

EMBRACING CHANGE

ANNUAL REPORT 2018-2019





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.



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CORPORATE OBJECTIVE STATEMENT

3-YEAR CORPORATE VISION
(2018/19 TO 2020/21)

ESTABLISHMENT OF CWA

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).

OBJECTS OF CWA

The Authority shall be responsible for the control, development and conservation of water resources.

DUTIES OF CWA

The Authority shall be the sole undertaker for the supply of water for domestic, commercial and industrial purposes throughout Mauritius.

WHERE WE HAVE BEEN

During the last 45 years of its existence, the CWA has strived to make piped potable water universally accessible in Mauritius. Despite countless challenges faced by Government and the CWA over the years, we can boast to be the only country in the region which has achieved nearly 100% water supply coverage.

WHERE WE ARE NOW

In 2018, during a normal/wet season, 86% of the population receive potable water on a 16-24 hours' basis. It is worth highlighting that 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. Potable water is supplied across the island through six distribution systems that are organised on a geographical basis.



VISION

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CORE VALUES

Responsiveness	Integrity
Courtesy	Teamwork
Excellence	Quality

CORPORATE STRATEGY

- EXCEL IN THE PROVISION OF AN UNINTERRUPTED ROUND THE CLOCK WATER SUPPLY

CORPORATE GOALS

- A SUSTAINABLE WATER SUPPLY SERVICE OF APPROPRIATE QUALITY
- EFFICIENT IN DELIVERING WATER PROJECTS
- CREATE AN EXCELLENT CUSTOMER EXPERIENCE
- DEVELOP A SUSTAINABLE BUSINESS MODEL WHICH USES RESOURCES EFFICIENTLY
- BEING AN AGILE, COMPETENT AND LEARNING ORGANIZATION
- LEVERAGE INFRASTRUCTURAL AND TECHNOLOGICAL ADVANTAGES

STRATEGIC OBJECTIVES

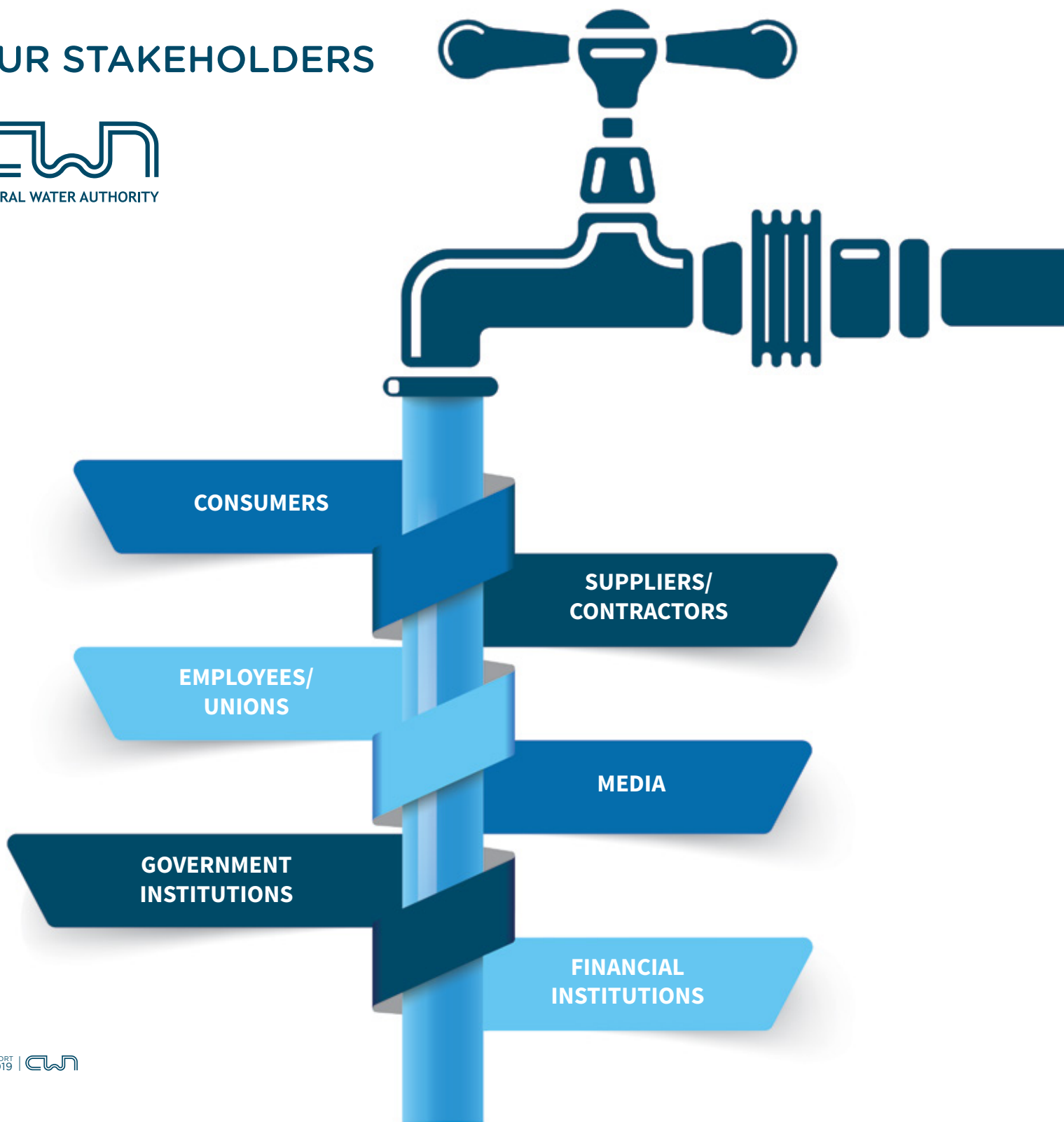
- ENSURE SECURITY OF WATER SUPPLY WITH ROUND THE CLOCK SERVICE
- SMOOTH EXECUTION AND MONITORING OF WATER INFRASTRUCTURE PROJECTS
- REDUCE NON-REVENUE WATER TO AN ECONOMICALLY ACCEPTABLE LEVEL AND IMPROVE THE NETWORK EFFICIENCY
- SUSTAIN WATER QUALITY IN COMPLIANCE WITH INTERNATIONAL BENCHMARKS
- IMPROVE CUSTOMER SERVICE AND MANAGE CORPORATE IMAGE
- CONSOLIDATE FINANCIAL VIABILITY AND OPERATING IN A COST EFFECTIVE MANNER

BUSINESS OPERATIONAL PLANS IN PROGRESS

- FINANCIAL PLAN, COST RATIONALISATION PLAN, ENERGY EFFICIENCY PLAN
- STRATEGIC HUMAN RESOURCE PLAN, SUCCESSION PLAN, PERFORMANCE MANAGEMENT AND HUMAN CAPITAL MANAGEMENT PLAN
- COMMUNICATION PLAN, CUSTOMER EXCELLENCE PLAN, ICT STRATEGIC PLAN,
- INTEGRATED ERP PLAN, APPLICATION OF IT PLAN



OUR STAKEHOLDERS



OUR 5 PILLARS OF EXCELLENCE



OPERATIONAL EXCELLENCE

SITUATIONAL ANALYSIS	ACTION PLAN	PROPOSED IMPROVEMENT
Ageing pipe network contributing to leakage in distribution system (Non-Revenue Water)	Replacement of old undersized, inefficient and defective pipelines and water infrastructural works	30 projects are ongoing for the upgrading/replacement of pipe/distribution mains for a total project value of Rs 3.3 Billion. 26 water infrastructural works are under preparation
Lengthy repairs of leaks resulting in a considerable number of complaints	Implementation of Roster system	Repairs of leaks will be done 'In-House' thus reducing time taken for repairs, and diminish number of complaints
No Master Plan for water sector for more than a decade	Prepared a Master Plan for water sector	To address issues of smart cities and economic & social development at large

The word improvement in an 'Operation' means different things to different people. Some define it as '*lower operating cost*' or '*reduced inventory*' while others describe it in terms of '*increased efficiency*' or '*better quality*'. The process of improvement in an organisation often involves management setting one of these goals, i.e., lower operating cost, Just-In-Time Inventory, increased efficiency and better quality. Consequently, employees make changes in their daily tasks to achieve it, then management setting a new goal.

If everything goes right, the best this cycle will yield is a climb up the staircase of continuous improvement year after year. Rather than a never-ending journey with no destination, a more recent approach is to design the performance of the operation, and then ensure that it performs in accordance with the design specifications.

The first step in CWA's design is setting a destination so that we will know exactly where we are going. Our destination is to create Operational Excellence, where "Each and every employee can see the flow of value to the customer, and fix that flow before it breaks down."

Achieving the destination, meaning how the company will actually get there, must be based on a process so that each employee knows the steps along the way, they can see the signposts that tell them they are heading in the right direction, and they know when they have arrived.

Just like an engineer uses the laws of physics to design an aircraft, a bridge, or a reservoir, we will follow some principles to reach our destination of Operational Excellence.

The Operations Division, being the core function of the organisation in terms of production and distribution of water, would require the support of all other divisions to achieve its objectives.

The global utility business is moving away from conventional organisational structures, which focus on operations and maintenance, to ones that focus on optimizing assets. The emphasis requires a deeper understanding of the assets; their criticality, individual maintenance requirements and the ability to optimally balance risk, performance and costs.

The development of water infrastructure, which feasibility relies on clear goals setting and effective planning, has always been the primary objective of the Project Management Office (PMO) of the CWA. The section should cater for future investment and economic development which will be effective with the support of a [Master Plan](#).

The below issues are the ones that the Operations Division must address:

- Better coordination/team work with other Divisions
- Additional resources for the efficient running of the Division
- Enhance the public perception on the work performed by the Authority
- Repair of leaks contracted out with an efficient and effective workforce
- Attend complaints on time to prevent backlogs
- To reduce the Non-Revenue Water (leakage in distribution)
- Provide a comprehensive summary of the content of a contract to inspectors for them to have a better understanding of the KPIs to be attained in a project
- Improve the engagement of operational workforce with the organization
- Ensure a timely process for the floating of Bid Document

Furthermore, the effects of global warming have, among others, been translated into uneven rainfall patterns affecting water resource availability in Mauritius. The Authority was still reeling from the unprecedented drought experience of 2010/2011 when it had to face similar weather conditions during Oct-Dec 2014, leading to acute deficiency in water supply. This put a lot of strain on its existing manpower and other resources. The drought experience highlighted the unpreparedness of the Mauritian Water Sector and forced Government to review its economic agenda and give precedence to water related investments in year 2015. The Authority should get well prepared for similar 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.

[Refer to Action Plan \(Pg 22-23\)](#)



PEOPLE EXCELLENCE

SITUATIONAL ANALYSIS	ACTION PLAN	PROPOSED IMPROVEMENT
HR Processes are old and not adjusted to modern working practices	Implementation of Human Resources Management Information System (HRMIS) and Performance Management System (PMS)	<ul style="list-style-type: none"> • HRMIS will reduce manual paper transactions, errors and increase compliance among employees • PMS will ensure that all employees have clear, aligned and attainable objectives. It will identify performance gaps through KPIs
Ageing workforce, high rate of turnover of staff and several key posts are on contract	Setting up of Career Development for employees	Expanding the career development opportunities for certain grades early in their careers. Identification of talented staff for suitable posts to increase their exposure to different roles
No succession planning, short of experienced staff and lack of ad-hoc training	Implement Succession Planning and Human Resources Development	Development of successors through extensive and appropriate training and development

PEOPLE EXCELLENCE

Striving for excellence is an important part of professionalism in any job. It involves trying to put quality into everything you do, and this attitude tends to separate the achievers, who make rapid strides in their career from others. The most important asset of CWA is its workforce. People Excellence embodies the willingness to use human resources at CWA as efficiently as possible to meet the objectives of the organisation.

Diagnostic of the Human Resource Division at CWA

At CWA, many processes are already in place and have been existent for several years, and need to be adjusted to modern working practices. The Human Resources Management Information System is outdated. Besides an ageing workforce, the rate of turnover among engineers is also high, as remunerations are governed by PRB laws, and several key posts are on contract. Moreover, there is an urgent need for succession planning, in order to ensure CWA is not short of staff following the current departure of some experienced staff. CWA also lacks ad-hoc training plans, employee handbooks, and efficient e-recruiting platforms. Several Action Plans have been defined at CWA in this Restructuring Plan to address the above issues

Strategic Human Resource Planning at CWA

Strategic Human Resources Planning (SHRP) is a systematic approach to managing people in a way that would maximize their motivation and contribution towards meeting an organization's objectives. The aim of a SHRP at CWA is to help all its department to achieve its vision, mission and objectives through a systematic design and implementation of HRM programmes.

The strategic goals and objectives set by the parent Ministry and the CWA have been translated into the strategic plans, which are ambitious and far reaching. Hence, much emphasis is being laid on improving the effectiveness and efficiency at CWA by support of a motivated and healthy workforce and through greater accountability and performance measurement and more focus on customer service.

In this context, CWA is being required to transform itself, both technologically and culturally where HRD will help lead this paradigm change over the next three years in connection with all HR related matters. The legacy system through the antiquated Human Resources Management Information System (HRMIS) is being envisaged to be replaced with a more updated version of Human Capital Management System (HCMS) from Oracle. This new system will surely provide the departments at CWA to capture and retrieve the real-time information and tools they need to perform at the highest caliber. More importantly, HRD, in a pivotal role, will lead the paradigm shift so as to create an environment that will empower employees to be their best, encourage Heads of Divisions to expect excellence, and create a customer centric focus to meet the needs of the public in general.

However, the SHRP can only achieve its desired purpose depending on (1) Top management commitment to the philosophy that people are the key to the success in achieving the objectives of the organization (2) Strategic linkage of the HRD programmes to its mission and objectives (3) Line management's ownership of the SHRP.

Refer to Action Plan (Pg 24)



IT & INNOVATION EXCELLENCE

SITUATIONAL ANALYSIS	ACTION PLAN	PROPOSED IMPROVEMENT
Lack of telemetry data and real-time information on output flows in water production	Use of Cognitive Computing to monitor water production	Cognitive computing in water production planning uses real-time data and analytics to gather, sort, and analyse data in a comprehensive and holistic way
Poor monitoring of pump performance	Use of Internet of Things (IoT). IOT is the network of physical devices embedded with electronics, sensors which enable exchange of data for more direct integration of the physical world into computer-based systems.	IoT can help by tracking the performance of pumps and their operational characteristics more efficiently - leading to more accurate failure predictions and proactive live maintenance to assure asset longevity
Insufficient data on consumption from Big Consumers (Big Consumer Unit)	To install Smart Meters for BCU to monitor water consumption on real-time	Real-time IoT platforms with predictive analytics, data variables (water consumption on real time, can be monitored, tracked, and analysed easily to make informed decisions on data consumption by BCU)

IT AND INNOVATION EXCELLENCE

IT Division continues to navigate the unsteady path to digital Transformation within CWA starting from the Finance, Commercial, Human Resource to Procurement & Supply divisions. Change management has become a daily task rather than a one-time activity, compelling CWA to respond and adapt quickly to new business processes and technology advancements.

Yet along with these challenges come opportunities. Globally, with advances in digital technology and analytics namely; predictive analytics; unstructured data analytics, the Internet of Things (IoT) can resolve many of the problems facing CWA in the Operations Division; ageing infrastructure, demand growth, non-revenue water and conserving treated water in whatever form while providing 24/7 water supply across the island.

Segment issues and develop scenarios to overcome them....

The Internet of Things (IoT) is the network of physical devices, vehicles, home appliances, and other items embedded with electronics, software, sensors, actuators, and connectivity which enables these things to connect and exchange data, creating opportunities for more direct integration of the physical world into computer-based systems, resulting in efficiency improvements, economic benefits, and reduced human exertions. IoT opens huge opportunities for CWA in the form of connected devices, human resources, and networks. The granular data collected from

Intelligent District Meters can be of even greater value if the right sensors are installed on the network. By combining data from real-time IoT platforms with predictive analytics, data variables can be monitored, tracked, and analysed easily totake informed decisions.

Monitoring pump performance is another area where the IoT can help by tracking the performance of pumps and their operational characteristics more efficiently – leading to more accurate failure predictions and proactive maintenance to assure asset longevity. Today's IoT devices are also used to help **monitor water quality** at various consumer end points in the network.

Another important factor is surge from internal water pressure variations, usually due to pump operations and valves in the transmission and distribution network. Given that pressure surge is the main cause of water leaks in water pipelines, using models to accurately predict surges will go a long way in reducing water leaks.

Among the key challenges in water production planning is the **lack of telemetry data and real-time information on output flows**, variations in storage capacity, unit cost metrics, chemical consumptions and operational timing of pumps. Efficient production systems depend heavily on data collection, modelling, visualization, and situational intelligence from cognitive computing to overcome these issues. Cognitive computing in water production planning uses real-time data and analytics to gather, sort, and analyse data in a comprehensive and holistic way.

Health and Safety of remote sites in pumping stations, chlorine room, generator room via wireless **IoT Fire detection & alarming solution**.

DIGITAL VISION, STRATEGY & ROADMAP

Digital transformation obliges CWA to engage all stakeholders and project implementation teams. While prioritizing digital projects, CWA should consider the business value and long term-benefits of digitization.

Some of the projects already underway:

- All CWA – New Cloud Based e-mail and Collaboration Suite **went live in July 2017**.
- Online Ticketing System with SLA implementation running successfully **since 2016**.
- Project Management Office – Online monitoring of all CWA pipeline projects **went live March 2018**.
- Human Resource – Online recruitment & On boarding **went live in March 2018**.
- Finance – Online Payment Approval, Loan Applications, Contract Management, On-line Purchase order approval and stock management enhancement **Go-Live August 2018**.
- Commercial – Oracle Legacy Upgrade on web-based platform with new Customer Experience (Self-service Portal) **Go-Live August 2018**.

Refer to Action Plan (Pg 24)



CUSTOMER EXCELLENCE

SITUATIONAL ANALYSIS	ACTION PLAN	PROPOSED IMPROVEMENT
Lack of training in customer care to officers dealing with the public and customers	Training provided on instruction notices, change in procedures, regulations. Training provided to Hotline agents on CWA operation processes	Empowerment of staff through continuous training on CWA operations and how to communicate with consumers and deal with difficult consumers
Manual reading of meters and delivery of bills	Proposal made for Automated Meter Reading and delivery bills	<ul style="list-style-type: none"> • Automated mobile reading mechanisms • Telemetry system for quick and efficient reading
High level of illegal tapping	Carry out continuous investigations to detect illegal tapping	Increase collection efficiency and the revenue of the organisation
Outdated Communication Channels	Opening Channels of communication through digital & social media, new website and online application for new supply	<ul style="list-style-type: none"> • More avenues for customers to view and request information about the services offered by the organisation • New ways for the CWA to communicate with the public

Customer excellence is at the heart of any successful business model. For CWA, customer service excellence is equivalent to achieving its vision, that is, providing uninterrupted round the clock service of world-class standard throughout the year to the entire population of Mauritius.

An important aspect of ensuring we are providing quality and consistency in all our dealings with customers is to measure the service being offered. Excellent customer service brings about efficiency in day-to-day operations, uplifts worker productivity and unleashes new dynamism in the organisation. Although it can take extra resources, time and money, excellent customer service can generate positive word-of-mouth for CWA, keeping our image strong, and delivering to its best to exceed customer expectations.

"At CWA, everything we do is in line with providing excellent customer service."

Diagnosing chronic issues with respect to customer excellence at CWA

Several pressing issues have been raised while diagnosing Customer Service at CWA. Meeting the KPIs (service indicators) as per CWA Customer Charter appeared challenging. There was a lack of training in customer care to officers dealing with the public and customers. A high volume of customer complaints (> 30,000 monthly) was recorded. The service response time was slow and tardy. Communication channels with customers were missing.

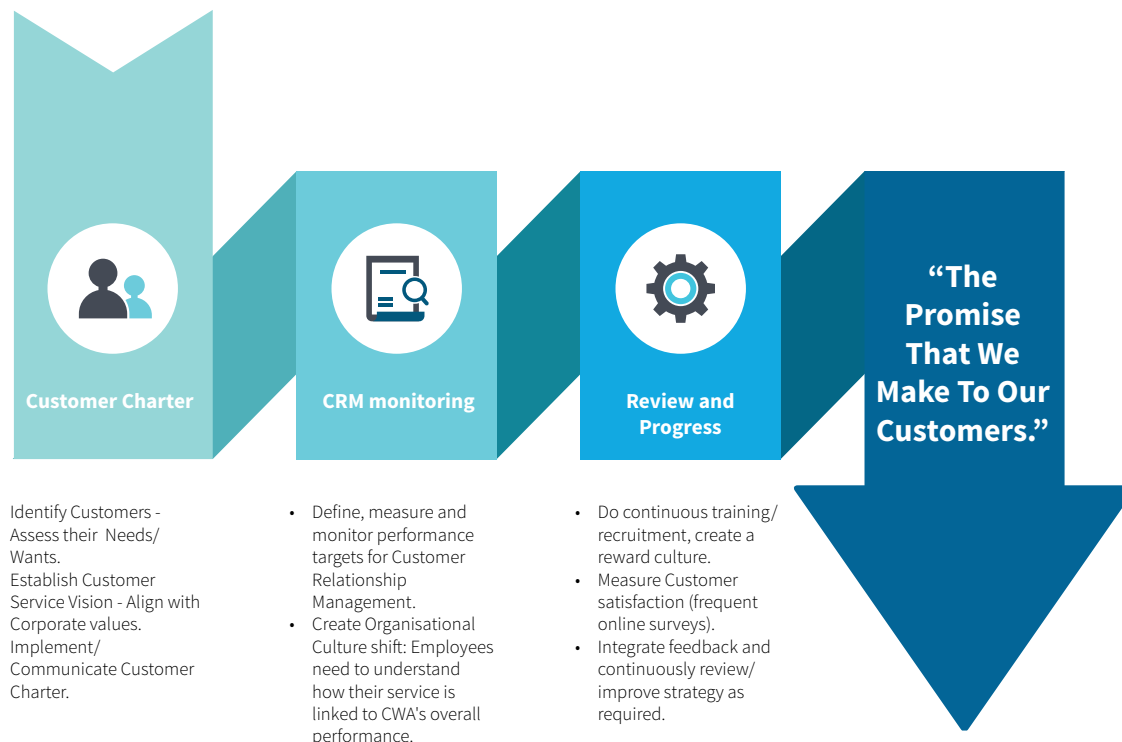
The *root causes of failure* that were identified were mainly: inadequate storage and water treatment, absence of procedure manual, old pipe networks causing frequent disruption of water supply due to broken pipes and faulty pumps, and a lack of training in Customer Care.

Developing a Customer Excellence Strategy in the organisation

The Customer Service Excellence strategy of CWA lays high emphasis on the role of employees to fulfil customer expectations. It consists of equipping employees with the fundamental skills in delivering exceptional customer service, such as a smile, empathy and patience. Adequate training on how to handle complaints and solve them, how to speak and interact with customers, also forms part of the Customer Excellence vision. An organisational culture shift that values employee effort to satisfy customer needs is vital for the organisation. Feedbacks and customer surveys should be used to enhance customer excellence at CWA.

[Refer to Action Plan \(Pg 18\)](#)

CUSTOMER EXCELLENCE STRATEGY



CUSTOMER CHARTER

ACCOUNTABILITY

We account for activities of the Authority and take full responsibility

EXCELLENCE

We are leaders and innovators in our sector who get it right on time everytime

WISDOM

Water, A Way of Life

TRANSPARENCY

We fulfill our mandate in an ethical and open manner

RESPECT

We respect each other as well as our customers and the needs of the public



STRATEGIC COMMUNICATION PLAN

The Strategic Communication Plan is intended to be a critical component of the Central Water Authority's larger Strategic Plan, i.e., in its "Customer Excellence" visioning process. It is meant to serve as a guide for establishing effective, multidirectional communication channels to solicit and convey information to and from all district stakeholders including employees, the Board Members, customers and the larger community.

The Strategic Communication Plan employs strategies and tactics that will lay a foundation to communicate the CWA's mission and vision to all stakeholders effectively and efficiently, ensuring that CWA's commitment to outreach and community involvement is consistent with its enhanced level of service, production efficiency and distribution effectiveness.

Primary Goals of the Strategic Communication Plan

- To improve and coordinate all 6 sections' communications, both internal and external
- To align Communication Cell's method to disseminate efforts with the CWA's mission
- To increase public awareness of CWA's services, quality, and value.
- To develop a brand that clearly distinguishes the CWA's identity in the minds of the Public
- To increase overall communications effectiveness
- To support the CWA's communications platform and grant strategy through integrated communications efforts

Key Messages

Before CWA determines how it will communicate with its customers, the 6 sections must first determine what they will communicate. Development of key messages is a critical, foundational step that must be conducted before communications strategies and objectives can be set.

Evaluation of input from its management, and staff, as well as customers and other stakeholders, was critical in determining the key messages that best reflect the CWA's vision. These messages include:

Value and service

CWA's commitment to its customers goes beyond providing its services as affordably as possible. The Authority strives to elevate the level of service and value it provides to each and every customer.

Reliability and dependability

CWA's customers entrust the organisation, that they can depend on for a reliable supply of healthy water now and in the future, regardless of emergency, drought, or other challenges.

Conservation and stewardship

CWA is dedicated to ensuring that the community's precious water resources are available for future generations. A critical part of this effort is educating its customers about how to use water as efficiently as possible.

Fiscal responsibility

CWA's desire to use financial resources as efficiently as possible influences all aspects of decisions.

Efficient and effective governance

CWA works consistently to set a new standard for public agency effectiveness by creating a culture that embraces hard work, innovation, new technology, efficiency, and accountability.

Community Partnership

CWA is a community-centered organization that is devoted to building a close relationship with its community by communicating frequently and providing a partnership that helps local businesses and residents succeed and thrive.

ACTION PLAN FOR CUSTOMER EXCELLENCE

SN	PROJECT NAME	DELIVERABLES	PROPOSED IMPROVEMENT	START DATE	COMPLETION DATE	STATUS AS AT PREPARATION OF RESTRUCTURING PLAN (JULY 2018)	STATUS AS AT JUNE 2019	ACTION BY
1	Complaints not being attended as per Response Time set in Customer Charter. Repeated complaints. Large Number of complaints and Backlog in attending complaints. Reactive rather than proactive. 90% of complaints relate to water supply (operational) issues	24/7 Water Supply Service	Devise SMART measures to eliminate backlog in attending complaints. Devise Emergency Response Plan. Devise Regional Plan. Escalation of complaints to higher levels under not attended. Analysis of Complaints	Oct-18	Jul-19	Necessary amendments for excessive bills further to meter change carried out prior to issue of bills. Emergency Response Team set up to catch on complaints. Roster Teams introduced to catch up on back logs in respect of complaints. Outsourcing of repairs of leaks. Escalation of critical complaints at higher levels until attended. Works for the repairs of leaks in the 6 zones are being outsourced in order to reduce response time. Minister's approval awaited to award the contracts scheduled start date: End of June 2018	Setting up of a dedicated phone line to deal with queries and Commercial complaints. Nursing call being carried and unattended complaints being reported to appropriate section	Operations Division/ Commercial Division/ Concerned Divisions dealing with Complaints/ Economists
2	Nursing Calls to customers for complaints	Improved Service to Customers	Nursing Calls for critical and other complaints to obtain feedback from customers	Recurrent Task	Recurrent Task	Nursing Calls carried out at the level of Call Centre/CWA in respect of critical complaints and other complaints	Implemented and ongoing	Hotline/PR Officers
3	Manual Reading of Meters and Delivery of Bills	Billing Accuracy	1. Automated mobile reading mechanisms 2. Telemetry System for quick and efficient reading	Dec-18	Dec-19	Proposal made for Automated Meter Reading and Delivery Bills – POC being carried out for Automated Meter Reading. Delivery of bills through electronic channels to be implemented upon upgrade of the Legacy Oracle System – Upgrade of Legacy Oracle System Online. Meter Reader Application for provision to tablets to Meter Readers for reading of meters – implementation ongoing	Kept in abeyance	Commercial Division
4	High level of illegal tapping have been identified. Some 570 cases have been reported during 2017 and Rs 2.6 M recovered	Increase the revenue	Enforcement of the legislation and regulations of the law and policies in line with CWA Act and CWA Regulations	Oct-18	Jun-19	Project to detect illegal tapping-Rs 2.6 M collected as illegal use of water for 570 illegal cases. 2,670 investigations carried out. Shortage of staff in the said unit	From July 2018 to June 2019, 472 cases of illegal use of water and 2.7m has been collected	Anti-Fraud
5	Replacement of Defective consumer meters	Increase in revenue	Replacement exercise is scheduled to be completed by December 2017	Jan-18	Jun-19	Around 80,000 consumers meters have already been replaced, with increase in revenue of around Rs 66M up to December 2017. Bid document in respect of procurement of 50000 meters in process. Same expected to be replaced as from Jan 2019	Around 80,000 consumers meters have already been replaced, with increase in revenue of around Rs 66M up to December 2017. Bid document in respect of procurement of 50000 meters in process. Same expected to be replaced as from aug 2019	Commercial Division
6	Insufficient household Storage Capacity	24/7 Water Supply service	1. Water Tank Grant Scheme to be maintained for another year to households earning Rs 30000. 2. Scheme be extended to all schools (approximately 300 schools) in the country to ensure regular water supply	Jul-18	ongoing	Around 56,000 families are benefiting from the scheme	New budgetary measure -awaiting correspondence from MEPU water tank and water pump	Commercial Division

ACTION PLAN FOR FINANCIAL EXCELLENCE (COST)

FINANCIAL EXCELLENCE							
COST REDUCTION PLAN							
1.0	Action Plan : Reduce Electricity Cost by 5% (or Rs 10M/year) in 2018/19 & 2019/20						
SN	Deliverables	Previous/Current Situation		Actual/Proposed Improvement		Actual/Target Implementation Plan	
		Status	KPI	Status	KPI	Start Date	End Date
1.1	Implementation of recommendations following Energy Efficiency Audit	Energy Audit CWA sites (Holyrood, Bassin, Constance, La Louisa, Petite Retraite, Caroline, Cluny, LaMarie, Poudre d'Or Hamlet, Fond du Sac, Bel Etang, Bonne Mère Pumping Station) to be started in 2019 and completed in 2020 .Setting up of Energy Efficiency Unit in the CWA		Energy-saving recommendations to be implemented in conjunction with Operations Division and PMO		Mar-19	Ongoing
SN	Deliverables	Previous/Current Situation		Actual/Proposed Improvement		Actual/Target Implementation Plan	
		Status	KPI	Status	KPI	Start Date	End Date
2.0	Action Plan : Reduce Overtime Cost by 40% (or Rs 30M/year) in 2019/20						
2.1	Implementation of Shift System	Roster system (2 rosters) implemented in DWS East (one out of six operation zones) on pilot basis in Jul 2017; project put on hold in Jan 2018 due to lack of manpower		Roster system to be implemented island-wide by Sep 2019 up on additional manpower in the grade of General Worker, Operative and Assistant Inspector (subject to Minister's approval)		Oct-18	Sep-19
3.0	Action Plan : Reduce Procurement Cost by 20% (or Rs 15M/year) in 2018/19 & 2019/20						
3.1	Restructuring of procurement and supplier network to increase productivity & competitive edge and to negotiate for better prices	Paper-based store requests and procurement flows; list of approved suppliers not regularly updated	Ave. Lead Time for Direct Procurement = 10 days	Implementation of Oracle Procurement application-contract awarded in Aug 2017;Project went live in Aug 2018 (Reduction in paper for printing/ transportation cost)	Ave. Lead Time for Direct Procurement = 6 days	Mar-17	Aug-18
3.2	Reduction in stock level/ avoidance of capital tied up in stock	High stock level; manual processes for stock replenishment and stock count	% Dormant Stock (>5 years) = 28%	Adoption of Bulk Procurement policy for selected stock replenishment (Discount received from suppliers for bulk purchase) (Lower prices received as compared to quotations)	% Dormant Stock (> 5 years) = 0%	Aug-17	Ongoing
Ongoing							
Sep-17				Dec-19			
Aug-17				Dec-19			

ACTION PLAN FOR FINANCIAL EXCELLENCE (COST) (CONT'D)

FINANCIAL EXCELLENCE (CONT'D)							
COST REDUCTION PLAN (Cont'd)							
4.0	Action Plan : Reduce Vehicle / Transport Cost by 10% (or Rs 8M/year) in 2018/19 & 2019/20						
4.1	Better monitoring of movement of vehicles and fuel consumption	40% of CWA vehicle not fitted with GPS technology and 35% of GPS Devices not reporting on the actual enhanced platform due to compatibility issues	Average fuel consumption per vehicle = 140 lts /mth	Contract for a complete Fleet Management System with latest GPS and Fuel Sensor devices awarded in April 2018 with a project duration of 10 mths Current status: GPS and Fuel Sensor installation completed at 100%; Fleet Management System completed at 97%	Average fuel consumption per vehicle = 100 lts / mth	Oct-17	Jun-19
SN	Deliverables	Previous/Current Situation		Actual/Proposed Improvement		Actual/Target Implementation Plan	
		Status	KPI	Status	KPI	Start Date	End Date
5.0	Action Plan : Reduce IT and Communication Cost by 25% (or Rs 3M/year) in 2018/19 & 2019/20						
5.1	Optimisation of printer fleet, thus reducing cost of hardware, consumables and maintenance	Lease of multi-function printer/ photocopier in Finance, Audit, Registry, Laboratory, Commercial Services and CWA Sub-Office at Rose Hill		Lease of multi-function printers being considered on other key departments; Purchase of IT Equipment for PMO via Contracts no more recommended by IT Division		Since Apr 2016	
6.0	Action Plan : Reduce Finance Cost by 0.4% (or Rs 0.55M/year) in 2018/19 & 2019/20						
6.1	Mitigation against any adverse risk exposure in exchange rate fluctuations	Maximum use of hedging strategy to cater for contractual payments in foreign currencies	Finance Costs as a % of Total Costs = 10%	Ongoing hedging transactions	Finance Costs as a % of Total Costs = 7%	Ongoing	

ACTION PLAN FOR FINANCIAL EXCELLENCE (REVENUE)

FINANCIAL EXCELLENCE							
REVENUE OPTIMISATION PLAN							
SN	Deliverables	Previous/Current Situation		Actual/Proposed Improvement		Actual/Target Implementation Plan	
		Status	KPI	Status	KPI	Start Date	End Date
1.0	Action Plan : Increase revenue by Rs 6M in 2018/19 and Rs 66M in 2019/20						
1.1	Increase in Water Sales	1 st batch of the Remetering Programme completed; Around 85,387 defective meters replaced at end June 2019	% of defective meters replaced = 77%	Bid Document in respect of 50000 meters launched on e-procurement system on 13 Aug 2018 through Open National Bidding [Extended Closing date: 02 Oct 2018] Bid Evaluation exercise completed in Feb 2019; Board's approval obtained in Mar 2019 for award of contract Minister's approval sought in Apr 2019 - obtained on 04 Jul 2019. Award under challenge	% of defective meters replaced = 100%	Sep-16	Dec-20
		Ongoing tracking of illegal water use from disconnected supplies through CWA's Anti-Fraud Unit	NRW Level = 55%	Intensification of tracking of illegal users of water by beefing up the Anti-Fraud team - recruitment exercise in progress	NRW Level = 50%	Ongoing	
1.2	Increase in Other Income	Sale of unserviceable/idle store items carried out on a regular basis - old vehicles, air compressors, pumps, pipes & fittings, recently boarded and sold	% Other Income over Total Revenue = 7%	Regular review of list of unserviceable/idle/dormant items by Heads of Division; Appointment of a permanent Board of Survey to be considered	% Other Income over Total Revenue = above 10%	Ongoing	
		Increase in private water tests through the project Water Quality Surveillance, Integrated Water Resources Management, Effluent Discharge Permit and Disinfection tests amongst others		Increase in marketing and purchase of specialised equipment for in-house testing and reduction in outsourcing needs; Laboratory testing services provided by the Authority posted on CWA website		Ongoing	

ACTION PLAN FOR OPERATIONAL EXCELLENCE

STATUS OF ACTION PLAN FOR OPERATIONAL EXCELLENCE AS AT JULY 2019

SN	PROJECT NAME	DELIVERABLES	PROPOSED IMPROVEMENT	START DATE	COMPLETION DATE	STATUS AS AT PREPARATION OF RESTRUCTURING PLAN (JULY 2018)	STATUS AS AT JUNE 2019	ACTION BY
1	Replacement of Old undersized, inefficient and defective pipelines and water Infrastructural works	24/7 Water Supply Service	Upgrading and replacement of service/Distribution mains	Jan-15	Ongoing	(i) 21 km of pipe has been replaced for a total project value of Rs 264 M for FY 2017/18. (ii) 30 projects are ongoing for the upgrading/ replacement of pipe for a total project value of 3.3 Billion. (iii) 26 projects are under preparation	(i) 91.03 Km of pipe has been replaced to the tune of Rs 954.4M (ii) 13 projects are ongoing for the upgrading/ replacement of pipe to the tune of Rs 878,250,000. (iii) 57 projects are under preparation	PMO/OPS
2	Upgrading of existing water treatment plant and replacing of pipes in areas of increased demand and water loss	Piton Du Milieu Rivière Du Poste Mont Blanc and La Nicoliere	Improvement in the treatment capacity and supply of water	Apr-16	Jan-21	Refurbishment / improvement contracts assigned to Consultants for design prior to start of works and major pipe replacement works are stated under grant scheme. Future projects such as Upgrading of Riviere du Poste WTP and upgrading of La Nicolière WTP capital projects have been earmarked in the forthcoming budget	Ongoing consultancy services for Piton du Milieu and Mont Blanc - Inception report submitted. Consultant working on feasibility report. Rivière du poste Inception report and feasibility report submitted. Bid documents for intake structure already floated and works ongoing for rehabilitation	PMO
3	Reduction in Non-Revenue water	Replacement of non-performing pipelines	i) Increase efficiency ii) Reduction in water disruption iii) Better service	Jan-15	Ongoing	Ongoing	Ongoing	PMO
4	Replacement of Domestic Water Meter	Replacement of 75,000 Domestic Water Meter	Increase in revenue	Sep-16	Ongoing	Evaluation Stage	Ministers approval received on 04.07.2019 Letter of award to be issued shortly	Commercial Division
5	Construction of New Water Treatment Plant	Bagatelle, Pont Lardier	Improvement in the treatment capacity and supply of water	Feb-17	Apr-21	Ongoing: Bagatelle, Selection of Consultant: Pont Lardier	Pont Lardier - At feasibility stage Bagatelle - 94% Completed	PMO
6	DMA's rationalization of pressure	To ensure that there is no interruption in water supply	Pipeline replacement to prevent frequent burst due to unsustainable pressure	Jan-15	Ongoing	Leak detection exercise to be carried out and replicated to the remaining water supply zones	Commissioning of new boreholes at Petit Bois, Caroline, Beaux Songes, Bonne Mère, Cote D'or, Eau Bleue, Yemen (duplicate). Installation of pressure filters Pont Lardier, Plaines des Papayes, New Goodlands, Mon Loisir Rouillard, Côte D'or and Trianon. New river intake at Plaine Sophie. Leak detection program ongoing on a case to case basis	PMO/OPS

ACTION PLAN FOR OPERATIONAL EXCELLENCE (CONT'D)

STATUS OF ACTION PLAN FOR OPERATIONAL EXCELLENCE AS AT JULY 2019

SN	PROJECT NAME	DELIVERABLES	PROPOSED IMPROVEMENT	START DATE	COMPLETION DATE	STATUS AS AT PREPARATION OF RESTRUCTURING PLAN (JULY 2018)	STATUS AS AT JUNE 2019	ACTION BY
7	Construction of new Service Reservoirs	Service Reservoirs in Lower Cluny, Alma, Balisson and Riviere du Rempart	To improve water storage capacity in the adjoining areas of Lower Cluny, Alma, Balisson and Riviere du Rempart	Sep-18	Sep-19	Lower Cluny and Alma are under process of evaluation. Balisson and Riviere du Rempart are under Construction	Balisson completed Lower Cluny - Site for the construction of the reservoir to be finalised	PMO
8	Increase water storage capacity	Construction of 21 Steel service reservoirs	Improve the hours of water supply with additional water storage capacity of Steel service reservoirs	Jan-19	Dec-19	Geotechnical investigation for 12 Steel service reservoirs implemented.	Decision has been taken to construct Service Reservoirs in Reinforced Concrete type instead of Steel type	PMO
9	Underground water production	Increase the number of boreholes	A cost-effective measure that will provide an adequate water supply to domestic users	Jan-19	Jun-19	Drilling of duplicate boreholes are ongoing. Drilling of around 13 duplicate boreholes shall be effected during the Financial Year 2018-19	Eight (8) boreholes have already been drilled at the following sites: Camp Ithier, Belle Rose Clemencia, Eau Bonne, New Yemen, Old Yemen, Pavillon, Constance and Beau Plateau. Contract for drilling of seven (7) duplicate boreholes has already been awarded at the following sites: Bassin Loulou, Beau Songes, Tee Sun, Le Bosquet, Solitude, Haute Rive and Plaine Magnien. Works are ongoing and expected to be completed by October 2019	WR/OSS Division
10	Optimisation of water resources	Upgrading of pumping station at Poudre d'Or Balancing Tank and Inlet of Boreholes (Poudre d'Or Basalt BH, Piton Espoir BH, L'Esperance Trebuchet BH, Poudre d'Or BH No. 1,3,4 & Schoenfeld BH)	Specifications of surface pumps to include energy efficiency rating. Increase in underground water production	Feb-19	Jan-20	Feasibility Study	All specifications for the procurement of surface pumps have been upgraded to include energy efficiency rating as part of the energy saving measures being implemented.	WR/OSS Division
11	Improve water quality	1. Upgrading laboratory facilities and method development, 2. Capacity building and testing	Improvement in monitoring water quality supplied throughout the island	Jan-18	Jan-20	1. Atomic Absorption Spectrophotometer purchased for testing traces of metals. 2. UPLC for testing of pesticides, Microcystine and PAHs. 3. Submersible Fluorometer for monitoring	1. Test for heavy metals are being done on routine samples with the AAS. 2. Test for Pesticides and Microcystin are being done on UPLC. 3. Monitoring of the water quality on reservoirs using the fluorometer is ongoing	WR/OSS Division
12	Master Plan to be prepared by external consultant	Master Plan for Water sector in Mauritius	To address issues of smart cities and economic & social development	Jun-19	Jun-20	Pre-Preparation of Bid Document	Fund not earmarked	PMO/ External Consultant

ACTION PLAN FOR PEOPLE & IT EXCELLENCE

STATUS OF ACTION PLAN FOR PEOPLE & IT EXCELLENCE AS AT JULY 2019

SN	PROJECT NAME	DELIVERABLES	PROPOSED IMPROVEMENT	START DATE	COMPLETION DATE	STATUS AS AT PREPARATION OF RESTRUCTURING PLAN (JULY 2018)	STATUS AS AT JUNE 2019	ACTION BY
1	Upgrading of Oracle Legacy application and data migration to Linux Server for a better performance of the system and enhancement to the Customer Complaints System and mobile Meter Reading system	- (Hardware Virtualizations & database)	- Better follow up of complaints through new features like chat, SMS, notifications, 360 customer view, web service, center, analytics knowledge management.- Enhancement to Customer Complaints and Mobile Meter Reading Systems	Dec-17	Nov-18	Ongoing	Upgrade of Legacy Completed, Performance improved. All reports can now be run by user without intervention of IT Department. Infrastructure and applications upgrade. Pending Meter Reader Application, awaiting Tablet delivery. New Customer experience platform (CX) will be Live in September 2019	IT / Commercial Division
		Infrastructure & Upgrade Application						
		Modernization of Meter Reading application - Management of Complaints through digital transformation processes	- Integration with ArcGIS system for better tracking of site locations					
2	Implementation of Procurement and Stock Management Application & ERP Enhancement	- Upgrade of OS, Application and database	On-line Payment and enhancement to ERP	Sep-17	Aug-18	Completed	On-line Payment has been implemented, All budget Holders can now monitor their payment On-line. Moreover all Purchase Orders, Purchase Requests and Internal requests are approved On-Line	IT/ Procurement/ Supply Finance Division
		- New application for payment certificate, contract ledger, loan, stock Management						
		- Set up of I Procurement and Payment Manager Modules						
3	Extended Use of GIS Ability for CWA PR / Hotline users to graphically view location of CWA Customers, based on their meter/account numbers along with a view of hot spots (on going repairs in CWA network)	CWA PR/Hotline users will be able to graphically view location of CWA Customers	View location of customers via ARCGIS, Drawing Department to complete for all sections	Oct-17	Mar-19	Ongoing	GIS can be used by Engineers, System will have to be updated by Drawing Division, to improve performance	IT / Drawing Division
4	New website of CWA (cwa.mu) will allow on-line customer billing and payment	New website on cwa.mu – new domain name purchased by CWA	New website to cater for self-service customer, viewing water-bills and make provision for on-line payment to be linked with CWA Customer CSS portal	Dec-18	May-19	Ongoing	New Website Launched Closing date 24 July 2019	IT / Communication Division
5	Acquisition of Tablets for Inspectors/A. Inspectors/M. Readers	Meter Readers MRS/SMR & Inspectors to be provided with Tablet to access the New Mobile Meter Reader Module and Oracle Field Service Platform for Schedule On-Line Jobs	Long-term Impact: Increase performance and efficiency. On-line entering of Meter Reading and scheduling of inspectors survey on a weekly basis	Dec-17	Dec-18	Ongoing	Awaiting Tablet for system to Go- Live	IT / Commercial / Operation
6	Performance Management System (PMS)	3-Approach PMS	PMS to be transposed in a Writable Format in July 18/ Training to be done in Oct 18/ Pilot run in Nov 18/ Live Dec 18	Oct-17	Dec-18	PMS already devised for categories of employees with KPIs in Excel Format at 100%	To be implemented	HR Division
7	Human Resources Management Information System (HRMIS)	Core HRMIS / I-Recruitment Taleo / Time & Attendance System	I-Recruitment completed and live at 100% in June 18. Time & Attendance System and Core HRMS Phase 1 Started	Oct-17	Dec-18	Meeting held with Oracle/ I- Recruitment completed at 100%/ TAS launched on pilot basis at ex- DWC/ Core HRMS Phase 1 started	Project Completed. System to be upgraded	HR Division

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 accordance with Accrual IPSAS.

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;
- ensured compliance with the Code of Corporate Governance and provide reasons in case of non-compliance with any requirement of the Code.

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 department which assists management in effectively discharging its responsibilities. The Internal Audit is an independent function that reports functionally to the Audit & Risk Committee and administratively to the General Manager.

Approved by the Central Water Board on **30 October 2019** and signed on its behalf by:



G.F. Desmarais
Chairperson, CWB



S. Appanah
Member, CWB



CORPORATE GOVERNANCE REPORT



INTRODUCTION

Corporate Governance is a framework of processes and attitudes within an organisation that focusses on adding value to the business, ensuring its long-term continuity and success and building its reputation. In fact, it is the cornerstone of any good business. Good corporate governance creates a transparent set of rules and controls in which stakeholders, directors and officers have aligned incentives. Effective corporate governance practices are essential to achieving and maintaining high level of public trust, corporate success and sustainable economic growth.

The National Code of Corporate Governance 2016, which was launched in February 2017, is a departure from the ‘comply-or-explain’ approach to the ‘apply-and-explain’ methodology. Public Interest Entities (“PIE”) as defined by the Financial Reporting Act 2004, Public sector organisations and other entities required to report on corporate governance have to apply all the principles contained in the Code and to explain in their annual reports how these principles have been applied.

The Central Water Authority (CWA), qualified as a Public Interest Entity as defined under the Financial Reporting Act 2004, is bound to apply the eight governance principles contained in the Code

and to explain how these principles have been applied as from the reporting year ending 30 June 2018 ((i.e., companies should apply the principles of this Code as from July 2017 onward). Moreover, as a guardian of the country's most precious natural resource, the CWA is required to operate within a strong governance framework that rests on a value system of fairness, transparency, accountability, integrity and trust.

The implementation of the Code at the level of the CWA has been based on the 'Guidance of Statutory Bodies' of the National Code of Corporate Governance for Mauritius (2016).

GOVERNANCE STRUCTURE

By virtue of the Central Water Authority Act (Act 20 of 1971), the Central Water Authority (CWA) was established as a body corporate, responsible for the control, development and conservation of water resources. In relation to the exercise of the powers of the Authority under the aforesaid Act, the Minister may give such directions to the Authority as he considers necessary in the public interest and the Authority shall comply with such directions. The CWA is administered and controlled by a committed and effective Board, which is accountable and responsible for the performance and affairs of the Authority and in meeting all legal and regulatory requirements.



THE CENTRAL WATER BOARD (“THE BOARD”)

The Central Water Authority (CWA) is administered and controlled by a Central Water Board (the “Board”).

In accordance with Section 7(2) of the Central Water Authority Act 1971 the Board comprises six (6) members:

- a Chairperson;
- 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; and
- two (2) members with experience in agricultural, industrial, commercial, financial, scientific or administrative matters, appointed by the Minister.

In line with Section 7(3) of the CWA Act, every ex-officio member shall remain a member for as long as he holds the office by virtue of which he became a member and every appointed member shall hold office for not more than 2 years but shall be eligible for reappointment.

As per Section 7(4) of the CWA Act, the Chairperson shall be appointed by the Minister on such terms and conditions as he thinks fit. The four (4) main functions of the Board are as hereunder:

- To approve, monitor, review and evaluate the implementation of strategies, policies and business plans;
- To prepare a statement of corporate objectives;
- To ensure that the organization complies with the highest standards of governance and that it has an effective system of controls in place so that risks can be properly assessed and managed;
- To ensure that communication of all material information to the stakeholders be made in a transparent way.

MANDATE

Being responsible in promoting the long-term success of the Authority, the Board endeavours, inter-alia, to:

- exercise leadership, intellectual honesty, integrity and judgment in directing the Authority with a view to achieving sustainable prosperity whilst ensuring both performance and integrity.
- continuously review the processes and procedures in place to ensure the effectiveness of the Authority’s internal systems of control to safeguard the Authority’s assets and reputation.
- set the strategic direction and long-term goals and ensuring that adequate resources are available for the Authority to implement the strategic plan.
- ensure that the Authority complies with all relevant laws, regulations and codes of best business practice.

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.

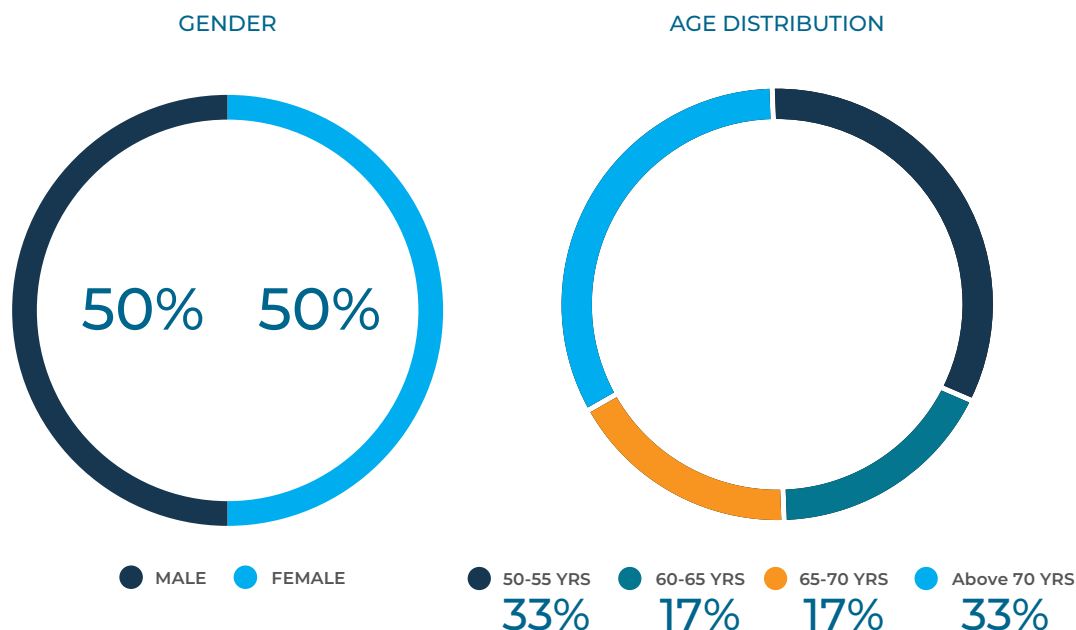
RESPONSIBILITIES

The methods through which the Board exercises its powers and discharges its responsibilities are set out in the Board Charter of the Central Water Board, which provides, inter alia, for the following:

- the composition of the Board;
- The establishment of Committees;
- Supervision of Management pertaining to:
 - ✓ the achievement of the organisation's objectives;
 - ✓ the strategy and risks in the organisation's activities;
 - ✓ the structure and the operation of the internal risk management, audit and control systems;
 - ✓ final reporting process;
 - ✓ compliance with law and regulations.
- Supervision of Financial Reporting;
- Board meetings and decision-making process

Approval of the Board is required for, amongst other important matters, procurements exceeding **Rs 10M** (*above the General Manager's financial authority*), amendments to CWA Regulations, appointments of Staff, Manpower, Budget Estimates and Annual Report.

The gender and age distribution of Board Members during the Financial Year under review as hereunder:



PROFILE OF BOARD MEMBERS



CHAIRPERSON
Mr. Gaston François Desmarais

*Date of first appointment: April 2015
Appointment renewed for a further period of 2
years with effect from October 2017*

Mr. Desmarais graduated from the Institut d'Etudes Politiques de Paris in 1978. He also followed a programme for Management Development (PMD 57) at the Harvard University in 1989.

He has a wide experience in the private sector for having spent 33 years at Ireland Blyth Ltd (IBL). He joined IBL in 1979 as Co-ordinator Commercial Division and had occupied several posts at Management / Top Management Level – Assistant Manager, Manager, Associate Director.

In 1993, he was appointed as Executive Director Board of Management at IBL where he was in charge of the Commercial Division.

Following the re-engineering of the Group in 2004, he was appointed Chief Operations Officer of Large Projects Property & Services. From 2004 till his retirement on 31 December 2012, he led major projects and strategic partnerships in the field of Real Estate Development and Public Utilities – water, sanitation, waste management, power generation and water treatment.



**BOARD MEMBER RESPONSIBLE
FOR THE SUBJECT OF ENERGY**

Ms. Devika Moosoohur

Date of Appointment: 14 September 2016

She holds a BSc (Hons) Degree in Business Administration. She is currently the Assistant Permanent Secretary at the Ministry of Energy & Public Utilities.

- She is also a Board Member of the Board of Irrigation Authority.



**BOARD MEMBER RESPONSIBLE FOR
THE SUBJECT OF FINANCE**

Ms. Sadhna Appanah

Date of Appointment: 18 February 2016

She holds a Master Degree in Business Administration (MBA) Finance with Distinction from the University of Leicester, UK and a BA Hons in Economics and Management Studies from the Napier University, Edinburgh.

She is presently Lead Analyst and works closely with the Ministry of Energy and Public Utilities for policy analysis, preparation, implementation and monitoring of the performance based budget.

- She is a Board Member of the Central Electricity Board and CEB Facilities Co. Ltd.

ALTERNATE

Mr. Hemnish Urdhin
(Analyst / Senior Analyst)
as from 15 May 2018

“
Coming together
is a **beginning**;
keeping together is
progress; working
together is **success**.
”

PROFILE OF BOARD MEMBERS



Mr. Mariahven Caremben

Date of Appointment: 14 June 2018 up to end December 2018

Deputy Director, Labour and Industrial Relations.

ALTERNATE

Ms. Amrita Imrith – Assistant Director
Labour Administration & Industrial Relations

Mr. Shyam Teeluck – Assistant Director
Labour Administration & Industrial Relations



APPOINTED MEMBERS

Mr. Geean Mahadeea

*First Appointment: 05 February 2016 for a period of 2 years.
Appointment renewed for another period of 2 years with effect from February 2018.*

He has a wide teaching experience in the field of Design & Technology in Secondary Schools in Mauritius and Seychelles.

He is also a Member on the Board of Mauritius Examination Syndicate (MES).



Ms. Jagadhambal Ratna Vydelingum

Date of Appointment: 03 October 2017

Ms. Vydelingum has a long career in the Civil Service. She joined the Civil Service as Clerical Officer in 1965. She moved to the Income Tax Department in 1972 as Junior Assessor and was appointed Assistant Commissioner of the Income Tax Department in 1994 till 2003.

From 2003 to 2016, she was a Member of the Assessment Review Committee.

She holds a Diploma in Public Financial Management & Accounting.

BOARD CHARTER

The Board Charter, which provides the Terms of Reference for the Board also describes the duties and powers of the Board, the supervision of financial reporting, the decision making process and other general provisions in connection with conflict of interest, remuneration, induction of board members and confidentiality of information.

The Board Charter which was approved by the Board in April 2018, had not been amended during the FY 2018/19.

The Board Charter can be consulted on the CWA's Website (<http://cwa.govmu.org>).

CODE OF ETHICS

A Code of Ethics for Directors has been adopted by the Board on 05 April 2018. The purpose of the Code is to:

- ✓ provide guidance to Directors and help them recognising and dealing with ethical issues; and
- ✓ help to foster a culture of honesty and accountability and mechanisms to report unethical conduct.

The Code of Ethics clearly describes the responsibilities of Directors on issues pertaining to their duties as Directors, conflict of interest, corporate opportunities and fair dealings.

CORPORATE OBJECTIVE STATEMENT

With a view to enhancing the efficiency of operations at CWA and meeting the challenges ahead, a full-fledged Turnaround Plan through an integration of five pillars, namely Financial Excellence, People Excellence, Operational Excellence, IT and Innovation Excellence, and Customer Excellence, has been developed for the CWA and approved by the Board. The progress on the Action Plan for the implementation of the proposed measures has been continuously monitored / updated.

The 3-Year Re-structuring Plan (2018/19 to 2020/21) on which the Authority embarked, was based on an integration of the aforesaid five strategic pillars with a view to improving efficiency and effectiveness of the Authority and to transform it into a more economically improved and healthier organization with the ultimate objective of value creation vis-à-vis its stakeholders.

The Corporate Objectives Statement including, inter alia, the purpose of the CWA, its value drivers, 3-Year Corporate Vision, its *objectives* forms part of this report.

POSITION STATEMENTS

The key roles and responsibilities of the Chairperson of the Board and the Board Committees have been clearly defined in the Board and the Board Committee Charters. The role of the Chairperson of the Board is distinct and separate from that of the General Manager and there is clear division of responsibilities with the Chairperson leading the Board and the General Manager managing the day-to-day business of the organization.

THE KEY ROLES AND RESPONSIBILITIES

CHAIRPERSON	GENERAL MANAGER
<ul style="list-style-type: none">✓ Acts as the spokesperson for the Board;✓ Provides overall leadership to the Board;✓ Ensures that the Board is effective in its duties of setting out strategies and implementing Government policies;✓ Ensures that Board meetings are chaired in an effective manner;✓ Ensures that committees are properly structured with appropriate terms of reference;✓ Ensures that Board Members receive accurate, timely and clear information;✓ Ensures that development needs of Board Members are identified and appropriate training is provided to continuously update the skills and knowledge of the latter;✓ Maintains sound relations with stakeholders.	<ul style="list-style-type: none">✓ Manages the day-to-day affairs of the Authority;✓ Executes plans and strategies in line with the policies set by the Board;✓ Provides leadership and direction to senior management;✓ Ensures that the decisions of the Board are executed;✓ Acts as a liaison between Management and the Board;✓ Ascertains a proper working environment for the Staff of the organization;
SECRETARY	
<ul style="list-style-type: none">✓ Ensures compliance with relevant statutory and regulatory requirements;✓ Develops and circulates the agenda and relevant documents for Board and Board Committee meetings in a timely manner;✓ Facilitates induction of Board Members and provides guidance to them in terms of their roles and responsibilities;✓ Assists the Chairperson in governance processes.	

ORGANISATIONAL CHART

The organization chart of CWA setting out the key senior positions as well as the reporting lines forms part of this report.

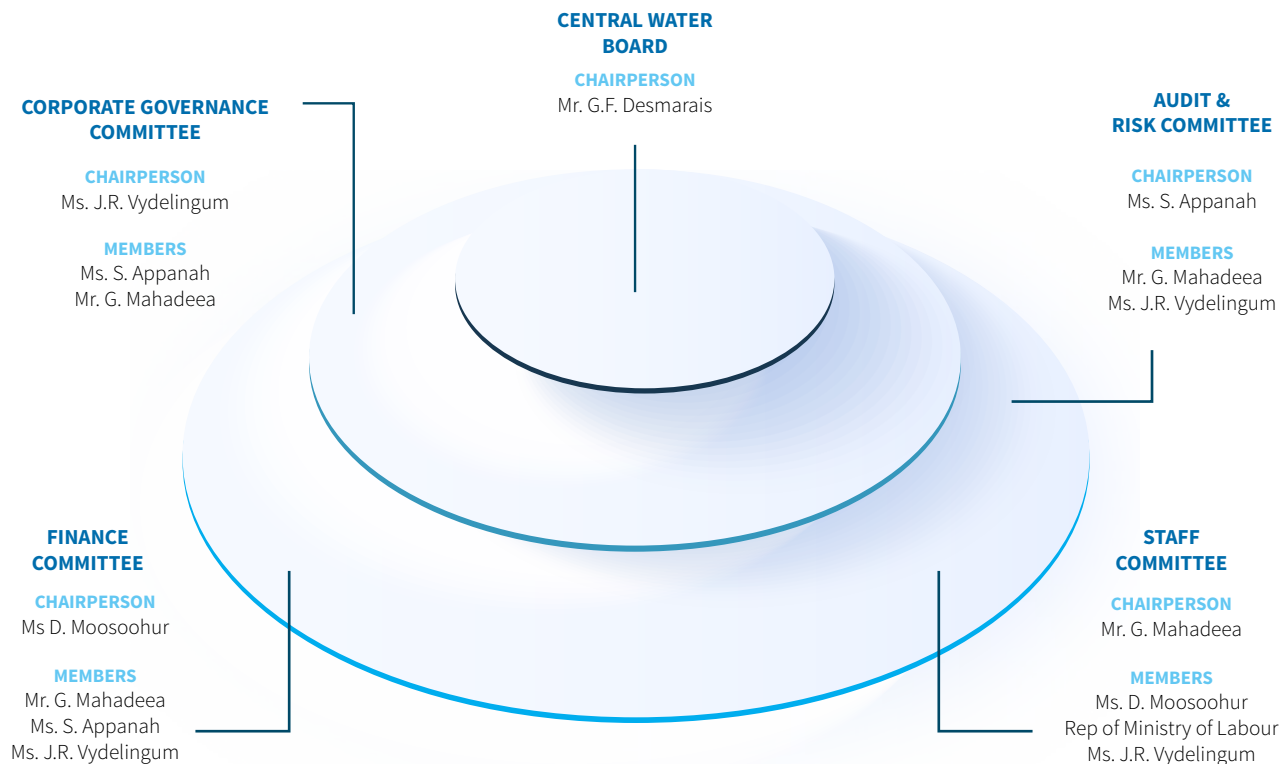
The Organisational Chart of the Authority is published on the website.

THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

BOARD COMMITTEES

As a focal point of the corporate governance system, the Board is aware that it is ultimately responsible and accountable for the performance and affairs of the organization. However, with a view to enabling the directors in discharging their duties through a more comprehensive evaluation of specific issues, the Board has set up a structure of Board Committees. Each Board Committee operates under defined Terms of Reference whereby attention is given to specific issues pertaining to finance and procurement, human resources, project management and monitoring, audit and risk management and corporate governance. The Board Committees are advisory in nature and recommendations are submitted to the Board for approval.

THE STRUCTURE OF THE BOARD AND BOARD COMMITTEES AS FOLLOWS:



FINANCE COMMITTEE

The Finance Committee assists the Board with respect to all financial aspects, procurements and expenditures above the General Manager's financial authority and since June 2018 monitoring of progress of capital projects of the Project Management Office.

Role and responsibilities

The main responsibilities of the Finance Committee include:

- ✓ Reviewing the Authority's financial policies, strategies and make recommendations to the Board on issues discussed at level of the committee;
- ✓ Considering and assessing the recommendation/s of the Procurement Committee (PRC) and the Departmental Bid Committee (DBC) in respect of procurements / expenditures exceeding the financial authority of the General Manager and make recommendation/s to the Board for approval / award;
- ✓ Examining the Authority's annual Budget, Cash Flow Statements and other related issues and to make recommendation/s to the Board;
- ✓ Monitoring the progress of capital projects of the Project Monitoring Office with a view to ensuring that same are on schedule;
- ✓ Discussing and recommending remedial actions as proposed by Management to major issues and bottlenecks affecting the smooth implementation / progress of projects.

As per the Committee Charter:

- *The Finance Committee shall comprise a minimum of three (3) members, all of whom shall be non-executive directors. The Chairperson and members of the Committee shall be appointed by the Board.*
- *The General Manager, The Chairperson of the Procurement Committee (PRC) and the Chairperson of the Departmental Bid Committee (DBC) shall be in attendance.*
- *The Secretary to the Board (or any other officer as may be delegated by the General Manager in the absence of the Secretary) shall act as Secretary to the Committee.*
- *The Committee shall meet at least once a month.*

More information on the Finance Committee can be obtained on the Finance Committee Charter on the CWA's Website.

STAFF COMMITTEE

The **Staff Committee** assists the Board on matters relating to, inter-alia:

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

Role and responsibilities

The main responsibilities of the Staff Committee include:

- ✓ Reviewing the Authority's HR policies, strategies and make recommendations to the Board on issues discussed at the level of the committee;
- ✓ Conducting interviews and making recommendations for recruitment to the Board;
- ✓ Reviewing the recruitment and selection procedures and making recommendation for approval by the Board;
- ✓ Examining the Authority's Training Plan and HR budgetary requirement and other related issues and to make recommendation/s to the Board;
- ✓ Considering and recommending the participation of CWA officers in overseas trainings / seminars / workshops.
- ✓ Examining and making recommendations on policies relating to retention of employees within the Authority.

As per the Staff Committee Charter:

- The Committee shall comprise a minimum of four (4) members, all of whom shall be non-executive directors. The Chairperson and members of the Committee shall be appointed by the Board.
- The General Manager, The Deputy General Manager (Administration) and the HR Director shall be in attendance.
- Any Officer as may be delegated by the HR Director shall act as Secretary to the Committee.
- The Committee shall meet at least once a month.

More information on the Staff Committee can be obtained on the Staff Committee Charter on the CWA's Website.

AUDIT & RISK COMMITTEE

The Audit & Risk Committee assists the Board in discharging its responsibilities and duties in relation to specific matters pertaining to financial reporting process, internal controls, internal audit function, external audit, risk governance, risk frameworks, risk management practices and policies.

Role and responsibilities

The main responsibilities of the Audit & Committee include:

- ✓ Examining and reviewing the quality and integrity of the annual financial statements focussing on the under mentioned points, prior to submission and approval by the Board;
- ✓ Keeping under review the adequacy and effectiveness of the organisation's systems of internal control;
- ✓ Reviewing and approve the charter of the internal audit division and ensure the said division has the necessary resources and access to information to enable it to fulfil its mandate;
- ✓ Meeting regularly with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage) and at least once a year, without management being present, to discuss the auditor's remit and any issues arising from the audit.
- ✓ Overseeing the development of an effective risk management framework for the organization by implementing rigorous internal processes and controls which identify, monitor, measure and report different types of risk.
- ✓ Review the principal risks, including, strategic, financial, operational, compliance, reputational risks and actions taken to mitigate them.

As per the Audit & Risk Committee Charter:

- *The Committee shall comprise a minimum of three (3) members, all of whom shall be non-executive directors. The Chairperson and members of the Committee shall be appointed by the Board.*
- The General Manager, The Head of Internal Audit and other Head of Divisions / Officers (as and when required) shall be in attendance.
- The Secretary to the Board (or any other officer as may be delegated by the General Manager in the absence of the Secretary) shall act as Secretary to the Committee.
- Meetings shall be held at least quarterly, or more frequently as circumstances require.

More information on the Audit & Risk Committee can be obtained on the Audit & Risk Committee Charter on the CWA's Website.

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee assists the Board with respect to Corporate Governance matters and Ethics.

Role and responsibilities

The main responsibilities of the Audit & Committee include:

- ✓ Developing and recommending to the Board a corporate governance framework and a set of corporate governance guidelines.
- ✓ Reviewing and evaluating the implementation of the corporate guidelines within the organization.
- ✓ Periodically reviewing and evaluating the effectiveness of the organisation's Code of Conduct and Ethics.
- ✓ Ensuring that an adequate process is in place for the board and senior management to be in compliance with the organisation's Code of Conduct and Ethics.
- ✓ Reviewing the position descriptions of the chairperson, board committee chairs and recommend any amendments to the board.
- ✓ Reviewing and recommending the implementation of structures and procedures to facilitate the board's independence from management.
- ✓ Monitoring and evaluating the functioning of committees and make any recommendations for any changes including the creation and elimination of committees.
- ✓ Developing charters for any new committees established by the board and review the charters of each existing committee and recommend any amendments to the charters.
- ✓ Overseeing the evaluation of the board as a whole, its committees and individual directors. If the evaluation is being conducted internally, oversee board performance and report annually to the board with an assessment of the board's performance.
- ✓ Ensuring that an adequate process is in place for the board and senior management to comply with the Mauritian Code of Corporate Governance.

As per the Corporate Governance Committee Charter:

- *The Committee shall comprise a minimum of three (3) members, all of whom shall be non-executive directors. The Chairperson and members of the Committee shall be appointed by the Board.*
- The General Manager shall be in attendance.
- The Secretary to the Board (or any other officer as may be delegated by the General Manager in the absence of the Secretary) shall act as Secretary to the Committee.
- The Committee shall meet at least quarterly.

More information on the Corporate Governance Committee can be obtained on the Corporate Governance Committee Charter on the CWA's Website.

DIRECTOR APPOINTMENT PROCEDURES

In accordance with Section 7(2) of the Central Water Authority Act, 1971:

- The Chairperson is appointed by the Minister on such terms and conditions as he thinks fit;
- Two (2) members with experience in agricultural, industrial, commercial, financial, scientific or administrative matters, are appointed by the Minister and hold office for not more than 2 years but are eligible for re-appointment.
- 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 As per Section 17 of the CWA Act:
 - ✓ the Board may, subject to such conditions as it thinks fit, delegate to the Chairperson all or any of its powers, functions and duties, except the power to invest and borrow money;
 - ✓ the Chairperson, may with the approval of the Board, delegate in writing to the General Manager or to any other officer any power delegated to him.

In line with Section 12 of the CWA Act, the General Manager shall attend every meeting of the Board and may take part in its deliberations but he shall not be entitled to vote on any question before the Board.

As per Section 14 of the CWA Act, the General Manager shall be appointed by the Minister on such terms and conditions as he thinks fit.

The General Manager shall act in accordance with such directions as he may receive from the Board or any delegate appointed by the Board.

DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

Director Duties

The Board Directors are aware of their legal duties and responsibilities and may seek independent legal advice, at the expense of the Authority, in respect of any aspect of their duties and responsibilities in line with the Board and Board Committee Charter.

Conflict of Interest

The Chairperson ensures that Board Members disclose any conflict of interest issue that the latter may have pertaining to any specific matter. Disclosure made by any Member is properly recorded in the Minutes of Proceedings. In instances of an actual or potential conflict, the Director concerned is requested by the Chairperson to withdraw himself during the meeting for that specific matter and the aforesaid Director does not participate in the debate / deliberation of the Board.

Declaration of Conflict of Interest issues by Board Members are duly recorded in the Minutes of Proceedings of the Board / Board Committee meetings.

The Board has already adopted a Conflict of Interest Declaration Form (based on ICAC model) for implementation.

INFORMATION, INFORMATION TECHNOLOGY AND INFORMATION SECURITY GOVERNANCE

The Board is fully aware of its responsibility to oversee information governance within the Authority. The Board has given its full support to the IT Business Model Strategic Direction as IT forms an integral part of CWA's environment. The need for a clear strategic direction in Information Technology is imperative for CWA to meet the expectation of its stakeholders in general. Our technological drive is geared towards the improvement of service delivery to maximize customer and employee satisfaction. As and when required, the IT Director is called to give a full presentation and to apprise the Board on investment in IT projects in the Authority and on the progress of the various projects implemented.

To ensure a stable and secure network system, all CWA Staff are required to abide to the established rules and regulations. The usage of the Internet and E-mail is subject to some terms and conditions - any new employee of the CWA is required to sign the Internet/Email Usage Agreement which enlists all the policies governing Internet and Email Usage. Likewise, new employees are also made to sign the Information Technology Resources Usage Agreement for rules pertaining to usage of IT Resources at the CWA.

More details on the IT Projects are available in the Operation Overview under the Information Technology Section.

Board Information

We endeavour to ensure that the Board Directors / Directors of Board Committees be supplied with information in a timely manner to ensure that the latter have sufficient time to take cognizance of the contents to facilitate discussion / decision taking at the level of the Board / Board Committees. As far as possible, the agenda and relevant documents are made available to Board Directors at least 3 days prior to the schedule date of the meeting.

The agenda and Board Papers are forwarded to Board Members through the online BoardPad System. All documents are uploaded in the system and published by the Secretary. Board Members can access these documents on the system by a click of a button on their iPad (each Board Member has been allocated an iPad for that purpose). In rare cases, hard copies are dispatched to Board Members.

The Board has ensured also that Board Members have access to independent professional advice at the organisation's expense in cases where the latter deems it necessary for discharging their responsibilities as directors. Board Members can contact CWA's legal adviser/s directly or through Management (after consultation with the Chairperson).

With effect from **01 January 2019**, the CWA has taken a Director's and Officers Liability Insurance Cover for all its Board Directors and Officers to the extent that the said cover indemnifies them for civil or criminal defence costs, legal representation expenses, damages, judgments and settlements on account of claims in connection to their duties and responsibilities during their tenure of office.

Board Evaluation & Development

Board evaluation has not been undertaken for the FY 2018/19. However, the Board recognizes the importance of such exercise in determining the strengths and addressing the weaknesses of the Board pertaining to specific areas and to address the gap identified.

To ensure that Board Members have a proper understanding of the various tests being undertaken by the CWA ISO-Accredited Laboratories – Chemistry and Microbiology - a guided visit was organised in favour of the Board Members in May 2019. The guided visit has enabled Members to see de-visu the state of the art equipment in use in the CWA Laboratories and the how the various tests are undertaken. Similar guided visits would be organised on the Water Treatment Plants and other major CWA sites so that Members become aware of the various operations of the Authority.

REMUNERATION OF DIRECTORS

In line with the CWA Act, Board members are remunerated in the General Fund as the Minister may determine. The amount paid to each Board Member (including the Chairperson) is duly disclosed in our Annual Report.

Board members are remunerated from the General Fund as the Minister may determine.

The monthly fee payable to the Chairperson was **Rs 90,000/-**.

Board Members were paid a monthly fee of **Rs 10,000/- and Rs 6,000/-** for attending Board meetings and Board committees irrespective of the number of sittings.

Members who act as Chairperson of Board Committees are entitled to an additional fee of **Rs 2,000** for each meeting they are called upon to chair.

As regards interview exercise, the Chairperson was paid a fee of **Rs 1,200** per sitting while Members were paid a fee of **Rs 700** per sitting.

During the period under review, the fees (net of PAYE) paid to the Chairperson and Board Members for attendance at Board and Board Committee meetings amounted to **Rs 2,384,758/-**.



Attendance of Board Members during the period July 2018 to June 2019 as follows:

Board Members	No. of Meetings	Board Committees					Remuneration (Net of PAYE) (Rs)
	Board Meetings	FC	SC	Interview	ARC	CGC	
	15	17	17	81	5	1	
Mr. G. F. Desmarais (Chairperson)	14	-	-	-	-		1,134,918
Representative of Ministry of Energy & Public Utilities							
Ms. D. Moosoohur	15	16	14	8			246,585
Representative of Ministry of Finance & Economic Development							
Ms. S. Appanah	15	14			5	1	200,770
Mr. H. Urdhin (alternate)		1					5,695
Representative of Ministry of Labour, Industrial Relations & Employment							
Mr. M. Caremben	7		8	27			97,155
Ms. A. Imrith (alternate)	7	-	7	26			100,300
Mr. S. Teeluck (alternate)				11			7,565
Appointed Members							
Mr. G. Mahadeea	14	16	17	81	4	1	359,040
Ms. J.R. Vydelingum	11	13	13	47	2	0	232,730
TOTAL							2,384,758

FC: Finance Committee

SC: Staff Committee

ARC: Audit & Risk Committee

CGC: Corporate Governance Committee

The Board Meeting in March 2019 was chaired by Ms. D. Moosoohur, representative of the Parent Ministry as Mr. G.F. Desmarais was on overseas leave.

The Finance Committee held in March 2019 was chaired by Ms. J.R. Vydelingum since Ms. D. Moosoohur was on overseas leave.

In the absence of Ms. J.R.Vydelingum (who was on overseas leave), the 1st Corporate Governance Committee held in October 2018 was chaired by Mr. G. Mahadeea.

RISK GOVERNANCE & INTERNAL CONTROL

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.

To ensure that the Internal Activities are effectively managed and add value to the organization, the internal audit plan is developed based on prioritization of areas (financial audit, technical audit and compliance audit) using a risk-based approach.

An Audit & Risk Committee has been set up to assist the Board in discharging its responsibilities pertaining to, inter alia, Risk Management and Internal Control. Matters pertaining to Risk Governance and Risk mitigation and Internal Control system are discussed thoroughly at the level of the Audit & Risk Committee and recommendations made to the Board for approval.

The risk management framework of the authority is being further reviewed and updated so as to ensure risks are being properly managed in creating, preserving, and realizing value.

Risk Governance

The Board is responsible for the definition of overall strategy for risk tolerance to monitor management and the assurance process on risk management and to take corrective action where and when deemed necessary.

Management is accountable to the board for the design, implementation and detailed monitoring of the risk management process.

As such, with the implementation of a risk mitigation plan, management provides reasonable assurance to the Board that the risks are being properly managed. Each division is responsible to prepare and update the risk mitigation plans as well as to take appropriate corrective measures within a defined timeline with a view to mitigating the risk/s identified. The risk mitigation plans are then reviewed by the Audit & Risk Committee, after which same is communicated to the Board.

The identified risks are further categorised using the PESTEL Factor Analysis:

P	E	S	T	E	L
Political	Economic	Social	Technological	Environmental	Legal
e.g. government change, international trade, taxation policy	e.g. interest rates, exchange rates, national income, inflation, unemployment	e.g. ageing population, attitudes to work, income distribution	e.g. innovation, new product development, rate of technological obsolescence	e.g. global warming, environmental issues	e.g. competition law, health and safety, employment law

The major risks identified by the different divisions have been categorised as follows:

RISK CATEGORY	RISK	IMPACT
POLITICAL/ SOCIAL	Non-review of water Tariff;	Budgetary constraints;
ECONOMIC	Contractual Claims;	Financial burden on CWA
ECONOMIC	High Turnover of Technical Staff	Project of capital / public interest can be jeopardised
ECONOMIC	Fraud	Financial loss
SOCIAL	Riot;	Infrastructural damage; Security & Safety of employees at stake
SOCIAL	Disruption of Water Supply	Public Outcry
TECHNOLOGICAL	System/Network failure;	Operation slow-down;
TECHNOLOGICAL	Hacking / Cybercrime	Loss of critical data
ENVIRONMENTAL	Drought Water Contamination Chlorine Leakage	Public Outcry
LEGAL	Health & Safety Issues Employment Law / Disciplinary procedures	Legal actions

INTERNAL CONTROL

Internal control is a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance.

The Board and operational management are responsible for the implementation of controls and the management and mitigation of risks. The Board is further assisted in its responsibilities by the Audit & Risk Committee which oversees the effectiveness of the Authority's internal control systems. In carrying out its duties, the Audit & Risk Committee receives regular reports from the Internal Audit Division.

The mission of Internal Audit is to provide an independent, objective assurance and consulting activity, to add value and improve CWA's operations. It helps the Authority accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The Internal Audit approach is in line with the approved Internal Audit Charter and the definition of Internal Audit as issued by the Institute of the Internal Auditors. The assurance function comprises mainly internal audit services which help towards strengthening the internal control environment. The Internal Audit Division is also contacted to provide for special services considered as special assignment and for which there is a specific term of reference.

An internal audit plan is also prepared to address areas of risks by ensuring that appropriate methods, techniques, and processes are employed during the audit.

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

The Internal Audit Division measures on regular basis the effectiveness of the internal control in place and makes appropriate recommendations to the Audit & Risk Committee on a quarterly basis through audit reports.

- A General Disbursement Procedures (GDP) Manual, as approved by the Board, serves as a reference guide for the benefit of all Budget Holders. The GDP assists Users / Budget Holders to follow financial controls which ascertain the accuracy and integrity of disbursements. Much of these general procedures relate to ensuring the genuineness and reasonableness of payment transactions and building reliance by all stakeholders in the internal control system. All Officers are required to ensure strict compliance with the GDP.
- With a view to further strengthening the internal control system in the Authority, the Board has requested Head of Divisions to prepare a Procedure Manual relevant to their respective division. The exercise is being followed-up by the Internal Audit Division.
- Moreover, on the recommendation of the Internal Audit, instruction notice on specific matters pertaining to internal control system are issued / updated accordingly at regular intervals.

REPORTING WITH INTEGRITY

The Board is responsible for the preparation of accounts that fairly present the state of affairs of the organisation.

For financial year 2018/19, the Financial Statements have been prepared under accrual IPSAS, in line with the Financial Reporting Act, as amended, with a view to ensuring consistency in the application of accounting standard in the Public Sector and in line with Government reform to develop a modern accounting and reporting framework.

Moreover, in line with the Statutory Bodies (Accounts & Audit) Act, as amended, a Performance Agreement, incorporating its key performance indicators on its targeted output in respect of the next financial year has been prepared and agreed with the Parent Ministry in April 2019. However, following the presentation of the National Budget 2019/20 on 10 June 2019, the Parent Ministry requested that CWA's Performance Agreement be reviewed in line with KPI targets set in the 3-Year Strategic Plan 2019/20 to 2021/22 for the Water Sector.

The Board ensures that in the preparation of the Financial Statements, the Authority 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

The Board ensures that there is strict compliance as regards the statutory deadline for submission of Annual Report to the National Audit Office and the audited annual report shall be published on the Authority's website.

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.

Recognising that the operational activities involve permanent exposure to hazards and the safety of its employees is a constant concern, the CWA carried out Hazard Identification and Risk Assessment on all CWA sites on regular basis.

Moreover, in line with the requirements of the Occupational Safety & Health Act 2005, the following activities are undertaken:

- Safety & Health Committees are conducted every two months to look into all aspects health and safety pertaining to the Authority;
- Regular safety and health audit is undertaken on all CWA sites;
- Machinery inspection;
- Training of Safety & Health aspects;
- Yearly fire drill exercise on all major sites.

As per OSHA 2005, the following are undertaken by the Safety & Health Department of the CWA:

The recommended measures, inter-alia, provision of protective equipment, provision of safety signs, training programmes among others are duly implemented. These measures help to mitigate risks and provide safer working conditions that will undoubtedly help to reduce accidents, injuries and occupational illnesses.

Two full time Safety & Health Officers are in post at the CWA in line with the requirements of OSHA 2005.

ENVIRONMENTAL ISSUES

In its quest to save energy and to protect our environment the CWA has initiated measures for improving energy efficiency and implementing energy saving measures across its organization.

- Some 15% of the total energy requirement at La Marie Water treatment Plant is produced from hydro generator;
- Some 10 kw of electricity is produced from Grid tie photovoltaic system installed at CWA Head-Office, St Paul;
- PV lighting system have also been installed at Head-Office and several reservoir sites;
- A contract for supply, installation and commissioning of Grid-Tie Solar Photovoltaic system at 12 CWA sites was awarded in October 2018 with completion in May 2019.

SOCIAL ISSUES

In accordance with Schedule 13 Part 1 of the Training and Employment of Disabled Persons Board Act, an employer having a workforce of 35 or more workers should employ disabled persons representing 3% of the total labour force.

In the fulfilment of its responsibility to assist persons with disabilities to completely integrate the mainstream of society, the endeavours to ensure compliance with the aforesaid Act.

As at **30 June 2019**, eleven (11) disabled employees were in post in the Authority as compared to five (5) at **30 June 2018**.

POLITICAL & CHARITABLE DONATIONS

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

AUDIT

The Authority has an independent Internal Audit Division which reports functionally to the Audit and Risk Committee and administratively to the General Manager.

- A proper communication line has been established between the Chairperson of the Audit & Risk Committee and the Head of the Internal Audit Division of the Authority.

The responsibility of the Internal Audit Division is to evaluate and provide reasonable assurance that the risk management, internal process & control and governance systems are functioning as intended to achieve the Authority's goals and objectives.

With a view to ensuring that the Internal Activities are effectively managed and add value to the organization, the internal audit plan is developed based on prioritization of areas using a **risk-based approach**. The level of risk is assessed based on the operational activities carried out by the Authority, its funding requirements and the weaknesses identified during audit tests carried out in the past by Internal or External Auditors. Moreover, particular attention is also paid to those risks which are inherent by nature and an attitude of professional scepticism and judgmental approach is also adopted when different areas are selected to include in the Audit Plan so that appropriate recommendations can be made.

The Internal Audit Plan 2018/19 has been classified under four (4) main headings:

- Financial Audit
- Contract Management
- Management Audit / Compliance Audit
- Investigation & Enquiry

The Internal Audit Plan is discussed and approved by the Audit & Risk Committee on a yearly basis at the beginning of the Financial Year and is ratified by the Board.

Since August 2017, the Internal Audit Division was headed by a Senior Audit Officer (on contract basis). However, following the resignation of the Senior Audit Officer from the services of the Authority in **October 2018**, the senior-most Senior Internal Control Officer was assigned duties of the Chief Internal Auditor with effect from **01 November 2018**. Procedure for filling of the post of Chief Internal Auditor, on establishment was initiated in the meantime. As at **30 June 2019**, the Chief Internal Auditor, on establishment of the Authority, had not yet assumed duty and was expected to assume duty on 01 July 2019.

AUDIT COMMITTEE & AUDITORS

The Board has established a formal arrangement through the Audit & Risk Committee to maintain an appropriate relationship with both the internal and external auditors.

A first meeting between Members of the Audit & Risk Committee and the External Auditors has been held this year to discuss, inter alia, the various issues raised in the Management letter.

RELATIONS WITH KEY STAKEHOLDERS

With a view to ensuring a proper communication with the key Stakeholders, the Board has decided to hold a meeting on an annual basis with Members of the Water Advisory Council – Committee which regroup all stakeholders in the water sector (representatives of local authorities – district councils and municipal councils – representative of Mauritius Chamber of Agriculture, representatives of CWA employees, other members appointed by the Minister).

✓ No meeting was held by the Board with the Water Advisory Council during the FY 2018/19.

Moreover, all major works that are being undertaken at the level of CWA with a view to improving the water supply situation in Mauritius are communicated to the major stakeholders (consumers) by way of media broadcasts, communiqués.

For transparency purpose, all major board decisions that are taken by the Board are uploaded on the CWA Intranet to apprise the employees.

STATEMENT OF COMPLIANCE

Name of PIE: Central Water Authority

Reporting Period: 30 June 2019

We, the Directors of Central Water Board, confirm that to the best of our knowledge, the Authority has not fully complied with the principles of the Code of Corporate Governance, for the reasons stated below:

AREAS OF NON-COMPLIANCE OF THE CODE		EXPLANATION FOR NON-COMPLIANCE
Principle 2	Statutory Corporations and parastatal bodies should have a qualified Company Secretary or arrange to have one as soon as possible.	<p>CWA has already initiated procedures for the recruitment of a Legal Officer who, upon appointment, will act as Company Secretary.</p> <p>However, no appointment has been made as at 30 June 2019.</p> <ul style="list-style-type: none"> A first exercise which was launched in August 2018 through a recruitment agency had been cancelled and it was decided that the post be advertised by way of an open advertisement. As regards the 2nd exercise that was launched in December 2018, Minister's approval was not obtained for the appointment.
Principle 4	SBs should evaluate their Board, committees and directors on a regular basis.	The matter will be discussed at the level of the Parent Ministry on the way forward.
Principle 5	The Board of all SB's are responsible for risk governance and should ensure that such organisation develop and execute a comprehensive and robust system of risk management.	<p>The Head of Internal Audit (<i>who was on contract basis</i>) resigned from the services of the Authority in October 2018. The exercise for the recruitment of a Chief Internal Auditor (CIA) - on Establishment - was launched internally in September 2018 and externally in November 2018. The CIA (on Establishment) is expected to assume duty in the Authority in July 2019.</p> <p>A proper system of Risk Management and Internal Control System will be put in place in consultation with the Audit & Risk Committee during the year 2019/20.</p>
Principle 8	Relations with Key Stakeholders. It is recommended that, at least once a year, all Boards of SBs meet with their shareholders (may be represented by the Parent Ministry) and other key stakeholders.	<p>No meeting has been held yet by the Board with the Water Advisory Council (WAC) during the year 2018/19.</p> <p>The Board will ensure that a meeting be scheduled with the WAC during the next financial year.</p>



G.F. Desmarais
Chairperson, CWB



J.R. Vydelingum
Chairperson, CGC

SENIOR MANAGEMENT TEAM

JULY 2018 TO JUNE 2019



GENERAL MANAGER
Dr Yousouf Ismaël



CHIEF OPERATIONS OFFICER
Mr. Chandrassen Matadeen
*(assigned duties as Chief Operations Officer
wef June 2017)*



**DEPUTY GENERAL MANAGER
(ADMINISTRATION)**
Mr. Hermann Joseph
(Retired with effect from 10 September 2018)



CHIEF ENGINEER WR/OSS
Mr. Sewkumarsing Dinassing
*(assigned duties as Chief Engineer
wef December 2017)*



**CHIEF ENGINEER
(PROJECT MANAGEMENT OFFICE)**
Mr. Dineshwar Lutchmun

Mr. Rishideo Gobin
(Retired with effect from 25 August 2018)

Mr. Chan Chit Cheong
(assigned duties as Chief Engineer wef July 2018)

Mr. Sewraj Busgeeth
(assigned duties as Chief Engineer wef August 2018)



**CHIEF ENGINEER
(OPERATIONS)**
Mr. Madhoochandra Lobind
(assigned duties as Chief Engineer – wef August 2017)



CHIEF FINANCIAL OFFICER
Mr. Outtum Issur



IT DIRECTOR
Mr. Dhanveersingh Juddoo

SENIOR MANAGEMENT TEAM (CONT'D)

JULY 2018 TO JUNE 2019



ADMINISTRATIVE MANAGER
Mr. Ramakrishna Neelayya



MANAGER PROCUREMENT & SUPPLY
Ms. Nazima Beebee Bhaukaurally



**MANAGEMENT INFORMATION UNIT
ECONOMIST / ANALYST**
Mr. Atish Soobroydoo



HR DIRECTOR
Mr. Pravin Ballyraz
(up to 26 April 2019)

Ms. Madina Surfraz
*(assigned duties as Human Resource Manager
wef May 2018)*

DIRECTOR COMMERCIAL SERVICES
Mr. Dhruv Sungkur
(appointed wef 14 March 2019)

Mr. Prithiviraj Kissoon
*(assigned duties as Manager Commercial Services wef
September 2018 up to 13 March 2019)*

**INTERNAL AUDIT
SENIOR AUDIT OFFICER**

Ms. Reshma Neermaul
(resigned on 29 October 2018)

Ms. Kamselle Sabapathee
*(assigned duties as Chief Internal Auditor wef November
2018)*

**COMMUNICATION
COMMUNICATION OFFICER**

Mr. Mehboube Ali Soliman
(up to 26 February 2019)

Mr. Julien Dureau
*(assigned duties as Communication Officer wef 27
February 2019)*



TRANSPORT
Mr. Irfan Khodadeen
*(assigned duties as Transport Superintendent wef
November 2014)*

The background image shows a complex industrial facility, possibly a water treatment plant, with various pipes, valves, and structural elements. The entire image is overlaid with a semi-transparent blue filter. A large, light-colored circular graphic is positioned in the upper right quadrant, partially overlapping the industrial structures. The text 'OPERATIONAL REVIEW' is prominently displayed in the lower left area.

OPERATIONAL REVIEW

WHEN YOU'VE BEEN IN BUSINESS FOR 46 YEARS, YOU ACCUMULATE SOME COMPELLING NUMBERS.

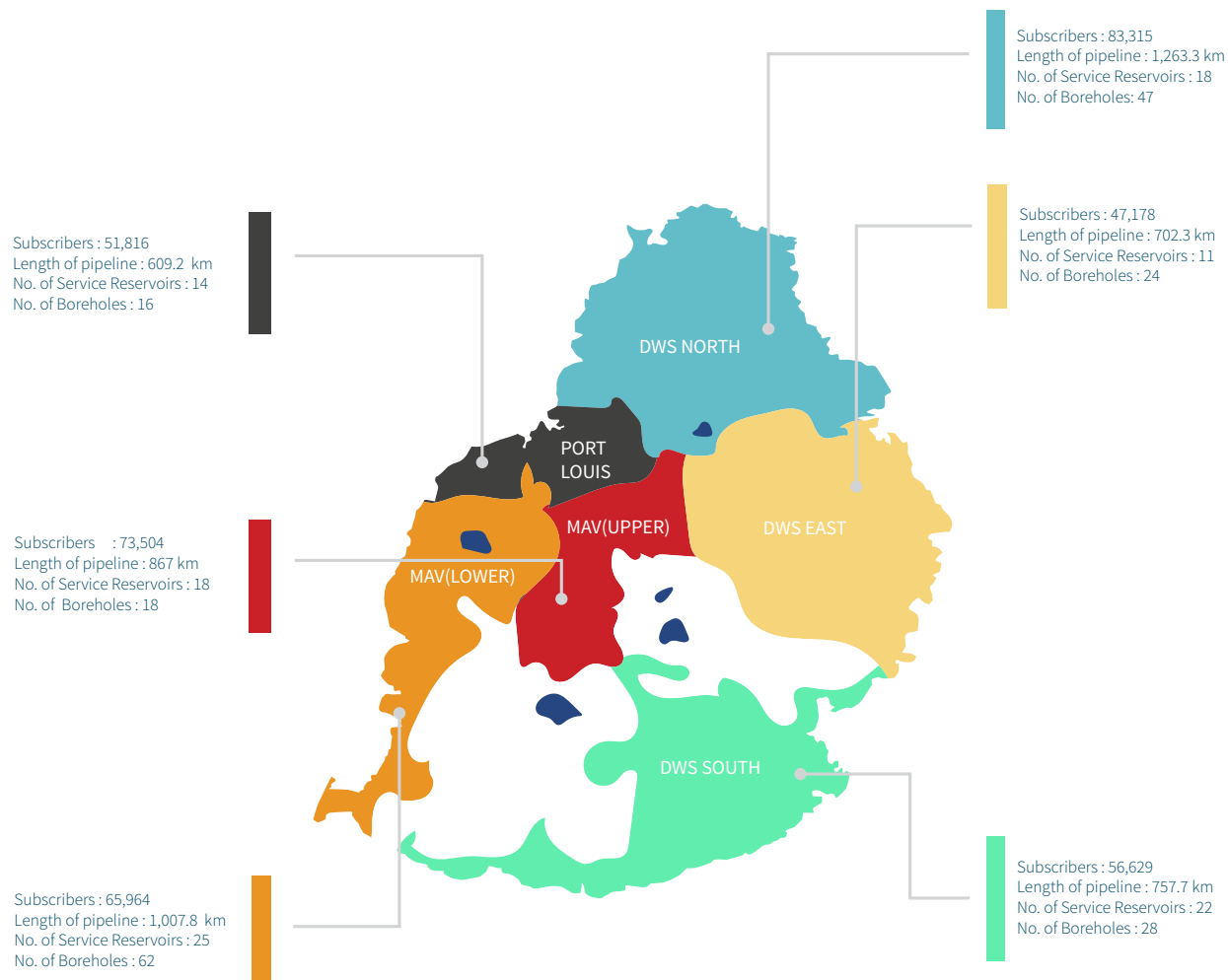
Those numbers tell a story. At Central Water Authority (CWA), our numbers tell of a longstanding parastatal body that creates value in every respect. They tell of reliable service for over one million people and of dependable returns for the country's economic development. This year, once again, we're proud to share our numbers with you.



IT ALL ADDS UP TO SOMETHING GOOD.

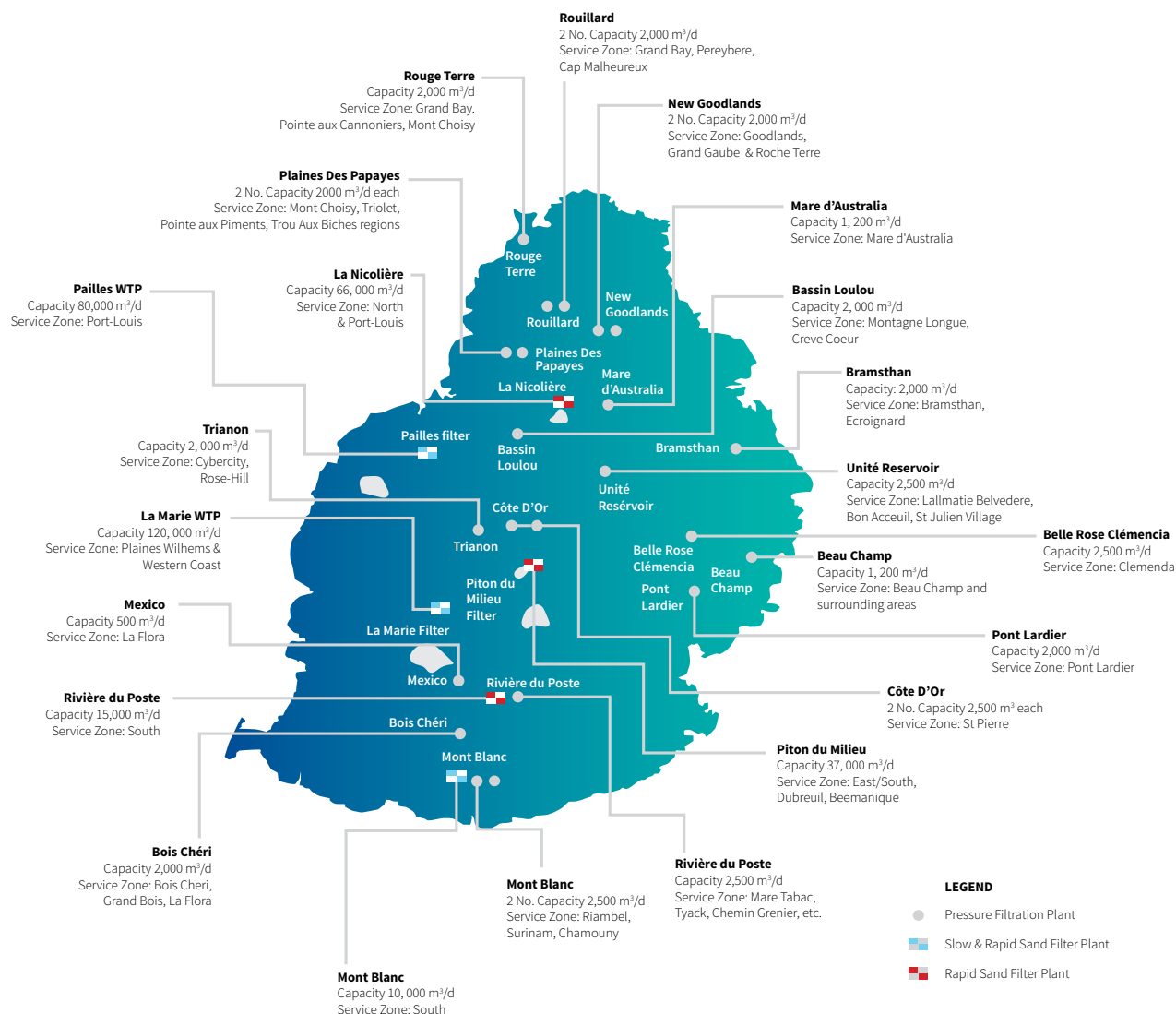
WATER SUPPLY SYSTEM IN MAURITIUS....

Distribution Water Supply Zones



WHERE RAW WATER IS TRANSFORMED INTO POTABLE WATER AROUND THE ISLAND...

WATER TREATMENT PLANTS

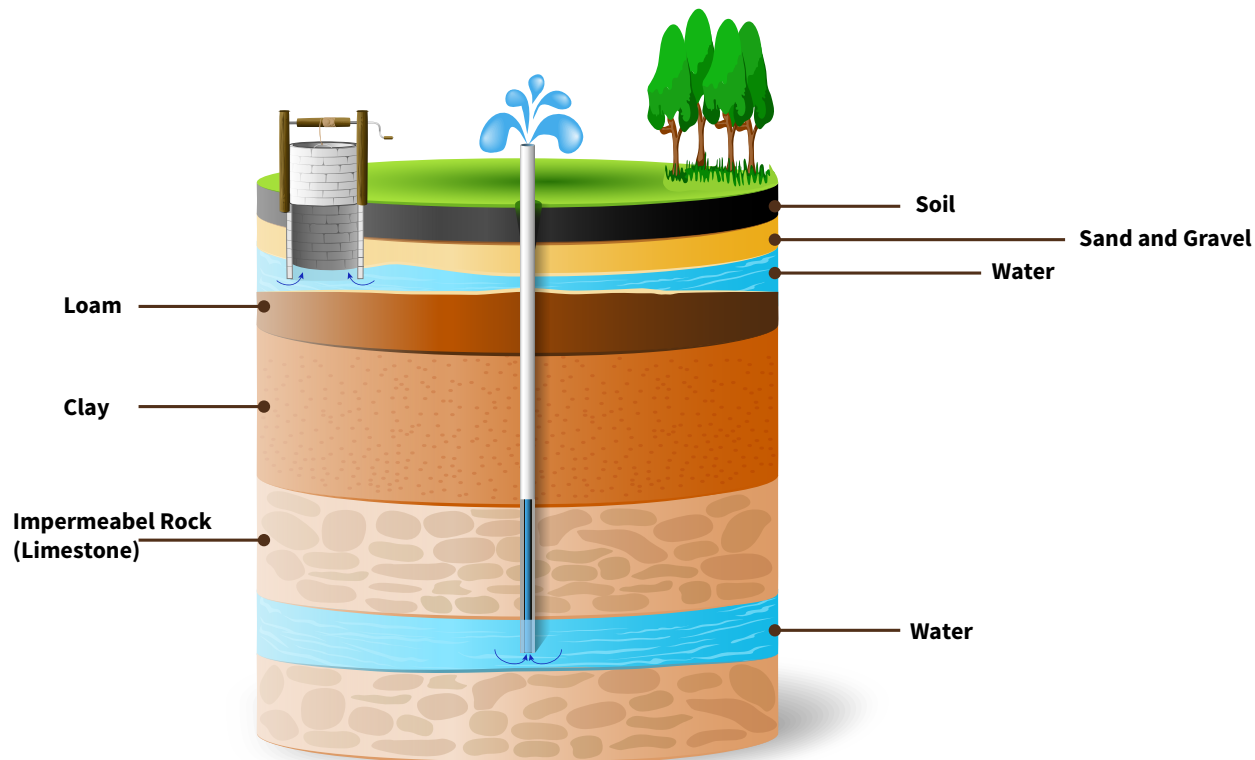


MOBILE PRESSURE FILTRATION PLANTS INSTALLED IN FY 2018/19

SN	LOCATION	TREATMENT CAPACITY (M ³ /DAY)	INSTALLATION DATE
1	La Marie 1	2,000	Jul-18
2	La Marie 2	2,000	Jul-18
3	Balisson	2,000	Jul-18
4	Rivière du Poste	2,000	Jul-18
5	Mexico	2,000	Jul-18
6	Pont Lardier	2,000	May-19
7	New Goodlands	2,000	May-19
8	Rouillard	2,000	Jun-19
9	Plaines des Papayes 1	2,000	Jun-19
10	Plaines des Papayes 2	2,000	Jun-19
TOTAL		20,000	



WHAT IS GROUND WATER?



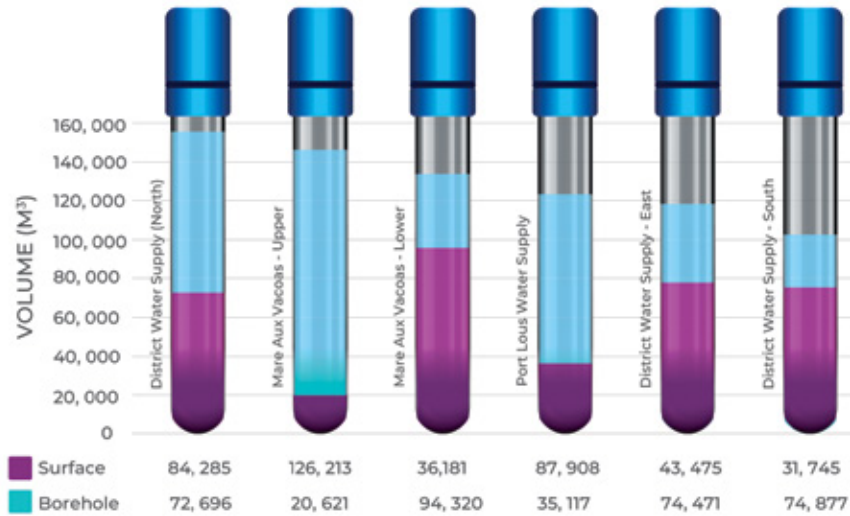
NEW BOREHOLES & DUPLICATE BOREHOLES

To cater for future demand and to improve water supply in water stress areas, Water Resources Unit (WRU) has drilled and handed over to the CWA 3 new boreholes, namely at Telfair, Beau Songes and Bonne Mère during FY 2018-19. To assist in security of supply, 3 duplicate boreholes were drilled during FY 2018-19 by the CWA as per list below:

SN	DUPLICATE BOREHOLE	COMPLETION DATE
1	Old Yemen	Jul-18
2	New Yemen Borehole 853	Jul-18
3	Belle Rose 42 C	Jun-19

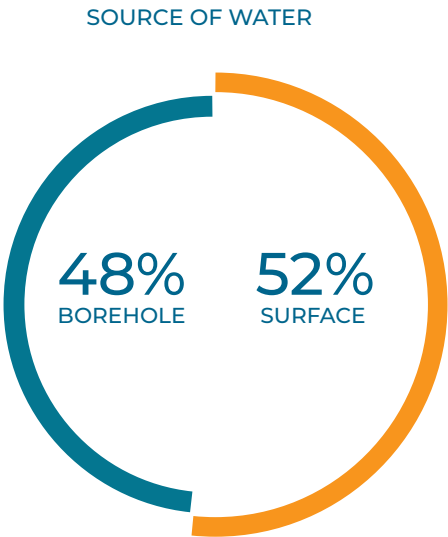
WATER PRODUCTION FIGURES....

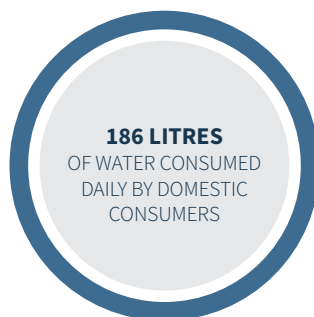
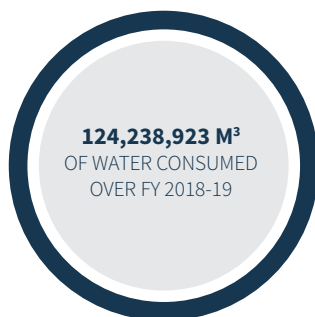
AVERAGE DAILY WATER PRODUCTION (M³) FOR PERIOD JULY 2018 TO JUNE 2019



TOTAL WATER PRODUCTION (M³) FOR PERIOD JULY 2018 TO JUNE 2019

SECTION	BOREHOLE	SURFACE	GRAND TOTAL
DISTRICT WATER SUPPLY (NORTH)	26,534,191	30,764,161	57,298,352
MARE AUX VACOAS - UPPER	7,526,553	46,067,766	53,594,319
MARE AUX VACOAS - LOWER	34,426,951	13,206,150	47,633,101
PORT LOUIS WATER SUPPLY	12,817,621	32,086,299	44,903,920
DISTRICT WATER SUPPLY - EAST	27,181,734	15,868,549	43,050,283
DISTRICT WATER SUPPLY - SOUTH	27,330,063	11,586,922	38,916,985
ALL SECTION	135,817,113	149,579,847	285,396,960





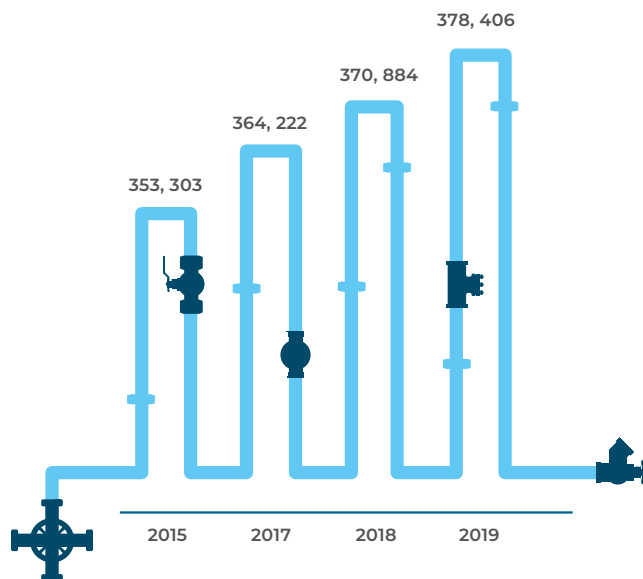
**PROVIDING SAFE DRINKING WATER THROUGH PROMPT,
RELIABLE, PROFESSIONAL SERVICES, WITH HEALTH AND
SAFETY OUR PRIMARY CONCERN**



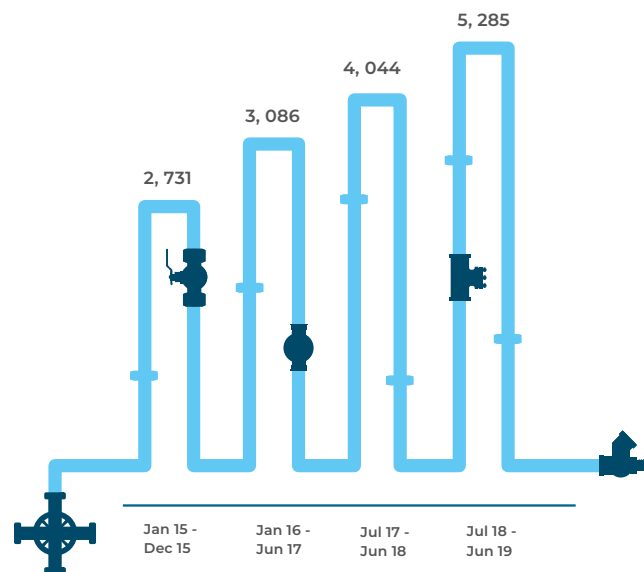
CUSTOMERS CATEGORISED UNDER 6 SECTIONS THROUGHOUT THE ISLAND RELY ON US

Over one million Mauritians, as well as tourists coming to Mauritius, depend on us to provide safe and reliable water each and every day. Our investment per customer connection continues to increase, reaching Rs 5,285. Customer satisfaction is at the core of the authority's activity. In fact, at the Central Water Authority, all employees' job purpose is directly tied to customer satisfaction. Our sub offices around the island continue to receive high marks from the inhabitants on providing excellent customer service delivery, adhering to customer requests, managing local relationships, and meeting contractual and regulatory requirements.

EVOLUTION OF SUBSCRIBERS



INVESTMENT PER SUBSCRIBER (Rs)



EVERYWHERE WE OPERATE, WE TAKE PRIDE IN DELIVERING SOMETHING ESSENTIAL TO THE QUALITY OF OUR CUSTOMERS' LIVES.



CUSTOMER SERVICES

The CWA positions itself as a customer-centric organization with a view to attaining excellence in customer service delivery. More customer-friendly business operations, rapid service delivery, and provision of additional payment channels were among the numerous measures taken during the period July 2018 – June 2019 to provide yet a better service to our customer base which, at the financial year-end reached 378,406 subscribers in Mauritius. Special attention was also given to our more vulnerable customers through the provision of various assistance schemes.

CUSTOMER SERVICES AND INTERACTIONS

All customer contacts throughout the island are managed by the Customer Services, which consists of 8 sub-offices comprising Customer Service and stand-alone Cash Offices.

UPGRADING OF CUSTOMER SERVICE CENTRES

The programme for the upgrading of CWA Customer Service Centres and other offices island-wide is an ongoing process with a view to providing a pleasant environment to our stakeholders.

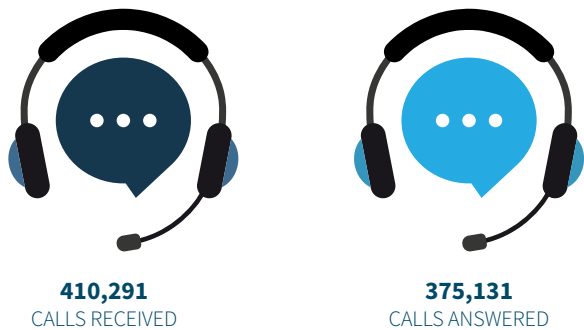
SERVICE RESPONSE TIME

The response time to requests from customers is a very important aspect of our service delivery and requires close monitoring. Two Key Performance Indicators (KPIs) have been set up to that effect. The first KPI indicates the average number of days between an application being lodged at the CWA and the first site visit to the customer's premises which is a maximum of 7 working days. The second KPI indicates the average number of days between payment being made for a new supply and the effective connection to the CWA Distribution Water Supply (DWS) system which is a minimum of 3 working days to a maximum of 7 working days.

During the FY 2018-19, a total of 8,610 applications for new water supply were received. Our Operation Team strives as far as possible to ensure compliance with the above KPIs in line with our Customer Charter.

CWA HOTLINE “170”

The CWA is one of the few organisations in Mauritius which provide hotline services on a 24/7 basis to our stakeholders. During the period July 2018 – June 2019....

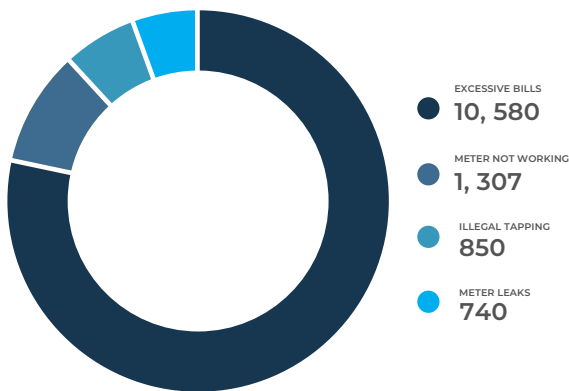


SERVICE LEVEL – 91%

COMPLAINTS...

Complaints are registered through the Customer Service System (CSS) which allows the authority to obtain feedback on how to improve its services and to decrease the likelihood of problems with the customers. In line with our objective of achieving customer excellence, the Commercial Division endeavours to attend to complaints as per Response Time specified in the Customer Charter. The major critical complaints attended and the average Response Time are reflected below:

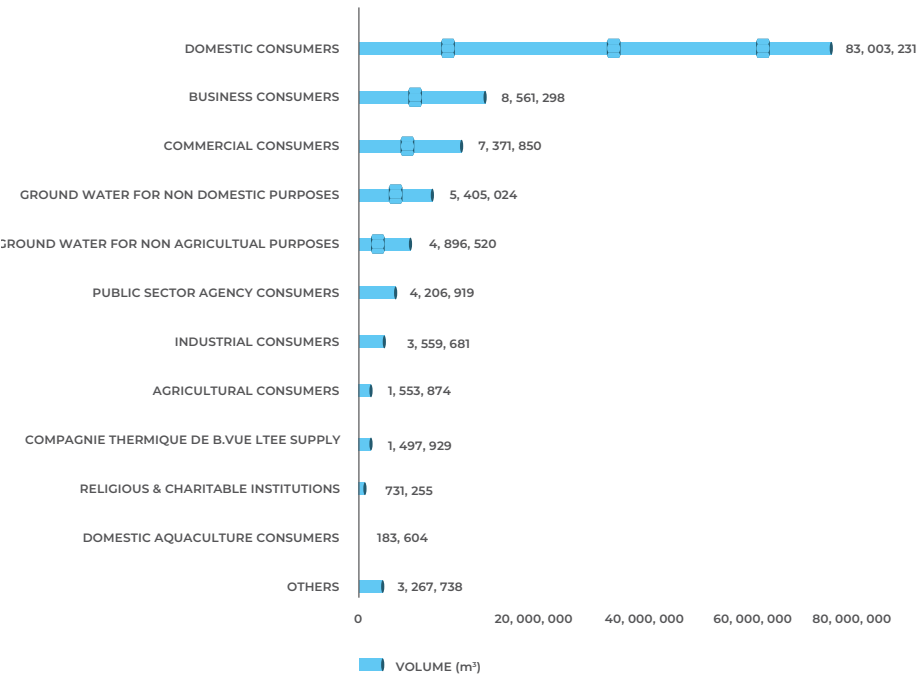
CRITICAL COMPLAINTS ATTENDED BETWEEN JULY 2018 AND JUNE 2019



COMPLAINTS	RESPONSE TIME AS PER CUSTOMER CHARTER (DAYS)	AVERAGE RESPONSE TIME FOR FY 2018-19 (DAYS)
EXCESSIVE BILLS	7	8
METER NOT WORKING	7	8
ILLEGAL TAPPING	3	9
METER LEAKS (COMMERCIAL)	7	10

WATER CONSUMPTION FIGURES....

TOTAL WATER CONSUMPTION (M³) BY CATEGORY OF SUBSCRIBERS FOR PERIOD JULY 2018 - JUNE 2019



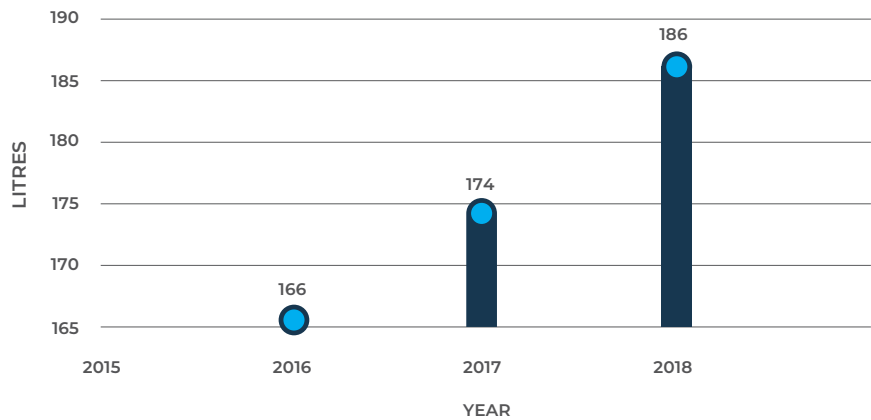
124,238,923 M³



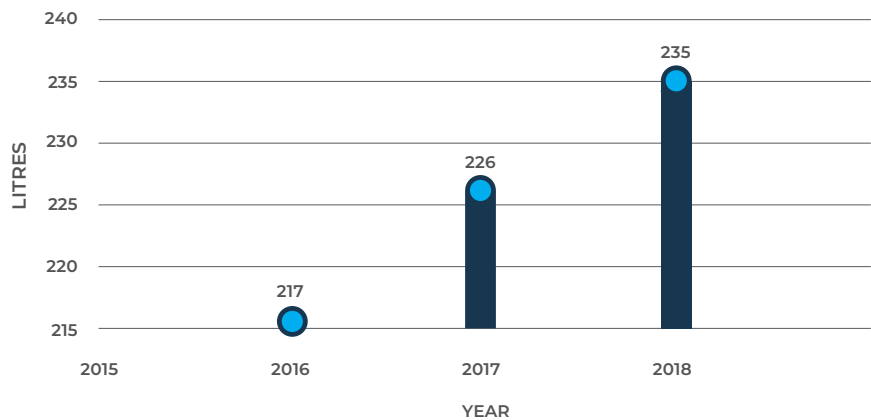
PER CAPITA WATER CONSUMPTION

Per Capita Water Consumption means the average amount of water each person uses on a daily basis, expressed as litres per capita per day. Per Capita Water Consumption for Mauritius was as below:

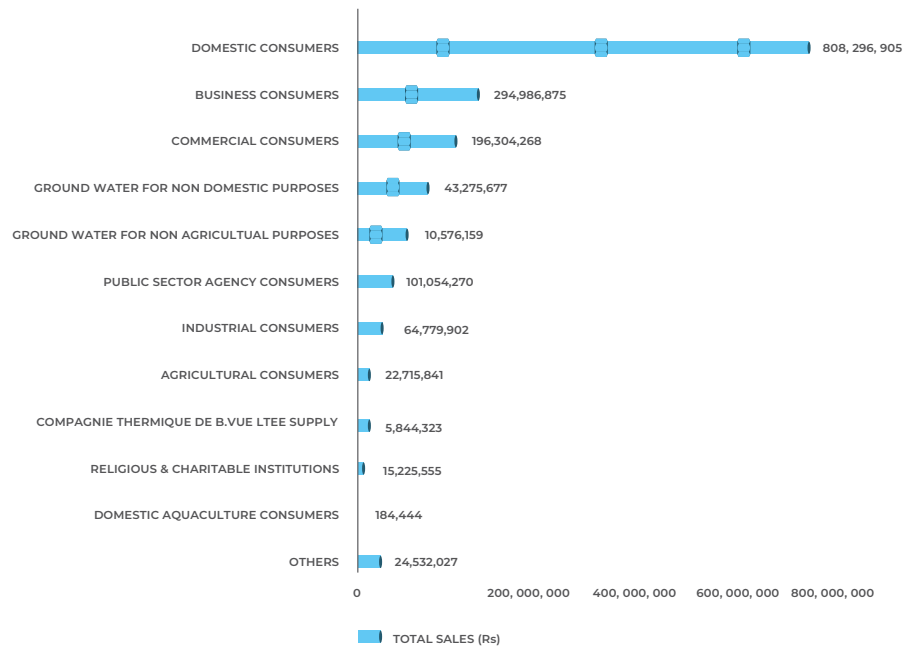
DAILY PER CAPITA WATER CONSUMPTION
(LITRES) FOR DOMESTIC CONSUMERS



DAILY PER CAPITA WATER CONSUMPTION
(LITRES) FOR ALL CATEGORIES



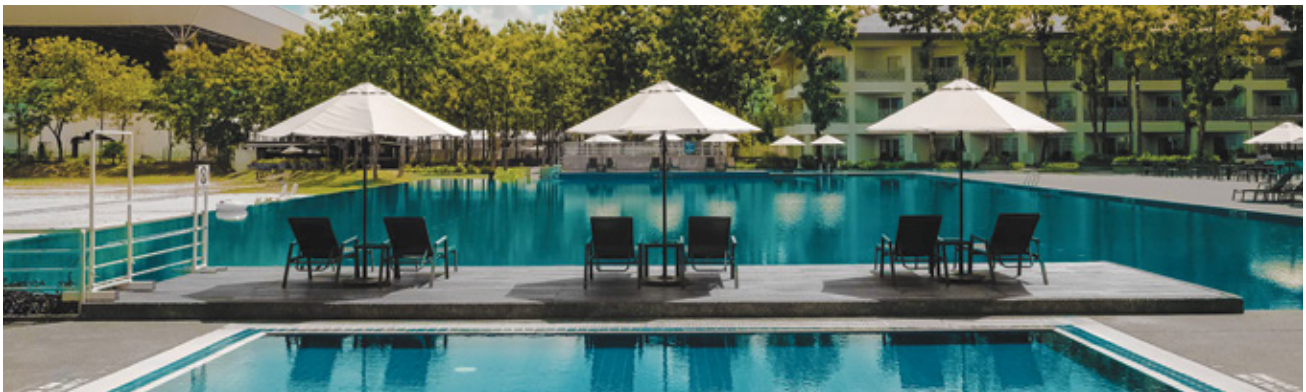
TOTAL WATER REVENUE (RS) BY CATEGORY OF SUBSCRIBERS FOR PERIOD JULY 2018 TO JUNE 2019



RS 1,587,776,246

BIG CONSUMER UNIT (BCU)

The Big Consumer Unit which was set up in 2007 is one of the most significant sub unit of the Commercial Division. It caters for some 2,500 consumers and contributes towards 40 % of revenue of the Authority. During the FY 2018-19, an additional amount of Rs 8,436,464 was collected. It targets some big consumers whose meters are of 25mm and above such as industrial entities, companies and hotels.



FRAUDWATCHERS

The Anti-Fraud Unit was set up in September 2004. It acts as a deterrent in relation to pilferage of water and as such ensures that revenue loss to the Authority is minimised. During the Financial Year 2018-19, around 472 cases of illegal tapping were unearthed, thus bringing additional revenue to the tune of Rs 2.7M to the Authority.

One case of illegal tapping showing an underground by-pass before the meter is illustrated below:



Underground bypass before meter

WATER TANK GRANT SCHEME

A water tank subsidy was introduced in the 2011 National Budget to support low income families to procure a water tank so as to relieve them from the hardship caused by restricted hours of water supply. Initially, families with a monthly household income ceiling of Rs 10,000 were eligible for a grant of Rs 3,000. The grant was increased to Rs 5,000 in year 2015. The income ceiling has been further increased to Rs 30,000 as from July 2018. In the 2019/20 National Budget, the government has again increased the income ceiling from Rs 30,000 to Rs 50,000 to enable consumers to benefit from a Water Tank as well as a Water Pump. The number of application approved by the Ministry of Energy and Public Utilities (MEPU) from January 2015 to date is listed below:

YEAR/PERIOD	APPLICATION APPROVED	AMOUNT DISBURSED (RS)
Jan 2015 to June 2015	1,961	13,528,000
July 2015 to June 2016	4,579	17,971,210
July 2016 to June 2017	6,463	24,859,560
July 2017 to June 2018	11,763	46,698,326
July 2018 to June 2019	8,583	52,084,040
Total	33,349	155,141,136



COMMUNICATION

The communication department which was integrated in the Authority's hierarchical structure since May 2008, plays a vital role in enhancing the corporate image of the organization vis-a-vis the media, government, and other stakeholders. The communication team ensures, inter-alia, the coordination of PR activities, save water campaigns throughout the island, press conferences, press releases, communiqués and proactive actions to be adopted in case of complaints.



MEDIA RELATIONS

Media relations is one of the daily routine work in the communication department. During the year under review, CWA has issued several informative articles / communiqués to apprise the population in general of the numerous major capital projects undertaken by CWA with a view to improving the water supply in different regions.

PUBLIC - RELATIONS

Building relationships with consumers and responding to inquiries from the public fall under the public relations function of the Communication department. In collaboration with the hotline

section, nursing calls and site visits are undertaken to assure that the best services are given to the consumers. In cases of broken pipe, the regional coordinators liaise with the Communication Unit to issue communiqués to inform the public of the possible water cut or irregular supply of water which can be due to various factors.

Moreover, pamphlets and other printed materials are distributed to inform the general public on the different ongoing projects that are undertaken by the Central Water Authority. During the Financial Year 2018-19, more than 100 PR exercises have been conducted throughout the island mainly in areas where the replacement of pipelines took place.



SOCIAL NETWORK

The Communication Unit in collaboration with the IT department manages a website that provides all the latest updates regarding the authority. The implementation and hosting of a new modern, user-friendly website is ongoing and will be launched soon.

The communication team is actively participating on its Facebook page, monitoring consumers' requests and complaints and responding to them as quickly as possible.



CUSTOMER PORTALS AND SAVE WATER CAMPAIGNS

The communication team is also involved in attending complaints on the CSU Portal on a daily basis. They also respond directly to relevant calls and emails from customers.

For the Financial Year 2018/19, a total of 15 “Save Water Campaign” has been carried out in schools to sensitize youngsters on the importance of saving water. In 2018/19, a high concentration of saving water campaigns in schools and businesses have been done in different areas on a monthly basis.

Number	Last Updated	Subject	Riser	Priority	Assigned To	Department
16499765	18-10-2019 2:24 PM	Complaint regarding no water supply	Gopaul Ramnath	Normal		Central Water Authority
16613830	18-10-2019 2:08 PM	Application for water supply #	Mughla Kamal	Normal		Central Water Authority
17467097	18-10-2019 11:04 AM	C-4 MAJOR LEAKAGE WATER PIPE S...	NARAYAN DAVENDRA	Normal		Central Water Authority
10462769	18-10-2019 10:17 AM	C-4 New Water Supply #	Sensumbar Chidhail & So...	Normal		Central Water Authority
177600478	18-10-2019 9:59 AM	C-4 #	Violetta Jacques Jakes	Normal		Central Water Authority
181879588	17-10-2019 11:00 PM	Private CWA water tankers not pas...	Ramdeo Prakashchand	Normal		Central Water Authority
16296323	17-10-2019 1:49 PM	C-4 REQUEST PATCHING WORKS...	GAURAV PRASADH	Normal		Central Water Authority
170688811	17-10-2019 10:48 AM	C7-Disfunctional CWA meter reader	Vishal Subing Seethan	Normal		Central Water Authority
18368492	16-10-2019 11:17 AM	C7-Rocks and asphalt left on road	Muhabib Sattianand	Normal		Central Water Authority

CRISIS COMMUNICATION

In a crisis situation, the communication team implements a crisis management plan to mitigate any issue that can lead to public outcry due to water related problems. Moreover, an emergency team has also been constituted to deal with crisis issues. Well established Protocols are observed during dry seasons and period of festivities to ensure a proper distribution of water supply. The communication team is also involved in attending complaints on the CSU Portal on a daily basis. They also respond directly to relevant calls and emails from customers.



EMPLOYEE COMMUNICATION

The communication team also puts in place some community's platform sharing up-to-date information regarding daily news, communiqués, cyclones and all events related to the Central Water Authority. The communication unit is also planning to start the write up of a monthly newsletter regarding all the headlines on the Central Water Authority and parent ministries.





IT & INNOVATION

CWA has embarked on a fascinating and disrupting journey of digitalisation, both in respect of technology and business process transformation. Many of the IT investments made are geared toward improving business operations, both to lower costs and improve effectiveness. IT Division has aligned its strategic road map with the CWA turnaround plan which focuses on 5 main pillars namely; Customer Excellence, People Excellence, Operational/Social Excellence, IT and Innovation Excellence and Financial Excellence. In this context, a roadmap for technology projects for each pillar was submitted and approved by top management and board.

SOME OF THE KEY PROJECTS - JULY 2018 TO JUNE 2019





PEOPLE EXCELLENCE

Moving from manual to online approval of employee Leaves, Employees can view their own accrual balance, downloading payslips on the web using Self Service, and Head of Divisions can do the monitor leaves for all the employees they manage.



OPERATION EXCELLENCE

A web-based social project management solution where all CWA Pipelines Projects can be managed and execute projects quickly and successfully real-time, anytime, with anyone, from anywhere.



IT & INNOVATION EXCELLENCE

- i. IT Service requests are received online based on a predefined Service Level Agreement based on severity (critical, high, moderate, low).
- ii. Cloud Based E-mail and Collaboration suite – e-mail can be accessed anywhere and anytime and shared folders/ communities introduced to help CWA to make the most of their human potential. Using this platform, CWA employee's contacts everybody inside the organisation, and securely access files, create blogs, activities, and communities where business information is most often discussed.

FINANCIAL EXCELLENCE

ERP Enhancement i-Procurement and Stock management Project has streamlined CWA internal purchasing processes: by eliminating paper driven processes and expedite workflow and approvals for on-line purchases and payments. CWA has always put Government e-procurement portal on top of the list of priorities for digital transformation and the portal has enhanced the whole procurement process and supplier relationship while making more informed and accurate decisions.

CUSTOMER EXCELLENCE

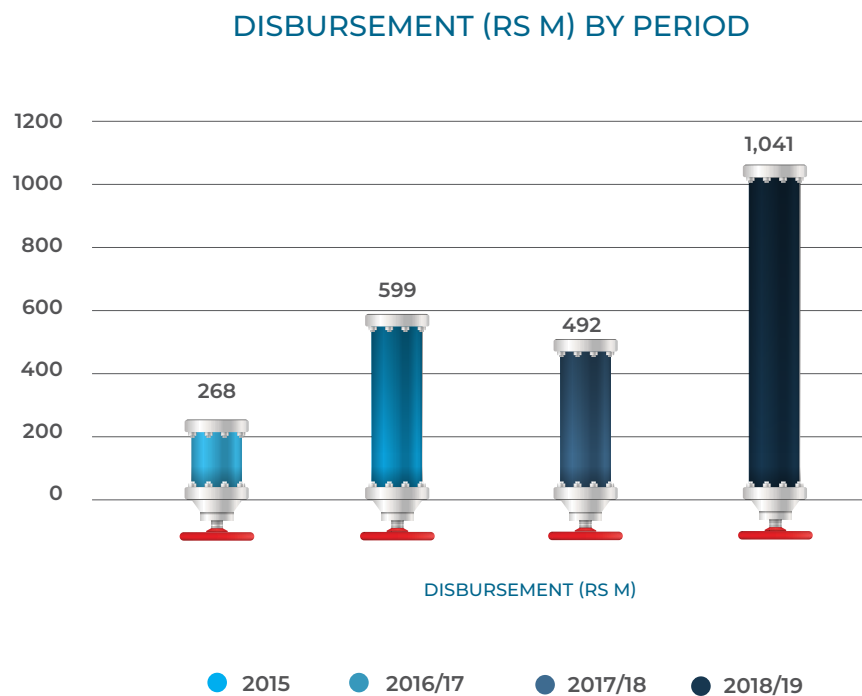
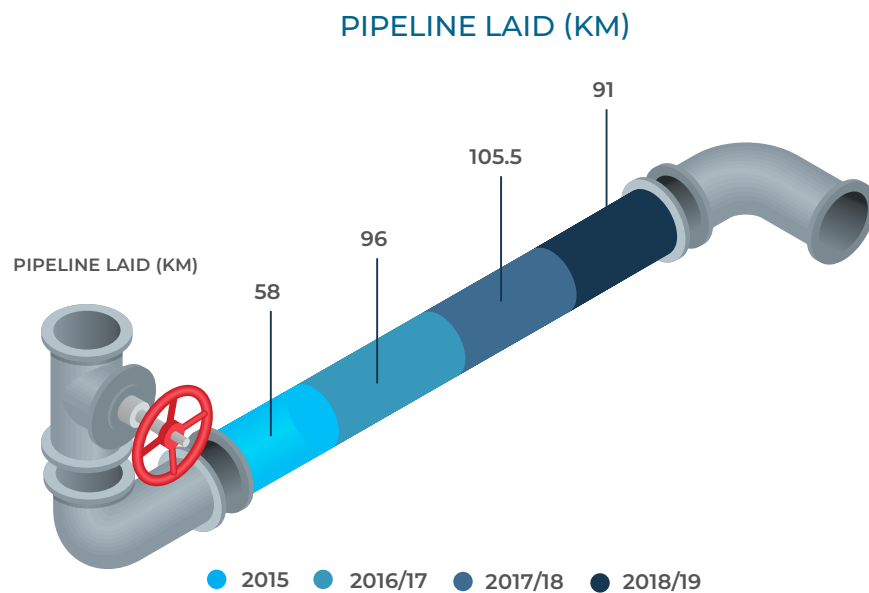
Creation of its new Web Customer self-service portal through the use of Chat and Co-Browse and engage with its customers across multiple Channels while providing mobility to its Field inspectors, engineers and meter readers and providing a payment gateway via QR Code for payment of CWA Bills via credit card.

PROJECT MANAGEMENT

AT THE CWA, WE ENSURE THAT CONTRACTS ARE PROPERLY MANAGED AND ASSURE PROJECTS ACHIEVE RESULTS & IMPACT ON OUR STAKEHOLDERS.

At the CWA, the Project Management Office in collaboration with the Drawing and Survey Office, through planning, survey, design, implementation and supervision of works, ensures that wide range of projects in the construction/replacement of pipeline, construction of reservoirs and water treatment plants are realised. The above mentioned services are occasionally outsourced, especially if capacity in-house is overstretched through consultancy services.





COMPLETED PROJECTS



Contract Number: C2016/03
Contract Name: Renewal of pipeline at Residence Kennedy.
Total Length of pipeline: 6.5 km
Project Value: Rs 66 M (Excl VAT)
Start: April 2017.
End: September 2018.
Targeted Regions: Residence Kennedy.



Contract Number: C2017/194
Contract Name: Construction of a new pumping station at Plaine Lauzun.
Total Length of pipelinelaid: 0.25 km
Project Value: Rs 80 M (Excl VAT)
Start: April 2018.
End: April 2019.
Targeted region: Supply water in the Priest peak and Monro reservoir.



Contract Number: C2017/37
Contract Name: Design, Build & Turnkey Project for the construction of a 2000 m³ service Reservoir at Balisson.
Total Length of pipeline: N/A
Project Value: Rs 27 M (Excl VAT)
Start: November 2017.
End: August 2018.
Targeted Regions: Rose – Belle, New Grove.



Contract Number: C2015/66
Contract Name: Pipelaying works in Surinam.
Total Length of pipeline: 6 km
Project Value: Rs 52.9 M (Excl VAT)
Start: January 2017.
End: July 2018.
Targeted Regions: Surinam.



Contract Number: C2017/128
Contract Name: Geotechnical Investigation for 12 Reservoir sites for the construction of Steel Tanks.
Total Length of pipeline: N/A
Project Value: Rs 4.6 M (Excl VAT)
Start: April 2018.
End: September 2018.
Targeted Regions: Etoile, St Aubin, Mon Loisir Rouillard, Melrose, Q.Militaire, Bonne Mere, St Julien D'Hotman, Nouvelle France, Plaine des Papayes, Trois Mamelles, Carlos - Tamarin.



Contract Number: C2015/80
Contract Name: Pipeline from Riche en Eau to Grand Bel Air and Ville Noire.
Total Length of pipeline: 11.3 km
Project Value: Rs 119.8 M (Excl VAT)
Start: September 2017.
End: June 2019.
Targeted Regions: Grand Bel Air, Ville Noire.



Contract Number: C2016/02
Contract Name: Renewal and Improvement works at Morcellement Swan Pereybere.
Total Length of pipeline: 13 km
Project Value: Rs 76.9 M (Excl VAT)
Start: May 2017.
End: May 2019.
Targeted Regions: Morcellement Swan, Pereybere.



Contract Number: C2016/145
Contract Name: Renewal of service main from Rose – Belle to Mont Fertile.
Total Length of pipeline: 7.2 km
Project Value: Rs 87.5 M (Excl VAT)
Start: October 2017.
End: May 2019.
Targeted Regions: Rose – Belle, Gros Billot, New Grove, Bois D'oiseau road and Mare D'Albert.



Contract Number: C2012/15
Contract Name: Construction of pipeline from Bagatelle WTP to Soreze
Total Length of pipeline: 9.4 km
Project Value: Rs 144.3 M (Excl VAT)
Start: April 2016.
End: September 2018.
Targeted Regions: Mt Ory, Soreze, Pailles and Port – Louis.

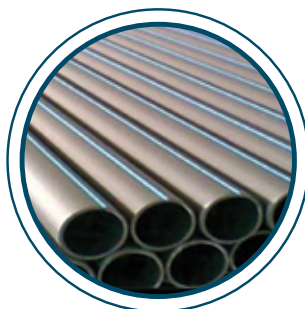
ON GOING PROJECTS



Contract Number: C2012/44
Contract Name: Permanent works for abstraction and treatment of pumped raw water from intake at Rempart river to Salazie Reservoir.
Forecast pipeline: 0.3 km
Pipeline laid FY 2018/19: N/A
Project Value: Rs 50 M (Excl VAT)
Start: May 2016.
End: September 2019.



Contract Number: C2017/127
Contract Name: Construction of MSU Shed at la Cure Central Store.
Forecast pipeline: N/A
Pipeline laid FY 2018/19: N/A
Project Value: Rs 28.1 M (Excl VAT)
Start: December 2018.
End: October 2019.



Contract Number: C2012/16
Contract Name: Construction of pipeline from Bagatelle WTP to Belle Rose and Rose-Hill.
Forecast pipeline: 14 Km
Pipeline laid FY 2018/19: N/A
Project Value: Rs 93.2 M (Excl VAT)
Start: May 2016.
End: September 2019.



Contract Number: C2015/13
Contract Name: Consultancy Services for The Feasibility Study, Design & Preparation of Bid Doc for The Upgrading of the Intake Structure & Review of The Treatment Process at Rivière du Poste Treatment Plant.
Forecast pipeline: N/A
Pipeline laid FY 2018/19: N/A
Project Value: Rs 8.7 M (Excl VAT)
Start: April 2016.
End: July 2019.



Contract Number: C2012/13
Contract Name: Construction of Bagatelle Water Treatment Plant (60,000 m³/day).
Forecast pipeline: N/A
Pipeline laid FY 2018/19: N/A
Project Value: Rs 890.6 M (Excl VAT)
Start: February 2017.
End: July 2019.



Contract Number: C2016/69
Contract Name: Consultancy services for supervision of Bagatelle Project.
Forecast pipeline: N/A
Pipeline laid FY 2018/19: N/A
Project Value: Rs 27.4 M (Excl VAT)
Start: February 2017.
End: September 2019.



Contract Number: C2015/128
Contract Name: Replacement of pipeline in Roches Noires and Plaine des Roches region.
Forecast pipeline: 15 km
Pipeline laid FY 2018/19: 8.7 km
Project Value: Rs 116.9 M (Excl VAT)
Start: May 2017.
End: September 2019.



Contract Number: C2016/132
Contract Name: Construction of a 3,000 m³ Service Reservoir at Rivière du Rempart and pipeline from reservoir to network (Concrete).
Forecast pipeline: N/A
Pipeline laid FY 2018/19: N/A
Project Value: Rs 40 M (Excl VAT)
Start: February 2018.
End: September 2019.



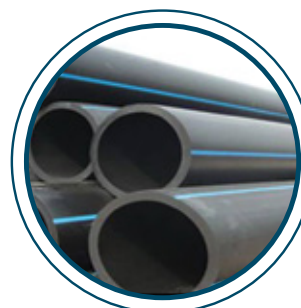
Contract Number: C2015/111
Contract Name: Improvement of Rivière du Rempart Distribution Network.
Forecast pipeline: 14.3 Km
Pipeline laid FY 2018/19: 8.3 Km
Project Value: Rs 121.9 M (Excl VAT)
Start: June 2017.
End: September 2019.



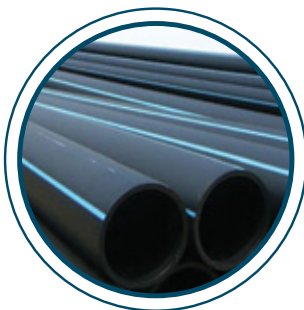
Contract Number: C2016/124
Contract Name: Upgrading of pumping station and construction of pumping main at Rivière du Rempart.
Forecast pipeline: 17 Km
Pipeline laid FY 2018/19: 12.7 Km
Project Value: Rs 129 M (Excl VAT)
Start: September 2018.
End: December 2019.



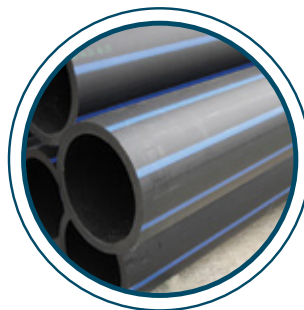
Contract Number: C2016/34
Contract Name: Renewal of pipeline in Plaine Magnien.
Forecast pipeline: 5.7 Km
Pipeline laid FY 2018/19: 3.9 Km
Project Value: Rs 88.1 M (Excl VAT)
Start: September 2017.
End: September 2019.



Contract Number: C2014/10
Contract Name: Renewal of pipeline from Alma Reservoir to Malinga.
Forecast pipeline: 8.5 Km
Pipeline laid FY 2018/19: 6.19 Km
Project Value: Rs 101.3 M (Excl VAT)
Start: January 2018.
End: December 2019.



Contract Number: C2016/200
Contract Name: Plaine Verte – Cité Martial pipeline – Phase 1
Forecast pipeline: 10 Km
Pipeline laid FY 2018/19: 2.2 Km
Project Value: Rs 133.3 M (Excl VAT)
Start: July 2018.
End: January 2020.



Contract Number: C2016/201
Contract Name: Roche Bois – Abercrombie pipeline – phase 1
Forecast pipeline: 9 Km
Pipeline laid FY 2018/19: 7 Km
Project Value: Rs 135.9 M (Excl VAT)
Start: August 2018.
End: February 2020.



Contract Number: C2015/78
Contract Name: Leg 3 – upgrading works in the Pierrefond system – upgrading of distribution mains in Coromandel, Gros Cailloux and Canot areas.
Forecast pipeline: 7.2 Km
Pipeline laid FY 2018/19: 5.7 Km
Project Value: Rs 69.1 M (Excl VAT)
Start: December 2016.
End: October 2019.



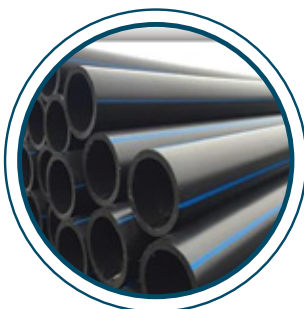
Contract Number: C2016/136
Contract Name: Upgrading of distribution mains in the region of Laventure.
Forecast pipeline: 9.23 Km
Pipeline laid FY 2018/19: 9.23 Km
Project Value: Rs 81 M (Excl VAT)
Start: September 2017.
End: December 2019.



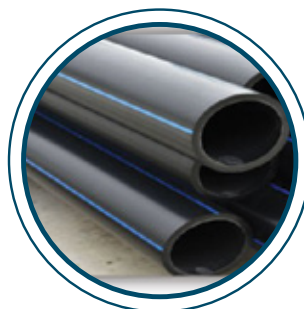
Contract Number: C2016/32
Contract Name: Improvement of water supply in Lallmatie, Bon Accueil & Pont Blanc Areas
Forecast pipeline: 18 Km
Pipeline laid FY 2018/19: 15.3 Km
Project Value: Rs 114 M (Excl VAT)
Start: May 2017.
End: December 2019.



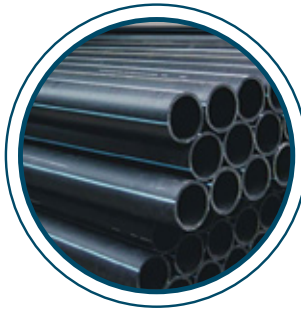
Contract Number: C2015/09
Contract Name: Consultancy services for the survey, design, preparation of Bid Document, Bid Evaluation & Supervision of construction stage for pipelaying works in Rose-Hill centre & adjoining areas.
Forecast pipeline: N/A
Pipeline laid FY 2018/19: N/A
Project Value: Rs 9.2 M (Excl VAT)
Start: April 2016.
End: October 2019.



Contract Number: C2016/211
Contract Name: Replacement of CWA Pipelines in Rose-Hill and adjoining areas - Zone 1
Forecast pipeline: 12.2 Km
Pipeline laid FY 2018/19: 7.63 Km
Project Value: Rs 151 M (Excl VAT)
Start: October 2017.
End: October 2019.



Contract Number: C2016/212
Contract Name: Replacement of CWA Pipelines in Rose-Hill and adjoining areas - Zone 2
Forecast pipeline: 15.1 Km
Pipeline laid FY 2018/19: 7.63 Km
Project Value: Rs 153 M (Excl VAT)
Start: October 2017.
End: October 2019.



Contract Number: C2013/78
Contract Name: Pipeline from Montagne Fayence to Ecoignard
Forecast pipeline: 12.15 Km
Pipeline laid FY 2018/19: 0.1 Km
Project Value: Rs 98.4 M (Excl VAT)
Start: November 2017.
End: May 2020.



Contract Number: C2017/132
Contract Name: New Intake along La Flora River and Associated Pipeline
Forecast pipeline: 1.5 Km
Pipeline laid FY 2018/19: 1.2 Km
Project Value: Rs 52.3 M (Excl VAT)
Start: November 2018.
End: October 2019.



Contract Number: C2017/196
Contract Name: Construction of Steel Service Reservoir at Montagne Fayence & Alma
Forecast pipeline: N/A
Pipeline laid FY 2018/19: N/A
Project Value: Rs 88.1 M (Excl VAT)
Start: April 2019.
End: December 2019.



Contract Number: C2017/187
Contract Name: Construction of new WTP at Pont Lardier (GRSE/DRBC)- Consultancy Services
Forecast pipeline: N/A
Pipeline laid FY 2018/19: N/A
Project Value: Rs 14.2 M (Excl VAT)
Start: March 2019.
End: June 2020.



Contract Number: C2018/02
Contract Name: Consultancy services for the upgrading of Mont Blanc WTP and Piton Du Milieu WTP
Forecast pipeline: N/A
Pipeline laid FY 2018/19: N/A
Project Value: Rs 18 M (Excl VAT)
Start: April 2019.
End: April 2020.



Contract Number: C2014/105
Contract Name: Consultancy Engineering Services for the feasibility study on the Rehabilitation & Extension of La Nicolière TP and Associated works inclusive of Concept design for Rehabilitation Works.
Forecast pipeline: N/A
Pipeline laid FY 2018/19: N/A
Project Value: Rs 11.8 M (Excl VAT)
Start: March 2018.
End: July 2019.



Contract Number: C2018/152
Contract Name: Renewal of service main from Malakoff to Trois Boutiques and adjoining areas.
Forecast pipeline: 4.7 Km
Pipeline laid FY 2018/19: 0 Km
Project Value: Rs 57.1 M (Excl VAT)
Start: June 2019.
End: June 2020.

DRAWING OFFICE

The Drawing Office, under the Project Management Office (PMO) is responsible to provide all drawings related to engineering designs to allow preparation of Tender Documents. Support is also provided in terms of design works for graphics such as PowerPoint Presentations, posters, banners, billboards, invitation cards, programmes and visiting cards for several events within the authority where the staffs are always motivated in participating in the organization crews.

Moreover, site surveys are carried out regarding GIS project and civil works to get precise information near to daily basis.

As a result, the Drawing Office is capable in generating drawings of high quality within the required time frame to the Management needs.

Our in-house office comprising experienced Technical Design Officers who are qualified across the following disciplines:

- Structural Steel/Structural Concrete
- Above ground Storage Tanks
- Electrical
- GIS
- Pipelines

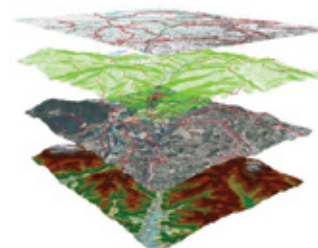
Our experience offers the following services:

- Conceptual designs
- Animations
- Detailed fabrication and construction drawings
- As – Built drawings
- Process flow diagrams
- Process and instrumentation diagrams
- Electrical diagrams
- GNSS Survey at Riviere Rempart, Salazie
- Geolocation for all CWA pipelines

Our comprehensive range of services enables us to provide good quality drawings by utilizing the following software:

- AutoCAD
- ArcGis

Our passion for draughting inspires us to regularly upgrade to the latest software, resulting in cost effective designs in accordance with International standards.

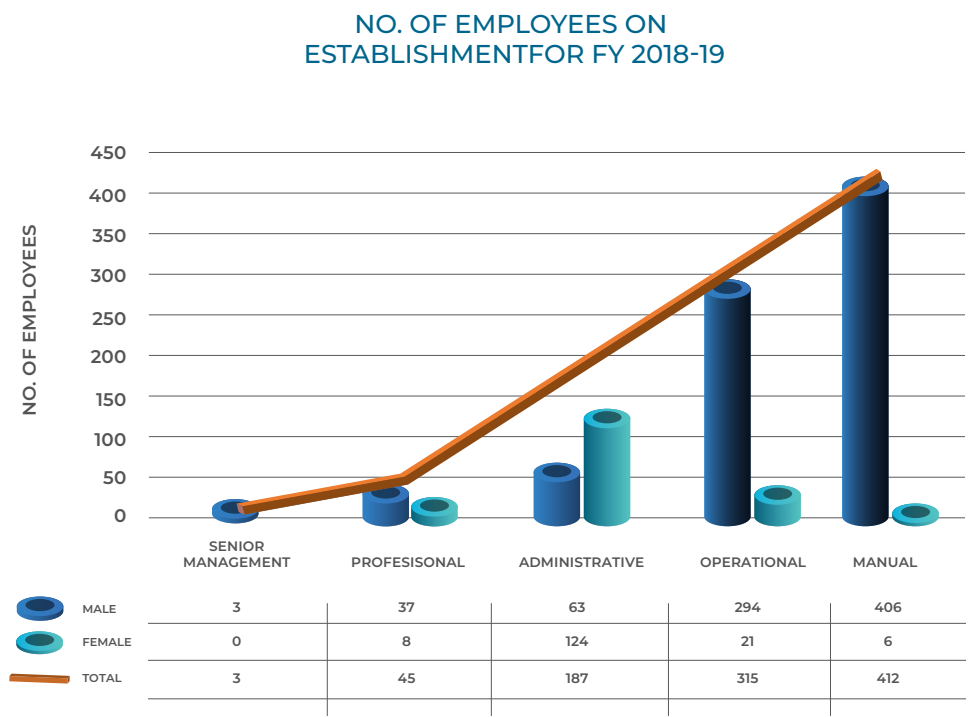


HUMAN RESOURCES

The Human Resources Division handles a range of different functions within an organization. The department is responsible for hiring and firing employees, training workers, maintaining interoffice relationships and interpreting employment laws. The department works diligently behind the scenes to ensure that the organization runs efficiently. Under the HR Division's remit are the following roles:



As at 30 June 2019, the CWA had a workforce of 962 employees (803 males and 159 females) on establishment, and 268 officers were employed on a contract basis. Additionally, with a view to maintaining its overhead costs at a reasonable level, the Authority continued to sub-contract some of its activities (especially the non-strategic functions). The table below shows the total number of employees on establishment as per employee category.



HUMAN RESOURCE MANAGEMENT SYSTEM

RECRUITMENT

- Resource Manpower Plan
- Recruitment Plan
- Candidate Profile
- Interview Schedulling
- Interview Rating
- Joining
- Employee Profile

TRAINING

- Training Request
- Training Schedule
- Training Attendance
- Trainee Feedback
- Trainer Feedback
- Training Assessment

ATTENDANCE

- Shift Allocation
- Biometric Intergration
- Time Office Management
- On-Duty / Permission Request
- Leave Management
- Over Time Calculations

PAYMENTS

- Earnings and Dedications Details
- Loan / Advance Payment
- Bulk Salary Creation
- LTA Payments
- Arrear Payments
- Bonus Calculations
- Full and Final Settlement

APPRAISAL

- Appraisal Initiations
- Appraisal Feedback
- Appraisal Consolidations
- Promotions
- Transfers
- Increment

RELIVING

- Resignations / Retirements
- Exit Interview
- Reliving Formalities

CONTRACT LABOR

- Labor Attendance
- Labor Skill / Wages
- Labor Allocation
- OT Management
- Contractor Billing
- Black List Labor
- Contractor & Labor Details



PERFORMANCE APPRAISAL

The performance appraisal is part of the career development and consists of regular reviews of employee performance within the CWA through the use of a set Performance Management System (PMS). This is because employees need to know how they are performing and should be given the opportunity to improve.



TRAINING

Training and development involves the improvement in effectiveness of the Authority, the employees' and teams within themselves. The objective is to allocate approximately 40 hours of training per employee per year.



ACHIEVEMENT

One of the main achievements of the HR Division was in terms of Capacity Building, Training and Development to the employees. A total of 147 training sessions (In-House, Local and Overseas) were delivered for an estimated 1,414 hours of training to 1,101 employees coming from different working groups. The CWA also signed a Memory of Understanding (MoU) with the MITD for Training purposes and upgrading of skills.

HUMAN CAPITAL MANAGEMENT

Another important project of the HR Division was the implementation of the Human Capital Management (HCM) system phase 1 (Online application of leaves).

There was also the implementation of the Roster system in the Authority basically for operations department staffs. The HR division went through a major facelift with the renovation of its office, making it a more modern with better working environment. In addition, the HR Division gave training on Water Gem, Customer Service Excellence, Energy Auditing, Electrofusion training courses, Contract Law & Contract Management training courses, Health and safety training, ISO 17025 training courses for CWA Lab personnel. The HR Division also organised a team building session for all Head of Divisions and are planning to organise same for the whole CWA in the coming financial year.

Besides, the development of HR Policies and procedures continues to be an on-going and dynamic purpose of the HR Division to enable the CWA to achieve its main objectives towards the population.



FUTURE GOALS

The Authority strives hard when it comes to giving the best service to its customers. With respect to that, the HR division has the following projects in mind that shall help in achieving the desired goal of the management and every employee of the CWA. They are namely:

- The rebranding of the CWA – ID badges for all employees is currently in progress.
- Development of HR policies and procedures – see to it that employees adhere to the HR policies and procedures according to legislation.
- Monitoring performance and improving it using a Performance Management System.
- Providing training and development to all employees – this will help the Authority with trained and more motivated employees.
- Human resource and workforce planning – this will help in effective workforce planning and timely recruitment.
- Maintain a high moral among all employees, inculcate a sense of team spirit, teamwork, and inter team collaborations.



BENEFITS

Since 2002, the CWA has implemented a contributory Medical & Surgical Scheme for the benefit of its employees, whereby the Authority contributes part of the premium with respect to each employee. In addition, a total of 19 Staff Committees and 84 Staff Selection Committees were organised during the financial year 2018/19.

In addition to this, the HR division was indulging in the preparation of tenders for the provision of toilets on CWA sites. During the financial year 2018/19, a blood donation campaign as well as a free medical screening was organised with the help of the Ministry of Health and Quality of life.

A new medical and surgical insurance was launched with SICOM for all employees for which the Authority contributes part of the premium paid by employees. All employees of the CWA are also covered by a group accident insurance on a 24/hr basis.



PROCUREMENT

Procurement is the act of obtaining or buying goods and services. The process includes preparation and processing of a demand as well as the end receipt and approval of payment. It often involves:

- Purchase planning,
- Standards determination,
- Specifications development,
- Supplier research and selection,
- Value analysis,
- Financing,
- Price negotiation,
- Making the purchase,
- Supply contract administration,
- Inventory control and stores, and
- Disposals and other related functions.

The process of procurement is often part of a company's strategy because the ability to purchase certain materials will determine if operations will continue.

OBJECTIVES



Identify
clear
business
Objectives



Review
Current
Procurement
Process



Prepare
Revised
Procurement
Process



Ensure
Management
Support
Backing



Develop
KPI
to measure
Success



Review
Select
Optimal
e-Procurement
Solution



Team
Formation
Project
Execution



Review &
Measure
Success

8 Steps to e-Procurement Success

The financial year 2018/2019 was one of the most fruitful year for the Procurement department. This was made possible using the E-procurement and I procurement platform set up at the CWA during the previous financial year 2017/2018. The aim of these innovations was to make the CWA's Procurement department a paperless one.



e-PROCUREMENT

The Central Water Authority has floated an impressive 364 tenders on the E procurement system of the government of Mauritius portal since the introduction of E procurement system in Mauritius. We are currently at the second place after the CEB. This has led in cost saving, as unlike before, we saved in terms of advertising in newspapers and communiqués to concerned stakeholders.

The E procurement system led also to more transparency, therefore everything is done as per the rules, and regulations set up by the Procurement Policy Office.



iPROCUREMENT

On the other hand, the I procurement system is mostly for internal use at the CWA. This has helped in the internal procurement process and helped in reducing internal paper consumption. The I procurement also helped in effectiveness of materials distribution as well as improving employee ability to locate where the material is stored by using the system. This lead to less time-consuming procurement procedures.



MECHANICAL, ELECTRICAL & DESIGN INSTALLATION

A Principal Engineer (M&E) who is assisted by one Executive Engineer (Mechanical) and one Executive Engineer (Electrical) governs the Mechanical & Electrical (M&E) section. The main objective of the M&E section is to provide support services to the Operations Division and the Project Management Office. The M&E section ensures that all operational pumping stations (boreholes/surface pumps) are properly maintained in order to provide water supply on a 24/7 basis.

OUR ACTIVITIES



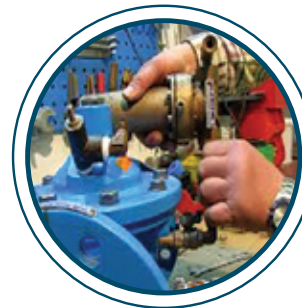
Performing inspection and condition monitoring on electrical panels, pumps, generators (pumping stations)



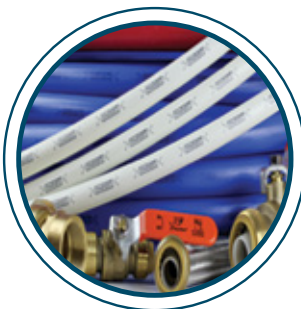
Perform inspection and condition monitoring on chlorination equipment such as ejectors, change over modules, booster pumps, etc...



Perform maintenance on electrical and electro mechanical equipment including static and mobile generator.



Attending breakdown of pumps during office and after office hours, weekends/ public holidays, 400 volts rated electrical switchgears and chlorination equipment.



Manufacturing of fittings such as viz saddles bends, valves, bearing, reducers, enlargers and wellheads required by M&E section and other sections.



Removal and Installation of surface pumps and submersible pumps in rivers and boreholes.

OUR ACTIVITIES



Distribution of full chlorine tonners and cylinders on sites and collection of empty ones from sites (pumping stations and treatment plants).



Preparation of bid documents including technical specifications in line with the requirement of Public Procurement Act 2006 for procurement of electrical, mechanical and control equipment e.g. pumps, autotransformer panels, variable speed drives, power cables, drilling of boreholes, supply of liquid chlorine and chlorination equipment, rewinding of electrical equipment, chlorine change over modules and gas leak detectors, standby generators, stainless steel risers, photo voltaic system and pressure filters.



Design and prepare technical specifications of electrical, mechanical and control systems and equipment for Planning & Development (P&D) division for major contracts for the construction of new pumping stations and buildings.



Implementation of energy saving initiatives and green energy projects such as PV lighting system. Photovoltaic systems and installation of Variable Speed Drives (VSDs) and procurement of power factor correctors on all pumping stations and administration offices.



Application of electrical supply on new stations and upgrading of electrical supply on existing stations.



Procurement of pumps, power cables for submersible and surface pumps, stainless steel risers, starter panels, chlorination equipment, variable speed drives, power factor correctors and solar power pumps. Follow up of contracts such as drilling of duplicate boreholes, supply of liquid chlorine in cylinders and tonners, supply, installation and commissioning of changeover modules and gas leak detectors and supply, installation and commission of standby and mobile generators and refurbishment of existing sites.

ACTIVITIES CARRIED OUT THROUGHOUT THE YEAR

- Inspection and Condition Monitoring (ICM) exercise on all electrical and electro – mechanical equipment found on the 144 Nos pumping stations, 99 chlorination sites and 8 office building on a monthly basis. The equipment includes submersible, surface pumps, starter panels, VSD's, chlorination equipment and standby generators.
- Attending to breakdowns on pumping stations and on chlorination sites during and beyond normal working hours, week-ends and public holidays.
- Follow-up of the maintenance works for data loggers, standby and mobile generators, photovoltaic lighting system, solar photovoltaic system, chlorination equipment and containerized pressure filter at sites.
- Intervention by M&E team for the removal and installation of submersible pumps in boreholes and surface pumps at pumping stations.
- Standby & mobile generators were serviced, tested on load and maintained in good running condition in order to ensure backup power supply in case of CEB power failure or interruptions at pumping.
- Manufacture of fittings by Metal Workshop for Operations and Project Management Office for pumping main, viz saddles bends, reducers, enlargers and wellheads for new boreholes and metal frames supports for pumps installed in rivers.
- Design and prepare technical specifications if electrical, mechanical and control system and equipment for Project Management Office (PMO) division for major contracts for the construction of new pumping stations, reservoirs and dams.
- Provision of mobile generator set on lease according to established CWA rates to ministries, government departments and parastatal bodies for official ceremonies and functions.





SCIENTIFIC SERVICES

The Scientific services section is managed by the Senior Scientific Officer. The section comprises the following:

- The Chemistry Laboratory
- The Microbiology Laboratory
 1. Bacteriology unit
 2. Micro-Algae unit

Over and above of water and waste water testing, the Scientific Services Section is involved in the following activities:

- Water Quality Monitoring
- Water Quality Surveillance of Reservoirs
- Water Treatment Processes at the water treatment plants
- Ground Water Licence
- Water Pollution Control
- Effluent Discharge Permit(EDP)
- Environment Impact Assessment(EIA)
- Independent Environment Audit (IEA)

The Water Quality Laboratory of the CWA is responsible for the regular monitoring of the quality of water supplied to consumers to ensure compliance with WHO guidelines for drinking water and the National Drinking water standards (EPA 2002) set by the Ministry of Environment. Water quality is constantly monitored

by the laboratory personnel. An average of 500 water samples is tested, approximating to 3,500 physico-chemical and biological parameters on a monthly basis. Water samples are collected from rivers, impounding reservoirs, springs, boreholes, treatment plants and from the water distribution system of the CWA. In addition, tests are performed on samples of wastewater discharged by industries as listed in the EPA regulations in connection with Effluent Discharge Permit regulations (EDP).





The Chemistry and Microbiology laboratories of the Scientific Services have been accredited to the ISO: IEC 17025 standards by the Mauritius Accreditation Service (Mauritas) in May 2012. Accreditation of the laboratory is an international recognition with regards to the competency of its personnel and the procedures adopted for its testing activities. Testing of potable water is done at the Water Quality Laboratory to ensure compliance to the required standards with a view to ensure that water supplied by CWA is of good and reliable quality.

The CWA signed a second Memorandum of Understanding (MoU) in 2016 with the MEPU for the purpose of *Effluent Discharge Permit (EDP)*, Water Quality Surveillance and Water Pollution Control in relation to inland water. MEPU being the enforcing agency for EDP regulations, effluent discharged by the pollution industries were monitored during the course of the year by the scientific services of the CWA. The MEPU decides to grant them permits based on results of analysis of wastewater discharged by these industries.



The Water Quality Laboratory plays a vital role in the monitoring of the proliferation of algae in our impounding reservoirs. A surveillance programme was set up in 2012 under the supervision of the Ministry of Energy and Public Utilities (MEPU) to study the level of algae, pesticides, heavy metals, physicochemical and bacteriological parameters. The Water Quality Surveillance program started in 2012 and involved the monitoring of water quality in rivers which are feeders to the reservoirs. The Surveillance program is still ongoing in all reservoirs of Mauritius with a view to monitor algal proliferation and its impact on water quality.



During the period under review, the CWA laboratory acquired an Atomic Absorption Spectrophotometer for the testing of heavy metals in all reservoirs of Mauritius. The laboratory was further equipped with a fluorometer to carry out 'In situ' testing and in-depth study at selected reservoirs. Necessary arrangements were made for a boat to carry out sampling exercise at La Nicolière reservoir.

An Ultra Performance Liquid Chromatography (UPLC) was donated by UNOPS in 2017 through the MEPU under the Integrated Water Resources Management (IWRM) project for the Northern Aquifer. The equipment is operated to perform tests for pesticides and poly-aromatic hydrocarbons in water. In addition, an ION Chromatograph has been bought for further testing of physico-chemical parameters.



Atomic Absorption Spectrophotometer

Ultra Performance Liquid Chromatography (UPLC)



The background of the slide is a composite image. It features a blue-tinted landscape with a body of water and a distant shoreline under a cloudy sky. Overlaid on this are several semi-transparent financial graphics: a large white circle in the upper right, a white line graph with multiple peaks and valleys across the middle, and a white bar chart with several vertical bars of varying heights in the lower right. The text 'FINANCIAL REVIEW & HIGHLIGHTS' is positioned in the lower-left area, overlaid on the bar chart and landscape.

FINANCIAL REVIEW & HIGHLIGHTS

FINANCIAL REVIEW AND HIGHLIGHTS

JULY 2018 TO JUNE 2019

The Authority showed a deficit of Rs 88.6 Million in the financial year 2018/19 before accounting for Finance Costs of Rs 149.8 Million, thus ending with a Net Deficit of Rs 238.4 Million as compared to a bottom-line reported deficit of Rs 458.9 Million in the previous financial year.

The Authority experienced an increase in its total assets over the years, whereby a relative increase of 1% was noted in 2018/19 as compared to 2017/18. Total liabilities increased by 15% mainly due to an increase in long-term borrowings (19%) as well as deferred income from capital grants and financial contribution (75%).

At 30 June 2019, cash and cash equivalents stood at Rs 493M (2017/18: Rs 1.1 Bn). During the year, the Authority held term deposits with local banks and had a total of Rs 500M under held-to-maturity investments at year-end.

MAIN FINANCIAL INDICATORS

(1) Operating Ratio

The Operating Ratio, showing the ability of the Authority to finance its operating expenses from its operating revenue, improved to 1.0 in 2018/19 (2017/18: 1.2). This was mainly due to an increase in total income generated during the year under review.

(2) Operating Cash Flow ratio

As per the Finance Contract with European Investment Bank (EIB), CWA should maintain an Operating Cash Flow (OCF) ratio of not less than 1.5 times its finance costs so long as the EIB loan is outstanding. This ratio indicates the ability of the Authority to meet its loan repayment and interest on loans from operations.

OCF positively increased to 4.49 times the finance costs in 2018/19 (2017/18: 4.27 times). This increase was mainly attributed to an increase in Operating Surplus (i.e. Surplus before depreciation and finance costs) during the year. The OCF ratio is on the increasing trend with the deferral of Government loan repayments since June 2017.

(3) Liquidity Ratio

As at 30 June 2019, liquidity ratio fell to 0.34 times (2017/18: 0.44 times) due to increasing short-term financial obligations of the Authority.

(4) Gearing Ratio

The gearing ratio (long-term loan to equity) is on track but slightly increased to 20% (2017/18: 16%), due to a consequential increase in long-term borrowings. There was a net increase of Rs 455M in borrowings in the financial year, reaching the figure of Rs 2.9 Bn (2017/18: Rs 2.4 Bn)

MEASURES TO IMPROVE FINANCIAL TARGETS

CWA's management team has an ongoing action plan on rationalisation measures to reduce operating expenditure and optimise revenue in an attempt to achieve operational efficiencies, thus providing the Authority with cost-savings and incremental income for re-investment in priority areas. Main avenues of the action plan are summarised as hereunder:

Cost Reduction Plan:

- a. Implementation of energy-saving measures following energy efficiency audits;
- b. Rehabilitation of hydro-generators;
- c. Reinforcement of control & monitoring mechanisms on overtime;
- d. Operation of just-in-time/bulk purchasing policy;
- e. Close monitoring of CWA vehicles following implementation of a complete fleet management system;

- f. Remote monitoring of equipment through telemetry data;
- g. Improved planning and monitoring over outsourcing services;
- h. Insourcing of security costs;
- i. Optimising on cloud computing;
- j. Efficient project monitoring to avoid cost and time overruns.

Revenue Optimisation Plan:

- a. Replacement of non-working, aged and defective meters;
- b. Introduction of Smart Systems for billing and metering to improve billing accuracy and efficiency;
- c. Intensification of anti-fraud tracking of illegal water use;
- d. Monitoring and reduction in non-revenue water level (leakage control);
- e. Installation of containerised Pressure Filtration Plant at various sites;
- f. Periodical price adjustment of user fees and charges;
- g. Increase in private water tests.

Also, in the wake of Government's cost reduction objective, as contained in the 2020-2021 Budget Circular issued in Mar-2020, a budget cut over individual line items was made by the Authority for the next three years (2020/21 – 2022/23), with a view to reducing operating expenditure with varying degrees, some of which are substantial.

The reduced expenditure is reflected in CWA's Approved Estimates 2020/21 – 2022/23, as approved by the Central Water Board and the Minister in July 2020.

SUMMARY OF FINANCIAL MATTERS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

1.0 REVENUE ACCOUNT

1.1 Financial Results

A summary of Financial Results is provided hereunder:

ITEM	2018/19	2017/18	2016/17 (18 months)	2015	2014	2013	2012	2011
	Rs M							
Income	2,084	1,843	2,535	1,781	1,769	1,754	1,701	1,130
Expenditure	(2,322)	(2,302)	(2,425)	(1,629)	(1,561)	(1,537)	(1,447)	(1,199)
Surplus/(Deficit)	(238)	(459)	110	152	208	217	254	(69)

1.2 Analysis of Income and Expenditure

i. Potable and Irrigation Water Supply Services

Income

Total income from Potable and Irrigation Water Supply Services represents 65.1% (Year 2017/18: 64.8%) of total expenditure.

Finance Costs and Depreciation

Finance costs and depreciation represent 39.4% (Year 2017/18: 43.2%) of total expenditure.

Depreciation and amortization provisions made in the Accounts amount to Rs 762M (Year 2017/18: Rs 867M).

Deficit for the Year

The deficit for the year is Rs 238M representing 11.4% of total income (Year 2017/18: Deficit of Rs 459M representing 24.9% of total income).

Cash Generated from Operating Activities

Cash generated from operating activities amounts to Rs 529M (Year 2017/18: Rs 878M).

ii. Potable Water Supply Service

Percentage Revenue Collectible

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

Category of Consumers	2018/19	2017/18	2016/17 (18 months)	2015	2014	2013	2012	2011
	Percentage of total revenue collectible							
Domestic	52	53	53	53	54	54	54	55
Non-Domestic	40	39	39	39	38	38	38	37
Government	8	8	8	8	8	8	8	8

Income

Potable Water Sales have contributed a sum of Rs 1.48 Bn (Year 2017/18: Rs 1.46 Bn) of the overall revenue which represented 70.8% (Year 2017/18: 79%) of total income.

iii. Irrigation Water Supply Service

Irrigation Water Sales have contributed a sum of Rs 35.9M (Year 2017/18: Rs 35.8M) of the overall revenue which represented 1.7% (Year 2017/18: 1.9%) of total income.

2.0 CAPITAL ACCOUNT

2.1 Net Cash Outflow from Investing Activities

Net Cash Outflow from Investing Activities for the Financial Year ended 30 June 2019 amounted to Rs 1.68 Bn (Year 2017/18: Rs 1.13 Bn).

2.2 Additions to Non-Current Assets

Assets capitalized during the year amounted to Rs 808.3M (Year 2017/18: Rs 553.9M).

2.3 Assets Under Construction

Assets Under Construction as at 30 June 2019 amounted to Rs 2.3 Bn (Year 2017/18: Rs 1.5 Bn).

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 International Bank for Reconstruction and Development (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 Ex-Management Audit Bureau (MAB) (Now, Office of Public Sector Governance) Requirements

The MAB recommended in 1992 that the Authority should endeavor to achieve the following targets:

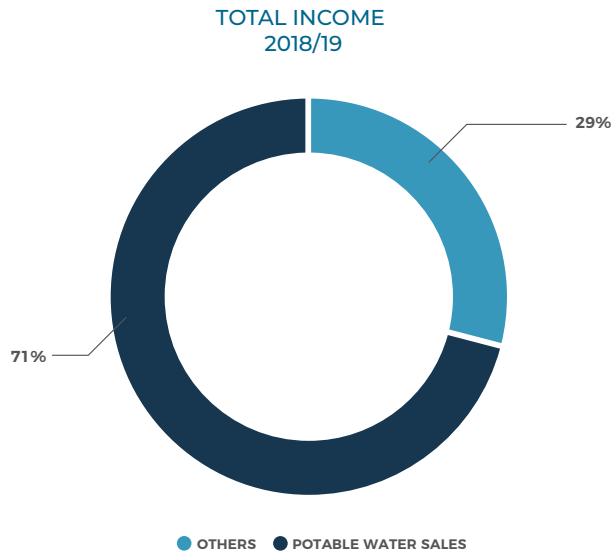
- i. an operating ratio of 0.75 to 0.80;
- ii. a rate of return of not less than the minimum rate of interest on its loans which is 3.0% based on EIB Loan;
- iii. a current ratio of 1.25 and a liquidity ratio of 1.00;
- iv. an annual debt service coverage of 1.50 - 2.00;
- v. a debt/net assets ratio 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 (EIB) Requirements

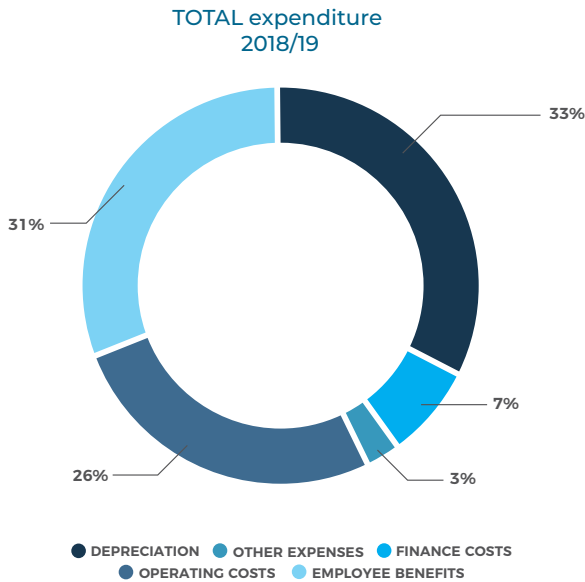
As per the Loan Agreement with EIB, the Authority has to maintain an Operating Cash Flow which is not less than 1.5 times its financial costs.

4.0 THE WATER INCOME RUPEE

The water income rupee was earned as follows:

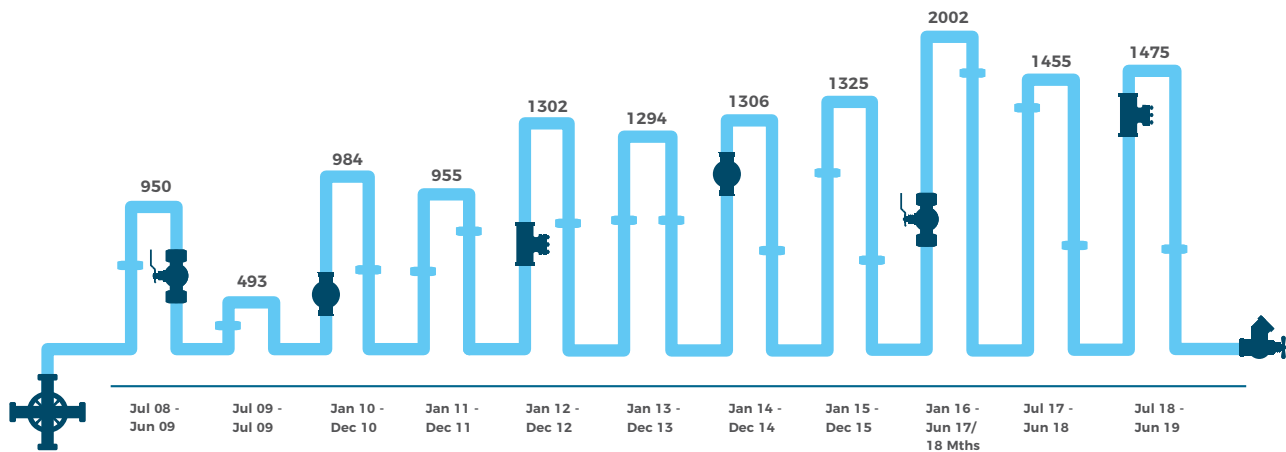


The water income rupee was spent as shown below:



5.0 TEN-YEAR TREND ANALYSIS OF REVENUE

POTABLE WATER SALES (Rs M)



6.0 PERFORMANCE INDICATORS

6.1 Key ratios

6.1.1 Statement of financial position

YEAR	Jul 18- Jun 19	Jul 17- Jun 18	Jan 16- Jun 17	Jan 15 - Dec 15	Jan 14 - Dec 14	Jan 13 - Dec 13	Jan 12- Dec 12	Jan 11- Dec 11	Jul 09- Dec 10	Jul 08- Jun 09
Current Ratio	0.44	0.65	0.40	0.34	0.61	0.42	0.52	0.26	0.52	0.76
Liquidity Ratio	0.34	0.44	(0.01)	0.04	0.29	0.11	0.20	(0.07)	0.15	0.35
Gearing ratio	0.20	0.16	0.22	0.18	0.18	0.15	0.17	0.18	0.21	0.23
Debt/Equity Ratio	4.20	3.66	6.17	5.13	4.80	4.37	4.03	3.94	3.72	4.28
Average Collection Period	98 days	2.19 mth	1.50 mth	2.08 mth	2.03 mth	2.00 mth	1.93 mth	2.05 mth	1.48 mth	1.92 mth
Receivable Turnover	3.7	5.76	8.00	5.76	5.90	6.01	6.21	5.82	8.15	6.26

6.1.2 STATEMENT OF COMPREHENSIVE INCOME

YEAR	Jul 18- Jun 19	Jul 17- Jun 18	Jan 16- Jun 17	Jan 15- Dec 15	Jan 14- Dec 14	Jan 13 - Dec 13	Jan 12- Dec 12	Jan 11- Dec 11	Jul 09- Dec 10	Jul 08- Jun 09
Rate of Return (%)	(0.01)	(0.03)	2.00	2.00	3.00	3.00	4.00	(0.12)	0.92	(0.66)
Operating Ratio	1.04	1.18	0.90	0.86	0.83	0.84	0.79	1.01	0.96	0.96
Debt Servicing Ratio	0.06	0.05	0.06	0.06	0.06	0.05	0.07	0.04	0.08	0.07
Financing Ratio	(0.59)	(2.67)	1.71	2.50	3.33	4.06	3.61	(0.17)	0.52	(0.52)

6.1.3 CASH FLOW STATEMENT

YEAR	Jul 18- Jun 19	Jul 17- Jun 18	Jan 16- Jun 17	Jan 15- Dec 15	Jan 14- Dec 14	Jan 13 - Dec 13	Jan 12- Dec 12	Jan 11- Dec 11	Jul 09- Dec 10	Jul 08- Jun 09
Operating Cash Flow	4.49	4.27	3.07	5.64	5.71	3.54	1.71	1.85	0.55	0.99

6.2 RATIO DEFINITIONS

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

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

2. The **Liquidity ratio** (Acid Test ratio) denotes the ability of the Authority to meet its immediate financial obligations.

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

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

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

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

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

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

$$\text{Average collection period:} \quad \frac{\text{Average Gross Debtors}}{\text{Water Sales}} \times 12 \text{ months or } 365 \text{ days}$$

6. **Receivable turnover** measures the Authority's effectiveness in collecting its debts from customers, i.e. the number of times it collects its average accounts receivable balance per year.

$$\text{Receivable Turnover:} \quad \frac{\text{Water Sales}}{\text{Average Gross Debtors}}$$

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

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

8. The **Operating ratio** gauges the ability of the Authority to finance its Operating Expenses from its Operating Revenue.

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

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

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

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

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

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

$$\text{Operating cash flow ratio:} \quad \frac{\text{Surplus before depreciation and financial costs}}{\text{Financial Costs}}$$



**REPORT OF THE
DIRECTOR OF AUDIT**

**On the Financial Statements
of the Central Water Authority
for the year ended 30 June 2019**

NATIONAL AUDIT OFFICE



NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT TO THE BOARD OF THE CENTRAL WATER AUTHORITY

Report on the Audit of the Financial Statements

Qualified Opinion

I have audited the financial statements of the Central Water Authority, which comprise the statement of financial position as at 30 June 2019 and the statement of financial performance, statement of changes in net assets/equity, cash flow statement and statement of comparison of annual estimates and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the Central Water Authority as at 30 June 2019, and of its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Basis for Qualified Opinion

Inventories - Rs 43,704,846

The above figure represents the value of spare parts and materials amounting to Rs 52,833,745 after providing for obsolescence of Rs 9,128,899. The figure of Rs 52,833,745 did not agree with the closing balance figure of Rs 86,015,732 as shown in the Stock Management System. The difference of Rs 33, 181,987 could not be explained.

Assets Under Construction – Rs 2,255,056,261

Three work contracts for a total value of some Rs 36.7 million which had been completed and available for use as of 30 June 2019, were not capitalised although the works were already handed over to the Authority.

Payables Under Exchange Transactions -Rs 1,325,276,229

The above figure included an amount of Rs 420,563,784 as trade creditors and Rs 34,784,638 as accrued expenditure. The amount of Rs 420,563,784 did not agree with the balance as per the Accounts Payables system which amounted to Rs 415,010,979 while the figure of Rs 34,784,638 was not supported by a list of individual suppliers. Hence, the validity and valuation of payables could not be ascertained.

14th Floor, Air Mauritius Centre, John Kennedy Street, Port Louis – Mauritius
Tel: 212 2096-97 / 211 0836 Fax: (230) 211 0880

Contingent Liabilities

Two court cases were disclosed as contingent liabilities as at 30 June 2019. However, judgments were delivered during financial year 2019-20 and the CWA offered to pay a total amount of some Rs 15 million to the plaintiffs. These amounts were not accrued in the financial statements since they were adjusting events after the balance sheet date, in line with IPSAS 14, Events after the reporting date.

Fair value adjustment - Rs 528,830,878

State lands occupied by the CWA and recorded at a fair value of Rs 556,575,000 were wrongly capitalised in Property, Plant and Equipment in financial year 2017-18 instead of being accounted for as operating lease. The error was not corrected by restating the comparative figures but was adjusted in the financial year 2018-19, contrary to IPSAS 3, Accounting Policies, Changes in Accounting Estimates and Errors. The nature of the prior period error was also not disclosed in the financial statements.

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report. I am independent of the Central Water Authority in accordance with the INTOSAI Code of Ethics, together with the ethical requirements that are relevant to my audit of the financial statements in Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no key audit matters to communicate in my report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report of the Central Water Authority, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Corporate Governance Report

My responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From my assessment of the disclosures made on corporate governance in the annual report, the Central Water Authority has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (IPSAS), 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.

In preparing the financial statements, management is responsible for assessing the Central Water Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Central Water Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Central Water Authority's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Central Water Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Central Water Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Management's Responsibilities for Compliance

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible to ensure that the Central Water Authority's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in an entity's financial statements.

Auditor's Responsibilities

In addition to the responsibility to express an opinion on the financial statements described above, I am also responsible to report to the Board whether:

- (a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit;
- (b) the Statutory Bodies (Accounts and Audit) Act and any directions of the Minister, in so far as they relate to the accounts, have been complied with;
- (c) in my opinion, and, as far as could be ascertained from my examination of the financial statements submitted to me, any expenditure incurred is of an extravagant or wasteful nature, judged by normal commercial practice and prudence;
- (d) in my opinion, the Central Water Authority has been applying its resources and carrying out its operations fairly and economically; and
- (e) the provisions of Part V of the Public Procurement Act regarding the bidding process have been complied with.

I performed procedures, including the assessment of the risks of material non-compliance, to obtain audit evidence to discharge the above responsibilities.

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

Statutory Bodies (Accounts and Audit) Act

I have obtained all information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.

Based on my examination of the records of the Central Water Authority, nothing has come to my attention that indicates that:

- (a) any expenditure incurred was of an extravagant or wasteful nature, judged by normal commercial practice and prudence; and
- (b) the Central Water Authority has not applied its resources and carried out its operations fairly and economically.

Other Matter

Section 7(3) of the Statutory Bodies (Accounts and Audit) Act stipulates that the auditor shall within six months of the date of receipt of annual report submit the annual report and his audit report to the Board.

Following regulations made under section 10 of the Statutory Bodies (Accounts and Audit) Act, the time period for the submission of the audit report had been extended to 1 September 2020.

The Annual Report of the Central Water Authority was received at the National Audit Office on 31 October 2019. Following audit, management was informed on 29 July 2020 of amendments to be made to the financial statements. The approved Annual Report and amended financial statements were submitted to the National Audit Office on 7 April 2021.

Public Procurement Act

In my opinion, the provisions of Part V of the Act have been complied with as far as it could be ascertained from my examination of the relevant records.



C. ROMOAH
Director of Audit

National Audit Office
Level 14,
Air Mauritius Centre
PORT LOUIS

10 June 2021





FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

All amounts are in Mauritian Rupee ("Rs") unless otherwise stated

Particulars	Notes	2019	2018
Assets			
Current assets			
Cash and cash equivalents	6	492,625,459	1,072,455,198
Financial assets	7	180,000,000	-
Receivables from exchange transactions	8	314,832,990	288,025,446
Receivables from non-exchange transactions	9	97,896,933	-
Other receivables from exchange transactions	10	31,496,011	15,672,735
Loans and advances	11	8,159,910	6,823,774
Inventories	12	43,704,846	51,240,689
Prepayments	13	46,284,209	71,962,280
Other current assets	14	70,975,851	39,479,482
Total current assets		1,285,976,209	1,545,659,603
Non-current assets			
Financial assets	7	320,000,000	-
Loans and advances	11	16,236,757	16,312,928
Prepayments	13	81,566	82,424
Property, plant and equipment	15	13,848,086,238	14,385,561,514
Assets under construction	16	2,255,056,261	1,548,568,214
Intangible assets	17	30,538,365	18,445,237
Total non-current assets		16,469,999,188	15,968,970,317
Total assets		17,755,975,397	17,514,629,920
Liabilities			
Current liabilities			
Payables under exchange transactions	18	1,325,276,229	1,212,099,533
Deposits	19	102,881	99,723
Borrowings	20	830,490,129	706,376,815
Employee benefits	21	49,542,257	41,761,457
Other current liabilities	22	727,672,751	415,875,871
Total current liabilities		2,933,084,247	2,376,213,399
Non-current liabilities			
Deposits	19	102,778,526	99,622,919
Borrowings	20	2,893,536,471	2,438,849,220
Employee benefits	21	2,111,831,345	2,103,064,275
Total non-current liabilities		5,108,146,342	4,641,536,414
Total liabilities		8,041,230,589	7,017,749,813
Net assets		9,714,744,807	10,496,880,107
Net assets/equity			
Contributed capital	23	1,915,450,607	1,915,450,607
Accumulated surplus/(deficit)	23	7,799,294,200	8,581,429,500
Total net assets/equity		9,714,744,807	10,496,880,107

The accompanying notes form an integral part of the Financial Statements.

The Financial Statements were approved for issue by the Central Water Board on 25 February 2021 and signed on its behalf by:


A K Nilamber
Chairman


Ms. S. Appanah
Board Member

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2019

All amounts are in Mauritian Rupee ("Rs") unless otherwise stated

Particulars	Notes	2019	(Restated) 2018
Revenue from exchange transactions	24	1,575,162,138	1,616,759,476
Revenue from non-exchange transactions	24	348,791,702	83,684,462
Other revenue	25	159,896,543	142,762,309
Total revenue		2,083,850,383	1,843,206,247
Expenses			
Operating costs	26	614,364,798	497,320,660
Employee benefits	27	727,600,967	711,792,252
Depreciation and amortization	28	761,542,090	866,888,456
Finance costs	29	149,768,613	124,840,067
Other expenses	30	65,143,324	98,148,673
Loss on foreign currency transactions	31	3,793,663	3,075,822
Total expenses		2,322,213,455	2,302,065,930
Deficit for the year		(238,363,072)	(458,859,683)

The accompanying notes form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS/EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

All amounts are in Mauritian Rupee ("Rs") unless otherwise stated

Particulars	Contributed capital	Accumulated Surplus/(Deficit)	Total
ADJUSTED BALANCE AS AT 01.07.2017	1,015,450,607	9,112,631,930	10,128,082,537
Capital contribution	900,000,000		900,000,000
Deficit for the year		(458,859,684)	(458,859,684)
Remeasurement gain/(loss) on defined benefit obligations		(72,342,746)	(72,342,746)
Balance as at 30.06.2018	1,915,450,607	8,581,429,500	10,496,880,107
Balance as at 01.07.2018	1,915,450,607	8,581,429,500	10,496,880,107
Fair value adjustment		(528,830,878)	(528,830,878)
Prior year adjustment		(12,251,351)	(12,251,351)
Deficit for the year	-	(238,363,072)	(238,363,072)
Remeasurement gain/(loss) on defined benefit obligations	-	(2,689,999)	(2,689,999)
Balance as at 30.06.2019	1,915,450,607	7,799,294,200	9,714,744,807

The accompanying notes form an integral part of the Financial Statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2019

All amounts are in Mauritian Rupee ("Rs") unless otherwise stated

Particulars	2019	Restated 2018
Cash flow from operating activities:		
Deficit for the year	(238,363,072)	(458,859,683)
Adjustment for:		
Depreciation and amortization of property, plant and equipment and intangible assets	761,542,090	866,888,456
Loss on foreign exchange transactions	3,793,663	3,075,822
Interest Income	(24,758,929)	(1,550,191)
Deferred revenue recognized towards government grants	(348,791,702)	(83,684,462)
Financial contribution from consumers	(63,812,078)	(125,677,671)
Allowance for provision for impairment towards receivables	3,809,751	23,196,958
Finance costs	149,768,613	124,840,067
Profit on disposal of property, plant and equipment	(143,664)	-
	243,044,672	348,229,296
Movements in working capital		
(Increase)/decrease in receivables	(145,597,467)	4,260,945
(Increase)/decrease in inventories	7,535,843	12,182,080
(Increase)/decrease in other assets	(10,488,399)	61,707,069
Increase/(decrease) in payables	(307,158,882)	13,092,533
Increase/(decrease) in other current liabilities	724,400,660	420,290,864
Increase/(decrease) in consumer deposits	3,158,765	3,181,174
Increase/(decrease) in provisions for employee benefits	13,857,871	15,478,708
Net cash flows from operating activities	528,753,063	878,422,668
Cash flow from investing activities:		
Payments for property, plant and equipment, assets under construction and intangible assets	(672,463,771)	(779,033,669)
Proceeds from disposal of non-current assets	-	-
Payments for property, plant and equipment and assets under construction out of capital grants	(534,638,033)	(354,267,191)
Proceeds from sale of property	1,772,630	-
Purchase of held-to-maturity investments	(500,000,000)	-
Interest revenue	24,758,929	1,550,191
Net cash flows from investing activities	(1,680,570,245)	(1,131,750,669)
Cash flow from financing activities:		
Proceeds from borrowings	623,179,100	446,917,239
Repayment of interest-bearing loan	(20,587,889)	(20,318,657)
Government equity received	-	900,000,000
Finance costs paid	(3,019,459)	(5,667,295)
Net cash flows from financing activities	599,571,752	1,320,931,287
Net increase in cash and bank balances	(552,245,430)	1,067,603,286
Cash and bank balances as at July 01, 2018	1,044,870,890	(22,732,395)
Cash and bank balances as at June 30, 2019	492,625,459	1,044,870,890

The accompanying notes form an integral part of the Financial Statements.

Note: Figures in brackets represent outflows.

STATEMENT OF COMPARISON OF ANNUAL ESTIMATES AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 30 JUNE 2019

All amounts are in Mauritian Rupee ("Rs") unless otherwise stated

Particulars	Original Estimates 2018-19	Actual Amount 2018-19	Revised Estimates 2018-19	Actual amounts on comparable basis	Variance for actual vs revised budget
RECEIPTS					
Revenue from exchange transaction	1,574,000,000	1,575,162,138	1,615,000,000	1,571,395,294	(43,604,706)
Other income	107,000,000	159,896,543	144,452,000	144,442,268	(9,732)
PAYMENTS					
Operating costs	(699,998,000)	(614,364,798)	(616,686,000)	(596,582,928)	20,103,072
Employee benefits expenses	(864,304,000)	(727,600,967)	(816,116,000)	(713,743,096)	102,372,904
Depreciation and amortisation expenses	-	(761,542,090)	-	-	-
Finance costs	(283,706,000)	(149,768,613)	(27,213,000)	(3,019,459)	24,193,541
Other expenses	(83,445,000)	(65,143,324)	(102,990,000)	(61,333,573)	41,656,427
Loss on foreign currency transactions	-	(3,793,663)	-	-	-
SURPLUS/(DEFICIT)	(250,453,000)	(587,154,774)	196,447,000	341,158,506	144,711,506
Revenue from non-exchange transactions	1,794,000,000	348,791,702	1,514,000,000	1,160,975,897	(353,024,103)
Capital expenditure	(2,425,000,000)	(1,958,315,193)	(1,610,000,000)	(1,437,285,637)	172,714,363
Net capital payments	(631,000,000)	(1,609,523,491)	(96,000,000)	(276,309,740)	(180,309,740)
Net receipts	(881,453,000)	(2,196,678,265)	100,447,000	64,848,766	(35,598,234)

Notes: i. Budget variance of major items has been explained below:

Particulars

a) Revenue from exchange transaction

Variance
(43,604,706)

Actual receipts were lower than budget due to an increase in debts from both Potable Water Sales and Irrigation Water Sales during the year.

b) Other income

(9,732)

Other Income was lower than budget mainly because of a fall in actual receipts from surcharges, laboratory services and morcellement fees. This fall was partly offset by penalty income and disposal proceeds which are non-budgeted items.

c) Operating costs	20,103,072
The underspent amount in Operating Costs is explained by 9% fall in budgeted expenses, particularly in major items such as Stock Replenishments and Chemicals due to deferral of procurement, in ICT Maintenance Services and Computer Stationery due to delays in project implementation and in Security Costs. These reductions were partly offset by some 35% increase in expenses such as Electrification Costs, Repairs & Maintenance Tools & Equipment, Hardware & Software Upgrades and Water Tanker Charges.	
It is to be also noted that Operating Costs also comprise Water Consumption which is a non-budgeted item but exclude Stock Replenishment of Meters as same is capitalised in the Financial Statements.	
d) Employee benefits expenses	102,372,904
The underspent amount in Employee Benefits Cost is explained by 14% fall in Basic Salary and related staff costs due to delays in filling of vacant posts as per the approved Manpower Plan. These reductions were partly offset by around 15% increase in some expense items such in staff benefits following an increase in early retirement applications.	
e) Depreciation and amortisation expenses	-
Non-cash items such as depreciation and amortization is excluded from the Budget.	
f) Finance costs	24,193,541
The underspent amount in Finance Costs is due to non-payment of Government Loans during the year, pending the proposal for loan rescheduling.	
g) Other expenses	41,656,427
A reduction of 40% in Other Expenses compared to Budget was mainly due to a fall in Professional, Legal and Consultancy Services as well as in Motor Vehicles Expenses. The fall in Motor Vehicle Expenses is mostly due to delays in submission of fuel claims for payment.	
h) Loss on foreign currency transactions	
Fluctuations in foreign currency transactions are excluded from Budget.	
i) Revenue from non-exchange transactions	(353,024,103)
Actual receipts were lower than budgeted due to delays in project implementation, leading to a fall in Government funding mainly in terms of grant as compared to Budget. Also, withdrawal from Equity and Cash Reserves were budgeted for capital financing purposes.	
j) Capital expenditure	172,714,363
Variances between additions to property, plant and equipment as per the financial statements and capital expenditure estimates arose principally because of delays in actual implementation of projects.	

STATEMENT OF COMPARISON OF ANNUAL ESTIMATES AND ACTUAL AMOUNTS (CONT)

ii. The budget amounts and the financial statement amounts are prepared on a different basis. The statement of comparison of budget and actual amounts above is prepared on the same basis as the budget. A reconciliation of amounts as per the above statement and the actual amounts in the statement of cash flows for the year ended June 30, 2019 is presented below.

NET RECEIPTS	OPERATING ACTIVITIES	INVESTING ACTIVITIES	FINANCING ACTIVITIES	TOTAL
Actual amount on comparable basis as presented in the Budget and actual comparative statement	402,562,652	(937,285,637)	599,571,752	64,848,766
Basis differences	211,788,238	(743,284,608)		(531,496,370)
Timing differences	-	-	-	-
Entity differences	(85,597,827)	-	-	(85,597,827)
ACTUAL AMOUNT IN THE STATEMENT OF CASH FLOWS	528,753,063	(1,680,570,245)	599,571,752	(552,245,430)

iii. The differences in the reconciliation above can be categorised into:

a) Basis difference which can be explained as follows:

- for operating activities: the budget does not take into account VAT elements in transactions while appropriate VAT element is considered in the financial statements

- for investing activities: the movement of other current assets (excluding VAT elements), sundry payables and an accrued expenditure which are considered as a part of capital expenditure in the budget but shown under operating activities in the cashflow statement. Also, interest revenue, disposal proceeds and purchase of held-to-maturity investments which are considered in the cashflow statement as a part of investing activities are not considered as a part of capital expenditure under budget.

b) Entity difference which can be explained as follows:

The budget is prepared solely for the Authority's operations, whilst the financial statements consolidate all receivables and payables including wastewater and groundwater collections made on behalf of other entities and their subsequent remittance.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. GENERAL INFORMATION ON REPORTING ENTITY

The Central Water Authority (CWA or the Authority) 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. The Authority's principal place of business is Royal Road, St. Paul, Mauritius.

The Authority is administered by the Central Water Board and is engaged in the supply of potable water after the treatment for domestic, irrigation, commercial and industrial usage throughout Mauritius.

The financial statements of the Authority are for the year ended 30 June 2019 and accounting policies have been applied consistently throughout the year.

2. BASIS OF ACCOUNTING

2.1 STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). Where IPSAS does not provide any guidance for any specific transaction(s), the appropriate International Financial Reporting Standards (IFRS) have been applied.

2.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in the exchange of goods and services. The statement of cash flow is prepared using the indirect method. The Financial Statements are prepared on accrual basis using the going-concern principle.

The preparation of Financial Statements, in conformity with IPSAS, requires the use of certain critical accounting

estimates. It also requires the Authority's management to exercise its judgement in the process of applying accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in Note 5 - Significant judgements and sources of estimation uncertainty.

The Financial Statements have been prepared and presented in Mauritian Rupee (Rs), which is the functional and reporting currency of the Authority.

The Authority's IPSAS Financial Statements based on the accrual-basis IPSASs include the:

- a) Statement of Financial Position as at 30 June 2019;
- b) Statement of Financial Performance for the year ended 30 June 2019;
- c) Statement of Changes in Net Assets/Equity for the year ended 30 June 2019;
- d) Cash Flow Statement for the year ended 30 June 2019;
- e) Statement of Comparison of Annual Estimates and Actual Amounts; and
- f) Related notes and the disclosure of narrative information about material adjustments.

3. ADOPTION OF NEW AND REVISED STANDARDS

3.1 NEW STANDARDS ISSUED BUT NOT YET ADOPTED

IPSAS 3 (*Accounting Policies, Changes in Accounting Estimates and Errors*) requires disclosure of new IPSAS that have been issued but are not yet effective.

At the date of approval of these financial statements, the following relevant International Public Sector Accounting Standards (IPSAS) had already been issued but not effective:

IPSAS 41 Financial Instruments *Effective for annual periods beginning on or after 01 January 2022*

On August 14, 2018, the IPSASB published IPSAS 41, Financial Instruments which establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement.

It is anticipated that the adoption of these new standards in the future periods will have no material impact on the financial statements of the Authority.

3.2 REVISED STANDARDS

This is an ongoing exercise for the evaluation of requirements of amendments to existing standards and of its impact on the Authority's financial statements. The amendments to existing standards shall be applied by the Authority as per the effective date as notified by IPASB.

Part - I: Amendments to Standards applicable to CWA (adopted)

IPSAS 1	Presentation of Financial Statements
IPSAS 2	Cash Flow Statements
IPSAS 4	The Effect of Changes in Foreign Rates
IPSAS 5	Borrowing Costs
IPSAS 14	Events After the Reporting Date
IPSAS 17	Property, Plant and Equipment
IPSAS 18	Segment Reporting
IPSAS 19	Provisions, Contingent Liabilities and Contingent Assets
IPSAS 21	Impairment of Non-Cash-Generating Assets
IPSAS 23	Revenue from Non-Exchange Transactions (Taxes and Transfers)
IPSAS 24	Presentation of Budget Information in Financial Statements
IPSAS 26	Impairment of Cash-Generating Assets
IPSAS 31	Intangible Assets
IPSAS 39	Employee Benefits

Part - II: Amendments to Standards not applicable to CWA

IPSAS 10	Financial Reporting in Hyperinflationary Economies
IPSAS 16	Investment Property
IPSAS 27	Agriculture
IPSAS 34	Separate Financial Statements
IPSAS 35	Consolidated Financial Statements
IPSAS 36	Investments in Associates and Joint Ventures
IPSAS 37	Joint Arrangements
IPSAS 40	Public Sector Combinations
IPSAS 42	Social Benefits

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in the preparation and presentation of the financial statements. The information relating to adoption of new and revised standards are given below.

4.1 Revenue recognition

i. Revenue from non-exchange transactions

Non-exchange transactions are those where the Authority receives an inflow of resources (e.g. cash and tangible or intangible items) but provides no (or nominal) direct consideration in return.

Revenue from non-exchange transactions include capital grants and assets received from Government.

The Authority recognizes revenues from capital grants when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred revenue is recognized instead of revenue.

Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

ii. Revenue from exchange transactions

Revenue from exchange transactions is recognized when the outcome of the transactions can be estimated reliably.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

(a) Sale of water

Revenue is made up of sale of potable water. The sale is recognized when:

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

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

(b) Rendering of services

The Authority recognizes revenue from rendering of services (i.e., financial contributions for morcellement and other developments; irrigation, water treatment and distribution services) when:

- a contract exists,
- 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 by reference to the measurement based on cyclical meter readings.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

(c) Interest income

Interest revenue is accrued in the Statement of Financial Performance using the effective yield method unless their collectability is not reasonably certain. The effective yield method discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest revenue in each period.

(d) Other revenue

Other revenue is recognized in the Statement of Financial Performance as they accrue unless their collectability is not reasonably certain.

4.2 Budget information

The original budget for FY 2018/19 was approved by the Minister of Energy and Public Utilities on 15 March 2018. Subsequent revisions or additional appropriations were made to the approved budget in accordance with revenue and expenditure trends, changing environment, approved reallocations, project status and other such factors. Changes in respect of capital expenditure budget were mainly due to project implementation delays and project reprioritisation. The revisions or additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly,

the entity recorded additional appropriations of 7 May 2019 on the 2018-2019 budget following the governing body's approval.

The entity's budget is prepared on a different basis from the Financial Statements. The Financial Statements are prepared on accrual basis using a classification based on the nature of expenses in the Statement of Financial Performance, whereas the budget is prepared on a cash basis, except for carry over of capital expenditure which is accounted for on an appropriation basis. The amounts in the Financial Statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on the above basis to the approved budget, is then presented in the comparison of budget and actual amounts.

4.3 Property, plant and equipment

i. Recognition and measurement

The CWA opted to use the fair value of Property, Plant and Equipment as its deemed cost on 1 July 2017.

All Property, Plant and Equipment are initially measured at cost less accumulated depreciation and impairment losses. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration, the asset is initially measured at its fair value.

Cost includes expenditure that is directly attributable to the acquisition of the asset which includes the following:

- The cost of materials and direct labour,
- Costs directly attributable to bringing the assets to a working condition for their intended use,
- When the Authority has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling, removing the items and restoring the site on which they are located, and
- Capitalized borrowing cost.

Any gain or loss arising on disposal of an item of Property, Plant and Equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in the Statement of Financial Performance.

ii. Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Authority and the amounts can be measured reliably. All other repairs and maintenance costs are recognized in the Statement of Financial Performance as incurred.

iii. Depreciation

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:-

PARTICULARS	NO. OF YEARS
Water Supply Facilities	10 – 60
Irrigation Facilities	50
Cars and Mobile Service Equipment	5 – 10
Other Equipment	5 – 20
Buildings	50

The residual value on assets, where applicable, is 5-10% of cost.

Depreciation is charged on additions in the year of acquisition on pro-rated basis as from the date when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. Depreciation of an asset ceases when the asset is derecognized. Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted, if appropriate.

4.4 Intangible assets

i. Recognition and measurement

The CWA opted to use the fair value of Property, Plant and Equipment as its deemed cost on 1st July 2017.

Intangible assets are initially measured at cost, except for intangible assets acquired through non-exchange transactions (measured at fair value at the date of acquisition) less accumulated amortization and impairment losses. Computer software that is not considered to form an integral part of any hardware equipment is recorded as intangible assets. The Authority has no intangible assets with indefinite useful lives.

ii. Amortization

Amortization of computer software is recognized in the Statement of Financial Performance on a straight-line basis over the estimated useful lives of 5-25 years. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

4.5 Impairment of non-financial assets

At the end of each reporting period, the Authority reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If 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.

Intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount of a cash-generating asset or cash-generating unit (CGU) is the greater of its value in use and its fair value less costs to sell. Recoverable service amount of a non-cash-generating asset is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash

flows (for cash-generating assets) or future remaining service potential (for non-cash-generating assets) are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the assets or cash-generating units (CGU) for which the estimates of future cash flows have not been adjusted.

An impairment loss is immediately recognized in the Statement of Financial Performance.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount or recoverable service amount so that the increased carrying amount does not exceed the carrying amount that would have determined had no impairment loss have been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Financial Performance.

4.6 Research and development costs

The Authority expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Authority can demonstrate that the criteria specified in IPSAS 38 are met.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in the Statement of Financial Performance.

Expenses are charged to the Statement of Financial Performance.

4.7 Leases

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Authority. Operating lease payments are recognized as an operating expense in the Statement of Financial Performance on a straight-line basis over the lease term. The Authority has entered into operating lease

agreements for the rental of land (including parking space), buildings and equipment.

The Authority does not have any lease as at 30 June 2019 that qualifies as finance lease.

4.8 Financial instruments

i. Financial assets

(a) Initial recognition and measurement

Financial assets within the scope of *IPSAS 29, Financial Instruments: Recognition and Measurement* are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Authority determines the classification of its financial assets at initial recognition. All financial assets of the Authority are classified as loans receivables.

(b) Subsequent measurement

Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment loss.

(c) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest revenue over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(d) Loans and receivables

The financial assets of the Authority are classified as loans and receivables. Trade receivables, loans and other receivables are non-derivative financial assets that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. After initial recognition at fair value, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into

account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. A provision for impairment of receivables is established when there is objective evidence that the Authority will not be able to collect all or part of the amounts due according to the terms of receivables. Losses arising from impairment are recognized in the loans and receivables and Statement of Financial Performance.

(e) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been impacted.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include Authority's past experience of collecting payment, an increase in the number of delayed payments in the portfolio past 36 months, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at cost, the amount of the impairment because of financial difficulties, the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against that allowance account. Changes in the carrying amount of the allowance account are recognized in the Statement of Financial Performance.

(f) Derecognition of financial assets

The Authority derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of that asset to another entity. If the Authority neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Authority recognizes its retained interest in the asset and associated liability for amounts it may have to pay. If it retains substantially all the risks and rewards of ownership of a transferred financial asset, the Authority continues to recognize the financial asset and also recognizes a collateral borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of consideration received and receivable is recognized in the Statement of Financial Performance.

ii. Financial liabilities

(a) Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Authority determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs. The Authority's financial liabilities include trade and other payables, loans and borrowings.

(b) Subsequent measurement

The measurement of financial liabilities depends on their classification.

(c) Loans and borrowings

After initial recognition, loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the Statement of Financial Performance when the liabilities are

derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

(d) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Statement of Financial Performance.

4.9 Inventories

Inventory is initially measured at cost, except items acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

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. Inventories are subsequently measured at the lower of cost and net realisable value.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in selling.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Authority.

The Authority recognizes the expenses for obsolescence in Statement of Financial Performance for the inventories which are slow moving and lying for a period more than 36 months.

4.10 Provisions

Provisions are recognized when the Authority has a present obligation as a result of past event, and it is probable that the Authority will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Where the Authority expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the Statement of Financial Performance net of any reimbursement.

4.11 Contingent liabilities

The Authority does not recognize a contingent liability, but discloses details of any contingencies in the notes to the Financial Statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

4.12 Contingent assets

The Authority does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority in the notes to the financial statements.

4.13 Employee benefits

i. Defined benefit pension plans

Provision for retirement pension benefits is made under the Statutory Bodies Pension Funds Act of 1978, as amended. The schemes are Defined Contribution Plan scheme and its assets are managed by the State Insurance Company of Mauritius (SICOM) Ltd. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and

the return on plan assets (excluding interest), is reflected immediately in the Statement of Financial Position. Past service cost is recognized in the Statement of Financial Performance in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current and past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expense or revenue
- Remeasurement

The retirement benefit obligations recognized in the Statement of Financial Position represent the actual surplus or deficit in the Authority's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refund from the plan or future reductions in contribution in the plan.

ii. Defined contribution plan

The contributions to the National Pension Scheme, Family Protection Scheme and National Savings Fund are charged to the Statement of Financial Performance for the period in which they fall due. The Defined Contribution Plan schemes and its assets are managed by the State Insurance Company of Mauritius (SICOM) Ltd.

iii. Employee entitlements

(a) Sick leave:

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

(b) Passage benefits

Passage benefits are provided to eligible employees as part of their contract of employment. It is calculated as a percentage of employees' salaries and are earned during active employment. The amount earned is accrued and the accrual cleared as and when employees take their passage benefit entitlement. They are therefore classified as employee benefits and are measured at their nominal value. The

carrying amount is re-measured each year and after taking into account amount paid and earned during the year.

(c) Annual leave for officers on contract

Unutilized 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.

(d) Vacation leave

Provision is made at the end of each reporting date with respect to vacation leaves accruing to the employees. They have the option to cash in full the accumulated vacation leaves in lieu of proceeding on leave prior to their normal retirement as per the provisions of the PRB Report 2016.

(e) Car loan

Car loans are disbursed to staff by the Authority on applications made by eligible employees as part of their conditions of service. The loans are executed by way of a registered agreement between the Authority 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 July 01, 2013 is based on the prevailing Repo Rate. The balances of principal amounts are shown under receivables and considered as financial assets and accordingly recognized.

4.14 Foreign currency transactions

Transactions in foreign currencies are recorded in Mauritian Rupees (Rs) 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 (MUR) 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.

4.15 Borrowing costs

As defined by IPSAS 5 - Borrowing Costs, borrowing costs

are interest and other expenses incurred by an entity in connection with the borrowing of funds. Borrowing costs are capitalized against qualifying assets as part of Property, Plant and Equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Other borrowing costs are charged to the Statement of Financial Performance.

4.16 Cash and cash equivalents

Cash and cash equivalents comprise petty cash and cash at bank.

For the purposes of the cash flow statement, cash and cash equivalents are as defined above, net of bank overdraft. In the statement of financial position, bank overdrafts are shown under current liabilities.

5. Significant judgements and sources of estimation uncertainty

The preparation of the Authority's Financial Statements in conformity with IPSAS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

i. Assumptions and estimation uncertainties

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. Examples of estimates include: useful lives of tangible and intangible assets; inventory valuation; collectability of receivables; and contingencies. Examples of assumptions include: discount and inflation rates applied to employee benefits liabilities, provisions for litigation, financial risk on accounts receivable, accrued charges and the degree of impairment of property, plant and equipment.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the

year ending June 30, 2019 include the following:

(a) Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

1. The condition of the asset based on the assessment of experts employed by the Authority;
2. The nature of the asset, its susceptibility and adaptability to changes in technology and processes;
3. The nature of the processes in which the asset is deployed;
4. Availability of funding to replace the asset;
5. Changes in the market in relation to the asset.

(b) Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

ii. Judgements

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements and which could have a significant risk of resulting in a material adjustment is included in the following notes:

(a) Employee benefits liabilities

The Authority participates in a defined-benefit pension plan and other benefit plans. IPSAS requires that management measure the defined-benefit obligations and annual costs under such plans, using assumptions that are long-term in nature and reflect the fund's best judgement and estimates. The Authority reviews key assumptions on an annual basis with its independent actuaries using relevant experience, in conjunction with market-related data. The key assumptions include the rate of salary increase, the rate of pension increase, the discount rate and the longevity of plan members. The management assumption with the greatest potential impact on the organization's defined-benefit obligation is the discount rate.

(b) Contingencies

Legal proceedings covering a wide range of matters are or may be pending or threatened in various jurisdictions against the Authority. Provisions are recorded for pending matters when it is determined that an unfavourable outcome is probable and the amount of loss can be reasonably estimated. Owing to the inherently uncertain nature of the matters, the ultimate outcome or actual cost of settlement may materially vary from estimates.

6. CASH AND CASH EQUIVALENTS

Particulars	As at 30.06.2019	As at 30.06.2018
(a) Petty cash	235,511	247,616
(b) Cash at bank	492,389,948	1,072,207,582
Total cash and bank balances	492,625,459	1,072,455,198
Bank overdraft	-	(27,584,308)
Total cash and cash equivalents (as per cash flow statement)	492,625,459	1,044,870,890

Notes:

- i. Cash comprises cash at bank and cash in hand
- ii. Annual interest rate ranges applicable to cash and cash-equivalents are as follows:

Cash at bank 0.25%-1.25%

7. FINANCIAL ASSETS

Current

Particulars	As at 30.06.2019	As at 30.06.2018
Term Deposit 12 months	180,000,000	-
Held-to-maturity investments	180,000,000	-

Notes:

- i. Maturity date for term deposit of 12 months with BCP Bank (Mauritius) Ltd : 17 September 2019

Non-current

Particulars	As at 30.06.2019	As at 30.06.2018
Term Deposit 24 months	320,000,000	-
Held-to-maturity investments	320,000,000	-

Notes:

- i. Maturity date for term deposit of 24 months with BCP Bank (Mauritius) Ltd : 17 September 2020

8. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Particulars	As at 30.06.2019	As at 30.06.2018
Receivables from exchange transactions		
(a) Potable water sales	302,547,496	286,249,770
(b) Irrigation water sales	88,630,058	75,798,981
(c) Surcharge on Potable water sales	14,577,813	13,953,086
(d) Surcharge on Irrigation water sales	14,743,663	13,879,898
Gross receivables from exchange transactions	420,499,030	389,881,735
Provision for impairment loss		
(a) Provision for impairment on Irrigation Water Sales (IWS)	(79,134,410)	(79,134,410)
(b) Provision for impairment on Potable Water Sales (PWS)	(26,531,630)	(22,721,879)
Total provision for impairment on receivables (Note i)	(105,666,040)	(101,856,289)
Total receivables from exchange transactions (net of provision)	314,832,990	288,025,446

Notes:

i. Movement in provisions are as follows:

Particulars	Provision for impairment - IWS	Provision for impairment - PWS	Total provision for impairment
Balance as at 01.07.2018	(79,134,410)	(22,721,879)	(101,856,289)
Provisions recognized during the year	-	(26,531,630)	(26,531,630)
Reversal during the year	-	22,721,879	22,721,879
Balance as at 30.06.2019	(79,134,410)	(26,531,630)	(105,666,040)

ii. The credit risk and credit risk management policy relating to receivables has been explained at Note 32.2.5.

9. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Particulars	As at 30.06.2019	As at 30.06.2018
Capital Grant carry-over	97,896,933	-
Total receivables from non-exchange transactions	97,896,933	-

Notes:

i. Capital Grant Carry-over relates to Government Grant which was approved to be disbursed for capital expenditure under National Budget 2018-19 on the condition that the application for funds be made over a period not exceeding 3 months after the reporting date, that is, from 01 July 2019 to 30 September 2019. An amount of Rs 97.9M has been recognised under Other Receivables for Government Grant actually appropriated during that period from budgetary provision 2018-19.

10. OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

Current

Particulars	As at 30.06.2019	As at 30.06.2018
(a) Security deposit - CEB	3,308,815	2,866,915
(b) Swimming pool fee	94,500	-
(c) Meter rentals	9,087,129	8,824,837
(d) Bank interest	16,136,319	1,469
(e) Claim for damages	3,017,346	3,017,346
(f) Other deposits	2,553,766	2,553,766
(g) Other miscellaneous receivables	315,482	1,425,748
Gross other receivables from exchange transactions	34,513,357	18,690,081
Provision for impairment loss		
Provision for impairment on claim for damages	(3,017,346)	(3,017,346)
Total provision for impairment on other receivables	(3,017,346)	(3,017,346)
Total other receivables from exchange transactions	31,496,011	15,672,735

11. LOANS AND ADVANCES

Current

Particulars	As at 30.06.2019	As at 30.06.2018
Other receivables - Car loan (Note i)	8,159,910	6,823,774
Total loans and advances (current)	8,159,910	6,823,774

Non-current

Particulars	As at 30.06.2019	As at 30.06.2018
Other receivables - Car loan (Note i)	16,236,757	16,312,928
Total loans and advances (non-current)	16,236,757	16,312,928

Notes: i. Movement in car loans is as follows:

Particulars	As at 30.06.2019	As at 30.06.2018
Balance as at 01.07.2018	23,136,702	31,534,128
New loans granted	9,999,260	1,450,000
Refund during the year	(8,739,295)	(9,847,426)
Balance as at 30.06.2019	24,396,667	23,136,702
Classified under current assets (short-term receivables)	8,159,910	6,823,774
Classified under non-current assets (long-term receivables)	16,236,757	16,312,928

12. INVENTORIES

Particulars	As at 30.06.2019	As at 30.06.2018
(a) Spare parts and materials	52,833,745	72,902,810
(b) Provision for obsolescence	(9,128,899)	(21,662,121)
Total inventories	43,704,846	51,240,689

Notes:

i. All the major pipes and fittings held in store as at 30 June 2019 were “unallocated items” and have been treated under Inventories.

ii. The provision for obsolescence was reduced to Rs 9.1M following a review of the list of dormant stock items.

13. PREPAYMENTS

Current

Particulars	As at 30.06.2019	As at 30.06.2018
(a) Advance payment for works	45,723,535	68,978,982
(b) Other prepayments	527,207	2,949,830
(c) Other advance payments	33,468	33,468
Total prepayments (current)	46,284,209	71,962,280

Non-current

Particulars	As at 30.06.2019	As at 30.06.2018
(a) Prepayments towards land lease premium	81,566	82,424
Total prepayments (non-current)	81,566	82,424

14. OTHER CURRENT ASSETS

Current

Particulars	As at 30.06.2019	As at 30.06.2018
(a) Value added tax (VAT)	70,975,851	39,479,482
Total other current assets	70,975,851	39,479,482

15. PROPERTY, PLANT AND EQUIPMENT

Carrying amount of:	As at 30.06.2019	As at 30.06.2018
(a) Water supplies and facilities	13,047,653,044	13,059,707,781
(b) Irrigation facilities	117,712,327	118,620,909
(c) Cars and mobile service equipment	239,629,185	204,680,741
(d) Office, workshop and laboratory equipment	37,458,304	38,039,653
(e) Lands and buildings	405,633,378	964,512,430
Total property, plant and equipment	13,848,086,238	14,385,561,514

Particulars	Water supplies and facilities	Irrigation facilities	Cars and mobile service equipment	Office, workshop and laboratory equipment	Lands and buildings	Total property, plant and equipment
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Cost or deemed cost

Balance as at 01.07.2018	13,877,563,434	119,571,447	224,557,559	56,401,225	971,118,423	15,249,212,088
Additions	722,772,658	-	55,955,538	10,215,327	3,620,050	792,563,573
Disposal adjustment			(1,854,538)			(1,854,538)
Other adjustment	(16,017,223)					(16,017,223)
Revaluation adjustment	(44,761)			-	(556,590,000)	(556,634,761)
Balance as at 30.06.2019	14,584,274,108	119,571,447	278,658,559	66,616,552	418,148,473	15,467,269,139

Accumulated depreciation and impairment

Balance as at 01.07.2018	817,855,653	950,538	19,876,818	18,361,572	6,605,993	863,650,574
Depreciation expense	716,400,260	908,582	23,916,026	10,796,676	5,866,159	757,887,703
Disposal adjustment			(225,571)			(225,571)
Other adjustment	2,365,151		(4,537,899)		42,943	(2,129,805)
Revaluation adjustment	-					-
Balance as at 30.06.2019	1,536,621,064	1,859,120	39,029,374	29,158,248	12,515,095	1,619,182,901

Carrying amount

Balance as at 01.07.2018	13,059,707,781	118,620,909	204,680,741	38,039,653	964,512,430	14,385,561,514
Additions	722,772,658	-	55,955,538	10,215,327	3,620,050	792,563,573
Disposal adjustment	-	-	(1,628,966)	-	-	(1,628,966)
Other adjustment	(18,382,374)	-	4,537,899	-	(42,943)	(13,887,418)
Revaluation adjustment	(44,761)				(556,590,000)	(556,634,761)
Depreciation expense	(716,400,260)	(908,582)	(23,916,026)	(10,796,676)	(5,866,159)	(757,887,703)
Balance as at 30.06.2019	13,047,653,044	117,712,327	239,629,185	37,458,304	405,633,378	13,848,086,238

Notes:

i. The Authority engaged the consultancy firm Mega Design Ltd, in association with Atkins International (UK), to carry out asset revaluation exercise in order to assess the fair value of the Property, Plant and Equipment as at 01 July 2017. The Consultant had independently carried on an exercise for revaluation of assets and assessment for impairment of assets in relation to the assets existing as at 30 June 2017. The Authority opted to use this fair value of Property, Plant and Equipment as its deemed cost on the transition date i.e. 01 July 2017. Necessary fair value adjustments were reflected in the Authority's financial statements since financial year 2017/18.

ii. Property, Plant and Equipment shown at 30 June 2019 were owned by the Authority except for:

(a) Assets worth Rs 111.9M and Rs 117.7M (Net Book Values as at 30 June 2019) awaiting transfer to the Water Resources Unit and Irrigation Authority respectively. The matter is at the level of the Ministry of Energy and Public Utilities (MEPU) for changes to be brought to legislation.

(b) The Authority occupies certain State Lands for the conduct of its operating activities which are categorized hereunder:	As at 30 June 2019
	Number
1. Leasehold State Land	37
2. State Land vested in Ministry of Energy and Public utilities (MEPU) / Ministry of Housing and Land Use Planning (MOHLUP) for use and occupation by CWA	136

As per a letter dated June 2018 from the Ministry of Housing and Land Use Planning, all state lands (vested/not vested in MEPU for use and occupation by CWA) have been retrieved and 20-Year leases will be drawn over the respective sites. As at reporting date, the Lease Agreements were not yet formalised. The State Lands do not form part of the Authority's Land and Buildings value shown above as they have been re-classified as operating lease during 2018/19, with an adjustment to revaluation reserves.

16. ASSETS UNDER CONSTRUCTION

Particulars	As at 30.06.2019	As at 30.06.2018
Balance as at 01.07.2018	1,548,568,214	683,261,993
Additions	1,221,842,605	1,201,743,717
Materials awaiting installation	50,005,435	-
Capitalized during the year	(593,163,877)	(336,437,496)
Transfers	27,803,884	-
Balance as at 30.06.2019	2,255,056,261	1,548,568,214

17. INTANGIBLE ASSETS

Particulars	As at 30.06.2019	As at 30.06.2018
Carrying amount of:		
Computer software	30,538,365	18,445,237
Total intangible assets	30,538,365	18,445,237
Cost or deemed cost	As at 30.06.2019	As at 30.06.2018
Balance as at 01.07.2018	21,683,120	12,817,210
Additions	15,747,515	8,865,910
Balance as at 30.06.2019	37,430,635	21,683,120
Accumulated amortization and impairment	As at 30.06.2019	As at 30.06.2018
Balance as at 01.07.2018	(3,237,883)	-
Amortization expense	(3,654,387)	(3,237,883)
Balance as at 30.06.2019	(6,892,270)	(3,237,883)
Carrying amount	As at 30.06.2019	As at 30.06.2018
Balance as at 01.07.2018	18,445,237	12,817,210
Additions	15,747,515	8,865,910
Amortization expense	(3,654,387)	(3,237,883)
Balance as at 30.06.2019	30,538,365	18,445,237

18. PAYABLES UNDER EXCHANGE TRANSACTIONS

Particulars	As at 30.06.2019	As at 30.06.2018
(a) Trade and other payables	645,208,013	588,811,523
(b) Accruals	61,760,773	65,003,856
(c) Interest on borrowings	516,091,551	380,755,195
(d) Payable to Wastewater Authority	67,921,455	60,096,155
(e) Payable to Government Consolidated Fund (Ground Water)	18,014,502	111,437,629
(f) Sundry payables	16,279,936	5,995,174
Total payables under exchange transactions	1,325,276,229	1,212,099,533

Notes:

i. The average credit period on trade payable is 30-60 days. No interest is charged on the trade payables and accordingly does not involve any significant financing component.

19. DEPOSITS

Current

Particulars	As at 30.06.2019	As at 30.06.2018
(a) Consumer deposits	102,881	99,723

Non-current

Particulars	As at 30.06.2019	As at 30.06.2018
(a) Consumer deposits	102,778,526	99,622,919

Notes:

i. Movement in consumer deposits is as follows:

Particulars	As at 30.06.2019	As at 30.06.2018
Balance as at 01.07.2018	99,722,642	96,541,468
Receipts during the year	3,160,139	3,184,374
Refund during the year	(1,374)	(3,200)
Balance as at 30.06.2019	102,881,407	99,722,642
Less: Amount shown as current	(102,881)	(99,723)
Amount shown as non-current	102,778,526	99,622,919

ii. As from financial year 1999/2000, 0.1% of total amount received as deposits is treated as current consumer deposits.

20. BORROWINGS

Current Portion of Long-Term Borrowings

Particulars	As at 30.06.2019	As at 30.06.2018
Unsecured		
(a) Domestic loans	674,008,274	522,968,400
(b) Foreign loans denominated in:		
(i) USD	85,823,065	85,823,065
(ii) Euro	21,908,733	21,250,985
(iii) Kuwait Dinars	48,750,057	48,750,057
(c) Bank overdraft		27,584,308
Total current portion of long-term borrowings	830,490,129	706,376,815

Non-Current Borrowings

Particulars	As at 30.06.2019	As at 30.06.2018
Unsecured		
(a) Domestic loans	2,832,745,814	2,359,284,925
(b) Foreign loans denominated in:		
(i) Euro	60,790,657	79,564,295
Total Non-Current Borrowings	2,893,536,471	2,438,849,220

Notes:

i. Maturity analysis of total borrowings

Particulars	As at 30.06.2019	As at 30.06.2018
(a) Payable within one year	830,490,129	706,376,815
(b) Payable between one to two years	218,537,638	172,931,779
(c) Payable between two to three years	248,935,544	185,748,920
(d) Payable between three to five years	548,424,826	491,175,578
(e) Payable after five years	1,877,638,463	1,588,992,943
Total borrowings	3,724,026,600	3,145,226,035

ii. Unserviced loans/defaults

Details of defaults in payment during the current period with respect to loans contracted by the Authority are given hereunder:

Particulars	As at 30.06.2019	As at 30.06.2018
(a) Domestic loans contracted directly from GoM		
Principal amount	105,296,717	101,709,841
Interest amount	130,231,707	115,640,926
Total	235,528,424	217,350,767

iii. Carrying amount of loan payables in default:

Particulars	As at 30.06.2019	As at 30.06.2018
(a) Loan contracted by GoM on lent to the Authority	137,630,739	134,092,888
(b) Domestic loans contracted directly from GoM	3,506,754,085	2,882,253,327
Total	3,644,384,824	3,016,346,215

iv. Terms of repayments and effective interest rate of the borrowings is stated hereunder:

Particulars	Terms of repayment	Effective interest rate
(a) Domestic loans (Note a)		3%-10%
(b) Foreign loans denominated in:		
(i) USD	Semi-annual installments	3%
(ii) Euro		3%-5%
(iii) Kuwait Dinars		3%

a. 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.

b. The Authority has not pledged any financial assets as collateral pertaining to the above liabilities.

c. There is no processing fees or initial processing fees for the borrowings as the borrowings are funded or guaranteed by the Government of Mauritius (GoM).

21. PROVISION FOR EMPLOYEE BENEFITS

Defined benefit plans

The Authority sponsors defined benefit plans for qualifying employees in Mauritius. The defined benefit plans are administered by a separate fund i.e. State Insurance Company of Mauritius (SICOM) Ltd. which is legally separated from the authority. The trustees of the pension fund are required by law to act in the interest of the fund and of all relevant stakeholders in the plan. The trustees of the pension fund are responsible for the investment policy with regard to the assets of the fund. Under the plans, the employees are entitled to post-retirement monthly instalments on attainment of a retirement age of 65 years. The defined benefit plans require contributions from employees at the rate of 6% of their pensionable emoluments. Contributions are in the following two forms; one is based on the number of years of service and the other one is based on a fixed percentage of salary of the employees. Employees can also make discretionary contributions to the plans. The plans in Mauritius typically expose the company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk, pension, legislation and regulation risk.

a. Investment risk:

The plan liability is calculated using a discount rate determined by reference to market yields on government bond. If the return on the plan assets is below this rate, it will create a plan deficit and if it is higher, it will create a plan surplus.

b. Interest risk:

A decrease in the bond interest rate will increase the plan liability. However, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

c. Longevity risk:

The plan liability is calculated by reference to the best estimate for the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

d. Salary risk:

The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability. The salary increases could be higher or lower than that assumed. In case of high salary increases relative to investment returns, this would decrease the real return, creating future deficit and hence require further annual contributions.

e. Pension increases:

Post-retirement pension increases have a significant impact on the fund liability. The higher the increases compared to the return on the assets backing the liabilities, the higher the impact will be felt on the pension costs

f. Legislation and regulation:

Changes in legislation and regulation governing pension funds such increase in taxation, government fees and minimum benefits may adversely affect the fund.

Current

Particulars	As at 30.06.2019	As at 30.06.2018
I. Provision for employee benefits		
(a) Sick leave	19,973,279	18,093,768
(b) Passage benefit	10,163,227	9,004,689
(c) Vacation leave	9,262,039	6,289,922
(d) Annual leave/gratuity	10,143,712	8,373,078
Total current provision for employee benefits	49,542,257	41,761,457

Non-current

Particulars	As at 30.06.2019	As at 30.06.2018
I. Provisions for employee benefits		
(a) Sick leave	101,573,655	97,049,446
(b) Passage benefit	37,621,477	38,950,712
(c) Vacation leave	115,409,064	117,394,036
II. Retirement benefit obligation		
Pension fund	1,857,227,149	1,849,670,081
Total non-current provision for employee benefits	2,111,831,345	2,103,064,275

Notes:

i. The Authority contributes to defined benefit plan for its employees and has recognized a net defined benefit liability of Rs 1.86 Bn in respect of pension benefits under the Central Water Authority Pension Fund in the statement of financial position as at June 30, 2019. New entrants as from January 2013 are under the Defined Contribution Scheme.

The amount included in the statements of financial position arising from the Authority's obligations in respect of the defined benefit pension plan is as follows:

ii. Amount recognized in statement of financial position at the end of the year:

Particulars	As at 30.06.2019	As at 30.06.2018
Defined benefit obligation	1,954,254,780	1,952,284,386
Fair value of plan assets	(97,027,631)	(102,614,305)
Net defined benefit liability recognized in Statement of financial position at end of year	1,857,227,149	1,849,670,081

iii. Amount recognized in statement of financial performance:

Particulars	As at 30.06.2019	As at 30.06.2018
Current service cost	33,731,539	33,804,554
Employee contribution	(14,612,824)	(15,381,784)
Fund expense	2,074,444	2,085,239
Net interest expense/(revenue)	107,562,557	111,265,397
Components of defined benefit costs recognized in statement of financial performance	128,755,716	131,773,406

iv. Remeasurement of the net defined benefit liability:

Particulars	As at 30.06.2019	As at 30.06.2018
Liability (surplus)/deficit	1,146,941	75,650,176
Assets (surplus)/deficit	1,543,058	(3,307,430)
Remeasurement of the net defined benefit liability	2,689,999	72,342,746
Total	131,445,715	204,116,152

v. Movement in liability recognized in the statement of financial position:

Particulars	As at 30.06.2019	As at 30.06.2018
Opening balance as at 01.07.2018	1,849,670,081	1,769,010,827
Amount recognized in surplus/(deficit)	128,755,716	131,773,406
Actuarial Reserves Transferred in	(206,956)	-
Contribution paid by the employer	(123,681,691)	(123,456,898)
Remeasurement of the Net Defined Benefit Liability	2,689,999	72,342,746
Closing balance as at 30.06.2019	1,857,227,149	1,849,670,081

The plan is a defined benefit arrangement for the employees and it is a funded plan. The assets of the funded plan are held independently and administered by the State Insurance Company of Mauritius Ltd (SICOM).

vi. Reconciliation of present value of defined benefit obligation:

Particulars	As at 30.06.2019	As at 30.06.2018
Opening balance as at 01.07.2018	1,952,284,386	1,856,816,829
Current service cost	33,731,539	33,804,554
Interest expense	113,232,494	116,979,460
Benefits paid	(146,140,580)	(130,966,633)
Remeasurement of the net defined benefit obligation		
Actuarial (gains)/losses arising from changes in demographic assumptions	(129,775,455)	44,372,521
Actuarial (gains)/losses arising from changes in financial assumptions	130,922,396	31,277,655
Closing balance as at 30.06.2019	1,954,254,780	1,952,284,386

vii. Reconciliation of fair value of plan assets:

Particulars	As at 30.06.2019	As at 30.06.2018
Opening balance as at 01.07.2018	102,614,305	87,806,002
Interest Revenue	5,669,937	5,714,063
Employer contribution	123,681,691	123,456,898
Actuarial Reserves Transferred in	206,956	-
Employee contribution	14,612,824	15,381,784
Actuarial surplus/deficit transferred	-	-
Benefits paid	(148,215,024)	(133,051,872)
Return/(Loss) on Plan Assets	(1,543,058)	3,307,430
Closing balance as at 30.06.2019	97,027,631	102,614,305

viii. Components of experience amount recognized in net assets/equity:

Particulars	As at 30.06.2019	As at 30.06.2018
Assets experience surplus/(deficit) during the year	(1,543,058)	3,307,430
Liability experience surplus/(deficit) during the year	(1,146,941)	(75,650,176)
Components of experience amount recognized	(2,689,999)	(72,342,746)

ix. Allocation of plan asset at end of year:

Particulars	As at 30.06.2019	As at 30.06.2018
	%	%
Cash and equity instruments (Fixed interest securities)	58.70%	59.50%
Loan	3.40%	3.70%
Local equities	13.10%	14.60%
Overseas bonds and equities	24.20%	21.60%
Properties	0.60%	0.60%
Total	100%	100%

Weighted average duration of the defined benefit obligation is 11 years.

Based on the actuarial report the Authority does not have any plan assets invested in its assets held in its own financial instruments or property occupied by the Authority or other assets used by the Authority.

The Authority's investment policy is driven by considerations of maximising returns while ensuring credit quality of debt instruments. The asset allocation for plan assets is determined based on prescribed investment criteria and is also subject to other exposure limitations. The Authority evaluates the risks, transaction costs and liquidity for potential investments. To measure plan assets performance, the Authority compares actual returns for each asset category with published benchmarks.

x. Principal assumptions used at the end of the period:

The plan is exposed to actuarial risks such as investment risk, interest rate risk, mortality risk, longevity risk and salary risk. The cost of providing the benefits is determined using the Projected Unit Method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at 30.06.2019	As at 30.06.2018
Discount rate(s)	5.80%	6.50%
Future salary increases	4.00%	4.00%
Future pension increases	3.00%	3.00%
Mortality before retirement	As per 6770 Ultimate tables	
Mortality in retirement	PA (90) Tables	PA (90) Tables rated down by 2 years
Retirement age	As per Second Schedule in the Statutory Bodies Pension Funds Act	

xi. Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase and mortality (life expectancy). The sensitivity analyses below have been determined based reasonably on possible changes of the assumptions occurring at the end of the reporting period.

In reality one might expect interrelationships between the assumptions, especially between discount rate, expected salary increase and mortality (life expectancy), given that it depends to ascertain extent on expected inflation rates. The analysis above abstracts from these interdependence between the assumptions.

The discount rate is determined by reference to market yields on bonds. The rate reflects the time value of money.

Sensitivity analysis on defined benefit obligation at the end of the year:

	As at 30.06.2019	As at 30.06.2018
Increase due to 1% decrease in discount rate	233,000,000	236,100,000
Decrease due to 1% increase in discount rate	192,000,000	194,400,000

	As at 30.06.2019	As at 30.06.2018
Increase due to 1% increase in salary growth	75,300,000	73,100,000
Decrease due to 1% decrease in salary growth	64,800,000	63,400,000

	As at 30.06.2019	As at 30.06.2018
Increase due to increase by one (1) year in life expectancy	65,000,000	59,000,000
Decrease due to decrease by one (1) year in life expectancy	65,000,000	59,000,000

The sensitivity analysis has been carried out by re-calculating the defined benefit obligation at the end of the period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. The same exercise is thereafter done for future salary increases and life expectancy. The main limitation of such analysis is that interdependence between the assumptions is ignored. There have been no changes in methods and assumptions used for preparing the sensitivity analysis. In reality, one might expect interrelationships between the assumptions, especially between discount rate and expected salary increases given that both depend to a certain extent on expected inflation rates.

xii. Effect of the defined benefit plan on the authority's future cash flows

The Authority should fund the cost of the entitlements expected to be earned on a yearly basis. Employees pay a 6% per cent of pensionable salary. The residual contribution (including back service payments) is paid by the Authority. The funding requirements are based on a local actuarial measurement framework. In this framework the discount rate is determined by reference to market yields on bonds.

The Authority expects to make a contribution of Rs 128M to the defined benefit plans during the next financial year. The Authority is statutorily committed to paying into the plan.

22. OTHER CURRENT LIABILITIES

Current

Particulars	As at 30.06.2019	As at 30.06.2018
(a) Deferred revenue towards capital grants	691,756,349	408,013,086
(b) Advance/double payment received from customer	5,163,755	3,960,589
(c) Financial contribution received from consumers	30,752,647	3,902,196
Total other current liabilities	727,672,751	415,875,871

Notes:

i. Movement in capital grants is as follows:

Particulars		
Balance as at 01.07.2018	408,013,086	137,430,357
Received during the year	534,638,032	354,267,191
Release to statement of financial performance	(348,791,702)	(83,684,462)
Capital Grant carry-over	97,896,933	-
Balance as at 30.06.2019	691,756,349	408,013,086

ii. Movement in financial contribution received from consumers is as follows:

Particulars	As at 30.06.2019	As at 30.06.2018
Balance as at 01.07.2018	3,902,196	62,060,827
Received during the year	91,190,032	67,623,516
Refund during the year	(527,503)	(104,476)
Release to statement of financial performance	(63,812,078)	(125,677,671)
Balance as at 30.06.2019	30,752,647	3,902,196

23. NET ASSETS/EQUITY

Particulars	As at 30.06.2019	As at 30.06.2018
(a) Contributed capital	1,915,450,607	1,915,450,607
(b) Accumulated surplus/(deficit)	7,799,294,200	8,581,429,500
Total net assets/equity	9,714,744,807	10,496,880,107

Notes:

i. Accumulated surplus/(deficit) represents the surplus/(deficit) earned by the Authority.

24. REVENUE FROM EXCHANGE TRANSACTIONS AND NON-EXCHANGE TRANSACTIONS

24.1 Revenue from exchange transactions

Particulars	As at 30.06.2019	As at 30.06.2018
(a) Potable		
- Domestic	767,004,002	769,993,221
- Non-domestic	591,322,355	570,928,760
- Government	115,148,385	112,449,137
- Surface water	1,958,174	1,877,287
(b) Irrigation water	35,917,144	35,833,400
(c) Financial contribution from consumers	63,812,078	125,677,671
Total revenue from exchange transactions	1,575,162,138	1,616,759,476

Notes:

Revenue from surface water relates to water consumption by consumers from streams, rivers, wet-land and lakes.

24.2 Revenue from non-exchange transactions

Particulars	As at 30.06.2019	As at 30.06.2018
(a) Deferred revenue recognized towards government grants	348,791,702	83,684,462
Total revenue from non-exchange transactions	348,791,702	83,684,462

25. OTHER REVENUE

Particulars	As at 30.06.2019	Restated As at 30.06.2018
(a) Sundry revenue	44,804,985	48,573,845
(b) Rental revenue towards water meters (incl swimming pool)	37,956,695	37,459,960
(c) Interest income	24,758,929	1,550,191
(d) Surcharge on potable water sales	29,600,778	30,204,374
(e) Surcharge on potable irrigation sales	877,682	3,248,492
(f) Re-opening fees	3,143,025	3,347,250
(g) Morcellement/non-refundable processing fees	5,617,300	5,308,245
(h) Commission fees	13,137,149	13,069,952
Total other revenue	159,896,543	142,762,309

26. OPERATING COSTS

Particulars	As at 30.06.2019	Restated As at 30.06.2018
(a) Water treatment charges	53,957,030	41,828,349
(b) Electricity charges	266,947,392	259,977,421
(c) Leakage control charges	46,213,982	14,270,697
(d) Labour charges	-	7,453,636
(e) Communication charges	9,040,041	8,278,558
(f) Rent	16,433,828	5,563,812
(g) Security charges	52,826,007	51,876,924
(h) Repairs and maintenance charges		
- Buildings and Premises	56,544,101	41,931,812
- Filter and canals	16,839,950	12,930,105
- Others	4,660,278	3,832,044
(i) Insurance charges	1,216,710	865,477
(j) Other miscellaneous expense	33,009,736	20,301,530
(k) Other operating expense	69,208,965	31,808,527
(l) Decrease in provision for slow-moving stock	(12,533,222)	(3,598,232)
Total operating costs	614,364,798	497,320,660

Notes:

The decrease in provision for slow-moving stock by Rs 12.5M at year-end (June 2018: Rs 3.6M) was made following a review of the list of slow-moving stock items considered to be dormant.

27. EMPLOYEE BENEFITS

Particulars	As at 30.06.2019	As at 30.06.2018
(a) Salaries and wages	711,185,250	700,240,911
(b) Other employee related expenses	16,415,717	11,551,341
Total employee benefit expenses	727,600,967	711,792,252

28. DEPRECIATION AND AMORTIZATION

Particulars	As at 30.06.2019	As at 30.06.2018
(a) Depreciation on property, plant and equipment	757,887,703	863,650,573
(b) Amortization on intangible assets	3,654,387	3,237,883
Total depreciation and amortization expenses	761,542,090	866,888,456

29. FINANCE COSTS

Particulars	As at 30.06.2019	As at 30.06.2018
(a) Interest on foreign loans	7,883,812	7,578,811
(b) Interest on local loans	135,963,623	115,640,929
(c) Interest on bank overdrafts	237,674	2,079,672
(d) Other borrowing costs	11,546,829	4,782,698
Total interest and other borrowing costs	155,631,938	130,082,110
Less: Interest capitalized	(5,863,325)	(5,242,043)
Total finance costs	149,768,613	124,840,067

Notes:

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 period 2018/19 amounted to Rs 5.9M. The capitalization rate applied to borrowing costs ranged between 3% and 4.65%.

30. OTHER EXPENSES

Particulars	As at 30.06.2019	As at 30.06.2018
(a) Commission paid to collecting agencies	13,847,761	14,021,846
(b) Transport cost	31,650,530	42,907,910
(c) Legal and professional charges	15,474,653	17,814,286
(d) Bank charges	360,629	207,410
(e) Loss on disposal of non-current assets	-	263
(f) Allowance for provision for impairment towards receivables	3,809,751	23,196,958
Total other expenses	65,143,324	98,148,673

31. LOSS ON FOREIGN CURRENCY TRANSACTIONS

Particulars	As at 30.06.2019	As at 30.06.2018
(a) Exchange loss during the year	3,793,663	3,075,822
Total loss on foreign currency transactions	3,793,663	3,075,822

Notes:

i. The Authority experienced a loss of Rs 4.4M 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 gain of Rs 0.06M arising out of same translation difference. The net loss recognized in the statement of financial performance amounted to Rs 3.8M.

32. FINANCIAL INSTRUMENTS

32.1 Classification of financial instruments

Particulars	As at 30.06.2019	As at 30.06.2018
Financial instrument measured at amortized cost		
(a) Financial assets		
(i) Cash and cash equivalents	492,625,459	1,072,455,198
(ii) Financial assets	500,000,000	-
(iii) Receivables from exchange transactions	314,832,990	288,025,446
(iv) Receivables from non-exchange transactions	97,896,933	-
(v) Other receivables from exchange transactions	31,496,011	15,672,735
(vi) Loans and advances	24,396,667	23,136,702
Total financial assets	1,461,248,060	1,399,290,081
(b) Financial liabilities		
(i) Payables from exchange transactions	1,325,276,229	1,212,099,533
(ii) Deposits	102,881,407	99,722,642
(iii) Borrowings	3,724,026,600	3,145,226,035
Total financial liabilities	5,152,184,236	4,457,048,210

32.2 Financial risk management

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

- Foreign currency risk
- Interest rate risk
- Liquidity risk
- 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 Authority 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.

32.2.1 Currency profile

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

Currencies	As at 30.06.2019	As at 30.06.2018
USD	114,266,754	109,033,410
Euro	95,439,467	116,759,812
Kuwait Dinars	67,262,609	64,186,850
Total	276,968,830	289,980,072

32.2.2 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 liabilities. The Authority has only foreign currency exposure from foreign currency borrowings which are taken to finance capital project, it does not have any foreign currency receivable. It is the Authority's practice to request competitive exchange rates from various banks for making the payment in foreign currency and accordingly manages its exposure to foreign currency risks.

32.2.2.1 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's assessment of the reasonably possible change in foreign exchange rates. A positive number below indicates an increase in surplus and net assets/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 net assets/equity and the balance below would be negative. The Authority is exposed to United States Dollars, EURO and Kuwait Dinars.

Particulars	Impact on net assets/equity	
	Strengthening by 10%	Weakening by 10%
Foreign currency impact as at June 30, 2019		
USD	(11,426,675)	11,426,675
Euro	(9,543,947)	9,543,947
Kuwait Dinars	(6,726,261)	6,726,261
Total foreign currency exposure	(27,696,883)	27,696,883

32.2.3 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 Authority is exposed to interest rate risk exposures significantly towards borrowings from Government of Mauritius but has not covered the exposures through interest rates swaps or other derivative instruments. The interest rate profile of the Authority's financial assets and liabilities was:

Particulars	2018-19 % per annum
Financial assets	
Cash at bank	0.25 – 1.25%
Financial liabilities	
Borrowings	3 – 10%

32.2.3.1 Interest rate sensitivity analysis

The following table presents the sensitivity of net assets and surplus/deficits to a change in interest rates in the range of minus 10 basis points and plus 10 basis points, given outstanding positions as at June 30, 2019:

Particulars	Impact on net assets/equity
Plus 10 basis points	2,672,853
Minus 10 basis points	(2,672,853)

32.2.4 Liquidity risk

Liquidity risk refers to the possibility of default by the Authority due to unavailability of funds to meet its capital and operational requirements. Prudent liquidity risk management implies maintaining adequate accumulated surplus and banking facilities, by continuously monitoring forecast and actual cash flows. Management maintains liquidity by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities and by holding cash and liquid assets.

As at 30.06.2019	Less than 1 year	1-5 years	+5 Years	Total	Carrying amount
Cash and cash equivalents	492,625,459	-	-	492,625,459	492,625,459
Financial assets	180,000,000	320,000,000	-	500,000,000	500,000,000
Receivables from exchange transactions	314,832,990	-	-	314,832,990	314,832,990
Receivables from non-exchange transactions	97,896,933	-	-	97,896,933	97,896,933
Other receivables from exchange transactions	31,496,011	-	-	31,496,011	31,496,011
Loans and advances	8,159,910	16,236,757	-	24,396,667	24,396,667

As at 01.07.2018	Less than 1 year	1-5 years	+5 Years	Total	Carrying amount
Cash and cash equivalents	1,072,455,198	-	-	1,072,455,198	1,072,455,198
Financial assets	-	-	-	-	-
Receivables from exchange transactions	288,025,446	-	-	288,025,446	288,025,446
Receivables from non-exchange transactions	-	-	-	-	-
Other receivables from exchange transactions	15,672,735	-	-	15,672,735	15,672,735
Loans and advances	6,823,774	16,312,928	-	23,136,702	23,136,702

Expected maturity for financial liabilities

As at 30.06.2019	Less than 1 year	1-5 years	+5 Years	Total	Carrying amount
Payables from exchange transactions	1,325,276,229	-	-	1,325,276,229	1,325,276,229
Deposits	102,881	-	102,778,526	102,881,407	102,881,407
Borrowings	830,490,129	1,015,898,008	1,877,638,463	3,724,026,600	3,724,026,600

As at 01.07.2018	Less than 1 year	1-5 years	+5 Years	Total	Carrying amount
Payables from exchange transactions	1,212,099,533	-	-	1,212,099,533	1,212,099,533
Deposits	99,723	-	99,622,919	99,722,642	99,722,642
Borrowings	706,376,815	849,856,276	1,588,992,945	3,145,226,036	3,145,226,036

32.2.5 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Authority 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.

As at 30 June 2019, the maximum credit risk exposure was Rs 315M after impairment of trade receivables above 36 months due (June 30, 2018: Rs 288M) as analysed below:

Receivables	As at 30.06.2019		
	Gross trade receivables	Provision for impairment	Net trade receivables
Invoices issued in July	126,456,299		126,456,299
Within 30 days	88,710,003		88,710,003
31-60 days	30,808,621		30,808,621
61-90 days	19,831,400		19,831,400
More than 90 days	154,692,708	(105,666,040)	49,026,668
Total	420,499,031	(105,666,040)	314,832,990

As at 30.06.2018			
Receivables	Gross trade receivables	Provision for impairment	Net trade receivables
Invoices issued in July	126,395,147		126,395,147
Within 30 days	84,362,162		84,362,162
31-60 days	32,587,614		32,587,614
61-90 days	21,910,339		21,910,339
More than 90 days	124,626,473	(101,856,289)	22,770,184
Total	389,881,735	(101,856,289)	288,025,446

33. RELATED-PARTY TRANSACTIONS

(a) Nature of related-party relationships

Entities and other parties related to the Authority include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include members of the Board, management personnel, their associates and close family members.

(b) Government of Mauritius and Key management personnel

The Government of Mauritius is deemed to directly or indirectly control the Authority and exercise significant influence over the Authority in making financial and operating decision. Other related parties include:

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 comprises:

- (i) General Manager
- (ii) Chief Operations Officer
- (iii) Directors
- (iv) Heads of Division

(c) Outstanding balance with related parties

(1) Government of Mauritius

Nature of balance outstanding	As at 30.06.2019	As at 30.06.2018
Borrowings payable to Government	3,506,754,088	2,882,253,325
Interest payable to government (excluding interest payable to EIB)	515,495,997	380,001,153

(d) Transactions with related parties:

(1) Government of Mauritius

Nature of transaction	As at 30.06.2019	As at 30.06.2018
Grants received from Government	534,638,032	354,267,191
Capital contribution received	-	900,000,000
Proceeds from borrowings	623,179,100	446,917,239
Total	1,157,817,132	1,701,184,430

Notes:

Financial guarantee is given by Government of Mauritius in respect of foreign currency borrowings.

(e) Compensation of key management personnel:

The remuneration of directors and other members of key management personnel during the year are as follows:

Short-term employee benefits	As at 30.06.2019	As at 30.06.2018
Salaries and allowances	21,045,429	19,174,944
Sick leave	35,571	1,084,139
Passage benefits	593,612	559,672
Vacation leave	-	822,273
Gratuity	993,680	870,720
Annual leave	285,565	175,229
Total short-term employee benefits	22,953,857	22,686,977
No of persons	19	18

34. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Contingent liabilities

At 30 June 2019, the Authority had contingent liabilities in respect of bank guarantees arising in the ordinary course of business. The Authority has given guarantees amounting to some Rs 33M (June 30, 2018: Rs 40.8M) mainly in favour of District/Municipal Councils and Road Development Authority for obtaining wayleaves for excavation works required for laying of water pipes and house connections.

Particulars	As at 30.06.2019	As at 30.06.2018
Amount of contingent liabilities		
(A) Bank Guarantee Facility	33,111,498	40,830,000
1) District Council	12,000,000	20,300,000
2) Municipal Council	10,000,000	10,000,000
3) Road Development Authority	10,000,000	10,000,000
4) Mauritius Revenue Authority	30,000	30,000
5) ENL Land Limited	1,000,000	500,000
6) Landscape Mauritius Ltd	81,498	-
(B) Litigation Cases	18,249,747	11,065,561
1) SICOM General Insurance Co Ltd v Jubilee Insurance and CWA	770,813	-
2) Sungsaar v CWA	1,000,000	-
3) New Creative Design v CWA	1,120,252	-
4) Metex Trading Co Ltd v CWA	3,358,682	-
5) Mega Design Ltd	12,000,000	-
6) EDCC Co. Ltd	-	10,011,471
7) Syndicat des Copropriétaires de L'Immeuble Dreamton Park	-	1,054,090
Subtotal	51,361,245	51,895,561
Less: Provision for contingent liabilities	-	(816,272)
Total contingent liabilities	51,361,245	51,079,289

Notes:

The assets of the Authority were pledged as security in favour of Barclays Mauritius Ltd under a "floating charge" basis for securing a bank overdraft facility of Rs 150M.

At the date of reporting, the Authority had some contested claims in court and for which it has requested responses with regard to the probability of success/failure from its legal advisers and other legal representatives. Accordingly, the following claims are being disclosed as a part of contingent liabilities based on the assessment of the probable outcome of such claims.

(1) SICOM General Insurance Co Ltd v Jubilee Insurance & CWA

This case pertains to a judgment condemning and ordering the Defendants jointly and *in solido* to pay the Plaintiff the sum of Rs 0.7M as damages with costs plus interests.

(2) Sungsaar v CWA

This case refers to a claim for damages in relation to injury sustained.

(3) New Creative Design v CWA

The case is for claim and damages in respect of an exhibition held at La Marie Treatment Plant.

(4) Metex Trading Co Ltd v CWA

Plaint with Summons against CWA in relation to a contract for the procurement of water meters.

(5) Mega Design Ltd v CWA

An application was made by the above consultancy firm to declare the award delivered on 18 April 2018 and 3 May 2018 executory.

There are uncertainties involved in respect of the possible outcome of the above cases which make them a possible obligation dependent on occurrence or non-occurrence of one or more uncertain events. Therefore, the Authority has disclosed the cases along with its estimated financial effect as Contingent Liabilities.

(b) Contingent assets

There are no contingent assets that are required to be disclosed in the financial statement as at 30 June 2019.

35. OPERATING LEASE

The Authority has operating lease arrangements for the lease of land, buildings, parking slots and office equipment to conduct its operations, both on cancellable and non-cancellable lease terms. It did not enter into any sublease arrangement.

CWA as a lessee

Lease payments in the current period

During the year 2018-19, an amount of Rs 16.4M has been recognized as expense and forms part of the Operating Costs disclosed under Note 26 above in the Statement of Financial Performance.

Future Minimum lease payments under operating leases

At the reporting date, the Authority had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	As at 30.06.2019	Restated As at 30.06.2018
Not later than one year	18,000	18,000
Later than one year and not later than five years	90,000	90,000
Later than five years	-	18,000

36. EVENTS OCCURRING AFTER REPORTING DATE

The following events which occurred after the reporting date are considered by Management to be significant and of an adjusting nature:

Carry-over of Government Grants 2018-19 over a period not exceeding 3 months after reporting date, that is, from 01 July 2019 to 30 September 2019.

The Authority has adjusted the amounts recognized in its financial statements 2018-19 to reflect the above adjusting event after the reporting date under Note 9 - Receivables from non-exchange transactions.

Based on the observations of the Auditors, in certain other circumstances, the Authority may amend the financial statements after approval of the Board of Directors and the Chairman.

37. TAXATION

The Authority is not liable to Tax.

NOTE

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CWA HEAD OFFICE

Royal Road, St Paul, Phoenix, Mauritius
Tel (230) 601 5000 **Fax** (230) 686 6264
Hotline 170

Email infodesk@cwa.intnet.mu
Website cwa.govmu.org