

A SEA OF PROGRESS

ANNUAL REPORT 2016-17



Wastewater Management Authority

THE SEAS
WE SEE

To equip Mauritius with state-of-the art
sewerage system so as to preserve public
health and to ensure a sustainable and clean
environment for maintaining the island's
reputation as a dream destination;

To protect our water bodies and the
environment for future generations.

THE HORIZON
WE SAIL TOWARDS

To protect water and the marine
environment of Mauritius;

To provide an excellent quality of wastewater
services for residential and business customers;

To achieve financial sustainability;

To forge a reliable partnership with all stakeholders
sensitive to the cause of the environment.

THE PEARLS OF
OUR WISDOM

Caring for our environment, our water resources
and our people;

Enhancing knowledge and innovation through
organisational learning;

Creating a conducive work environment and
motivating our human capital;

Providing excellent customer service;

Exercising probity, honesty and diligence in
carrying out our activities.

CONTENTS

2016-2017 in a shell	02
Chairman's Statement	04
Ag General Manager's Statement	06
Navigating the Currents: Strategic Plan	08
The Currents that Shape Success: Corporate Governance	10
Heading Towards Clear Waters: WMA Board	14
Bringing the Vision to Reality: Management Team	20
Diving into New Territory: Investing Further in Sewerage Network	23
Reconstructing the Reefs: A New Approach to House Connections	26
Helping the Current Flow: Operations & Maintenance	28
Clear Blue Oceans: Preserving Public Health	32
The Safety Net: The Wastewater Laboratory	34
Growing the Shoal: Human resources	38
Serving the Shoal: Administration	41
Breeding a Healthier Team: Health & Safety	44
The Stepping Stones: Efficient Enterprise Solutions	46
Within the School: Public Relations & Customer Care	47
The Ebb & Flow of Our Finances: Financial Highlights	50
Purity Certified: Report of the Director of Audit	54
Purity Certified: Audit Report	62
Appendices	85

49

New recruits

12

Staff
promoted

70 Pumping Stations

6 Minor Wastewater Treatment Plants

4 Major Wastewater Treatment Plants

755

km of sewer lines
operational

87,847

registered customers

72.98

million m³

of water
collected
and treated
including
Industrial
Wastewater

**2016-
2017**

In a
shell

133,000

m³ of wastewater
being treated daily

11,122

sewer
blockages
cleared

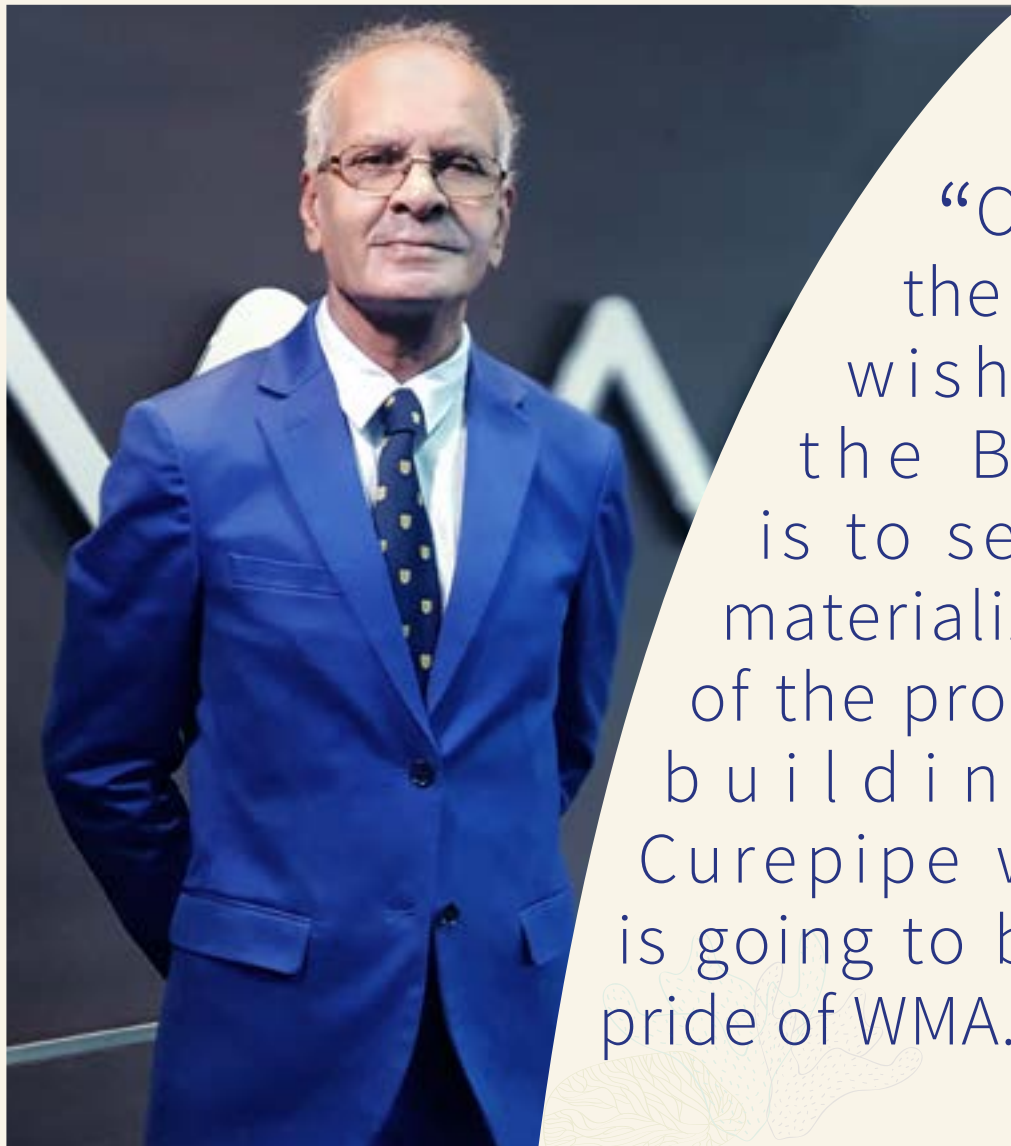
**100,000
KwH**

of electricity generated
per month at our St Martin
Treatment Plant, which is
used solely on site.

The most essential
of all necessities...



CHAIRMAN'S STATEMENT



“One of the iconic wishes of the Board is to see the materialization of the proposed building at Curepipe which is going to be the pride of WMA.”

Further to my statement in the Annual Report 2015, I am pleased to note that the situation at the WMA prevailing presently has considerably improved on all counts.

The strong message emitted by the Board under my Chairmanship has reaped a positive outcome. Discipline has improved at all levels whilst abuse and negligence have dropped considerably. WMA employees have been made conscious of their responsibilities and accountability.

Having dealt with existing challenges that were inherent at the time, we are now faced with new challenges.

The first and foremost challenge is to keep the level attained to its present level and to make improvement therefrom. For this to happen, Management has to essentially make use of modern trends and technology, so as to enforce control and perseverance.

The Board has made it a must that the Code of Corporate Governance, which was launched on 07 April 2017 by the Prime Minister be put into practice as comprehensibly as possible. In the wake of this implementation, the Corporate Division will be called upon to play a determining role in the near future.

Having spent lots of resources to come to terms with the re-structure of the WMA, it is noted that this exercise warrants the input of external institutions whose pace is outside our control. The will for a re-structure is still alive and is even felt as essential and urgent. However, due to the dependence on other institutions, our enthusiasm has been somehow hampered, as it was not anticipated that the approval of these institutions would take such a considerable amount of time. This has had a negative effect on the implementation of our vision.

However, keeping this issue pending, we are exploring other avenues to improve the image of the WMA. One of the iconic wishes of the Board is to see the materialization of the proposed building at Curepipe which is going to be the pride of WMA.

The Financial status of the WMA is showing an improvement in general with a strict control on expenses and an aggressive campaign on debt collection which has proved to be beneficial.

The Sub-Committees, namely, Staff, Corporate Governance, Finance and Project Monitoring and Audit & Risk are doing an excellent job.

During the period of my Chairmanship since April 2015, it is worth mentioning that all projects undertaken by WMA have been completed within budget and on time.

This contrasts significantly with the period prior to my Chairmanship whereby it was noted that projects have been encountering major cost over-runs with significant delays in completion.

My thanks to all Board Members for their continued support and to the Staff for having made a significant shift in the mentality so as to translate the vision of the Board into reality.

Mr Sulaiman Hansrod
Chairman



AG GENERAL MANAGER'S STATEMENT



“At the WMA we believe that a capable workforce is essential to ensure that the operational and strategic objectives of the Authority have been attained.”

I have the pleasure to report on the activities and accounts of the Wastewater Management Authority for the period 2016/17. The period under review marked the completion of sixteen years of operation of the WMA. Much emphasis has been laid on accountability at all levels with a view to enforcing good management practices.

The Authority faced numerous challenges, be it with respect to Project Management, Operation & Maintenance of wastewater infrastructure or the management of its support services.


Major wastewater projects were completed in period 2016/17 whereby the WMA invested Rs 805 M on behalf of the Government. 910 applications for house connections were registered. The WMA has under its delegated responsibility the operation and maintenance of about 750 Km of sewer networks, 10 Wastewater Treatment Plants and 70 Pumping Stations. An improved operation and maintenance of wastewater infrastructure is high on the agenda of the WMA for a better service to all stakeholders.

WMA is pursuing its effort to achieve financial sustainability. Revenue derived from wastewater fees

for services provided has allowed the WMA to meet its operational costs. For the period under review, WMA revenue and expenditure amounted to Rs2 657.85 M and Rs692.87 M respectively.

The human capital is one of the main pillars of any organization. At the WMA we believe that a capable workforce is essential to ensure that the operational and strategic objectives of the Authority have been attained. Moreover, we firmly believe that a good customer-organisational relationship is essential for efficient service delivery.

With the support of the WMA Board, our employees and Government, we look forward to successfully facing new challenges and achieving the objectives of expanding the public sewer network for a better environment.


Mr Jacques Alexis RADHAY
AG General Manager





NAVIGATING THE CURRENTS

Strategic Plan

The strategy of the WMA is guided by Government’s strategy and policy in line with its vision for a better environment and sustainable development of the country. Since its setting up in August 2001, the Authority has been implementing wastewater projects identified in the Sewerage Master Plan I and is moving ahead with the mission to extend the public sewer system, to provide the Mauritian population access to modern sanitation facilities.

The investment in the wastewater sector by Government since the creation of the WMA amounts to around Rs17 Bn. The Authority will invest around Rs3.8 Bn over the next three years in wastewater projects on behalf of Government.

For financial year 2017/2018, the Authority’s Capital Investment would be to the tune of Rs1.2 Bn. Major projects in the Grand Baie and Pailles Guibies regions would be implemented during financial year 2017/2018. It is expected that with the completion of the projects, some 7,000 premises would be connected to the sewer network.

Furthermore, parallel to the implementation of major infrastructure works, the Authority is sparing no effort to providing suitable sanitation to people living in CHA

and Low Income Housing Estates. As such rehabilitation works in six priority CHA sites would be undertaken by the WMA over the next three years. Works on three sites namely, Residence La Cure, Residence Paul et Virginie and Residence Palmerstone have already been awarded and is ongoing. For the financial year 2017/2018, the Authority is looking forward to the award of Contracts for the rehabilitation works at Cité Malherbes, Cité Atlee and Cité Vallée des Prêtres. Following the successful completion of the rehabilitation works on all the six CHA estates, some 740 households would benefit from improved wastewater infrastructure.

Parallel to the extension of sewer networks across the island, WMA is pursuing its efforts towards the smooth operations and maintenance of the public wastewater infrastructure. Accordingly, the Authority would proceed with the rehabilitation works along the old sewer lines at Volcy Pougnet, Port Louis and Thommy D’Arifat, Curepipe in the 2017/2018 financial year. The WMA also intends to proceed with the construction of the Baie Du Tombeau Wastewater Treatment Plant and upgrade the Roche Bois Pumping Station in order to treat the effluent to an acceptable level, which will be safe for discharge into the environment.

The present organisation structure dates back as far as when the Authority was created. The WMA Board considered that the existing organisational structure must be reviewed and decided that a Restructure Exercise be initiated to render the Authority more efficient and effective. The current operations would be examined and assessed as to whether it is fit for current purpose and its suitability for the years to come. The organisational restructure would lead to a clarification of reporting relationships and optimisation of resources.

The WMA being conscious that a proactive approach is important for a better service has also already embarked in the modernisation of its IT infrastructure. A Customer Case Management System (CMS) which will manage all applications related to wastewater services has already been awarded. The system would provide updated information on applications as well as complaints. During the next financial year, the Authority intends to modernise its internal processes and it is expected that the Enterprise Resource Planning System (ERP) and IP-based PBX System would be implemented.



THE CURRENTS THAT SHAPE SUCCESS

Corporate Governance Report

The Board sets the long-term strategy and provides oversight on the basis of strong principles and an appropriate tone from the top. It ensures the long-term success of the Authority based on a clear strategy and good corporate governance. Its focus on corporate culture helps in aligning the interests between business and stakeholders, including the society.

The Board understands that corporate governance is essential for the efficient functioning of the Board as well as the business of the Authority. In view thereof, corporate governance is embedded in the business processes and culture of WMA. The principles of good governance are applied taking into consideration their significance to the growth and sustainability of the organisation as well as the achievement of the strategic corporate objectives. The Board is the focal point for, and the custodian of, the corporate governance framework which directs how all governance structures should function. The corporate governance framework clearly articulates the basic principles and operational processes for the application of good governance throughout the structures within the Authority.

There is a clear separation of powers between the role of the Chairperson and that of the Acting General Manager and that elevates the Board's independence from Management which does not overshadow the oversight role of the Board. The Chairperson is responsible for setting leadership tone to ensure that the Board is

functioning effectively. The Acting General Manager reports to the Board and is ultimately responsible for the day-to-day running of the organisation which includes formulating strategies and policies to the Board for approval and implementation thereof.

The Acting General Manager is accountable to the Board and stakeholders and is supported by a team of executives to effectively execute the mandate and to oversee implementation of operational activities in line with the WMA's strategy.

ETHICS & VALUES

The Board members, employees and all stakeholders of WMA are expected to observe the highest standard of ethical behaviour when discharging their duties, engaging stakeholders and when conducting any business dealings in and outside the Authority. The Code of Ethics, as approved by the Board, outlines the ethical principles based on the Organisation's core values and further sets out the behavioural expectations of all employees.

The Board acknowledges that compliance with legislative and regulatory requirements is paramount in all transactions and business dealings of the Authority and provides oversight on all protocol processes within the organisation. In view thereof, compliance responsibility is assigned to all employees in ensuring conformance to all applicable laws, standards, codes, rules and regulations.

The Board is accountable to its stakeholders for the performance and sustainability of the organisation. The Board has decision making authority on all matters of a strategic nature and is ultimately responsible to ensure that the mandate of the Wastewater Management Authority is fulfilled. To this end, the Board has established sub-committees to assist it in exercising its authority. The sub-committees of the Board are:

- Finance and Project Monitoring Committee
- Staff Committee
- Audit and Risk Committee
- Corporate Governance Committee

(i) Finance and Project Monitoring Committee (FPMC)

The FPMC, comprising members having technical/financial backgrounds, is responsible for examining complex issues of financial and technical nature relating mainly to projects and submits its discussions and recommendations to the Board, thus assisting it in its decision making duties.

(ii) Staff Committee

The Staff Committee is responsible for ensuring that the Authority has adequate and suitable Human Resources for optimum performance. All matters pertaining to human resources are discussed at the level of this Committee which makes appropriate recommendations to the Board.

(iii) Audit and Risk Committee

The Chairman of the Audit and Risk Committee is responsible for ensuring that the entire Board is kept regularly informed about the Committee's work and, where necessary, must submit matters to the Board for decision. The main task of the Audit and Risk Committee is to support the Board in its work to ensure the quality of financial reporting.

(iv) Corporate Governance Committee

The Corporate Governance Committee, among others, makes recommendations to the Board on all corporate governance provisions to be adopted so that the Board remains effective and complies with prevailing corporate principles and practices and also ensures that the disclosure requirements with regard to corporate governance, whether in the annual report or other reports on an ongoing basis, are in accordance with the principles of the Code of Corporate Governance for Mauritius.



THE CURRENTS THAT SHAPE SUCCESS

Corporate Governance Report (cont.)



DISCLOSURE AND TRANSPARENCY

The WMA is committed to elevating our standards of disclosure and transparency and the quality and depth of its corporate governance practices to enable the investing community to understand the true financial condition of the Authority.

INTERNAL CONTROL AND RISK MANAGEMENT

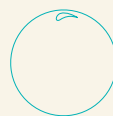
The Board has overall responsibility for the Authority's system of risk management and internal controls and for reviewing its effectiveness. The Board views management of risk as integral to good business practice with a view to support management's decision-making, improve the reliability of business performance, and assist in the preparation of the organisation's consolidated accounts. The Board delegates to executive management the responsibility for designing, operating and monitoring both the system and the maintenance of effective internal control system. The system of internal control is based upon an ongoing process of identifying, evaluating and managing key risks and includes the risk management processes referred to above. In that context, regular risk assessment is carried out in respect of Health and Safety throughout the organisation.

During the period under review, the Audit & Risk Committee has analysed in details the risk issues throughout the Authority with the help of Management and will soon be coming up with new policies for managing risks.

In order to protect staff and to manage work related risks, a vaccination program is ongoing for all staff exposed to wastewater.

Related Party Transactions

This section has been disclosed at Notes 21 of the Financial Statements.



STATEMENT OF DIRECTOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Authority's Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) and in compliance with the requirements of prevailing statutes.

Responsibilities of the Board of Directors

The fundamental statutory responsibilities of the Board of Directors are to lay down the overall policies regulating the various business/activities of the Authority; it oversees the WMA's strategic direction and its organisational structure. The Board discharges the above responsibilities either directly or through Board Committees for more in-depth analysis and review of various issues while retaining its responsibility for all policy matters. The Chairperson of each Committee periodically places reports of its proceedings before the Board for approval/information, as may be relevant. The Board promotes openness, integrity and accountability to improve corporate behaviour, strengthens control systems over business and reviews management performance on a regular basis. In addition the Board is committed to ensure as

far as reasonably possible, and in accordance with legislation in force, the safety and health of its staff. To fulfil their responsibilities, Board members have unhindered access to accurate, relevant and timely information.

Internal Control

Directors' responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of financial statements that are free from material misstatement; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Such systems should ensure that transactions are authorised and recorded and that any material irregularities are detected and rectified within a reasonable time-frame. The Authority has an established Internal Audit function which assists the Board and Management in effectively discharging its responsibilities. Internal Audit is an independent function that reports directly to the Audit and Risk Management Committee. Business controls are reviewed on an on-going basis by Internal Audit using a cycle-based risk approach.

Signed on behalf of the WMA Board of Directors:

Mr Sulaiman HANSROD
Chairman, WMA Board

Mrs Marie Jocelyne Noellette DANTIER
Member, WMA Board



HEADING TOWARDS CLEAR WATERS

WMA Board (January 2016 - June 2017)



Mr. Sulaiman Hansrod
Chairperson appointed by the Minister



Mr. Dutt Jinerdeb
Representative of the Ministry
responsible for the subject of
wastewater



Mr. Hemnish Ram Urdhin
Representative of the Ministry
responsible for the subject of Finance
and Economic Development



Mr. Lomush Juggoo
Representative of the Ministry
responsible for the subject of
Water Resources



Dr. Chandradeo Bokhoree
Representative of the University of
Technology, Mauritius



Mr. Doonunjoy Dassaye
Representative of the Ministry
responsible for the subject
of health



**Mrs. Marie Jocelyne
Noellette Dantier**
Member with wide
experience in environmental
matters, appointed
by the Minister



Dr. Edwin Hugues Gregoire
Member having wide experience in
consumer interests, appointed by
the Minister



Mr. Hemrazlall Gopaul
Member having wide experience in
consumer interests, appointed by
the Minister



Mr. Dharanand THACOOR
Secretary to the Board



HEADING TOWARDS CLEAR WATERS

Board members attendance and remuneration



HEADING TOWARDS CLEAR WATERS

Profile of Board Members

Board members attendance and remuneration

Board Members	Board and Committees Attendance for the Period 01 January 2016 to 30 June 2017					Remuneration for period January 2016 to June 2017 comprising fees for attendance at Board, Subcommittees and also other committees/ meetings such as Selection Panel, Restructure of WMA
	Board Meetings (including Special Board meetings)	SC*	FPMC*	ARC*	CGC*	
	26	17	16	16	12	
Mr. S. Hansrod Chairman	26/26	17/17				1,640,000.00
Mr D. Jinerdeb	26/26		16/16		12/12	367,312.50
Mr. H. Urdhin	23/26		16/16			266,000.00
Mr. L. Juggoo	20/26		15/16			229,000.00
Mr. V. Bissessur (Alternate Member)	3/26		1/16			27,000.00
Mr. D. Dassaye	26/26				12/12	261,062.50
Dr. C. Bokhoree	25/26	17/17		16/16		402,375.00
Mrs. M. J. N. Dantier	26/26		16/16	14/16		421,375.00
Dr. E. H Gregoire	25/26	15/17		16/16		397,000.00
Mr. H. Gopaul, OSK	26/26	17/17		16/16	12/12	559,187.50

SC: Staff Committee

FPMC: Finance and Project Monitoring Committee

AC: Audit and Risk Committee

CGC: Corporate Governance Committee

Mr. Sulaiman HANSROD Chairman

Mr. Sulaiman Hansrod is a Chartered Civil Engineer and has more than thirty years experience in the field of Civil/Structural Engineering. He has worked internationally in the Middle-East, Africa and the Indian Ocean. With his wide experience, he has managed major projects from inception to completion.

As Chairman of the Wastewater Management Authority since April 2015, he is putting in place a concept of work culture and recognition for performance. There are challenging tasks ahead and it should be put in the perspective of the Global Vision of Central Government.

Mr. Dutt JINERDEB Board Member

Mr. Dutt Jinerdeb is the representative of the Ministry of Energy and Public Utilities. He is the Deputy Permanent Secretary at the said Ministry and is holder of a BSc (Hons) in Management with specialization in Public Administration, as well as an MSc in Public Sector Management. Having served for 39 years at the level of various Ministries, he has extensive experience in the Public Sector.

Mr. Hemnish Ram URDHIN Board Member

Mr. Hemnish Ram Urdhin is the representative of the Ministry of Finance and Economic Development (MOFED). He is currently occupying the post of Analyst/Senior Analyst at the MOFED with focus on the Energy and Public Utilities Sector. Mr. Urdhin holds a Masters Degree with Merit in Banking and Finance, and a BSc (Hons) in Banking and International Finance (First Class Honours) from the University of Technology, Mauritius. He is also serving as Board Member at the Mauritius Renewable Energy Agency.



HEADING TOWARDS CLEAR WATERS

Profile of Board Members (cont.)

Mr. Lomush JUGGOO Board Member

Mr. Lomush Juggoo is the representative of the Ministry responsible for Water Resources Unit and is the Director at the latter Unit. He holds a Degree in Civil Engineering, a Post Graduate Diploma in Environmental Management and a Masters in Business Administration with Project Management. He has more than 20 years of experience in the Water Sector.

Mr. Doonunjoy DASSAYE Board Member

Mr. Doonunjoy Dassaye is a Deputy Permanent Secretary at the Ministry of Health and Quality of Life (MOH & QL). Holder of an MBA in Marketing, University of Mauritius and a B. Tech in Civil Engineering, IIT Kanpur, India, he reckons a long experience in the utilities, energy and health sector. Mr. Dassaye has previously served as Board member on various parastatal bodies such as the State Trading Corporation, Central Electricity Board amongst others and has served as Secretary on the Maurice Île Durable Fund. As representative of the MOH & QL, he also serves as Board member on the National Women Council and National Children Council.

Dr. Chandradeo BOKHOREE Board Member

Dr. Chandradeo Bokhoree is an Associate Professor at the University of Technology, Mauritius and is leading the Centre for Applied Research for Sustainable Development. He has worked on several projects in collaboration with a wide range of stakeholders, both private and governmental institutions (Ministry of Local Government & Outer Islands, Mauritius Research Council, Indian Ocean Commission, UNDP, UNIDO, Shell Mauritius Ltd, etc.) and is well grounded on consultancy projects geared towards sustainable waste management in Mauritius.

Mrs. Marie Jocelyne Noellette DANTIER Board Member

Mrs. Marie Jocelyne Noellette Dantier is a member of the Financial Cadre at the Mauritius Cane Industry Authority. She holds a BSc in Business Studies and reckons more than 24 years of rich experience in financial and administration matters in the Parastatal sector.

Dr. Edwin Hugues GREGOIRE Board Member

Dr. Edwin Laval Hugues Gregoire is a registered Mental Nurse (1977) and General Nurse (1975). He holds a PhD in Community Mental Health Care and Therapeutic Intervention and an Msc in Health (Promotion, Research and Policy Change). He is also the President of Consumers' Eye Association, a registered organisation under the Registrar of Associations Act 1978.

Mr. Hemrazlall GOPAUL Board Member

Mr. Gupta Hemrazlall Gopaul is the Business Development Manager – Customs Brokerage Services, at Velogic Ltd in the Rogers Group. He reckons 40 years of experience in logistic services, and holds a Customs House Broker License. He is the actual President of APT – Professional Association of Freight Forwarders of Mauritius, as well as the Director of Mauritius Cargo Community Services Ltd (MACCS), and is engaged in social and cultural activities. Mr. Gopaul was elevated to the Rank of Officer of the Order of the Star and Key of the Indian Ocean (OSK) by the President of Mauritius on the occasion of National Day Celebrations in 2015.

Mr. Dharanand THACOR Secretary to the Board

Mr. Dharanand Thacoor is the Secretary to the Board. He holds a Master of Business Administration with specialization in Human Resources and Knowledge Management and BSc in Public Administration and Management. He also reckons more than 25 years experience in administration in the Public and Parastatal sector.





BRINGING THE VISION TO REALITY

Management Team



Mr. Jacques Alexis RADHAY Ag General Manager

Mr. Jacques Alexis Radhay was appointed as the Ag General Manager on 06 March 2017. He holds a Degree in Civil Engineering and an Msc in Sanitary Engineering from IHE DELFT, The Netherlands. He has worked as Civil/Structural Engineer within a renowned local engineering consultancy firm before joining the WMA as Civil Engineer in 1997. Since then, Mr. Radhay has performed at all engineering levels within the technical departments of the WMA. He also worked as a Wastewater Consultant and Wastewater Expert regionally.



Mr. Navindranath JOWAHEER Deputy General Manager (Administration)

Appointed as Deputy General Manager (Administration) in December 2011, Mr. Jowaheer holds a Master of Business Administration (Edinburg Business School) and is an Associate member of the Institute of Chartered Secretaries and Administrators (UK). He is also a holder of a Diploma in Journalism from the London School of Journalism.

Before joining WMA, Mr. Jowaheer held various technical and Administrative positions at the Mauritius Broadcasting Corporation (MBC). He occupied the post of Corporate Secretary at the MBC prior to joining the WMA as Secretary to the Board in July 2005. Mr. Jowaheer is also the Vice-President of the Institute of Chartered Secretaries and Administrators (Mauritius), a benevolent position.



Mr. Sooyashdeo SOOKHEE Divisional Manager (Pollution Control Unit)

Mr. Sooyashdeo Sookhee graduated with a B.E (Civil) and completed an Msc in Environment Engineering. He worked as Senior Engineer at the then Ministry of Energy prior to joining the WMA as Works Manager (Civil) in 2003.

He has more than 25 years experience in civil engineering works in the public sector and has been heading the Operations and Maintenance Department, Pollution Control Unit and Project Management Unit at the WMA as Divisional Manager since 2011.



Mrs. Vimala LUCHMUN Administrative and Human Resource Manager

Mrs. Vimala Luchmun is the Administrative and Human Resource Manager. She holds a Master in Business Administration with specialization in Human Resources and a Diploma in Personnel Management from the University of Mauritius. She is also an Associate Member of the Institute of Chartered Secretaries and Administrators (UK).

Mrs. Luchmun has a long career in public sector and has worked at the European Commission for several years in her capacity as Administrative and Financial Officer. Prior to her appointment as Administrative and Human Resource Manager, she held the post of Secretary to the Board of the WMA.



Mr. Premkumar RAMGOOLAM Financial Manager

Mr. Premkumar Ramgoolam graduated with BCom(H) from Delhi University and is a fellow of the Associate of Chartered Certified Accountants (ACCA). He holds an MBA in Human Resource, a Master in Software Project Management and a Master Degree in Economic Development, as well as a Post Graduate Degree in Forensic Accounting.

Mr. Ramgoolam has been working in different sectors for the past 15 years, both in private and parastatal bodies. Before joining the WMA, he was Manager/Partner in a Forensic Accounting Office.



Mrs. Ranjeeta JOYSURY Acting Laboratory Manager

Mrs. Ranjeeta Joysury is the Senior Scientific Officer who has been assigned the duties of Laboratory Manager since 2012. She holds a Master Degree in Chemistry. She is a qualified and registered Technical Assessor for Laboratories in the Chemical and Environmental field and is also a co-opted member of the Technical Sub-Committee of the Accreditation Committee at MAURITAS with regard to ISO 17025:2005.



Dr. (Mrs.) Banishta Bullyraz-Kureeman IT Manager

Dr. (Mrs.) Banishta Bullyraz-Kureeman holds a Doctor of Business Administration from Leeds Beckett University, UK, as well as a Masters in E-Business and Honours Degree in Information Technology, from the University of Mauritius.

As a certified IT professional, she joined the Authority in 2007 in the IT cadre and was appointed as IT Manager in August 2016. Dr. (Mrs.) B. Kureeman is responsible for the implementation of IT projects and infrastructure of the WMA.



...needs to be treated
as life itself...



DIVING INTO NEW TERRITORY

Investing further in Sewerage Network

In line with the objectives set under the WMA Act 2000, the Authority is paving the way to expand the network of the wastewater infrastructure. The extension of the wastewater network has as objective to satisfy the primary aim of providing proper sanitation facilities and will also prevent environmental degradation. This includes protection of coastal zones, lagoons, as well as protection of ground water resources.

WMA had to develop new work methodologies for the proper execution of works. This comprised adequate management of works and consultancy contracts, liaison with different Authorities to obtain approval for wayleaves, road closures and other civil works. Working in highly residential and commercial regions required a good communication strategy between the inhabitants, Force Vives, business owners, educational institutions and the WMA team.

During the period under review, the WMA has managed a capital investment of Rs840.61 M on behalf of Government for wastewater projects.

It is worth noting that four works contracts have been completed during the period under review. Furthermore, the Authority has awarded 6 works contracts in the amount of Rs353.64 M together with contracts in respect of Framework Agreement for House Connections.

ACHIEVEMENTS

The following projects have been successfully completed by the WMA:

(1) Verger Bissambar Sewerage Project

The Verger Bissambar Sewerage Project, awarded in an amount of Rs63.9 M was successfully completed in May 2016 whereby 2.8 Km of street sewer had been laid and 183 households connected to the public sewer system. Under the project, around 0.6 km of CWA pipes have been replaced.

(2) Wastewater Project at Alfred Gellé, Port Louis

The wastewater project at Alfred Gellé in Port Louis, awarded in an amount of Rs5.04 M was also successfully completed in September 2016. The works consisted of providing a proper sanitation disposal system to some 26 houses at Alfred Gellé Street in Plaine Verte.

(3) Marcel Cabon Sewerage Project

The Marcel Cabon Sewerage Project, awarded in an amount of Rs7.2 M was completed in October 2016. The project consisted of the construction of a leaching field and provision of proper wastewater facilities to some 11 houses at Marcel Cabon in Albion.

(4) Plaines Wilhems Sewerage Project – Lot 1A

The Plaines Wilhems Lot 1A Project covering regions of Stanley, Palma, Hugnin, Bassin, Tréfles, Seeneevassen and Victoria has been substantially completed in November 2016 with around 6,800 households connected to the public sewer. The completion of the Plaines Wilhems Lot 1A Project marked also the completion of the whole Plaines Wilhems Sewerage Project which was one of the main component of the National Sewerage Program. The associated works had been carried out under three contracts (Lot 1A, Lot 1B and Lot 2) and consisted of construction of street sewers, house connections and replacement of water pipes. The project aimed at protecting the environment against pollution by wastewater generated by both public and industrial activities. The completion of the PWSP has thus provided improved sanitation facilities to some 20,500 households in the regions of Beau-Bassin, Rose-Hill and Quatre-Bornes. The use of septic tanks and cesspits has been considerably reduced and thus protecting the groundwater. This wastewater project has ensured the conservation of the island's potable water resources since wastewater collected by the public sewerage system undergoes appropriate treatment.

ONGOING PROJECTS

(i) Pailles Guibies Sewerage Project – Phase 1

The Phase 1 of the project, awarded in September 2015 consists of the construction of a trunk sewer and pumping station at Grande Rivière North West (GRNW). Around 3.2 km of pipes and 88 manholes have already been constructed. The execution of works needed considerable technical know-how since excavation were effected along river banks which also entailed river crossing and excavating on steep embankment path.

The Pailles Guibies Sewerage Project is implemented in order to provide long term solutions for the treatment and safe disposal wastewaters in the Pailles Guibies region.

One of the main constraint encountered during the above project implementation related to works carried out in the Canal Dayot region. Inhabitants were concerned about the project implementation and the impact on their dwellings. Several meetings were held with the Force Vives



Manhole construction

and residents in order to consider their requests and find a solution. It was decided that works would be effected during the Phase 2 stage which will also take into account connection of individual houses.

The flows from the Pailles Guibies area would be conveyed through the Montagne Jacquot Rising Mains at GRNW towards the Montagne Jacquot Wastewater Treatment Plant for treatment, prior to disposal at sea.

(ii) Cipaye Brulé Sewerage Project

The Cipaye Brulé Sewerage Project, at Vallée des Prêtres, awarded in September 2016 in a contract value of Rs76.5 M, aims at connecting some 146 houses to the public sewerage system and construction of 2.8 km of street sewer infrastructure. The works have started in October 2016 and are expected to be completed in March 2018.



Excavation works



Laying of wastewater pipes

(iii) Rehabilitation of CHA Housing Estates

Improvement of the living conditions to the low income group is also high on Government’s agenda. This concern triggered the rehabilitation of CHA Housing Estates. The rehabilitation of wastewater networks under the CHA Phase I, II and III projects during the period (1990 – 2005) demonstrates the effort of Government in this respect. Phase IV of the project consists of six sites and is under implementation. Contracts for a total amount of Rs130.5 M for three sites namely, Residence La Cure, Residence Paul et Virginie and Residence Palmerstone have been awarded in March 2017 and the works are ongoing.

(iv) Kensington Sewerage Project

The Kensington Place Sewerage Project, located in the region of Pointe Aux Sables aims at connecting some 140 houses to the Montagne Jacquot WWTP via a new lifting station. Awarded in an amount of Rs73.9 M, the works started in March 2017 and are expected to end in August 2018. Once all houses are connected to the sewerage system, the existing on site disposal system and leaching fields would thus be decommissioned.

(v) Roche Bois and Baie du Tombeau Pumping Station

The existing Plant at Baie du Tombeau currently has only pre-treatment facilities with screening as the only pre-treatment component. Final discharge is made into the lagoon via an outfall. At this stage, the effluent from the existing plant does not comply with the standards for ocean discharge and there is a need for further treatment in line with WMA’s vision for a better environment.

The WMA therefore intends to proceed with the construction of the Baie Du Tombeau Wastewater Treatment Plant and upgrade the Roche Bois Pumping Station in order to treat the effluent to an acceptable level, which will be safe for discharge into the environment. The upgrading of the Roche Bois Pumping Station is an important matter due to the recent various breakdown and subsequent discharge of wastewater into the Port Area.

Given the complex nature and extent of the proposed works, the WMA Board has decided that this project be implemented on a Build, Operate and Transfer (BOT) basis.



RECONSTRUCTING THE REEFS

A new approach to house connections


The Government of Mauritius, in March 2001, introduced the Free House Connection Policy for domestic premises in the first instance. At a later stage, that is, in 2008, the policy was reviewed to include religious and charitable institutions along with commercial premises.

With a view to shorten the timeframe for house connection which was usually 12 months, the WMA Board, in August 2016 initiated an innovative approach to house connection under the Framework Agreement.

This new rates contract has shortened the time taken for house connection which previously took about one year as compared to one month now and the average cost of connection has gone down. In fact a shortlist of contractors has been enlisted by the Authority and the average cost of connection is approximately Rs90,000. The aim is to shorten further the waiting time for house connection to between 2 to 3 weeks. Thus, more households are now being connected to the public sewer within a shorter timeframe and at a lower cost.

The Framework Agreement is proving to be a swift intervention and since August 2016, 330 house connections have been effected and there is no backlog in respect of feasible house connections. An amount of Rs31.55 M has been spent under the contract for Framework Agreement.

In line with the same strategy, another rates contract under new Framework Agreement has been launched for rehabilitation works and extension of sewer lines. The contract is expected to be awarded by July 2017 with an annual budget of Rs40 M. The pool of contractors that would be enlisted under this new set up would help the Authority to intervene quicker in cases where there are nuisances caused due to damaged sewers.



...taken care of by a committed
team, moving together
in the same direction...

HELPING THE CURRENT FLOW

Operations & maintenance: The challenge

The WMA pursued its effort towards the proper operations and maintenance of its wastewater infrastructure, which includes public sewers, pumping stations, wastewater treatment plants and other facilities for a continuous service. Wastewater is collected from residential, industrial and commercial sources and is conveyed to wastewater treatment plants prior to its discharge in the environment.

The Operation and Maintenance (O&M) Division, offers services through its sub offices at Caudan, Beau-Bassin and Curepipe, to around 27% of the Mauritian population connected to the public sewer. The proper Operation & Maintenance (O&M) of the wastewater infrastructure is a real challenge for the WMA because of the ageing sewer network particularly in the Port-Louis region.

The sewerage network in Port-Louis has been put in place as far back as 125 years ago and the system has been upgraded in the centre of Port-Louis some 60 years ago. The actual situation in Port-Louis compared to the time the sewerage network was constructed has changed drastically in terms of demography and physical development. The design parameters of the existing network have been exceeded by far and for a long time. Interventions are being carried out in order to keep the network operational and this is a real challenge for the WMA operation and maintenance teams who have to conduct systematic checks and carry out repairs on defective sewers to enhance the structural condition of the sewerage system and to prevent the pollution to waterways.

The Operation & Maintenance Teams are usually faced with situations where there is high level of Fats, Oils, and Grease (FOG) in sewer lines. This is detrimental to sewers and keeping harmful substances from going into the sewer is much easier than trying to get them out. FOG builds up in clumps in pipes and provokes blockages and overflows. During the period under review, the Operation & Maintenance Team has intervened in several cases where FOG has been detected in sewer.

DID YOU KNOW?
FOG feeds a bacteria that create hydrogen sulfide gas. Hydrogen sulfide causes a rotten egg smell, and deteriorates sewer pipes.



Troubleshooting electrical panel at Montagne Jacquot TP



Construction of manhole

In parallel to operation and maintenance, the WMA strived to optimise costs associated with wastewater treatment, thereby ensuring effective management of wastewater assets to comply with the standards and regulations in force for health and safety, the environment and quality aspects.

For the 2016/2017 period, the WMA also achieved the following:

(1) Co-generation of electricity at St Martin Wastewater Treatment Plant

Methane gas resulting from sludge treatment are collected and used for on-site electrical energy production. During the period under review, 811.344 MWH units of electrical energy were produced representing 12% of the total energy requirements of the Wastewater Treatment Plant. The saving in payment of electricity cost was in the order of Rs 2.4 M.

In addition to the above, the Authority is planning to install a new biodigester at St Martin Wastewater Treatment Plant which will lead reduction in energy consumption and hence savings in electricity costs. The vision of the Authority is to maximise on the production of biogas at all the four major wastewater treatment plants over the next fifteen years subject to financial resources being made available to the WMA. On meeting the objective to be self-sustaining in energy requirements at the wastewater treatment plants, there would be less pressure on the electricity demand from the CEB network.

(2) Treated Effluent Re-use

Treated effluent from the St Martin Wastewater Treatment Plant is being used for sugarcane irrigation. During the period under review, 8.6 million m³ were supplied for that purpose, thereby contributing towards the country’s overall water balance. In addition, the WMA has signed an agreement with Compagnie de Mont Choisy Ltée for the supply of treated effluent. For period January 2016 to June 2017, 0.7 million m³ were supplied.



Inlet works at Montagne Jacquot TP

(3) Sludge Management

The mass of sludge and screenings removed from Pumping Stations and Wastewater Treatment Plants for the period under review was of the order of 5,938.64 tons. This was sent to the Mare Chicose landfill and used to generate on-site electricity.

Operations & Maintenance Figures for period January 2016 to June 2017		
SN	Details	Jan 16 - Jun 17
1	Volume of wastewater collected and treated including Industrial Wastewater	72.98 Mm³
2	Number of Wastewater Treatment Plants (Conventional Plants, onsite Septic Tank and Leaching field)	10
3	Number of Wastewater Pumping Stations	70
4	Length of Public Sewer	755 km
5	Length of sewer main jetted as a part of Preventive Maintenance	18.8 km
6	Number of sewer blockages cleared	11,122
7	Number of WMA Wastewater Tankers	6
8	Number of Private Wastewater Carrier Operators	81
9	Number of Permits issued to Private Wastewater Carrier Operators	20
10	Number of trips of Wastewater disposal by WMA carriers at Roche Bois Pumping Station	4,759

CLEAR BLUE OCEANS

Preserving Public Health

The Authority, through the Pollution Control Unit (PCU) and the Wastewater Laboratory fulfills its compliance mandate.

It ensures that all wastewaters from infrastructural and industrial developments are properly managed and treated thereby providing a high standard of sanitation that would preserve public health and ensure a sustainable and clean environment.

Through the PCU, the Authority ensures that all proposed developments undertake sufficient measures for ensuring a proper collection, treatment and disposal of wastewaters. On the other hand, existing facilities are inspected and monitored.

The Pollution Control Unit carries out the following main tasks:

- Review and approval of wastewater related infrastructural and industrial development applications at EIA, building permit or land-subdivision level.
- Regulation, monitoring and control of industrial effluent discharges to the public sewer network.
- Monitoring and evaluation of public and private wastewater treatment plant effluent in compliance with the Environmental Protection Act discharge standards.
- Review and approval of applications for disposal of expired liquid products
- Advice and assistance on wastewater related issues and nuisances.
- Participation in environmental committees, forums, seminars and workshops.

The activities of PCU for 2016/2017 are summarized as per the tables below:

Table 1 Processing of Applications for Clearances and Discharge Permits

SN	Category	Numbers Processed
1	Clearances for EIA/PER	83
2	Clearances for Building and Land Use Permit	206
3	Clearances for Land Subdivision	493
4	Industrial Discharge Permits	29
5	Authorisation for disposal of expired liquid products	7
TOTAL		818

Table 2 Effluent Analysis Results Checked and Processed

SN	Category	Numbers
1	EARs from industries licensed	259
2	EARs from hotels and private treatment plants	300
3	EARs from WMA Laboratory for WMA's wastewater treatment plants	120
4	EARs from WMA Laboratory for yearly monitoring of industries	98
5	EARs from WMA Laboratory for yearly monitoring of hotels	74
6	EARs from WMA Laboratory for disposal of expired liquid products	11
TOTAL		862

Table 3 Site visits for monitoring effluent discharges

SN	Category	
1	Industrial effluent discharges	125
2	Effluent discharges from hotels and private treatment plants	63
3	TOTAL	188

Table 4 Fees paid to the WMA

SN	Activity	Fees paid to WMA (Rs) (January 2016 to June 2017)
1	EIA/PER and Wastewater Clearance for Land Use and Building Permit	1,550,460
2	Clearance for Land Subdivision	1,162,400
3	Industries	4,600
4	Disposal of Expired Liquid Products	37,973.71
TOTAL		2,755,433.71

Continuous Professional Development

Staff of the PCU participated actively in various forums on sustainable development, cleaner environment and climate changes, such as committees for National Communications, Integrated Water Resources Management, National Ramsar sites, Lagoonal Monitoring and Independent Waste Audit.

Building and Land Use Permit (BLUP)

Following amendment brought to the Local Government Act of 2011, the WMA has 5 working days, as from receipt of an application, to either approve or reject an application for BLUP. Accordingly with a view to processing BLUP application within the timeframe, the WMA prepared a

detailed guideline together with a well-defined protocol. The guideline provides stakeholders with all essential information related to the application for the WMA's Building and Land Use Permit and same can be consulted on the WMA web site.

Review of Wastewater Regulation 2014

The PCU is currently working in collaboration with a Water Quality Expert, delegated by Ministry of Energy and Public Utilities, to review existing effluent standards and propose amendments to the Waste Water Regulations 2004 (Standards for Discharge of Industrial Effluent into a Waste Water System).



THE SAFETY NET: The Wastewater Laboratory

The Wastewater Laboratory provides support to the Pollution Control Unit to ensure that all wastewaters are properly monitored to meet the regulatory requirements and process control needs. The Laboratory is involved in the following core processes:

- (1) Sampling
- (2) Testing
- (3) Implementing and maintaining accreditation to ISO 17025:2005 (Quality Management System)
- (4) Reporting and auditing

The Wastewater Laboratory provides assistance to other Departments, Ministries and Organisations in the investigation of suspected cases of pollution and disposal of expired liquid products. The laboratory also participates in several projects including the Independent Environment Audit on Wastewater Projects, Lagoonal Monitoring in the Region of Port Louis, Mercury Assessment Program, and National Inventory on Greenhouse Gases Emissions among others.

Moreover, the Laboratory Quality Management System put in place since 2009 has driven the Laboratory towards continuous improvement.



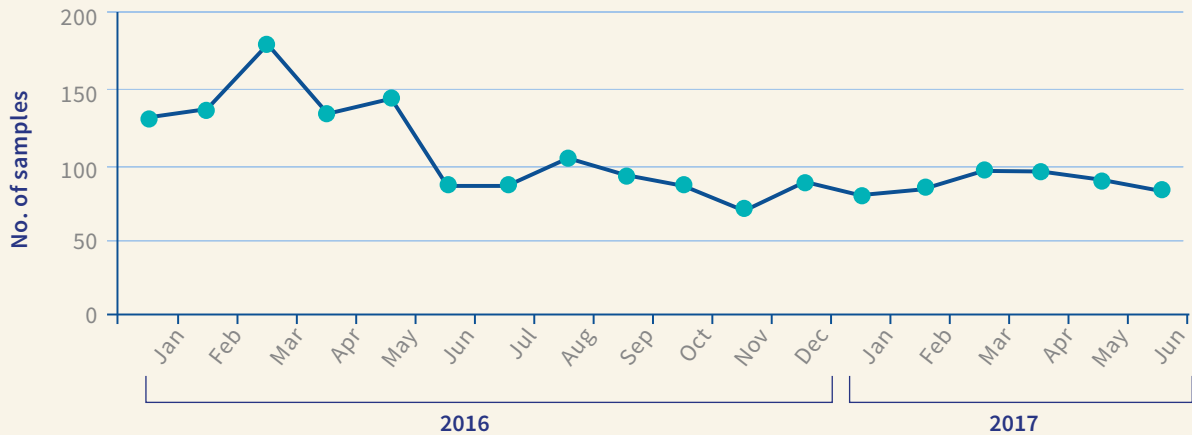
Testing in operation

MAJOR ACHIEVEMENTS DURING PERIOD JANUARY 2016 - JUNE 2017

Sampling

During the period under review, some 1,818 samples were collected/ received from sites like Wastewater Treatment Plants (WWTPs), industries and hotels. The figure below shows the trend for samples collected/received at the wastewater lab for testing purposes.

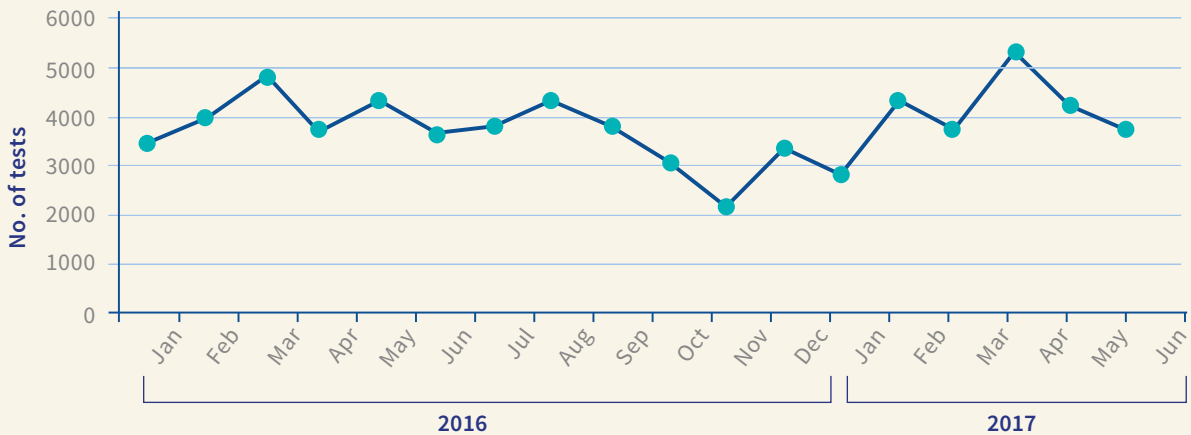
Figure 1: Trend in the no. of samples collected/received by the Wastewater Laboratory – period Jan 2016 to Jun 17



Testing

The Wastewater Laboratory is equipped with several equipment which allows it to perform testing for around fifty-six (56) test parameters. New test methods have been developed for testing additional test parameters. The figure below depicts the number of analyses performed.

Figure 2: No. of tests performed during period Jan 2016 to Jun 17





THE SAFETY NET: The Wastewater Laboratory (cont.)

Implementing and maintaining accreditation to ISO 17025:2005

The Laboratory progressed significantly towards its endeavour to maintain accreditation to ISO/IEC 17025:2005 which is the Standard for Testing and Calibration Laboratories. For the period under review, the Laboratory successfully passed the surveillance assessment carried out by MAURITAS in November 2016 and it has extended its scope of accreditation. Till date, twenty-three test parameters have been accredited. Furthermore, during the customer satisfaction survey conducted in June 2016, the satisfaction level has increased for the following criteria:

- (i) Competency and standard of testing activities and
- (ii) On time delivery of test results.

Human Resource Development

The Laboratory has been able to empower its manpower by providing training in field of implementation and maintenance of ISO 17025:2005 procedures and policies, operation of equipment and analytical skills.

WAY FORWARD

The Wastewater Laboratory plans to embark on the following in the near future:

- 1) Maintain accreditation to ISO 17025:2005 and undertake at least two internal audits and management review annually.
- 2) Conduct the review of human resources, complete competency needs analysis and draw up development and retention plan for next three years.
- 3) Widen the testing parameters to be accredited.
- 4) Shift to cost effective and standard test methods available and review the existing one.

...to keep the essential,
useful & abundant...



GROWING THE SHOAL

Human Resources

Human Resource Management at the WMA has been conducted with the need to gain the commitment of employees, more accountability, involvement and communication with a view to developing a high trust and performance oriented organisation.

Manpower

The Authority pursued its efforts to strengthen its human resources with the recruitment of 49 employees during the period under review. The WMA Board followed a strategic

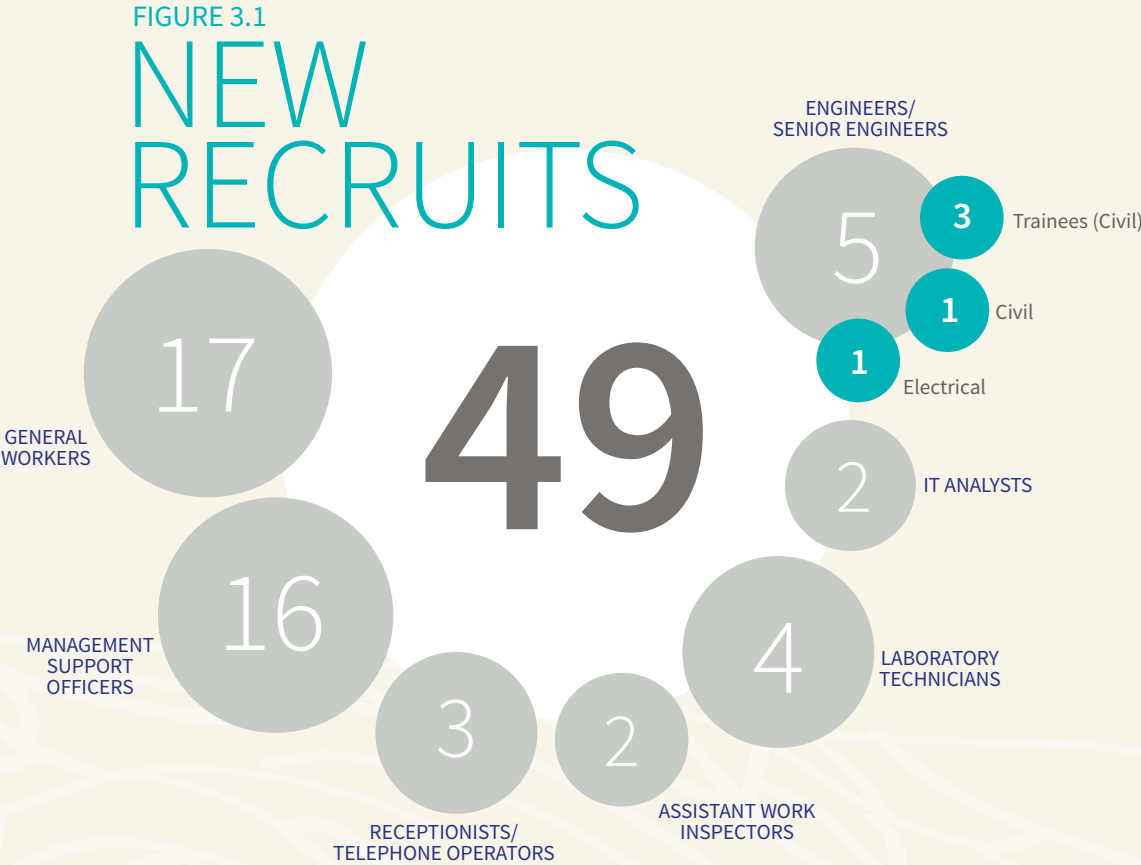
and coherent approach to the management of its most valued asset, that is, its human resources, in line with its mission to offer better services to its customers.

Figure 3.1 shows the number of employees recruited by job categories.

Furthermore, with a view to motivate and empower internal staff to move along their career path, 11 internal staff members were promoted to higher grades as shown in **figure 3.2**.



Maintenance on gate valve





SERVING THE SHOAL

Administration

Performance Management System (PMS)

The PMS which was introduced at the WMA in 2012 has now been integrated in WMA work culture. This exercise is carried out twice yearly. The PMS provides management and staff with a helpful tool to improve on performance to take on board the development needs of employees and assist in making objective decisions on promotion and salary increments for employees.

Training and Career Development

The fundamental aim of training is to help the WMA to meet its organisational objectives and to help staff to grow within the WMA. All training provided by the WMA is based on identified training needs of the employees as determined through the performance appraisal reports, training needs assessment, future staffing requirements. For these reasons, performance appraisals plays an important part in managing and developing the careers of employees at the WMA.

During the period under review, 130 WMA staff were provided with training out of which 11 officers of the engineering/technical cadre benefitted from training courses abroad as follows:

Country	Training Course
JICA	Operation and Maintenance of Sewerage System(B)
China	Seminar on prevention and control of water pollution and basin water resources protection for officials in developing countries
	Environmental Engineering Technology for Developing Countries, Suzhou
	Training Course “Rural Wastewater Treatment Technology for Developing Countries”, Chengdu, Sichuan
	Training course on Water Supply and Waste Water Treatment Technology for Developing Countries
India	Training course on “Sewage Treatment” under the ITEC/SCAAP Programme for FY 2016/2017, Mumbai
Zimbabwe	Antimicrobial Resistance Workshop for National Focal Points, Harare

Restructuring Exercise

Taking into consideration the massive investment in the wastewater sector, the WMA Board decided that a Restructure Exercise be initiated to render the Authority more efficient and effective by examining its current operations and assessing whether it is fit for current purpose and its suitability for the next 5 years. Therefore, the Board deemed it appropriate to engage in the review of the current structure.

The rationale behind the organisational re-structure is the attainment of the organisational objectives in line with the WMA Act 2000. It is expected that the new structure would contribute to the efficient functioning of WMA through:

- Clear cut Authority relationships
- Enhanced communication and coordination for proper administration

- More accountability for areas of work and ownership
- Making use of technological improvements
- Preventing duplication of functions
- Optimisation of resources

In that context, the WMA hosted a workshop in September 2016 where pro-active discussions and brainstorming sessions were held between WMA Board members, Management Team and members of staff. The services of an HR Specialist Firm, namely CAPFOR Ltd was sought to facilitate discussions during the workshop. CAPFOR Ltd submitted a report on the Restructure Exercise highlighting the best Organisational Structure for consideration by the WMA Board.

Capitalising on daily operations works, the Administration Unit ensures appropriate and timely delivery of services to all units of the WMA as follows:

Facilities and Office Accommodation – management of building and services

General office management and facilities services fall under the responsibility of Administration. The fact that the Authority occupies 7 floors at the Celicourt Building in Port-Louis and manages 3 sub-offices (Caudan/Beau-Bassin/Curepipe) and 4 major Wastewater Treatment Plants, facilities and office accommodation require the constant attention of the Administration Department. The following activities are relevant for the smooth work flow across the WMA:

- Provision of adequate working space/office to staff
- Provision of appropriate office equipment
- Maintenance of a clean and secure office environment
- Ensuring that the necessary facilities (telecommunication/ e-mail/fax/stationery) are available
- Photocopying and binding services
- Replacement of equipment/office furniture as and when required as well as payment of rent when falling due.

Pest Control

The WMA has under its responsibility **70** Pumping Stations, **6** minor Wastewater Treatment Plants and **4** major Wastewater Treatment Plants. The critical nature of the operations and the sensitive equipment in place require a close attention with respect to Pest Control. This activity was outsourced as from March 2017.

Inventory of assets

The updating of the Fixed Assets Register (FAR) started in 2016 with the following scope of works:

- Create and Record a complete list of physical assets for WMA
- Coding and bar coding of the assets
- Estimate the useful remaining economic life of the assets
- Value the assets
- Reconcile with existing records
- Build up a policy and procedure for compliance

As at 31 December 2016, the total value of the WMA assets which comprise of Property, Plant & Equipment, and vehicles amounted to Rs75.95 M.

The above exercise engaged resources from both the Finance and Procurement Sections.

Insurance of assets and staff

The WMA undertakes insurance cover for all its assets and staff. The various types of insurance covers are as follows:

- Fire and Allied Perils
- Burglary
- First Loss Cyclone
- General Public Liability
- Group Personal Accident
- All Risks
- Cash in Transit/on Premises
- Electronic Equipment & Consequential loss
- Directors and Officers Liability
- Professional Indemnity

Transport – Vehicle Fleet Management

The expansion of WMA activities and the taking over of Operation and Maintenance activities of pumping stations and wastewater treatment plants in-house require a close management of the fleet of WMA vehicles which consist of specialized vehicles (tanker/Jetting units), lorries and other utility vehicles. The Authority has a fleet of 69 vehicles valued at around Rs87 M and the Transport Unit has as main responsibility to oversee, coordinate and facilitate transport related activities. The unit also ensures that the fleet of vehicles is managed in a way to reduce and minimize overall costs through cost effective utilisation of WMA resources such as vehicles, fuel, spare parts, repairs and maintenance.

- The main functions of the transport unit includes:
- Day-to-day management and operation of vehicles
 - Monitoring and control of fuel consumption
 - Insurance of WMA vehicles
 - Repairs and maintenance of all vehicles
 - Procurement and disposal of vehicles
 - Management of parking facilities

(1) Football Super League Championship

The WMA participated in various sports competition organised by the Fédération Mauricienne des Sports Constitués (FMSC) and won in the following diciplines:

Activities		Status
1	Futsal Tournament 2016	Won the Championship against Mauritius Commercial Bank
2	FMSC Football Super Cup 2016	Won the Championship against PAD & Co Ltd
3	Beach Soccer festival - August 2016	Won the champion against PAD & Co Ltd
4	Omni Sports Activities - February 2017	Won the Football Championship against PAD & Co Ltd
5	Futsal Championship - March 2017	Won the Championship against Mauritius Post
6	FMSC Football Super Cup - June 2017	Won the Championship against PAD & Co Ltd

The contract for the repairs and maintenance works on WMA Fleet Vehicles has been awarded to Garage Bala. For the period January 2016 to June 2017, an amount of Rs4.18 M has been spent on repairs and maintenance of WMA vehicles.

Welfare Activities

Conscious that a healthy workforce helps in the fulfillment of the organisation’s objectives, the Authority believes in work life balance and is continuing its efforts to encourage its staff to engage in sports and welfare activities. A Welfare Officer has been recruited on contract since September 2015 to follow-up and to motivate staff to benefit from the above mentioned facilities.

- The following activities are ongoing at the WMA:
- (i) Yoga sessions under the guidance of a Trainer
 - (ii) Fitness activities with sports equipment treadmill, dumbbells, bench press
 - (iii) Football training under the guidance of a coach
 - (iv) Sports activities (squash, badminton, futsal) at the Paillotte Multi Sports complex

...fresh
and nurturing...

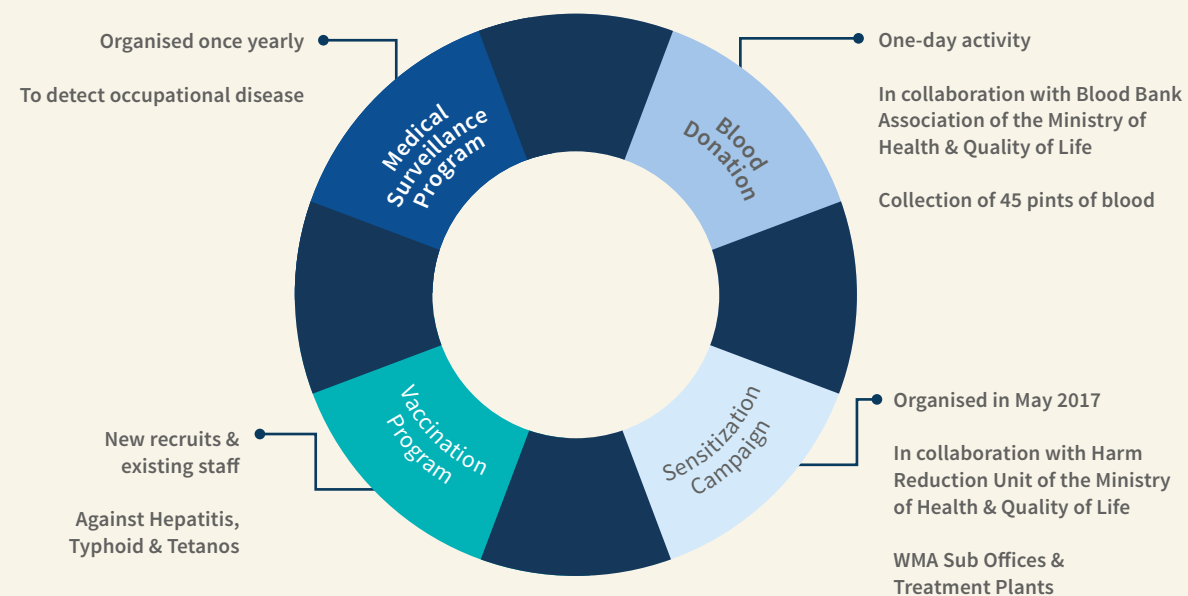


BREEDING A HEALTHIER TEAM

Health & Safety

The WMA remained committed to its objectives and continues to foster staff welfare alongside balancing their work life in terms of fitness and sports activities. Looking ahead, to uphold the health and safety culture, the WMA focused its strategy on preserving the well-being of its stakeholders.

The areas covered the following medical programs and sensitization campaigns:



Blood Donation

The WMA organised a blood donation activity on Wednesday 24 May 2017 in collaboration with the Blood Bank Association of the Ministry of Health and Quality of Life. About 45 pints of blood were collected and more than 65 staff participated in the activity.

Medical Surveillance

The Medical Surveillance Program is carried out once yearly for technical cadre and field officers at the WMA to detect occupational diseases and to ensure that staff are fit to perform their duties. For the period January 2016 to June 2017, 394 staff have benefited from the medical surveillance program. No cases of occupational disease have been reported from the medical reports received.



Health screening for WMA staff

Vaccination

Vaccination programs against Hepatitis, Typhoid and Tetanos for 114 staff members, including new recruits, were also carried out in order to prevent work related risks.

Sensitisation campaign on the Prevention against Substance Abuse

A sensitisation campaign on the prevention Against Substance Abuse by the Harm Reduction Unit of the Ministry of Health and Quality of Life was carried out at WMA Sub Offices and Treatment Plants in May 2017.



THE STEPPING STONES

Efficient Enterprise Solutions

In the wake of the challenging context, the Authority sustained its effort in addressing emerging/modern trends, resulting in proactive problem management. For the period under review, WMA invested in digitisation. New implementation of efficient enterprise-wide solutions allow greater ease of business functioning and is improving exertion at operational levels.

The key achievements of the IT Unit during the financial period January 2016 to June 2017, comprise of the following:

- Implementation of Roche Bois Voucher and Invoicing System;
- Implementation of automated cheque printing;
- Replacement of Biometric Attendance System with a Card-based Attendance System;
- Installation of Global Positioning System (GPS) devices and fuel sensors in over 50 WMA vehicles;
- Installation of CCTV cameras to monitor attendance machines at the Head Office;
- Development of a new web-based application, named Case/Customer Management System (CMS).

CASE/CUSTOMER MANAGEMENT SYSTEM

Owing to the progressive increase in the number of applications for wastewater services, it is crucial to implement a robust and efficient system, which would provide updated information on applications as well as complaints. In the same line, it is important to keep record of all legal cases and request for transport, for better monitoring and control. Therefore, a new case/customer management system (CMS) is being implemented to provide a secured web-based application to enable:

- The Customer Care Unit (CCU), House Connection Unit (HCU), Pollution Control Unit (PCU) and Operations & Maintenance (O&M) Section, handle customers, applications, requests and complaints in an efficient, organised and more informed manner;

- The Corporate Unit to better manage and track information about legal cases;
- The Transport Section to better monitor requests for transport.

Along with solving the abovementioned issues, the new system would enable proactive problem management through effective monitoring of the following processes:

1. Application for building clearance in sewered regions
2. Application for building and land use permit in unsewered regions
3. Application for clearances for morcellement
4. Application for house connections
5. Application for sewer diversions
6. Application for EIA/PER
7. Application for disposal of expired liquid products
8. Application for industrial discharge permit
9. Permits for private wastewater carriers
10. Complaints handling for sewered and unsewered regions
11. Management of legal cases
12. Transport requests

FORTHCOMING IT PROJECTS

- Implementation of an Integrated Enterprise Resource Planning (ERP) system, comprising of major functions such as Financials, HR/Payroll, Procurement and Inventory Management, Project Management, as well as Plant and Equipment Maintenance Management.

- Implementation of an IP-based PBX System at the Head Office (HO), 3 Sub-Offices (SOs) - Caudan, Curepipe and Beau Bassin, and 2 Wastewater Treatment Plants (WWTPs) - Montagne Jacquot and Grand Bay, and setting up of a Wide Area Network (WAN) between the Head Office, Sub-Offices and Wastewater Treatment Plants.



WITHIN THE SCHOOL

Public Relations & Customer Care

PUBLIC RELATIONS

Understanding our People!

The Public Relations Team relentlessly moved forward to consolidate good relationship with our various stakeholders. Frequent awareness campaigns, regular site visits, distribution of flyers and brochures were used to sensitise people about ongoing wastewater works and proper usage of the wastewater system.

Public Relations played an important component in the execution of the following major sewerage projects:

(1) Pailles Guibies Sewerage Project Stage 1

The Pailles Guibies Sewerage Project Stage 1, being one of the main projects for the year 2016/17, the PR team worked in collaboration with the Project team. Around 6 meetings and regular site visits were organised with the residents of the Canal Dayot region. Since the Pumping Station is being constructed near the river bank, regular site visits and meeting were held with the representatives of the Force Vives in order to resolve the requests such as access during festivals and displacement of shrine, amongst others.

(2) Marcel Gabon & Alfred Gelle Sewerage Projects

Prior to start of any excavation works, pro-active awareness campaigns were organised with the residents of Marcel Gabon and Alfred Gelle. During the meetings held, the residents welcomed the project positively and appreciated that they were taken on board. Since excavation works were performed in the vicinity of Albion Government School, precautionary measures were taken to minimize inconveniences such as noise and dust pollution to the students.

(3) Cipaye Brulée Sewerage Project

During the month of June 2017, an intensive PR exercise was carried out for the one lane road closure of Bernardin de St Pierre Street. Door to door flyers were distributed to residents and business owners. Furthermore, a meeting was held with the representatives of the Texto Factory to facilitate the movement of its container vehicles. Communiqués were also broadcast on radio.

(4) CHA Rehabilitation & Kensington Sewerage Projects

With the launching of the three CHA Rehabilitation Sewerage Project and Kensington Sewerage Project, meetings were held with residents to explain the different stages of work and inconveniences that could be encountered. Around 300 brochures were distributed to residents and business owners. Since these projects are presently in the implementation stage, the PR unit is carrying site visits on a weekly basis to attend to complaints and queries of customers.

World Water Day

The WMA actively participated in two exhibitions for the World Water Day held in March 2016 and 2017 respectively. Since the 2017 theme was 'Wastewater the Untapped Resource', a brochure on the different process of wastewater treatment was designed and around 3,000 of same was distributed to all visitors.

CUSTOMER CARE

Moving Ahead with a Synergy of Team spirit!

The January 2016-June 2017 period marked considerable progress in promoting customer relationship at the level of the WMA. The Customer Care team left no stone unturned to sustain the good corporate image of the authority vis-a-vis its stakeholders while promoting internal and external communication.

Our Greatest Asset Is Our Customer

Much progress has been achieved through customer service while embracing digital enhancement in some of the key internal functions:

• Complaint Management System (CMS) for Quick Service Delivery

Since the setting up of the CMS, complaints are being dealt with promptly. The system has proved to be less time consuming and is very effective in tracking progress on handling of complaints.

• An Innovative System for retrieving O&M complaints via The Google Worksheets

With the implementation of the Google Sheets in May 2017, all complaints from the three Sub Offices are centralized to the Head Office. The system effectively tracks records for intervention by the maintenance team and the data is easily accessible to all those concerned.

• Online Citizen Support Portal (CSP) Implementing a citizen-centric approach to delivering government services

Launched in April 2017, the portal has transformed service delivery which aims at handling citizens’ needs and priorities. Complaints and problematic issues are resolved in real-time and consequently feedbacks are instantaneously communicated to the customers.

• E-Newsletter – Promoting internal communication

Four editions of an internal E-newsletter was published during the period under review to keep our employees informed on the main events and development within the Authority.

Summary of activities of the Customer Care Unit during the period 2016-2017

Summary of activities of the Customer Care Unit during the period 2016-2017		
Cases		Number
1	Application for House Connection	959
2	Operations and Maintenance Complaints	11,122
3	Citizen Support Portal Complaints	32
4	Application for Building Clearances	1,644
5	New Wastewater Carrier Permits	20
6	Notary Clearances	12

...for the wellbeing
of all of life...



THE EBB AND FLOW OF OUR FINANCES

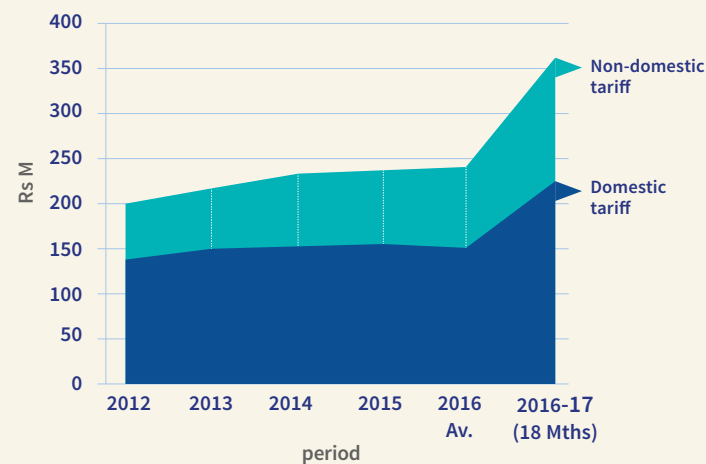
Financial highlights

The financial highlights and disclosures are part and parcel of the Financial Statements which provide relevant information, results and analytical observation to stakeholders for better understanding of the financial status of the WMA.

WMA Income

The major inflow of economic benefits derived by WMA for the 18-month period (Jan 2016 -June 2017) is from wastewater charges. 91% of income is generated from both Domestic and Non-Domestic wastewater charges. The total wastewater charges for 18 months period amount to Rs588.5 M. The remaining 9% relate to other income from other services.

Income Distribution for period 2012-2017



The average yearly growth rate for wastewater charges from Domestic category period 2015/16/17 is 5%. The increasing number of house connection is the main factor explaining the growth of WMA income. It is also important to note that the implementation of 6m³ free water had an adverse impact on WMA income for the period under review with a shortfall of Rs17 M.

The Non-Domestic wastewater charges are evenly spread over to occupy a 55% share of WMA income.

Other Revenues

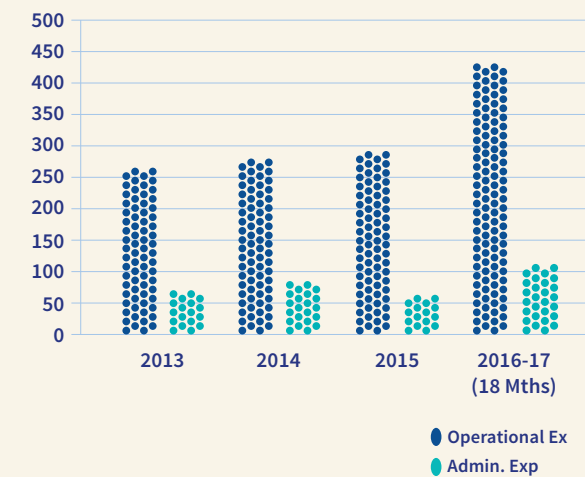
Within the other revenue items, the disposal of effluent at Roche Bois Pumping Station represents an average of 48% of the other income for the period.

Other Income for period 2013-2017					
Particulars	2013 Rs M	2014 Rs M	2015 Rs M	Average Rs M	2016/17 (18 mths) Rs M
Other Income	21	22	22	23.67	35.6
Disposal Effluent	12	16	22	22.17	33.2
Total Other Income	33	38	44	45.84	68.8

Other income represents revenues generated from clearance, building permit, tanker fees license and other sources.

Expenses

The total expenditure for the period under review amounted to Rs898.3 M. The total operational and maintenance costs have absorbed 77% of the financial resources of the WMA. The average monthly operational cost for the period totalled Rs32.36 M.



Operational Surplus


The total operational surplus for the period 2013 to 2016-2017 has been increasing at an average rate of 10% to reach Rs65.3 M in 2016-2017. However the WMA bottom line results (after provision for user fee/interest/depreciation/bad debts) shows a deficit of Rs255.3 M for 2016/2017.

Operational Surplus				
Revenue	2013 Rs M	2014 (restated) Rs M	2015 Rs M	2016/17 (18 mths) Rs M
Wastewater Charges	370.30	389.30	395.90	588.50
Other Income	32.90	37.90	44.40	68.80
Operational Cost	388.33	443.04	417.55	591.98
Operating Surplus/ (Deficit)	14.87	(15.84)	22.75	65.32

Impairment of WMA Assets

For the period 2016-2017 the total amount impaired with respect to outstanding debts is Rs141 M. An additional amount of Rs37.1 M has been provided for the same period. During the period under review Rs38.5 M were written off and it is expected that Rs18.1 M would be written off in the near future.

Provision for bad doubtful debts for period 2014-2017					
Particulars	2014		2015		2016/17 (18 Mths)
	%	Rs M	%	Rs M	% Rs M
Domestic	51	57	46	62	43 50
Non-Domestic	49	55	54	73	57 91
Total	100	112	100	135	100 141



THE EBB AND FLOW OF OUR FINANCES

Financial highlights (cont.)

Capitalisation Borrowing Cost

As from 2013 payments of interest on borrowing cost for capital projects have been accrued. For calendar year 2015, WMA had adopted a new policy to capitalise all interest on its capital projects. The impact evidently does not eliminate the interest liability. However, it smoothes the operational deficits. As such, Rs14.9 M has been capitalised in 2013 and Rs50.4 M in 2014. For the year 2015, the interest capitalised amounts to Rs55.3 M.

For the 18-month period 2016-2017, Rs46.9 M has been carried forward as capital cost. The total borrowing cost capitalized as at date in the WMA books are Rs158.3 M.

WMA Loan Liabilities

The WMA long term loan liabilities under capital projects started in 2013. The amount borrowed up to June 2017 has cumulated to Rs2.78 Bn. As from July 2017, Government has changed the mode of funding for wastewater projects from loan to both Equity and Loan.

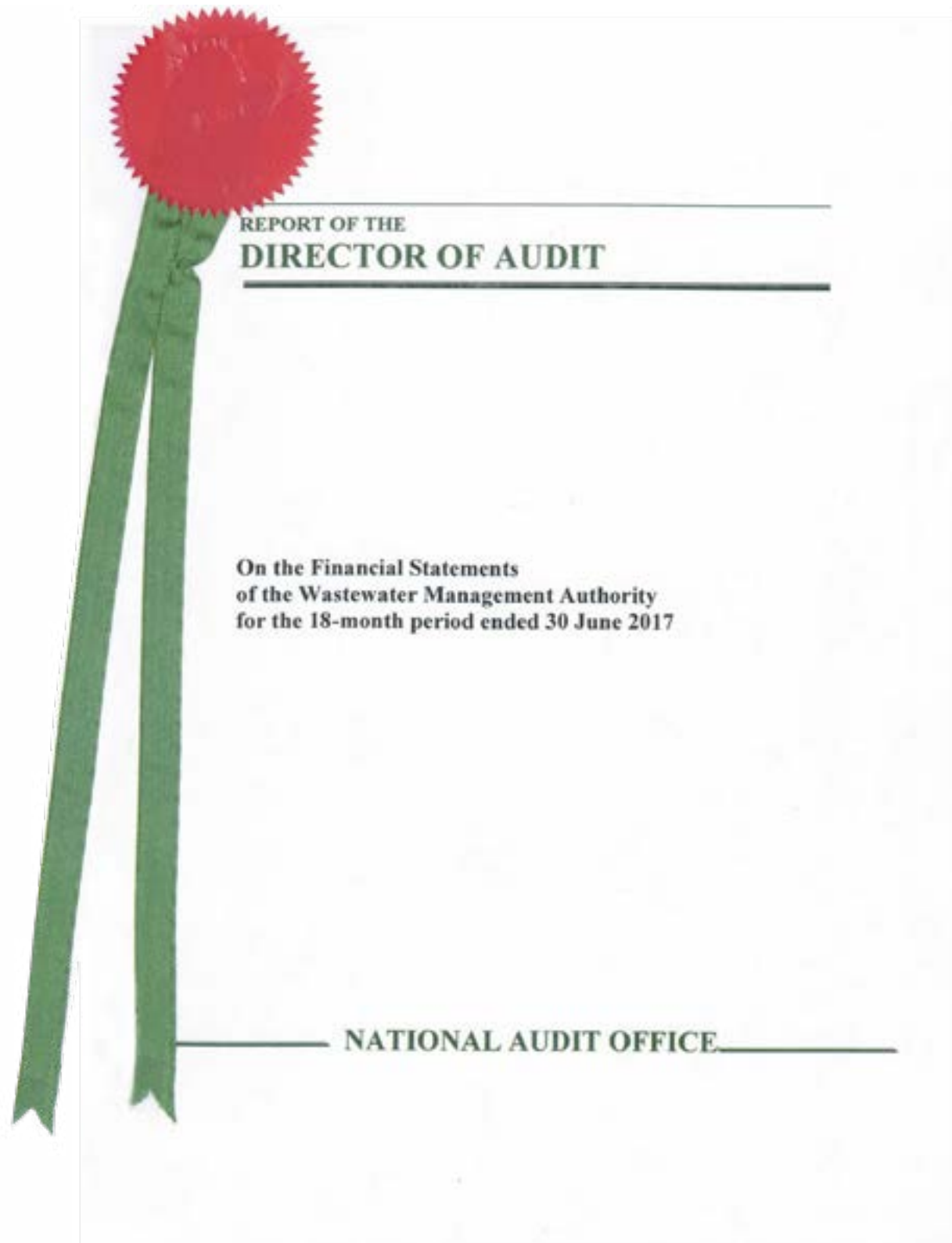
Financial Position – Asset Value

WMA financial position has increased by 24% with respect to its total asset value that is from Rs2.83 Bn in 2015 to Rs3.53 Bn in 2016-2017.

Financial Position- Asset Value					
	2012	2013	2014	2015	2016/17 (18 mths)
Particulars	Rs Bn	Rs Bn	Rs Bn	Rs Bn	Rs Bn
WMA Net	1.6	2.3	2.3	2.8	3.5
Worth					



...on earth
and underwater...



NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT

TO THE BOARD OF THE

WASTEWATER MANAGEMENT AUTHORITY

Report on the Audit of the Financial Statements

Qualified Opinion

I have audited the financial statements of the Wastewater Management Authority (WMA), which comprise the statement of financial position as at 30 June 2017, and the statement of profit or loss and other comprehensive income, statement of cash flows, and statement of changes in equity for the 18-month period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying financial statements give a true and fair view of the financial position of the Wastewater Management Authority as at 30 June 2017, and of its financial performance and its cash flows for the 18-month period then ended in accordance with International Financial Reporting Standards.

Basis for Qualified Opinion

Property, Plant and Equipment - Rs 84,369,116

The figure Property, Plant and Equipment as shown in the financial statements comprised two major components, namely Vehicles for an amount of Rs 29,608,189 and Equipment stated at Rs 54,760,927.

The carrying value of vehicles, however, did not reconcile with that of the Fixed Assets Register maintained at the WMA. The net difference of Rs 4,823,332, disclosed as 'adjustments' at Note 7 to the accounts, could not be explained.

Inventories and Work In Progress

Equipment from Projects and Spare Parts for Maintenance - Rs 31,316,031

Some 350 stock items were returned to the WMA following the completion of projects. Of these, no value was assigned to 208 stock items stored at the Montagne Jacquot Treatment Plant and at the Warehouse found in Beau Bassin. 'Inventories and Work in Progress' could be understated.

14th Floor, Air Mauritius Center, John Kennedy Street, Port Louis – Mauritius
Tel: 212 2096-97/2110836 Fax: (230) 2110880

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 Financial Statements* section of my report. I am independent of the WMA in accordance with the INTOSAI Code of Ethics together with the ethical requirements that are relevant to my audit of the financial statements in Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Without qualifying my opinion, I draw attention to the following:

Receivables and Prepayments - Rs 192,497,725

Receivables, before an impairment of debt of some Rs 141.3 million, amounted to some Rs 333.8 million. Included therein were long outstanding debts from Religious and Charitable Institutions (Rs 23.9 million) and from the Irrigation Authority (Rs 24.2 million), the recoverability of which appear to be remote.

Financial Sustainability - Retained Earnings (Rs 557,177,141)

Accumulated Deficit has increased substantially over the past years to reach an amount of Rs 557,177,141. Losses for the 18-month period ending 30 June 2017 were Rs 272,677,669. This financial situation arose due to the following:

Revenue derived through wastewater charges was not sufficient to meet its expenditure.

Loans disbursed by Government to the WMA to implement sewerage projects totalled some Rs 2.84 billion as at 30 June 2017. Interests payable thereon were some Rs 260.7 million, of which Rs 100.9 million related to the 18-month period ending 30 June 2017.

User Fee is payable to Government based on the depreciation of all assets in service and generating revenue. An amount of Rs 106.5 million had been deferred until the financial situation of WMA improves. As of 30 June 2017, a total of Rs 518.5 million was due to Government.

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 those financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

In addition to the matters described in the Basis for Qualified Opinion section, I have determined the matters described below to be the Key Audit Matters to be communicated in my report.

Investment in Projects - Rs 2,561,584,911

'Investment In Projects' includes projects funded by the WMA as well as projects funded from loans from Government. As disclosed at Note 8 to the financial statements, the carrying amount of 'Investment In Projects' was Rs 2,561,584,911.

The capitalisation policies regarding Completed Projects and Borrowing Costs were considered as Key Audit Matters, as projects ran over more than one accounting period, involved significant amounts and also required judgment in determining the timing of capitalisation from the status of 'Work In Progress' to 'Investment In Project'.

How my audit addressed the key Audit Matters

A list of 'on-going' and 'projects completed during the period under review' was requested. A sample thereof was selected for thorough examination.

Project Files and Payment Schedules were scrutinised to determine, amongst others, whether works were progressing as expected and that all conditions of contract were being properly adhered to. Payments were also verified.

Verifications were carried out to ensure that all completed projects were transferred from 'Work In Progress' to 'Investment In Projects', together with the relevant borrowing costs.

Based on the above procedures performed, the figure disclosed as 'Investment In Project' was found to be fair.

Revenue - Wastewater Fees : Rs 588,876,919

The Authority derives its main revenue from the collection of Wastewater fees, as prescribed at Section 25 of the Wastewater Authority Act.

Wastewater fees, for both domestic and non-domestic tariff, amounted to Rs 588.9 million. The billing is based on water usage and the bills are generated by the Central Water Authority (CWA). This component was considered a Key Audit Matter due to the materiality of the amount involved and to the risk that revenue could be wrongly stated.

How my audit addressed the key Audit Matter

The effectiveness of internal control over the revenue cycle was tested.

Completeness of Revenue was tested, by reviewing monthly revenue returns from the CWA.

Tests were performed to ascertain whether new connections with sewerage systems were being included in the database of the WMA/CWA.

Rates applied were verified to see if they were in conformity with relevant regulations.

The figures pertaining to Revenue from Domestic and Non-Domestic customers, as disclosed at Appendix 1 of the financial statements, were found to be fair.

Retirement Benefit Obligations - Rs 142,771,456

As disclosed at Note 13 of the financial statements, the WMA operates a Defined Benefit Pension Scheme managed by the State Insurance Company of Mauritius (SICOM) Ltd, and an amount of Rs 142,771,456 was recognized as a Retirement Benefit Obligation in the Statement of Financial Position as at 30 June 2017.

'Retirement Benefit Obligations' is considered as a Key Audit Matter as it represents a significant amount in the financial statements and due to the judgment associated in determining the amount of the provision.

How my audit addressed the Key Audit Matter.

The figures reported in the financial statements were cross checked against SICOM Actuarial Valuation Report and it was ensured that they were in compliance with IAS 19.

The accuracy and completeness of Employees' and Employers' contributions, as reported in the SICOM Valuation Report, were verified.

Disclosures, as stated at Note 13 of the financial statements, were found to be appropriate.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report of the Wastewater Management Authority for the 18-month period ending 30 June 2017, 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 on 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 Financial Reporting 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 WMA'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 WMA'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 skepticism throughout the audit, I also:

- Identify and assess the risks of material misstatements 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 WMA'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 WMA'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 WMA to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether these 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 determined 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 and Other Legal and Regulatory Requirements

Management's Responsibility for compliance

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

Auditor's Responsibility

In addition to the responsibility to express an opinion on the financial statements described above, my responsibility includes expressing an opinion on whether the activities, financial transactions and information reflected in these financial statements are, in all material respects, in compliance with the laws and authorities which govern them. This responsibility includes performing procedures to obtain audit evidence about whether the WMA's expenditure and income have been applied to the purposes intended by those charged with governance. Such procedures include the assessment of risks of material non-compliance.

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

Opinion on Compliance

Statutory Bodies (Accounts and Audit) Act

The annual report, including the financial statements, of the WMA for the 18-month period ended 30 June 2017 was received at my Office on 4 October 2017. Several figures had to be amended. Another set of financial statements, approved by the Board of the WMA on 19 December 2018, was submitted to my Office on 27 December 2018.

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

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

Public Procurement Act

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

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

Financial Reporting Act

The Directors are responsible for preparing the Corporate Governance Report. My responsibility is to report on the extent of compliance with the Code of Corporate Governance as disclosed in the Annual Report and on whether the disclosures are consistent with the requirements of the Code.

In my opinion, the disclosures in the Annual Report are consistent with the requirements of the Code.



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

National Audit Office
Level 14,
Air Mauritius Centre
PORT LOUIS

22 March 2019

PURITY CERTIFIED

Audit report (cont.)

Statement of Financial Position as at 30 June 2017

ASSETS		Jan 2016 - June 2017	2015
NON CURRENT ASSETS	Notes	Rs	Rs
Property, Plant & Equipment	7	84,369,116	66,469,463
Investment In Projects	8	2,561,584,911	1,091,310,150
Long Term Loan	9	7,902,415	8,232,821
		2,653,856,442	1,166,012,434
CURRENT ASSETS			
Inventories & Work in Progress	10	552,743,859	1,375,241,429
Receivables & Prepayments	11	192,497,725	217,299,115
Short Term Loan	9	2,841,478	2,751,496
Short Term Investment		69,951,043	-
Cash & Bank Balances		52,737,772	75,259,407
TOTAL CURRENT ASSETS		870,771,877	1,670,551,447
TOTAL ASSETS		3,524,628,319	2,836,563,881
EQUITY AND LIABILITIES			
EQUITY			
Retained Earnings		(557,177,141)	(268,622,690)
Revaluation Reserve	7.2	5,204,987	2,710,350
TOTAL EQUITY		(551,972,154)	(265,912,340)
NON CURRENT LIABILITIES			
Retirement Benefit Obligations	13	142,771,456	124,529,355
Long Term Loan (Capital Projects)	18	2,841,953,792	2,117,696,947
Long Term Employee Benefits	14.2	40,682,825	39,073,565
Capital Grant	12	23,406,056	15,857,462
TOTAL NON CURRENT LIABILITIES		3,048,814,129	2,297,157,329
CURRENT LIABILITIES			
Trade & Other Payables	15	1,013,519,933	793,736,087
Short Term Employee Benefits	14.2	10,211,760	6,241,315
Deferred Income	12	4,054,651	5,341,490
TOTAL CURRENT LIABILITIES		1,027,786,344	805,318,892
TOTAL LIABILITIES		4,076,600,473	3,102,476,221
TOTAL EQUITY & LIABILITIES		3,524,628,319	2,836,563,881

Approved by the Wastewater Management Authority on 29 September 2017, and revised on **19 December 2018**, and signed on its behalf by:


(Chairman)


(Member)

The notes on pages 68 to 95 form an integral part of these Financial Statements.

Statement of Profit or Loss and Other Comprehensive Income for the Period Ended 30 June 2017

Appendix	Jan 2016 - June 2017 (18 Mths) Rs	2015 Rs
REVENUE		
Wastewater Fees	I	588,876,919
Other Revenue		68,971,837
TOTAL REVENUE		657,848,756
		440,332,648
EXPENSES		
Operation & Maintenance Costs	II	451,006,325
Administrative Costs		131,614,200
Commercial Costs		47,560,787
Finance Costs		207,677,264
Depreciation		92,667,849
TOTAL EXPENSES		930,526,425
		555,811,414
LOSS FOR THE YEAR		(272,677,669)
		(115,478,764)
OTHER COMPREHENSIVE INCOME		
Actuarial loss on defined benefit plans		(13,707,802)
Increase in revaluation reserve		(2,494,637)
TOTAL COMPREHENSIVE LOSS		(283,890,834)
		(134,862,240)

PURITY CERTIFIED

Audit report (cont.)

Statement of changes in equity for the period ended 30 June 2017

		RETAINED EARNINGS	
	Note	Jan 2016 - June 2017 (18 Mths) Rs	2015 Rs
Balance as at 1 January		(268,622,690)	(119,750,004)
Changes in net assets/equity for 2015			
Prior year expenses	17	(3,765,839)	(14,764,157)
Revenue for prior years	17	1,596,859	753,711
NET REVENUE /(EXPENSES) RECOGNISED DIRECTLY IN NET ASSETS/EQUITY		(2,168,980)	
Loss for the year		(272,677,669)	(115,478,764)
Actuarial loss on defined benefit plans		(13,707,802)	(18,246,538)
Depreciation on revalued vehicles and transfer to Retained Earnings			(1,136,938)
Revaluation of vehicles			
TOTAL RECOGNISED REVENUE/ (EXPENSES) FOR THE PERIOD		(288,554,451)	(148,872,686)
BALANCE AT YEAR END		(557,177,141)	(268,622,690)

Statement of cash flows for the period ended 30 June 2017

	Jan 2016 - June 2017 (18 Mths) Rs	2015 RS
CASH FLOWS FROM OPERATING ACTIVITIES		
LOSS FOR THE YEAR	(272,677,669)	(115,478,764)
NON CASH MOVEMENTS		
Prior year adjustment	12,782,714	34,201,554
Amortisation of Government grants	(4,054,651)	(5,341,490)
Depreciation/Amortisation	92,667,849	45,255,140
Increase in provision relating to employee costs	10,282,383	3,120,063
(Profit) / Loss on sale of asset	(2,810,658)	(1,686,979)
Gain on exchange	(1,097,774)	(504,676)
Increase in payables	219,783,846	120,326,705
Decrease in inventories	822,497,570	315,793,567
Decrease in receivables	24,801,390	26,383,900
NET CASH FLOWS (USED IN)/ GENERATED FROM OPERATING ACTIVITIES	902,175,000	422,069,021
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan from Government	724,256,845	494,215,606
Investment in Projects	(1,550,228,427)	(942,869,090)
Proceed from sale of investment	328,793,600	-
Investment	(398,213,650)	-
Disposal of assets	3,204,000	2,186,873
Purchase of Equipment/Vehicles	(32,749,427)	(19,358,245)
NET CASH(USED IN)/ GENERATED FROM INVESTING ACTIVITIES	(924,937,059)	(465,824,856)
CASH FLOWS USED FROM FINANCING ACTIVITIES		
Loan granted	(5,208,800)	(1,484,700)
Loan received	5,449,224	3,474,576
NET CASH (USED IN)/ GENERATED FROM FINANCING ACTIVITIES	240,424	1,989,876
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(22,521,635)	(41,765,958)
INCREASE/(DECREASE) IN REVALUATION RESERVE	2,494,637	(1,136,938)
CASH AND CASH EQUIVALENTS AT END OF YEAR	52,737,772	75,259,407



PURITY CERTIFIED

Audit report (cont.)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

1. GENERAL INFORMATION

The Wastewater Management Authority (“WMA”) has been established as a body corporate under the Wastewater Management Authority Act 2000, No. 39, enacted on the 30th August 2001.

2. BUSINESS ACTIVITY

The WMA is responsible for all matters relating to the collection, treatment and disposal of wastewater. It operates under the aegis of the Ministry of Energy and Public Utilities with specific functions. The WMA has been entrusted with the responsibility to construct infrastructure assets through an instrument, namely the “Convention de Maitrise D’Ouvrage Deleguée”. Once any particular project is completed and the works are handed over to the Government, the latter will entrust the operation and maintenance of these works to WMA through another instrument called “Contrat de Délégation”.

3.0 ACCOUNTING STANDARDS AND PRESENTATION OF THE FINANCIAL STATEMENTS

3.1 BASIS OF PREPARATION

(i) Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS") and interpretations issued by the International Accounting Standards Board ("IASB") wherever applicable. The preparation of financial statements requires not only the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements but also the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management’s best knowledge of current events and actions, actual results could differ from those estimates.

(ii) Functional and presentation currency

The financial statements of WMA are presented in Mauritian Rupee (Rs).

(iii) Change in reporting date

The Authority reporting date was on the 31 December each year. Due to amendments in the Statutory Bodies (Accounts and Audit) Act whereby a Statutory Body has a reporting period of 12 months ending 30 June. However, under its transitional provisions every Statutory Body, having an accounting period which ends 30 June, should adopt a reporting period of 18 months ending 30 June 2017.

4.0 ACCOUNTING POLICIES

4.1 NEW AND REVISED IFRS WITH NO MATERIAL EFFECT ON THE FINANCIAL STATEMENTS

The following relevant revised standards have been applied in the financial statements, their applications have not had any material impact on the amounts reported for current and prior years but may affect the accounting for future transactions or arrangements.

IAS 7 Disclosure amendments

4.2 NEW AND REVISED IFRS IN ISSUE BUT NOT YET EFFECTIVE

IFRS 15 Revenue from Contracts with Customers (effective January 01, 2017)

IFRS 9 Financial Instruments (effective January 01, 2018)

IFRIC 22 Foreign Currency Transactions and Advance Considerations (effective January 01, 2018)

4.3 ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention.

4.3.1 COMPARATIVE FIGURES

IAS 1 requires financial information to be disclosed in respect for the previous period for all amount reported in the financial statement. It should cover both on the face of the financial statement period January 2016-June 2017 which are spread over eighteen months and the previous year 2015 covers a period of twelve months are not comparable. This adoption ensures proper narration and description to understand the financial statement of the current period.

4.4 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment in value.

4.4.1 DEPRECIATION/AMORTISATION

Depreciation is calculated on the straight line basis at annual rates estimated to write off the cost of the assets less their estimated residual values over their expected useful lives. For assets which have been revalued, no residual value has been considered for the computation of depreciation and the latter is offset against the revaluation reserve. The annual rates used are:

Equipment	10-20%
Motor Vehicles	10-20%
Projects - (i) Civil works	2.5%
(ii) Mechanical & Electrical	6.67%
(iii) Consultancy	20.00%

No depreciation is charged on additions in the month of purchase nor provision is made in the month of Disposal. So far, assets received from Government are treated as grants in the accounts, the net book value is being treated as deferred income and amortised over a period of 8 to 10 years.

4.4.2 IMPAIRMENT

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

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately unless the relevant asset is carried at a re-valued amount in which case the impairment loss is treated as a revaluation decrease.

4.4.3 REVALUATION

During the period January 2016 to June 2017, revaluation of vehicles and equipment was carried out in house.

4.5 FINANCIAL INSTRUMENTS

Financial instruments carried on the Statement of Financial Position include loans, trade and other receivables, cash and cash equivalents and trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4.6 RECEIVABLES

Trade receivables are carried at original invoice amount less provision made for impairment loss of these receivables and approximates their fair value. The amount of the provision has been determined by reference to debts, which are over three years old or are unlikely to be recovered.



PURITY CERTIFIED

Audit report (cont.)

4.7 PAYABLES

Trade payables are stated at their nominal value and approximate their fair value.

4.8 INVENTORIES

Inventory items comprise consumable stores, chemicals, maintenance materials, spare parts for plant and equipment from contracts which are held for distribution or consumption at no charge or for a nominal charge. They are measured at the lower of cost and Net Realisable Value. Net Realisable Value refers to the net amount that an entity expects to realise from the sale of Inventory in the ordinary course of business.

4.9 REVENUE RECOGNITION

Wastewater fees are recognised on an accrual basis. Commision costs paid to the CWA are recognised on wastewater fees collectible with the substance of the relevant agreement.

Other income includes:

- (i) Revenue derived from ancillary services are listed at appendix I.
- (ii) Interest income is recognised on an accrual basis with the substance of the relevant agreement made at the time of investment.
- (iii) All supply of goods and services by the Wastewater Management Authority established under WMA Act 2000 are to be zero-rated by virtue of the Value Added Tax (Amendment Bill) no XL11of 2001.

4.10 PROVISION FOR RETIREMENT BENEFITS

The Authority contributes to two pension schemes, which are "Defined Benefit" and "Defined Contribution" plan. The assets of the fund are held independently and administered by the State Insurance of Mauritius Ltd(SICOM).

(i) Defined benefit

The amount for present value of the defined benefit obligation as adjusted for unrecognised past service costs and reduced by the fair value of plan assets is recognised in the Statement of Financial Position as at 30 June 2017. The average remaining working lifetime of existing lifetime of existing members is 22 years.

(ii) Service costs

Service cost is the additional liability that arises from employees providing service during the period.

(iii) Current Service cost

Current Service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

(iv) Past Service cost

Past Service cost is the change in the present value of the defined benefit obligation for employee service in prior periods

(v) Fund Expenses

Fund Expenses payable is the management fee in respect of the fund.

(vi) Net Interest Expense/Income

Net Interest Expense is the interest expense on the net defined benefit liability or interest income on the net defined benefit asset.

(vii) Defined contribution

Further to the recommendations of the PRB 2013 Report, the Statutory Bodies Funds Act had been amended

and a new scheme had been set up under Section 18 of the Pension Act that is the Public Pension Defined Contribution Scheme to cater for new entrants. The amount expensed in the Statement of Profit/Loss is Rs4,068,812 for the period ended 30 June 2017.

4.11 CONTRIBUTIONS TO THE NATIONAL PENSION SCHEME

The contributions to the National Pension Scheme on behalf of temporary and contract employees are expensed in the Statement of Profit/Loss in the period in which they fall due. An amount of Rs566,838 has been contributed in the period ended 30 June 2017.

4.12 EMPLOYEE BENEFITS

Employee benefits include sick leave and passage benefits. Employee benefits such as sick leave entitlements which fall due up to the reporting date in which the employees render the related service are measured at their nominal amounts and undiscounted. The nominal basis of measurement for sick leaves uses remuneration rates as at 30 June 2017 and that for passage benefits are based on annual basic salary plus compensation at approved rates. For short term passage benefits an estimated amount has been provided.

4.13 RELATED PARTIES

For the purpose of the financial statements, parties are considered to be related to the Authority if they have the ability directly or indirectly to control the Authority or exercise significant influence over the authority in making financial and operating decisions or where the Authority is subject to common control of common significant influence. Related parties may be individuals or entities. According to Section 9 of the WMA Act 2000, the Government of Mauritius can exercise control.

4.14 USE OF ESTIMATES AND JUDGEMENT

The preparation of financial statements in accordance with IAS/IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of Financial Statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from these estimates.

4.15 FINANCIAL RISKS MANAGEMENT

The financial risk factors to which the activities of the WMA are exposed are as follows:

4.15.1 LIQUIDITY RISK

This refers to the possibility of default by the Authority to meet its obligations because of unavailability of funds to meet operational requirement. The expenditure of the Authority is also matched against budgeted estimates to be within targeted limits.

4.15.2 INTEREST RATE RISK

WMA's income and operating cash flows are substantially independent of changes in market interest rate. However, WMA's policy is to maximize returns on interest bearing assets.

4.15.3 CREDIT RISK

Credit risk relates to the possibility of default by customers. The Authority credit risk is mainly attributable to its trade receivables. The amount presented in the Statement of Financial Position is netted against provision for doubtful receivables made for domestic and non-domestic customers that are three years old or are unlikely to be recovered.

PURITY CERTIFIED

Audit report (cont.)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

4.15.4 CURRENCY RISK

There is the possibility of currency risk whenever payment for the purchase of goods and services and payment to contractors for capital projects are effected in foreign currency.

4.15.5 IAS 23 - BORROWING COST

The standard requires immediate expenses of borrowing costs. IAS 23 allows for the capitalization of any borrowing costs directly attributable to the construction of qualify assets. Any borrowing costs incurred by the WMA that are directly attributable to design construction, works and sewer are treated as an asset which is included in the cost of the asset, such borrowing costs are capitalized. The capitalization of the borrowing costs cease when the capital projects are released for use. The effective date of adoption of such policy is January 2013 and WMA shall consistently comply with IAS 8 - Accounting policies.

4.15.6 BORROWING COST AMORTISED

In the event capital projects are completed, the amortisation of the borrowing cost shall be released to the income statement. The useful remaining life of capital projects for WMA is 40 years. The same principles have been applied to release the borrowing cost.

4.16 GENERAL FUND - NON MONETARY ASSETS FROM GOVERNMENT

Government grants related to non-monetary assets have been recognised as income on a systematic and Rational basis over the useful life of the assets and adjusted annually whenever the need arises. See note 12.

5.0 Salaries and Related Costs

	June 2017 Number	Dec 2015 Number
Total number of employees as at 30	480	480

6.0 Finance Costs

	Jan 2016 - June 2017 Rs	2015 Rs
Bank Charges	259,228	108,845
Interest on loan from Government	100,918,036	32,250,304
User fee	106,500,000	71,000,000
	207,677,264	103,359,149

7.0 Property, Plant & Equipment

COST/VALUATION	VEHICLES Rs	EQUIPMENT Rs	PROPERTY Rs	TOTAL Jan 2016 - June 2017 Rs
At 31 December 2015	69,641,858	110,955,215	1,552,721	182,149,794
Disposal	(6,265,954)	-	-	(6,265,954)
Additions	11,445,967	24,631,885	-	36,077,852
From grant	150,000	933,656	-	1,083,656
Revaluation	(32,504,459)	(70,513,474)	(1,552,721)	(104,570,654)
Adjustment	(7,496,445)	-	-	(7,496,445)
COST AS AT 30 JUNE 2017	34,970,967	66,007,282	-	100,978,249
ACCUMULATED DEPRECIATION				
At 31 December 2015	44,710,161	70,923,588	46,582	115,680,331
Disposal	(5,665,954)	-	-	(5,665,954)
Charge for the period	5,411,945	7,302,240	-	12,714,185
Revaluation	(26,773,597)	(66,979,473)	(46,582)	(93,799,652)
Adjustment	(12,319,777)	-	-	(12,319,777)
TOTAL DEPRECIATION AS AT 30 JUNE 2017	5,362,778	11,246,355	-	16,609,133
CARRYING VALUE AS AT 30 JUNE 2017	29,608,189	54,760,927	-	84,369,116

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

7.1 FIXED ASSET REGISTER

The design of new FAR at WMA has led to the revisiting of the entire class of property of the Authority.

- Use the revaluation model to recognise WMA assets and reinstate assets value that is being in use. The differences have treated as revaluation surplus and to be recognised in the income statement as from 2017-2018 under same policies of amortisation of each class of assets.
- Losses and amortisation for the previous years' balances have been treated in the books as profit or loss in the income statement and or retained earnings.

PURITY CERTIFIED

Audit report (cont.)

7.2 Revaluation Reserve

	Total Jan 2016 - June 2017 Rs
Opening balance	2,710,350
Vehicle revalued	1,518,671
Equipment revalued	975,966
Total as at 30 June 2017	5,204,987

8.0 Investments in projects

COST/VALUATION	PROJECTS FUNDED BY WMA Rs	PROJECTS FUNDED THROUGH LOAN FROM GOVERNMENT Rs	BORROWING COSTS Rs	TOTAL Jan 2016 - June 2017 Rs	TOTAL 2015 Rs
At 31 December 2015	85,045,315	931,012,901	120,663,506	1,136,721,722	225,689,358
Additions		1,550,228,425		1,550,228,425	546,813,078
Borrowing costs to be capitalised			-	-	55,284,502
Projects 2013/2014 capitalised			-	-	308,934,784
AS AT 30 JUNE 2017	85,045,315	2,481,241,326	120,663,506	2,686,950,147	1,136,721,722
ACCUMULATED DEPRECIATION					
At 31 December 2015	10,602,379	29,919,620	4,889,573	45,411,572	11,869,294
Charge for the period	3,720,733	71,891,367	-	75,612,100	28,652,705
Amortisation cost			4,341,564	4,341,564	
Adjustment Depreciation			-	-	4,889,573
AS AT 30 JUNE 2017	14,323,112	101,810,987	9,231,137	125,365,236	45,411,572
CARRYING VALUE AS AT 30 JUNE 2017	70,722,203	2,379,430,339	111,432,369	2,561,584,911	1,091,310,150

9.0 Loan granted to staff

	Total Jan 2016 - June 2017 Rs	2015 Rs
Opening Balance	10,984,317	12,974,193
Loan Granted	5,208,800	1,484,700
Loan repaid	(5,449,224)	(3,474,576)
CLOSING BALANCE	10,743,893	10,984,317
Less amount falling due within one year	(2,841,478)	(2,751,496)
Amount falling due more than one year	7,902,415	8,232,821

Loan granted includes balances in respect of advances of Rs10,743,893 made to eligible staff for the purchase of personal cars.

The loan is repayable over a period of five to seven years at an interest rate of 7.5%, 4%, 4.65% & 4.4% per annum depending the time the loan is granted.

10. INVENTORIES

The inventories consist of mainly recurrent chemicals and spare parts for maintenance and equipment from Jin Fei and other Capital Projects.

	Total Jan 2016 - June 2017 Rs	2015 Rs
Equipment from projects	29,615,012	19,434,510
Spare parts for maintenance	1,701,019	3,809,070
Chemicals	1,779,579	755,260
Other consumables	2,234,581	2,286,060
Borrowing costs	46,913,892	-
Work in Progress	470,499,776	1,348,956,529
TOTAL	552,743,859	1,375,241,429

PURITY CERTIFIED

Audit report (cont.)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

11. Receivables and prepayment

	Jan 2016 - June 2017 Rs	2015 Rs
Opening balance	274,681,402	278,031,006
Increase/(decrease) in Domestic and Non Domestic Debtors	(50,444,490)	(3,349,604)
	224,236,912	274,681,402
Less impairment of debt (see Note 11.2)	(141,264,882)	(134,493,239)
BILLS RENDERED TO DOMESTIC AND NON DOMESTIC CUSTOMERS	82,972,030	140,188,163
Other receivables and prepayments	108,783,876	76,405,820
Deposits receivable	741,819	705,132
TOTAL	192,497,725	217,299,115

11.1 Bills rendered to customers are shown at a net basis. The average credit period taken by consumers is 120 days. No penalty is charged on the receivables on the first 21 days from the date of delivery, thereafter a surcharge of 10% is applicable on payment.

11.2 Movement in the impairment of debt

	Jan 2016 - June 2017 Rs	2015 Rs
Balance as at 1 January	134,493,238	112,515,951
Amount written off / recovered	(31,721,705)	(4,610,596)
Provision for the year	38,493,349	26,587,883
BALANCE AS AT 30 JUNE	141,264,882	134,493,238

12. Capital Grant and Deferred Income

	Jan 2016 - June 2017 Rs	2015 Rs
Opening Balance	21,198,952	20,140,404
Received/Disposed during the year	10,316,406	2,996,736
Adjusted during the year	-	3,403,302
Amortisation	(4,054,651)	(5,341,490)
CLOSING BALANCE	27,460,707	21,198,952
Less amount falling due within one year	(4,054,651)	(5,341,490)
Amount falling due more than one year	23,406,056	15,857,462

13. Retirement Benefit Obligations Figures for IAS 19 Adoption for the period ending 30 June 2017

	6-MONTHS PERIOD ENDING 30 June 2017 Rs	YEAR ENDING 31 Dec 2016 Rs	YEAR ENDING 31 Dec 2015 Rs
AMOUNTS RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION AT END OF YEAR			
Defined benefit obligation	252,065,839	243,829,477	217,988,202
Fair value of plan assets	(109,294,383)	(102,591,390)	(93,458,847)
LIABILITY RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION AT END OF YEAR	142,771,456	141,238,087	124,529,355

PURITY CERTIFIED

Audit report (cont.)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

Amounts recognised in the Statement of Financial Performance

	June 2017 Rs	Dec 2016 Rs	Dec 2015 Rs
Service cost:			
Current service cost	5,300,919	10,453,032	10,128,804
Past service cost	-	-	-
(Employee Contributions)	(2,958,201)	(5,862,584)	(5,466,797)
Fund Expenses	-	-	78,812
Net interest expense/(income)	4,555,761	7,915,063	7,489,058
P&L CHARGE	6,898,479	12,505,511	12,229,877
REMEASUREMENT			
Liability (gain)/loss	777,863	11,502,640	12,651,820
Asset gain/(loss)	(1,212,637)	2,639,936	5,594,718
Total Other Comprehensive Income(OCI) recognised	(434,774)	14,142,576	18,246,538
TOTAL	6,463,705	26,648,087	30,476,415
At start of year	141,238,087	124,529,355	103,162,752
Amount recognised in P&L	6,898,479	12,505,511	12,229,877
(Actuarial reserves transferred in)	-	(168,380)	-
(Contributions paid by employer)	(4,930,336)	(9,770,975)	(9,109,812)
Amount recognised in OCI	(434,774)	14,142,576	18,246,538
AT END OF YEAR	142,771,456	141,238,087	124,529,355
ACTUAL RETURN ON PLAN ASSETS:	4,581,335	3,671,190	1,140,872

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 Mauritius Ltd.

Reconciliation of the present value of defined benefit obligation

	6 - MONTHS PERIOD ENDING 30 June 2017 Rs	YEAR ENDING 31 Dec 2016 Rs	YEAR ENDING 31 Dec 2015 Rs
Present value of obligation at start of period	243,829,477	217,988,202	188,919,147
Current service cost	5,300,919	10,453,032	10,128,804
Interest cost	7,924,458	14,169,233	14,168,936
(Benefits paid)	(5,766,878)	(10,283,630)	(7,880,505)
Liability (gain)/loss	777,863	11,502,640	12,651,820
Present value of obligation at end of period	252,065,839	243,829,477	217,988,202

Reconciliation of fair value of plan assets

	6- MONTHS PERIOD ENDING 30 June 2017 Rs	YEAR ENDING 31 Dec 2016 Rs	YEAR ENDING 31 Dec 2015 Rs
Fair value of plan assets at start of period	102,591,390	93,458,847	85,756,395
Expected return on plan assets	3,368,697	6,254,170	6,679,878
Employer contributions	4,930,336	9,770,975	9,109,812
Employee contributions	2,958,201	5,862,584	5,466,797
Actuarial Reserves transferred in	-	168,380	-
(Benefits paid + other outgo)	(5,766,878)	(10,283,630)	(7,959,317)
Asset gain/(loss)	1,212,637	(2,639,936)	(5,594,718)
Fair value of plan assets at end of period	109,294,383	102,591,390	93,458,847

Distribution of plan assets at end of period Percentage of assets at end of year

	June 2017	Dec 2016	Dec 2015
Fixed interest securities and cash	56.6%	57.8%	58.1%
Loans	4.4%	4.6%	4.3%
Local equities	15.8%	14.8%	15.9%
Overseas bonds and equities	22.6%	22.1%	21%
Property	0.6%	0.7%	0.7%
TOTAL	100%	100%	100%

PURITY CERTIFIED

Audit report (cont.)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

Additional disclosure on assets issued or used by the reporting entity

	June 2017 %	Dec 2016 %	Dec 2015 %
Assets held in the entity's own financial instruments	0	0	0
Property occupied by the entity	0	0	0
Other assets used by the entity	0	0	0

Components of the amount recognised in OCI

YEAR	June 2017	Dec 2016	Dec 2015
CURRENCY	RS	Rs	Rs
Asset experience gain/ (loss) during the period	1,212,637	(2,639,936)	(5,594,718)
Liability experience gain/ (loss) during the period	(777,863)	(11,502,640)	(12,651,820)
	434,774	(14,142,576)	(18,246,538)
YEAR	2017/18		
Expected employer contributions	10,206,449		

Weighted average duration of the defined benefit obligation 19 years (Calculated as a % change in PV of liabilities for a 1% change in discount rate).

The plan is exposed to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk. The risk relating to death in service benefits is re-insured.

The cost of providing the benefits is determined using the Projected Unit Method. The principal assumptions used for the purpose of the actuarial valuation were as follows:

	6- MONTHS PERIOD ENDING 30 June 2017	YEAR ENDING 31 Dec 2016	YEAR ENDING 31 Dec 2015
Discount Rate	6.50%	6.50%	7.50%
Future salary increases	4.00%	4.00%	5.00%
Future pension increases	3.00%	3.00%	3.00%
Mortality before retirement	A 6770 Ultimates Tables		
Mortality in retirement	PA (90) Tables-rated down by 2 years		

Retirement age As per second schedule in the Statutory Bodies

Pension Funds Act

The discount rate is determined by reference to market yields on bonds. Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based reasonably on possible changes of the assumptions occurring at the end of the reporting period.

If the discount rate would be 100 basis points (one percent) higher (lower), the defined benefit obligation would decrease by Rs36.8M (increase by Rs47.8M) if all other assumptions were held unchanged.

If the expected salary growth would increase (decrease) by 100 basis point, the defined benefit obligation would increase by Rs25.9M (decrease by Rs21.4M) if all assumptions were held would increase by Rs25.9M (decrease by Rs21.4M) if all assumptions were held unchanged.

If life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by Rs6.7M (decrease by Rs6.7M) if all assumptions were held unchanged.

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. The analysis above abstracts from these interdependence between the assumptions.

PURITY CERTIFIED

Audit report (cont.)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

14. Employee benefits

WMA has provided for the employee benefits as under:

14.1 Provision for Sick Leave		
	Jan 2016- June 2017 Rs	2015 Rs
Opening Balance	36,274,131	32,968,791
Adjustment	-	39,178
Payment during the year	(5,077,387)	(3,667,571)
Provision for the year	9,203,303	6,933,734
CLOSING BALANCE	40,400,047	36,274,132
Less Amount falling due within one year	(5,331,260)	(3,310,515)
Amount falling due after more than one year	35,068,787	32,963,617

14.2 Provision for Passage benefits		
	Jan 2016- June 2017 Rs	2015 Rs
Opening Balance	9,040,748	8,493,722
Adjustment	73,661	(14,091)
Payment during the year	(4,436,781)	(2,664,311)
Provision for the year	5,816,910	3,225,428
CLOSING BALANCE	10,494,538	9,040,748
Less amount falling due within one year	(4,880,500)	(2,930,800)
Amount falling due after more than one year	5,614,038	6,109,948
Total Short Term Employee Benefits	10,211,760	6,241,315
Total long Term Employee Benefits	40,682,825	39,073,565
TOTAL EMPLOYEE BENEFITS	50,894,585	45,314,880

15. Trade and Other payables

	Jan 2016- June 2017 Rs	2015 Rs
Accruals: User fee	518,500,000	412,000,000
Interest on loan	260,752,204	159,834,167
Recurrent and capital expenditure	227,750,895	217,074,996
	1,007,003,099	788,909,163
Other Payables	6,516,834	4,826,924
	1,013,519,933	793,736,087

The amount of Rs518.5m representing user fee for years 2010 to 30 June 2017 will be written off in the financial Year 2017/18 subject to the approval of the Board.

16. Contingent Liability

During the financial year WMA has provided for an amount of Rs12,453,700 as bank Guarantee for acquiring way-leaves as follows:

	Jan 2016- June 2017 Rs	2015 Rs
Municipal Councils	6,298,700	11,742,650
District Council	135,000	-
Road Development Authority	6,000,000	6,000,000
Mauritius Revenue Authority	20,000	20,000
TOTAL	12,453,700	17,762,650

The way-leaves are necessary for the implementation of Capital Projects.

At the statement of financial position date, WMA has contingent liability in respect of :

- Bank guarantees issued in ordinary course of business from which it is anticipated that no material liabilities will arise.
- For cases pending before the Court where WMA is being sued. The total amount claimed to WMA is Rs25,666,641 and no provision has been made in the Accounts.
- As at 30 June 2017, the employees have an amount of Rs36, 217,122 as vacation leave; no provision has been made in the Accounts.
- The contractor for Plaine Wilhems Sewerage Project WW80F made a claim for an additional payment of Rs737,068,497 to which the consultant revised to Rs414,129,390. On 30 January 2018, the WMA Board approved payment of Rs80,259,535 excluding VAT out of the revised amount. No provision has been made for the approved amount.

PURITY CERTIFIED

Audit report (cont.)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

17. Statement of changes in Equity for the period ended 30 June 2017

Revenue for prior years	Rs	Rs
Overpayment	317,485	
Adjustment of gratuity	407,482	
Stock	866,495	
Revaluation Reserve	5,397	
TOTAL REVENUE FOR PRIOR YEARS		1,596,859

Prior year expenses	Rs	Rs
Adjustment of depreciation on projects through loan	1,309,490	
Adjustment of depreciation on vehicles	517,951	
Vehicle Adjustment	204,033	
CWA debtors adjusted	1,097,108	
Electricity consumption under registered	450,000	
Refund of Wastewater Fees	54,057	
DMS project	121,500	
Arrears allowance	11,700	
TOTAL PRIOR YEAR EXPENSES		3,765,839

Net revenue/(expenses) recognised directly in statement of changes in equity (2,168,980)

Figures for 2015 have been omitted owing to changes in item of expenses and revenue.

18. Long Term Loan

As from year 2013 capital projects previously funded by Government is now funded by WMA through loan from Government.

Opening Balance	2,117,696,947	1,623,481,341
Loan from Government	724,256,845	494,215,606
Adjustment on valuation	-	-
TOTAL	2,841,953,792	2,117,696,947

19. Capital Commitments

WMA has contracted capital expenditure amounting to Rs2,988,464 for the purchase of equipment at the statement financial position date which has been recognised in the financial statement.

20. Directors or Employees Interest

The Directors or employees do not have any interest in any contract or transaction with the organisation.

21. Related Parties Transactions

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. The amount paid to and received from Government of Mauritius and its state-controlled entities relate generally to fixing tariff, taxes, amount relating to pension and pension administration, payment of user fee, interest and refund of loans.

22. Remuneration of Directors and Key Personnel Management

The remuneration of directors and that of the members of key management during the year was as follows:

22.1 Remuneration

	Jan 2016- June 2017 Rs	Jan-Dec 2015 Rs
Directors	4,356,000	1,795,000
Other fees	214,313	-
Key Personnel Management	8,462,566	6,643,094
	13,032,879	8,438,094

22.2 Loan to Managers for the purchase of vehicles

	Jan 2016- June 2017 Rs	Jan-Dec 2015 Rs
Opening balance	474,285	782,856
Add loan granted during the year	-	-
Less loan repaid	(177,857)	(308,571)
CLOSING BALANCE	296,428	474,285

...for generations
to come.

PURITY CERTIFIED

Audit report (cont.)

APPENDIX I

Income for period ended 30 June 2017

INCOME	Jan 16-June 17 Rs	2015 Rs
Domestic Tariff (Fees)	229,459,548	156,283,263
Non Domestic Tariff (Fees)	359,417,371	239,613,186
	588,876,919	395,896,449
OTHER INCOME		
Surcharge	9,588,865	6,252,594
Sale of tender documents	839,756	59,000
Tanker License Fees	1,281,288	875,603
Bank Interest Received	1,035,366	708,005
Industrial Discharge Permit	11,000	8,300
Sundry Income	4,781,102	2,410,611
Verification of Design of Sewer, Treatment Plant	65,450	25,200
Clearing Blockages	429,256	212,293
Disposal of effluent at Roche Bois Pumping station	33,250,088	21,821,244
Clearance for building permit	4,793,423	2,591,704
Attendance to Meetings and Site Visits	17,200	4,600
Witnessing of Percolation tests	128,900	43,300
Wastewater Clearance for Morcellement permits	4,308,340	1,890,600
Rent received	478,720	
Profit on disposal of fixed asset	2,810,658	1,686,979
Amortisation of Government Grant	4,054,651	5,341,490
Gain on exchange rate	1,097,774	504,676
TOTAL OTHER INCOME	68,971,837	44,436,199
TOTAL INCOME	657,848,756	440,332,648

PURITY CERTIFIED

Audit report (cont.)

APPENDIX II

Expenditure for period ended 30 June 2017		
	Jan 16-June 17 Rs	Jan-Dec 2015 Rs
OPERATION AND MAINTENANCE COSTS		
Staff costs and other related costs	238,442,408	147,775,390
Travel and Transport	25,139,123	16,376,310
Telephone	1,331,525	851,855
Electricity	78,805,902	51,852,322
Water Rates	1,332,678	939,144
Security Services	7,648,850	4,929,450
Repair and Maintenance costs	13,092,188	9,635,566
Motor Vehicle Costs	16,493,101	14,925,178
Contract Operating Agreement	68,278,824	50,398,026
Advertising Costs	441,726	42,248
Sub-Total A	451,006,325	297,725,489
ADMINISTRATIVE COSTS		
Staff costs and other related costs	79,630,646	50,039,315
Travel and Transport	6,000,462	3,890,593
Postage	988,035	323,929
Telephone	2,257,802	1,318,739
Rent	22,543,571	15,028,972
Electricity	2,405,191	1,466,024
Printing and Stationery	5,993,119	2,766,712
Insurance	470,588	475,054
Security Services	549,456	433,987
Hired and Contracted Service	1,462,504	934,568
Consultancy Services	20,600	40,500
Seminars and Hospitality	441,478	215,614
Legal Fees	3,003,265	2,054,517
Audit Fees	275,000	275,000
Other Fees	4,772,500	1,795,900
Advertising costs	794,393	408,521
Unserviceable stock written off	5,590	-
Sub-Total B	131,614,200	81,467,945

Expenditure for the period ended 30 June 2017		
	Jan 16- June 17 Rs	2015 Rs
COMMERCIAL COSTS		
Income Collection Fee	9,067,438	6,026,403
Bad Debts Provision	38,493,349	21,977,287
SUB-TOTAL C	47,560,787	28,003,691
Depreciation /Amortisation cost	92,667,849	45,255,140
SUB-TOTAL D	92,667,849	45,255,140
FINANCE COSTS		
Bank Charges	259,228	108,845
Interest on Loan	100,918,036	32,250,304
User fee	106,500,000	71,000,000
SUB-TOTAL E	207,677,264	103,359,149
TOTAL EXPENDITURE	930,526,425	555,811,414
SUMMARY		
	Jan 16- June 17 Rs	2015 Rs
Total Income	657,848,756	440,332,648
Total expenditure	930,526,425	555,811,414
PROFIT /(LOSS) FOR THE YEAR	(272,677,669)	(115,478,764)

PURITY CERTIFIED

Audit report (cont.)

APPENDIX III

Wastewater Management Authority Capital projects for the period January 2016 to June 2017

S/N	Title of project	Cumulative expenditure up to Dec 2015 Rs M	Expenditure period Jan 2016 to Dec 2016 Rs M	Expenditure period Jan 2017 to June 2017 Rs M	Expenditure period Jan 2016 to June 2017 Rs M
D0013	Plaines Wilhems sewerage project stage 1	7,921	366	153	519
D0014	House service connections	648	27	30	57
D0015	Grand Baie sewerage project	1,269	7	-	7
D0016	Rehabilitation in CHA estates & low cost	1,267	-	8	8
D0070	Vallee des Prêtres Tranquebar	4	-	-	-
	Vallee des Prêtres Cypailles Brulée		19	32	51
D0070	Parisot phase II sewerage project	60	10	-	10
D0070	Verger Bissambar	48	10	3	13
D0070	Camp Caval, Robinson	4	1	-	1
	Alfred Gelee		5	-	5
D0070	Cité Marcel Cabon	-	5	1	5
D0070	Bain Des Dames	3	-	-	-
D0017	Baie Du Tombeau sewerage project	1,715	-	-	-

Capital Projects for the period January 2016 to June 2017

S/N	Title of Project	Cumulative expenditure up to Dec 2015 Rs M	Expenditure period Jan 2016 to Dec 2016	Expenditure period Jan 2017 to June 2017	Expenditure period Jan 2016 to June 2017
D0018	Environmental west & sanitation project	2,142	-	-	-
D0019	Pailles Guibies sewerage project	28	63	45	107
D0020	Upgrading of wastewater infrastructure	508	14	6	20
D0118	Highlands phase I works	-	-	-	-
D0119	Rivière Du Rempart consultancy	-	-	-	-
D0120	Kensington Pte aux Sables works	-	-	-	-
	SUB TOTAL	15,617	527	278	803
	Completed project	1,460			
	GRAND TOTAL (INCLUSIVE OF VAT)	17,077	527	278	803



NOTES





Wastewater Management Authority

The Celicourt
Sir Celicourt Anthelme Street,
Port Louis, Mauritius

Tel: (230) 206-3000
Hotline: (230) 800-1300
Fax: (230) 211-7007

Email: wma@intnet.mu
www.wmamauritius.mu