

# ENGAGEMENT TOWARDS

## A BETTER ENVIRONMENT

ANNUAL REPORT  
2013





## VISION

- 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

## MISSION

- 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

## CORE VALUES

- 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



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## CHAIRMAN'S OVERVIEW

KHUSHAL LOBINE

Looking ahead, our focus concentrates on driving further customer satisfaction, alongside operational and environmental improvements.

The year under review has been very significant for the Wastewater Management Authority. In 2013, we steadily focused on our mission to extend our services to a larger part of the population while improving the quality of service to our customers. With the increasing demand for water resources, the Authority is proud to pursue its mission of treating wastewater for irrigation purposes, thus contributing towards a more judicious use of limited water resources.

### Projects

Considerable progress has been achieved in the Plaines Wilhems area during the year and the works are expected to be completed in 2017. In the north of the island, we have embarked on another project in the Grand Baie region to provide wastewater facilities to the nearby villages. Among major projects in the pipeline, the Pailles Guibies region is on our priority list. For the next five years, the Authority is planning to invest 8.8 billion rupees on wastewater projects.

### Financial sustainability

Last year, Government changed its funding policy and the Authority is granted loans for implementing wastewater projects. This financial set-up presented new challenges but as a team, we reviewed our policy for project implementation in the best interest of our customers. The costs involved in the implementation of projects are huge and wastewater charges at the present rate would not be sufficient to enable the Authority to repay back the loans in the short term. Consequently, despite our continuous efforts to raise revenue and cut costs, the financial accounts of the Authority show a deficit. In fact, an adequate increase in the wastewater tariff to cover expenditures is warranted for the financial sustainability of the sector.

### Modernizing operation and maintenance

The Board invested considerably in new equipment for providing better service to our customers. New Cesspool Emptiers, Jetting Units and CCTV to inspect sewer lines contributed positively to improve the operation and maintenance service of the WMA.

### Employees

The Board recognizes that the success of WMA is due to the outstanding efforts of a motivated and committed workforce. It's in our culture to encourage exceptional business performance, through the skills and energy of some 470 people. I am delighted to say that we are aiming at making WMA one of the best places to work. To ensure that we use this talent pool and have the right resources in place, we are moving ahead with our employee development programme.

### Corporate governance

As a Board, we are responsible to all our stakeholders for the performance and long-term success of the Organisation which, we believe, already reflects adherence to good corporate governance practices at all levels of the WMA. We have consistently demonstrated a commitment to the highest standards of corporate governance at Board level and throughout the Authority. We give high priority to compliance and ethics, as well as health, safety and the environment concerns.

We are attentive to the views of key stakeholders and endeavour to develop, manage and operate in an environmentally sustainable and socially responsible manner. Health and safety is of paramount importance and we believe that everybody at the WMA has a part to play in maintaining a safe working environment. The risk assessment exercise carried out during the year with remedial measures undertaken to mitigate risks has yielded positive results.

We spared no efforts to strengthen our internal control arrangements and external reporting on environmental, social and governance matters.

### Outlook

Our sustained focus on operational performance, combined with continued substantial investment in our assets and projects, is reaping benefits for our stakeholders and the environment. Looking ahead, our focus concentrates on driving further customer satisfaction, alongside operational and environmental improvements.



**KHUSHAL LOBINE**  
LLB (Hons) (UK), ACI Arb  
CHAIRMAN



## GENERAL MANAGER'S REPORT

DR MOUSSA E. ALLYBOKUS

In line with our moto to put customers first, emphasis is being laid on the preventive maintenance program of sewer lines, whereby some 125 km of sewer lines were maintained during the period under review.

2013 presented a major challenge to the WMA with the adoption by Government of a new financing mode for wastewater projects. As from the start of the year, all funds sought from Government for both ongoing and new projects were considered as loan to the Authority. This new policy engaged the WMA to rethink its strategies for its financial sustainability as well as prioritizing the implementation of future projects. The capital expenditure for the period under review stood to MUR 957 million and the associated interest of MUR 16 million.

Constant monitoring and supervision of ongoing projects (Plaines Wilhems Sewerage Project Lot 1 A and Lot 2) coupled with house connection contracts, the Authority succeeded in meeting its targeted Key Performance Indicators of 3000 house connections. Furthermore, with the financial support of the Japan International Cooperation Agency (JICA), the contract for Consultancy Services for the Grand Baie Phase 1B Project was awarded in October 2013 with the objective to provide adequate sanitation facilities to the inhabitants of Pereybere, Pointe aux Cannoniers and Mont Choisy. Another project which has the attention of the Authority concerns the regions of Pailles-Guibies. The project presently financed by BADEA and OFID which has accumulated delays for reasons beyond the control of the WMA, is now expected to start in 2014.

Parallel to the extension of sewer network across the island, WMA is pursuing its efforts towards the smooth operations and maintenance of its wastewater infrastructure. In line with our moto to put customers first, emphasis is being laid on the preventive maintenance program of sewer lines, whereby some 125 km of sewer lines were maintained during the period under review. The Authority strived hard to optimize costs associated with the wastewater treatment, thereby ensuring effective management of the wastewater infrastructure by its in-house teams. In the same breadth, three additional pumping stations (New Bambous Pumping Station, Ebene PSD, Ebene PSB) were taken over by the Authority in 2013. Another initiative, in line with the "Maurice Ile Durable Concept," is the co-generation of electricity at St Martin Wastewater Treatment Plant, re-use of treated effluent for irrigation of sugar cane and sludge management.

The environmental arm of the Authority, that is, the Pollution Control Unit in collaboration with the Wastewater Laboratory is also constantly ensuring that all wastewaters from infrastructural and industrial developments are being properly managed thereby contributing to our engagement for a better environment.

WMA maintained its relentless efforts towards a financially sustainable organisation with a view to moving ahead with future investments in the sanitation sector. Opening of new wastewater accounts together with tracking of unregistered wastewater connections and rigorous initiatives towards debt collection helped in improving the Authority's financial situation. Furthermore, the levying of fees in respect of other wastewater services has also contributed in bringing additional revenue.

Needless to say that human resource and professional development has always occupied a place of choice in our strategic plan. As in preceding years, the Authority took necessary steps and initiatives to improve the skills and professionalism of its staff. Training of employees was high on the agenda of the Authority whereby many employees benefitted from training on diverse subjects. Some staff were sent on training courses abroad, after which they shared their knowledge with their colleagues in line with our goal of building a learning organisation. Tailor-made management development courses were also provided to some forty employees in the Administrative and Technical Cadre during this year.

To preserve a good work-life balance, the WMA also promoted staff participation in various sports activities and won several medals and prizes. Furthermore, the promotion of employee health and safety is a mutual objective of the Authority and its employees. The responsibility for identifying hazards, assessing risks and taking action to ensure a safe and healthy workplace is shared by all. In 2013, WMA carried out a Hazard Identification and Risk Assessment on all WMA sites and most of the recommended measures were implemented to provide a safe and conducive working environment.

With new challenges ahead, we are convinced that WMA shall be able to achieve its aims and objectives of providing proper sanitation to the Mauritian population.

Last but not least, our appreciation goes to WMA employees for their continuous and unconditional support. With the support of the WMA Board, we are also confident to meet the expectation of all our stakeholders.



**DR. MOUSSA E. ALLYBOKUS**  
GENERAL MANAGER



A young boy with dark hair and a blue shirt is flying a large, colorful kite (yellow, green, and blue) in a field. The kite is high in the sky, and the boy is looking up at it with a smile. The background shows a blue sky with some clouds and tall grass in the foreground.

*Steering ahead*  
with a strong ethical culture



# STRATEGIC PLAN

Since its creation in 2001, the WMA has paved the way for the implementation of major wastewater projects in line with Government's mission to provide better sanitation to the population as well as protecting the environment.

As at 2013, the WMA has managed consultancy and works contract valued at around MUR 16 billion and which includes construction of wastewater treatment plants, pumping stations, trunk and street sewers and reticulation networks. It is expected that capital investment to the tune of around MUR 6 billion would be managed by the Authority during period 2015 to 2017.

Conscious of its responsibility, the Board spared no effort to build capacity to pursue further the above mission. The strategy of the Authority is guided by the Master Plan for the wastewater sector and ensures that it has the appropriate resources to achieve the objectives set.

There has been satisfactory progress in the implementation of wastewater projects despite financial constraints. The change in funding mode for projects required a review of the priority in respect of wastewater projects. Two major projects concerning the areas of Pailles Guibies and Grand Baie are at consultancy stage and works are expected to start in the year 2015. Other small wastewater projects in the region of Bain Des Dames, Vallée des Pretres/Tranquebar, Verger Bissambar and Pellegrin where serious sanitation wastewater problems need to be addressed are also high on the agenda of the WMA.

Parallel to the extension of the wastewater network, the Authority is also moving ahead with its strategy to undertake the in-house operation and maintenance of the public sewer network and Wastewater Treatment Plants. It is planned that this strategy would be fully attained with the taking over of the main Wastewater Treatment Plant at St Martin as from September 2015.



# CORPORATE GOVERNANCE REPORT

## GOOD GOVERNANCE

Good Governance has its foundation in the core values of fairness, prudence, integrity, respect for the individual and diverse cultures and work ethics that live corporate responsibility on a day-to-day basis. At the WMA, these core values are continually refreshed through modern practices as we move forward to deliver better solutions to the customers we serve.

## CORPORATE GOVERNANCE PRINCIPLES

For the financial year 2013, the Authority complied with the principles laid down by the Code of Corporate Governance for Mauritius. The WMA believes that a strong culture of corporate governance will safeguard the interests of its stakeholders and contribute to its long term sustainability. The Board with the support of Management spares no effort in the promotion of corporate transparency, fairness and accountability. Recognizing that good corporate governance practices create value for the Authority, it adheres to the core principles and practices of corporate governance, among others, that the Authority's business must be pursued through a long-term sustainability strategy and stakeholders must be treated equitably and with fairness.

## THE BOARD

The Board endeavours to exercise leadership, integrity and judgement in directing the organisation so as to achieve continuing prosperity whilst ensuring both performance and integrity.

The Board directs the Authority in the conduct of its affairs, exercising its fiduciary role at all times in the best interests of the Authority, to ensure that corporate responsibility and ethical standards are met. The Board is ultimately responsible for the activities of the WMA, its strategy and governance, risk management and financial performance.

Among others, the following matters are specifically reserved for the Board's consideration:

- (i) Setting the strategic direction and long-term goals and ensuring that adequate resources are available to meet these objectives.
- (ii) Approving and monitoring capital and financial plans to ensure that they are in line with the Government strategic directions; the annual budget; the annual and interim financial statements; and capital expenditures.

As part of its ethical responsibilities, the Board ensures that a culture of fair dealing is embedded across the Authority and the values of being “**Respectful, Easy to deal with and Dependable**” are entrenched across the Authority's processes and business practices so as to place customers at the heart of the business experience.



# CORPORATE GOVERNANCE REPORT

During the financial year, twelve Board meetings were held. The Board's composition for the financial year 2013 were as follows:

<b>Mr. Khushal Lobine</b>	Chairman
<b>Mr. Rajcoomar Bikoo</b>	Representative of the Ministry of Energy and Public Utilities (Ministry responsible for wastewater)
<b>Mrs. Parween Rojoa</b>	Representative of the Ministry of Finance and Economic Development (Economic Development Division) <i>(up to April 2013)</i>
<b>Mr. Deoprakash Khoodeeram</b>	Representative of the Ministry of Finance and Economic Development <i>(May to August 2013)</i>
<b>Mr. Visvanaden Soondram</b>	Representative of the Ministry of Finance and Economic Development <i>(as from September 2013)</i>
<b>Mr. Lomush Juggoo</b>	Representative of the Ministry responsible for Water Resources (Water Resources Unit)
<b>Mr. Guness Thandrayen</b>	Representative of the Ministry of Health and Quality of Life
<b>Dr. Hemant Chittoo</b>	Representative of the University of Technology, Mauritius <i>(up to April 2013)</i>
<b>Dr. (Miss) Siamah Kaullychurn</b>	Representative of the University of Technology, Mauritius <i>(as from May 2013)</i>
<b>Mr. Pierre Gérard Cathan</b>	Member with experience in consumer interest
<b>Mr. Suraj Ramgolam</b>	Member with experience in consumer interest

In line with Government's policy, the Board embarked on a paperless project for the conduct of its meetings. Each member has been provided with appropriate IT equipment which enables them to access Board/Committee papers easily. This paperless system not only makes the Authority save on paper and photocopying but also offers other non monetized advantages such as easy and timely access to papers, including past papers and other important documents.

# CORPORATE GOVERNANCE REPORT

## THE CHAIRMAN

The Chairman plays a crucial role in leading fruitful discussions and the decision taking at the level of the Board in the best interest of the Authority. Among others, his duties include the following:

- Leading the Board to ensure its effectiveness.
- Managing the Board's business, including supervising the work of the Board committees.
- Overseeing the Board agenda and ensuring the information flow and timing are adequate to address all agenda items, in particular, strategic issues.
- Setting the tone of Board discussions to promote open and frank debate and effective decision-making.
- Ensuring effective communication with stakeholders.
- Encouraging constructive relations within the Board and between the Board and Senior Management.
- Maintaining and enhancing the Authority's standards of corporate governance.







WMA BOARD  
*A shared vision*

## PROFILE OF BOARD MEMBERS



**Mr Khushal LOBINE**

Chairman

Mr. Khushal LOBINE read law at the University of Wolverhampton and at Cardiff Law School. He was called to the Bar in England and Wales. He is presently a Member of the Honourable Society of the Lincoln's Inn. He is well-versed in Alternate Dispute Resolution (ADR) and assists the legal process in resolving disputes through mutual facilitation and mediation. He regularly advises Local Authorities, Government Institutions and Parastatal Bodies as well as Private Companies in the fields of contract management, preparation and vetting of international bidding documents, Construction and Environmental Law and procurement procedures.



**Mr Rajcoomar BIKOO**

Board Member

Mr. Rajcoomar BIKOO is the representative of the Ministry of Energy and Public Utilities. He is actually the Acting Director General at the latter Ministry. He holds a Master in Business Administration and a BTech in Electrical and Electronics Engineering. He has 25 years experience in the Utilities Sector.



**Mr Visvanaden SOONDRAM**

Board Member (as from September 2013)

Mr. Visvanaden SOONDRAM is the representative of the Ministry of Finance and Economic Development as from September 2013. He is a Fellow of the Association of Chartered Certified Accountants and also holds a Master degree in Finance. He has over 20 years of experience in the Public Sector and has served in various fields including management audit and finance. He is currently occupying the post of Lead Analyst at the Ministry of Finance and Economic Development with focus on Utilities Sector.



## PROFILE OF BOARD MEMBERS



**Mr Lomush JUGGOO**  
Board Member

Mr. Lomush JUGGOO is the representative of the Water Resources Unit and is the Deputy Director at the latter Unit. He holds a Post Graduate Diploma in Environmental Management, a Masters in Business Administration with Project Management and a Degree in Civil Engineering. He has more than 15 years of experience in the Water Sector.



**Mr Guness THANDRAYEN**  
Board Member

Mr. Guness THANDRAYEN is the representative of the Ministry of Health and Quality of Life and holds the post of Chief Sanitary Engineer at the latter Ministry. He is a Registered Civil Engineer and possesses a Masters degree in Engineering with merits in Sanitary Engineering and has wide experience in water and wastewater sector.



**Dr (Miss) Siamah KAULLYCHURN**  
Board Member (as from May 2013)

Dr. (Miss) Siamah KAULLYCHURN is representing the University of Technology, Mauritius as from May 2013. She holds a PhD in Public Policy (Victoria University of Wellington, New Zealand), MSc Public Sector Management with Distinction (University of Technology, Mauritius) and is a Fellow of the Chartered Association of Certified Accountants

## PROFILE OF BOARD MEMBERS



**Dr Hemant B. CHITTOO**  
Board Member (Up to April 2013)

Dr. Hemant B. CHITTOO represented the University of Technology, Mauritius (UTM) up to April 2013. He is an Associate Professor and was the Head of School (SBMF) at the UTM. He holds a PhD in Management, a Masters degree in Economics and Social Studies, a BSc (Hons) in Management and is a Chartered member of the Institute of Logistics and Transport.



**Mr Pierre Gerard CATHAN**  
Board Member

Mr. Pierre Gerard CATHAN represents Consumer Interest at the level of the Board. He holds an MBA General from the University of Technology, Mauritius, ACCA (Level 2), a Higher Stage in Accounting and a Diploma in Business with Marketing from the Cambridge University. He has long experience in the field of accounting in the Private Sector and is also a Board Director at the MPCB since December 2012.



**Mr Suraj RAMGOLAM**  
Board Member

Mr. Suraj RAMGOLAM represents Consumer Interest at the level of the Board and is a seasoned Project Manager. He holds an MBA with specialisation in Human Resource Management and a BTech (Hons) in Computer Science and Engineering. He is conversant with public sector set up and is also engaged in social and community endeavours. He is also the Chairman of the National Computer Board.



## PROFILE OF BOARD MEMBERS



**Mrs Parween ROJOA**  
Board Member (Up to April 2013)

Mrs. Parween ROJOA represented the Ministry of Finance & Economic Development up to April 2013. She is an Economist/Analyst and holds an MSc in International Trade & Economic Diplomacy and a BSc (Hons) Economics.



**Mr Deoprakash KHOODEERAM**  
Board Member (May to August 2013)

Mr. Deoprakash KHOODEERAM was the representative of the Ministry of Finance and Economic Development from May to August 2013.



**Mr Dharanand THACOR**  
Secretary to the Board

Mr. Dharanand THACOR 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.

# CORPORATE GOVERNANCE REPORT

## BOARD COMMITTEES

The Board delegates authority and powers to Board committees to examine in depth specific matters such as human resources, finance and procurement, projects, audit and risk management, and corporate governance. These Committees enable the Board to better carry out its stewardship and fiduciary responsibilities. The Chairman of each Board committee reports the updates from their respective Board committee meetings and same are discussed at the level of the Board for decision.



# CORPORATE GOVERNANCE REPORT

## WMA BOARD

In accordance with section 8 of the WMA Act, the Authority shall be administered by a Board. The Board delegates authority and powers to Board Committees to examine in depth specific matters such as human resource, finance and procurement, projects, audit and risk management, and corporate governance.

	Finance and Tender Committee (FTC)	Project Monitoring Committee (PMC)	Staff Committee (SC)	Audit & Risk Committee (ARC)	Corporate Governance Committee(CGC)																																																		
Mandate	The FTC assists the Board by examining and making recommendations on issues pertaining to finance and procurement. It helps the Board in monitoring, among others, the capital and recurrent budget, including expenses over Rs 500,000 for the Authority.	The PMC is also very important as it considers all technical matters ranging from the vetting of draft bidding documents to complex contractual and technical issues. Time has shown that the efforts put in by this Committee with the support of Management have resulted in better project management and consequently, very often, in huge savings for the Authority.	The SC considers all matters relating to the human resources. It ensures that the Authority is discharging its function with respect to its most precious assets, its people, in a fair and equitable manner, thus promoting employee engagement. The Authority is aware that by so doing, it will achieve its corporate objectives more efficiently and effectively.	The ARC assists the Board in fulfilling the corporate governance responsibilities relating to audit and risk management, in particular the financial reporting duties of the Authority. It considers also, among others, the comments of the National Audit Office and also the risk aspects, financial, operational, health and safety.	The CGC assists the Board in promoting good governance practices. Corporate governance is the way a Corporation polices itself and is intended to increase the accountability and transparency of a company which in turn builds trust, the very foundation of sustainable development. We believe that the essence of good corporate governance is ensuring trustworthy relations between the Corporation and its stakeholders and involves much more than just complying with the code of corporate governance.																																																		
Composition	<p><b>For year 2013, the FTC met 11 times and was constituted as follows:</b></p> <table><tr><td>Mr R. Bikoo</td><td>Chairman</td></tr><tr><td>Mrs P. Rojoa (up to April 2013)</td><td>Member</td></tr><tr><td>Mr D. Khoodeeram (from May to August 2013)</td><td>Member</td></tr><tr><td>Mr S. Soondram (as from September 2013)</td><td>Member</td></tr><tr><td>Mr L. Juggoo</td><td>Member</td></tr><tr><td>Mr G. Thandrayen</td><td>Member</td></tr></table>	Mr R. Bikoo	Chairman	Mrs P. Rojoa (up to April 2013)	Member	Mr D. Khoodeeram (from May to August 2013)	Member	Mr S. Soondram (as from September 2013)	Member	Mr L. Juggoo	Member	Mr G. Thandrayen	Member	<p><b>For year 2013, the PMC met 12 times and was constituted as follows:</b></p> <table><tr><td>Mr R. Bikoo</td><td>Chairman</td></tr><tr><td>Mrs P. Rojoa (up to April 2013)</td><td>Member</td></tr><tr><td>Mr D. Khoodeeram (from May to August 2013)</td><td>Member</td></tr><tr><td>Mr S. Soondram (as from September 2013)</td><td>Member</td></tr><tr><td>Mr L. Juggoo</td><td>Member</td></tr><tr><td>Mr G. Thandrayen</td><td>Member</td></tr></table>	Mr R. Bikoo	Chairman	Mrs P. Rojoa (up to April 2013)	Member	Mr D. Khoodeeram (from May to August 2013)	Member	Mr S. Soondram (as from September 2013)	Member	Mr L. Juggoo	Member	Mr G. Thandrayen	Member	<p><b>For year 2013, the SC met 13 times and was constituted as follows:</b></p> <table><tr><td>Mr K. Lobine</td><td>Chairman</td></tr><tr><td>Mr R. Bikoo</td><td>Member</td></tr><tr><td>Mr G. Cathan</td><td>Member</td></tr><tr><td>Dr. H. Chittoo (up to April 2013)</td><td>Member</td></tr><tr><td>Mr G. Thandrayen</td><td>Member</td></tr></table>	Mr K. Lobine	Chairman	Mr R. Bikoo	Member	Mr G. Cathan	Member	Dr. H. Chittoo (up to April 2013)	Member	Mr G. Thandrayen	Member	<p><b>For year 2013, the ARC met twice and was constituted as follows:</b></p> <table><tr><td>Mr G. Cathan</td><td>Chairman</td></tr><tr><td>Mr S. Ramgolam</td><td>Member</td></tr><tr><td>Dr. H. Chittoo (up to April 2013)</td><td>Member</td></tr><tr><td>Dr. (Ms) S. Kaullychurn (as from May 2013)</td><td>Member</td></tr></table>	Mr G. Cathan	Chairman	Mr S. Ramgolam	Member	Dr. H. Chittoo (up to April 2013)	Member	Dr. (Ms) S. Kaullychurn (as from May 2013)	Member	<p><b>For year 2013, the CGC met once and was constituted as follows:</b></p> <table><tr><td>Mr G. Cathan</td><td>Chairman</td></tr><tr><td>Mr S. Ramgolam</td><td>Member</td></tr><tr><td>Dr. H. Chittoo (up to April 2013)</td><td>Member</td></tr><tr><td>Dr. (Ms) S. Kaullychurn (as from May 2013)</td><td>Member</td></tr></table>	Mr G. Cathan	Chairman	Mr S. Ramgolam	Member	Dr. H. Chittoo (up to April 2013)	Member	Dr. (Ms) S. Kaullychurn (as from May 2013)	Member
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# CORPORATE GOVERNANCE REPORT

## **INFORMATION SECURITY POLICY AND ENTERPRISE RISK MANAGEMENT**

The WMA recognizes the value and importance of information in business activities and services. The Authority is committed to protect this information by implementing an Information Security Management System which will enable the organization as a whole, to identify, assess, mitigate and manage the WMA's information security risks with a view to ensuring the business management continuity.

## **RIGHT TO INFORMATION ON THE AUTHORITY**

Information on the Organisation is made readily available. The Authority provides stakeholders with periodic reports that include information, among others, the Quarterly Progress Report to Funding Agencies. Annual reports and financial statements of the WMA may be secured without cost or restrictions and these are also available at the Authority's website: <http://wma.gov.mu>

## **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 company'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. 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.



# CORPORATE GOVERNANCE REPORT

Recognising that its business activities involve permanent exposure to hazards and that the safety of its employees is a constant concern, the WMA carried out a Hazard Identification and Risk Assessment (HIARA) on all WMA sites. The recommended measures, inter alia, medical surveillance programme, provision of protective equipment, provision of safety signs, training programmes among others, contained in the HIARA Report are being implemented. These will mitigate risks and provide safer working conditions that will help increase productivity and boost up employees' morale while reducing accidents, injuries and occupational illnesses.

In order to protect staff and to manage work related risks, a vaccination programme is ongoing for all staff exposed to wastewater. In 2013, 86 staffs were vaccinated against Hepatitis B, Tetanus and Typhoid.

## RELATED PARTY TRANSACTIONS

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

# CORPORATE GOVERNANCE REPORT

## BOARD MEMBERS ATTENDANCE AND REMUNERATION

		Board and Committees Attendance for the Period 01 January 2013 to 31 December 2013						
Board Members	Board Meetings (including Special Board meetings)	SC*	FTC*	ARC*	PMC*	CGC*	PIC*	Remuneration for year 2013
	12	11	12	2	12	1	11	
Mr K Lobine <i>Chairman</i>	12/12	10/11						216,000.00
Mr R. Bikoo	11/12	10/11	12/12		12/12			164,000.00
Mrs D. Moosoohur	1/12							700.00
Mrs P. Rojoa <i>(up to April 2013)</i>	4/12		3/12		4/12			56,000.00
Mr D. Khoodeeram <i>(May to August 2013)</i>	4/12		2/12		3/12			36,000.00
Mr V. Soondram <i>(as from September 2013)</i>	4/12		4/12		4/12			28,000.00
Mr L. Juggoo	8/12		10/12		12/12			131,500.00
Mr. Varun Bissessur <i>(Alternate Member)</i>			1/12					700.00
Mr G. Thandrayen	10/12	4/11	8/12		9/12	1/1	8/11	132,500.00
Mr S. Subratty <i>(Alternate Member)</i>				1/2				1,400.00
Dr H. Chittoo <i>(up to April 2013)</i>	6/12	4/11				1/1		21,500.00
Dr (Miss) S. Kaullychurn <i>(as from May 2013)</i>	6/12			1/2				21,500.00
Mr P. G. Cathan	11/12	11/11		2/2			11/11	64,500.00
Mr S. Ramgolam	11/12			1/2		1/1	11/11	42,500.00

SC : Staff Committee  
 FTC : Finance and Tender Committee  
 ARC : Audit and Risk Committee

PMC : Project Monitoring Committee  
 CGC : Corporate Governance Committee  
 PIC : Paperless Initiative Committee



# 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 Chairman 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 fulfill 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:**

Signature: 

**Name: Khushal LOBINE**  
Chairman, WMA Board

Signature: 

**Name: Pierre Gerard CATHAN**  
Member, WMA Board

## PROFILE OF MANAGEMENT TEAM



**Dr Moussa Elias ALLYBOKUS**  
General Manager

Holder of a PhD in Industrial Wastewater Management, an Msc in Public Health Engineering and a Bachelor degree in Civil Engineering, Dr M.E. Allybokus has over 38 years of experience in Civil Engineering, Environmental Engineering, Industrial Wastewater Management and Solid Waste Management. Prior to joining the Authority, he was the Associate Professor and Head of Civil Engineering Department at the University of Mauritius. He previously served as Board Member of the WMA Board and was the Deputy Team Leader of the Consulting Team, supervising the operation of Mare Chicose Landfill. In addition to that, he was the Chairman of the Independent Review Panel (IRP) from November 2007 to May 2014.

Dr M.E. Allybokus has been appointed as the General Manager of the WMA in December 2011.



**Mr Navindranath JOWAHEER**  
Deputy General Manager (Administration)

Mr N. 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 Administration positions at the Mauritius Broadcasting Corporation (MBC). He held the post of Corporate Secretary at the MBC prior to joining the WMA as Secretary to the Board in July 2005. He is the President of the Institute of Chartered Secretaries and Administrators (Mauritius) and acts as Panel Subject Specialist (Management) for the Tertiary Education Commission as and when required.

## PROFILE OF MANAGEMENT TEAM



**Mr Sooyashdeo SOOKHEE**  
Divisional Manager

Mr S. Sookhee graduated with a Bsc in Civil Engineering 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 Government sector and has been heading the Operations and Maintenance Department as Divisional Manager since 2011.



**Mr Roshan JAUNKY**  
Public Relations Director

Mr Roshan Jaunky holds an Msc in Human Resource Studies, a BA Honours in Humanities and a Diploma in Management. He started his career as a teacher at the St Esprit College and Imperial College. He moved to the Mauritius Broadcasting Corporation in 1983 as news Presenter, Head of News and then held the position of Human Resource Manager. He also served the Ministry of Youth & Sports as Advisor on sports and information matters for four years. Mr Jaunky joined the Authority as Public Relations Director in 2006.



**Mr Sadeck FUTLOO**  
Director of Human Resources

Mr Sadeck FUTLOO graduated with a Diploma in Personnel Management and Statistics (Census/Surveys). He later obtained a Master in Business Administration. He started his career as Senior Statistical Officer, then as the Human Resource Manager of Currimjee Jeewanjee Group. He joined the Mauritius Printing Specialist (Pte) Ltd in 1995 as the General/Human Resource Manager. Prior to joining WMA, he worked at the Independent Broadcasting Authority and the SIC Management Services Co. Ltd as Administrative Manager. Mr Sadeck Futloo is in employment at the WMA as Director of Human Resources since 2007.



## PROFILE OF MANAGEMENT TEAM



**Mr Preeyadev SOOKRAM**

**Divisional Manager (Mechanical & Electrical)**

Mr Preeyadev Sookram graduated as Electrical Engineer from the Maharaja Sayajirao University of Baroda, India. He holds an MBA in Project Management from the University of Technology Mauritius. He started his career as Executive Engineer at the Central Water Authority, and then joined the WMA in 2004 as Works Manager (Mechanical & Electrical). He was assigned the duties of Divisional Manager since December 2011.



**Mr Jacques Alexis RADHAY**

**Divisional Manager**

Mr Jacques Alexis Radhay holds a Degree in Civil Engineering and an Msc in Sanitary Engineering. He joined WMA in 1997 as Engineer (Civil) and had been assigned the duties of Divisional Manager since December 2011.



**Mr Mohammad Sajid PEEROO**

**Divisional Manager**

Mr M. Sajid Peeroo graduated with a B.Eng (Hons) in Civil Engineering (London). He later obtained a Master in Business Administration (UK). He joined WMA in 2000 as Engineer (Civil). In 2011 he was assigned the responsibility of Head Project Management Unit.

## PROFILE OF MANAGEMENT TEAM



**Mr Jaylall BUNGSY**  
Financial Manager

Mr Bungsy holds a Post Graduate Certificate (Msc) in Finance from Leicester University. A fellow of the Association of Chartered Certified Accountant (FCCS), Chartered Global Management Accountant (CGMA), and the Institute of Chartered Management Accountant (FCMA), Jaylall Bungsy has practiced as an Accountant over the last 20 years in various industries. He started his career as a Clerical Assistant in the Government Audit Department, then moved as an Examiner of Accounts and ended as Senior Auditor. He also served the Private Secondary School Authority as an Accountant and later as Financial Controller at Sugar Insurance Fund Board (SIFB). He was Chief Investigator of the Independent Commission against Corruption (ICAC) before joining WMA as Finance Manager in 2006.



**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 Resource and a Diploma in Personnel Management from the University of Mauritius. She is an Associate Member of the Institute of Chartered Secretaries and Administrators (UK). Prior to her appointment as Administrative and Human Resource Manager, Mrs Luchmun held the post of Secretary to the Board of the WMA. She worked as Secretary to the Board at the EPZ Labour Welfare Fund for the period 1999 to 2002.



**Mrs Ranjeeta JOYSURY**  
Ag Laboratory Manager

Mrs Ranjeeta Joysury is the Ag Laboratory Manager. She holds an Msc and a Bsc in Chemistry. She joined WMA as Scientific Officer in 2007. She has been assigned the duties of Laboratory Manager since 2012. In that position she contributed in the maintenance of the accreditation of the WMA Laboratory. She was appointed as Technical Manager for ISO 17025:2005 since 2009.

A young girl with dark hair in pigtails is shown from the chest up, holding a small green seedling with soil in her hands. She is looking upwards with a hopeful expression. The background is a soft-focus outdoor scene with green foliage and a bright light source. A green banner is at the bottom left.

*Enhancing*  
*growth through diligence*



# FINANCIAL SUSTAINABILITY

The Finance cluster ensures that the finances of the Authority are managed in a judicious manner. It is responsible for the preparation of accounts and monitoring of the WMA's budget while ensuring that Management and Board are provided with timely and accurate information for effective and efficient decisions.

The Authority has been complying with the International Accounting Standards (IAS) since the year 2005. For the years 2011 and 2012, the Financial Statements had to be prepared in accordance with International Public Sector Accounting Standards (IPSAS) since WMA was listed under the Second Schedule of the Financial Reporting Act (FRA).

By amending the Financial Reporting Act, through an amendment in the Economic and Financial Measures (Miscellaneous Provisions) Act 2013, WMA is now classified as a Public Interest Entity (PIE) and listed in the First Schedule of the FRA. Consequently, WMA is required to prepare and present the Financial Statements in accordance with International Financial Reporting Standards (IFRS). There are some changes in the accounting policies and methods which have been adopted in the Financial Statements. The changes do not have any major impact on the reported financial position or results of WMA for the year under review.

It is also to be highlighted that prior to year 2013, all costs of capital projects which were under the control and supervision of the WMA, were paid directly to contractors by the Government of Mauritius (GoM). Since January 2013, with the change in policy by GoM, WMA has been financing all the projects through interest bearing loans from GoM. For 2013 an amount of Rs 628.5 million has been received as loan from Government to finance the wastewater projects undertaken during the year.

Conscious of the fact that a solid financial position is the basis of future investments into infrastructure advancement, technical innovations and ecological measures, the Authority continued its efforts towards a financially sustainable organization. The billing of new households connected to the public sewer together with the opening of unregistered wastewater accounts, has improved the financial situation and brought an additional revenue of MUR 19.73 M.

## INCOME

In 2013, the Authority mandated a due diligence exercise to be carried out on industries connected to the public sewer. Out of 52 industries investigated, 29 industries were tracked down to be connected to the public sewer without paying wastewater charges. Accordingly the industries concerned were claimed wastewater arrears which amounted to MUR 201 M. With the support of the WMA Board, the Authority initiated discussions with the industries concerned to recover the wastewater arrears.

Out of the abovementioned 29 industries, 8 industries have agreed to settle the wastewater arrears claimed for a total amount of Rs 8,082,504.30 whereas 15 industries have submitted their proposal for the payment of wastewater arrears for the last 3 years which was conveyed to the WMA Board for approval whereby a total amount of Rs 24,649,575.80 will be recovered by the Authority in the coming years. Furthermore, facilities of payment have been granted to the above industries for effecting the payment in instalments.

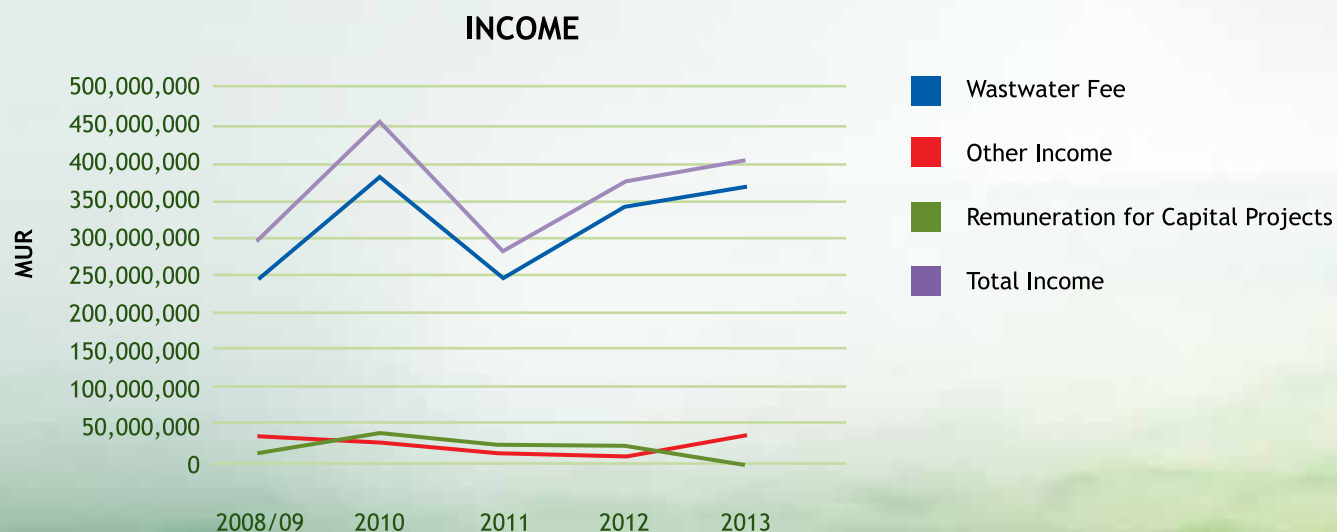
Parallel to the due diligence exercise, the Authority spared no efforts to track down its debtors through rigorous initiatives and consequently arrears amounting to Rs 32 M have been collected in year 2013.

# FINANCIAL SUSTAINABILITY

In addition to the above, the new regulations approved by the Minister in 2012 for charging fees for services rendered in respect of verification of sewer, clearing wastewater blockage, disposing wastewater at wastewater disposal station, clearance for building permit, attendance to meeting, witnessing of percolation tests and clearance for morcellement permits have brought an additional revenue of Rs 14.47m in 2013.

The trend of revenue for years 2008 to 2013 is shown in the table below:-

	2008/09	2010 (18 months)	2011	2012	2013
Wastewater Fee	249,144,619	383,175,669	246,338,976	343,748,760	370,250,735
Other Income	34,128,308	29,796,106	11,260,733	10,927,292	32,984,217
Remuneration for Capital Projects	14,869,777	40,753,883	23,545,943	20,048,020	-
Total Income	298,142,704	453,725,658	281,145,652	374,724,072	403,234,952



# FINANCIAL SUSTAINABILITY

## SURPLUS/DEFICIT

There has been an increase in the recurrent expenditure mainly caused by the following items:-

- (i) Salaries, wages and related costs as a result of the Pay Research Bureau (PRB) which came into effect in January 2013
- (ii) Repair and maintenance costs of equipment and
- (iii) Provision for interest on loan and pension

The financial results for year 2013 show a deficit of MUR 83,382,174 due to the fact that the income was insufficient to meet all the expenses including operation and maintenance costs and provisions amounting to MUR 114.5 M made up as follows:

- (i) Rs 71 million for payment of user fee to Government
- (ii) Rs 17.18 million for depreciation of assets of WMA
- (iii) Rs 10.07 million for provision for bad debts known as “impairment of debts”
- (iv) Rs 16.25 million for provision for interest on loan for capital projects.

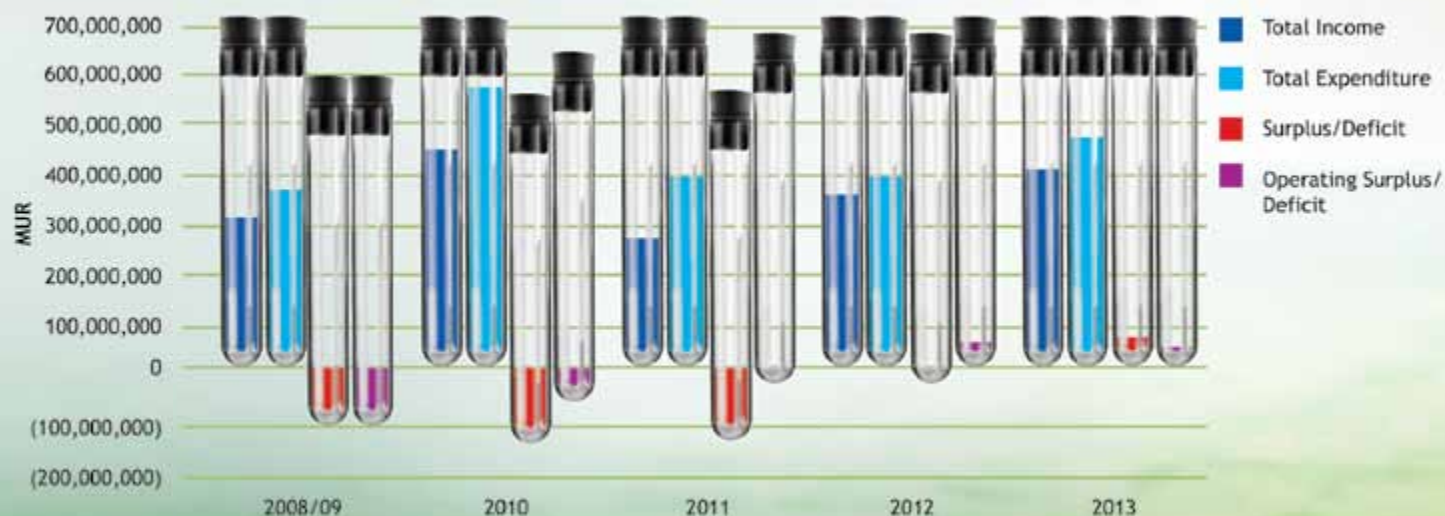


# FINANCIAL SUSTAINABILITY

However, it is to be highlighted that the Authority has accounted an operational deficit of MUR 17,748,259 which excludes provision for bad debts, payment of user fee and depreciation.

	2008/09	2010 (18 months)	2011	2012	2013
<b>Total Income</b>	301,386,528	453,725,658	281,145,652	374,724,072	403,234,952
<b>Total Expenditure</b>	377,828,543	587,304,296	396,008,215	409,432,227	486,617,126
<b>Surplus/Deficit</b>	(76,442,015)	(133,578,638)	(114,862,563)	(34,708,155)	83,382,174
<b>Operating Surplus/Deficit</b>	(70,357,047)	(42,839,698)	(32,378,386)	63,093,996	14,870,960

## SURPLUS/DEFICIT



# FINANCIAL SUSTAINABILITY

## Wastewater Management Authority Summary of Estimates 2013 to 2015

Details	Estimates 2013(Rs)	Estimates 2014(Rs)	Indicative Estimates 2015(Rs)
<b>A. Revenue</b>			
Revenue Estimates	366,458,000	374,598,000	382,274,000
<b>B. Recurrent Expenditure</b>			
<b>Operating Expenditure</b>			
Staff & related costs	213,902,195	226,597,785	245,826,590
Other recurrent costs	199,224,720	211,302,060	198,402,045
<b>Total Operating Expenditure ( A + B)</b>	<b>413,126,915</b>	<b>437,899,845</b>	<b>444,228,635</b>
<b>Operation Surplus/ (Deficit)</b>	<b>(46,668,915)</b>	<b>(63,301,845)</b>	<b>(61,954,635)</b>
Provisions for depreciation of WMA assets	15,500,000	21,000,000	25,000,000
Provisions for bad debts	12,000,000	14,000,000	16,000,000
<b>Surplus/ (Deficit) after depreciation &amp; bad debts</b>	<b>(74,168,915)</b>	<b>(98,301,845)</b>	<b>(102,954,635)</b>
Interest on loan from Government	-	3,980,000	14,220,000
Finance costs(User Fee)	72,000,000	72,000,000	72,000,000
<b>Total Deficit</b>	<b>(146,168,915)</b>	<b>(174,281,845)</b>	<b>(189,174,635)</b>
<b>C. Capital Expenditure</b>			
Financial assets- Loan to Staff	7,520,990	9,550,000	5,900,000
Non Financial assets-assets for WMA	21,057,500	29,930,000	21,745,000
<b>Total Capital Expenditure</b>	<b>28,578,490</b>	<b>39,480,000</b>	<b>27,645,000</b>



*Paving the way*  
to implementation of major projects



# PROJECT MANAGEMENT

## WORKING TOWARDS THE STATE-OF-THE-ART SEWERAGE SYSTEM

### Plaines Wilhems Sewerage Project - Smooth Implementation using PR Strategies

In comparison with other civil engineering works, sewer construction tends to be more disruptive and tedious. Excavations works are done in front of people's doorsteps, roads are closed, road users face traffic diversions and much more.

Amidst this hostile and turbulent environment, the WMA team took the challenge of embarking on such a demanding task.

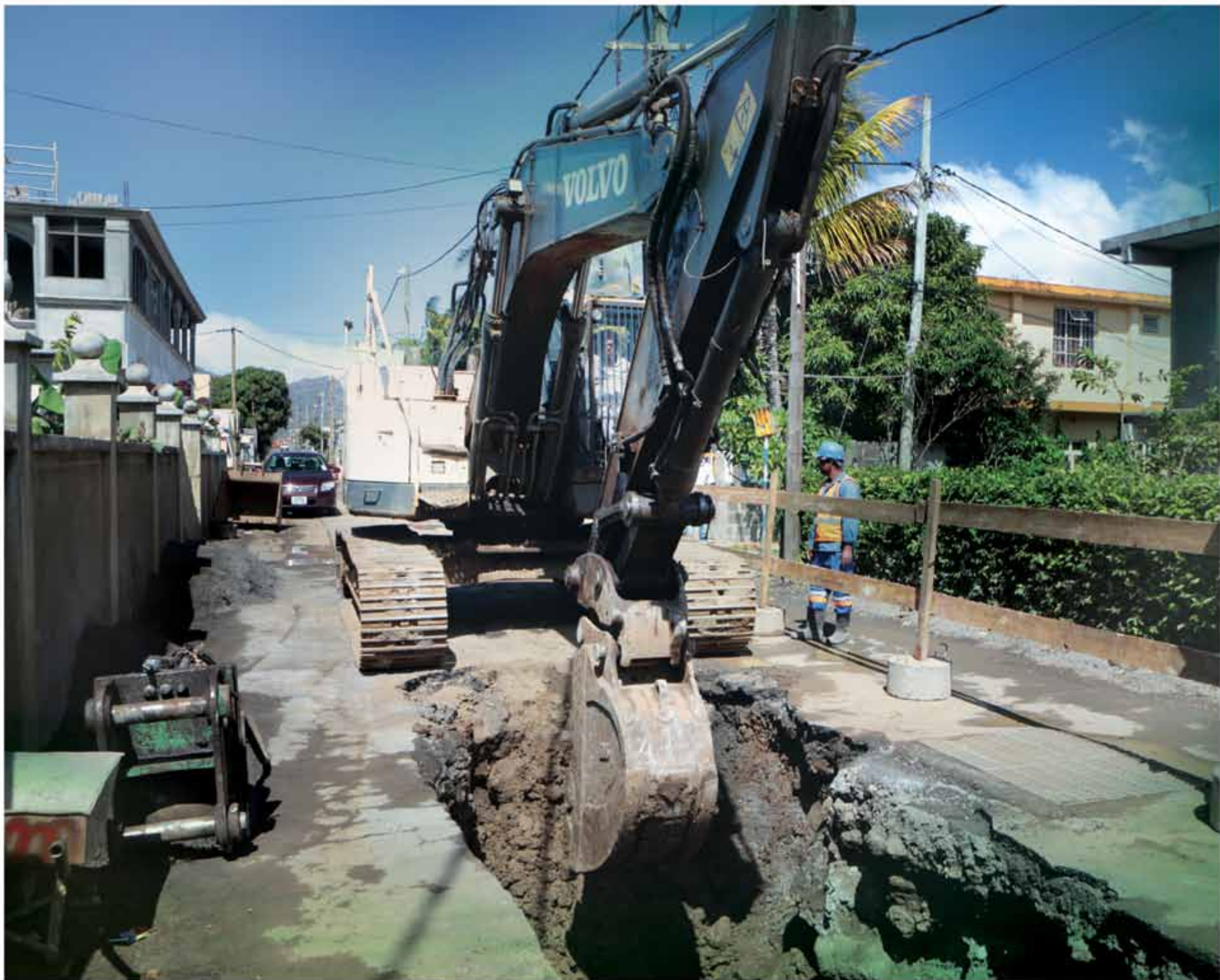
We have learned that it is crucial nowadays to communicate with stakeholders on the various aspects of project execution. Whether the stakeholder is the local Authority or the local "force vives", the main issue is always to share the realities and difficulties of site conditions. It has been observed that people have a tendency to accept certain inconveniences related to works, if they are made fully aware of the situations.

### Plaines Wilhems Sewerage Project - Lot 2

The regions of Central Quatre Bornes, Sodnac and Belle Rose benefitted from the newly constructed wastewater infrastructure completed under the Plains Wilhems Sewerage Project Lot 2. The expenditure incurred for the implementation of this mega project amounts to Rs 413 million for the year under report.

It was a major challenge to finish all pipelaying works on major roads before the end of year festivities. With determination and leadership, that task was successfully executed by 20 December 2013.

Working on St. Jean Road, the main artery of Quatre Bornes which has a major challenge, would never have been possible without a sound and well-elaborated PR campaign. Whether it was coordination with the local retailers and businesses, or with the public at large, much effort was brought to communicate on the progress of works and to effectively resolve complaints.







*EXPANDING*  
*our public sewer network*





# PROJECT MANAGEMENT

## **Plaines Wilhems Sewerage Project - Lot 1A**

On planning the works along Hugnin Road, everyone thought that it will be a nightmare due to the terrible constraints we had to face. The road was narrow, heavily trafficked, buses all around and on top of it all, there was an old line sewer which needed to be replaced but kept running at all times. Combining PR strategies with effective working/construction techniques, the works were carried out smoothly with all the inhabitants and local businesses along the road.

The expenditure incurred under the Plains Wilhems Sewerage Project Lot 1A amounts to Rs 373 million for 2013.

## **PROGRESS ACHIEVED IN RESPECT OF ONGOING SEWERAGE PROJECTS**

In 2013, the number of new connections effected increased our customer database by some 3,327 new customers.

## **House Connection Projects - Port Louis/Plaines Wilhems**

In 2013, a total of 320 households have been connected under the house connection projects in already sewerred regions of Port Louis, Baie du Tombeau, Grand Baie and Plains Wilhems.

The total expenditure related mainly to wastewater infrastructure projects, amounted around MUR 936 M.

## **NEW PROJECTS**

### ***Grand Baie Sewerage Project Phase 1B***

The development of the Grand Baie Sewerage System started shortly after the National Sewerage Program (NSP) was adopted by the Government of Mauritius (GOM). In 1994, the feasibility study for the development of the sewerage facility for Grand Baie was completed. The study recommended the development of a sewerage system in three stages, Phase I-A, Phase I-B and Phase 2.

Phase I-A consisting of a Wastewater Treatment Plant (WWTP) with a maximum design capacity of 5,530 m<sup>3</sup>/d, sewer lines with a length of 35 km, 19 pumping stations (14 ordinary pumping stations and 5 mini-pumping stations) and 1,600 house connections was completed in 2005.

With the completion of Phase I-A, the need to implement Phase I-B became necessary for the reason that the existing WWTP was not being optimized with the current flow.

# PROJECT MANAGEMENT

Presently, only Central Grand Baie and portions of Grand Baie West and Pointe aux Cannoniers are served by the public sewer. To maximize the utilization of the WWTP and to improve environmental and public health conditions, expansion of the sewerage areas towards Pereybere, Pointe aux Cannoniers and Mon Choisy need to be constructed.

With the financial support of the Japan International Cooperation Agency (JICA), the Authority awarded the Consultancy Contract to GIBB (Mtius) Ltd in October 2013, in respect of carrying out surveys, preparation of detailed design and bidding documents and subsequently supervision of the works contract.

## ***Wastewater Project at Parisot, Phoenix - Phase II***

With a view to providing a proper collection and disposal system of wastewater to abate the environmental sanitation problems and associated health risks, the Authority awarded, the Phase II Project at Parisot, Phoenix. The Project consists of the construction of approximately 1.5 km of street sewer and approximately 250 house connections

## ***Projects at Vallée des Prêtres and Tranquebar***

The project's aim is to provide sanitary facilities to the inhabitants of Vallée des Prêtres and Tranquebar by connecting their premises to the sewer network. A feasibility study and design of a sewerage system within unsewered pocket would be undertaken with a view to mitigating the problem of sewage overflows and odour problems within the project area. The project is at Consultancy Stage for a feasibility study and preliminary design.

## ***Sewerage Projects at Camp Cavale and Robinson***

Camp Cavale and Robinson are predominantly residential areas within the South Western part of Curepipe in the District of Plaines Wilhems. The growing density of houses and consequently the population within the project area has caused numerous problems to the non-functioning of the septic tanks and soak pits and the leachate entering houses. The project's aim is to provide sanitary facilities to the inhabitants of Camp Cavale and Robinson by connecting their premises to the sewer network. The project is at Consultancy Stage for a feasibility study and preliminary design.



*Ensuring*

*good coordination for greater performance*

## OPERATIONS AND MAINTENANCE

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

The Operation and Maintenance (O&M) Division, decentralised in three sub offices namely Caudan, Beau Bassin and Curepipe, is providing its services to around 23% of the Mauritian population connected to the public sewer. The Division is working towards the mission to protect our water bodies and environment for future generations.

Emphasis has been laid on the preventive maintenance program of the sewer lines whereby 123 km of sewer mains have been jetted in 2013 as compared to 75 km in 2012. The preventive maintenance program ensures that the sewer lines remain unobstructed and mitigate unwarranted overflows. On a regular basis, trunk mounted jetting units are used to clean the sewer lines with high pressure hoses removing grease, grit and other debris from the lines.

In line with our moto to put customers first, WMA handles daily complaints with respect of sewer blockages and overflows. Upon being notified of a complaint, the O&M team is sent to the location concerned whereby the crew inspects and takes necessary action to clean the sewer line. During the period under review, a total of 12,258 blockages have been cleared by the O&M Section throughout the island.

In addition to the above, the activities of the O&M Unit takes on board the repair, rehabilitation, replacement and raising of manhole covers along with any sewer deviation works.



# OPERATIONS AND MAINTENANCE

## ACHIEVEMENTS

The following projects have been successfully completed under the supervision of the O&M section in 2013:

- (i) Construction of Rising Main and PVC Conduit System at Saint Martin Treatment Plant, amounting to Rs 2,585,018.42 (VAT Incl).
- (ii) Provision of Supply, Installation, Testing and Commissioning of Standby Generator and Associated Civil Works at Cybercity No.1 Wastewater Pumping Station, amounting to Rs 2,857,060 (VAT Incl).

In addition to the above, the Authority has completed the construction of an odour abatement wall to mitigate odour nuisances at Pointe aux Sables Pumping Station by an in-house Team. Another laudable achievement of the O&M Section was the in-house construction of chlorination chambers at WMA's minor wastewater treatment plants. These were to disinfect the wastewater, prior to discharge and absorption in leaching fields.

## MANAGEMENT OF WASTEWATER PUMPING STATIONS & TREATMENT PLANTS

The paradigm shift in wastewater development over the years in Mauritius has evolved to a challenging approach in the Management of Wastewater services. Millions of litres of domestic and industrial wastewater are collected and channelled through the public sewer networks comprising seventy (70) lifting/pumping stations spread over the sewered areas and ten (10) minor/major wastewater treatment plants.

The operability and reliability of these Wastewater Treatment Plants and associated lifting/pumping stations are of vital importance to safeguard effluent standards complying with the Environment Discharge Standards. In this regard, appropriate coordination is required to achieve good performance of the Wastewater Treatment Plants (WWTP) and Pumping Stations (PS).

The Mechanical and Electrical (M&E) Unit is the driving force and endeavours towards overall responsibility for the proper operation & maintenance of all electro-mechanical equipment installed. For ensuring proper reliability, maintainability and prompt intervention of all installation is undertaken by the maintenance teams, under the direct control of the M&E department have been regionalized for better control and improvement of M&E activities island wide.

# OPERATIONS AND MAINTENANCE

The success of the operation and maintenance are achieved through the following key elements:

- Management of treatment processes, 24 hours a day, 365 days a year
- Complete management of the assets' life cycle, inclusive of preventive and corrective maintenance of facilities and electromechanical equipment, instruments and control-command systems
- Renewal and upgrading of assets
- Licensing of private wastewater carriers. This involves verification of carriers with respect to compliance to WMA requirements prior to processing and approval/renewal of license to the private wastewater carriers. Around 65 carriers are inspected and their respective license application processed yearly.

In parallel to operation and maintenance, the Authority strives to optimize costs associated with the 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.

Nowadays, handling of environmental issues is not just a matter of compliance. The situation is much more complex. Issues such as economic and environmental sustainability have gained increasing attention with the public in general and shareholders in particular. Handling environmental issues is the driving element for general asset management of the Authority.

To ensure proper operation of the treatment units and all associated equipment with particular care to their efficiency, the M&E Unit through short and medium term planning have identified equipment and infrastructures which require renewal or upgrading. During the last five (5) years, i.e. period 2009 to 2013, an amount of MUR 120 million has been disbursed for capital works at Wastewater Treatment Plants and Pumping Stations. The projected investments for capital expenditure for period 2014 to 2019 is estimated at about MUR 300 million.

The Authority is moving forward with the operation and maintenances of treatment plants and pumping stations by its in house team. During the period under review, the M&E Unit had taken over three (3) additional Pumping Stations, namely, New Bambous Pumping station, Ebene PSD and Ebene PSB.







*PURSuing*  
*our effort towards*  
*proper operations*



# OPERATIONS AND MAINTENANCE

Odour Management is also a challenge as recurrent complaints are received from inhabitants living in the neighbourhood of certain WWTP and PS. The Authority has explored all ways and means to relieve the inhabitants from this inconvenience through the implementation of odour abatement measures. A pilot project at the cost of MUR 9 million for Mt Jacquot Wastewater Treatment Plant is being implemented and the project is due for completion by March 2014.

## “MAURICE ILE DURABLE” CONCEPT

The Authority is also contributing to the “Maurice Ile Durable” concept through the following measures:-

### ***(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 year 2013, 1.2 MWH units of electrical energy were produced representing 20% of the total energy requirements of the Wastewater Treatment Plant. The saving in payment of electricity cost amounted to MUR 3 million.

### ***(2) Treated Effluent Re-use***

Treated effluent from the St Martin Wastewater Treatment Plant is being used for sugarcane irrigation. During year 2013, 3.4 million m<sup>3</sup> were supplied for that purpose, thereby contributing towards the country's overall water balance. In addition, the Authority is in negotiation with a Promoter for the re-use of treated effluent from Grand Baie Wastewater Treatment Plant.

### ***(3) Sludge Management***

The mass of sludge and screenings removed from Pumping Stations and Wastewater Treatment Plants for year 2013 stood at around 7000 tons. This was sent to the Mare Chicose landfill and used to generate on-site electrical energy. The process helps reduce cost and protect the environment.

# OPERATIONS AND MAINTENANCE

## Crisis Management

In March 2013, the country witnessed a flash flood during which the region of Port Louis was the most affected. The Authority's two major pumping stations at Caudan and Fort Victoria were flooded with torrential water. Immediately, after having been notified of the emergency, the Authority with the support of its O&M team promptly took the necessary measures to mitigate the effects of the flood. The situation was brought under control within 48 hours of the occurrence.

## Operation and Maintenance Figures for period January to December 2013

S.N	DETAILS	January 2013 to December 2013
1	Average <b>daily</b> volume of Waste water collected and treated including Industrial Wastewater	113,073
2	Number of Wastewater Treatment Plants (Conventional Plants, on site Septic Tank and Leaching field)	10
3	Number of Wastewater Pumping Stations	71
4	Length of sewer main jetted as a part of Preventive Maintenance	123 Km (122,998 M)
5	Number of sewer blockages cleared	12,258
6	Number of Wastewater Carrier Operators	65
7	Number of trips of Wastewater disposal by WMA carriers	4,562
8	Number of trips of Wastewater disposal by Private carriers	38,757
9	Total volume of seepage carted away by WMA & Private Cesspool Carriers	545,191 M <sup>3</sup>





*Promoting*  
environmental sustainability

# POLLUTION CONTROL

To preserve public health and ensure a sustainable and clean environment for Mauritius, the Pollution Control Unit ensures that all wastewaters from infrastructural and industrial developments are properly managed thereby contributing to the provision of a high standard of sanitation. All proposed development must clearly show that sufficient measures will be implemented to ensure a proper collection, treatment and disposal of wastewaters and on the other hand, existing facilities are inspected and monitored.

Activities of the Pollution Control Unit (PCU) during the period under review are summarized below:

Undertaking	Status
<i>Proposed Development: -</i>	
EIA/PER	48
Building Permits	122
Land Sub-division	225
<i>Existing Facilities: -</i>	
Industrial Discharge Licences Issued (New)	7
Industrial Discharge Licences Renewed	17
Number of industries inspected	105
Number of hotel and other private wastewater treatment plants inspected	55
Number of wastewater related issues and nuisances/complaints investigated	56
Number of applications processed for disposal of expired liquid products	11







*TREATING*  
wastewater for a  
sustainable  
environment







# POLLUTION CONTROL

395 clearances have been issued in 2013 for proposed developments. However, following the Budget Speech 2014, the Authority is required to process clearances within 5 days of receipt of applications.

In addition to the above, the Unit also regulates, monitors and controls industrial effluent being discharged to the public sewer. An industry discharging effluent from its industrial activities into the public sewer has to apply for a Licence from the WMA under the *Wastewater Regulations 2004* and to submit effluent analysis results and records of water consumption for ensuring compliance with prevailing standards. This is coupled by yearly PCU monitoring visits at the licenced industries. The Unit has processed a total of 24 Licences in 2013 and met the milestone of 105 monitoring visits at industries.

With the increasing number of hotels and private entities including some industries having wastewater treatment facilities, the Pollution Control Unit is now facing a new challenge to ensure compliance of their treated effluent with the prevailing norms. A total of 55 treatment plants have been monitored and necessary actions are initiated against those hotels and industries which do not comply or submit effluent analysis results.

To complement the monitoring exercise undertaken by the Pollution Control Unit for hotels, industries and public wastewater treatment plants, the Wastewater Laboratory carries out independent sampling and analysis to ensure that the quality of final effluent meets relevant standards applicable under the law.

## MAJOR ACHIEVEMENT

During the period under review, following a due diligence exercise initiated by Management, Officers of the Pollution Control Unit lead a team, comprising of officers from the Internal Audit, Finance and O&M departments, to investigate industries throughout the island with a view to detect illegal and unregistered wastewater connections. In 2013, a total of 52 industries were investigated whereby 29 new wastewater accounts were opened and wastewater arrears were claimed from the industries concerned.

The coming into operation of the Waste Water (Miscellaneous Waste Water Services) (Fees) Regulations 2012 in October 2012 has additionally contributed to the financial sustainability of the Authority by generating revenues from the tasks associated with the proposed developments.





*Innovation*

*and quality assurance*

# WASTEWATER LABORATORY

As the scientific arm of the Wastewater Management Authority, the Wastewater Laboratory monitors wastewater quality from sites like Wastewater Treatment Plants (WWTPs), industries and hotels among others to ensure compliance with prescribed environmental standards as per WMA Act 2000 and EPA 2002.

The Wastewater Laboratory is accredited to the International Standards ISO/IEC 17025:2005 which performs a number of physicochemical, chemical, trace metals and microbiological analyses. It has improved its performance and capabilities through extension of scope for accreditation whereby more test parameters are being accredited and by employing latest standard test methods based on APHA/AWWA/WEF, HMSO and ISO for its testing activities. The Laboratory makes use of specialised and innovative equipment such as Atomic Absorption Spectrophotometer, Flow Injection Analyzer, and Gas Chromatography Mass Spectrometer for performing analysis which has encouraged many private organisations, governmental and parastatal institutions to outsource their lab tests to the WMA.

Moreover, the Wastewater Laboratory collaborated and gave assistance on several projects for the year 2013 which are related to environment, water and wastewater sectors such as Mauritius/UNDP/UNEP partnership initiative for the Strategic Approach to International Chemicals Management (SAICM) project, Independent Environment Audit on Wastewater Projects, Lagoonal Monitoring in the region of Port-Louis, Technology Needs Assessment Project and Monitoring of La Nicolière and other reservoirs.

The Laboratory core strength lies in its highly qualified and experienced professionals having high expertise in analytical domain. To strengthen this resource pool further, qualified technical personnel were recruited in year 2013 and appropriate training was provided to all laboratory staff.

The Wastewater Laboratory has performed 47,868 tests and has collected 1,967 samples for analysis during the period under consideration.







*STRENGTHENING*  
*our analytical approach*







*Empowering*  
human capital

# HUMAN RESOURCES

## CONSOLIDATION AND MORE RESPONSIVE HR

WMA, being a service based organization, considers its human resources as its most valuable asset. Getting more of our human resources and ensuring a pool of competent employees all the time is a constant challenge at the WMA. Our manpower in 2013 rose from 415 in January to 467 in December that is an increase of 12.5%, in order to cope with increasing operations and maintenance activities and taking over the inhouse operations and maintenance of treatment plants and pumping stations.

WMA firmly believes in a trainable workforce, that is train and retrain our employees continuously to ensure quality service in all its field of operations. For the first time, the Authority with the collaboration of UOM Trust, sponsored Officers both in the Technical and Administrative cadre to follow Management Development Courses with a view to empowering and motivating staff. Two batches of 20 employees have attended the courses in 2013 and the response has been very positive. The courses were tailor made to respond specifically to the needs of the supervisory staff. Many employees also benefitted from 25 other local courses and workshops in various fields of interest. WMA is also planning to organize, with the collaboration of training institutions; skills based training courses in order to enable our operations staff to constitute autonomous, multi skilled work groups, thus rendering O&M interventions more efficient and effective.

WMA professionals in the Engineering and Laboratory cadre attended professional training and workshops programmes abroad. The employees concerned were consequently requested to share their experiences with other employees through the knowledge-sharing sessions.

The Performance Management System (PMS) at the WMA is now firmly established and after two years of implementation, the system is being updated to be able to sustain more interest and help towards the attainment of WMA's objectives. Following feedback from the PMS, training in Microsoft Word, Excel and Outlook across the board has already been scheduled with a view to increasing IT literacy thus enhancing productivity.

The WMA needs a more innovative and responsive HR department to drive business. Business as usual is no longer the order of the day. The HR Department was therefore consolidated in its structure with the appointment of 2 Human Resource Officers, and a Human Resource Management Officer, all of them being graduates in HR and Management with experience in HR field.



# HUMAN RESOURCES

## ADMINISTRATION UNIT

The Administration Unit, acting as a facilitator, ensures that daily operations are professionally organised and coordinated for better service delivery. The Unit is mainly responsible for Facilities Management, Office Management and Vehicle Fleet Management among others. The Unit also ensures that there is conducive health and safety culture across the organisation together with welfare of its employees which is a vital component for achieving our goals and objectives.

As a responsible employer, the Authority ensures that it offers suitable working environment for its employees and their activities. In that respect, a list of buildings requiring renovation works/upgrading has been established on a priority basis. Furthermore, in view of substantial savings, the pest control activities which were so far outsourced, are now being carried out by an in house Team in December 2013 in all the 69 sites of the WMA (Pumping Stations, Treatment Plants, Sub Offices, WMA Laboratory) .

## HEALTH, SAFETY AND WELFARE- A STRENGTHENED COMMITMENT TO STAFF

### *Substance Abuse in the Workplace*

The WMA carried out in collaboration with NATReSA, several information sessions from January to March 2013 on substance Abuse and alcohol in the workplace for its staff at the Head Office, sub offices and Grand Baie Treatment Plant in order to sensitize them further on the matter.

### *First Aid Course*

Courses in Basic first aid by First Aiders Ltd were provided to some 50 employees to enable them to take basic precautions in case of injuries at work.

# HUMAN RESOURCES

## ***Sports and Welfare Activities***

To create a sense of belonging to the organisation and be conscious that a healthy workforce helps in the fulfilment of the organisation's objectives, the Authority is continuing its efforts to encourage its staff to engage in sports and welfare activities. Facilities were granted to practice sports and yoga activities under the supervision of experienced Instructors.

In 2013, the Authority participated in the indoor games and various sports and athletic competition organised by the *Fédération Mauricienne des Sports Coopératifs (FMSC)* and won several medals and prizes. The WMA Football Team spared no effort to improve its performance and participated in several fixtures organized by the FMSC for the Football Super League Competition. The Team had the opportunity to play against Medine, PAD & CO, CEB and United Basalt. The WMA won its match against United Basalt and was ranked 4th in the competition.

## ***Blood Donation***

As part of its social commitment, the Authority also organized a blood donation in collaboration with the Blood Donors Association of the Ministry of Health & Quality of Life on 19 November 2013. WMA staff positively participated in this laudable initiative during which 85 pints of blood were collected and remitted to the Ministry of Health & Quality of Life.





*Fostering*  
outreach and communication



## PR AND CUSTOMER CARE UNIT

Public Relations was an important component in the execution of major sewerage works along the main arteries of the town of Quatre-Bornes under the PWSP Lot 2 project. The works along St Jean road, Vacoas-Candos road, and Victoria road where there is heavy traffic flow throughout the day disrupted the daily routine of the inhabitants causing traffic delays, outcry from business owners and political, social & economic stakeholders.

Pressure mounted further when the media started reporting on the works.

The PR department responded with a five point plan;

1. Building & cultivating relationship with key publics.
2. Raising awareness that works along those major roads will be completed before Christmas.
3. Always responding to the call of the media.
4. Carrying out an on-going face to face networking.
5. Delivering and developing a clear and consistent message.

The PR department successfully mitigated the negative perception that works were carried out in a haphazard way without any planning.

Finally WMA was able to project the image that WMA is a responsible organization where professionalism prevails.

Customer care worked in line with the five points plan attending to complaints and queries from residents of Quatre-Bornes with a clear and consistent message that WMA is doing its utmost to avoid inconveniences.



In addition to the above, the new regulations approved by the Minister in 2012 for charging fees for services rendered in respect of verification of sewer, clearing wastewater blockage, disposing wastewater at wastewater disposal station, clearance for building permit, attendance to meeting, witnessing of percolation tests and clearance for morcellement permits have brought an additional revenue of Rs 14.47m in 2013.

The trend of revenue for years 2008 to 2013 is shown in the table below:-

	2008/09	2010 (18 months)	2011	2012	2013
Wastewater Fee	249,144,619	383,175,669	246,338,976	343,748,760	370,250,735
Other Income	34,128,308	29,796,106	11,260,733	10,927,292	32,984,217
Remuneration for Capital Projects	14,869,777	40,753,883	23,545,943	20,048,020	-
Total Income	298,142,704	453,725,658	281,145,652	374,724,072	403,234,952



# INFORMATION TECHNOLOGY

The year 2013 was particularly rich and insightful for the IT Unit at the WMA. A Room Alert System (RAS) was installed and configured in the server room at the Head Office in order to monitor its environment conditions, including, temperature and humidity, power and room entry. The RAS sends unlimited alert notifications via email and SMS to IT staff in case the sensors detect any excess in determined thresholds for temperature and humidity, a power failure and opening of the door to the server room.

Secondly, a hardware firewall referred to as a Unified Threat Management (UTM) system was procured and installed for better security while browsing over the Internet. Furthermore, among the major projects undertaken by the IT Unit are those conducted through the Paperless Initiatives Committee (PIC).

The WMA Board has set up the PIC as a Sub-Committee comprising of three board members, among whom one acts as the Chairperson, the Secretary to the Board, two IT staff and a Secretary to the Committee. In line with the Mauritian Government's vision of having paperless organisations, an initial step towards this initiative was to have a paperless Board as well as paperless sub-committees at the WMA.

Thus, Windows based tablets were procured for Board Members, the Secretary to the Board and WMA Executive Management in order to allow them consult electronic copies of board/sub-committee documents, thereby, avoiding the need for bulky hard copies which ultimately results in saving resources by limiting transportation costs, along with the need for physical storage space.





*Gearing*

*financial sustainability*



# NATIONAL AUDIT OFFICE

## REPORT OF THE DIRECTOR OF AUDIT TO THE BOARD OF THE WASTEWATER MANAGEMENT AUTHORITY

### Report on the Financial Statements

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International 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.

### *Auditor's Responsibility*

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

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

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

## **Opinion**

In my opinion, the financial statements give a true and fair view of the financial position of the Wastewater Management Authority as of 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

## **Emphasis of Matter**

I draw attention to the following:

### ***Plaines Wilhems Sewerage Projects***

Contracts WW 81F and WW80F were awarded under Plains Wilhems Sewerage Projects.

At design stage of these projects, a Consultant was appointed and his scope of work included a general site survey without detailed topographical and house surveys.

The scope of works of the Contractors comprised detailed topographical survey including house to house survey. Following completion of all surveys and design, the Contractors claimed that an increase in depths and lengths of excavation was needed in the projects. This resulted in increase in projects costs.

According to the Consultant's estimates, the increase under contract WW80F will amount to some 1.1 billion or an increase in the contract price from Rs 2.8 billion to Rs 3.9 billion.

In respect of Contract WW81F, the original contract price increased from Rs 2.3 billion to Rs.2.8 billion that is an increase of Rs 528 million.

### ***Receivables***

Debtors have been continuously increasing over the years. As of 31 December 2013, total debtors amounted to some Rs 405.2 million compared to Rs 251.2 million as of 31 December 2012. Provision for doubtful debts amounted to Rs 103.3 million as of 31 December 2013.

My opinion is not qualified in respect of these matters.



## **Report on Other Legal Regulatory Requirements**

### ***Management's Responsibility***

In addition to the responsibility for the preparation and presentation of these 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.

### ***Auditors' Responsibility***

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

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

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

The Board is responsible to keep proper accounting records for the purpose of recording all the transactions relating to the undertakings, funds, activities and property.

### **Opinion**

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.

### ***The Financial Reporting Act***

The Board is 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 disclosure is consistent with the requirements of the code.

In my opinion, the disclosures in the Corporate Governance Report are consistent with the Requirements of the Code.

***Public Procurement Act***

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

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



**K.C. TSE YUET CHEONG (Mrs)**

Director of Audit


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


25 September 2014

**WASTEWATER MANAGEMENT AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013**

		2013 Rs	2012 Rs
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, Plant & Equipment	7	64,050,500	47,595,701
Investment In Projects	8	916,107,679	82,030,881
Long Term Loan	9	4,462,441	6,472,365
<b>TOTAL NON-CURRENT ASSETS</b>		<b>984,620,620</b>	<b>136,098,947</b>
<b>CURRENT ASSETS</b>			
Inventories	10	19,643,463	19,914,563
Receivables & Prepayments	11	405,175,581	187,538,221
Short Term Loan	9	6,009,158	777,615
Cash & Bank Balances		42,605,114	-
<b>TOTAL CURRENT ASSETS</b>		<b>473,433,316</b>	<b>208,230,399</b>
<b>TOTAL ASSETS</b>		<b>1,458,053,936</b>	<b>344,329,346</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Retained Earnings		65,931,611	19,907,201
<b>TOTAL EQUITY</b>		<b>65,931,611</b>	<b>19,907,201</b>
<b>NON CURRENT LIABILITIES</b>			
Retirement Benefit Obligations	13	95,012,340	57,113,357
Long Term Loan (Capital Projects)	18	920,872,560	-
Deferred Income	12	15,183,398	6,984,763
Long Term Employee Benefits	14	32,909,001	26,521,359
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>1,063,977,299</b>	<b>90,619,479</b>
<b>CURRENT LIABILITIES</b>			
Trade & Other Payables	15	316,543,794	224,757,749
Cash & Cash Equivalents		-	3,917,157
Short Term Employee Benefits	14	4,589,727	3,501,337
Deferred Income	12	7,011,505	1,626,423
<b>TOTAL CURRENT LIABILITIES</b>		<b>328,145,026</b>	<b>233,802,666</b>
<b>TOTAL LIABILITIES</b>		<b>1,392,122,325</b>	<b>324,422,145</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>1,458,053,936</b>	<b>344,329,346</b>

Originally approved by the Wastewater Management Authority on 21 March 2014, revised on 23 September and signed on its behalf by:

  
 .....  
 (Chairman)

  
 .....  
 (Member)

The notes on pages 72 to 87 form an integral part of these Financial Statements.



**WASTEWATER MANAGEMENT AUTHORITY  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR YEAR ENDED 31 DECEMBER 2013**

	Appendix	2013 Rs	2012 Rs
<b>REVENUE</b>			
Wastewater Fees	I	370,250,735	343,748,760
Other Revenue		32,984,217	30,975,312
<b>TOTAL REVENUE</b>		<b>403,234,952</b>	<b>374,724,072</b>
<b>EXPENSES</b>			
Operation & Maintenance Costs	II	281,203,542	229,065,631
Administrative Costs		85,107,720	76,428,770
Commercial Costs		15,654,569	19,748,098
Finance Costs		87,469,397	71,455,841
Depreciation		17,181,898	12,733,887
<b>TOTAL EXPENSES</b>		<b>486,617,126</b>	<b>409,432,227</b>
<b>Loss for the year</b>		<b>(83,382,174)</b>	<b>(34,708,155)</b>
<b>Other Comprehensive Income</b>			
Actuarial loss on defined benefit plans		(37,898,983)	-
Increase in revaluation reserve		2,273,876	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(119,007,281)</b>	<b>(34,708,155)</b>

**WASTEWATER MANAGEMENT AUTHORITY**  
**STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31 DECEMBER 2013**

	Note	Rs	Retained Earnings 2013 Rs	Revaluation Reserve 2013 Rs	Total 2013 Rs	Rs	Retained Earnings 2012 Rs
Balance as at 1 January 2013			19,907,201	-	19,907,201		86,290,485
Changes in net assets/equity for 2013							
Prior year expenses	17	(3,639,601)				(11,736,201)	
Revenue for prior years	17	168,671,292				2,520,004	
<b>Net revenue /(expenses) recognised directly in net assets/equity</b>			165,031,691	-	165,031,691		(9,216,197)
Loss for the year		(83,382,174)				(34,708,155)	
Actuarial loss on defined benefit plans		(37,898,983)				(22,458,932)	
			(121,281,157)		(121,281,157)		(57,167,087)
Vehicles revalued				3,410,814			
Less depreciation on revalued amount				(1,136,938)			
					2,273,876		
<b>Total recognised revenue/(expenses) for the period</b>			43,750,534	2,273,876	46,024,410		(66,383,284)
<b>Balance at year end</b>			63,657,735	2,273,876	65,931,611		19,907,201

**WASTEWATER MANAGEMENT AUTHORITY**  
**STATEMENT OF CASH FLOWS FOR YEAR ENDED 31 DECEMBER 2013**

	2013 Rs	2012 Rs
<b>Cash flows from operating activities</b>		
Surplus/(Deficit )for the year	(83,382,174)	(34,708,155)
<b>Non- cash movements</b>		
Prior year adjustment	163,256,874	(9,216,197)
Amortisation of Government grants	(7,011,505)	(2,173,789)
Depreciation	17,181,898	12,733,887
Increase in provision relating to employee costs	211,741	682,223
(Profit) / Loss on sale of asset	482,847	(358,091)
Increase in payables	101,157,652	70,685,545
(Increase)/ Decrease in inventories	1,143,974	855,969
(Increase)/ Decrease in receivables	(217,637,360)	(29,960,864)
<b>Net cash (used in)/ generated from operating activities</b>	<b>(24,596,053)</b>	<b>8,540,528</b>
<b>Cash flows from investing activities</b>		
Loan from Government	920,872,560	-
Investment in Projects	(834,978,855)	(2,113,196)
Disposal of assets	452,000	560,000
Purchase of Equipment	(12,005,762)	(6,726,587)
<b>Net cash (used in) / generated from investing activities</b>	<b>74,339,943</b>	<b>(8,279,783)</b>
<b>Cash flows used from financing activities</b>		
Loan granted	(6,501,430)	(934,970)
Adjustment	-	(2,883)
Loan received	3,279,811	2,729,262
<b>Net cash (used in)/ generated from financing activities</b>	<b>(3,221,619)</b>	<b>1,791,409</b>
<b>Net increase/ ( Decrease) in cash and cash equivalents</b>	<b>46,522,271</b>	<b>2,052,154</b>
Cash and cash equivalents at beginning of year	(3,917,157)	(5,969,311)
<b>Cash and cash equivalents at end of year</b>	<b>42,605,114</b>	<b>(3,917,157)</b>



## WASTEWATER MANAGEMENT AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

#### 1.0 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.

#### 2.0 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 Maîtrise D’Ouvrage Délégée”. 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 Reapplication of International Financial Reporting Standards (IFRS)

3.1.1 The WMA has been applying IFRS as far back as 30 June 2003. Owing to an amendment to the Statutory Bodies (Accounts and Audit) Act 1972 in 2010, “every statutory body shall cause to be prepared an annual report “ which must include the Financial Statements in compliance with the International Public Sector Accounting Standards (IPSAS) issued by the International Financial Accounting Council (IFAC) with effect from 2011. For the years ended December 2011 and December 2012 financial statements were prepared under IPSAS.

3.1.2 The Financial Reporting Act (FRA) has been amended through the Economic and Financial Measures (Miscellaneous Provisions) Act 2013, whereby Wastewater Management Authority is now classified as a Public Interest Entity (PIE) as listed in the First Schedule of the Act. Consequently, WMA is required to prepare the financial statements in compliance with IFRS. There are some changes in the accounting policies and methods adopted in the last financial statements which were prepared in accordance with IPSAS as we are now applying IFRS.

3.1.3 For the year 2013 WMA has not applied “First Time Adoption of International Financial Reporting Standards” (IFRS 1), instead it has applied IFRS 1 retrospectively in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors.”

##### 3.2 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.

## WASTEWATER MANAGEMENT AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

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) Reporting date**

The financial statements cover a period of one year from 01 January 2013 to 31 December 2013.

## **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 1 Presentation of Financial Statements

IAS 19 Employee Benefits

### **4.2 New and revised IFRS in Issue but not yet effective**

IAS 19 Employee Benefits- Amended to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service (effective on or after 1 July 2014)

IAS 24 Related Party Disclosures- Amendments resulting from annual Improvements 2010-2012 Cycle(Management Entities- effective on or after 1 July 2014)

IAS 32 Financial Instruments: Disclosures- Amendments relating to the offsetting of assets and liabilities (effective on or after 1 January 2014)

IAS 36 Impairment of assets- Amendments to recoverable amount disclosures for Non-Financial Assets (effective on or after 1 January 2014)

IAS 39 Financial Instruments: Recognition and Measurement - Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting (effective on or after 1 January 2014)

IFRS 7 Financial Instruments: Disclosures- Deferral of mandatory effective date of IFRS 9 and amendments relating to transition disclosures (effective 1 January 2015)

IFRS 13 Fair Value Measurement- Amendments resulting from Annual Improvements 2011-2013 Cycle( effective on or after 1 July 2014)

## WASTEWATER MANAGEMENT AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

#### 4.3 Accounting Convention

The financial statements are prepared under the historical cost convention.

#### 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- (a) Civil works	2.50%
(b) Mechanical & electrical	6.67%
(c) Consultancy	20.00%

No depreciation is charged on additions in the month of purchase nor is provision 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 recognised immediately unless the relevant asset is carried at a revalued amount in which case the impairment loss is treated as a revaluation decrease.

#### 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.



## WASTEWATER MANAGEMENT AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

#### 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 realize from the sale of Inventory in the ordinary course of business.

#### 4.9 Revenue recognition

Wastewater fees are recognised on an accrual basis. Commission 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 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 XL11 of 2001.

#### 4.10 Provision for retirement benefits

The Authority contributes to a pension scheme, which is a “Defined Benefit” 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 31 December 2013.

There have been significant changes to IAS 19 pertaining to pension benefits. These changes are applicable for reporting year starting as from 01 January 2013.

The most significant financial change is that actuarial gains and losses can no longer be spread over the future. Prior years unrecognized losses have been shown in the Statement of changes in equity and current year losses have been recognized as other Comprehensive Income.

As regards to the Profit and Loss account, the two items (interest cost and expected return) will be replaced by a single item: the “Net Interest Income /Expense”. For this purpose, the assumption for the discount rate and the expected rate of return in plan assets will be the same. The average remaining working lifetime of existing members is 25 years.

## WASTEWATER MANAGEMENT AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

*(ii) Service costs*

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

*(iii) Current Service Cost*

Current Services 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 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 Surplus/Deficit is Rs61,923 for the year 2013.

#### **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 Surplus/Deficit in the period in which they fall due. An amount of Rs786,235 has been contributed in 2013.

#### **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 December 2013 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.

## WASTEWATER MANAGEMENT AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

#### 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 Judgment

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. In order to ensure adequacy of its funding, cash flow forecasts are prepared weekly and sometimes daily to identify any shortage of funds. 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 maximise 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.

##### 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.

#### 4.16 Non-Monetary Assets from Government (Deferred Income)

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.



**WASTEWATER MANAGEMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013**

**5.0 SALARIES AND RELATED COSTS**

Total number of employees as at 31 December

**2013**  
**Number**

467

**2012**  
**Number**

416

**6.0 FINANCE COSTS**

Bank Charges

**2013**  
**Rs**

222,752

**2012**  
**Rs**

455,841

Interest on loan from Government

16,246,645

-

User fee

71,000,000

71,000,000

**87,469,397**

**71,455,841**

**7.0 PROPERTY, PLANT & EQUIPMENT**

**Cost/Valuation**

At 31 December 2012

47,139,931

71,767,145

118,907,076

Disposal

(3,052,560)

-

(3,052,560)

Additions

22,139,261

9,256,348

31,395,609

Revaluation

3,410,814

-

3,410,814

**Cost as at 31 December 2013**

**69,637,446**

**81,023,493**

**150,660,939**

**Accumulated depreciation**

At 31 December 2012

25,059,234

46,252,141

71,311,375

Disposal

(2,117,714)

-

(2,117,714)

Charge for the year

7,859,707

8,420,133

16,279,840

Depreciation on revalued amount

1,136,938

-

1,136,938

**Total depreciation as at 31 December 2013**

**31,938,165**

**54,672,274**

**86,610,439**

**Carrying value**

**As at 31 December 2013**

**37,699,281**

**26,351,219**

**64,050,500**

**7.1 Assets revalued**

Vehicles revalued

3,410,814

Less depreciation on revalued amount

(1,136,938)

**Total**

**2,273,876**

## WASTEWATER MANAGEMENT AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

#### 8. INVESTMENT IN PROJECTS

Investment in projects consisting of direct payment made by WMA and through loan from Government for:

	Projects funded by WMA Rs	Projects funded through loan from Government Rs	Total Rs
<b>Cost/Valuation</b>			
At 31 December 2012	83,248,439	-	83,248,439
Additions	1,828,077	833,150,779	834,978,856
<b>At 31 December 2013</b>	<b>85,076,516</b>	<b>833,150,779</b>	<b>918,227,295</b>
<b>Accumulated depreciation</b>			
At 31 December 2012	1,217,558	-	1,217,558
Charge for the year	692,658	209,400	902,058
<b>At 31 December 2013</b>	<b>1,910,216</b>	<b>209,400</b>	<b>2,119,616</b>
<b>Carrying value</b>			
<b>At 31 December 2013</b>	<b>83,166,300</b>	<b>832,941,379</b>	<b>916,107,679</b>

#### 9. LOANS GRANTED TO STAFF

	2013 Rs	2012 Rs
Opening Balance	7,249,980	9,041,389
Adjustment	-	2,883
Loan Granted	6,501,430	934,970
Loan repaid	(3,279,811)	(2,729,262)
Closing Balance	<b>10,471,599</b>	<b>7,249,980</b>
Less amount falling due within one year	(6,009,158)	(777,615)
Amount falling due more than one year	<b>4,462,441</b>	<b>6,472,365</b>

Loan granted includes balances in respect of advances of Rs 10,471,599 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% per annum depending on the time the loan is granted.

# **WASTEWATER MANAGEMENT AUTHORITY** **NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013**

## **10. INVENTORIES**

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

	2013 Rs	2012 Rs
Equipment from projects	15,452,801	8,969,355
Spare parts for maintenance	2,317,944	5,485,858
Chemicals	850,980	1,061,772
Other consumables	1,021,738	4,397,578
<b>Total</b>	<b>19,643,463</b>	<b>19,914,563</b>

## **11. RECEIVABLES AND PREPAYMENTS**

	2013 Rs	2012 Rs
Opening balance	226,943,243	172,218,823
Increase/(decrease) in Domestic and Non Domestic Debtors	183,761,886	54,724,420
	410,705,129	226,943,243
Less impairment of debt (see Note 11.2)	(103,391,595)	(93,320,358)
Bills rendered to Domestic and Non Domestic Customers	307,313,534	133,622,885
Other receivables and prepayments	97,226,815	53,288,104
Deposits receivable	635,232	627,232
<b>Total</b>	<b>405,175,581</b>	<b>187,538,221</b>

**11.1** Bills rendered to customers are shown at a net basis. The average credit period taken by customers 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**

	2013 Rs	2012 Rs
Balance as at 1 January	93,320,358	79,252,094
Provision recovered	(15,059,955)	(6,624,085)
Provision for the year	25,131,192	20,692,349
<b>Balance as at 31 December</b>	<b>103,391,595</b>	<b>93,320,358</b>



## WASTEWATER MANAGEMENT AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

#### 12. DEFERRED INCOME

Opening Balance
Received/Disposed during the year
Adjusted during the year
Amortisation
<b>Closing Balance</b>
Less amount falling due within one year
Amount falling due more than one year

2013 Rs	2012 Rs
8,611,186	8,547,577
22,370,039	2,619,360
(1,774,817)	(381,962)
(7,011,505)	(2,173,789)
<b>22,194,903</b>	<b>8,611,186</b>
(7,011,505)	(1,626,423)
<b>15,183,398</b>	<b>6,984,763</b>

#### 13. RETIREMENT BENEFIT OBLIGATIONS FIGURES FOR IAS 19 ADOPTION FOR:

For the year ending 31 December 2013

Amounts recognised in the Statement of Financial Position at end of year:

Defined benefit obligation

Fair value of plan assets

**Liability recognised in the Statement of Financial Position at end of year**

Amounts recognised in the Statement of Financial Performance:

Service cost:

Current service cost

Past service cost

(Employee Contributions)

Fund Expenses

Net interest expense/(income)

**P&L Charge**

**Remeasurement**

Liability (gain)/loss

Asset gain/(loss)

Total Other Comprehensive Income(OCI) recognised

**Total**

Year ending 31 December 2013 Rs	Year ending 31 December 2012 (Restated) Rs
170,130,521	120,706,873
(75,118,181)	(63,593,516)
<b>95,012,340</b>	<b>57,113,357</b>
8,556,183	6,490,762
-	-
(5,081,638)	(4,252,273)
492	85,561
4,372,506	5,175,108
<b>7,847,543</b>	<b>7,499,158</b>
39,013,793	1,316,666
(1,326,551)	963,729
<b>37,687,242</b>	<b>2,280,395</b>
<b>45,534,785</b>	<b>9,779,553</b>

# WASTEWATER MANAGEMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

### Movements in liability recognised in the Statement of Financial Position:

At start of year  
Amount recognised in P&L  
Actuarial reserves transferred in  
(Contributions paid by employer)  
Amount recognised in OCI  
At end of year

57,113,357	54,541,918
7,847,543	7,499,158
(2,806)	(830,043)
(7,632,996)	(6,378,071)
37,687,242	2,280,395
<b>95,012,340</b>	<b>57,113,357</b>
6,657,845	4,678,136

Actual return on plan assets:

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

### Reconciliation of the present value of defined benefit obligation

Present value of obligation at start of period  
Current service cost  
Interest cost  
(Benefits paid)  
Liability (gain)/loss  
Present value of obligation at end of period

Year ending 31 December 2013 Rs	Year ending 31 December 2012 (Restated) Rs
120,706,873	107,902,361
8,556,183	6,490,762
9,656,550	10,790,236
(7,802,878)	(5,793,152)
39,013,793	1,316,666
<b>170,130,521</b>	<b>120,706,873</b>

### Reconciliation of fair value of plan assets:

Fair value of plan assets at start of period  
Expected return on plan assets  
Employer contributions  
Employee contributions  
Actuarial Reserves transferred in  
(Benefits paid + other outgo)  
Asset gain/(loss)  
Fair value of plan assets at end of period

63,593,516	53,360,443
5,284,044	5,615,128
7,632,996	6,378,071
5,081,638	4,252,273
2,806	830,043
(7,803,370)	(5,878,713)
1,326,551	(963,729)
<b>75,118,181</b>	<b>63,593,516</b>

### Distribution of plan assets at end of period:

Percentage of assets at end of year

Government securities and cash  
Loans  
Local equities  
Overseas bond and equities  
Property  
Total

59.1%	58.8%
4.9%	6.6%
21.9%	21.0%
13.4%	12.8%
0.7%	0.8%
<b>100%</b>	<b>100%</b>

# WASTEWATER MANAGEMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

### Additional disclosure on assets issued or used by the reporting entity

#### Percentage of assets at end of year

Assets held in the entity's own financial instruments	
Property occupied by the entity	
Other assets used by the entity	

#### Components of the amount recognised in OCI

Year	
Currency	
Asset experience gain/(loss) during the period	
Liability experience gain/(loss) during the period	

Year	
Expected employer contributions	

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:

Discount Rate	
Expected rate of return on plan assets	
Future salary increases	
Future pension increases	
Mortality before retirement	
Mortality in retirement	
Retirement age	

#### December 2013

(%)

0  
0  
0

#### December 2012

(%)

0  
0  
0

#### December 2013

Rs

1,326,551  
(39,013,793)  
(37,687,242)

#### December 2012

Rs

(963,729)  
(1,316,666)  
(2,280,395)

#### 2014

8,055,126

#### Year ending 31 December 2013

8.00%  
8.00%  
5.50%  
3.50%

#### Year ending 31 December 2012

10.00%  
10.00%  
7.00%  
5.00%

A 6770 Ultimates Tables  
PA (90) Tables

As per schedule II in the Statutory  
Bodies Pension Funds Act



## WASTEWATER MANAGEMENT AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

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 Rs24.4M (increase by Rs31.5M) if all assumptions were held unchanged.

If the expected salary growth would increase (decrease) by 1%, the defined benefit obligation would increase by Rs18.8M (decrease by Rs15.5M) if all assumptions were held unchanged.

If life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by Rs4.2M (decrease by Rs4.2M) if all assumptions were held unchanged.

#### 14. EMPLOYEE BENEFITS

WMA has provided for the employee benefits as under:

##### 14.1 PROVISION FOR SICK LEAVE

Opening Balance	
Adjustment	
Payment during the year	
Provision for the year	
<b>Closing Balance</b>	
Less Amount falling due within one year	
Amount falling due after more than one year	

2013 Rs	2012 Rs
23,409,437	21,282,548
(6,953)	43,633
(2,763,233)	(2,247,460)
9,180,407	4,330,716
<b>29,819,658</b>	<b>23,409,437</b>
(2,550,292)	(1,879,249)
<b>27,269,366</b>	<b>21,530,188</b>

##### 14.2 PROVISION FOR PASSAGE BENEFITS

Opening Balance	
Adjustment	
Payment during the year	
Provision for the year	
<b>Closing Balance</b>	
Less amount falling due within one year	
Amount falling due after more than one year	

2013 Rs	2012 Rs
6,613,259	6,123,747
190,006	78,422
(1,854,032)	(1,474,625)
2,729,837	1,885,715
<b>7,679,070</b>	<b>6,613,259</b>
(2,039,435)	(1,622,088)
<b>5,639,635</b>	<b>4,991,171</b>
<b>4,589,727</b>	<b>3,501,337</b>
<b>32,909,001</b>	<b>26,521,359</b>
<b>37,498,728</b>	<b>30,022,696</b>

Total Short Term Employee Benefits	
Total long Term Employee Benefits	
<b>Total Employee Benefits</b>	

## WASTEWATER MANAGEMENT AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

#### 15. TRADE AND OTHER TRADE PAYABLES

Accruals  
Other Payables

	2013 Rs	2012 Rs
Accruals	310,230,928	221,411,957
Other Payables	6,312,866	3,345,792
	<u>316,543,794</u>	<u>224,757,749</u>

#### 16. CONTINGENT LIABILITY

During the financial year WMA has provided for an amount of Rs20,429,000 as bank guarantee for acquiring way-leaves as follows:-

	2013 Rs	2012 Rs
Municipal Councils	14,309,000	13,618,500
District Councils	120,000	120,000
Road Development Authority	6,000,000	6,000,000
Ministry of Labour, Industrial Relations	-	80,000
<b>Total</b>	<u>20,429,000</u>	<u>19,818,500</u>

There is a collateral security given to the State Bank of Mauritius Ltd in respect of the overdraft facilities taken. 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 :

- (a) Bank guarantees issued in ordinary course of business from which it is anticipated that no material liabilities will arise.
- (b) For cases pending before the Court where WMA is being sued. The total amount claimed to WMA is Rs14,640,715 and no provision has been made in the accounts.

# WASTEWATER MANAGEMENT AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

## 17. STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

### Changes in equity for 2013

#### Prior year expenses

Retention Allowance

Other Debtors

Stock- Chemicals

Refund of WW charges

Petrol & Diesel

Salary- Mr Baker

Total prior year expenses

#### Revenue for prior years

Non Domestic Tariff- unregistered customers billing

Assets & Grants

Prepayment

Sick leave

Overpayment previous years

Accrual 2012

Refund of salary

Prepayment Domestic

Total revenue for prior years

Net revenue/(expenses) recognised directly in statement of changes in equity

Rs	Rs
(30,087)	
(63,292)	
(216,682)	
(495,740)	
(583,749)	
(2,245,091)	
	(3,634,641)
166,399,764	
1,774,817	
299,257	
69,213	
59,682	
56,450	
7,103	
46	
	168,666,332
	165,031,691

Figures for 2012 have been omitted owing to change in items of expenses and revenue.

## 18. CAPITAL PROJECTS

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

Loan from Government

Exim Bank of China

Total

Rs
628,500,000
292,372,560
920,872,560



## WASTEWATER MANAGEMENT AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

#### 19. CAPITAL COMMITMENTS

WMA has contracted capital expenditure amounting to Rs1,489,422 for the purchase of equipment at the statement of 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 PARTY 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 and payment of user fee.

#### 22. REMUNERATION OF DIRECTORS AND KEY PERSONNEL MANAGEMENT

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

##### Remuneration

Directors  
Key Personnel Management

	2013 Rs	2012 Rs
Directors	916,800	1,022,100
Key Personnel Management	10,237,706	8,153,431
	<u>11,154,506</u>	<u>9,175,531</u>
 <b>Loans to Managers for the purchase of vehicles</b>		
Opening balance	430,000	550,000
Add loan granted during the year	830,000	-
Less loan repaid	(238,572)	(120,000)
Closing balance	<u>1,021,428</u>	<u>430,000</u>

## WASTEWATER MANAGEMENT AUTHORITY

### APPENDIX-1

#### INCOME

For the year ended 31 December 2013

#### INCOME

Domestic Tariff (Fees)  
Non Domestic Tariff (Fees)

#### OTHER INCOME

Surcharge  
Septic Tank Emptying  
Sale of tender documents  
Tanker License Fees  
Bank Interest Received  
Industrial Discharge Permit  
Sundry Income  
Verification of design of sewer, Treatment Plant  
Clearing wastewater blockages  
Disposal of effluent at wastewater disposal station  
Clearance for building permit  
Attendance to Meetings and Site Visits  
Witnessing of Percolation Tests  
Wastewater clearance for morcellement permits  
Remuneration for Capital Projects  
Profit on Disposal of Fixed Asset  
Amortisation of Government Grant  
**TOTAL OTHER INCOME**  
**TOTAL INCOME**

	2013 Rs	2012 Rs
Domestic Tariff (Fees)	150,044,935	141,019,686
Non Domestic Tariff (Fees)	220,205,800	202,729,074
	<u>370,250,735</u>	<u>343,748,760</u>
Surcharge	6,717,944	4,889,780
Septic Tank Emptying	13,445	185,120
Sale of tender documents	94,000	160,500
Tanker License Fees	363,356	675,354
Bank Interest Received	1,510,387	168,974
Industrial Discharge Permit	5,200	11,600
Sundry Income	2,794,992	2,304,084
Verification of design of sewer, Treatment Plant	16,000	-
Clearing wastewater blockages	336,081	-
Disposal of effluent at wastewater disposal station	12,287,727	-
Clearance for building permit	967,900	-
Attendance to Meetings and Site Visits	15,000	-
Witnessing of Percolation Tests	44,800	-
Wastewater clearance for morcellement permits	805,880	-
Remuneration for Capital Projects	-	20,048,020
Profit on Disposal of Fixed Asset	-	358,091
Amortisation of Government Grant	7,011,505	2,173,789
<b>TOTAL OTHER INCOME</b>	<u>32,984,217</u>	<u>30,975,312</u>
<b>TOTAL INCOME</b>	<u><u>403,234,952</u></u>	<u><u>374,724,072</u></u>

## WASTEWATER MANAGEMENT AUTHORITY

### EXPENDITURE

For the year ended 31 December 2013

### APPENDIX-II

#### OPERATION AND MAINTENANCE COSTS

	2013 Rs	2012 Rs
Staff costs and other related costs	134,245,884	98,638,392
Travel and Transport	15,612,138	12,805,896
Telephone	889,258	797,194
Electricity	44,402,221	41,965,234
Water Rates	855,566	1,078,966
Security Services	4,564,950	3,695,741
Repair and Maintenance costs	14,821,398	7,508,019
Motor Vehicle Costs	16,977,797	12,727,323
Contract Operating Agreement	48,713,482	49,697,548
Advertising Costs	120,848	151,318
<b>Sub-Total</b>	<b>A 281,203,542</b>	<b>229,065,631</b>

#### ADMINISTRATIVE COSTS

Staff costs and other related costs	51,609,123	44,515,408
Travel and Transport	3,976,571	3,432,278
Postage	311,344	362,348
Telephone	1,563,529	1,525,000
Rent	15,028,500	15,028,500
Electricity	1,421,881	2,776,949
Printing and Stationery	3,010,232	2,742,133
Insurance	772,495	601,337
Security Services	426,900	309,600
Hired and Contracted Service	1,116,941	982,525
Consultancy Services	1,477,600	61,700
Seminars and Hospitality	365,732	277,364
Legal Fees	2,048,649	2,359,782
Audit Fees	275,000	300,000
Other Fees	976,800	1,082,100
Advertising costs	243,576	71,746
Loss on Disposal of Fixed Asset	482,847	-
<b>Sub-Total</b>	<b>B 85,107,720</b>	<b>76,428,770</b>

## WASTEWATER MANAGEMENT AUTHORITY

### EXPENDITURE

For the year ended 31 December 2013

### APPENDIX-II (CTD)

#### COMMERCIAL COSTS

Income Collection Fee

Bad Debts ( Provision)

Sub-Total

#### DEPRECIATION

Sub-Total

#### FINANCE COSTS

Bank Charges

Interest on Loan

User fee

Sub-Total

#### TOTAL EXPENDITURE

#### SUMMARY

Total Income

Total expenditure

Loss for the year

	2013 Rs	2012 Rs
	5,583,333	5,679,834
	10,071,236	14,068,264
<b>C</b>	<b>15,654,569</b>	<b>19,748,098</b>
	17,181,898	12,733,887
<b>D</b>	<b>17,181,898</b>	<b>12,733,887</b>
	222,752	455,841
	16,246,645	-
	71,000,000	71,000,000
<b>E</b>	<b>87,469,397</b>	<b>71,455,841</b>
	486,617,126	409,432,227
	403,234,952	374,724,072
	486,617,126	409,432,227
	<b>(83,382,174)</b>	<b>(34,708,155)</b>



**WASTEWATER MANAGEMENT AUTHORITY**  
Capital Projects for services under the control of the Wastewater Management Authority

**APPENDIX- III**

S/N	Title of Project	Project Value Rs	Cumulative expenditure up to 31.12.12 Rs	Actual expenditure as at 31.12.13 Rs	Cumulative expenditure up to 31.12.13 Rs	Remaining balance Rs
1	Plaines Wilhems Sewerage Project Stage I	9,419	5,918	862	6,780	2,639
2	House Service Connections	835	530	54	584	251
3	Grand Baie Sewerage Project	5,673	1,243	3	1,246	4,427
4	Rehabilitation in CHA Estates and Low Cost	1,908	1,262	10	1,272	636
5	Baie Du Tombeau Sewerage Project	3,232	1,703	4	1,707	1,525
6	Environment West and Sanitation Project	2,687	2,142	-	2,142	545
7	Pailles Guibies Sewerage Project	2,220	28	-	28	2,192
8	Port Louis Rehabilitation	26	-	-	-	26
9	Upgrading of wastewater infrastructure	899	388	24	412	487
10	Neotown Project	184	-	-	-	184
<b>GRAND TOTAL</b>		<b>27,083</b>	<b>13,214</b>	<b>957</b>	<b>14,171</b>	<b>12,912</b>







Wastewater Management Authority

The Celicourt, Sir Celicourt Antelme Street, Port Louis, Mauritius

Tel: (230) 206 3000 - Hotline: (230) 800 1300 - Fax: (230) 211 7007 - E-mail: [wma@intnet.mu](mailto:wma@intnet.mu)  
[wma.gov.mu](http://wma.gov.mu)