlog of leaks in year 2013 was 350.

The Operations Division attended to some 62,189 complaints (other than leaks) and an average monthly backlog of 163 was experienced. Some 60,293 complaints were addressed previous year.

## MEASURES TAKEN TO REDUCE BACKLOG OF COMPLAINTS

The Authority has taken certain important measures to eliminate backlog of complaints emanating from the hotline service. Although the CWA does not operate on a 24/7 basis, it has set up in 2013 a dedicated team to attend to hotline complaints after office hours and during weekends. In addition, six regional ECCs were appointed to co-ordinate all critical and urgent interventions and ensure timely feedback to customers. These measures have considerably reduced lead time for attending to complaints to a considerable extent. The backlogs have been reduced to one day in most water supply zones.

## REDUCTION OF NON REVENUE WATER (NRW)

The reduction of non revenue water is the cornerstone of the infrastructure modernisation plan. Unaccounted water losses are one of the greatest challenges the CWA has faced over the 40 years of existence. As part of Water Sector Reforms, an agreement was signed between the Ministry of Energy and Public Utilities and the Singapore Cooperation Enterprise to work out a comprehensive action to reduce NRW in the MAV (Upper) Zone. The agreement was for project management services to be delivered by consultants from a consortium comprising the Singapore Cooperation Enterprise, PUB Singapore and CH2M HILL. The CWA, which is the executing agency, has provided all necessary logistics and support for the successful implementation of the project for the reduction of non-revenue water in the MAV (Upper) zone. The objective is to reduce non-revenue water, which presently constitutes some 45-50% of throughput, to an internationally acceptable level by the end of the project. Some 100 km of old and inefficient pipelines have been identified for replacement in the water supply zone. This project involves the following components:

- Renewal of old and inefficient pipelines
- Replacement of meters
- Introduction of a telemetry system

The consultancy assignment started in July 2013, and a 100- Day Plan was developed to carry out investigations,

measurements and analysis on the current state of the water supply system, the problem areas, possible mitigation measures and the NRW reduction that can be achieved. The Plan also involved the carrying out of associated preparatory activities, including putting into place base systems and setting in motion the necessary procurement procedures.

As such, the NRW team proceeded with the upgrading of DMAs to ensure their integrity, conducted leak detection exercises, established stretches of pipelines that need replacement, and carried out network digitisation/network modelling. Data loggers and other NRW equipment were procured and standard bidding documents were updated using best practices from PUB Singapore and elsewhere. The technical experts also provided training in GIS to local staff. A NRW Chartering Workshop was organised in August 2013 to seek commitment from all stakeholders. In Nov 2013, the Singaporean team of experts submitted their Baseline Report which sets out the performance targets for the NRW reduction. The project is expected to gather momentum in 2014.

This initiative will usher a new era of infrastructure rebuilding at the CWA as it is proposed to replicate same to the remaining water supply systems, based on the experience gained.



## OPERATIONAL REVIEW

### Scientific Services: The Quality Journey

#### SAMPLE COLLECTION AND TESTING

Safety of the water is critical to the CWA production process. Systematic water quality monitoring is conducted by the CWA Laboratory, which is equipped with state-of-the-art facilities. The quality assurance operations are performed through analysis for a wide range of chemical, physical and microbiological parameters to ensure compliance with WHO Standards and Water Quality Standards set by the Ministry of Environment. On an average, the Scientific Services Section tests some 500 water samples every month. The laboratory also performs tests on samples of wastewater discharged by industries that are listed in the EPA regulations in view to ascertain or not their eligibility to Effluent Discharge Permits.

Since 2012, the CWA laboratory has been accredited to ISO 17025:2005(E) Standards for most of its parameters, with a view to reinforcing reliability of its test results. In 2013, the accreditation status has been maintained. As part of its capacity building for coming years, CWA will work towards extending the accreditation process to some 10 additional parameters.

#### IMPROVEMENT IN TREATMENT PROCESSES

Experts deputed by the Japan International Cooperation Agency (JICA) have made recommendations for improvement of treatment processes at La Marie, Piton du Milieu, Mont Blanc and Rivière du Poste treatment plants. The treatment processes are accordingly being improved to strengthen the control capacity of chemical feeding and quality of water treated. The processes are also being enhanced to take care of the problem of algae, which is a potential threat to our water resources and a hindrance in the water treatment process. Bids were launched in 2013 for Rehabilitation works at La Marie WTP. Tender procedures i.e. Improvement Works at Mont Blanc Treatment Plant will follow.

#### EFFLUENT DISCHARGE PERMIT (EDP)

A Memorandum of Understanding has been signed between MEPU, WRU and CWA in connection with the EDP. MEPU is the enforcement agency for the EDP regulation and in this context, the effluent discharge of 21 industries

was monitored during the course of the year by the Scientific Services of CWA. Based on the results of analyses of the wastewater discharged by these industries, the MEPU decides on whether to grant them the permit.

#### WATER QUALITY SURVEILLANCE PROGRAMME

The institution is playing a very vital role in the drive against the proliferation of algae in our impounding reservoirs. A surveillance programme has been launched at national level, under the supervision of Ministry of Energy and Public Utilities, to look into this issue. The CWA, which forms part of the Task Force, has a mandate to carry out critical tasks like sampling and testing for algae, pesticides, heavy metals, physicochemical and bacteriological elements, etc., in connection with the programme. Phase 1 of the surveillance programme which focuses on Midlands Dam and La Nicolière Reservoir, has been completed. The report on findings of Phase 1 was submitted to the Parent Ministry around end 2013. A Ministerial Committee is due to look into the conclusions and recommendations of the report.

The second phase of the project, which started in August 2013, entails the extension of the programme to the remaining impounding reservoirs of the island, namely, La Ferme, Mare aux Vacoas, Piton du Milieu, Riv. des Anguilles, Rivière Terre Rouge and Rivière Cascade. The rivers were chosen owing to the proposed location for future dams. It is worth pointing out that an additional microscope was acquired during the year to the tune of Rs 0.7M for the identification and enumeration of algae.

## Planning & Development - Make it happen

The Planning & Development Division together with the Drawing and Survey Office, undertakes such activities as planning, survey, design, implementation and supervision of works, ensures that the host of projects in the construction pipeline are executed. Occasionally, some of these services are outsourced, especially if in-house capacity is overstretched.

### PIPELINES PROJECTS

Water is supplied through a distribution network made up of some 4,175 km of pipes excluding house connections.

More than 1,000 km of this network is above 50 years old and subject to frequent leaks and bursts, representing significant losses in terms of water and revenue for the CWA. Considerable investments have been made recently not only to upgrade the service, but also to extend the potable water supply coverage. The extent of pipes laid from 2010 to 2013 and the amounts disbursed are reflected below:

Year	Pipelines Constructed (km)	Disbursements (Rs. M)
2010	45	199.4
2011	80	340.4
2012	65	325.0
2013	40	245.0

In 2013, three major projects were completed to the tune of Rs 281M as follows:

Project	Cost Rs(M) (inc.VAT)	Main Features of Project	Outcome / Desired Outcome
Renewal of Pipeline from Q.Militaire to Salazie and Mont Ida	173	The project consists of the laying of 12.2 km of 400 mm DI from Quartier Militaire Reservoir to Camp Thorel reservoir and to Salazie Reservoir, 3km of 200 DI from Camp Thorel Pumping Station to Camp Thorel Village, 1.2 km of 250 DI from Salazie reservoir to Pont Bon Dieu, 4.8 km of 450 DI trunk main from Quartier Militaire to Mont Ida Reservoir	To improve the water supply conditions in Quartier Militaire and in surrounding villages
Improvement of Water Supply to South Eastern Coast Project (Phase II)	61.4	The project consists of the renewal of 2.6 km of trunk main from Cluny Borehole to Diagonal Lane at Mare Chicose, and supply and laying of 5.6 km 300 mm DI pipe as service main from Riche en Eau Reservoir to Ferney Roundabout.	To bring notable improvement in water supply in the regions of Rivière des Creoles, Bois des Amourettes, Bambous Virieux, Kenya, etc.
Replacement of Existing Beemanique-Balisson Pipeline	46.9	The project involves the supply and laying of 4.8 km of 300 mm diameter DI pipeline from Beemanique Reservoir to Balisson Reservoir	To enhance security of supply in the Beemanique and Balisson area

## OPERATIONAL REVIEW

### IMPORTANT PROJECTS LAUNCHED IN 2013

#### THE UPGRADING OF PAILLES WATER TREATMENT PLANT

CWA is expanding its treatment capacity through a complete overhaul of the existing slow sand filtration plant at Pailles. Once completed, the mobilisation and treatment of some 80,000 m<sup>3</sup>/day will be made possible at the new rapid gravity filtration plant. The project, which will be completed by March 2015 at a cost of Rs 735M approximately, will come as a welcome relief to the residents of Port Louis and the commuting public who face water supply disruptions caused by the clogging of the existing slow sand filters at Pailles WTP following heavy rains.

#### THE CONSTRUCTION OF BAGATELLE TREATMENT PLANT AND OTHER ASSOCIATED PIPELINES DOWNSTREAM OF BAGATELLE DAM.

The Bagatelle Dam and its related treatment facilities and distribution network are a landmark development in the water resources sector in Mauritius. This project is meant to address seasonal deficits in water resources and the projected rise in demand for potable water in the Port Louis District and Lower Plaines Wilhems area up to 2050. The dam is expected to mobilise some 25 million cubic metres of water, on a yearly basis. The CWA is investing heavily in the water treatment infrastructure and the distribution network. These shall comprise four key components: The treatment project, which will comprise the construction of a 60,000 m<sup>3</sup>/day capacity rapid gravity filter plant, associated storage reservoir and transmission facilities, is split into 4 components as follows:

- Design and construction of the treatment plant with a capacity of 60,000 cubic metres/day
- Construction of a 2.1 km pipeline of diameter 1000 mm to transfer raw water from Port Louis Municipal Dyke to Pailles Filters
- Construction of 8.5 km of pipelines of 600/400/150 mm diameters from Bagatelle water treatment plant to Sorèze and one RC reservoir at Junction Peak (capacity 2500 cubic metres)
- Construction of 8 km pipelines of 600 and 250 mm diameters from Bagatelle WTP to Belle Rose and Rose Hill

The contract for part (ii) was awarded in 2013 while the remaining components were at tendering/bid evaluation stage. The total project cost revolves around Rs 1.8 billion. The treatment plant is expected to be operational in 2017.

The CWA Drawing Office has ensured that the number of houses linked to GIS at the end of the year 2013 were 324,077 against 316,411 in 2012.

Various projects of strategic importance are in the pipeline for the next three years. Subject to availability of funding, the CWA plans for an annual investment of approximately Rs 2 billion for the execution of these projects, which cater for the planning horizon 2050. Projects will also be undertaken to shore up resilience and resources sustainability to climate change. The 3-Year Plan of Action embodied in this Annual Report depicts the investment programme of the CWA for the short to medium-term.

## Commercial Services-Aiming For Excellence

On the revenue collection side, the Commercial Division has been able to improve debt collection efficiency to 99%, a performance acknowledged by many African countries where water utilities face tremendous challenges to collect revenue. The Commercial Division is determined in its efforts to gear CWA towards higher standards of service and to maximise revenue with the support of its various sub divisions.

### SALES

Ninety-six million (96 M) cubic metres of potable water were sold in 2013. The total volume of raw water sold stood at 15.5 million cubic metres.

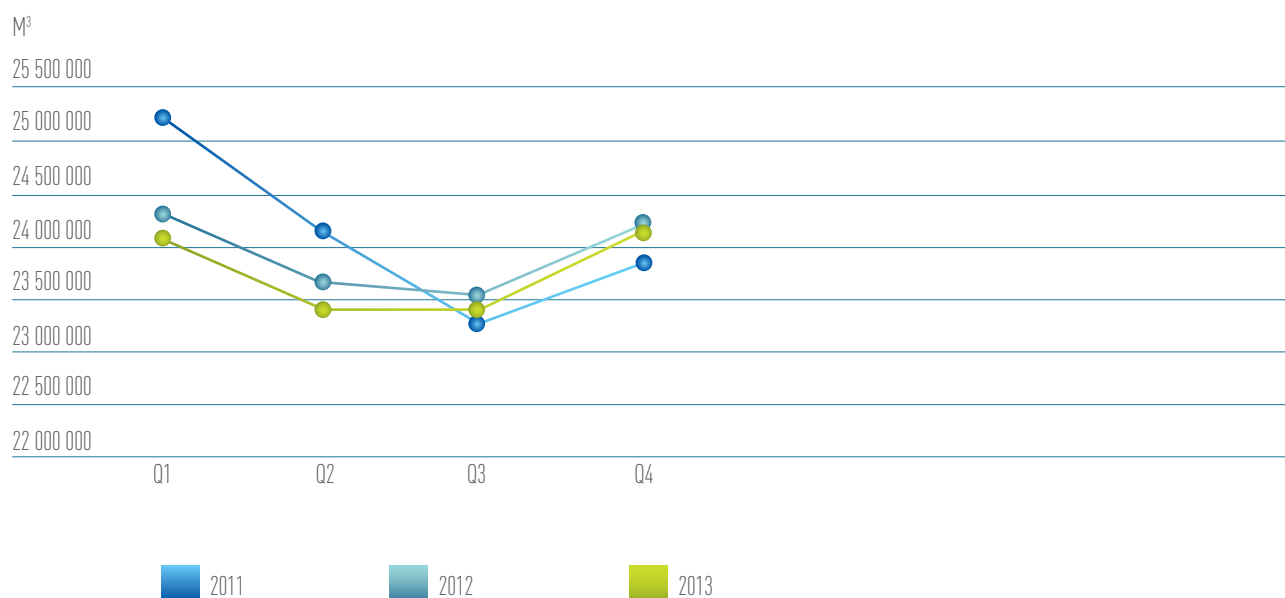
The daily per capita water consumption for Mauritius was as follows:

	2013	2012
Household customers (lts)	165	164
Total (all sectors) (lts)	216	214

(Population figure Island of Mauritius for 2013: 1,218,060)

The average price paid by the consumer has remained at around Rs 13 per metre cube in 2013. In order to improve the financial health of the Authority, consideration was given for a further tariff increase in 2013, which did not materialise. Families that consume 10 cubic meters per month or less, representing a third of total households, continue to pay the minimum price of Rs 55.

## VOLUME OF WATER SOLD



37 applications for Morcellements Permits were approved. Same represent a consumption volume of 2,414 cubic metres/day.

## OUR CUSTOMERS

Our customers (the registered subscribers of CWA) are classified as Domestic, Non-Domestic (Commercial, Industrial, Hotels, Vegetable/Livestock Producers and Others) and Government. The number of the registered subscribers of potable water in the different categories over the past three years is as follows:

Category	No. of Registered Subscribers		
	31 Dec 2011	31 Dec 2012	31. Dec. 2013
Domestic	305,160	311,030	317,824
Non-Domestic	18,567	20,911	21,285
Government	4,288	2,497*	2,511
<b>Total</b>	<b>328,015</b>	<b>334,438</b>	<b>341,620</b>

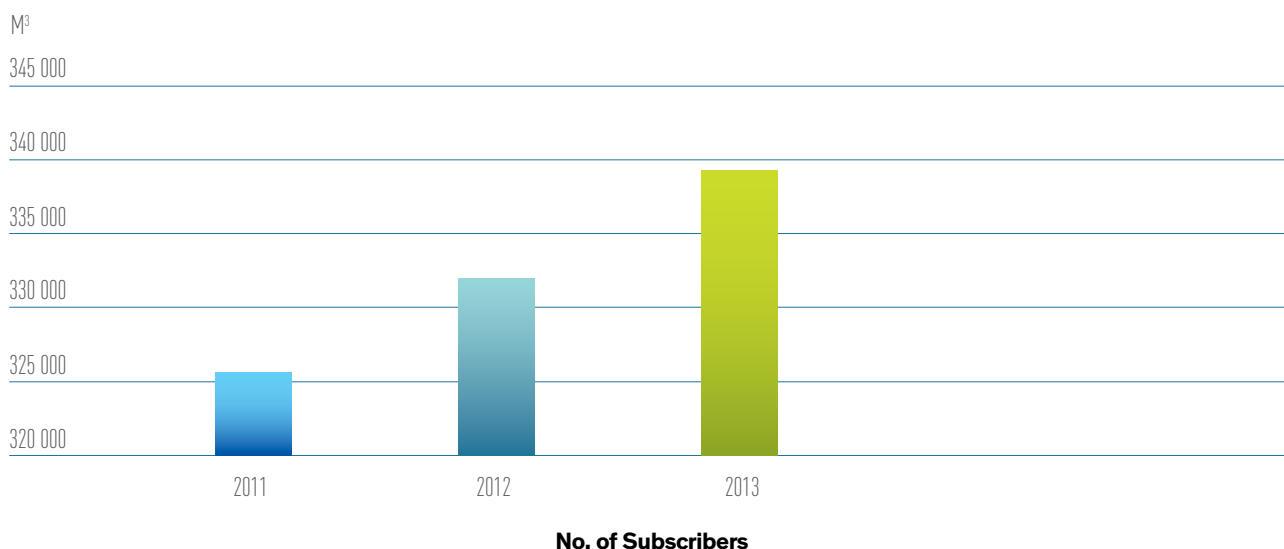
### No. of Subscribers

\* The Religious & Charitable Institutions category which was previously accounted for under Government Category has shifted to Non-Domestic Category.



# OPERATIONAL REVIEW

## NO. OF SUBSCRIBERS



The overall clientele grew by 2% to 341,620 subscribers by 31 December 2013.

## CUSTOMER SERVICES

The focus of CWA during the past few years has been towards enhancing customer service and bringing in a personal touch in its dealings with customers.

Customer contacts are managed by the Customer Services Unit, which regroup eight walk-in centres throughout the Island, as well as the CWA 170 Helpdesk.

### CWA 170 HELPDESK

The CWA hotline provides a 24/7 service to customers. Important Key Performance Indicators (KPI) have been worked out to that effect. Some 298,597 calls were handled by the operators during the year under review. The Call Centre was reinforced to work towards greater operational efficiency. In parallel, some 60 hotline operators received training by the CWA and they were able to transfer their valuable learning on the job.

## CUSTOMER CENTRES

During 2013, the following changes were brought to Customer Centres

- Upgrading of PR/ Waiting area of Rose-Hill Customer Service Centre
- Refurbishment of Cash Office/Queuing area at St Paul

- Shifting of Cash Office/PR Office from Decaen to Mutual Aid Building and Hennessy Court

In line with CWA's Customer Charter, water dispensers have been placed in strategic places including the PR area/Cash Office waiting area/Bid Opening Room/Reception waiting area.

Regarding settlement of bills, CWA provides a further 14 days delay to pensioners, over and above the payment period of 21 days, in a spirit of flexibility towards vulnerable groups.

## THE ANTI-FRAUD UNIT

The Anti-Fraud Unit was set up in September 2004 with the responsibility for detecting and reporting on pilferage of water. Some 422 cases of illegal tapping were unearthed in 2013, thus bringing additional revenue of the order of Rs 5M to the Authority. Awareness campaigns were carried out against illegal use of water through media in 2013 to inform customers and public at large of the implications of water theft.

## THE BIG CONSUMERS UNIT

A Big Consumers Unit (BCU) was set up in 2007 to closely monitor consumption of some big consumers such as industrial entities and hotels, where risks of abuse are higher. It is to be noted that some 2,550 big consumers are monitored on a fortnightly basis. The debts of big consumers are being watched closely to avoid bad debts. Meters are changed as and when required. With a view to reduce the time lag between consumption and billing, a pilot project was carried out by CWA for the implementation of the Automatic Meter Reading for its big customers. In 2013, it was proposed to target a greater number of consumers. The procurement of these smart meters will be undertaken in 2014/2015.

## COMPLAINTS ON BILLING

The Commercial Services staff attended to some 2,911 complaints in relation to meter reading and billing services.

Problem Description	Complaints Attended	
	2012	2013
Excessive Bills	2,522	91
Meter Not Working	1,477	478
Others(includes Meter Reading)	5,030	2,332
Awaiting Reopening (Meter) – Rs 500 Paid	30	10
<b>Total</b>	<b>9,059</b>	<b>2,911</b>

### Complaints Attended

## DEBTORS CONTROL UNIT

The Debtors Control Unit contributes significantly to an efficient debt collection. A new strategy for the recovery of debts has been implemented islandwide since 1st July 2009, whereby Senior Meter Readers meet the debtors in person and deliver the reminder bills. Where there is no response, a second and final reminder is delivered to the debtor informing him that arrears have remained unpaid and the supply is being marked for disconnection at any moment without further notice. In very difficult cases, recourse has also been made to debt collecting agents. An amount of Rs 81.9M was recovered by the Unit in 2013.

The number of disconnected supplies and the number of re-opened supplies for the year were 5,682 and 3,813, respectively.

## THE PROSECUTION UNIT

The Prosecution Unit is divided into two sub-units, namely, the Small Claims Tribunal and Large Claims Unit. After exploring the different avenues for debt collection, as a last resort, the CWA prosecutes debtors.

The Small Claims Tribunal takes legal action against debtors at District Court of Mauritius for unsettled debts of up to a maximum of Rs 25,000 and not more than one year old. In 2013, some 3,719 cases were referred for prosecution while the number of cases lodged in Small Claims Tribunal (SCT) was 440, compared to 480 cases in the previous year.

The Large Claim Unit sues bad debtors in the Intermediate and Supreme Courts.

## Human Resources-Harnessing the right skills to drive change

The CWA continues to invest in its people in view to raise productivity, efficiency and know-how within the organisation. The quality of the staff makes the difference and leads the way to a modern service-oriented public utility body. The Human Resource (HR) Division ensures that people of the right calibre and skills are available in adequate numbers at the CWA to help provide a quality service to the population. During the year 2013, the major challenge of the HR Division has been in terms of recruitment and retention of Officers in areas of scarcity.

Our HR Division extends support in the application of policies and procedures guiding staff management, employment conditions and manpower planning.

As at 31 December 2013, the CWA had a workforce of 985 employees (858 male and 127 female) on establishment, and 75 officers were employed on contract basis. Moreover, with a view to maintaining its overhead costs at a reasonable level, the Authority continued to outsource some of its activities (especially the non-strategic functions). The table below shows the total number of employees on establishment as per employee category:

Category	No. of Employees
Senior Management	9
Professional	42
Administrative	147
Operational	349
Manual	438
<b>Total</b>	<b>985</b>

## OPERATIONAL REVIEW

During the year under review, the CWA recruited 68 new employees (58 on establishment and 10 on contract basis) and promoted 51 employees to higher posts. On the other hand, 33 employees left the organisation, mostly on account of age.

Year	No. of Subscribers	No. of Employees	Ratio of Employees to Subscribers
2011	328,015	948	1:346
2012	334,438	951	1:351
2013	341,620	985	1:347

### Ratio of Employees to Subscribers

#### Capacity Building & Human Resource Development

The CWA is fully committed to building the necessary expertise, devising and executing strategies, processes, systems and practices in the various functional areas. The institution believes in the notion of continuous learning and provides career growth opportunities to its personnel. During the year under review, a total of 600 staff members have had the opportunity to undergo in-house and external training in the following areas, amongst others:

- Time Management
- Emotional Intelligence
- Essential skills for Office Attendants
- Risk Assessment
- Business Continuity and Disaster
- Ideas Software Training

These training programmes are designed to improve leadership skills, boost motivation and develop pro-activeness of staff. CWA hopes to optimise on the existing skills and expertise of its personnel and develop creativity at work.

## INDUSTRIAL RELATIONS

Several meetings of the Staff Negotiations Committee were held thereby contributing to harmonious industrial relations at the CWA.

## INSURANCE FOR THE BENEFIT OF EMPLOYEES

### MEDICAL INSURANCE

As a responsible and caring organisation, CWA has, since 2002, implemented a contributory Medical & Surgical Scheme for the benefit of its employees, whereby the Authority contributes part of the premium in respect of each staff.

### GROUP PERSONAL ACCIDENT

Along the same vein, CWA has, as from January 2012, subscribed to a 24-hour 'Group Personal Accident' Insurance Cover for all its employees.

## Information Technology - A Technology driven CWA

Technology is at the heart of our operations. The CWA continues to upgrade its infrastructure in view to deliver more efficient and leaner processes. Information technology forms an integral part of CWA's environment and the use of computer technology is omnipresent in the organisation. To that effect, the Authority aims at providing high quality service by making use of state of the art technology in order to meet the evolving needs of both its internal and external customers. Our technological drive is geared towards the improvement of service delivery to maximise customer satisfaction and enhancement of employee productivity. The following facilities have accordingly been provided:

### (I) IMPROVE SERVICE DELIVERY TO INCREASE CUSTOMER SATISFACTION

- Consumer Service system has been enhanced in order to provide our customers with a better service
- Implementation of SBM Bill Pay where customers can have the facility to pay their water bills directly at any SBM ATM and Points of Sale
- Implementation of Orange Money where customers will have the incentive to pay their water bill from their mobile phones (to be launched in 2014)
- Upgrade of our Complaint Monitoring system at CSL where customers can log their complaints on a 24 hour basis
- CWA website has been revamped as per GOC new platform
- Upgrade of CWA's network infrastructure to ensure business continuity. Cabling up to international standards has been implemented at CWA St Paul for faster data bandwidth as well as to support Voice over IP (VOIP) PABX telephony system.

### (II) INTEGRATION OF IT TO ENHANCE PRODUCTIVITY

- Information technology is being integrated to enhance employees' productivity. All our Emergency Cell coordinators are now equipped with a laptop where they can have access to systems, mails, intranet and shared folders via VPN connection. VPN access has also been ex-



tended to other mobile users as well as to all Heads of Divisions/Sections.

- Procurement of hardware (45 Personal Computers, 50 monitors, 10 printers & laptop) to cater for new recruits and replacement of old ones have been accomplished.
- In order to supply the Singaporean Team with stable network connectivity, the IT department has provided the latter with an IP VPN PRO line where they can have fast network connectivity.
- CWA has a Biometric Fingerprint attendance system to monitor and assess employees number of hours worked as well as providing monthly attendance report to each head of division.

### (III) REINFORCING IT SECURITY LEVEL

- On the security aspect, Antivirus and Anti-spam version have been upgraded
- Backups are being done on a regular basis to ensure data recovery
- Checkpoint firewall has been implemented to monitor traffic over the network at CWA and ensuring its security.

## Other Support Services

### MECHANICAL AND ELECTRICAL (M&E) SUPPORT

The Operations at CWA relied heavily on the continuous support provided by the M&E services. This section ensures the proper operation and maintenance of all electro-mechanical equipment at pumping stations and treatment plants across the island. The equipment includes submersible/surface pumps, starter panels, and chlorination equipment and standby generators.

Some Projects implemented by M&E Division are described hereunder:

- Five sites including four service reservoirs have been endowed with stand alone photovoltaic installations. Being given that these service reservoirs are located in remote areas devoid of electricity supply, the pilot project was a blessing. It is proposed to extend this pilot project to other sites.
- Groundwater Data Loggers have also been installed on



## OPERATIONAL REVIEW

12 sites to monitor the borehole water level, temperature and salinity. The monitoring is being done from the Head Office.

- A pre-qualification exercise for contractors has been launched for the Implementation of the Telemetry and Telesurveillance Project in the DWS (North). This project, which involves real time monitoring of electromechanical equipment and processes, is being funded by EIB.

### CENTRALISED PROCUREMENT UNIT

One key achievement at CWA is the creation of the Centralised Procurement Unit which has enabled all procurement activities to be focalised and streamlined. The latter Unit is responsible for:

- managing the procurement process and procurement cycle of the Authority,
- developing integrated procurement strategies that support organisational strategies, goals and objectives
- compiling and maintaining information related to the Annual Procurement Planning, procurement activities and supplier database
- floating of procurement quotations/bids in line with the Regulatory framework
- ensuring that all procurement activities are undertaken in line with the PPA 2006 and Regulations 2008



## Corporate Communication and Public Events

### EVENTS TO MARK CWA'S 40 YEARS ANNIVERSARY

The year 2013 represented a major milestone in the corporate life of the CWA as the organisation celebrated its 40 years of existence. The CWA, through its communication cell, embarked on an ambitious corporate branding exercise in the context of its ruby anniversary. A souvenir magazine was launched to commemorate this memorable event. The magazine highlighted the major achievements of the CWA from 1973 till date. It also paid tribute to all employees who joined the CWA in 1973 and are still in service during 2013. The branding exercise of the CWA included revisiting its corporate communication materials to send a strong signal to its stakeholders in that 40 years of service to the nation is a powerful milestone.

### COMMUNICATION CAMPAIGN

The Communication Cell has undertaken intensive communication campaign in 2013 to raise the awareness of public on the need for judicious use of water and sustainable water management. Project and Drawing competitions have been organised in order to promote awareness for 'water saving'. More than 50 students from both primary and secondary schools participated in the competition. The CWA also actively carries out talks and awareness campaigns in several Women's Associations, Youth and Elderly clubs across the country. The World Water Day 2013 was celebrated with a lot of intensity. The theme for the event was 'Water Cooperation'. A high decibel exhibition and workshop were organised at the Rajiv Gandhi Science Centre at Bell Village. More than 1,600 students attended the event during three days.

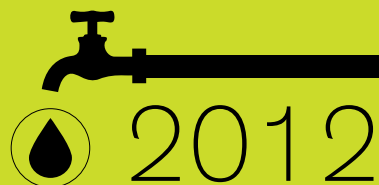
**2009**  
Setting up of  
Emergency Cell Unit

**2010**  
Completion of Rose-Belle  
Customer Service Centre

**2011**  
Completion of Pailles  
Regional Office

**2012**  
CWA Laboratory awarded ISO  
17025 Accreditation

**2013**  
Marking of CWA 40  
years Anniversary



#### CERTIFICATE OF ACCREDITATION

This is to certify that

**WATER QUALITY LABORATORY OF  
CENTRAL WATER AUTHORITY**

Testing Laboratory No.: T017

is accredited by the **Mauritius Accreditation Service (MAURITAS)**  
for the following Testing fields:

**CHEMICAL**

and

**BIOLOGICAL**

as per scope of schedule of accreditation

**THIS LABORATORY MEETS THE REQUIREMENTS OF ISO/IEC 17025**

*This accreditation demonstrates technical competency for a defined scope and the operation of a laboratory quality management system and shall remain in force subject to continuing compliance with MAURITAS accreditation criteria, ISO/IEC 17025:2005 and any further requirements specified by MAURITAS*

Issue Date: 03 May 2012

Director of MAURITAS

This certificate is valid only when accompanied by its schedule of Accreditation.

# CWA Laboratory awarded ISO 17025 Accreditation

The CWA operates state-of-the-art laboratory technologies. The CWA laboratory is the keystone of the overall quality assurance system of potable water in Mauritius. The recent accreditation of the laboratory to the ISO 17025 standard confirms the CWA's adherence to international best practice. The certification ensures global recognition for the technical competencies of our technicians, testing methodologies and the test results.



## FINANCIAL REVIEW PERIOD ENDED 31 DECEMBER 2013

The Year 2013 ended with an Operating Surplus of Rs 271.3 Million before accounting for Finance Costs; thus realising a Net Surplus of Rs 177.7 Million when compared to a Surplus of Rs 254.3 Million in the Financial Year ended 31 December 2012. The Net Surplus generated in 2013 is mainly attributed to an increase in Revenue from Water Sales as well as Other Revenue. In 2013, Total Revenue increased by 3% compared to the Year 2012 and is mainly attributed to the Government Subsidy with respect to water bottling and increases in revenue with respect to Domestic, Non-Domestic and Government consumers.

The Authority's Operating Expenses have increased by 9% in 2013 compared to 2012. This is attributed to bad debts written off in the Year 2013, the effects of salary revision following the publication and application of the PRB Report 2013 coupled with the general rising costs and effect of inflation.

The Authority has experienced an increase in its Total Assets over the years, whereby a relative increase of 2.3% can be noted in 2013 compared to 2012.

The Capital and Reserves of the Authority have increased by 4% as a result of Capital Grant provided by the Government during the reported year. The Non-Current Liabilities have decreased by 1% due to a decrease in Long-Term Borrowings.

Cash and Cash Equivalents stood at Rs 151.9 Million in 2013 as compared to a figure of Rs 248.5 Million in 2012. The decrease in the Cash and Cash Equivalents was due to the effects of increase in capital payments effected through CWA's Own Funds.

The **Rate of Return** has decreased from 4% in 2012 to 3% in 2013. This can mainly be attributed to an increase in Total Expenditure.

The **Operating Ratio** has increased from 0.79 in 2012 to 0.85 in 2013, which is outside the target range of 0.75 to 0.80. This is mainly due to an increase in Total Expenditure.

The Finance Contract between European Investment Bank (EIB) and Central Water Authority provides that, so long as the loan is outstanding, the Authority should maintain in each of its Financial Years, an **Operating Cash Flow ratio** of not less than 1.5 times its Finance Costs. In 2013, this ratio was 5.54 times.



# SUMMARY OF FINANCIAL MATTERS FOR PERIOD ENDED 31 DECEMBER 2013

## 1.0 REVENUE ACCOUNT

### 1.1 FINANCIAL RESULTS

The financial results for the year were:

Item	2013 (Rs M)	2012 (Rs M)	2011 (Rs M)	2010 (Rs M)	2009 (Rs M)	2008 (Rs M)	2007 (Rs M)	2006 (Rs M)
Income	1,752.95	1,701.18	1,160.73	1,837.98	1,200.60	1,166.50	1,161.40	1,127.00
Expenditure	1,575.24	1,446.83	1,230.00	1,905.58	1,334.90	1,102.91	1,220.50	1,256.80
Surplus /(deficit)	177.71	254.35	(69.27)	(67.60)	(134.30)	63.59	(59.10)	(129.80)

### 1.2 PROVISION FOR DEPRECIATION AND AMORTISATION

Depreciation and Amortisation provision made in the accounts amounts to **Rs 295.3M** (Year 2012: Rs 276.9M).

### 1.3 RETURN ON NET OPERATIONAL ASSETS

The return on net operational assets is **3%**.

The operating ratio is **0.85**.

### 1.4 ANALYSIS OF INCOME AND EXPENDITURE

#### I. POTABLE AND IRRIGATION WATER SUPPLY SERVICES

##### INCOME

Total Income of the two services represents **111%** (Year 2012: 118%) of Total Expenditure.

##### FINANCE COSTS AND DEPRECIATION/AMORTISATION

Finance costs and Depreciation/Amortisation represent **25%** (Year 2012: 26%) of the Total Expenditure of the two services.

##### SURPLUS FOR THE YEAR

Surplus for the year is Rs 177.7M representing 10% of Total Income (Year 2012: Surplus of Rs 254.3M: 15% of Total Income)

##### CASH GENERATED FROM OPERATING ACTIVITIES

Cash generated from Operating Activities amounts to **Rs 506.6M** (Year 2012: Rs 687.5M).

#### II. POTABLE WATER SUPPLY SERVICE

##### PERCENTAGE REVENUE COLLECTIBLE

The percentage revenue collectible from each category of consumers falling in this service is as follows:

	2013	2012	2011	2010	2009	2008	2007
Type of Consumers	Percentage of Total Revenue Collectible						
Domestic	54	54	55	56	56	55	56
Non-Domestic	38	38	37	36	35	35	35
Government	8	8	8	8	9	10	9

## SUMMARY OF FINANCIAL MATTERS FOR PERIOD ENDED 31 DECEMBER 2013

### INCOME

Potable Water Sales have contributed a sum of **Rs 1.29 Billion** (Year 2012: Rs 1.26 Billion) of the Overall Revenue which represented **74%** (Year 2012: 74%) of Total Income.

### III. IRRIGATION WATER SUPPLY SERVICE

Irrigation Water Sales have contributed a sum of **Rs 38.4M** (Year 2012: Rs 38.3M) of the Overall Revenue which represented **2%** (Year 2012: 2%) of Total Income.

## 2.0 CAPITAL ACCOUNT

### 2.1 NET CASH OUTFLOW FROM INVESTING ACTIVITIES

Net Cash Outflow from Investing Activities for the period ended 31 December 2013 amounted to **Rs 655.5M** (Year 2012: Rs 472.1M).

### 2.2 ADDITIONS TO NON-CURRENT ASSETS

Assets capitalised during the period amounted to **Rs 697.6M** (Year 2012: Rs 568.6M).

### 2.3 ASSETS UNDER CONSTRUCTION

Assets under Construction as at 31 December 2013 amounted to **Rs 270M** (Year 2012: Rs 443.6M).

## 3.0 FINANCIAL TARGETS

### 3.1 GENERAL

Most of the Loan Agreements provide that the Authority shall generate sufficient revenue to cover:

- i. Operating Expenses;
- ii. Depreciation;
- iii. Interests on Borrowings and Repayment of Long-Term indebtedness to the extent that it does not exceed the depreciation provisions; and
- iv. a Surplus for financing a reasonable portion of future expansion.

### 3.2 IBRD REQUIREMENTS

- i. Assets to be revalued from time to time in accordance with sound and consistently maintained method of valuation satisfactory to the Bank;
- ii. The Authority to bill domestic consumers on actual consumption;
- iii. Arrears collectible not to exceed 3 months average bills;
- iv. An annual debt service coverage of not less than 1.5 times.

### 3.3 MAB (NOW OFFICE OF PUBLIC SECTOR GOVERNANCE) REQUIREMENTS

The Management Audit Bureau (MAB) had recommended in 1992 that the Authority should endeavour to achieve the following targets:

- i. an operating ratio of 0.75 to 0.80;
- ii. a rate of return of not less than the minimum rate of interest on its loans which is 3.0% based on EIB Loan;
- iii. a current ratio of 1.25 and a liquidity ratio of 1.00;
- iv. an annual debt service coverage of 1.50 - 2.00;
- v. a debt/net assets ratio of less than 0.50 and a debt/equity ratio below 1.0;
- vi. an average collection period of 2 months and a receivable turnover of 6.00.

### 3.4 EUROPEAN INVESTMENT BANK'S REQUIREMENTS

As per the Loan Agreement with EIB, the Authority has to maintain an Operating Cash Flow which is not less than 1.5 times its Financial Costs.

## SUMMARY OF FINANCIAL MATTERS FOR PERIOD ENDED 31 DECEMBER 2013

### WATER INCOME RUPEE

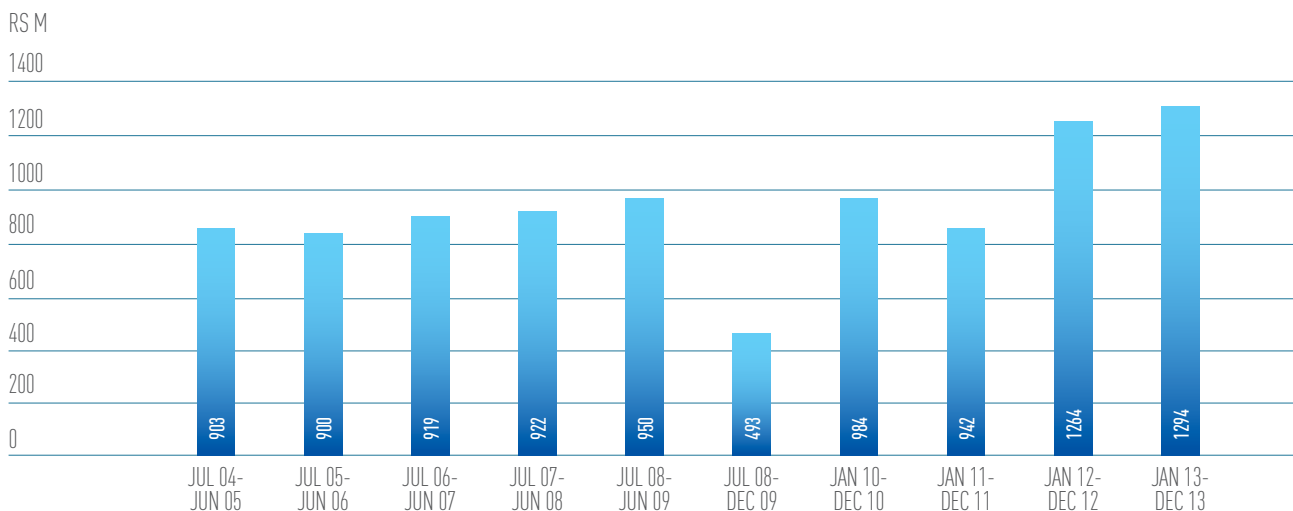
The Water Income rupee was earned as demonstrated in the charts below:



The Water Income rupee was spent as demonstrated in the charts below:



### TEN-YEAR TREND ANALYSIS OF POTABLE WATER SALES



# SUMMARY OF FINANCIAL MATTERS FOR PERIOD ENDED 31 DECEMBER 2013

## PERFORMANCE INDICATORS

### KEY RATIOS

#### STATEMENT OF FINANCIAL PERFORMANCE

YEAR	Jan13-Dec13	Jan12-Dec12	Jan11-Dec11	Jul09-Dec10	Jul08-Jun09	Jul07-Jun08	Jul06-Jun07	Jul05-Jun06	Jul04-Jun05	Jul03-Jun04
Rate of Return (%)	3.00	4.00	-0.12	0.92	-0.66	2.35	0.66	-0.40	2.89	4.09
Operating Ratio	0.85	0.79	1.01	0.96	0.96	0.87	0.97	1.02	0.85	0.78
Debt Servicing Ratio	0.06	0.07	0.04	0.08	0.07	0.08	0.08	0.08	0.10	0.12
Financing Ratio	2.90	3.61	-0.17	0.52	-0.52	1.51	0.37	-0.23	1.51	2.10

#### STATEMENT OF FINANCIAL POSITION

YEAR	Jan13-Dec13	Jan12-Dec12	Jan11-Dec11	Jul09-Dec10	Jul08-Jun09	Jul07-Jun08	Jul06-Jun07	Jul05-Jun06	Jul04-Jun05	Jul03-Jun04
Current Ratio	0.40	0.52	0.26	0.52	0.76	0.88	0.90	0.80	0.99	0.87
Liquidity Ratio	0.12	0.20	-0.07	0.15	0.35	0.47	0.48	0.41	0.28	0.16
Gearing ratio	0.15	0.17	0.18	0.21	0.23	0.25	0.29	0.30	0.29	0.29
Debt/Equity Ratio	4.05	4.03	3.94	3.72	4.28	4.27	4.33	4.24	4.05	3.94
Average Collection Period	2.00	1.93	2.05	1.48	1.92	1.87	2.02	2.09	2.11	1.96
Receivable Turnover	6.01	6.21	5.82	8.15	6.26	6.42	5.95	5.73	5.68	6.14

#### STATEMENT OF CASH FLOWS

YEAR	Jan13-Dec13	Jan12-Dec12	Jan11-Dec11	Jul09-Dec10	Jul08-Jun09	Jul07-Jun08	Jul06-Jun07	Jul05-Jun06	Jul04-Jun05	Jul03-Jun04
Operating Cash Flow	5.54	3.54	1.71	1.85	0.55	0.99	0.77	0.79	1.35	1.48

# SUMMARY OF FINANCIAL MATTERS FOR PERIOD ENDED 31 DECEMBER 2013

## RATIO DEFINITIONS

1. The **Rate of return** indicates the financial return generated from the assets employed by the Authority.

$$\text{Rate of return:} \quad \frac{\text{Surplus/(Deficit) before interest}}{\text{Rate base}}$$

2. The **Operating ratio** gauges the ability of the Authority to finance its operating expenses from its operating revenue.

$$\text{Operating ratio :} \quad \frac{\text{Total expenditure before interest}}{\text{Total income}}$$

3. The **Debt servicing** ratio gauges how large a burden interests are as part of the total operational expenses.

$$\text{Debt servicing ratio :} \quad \frac{\text{Interest charged to operations}}{\text{Total expenditure including interest}}$$

4. The **Financing ratio** gauges the ability of the Authority to meet its total interest commitments.

$$\text{Financing ratio :} \quad \frac{\text{Surplus/(Deficit) before interest}}{\text{Total interest}}$$

5. The **Current ratio** gauges the ability of the Authority to meet its short term financial obligations.

$$\text{Current ratio :} \quad \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

6. The **Liquidity ratio** (Acid test ratio) indicates the ability of the Authority to meet its immediate financial obligations.

$$\text{Liquidity ratio :} \quad \frac{\text{Bank deposits and Cash \& Bank balances}}{\text{Current Liabilities}}$$

7. **Gearing ratio** indicates the financial dependability of the Authority on its long term loans.

$$\text{Gearing ratio :} \quad \frac{\text{Long Term Loans}}{\text{Total Assets - Current Liabilities}}$$

8. **Debt/Equity ratio** indicates the Authority's burden of debt in relation to its equity.

$$\text{Debt/Equity ratio :} \quad \frac{\text{Total Liabilities}}{\text{Equity}}$$



## SUMMARY OF FINANCIAL MATTERS FOR PERIOD ENDED 31 DECEMBER 2013

9. **Average collection period** indicates the time taken by the Authority to collect its debts on water sales.

$$\text{Average collection period : } \frac{\text{Debtors}}{\text{Water Sales}} \times 12 \text{ months}$$

10. **Receivable turnover** indicates the ratio between water sales and average net debtors.

$$\text{Receivable Turnover : } \frac{\text{Water sales}}{\text{Average net debtors}}$$

11. The **Operating Cash Flow ratio** gauges the ability of the authority to meet its loans repayment and interest on loans from operations.

$$\text{Operating cash flow ratio : } \frac{\text{Surplus before depreciation and financial cost}}{\text{Debt repayment + interest}}$$

REPORT OF  
DIRECTOR AUDIT



---

**REPORT OF THE  
DIRECTOR OF AUDIT**

---

**On the Financial Statements  
of the Central Water Authority  
for the year ended 31 December 2013**

---

**NATIONAL AUDIT OFFICE**

---



# NATIONAL AUDIT OFFICE

## REPORT OF THE DIRECTOR OF AUDIT

### TO THE CHAIRPERSON OF THE CENTRAL WATER AUTHORITY

#### Report on the Financial Statements

I have audited the accompanying financial statements of the Central Water Authority which comprise the statement of financial position as of 31 December 2013, the statement of financial performance and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards of Supreme Audit Institutions. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a reasonable basis for my audit qualified opinion.

## REPORT OF DIRECTOR AUDIT

### **Basis for Qualified Opinion**

#### ***Cash and Cash Equivalents – Rs 151,995,000***

- Cash payments amounting to Rs 13,315,880 were not accounted for in the cash book. Cash and Cash Equivalents figure was therefore overstated by this amount.
- Three cash balances totalling Rs 81,086,085 did not reconcile with their respective bank balances. The difference between the cash and bank balances totalling Rs 3,165,265 could not be explained.

#### ***Inventories – Rs 81,178,000***

- The inventory figure of Rs 81,178,000 in respect of Spare Parts and Materials, did not tally with the balance from the stock management system which stood at Rs 92,929,376.
- No physical stock-take was carried out at the year end. Hence, the completeness, existence and valuation of inventories as of 31 December 2013, could not be ascertained.

#### ***Infrastructure, Plant, Equipment, Land and Building – Rs 7,689,404,000***

- No revaluation of assets has been carried out since the last exercise dating as far back as 1998, contrary to IPSAS 17. Hence, the above figure was not stated at fair value.
- The figure for Infrastructure, Plant, Equipment, Land and Building as shown in the financial statements exceeded that in Fixed Assets Register by some Rs 92 million.
- The accuracy of Land and Buildings valued at some Rs 373 million could not be ascertained since the repertoire of Real Estate of the CWA was not updated.

#### ***Payables – Rs 472,822,000***

- Accrued expenditure amounting to Rs 68,002,299 was not supported by a list of individual accounts.
- There was no movement in the previous year's accruals figure of Rs 29,472,285. The figure was also not supported by a list of individual accounts.

#### ***Reserves – Rs 2,568,394,000***

Revaluation Reserve amounting to some Rs 3,032 million was not released to the Accumulated Fund in the statement of Changes in Net Assets/Equity by the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets' original cost. This was not in compliance with IPSAS 17.



## Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give a true and fair view of the financial position of the Central Water Authority as of 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

## Emphasis of Matter

### *Bad Debts Written Off – Rs 226 million*

I draw attention to Note 21 to the financial statements where total debts of some Rs 226 million due by the Irrigation Authority (IA) during period July 1996 to December 2013, have been written off during the year. Contrary to an agreement made between the two parties whereby any dispute should be referred to an Arbitration Board, no such Board had been appointed. Furthermore, no report had been submitted by a committee which was set up to look into the amount owed by the IA.

My opinion is not qualified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

### *Management's Responsibility*

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the laws and authorities which govern them.

### *Auditor's Responsibility*

In addition to the responsibility to express an opinion on the financial statements described above, my responsibility includes expressing an opinion on whether the activities, financial transactions and information reflected in the financial statements are, in all material respects, in compliance with the laws and authorities which govern them.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

2014  
2013



## REPORT OF DIRECTOR AUDIT

### **Opinion on compliance**

#### ***Statutory Bodies (Accounts and Audit) Act***

In my opinion, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the Statutory Bodies (Accounts and Audit) Act.

#### **Other Matter**

Without qualifying my opinion, I draw attention on the following matter.

#### ***Submission of Financial Statements***

The financial statements were submitted to the National Audit Office on 30 April 2014. Following examination of the financial statements, various amendments were made. The final amended financial statements were received at my Office on 2 December 2014.

#### ***Public Procurement Act***

The Central Water Authority is responsible for the planning and conduct of its procurement. It is also responsible for defining and choosing the appropriate method of procurement and contract type in accordance with the provisions of the Act and relevant Regulations. My responsibility is to report on whether the provisions of Part V of the Act regarding the Bidding Process have been complied with.

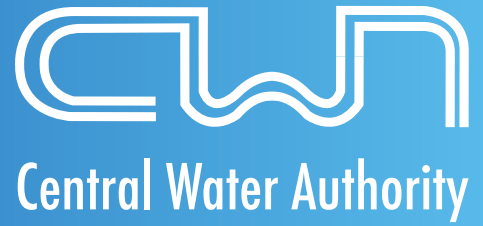
In my opinion, the provisions of Part V of the Act have been complied with as far as it appears from my examinations of the relevant records.



**(K.C. TSE YUET CHEONG) MRS**  
Director of Audit

National Audit Office  
Level 14,  
Air Mauritius Centre  
**PORT LOUIS**

4 December 2014



# FINANCIAL STATEMENTS

for period ended 31 december 2013



# FINANCIAL STATEMENTS DECEMBER 31, 2013

## STATEMENT OF FINANCIAL POSITION

		2013	2012 (Re-stated)
	Note	Rs '000	Rs '000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	151 995	248 470
Receivables	5	301 898	321 441
Inventories	6	77 934	85 494
Asset held for sale	7	13	29
		531 840	655 434
<b>Non-current assets</b>			
Receivables	8	15 711	8 549
Infrastructure, plant and equipment	9	7 383 944	6 903 320
Land and buildings	9	305 460	305 230
Intangible assets	9A	15 783	12 846
Assets under construction	10	271 097	449 876
		7 991 995	7 679 821
<b>TOTAL ASSETS</b>		<b>8 523 835</b>	<b>8 335 255</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	11	472 822	371 739
Current portion of long term borrowings	12	814 589	875 281
Consumer deposits	13	3 504	3 501
Employee benefits	14	24 469	12 652
		1 315 384	1 263 173
<b>Non-current liabilities</b>			
Long term borrowings	12	1 071 648	1 175 204
Contribution in kind	15	385 963	382 715
Consumer deposits	13	85 817	82 437
Employee benefits	14	217 322	197 777
Retirement benefits obligations	16	1 036 230	991 430
		2 796 980	2 829 563
<b>TOTAL LIABILITIES</b>		<b>4 112 364</b>	<b>4 092 736</b>
<b>NET ASSETS</b>		<b>4 411 471</b>	<b>4 242 519</b>
<b>NET ASSETS AND EQUITY</b>			
Reserves		2 568 394	2 387 299
Contributed capital	17	1 843 077	1 855 220
<b>TOTAL NET ASSETS AND EQUITY</b>		<b>4 411 471</b>	<b>4 242 519</b>

Approved by Central Water Board on : 28/11/14

Signature:

Name:

YOUSOUF ISMAËL

BOARD MEMBER

Signature:

Name:

PREMCHAND SADDUL

CHAIRMAN

# FINANCIAL STATEMENTS

## DECEMBER 31, 2013

### STATEMENT OF FINANCIAL PERFORMANCE

		2013	2012 (Re-stated)
	Note	Rs '000	Rs '000
<b>REVENUE</b>			
Revenue from exchange transactions	18	1 332 536	1 302 351
Other revenue	19	420 414	398 828
<b>TOTAL REVENUE</b>		<b>1 752 950</b>	<b>1 701 179</b>
<b>EXPENSES</b>			
Employee benefits costs	20	575 518	505 170
Depreciation and amortisation	9	295 309	276 899
Other expenses	21	605 197	544 138
Finance costs	22	93 557	98 021
Loss on exchange	23	5 655	22 605
<b>TOTAL EXPENSES</b>		<b>1 575 236</b>	<b>1 446 833</b>
<b>SURPLUS FOR THE PERIOD</b>		<b>177 714</b>	<b>254 346</b>



STATEMENT OF CHANGES IN NET ASSETS / EQUITY

	Note	Government Equity Rs '000	Capital Grant Rs '000	Accumulated Fund Rs '000	Capital Investment Reserve Rs '000	Revaluation Reserve Rs '000	Total Rs '000
<b>Balance as at 1 January 2012</b>		1 009 708	815 511	(947 183)	49 901	3 032 980	3 960 917
Prior year adjustment	29	-	(2 843)	(2 745)	-	-	(5 588)
<b>As Re-stated</b>		1 009 708	812 668	(949 928)	49 901	3 032 980	3 955 329
Received during the period		5 743	58 238	-	-	-	63 981
Transfer to Income		-	(31 137)	-	-	-	(31 137)
Surplus		-	-	254 346	-	-	254 346
<b>Balance as at 31 December 2012</b>		1 015 451	839 769	(695 582)	49 901	3 032 980	4 242 519
<b>Balance as at 1 January 2013</b>		1 015 451	839 769	(695 582)	49 901	3 032 980	4 242 519
Prior year adjustment		-	-	3 381	-	-	3 381
Received during the period		-	20 227	-	-	-	20 227
Transfer to Income	19	-	(32 370)	-	-	-	(32 370)
<b>Surplus</b>		-	-	177 714	-	-	177 714
<b>Balance as at 31 December 2013</b>		1 015 451	827 626	(514 487)	49 901	3 032 980	4 411 470

# FINANCIAL STATEMENTS

## DECEMBER 31, 2013

### STATEMENT OF CASH FLOWS

		2013	2012 (Re-stated)
	Note	Rs '000	Rs '000
<b>OPERATING ACTIVITIES</b>			
Net Surplus		177 714	254 346
Adjustments for:			
Depreciation and Amortisation		295 309	276 899
Foreign exchange loss		5 655	21 940
Impairment loss		16	-
Capital grant and contribution in kind released		(85 332)	(80 363)
Retirement Benefit Obligations		44 800	55 671
Employee benefits		31 362	50 578
Interest receivable		(11 019)	(6 238)
Provision for bad debts		(200 080)	(21 683)
Bad Debts		233 816	76 771
Provision for slow moving inventory		-	1 227
Provision: Disputed case		-	7 500
Interest expense		93 557	98 021
Prior year adjustment		-	5 568
Adjustment			(12)
Discount received		(1)	-
Loss on disposal of Non Current-Assets		568	-
<b>OPERATING SURPLUS BEFORE WORKING CAPITAL CHANGES</b>		<b>586 364</b>	<b>740 224</b>
<b>Movement in working capital</b>			
Increase in receivables		(227 249)	(134 031)
Decrease in inventories		7 560	401
Increase in payables		139 945	80 922
<b>NET CASH GENERATED FROM OPERATIONS</b>		<b>506 621</b>	<b>687 516</b>

# FINANCIAL STATEMENTS DECEMBER 31, 2013

## STATEMENT OF CASH FLOWS (CONT'D)

		2013	2012 (Re-stated)
	Note	Rs '000	Rs '000
<b>INVESTING ACTIVITIES</b>			
Purchase of Non-Current Assets		(619 091)	(416 991)
Proceeds from disposal of Non-Current Assets		1 198	-
Loans granted to staff		(13 918)	(5 364)
Loans paid by staff		5 196	4 283
Deposits received		3 395	3 546
Refund of deposits		12	-
Other deposits received		81	-
Interest paid		(43 230)	(63 004)
Interest received		10 884	5 439
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>(655 473)</b>	<b>(472 091)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from interest bearing loans		34 988	104 725
Repayment of interest bearing loans		(59 049)	(114 942)
Government equity received		-	5 743
Capital grant and contribution in kind received		76 438	129 631
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>52 377</b>	<b>125 157</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(96 475)</b>	<b>340 582</b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		248 470	(92 112)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	4	<b>151 995</b>	<b>248 470</b>

## COMPARISON OF BUDGET AND ACTUAL AMOUNTS

86

## 1. LEGAL FORM AND ACTIVITIES

The Central Water Authority (CWA) is a parastatal body wholly owned by the Government of Mauritius which operates under the aegis of the Ministry of Energy and Public Utilities and is regulated by the CWA Act No. 20 of 1971. Its principal place of business is Royal Road, St. Paul, Mauritius.

The CWA is administered by the Central Water Board and is engaged in the supply of potable water in Mauritius.

## 2. (A) STATEMENT OF COMPLIANCE

The Financial Statements have been prepared as per the International Public Sector Accounting Standards (IPSAS) in line with the Statutory Bodies (Accounts and Audit) Act, as subsequently amended.

In the current year, the CWA has adopted the new and revised Standards and Interpretations issued by the IPSAS Board that are relevant to its operations and effective for reporting periods beginning on 01 January 2013.

### (B) AMENDMENTS TO STANDARDS/ STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

At the date of authorization of these Financial Statements, the following IPSAS had been amended and issued but was not yet effective:

STANDARDS	EFFECTIVE FOR ANNUAL PERIODS BEGINNING OR AFTER
<b>(I) AMENDMENTS</b>	
IPSAS 5: Borrowing Costs	01 January 2014
IPSAS 13: Leases	01 January 2014
IPSAS 17: Property, Plant and Equipment	01 January 2014
IPSAS 29: Financial Instruments – Recognition and Measurement	01 January 2014
IPSAS 31: Intangible Assets	01 January 2014
<b>(II) NEW</b>	
IPSAS 32: Service Concessions Arrangements: Grantor	01 January 2014

The Directors anticipate that the adoption of the Standard and amendments in the future period will have no material impact on the Financial Statements of the CWA.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies, all of which have been consistently applied throughout the year is set out below:

### 3.1 BASIS OF ACCOUNTING

The Financial Statements have been prepared under the historical cost basis, as modified by the revaluation of Infrastructure, Plant and Equipment. The Financial Statements are presented in Mauritian rupees (MUR), rounded to the nearest thousand, which is the functional currency of the CWA.

### 3.2 COMPARATIVE FIGURES

Comparative figures have been re-grouped or re-stated where necessary to conform to the current period's presentation.

### 3.3 INFRASTRUCTURE, PLANT AND EQUIPMENT

Infrastructure, plant and equipment and buildings are stated at cost or revalued amount less accumulated depreciation and any accumulated impairment losses. A policy of revaluing the CWA's assets was adopted in 1998. However, due to some administrative problems, this Authority has not been in a position to carry out this revaluation exercise again since the last one conducted in 1998. The value of Infrastructure, plant and equipment and buildings has been stated on this last revaluation exercise. In order to assess the fair value of the Authority's assets, an exercise for the provision of Assets Management Consultancy Services is currently under progress.

Depreciation is charged so as to write off the cost or valuation of assets other than Land and Assets under construction, over their estimated useful lives using the straight-line method as follows:



# FINANCIAL STATEMENTS DECEMBER 31, 2013

## NOTES TO THE FINANCIAL STATEMENTS

Item	No. of years
Water Supply Facilities	10 to 60
Irrigation Facilities	50
Cars and Mobile Service Equipment	5 to 10
Other Equipment	5 to 20
Buildings	50

The gain or loss arising on the disposal of an item of plant and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognized in the Statement of Financial Performance.

The residual value on assets represents 0-10% of cost.

Depreciation is charged on additions in the year of acquisitions and when assets are ready for their intended use in case of constructed assets on a pro-rated basis as from the date of coming into operations. Similarly, depreciation on a pro-rata basis is charged up to the date of disposal in a particular financial year.

Repairs and maintenance costs are charged to the Statement of Financial Performance when the expenditure is incurred.

### 3.3.1 INTANGIBLE ASSETS

Computer software that is not considered to form an integral part of any hardware equipment is regarded as intangible assets and are amortised over their useful lives of 15 to 20 years.

### 3.3.2 TRANSFER OF SERVICES

Following the 1992 Management Audit Bureau's (MAB) Report, the Board had approved the transfer of the Irrigation Services and Water Resources activities of the CWA to the then Ministry of Agro Industries and Fisheries and the Ministry of Energy and Public Utilities respectively. However, the finalization of the appropriate legislation is still awaited and for this reason these assets are still appearing in our Accounts as at 31 December 2013.

### 3.4 LEASE

There are lease agreements and payments for the occupation of land and buildings by the CWA. Details thereof are given under Note 21.1.

### 3.5 IMPAIRMENT

At each reporting date, the Authority reviews the carrying amounts of its assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is immediately recognised in the Statement of Financial Performance, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Financial Performance, unless the relevant asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### 3.6 FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised in the Statement of Financial Position when the Authority has become party to the contractual provisions of the financial instruments. Financial instruments are initially measured at fair value and are measured as follows:

#### 3.6.1 RECEIVABLES

Receivables are stated at amortised cost. A provision for doubtful debts is made based on a review of all outstanding amounts at end of the reporting period. Bad debts are written off during the period in which they are identified.

# FINANCIAL STATEMENTS DECEMBER 31, 2013

## NOTES TO THE FINANCIAL STATEMENTS

### 3.6.2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of bank balances and cash in hand which are subject to an insignificant risk of changes in value and are measured at fair value.

### 3.6.3 INVENTORIES

Inventories are measured at the lower of cost and net realizable value. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to the present location and condition. The cost of inventories issued to and returned from maintenance and projects are determined through the weighted average cost (AVCO) formula. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in selling.

### 3.6.4 PAYABLES

Payables are stated at fair value.

### 3.6.5 BORROWINGS

Borrowings are stated at amortised cost. Borrowing costs that are directly attributable to the acquisition and construction of a qualifying asset has been capitalized as part of the cost of that asset.

## 3.7 RETIREMENT AND OTHER BENEFIT OBLIGATIONS

### 3.7.1 DEFINED BENEFIT PENSION PLAN

Provision for retirement pension benefits is made under the Statutory Bodies Pension Funds Act of 1978, as amended. The scheme is a Defined Benefit Plan and its assets are managed by the State Insurance Company of Mauritius (SICOM) Ltd. The cost of providing benefits is actuarially determined using the projected unit credit method.

The present value of funded obligations is recognised in the Statement of Financial Position as a non-current liability after adjusting for the fair value of plan assets, any unrecognised actuarial gains and losses and any unrecognised past service cost. The valuation of these obligations is carried out on a regular basis by the actuarial services of SICOM Ltd.

The current service cost and any recognised past service cost are included as an expense together with the associated interest cost, net of expected return on plan assets.

A portion of the actuarial gains and losses is recognised as income or expense if the net cumulative unrecognised actuarial gains and losses at the end of the previous accounting period exceeded the greater of 10% of the present value of the defined benefit obligation at that date or 10% of the fair value of plan assets at that date and is amortised over the expected average remaining working lives (nineteen - 19 years) of the participating employees in the plan.

### 3.7.2 STATE PLAN AND DEFINED CONTRIBUTION PLAN

Contributions to the National Pension Scheme, Family Protection Scheme and National Savings Fund are charged to the Statement of Financial Performance in the period in which they fall due.

### 3.7.3 EMPLOYEE ENTITLEMENTS

#### 3.7.3.1 SICK LEAVE

Sick leave not taken is accumulated by employees to a bank maximum of 110 days. These are either cashed in full on retirement or taken as leave prior to retirement. This is recognized as a liability in the Financial Statements.

#### 3.7.3.2 PASSAGE BENEFITS

Passage benefits are earned and accumulated yearly by employees according to set criteria. They are therefore classified as employee benefits and are measured at their nominal value.

Amounts paid are expensed during the period and amounts not paid are recognised as a liability. The carrying amount is re-measured each year and after taking into account amount paid and earned during the year.

#### 3.7.3.3 ANNUAL LEAVES - CONTRACT OFFICERS

Unutilised annual leaves with respect to Officers on contract are expensed during the period and amounts unpaid as at the date of reporting are accrued and recognized as a liability.

# FINANCIAL STATEMENTS DECEMBER 31, 2013

## NOTES TO THE FINANCIAL STATEMENTS

### 3.7.3.4 CAR LOANS

Car loans are disbursed to staff by the Central Water Authority on applications by eligible employees as part of their conditions of service. The loans are executed by way of a registered agreement between the CWA and the employees. The car loans granted to eligible Officers prior to the year 2013 bear an interest rate of 7.5 % per annum whilst those granted during the year 2013 are subject to an interest rate of 4% as per the PRB Report 2013 and are repayable monthly over a period of five or seven years, as appropriate. The interest rate on car loans advanced to new entrants as from 01 July 2013 is based on the prevailing Repo Rate. The balances of principal amounts are shown under receivables.

### 3.8 REVENUE RECOGNITION

Revenue comprises income from sales of water and arises from water treatment and distribution services. The sale is recognized when:

- a contract exists;
- delivery has taken place or service has been rendered;
- a quantitative price has been established or can be determined; and
- the receivables are likely to be recovered.

Delivery is measured based on cyclical meter readings.

Water sales are recognized in the Statement of Financial Performance in the same year. Interest Income is accrued in the Statement of Financial Performance. Other revenues are recognized as they accrue unless collectability is in doubt.

### 3.9 GOVERNMENT GRANTS

Depreciable assets-related grants whose primary condition is that the CWA should purchase, construct or otherwise acquire non-current assets are treated as deferred income in the Statement of Financial Position. A portion thereof is transferred to the Statement of Financial Performance on a systematic and rational basis over the useful lives of the related assets.

### 3.10 CONTRIBUTION IN KIND

Contribution in kind representing Morcellement Financial Contribution and New Supplies are treated as deferred income in the Statement of Financial Position. A portion thereof is released to the Statement of Financial Performance on a systematic and rational basis over a period of 15 years.

### 3.11 EXPENSES

Expenses are charged to the Statement of Financial Performance on an accrual basis.

### 3.12 RESEARCH AND DEVELOPMENT

Research and Development costs are charged to the Statement of Financial Performance in the period in which they are incurred.

### 3.13 PROVISIONS

Provisions are recognized when the CWA has a present obligation as a result of past event, and it is probable that the CWA will be required to settle that obligation. Provision is measured at the Directors' best estimate of the expenditure required to settle the obligation at the Statement of Financial Position date.

### 3.14 FOREIGN CURRENCIES

Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

The functional currency of the CWA is the Mauritian Rupee (MUR). Transactions in foreign currencies are recorded in Mauritian Rupees at the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities at the Statement of Financial Position date which are expressed in foreign currencies are translated into Mauritian Rupees at the rate of exchange ruling at the Statement of Financial Position date. Exchange gains and losses are dealt with through the Statement of Financial Performance.

# FINANCIAL STATEMENTS DECEMBER 31, 2013

## NOTES TO THE FINANCIAL STATEMENTS

### 3.15 CRITICAL JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of Financial Statements in accordance with IPSAS requires the directors and management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the Financial Statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Where applicable, the notes to the Financial Statements set out areas where Management has applied a higher degree of judgement that have a significant effect on the amounts in the Financial Statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 4. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents consist of cash in hand and balances with banks. Cash and cash equivalents included in the Statement of Cash Flows comprise the following Statement of Financial Position amounts:

Item	31-Dec-13	31-Dec-12
	Rs '000	Rs '000
Petty Cash	68	90
Cash at Bank	151 927	248 380
<b>Total Cash and Cash Equivalents</b>	<b>151 995</b>	<b>248 470</b>

The Authority has undrawn borrowing facilities of some Rs 673.8M which will be fully utilized on infrastructure projects.

### (B) PROPERTY, PLANT AND EQUIPMENT

During the period, the Authority acquired/constructed infrastructure, plant, and equipment with an aggregate

cost of Rs 619.1M, of which Rs 20.2M was acquired/constructed by means of capital grants received from the government. Cash payments of Rs 599M were made to construct/purchase infrastructure, plant and equipment.

### 5. RECEIVABLES

The receivables are mainly in respect of potable and irrigation water sales.

Item	31-Dec-13	31-Dec-12
	Rs '000	Rs '000
Car loans (Note 8)	5 541	3 982
Provision for impairment - Car loan	(42)	(26)
Potable water sales	221 703	219 119
Provision for impairment – Potable water sales	-	(9 446)
Irrigation water sales	22 744	193 335
Provision for impairment – Irrigation water sales	(2 502)	(193 152)
Surcharge - Potable water sales	9 898	8 484
Surcharge - Irrigation water sales	2 274	19 334
Fee for production of drinks	30	39 484
Claim for damages	5 758	5 488
MOW & others	4 982	4 645
Insurance	23	23
Post Office & others	8 456	11 448
Bank interest	99	762
VAT	22 462	17 494
Sundry debtors	472	467
<b>Total</b>	<b>301 898</b>	<b>321 441</b>
Bills rendered to consumers	244 452	412 459
Part-payments	(5)	(5)
Provision for impairment – Water Sales	(2 502)	(202 598)
<b>Net bills rendered</b>	<b>241 945</b>	<b>209 856</b>
<b>Trade receivables</b>	<b>241 945</b>	<b>209 856</b>
<b>Other receivables</b>	<b>59 953</b>	<b>111 585</b>
<b>Receivables</b>	<b>301 898</b>	<b>321 441</b>

# FINANCIAL STATEMENTS DECEMBER 31, 2013

## NOTES TO THE FINANCIAL STATEMENTS

### 5.1 RECONCILIATION OF CHANGES IN PROVISION FOR IMPAIRMENT OF RECEIVABLES

Item	31-Dec-13	31-Dec-12
	Rs '000	Rs '000
Opening Balance	202 625	215 239
Decrease in provision	(200 081)	(12 614)
<b>Closing Balance</b>	<b>2 544</b>	<b>202 625</b>

### 6. INVENTORIES

Item	31-Dec-13	31-Dec-12
	Rs'000	Rs'000
Spare parts and materials	81 178	88 738
Provision for slow-moving and dormant items	(3 244)	(3 244)
<b>Carrying amount</b>	<b>77 934</b>	<b>85 494</b>

All the major Pipes and Fittings held in Store as at 31 December 2013 were “unallocated items” and have been treated under Inventories.

Inventory items amounting to Rs 44.6M have been issued to maintenance and thus expensed under item Operation and Administrative Expenses in the Statement of Financial Performance in the financial year 2013.

### 7. ASSET HELD FOR SALE

The above item presented on the face of the Statement of Financial Position pertains to a motorcycle which was seized by the Authority following non-payment of a loan granted to an employee. The CWA has the firm intention to sell the motorcycle through an auction sale and action has been initiated to find a potential buyer. The initial value of Rs 29,300 recognised in the Statement of Financial Position as at 31 December 2012 has been written down to Rs 13,250 which represents the sales proceeds which is expected to be obtained from the sale.

### 8. LONG TERM RECEIVABLES – CAR LOAN

Movements in car loan are as follows:

Item	31-Dec-13	31-Dec-12
	Rs '000	Rs '000
Opening balance	12 531	11 451
New loans granted	13 918	5 364
Refund during the year	(5 197)	(4 284)
<b>Closing balance</b>	<b>21 252</b>	<b>12 531</b>
Amount falling due within one year	(5 541)	(3 982)
<b>Amount falling due after more than one year</b>	<b>15 711</b>	<b>8 549</b>



# FINANCIAL STATEMENTS DECEMBER 31, 2013

## NOTES TO THE FINANCIAL STATEMENTS

### 9. NON-CURRENT ASSETS – INFRASTRUCTURE, PLANT, EQUIPMENT, LAND AND BUILDINGS

	WATER SUPPLY FACILITIES	IRRIGATION FACILITIES	CARS & MOBILE SERVICE EQUIPMENT	OFFICE WORKSHOP & LABORATORY EQUIPMENT	LAND AND BUILDINGS	TOTAL
Rs '000						
<b>COST</b>						
<b>1 January 2013 - Re-stated</b>	<b>14 666 643</b>	<b>875 627</b>	<b>332 688</b>	<b>100 355</b>	<b>366 596</b>	<b>16 341 909</b>
Adjustment	(2 326)	-	-	-	-	(2 326)
Addition	705 276	-	57 965	9 852	6 983	780 076
Disposal	-	-	(9 146)	-	-	(9 146)
<b>31 December 2013</b>	<b>15 369 593</b>	<b>875 627</b>	<b>381 507</b>	<b>110 207</b>	<b>373 579</b>	<b>17 110 513</b>
<b>DEPRECIATION</b>						
<b>1 January 2013 - Re-stated</b>	<b>8 059 206</b>	<b>754 780</b>	<b>185 073</b>	<b>72 934</b>	<b>61 365</b>	<b>9 133 358</b>
Adjustment	-	-	(7 446)	-	-	(7 446)
Charge for the period	261 184	5 471	18 149	3 638	6 754	295 196
<b>31 December 2013</b>	<b>8 320 390</b>	<b>760 251</b>	<b>195 776</b>	<b>76 572</b>	<b>68 120</b>	<b>9 421 108</b>
<b>CARRYING AMOUNT</b>						
<b>31 December 2013</b>	<b>7 049 203</b>	<b>115 376</b>	<b>185 731</b>	<b>33 635</b>	<b>305 460</b>	<b>7 689 405</b>
<b>31 December 2012- Re-stated</b>	<b>6 607 437</b>	<b>120 847</b>	<b>147 615</b>	<b>27 421</b>	<b>305 230</b>	<b>7 208 550</b>
<b>Made up of : Infrastructure Plant &amp; Equipment</b>						<b>7 383 944</b>
<b>Land &amp; Buildings</b>						<b>305 460</b>

# FINANCIAL STATEMENTS DECEMBER 31, 2013

## NOTES TO THE FINANCIAL STATEMENTS

### 9A. INTANGIBLE ASSETS

	Computer Software
	Rs '000
<b>COST</b>	
1 January 2013 - Re-stated	27 613
Addition	3 049
<b>31 December 2013</b>	<b>30 662</b>
<b>AMORTISATION</b>	
1 January 2013 - Re-stated	14 767
Charge for the period	113
<b>31 December 2013</b>	<b>14 880</b>
<b>CARRYING AMOUNT</b>	
31 December 2013	<b>15 783</b>
31 December 2012 – Re-stated	<b>12 846</b>

Computer Software was initially included under item Office, Workshop & Laboratory Equipment. As from the Financial Year 2013, the amount relating to Software is recorded separately as Intangible Assets.

### 10. ASSETS UNDER CONSTRUCTION

	Assets under Construction	Materials Awaiting Installations	Total
	Rs '000		
<b>1 January 2013</b>	<b>443 593</b>	<b>6 283</b>	<b>449 876</b>
Additions	622 274	2 689	624 962
Transfers	(795 831)	(7 911)	(803 741)
<b>31 December 2013</b>	<b>270 036</b>	<b>1 061</b>	<b>271 097</b>
<b>Carrying Amount</b>			
31 December 2012-Re-stated	443 593	6 283	449 876

### 11. PAYABLES

Item	31-Dec-13 Rs '000	31-Dec-12 Rs '000
Accrued Expenditure	373 742	305 756
Wastewater	33 595	19 826
Ground Water	61 390	42 393
Advance/Double Payments	3 908	3 241
Sundry Payables	187	523
<b>Total</b>	<b>472 822</b>	<b>371 739</b>

An amount of Rs 7.5M is included in the above amount to cater for probable payment to Enterprise Feljas & Masson, a contractor of the CWA who is in dispute with the latter arising out of contract C9024/4 pertaining to the Design, Manufacture and Erection of Mechanical and Electrical Plant at La Marie Treatment Plant. The matter was referred to an Arbitrator and award granted in favour of the Contractor. CWA has appealed against the award in the Supreme Court.

### 12. BORROWINGS

Long term borrowings represent loans advanced by the Government of Mauritius (GoM) and Foreign Lending Institutions. The foreign loans are government guaranteed. The rate of interest ranges from 3% to 10% per annum. The amount payable within one year is shown under current liabilities and the non-current portion is included in the non-current liabilities.

Item	31-Dec-13 Rs '000	31-Dec-12 Rs '000
Local Loans	1 390 069	1 446 787
Foreign Loans	496 168	603 698
<b>Total Loans</b>	<b>1 886 237</b>	<b>2 050 485</b>
Less amount payable within one year	(814 589)	(875 281)
<b>Amount payable after one year</b>	<b>1 071 648</b>	<b>1 175 204</b>

An amount of Rs 200M representing subsidy has been set off against Government borrowings following the revocation of the Central Water Authority (Production of Drinks) (Fees and Other Charges) Regulations 2011. Refer to Note 19.

# FINANCIAL STATEMENTS DECEMBER 31, 2013

## NOTES TO THE FINANCIAL STATEMENTS

### 12.1 UNSERVICED LOANS/DEFAULTS

Details of defaults in the year 2013 with respect to loans contracted by the Authority prior to 2010 are given here-under:

Item	Principal	Interest
	Rs '000	Rs '000
Loans contracted by the GoM on-lent to CWA	39 499	11 793
Local loans contracted directly from GoM	64 024	43 214
<b>Total</b>	<b>103 523</b>	<b>55 007</b>

### 12.2 CARRYING AMOUNT OF LOANS PAYABLE IN DEFAULTS

Item	Principal	Interest
	Rs '000	Rs '000
Loans contracted by the GoM on lent to CWA	308 331	54 919
Local loans contracted directly from GoM	795 944	209 472
<b>Total</b>	<b>1 104 275</b>	<b>264 391</b>

## 13. CONSUMER DEPOSITS

Item	31-Dec-13	31-Dec-12
	Rs '000	Rs '000
<b>Opening Balance</b>	<b>82 520</b>	<b>79 199</b>
Net receipts during the period	3 383	3 321
<b>Total</b>	<b>85 903</b>	<b>82 520</b>
Less amount shown as short term deposits (see note 13.1)	(86)	(83)
<b>Amount shown as non-current liabilities</b>	<b>85 817</b>	<b>82 437</b>

## 15. CONTRIBUTION IN KIND

	01-Jan-13	Received in 2013	Release to Statement of Financial Performance in 2013	31-Dec-13
	Rs '000			
Contribution in Kind	382 715	56 210	(52 962)	385 963

**13.1** As from Financial Year 1999/2000 a percentage of 0.1 of amount received as deposits is treated as short-term deposits.

The amount disclosed as short-term deposits is made up of the following

Item	31-Dec-13	31-Dec-12
	Rs '000	Rs '000
Consumers (see note 13)	86	83
Contractors	1 011	1 011
Morcellement	2 024	2 024
Others	383	383
<b>Amount shown as current liabilities</b>	<b>3 504</b>	<b>3 501</b>

## 14. EMPLOYEE BENEFITS

Employee benefits represent sick leaves, vacation leaves, passage benefits and annual leaves accrued by staff. Sick leaves and passage benefits are payable either on retirement or on resignation. Unutilised annual leaves at the end of each financial year pertaining to Officers on contract which became payable at the end of the reported period have been accrued. Passage benefits have been accrued to be consistent with previous years.

Item	31-Dec-13	31-Dec-12
	Rs '000	Rs '000
Sick Leaves	97 917	80 971
Passage Benefits	44 832	43 622
Vacation Leaves	97 351	84 861
Annual Leaves/Gratuity	1 691	975
<b>Total benefits</b>	<b>241 791</b>	<b>210 429</b>
Less amount payable within one year	(24 469)	(12 652)
<b>Amount payable after one year</b>	<b>217 322</b>	<b>197 777</b>

# FINANCIAL STATEMENTS

## DECEMBER 31, 2013

### NOTES TO THE FINANCIAL STATEMENTS

## 16. RETIREMENT BENEFIT OBLIGATIONS

The expected return on plan assets is based on market expectations, at the beginning of the period, for returns over the entire life of the related obligation. The average return over the past few years, adjusted for current market information, has been used as the future expected return. The discount rate is determined by reference to market yields on bonds.

Defined Benefit Pension Plan	Year Ended 31 December 2013	Year Ended 31 December 2012
<b>Amounts recognised in Statement of Financial Position at end of year:</b>	<b>Rs</b>	<b>Rs</b>
Present value of funded obligation	1 433 065 083	1 190 162 574
(Fair value of plan assets)	(17 941 259)	(34 221 562)
	1 415 123 824	1 155 941 012
Present value of unfunded obligation	0	0
Unrecognised actuarial gain/(loss)	(378 893 710)	(164 510 880)
<b>Liability recognised in Statement of Financial Position at end of year</b>	<b>1 036 230 114</b>	<b>991 430 132</b>
<b>Amounts recognised in Statement of Financial Performance:</b>		
Current service cost	28 892 337	22 560 313
Employee Contributions	(15 227 088)	(12 217 226)
Fund expenses	1 627 164	1 479 240
Interest cost	95 213 006	108 879 770
(Expected return on plan assets)	(1 968 779)	(3 449 305)
Actuarial loss/(gain) recognised	2 394 454	320 528
Past service cost recognised	0	0
<b>Total, included in staff costs</b>	<b>110 931 094</b>	<b>117 573 320</b>
<b>Movements in liability recognised in Statement of Financial Position:</b>		
At start of year	991 430 132	935 759 603
Total staff cost as above	110 931 094	117 573 320
(Actuarial reserves transferred in)	-	(158 017)
(Contributions paid)	(66 131 112)	(61 744 774)
At end of year	<b>1 036 230 114</b>	<b>991 430 132</b>
<b>Actual return on plan assets:</b>	2 943 340	2 983 226
<b>Main actuarial assumptions at end of year:</b>		
Discount rate	8.00%	10.00%
Expected rate of return on plan assets	8.00%	10.00%
Future salary increases	5.50%	7.00%
Future pension increases	3.50%	5.00%
<b>Reconciliation of the present value of defined benefit obligation</b>	<b>Rs</b>	<b>Rs</b>
Present value of obligation at start of period	1 190 162 574	1 088 797 698
Current service cost	28 892 337	22 560 313
Interest cost	95 213 006	108 879 770
(Benefits paid)	(98 954 679)	(79 150 198)
Liability (gain)/loss	217 751 845	49 074 991
Present value of obligation at end of period	1 433 065 083	1 190 162 574

# FINANCIAL STATEMENTS DECEMBER 31, 2013

## NOTES TO THE FINANCIAL STATEMENTS

### 16. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

Defined Benefit Pension Plan	Year Ended 31 December 2013	Year Ended 31 December 2012	
<b>Reconciliation of fair value of plan assets</b>			
Fair value of plan assets at start of period	34 221 562	37 747 757	
Expected return on plan assets	1 968 779	3 449 305	
Employer contributions	66 131 112	61 744 774	
Employee contributions	15 227 088	12 217 226	
Actuarial Reserves Transferred in	-	158 017	
(Benefits paid + other outgo)	(100 581 843)	(80 629 438)	
Asset gain/(loss)	974 561	(466 079)	
Fair value of plan assets at end of period	17 941 259	34 221 562	
<b>Distribution of plan assets at end of period</b>			
Percentage of assets at end of year			
Government securities and cash	59.10%	58.8%	
Loans	4.90%	6.6%	
Local equities	21.90%	21.0%	
Overseas bonds and equities	13.40%	12.8%	
Property	0.70%	0.8%	
<b>Total</b>	<b>100%</b>	<b>100%</b>	
<b>Additional disclosure on assets issued or used by the reporting entity</b>			
Percentage of assets at end of year			
Assets held in the entity's own financial instruments	0	0	
Property occupied by the entity	0	0	
Other assets used by the entity	0	0	
<b>History of obligations, assets and experience adjustments</b>	<b>2013 (Rs)</b>	<b>2012 (Rs)</b>	
Fair value of plan assets	17 941 259	34 221 562	
(Present value of defined benefit obligation)	(1 433 065 083)	(1 190 162 574)	
Surplus/(deficit)	<b>(1 415 123 824)</b>	<b>(1 155 941 012)</b>	
Asset experience gain/(loss) during the period	974 561	(466 079)	
Liability experience gain/(loss) during the period	(217 751 845)	(49 074 991)	
	<b>2014 (Rs)</b>		
Expected employer contributions	89 494 020		
History of obligations, assets and experience adjustments	2011	2010 (18 months)	2009
	Rs	Rs	Rs
Fair value of plan assets	37 747 757	64 250 339	121 735 495
Present value of defined benefit obligations	(1 088 797 698)	(1 071 744 167)	(1 012 212 050)
<b>Deficit</b>	<b>(1 051 049 941)</b>	<b>(1 007 493 828)</b>	<b>(890 476 555)</b>
Assets experience gain/(loss) during the period	(3 910 220)	(917 542)	(21 927 680)
Liability experience gain/(loss) during the period	33 183 960	(1 344 316)	(124 608 148)



# FINANCIAL STATEMENTS DECEMBER 31, 2013

## NOTES TO THE FINANCIAL STATEMENTS

### 17. CONTRIBUTED CAPITAL

Item	31-Dec-13	31-Dec-12
	Rs '000	Rs '000
Government Equity	1 015 451	1 015 451
Capital Grant	827 626	839 769
<b>Total</b>	<b>1 843 077</b>	<b>1 855 220</b>

### 18. REVENUE FROM EXCHANGE TRANSACTIONS

Item	31-Dec-13	31-Dec-12
	Rs '000	Rs '000
<b>Potable:</b>		
Domestic	694 511	686 449
Non-Domestic	495 672	474 709
Government	102 237	101 215
Surface Water	1 668	1 676
<b>Sub-total</b>	<b>1 294 088</b>	<b>1 264 049</b>
Irrigation	38 448	38 302
<b>Total</b>	<b>1 332 536</b>	<b>1 302 351</b>

### 19. OTHER REVENUE

Item	31-Dec-13	31-Dec-12
	Rs '000	Rs '000
Government grants released	32 370	31 137
Contribution in kind released	52 962	49 225
Subsidy – Set-Off against arrears of loans*	200 000	-
Fee for production of drinks	9 645	206 091
Meter rentals	41 205	40 548
Interest receivable	10 220	6 238
Surcharge - Potable water sales	28 652	26 429
Surcharge - Irrigation water sales	2 834	3 635
Re-opening fees	3 139	3 367
Morcellement/Non-refundable processing fees	4 095	5 428
Commission	11 035	13 153
Sundry income	24 257	13 577
<b>Total</b>	<b>420 414</b>	<b>398 828</b>

\* This item pertains to set-off of Government borrowings against subsidy of Rs 200M following the revocation of the Central Water Authority (Production of Drinks) (Fees and Other Charges) Regulations 2011. Refer to Note 12.

### 20. EMPLOYEE BENEFIT COSTS

Item	31-Dec-13	31-Dec-12
	Rs '000	Rs '000
Salaries & Other Staff Related Costs	499 356	398 773
Employee Benefits	31 362	50 726
Retirement Benefits Obligations	44 800	55 671
<b>Total</b>	<b>575 518</b>	<b>505 170</b>

### 21. OTHER EXPENSES

Item	31-Dec-13	31-Dec-12
	Rs '000	Rs '000
Operation & Administrative expenses	569 911	487 010
Bank Charges	982	813
Bad Debts written off	233 832	55 088
Loss on Disposal	568	-
Increase: Provision for Dormant Stock	-	1 227
Decrease: Provision for impairment of receivables	(200 096)	-
<b>Total</b>	<b>605 197</b>	<b>544 138</b>

#### 21.1 OPERATING LEASE

The CWA has lease agreements for the lease of buildings and parking slots to conduct its operations. The leases are classified as operating leases and are recognized as expense under the item Operation & Administrative expenses in the Statement of Financial Performance. An amount of Rs 3.8M has been recognized as expense in the year 2013.

The amount of future minimum lease payments with respect to operating leases are as detailed hereunder:

Period	31-Dec-13	31-Dec-12
	Rs '000	Rs '000
Not later than one year	2 944 020	2 923 860
Later than one year and not later than five years	1 836 430	4 780 450

The renewals of the lease agreements are negotiated as from two (2) to three (3) months prior to the expiry dates and on such terms and conditions as agreeable between the two parties.

# FINANCIAL STATEMENTS DECEMBER 31, 2013

## NOTES TO THE FINANCIAL STATEMENTS

### 21.2 HIRING OF LABOUR

An amount of Rs 53M is included in the item Operation & Administrative Expenses representing payment made to contractors with respect to hiring of labour.

Item	31-Dec-13	31-Dec-12
	Rs '000	Rs '000
Interest on Foreign loans	14 829	41 567
Interest on Local loans	82 227	63 999
Interest on Bank Overdraft	-	2 683
<b>Total interest</b>	<b>97 056</b>	<b>108 249</b>
Less Interest Capitalized	(3 499)	(10 228)
<b>Interest charged to Statement of Financial Performance</b>	<b>93 557</b>	<b>98 021</b>

## 22. FINANCE COSTS

### 22.1 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets have been capitalized as part of the cost of that asset. The amount of borrowing costs capitalized during the year 2013 amounted to Rs 3.5M. The capitalization rate applied to borrowing costs was 10%.

## 23. LOSS ON EXCHANGE

The Authority experienced a gain of Rs 5.2M arising out of translation difference at the reporting date with respect to liabilities and assets denominated in foreign currencies which has been offset against a loss of Rs 10.9M arising out of same translation difference. The net loss recognized in the Statement of Financial Performance amounted to Rs 5.7M.

## 24. CONTINGENT LIABILITIES

At 31 December 2013, the Authority had contingent liabilities in respect of bank guarantees arising in the ordinary course of business from which it is anticipated that no material liabilities would arise. The Authority has given guarantees amounting to some Rs 40.8M (31 December 2012: Rs 35.1M) in favour of third parties.

At the date of reporting, the CWA had some contested claims in court. The probability of judgment to be delivered against the CWA with respect to a case is probable, for which no reliable estimate of its financial effects can be made at this stage.

## 25. RELATED-PARTY TRANSACTIONS

Providers of finance, trade unions, public utilities, government departments and agencies in the course of their normal dealings are deemed not to be related.

With the exception of Service Agreements for the collection of bills with the Wastewater Management Authority, Central Electricity Board, the Mauritius Post Ltd and Management Fee retained in respect of Ground Water Collections to be remitted to the Government Consolidated Fund, the Central Water Authority has no related party transaction.

Key management personnel are those persons having authority and responsibility of planning, directing, and controlling the activities of the entity, directly or indirectly, including directors (whether executive or otherwise) of the entity.

Key Management Personnel	31-Dec-13	31-Dec-12
	Rs '000	Rs '000
Emoluments	18 189	12 455

Key management personnel comprises the General Manager, Deputy General Managers, Senior Adviser and Heads of Division.

## 26. FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial assets and liabilities and equity instrument are disclosed in Note 3 to the Financial Statements.

# FINANCIAL STATEMENTS DECEMBER 31, 2013

## NOTES TO THE FINANCIAL STATEMENTS

### 26.1 FINANCIAL RISK MANAGEMENT OBJECTIVES

The Authority's activities are exposed to financial risks, including:

- Foreign currency risk,
- Interest rate risk,
- Liquidity risk, and
- Credit risk.

A description of the significant risk factors is given below together with the risk management policies applicable. These risks are closely monitored to ensure that they are sufficiently dealt with. The CWA has devised a set of policies for managing these risks which are under the close scrutiny of the Audit and Risk Committee which is a sub-committee of the Central Water Board.

#### 26.1.1 FAIR VALUE ESTIMATION

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

#### 26.1.2 CURRENCY PROFILE

The currency profile of the Authority's financial assets and liabilities is summarised as follows:

	2013		2012	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
	Rs'000			
<b>Currency</b>				
Mauritian Rupees	463 917	3 230 231	569 724	3 106 979
United States dollars	-	140 052	-	151 011
Euro	5 687	242 883	8 736	336 141
Kuwait Dinars	-	113 234	-	115 890
<b>Total</b>	<b>469 604</b>	<b>3 726 400</b>	<b>578 460</b>	<b>3 710 021</b>

### 26.2 FOREIGN CURRENCY RISK

The Authority undertakes certain transactions denominated in foreign currencies. Consequently, the Authority is exposed to the risk that the exchange rate of the Mauritian Rupee relative to the currencies listed above may change in a manner which has a material effect on the reported values of its financial assets and liabilities. It is the Authority's policy to enter forward foreign exchange contracts to manage its exposure to foreign currency risks.

### 26.2.1 FOREIGN CURRENCY SENSITIVITY ANALYSIS

The following table details the Authority's sensitivity to a 10% increase or decrease in the Mauritian Rupee against the relevant foreign currencies. Ten percent represents Management assessment of the reasonably possible change in foreign exchange rates. A positive number below indicates an increase in surplus and equity where the Mauritian Rupee strengthens against the foreign currencies. For a 10% weakening of the Mauritian Rupee against the relevant foreign currencies, there would be an equal and opposite impact on surplus and equity and the balance below would be negative.

The Authority is exposed to USD, EURO and KWD.

Foreign Currency Impact	Impact on Equity
	2013
	Rs'000
United States dollars	14 005
Euro	24 288
Kuwait Dinars	11 323
<b>Total</b>	<b>49 616</b>

### 26.3 INTEREST RATE RISK

The Authority is exposed to risk associated with the effect of fluctuations in the prevailing level of market interest rate on its financial position and cash flows.

The interest rate profile of the Authority's financial assets and liabilities was:

Foreign Currency Impact	2013
	% per annum
<b>Financial Assets</b>	
Cash at Bank	2.5 - 3.40
<b>Financial Liabilities</b>	
Borrowings	3 - 10

# FINANCIAL STATEMENTS DECEMBER 31, 2013

## NOTES TO THE FINANCIAL STATEMENTS

### 26.4 LIQUIDITY RISK

Liquidity risk refers to the possibility of default by the CWA due to unavailability of funds to meet its capital and operational requirements. Prudent liquidity risk management implies maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows.

### 26.5 CREDIT RISK

Credit risk is the risk that a consumer or counter party to a financial instrument will default on its contractual obligations resulting in financial loss to the Authority. The CWA does not have a significant concentration on credit risks. Risks are mitigated by charging a 10% surcharge on invoices that are not settled within the due dates (21 days from delivery date). In the event of non-payment after 90 days following invoice delivery date, water supply is disconnected after issue of reminders and matter is referred to the Debt Collection Unit for eventual prosecution.

The Authority's credit risk is primarily attributable to its trade receivables. The amount shown on the face of the Statement of Financial Position is net of allowances for doubtful debts, estimated by Management based on past experiences.

At date of reporting, there is no indication in respect of trade receivables that are neither impaired nor past due that obligations will not be met.

As at 31 December 2013, the maximum credit exposure was Rs 224M (31 December 2012: Rs 265M) as analysed below.

Receivables	31-Dec-13	31-Dec-12
	Rs '000	Rs '000
Invoices issued in January	107 727	108 030
Within 30 days	62 795	62 875
31-60 days	22 899	14 946
61-90 days	11 532	8 853
More than 90 days	18 643	70 463
<b>Total</b>	<b>223 596</b>	<b>265 167</b>

### 27. INCOME TAX

The Authority is not liable to Income Tax.

### 28. COMPARISON OF BUDGET VERSUS ACTUAL AMOUNTS

#### 28.1 REVENUE

Revenue comprises revenue from exchange transactions (Water Sales) and Other Revenue.

##### 28.1.1 REVENUE FROM EXCHANGE TRANSACTIONS

The decrease of Rs 14.5M in revenue from water sales representing 1.1% is attributed to a decrease in the volume of water sold in almost all category of consumers during the reported period.

##### 28.1.2 OTHER REVENUE

The favourable variance under this item is attributed to Government Grants and Contribution in Kind released to the Statement of Financial Performance amounting to Rs 32.4M and Rs 52.9M respectively. The budgeted figure of Rs 364M in respect of Other Revenue in 2013 was exclusive of the above items whereas income received in respect of Government Grants and Contribution in Kind was budgeted as Capital Revenue. Refer to breakdown of Other Revenue at Note 19 above.

#### 28.2 EXPENSES

##### 28.2.1 EMPLOYEE BENEFIT COSTS

The unfavourable variance of Rs 7.3M is mainly attributed to an amount of some Rs 12M representing arrears of pension contribution accrued and payable based on the actuarial valuation conducted by SICOM Ltd. This amount was not budgeted for.

##### 28.2.2 DEPRECIATION

Depreciation charges and Amortisation of Rs 295.3M were not budgeted as budget is prepared on a cash basis.

# FINANCIAL STATEMENTS

## DECEMBER 31, 2013

### NOTES TO THE FINANCIAL STATEMENTS

#### 8.2.3 OTHER EXPENSES

The favourable variance under this item resulted from increase in expenditure items relating to Repairs and Maintenance of (i) Buildings & Premises, (ii) Plant & Equipment and Stock Replenishment with respect to Pipes and Fittings. An amount of Rs 200.1M with respect to a decrease in provision for impairment of receivables has also been catered for in Other Expenses.

#### 28.2.4 FINANCE COSTS

Favourable variance of Rs 119.4M was due to deferral of payments pertaining to Government Loans.

#### 28.2.5 LOSS ON FOREIGN EXCHANGE

This item was not budgeted due to volatility in and uncertainty of foreign exchange rate. This could not be speculated at the time of budget preparation.

#### 28.3 CAPITAL EXPENDITURE

The budgeted capital expenditure for the year 2013 was Rs 885M out of which Rs 549.8M has been spent representing 62% of the amount budgeted.

### 29. PRIOR YEAR ADJUSTMENT

Infrastructure, plant and equipment, and land and buildings amounting to some Rs 22.1M substantially completed prior to the year 2012 and which ought to have been capitalized continued to be accounted in Assets under Construction. The figures with respect to Infrastructure, plant and equipment, and land and buildings as well as Assets under Construction have been adjusted in the year 2012 by the amount of Rs 22.1M.

As a result thereof, the Accumulated Deficit in the Statement of Changes in Net Assets and Equity as of 01 January 2012 was understated and same figure re-stated by an amount of Rs 2.7M.









Central Water Authority

CWA HEAD OFFICE  
Royal Road, St Paul, Phoenix, Mauritius  
T. (230) 601 5000  
F. (230) 686 6264  
Hotline : 170  
Email: [cwa@intnet.mu](mailto:cwa@intnet.mu)  
Website: <http://cwa.gov.mu>