



ENHANCING

PROGRESS

The word 'PROGRESS' is rendered in large, bold, multi-colored letters. The 'P' and 'R' are purple, the 'O' is a pink circle containing a white water drop, the 'G' is dark purple, the 'R' is dark purple, the 'E' is dark purple, the 'S' is teal, and the 'S' is teal. The letters are filled with a cityscape pattern. To the right of the word, there is a silhouette of a city skyline in dark blue.

ANNUAL REPORT
2020-2021



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CORPORATE OBJECTIVE

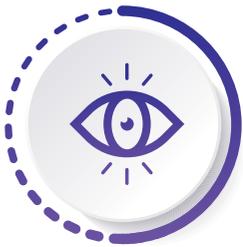
About the CWA

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



MISSION

To secure and provide a sustainable water supply service of appropriate quality at an affordable price which meets the growing needs of the people and to support 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

Excellence & Efficiency
Integrity & Courtesy
Teamwork & Innovation

STRENGTHS

- Cross-functional team with diverse skills set
- Low Staff Turnover
- Decentralised operations
- Well-equipped laboratory
- Sole provider of potable water in Mauritius

WEAKNESSES

- Lack of adequate resources to achieve operational objectives
- Lack of water storage to meet demand
- High NRW
- High dependency on Manual processes
- Low return on investment
- Aged water infrastructure network

- Lengthy response to customer demands
- Long outstanding debts
- Inadequate use of digital tools



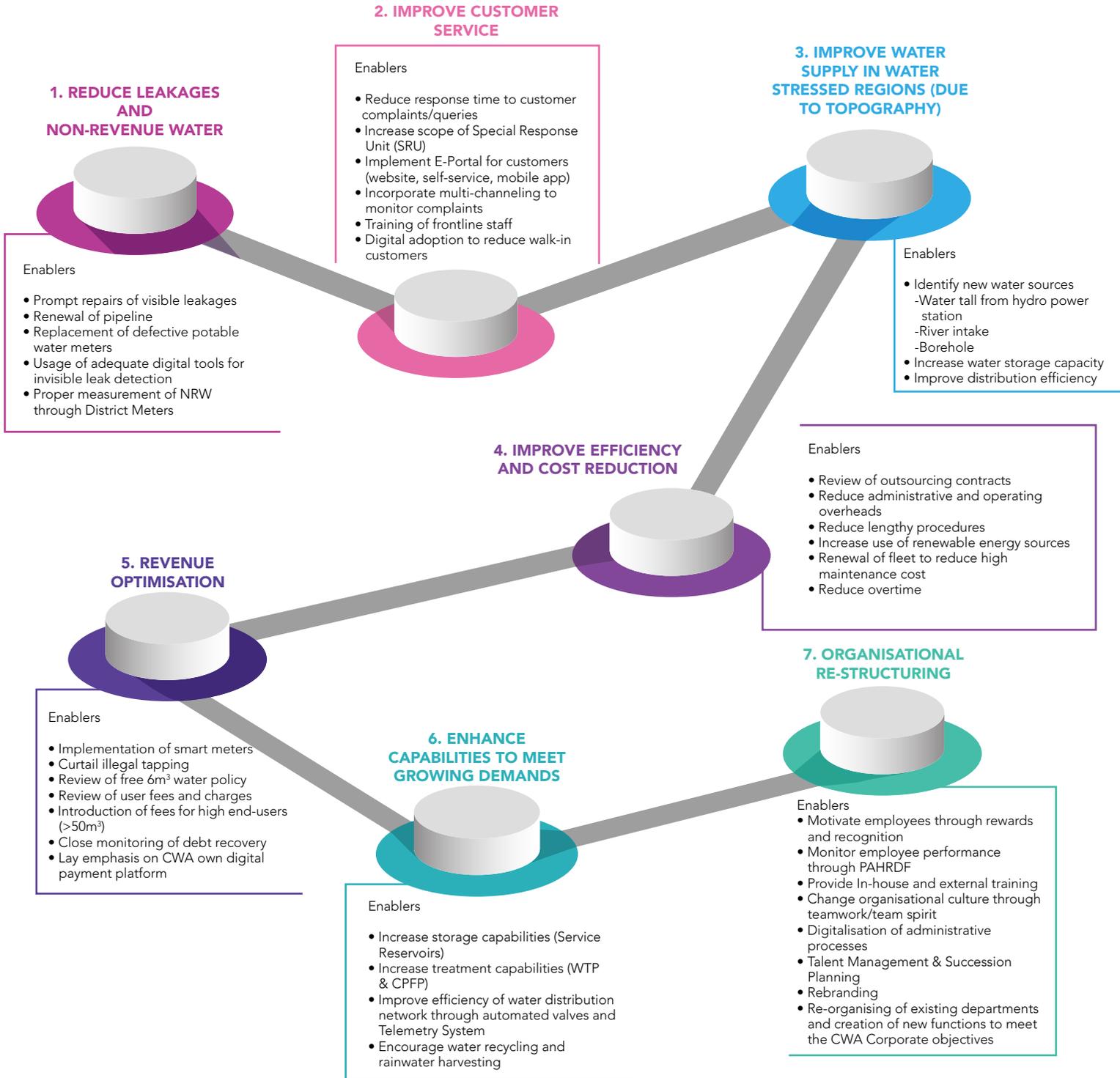
OPPORTUNITIES

- Increase water storage (Service reservoirs)
- Adopt latest technologies and best practices
- External Funding from government and agencies
- Sensitisation campaign for water conservation
- Training to improve skill sets at all levels
- Improve operational performance through PAHRDF
- Increase revenue through review of policies
- Optimisation of processes to reduce costs
- Improvement of service quality through a Quality Management System
- Organisational restructuring to cater for sustainability
- Strategic Alliance with an international partner

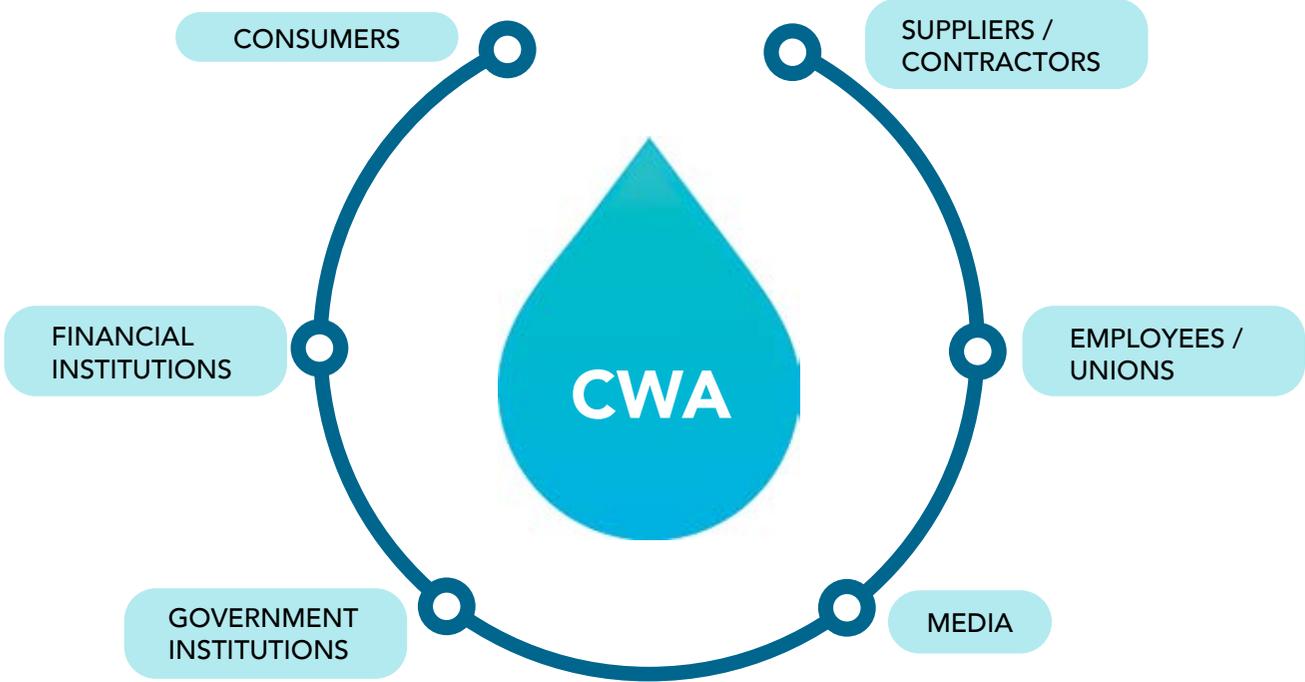
THREATS

- Environmental Constraints (Climate change and water scarcity)
- Higher growth on demand versus supply
- Health & Safety hazards & risks (old pipes, water pollution, pesticides, illegal discharge)

THE 7-PILLARS STRATEGY



OUR STAKEHOLDERS



CUSTOMER CHARTER

“The Promise That We Make To Our Customers”





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).

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.



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 25 November 2021 and signed on its behalf by:

A.K. Nilamber
Chairperson, CWB

Dr. D. Paligadu
Member, CWB



CORPORATE GOVERNANCE REPORT



CORPORATE GOVERNANCE REPORT

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.

Public Interest Entities (“PIE”) as defined by the Financial Reporting Act 2004, are 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, in line with the National Code of Corporate Governance 2016, which is a departure from the ‘comply-or-explain’ approach to the ‘apply-and-explain’ methodology.

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.

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).

PRINCIPLE 1: 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 Board, which is accountable and responsible for the performance and affairs of the Authority and in meeting all legal and regulatory requirements.

Corporate Governance Structure

Corporate Governance is a collection of rules, practices and processes by which an organisation is structured and operates. It essentially involves balancing the interests of an organisation's stakeholders such as employees, customers, government, regulators, suppliers and the community. Since corporate governance also provides a framework for attaining the organisation's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

Organisational and Governance Structure



THE CENTRAL WATER BOARD (“The Board”)

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

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 organisation 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.



BOARD MEMBERS

AHSISH KUMAR NILAMBER

CHAIRPERSON

**ZEENAT K GUNESS-
GOOLBAR**

**Permanent Secretary
Ministry of Energy &
Public Utilities**

Representative of the Ministry
responsible for the subject of
energy

SADHNA APPANAH

**Senior Lead Analyst
Ministry of Finance, Economic
Planning & Development**

Representative of the Ministry
responsible for the subject of
finance

GERARD PASCAL BUSSIER

**Deputy Financial Secretary
Ministry of Finance, Economic
Planning & Development**

Representative of the Ministry
responsible for the subject of
finance

VEEVEGEE MOONIAN

**Deputy Director
Labour & Industrial Relations**

Representative of the Ministry
responsible for the subject of
labour & industrial relations

FEIZAL DELIOR

**Member with experience
in agricultural, industrial,
commercial, financial, scientific
or administrative matters,
appointed by the Minister.**

TIRAT MOOSSUN

**Member with experience
in agricultural, industrial,
commercial, financial, scientific
or administrative matters,
appointed by the Minister.**

ALTERNATE MEMBERS ON CENTRAL WATER BOARD

HEMNISH RAM URDHIN

Lead Analyst
Alternate Member
Ministry of Finance, Economic
Planning & Development

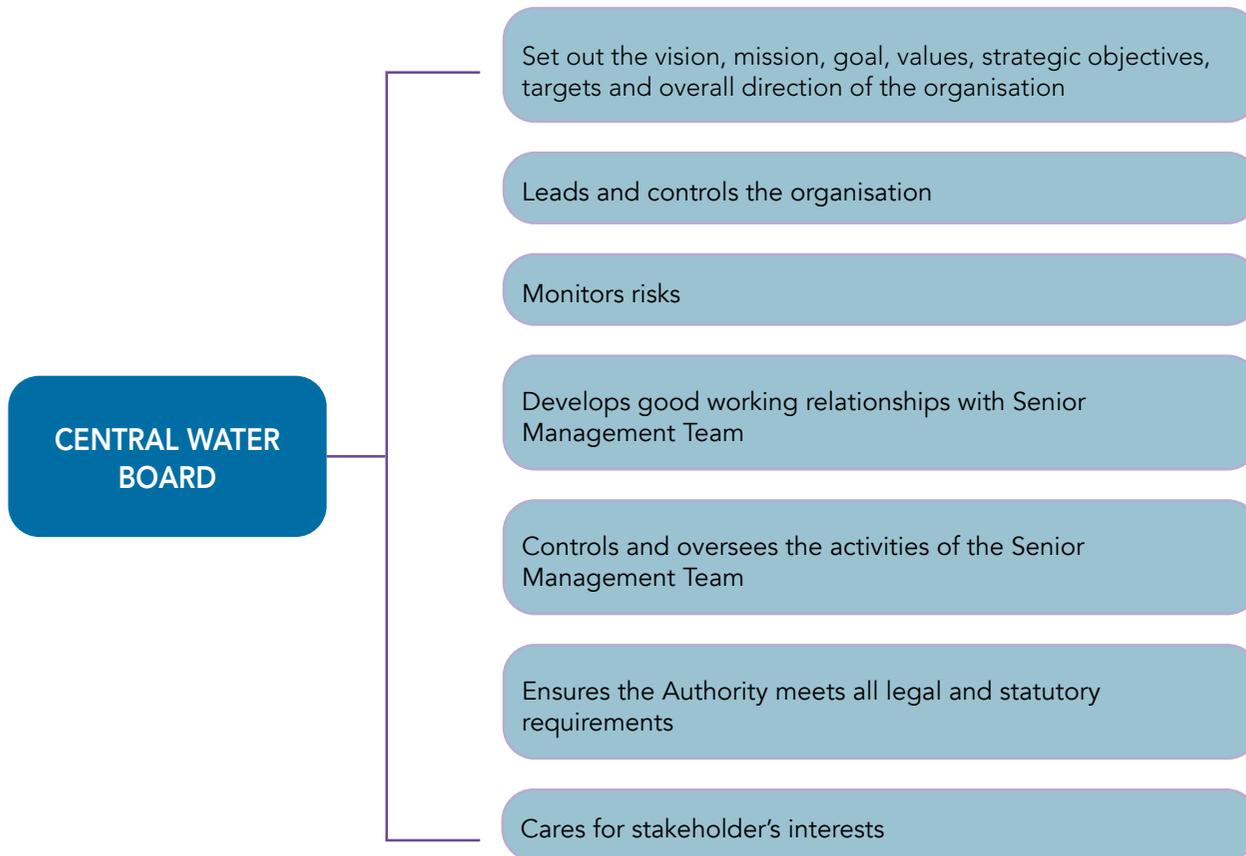
B. KISSOON-LUCKPUTTYA

**Deputy Permanent
Secretary**
Alternate Member
Ministry of Energy &
Public Utilities

AMRITA IMRITH

Assistant Director
Alternate Member
Ministry of Labour, Human
Resource Development &
Training

ROLE OF THE BOARD



KEY GOVERNANCE POSITION

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 organisation.

The key roles and responsibilities as hereunder:

CHAIRPERSON

- 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

GENERAL MANAGER

- Acts in accordance with such directions as he may receive from the Board or any delegate appointed by the Board under Section 17 of the CWA Act.
- 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;
- Ascertain a proper working environment for the Staff of the organisation;

BOARD SECRETARY

- 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.

BOARD CHARTER

The Board Charter, which was approved by the Board in April 2018 has been worked out in line with provisions of the Central Water Authority Act (1971), has been maintained for the FY 2020/21.

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 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.

SENIOR MANAGEMENT TEAM

GENERAL MANAGER

Mr. Chandrassen Matadeen

(assigned duties as Chief Operations Officer wef August 2017 and General Manager wef December 2019 up to 31 August 2020)

Mr. Hoolass Lochee

Appointed General Manager of the Authority with effect from 01 September 2020.

IT DIRECTOR

Mr. Dhanveersingh Juddoo

**CHIEF ENGINEER - PROJECT
MANAGEMENT OFFICE**

Mr. Dineshwar Lutchmun
Mr. Sewraj Busgeeth
(assigned duties as Chief Engineer wef August 2018)
Mr. Mitradev LOBIND
(assigned duties as Chief Engineer wef August 2019)

CHIEF ENGINEER (OPERATIONS)

Mr. Madhoochandra Lobind
(assigned duties as Chief Engineer – wef August 2017)

**CHIEF ENGINEER (WATER
RESOURCES / OPERATIONAL
SUPPORTING SERVICES)**

Mr. Sewkumarsing Dinassing
(assigned duties as Chief Engineer wef December 2017)

CHIEF FINANCIAL OFFICER

Mr. Uttum Issur
(on leave without pay as from February 2021 up to January 2022)

Mr. Sabir Rahiman
(assigned duties of Chief Financial Officer wef 03 February 2021)

DIRECTOR COMMERCIAL SERVICES

Mr. Dhruv Sungkur
(up to 14 March 2021)

Mr. Prithviraj Kissoon
(assigned duties of Manager Commercial Services wef 15 March 2021)

HUMAN RESOURCE MANAGER

Ms. Madina Surfraz
(assigned duties as Human Resource Manager wef May 2019)

MANAGER PROCUREMENT & SUPPLY	Ms. Nazima Beebee Bhaukaurally
CHIEF INTERNAL OFFICER	Ms. Yousra Lalmahomed
ADMINISTRATIVE MANAGER	Mr. Ramakrishna Neelayya
ECONOMIST / ANALYST	Mr. Atish Soobroydoo
COMMUNICATION OFFICER	Mr. Julien Dureau (assigned duties of Communication Officer wef 07 May 2021)

PRINCIPLE 2: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

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.

As per 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:

- (1) be appointed by the Minister on such terms and conditions as he thinks fit;
- (2) act in accordance with such directions as he may receive from the Board or any delegate appointed by the Board under Section 17 of the said Act.

Board Composition

(a) The Central Water Board was constituted as hereunder up to 15 July 2020:

Mr. Geean Mahadeea	Chairperson
Ms. Sadhna Appanah	Representative of the Ministry responsible for the subject of finance
Mr. Hemnish R. Urdhin (Alternate Member)	
Ms. Devika Moosohur	Representative of the Ministry responsible for the subject of energy
Mr. Prakash Beekawoo	Representative of the Ministry responsible for the subject of labour and industrial relations;
Ms. Amrita Imrith (Alternate Member)	
Ms. Jagadhambal Ratna Vydelingum	Members with experience in agricultural, industrial, commercial, financial, scientific or administrative matters, appointed by the Minister.
Mr. Vishnoo Gopaloodoo	

- Ms. Jagadhambal Ratna Vydelingum resigned as member of the Central Water Board as from **14 July 2020**;
- Pursuant to Section 28(1) of the Interpretation and General Clauses Act, the appointment of Mr. Geean Mahadeea as Chairperson of the Central Water Board was revoked on **16 July 2020**.

(b In accordance with Section 7 of the Central Water Authority Act, the Minister of Energy and Public Utilities, re-constituted the Board of the Central Water Authority for a period of two (2) years with effect from **24 August 2020**, as hereunder:

Mr. Ahsish Kumar Nilamber	Chairperson
Ms. Sadhna Appanah (Board Member up to 17 June 2021) Mr Gerard Bussier (appointed on 18 June 2021)	Representative of the Ministry responsible for the subject of finance
Ms. Zeenat K. Guness-Goolbar	Representative of the Ministry responsible for the subject of energy
Mr. Prakash Beekawoo (Board Member up to 09 November 2020) Ms. Veevegee Moonian (appointed on 10 November 2020)	Representative of the Ministry responsible for the subject of labour and industrial relations;
Mr. Feizal Delior	Members with experience in agricultural, industrial, commercial, financial, scientific or administrative matters, appointed by the Minister.
Mr. Tirat Moossun	

- Mr. Hemnish Ram Urdhin was the alternate member of the Ministry of Finance, Economic Planning & Development;
- Ms. B. Kissoon-Luckputtya was the alternate member of the Ministry of Energy & Public Utilities;
- Ms. Amrita Imrith was the alternate member of the Ministry of Labour, Human Resource Development & Training.

Board Meetings

The Board meets at least once a month. However, in the event of any urgent matter that requires approval of the Board, special Board Meeting(s) is/are held or approval is sought by circularisation. The Board meetings are attended by Board Members. In accordance with Section 12 of the CWA Act, the General Manager attends every meeting of the Board and takes part in its deliberations but he is not be entitled to vote on any question before the Board. For specific matters, officers of the Authority are also invited.

During the national confinement that was in force in Mauritius as a result of the Covid-19 pandemic, Board Meetings were held online to ensure continuity of business. During the financial year ending 30 June 2021, the Central Water Board met on 17 occasions. The attendance of Board meetings is detailed in the following table.

(a) Attendance of Board Members prior to reconstitution of the Board on **24 August 2020**.

Board Members	Meeting Attendance
Mr. G. Mahadeea <i>(Chairperson)</i>	1
Ms. D. Moosoohur	1
Ms. S. Appanah	1
Mr. Vijay Kumar Mudhoo <i>(Alternate)</i>	1
Ms. J. R. Vydelingum	1
Mr. V. Gopaloodoo	1

(b) Attendance of Board Members at Board Meetings following the reconstitution of the Central Water Board on **24 August 2020**. A total of 16 meetings of the Central Water Board was held from August 2020 to **30 June 2021**.

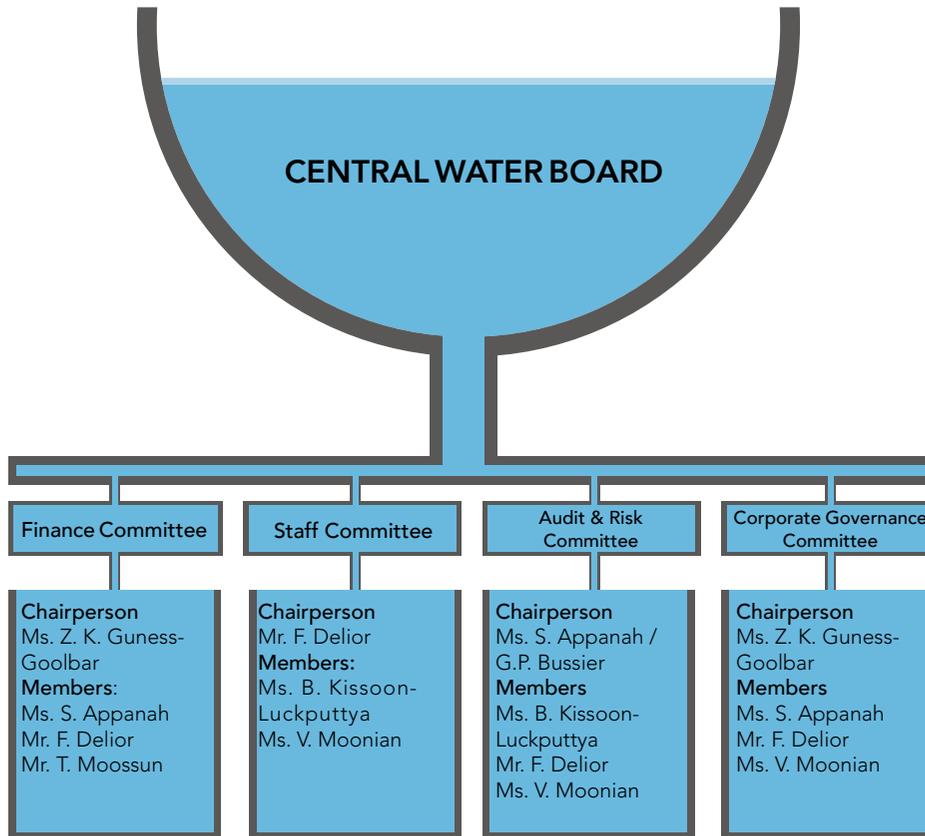
Board Members	Meeting Attendance
Mr. A.K. Nilamber <i>(Chairperson)</i>	16
Ms. S. Appanah¹	15
Mr. G. P. Bussier²	1
Mr. H. R. Urdhin ³(Alternate)	1
Ms. Z. K. Guiness-Goolbar	16
Ms. V. Moonian⁴	8
Ms. A. Imrith⁵	2
Mr. F. Delior	16
Mr. T. Moossun	16

- 1- Ms. S. Appanah ceased to be a Board Member effective 13 June 2021;
2- Mr. G. P. Bussier was appointed Board Member effective 14 June 2021;
3- Mr. H. R. Urdhin attended one (1) Board Meeting in his capacity of alternate Member on 14 October 2020;
4- Ms. V. Moonian was appointed Board Member effective 10 November 2020;
5- Ms. A. Imrith attended 2 Board Meetings in her capacity of alternate Member during the year.

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 organisation. 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, audit and risk management and corporate governance. The Board Committees, comprising only members of the Board, are advisory in nature and recommendations are submitted to the Board for approval. The Chairperson of the Board did not chair any of the Board Committees.

The structure of the Board and Board Committees up 30 June 2021 as hereunder:



FINANCE COMMITTEE

The Finance Committee assists the Board with respect to all financial aspects, procurements and expenditures above the General Manager's financial authority.

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.

[More information on the Finance Committee can be obtained on the Finance Committee Charter on the CWA's Website.](#)

The Finance Committee held 11 meetings during the financial year ended **30 June 2021**. The General Manager attended all meetings and the Chairperson of the *Procurement Committee (PRC)* and the Chairperson of the *Departmental Bid Committee (DBC)* together with members of the Senior Management Team invited to attend as and when specialized technical knowledge was required.

No. of meetings held: 11

Board Members	Meeting Attendance
Ms. Z.K. Guness-Goolbar <i>(Chairperson)</i>	11
Ms. S. Appanah	11
Mr. F. Delior	11
Mr. T. Moossun	11

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.

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

The Staff Committee held 17 meetings during the financial year ended **30 June 2021**. The General Manager attended all meetings

No. of meetings held: 17

Board Members	Meeting Attendance
Mr. F. Delior <i>(Chairperson)</i>	17
Ms. B. Kissoon-Luckputtya	16
Ms. V. Moonian	6
Ms. A. Imrith	8

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 organisation 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.

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

The Audit & Risk Committee held 3 meetings during the financial year ended 30 June 2021. The General Manager, the Chief Internal Auditor attended all meetings. Other members of the Senior Management Team were also invited as and when required.

No. of meetings held: 3

Board Members	Meeting Attendance
Ms. S. Appanah <i>(Chairperson)</i>	3
Ms. B. Kissoon-Luckputtya	2
Mr. F. Delior	1
Ms. V. Moonian	1
Ms. A. Imrith	1

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 Corporate Governance Committee include, inter-alia:

- 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 organisation.
- 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.

[More information on the Corporate Governance Committee can be obtained on the Corporate Governance Committee Charter on the CWA's Website.](#)

No meeting of the Corporate Governance Committee was held during the financial year ended 30 June 2021.

PROJECT MONITORING COMMITTEE

The Project Monitoring Committee was set up to assist the Board in, inter-alia, monitoring of progress of capital projects of the Project Management Office with a view to ensuring that projects are properly managed, on schedule and limiting cost and time overrun.

The Project Monitoring Committee held 3 meetings during the financial year ended **30 June 2021**. The General Manager attended all meetings. Other members of the Engineering Cadre were also invited as and when required.

No. of meetings held: 3

Board Members	Meeting Attendance
Mr. T. Moossun <i>(Chairperson)</i>	3
Ms. S. Appanah	3
Ms. B. Kissoon-Luckputtya	3
Mr. F. Delior	3

PRINCIPLE 3: DIRECTOR APPOINTMENT PROCEDURES

Appointment of Board Members are in accordance with Section 7 of the Central Water Authority Act.

- 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.

PRINCIPLE 4: 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 of Conflict of Interest is the first item on the agenda for Board and Board Committees. In instances of an actual or potential conflict, the Director concerned withdraws himself / herself from the meeting for that specific matter and the aforesaid Director does not participate in the debate / deliberation of the Board for that specific matter.

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

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.

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.

IT Security in the CWA

With the constant digitalisation of its services, it has become vital for the Central Water Authority protects its digital assets and network devices. It is therefore required that emphasis be put on IT Security across all the whole organisation.

IT Security encompasses several layers and each one has to be secured with the appropriate mechanisms to be able to counter threats e.g. viruses, ransomware, spyware and various methods of network attacks.

TYPES OF IT SECURITY

Network security

Network security is used to prevent unauthorized or malicious users from getting inside the network. This ensures that usability, reliability, and integrity are uncompromised. This type of security is necessary to prevent a hacker from accessing data inside the network. It also prevents them from negatively affecting users' ability to access or use the network.

Internet security

Internet security involves the protection of information that is sent and received in browsers, as well as network security involving web-based applications. Incoming / outgoing traffic is monitored to track for threats and unwanted traffic. This protection comes in the form of firewalls, antimalware, and antispyware.

Endpoint security

Endpoint security provides protection at the device level. Devices that may be secured by endpoint security include cell phones, tablets, laptops, and desktop computers. Endpoint security prevents devices from accessing malicious networks that may be a threat to the organisation.

Application security

With application security, applications are specifically coded at the time of their creation to be as secure as possible, to help ensure they are not vulnerable to attacks. This added layer of security involves evaluating the code of an app and identifying the vulnerabilities that may exist within the software.

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 uploaded / published on Diligent Board 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*).

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).

Every year, the CWA takes 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. The said Insurance Cover would expire on 31 December 2021.

Board Evaluation & Development

Board evaluation has not been undertaken for the financial year ended 30 June 2021. Since the Board has been reconstituted in August 2020, the matter would be discussed at the Corporate Governance Committee during FY 2021/22 prior to recommendation be made to the Board.

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.

Prior to the reconstitution of the Board in August 2020, the Chairperson was paid a monthly allowance of **Rs 90,000/-**, petrol allowance of **Rs 10,200/-** and a telephone allowance of **Rs 1,000/-**.

Upon reconstitution of the Board on 24 August 2020, the monthly allowances payable to the Chairperson has been revised to **Rs 70,000** whilst petrol and telephone allowances have remained unchanged at **Rs 10,200/-** and **Rs 1,000/-** respectively.

The allowances payable to Board Committees have remained unchanged as hereunder:

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 a 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 1,781,473/-**

Remuneration of Board Members during the month of July 2020.

A total allowance of **Rs 85,836** was paid to Chairperson and Board Members in July 2020 (up to 15 July 2021) as detailed hereunder:

Board Members	Rs (Net of PAYE)
Mr. G. Mahadeea (Chairperson)	41,211*
Ms. D. Moosohur	8,925
Ms. S. Appanah	8,925
Mr. Vijay Kumar Mudhoo (Alternate)	8,925
Ms. J. R. Vydelingum	8,925
Mr. V. Gopaloodoo	8,925

**The allowance paid to the Chairperson was paid on a pro-rata basis up to 15 July 2021.*

Remuneration of Board Members for the period August to June 2021 as hereunder:

Board Members	Rs (Net of PAYE)
Mr. A.K. Nilamber (Chairperson)	712,042
Ms. S. Appanah	157,250
Mr. G. P. Bussier	14,025
Mr. H.R. Urdhin	8,500
Ms. Z.K. Guiness-Goolbar	159,375
Ms. B. Kissoon-Luckputtya	82,790
Ms. V. Moonian	85,935
Ms. A. Imrith	43,350
Mr. F. Delior	267,895
Mr. T. Moossun	164,475

PRINCIPLE 5: 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 organisation, the Internal Audit Plan which was prepared to address areas of risks in the different cycles, was approved by the Board at its meeting of 31 July 2019 on the recommendation of the Audit & Risk Committee.

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.

Risk Governance

The Board is very much concerned about risks, as the world becomes more complex and the velocity of change increases. Hence a structured way of thinking about risk management, that is an Enterprise Risk Management (ERM), has been developed by the Internal Audit Division.

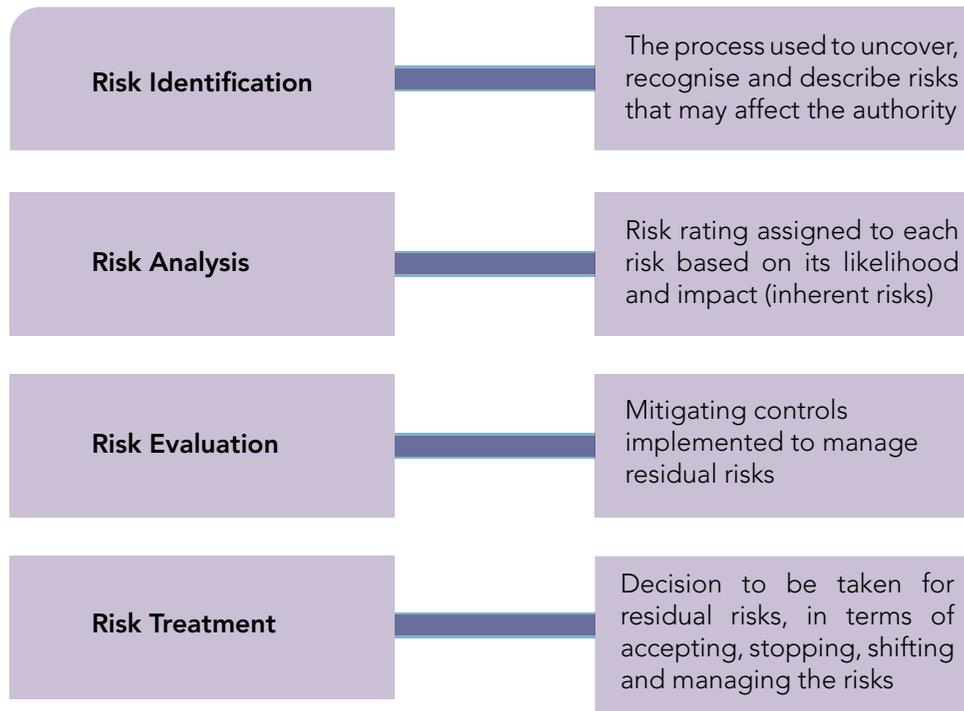
Moreover, as per the requirement of the Code of Corporate Governance of Mauritius paragraph 5.1.3 and 5.1.6:

*“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 an ERM, Management provides reasonable assurance to the Board that the risks are being properly managed.

The risk management process is summarized as follows:



Each identified risk was allocated in one of the following 7 Risk Categories:

1. Customer;
2. Financial;
3. Information Technology;
4. Legal and Regulatory;
5. Operational;
6. People; and
7. Other Business

After being identified, a risk rating was assigned to each risk base on its likelihood (that is probability of risk occurring) and impact. This **inherent risk** was calculated as Likelihood * Impact.

After assessing inherent risks, mitigating controls was implemented to manage those risks. Then, focus was laid upon **residual risks**, which is the risk that remains after the mitigating actions have been taken to manage the risk.

The total residual risks were further categorised into **critical, high, medium & low** (based on their scores). The total score (residual risks), category of risk and corrective actions were summarized in the following risk matrix table:

		IMPACT				
		Insignificant	Minor	Moderate	Major	Critical
LIKELIHOOD	Rare	1 Low Accept the risk	2 Low Accept the risk	3 Low Accept the risk	4 Low Accept the risk	5 Low Accept the risk
	Unlikely	2 Low Accept the risk	4 Low Accept the risk	6 Medium Mitigating controls & monitor	8 Medium Mitigating controls & monitor	10 Medium Mitigating controls & monitor
	Possible	3 Low Accept the risk	6 Medium Mitigating controls & monitor	9 Medium Mitigating controls & monitor	12 High Action required & close monitoring	15 High Action required & close monitoring
	Likely	4 Low Accept the risk	8 Medium Mitigating controls & monitor	12 High Action required & close monitoring	16 Critical Urgent action required & close monitoring	20 Critical Urgent action required & close monitoring
	Almost certain	5 Low Accept the risk	10 Medium Mitigating controls & monitor	15 High Action required & close monitoring	20 Critical Urgent action required & close monitoring	25 Critical Urgent action required & close monitoring

After evaluating the risks, they were treated accordingly (accept, stop, shift or manage the risks).

Management is further responsible to keep the risk register up to date with emerging risks and changes at all times and report on same to the Board accordingly. The different tasks, responsibilities for each and every party in ERM were also clearly defined and communicated to all parties.

Internal Control

Internal control is defined as 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 (IAD).

The mission of IAD 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.

Using COSO* model for evaluating internal controls effectiveness and adequacy, the Internal Audit review was performed with the following broad objectives:

- Reliability and integrity of financial and operational information
- Effectiveness and efficiency of operations and programs
- Safeguarding of assets
- Compliance with laws, regulations, policies, procedures and contracts

**COSO stands for Committee of Sponsoring Organisations of the Treadway Commission (COSO) who has developed a model for evaluating internal controls. This model has been adopted as the generally accepted framework for internal control and is widely recognized as the definitive standard against which organisations measure the effectiveness of their systems of internal control.*

Our Internal Audit approach is in line with the approved Internal Audit Charter and was conducted in accordance with the International Professional Practices Framework issued by the Institute of the Internal Auditors. Our assurance function comprises mainly internal audit services which helps towards strengthening the internal control environment.

An internal audit plan was also prepared to address areas of risks by ensuring that appropriate methods, techniques, and processes are employed during the audit. Internal audit resources were deployed to address the following 3 main areas at the Authority:

- Revenue which will comprise audits and actions geared towards giving assurance on completeness and accuracy of sales
- Costs, aiming towards ensuring there is no misappropriation of public funds and resources
- Others (e.g. financial statements, policies and procedures)

To further ensure quality and consistent audit results, the Internal Audit Division has developed a methodology that links internal auditing to the Authority's overall risk management framework (Risk Based Internal Auditing). In this way internal audit provides reasonable assurance to the board that risk management processes are managing the risks effectively.

PRINCIPLE 6: REPORTING WITH INTEGRITY

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

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 audited annual reports of the Authority are 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.

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 organisation.

- 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;
- In line with the Energy Efficiency Act, CWA has initiated action for the commissioning of an Energy Audit on 12 sites. Procurement Proceedings were launched in end December 2019 / early 2020. The Energy Audit for the 12 sites have been completed during financial year 2020/21.

- Other ongoing measures implemented by the Authority with a view to reducing its electricity cost include, installation of Variable Speed Drives and Power Factor Correction on various sites.
- It is worth noting also that Energy Efficiency Parameter are taken into account upon procurement of Pumps at the CWA.

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 2021**, fourteen (14) disabled employees were in post in the Authority.

Political & Charitable Donations

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

PRINCIPLE 7: AUDIT

EXTERNAL AUDIT

In accordance with Section 5 of the Statutory Bodies (Accounts and Audit) Act, the Financial Statements of the Authority are subject to audit by the National Audit Office.

The objectives of the audit are:

- (a) 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 the opinion of the Director of Audit;
- (b) To obtain sufficient and appropriate audit evidence to report on whether the Central Water Authority has complied with the Statutory Bodies (Accounts and Audit) Act, the Central Water Authority Act and other applicable legislations, in so far as they relate to its accounts.

Meeting with the Audit Committee

The Board has established a formal arrangement through the Audit & Risk Committee to maintain an appropriate relationship with both the internal and external auditors. The Audit Committee met with the External Auditor in November 2020 to discuss issues pertaining to accounts and management letter.

INTERNAL 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 organisation, 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 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.

PRINCIPLE 8: RELATIONS WITH KEY STAKEHOLDERS

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, major board decisions that are taken by the Board are uploaded on Communities and are easily accessible by all CWA employees.

STATEMENT OF COMPLIANCE



STATEMENT OF COMPLIANCE

Name of PIE: Central Water Authority

Reporting Period: 30 June 2021

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 4	SBs should evaluate their Board, committees and directors on a regular basis.	No evaluation of the Board was undertaken during the FY 2020/21 as the Central Water Board was reconstituted in August 2020. The matter will be discussed at the level of the Corporate Governance Committee and necessary action will be taken during FY 2021/22.
 A.K. Nilamber Chairperson Central Water Board		 Dr. D. Paligadu Board Member Central Water Board

Approved by the Central Water Board on **25 November 2021**.



The image features a background of an industrial facility with various pipes, railings, and structures. A large, abstract watercolor-style overlay in shades of blue and purple covers the right side of the image. The text 'OPERATIONAL REVIEW' is prominently displayed in the upper right quadrant, with 'OPERATIONAL' in purple and 'REVIEW' in blue.

OPERATIONAL REVIEW

VALUING WATER

Water – The essence of life

Sixty percent of the human body is made up of water which makes it first and foremost crucial to human health. There exists an indissoluble bond between people and water. Access to water, sanitation and hygiene is a human right. Water is an essential commodity not only to health, but also to poverty reduction, food security peace and human rights, ecosystems, and education.

While 71 % of the earth surface is covered with water, only a minute fraction is usable for human needs.

Many countries face growing challenges linked to water scarcity, water pollution, degraded water-related ecosystems, and cooperation over trans-boundary water basins. The demand for water has outpaced population growth, and half the world's population is already experiencing severe water scarcity at least one month a year.

The world needs water

While some parts of the world are 'flush' with freshwater, others face serious drought. What is more, only a fraction of the world's freshwater is available for us to use and drink, as the rest is in the sea or frozen in glaciers or snowfields. As the world's population continues to put pressure on this limited supply, being more efficient with what we have is our only solution.

A limited Resource

Water is becoming a scarce commodity in many parts of the world. The reasons are diverse, with climate change as a key driver. Other major factors include human consumption and the growth of water-intensive methods in manufacturing and farming. According to the United Nations, over the last hundred years, the use of water worldwide has increased by twice as much as the global population, meaning that seven hundred million people could be displaced due to a lack of water by 2030...

Water Supply in Mauritius

Generally, Mauritius has adequate water resources, to meet demands, including requirements for domestic, economic development and social upliftment of the population.

Nevertheless, it is also a fact that seasonal water scarcity and shortage of water do occur. Population growth, irrigation requirements, growing industrial, commercial and touristic activities, water set aside for hydropower generation and changes in land use practices cause a number of problems as witnessed in Mauritius today in the form of stress on the resource and degradation of the environment.

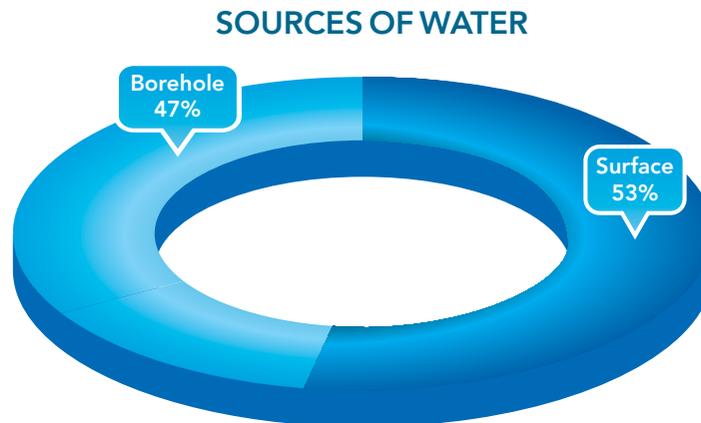
Added to these factors, serious consideration should also be given to the impact of climate change (possible decline and greater variability in annual rainfall) on the replenishment of the water resources which can be expected to impact at different times and locations across the island. A case in point was the 2010/2011 dry spell which in particular was felt in the western and central zones of the island.

Water supplied in Mauritius comes from two different sources: what is referred to as Surface water and Groundwater

Surface water and groundwater are two interdependent phases of the hydrologic cycle. Water is naturally stored under the surface of the ground, below soft permeable surfaces. The source is rainfall or seepage from surface water sources.

Groundwater

The groundwater resources in Mauritius are highly vulnerable to pollution as the infiltration capacity of the surface soils in general is high and the capacity of the soil to chemically degrade pollutants is low. CWA monitors the groundwater quality in production boreholes. Water is tested for pollution indicators like nitrate, sulphate and phosphate. The present groundwater quality displays in general low content of these pollution indicators, however, the increasing use of fertilizers and pesticides makes it necessary to monitor the groundwater quality more closely.

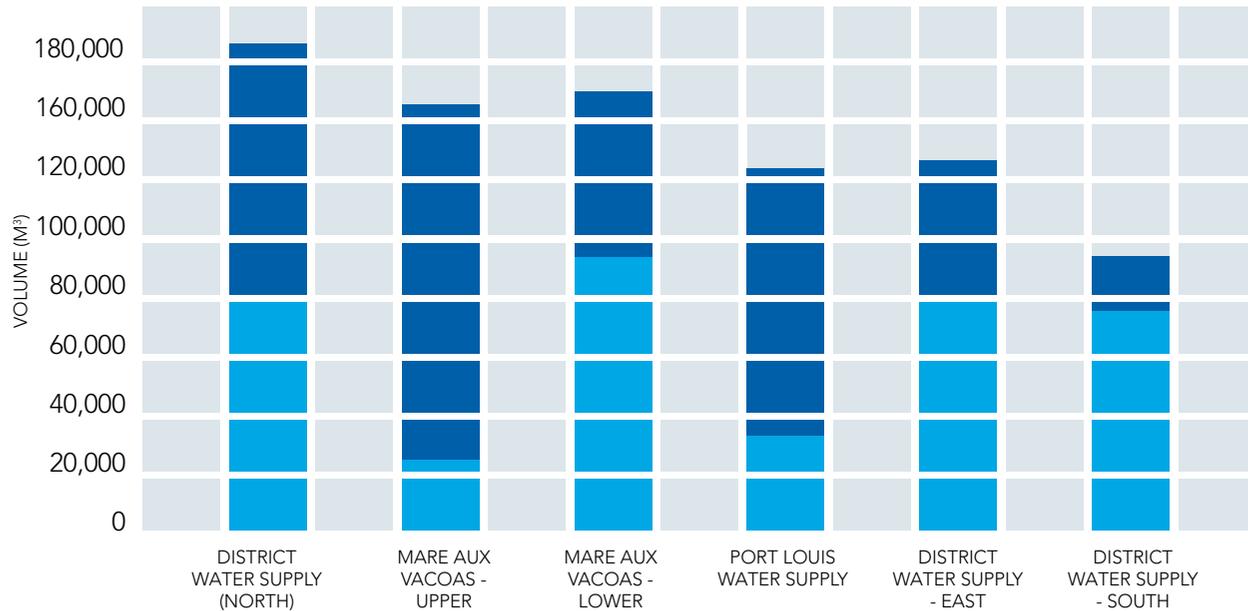


Of the total raw water resources, 47% is derived from groundwater abstracted through 156 boreholes at pumping stations. The water is then chlorinated and injected directly into the distribution network or service reservoirs. The remaining water for distribution is obtained from surface sources and is treated at the CWA treatment plants (7 major treatment plants and 40 mobile pressure filtration plants) having a total installed capacity of 468,400 m³ water production per day.

Potable water is supplied across the island through six distribution systems that are organised on a geographical basis in 6 supply zones.

The average daily water production during the FY 2020/21 was 827,848 m³. The average daily water production per zone is shown in the graph below.

AVERAGE DAILY WATER PRODUCTION (M³) FOR PERIOD JULY 2020 TO JUNE 2021



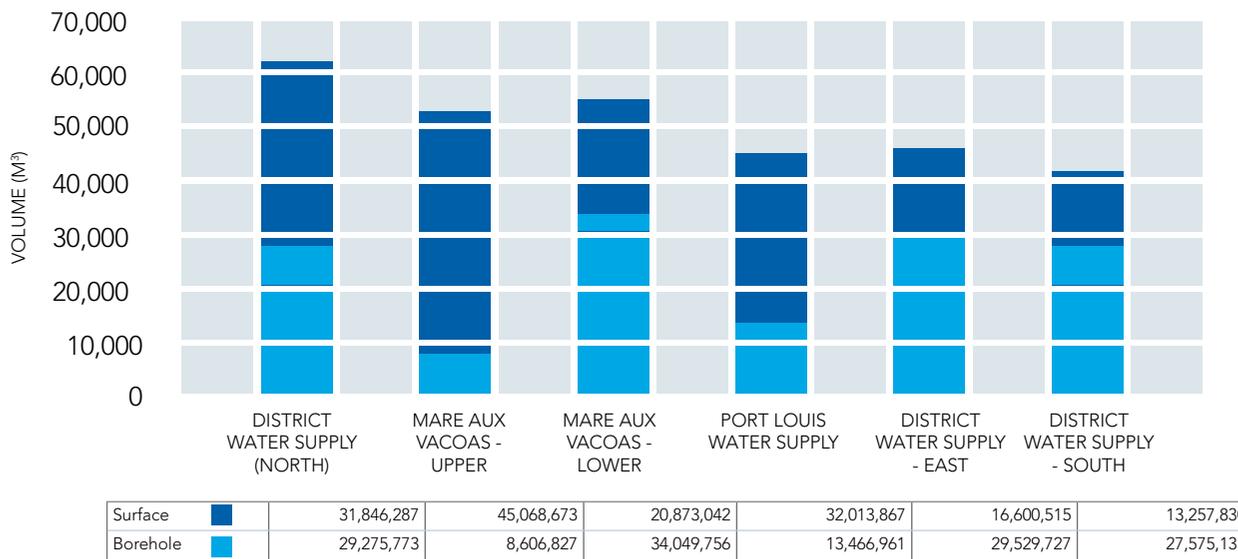
Surface	87,250	123,476	57,186	87,709	45,481	36,323
Borehole	80,208	23,580	93,287	36,896	80,903	75,548

The CWA has been guaranteeing that the water supplied by the authority is treated to meet norms recommended by the World Health Organisation (WHO) for drinkable water. Independent tests are conducted regularly to ensure compliance with the standards of the WHO and the Ministry of Health and Quality of Life in Mauritius. One of the commitments of the CWA is to provide a 24-hour water supply to the population and to reduce Non-Revenue Water to an acceptable level. Today, almost 99% of the population has access to piped potable water within their premises.

The total water production during the FY 2020/21 stood at 302,164,393 m³.

The water production per zone is shown in the graph below :

WATER PRODUCTION (M³) FOR PERIOD JULY 2020 TO JUNE 2021



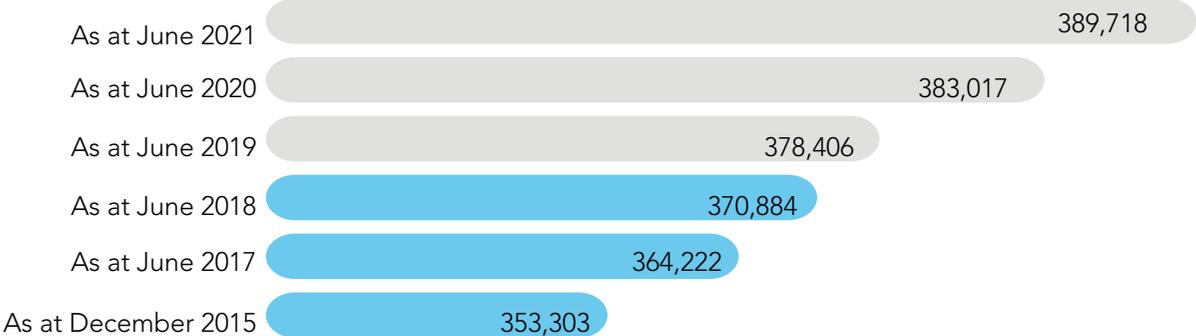
The CWA ensures service delivery through some 5,207 km of distribution pipelines drawing from some 103 service reservoirs to sustain and ensure security of supply. Another function of the service reservoir is to act as a buffer during peak demand. Daily output in the distribution network has increased from an average of 670,000 m³/day in 2015 to nearly 830,000 m³/day as at end of June 2021 (during normal season). On the other hand, demand has been increasing by an average of 2.3% per annum over the past 10 years.

A Service Organisation

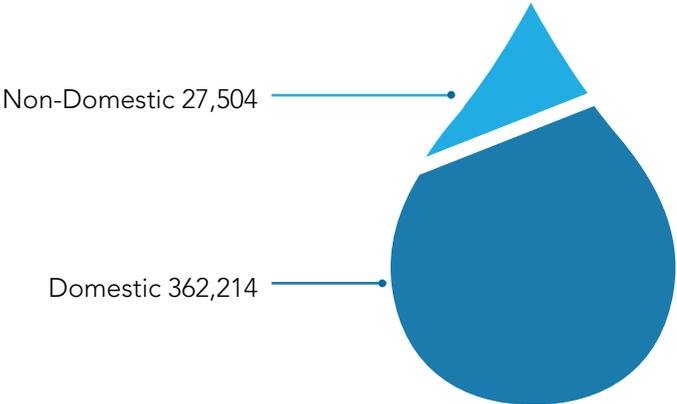
Valuing water is also about demonstrating that money should not be a factor that limits access to the precious commodity. In 2015, Government implemented a policy that makes water free for every domestic consumer that uses up to 6m³ of water monthly. Today, an average of 70,000 consumers benefits from this.

CWA SUBSCRIBERS

EVOLUTION OF NUMBER OF SUBSCRIBERS

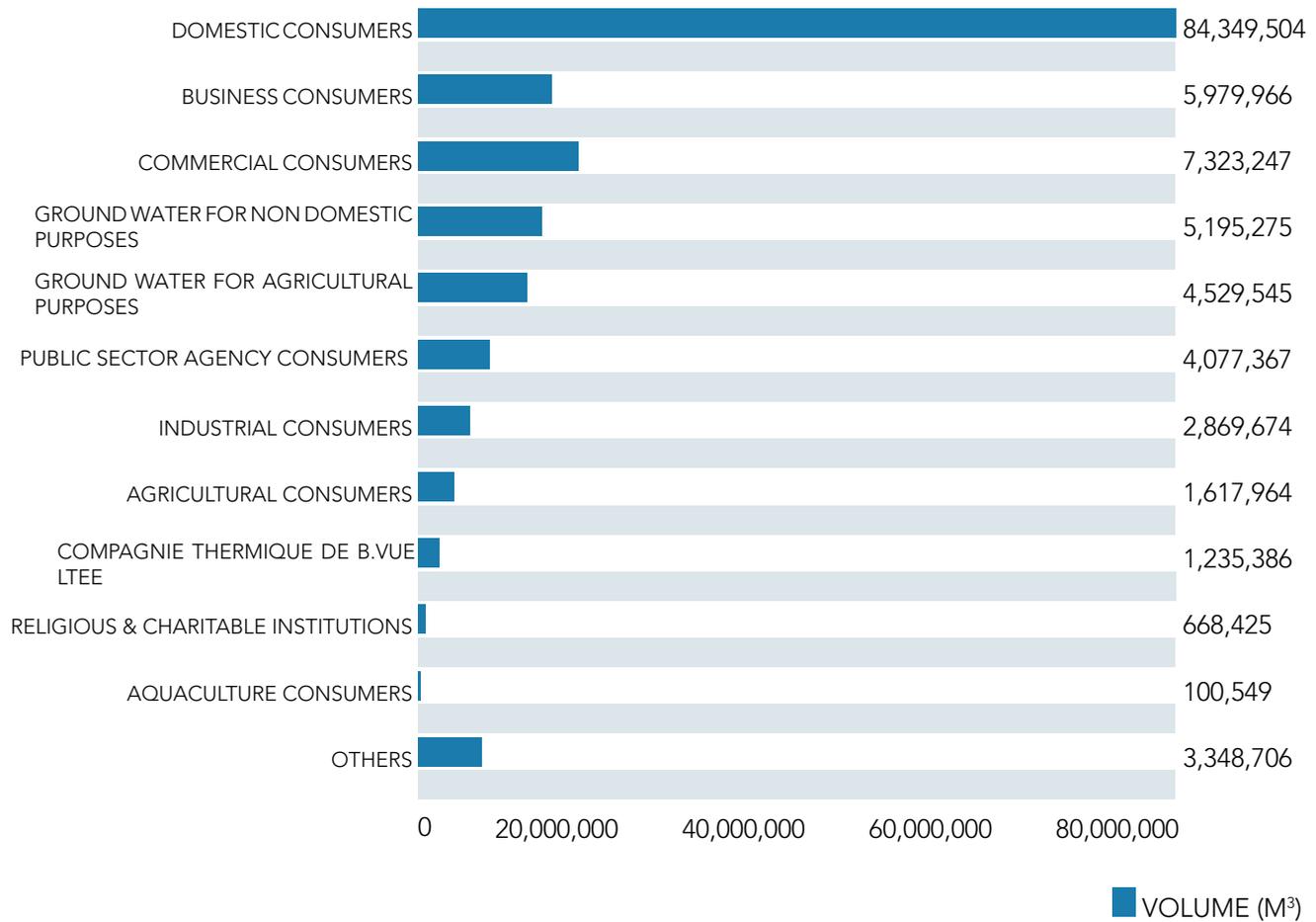


CATEGORY OF SUBSCRIBERS



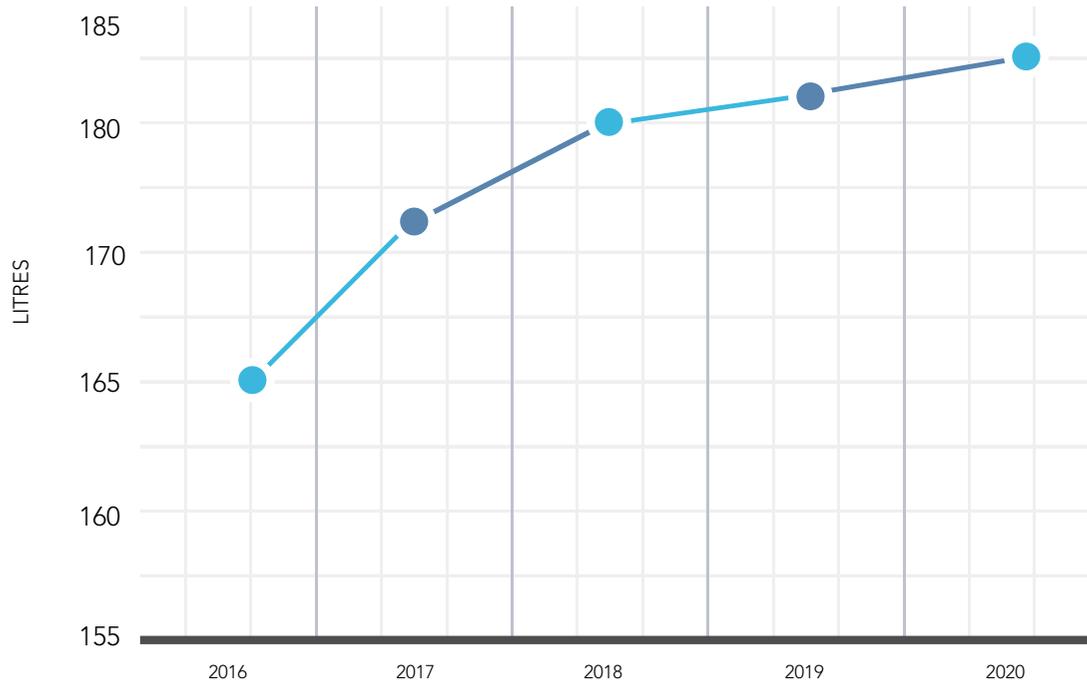
WATER CONSUMPTION DURING FY 2020/21 = 121,295,608 M³

Total Water Consumption (m³) by Category of Subscribers for period July 2020 to June 2021



Evolution of Daily Water Consumption (m³) per person over the last 5 years

DAILY PER CAPITA WATER CONSUMPTION (DOMESTIC CONSUMERS)



Daily Per Capita Water Consumption (Domestic consumers)	166	174	180	181	182
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OVERCOMING CHALLENGES

The CWA has taken decisive steps to improve responsiveness to customer complaints.

A Special Response Unit (SRU) was set up in September 2020 with cross functional team members. They are responsible for monitoring and ensuring that complaints are attended to promptly. The SRU makes use of digital platforms like a digital interface with a virtual geographical map and a GPS tracking system that enables better tracking and prompts remedial actions. Complaints and service request from various sources including the hotline, radio, the press and our PR offices are compiled. A priority list is then established before the system is updated for prompt attention.

IMPROVING EMERGENCY RESPONSE

Flying squads have been set up and are responsible for rapid emergency interventions.

Coordination between hotline operations, the SRU, and the flying squad is ensured via digital channels like computer applications, WhatsApp and phone calls. Various intervention teams are being reorganised to ensure a more efficient service. A WhatsApp number has been set up to encourage members of the public to report leakages and other issues that require emergency attention.

A roster system is being implemented to ensure that intervention teams are available outside normal hours and during weekends. CWA is making significant recruitments to reinforce its teams at various levels of the hierarchy. Drivers have been recruited to man water tankers. Operatives and general workers are being recruited to enable effective response to service requests. Employment status of contractual workers are also being regularised.

PROACTIVELY MANAGING THE DRY SEASON

Water supply is entirely dependent on rain. Too little or too much of it can have serious impacts on socio-economic development of a country and on households. In some years the amount of rainfall can be much below average. Water supply is strained particularly in regions that are traditionally water stressed or that have unfavourable reliefs. The CWA strives to learn from experiences of the past and is refining procedures to proactively cope with situations when there is a shortfall in rainfall.

More customers report issues like 'no water' in certain regions during the dry season. During this period, our teams ensure that they remain closer to customers with Public Relations actions and community outreach. 'Porte à porte' and meetings with the 'Forces Vives' are held in sensitive areas to understand and better address the problem of water supply of the community.

**30m³ tanks installed
to relieve consumers
during the dry season**



Water tankers are deployed to assist customers. Pressure filters commissioned are instrumental in relieving water stressed areas. The CWA also identified several spots where 30 cubic metre water storage tanks will be installed. A country wide campaign is ongoing to sensitise the population on the needs to use water judiciously.

A CASE FOR MOBILE PRESSURE FILTERS

Mobile pressure filters are smaller modular and movable treatment plants that are housed in several containers.

The most significant development of 2020 was the installation of 11 pressure filters that enabled the CWA tap water from rivers. As an example, three projects were commissioned in the western region that injected a total capacity of more than six thousand m³ of water thus improving hours of supply for around three thousand two hundred families, from five hours a day to more than sixteen hours. These pressure filters are located on the Baie du Cap River, at Bois Noir and at Yemen La Coupée.

The latter was set up to treat water released from the Magenta Hydro Power station that, up to now was solely used for irrigation. It is a first of its kind project which will be replicated at other hydro power stations as from next year. In Mauritius, some 40% of water resources is used to generate electricity. Water released by hydropower stations therefore represents a significant source of treatable water.

The other pressure filters installed at Plaine des Papayes, Mon Loisir Rouillard, New Goodlands, L'Unité, Beau Champs, La Marie, Majenta, Rivière du Poste, Bois Chéri and Chazal are having similar impacts and allowed the CWA to maintain normal hours of supply in several regions.



The image shows a close-up of a person's hands typing on a laptop keyboard. The background is dark with a glowing digital network overlay consisting of blue and white nodes connected by thin lines, suggesting a data network or cloud computing environment. The text 'THE OFFICE OF INFORMATION TECHNOLOGY' is overlaid in white, bold, uppercase letters on the right side of the image.

THE OFFICE OF INFORMATION TECHNOLOGY

The Information Technology Division at the Central Water Authority consists of a team of IT specialists who assume the responsibility of selecting hardware and software products appropriate for the organisation, integrating those products with the organisational needs and infrastructure, and installing, customizing and maintaining those applications for the organisation's computer users.

The CWA's IT team consists of:

1. The IT Director
2. A Team of 6 IT Analysts
3. A Team of 4 IT Technicians
4. A Team of 3 Administrative staff.

The lapsed 2020/21 financial year has proven to be once again fruitful for the IT Division. This is because following the vision of the IT Director major projects were in the pipeline to be implemented for the betterment of the organisation.

The two major ongoing projects were as outlined below.

HYPERCONVERGED INFRASTRUCTURE



The IT Division has successfully worked on the infrastructure for the implementation of the Hyperconverged Infrastructure Servers which shall same be implemented by the end of July 2021. The server comes with a lot of benefits, and they are:

Benefits of Hyper-converged Infrastructure :

- Better utilization of resources
- Reduced maintained cost
- Horizontal scaling



In other words, this solution offers better scalability, reliability and improved performance regarding the deployment of servers and considerably lowers the cost of ownership and maintenance in the long run.

In addition to this the IT Division has also successfully worked on the plan for implementation of the new fleet management system integration with APEX application. Same will be going on live instances by end of August 2021. This shall help in the ease of processing of payment certificates for the Transport Control Unit.

The IT division being and innovative one that is always looking for ways for the efficient running of the organisation's, the department is already working on several projects to promote the mission, vision and objective of the organisation. The following projects are in the pipeline.

1. Anti-Malware Solution project is in final stages of implementation.
2. Procurement of Biometric Attendance Devices in pipeline.
3. Implementation of Oracle Customer Experience project currently is in the pipeline for better management of complaints and CWA services.
4. Computerisation of Anti-Fraud is currently in progress for better tracking and follow up by the Unit.
5. Implementation of PMO Contract is currently in progress.
6. Implementation of a New Fixed Asset Register project already moved on live environment. Asset Reconciliation for financial years 17/18 and 18/19 completed and for year 19/20 reconciliation is still progress by Finance.

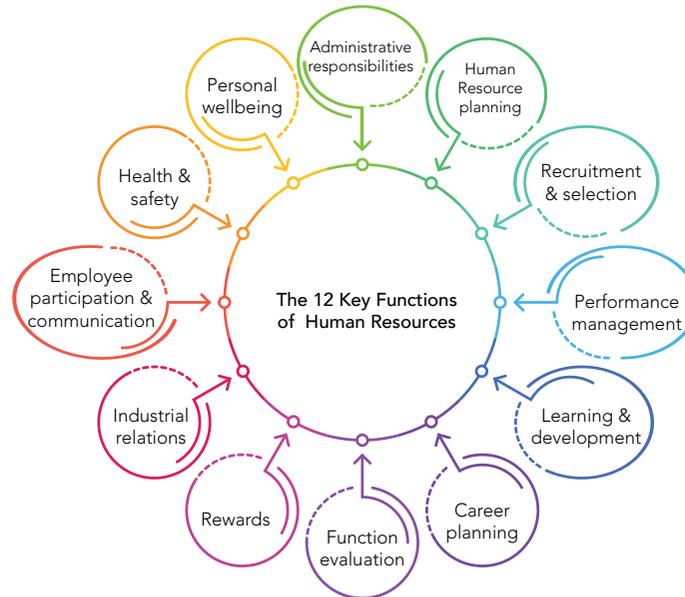


A person is seen from the side, looking at a large, vibrant watercolor-style map of the world. The map is the background of the entire image, with various shades of blue, green, and purple. The person is holding a document or a book, and their hand is visible at the bottom left. The overall scene suggests a professional or educational setting, possibly a meeting or a presentation.

THE HUMAN RESOURCES DEPARTMENT

The Human Resources Department of an organisation performs human resource management while overseeing various aspects of employment. Such as compliance with labour laws and employment standards, interviews, administration of employee benefits, organising of employee files with the required documents for future reference and some aspect of recruitment and employee off boarding. Thus, it can be said that the human resources department serves as a link between the company's management and its employees.

The Human Resources department has various key functions as listed below:

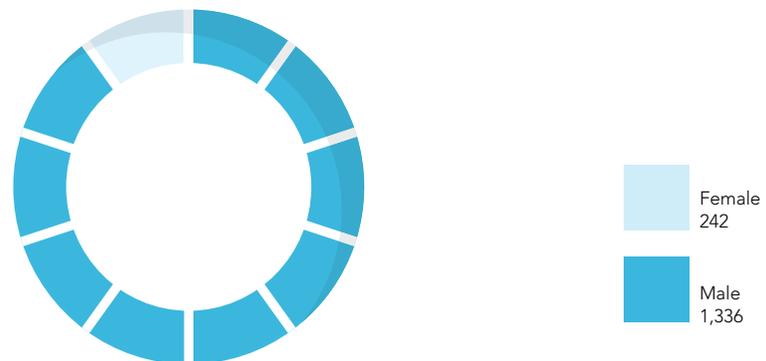


The Human Resource Department manages a total of approximately 1,600 employees both male and female.

The CWA Human Resource Department has over the past financial year grabbed several new opportunities like the recruitment of Meter readers, Clerical Officer/Higher Clerical Officers and Mechanical Engineers/Senior Mechanical Engineers. In addition, the implementation of shift system has given the opportunity to the organisation to recruit additional heavy vehicle drivers to better ensure the equitable distribution of water through tankers where needed.

SOME HR STATS...

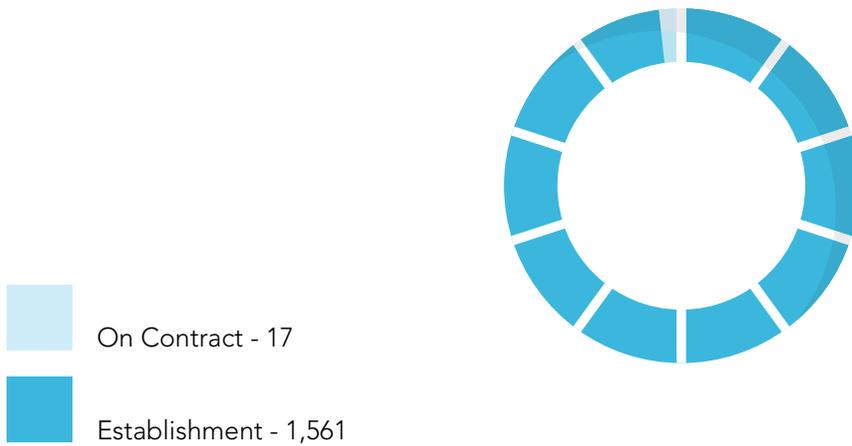
Category of Employees



Staff Turnover status during FY 2020/21



Status of Employees



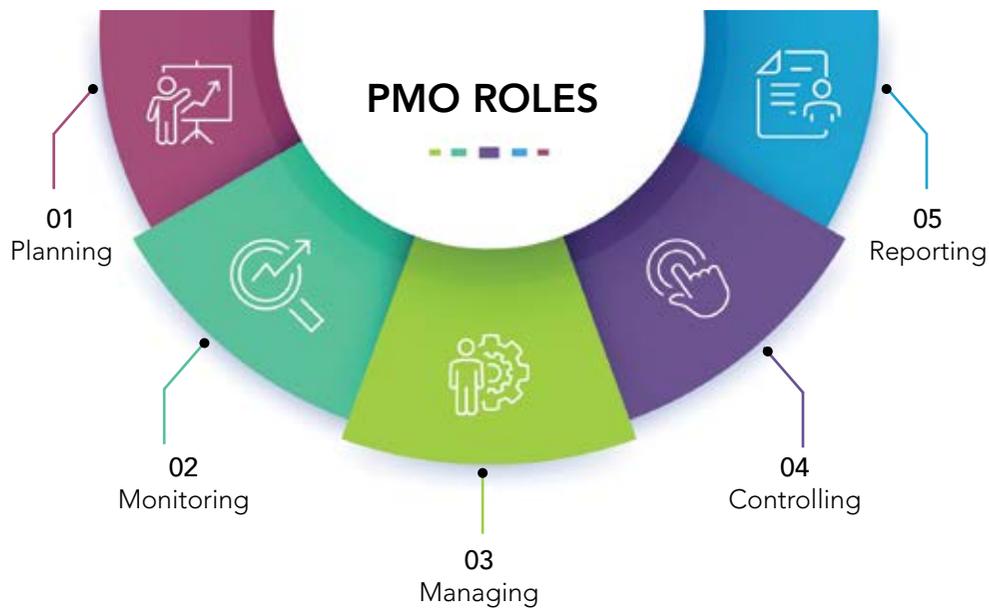




**PROJECT
MANAGEMENT
OFFICE**

The Project Management Office at the CWA is a team that sets, maintains and ensures standards for project management across the organisation. They are the keepers of best practices, project status and direction – all under in one department. In other words, the PMO is there to help organisations to deliver value to their stakeholders to projects.

The roles and responsibilities of the Project Management Office are as follows:



That is, the PMO makes sure the company procedures, practices and operations go right on time, on budget and all in the same way. The department is there to ensure project success and that is vital because organisations deliver value through projects.

The PMO at the CWA is responsible for the laying of new or renewal of pipeline as well as the construction of reservoirs and water treatment plants. Below are the lists of completed projects, ongoing projects and projects under-preparation.

CWA Completed Projects

SN	Contract No.	Project Name	Contract Value (Rs M)	Scope of Project
1	C2016/34	Renewal of Pipeline in Plaine Magnien	88	Supply and lay approximately 5km of 300/200/150mm DI pipe from Mare D'Albert to Plaine Magnien
2	C2018/100	Renewal of Pipeline from La Marie WTP to La Brasserie Reservoir	115	Supply and lay approximately 2.7km of 600mm DI pipe line from la Marie Water Treatment Plant to la Brasserie Reservoir, 3.4km of 200mm DI pipe from la Brasserie Reservoir to Morcellement Pousson and 0.42km of 100mm DI pipe in la foret Branch Road
3	C2014/10	Renewal of Pipeline from Alma Reservoir to Malinga Reservoir	101	Supply and lay of about 8.6km of DI 300mm pipe from Alma Reservoir to Malinga Reservoir
4	C2018/152	Renewal of Service Main from Malakoff to Trois Boutiques and Adjoining Areas.	57	Supply and lay about 1.5km of twin pipe of DI 250mm & DI 150mm and 1.7km of DI 250mm as Service Main from Malakoff to Trois Boutiques
5	C2012/13	Construction of Bagatelle WTP - Construction of a new Rapid Gravity filter Plant of capacity of 60,000m ³ /day. Ancillary works/boundary wall, new access road,internal roads and pipeworks.	912.44 (Increased Contract Price)	Construction of a treatment plant of 60,000m ³ /day capacity at Bagatelle to treat water from Bagatelle Dam impounding Reservoir
6	C2012/16	Construction of Pipeline from Bagatelle WTP to Belle-Rose and Rose-Hill	106.9 (Increased Contract Price)	Supply and lay of approximately 9km DI/HDPE pipe from Bagatelle WTP to Belle Rose
7	C2017/194	Construction of a new Pumping Station at Plaine Lauzun (Upgrading and relocation of pumping station to supply water in the Priest Peak and Monron Reservoir)	80	Upgrading and relocation of pumping station to Supply water in the Priest Peak and Monron Reservoir
8	C2015/78	Upgrading Works in the Pierrefonds System - Upgrading of Distribution Mains in Coromandel, Gros Cailloux and Canot Areas (laying of 7km of DI pipeline 100mm in the regions of cannot, Coromandel and Gros Cailloux.	69	Laying of 7km of DI Pipeline in the regions of Cannot, Coromandel and Gros Cailloux
9	C2016/201	Roche Bois- Abercrombie Pipeline- Phase 1	136	Renewal of 8km of pipeline

10	C2017/196	Construction of Steel Service Reservoir at Montagne Fayence & Alma - Supply and installation of Steel Tank of capacity 3000 m ³ and associated works.	36	Construction of Steel Service Reservoir at Montagne Fayence & Alma Supply and installation of Steel Tank of capacity 3000m ³ and associated works
11	C2016/132	Construction of a 3000 m ³ Service Reservoir at Riviere du Rempart and Pipeline from Reservoir to Network	35	Construction of a Reinforced Concrete Service Reservoir of 3000m ³ capacity and pipelines to connect to new network constructed under Contract C2016/124
12	C2018/96	Construction of Raw Water pipeline from Reservoir to La Nicoliere WTP	35	Supply and lay of 0.45km of DI ø 1000mm
13	C2018/74	Pipelining works from Salazie to Les Mariannes	33	Supply and lay of 2.9km of DI ø 200mm, 2km of ø 100mm & 0.1km of DI ø 250mm
14	C2019/46	Construction of Footbridge at John Kennedy Rd	2	Construction of a steel-framed footbridge with reinforced concrete slabs
		TOTAL	785	

CWA Ongoing Projects

SN	Project Name	Pipeline (km) as per contract	Pipeline Laid (km) - FY 2020/2021	Contract Value (Rs M)	Scope of Project	Remarks
1	C2015/13 - Consultancy Services For The Feasibility Study, Design & Preparation Of Bid Doc For The Upgrading Of The Intake Structure & Review Of The Treatment Process At Riviere Du Poste Treatment Plant	N/A	N/A	9.4	1. Study existing intake structure and proposals for Upgrading/Resiting to provide adequate water transmission to the treatment plant especially during heavy rainfall 2. To review treatment plant process to ensure a safe water quality and quantity	N/A
2	C2016/163 - South Western Coast Project - Phase II	7.2	6.2	74	Supply and lay approx 7.2km 300mm/350mm DI pipe from Trois Mamelles to Yemen La Coupee Reservoir	N/A
3	C2018-76 - Design-build project for the construction of 1 no. reinforced concrete service reservoir at Cluny (3000m ³) and 1 no. reinforced concrete service reservoir at Riche En Eau (2000m ³) & associated works	N/A	N/A	74.7	Design & Construction of a Reinforced Concrete Service Reservoir at Cluny (3000m ³) and a Reinforced Concrete Service Reservoir at Riche En Eau (2000m ³) and other Ancillary Works	N/A

4	C2018/02 - Consultancy services for the upgrading of Mont Blanc WTP and Piton Du Milieu WTP	N/A	N/A	17.97	Consultancy Services for feasibility, design and preparation of bid document for upgrading of Mont Blanc TP and Piton du Milieu TP	N/A
5	C2019/05 - Renewal of Pipeline along Belle- Rose Avenue, Quatre Bornes	1.4	0.4	28.5	Laying of approx. 1.4km of pipelines of 600mm DI pipe along Avenue Belle Rose	Contract terminated on 12 March 2021
6	C2016/200 - Plaine Verte-Cite Martial Pipeline-Phase 1	8.8	0.58	133.3	Upgrading of Pipe Network in Plaine Verte and Cite Martial Phase I	N/A
7	C2017/187 - Construction of new WTP at Pont Lardier (GRSE/DRBC) and Consultancy Services	N/A	N/A	14.2	Consultancy Services for the Implementation of a Water Treatment Plant and associated works at Pont Lardier. Consultancy Services include feasibility, design and preparation of Bid Document	N/A
8	C2013/78 - Pipeline from Montagne Fayence to Ecroignard	12	2.84	98.4	Supply and laying of 12km gravity main/pumping main comprising of 400mm, 350mm and 200mm	Contract terminated on 31 May 2021.
9	C2016/32 - Improvement of Water Supply in Lallmatie, Bon Accueil & Pont Blanc Areas	17.7	0.1	114	Supply and laying of 17.7km of 250mm, 200mm and 150mm DI pipe and shifting of 1250 household connection	Contract terminated on 31 May 2021.
10	C2016/136 - Upgrading of Distribution Mains in the regions of Laventure	9.3	Nil	81	Supply and laying of 9.3km of pipelines comprising 200mm/150mm/100mm diameter DI Pipes and shifting of approximately 675 household connections	Contract terminated with effect from 12 March 2021
11	C2016/211 - Replacement of CWA Pipelines in Rose Hill and adjoining areas - Zone 1	12	0.2	151	Supply and laying of 11.4km of pipeline comprising 300/200/150/100/80mm Ductile Iron Pipes and shifting of approximately 110 household connections	Contract terminated on 31 May 2021
12	C2016/212 - Replacement of CWA Pipelines in Rose-Hill and adjoining areas - Zone 2	15.1	0.25	153	Supply and laying of 12.7km of pipeline comprising 300/200/150/100/80mm dia Ductile Iron Pipes and shifting of approximately 1422 household connections	Contract terminated on 31 May 2021
13	C2015/128 - Replacement of Pipeline in Roches Noires and Plaine des Roches region	14.7	0.2	135.1	Renewal of pipelines in Roches Noires & Plaine des Roches along 15km	Contract terminated on 04 May 2021
14	C2016/124 - Upgrading of Pumping Station and Construction of Pumping Mains at Rivière du Rempart	17	1.1	129	Upgrading of 3 Pumping Stations and Construction of 15km of DI Mains in Rivière du Rempart	N/A
15	C2015/111 - Improvement of Rivière du Rempart Distribution Network	13.4	N/A	145.9	Renewal of Upgrading of pipelines along 13.4km in Rivière du Rempart and Pointe des Lascars	Contract Terminated on 19 October 2020

16	C2020/138 - Consultancy Services for the Feasibility Study, Design, Preparation of Bid Document and Assistance during Bid Evaluation for Construction of Rivière des Anguilles Water Treatment Plant	N/A	N/A	13.2	Consultancy Services for Construction of Rivière des Anguilles Water Treatment Plant	N/A
17	C2019/185 - Completion of Outstanding Works To Pump House and Other Associated Civil Works at Salazie	N/A	N/A	15.7	Completion of the Construction of a Pump House, Construction of new road 3.0m wide leading to the Pump House, completion of pipelaying works (10m), connection works at Salazie Reservoir, Construction of a pedestrian access, asphalt works, reinstatement of reservoir's yard & Supply and fixing of gates	N/A
18	C2019/123 - Consultancy Services for the Study, Design, Preparation of Bid Document, Assistance in Bid Evaluation and Supervision/Contract Management for Construction of Chlorine Storage Building and Associated Works at La Nicolière	N/A	N/A	12.8	Consultancy Services for Construction of Chlorine Storage Building and Associated Works at La Nicolière	N/A
19	C2019/87 - Renewal of Service Main and Laterals from Bois Mangues Reservoir to Fond du Sac	5.5	Nil	76.3	Supply and lay 2.5km of DI ø 250mm along RDA Road, Construction of Reinforced Concrete Chambers and Reinstatement of tarred roads	N/A
TOTAL		134	12	1,477		

CWA Projects under preparation

SN	Project Name	Scope of Project
1	C2017/105 - Renewal of Pipeline in the Region of L'Escalier	Supply and lay about 10.8km of DI pipe diameter 250/150/100mm in the region of L'Escalier
2	C2017/98 - Renewal of Service Main along Coastal Road from Flic en Flac to Wolmar	Supply and lay approx 5.1km of 300mm DI pipe and associated fittings from Flic en Flac to Wolmar
3	C2017-115 - Renewal of Pipeline in the regions of Chamouny and Chemin Grenier	Supply and lay of 3.75km of 250mm/150mm/100mm DI pipe and associated fittings in Chamouny and Chemin Grenier
4	C2021/92 - Construction of Service Reservoir at Alma (3000m ³)	Construction of a Service Reservoir at Alma (3000m ³)
5	C2021/99 - Consultancy Services for Upgrading of Rapid Gravity Filtration Plant at La Marie Water Treatment Plant	Preparation of Feasibility Study, Design and Bid Document for Upgrading of Rapid Gravity Filtration Plant at La Marie WTP

6	C2021/126 - Consultancy services for water mobilisation, treatment and pipeworks downstream of Ferney power station	Preparation of Feasibility Study, Design and Bid Document for treatment of Water Downstream of Ferney Power Station
7	C2020/206 - Renewal of pumping main from new Plaine Lauzun pumping station to Upper Monneron reservoir	Supply and lay of about 5000m of 400 DI from now Plaine Lauzun Pumping Station to Upper Monneron
8	C2020/79 - Refurbishment of Riviere du Poste Water Treatment Plant and Associated Works (Works)	· To review treatment process. · To study existing intake structure
9	C2020/72 - Rehabilitation and Upgrading of Mont Blanc Treatment Plant	Increase treatment capacity up to 15,000m ³ /day and ensure the treatment plant is able to treat raw water with a turbidity up to 400 NTU
10	C2020/75 - Rehabilitation and Upgrading of Pitou du Milieu Treatment Plant	Increase treatment capacity up to 50,000m ³ /day and ensure the treatment plant is able to treat raw water with a turbidity up to 100 NTU
11	C2019/89 - Pierrefonds Leg 1A – Renewal Of Service Main From La Chaumiere To New Bosquet Reservoir And Associated Works	Renewal of Service Main from La Chaumiere to New Bosquet Reservoir and Associated Works
12	C2020/65 - Construction of a River Intake Structure and a Water Treatment Plant at Pont Lardier	Construction of River Intake and a Water Treatment Plant of 15,000m ³ /day at Pont Lardier
13	C2020/66 - Construction of a Service Reservoir at Pont Lardier and associated Trunk Main	Construction of a Service Reservoir of 4000m ³ capacity supply and laying of 5.5km of DI Pipe (600mm and 450mm)
14	C2020/67 - Consultancy Services for the Supervision and Contract Management for the Construction of River Intake and Water Treatment Plant at Pont Lardier	Consultancy Services for the Supervision and Contract Management for the Construction of River Intake and Water Treatment Plant at Pont Lardier
15	C2021/201 - Fixing of appurtenances, construction of chambers, household connections, commissioning of pipelines, and ancillary works in Rose Hill	Completion of Outstanding Works following termination of Contract C2016/211 (Rose Hill Zone 1) & C2016/212 (Rose Hill Zone 2)
16	C2021/166 - Pipelaying, connection and other ancillary works from Montagne Fayence to Ecoignard	Supply and laying of 1.9km of DI Pipe along ecoignard and other ancillary works from Montagne Fayence to Ecoignard
17	C2021/135 - Supply and installation of accessories, household connections and other ancillary works in Lallmatie, Bon Accueil and Pont Blanc areas	Supply and laying of 0.2km of DI pipe and installation of accessories, household connection and other Ancillary Works in Lallmatie, Bon Accueil and Pont Blanc Areas
18	C2021/208 - Connection works, installation of accessories, household connections and ancillary works in Laventure	Completion of Outstanding Works following termination of Contract C2016/32
19	C2019/58 - Rehabilitation of Poudre D'Or Balancing Tank and Associated Works at Pumping Stations	Construction of Pump Control Room, Chlorination Room
20	C2020/01 - Design-Build Project for 2 Glass-Fused-to-Steel Reservoirs at Salazie and Eau Bouillie	Design and Construction of 2 Nos glass-fused-to-steel reservoirs of 2000m ³ at Eau Bouillie and 2500m ³ at Salazie and associated pipelines

21	C2020/236 - Construction of Pumping Station and Pumping Mains from Bassin Grande Marais to Old Goodlands Reservoir	Construction of pumping station, installation of Containerized pressure filters and pumping mains DI 300mm dia to feed 5000m ³ /d to Old Goodlands Reservoir
22	C2021/230 - Consultancy Services for the feasibility Study, Design, Preparation of Bid Document and Assistance During Bid Evaluation for Downstream Works of Rivière des Anguilles Water Treatment Plant	Consultancy Services for downstream pipe works of Rivière des Anguilles WTP for supply to Southern and South Western regions of Mauritius
23	C2021/214 - Pipelaying and Ancillary Works at Roches Noires & Plaines des Roches	Outstanding civil, hydraulic and Reinstatement Works under Contract C2015/128

Pipeline laid (Km) during FY 2020/21

SN	Project Name	Pipeline Laid (Km) FY 2020/21
1	C2015/13 - 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	0
2	C2016/163 - South Western Coast Project - Phase II	6.2
3	C2016/34 - Renewal of Pipeline in Plaine Magnien	0
4	C2018/100 - Renewal of pipeline from La Marie WTP to La Brasserie Reservoir	5.8
5	C2014/10 - Renewal of Pipelines from Alma Reservoir to Malinga Reservoir	0
6	C2018/152 - Renewal of Service Main from Malakoff to Trois Boutiques and Adjoining Areas.	0.3
7	C2018-02 - Consultancy Services for the Feasibility Study on the Upgrading of Mont Blanc & Piton du Milieu WTP (Phase 1)	0
8	C2019/05 - Renewal of Pipeline along Belle- Rose Avenue, Quatre Bornes	0.4
9	C2012/13 - Construction of Bagatelle WTP-Construction of a new Rapid Gravity filter Plant of capacity of 60,000m ³ /day. Ancillary works/boundary wall, new access road,internal roads and pipeworks	0
10	C2012/16 - Construction of Pipeline from Bagatelle WTP to Belle-Rose and Rose-Hill To carry out outstanding works such as Connection Works, Concrete Chambers	0
11	C2016/200 - Plaine Verte- Cite Martial Pipeline- Phase 1	0.58
12	C2016/201 - Roche Bois-Abercrombie Pipeline- Phase 1	0
13	C2017/194 - Construction of a new Pumping Station at Plaine Lauzun (Upgrading and relocation of pumping station to supply water in the Priest Peak and Monron Reservoir)	0
14	C2015/78 - Upgrading Works in the Pierrefonds System - Upgrading of Distribution Mains in Coromandel, Gros Cailloux and Canot Areas (laying of 7km of DI pipeline 100mm in the regions of cannot, Coromandel and Gros Cailloux)	0
15	C2017-187 - Consultancy Services for the Implementation of a WTP and associated works at Pont Lardier (Phase 1)	0
16	C2017-196 - Construction of Steel Reservoirs at Montagne Fayence & Alma	0
17	C2013/78 - Pipeline from Montagne Fayence to Ecoignard	2.84
18	C2016/32 - Improvement of Water Supply in Lallmatie, Bon Accueil & Pont Blanc Areas	0.1

19	C2016/136 - Upgrading of Distribution Mains in the regions of Laventure	0
20	C2016/211 - Replacement of CWA Pipelines in Rose Hill and adjoining areas - Zone 1	0.2
21	C2016/212 - Replacement of CWA Pipelines in Rose-Hill and adjoining areas - Zone 2	0.25
22	C2015/128 - Replacement of Pipeline in Roches Noires and Plaine des Roches region	0.2
23	C2016/124 - Upgrading of Pumping Station and Construction of Pumping Mains at Rivière du Rempart	1.1
24	C2015/111 - Improvement of Rivière du Rempart Distribution Network	0
25	C2018/74 - Pipelaying works from Salazie to Les Mariannes	2
26	C2019/46 - Construction of Footbridge at John Kennedy Road	0
27	C2018/96 - Construction of Raw Water pipeline from Reservoir to La Nicoliere WTP	0
28	C2016/132 - Construction of a 3000 m ³ Service Reservoir at Rivière du Rempart and Pipeline from Reservoir to Network	0
	TOTAL	20





COMMUNICATION

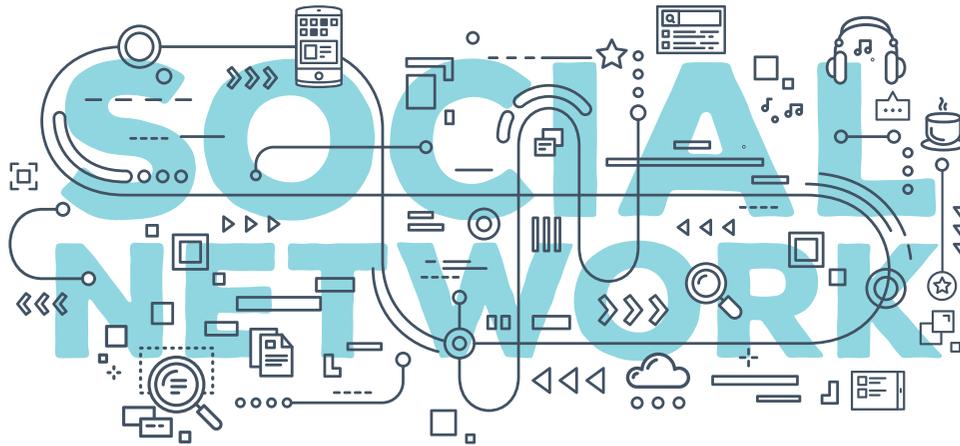
The communication department which was integrated in the Authority's hierarchical structure since May 2008, plays a vital role in enhancing the corporate image of the organisation vis-à-vis the media, government, and other stakeholders. The communication team ensures, inter-alia, the coordination of 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 is one of the daily routines 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.



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.



The communication team is actively participating on its Facebook page, monitoring consumer's 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.

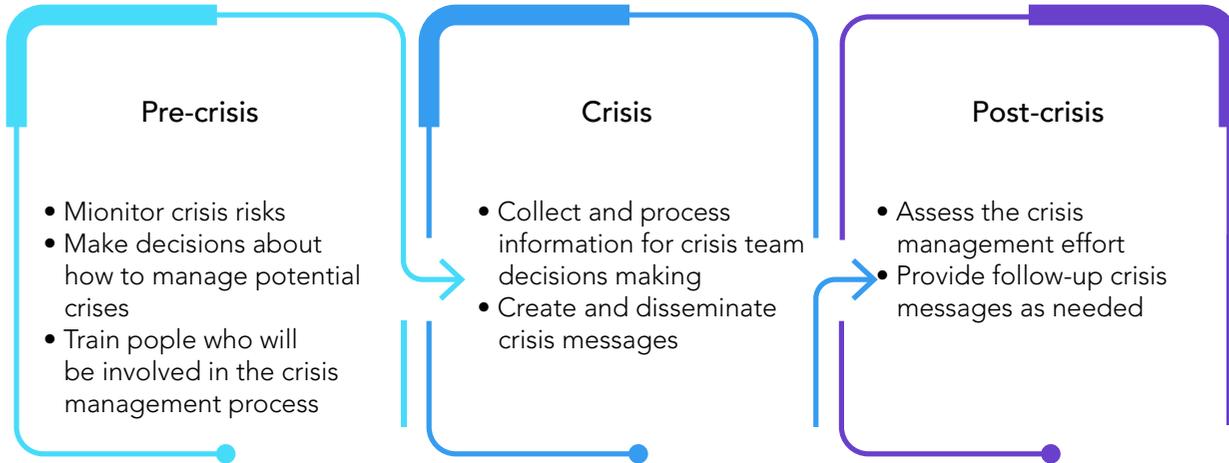
Number	Last Updated	Subject	From	Priority	Assigned To	Department
96699701	18/10/2019 2:26 PM	Complaint regarding no water supply	Gopaul Ramesh	Normal		Central Water Authority
50613830	18/10/2019 2:00 PM	Application for water supply #	Maigba Kamal	Normal		Central Water Authority
37407597	18/10/2019 11:04 AM	C 6 MAJOR LEAKAGE WATER PIPE SL	NARAIDOO DAVENDRA	Normal		Central Water Authority
50462798	18/10/2019 10:17 AM	C 6 New Water Supply #	Sowamber Chhabil & So...	Normal	Neerocpa HOWBUTH	Central Water Authority
77600478	18/10/2019 9:59 AM	C #	Violette Jacques Judex	Normal		Central Water Authority
81979589	17/10/2019 11:20 PM	Private CWA water tankers net pa...	Randeavor Pratikchand	Normal		Central Water Authority
80298323	17/10/2019 1:49 PM	C 6 REQUEST PATCHING WORKS /...	CAURHYE PRAKASH	Normal		Central Water Authority
70868811	17/10/2019 10:46 AM	C7: Dysfunctional CWA meter reader	Vishal Subiraj Seebah	Normal		Central Water Authority
18368492	16/10/2019 11:17 AM	C7:Rocks and asphalt left on road	Mokhibir Suttlanand	Normal		Central Water Authority
59996706	16/10/2019 9:54 AM	Water leakage in CWA meter	GOPAUL Leena	Normal		Central Water Authority
32844059	16/10/2019 9:33 AM	Irregular water supply	GOPAUL Leena	Normal		Central Water Authority

CSU Portal

Proactive
Crisis credibility
 reactive
 process transparent
 Audience
 communications
 messaging reputation
 image
 Spokesperson
 plan

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.

Stages of Crisis Communication

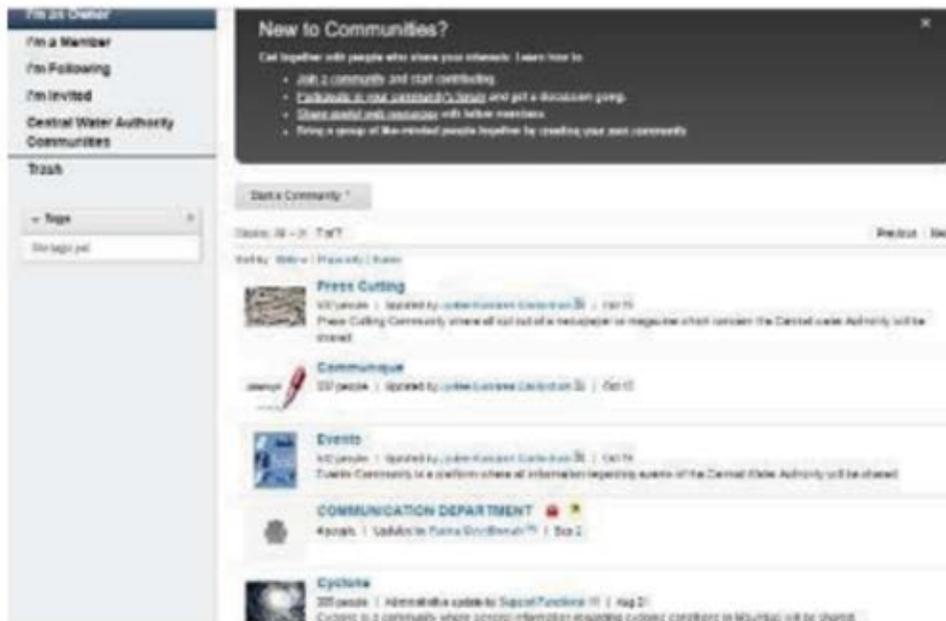


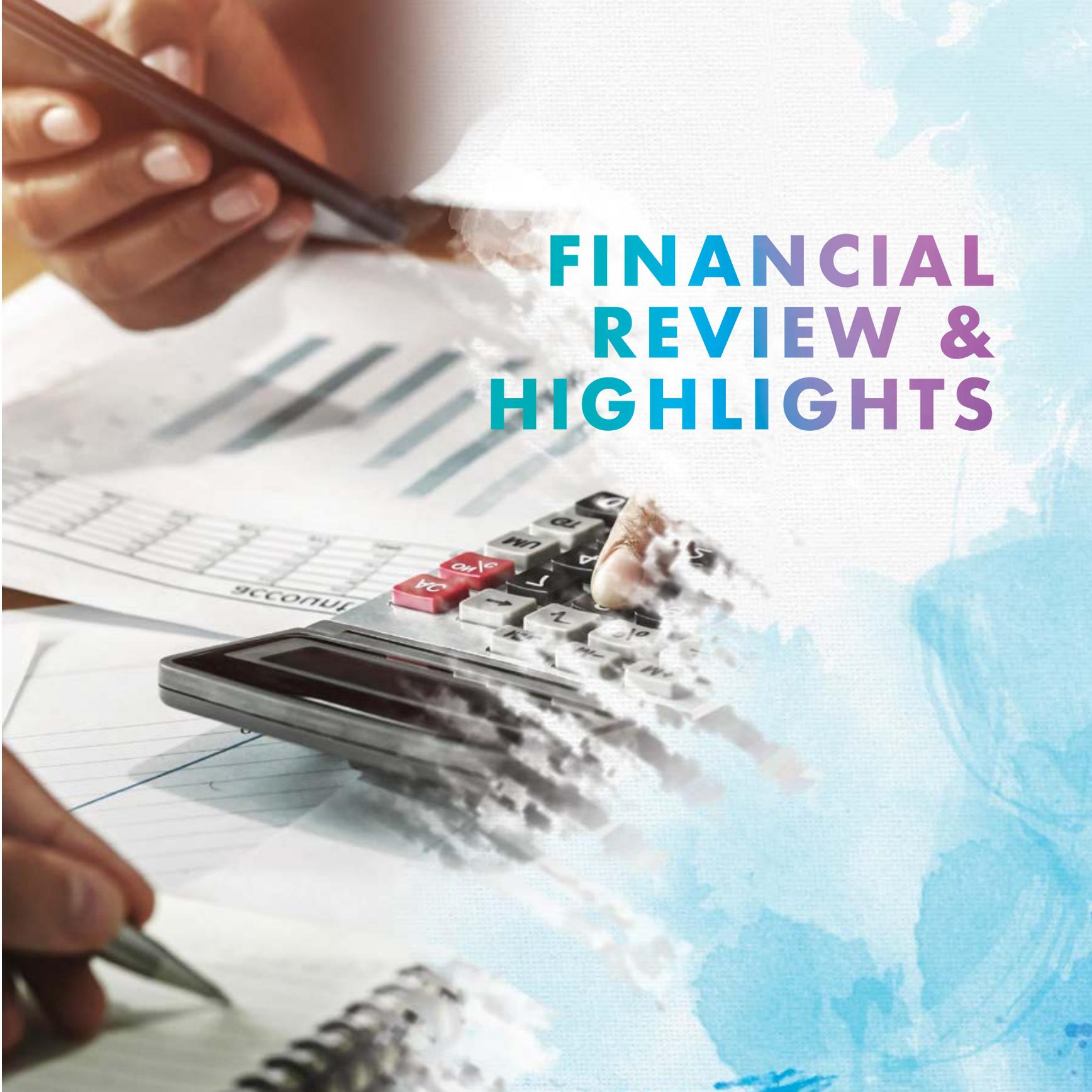


EMPLOYEE COMMUNICATION



The communication team also put 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.





FINANCIAL REVIEW & HIGHLIGHTS

Central Water Authority

FINANCIAL REVIEW AND HIGHLIGHTS

JULY 2020 TO JUNE 2021

The Authority showed a surplus of Rs 975 Million in the financial year 2020/21 before accounting for Finance Costs of Rs 101 Million, thus ending with a Net Surplus of Rs 874 Million as compared to a bottom-line reported deficit of Rs 333 Million in the previous financial year. This favourable situation is due to an exceptional write-off of loan arrears totalling some Rs 1.09 Bn by the Government of Mauritius at year-end.

During the year under review, the Authority experienced a slight drop of 1.1% in its total assets in 2020/21 as compared to 2019/20, mainly due to a fall in held-to-maturity investments.

Total liabilities fell by 8.9% mainly due to the fall in borrowings resulting from debt forgiveness in FY 2020/21.

At 30 June 2021, cash and cash equivalents stood at Rs 385M (2019/20: Rs 393M). The Authority had no term deposits with local banks at year-end (2019/20: Rs 320M).

MAIN FINANCIAL INDICATORS

(1) Operating Ratio

The Operating Ratio, showing the ability of the Authority to finance its operating expenses from its operating revenue, increased slightly to 0.90 in 2020/21 (2019/20: 0.84). This was partly due to a fall in total income recorded during the year under review, mainly in respect of water sales from non-domestic consumers, as a result of the negative impact of COVID-19 national lockdown and sanitary curfew during part of the reporting year under review. An increase in operating expenses is also noted in FY 2020/21.

(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 ratio was 4.36 times the finance costs in 2020/21, excluding the loan write-off (2019/20: 2.09 times). This rise was attributed to a rise in Operating Surplus (i.e. Surplus before depreciation and finance costs) as a result of an increase in government grant released to income during the year.

(3) Liquidity Ratio

As at 30 June 2021, liquidity ratio fell to 0.16 times (2019/20: 0.23 times) mainly due to a fall in term deposits at year-end.

(4) Gearing Ratio

The gearing ratio (long-term loan to equity) has decreased to 17% (2019/20: 20%) due to a fall in long-term borrowings (loan write-off).

SUMMARY OF FINANCIAL MATTERS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

1.0 REVENUE ACCOUNT

1.1 Financial Results

A summary of Financial Results is provided hereunder:

ITEM	2020/21	2019/20	2018/19	2017/18	2016/17 (18 months)	2015	2014	2013	2012
	Rs M								
Income	3,012	1,808	2,078	1,843	2,535	1,781	1,769	1,754	1,701
Expenditure	(2,137)	(2,141)	(2,104)	(2,302)	(2,425)	(1,629)	(1,561)	(1,537)	(1,447)
Surplus/(Deficit)	874	(334)	(26)	(459)	110	152	208	217	254

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 **66.4%** (Year 2019/20: 69.4%) of total expenditure.

Finance Costs and Depreciation

Finance costs and depreciation represent **30.7%** (Year 2019/20: 34.1%) of total expenditure.

Depreciation and amortization provisions made in the Accounts amount to **Rs 554M** (Year 2019/20: Rs 540M).

Surplus for the Year

The surplus for the year is **Rs 874M** representing **29%** of total income (Year 2019/20: Deficit of Rs 334M representing 18.4% of total income).

Cash Generated from Operating Activities

Cash generated from operating activities amounts to **Rs 117M** (Year 2019/20: Rs 238M).

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	2020/21	2019/20	2018/19	2017/18	2016/17 (18 months)	2015	2014	2013	2012
	Percentage of total revenue collectible								
Domestic	56	53	52	53	53	53	54	54	54
Non-Domestic	36	39	40	39	39	39	38	38	38
Government	8	8	8	8	8	8	8	8	8

Income

Potable Water Sales have contributed a sum of **Rs 1.38 Bn** (Year 2019/20: Rs 1.45 Bn) of the overall revenue which represented **72.5%** (Year 2019/20: 80.3%) of total operating income (i.e. excluding non-cash revenue from loan derecognition at year-end upon write-off by the Government of Mauritius).

iii. Irrigation Water Supply Service

Irrigation Water Sales have contributed a sum of **Rs 38.5M** (Year 2019/20: Rs 32.7M) of the overall revenue which represented **2%** (Year 2019/20: 1.8%) of total operating 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 2021 amounted to **Rs 271M** (Year 2019/20: Rs 605M).

2.2 Additions to Non-Current Assets

Assets capitalized during the year amounted to **Rs 1.3M** (Year 2019/20: Rs 1.27 Bn).

2.3 Assets Under Construction

Assets Under Construction as at 30 June 2021 amounted to **Rs 660M** (Year 2019/20: Rs 1.36 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 1.85%;
- 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.

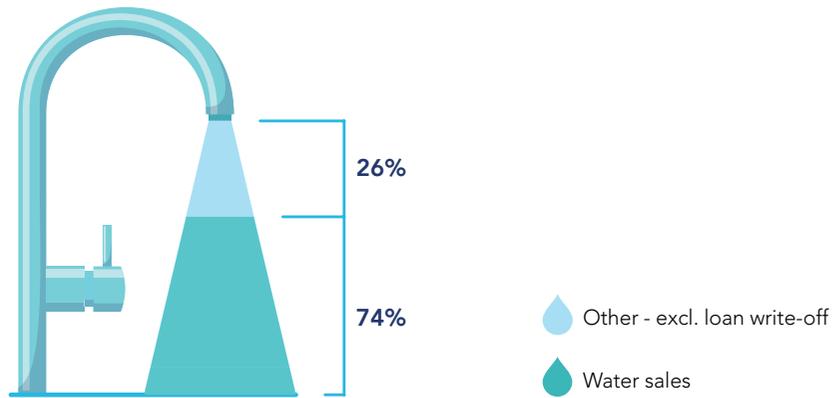
3.4 European Investment Bank (EIB) Requirements

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

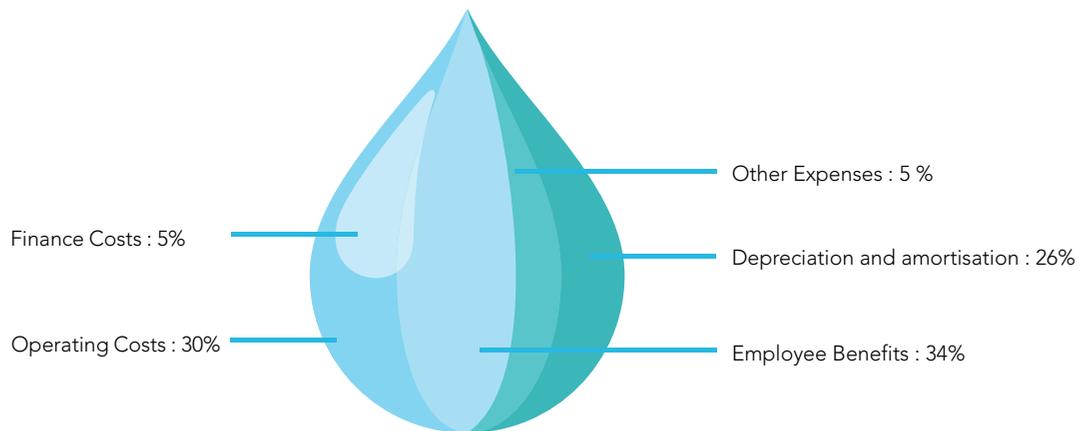
The water income rupee was **earned** as follows:

TOTAL INCOME 2020/21



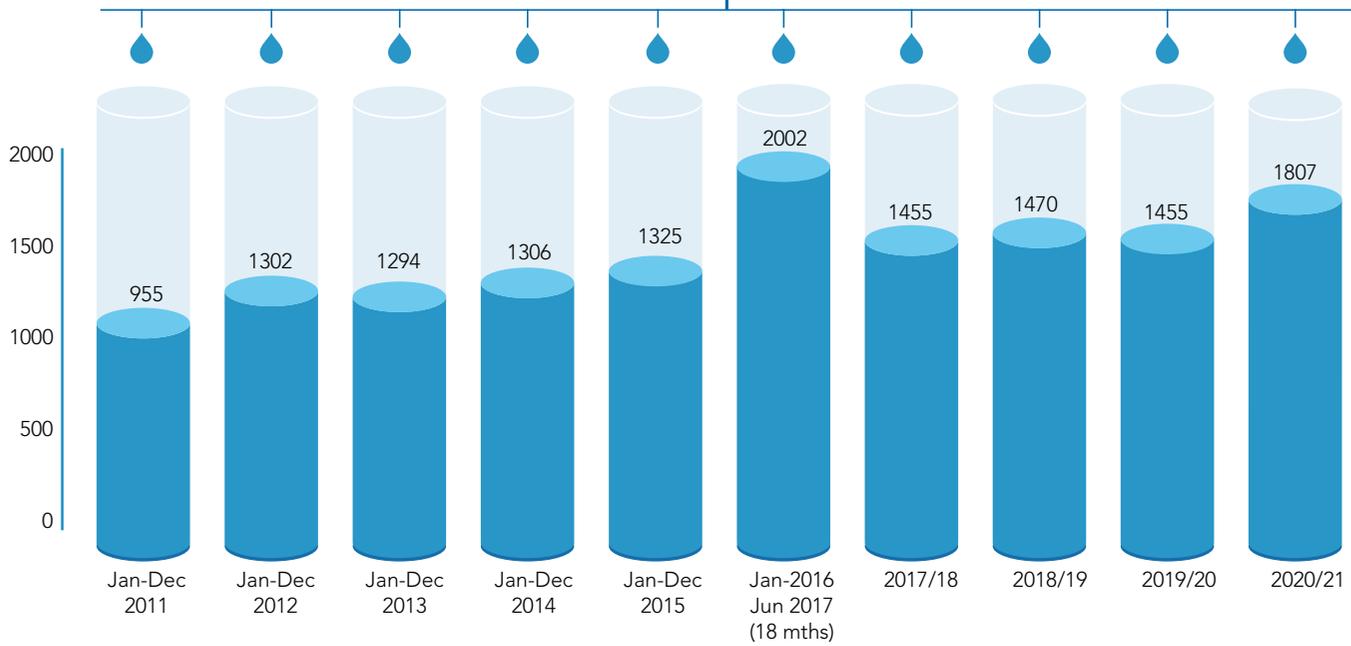
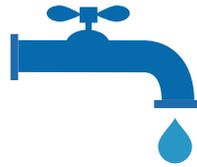
The water income rupee was **spent** as shown below:

TOTAL EXPENDITURE 2020/21



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 20- Jun 21	Jul 19- Jun 20	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
Current Ratio	0.39	0.40	0.44	0.65	0.40	0.34	0.61	0.42	0.52	0.26
Liquidity Ratio	0.16	0.23	0.34	0.44	(0.01)	0.04	0.29	0.11	0.20	(0.07)
Gearing ratio	0.17	0.20	0.19	0.16	0.22	0.18	0.18	0.15	0.17	0.18
Debt/Equity Ratio	0.33	0.42	0.37	3.66	6.17	5.13	4.80	4.37	4.03	3.94
Average Collection Period	118 days	103 days	97 days	2.19 mth	1.50 mth	2.08 mth	2.03 mth	2.00 mth	1.93 mth	2.05 mth
Receivable Turnover	3.1	3.5	3.8	5.76	8.00	5.76	5.90	6.01	6.21	5.82

6.1.2 Statement of Comprehensive Income

YEAR	Jul 20- Jun 21	Jul 19- Jun 20	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
Rate of Return (%)	0.06	(0.01)	0.01	(0.03)	2.00	2.00	3.00	3.00	4.00	(0.12)
Operating Ratio	0.96	0.84	0.82	1.18	0.90	0.86	0.83	0.84	0.79	1.01
Debt Servicing Ratio	0.05	0.09	0.07	0.05	0.06	0.06	0.06	0.05	0.07	0.04
Financing Ratio	(2.12)	(0.9)	0.83	(2.67)	1.71	2.50	3.33	4.06	3.61	(0.17)

6.1.3 Cash Flow Statement

YEAR	Jul 20- Jun 21	Jul 19- Jun 20	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
Operating Cash Flow Ratio	3.34	2.09	4.46	4.27	3.07	5.64	5.71	3.54	1.71	1.85

6.2 RATIO DEFINITIONS

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

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

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

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

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

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

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

$$\text{Debt/Equity ratio: } \frac{\text{Short-term + Long-term Loans}}{\text{Equity Capital + Reserves}}$$

Note: Calculated as per the following formula in previous years: $\frac{\text{Total Liabilities}}{\text{Equity Capital}}$

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

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

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.

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

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

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

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

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

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

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

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

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

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

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



**REPORT OF THE
DIRECTOR OF AUDIT**

**On the Financial Statements
of the Central Water Authority
for the year ended 30 June 2021**

NATIONAL AUDIT OFFICE



NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT TO THE CENTRAL WATER BOARD

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Central Water Authority, which comprise the statement of financial position as at 30 June 2021 and the statement of financial performance, statement of changes in net assets/equity, statement of cash flow and statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Central Water Authority as at 30 June 2021, and of its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

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 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 the matter described below to be a key audit matter to be communicated in my report.

14th Floor, Air Mauritius Centre, John Kennedy Street, Port Louis – Mauritius
Tel: 212 2096-97 / 211 0882 Fax: (230) 211 0880

Key Audit Matter	How the matter was addressed in the audit
<p>Assets Under Construction and Property, Plant and Equipment — Water Supply Facilities</p> <ul style="list-style-type: none"> As shown in Note 13 to the financial statements, an amount of Rs 1.16 billion was transferred from 'Assets under Construction' to 'Water Supply Facilities' at 30 June 2021. The amount represented expenditure on capital projects that were considered as 'completed' as per responses received from circularisation to the three units responsible for project implementations and from information available in contract sheets / valuation certificates attached to payment vouchers. I considered the determination of completed projects for financial reporting purposes as a key audit matter as it affects the depreciation expense, finance charges and carrying values of tangible assets for the financial year. 	<ul style="list-style-type: none"> I assessed the process for the recognition and measurement of completed capital projects, with a view to ascertaining their consistency with applicable financial reporting standards. The audit procedures performed included the following: <ul style="list-style-type: none"> Reviewing responses received from project implementation units as to whether they were available for use at year end. Checking for existence of long outstanding projects that were still on-going as per the list for 'Assets in Progress', and the reasons thereto. Reviewing contract sheets of individual major capital projects, ascertaining operational readiness of works undertaken at the close of financial year. Verifying that finance charges directly related to individual capital projects were capitalised only to the extent allowed by the relevant accounting standard, and that common expenses were allocated to projects as per the policy of the Authority. Checking that appropriate amortisation expenses were charged to accounts in respect of projects that were ready for operations. <p>I found that 'Assets under Construction', and completed projects recognised during the year under 'Water Supply Facilities' were properly processed and fairly stated in the financial statements.</p>

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.

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, 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 ISSAIs, 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 ISSAIs, I exercise professional judgment 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 economically, efficiently and effectively;

(e) the provisions of Part V of the Public Procurement Act regarding the bidding process have been complied with; and

(f) the Central Water Authority has complied with the National Code of Corporate Governance in accordance with the Financial Reporting Act.

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 qualified 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.

As far as it could be ascertained from my examination of the relevant records, the Central Water Authority has complied with the Statutory Bodies (Accounts and Audit) Act and directions of the responsible Minister in so far as they relate to the accounts.

Based on my examination of the records of Central Water Authority, except for the matter referred below, nothing has come to my attention that causes me to believe that:

(a) expenditure incurred was of an extravagant or wasteful nature, judged by normal commercial practice and prudence; and

(b) the Authority has not applied its resources and carried out its operations economically, efficiently and effectively.

Deficiencies in Project Management

Eight out of the nine contracts, with contract value of some Rs 762.1 million, awarded in previous years to a private contractor were terminated during the financial year 2020-21. The contractor did not honour its obligations under the contracts, as well as its undertaking under a mediation settlement agreement.

- The Authority would now require additional funds of some Rs 438 million for the completion of outstanding works in seven out of the eight contracts.
- Materials Awaiting Installation” amounting to some Rs 26.6 million issued by the Authority in respect of three contracts had remained uninstalled at the date of termination of the contracts, but were not returned to the Authority.

The Authority had sustained losses of Rs 12 million following the forfeiture of Bank Guarantees it provided to other Public Sector Bodies in connection with road reinstatement, of which some Rs 2.5 million directly related to substandard works of the Contractor.

Invocation of bank guarantees submitted by the Contractor in respect of Advance Payment and Performance for a sum Rs 112.6 million were initially not responded to by the issuing commercial bank. The matter was not reported to the appropriate regulatory authority until 5 October 2022, following which a sum of Rs 63.2 million was received from the issuing commercial bank on 29 December 2022. As of date of this report, a sum of Rs 49.4 million was still outstanding.

Other Matter

The financial statements for the financial year ended 30 June 2021 were received at my Office on 26 November 2021. Following audit, an amended set of financial statements was submitted on 1 December 2022.

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.

Financial Reporting Act

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.



C. ROMOOAH

Director of Audit

National Audit Office
Level 14, Air Mauritius
Centre PORT LOUIS

13 March 2023



The image features a hand on the left side, holding a pen and pointing towards a document. The background is a light blue watercolor wash with various shades and textures. The text 'FINANCIAL STATEMENTS' is centered in the upper half of the image.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

All amounts are in Mauritian Rupees (Rs) unless otherwise stated

Particulars	Notes	2021	Restated 2020
Assets			
Current assets			
Cash and cash equivalents	3	384,946,054	392,956,489
Investments	4	-	320,000,000
Receivables from exchange transactions	5	369,320,580	338,068,077
Receivables from non-exchange transactions	6	-	57,544
Other receivables from exchange transactions	7	20,437,704	35,773,083
Loans and advances	8	7,543,543	8,783,812
Inventories	9	104,355,055	90,619,055
Prepayments	10	44,222,391	45,776,827
Other current assets	11	34,659,754	18,139,880
Total current assets		965,485,081	1,250,174,766
Non-current assets			
Loans and advances	8	15,123,611	15,983,908
Prepayments	10	79,848	80,707
Property, plant and equipment	12	16,120,034,730	15,358,415,336
Assets under construction	13	659,926,990	1,326,278,262
Intangible assets	14	31,949,204	29,864,557
Total non-current assets		16,827,114,383	16,730,622,770
Total assets		17,792,599,464	17,980,797,536

Liabilities			
Current liabilities			
Payables under exchange transactions	15	1,005,578,274	1,255,713,852
Deposits	16	108,031	103,424
Borrowings	17	669,184,713	987,707,435
Employee benefits obligation	18	35,793,726	52,830,195
Provisions	19	-	14,000,000
Other current liabilities	20	732,624,845	828,521,983
Total current liabilities		2,443,289,589	3,138,876,889
Non-current liabilities			
Deposits	16	107,922,706	103,320,737
Borrowings	17	2,650,819,681	3,002,264,559
Employee benefits obligation	18	2,564,948,962	2,280,248,614
Total non-current liabilities		5,323,691,349	5,385,833,910
Total liabilities		7,766,980,938	8,524,710,799
Net assets		10,025,618,526	9,456,086,736
Net assets/equity			
Contributed capital	21	1,915,450,607	1,915,450,607
Accumulated surplus	21	8,110,167,919	7,540,636,129
Total net assets/equity		10,025,618,526	9,456,086,736

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

The financial statements were authorised for issue by the Central Water Board on 29 November 2022 and signed on its behalf by:

Name: A K Nilamber
CHAIRMAN

Name: B. Kissoon-Luckputtya
BOARD MEMBER

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

All amounts are in Mauritian Rupees (Rs) unless otherwise stated

Particulars	Notes	2021	Restated 2020
Revenue from exchange transactions	22	1,649,584,848	1,680,966,829
Revenue from non-exchange transactions	23	1,361,920,422	126,747,534
Total revenue		3,011,505,270	1,807,714,363
Expenses			
Operating costs	24	631,385,636	601,702,259
Employee benefits	25	724,491,699	712,487,393
Depreciation and amortization	26	553,936,009	540,391,387
Finance costs	27	101,431,479	189,395,160
Other expenses	28	118,139,845	71,346,515
Loss on foreign currency transactions	29	7,635,672	25,903,227
Total expenses		2,137,020,340	2,141,225,941
Surplus / (Deficit) for the year		874,484,930	(333,511,578)

STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 30 JUNE 2021

All amounts are in Mauritian Rupees (Rs) unless otherwise stated

Particulars	Contributed Capital	Accumulated Surplus/ (Deficit)	Total
Balance as at 01 July 2019	1,915,450,607	8,107,889,139	10,023,339,746
Prior year adjustment (as restated)		(36,430,775)	(36,430,775)
Deficit for the year (as restated)		(333,511,578)	(333,511,578)
Remeasurement gain/(loss) on defined benefit obligations		(197,310,657)	(197,310,657)
Balance as at 30 June 2020 (as restated)	1,915,450,607	7,540,636,128	9,456,086,735
Balance as at 01 July 2020 (as restated)	1,915,450,607	7,540,636,128	9,456,086,735
Surplus for the year		874,484,930	874,484,930
Remeasurement gain/(loss) on defined benefit obligations		(304,953,139)	(304,953,139)
Balance as at 30 June 2021	1,915,450,607	8,110,167,919	10,025,618,526

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

All amounts are in Mauritian Rupees (Rs) unless otherwise stated

Particulars	2021	Restated 2020
Cash flow from operating activities:		
Surplus/(Deficit) for the year	874,484,930	(333,511,578)
Adjustment for:		
Depreciation and amortization of property, plant and equipment and intangible assets	553,936,009	540,391,387
Loss on foreign exchange transactions	7,635,672	25,903,227
Interest income	(4,971,232)	(18,158,453)
Grants released to revenue	(273,976,218)	(126,747,534)
Financial contribution from consumers	(80,294,380)	(43,528,427)
Net increase /(decrease) in provision for impairment towards receivables	19,670,471	(4,895,449)
Finance costs	101,431,479	189,395,160
Loss on disposal of property, plant and equipment	3,902,011	716,336
Loss on impairment of property, plant and equipment	2,133,341	-
Increase in provision for slow-moving stock	528,147	8,887,157
Write-off of loan liability recognised as revenue	(732,810,059)	-
Waive-off of interest liability recognised as revenue	(355,134,146)	-
	116,536,023	238,451,826
Movements in working capital		
(Increase)/decrease in receivables	(33,429,486)	69,200,207
(Increase)/decrease in inventories	(13,736,000)	(13,951,540)
(Increase)/decrease in other assets	(14,964,579)	39,678,199
Increase/(decrease) in payables	(39,298,025)	(305,937,229)
Increase/(decrease) in other current liabilities	244,373,460	285,125,194
Increase/(decrease) in consumer deposits	4,606,577	2,621,322
Increase/(decrease) in provisions for employee benefits	(37,289,260)	(25,605,450)
Net cash flows from operating activities	226,798,708	289,582,530

Cash flow from investing activities:		
Payments for property, plant and equipment, assets under construction and intangible assets	(471,265,080)	(499,790,631)
Proceeds from disposal of non-current assets	1,255,885	1,498,603
Payments for property, plant and equipment and assets under construction out of capital grants	(147,277,921)	(300,145,412)
Proceeds from held-to-maturity investments	320,000,000	180,000,000
Interest received	25,827,525	13,425,146
Net cash flows from investing activities	(271,459,592)	(605,012,294)
Cash flow from financing activities:		
Proceeds from borrowings	64,723,585	240,543,238
Repayment of interest-bearing loan	(26,259,283)	(22,238,069)
Finance costs paid	(1,816,360)	(2,251,853)
Net cash flows from financing activities	36,647,942	216,053,316
Net decrease in cash and cash equivalents	(8,012,942)	(99,376,449)
Foreign exchange adjustment	2,507	(292,521)
Cash and cash equivalents at beginning of period	392,956,489	492,625,459
Cash and cash equivalents at end of period	384,946,054	392,956,489

Note:

Figures in brackets represent outflows.

STATEMENT OF COMPARISON OF ANNUAL ESTIMATES AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 30 JUNE 2021

All amounts are in Mauritian Rupees (Rs) unless otherwise stated

Particulars	Original Estimates 2020-21	Actual Amount 2020-21	Revised Estimates 2020-21	Actual amounts on comparable basis	Variance for actual vs revised budget
Receipts					
Revenue from exchange transactions	1,927,000,000	1,649,584,848	1,759,000,000	1,633,105,180	(125,894,820)
Payments					
Operating costs	(685,666,000)	(631,385,636)	(631,851,000)	(605,633,715)	26,217,285
Employee benefits	(837,792,000)	(724,491,699)	(828,919,000)	(750,708,759)	78,210,241
Depreciation and amortisation expenses	-	(553,936,009)	-	-	-
Finance costs	(218,000,000)	(101,431,479)	(28,000,000)	(28,075,642)	(75,642)
Other expenses	(68,542,000)	(118,139,845)	(70,230,000)	(78,984,106)	(8,754,106)
Gain/(loss) on foreign currency transactions	-	(7,635,672)	-	2,507	2,507
Surplus/(Deficit)	117,000,000	(487,435,492)	200,000,000	169,705,466	(30,294,534)
Revenue from non-exchange transactions	1,396,000,000	1,361,920,422	608,000,000	216,608,082	(391,391,918)
Capital expenditure	(1,513,000,000)	(1,800,881,185)	(783,000,000)	(679,265,879)	103,734,121
Net capital payments	(117,000,000)	(438,960,763)	(175,000,000)	(462,657,797)	(287,657,797)
Net receipts / (payments)	-	(926,396,254)	25,000,000	(292,952,331)	(317,952,331)

i. Approval of Estimates

The original budget for the financial year 2020-21 was approved by the Minister of Energy and Public Utilities on 8 July 2020. 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 on the 2020-21 budget following the governing body's approval of 26 April 2021.

ii. Budget variance of major items has been explained below:

Particulars	Variance
<p>a) Revenue from exchange transaction</p> <p>Actual receipts were lower than budget due to a fall in revenue from non-domestic consumers due to COVID-19 (confinement/restriction of activities /non-operation of hotels and other entertainment sectors) during part of FY 2020/21.</p>	(125,894,820)
<p>b) Operating costs</p> <p>The underspent amount in Operating Costs is explained by 4% fall in budgeted expenses, particularly in major items such as Stock Replenishments and Chemicals due to deferral of procurement. It is to be noted as well 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.</p>	26,217,285
<p>c) Employee benefits expenses</p> <p>The underspent amount in Employee Benefits Cost is explained by some 9% fall in staff-related costs such as overtime, training, internship and welfare expenses.</p>	78,210,241
<p>d) Depreciation and amortisation expenses</p> <p>Non-cash items such as Depreciation and Amortization are excluded from the Budget.</p>	-
<p>e) Finance costs</p> <p>The increase in Finance Costs is due to the adverse effect of exchange rate fluctuations upon repayment of EIB loan.</p>	(75,642)
<p>f) Other expenses</p> <p>An increase of 12% in Other Expenses compared to Budget was mainly due to an unbudgeted payment for arbitration costs, offset by a fall in Professional and Legal Services.</p>	(8,754,106)
<p>g) Gain on foreign currency transactions</p> <p>Adjustments for fluctuations in foreign currency transactions are excluded from Budget. The actual amount on comparable basis represent the actual realised gain on exchange upon payments made in foreign currencies during the reporting year.</p>	2,507
<p>h) Revenue from non-exchange transactions</p> <p>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.</p>	(391,391,918)
<p>i) Capital expenditure</p> <p>Variances between additions to property, plant and equipment as per the financial statements and capital expenditure estimates arise principally because of delays in actual implementation of projects.</p>	103,734,121

STATEMENT OF COMPARISON OF ANNUAL ESTIMATES AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 30 JUNE 2021

iii. 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 cash flow statement for the year ended 30 June 2021 is presented below:

Net receipts	Operating Activities	Investing Activities	Financing Activities	Total
Actual amount on comparable basis as presented in the statement of comparison	669,665,606	(999,265,879)	36,647,942	(292,952,331)
Basis differences	(424,326,164)	727,806,289		303,480,125
Timing differences	-	-	-	-
Entity differences	(18,540,737)	-	-	(18,540,737)
Actual amount in the cash flow statement	226,798,705	(271,459,590)	36,647,942	(8,012,942)

iv. 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 accrued expenditure which are considered as a part of capital expenditure in the budget but shown under operating activities in the cash flow statement. Also, interest revenue, disposal proceeds and held-to-maturity investments which are considered in the cash flow 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 ground water collections made on behalf of other entities and their subsequent remittance.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Reporting

(i) General Information of 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.

(ii) Reporting Period

The financial statements prepared for the Central Water Authority are for the year ended 30 June 2021.

(iii) Reporting Currency

The financial statements have been prepared and presented in Mauritian Rupees (MUR), which is the functional and reporting currency of the Authority. All amounts in these financial statements have been rounded to the nearest rupee.

(iv) Basis of Preparation

A. Estimates

The Approved/Revised Estimates (Budget) figures included in these financial statements for the Central Water Authority cover the financial period from 1 July 2020 to 30 June 2021.

The entity's budget is prepared on a different basis from the financial statements. The budget is prepared on a cash basis, except for carry over of capital expenditure which is appropriated on an accrual basis.

The statement of financial position and statement of financial performance are prepared on an accrual basis.

The amounts in these 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 statement of comparison of annual estimates and actual amounts is then presented, prepared on the same basis to the approved budget.

B. 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 set out 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 financial statements are prepared on an accrual basis using the going-concern principle and a classification based on nature of expenses in the statement of financial performance.

Where necessary and where practicable, comparative figures have been amended to conform to changes in presentation, or in accounting policies in the current year.

The accounting policies have been applied consistently throughout the year.

The cash flow statement is prepared using the indirect method.

(v). Statement of Compliance

The financial statements have been prepared under accrual basis International Public Sector Accounting Standards (IPSAS) and are in accordance with Section 6A (3) (a) the *Statutory Bodies (Accounts and Audit) Act*, as subsequently amended.

The Authority's financial statements for the year ended 30 June 2021 include the following:

- a) Statement of financial position;
- b) Statement of financial performance;
- c) Statement of changes in net assets/equity;
- d) Cash flow statement;
- e) Statement of comparison of annual estimates and actual amounts; and
- f) Related notes and the disclosure of narrative information about material adjustments.

1.2 Foreign Currencies

Transactions in foreign currencies are initially recorded in Mauritian Rupees (MUR) at the rate of exchange ruling at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the statement of financial performance.

At the reporting date, monetary assets and liabilities which are denominated in foreign currencies are translated into MUR at the closing rate of exchange ruling at year-end. Exchange gains and losses are dealt with through the statement of financial performance.

The Authority did not have any non-monetary assets or liabilities denominated in foreign currencies during the reporting period.

1.3 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and cash balances with banks, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

1.4 Financial Instruments

(a) Financial assets

(i) Initial recognition and measurement

Within the scope of IPSAS 29, Financial Instruments: Recognition and Measurement, financial assets are initially recognised as at fair value through surplus or deficit.

The Authority determines the classification of its financial assets at initial recognition.

(ii) Subsequent measurement

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

(iii) 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.

(iv) 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 three (3) years, 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 impairment 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.

(v) 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.

(vi) **Financial assets measured at amortised cost**

Financial assets of the Authority measured at amortised cost includes the following:

- Receivables from exchange transactions
- Receivables from non-exchange transactions
- Loans and advances (e.g. car loan)
- Other receivables which are non-derivative financial assets with fixed or determinable payments and fixed maturity that the entity has the positive intention to hold to maturity (e.g. fixed deposits classified as held-to-maturity investments).

After initial recognition at fair value, such financial assets are subsequently measured at amortized cost using the effective interest method, less any impairment loss. 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.

(b) Financial liabilities

(i) **Initial recognition and measurement**

Within the scope of IPSAS 29, Financial Instruments: Recognition and Measurement, financial liabilities are initially recognised as at fair value through surplus or deficit.

The Authority determines the classification of its financial liabilities at initial recognition.

(ii) **Subsequent measurement**

The subsequent measurement of financial liabilities depends on their classification.

(iii) **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.

(iv) **Financial liabilities measured at amortised cost**

The Authority's financial liabilities include borrowings, deposits and trade and other payables.

After initial recognition, interest-bearing 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 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.

Interest-bearing borrowings that are expected to be settled within 12 months after the reporting date are classified as current liabilities.

Short-term trade and other payables are initially recognised at their carrying amount, except in cases where the impact of discount is material.

Long-term payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(c) Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the statement of financial position when, and only when, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.5 Inventories

Inventories are initially measured at the lower of cost and net realisable value, except items acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Cost of inventories comprises 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 is determined through the weighted average cost (AVCO) formula.

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

The carrying value of inventories is recognized as an expense in the period in which it is deployed for utilization or consumption in the ordinary course of operations of the Authority.

In case inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to current replacement cost (due to obsolescence, damage or other reasons) and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

The Authority has the policy to book a provision for obsolescence in respect of inventories which are slow moving and lying for a period of more than three (3) years.

1.6 Prepayments

Prepayments are recognised as assets when payment for goods or services has been made in advance of obtaining a right to access those goods or services.

1.7 Capitalisation of non-financial assets

(a) Property, plant and equipment

(i) Initial recognition and measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost less any accumulated depreciation and any accumulated impairment losses.

Where an asset is acquired through a non-exchange transaction for nil or nominal consideration, the asset is measured at its fair value as at the date of acquisition.

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

- Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates,
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management,
- 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 (under the allowed alternative treatment).

(ii) Subsequent costs

The cost of an item of property, plant and equipment may undergo changes subsequent to its acquisition or construction on account of exchange fluctuations, price adjustments, and changes in duties, replacement of a major component of an asset or similar factors.

Subsequent costs are 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.

(iii) Measurement after recognition

The CWA opted to use the fair value of property, plant and equipment as its deemed cost on 1 July 2017.

(iv) 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 displayed in the table below.

The residual value on assets, where applicable, is either 5%, 10% or 15% of cost.

Class of Assets	Depreciation	Residual Values
	No. of years	%
Water supply facilities	10 – 60	5% or 10%
Irrigation facilities	50	10%
Cars and mobile service equipment	5 – 10	15%
Office, workshop and laboratory equipment	5 – 20	10%
Buildings	50	10%

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.

Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is accounted for as a separate asset and depreciated separately over its useful life.

Land is not depreciated.

(v) Derecognition

The carrying amount of an item of property, plant and equipment shall be derecognized:

(a) On disposal; or

(b) When no future economic benefits or service potential is expected from its use or disposal.

The gain or loss arising from the derecognition 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 included in surplus or deficit when the item is derecognized. Gain or loss on disposal are shown as part of 'Other expenses' in the statement of financial performance (gains are not classified as revenue).

(b) Assets under construction

Assets in the course of construction are carried out at cost, less any recognised impairment loss. Cost includes borrowing cost for qualifying assets. Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use.

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds. Borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalisation ceases when construction of the asset is complete. Other borrowing costs are charged to the statement of financial performance.

Depreciation of these assets commences when the assets are ready for their intended use and are transferred to property, plant and equipment.

(c) Intangible assets

(i) Recognition and measurement

The intangible assets of the Authority comprise computer software that is not considered to form an integral part of any hardware equipment. These intangible assets have a finite useful life and are amortized using the straight-line method over their useful lives.

The Authority has no intangible assets with indefinite useful lives.

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.

The CWA opted to use the fair value of intangible assets as its deemed cost on 1st July 2017.

(ii) Research and development costs

Expenditure incurred on the research phase of an internal project is expensed when it is incurred (no intangible asset is recognised).

An intangible asset arising from development (or from the development phase of an internal project) shall be recognized if, and only if, the Authority can demonstrate that all of the following criteria are met: technical feasibility; ability to complete the asset; intention and ability to sell or use; ability of asset to generate probable future economic benefits or service potential, availability of resources to complete development and development expenditure can be reliably measured.

(iii) Amortization

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

(iv) Derecognition

An intangible asset shall be derecognized:

- (a) On disposal (including disposal through a non-exchange transaction); or
- (b) When no future economic benefits or service potential is expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible asset (calculated as the difference between the net disposal proceeds, if any, and the carrying amount of the asset) is included in surplus or deficit when the asset is derecognized.

(d) Asset capitalisation policy

As part of the entity's normal policy, qualifying assets are capitalised when the value of cost is equal to or exceed the following thresholds, where applicable:

Class of Asset	Rs
Computer hardware	5,000
Computer software and intangible assets (first-time acquisition cost)	5,000
Furniture and fittings	5,000
Mobile service equipment - Pump	5,000
Mobile service equipment (other than air compressor/generator)	5,000
Equipment	5,000
Mechanical tool	10,000
Building improvement	50,000
Building construction / Facility acquisition	No threshold
House connection	No threshold
Infrastructure assets	No threshold
Land acquisition	No threshold
Mobile service equipment - air compressor	No threshold
Mobile service equipment - generator	No threshold
Motor vehicle	No threshold
Office equipment - air conditioner	No threshold

Where no threshold is set, the qualifying asset meets the direct capitalisation criteria.

Where multiples of one asset are purchased at the same time, the individual asset value is used to determine whether each asset is to be capitalised.

Small items of capital nature falling below the asset category threshold value, where applicable, are generally not capitalised but are rather expensed as maintenance in the year of acquisition.

1.8 Impairment of non-financial assets

(i) Impairment of cash-generating assets

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. In assessing value in use, the estimated future cash flows 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.

(ii) Impairment of non cash-generating 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.

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.

When the carrying amount of an asset is greater than its estimated recoverable service amount or recoverable amount, it is written down to its recoverable service amount or recoverable amount and an impairment loss is immediately recognised in the statement of financial performance.

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

(iii) Reversal of impairment

For each asset, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Authority shall estimate the asset's recoverable amount.

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.

1.9 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.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date and are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

The expense relating to any provision is presented in the statement of financial performance, net of any reimbursement.

1.10 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.

1.11 Contingent assets

The Authority does not recognize a contingent asset since this may result in the recognition of revenue that may never be realized. 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 are disclosed in the notes to the financial statements.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs. If an inflow of economic benefits or service potential has become probable, the contingent asset is disclosed.

Where an inflow of economic benefits or service potential is probable, the entity discloses a brief description of the nature of the contingent assets at the reporting date, and, where practicable, an estimate of their financial effect.

1.12 Employee benefits

(i) Defined benefit pension plan

Provision for retirement pension benefits is made under the Statutory Bodies Pension Funds Act of 1978, as amended. A Defined Benefit Plan is managed by the State Insurance Company of Mauritius (SICOM) Ltd for employees who joined service prior to 2013. 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 periods. 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.

Remeasurement, comprising actuarial gains and losses and the return on plan assets, is reflected immediately in the statement of net assets/equity.

Current service cost, past service cost and gain or loss on settlement, net interest on the net defined benefit liability (asset) is recognised in the statement of financial performance.

(ii) Defined contribution pension plans

The contributions to the National Pension Scheme, Family Protection Scheme, National Savings Fund and Contribution Sociale Généralisée (CSG) are charged to the statement of financial performance for the period in which they fall due.

Also, for full time employees who joined service as from 1 January 2013, a Defined Contribution Plan is managed by the SICOM under a separate fund. The contribution rate for this scheme is set at 18% of pensionable salaries (6% Employee Contributions and 12% Employer Contributions). These contributions are expensed in the period the employees render the service and a liability is recognised in respect of amount not paid at the end of the financial year.

(iii) Employee entitlements

(a) Sick leaves

Unutilised sick leaves are accumulated by employees to a bank maximum as defined in the PRB Report.

Additionally, in the context of COVID-19 pandemic which impacted negatively on public finance, the monetary value of untaken sick leave for year 2020 will be kept in a separate account and refunded to officers at the time of retirement or resignation from service, based on their last salary drawn.

Unutilised 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 employee's 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.

(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 bear an interest rate of 3% per annum with effect from January 2021 as per the PRB Report (previously 4% up to December 2020) and are repayable monthly over a period of five or seven years, as appropriate. The balances of principal amounts are shown under receivables and considered as financial assets and accordingly recognized.

1.13 Revenue recognition

(i) 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,
- delivery has been taken place,
- 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.

(ii) 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 or other parties.

(a) Capital grants

The Authority recognizes revenue 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.

(b) Debt Forgiveness

Revenue is recognised in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability.

Revenue arising from debt forgiveness is measured at the carrying amount of the debt forgiven.

(c) Other revenue from non-exchange transactions

Other revenues from non-exchange transactions 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.

1.14 Leases

(i) CWA as Lessee: Finance Lease

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item an entity.

Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of financial performance.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

The Authority does not have any lease as at 30 June 2021 that qualifies as finance lease.

(ii) CWA as Lessee: Operating Lease

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.

1.15 Expenses

Expenses are recognized in the period to which they relate.

(i) Operating costs

These are recognised in the period when goods are received or services are rendered.

(ii) Employee benefits

Employee benefits comprise mainly of staff and related costs, including pension payments. These are recorded as an expense in the period the transfer payment is authorised and all eligibility criteria has been met by the recipient. Employee costs paid after a particular financial year but which were earned during the reporting period are accrued at year-end.

(iii) Depreciation and amortization

Depreciation and amortization charges are calculated on a systematic basis over the useful life of assets and recognised for each period in the statement of financial performance as an expense.

(iv) Finance costs

Finance costs on financial liabilities measured at amortised cost are recognised in the statement of financial performance using the effective interest rate method.

(v) Other expenses

Other expenses are recognised in the period when goods are received or services are rendered.

(vi) Loss or gain on foreign currency transactions

Realised and unrealised exchange losses or (gains) are recognised in the statement of financial performance as they arise.

1.16 Related parties

CWA regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Authority, or vice versa.

This includes relationship with entities forming part of the Government of Mauritius, key management personnel and their close family members.

Transactions between these related parties and the Authority are disclosed in the financial statements except for transactions that would occur within a normal supplier or client/recipient relationship on terms and conditions no more or less favorable than those which it is reasonable to expect the Authority would have adopted when dealing with that individual or entity at arm's length in the same circumstances.

1.17 Key assumptions and judgments

The preparation of the Authority's financial statements in conformity with IPSAS requires management to make judgments, 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) Estimates and assumptions

The Authority based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond CWA's control. Such changes are reflected in the assumptions when they occur. 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.

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 ended 30 June 2021 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.

(c) Employee benefits liabilities

Management is required to 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 estimates such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. 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 organisation's defined benefit obligation is the discount rate.

(ii) Judgments

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 are as follows:

(a) Contingent liabilities

Contingent liabilities are disclosed for pending legal proceedings 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.

(b) Operating lease commitments

The Authority has determined, based on an evaluation of the terms and conditions of lease arrangements, that it does not retain all the significant risks and rewards of ownership of the leased items and accounts for the contracts as operating leases.

1.18 Events after reporting date

The Authority makes adjustment for adjusting events after the reporting date and disclosures are made for significant non-adjusting events after the reporting date.

1.19 Standards issued but not yet effective

IPSAS 3 (Accounting Policies, Changes in Accounting Estimates and Errors) requires disclosure of new IPSASs that have been issued but are not yet effective and which have not yet applied by a reporting entity.

The Authority's financial statements comply in all material aspects with applicable IPSASs. At the date of approval of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards, and Interpretations have been published by the IPSAS Board (IPSASB). These Standards, amendments or Interpretations have not been adopted early by the reporting entity.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

Management has not yet had an opportunity to consider the potential impact of the adoption of the following new standards on the financial statements of the Authority in the current or future reporting periods and on foreseeable future transactions:

IPSAS 41 Financial Instruments - Designation of financial instruments on the date of adoption of IPSAS or during the period of transition (effective 01 January 2023)

IPSAS 42 Social Benefits - Recognition of a liability for a social benefit scheme (effective 01 January 2023)

2. PRIOR YEAR ADJUSTMENTS

All amounts are in Mauritian Rupees (Rs) unless otherwise stated

2.1 The comparative amounts as at 30 June 2020 have been restated in accordance with IPSAS 3 - Accounting Policies, Changes in Accounting Estimates and Errors, to correct certain misstatements identified during the year ended 30 June 2021. Restatements made are summarised below together with the impact on the financial statements:

STATEMENT OF FINANCIAL POSITION	30 June 2020				
	Note	As previously reported	Prior year adjustments	Reclassification	As restated
Receivables from exchange transactions	1,2,9	336,126,895	6,309,941	(4,368,759)	338,068,077
Prepayments (under current assets)	2,9	49,655,030	(8,246,962)	4,368,759	45,776,827
Property, plant and equipment	3,4	14,841,147,756	517,267,580	-	15,358,415,336
Assets under construction	3	1,854,190,365	(527,912,103)	-	1,326,278,262
Intangible assets	5	32,590,027	(2,725,470)	-	29,864,557
Payables under exchange transactions	6,8	1,251,458,368	4,255,484	-	1,255,713,852
Accumulated surplus		7,560,198,628	(19,562,499)	-	7,540,636,129
STATEMENT OF FINANCIAL PERFORMANCE					
Revenue from exchange transactions	1	1,682,497,693	(1,530,864)	-	1,680,966,829
Operating costs	7	601,659,759	42,500	-	601,702,259
Depreciation and amortization	4	558,833,027	(18,441,640)	-	540,391,387

Notes: Reasons for Prior Year Adjustments (effect of Rs 19.6M on Accumulated Surplus):

1. Bills have been amended due to reasons such as excessive billing, unnoticed leakage, and defective meters amongst others. The receivables amount were restated to reflect bill adjustments of Rs 1.5M relating to FY 2019/20 and Rs 0.4M for prior years.
2. An adjustment Rs 8.2M in a control account was wrongly made in FY 2016/17 and has been corrected by restating both the debtors and control accounts.
3. Dormant capital projects in 'Asset under construction' were queried. An amount of Rs 504.5M was capitalised and an amount of Rs 23.4M was expensed in prior years, as appropriate, according to contract completion dates.
4. Depreciation charges were adjusted downwards by Rs 18.4M for FY 2019/20 following completion of a reconciliation exercise with a new computerised Fixed Asset Register. Prior-year depreciation charges were increased by Rs 5.7M following capitalisation of additional projects according to contract completion dates.

5. Adjustment was made regarding an understatement of amortisation charges in prior years by Rs 2.7M.
6. A long-standing difference of Rs 3.4M between trade payables and supplier listings was corrected by restating prior-year balances.
7. Necessary prior-year adjustments were made for accrual of rental claims for land occupation which were not recorded previously amounting to some Rs 0.04M for FY 2019/20 and Rs 0.1M for prior years.
8. Prior-year adjustments were made for accrual of fuel charges which were not recorded previously amounting to some Rs 7.6M for prior years.

9. Reason for Re-classification Adjustment (no effect on Accumulated Surplus)

An amount of Rs 4.4M in a control account has been reclassified from 'Prepayments' to 'Revenue from exchange transactions' as it represented receipts collected but not yet cleared against debts at year-end.

3 - CASH AND CASH EQUIVALENTS

Particulars	2021	2020
(a) Petty cash	273,543	268,511
(b) Cash at bank	384,672,511	392,687,978
Total cash and cash equivalents (as per cash flow statement)	384,946,054	392,956,489

4 - INVESTMENTS

Current

Particulars	2021	2020
Term Deposit	-	320,000,000
Held-to-maturity investments	-	320,000,000

Notes:

- i. A 24-month term deposit with BCP Bank (Mauritius) Ltd matured on 17 September 2020.
- ii. The Authority did not have any held-to-maturity investment as as 30 June 2021.

5 - RECEIVABLES FROM EXCHANGE TRANSACTIONS

Particulars	2021	Restated 2020
Receivables from exchange transactions		
(a) Potable water sales	335,357,120	320,479,459
(b) Irrigation water sales	123,847,808	100,333,127
(c) Surcharge on Potable water sales	16,979,014	6,528,904
(d) Surcharge on Irrigation water sales	10,938,080	8,943,412
Gross receivables from exchange transactions	487,122,022	436,284,902
Provision for impairment		
(i) Provision for impairment on Irrigation Water Sales (IWS)	(72,953,003)	(61,970,062)
(ii) Provision for impairment on Potable Water Sales (PWS)	(38,162,578)	(30,451,754)
(iii) Provision for impairment on Surcharge (IWS)	(6,685,861)	(5,795,009)
Total provision for impairment on receivables (Note i)	(117,801,442)	(98,216,825)
Total receivables from exchange transactions (net of provision)	369,320,580	338,068,077

Notes:

i. Movement in provisions is as follows:

Particulars	Provision for Impairment - IWS	Provision for Impairment - PWS	Provision for Impairment-Surcharge
Balance as at 01 July 2020	(61,970,062)	(30,451,754)	(5,795,009)
Provisions recognized during the year - (increase)/decrease	(10,982,941)	(7,710,824)	(890,852)
Balance as at 30 June 2021	(72,953,003)	(38,162,578)	(6,685,861)
Total provision for impairment on receivables			(117,801,442)

General provisions for impairment have been re-calculated at year ended 30 June 2021, covering 100% of IWS and PWS debts aged more than three (3) years. Specific allowances have also been created in respect of disputed amounts owed by identified consumers at year end, including one customer placed in liquidation.

ii. The credit risk and credit risk management policy relating to receivables has been explained at Note 30.2.5.

iii. Receivables include water bills amounting to Rs 120M for June 2021 consumption and delivered in July & August 2021. No surcharge is levied on trade receivables for the first 21 days from date of delivery of invoice and thereafter a surcharge of 10 per cent is applied on the outstanding balance.

6 - RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Particulars	2021	2020
Capital Grant Receivable	-	57,544
Total receivables from non-exchange transactions	-	57,544

Notes:

- i. Grant receivable relates to capital grant received from Government immediately after year-end due to timing difference in funds transfer, pertaining to grant appropriation budget for reporting year.
- ii. No capital grant was receivable for the year ended 30 June 2021.

7 - OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

Particulars	2021	2020
(a) Security deposit - CEB	4,199,315	4,043,815
(b) Meter rentals	10,346,167	9,857,228
(c) Swimming pool fee	202,262	178,769
(d) Bank interest	13,333	20,869,626
(e) Claim for damages	3,017,346	3,017,346
(f) Other deposits	2,553,766	2,553,766
(g) Other miscellaneous receivables	5,676,628	823,645
Gross other receivables from exchange transactions	26,008,817	41,344,195
Provision for impairment		
(i) Claim for damages	(3,017,346)	(3,017,346)
(ii) Cash deposits	(2,553,766)	(2,553,766)
Total provision for impairment on other receivables	(5,571,112)	(5,571,112)
Total other receivables from exchange transactions	20,437,704	35,773,083

8 - LOANS AND ADVANCES

Current

Particulars	2021	2020
Other receivables - Car loan (Note i)	7,543,543	8,783,812
Total loans and advances (current)	7,543,543	8,783,812

Non-Current

Particulars	2021	2020
Other receivables - Car loan (Note i)	15,123,611	15,983,908
Total loans and advances (non-current)	15,123,611	15,983,908

Notes:

i. Movement in car loans is as follows:

Particulars	2021	2020
Opening Balance	24,767,720	24,396,667
New loans granted	9,304,573	9,278,574
Refund during the year	(11,405,139)	(8,907,521)
Closing Balance	22,667,154	24,767,720
<i>Classified under current assets (short-term receivables)</i>	<i>7,543,543</i>	<i>8,783,812</i>
<i>Classified under non-current assets (long-term receivables)</i>	<i>15,123,611</i>	<i>15,983,908</i>

9 - INVENTORIES

Particulars	2021	2020
Inventories comprise the following items:		
(a) Meters and materials for new supplies	41,992,154	23,094,549
(b) Pipes and fittings	65,468,801	66,666,959
(c) Spare parts for vehicles	2,892,057	3,891,182
(d) Stationery and consumables	6,172,914	8,844,462
(e) Other miscellaneous items	6,373,332	6,137,958
Gross inventories	122,899,258	108,635,111
Provision for obsolescence	(18,544,203)	(18,016,056)
Total inventories (net of provision for obsolescence)	104,355,055	90,619,055

Notes:

- i. All the major pipes and fittings held in store as at 30 June 2021 were “unallocated items” and have been treated under Inventories.
- ii. Provision for slow-moving stock items has been calculated on stock value for items aged more than three (3) years at year end, in line with the Authority’s current impairment policy.
- iii. Gross stock balance at year-end 30 June 2021 represents the actual value of inventories as per physical stock count carried out. A full stock-take exercise was performed in June 2021 at all existing store locations.

10 - PREPAYMENTS**Current**

Particulars	2021	Restated 2020
(a) Advance payment for works	26,719,541	26,936,910
(b) Advance payment for road reinstatement by Local Authorities	10,012,892	12,000,000
(c) Other prepayments	7,489,958	7,641,027
(d) Other advance payments	-	9,000
(e) Other receivables	-	(810,110)
Total prepayments (current)	44,222,391	45,776,827

Non-Current

Particulars	2021	2020
Prepayments towards land lease premium	79,848	80,707
Total prepayments (non-current)	79,848	80,707

11 - OTHER CURRENT ASSETS**Current**

Particulars	2021	2020
Value-Added Tax (VAT)	34,659,754	18,139,880
Total other current assets	34,659,754	18,139,880

12 - PROPERTY, PLANT AND EQUIPMENT

Carrying amount of	2021	Restated 2020
(a) Water supply facilities	15,242,974,797	14,513,711,943
(b) Irrigation facilities	115,895,163	116,803,745
(c) Cars and mobile service equipment	276,078,125	250,058,381
(d) Office, workshop and laboratory equipment	51,842,509	52,208,863
(e) Land and buildings	433,244,136	425,632,404
Total property, plant and equipment	16,120,034,730	15,358,415,336

Particulars	Water supply facilities	Irrigation facilities	Cars and mobile service equipment	Office, workshop and laboratory equipment	Land and buildings	Total property, plant and equipment
COST OR DEEMED COST						
At 1 July 2020	16,261,723,667	119,571,447	318,548,430	94,479,066	444,558,416	17,238,881,026
Additions	1,230,603,306	-	62,365,740	4,816,006	14,091,235	1,311,876,287
Disposal adjustment	(3,343,074)		(3,020,004)			(6,363,078)
Other adjustment						-
At 30 June 2021	17,488,983,899	119,571,447	377,894,166	99,295,072	458,649,651	18,544,394,235
ACCUMULATED DEPRECIATION						
At 1 July 2020	1,748,011,724	2,767,702	68,490,049	42,270,203	18,926,012	1,880,465,691
Depreciation expense	498,517,316	908,582	33,890,940	5,182,359	6,479,504	544,978,701
Disposal adjustment	(519,939)		(564,948)			(1,084,887)
Other adjustment	-					-
At 30 June 2021	2,246,009,102	3,676,284	101,816,041	47,452,563	25,405,515	2,424,359,505
CARRYING AMOUNT						
At 30 June 2021	15,242,974,797	115,895,163	276,078,125	51,842,509	433,244,136	16,120,034,730
<i>At 1 July 2020</i>	<i>14,513,711,943</i>	<i>116,803,745</i>	<i>250,058,381</i>	<i>52,208,863</i>	<i>425,632,404</i>	<i>15,358,415,336</i>

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 2021 were owned by the Authority except for:

Assets worth Rs 111.8M and 115.9M (Net Book Values as at 30 June 2021) 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.

iii. The Authority occupies certain State Lands for the conduct of its operating activities which are categorized hereunder:

	As at 30 June 2021 Number
1. Leasehold State Land	33
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 the 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 classified as operating lease.

13 - ASSETS UNDER CONSTRUCTION

Particulars	2021	Restated 2020
Opening Balance	1,326,278,262	2,255,056,261
Additions	477,962,943	731,251,637
Materials awaiting installation	24,006,057	(3,441,935)
Capitalized during the year	(1,165,582,150)	(1,633,158,074)
Transfers	(2,738,122)	(23,429,627)
Closing Balance	659,926,990	1,326,278,262

14 - INTANGIBLE ASSETS

Particulars	2021	Restated 2020
Carrying amount of:		
Computer software	31,949,204	29,864,557
Total intangible assets	31,949,204	29,864,557

14 - INTANGIBLE ASSETS cont.

COST OR DEEMED COST	2021	2020
Opening Balance	45,288,494	37,430,635
Additions	11,041,955	7,857,859
Closing Balance	56,330,449	45,288,494

ACCUMULATED AMORTIZATION	2021	Restated 2020
Opening Balance	15,423,937	9,617,740
Amortization expense	8,957,307	5,806,197
Closing Balance	24,381,245	15,423,937

CARRYING AMOUNT	2021	Restated 2020
Closing Balance	31,949,204	29,864,557
Opening Balance	29,864,557	27,812,895

15 - PAYABLES UNDER EXCHANGE TRANSACTIONS

Particulars	2021	Restated 2020
(a) Trade payables	336,980,752	370,075,603
(b) Accruals	192,778,617	124,108,015
(c) Interest on borrowings	373,827,877	663,694,288
(d) Payable to Wastewater Authority	36,003,548	54,124,563
(e) Payable to Government Consolidated Fund (Ground Water)	6,511,113	6,930,835
(f) Other payables	59,476,367	36,780,548
Total payables under exchange transactions	1,005,578,274	1,255,713,852

Note:

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.

ii. Following Government decision to write off long-outstanding loans which were provided to CWA, an amount of Rs 355.1M representing the corresponding interest elements were waived off as at 30 June 2021. The interest liability was derecognised accordingly at year end.

16 - DEPOSITS

Current

Particulars	2021	2020
Consumer deposits	108,031	103,424

Non-current

Particulars	2021	2020
Consumer deposits	107,922,706	103,320,737

Notes:

i. Movement in consumer deposits is as follows:

Particulars	2021	Restated 2020
Opening Balance	103,424,161	100,802,839
Receipts during the year	4,608,377	2,624,922
Refund during the year	(1,800)	(3,600)
Closing Balance	108,030,737	103,424,161
Less: Amount shown as current	(108,031)	(103,424)
Amount shown as non-current	107,922,706	103,320,737

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

17 - BORROWINGS

Current Portion of Long-Term Borrowings

Particulars	2021	2020
Unsecured		
(a) Domestic loans	640,735,944	828,523,432
(b) Foreign loans denominated in:		
(i) USD	-	85,823,065
(ii) Euro	28,448,769	24,610,881
(iii) Kuwait Dinars	-	48,750,057
Total current portion of long-term borrowings	669,184,713	987,707,435

Non-Current Borrowings

Particulars	2021	2020
Unsecured		
(a) Domestic loans	2,636,265,698	2,940,792,103
(b) Foreign loans denominated in:		
(i) USD	-	14,093,700
(ii) Euro	14,553,983	40,314,391
(iii) Kuwait Dinars	-	7,064,365
Total non-current borrowings	2,650,819,681	3,002,264,559

Notes:

i. Maturity analysis of total borrowings

Particulars	2021	2020
(a) Payable within one year	669,184,713	987,707,435
(b) Payable between one to two years	250,787,034	269,066,213
(c) Payable between two to three years	268,344,574	260,724,429
(d) Payable between three to five years	591,735,490	622,329,440
(e) Payable after five years	1,539,952,583	1,850,144,477
Total borrowings	3,320,004,394	3,989,971,994

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	2021	2020
Domestic loans contracted directly from GoM:		
Principal amount	161,488,013	151,039,873
Interest amount	56,538,049	135,235,761
Total	218,026,062	286,275,634

iii. Carrying amount of loan payables in default:

Particulars	2021	2020
(a) Loan contracted by GoM on lent to the Authority	-	155,731,187
(b) Domestic loans contracted directly from GoM	1,906,547,947	1,449,092,279
Total	1,906,547,947	1,604,823,466

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)		1.85%-10%
(b) Foreign loans denominated in: Euro	Semi-annual instalments	3%

a. Long-term borrowings represent loans advanced by the Government of Mauritius (GoM) and foreign lending institutions. The rate of interest ranges from 1.85% 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.

v. Debt forgiveness

Following Government decision to write off long-outstanding loans which were provided to CWA, an amount of Rs 732.8M representing the corresponding principal loan elements were written off as at 30 June 2021. The loan liability was derecognised accordingly at year-end.

18 - 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	2021	2020
I. Provision for employee benefits		
(a) Sick leave	18,159,097	23,268,107
(b) Passage benefit	9,388,861	9,547,729
(c) Vacation leave	6,301,113	9,058,688
(d) Annual leave/gratuity	1,944,655	10,955,671
Total current provision for employee benefits	35,793,726	52,830,195

Non-current

Particulars	2021	2020
I. Provisions for employee benefits		
(a) Sick leave	117,660,899	100,156,615
(b) Passage benefit	48,540,532	40,514,828
(c) Vacation leave	121,926,814	121,204,379
II. Retirement benefit obligation		
Pension fund	2,276,820,717	2,018,372,793
Total non-current provision for employee benefits	2,564,948,962	2,280,248,614

Notes:

i. The Authority contributes to Defined Benefit Pension Plan (DB) for its employees and has recognized a Net Defined Benefit Liability of Rs 2.27 Bn in respect of pension benefits under the Central Water Authority Pension Fund in the statement of financial position as at 30 June 2021. New entrants as from January 2013 are under the Defined Contribution Pension Scheme (DC).

ii. Actuarial Report on the Defined Benefit Pension Plan (DB) for CWA employees:

a. Amount recognized in Statement of Financial Position at the end of the year:

Particulars	2021	2020
Defined benefit obligation	2,354,837,148	2,106,138,093
Fair value of plan assets	(78,016,431)	(87,765,300)
Net defined benefit liability recognized in Statement of Financial Position at end of year	2,276,820,717	2,018,372,793

b. Amount recognized in Statement of Financial Performance:

Particulars	2021	2020
Current service cost	30,773,025	37,183,867
Employee contribution	(13,026,944)	(13,980,615)
Fund expense	2,256,144	2,111,712
Net interest expense/(revenue)	70,874,498	65,288,645
Components of defined benefit costs recognized in Statement of Financial Performance	90,876,723	90,603,609

c. Remeasurement of the Net Defined Benefit Liability:

Particulars	2021	2020
Liability (surplus)/deficit	305,589,702	201,263,502
Assets (surplus)/deficit	(636,563)	(3,952,845)
Remeasurement of the net defined benefit liability	304,953,139	197,310,657
Total	395,829,862	287,914,266

d. Movement in liability recognized in the Statement of Financial Position:

Particulars	2021	2020
Opening balance	2,018,372,793	1,857,227,149
Amount recognized in surplus/(deficit)	90,876,723	90,603,609
Actuarial reserves transferred in	-	-
Contributions paid by the employer	(137,381,938)	(126,768,622)
Remeasurement of the net defined benefit liability	304,953,139	197,310,657
Closing balance	2,276,820,717	2,018,372,793

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 (SICOM) Ltd.

e. Reconciliation of present value of defined benefit obligation:

Particulars	2021	2020
Opening balance	2,106,138,093	1,954,254,780
Current service cost	30,773,025	37,183,867
Interest expense	73,714,833	68,398,917
Benefits paid	(161,378,505)	(154,962,973)
Remeasurement (Liability experience)		
Actuarial (gains)/losses arising from changes in demographic assumptions	258,626,816	-
Actuarial (gains)/losses arising from changes in financial assumptions	(101,632,805)	209,107,415
Liability experience (gain) / loss	148,595,691	(7,843,913)
Closing balance	2,354,837,148	2,106,138,093

f. Reconciliation of fair value of plan assets:

Particulars	2021	2020
Opening balance	87,765,300	97,027,631
Interest Revenue	2,840,335	3,110,272
Employer contribution	137,381,938	126,768,622
Actuarial Reserves Transferred in	-	-
Employee contribution	13,026,944	13,980,615
Actuarial surplus/deficit transferred	-	-
Benefits paid and other outgo	(163,634,649)	(157,074,685)
Gain/(Loss) on Plan Assets	636,563	3,952,845
Closing balance	78,016,431	87,765,300

g. Components of experience amount recognized in Statement of Changes in Net assets/Equity:

Particulars	2021	2020
Assets experience surplus/(deficit) during the year	636,563	3,952,845
Liability experience surplus/(deficit) during the year	(305,589,702)	(201,263,502)
Components of experience amount recognized	(304,953,139)	(197,310,657)

h. Allocation of plan asset at end of year:

Particulars	2021 %	2020 %
Cash and equity instruments (Fixed interest securities)	54.80	61.70
Loan	2.80	3.00
Local equities	11.80	10.10
Overseas bonds and equities	30.10	24.60
Properties	0.50	0.60
Total	100	100

Weighted average duration of the defined benefit obligation is 12 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. In order to measure plan assets performance, the Authority compares actual returns for each asset category with published benchmarks.

i. 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	2021	2020
Discount rate(s)	4.80%	3.50%
Future salary increases	3.00%	2.40%
Future pension increases	2.00%	1.40%
Mortality before retirement	Nil	As per 6770 Ultimate Tables
Mortality in retirement	PA (90) Tables - rated down by 2 years	PA (90) Tables
Retirement age	65 Years	

j. 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:

	2021	2020
Increase due to 1% decrease in discount rate	310,900,000	268,700,000
Decrease due to 1% increase in discount rate	252,600,000	219,000,000
	2021	2020
Increase due to 1% increase in salary growth	112,500,000	90,300,000
Decrease due to 1% decrease in salary growth	96,300,000	77,100,000
	2021	2020
Increase due to increase by one (1) year in life expectancy	76,400,000	75,300,000
Decrease due to decrease by one (1) year in life expectancy	75,600,000	75,100,000

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 holding 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 depends to a certain extent on expected inflation rates.

k. 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 is statutorily committed to paying into the plan.

Following the last actuarial valuation exercise carried out as at 30 June 2018, an increase in the employer contribution to the Staff Pension Fund of 10% per annum (p.a) was approved with effect from January 2020 up to June 2023. The next valuation exercise will be carried out by 30 June 2023.

The Authority expects to make employer contributions of some Rs 153M to the defined benefit plans during the next financial year. These contributions are expected to reach Rs 165M over the next three (3) years by June 2024. As per the project cash flows of the CWA Pension Fund, the fair value of plan assets would fall from Rs 83M to Rs 64M by 30 June 2024.

Projected benefit payments in terms of retirement gratuity and annual pensions would amount to Rs 491M over the next three (3) years to June 2024.

Assumptions used for the cash flow projections: Investment return of 4.95%, salary increase of 3.50% p.a, pension increase of 2.50% p.a, management fee of 1.50% p.a.

19 - PROVISIONS

Current

Particulars	2021	2020
(a) Provision for interest payable to contractor	-	12,000,000
(b) Provision for road reinstatement works	-	2,000,000
Total Provisions	-	14,000,000

Notes:

Provisions made in year 2019-20 have been reversed upon disbursements effected in the reporting period 2020-21 as interest paid to a contractor in November 2020 (Rs 12M) and forfeiture of a bank guarantee by a Local Authority (Rs 2M) in July 2020.

20 - OTHER CURRENT LIABILITIES

Current

Particulars	2021	2020
(a) Deferred revenue towards capital grants - Government	640,558,997	760,618,122
(b) Deferred revenue towards capital grants - others	-	6,639,172
(c) Advance/double payment received from customers	8,220,422	5,354,762
(d) Financial contribution received from consumers	83,845,426	55,909,927
Total other current liabilities	732,624,845	828,521,983

Note:

i. Movement in capital grants received from Government is as follows:

Particulars	2021	2020
Opening Balance	760,618,122	691,756,349
Received during the year	141,008,849	293,506,240
Release to statement of financial performance	(261,067,974)	(126,747,534)
Amount received during the year but relating to previous year	-	(97,896,933)
Closing Balance	640,558,997	760,618,122

Amounts are released to revenue upon completion/substantial completion of capital projects for which grant has been received from the Government of Mauritius.

ii. Movement in capital grants received from other parties is as follows:

Particulars	2021	2020
Opening Balance	6,639,172	-
Received during the year	6,269,072	6,639,172
Release to statement of financial performance	(12,908,244)	-
Closing Balance	-	6,639,172

In line with a Memorandum of Understanding signed in June 2018 for the execution of Le Morne projects, financing arrangements were partly obtained via the Lions Club (Quatre Bornes) as from year 2019-20.

The related grant receipts from Lions Club has been released to revenue upon completion and handing-over of the related projects during the course of year 2020-21.

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

Particulars	2021	2020
Opening Balance	55,909,927	30,752,647
Received during the year	108,433,484	68,844,117
Refund during the year	(203,605)	(158,410)
Release to statement of financial performance	(80,294,380)	(43,528,427)
Closing Balance	83,845,426	55,909,927

21 - NET ASSETS/EQUITY

Particulars	2021	Restated 2020
(a) Contributed capital	1,915,450,607	1,915,450,607
(b) Accumulated surplus	8,110,167,919	7,540,636,129
Total net assets/equity	10,025,618,526	9,456,086,736

22 - REVENUE FROM EXCHANGE TRANSACTIONS

22.1 - Revenue from water sales

Particulars	2021	2020
(a) Potable		
- Domestic	776,254,617	772,585,912
- Non-domestic	492,888,890	564,623,621
- Government	110,171,350	114,609,015
- Surface water	1,583,725	1,744,586
(b) Irrigation water	38,540,711	32,669,339
Total Revenue from water sales	1,419,439,293	1,486,232,473

Notes:

- i. Since 01 January 2016, domestic households are exempted from payment of water charges when their monthly consumption are less or equal to 6 cubic metres. Total exemption under domestic water sales for the year ended 30 June 2021 amounted to Rs 42M (30 June 2020: Rs 41M) for an average of 70,000 eligible domestic consumers.
- ii. Revenue from surface water relates to water consumption by consumers from streams, rivers, wet-land and lakes.

22.2 - Other revenue

Particulars	2021	Restated 2020
(a) Financial contribution from consumers	80,294,380	43,528,427
(b) Rental revenue towards water meters	38,573,420	38,122,875
(c) Surcharge on potable water sales	34,476,259	16,226,773
(d) Surcharge on irrigation water sales	2,006,358	2,267,141
(e) Swimming pool fee (Note i)	858,000	971,500
(f) Re-opening fees	2,170,957	2,658,470
(g) Morcellement/non-refundable processing fees	7,306,253	4,615,400
(h) Commission fees (Note ii)	12,081,171	12,972,397
(i) Interest income	4,971,232	18,158,453
(j) Income from encashment of performance securities (Note iii)	10,985,681	-
(k) Income from liquidated damages	16,375,366	10,239,388
(l) Other sundry revenue	20,046,479	44,973,531
Total other revenue	230,145,555	194,734,356
Total revenue from exchange transactions	1,649,584,848	1,680,966,829

Notes:

i. Swimming pool fee refers to an additional fixed monthly amount of Rs 500 charged per domestic customer having a swimming pool and consuming water greater or equal to 50 cubic metres per month. This budget measure has been implemented as from May 2019.

ii. Commission fees relate to income from management fees generated by the Authority through bill collection and remittance services rendered to: (i) Government in respect of ground water bills (ii) Wastewater Management Authority for wastewater bills and (iii) CEB for electricity bills.

Management fees for collection and remittance of ground water bills to the Government Consolidated Fund is recognised as revenue at time of remittance of funds. Other management fees are recognised at time of bill collection. At end of each financial year, adjustments are made to account for management fees receivable in respect of each respective year in line with matching concept.

iii. Performance securities were encashed during the reporting period on the breach of condition of contracts for non-execution of work by a contractor on two (2) capital projects.

23 - REVENUE FROM NON-EXCHANGE TRANSACTIONS

Particulars	2021	2020
(a) Revenue from grants - Government	261,067,974	126,747,534
(b) Revenue from grants - other parties	12,908,244	-
(c) Write-off of loan principal by Government	732,810,059	-
(d) Waiving of loan interest by Government	355,134,146	-
Total revenue from non-exchange transactions	1,361,920,422	126,747,534

Notes:

- i. Government Grants pertaining to ten (10) projects which have been completed/substantially completed (capitalized) have been released to income during the year 2020/21.
- ii. Grants received from Lions Club for Le Morne projects have been released to income during the year 2020/21.
- iii. Further to Government decision to write off / waive debts with respect to some long-outstanding loans which were provided to this Authority, revenue has been recognised as hereunder following derecognition of the related liability as at 30 June 2021:
 - a. Write-off of loan arrears (principal element) - Rs 732.8M
 - b. Waiving of interest arrears - Rs 355.1M

24 - OPERATING COSTS

Particulars	2021	Restated 2020
(a) Water treatment charges	66,272,984	63,362,534
(b) Electricity charges	263,398,964	278,334,524
(c) Leakage control charges	40,511,230	47,293,813
(d) Communication charges	9,270,126	7,348,399
(e) Rent	21,961,684	23,535,502
(f) Security charges	111,624,348	80,891,731
(g) Repairs and maintenance charges		
- Buildings and premises	46,864,906	31,390,058
- Filter and canals	13,906,195	9,485,166
- Others	5,653,071	1,158,420
(h) Insurance charges	2,604,177	2,654,568
(i) Office requisites and other miscellaneous expense	34,224,238	28,362,208
(j) ICT and other operating expense	14,565,566	18,998,179
(k) Increase/(decrease) in provision for slow-moving stock	528,147	8,887,157
Total operating costs	631,385,636	601,702,259

25 - EMPLOYEE BENEFITS

Particulars	2021	2020
(a) Salaries and wages	704,720,446	694,075,734
(b) Other employee related expenses	19,771,253	18,411,659
Total employee benefit expenses	724,491,699	712,487,393

26 - DEPRECIATION AND AMORTIZATION

Particulars	2021	2020
(a) Depreciation on property, plant and equipment	544,978,702	534,585,190
(b) Amortization on intangible assets	8,957,307	5,806,197
Total depreciation and amortization expenses	553,936,009	540,391,387

27 - FINANCE COSTS

Particulars	2021	2020
(a) Interest on foreign loans	9,165,411	14,615,440
(b) Interest on local loans	74,658,661	157,257,044
(c) Interest on bank overdraft	-	315
(d) Other borrowing costs	20,411,929	17,913,182
Total interest and other borrowing costs	104,236,001	189,785,981
Less: Interest capitalized	(2,804,522)	(390,821)
Total finance costs	101,431,479	189,395,160

Notes:

i. 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 2020/21 amounted to Rs 2.8M. The capitalization rate applied to borrowing costs ranged between 1.85% and 3.5%.

ii. Other borrowing costs refer to penalty claims on non-repayment of Government loans.

28 - OTHER EXPENSES

Particulars	2021	2020
(a) Commission paid to collecting agencies	16,147,100	15,319,486
(b) Transport cost	44,115,404	53,413,514
(c) Legal and professional charges	8,697,020	5,933,191
(d) Bank charges and commission	486,263	859,352
(e) Arbitration costs	22,988,236	-
(f) Loss on disposal of non-current assets	3,902,011	716,421
(g) Increase/(decrease) in provision for impairment towards receivables	19,670,471	(4,895,449)
(h) Loss on impairment of property, plant & equipment	2,133,341	-
Total other expenses	118,139,845	71,346,515

29 - LOSS ON FOREIGN CURRENCY TRANSACTIONS

Particulars	2021	2020
Exchange loss during the year	7,635,672	25,903,227
Total loss on foreign currency transactions	7,635,672	25,903,227

Note:

The Authority experienced a loss of Rs 7.6M arising out of translation difference at the reporting date with respect to liabilities denominated in foreign currencies which is mainly due to unrealised losses on exchange upon translation of outstanding foreign loans at year end. It is to be noted that there has been a significant devaluation of the Mauritian Rupee after COVID-19 period.

30 - FINANCIAL INSTRUMENTS

30.1 - Classification of financial instruments

Particulars	2021	2020
Financial instrument measured at amortized cost		
(a) Financial assets		
(i) Cash and cash equivalents	384,946,054	392,956,489
(ii) Financial assets	-	320,000,000
(iii) Receivables from exchange transactions	369,320,580	338,068,077
(iv) Receivables from non-exchange transactions	-	57,544
(v) Other receivables from exchange transactions	20,437,704	35,773,083
(vi) Loans and advances	22,667,154	24,767,720
Total financial assets	797,371,492	1,111,622,912
(b) Financial liabilities		
(i) Payables under exchange transactions	1,005,578,274	1,255,713,852
(ii) Deposits	108,030,737	103,424,161
(iii) Borrowings	3,320,004,394	3,989,971,994
Total financial liabilities	4,433,613,405	5,349,110,007

30.2 - 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.

30.2.1 - Currency profile

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

Currencies	2021	2020
USD	-	132,933,691
Euro	43,325,272	82,387,822
Kuwait Dinars	-	77,395,169
Total	43,325,272	292,716,682

30.2.2 - 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.

30.2.2.1 - 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 possible fluctuation in foreign exchange rates in the light of the current economic context. 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 dealings in EURO.

Particulars	Impact on Net Assets/Equity	
	Strengthening by 10%	Weakening by 10%
Foreign currency impact as at 30 June 2021		
Euro	(4,332,527)	4,332,527
Total foreign currency exposure	(4,332,527)	4,332,527

30.2.3 - 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	2020-21 % per annum
Financial assets	
Cash at bank	0.25%
Held-to-maturity investments	2.45%
Financial liabilities	
Borrowings	1.85 – 10%

30.2.3.1 - 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 30 June 2021:

Particulars	Impact on Net Assets/ Equity
Plus 10 basis points	3,016,878
Minus 10 basis points	(3,016,878)

30.2.4 - Liquidity risk

Liquidity risk is the risk of the Authority not being able to meet its obligations as they fall due. The Authority's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the entity's reputation. The Authority ensures that it has sufficient cash on demand to meet expected operating expenses through the use of cash flow forecasts. In addition, liquidity risk is managed on an individual entity basis, which generally requires that assets of appropriate quantity and quality are held to meet obligations as they fall due.

Expected maturity for financial assets

As at 30.06.2021	Less than 1 year	1-5 years	+5 Years	Total	Carrying amount
(i) Cash and cash equivalents	384,946,054	-	-	384,946,054	384,946,054
(ii) Investments	-	-	-	-	-
(iii) Receivables from exchange transactions	369,320,580	-	-	369,320,580	369,320,580
(iv) Receivables from non-exchange transactions	-	-	-	-	-
(v) Other receivables from exchange transactions	20,437,704	-	-	20,437,704	20,437,704
(vi) Loans and advances	7,543,543	12,215,730	2,907,881	22,667,154	22,667,154

As at 01.07.2020	Less than 1 year	1-5 years	+5 Years	Total	Carrying amount
(i) Cash and cash equivalents	392,956,489	-	-	392,956,489	392,956,489
(ii) Investments	320,000,000	-	-	320,000,000	320,000,000
(iii) Receivables from exchange transactions	338,068,077	-	-	338,068,077	338,068,077
(iv) Receivables from non-exchange transactions	57,544	-	-	57,544	57,544
(v) Other receivables from exchange transactions	35,773,083	-	-	35,773,083	35,773,083
(vi) Loans and advances	8,783,812	13,377,971	2,605,937	24,767,720	24,767,720

Expected maturity for financial liabilities

As at 30.06.2021	Less than 1 year	1-5 years	+5 Years	Total	Carrying amount
(i) Payables under exchange transactions	1,005,578,274	-	-	1,005,578,274	1,005,578,274
(ii) Deposits	108,031	-	107,922,706	108,030,737	108,030,737
(iii) Borrowings	669,184,713	1,110,867,098	1,539,952,583	3,320,004,394	3,320,004,394

As at 01.07.2020	Less than 1 year	1-5 years	+5 Years	Total	Carrying amount
(i) Payables under exchange transactions	1,255,713,852	-	-	1,255,713,852	1,255,713,852
(ii) Deposits	103,424	-	103,320,737	103,424,161	103,424,161
(iii) Borrowings	987,707,435	1,152,120,082	1,850,144,477	3,989,971,994	3,989,971,994

30.2.5 - 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 receivables from exchange transactions. The receivables amount shown on the face of the statement of financial position is net of allowances for doubtful debts, as estimated by Management based on past experiences and ongoing disputed claims.

As at 30 June 2021, the maximum credit risk exposure was Rs 369M after impairment of receivables above three (3) years due (30 June 2020: Rs 338M) as analysed below:

Receivables as at 30 June 2021	Gross Receivables	Provision for impairment	2021 Net Trade Receivables
Invoices issued in July	119,555,617		119,555,617
Within 30 days	64,738,163		64,738,163
31-60 days	53,248,473		53,248,473
61-90 days	44,163,494		44,163,494
More than 90 days	205,416,275	(117,801,442)	87,614,833
Total	487,122,022	(117,801,442)	369,320,580

Receivables as at 30 June 2020	Gross Receivables	Provision for impairment	2020 Net Trade Receivables
Invoices issued in July	118,758,657		118,758,657
Within 30 days	73,916,900		73,916,900
31-60 days	70,336,108		70,336,108
61-90 days	41,452,680		41,452,680
More than 90 days	131,820,557	(98,216,825)	33,603,732
Total	436,284,902	(98,216,825)	338,068,077

31 - 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 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 during the reporting period comprised the following grades:

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

(c) Outstanding balance with related parties:

Government of Mauritius Nature of balance outstanding	2021	2020
Borrowings payable to Government	3,277,001,642	3,769,315,535
Interest payable to Government	373,505,356	663,221,818

(d) Transactions with related parties:

Government of Mauritius Nature of transaction	2021	2020
Grants receipts from Government	141,008,849	293,506,240
Loan proceeds from Government	64,723,585	240,543,238
Total	205,732,434	534,049,478

(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	2021	2020
Salaries and allowances	18,991,984	15,711,292
Sick leave	-	351,499
Passage benefits	66,537	244,789
Vacation leave	-	-
Gratuity	221,520	323,040
Annual leave	105,725	22,025
Total short-term employee benefits	19,385,766	16,652,645
No of persons	16	12

32 - CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Contingent liabilities

At 30 June 2021, the Authority had contingent liabilities arising from the ordinary course of business in respect of bank guarantees and ongoing court cases:

The Authority has given guarantees amounting to some Rs 48M 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.

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 totalling Rs 1.8M are being disclosed as a part of contingent liabilities based on the assessment of the probable outcome of such claims:

(1) CN 287/19 - 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) CN 359/19 - Mr R.S v CWA

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

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.

Particulars of contingent liabilities:	2021	2020
(A) Bank Guarantee Facility	48,101,498	33,701,498
1) District Council	14,000,000	14,000,000
2) Municipal Council	8,000,000	8,000,000
3) Road Development Authority	25,000,000	10,600,000
4) Mauritius Revenue Authority	20,000	20,000
5) ENL Land Limited	1,000,000	1,000,000
6) Landscape Mauritius Ltd	81,498	81,498
(B) Litigation Cases	1,770,813	1,770,813
1) CN 287/19 - SICOM General Insurance Co Ltd v Jubilee Insurance and CWA	770,813	770,813
2) CN 359/19 - Mr R.S v CWA	1,000,000	1,000,000
Total contingent liabilities	49,872,311	35,472,311

(b) Contingent assets

Due to breach of conditions of contracts and non-execution of work by a contractor, performance and advance payment securities for a total sum of Rs 112M need to be encashed as at date of reporting.

33 - 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 2020-21, an amount of Rs 30.8M (Rs 23.5M in 2019-20) has been recognized as expense and forms part of the Operating Costs disclosed under Note 24 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:

	2021	Restated 2020
Not later than one year	3,364,276	3,588,276
Later than one year and not later than five years	8,249,843	9,913,029
Later than five years	170,234	220,070

34 - EVENTS OCCURRING AFTER REPORTING DATE

(a) Adjusting events after the reporting date

Adjusting events after reporting date are those that provide evidence of conditions that existed at the reporting date. The following event which occurred after the reporting date is considered by Management to be significant and of an adjusting nature:

12 October 2021 - Correspondence received from one liquidator as to the distribution of net liquidation surplus and CWA's entitlement to some 48% of debts in full and final settlement of amounts due to the Authority.

The Authority has adjusted the amounts recognized in its financial statements 2020-21 to reflect the above adjusting events after the reporting date.

(b) Non-adjusting events after the reporting date

Non-adjusting events are those that are indicative of conditions that arose after the reporting date. As at date of approval of the financial statements 2020-21, there is no known material non-adjusting event after reporting date to be disclosed.

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.

35 - TAXATION

The Authority is not liable to Tax.





CENTRAL WATER AUTHORITY

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