

ANALYSIS OF SALARY INCREASE WITH SCENARIOS (WITH COLLECTIVE BARGAINING ALLOWANCES AND ADDITIONAL STAFF)

Description	12%							
	GHC	BEFORE/CURRENT GHC	% on total Cost	10% GHC	12%	15% GHC	20% GHC	25%
Average collections		60,000,000.00		60,000,000.00	60,000,000.00	60,000,000.00	60,000,000.00	60,000,000.00
Total		60,000,000.00		60,000,000.00	60,000,000.00	60,000,000.00	60,000,000.00	60,000,000.00
Expenditure(Cashoutflow):								
Salaries + Deductions		20,375,971.17	27.03	22,413,568.28	22,821,087.71	23,432,366.84	24,451,165.40	25,469,963.96
CBA Allowance (incremental)		1,599,884.30	2.12	1,599,884.30	1,599,884.30	1,599,884.30	1,599,884.30	1,599,884.30
Additional Staff		565,317.00	0.75	621,848.70	633,155.04	684,033.57	678,380.40	706,646.25
Operational Mandates		6,994,939.60	9.28	6,994,939.60	6,994,939.60	6,994,939.60	6,994,939.60	6,994,939.60
Water Treatment Chemicals		2,000,000.00	2.65	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00
Esrow Account/Befesa Loan		2,300,000.00	3.05	2,300,000.00	2,300,000.00	2,300,000.00	2,300,000.00	2,300,000.00
Befesa Desalination		12,604,167.00	16.72	12,604,167.00	12,604,167.00	12,604,167.00	12,604,167.00	12,604,167.00
Energy:								
PDS	8,000,000.00			8,000,000.00	8,000,000.00	8,000,000.00	8,000,000.00	8,000,000.00
Volta River Authority	2,000,000.00			2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00
Gridco	150,000.00			150,000.00	150,000.00	150,000.00	150,000.00	150,000.00
Nedco	1,500,000.00	11,650,000.00	15.45	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00
Compensation		500,000.00	0.66	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00
Pipes & Fittings:								
DPS	500,000.00							
Interplast Ltd	500,000.00							
Duraplast Ltd	500,000.00	1,500,000.00	1.99	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00
Vehicles		800,000.00	1.06	800,000.00	800,000.00	800,000.00	800,000.00	800,000.00
Top international ,CHICO etc		1,000,000.00	1.33	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Capex/Critical operational Items		9,000,000.00	11.94	9,000,000.00	9,000,000.00	9,000,000.00	9,000,000.00	9,000,000.00
Other Payables		3,000,000.00	3.98	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00
Critical Maintenance Fund		500,000.00	0.66	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00
Others(Various assistance to regions/units								
		1,000,000.00	1.33	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Total Monthly		75,390,279.07	100.00	77,484,407.88	77,903,233.65	78,565,391.31	79,578,536.70	80,625,601.11
Net Cashflow		= 15,390,279.07		- 17,484,407.88	- 17,903,233.65	- 18,565,391.31	- 19,578,536.70	- 20,625,601.11

Percentages

% of personnel cost on Revenue	37.57	41.06	41.76	42.86	44.55	46.29
% of personnel cost on Cost:	29.90	31.79	32.16	32.73	33.59	34.45

USING 2019 BUDGET PERSONNEL. COST

APPENDIX

ANALYSIS OF SALARY INCREASE WITH SCENARIOS (WITH COLLECTIVE BARGAINING ALLOWANCES AND ADDITIONAL STAFF)

USING 18% TARIFF INCREASE

Description	BEFORE/CURRENT		10%	12%	15%	20%	25%
	GHC	GHC	% on total Cost	GHC		GHC	GHC
Average collections		67,237,434.23		67,237,434.23	67,237,434.23	67,237,434.23	67,237,434.23
Total		67,237,434.23		67,237,434.23	67,237,434.23	67,237,434.23	67,237,434.23
Expenditure(Cashoutflow):							
Salaries + Deductions		20,375,971.17	27.03	22,413,568.28	22,821,087.71	23,432,366.84	24,451,165.40
CEA Allowance (incremental)		1,599,884.30	2.12	1,599,884.30	1,599,884.30	1,599,884.30	1,599,884.30
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Energy:							
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Volta River Authority	2,000,000.00			2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00
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Nedco	1,500,000.00	11,650,000.00	15.45	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00
Compensation		500,000.00	0.66	500,000.00	500,000.00	500,000.00	500,000.00
Pipes &Fittings:							
DPS	500,000.00						
Interplast Ltd	500,000.00						
Duraplast Ltd	500,000.00	1,500,000.00	1.99	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00
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Other Payables		3,000,000.00	3.98	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00
Critical Maintenance Fund		500,000.00	0.66	500,000.00	500,000.00	500,000.00	500,000.00
Others(Various assistance to regions/units							
		1,000,000.00	1.33	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Total Monthly		75,390,279.07	100.00	77,484,407.88	77,903,233.65	78,565,391.31	79,578,536.70
Net Cashflow		- 8,152,844.84		- 10,246,973.65	- 10,665,799.42	- 11,327,957.08	- 12,341,102.47

Percentages

% of personnel cost on Revenue	37.57	36.64	37.26	38.25	39.75	41.31
% of personnel cost on Cost:	29.90	31.79	32.16	32.73	33.59	34.45

GHANA WATER COMPANY LIMITED
[LEGAL SERVICES DEPARTMENT]

DECISION MEMORANDUM

TO CHAIRMAN, BOARD OF DIRECTORS
MEMBERS, BOARD OF DIRECTORS

FROM MANAGING DIRECTOR

DATE : /A JULY, 2019

SUBJECT : APPROVAL OF BOARD GOVERNANCE PAPERS

Reference is made to the ongoing Implementation of the GWCL Governance Action Plan and to the attached Corporate Governance Reporting Template issued by Ministry of Finance (MoF) as a reporting format for the Action Plan.

We forward herewith for the approval of the Board, the following mandatory Board Governance Papers developed in 2019 in conformity with the Reporting Template.

1. Directors' Appointment Letters
2. Directors' Responsibility Statement
3. Board Committee Charters
4. Board Induction Package
5. Draft Job Description of the Company Secretary
6. Statement of Matters Reserved for the Board
7. Draft Whistleblower Programme

[ING. D . CLIFFORD BRAIMAH]

NAME OF COMPANY

CORPORATE GOVERNANCE REPORTING TEMPLATE

TO BE FILLED IN LINE WITH THE REQUIREMENTS OF THE GEM-STA IMPLEMENTATION PROJECT

To: Board of Directors

To: Director, Public Investment & Assets Division; Ministry of Finance

Reviewer's Name: *Name of Internal Auditor*

MD / CEO Signature:

Company Secretary Signature:

Date:

	Question	Response	Action FA; PA; NA*	Source of Information
A1	Has the company developed a Board Charter?	e.g Yes the board has a Board Charter in place	e.g FA	e.g.Board Charter
A2	Directors receive appointment letters clearly setting out their duties in line with law and governance practices			
A3	Is there a statement signed by all Directors indicating their responsibilities under law and governance guidelines?			
A4	Are all board committees governed by written charter disclosing its mandate, authority, composition and working processes?			
A5	Does the Company have <ul style="list-style-type: none">documented Board Orientation / Induction Guidelines for new Directors			

- A6 Has the Board determined, agreed on its annual evaluation process and undertaken the evaluation or the performance of the Board, Board Committees, Chairman & Directors & Company Secretary?
- A7 The Board has adopted an Conflict of Interest / Related Party Transactions Policy
- A8 The Board has adopted a Communications Policy
- A9 The Board has adopted a Whistle Blowers Policy
- A10 The Board has adopted a Delegation of Authority Policy

- B1 Is the Board size adequate for the exercise of the company business?
- B2 Do the Board members represent a mix of skills, experience, industry knowledge and independence to enable the discharge of their duties?
- B3 Is the role of the Company Secretary clearly spelt out and documented?
- B4 There is a board calendar in place
- B5 Do company documents indicate the role of the Board in developing and monitoring the company strategy
- B6 Has the Board established procedures to allow its members access to relevant, accurate and complete information and professional advice?
- B7 Has the Board adopted an annual work plan to guide its activities?
- B8 Do Board members participate in on-going corporate governance training?
- B9 How does the Board ensure compliance with all applicable

laws, regulations and internal policies?

- B10 Has the Board organized a compliance audit on a periodic basis?

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MANAGEMENT & INTERNAL NT

- C1 Does the Audit Committee and the Board consider and review the financial statements for integrity of the process and for factual presentation?
- C2 Does the Audit Committee meet on a regular basis and report regularly to the Board on all relevant issues under its responsibility?
- C3 Does the Audit Committee implement ad monitor corrective actions for improvement based on External Auditors recommendations?
- C4 Does the Annual Report contain a statement from the Board explaining its responsibility for preparing the accounts and is there a statement by the external auditor about their reporting responsibilities?
- C5 Has the Board established an effective risk management framework which is inclusive of key risks and issues?
- C6 Has the Board set appropriate policies on internal control and seek regular assurance that the system is operating effectively and efficiently?
- C7 Has the Board established and reviewed on a regular basis the adequacy, integrity and management of internal control systems and information systems for compliance with all applicable laws, regulations , rules etc

- C8 Does the board annually conduct a review on the effectiveness of the company's risk management practices and internal control systems and report this to the shareholder?
- C9 Has the Board established an effective internal audit function which reports directly to the Audit Committee?
- D1 Does the company have policies and processes to ensure timely disclosure of all material information as required:
- D2 Does the company's website contain information on company, its governance etc
- D3 Does the company include in its Annual Report a statement of policy on good governance?
- D4 Does the Annual Report cover disclosures relating to the company's governance, the board, and its committees?
- D5 Does the Annual Report cover disclosures relating to the company's mission, vision and strategic objectives?
- 06 Does the company have a Communications Policy in place?
- D7 Has the Board provided disclosures on compliance with laws, regulations and standards, ethical leadership, conflict of interest and corporate social responsibility?
- E1 Does the Board have a stakeholder- inclusive approach in its practice of corporate governance and which identifies its various stakeholders?
- E2 Has the Board developed policies, procedures and strategies to manage relations with different/ key stakeholder groups?

- E3 How does the Board ensure effective communication with stakeholders?
- E4 How does the Board take into account the interests of key stakeholders prior to making decisions?
- E5 Are stakeholders' meetings held?

- F1 Has the Board developed a Code of Ethics and has it worked to ensure its application by all directors, management and employees
- F2 Does the Board ensure that all deliberations, decisions and actions are founded on the core values (transparency, accountability, responsibility) underpinning good governance
- F3 How does the Board ensure that compliance with the Ethics Code is integrated into company operations?
- F4 Has the Company established and implemented a whistle blowing policy?
- F5 Does the Board consider not only the financial performance but also the impact of the company's operations on society and the environment?

- G1 Does the Board have a system for management accountability to ensure managers operate in the best interest of the company?
- G2 Is financial reporting done in a manner that is relevant and timely in order to enable decision making in the best interest of the company??
- G3 Is adequate and recurring training provided to directors in order to

- enable them execute their fiduciary duties?
- G4 Is the Board performance measurement system tied to the overall company strategy? Does it contain relevant metrics and performance targets for decision Making? Does it include both financial and non-financial metrics
- G5 Is the performance measurement system reporting at Board level representative of the most relevant factors in order to enable sound decision making?
- G6 Is the performance metrics used reflect the underlying business model and strategy in place?

FA means Fully Complied With

PA means Partially Complied With

NA means Not Complied With

A response of PA or NA is non-compliance and requires an explanation to be provided with a firm commitment to moving towards full compliance.

If an explanation is required because of non-compliance the explanation must be satisfactory and shall include:

- a. Reasons for non —compliance
- b. Time frame required to meet each compliance requirement
- c. The strategies to be put in place to progress to full compliance

GHANA WATER COMPANY LIMITED

Main Bankers: GCB Bank Limited
Societe Generale Ghana
National Investment Bank

Head Office
Post Office Box MB 194
Accra - Ghana
West Africa

My Ref. No.

JULY, 2019

Dear Sir/Dr./Mrs./Madam

Appointment as Executive/Non- Executive Director of Ghana Water Company Ltd

I refer to letter No OP/COS/076 dated 7th September, 2017 appointing you as Chairman/Member of GWCL Board and write on behalf of the Company to inform you that on the recommendations of the shareholders of Ghana Water Company Limited, you are being offered appointment as an Executive/Non-Executive Director of the company.

This letter sets out the terms and conditions of your appointment.

Tenure

Your appointment will be for an initial term of Three (3) years commencing from September 2017 to December 2020 unless otherwise terminated earlier by and at the discretion of the Appointing Authority or by your good self upon one month's notice.

Time Commitment

You will be expected to commit time to your role. Your time required will be attendance at meetings to be held once monthly, any committee meeting you may be a member of, annual strategy meeting, annual general meeting and at least one site meeting board evaluation meeting per year. You may have to attend emergency/special meetings if required.

You will be required to devote appropriate preparation time ahead of each meeting so you can contribute effectively.

By accepting this appointment, you have confirmed that you are able to allocate sufficient time to meet the expectations of your role.

Role

You will not participate in day to day management. As a member of the Board of Directors your responsibility is to promote the success of GWCL by advising, directing and supervising the company's affairs.

Board of Directors: Hon. Alexander Kwansena Afenyo-Markin (Chairman). Lug. Dr. Clifford A. Braimah (Managing Director), Mr. Joseph Obeng-Poku, Mr. Michael Ayesu, Naba Sigri Bewong, Hon. Kwante Amparfo Tivumasi, Mr. Clement :•Ilosebuno Kahn. Dr. Forster Kum-Ankaria Sarpong, Madam Maria Aba Lovelace-Johnson, Mr. Alexander K. B. Bonney, Mrs. Serena Kivakye-Mintah
Registered Office: 2^e February Road, (Near Independence Square)
Telephone: 233-0302-634-390

Website: www.owcl.com.gh e-mail: InfoRowcl.com.gh

GHANA WATER COMPANY LIMITED

Main Bankers: GCB Bank Limited
Societe Generale Ghana
National Investment Bank

Head Office
Post Office Box MB 194
Accra - Ghana
West Africa

My Ref. No.

Your Ref. No.

JULY, 2019

The Board is generally expected to:

- bring an outside perspective on strategy, finance, marketing and controls.
- add new skills, technical expertise and knowledge that may not be available.
- bring an independent and objective perspective to deliberations.

Specifically, the Board is expected to:

- constructively challenge and contribute to the development of strategy.
- scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
- satisfy itself that financial information is accurate and that controls and systems of risk management are robust.

Confidentiality

All information acquired during your appointment is confidential to the company and should not be released to third parties. You will be required to sign a confidentiality statement.

Outside Interests

It is accepted that you may have business interests other than those of Ghana Water Company Ltd and you are expected to declare any conflicts of interest that are apparent at this time. You will be required to abide by the GWCL Conflict of Interest Policy.

Fees

You will receive fees per month made up as follows:

- Monthly Directors fees; and
- Sitting Allowance for relevant Board Committee

Board of Directors: Hon. Alexander Kwamena Afenyo-Markin (Chairman), lug. Dr. Clifford A. Braimah (Managing Director), Mr. Joseph Obeng-Poku, Mr. Michael Ayesu, Vaba Sigri Be.wong, Hon. Kwame Ampolo ^{TUPU}masi, Mr. Clement Alosebuno Kaba, Dr. Forster Ifum-Ankarna Sarpong, Madam Maria Aba Lovelace-Johnson, Mr. Alexander K. B. Bonney, Mrs. Serena Kyakye-Mintah

*Registered Office: 28'k February Road, (Near Independence Square)
Telephone: 233-0302-634-390*

Website: www.gwci.com.gh E-mail: info@fivicl.com.gh

GHANA WATER COMPANY LIMITED

Main Bankers: GCB Bank Limited
Societe Generale Ghana
National Investment Bank

Mead Office
Post Office Box MB 194
Accra - Ghana
West Africa

My Ref. No.

Your Ref. No .•

JULY, 2019

Orientation

An induction package will be given to introduce you to the company and help you perform your role. We look forward to your letter accepting the appointment.

Sincerely Yours

JEMIMA TOSEafa (MRS)
COMPANY SECRETARY

*Board of Directors: Hon. Alexander Iiwamena Afenyo-Markin (Chairman). Ing. Dr. Clifford A. &Mundt (Managing Director). Mr. Joseph Obeng-Poku Mr. Michael Ayesu, :Vaba Sigri Bewong, Hon. Kwame ,Imporfo "T'muntasi. Mr. Clement Alosebuno Kaba, Dr. Forster Kuni-Ankanza **Sarpong**, ,lielekm Maria Aba Lovelace-Johnson, Mr. Alexander K. B. Bonney. Mrs. Serena Kwalgye-Mintah*

Registered Office: February Road (Near Independence Square)

Telephone: 2334302434-390

Website: www.owd.com.gh E-mail: infoagwacom.gh

GWCL DIRECTORS' STATEMENT OF DUTIES AND RESPONSIBILITIES

INTRODUCTION

In Ghana, Directors' responsibilities, duties and obligations are defined principally by the Companies Act, 1963 (Act 179) as amended and the Regulations of the Company in this case Ghana Water Company Limited.

Accordingly, these duties, responsibilities and obligations have been set out as they appear in the Companies Act and in GWCL's Regulations.

In addition, the GWCL Board Charter sets out the Corporate Governance standards and procedures to guide the Board of Directors as follows:

1. Directors must always exercise their powers for a "proper purpose" i.e. in furtherance of the reason for which they were given powers by the shareholders
2. Directors must act in good faith in what they honestly believe to be in the best interest of the company, and not for any collateral purpose. This means that, particularly, in the event of a conflict of interest between the company's interests and their own, the Directors must always favour the company
3. Directors must act with due skill and care
4. Directors must consider the interests of employees of the company

The general duties of a Director

Directors must act in the interests of the company and not in the interests of any other parties — including shareholders

Duties to act within GWCL's powers.

In addition to the duties and responsibilities imposed on Directors by the Companies Act, Directors must follow the rules and restrictions contained in the GWCL Regulations

Duty to exercise independent judgment and to promote the success of GWCL

Directors have a legal duty to act in such a way, which, in their judgment, is most likely to bring success to GWCL for the benefit of shareholders and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term
- the need to foster GWCL's business relationships with suppliers, customers and others

GWCL DIRECTORS' STATEMENT OF DUTIES AND RESPONSIBILITIES

the impact of GWCL 's operations on the community and environment

the desirability of GWCL maintaining a reputation to high standards of business conduct

- the need to act fairly as between staff of GWCL

Duty of skill, care and diligence.

Directors must exercise reasonable care, skill and diligence in everything they do for GWCL as follows:

- a) Directors must demonstrate the general knowledge and skill reasonably expected of a person carrying out any function in relation to GWCL.
- b) Directors must act in accordance with any specific general knowledge and skills they hold

Duty to avoid conflicts of interest.

Directors must avoid any situations where any personal or outside interests will potentially come into conflict with those of GWCL

Duty to declare an interest in a proposed transaction or arrangement.

A Director who is directly or indirectly interested in a proposed transaction or arrangement with GWCL must declare the nature and extent of the interest to the other Directors as soon as such transaction or arrangement is brought to his notice

.recognizing the important responsibility I am undertaking in serving as a Director of Ghana Water Company Ltd, hereby pledge to carry out in a trustworthy and diligent manner the duties and obligations associated with my role as a Director and abide by this Statement of Duties and Responsibilities.

NAME:

SIGNATURE:

DATE:

ADOPTED BY GWCL BOARD ON

DAY OF JULY 2019

Terms of Reference for Finance Committee

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Terms of Reference Introduction

The Finance Committee (the "Committee") is established under the authority of, and is accountable to, the Board of (the "Board") of Ghana Water Company Limited (the "Company"). It shall function as stipulated in these terms of reference and in the Board Charter of the Company (the "Charter").

The purpose of the Committee is to assist the Board in the effective discharge of its governance and oversight responsibilities relating to financial decisions of the Company.

1. Role of the Committee

The role of the Finance Committee (the "Committee") is to assist the Board in discharging its responsibilities relating to oversight and review of all financial matters affecting GWCL; and to regularly report to the Board on such matters.

2. Responsibilities of the Committee

The responsibilities of the Committee are:

2.1 Finance

The Finance Committee shall assist the Board in fulfilling its oversight responsibilities with respect to reviewing and monitoring spending policy for the Company consistent with the Company's long-term goals; and reviewing and monitoring the Company's budget, including program and management appropriations and capital spending. The committee shall also make recommendations to the board regarding compensation and benefits for the staff.

The committee shall:

- Review and make recommendations to the board with respect to longrange financial planning.
- Review and make recommendations to the board on spending policy and budgets consistent with long range program needs and financial planning, considering investment performance, economic or political conditions and other factors that may have an impact on long term financial sustainability.
- Make recommendations to the board on apOopriations and capital expenditures consistent with approved spending policy. Monitor spending against approved appropriations and capital expenditures.
- Review financial aspects of major proposed transactions.
- Recommend and monitor any corrective actions taken to bring the Company into compliance with financial goals.

Review long-term infrastructure needs of the Company, including operating systems and facilities.

3. Authority of the Committee

The Committee is directly accountable to the Board for the exercise of its responsibilities. In carrying out its responsibilities, the Committee must always recognise that primary responsibility for governance of the Company rests with the Board

The Committee has no executive powers, except those that may be expressly provided by the Board to the Committee.

The Board authorises the Committee, within the scope of its role and responsibilities and through its processes to:

- obtain any information it needs from any employee and/or external party (subject to their legal obligation to protect information);
- discuss any matters with external parties (subject to confidentiality considerations); request the attendance of any employee, including the Managing Director, at Committee meetings; and
- obtain external legal or other professional advice, as considered necessary to meet its responsibilities, at the Company's expense.

4. Composition and Tenure

4.1 Committee Membership

The Board is responsible for the appointment of Committee members to vacant positions, and the election of the Chairman of the Committee. The Board may request the assistance of the Nominations Committee (if there is one) with the appointment process.

The Committee members, taken collectively, will have a broad range of skills and experience relevant to the operations of the Committee. Ideally, at least three (3) members of the Committee should have had formal finance training.

The Managing Director may be a member of the Committee or may attend meetings as an observer at the invitation of the Chairman of the Committee. The Board Chairman may wish to attend meetings as a guest or be invited by the Chairman of the Committee at any time.

4.2 Term of Office

To promote continuity of expertise, the Chairman will be appointed for a period of four (4) years. Other Committee members will be appointed for terms not exceeding two (2) years, on a rotational basis. All Committee members will be eligible for re-appointment following a formal review of their performance.

4.3 Vacation of Office

A position on the Finance Committee becomes vacant if the Committee member:

- becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under a law relating to mental health;
- has reached the end of their appointed term;
- resigns from office by notice in writing;
- is terminated from their position by the Board;
- is not present at two (2) consecutive Finance Committee meetings without leave of absence from the Chairman; or
- is directly or indirectly interested in any contract or proposed contract with the Company and fails to declare the nature of the interest.

5. Conduct

5.1 Conduct of Committee Members

Members of the Committee are expected to understand and observe all relevant legislative requirements. Committee members are expected to:

- attend all scheduled meetings and no substitute cannot be offered;
- contribute the time needed to study and understand the papers provided and seek advice if required;
- understand the operating environment of the Company, its strategic objectives, corporate governance requirements, prevailing social and economic conditions and the risks affecting the delivery of outputs;
- apply analytical skills, objectivity and judgement;
- express opinions constructively and frankly, ask questions that go to the fundamental core of the issue and through the Committee Chairman pursue independent lines of enquiry;
- avoid any conflict of interest and inform the Committee where actual or perceived conflict may become apparent; and
- contribute to an effective decision-making process that is in the best interests of the Company as a whole.

5.2 Accountability and Responsibilities of the Committee Chairman

The Chairman of the Committee is elected by the Board. The Chairman is responsible for:

- ensuring all relevant information, decisions and recommendations are communicated to the Board;
- representing the Committee to external parties;
- ensuring regular Committee meetings are held;
- encouraging other Committee members to attend meetings; and
- preparing an agenda for the meetings with the assistance of the Managing Director.

In meetings, the Chairman will:

- prioritise agenda items and if necessary, set time limits;
lead the meeting through the agenda, keeping discussion relevant and decision-making clear and encouraging broad participation, e.g. ensuring everyone gets a chance to talk;
- note motions and amendments and put these to the meeting to be voted on;
- sign the minutes after they have been confirmed as an accurate record of the previous meeting; and
- ensure meetings are run in accordance with the Company's Act and the Board Charter.

The performance of the Chairman will be reviewed as part of the overall Committee performance evaluation.

5.3 Code of Conduct

Committee members are subject to the provisions of the Code of Conduct in the Board Charter as approved from time to time by the Board.

5.4 Conflict of Interest

Existing conflicts of interest and personal interests must be declared at the time of appointment to the Committee.

The Chairman should be satisfied that there are sufficient processes in place to manage any real or perceived conflict.

At the beginning of each Committee meeting, Committee members are required to declare any potential or actual conflicts of interest that may apply to specific matters on the meeting agenda. Where required by the Chairman, the Committee member will be excused from the meeting or from the Committee's consideration of the relevant agenda item[s]. Details of potential or actual conflicts of interest declared by members and action taken will be appropriately minuted.

5.5 Confidentiality

Committee members must ensure that issues discussed, and opinions expressed at meetings remain confidential. Committee members should not circulate the meeting papers beyond other Committee members.

Committee members must not use or disclose information obtained by the Committee except in meeting the Committee's responsibilities, or unless expressly agreed by the Board.

5.6 Induction

New members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities. Where relevant the Board may also support Committee members to attend appropriate conferences or workshops to further their application of knowledge to the Committee's role and function.

6. Meetings

6.1 Frequency and Location

The Committee will meet as per the Constitution, or as required. The location of meetings will be agreed by the Committee and will be subject to budget unless otherwise approved by the Board. Meetings may be face to face, via a means of Telecommunication or by Circular Resolution.

The Chairman is required to call a meeting if requested to do so by the Board or another Committee member.

6.2 Meeting Papers

The Chairman of the Committee is responsible for setting the agenda, in consultation with the Board Chairman, and Committee members may submit items for consideration by the Chairman to be included in the meeting agenda. Only urgent issues may be raised by Committee members at meetings through other business.

Meeting papers are prepared and collated by the Secretariat and circulated to all Committee members at least five (5) working days prior to Committee meetings, wherever possible.

Minutes of meetings, cleared by the Chairman, will be prepared and provided to Committee members as draft minutes no later than ten (10) working days after a meeting. Minutes will then be formally endorsed at the following meeting.

A forward meeting plan, including meeting dates and agenda items, will be agreed by the Committee each year. The forward meeting plan will cover all the Finance Committee's responsibilities as detailed in this Terms of Reference and as settled by the Board.

6.3 Attendance at Meeting and Quorum

A quorum will consist of three (3) Committee members and must include the Chairman of the Committee.

External representatives may be invited to attend meetings, as determined by the Chairman of the Committee. The Committee may also request the Chairman of the Board, the Managing Director and/or other employees to attend Committee meetings or participate in certain agenda items at the invitation of the Chairman.

6.4 Telecommunication Meetings

A meeting may be held by means of a telecommunication meeting, provided that the number of Committee members participating is not less than a quorum required for a meeting. The following provisions apply to a telecommunication meeting:

- all persons participating in the meeting must be linked by telephone, audio-visual or other instantaneous means for the purpose of the meeting;
- each of the persons taking part in the meeting must be able to hear and be heard by each of the other persons taking part at the commencement of the meeting and each person so taking part is deemed to be present at the meeting;
- at the commencement of the meeting each person must announce his or her presence to all other persons taking part in the meeting;
- a person may not leave a telecommunication meeting by disconnecting his or her telephone, audio-visual or other communication equipment unless that person has previously notified the Chairman;
- a person may conclusively be presumed to have been present and to have formed part of a quorum at all times during a telecommunication meeting unless that person has previously notified the Chairman of leaving the meeting; and

a minute of proceedings of a telecommunication meeting is sufficient evidence of the proceedings and of the observance of all necessary formalities if the minute is certified to be a correct minute by the Chairman.

transmittal. In addition, at any time the Committee Chairman may request a meeting with the Board.

9. Performance evaluation

At the close of each meeting the Chairman will ask the Committee members for feedback, including suggestions for improvement, on:

- Relevance of the Agenda
- Quality and timing of the submitted papers and presentations
- Performance of Committee members and others present
- Overall effectiveness of the meeting

The Chairman of the Committee will initiate a review of the performance of the Committee at least once a year. The review will be conducted on a self-assessment basis (unless otherwise determined by the Board) with appropriate input sought from the Board, Committee members, senior management, and any other relevant stakeholders, as determined by the Board.

The Chairman of the Committee will provide advice to the Board on a member's performance where an extension of the member's tenure is being considered.

10. Review of Terms of Reference

At least once a year the Committee will review this Terms of Reference to ensure continued relevance to the operations of the Company. This review will include consultation with the Board. Amendments to this Terms of Reference must be approved by the Board.

11. Board Evaluation

In adherence to global corporate governance best practice, the board, board members, and board committees will be evaluated annually. This will enable the board to identify areas of strengths and weakness, leading to changes that positively impact performance and stakeholder/shareholder value.

This terms of reference was approved by the Board on _____ and will be reviewed annually.

Signed by:

Board Chairman
GWCL

Date

Signed by:

Chairman of the Finance Committee
GWCL

Date

Terms of Reference for HR & Administration Committee

Effective

1st May 2019

Review

1st May 2020

Owner

Ghana Water Company Limited

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Terms of Reference Introduction

The Human Resources & Administration Committee (the "Committee") is established under the authority of, and is accountable to, the Board of (the "Board") of Ghana Water Company Limited (the "Company"). It shall function as stipulated in these terms of reference and in the Board Charter of the Company (the "Charter").

The purpose of the Committee is to assist the Board in fulfilling its governance responsibilities with respect to human resources matters for the Company.; and the administrative procedures and systems for the smooth running of the Company.

1. Role of the Committee

The Committee assists the Board providing governance oversight over the human resources management and the administration of the Company; and in ensuring that the Company attracts and retains the talent needed to deliver on its mandate and business objectives.

The Committee may consider other matters delegated to it by the Board. The Committee may also refer human resources matters relating to the Managing Director and to the Executive Committee, as needed.

Without limiting the generality of the foregoing, the Committee shall execute its role through the responsibilities stated below in the next section.

2. Responsibilities of the Committee

The responsibilities of the Committee are:

2.1 Human Resources Strategy

The Committee shall review and recommend for Board approval the Human Resources strategy including key HR objectives, plans and workforce requirements, and monitor the implementation of same.

2.2 Human Resources Function

The Committee shall develop policy for recommendation for Board approval, in matters relating to recruitment, selection, training, motivation, development, reward and retention of staff.

The Committee shall develop a disciplinary policy for recommendation for Board approval. The

Committee shall inform the Board of any material disciplinary proceedings.

2.3 Succession Planning for Key Positions

The Committee shall review, comment and report annually to the Board on the Company's succession plan for all critical and key positions and review development plans, talent retention and career development for potential successors, in particular: recommend which

of the top positions below the Managing Director are critical with respect to succession planning for the senior officers.

2.4 Appointments of Senior Management and Major Organisational Changes

The Committee shall review and, if considered appropriate, recommend to the Board of Directors for approval the following:

- all the Managing Director's recommendations for appointment of Senior Management;
- all the Audit Committee's recommendations for the appointment or removal of the Internal Auditor; and
- any major organisational structure change proposed by the Managing Director, considering input from the Strategy & Governance Committee, the Credit, Risk & Investment Committee and the Audit Committee with respect to their areas of responsibility.

Managing Director Objectives, Performance Evaluation and Benefits

2.5 The Committee shall, considering the description of the duties of the Managing Director as well as the Company's mandate and corporate objectives:

- recommend the Managing Director's performance objectives for approval by the Board of Directors;
appraise the Managing Director's performance ratings against such performance objectives as set between the Board and the Managing Director, and make appropriate recommendation to the Board of Directors; and
- review and recommend for Board approval the annual benefits for the Managing Director.

Compensation Policies, Programmes and Plans

2.6 In relation to compensation policies, programs and plans, the Committee shall:

- in consultation with the Managing Director, review and recommend for Board approval the performance measures and targets, compensation strategies, any new program/plan design or material modifications to an existing design, material payments for salary and variable pay envelopes and incentive plans over (threshold to be agreed), benefit policies and other human resources strategies for the Company's employees;
- in consultation with the Managing Director, review and recommend for Board approval the annual compensation and benefits for Senior Management, taking in account input from the Audit Committee for the Internal Auditor and from the Credit, Risk & Investment Committee for the Chief Risk Officer;
- verify, on a regular basis, that the Company's compensation policies, programs and plans promote the achievement of the Company's objectives and the mandate of the Company, considering the risks to which the Company is exposed;

Employee Relations and Ethics

2.7 In relation to personnel, the Committee shall:

- regularly review, recommend and monitor the Company's policies which provide for the sound management of the Company's personnel, in compliance with applicable legislation;
- monitor and make all necessary recommendations to the Board regarding the Company's ethical standards and ensure that management has identified a process to ensure compliance; and

- assess the 'tone at the top' established by the Managing Director and Senior Management in terms of the example that is set with respect to integrity and ethics.

2.8 Risk Assessment

The Committee shall assess the risks to which the Human Resource function is exposed, and provide its input to the Credit, Risk & Investment Committee, including:

- employee attraction and retention;
- employee engagement and performance;
- succession planning and talent management; and
- any other risk related to Human Capital that may arise from time to time.

2.9 Pension Plans and Funds

In relation to the Company's Pension Plan, the Committee shall:

- recommend to the Board any funding and design changes to the Plans; ensure that a system of Plan administration is maintained;
- review and recommend for approval by the Board of Directors the funding policy and principles as well as amendments made thereto from time to time; monitor the funded status of the Plans;
- recommend the selection and replacement of the Funds' auditors as required by the provisions of applicable legislation; review and make recommendations to the Board in relation to the Funds' financial statements; and review and recommend to the Board for approval any new or supplementary pension plans.
- Review staff (other than officers) compensation and benefit policy. in fulfilling this responsibility, the committee shall: review and make recommendations to the board on compensation policy for members of the staff, including recommendations as to the establishment of an annual salary pool for staff; adopt or recommend to the board employee benefit plans, designating persons

2.10 Administration

To make recommendations to the Board of a strategic nature relating to the overall administration of the Company.

To recommend policy.

- To recommend operating procedures and practices.

To recommend adjudications of conflicts or competing needs.

3. Authority of the Committee

The Committee is directly accountable to the Board for the exercise of its responsibilities. In carrying out its responsibilities, the Committee must always recognise that primary responsibility for governance of the Company rests with the Board.

The Committee has no executive powers, except those that may be expressly provided by the Board to the Committee.

The Board authorises the Committee, within the scope of its role and responsibilities and through its processes to:

- obtain any information it needs from any employee and/or external party (subject to their legal obligation to protect information);
- discuss any matters with external parties (subject to confidentiality considerations);
- request the attendance of any employee, including the Managing Director, at Committee meetings; and
- obtain external legal or other professional advice, as considered necessary to meet its responsibilities, at the Company's expense.

4. Composition and Tenure

4.1 Committee membership

The Board is responsible for the appointment of Committee members to vacant positions, and the election of the Chairman of the Committee. The Board may request the assistance of the Nominations Committee (if there is one) with the appointment process.

The Committee members, taken collectively, will have a broad range of skills and experience relevant to the operations of the Committee. Ideally, at least three (3) members of the Committee should have had formal HR and Administration training.

The Managing Director may be a member of the Committee or may attend meetings as an observer at the invitation of the Chairman of the Committee. The Chairman may wish to attend meetings as a guest or be invited by the Chairman of the Committee at any time.

4.2 Term of Office

To promote continuity of expertise, the Chairman will be appointed for a period of four (4) years. Other Committee members will be appointed for terms not exceeding two (2) years, on a rotational basis. All Committee members will be eligible for re-appointment following a formal review of their performance.

4.3 Vacation of Office

A position on the Human Resources, Information Technology & Administration Committee becomes vacant if the Committee member:

- becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under a law relating to mental health;
- has reached the end of their appointed term;
- resigns from office by notice in writing;
- is terminated from their position by the Board;
- is not present at two (2) consecutive Human Resources, Information Technology & Administration Committee meetings without leave of absence from the Chairman; or
- is directly or indirectly interested in any contract or proposed contract with the Company and fails to declare the nature of the interest.

5. Conduct

5.1 Conduct of Members

Members of the Committee are expected to understand and observe all relevant legislative requirements. Committee members are expected to:

- attend all scheduled meetings and no substitute cannot be offered;
contribute the time needed to study and understand the papers provided and seek advice if required;

understand the operating environment of the Company, its strategic objectives, corporate governance requirements, prevailing social and economic conditions and the risks affecting the delivery of outputs;

apply analytical skills, objectivity and judgement;
- express opinions constructively and frankly, ask questions that go to the fundamental core of the issue and through the Committee Chairman pursue independent lines of enquiry;
- avoid any conflict of interest and inform the Committee where actual or perceived conflict may become apparent; and
- contribute to an effective decision-making process that is in the best interests of the Company as a whole.

5.2 Accountability and Responsibilities of the Chairman

The Chairman of the Committee is elected by the Board. The Chairman is responsible for:

- ensuring all relevant information, decisions and recommendations are communicated to the Board;
- representing the Committee to external parties;
ensuring regular Committee meetings are held;
- encouraging other Committee members to attend meetings; and
- preparing an agenda for the meetings with the assistance of the Board Chairman.

In meetings, the Chairman will:

- prioritise agenda items and if necessary, set time limits;
- lead the meeting through the agenda, keeping discussion relevant and decision-making clear and encouraging broad participation, e.g. ensuring everyone gets a chance to talk;
- note motions and amendments and put these to the meeting to be voted on;
- sign the minutes after they have been confirmed as an accurate record of the previous meeting; and

ensure meetings are run in accordance with Act that established GWCL and the Board Charter.

The performance of the Chairman will be reviewed as part of the overall Committee

performance evaluation.

5.3 Code of Conduct

Committee members are subject to the provisions of the Code of Conduct in the Board Charter as approved from time to time by the Board.

5.4 Conflict of Interest

Existing conflicts of interest and personal interests must be declared at the time of appointment to the Committee.

The Chairman should be satisfied that there are enough processes in place to manage any real or perceived conflict.

At the beginning of each Committee meeting, Committee members are required to declare any potential or actual conflicts of interest that may apply to specific matters on the meeting agenda. Where required by the Chairman, the Committee member will be excused from the meeting or from the Committee's consideration of the relevant agenda item[s]. Details of potential or actual conflicts of interest declared by members and action taken will be appropriately minuted.

5.5 Confidentiality

Committee members must ensure that issues discussed, and opinions expressed at meetings remain confidential. Committee members should not circulate the meeting papers beyond other Committee members.

Committee members must not use or disclose information obtained by the Committee except in meeting the Committee's responsibilities, or unless expressly agreed by the Board.

5.6 Induction

New members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities. Where relevant the Board may also support Committee members to attend appropriate conferences or workshops to further their application of knowledge to the Committee's role and function.

6. Meetings

6.1 Frequency and location

The Committee will meet as per the terms of reference, or as required. The location of meetings will be agreed by the Committee and will be subject to budget unless otherwise approved by the Board. Meetings may be face to face, via a means of telecommunication or by circular resolution.

The Chairman is required to call a meeting if requested to do so by the Board or another Committee member.

Meeting Papers

6.2

The Chairman of the Committee is responsible for setting the agenda, in consultation with the Board Chairman, and Committee members may submit items for consideration by the

Chairman to be included in the meeting agenda. Only urgent issues may be raised by Committee members at meetings through other business.

Meeting papers are prepared and collated by the Secretariat and circulated to all Committee members at least five (5) working days prior to Committee meetings, wherever possible.

Minutes of meetings, cleared by the Chairman, will be prepared and provided to Committee members as draft minutes no later than ten (10) working days after a meeting. Minutes will then be formally endorsed at the following meeting.

A forward meeting plan, including meeting dates and agenda items, will be agreed by the Committee each year. The forward meeting plan will cover all the Human Resources & Administration Committee's responsibilities as detailed in these terms of reference and as settled by the Board.

6.3 Attendance at Meetings and Quorum

A quorum will consist of three (3) Committee members and must include the Chairman of the Committee.

External representatives may be invited to attend meetings, as determined by the Chairman of the Committee. The Committee may also request the Chairman of the Board, the Managing Director and/or other employees to attend Committee meetings or participate in certain agenda items at the invitation of the Chairman.

6.4 Telecommunication Meetings

A meeting may be held by means of a telecommunication meeting, provided that the number of Committee members participating is not less than a quorum required for a meeting. The following provisions apply to a telecommunication meeting:

all persons participating in the meeting must be linked by telephone, audio-visual or other instantaneous means for the purpose of the meeting;

- each of the persons taking part in the meeting must be able to hear and be heard by each of the other persons taking part at the commencement of the meeting and each person so taking part is deemed to be present at the meeting;
- at the commencement of the meeting each person must announce his or her presence to all other persons taking part in the meeting;
- a person may not leave a telecommunication meeting by disconnecting his or her telephone, audio-visual or other communication equipment unless that person has previously notified the Chairman;

a person may always conclusively be presumed to have been present and to have formed part of a quorum during a telecommunication meeting unless that person has previously notified the Chairman of leaving the meeting; and

- a minute of proceedings of a telecommunication meeting is enough evidence of the proceedings and of the observance of all necessary formalities if the minute is certified to be a correct minute by the Chairman.

6.5 Out of Session Papers

Where possible all decisions will be made at Committee meetings and formally recorded in the minutes of that meeting. When the Chairman determines that urgent matters require the Committee's approval between meetings Committee members will be provided with a paper and the decision sought. Committee members will be given a minimum of five (5) working days to consider the paper, wherever possible.

Approval of out of session papers or decisions occurs if a majority of the Committee members, subject to the quorum being satisfied, vote in favour and sign a document containing a statement that they are in favour of the decision set out in the document.

Separate copies of the document may be used for signing by the Committee members if the wording of the resolution and statement is identical in each copy. A document produced by electronic means under the name of a Committee member with the Committee member's authority is taken to be a document signed by the Committee member when received by the Company in legible form.

The resolution is passed when the last Committee member required to achieve a majority signs and submits the document.

Decisions made out of session will be formally recorded in the minutes of the next scheduled Committee meeting.

7. Secretariat support

The Managing Director will ensure that the Committee is well served with a functioning board secretariat. The functions of the Secretariat are to:

- provide support services for meetings in consultation with the Chairman, including preparation of minutes, preparation and circulation of the agenda and meeting papers, and any other agreed requirements;
- co-ordinate the drafting of all correspondence, letters of advice and other material;
- co-ordinate research on issues being considered; and
ensure timely payment of remuneration and other administrative arrangements for Committee members, where relevant.

Reporting

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The Committee will, at the end of each year, report to the Board on its operation and activities during the year. The report should include:

- a summary of the work the Committee performed to fully discharge its responsibilities during the preceding year;
- details of meetings, including the number of meetings held during the relevant period, and the number of meetings each Committee member attended.

The Chairman of the Committee will provide a summary of the minutes of each Committee meeting to the Managing Director and to the Board at the next available meeting.

The Committee can report directly to the Board on significant issues at other times. Any reports to the Board will be provided to the Managing Director for comment prior to transmittal. In addition, at any time the Committee Chairman may request a meeting with the Board.

9. Performance evaluation

At the close of each meeting the Chairman will ask the Committee members for feedback, including suggestions for improvement, on

- Relevance of the Agenda
- Quality and timing of the submitted papers and presentations
- Performance of Committee members and others present
- Overall effectiveness of the meeting

The Chairman of the Committee will initiate a review of the performance of the Committee at least once a year. The review will be conducted on a self-assessment basis (unless otherwise determined by the Board) with appropriate input sought from the Board, Committee members, senior management, and any other relevant stakeholders, as determined by the Board.

The Chairman of the Committee will provide advice to the Board on a member's performance where an extension of the member's tenure is being considered.

10. Review of Terms of Reference

At least once a year the Committee will review this Terms of Reference to ensure continued relevance to the operations of the Company. This review will include consultation with the Board. Amendments to this Terms of Reference must be approved by the Board.

11. Board Evaluation

In adherence to global corporate governance best practice, the board, board members, and board committees will be evaluated annually. This will enable the board to identify areas of strengths and weakness, leading to changes that positively impact performance and stakeholder/shareholder value.

This terms of reference was approved by the Board on

and will be reviewed annually.

Signed by:

Board Chairman

Date

Signed by:

Chairman of the HR & Administration Committee

Date

Terms of Reference for Audit & Compliance Committee

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Terms of Reference Introduction

Enacting Provisions

The Audit & Compliance Committee (the "Committee") is established under the authority of, and is accountable to, the Board of (the "Board") of Ghana Water Company Limited (the "Company"). It shall function as stipulated in these terms of reference and in the Board Charter of the Company (the "Charter").

The purpose of the Committee is to assist the Board by establishing, reviewing and monitoring **the** formal and transparent policies and procedures to ensure the independence and effectiveness of the internal and external audit functions, the integrity of financial and narrative reporting, the Company's internal control framework and; and to ensure the company's compliance with regulation and standards set nationally and internationally for the water sector as well as for the Company's policies.

1. Role of the Committee

The role of the Committee is to exercise oversight of the following areas on behalf of the Board:

- (i) the integrity of the Company's financial statements;
- (ii) the qualifications, independence and performance of the Company's external auditors;
- (iii) the qualifications, independence and performance of the Company's internal audit department;
- (iv) the Company's internal controls, including internal controls over financial reporting and
- (v) disclosure; and
- (vi) the Company's compliance with legal and regulatory requirements, and with the Company's policies
- (vii)(unless specifically delegated to other Board committees).

2. Responsibilities

The Committee will undertake the following tasks/functions:

2.1 External auditors

The Committee will:

- (i) recommend the external auditors for Company audits, subject to approval by the full Board and annual general meeting of shareholders. The Committee also will review and recommend any fees paid to the external auditors and review and approve the dismissal of the external auditors. The Committee will make recommendations on the rotation of the external audit firm, or of the partner of the firm in charge of the

Company's audit, to ensure the independence of the external auditors.

- (ii) establish the Company's policies for selection and rotation of external auditor (including compliance with the Company of Ghana Auditors Appointment Rules).
- (iii) report to the Board on any matters that, in the Committee's opinion, necessitate an action and provide recommendations on the necessary steps;
- (iv) follow up and monitor the independence and objectivity of the external auditor and discuss with the external auditor the nature, scope and efficiency of the audit in accordance with applicable auditing/accounting standards;
- (v) ensure the timely action by the Company relating to matters contained in the external auditor's letters.
- (vi) review with management and the external auditors: the audit plan prior to commencement of the audit and suggest changes in the light of new requirements of the Company; the external auditor's qualitative judgments about the appropriateness of accounting principles and financial disclosures; any changes to the Company's accounting and financial reporting that are recommended by management or by the external auditors; the accounting treatment of significant risks and uncertainties; key estimates and judgments of management that may be material to the Company's financial reporting; significant auditing and finance reporting issues discussed during the period, and their resolution; any serious difficulties or disputes with management encountered during the course of the audit; and any significant findings and recommendations made by the external auditors, together with management's responses to them.
- (vii) conduct a post-audit discussion to ascertain areas of any concerns. The Committee will review the auditors' management letter and ensure corrective actions by management.
- (viii) In cases of non-approval by the Board of the Committee's recommendations on the election, appointment, resignation or dismissal of the external auditor, the Board shall include in the Company's Corporate Governance Report, a statement articulating such recommendations and the reason(s) behind the Board's disapproval thereof.

2.2 Financial statements and disclosures

The Committee shall:

- (i) monitor, and as part of its normal course of activity and after closure of accounts in any quarter, ensure the integrity of the financial statements and the yearly, half-yearly and quarterly reports and in this regard particularly pay close attention to:
 - any changes to the accounting policies and practices;
 - the aspects subjected to the management's judgment;
 - the substantial amendments resulting from the audit;
 - ongoing concerns;
 - compliance with the accounting standards; and
 - compliance with legal requirements and regulations as relevant to the preparation of financial reports

- (ii) consider any significant and unusual matters contained or to be contained in such financial reports and accounts and give due consideration of any issues raised by the Chief Risk Officer (or the person taking up his tasks), or external auditors.
- (iii) review with management and the external auditors and approve or, if appropriate, recommend for approval by the Board before the Company publicly discloses this information: the annual audited financial statements, together with the report of the external auditors, and the interim unaudited financial statements, together with the interim review report of the external auditors thereon, before they are approved by the Board; management's discussion and analysis relating to the annual audited financial statements and interim financial statements; and all financial information in material public disclosure documents including press releases, prospectuses and other public domain documents.
- (iv) The Committee shall ensure that a process is in place to prevent former employees of external auditors from being employed by the Company before the lapse of two years at least as of the date of such employees' quitting an audit engagement with the Company.

2.3 Internal Audit Function

The Committee will:

- (i) will confirm and assure the independence of the internal audit department. The Committee shall have responsibility and authority to appoint and, where necessary, remove, the Chief Internal Auditor. Any such appointment shall be made after consultation with and, where the Committee considers appropriate, taking into consideration the Company's Managing Director opinions. The final decision shall lie with the full Board.
- (ii) will review the coordination of the internal and external audits with the internal audit department and the external auditors, to assure completeness of coverage, to reduce redundancy and to make effective use of audit resources.
- (iii) will appoint a compliance officer within Internal Audit department to receive and examine complaints through whistle blowing, collect necessary information and provide reports/notifications to relevant departments and the full Board of any violations.
- (iv) may periodically consider whether an independent, third party review of internal audit processes is appropriate.
- (v) will review with management and with the Chief Internal Auditor:
 - the annual risk assessment methodology/approach & its outcome/report, annual audit schedule, scope, and conduct of the internal audit department's audit plan for the Company;
 - any changes (cancellation and replacement of audits) to audit schedule during the year;
 - any significant findings during the period and management's responses to them;
 - any difficulties the internal audit department encountered while conducting audits, including any restrictions on the scope of their work or

access to required information;
the internal audit department's budget, and staffing; the
internal audit department's charter;
any investigations or special project assignments carried out by the
internal audit department;
the effectiveness of the internal audit function including compliance with
Institute of Internal Auditors' Standards for Professional Practice of
Internal Auditing; and
results of annual internal quality assurance program of IAG activities.

(vi) shall approve:

the annual risk assessment outcome/report;
annual audit plan;
changes (cancellation and replacement of audits) to audit plan during the
year;
budget;
organization structure, staffing; and
charter, internal audit manual.

2.4 System of internal controls

The Committee will:

- (i) review and oversee the financial and internal control systems and risk management;
 - (ii) discuss the internal control system with the management to ensure the latter's performance of its duties towards the development of efficient internal control systems;
 - (iii) consider the findings of principal investigations in internal control matters assigned thereto by the Board or carried out by the Committee's initiative with the management's knowledge; and
 - (iv) ensure coordination between the internal auditors and the external auditor, the availability of necessary resources, and verification and monitoring of the efficiency of, the internal control body.
- ii. ensure that Company has a comprehensive policy on internal control.
 - iii. will annually consider the effectiveness of the Company's internal control systems, including information systems, and technology security and control.
 - iv. review the scope of the internal and external auditors' review of the Company's internal controls over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.
 - v. review investigation reports relating to any misconduct, conflict of interest, and fraud.
 - vi. review/investigate all matters related to integrity of Senior Management including conflict of interest or non-adherence to standards of conduct.

2.5 Compliance Function

The Committee will:

- (i) review the Company's compliance policy and its ongoing implementation to assess the extent to which Company is managing its compliance and conduct risks effectively and recommend necessary changes in the policy to the Board.
- (ii) will review the effectiveness of the system for monitoring compliance with legal and regulatory requirements, and the results of management action relating to any instances of non-compliance.
- (iii) will obtain regular updates from management regarding compliance matters and the Company's Compliance department regarding compliance with applicable laws, regulations, agreements and major legislative & regulatory developments.

2.6 Periodic Responsibilities

The Committee will:

- (i) review, discuss and update the Audit & Compliance Committee Terms of Reference annually, requesting board approval for proposed changes.
- (ii) review policies and procedures covering Company officers' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of those areas by the internal audit department or by the external auditors.
- (iii) develop a "Whistle blowing Policy" through which employees of the Company can confidentially notify any of their doubts on potential abnormalities in the financial reports or Internal Controls or any other matters and ensure proper arrangements are available to allow independent and fair investigation of such abnormalities.
- (iv) Review the Company's financial and accounting policies and procedures.
- (v) Monitor the Company's adherence to professional conduct rules.
- (vi) Consider other issues as determined by the Board.
- (vii) Review legal and regulatory matters that may have a material effect on the organization's financial statements; review compliance policies and programmes and reports from regulators.

2.7 Non-Audit Work Performed by External Auditors

The Committee will:

- (i) ensure that the external auditor may not carry out any additional work for the Company which is not part of the audit program if it may affect their impartiality and independence.
- (ii) ensure that any non-audit work proposed to be carried out by the external auditor will be subject to the Committee's approval and the Committee shall ensure that appropriate disclosure will be included in the Annual Report.
- (iii) develop and recommend to the Board a formal policy on the provision of non-audit services by the auditor, including approval of non-audit services by the committee and specifying the types of non-audit service to be pre-approved, and assessment of whether non-audit services have direct or material effect on the audited financial statements.

3. Authority of the Committee

The Committee is directly accountable to the Board for the exercise of its responsibilities. In carrying out its responsibilities, the Committee must always recognise that primary responsibility for governance of Company and the power of decision-making rests with the full Board.

The Committee has no executive powers, except those that may be expressly provided by the Board to the Committee.

The Committee shall have the appropriate authority to discharge its duties and responsibilities. In addition, it is specifically empowered to:

- institute or authorise investigations into any matter;
- seek information from any employee; and
- appoint or retain external independent professionals and consultants for advising or assisting the Committee on legal, accounting, or other matters, to the extent it deems necessary or appropriate.

4. Composition and Tenure

4.1 Committee membership

The Board is responsible for the appointment of Committee members to vacant positions, and the election of the Chair of the Committee. The Board may request the assistance of the Nominations Committee with the appointment process.

All members of the Committee must be financially literate, at least one member must be an accounting and financial expert, and at least two members must understand the utilities industry. The Board Chairman and the Managing Director may attend meetings as an observer at the invitation of the Chairman of the Committee.

4.2 Term of office

To promote continuity of expertise, the Chair will be appointed for a period of four (4) years. Other Committee members will be appointed for terms not exceeding the term determined by the Board, on a rotational basis. All Committee members will be eligible for re-appointment following a formal review of their performance.

4.3 Vacation of office

A position on the Audit and Compliance Committee becomes vacant if the Committee member:

- becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under a law relating to mental health;
- has reached the end of their appointed term;
- resigns from office by notice in writing; or
- breaches the board protocol.

5. Conduct and Accountability

5.1 Conduct of Committee members

Members of the Committee are expected to understand and observe all relevant legislative requirements. Committee members are expected to:

- attend all scheduled meetings and no substitute can be offered;
- contribute the time needed to study and understand the papers provided and seek advice if required;
- understand the operating environment of Company, its strategic objectives, corporate governance requirements, prevailing social and economic conditions and the risks affecting the delivery of outputs;
- apply analytical skills, objectivity and judgement;
- express opinions constructively and frankly, ask questions that go to the fundamental core of the issue and through the Committee Chair pursue independent lines of enquiry;
- avoid any conflict of interest and inform the Committee where actual or perceived conflict may become apparent; and
- contribute to an effective decision-making process that is in the best interests of Company as a whole.

5.2 Accountability and responsibilities

The Chair of the Committee is elected by the Board. The Chair is responsible for:

- ensuring all relevant information, decisions and recommendations are communicated to the Board;
- representing the Committee to external parties;
- ensuring regular Committee meetings are held;
- encouraging other Committee members to attend meetings; and
- preparing an agenda for the meetings.

In meetings, the Chair will:

- prioritise agenda items and if necessary, set time limits;
- lead the meeting through the agenda, keeping discussion relevant and decision-making clear and encouraging broad participation, e.g. ensuring everyone gets a chance to talk;
- note motions and amendments and put these to the meeting to be voted on;
- sign the minutes after they have been confirmed as an accurate record of the previous meeting; and
- ensure meetings are run in accordance with Company's Code of Conduct and the Board Charter.

The performance of the Chair will be reviewed as part of the overall Committee performance evaluation.

5.3 Code of conduct

Committee members are subject to the provisions of the Code of Conduct in the Board Charter as approved from time to time by the Board.

5.4 Conflicts of interest

Existing conflicts of interest and personal interests must be declared at the time of appointment to the Committee.

The Chair should be satisfied that there are enough processes in place to manage any real or perceived conflict.

At the beginning of each Committee meeting, Committee members are required to declare any potential or actual conflicts of interest that may apply to specific matters on the meeting agenda. Where required by the Chair, the Committee member will be excused from the meeting or from the Committee's consideration of the relevant agenda item [s]. Details of potential or actual conflicts of interest declared by members and action taken will be appropriately minuted.

5.5 Confidentiality

Committee members must ensure that issues discussed, and opinions expressed at meetings remain confidential. Committee members should not circulate the meeting papers to any other person beyond other Committee members.

Committee members must not use or disclose information obtained by the Committee except in meeting the Committee's responsibilities, or unless expressly agreed by the Board.

5.6 Induction

New members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities. Where relevant the Board may also support Committee members to attend appropriate conferences or workshops to further their application of knowledge to the Committee's role and function.

6. Meetings

6.1 Frequency and location

The Committee will meet as required. The location of meetings will be agreed by the Committee and will be subject to budget unless otherwise approved by the Board. Meetings may be face to face, via a means of Telecommunication or by Circular Resolution.

The Chair is required to call a meeting if requested to do so by the Board or another Committee member.

6.2 Meeting papers

The Chair of the Committee is responsible for setting the agenda, in consultation with Board Chairman, and Committee members may submit items for consideration by the Chair to be included in the meeting agenda. Only urgent issues may be raised by Committee members at meetings through other business.

Meeting papers are prepared and collated by the Secretariat and circulated to all Committee members at least five (5) working days prior to Committee meetings, wherever possible.

Minutes of meetings, cleared by the Chair, will be prepared and provided to Committee members as draft minutes no later than ten (10) working days after a meeting. Minutes will then be formally endorsed at the following meeting.

A forward meeting plan, including meeting dates and agenda items, will be agreed by the Committee each year. The forward meeting plan will cover all the Audit and Compliance Committee's responsibilities as detailed in this Terms of Reference and as settled by the Board.

6.3 Attendance at meetings and quorums

A quorum will consist of three (3) Committee members and must include the Chair of the Committee.

External representatives may be invited to attend meetings, as determined by the Chair of the Committee. The Committee may also request the Chair of the Board, the Managing Director and/or other employees to attend Committee meetings or participate in certain agenda items at the invitation of the Chair.

6.4 Telecommunication meetings

A meeting may be held by means of a telecommunication platform, provided that the number of Committee members participating is not less than a quorum required for a meeting. The following provisions apply to a telecommunication meeting:

- all persons participating in the meeting must be linked by telephone, audio-visual or other instantaneous means for the meeting;
- each of the persons taking part in the meeting must be able to hear and be heard by each of the other persons taking part at the commencement of the meeting and each person so taking part is deemed to be present at the meeting;

at the commencement of the meeting each person must announce his or her presence to all other persons taking part in the meeting;
- a person may not leave a telecommunication meeting by disconnecting his or her telephone, audio-visual or other communication equipment unless that person has previously notified the Chair;
- a person may always conclusively be presumed to have been present and to have formed part of a quorum during a telecommunication meeting unless that person has previously not notified the Chair of leaving the meeting; and
- a minute of proceedings of a telecommunication meeting is enough evidence of the proceedings and of the observance of all necessary formalities if the minute is certified to be a correct minute by the Chair.

6.5 Out of session papers (urgent cases in between board committee meetings)

Where possible all decisions will be made at Committee meetings and formally recorded in the minutes of that meeting. When the Chair determines that urgent matters require the Committee's approval between meetings Committee members will be provided with a paper and the decision sought. Committee members will be given a minimum of 24 hours to consider the paper, wherever possible.

Approval of out of session papers or decisions occurs if a majority of the Committee members, subject to the quorum being satisfied, vote in favour and sign a document containing a statement that they are in favour of the decision set out in the document.

A document produced by electronic means under the name of a Committee member with the Committee member's authority is taken to be a document signed by the Committee member when received by Company in legible form.

The resolution is passed when the last Committee member required to achieve a majority signs and submits the document.

Decisions made out of session will be formally recorded in the minutes of the next scheduled Committee meeting.

7. Secretariat support

The Managing Director shall ensure that the Committee is well served with a functioning board secretariat. The functions of the Secretariat are to:

provide support services for meetings in consultation with the Chair, including preparation of minutes, preparation and circulation of the agenda and meeting papers, and any other agreed requirements;

co-ordinate the drafting of all correspondence, letters of advice and other material;

- co-ordinate research on issues being considered; and

ensure timely payment of remuneration and other administrative arrangements for Committee members, where relevant.

8. Reporting

The Committee will, at the end of each year, report to the Board on its operation and activities during the year. The report should include:

- a summary of the work the Committee performed to fully discharge its responsibilities during the preceding year;
- details of meetings, including the number of meetings held during the relevant period, and the number of meetings each Committee member attended.

The Chair of the Committee will provide a summary of the minutes of each Committee meeting to the Board at the next available meeting.

9. Performance evaluation

At the close of each meeting the Chair will ask the Committee members for feedback, including suggestions for improvement, on:

- Relevance of the Agenda
- Quality and timing of the submitted papers and presentations
- Performance of Committee members and others present
- Overall effectiveness of the meeting

The Chair of the Committee will initiate a review of the performance of the Committee at least once a year. The recommended best practice is for this review to be part of the annual board evaluation.

10. Review of Terms of Reference

At least once a year the Committee will review this Terms of Reference to ensure continued relevance to the operations of Company. This review will include consultation with the Board. Amendments to this Terms of Reference must be approved by the Board.

11. Board Evaluation

In adherence to global corporate governance best practice, the board, board members, and board committees will be evaluated annually. This will enable the board to identify areas of strengths and weakness, leading to changes that positively impact performance and stakeholder/shareholder value.

This terms of reference was approved by the Board on

and will be reviewed annually.

Signed by:

Board Chairman

Date

Signed by:

Chairman of the Audit Committee

Date

Board Delegation of Authority Policy

Effective

1st May 2019

Review

1st May 2020

Owner

Ghana Water Company Limited

BOARD POLICY ON DELEGATED AUTHORITY

1.0 Policy Statement

In undertaking its role, the responsibilities exclusively reserved for the Directors (the 'Board') are documented in the Board Charter. Subject to these, this Policy serves as the mechanism by which the Board delegates specific standing powers and limits of authority to specified positions.

The general approach adopted by the Board to the delegation of its powers and authorities is that:

- decisions related to specific matters are reserved for the Board;
- certain powers and limits of authority are delegated to specified positions; and
- subject to the above, the Board delegates its power and authority to manage and supervise the management of the day-to-day operation of the Company to the Managing Director.

2.0 Scope

This policy details the Board's delegations of certain powers and limits of authority to:

- Board Committees;
- The Board Chairman;
- Chairman of the Audit & Compliance Committee; and
- the Managing Director.

3.0 Purpose

This Policy establishes a common understanding of:

- the specific matters that are reserved for Board decision; and
- the Board's delegation of certain powers and limits of authority to a committee of directors, to the Chairman, individual directors and the Managing Director.

4.0 Content

Principles of Board delegation

1. The Board retains exclusive accountability for its role and responsibilities as documented in the Board Charter and the matters reserved for Board decision detailed in the Board Charter.
2. The Board and Managing Director are bound by the financial authority thresholds as detailed in **Statement of Matters Reserved for the Board**,
3. Any action taken exercising a delegated authority allowed by this Policy must be undertaken within the *limits* of the delegation.
4. Unless otherwise specified, powers and authorities are delegated to a position and not to a person.
5. Unless otherwise specified, power and authorities delegated to a position extends to any person acting in that position.
6. Unless an appropriate Board delegation of power or authority exists, no person has any individual authority to commit the Company to obligations including making any

- representations or agreements with suppliers, customers, employees or other parties or organisations.
7. The law requires the Board to remain accountable for matters for which it has delegated authority. Therefore, the Board has implemented a framework of internal control over all delegates who exercise authorities on behalf of the Board.

Delegation by the Board to committees of directors (Board Committees)

The Board may establish committees of directors ("Board Committees") and delegate some of the Board's 'reserve' power and authority to these committees either on a standing or ad-hoc basis.

The establishment of a Board Committee and the delegation of the Board's 'reserve' power and authority to a Board Committee must be implemented by Board resolution.

The Board has established four standing Committees:

- Audit & Compliance Committee
- Risk Committee
- Finance and IT Committee
- Human Resources & Administration

As detailed in the respective Terms of Reference, the Board has delegated some of its 'reserve' power and authority to these committees and the terms should be referred to where appropriate.

Board committees are required to report to the next Board meeting on their use of *any* delegated authority.

If a Board Committee is dissolved, the delegation of the 'reserve' power and authority automatically reverts to the Board.

Delegation by the Board to the Chairman

The Board delegates the following power and authority to the Chairman:

- Act as spokesperson for, and representative of, the Board;
- Together with the Managing Director, act as joint spokesperson for the Company;
- In the absence of the Managing Director (and Acting Managing Director), act as spokesman for the Company; and
- Review and respond to correspondence addressed to the Board or to the Chairman (in consultation with directors as the Chairman deems appropriate).

Delegation by the Board to individual directors

Individual directors have no individual authority to participate in the day-to-day management of the Company except where the Board explicitly delegates *an* authority to a director individually. All such delegations must be implemented by Board resolution.

Delegation by the Board of ad-hoc power and authority

In addition to the delegations of the Board's power and limits of authority detailed in this Policy, the Board may delegate the exercise of its power and authority on an individual basis for a particular purpose. These include via Board resolutions and Powers of Attorney of defined or general application. The limits and/or restrictions of the delegations referred to in this Policy may be superseded by more specific and/or individual delegations.

Delegation by the Board to the Managing Director

Excluding:

- matters specifically reserved for Board approval;
- delegations of certain powers and limits of authority to specified positions as detailed in this Policy; and
- delegations by the Board of ad-hoc power and authority which have been granted on an individual basis for a particular purpose.

The Board delegates to the Managing Director its power and authority to **manage and supervise the management of the day-to-day operations and activities of the Company.**

In recognition that the Managing Director cannot perform or closely supervise all the activities and functions involved in the conduct of the Company, the Board authorises the Managing Director to approve the sub-delegation of his/her power and authority. This must be documented in the Managing Director Manual of Authorities.

The Managing Director has ultimate accountability for the Managing Director Manual of Authorities and the exercise of any sub-delegated power and authority.

Framework of Internal Control

In exercising a delegated authority, a delegate must observe the following:

1. A delegate must exercise their authority subject to and in accordance with the law, the Corporate Governance Framework, policies and procedures.
2. A delegate must not exercise their delegated power and authority if in doing so they would create an actual, perceived or potential conflict of interest.
3. For financial matters, authority limits apply to the complete transaction. The splitting of transactions to allow a lower financial limit to be used is prohibited. Approval must always be sought for the final value of the total expenditure. If final expenditure exceeds or may exceed a delegate's authority limits; approval at a higher authority level must be obtained.
4. Delegations (and limits of authority) in this Policy prevail in the event of any inconsistency with delegations (and limits of authority) in other policies (excluding the Board approved Financial Risk Management policies) and/or employee position descriptions.

Responsibilities and Authorities

The **Board** has ultimate accountability for the Board Delegations of Authority Policy. The

Managing Director must ensure that:

- the financial transactions of GWCL are executed within the scope of delegated authorities;
- GWCL's systems of internal control adequately manage and monitor the implementation and operation of delegated authorities;
- the delegations of authority achieve the objectives of authority delegation and proper financial control; and
- the limits of authority detailed in this Policy and the Managing Director Manual of Authorities remain appropriate as GWCL's circumstances change.

The **Company Secretary** must:

- review this policy regularly and stay abreast of legal developments and make recommendations regarding any necessary policy changes and implications;
- advise the Executive Leadership Team and the Board about policy changes and their implications; and
- give advice, guidance and assistance about the application of the policy.

Review

This Document is required to be reviewed, at a minimum, every year.

Definitions

Delegate	The person(s) occupying the position that has been delegated power and authority
Specified position	The Chairman of the Board, individual directors and the Managing Director
The Company	GWCL Company Limited

References

Board Charter

Terms of References for Board Committees

Managing Director Manual of Authorities

Revision History

Rev. No.	Rev. Date	Revision Description	Author	Approved. Sy
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Statement of Matters Reserved for th^e Board

May 2019

Effective

1st May 2019 Review

1st May 2020 Owner

Ghana Water Company Limited

MATTERS RESERVED FOR THE BOARD

Role of the Board

The Board has collective responsibility for the long-term success of the Ghana Water Corporation Limited ("the Company").

The Board's role is to provide strategic leadership and direction to Company within a framework of prudent and effective controls which enables risk and customer outcomes to be assessed and managed.

The Board sets the Company's values and standards and ensures that its obligations to its shareholder (the Government), its stakeholders, and staff, are understood and met.

The Board sets the Company's strategy and approves plans presented by management for the achievement of the strategic objectives it has set.

The Board determines the nature and extent of the significant risks it is willing to take in achieving its strategic objectives and is responsible for ensuring maintenance of sound risk management and internal control systems.

Implementation of the strategy set by the Board and the management and day-to-day running of the Company is delegated to the Managing Director except for the matters reserved to the Board listed below.

MATTERS RESERVED FOR THE BOARD

1. FINANCE

- 1.1 **Budget Virement:** Approval of changes relating to the Company's organisational structure: nationally, regional; district/station/unit.
- 1.2 **Capital/Development Item:** Approval of transactions and activities above GHS100M and all foreign exchange.
- 1.3 **Cash Losses:** Approval of cash losses over GHS100,000
- 1.4 **Loss of Stores and Equipment:** Approval of stores and equipment up to GHS100,000 per item.
- 1.5 **Revenue Arrears:** Approval of revenue arrears above GHS100,000.
- 1.6 **Water Sales Revenue:** Approval of water sales revenue over GHS50,000 per account.
- 1.7 **Revenue Budgets Preparation:** Approval of revenue budgets preparation for District and Regional budgets.
- 1.8 **Revenue Budgets Revision:** Approval of revision of revenue budgets preparation for District and Regional budgets.
- 1.9 **Write Offs — Revenue Arrears:** Approval of write offs — revenue arrears.
- 1.10 **Cost of Tracing Illegal Connection and Water Consumed:** Approval of the cost of tracing illegal connection and water consumed over GHS50,000.
- 1.11 **Debt Payment Terms:** Approval of debt payment terms over 100,000 per customer.

2. HUMAN RESOURCES

- 2.1 **Appointments:** Recommendation and Approval of the appointment of the Managing Director and the Deputy Managing Director.
- 2.2 **Appointments:** Approval of the appointment of the Chief Managers.
- 2.3 **Salary on Appointment:** Approval of the salary of the Managing Director and the Deputy Managing Director.
- 2.4 **Expatriate Staff:** Appointment and Renewal of Appointment of expatriate staff and their

conditions of service.

- 2.5 **Staff Appraisal:** Appraisal of the Deputy Managing Director.
- 2.6 **Acting Appointment:** Approval of the acting appointment of the Managing Director and the Deputy Managing Directors.
- 2.7 **Annual/Casual/Part Leave:** Approval of annual/casual/part leave of the Managing Director.
- 2.8 **Deferment of Leave:** Approval of deferment of leave of the Managing Director.
- 2.9 **Permission to Engage in Outside Employment:** Approval of permission for the Managing Director to engage in outside employment.
- 2.10 **Dismissal/Termination:** Approval of the dismissal or the termination of a Chief Manager.
- 2.11 **Appointment of Disciplinary Committee:** Appointment of a disciplinary committee in cases related to the Managing Director and Deputy Managing Directors.
- 2.12 **On Call/Responsibility:** Approval of on call/responsibility of Chief Managers.
- 2.13 **Separation — Resignation:** Acceptance of the resignation of the Managing Director and Deputy Managing Directors.
- 2.14 **Separation — Voluntary/Compulsory Retirement:** Acceptance of the voluntary or compulsory retirement of the Managing Director and Deputy Managing Directors.
- 2.15 **Redundancy:** Decision on the redundancy of all categories of staff.
- 2.16 **Exit Interview:** Conduct of the exit interview for the Managing Director.
- 2.17 **Industrial Relations:** Approval of i) Management's Conditions of Service; ii) Senior Staffs Collective Bargaining Agreement; and iii) Junior Staff's Collective Bargaining Agreement.

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3. BORROWING

- 3.1 Approval of borrowing done by the Company.

4. APPROVAL OF NEW BUSINESS/PRODUCTS

- 4.1 Approval of new business *and* product development. This *will* also *require* cabinet approval.

S. STAKEHOLDER LIAISON

- 5.1 Policies in relation to stakeholder engagement; Annual Report theme and concepts; and Communication with the Government on matters relating to the sector.

6. GOVERNANCE

- 6.1 Approval of Board and Board Committee Charters.
- 6,2 Approval of Code of Conduct and Code of Conduct Framework Policies.

- 6.3 Approval of changes to the authority delegated to the Managing Director or Executive Leadership.
- 6.4 Approval of matters which exceed the authority delegated to the Managing Director or Executive Leadership.
- 6.6 Approval of announcements and press releases concerning matters decided by Board.
- 6.5 Approval of all policies applied by the Government to State-Owned-Enterprises, requiring board approval.
- 6.6 Approval of all policies in relation to the management of 'Public Official' complaints.

7, STRATEGY

- 7.1 Approval of the Company's strategic context and strategy development process.
- 7.2 Approval of the Company's Statement of Corporate Intent and Corporate Plan.

8. INTERNAL AUDIT

- 8.1 Approval of the Internal Audit Charter, annual internal audit plan and strategies.

9. RISK MANAGEMENT

- 9.1 Approval of the Company's Risk Appetite Statement.
- 9.2 Approval of policies in relation to Risk Management and the Risk Framework,
- 9.3 Approval of policies in relation to financial risk management.

10. INSURANCE

- EU Approval of the annual review of insurance covers including premiums and deductibles.

Revision History

Rev. No.	Rev. Date	Revision Description	Author	Approved. By
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CONTENT OF BOARD INDUCTION FILE

1. RELEVANT INFORMATION AND SHORT BRIEF ON GWCL
2. CERTIFICATE OF INCORPORATION OF GWCL DATED 4TH FEBRUARY 1999
3. CERTIFICATE TO COMMENCE BUSINESS DATED 12TH APRIL 1999
4. STATUTORY CORPORATION (CONVERSION TO COMPANIES) ACT 1993, ACT 461
5. STATUTORY CORPORATION (CONVERSION TO COMPANIES (SCHEDULE AMENDMENT) INSTRUMENT, 1998 LI 1648
6. GHANA WATER AND SEWERAGE CORPORATION ACT, 1965, ACT 310
7. REGULATIONS OF GWCL
8. ORGANOGRAM OF GWCL
9. 2017 CORPORATE PLAN OF GWCL
10. 2017 STATE ENTERPRISES COMMISSION (SEC) PERFORMANCE CONTRACT WITH GWCL
11. MINUTES OF 150TH MEETING OF GWCL BOARD OF DIRECTORS HELD ON THURSDAY, 15TH DECEMBER, 2016
12. 2015 GWCL AUDITED REPORT AND FINANCIAL STATEMENT
13. CORPORATE GOVERNANCE MANUAL FOR GOVERNING BOARDS OF GHANA PUBLIC SERVICE
14. GHANA WATER COMPANY LIMITED - LIMIT OF AUTHORITY (HUMAN RESOURCE)
15. WORK PLAN FOR GWCL BOARD OF DIRECTORS

DRAFT JOB DESCRIPTION OF THE COMPANY SECRETARY

The Company Secretary is responsible for advising the Board through the Chairman on all corporate governance matters. To this end, the role of the Company Secretary shall comprise the following key responsibilities.

Running of the Board and Board Committees:

- Ensuring the smooth running of the Board's activities by helping the Chairman to set agendas, preparing papers and presenting papers to the Board. Advising on Board procedures and ensuring the Board follows them. Ensuring all meetings are minuted and that the minutes accurately reflect the views of the Board.
- Ensuring that all Board committees are properly constituted and provided with clear terms of reference. Attending Board committee meetings at the request of the Chairman of the committee and taking minutes of such meetings if in attendance.
- To act as a confidential sounding board to the Chairman, non-executive Directors and executive Directors on points that may concern them, and assisting in managing difficult inter-personal issues on the Board.
- To act as a primary point of contact and source of advice and guidance for Directors as regards the Company and its activities in order to support the decision making process. This will apply particularly to non-executive Directors.
- To act as an additional enquiring voice in relation to Board decisions which particularly affect the Company, drawing on his experience and knowledge of the practical aspects of management to act as the 'Conscience of the Company'.
- To act a Secretary to the Board to ensure that proceedings of all board meetings are properly recorded to provide evidence of decisions which may be required,

To induct new Directors into the business and give guidance on their roles and responsibilities.

Corporate Governance and related matters:

- Keeping under close review all legislative, regulatory and corporate governance developments that might affect the Company's operations, and ensuring the Board is fully briefed on these and that it has regard to them when taking decisions.
- Ensuring that the concept of stakeholders is in the Board's mind when important and business decisions are being taken. In conjunction with the Managing Director monitoring developments on Corporate Social Responsibility and advising the Board in relation to its policy and practices with regard to Corporate Governance and its reporting on the matter.

Regulatory Matters:

- To ensure, where applicable, that the standards and I or disclosures required by the Regulatory bodies (Registrar of Companies, PURC) are observed and, where required, reflected in the Annual Report of the Directors.
- To ensure compliance with the continuing obligations of Regulatory Requirements eg. ensuring publications and dissemination of Report and Accounts within the periods laid down by Regulatory bodies.
- As regards offences under the Public Financial Management Act ensuring that the Board is fully aware of its responsibility.

Statutory Records:

- Ensuring compliance with all statutory filings, Annual Returns, filing of resolutions adopted at Annual General Meetings and any other filings required to be made with the Registrar of Companies.
- Ensuring that the Company complies with its Regulations and, drafting and incorporating amendments in accordance with correct procedures.
- To ensure the correct implementation of proper authorised changes in the structure of the Company's share and loan capital.
- Ensuring that procedures are in place for the correct administration of subsidiary companies and the maintenance of the Group's structure.

Annual Report and AGM

- Co-ordinating the publication and distribution of the Company's annual report and accounts and interim statements, in consultation with the Company's internal and external advisers.
- Making arrangements for and managing the process of the Annual General meeting and establishing, with the Board's agreement, the items to be considered at the AGM, including resolutions dealing with governance — type matters.

DRAFT GWCL WHISTLEBLOWER POLICY

Introduction

The Whistleblower Policy governs the reporting of good-faith concerns about the legality or propriety of GWCL actions or plans. This policy is intended to encourage Directors, staff and others to report suspected or actual occurrence(s) of illegal, unethical or inappropriate events (behaviors or practices) without retribution, and to raise serious concerns within GWCL prior to seeking resolution outside the organization.

Reporting of Concerns or Complaints

Directors volunteers and staff are expected to comply with the GWCL Code of Ethical Conduct and applicable laws, and to report violations or suspected violations by Directors, volunteers and staff in accordance with this policy.

Confidentiality

All communications under this policy shall be treated in a confidential manner, except to the extent necessary:

- i. to conduct a complete and fair investigation, or
- z. for a review of GWCL operations by the Board, Finance or Audit Committee, External Auditors and/or Legal Counsel.

Retaliation

Negative or adverse action is not to be taken against any Directors, volunteers and staff for making a good-faith report of a possible violation of GWCL Code of Ethical Conduct or applicable laws, even if the report is mistaken, or against the Board, Finance or Audit Committee, External Auditor, and/or Legal Counsel who assist in the investigation of a reported violation.

Retaliation in any form shall not be tolerated. Any act of alleged retaliation should be reported immediately and shall be promptly investigated. Anyone who retaliates against a Whistleblower who has acted in good faith is subject to discipline up to and including removal from the Board if the offending party is a Director. The Whistleblower shall receive no retaliation or retribution for a report that was provided in good faith - that was not done primarily with malice to damage another or the organization.

How to Report Concerns or Complaints

Directors, volunteer or staff may communicate actual or suspected violations of the Code of Ethical Conduct, applicable laws or other wrongdoing or alleged retaliation to the Chair of the Board, a Director, Committee Chair, the Company Secretary, Chief Manager or immediate Supervisors. It is not necessary that a Director, volunteer or staff give their name or position in any notification.

While the Whistleblower need not identify himself/herself, for an effective investigation to be conducted the Whistleblower should provide GWCL with as much detailed information as possible concerning the alleged violation, including the substance of the incident, where and when the incident occurred, and the names and titles of the individuals involved.

1. If the Whistleblower would be uncomfortable or otherwise reluctant to report to his immediate supervisor, then the Whistleblower could report the event to the next highest or another level of management, including to an appropriate Board Committee.
- z. The Whistleblower can report the event with his/her identity or anonymously.
3. Directors, Chief Managers, and Supervisors who receive the reports must promptly act to investigate and resolve the issue.
4. The Whistleblower shall receive a report within four weeks, that was done in good faith and investigated by internal personnel. If the report is not to the Whistleblower's satisfaction, then he has the right to report the event to the appropriate legal or investigative agency.
5. The identity of the Whistleblower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement, in which case members of the organization are subject to subpoena.

Illustrative Types of Concerns

The following is a non-exhaustive list of the kinds of incidents and improprieties that should be reported:

T. Supplying false or misleading information on GWCL's financial, legal or other public documents.

z. Providing false information to or withholding material information from GWCL's Board, auditors, legal counsel or management.

3. Destroying, altering, mutilating, concealing, and covering up, falsifying or making a false entry in any record that may be connected to an official matter or proceeding, in violation of federal or state law, regulations or GWCL policies.

4. Altering, destroying, or concealing a document or attempting to do so, with the intent to impair the document's availability for use in an official matter or proceeding or otherwise obstructing, influencing or impeding any official matter or proceeding, in violation of federal or state law, regulations or GWCL policies.

5. Embezzlement, self-dealing, private inurement (i.e., GWCL earnings inuring to the benefit of a Board member, volunteer, or staff) and private benefit (i.e., GWCL assets being used by anyone in the organization for personal gain or benefit).

6. Paying for services or goods that are not rendered or delivered.

7. Using remarks or actions of a sexual nature that are not welcome and are likely to be viewed as personally offensive, including sexual flirtations, unwelcome physical or verbal advances, sexual propositions, verbal abuse of a sexual nature, the display of sexually suggestive objects, cartoons, or pictures, and physical contact of a sexual or particularly personal nature.

8. Using epithets, slurs, negative stereotyping, and/or threatening, intimidating or hostile acts that relate to race, color, religion, gender, sexual orientation, national origin, age, disability or other legally protected status.

9. Circulating or posting written or graphic material that denigrates or shows hostility or aversion toward an individual or group because of race, color, religion, gender, sexual orientation, nationality, age, disability or other legally protected status.

io. Discriminating against an individual due to a person's race, color, religion, gender, sexual orientation, national origin, age, physical or mental impairment, veteran status or other legally-protected status.

ii. Violating the Code of Ethical Conduct and the Conflict of Interest Policy. '2..

Facilitating or concealing any of the above or similar actions.

13. Crimes against person or property such as assault, rape, burglary, etc should immediately be reported to local law enforcement agencies

I _____ recognizing the important responsibility I am undertaking in serving as a Director of Ghana Water Company Ltd, hereby pledge to carry out in a trustworthy and diligent manner the duties and obligations associated with my role as a Director and abide by this Whistleblower Policy.

NAME:

SIGNATURE:

DATE:

**ADOPTED BY GWCL BOARD ON
OF JULY 2019**

THE DAY

GHANA WATER COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

A.D. Et ASSOCIATES
(*CHARTERED ACCOUNTANTS*)

Ghana Water Company Limited

Report and financial statements

For the year ended 31 December 2017

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Ghana Water Company Limited
Corporate Information
For the year ended 31 December 2017

Directors:

Hon. Alexander Afenyo Markin
Ing. Dr. Clifford Braimah
Hon. Kwame Arnpofu Tumasie
Mr. Michael Ayesu
Mr. Joseph Obeng-Poku
Mr. Forster Kum-Ankarnah Sarpong
Ms. Maria Aba Lovelace-Johnson
Naba Sign Bewong
Mr. Clement Alosebuno Kaba
Mrs. Serena Kwakye-Mintah Mr.
Alex K.B. Bonney

Secretary:

Mrs. Jemimah Toseafa

Principal place of business

28th February Road
Near Independence Square
Box M 194, Accra Ghana
Accra - Ghana

Auditors:

A.D. a Associates
No. C677/3 3rd Crescent
Asylum Down
Accra

Bankers:

GCB Bank
Societe Generale Bank
ADB Bank Limited
National Investment Bank Limited
Cat Bank Limited
Ecobank Ghana Limited

Ghana Water Company Limited

Directors' report

For the year ended 31 December 2017

The Board of Directors has the pleasure of presenting this annual report together with the audited financial statements of Ghana Water Company Limited for the year ended 31 December, 2017 which disclose the state of affairs of the company.

1. Principal activity

The principal activities include planning and development of water systems and sate of water in urban communities in the country.

2. Statement of Directors' responsibilities

The Companies Act, 1963 (Act 179) requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the profit or loss for that year.

in preparing the financial statements, the Directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgement and estimates have been made in the preparation of the financial statements for the year ended 31 December, 2017. The directors confirm that the financial statements have been prepared on a going concern basis.

The directors are responsible for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act, 1963 (Act 179). They are also responsible for safeguarding the assets of the company and hence for taking steps for the prevention and detection of fraud and other irregularities. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Ghana Water Company Limited
Directors' report
For the year ended 31 December 2017

3. Financial results

The financial results for the year ending to 31 December 2017 are set out below:

	2017	2016
	GHt	
The Loss brought forward in the Income		
Surplus at the beginning of the year	(42,414,395)	(359,927,529)
Profit / (Loss) for the year after charging		
all expenses including depreciation	8,316,274	101,137,940
Prior year adjustment	(17,040,854)	216,375,194
Transfer from Revaluation Surplus	0	0
Loss at the year end	<u>(51,138.9</u>	<u>(42,414 39,555</u>

4. Going concern

The company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that cast significant doubt about the company's ability to continue as a going concern. Therefore the financial statements continue to be prepared on the going concern basis.

5. Auditors

The auditors, Messrs' A.D. a Associates, have expressed their willingness to accept reappointment pursuant to Section 134 (5) of the Companies Act, 1963 (Act 179).

6. Other matters

The Directors confirm that no matters have arisen since 31 December 2017, which materially affect the financial statements of the company for the year ended on that date.

Director

Date:

ji
 MANA G DIRECT.
 GHANA WATER COMPANY LTD.
 ACCRA - GHANA
 Director
 Date

Ghana Water Company Limited
Independent auditor's report
For the year ended 31 December 2017

Opinion

We have audited the financial statements of Ghana Water Company Limited which comprise the statement of financial position as of 31 December 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the company as at December 31, 2017 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Responsibilities of Management and Those Charged with Governance for the Financial

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Independent auditor's report

For the year ended 31 December 2017

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISM, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of managements use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Ghana Water Company Limited
Independent auditor's report
For the year ended 31 December 2017

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

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

Report on Other Legal and Regulatory Requirements

The Ghana Companies Act, 1963 (Act 179) requires that in carrying out our audit, we consider and report on the following matters. We confirm that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion proper books of accounts have been kept by Ghana Water Company Limited so far as appears from our examination of those books; and
- iii. The statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of Ghana Water Company Limited are in agreement with the books of accounts.

A.D. Etseades
Chartered Accountants
P. O. Box CT 1506
Cantonment - Accra, Ghana
Licence Number: ICAG/F/020

Engagement Partner:
George Gyedu-Adomako
Practising Cert. No. ICAG/P/1460
Name of the Auditor:
Alex Kwaku Dey
Practising Cert. No. ICAG/P/1301

2018

Ghana Water Company Limited
Business model and Strategy
For the year ended 31 December 2017

Company Overview

MISSION

GWCL is committed to meet the increasing demand for better service delivery through efficient and effective management of our core business of production, transmission, distribution of water and customer management in the urban areas of Ghana.

VISION

To be a world class water company.

OUR CORE VALUES

- Quality and excellent customer service
- Speed and Urgency in Service delivery
- Continuous improvement and Innovation
- Health and Safety of Stakeholders
- High ethical and Professional standards
- Commitment and Dedication to operations

Ghana Water Company Limited

Business model and Strategy

For the year ended 31 December 2017

PROFILE GHANA WATER COMPANY LTD

The Urban water sector in Ghana has over the last ten years gone through a couple of evolutions. The major ones included the management contract between Aqua Vitens Rand Ltd (AVRL) of Vitens International, Netherlands and Rand Water Services of South Africa in June 2006. This contract expired in May 2011.

After the exit of AVRL a special purpose vehicle Ghana Urban Water Ltd (GUWL) a subsidiary of Ghana Water Company Ltd was established by the Government of Ghana to continue managing the operations till a long term decision was taken.

In August of 2014 a new policy direction for the water sector was announced by the Government; the dissolution of GUWL *and* GWCL absorbing the operational activities erstwhile performed by GUWL. GUWL the Operator and GWCL, the asset holder have now merged to form the new Ghana Water Company Ltd which has responsibilities of both operations and asset management.

GWCL is the sole government owned water utility company. It is responsible for the production, transmission and distribution of water in urban areas in Ghana.

The Company as of 2016 manages 88 water systems. Forty three (36) of these systems are borehole and forty six (51) are surface whilst three (1) is both which serve about 10.8 million people nationwide. It operates in 15 Regional offices and 72 district offices. The company has 4 special business units.

Ghana Water Company Limited
Business model and Strategy
For the year ended 31 December 2017

OPERATIONS' REVIEW

1.1 OUR KEY FIGURES

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1.2 Water Production

Ghana Water Company Limited

Business model and Strategy

For the year ended 31 December 2017

We recorded a total volume of 314.8Mm³ for the year 2017 showing an increase of 5.4% (16.1Mnn³) over that for 2016. The production performance is 4.7% (14.09Mm³) more to the target for the year. The following factors contributed to the improvement in water production for 2017;

1. Stable power in most of the Head works and Borehole sites
2. Effective and efficient maintenance approach to the electromechanical equipment
3. Availability of spare parts
4. The coming on board of the treatment Plant in Jambusi in Upper West Region.
5. *The* use of polymer at Mampong Head works which made treatment efficient by reducing the frequency of backwashing.

However, the following major challenges were encountered during the year.

- Frequent pipe burst on the 12 and 10 AC transmission pipelines in Boigatanga affected production at Veia/Gowrie. Plans are far advanced for its replacement.
- Consistent Power outages and pipe burst in Koforidua Municipality. The Company is still in discussion with ECG to find a lasting solution to the power outages whilst very weak sessions of pipelines are being replaced.
- Dried intakes at some Head-works accounted for low production at Eastern Region
- Galamsay activities subsided but is gradually coming up again.

The details of the production report is in table 1 below

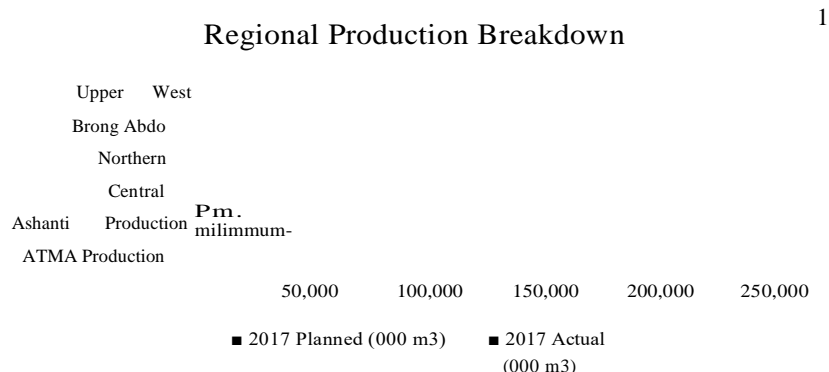
Table 1

Ghana Water Company Limited

Business model and Strategy

For the year ended 31 December 2017

Fig 1



ATMA Production and the Desalination plant recorded the highest water production of 66.4% followed by Ashanti (13.2%). Thus ATMA and Ashanti contributed nearly 79.6% of the total water produced.

1.3 QUALITY OF WATER PRODUCED

1.3.1 WATER QUALITY ASSESSMENT AND CHEMICALS USAGE REPORT

Results of water quality assessment of the raw water, treated water, distributed water and consumption of water treatment chemicals for 2017 are summarized below.

1.3.2 WATER TREATMENT CHEMICALS CONSUMPTION

The consumption and cost of water treatment chemicals applied to ensure delivery of safe drinking water during the period under review are summarized in tables 1 and 2 below. The usage of the major water treatment chemicals are very high due to continuous deterioration of source water especially by mining activities.

Total quantity of 13,130,544.60Kg of Aluminium Sulphate, 695,854.89Kg of Chlorine Gas, 536,047.82Kg of Calcium Hypochlorite, 1,648,486.89Kg of Hydrated Lime, 8,070.00Kg of Potassium Permanganate, 950.00Kg of Activated Carbon, 550.00Kg of Soda Ash, 8590.00Kg of Chlorine Tablet and 860,287.30Kg of Polyelectrolytes of water treatment chemicals were used to treat water during the period under review translating into the cost of GHt38,085,051.46 respectively. Details can be found in Table 2 and Table 3 below.

Ghana Water Company Limited

Business model and Strategy

For the year ended 31 December 2017

Table 2: TOTAL CONSUMPTION OF WATER TREATMENT CHEMICALS FOR 2017

75,800.00	263,221.10
1,597,061.00	349,085.50
1,226,800.00	34,450.00
<u>3,778,920.00</u>	<u>208,285.50</u>
959,911.00	<u>25,451.00</u>
926,991.50	<u>89,172.50</u>
20,150.00	18,201.50

Table3: TOTAL COST OF WATER TREATMENT CHEMICALS FOR 2017

	505,817.00	1	218,039.58		
	304,826.83	I	575,776.24	i	1,807,400.00
	38,619.92	j	53,451.32		249,722.18
					2,450.00
	70,682.98	I	ROO		127,870.41
<u>180,075.00</u>	<u>25,588.00</u>		0.00		36,577.13
26,570.69	7,990.38		6,986.46		0.00

1.3.3 RAW WATER QUALITY

Table 4 below shows the targets, average maximum, minimum and mean values of the four critical operational raw water quality indicators of all the systems per region in comparison with maximum acceptable levels of no health effects on the basis of which treatment chemicals were used.

Most of our source waters are under threat due to increased pollution from illegal mining, municipal waste and poor agricultural practices and this is impacting negatively on GWCL's operations. Very *high* turbidity, colour and some trace element values were recorded from the most affected sources leading to very high water treatment chemical consumption as well as other operational challenges.

The most affected systems are Kibi, Bunso and Osino on the Birim River, Daboase on the Pra River, Barekese on the Ofin River, Odaso on the Oda River and Konongo on Anunu River especially within the first half of 2017. This led to high Water treatment chemical consumptions from these affected systems.

Ghana Water Company Limited

Business model and Strategy

For the year ended 31 December 2017

Table 4: Raw Water Quality Monitoring

RAW WATER QUALITY MONITORING JANUARY-DECEMBER 2017							
REGION	PARAMETER (No Health Effect Levels)	No of Samples	95 % Analysed	MINIMUM	MAXIMUM		REMARKS
REGION 1: ATMA	0.6-861	8640	7555	87%	6.6	8.1	5#10#01y.litSiit0
	Colouf5 IPA	8640	7555	87%	5	00	25
	Turbidity5NTU	8640	7555	87%	0.2	66	129.9
	Iron 0.3m' L	90		40%		0.1	.16
REGION 2: ASMANI	8.5-861	10800	7719		6.6	7.7	ther Olant lack 441,050tc',10.50syds,4:13*0011n
	Colouf5 HUI	10800	7719		66	2500	430
	Turbidity5NTU	10800	7719		8	988	130
	Iron 0.3m' L	27	164		0.74		1.59
REGION 3: WESTERN	0.5-06	8640	6220	72%		7.4	6.9
	Colouf5	8640	6270	72%		3000	992
	Turbidity5NTU	8640	6220	72%		396	76
	Iron 0.3m' L	7	4		04	4	ameti' ..
	6.5-8.51	6480	5326	82%	5	79	
	Colouf5 HUI	6480	5326	82%	7	9590	499
	Turbidity5NTU	6480	5326	82%	60	750.0	14s.
	Iron 0.3m' L	365	253	69%	0.40	6.07	2.19
	0.1041	15120	150				0.1061-4140
	Iron 0.3m' L	3121					0.1061-4140
	0.1041	15120	150				0.1061-4140
	Iron 0.3m' L	3121					0.1061-4140
	0.1041	15120	150				0.1061-4140
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	0.1041	15120	150				0.1061-4140
	Iron 0.3m' L	3121					0.1061-4140
	0.1041	15120	150				0.1061-4140
	Iron 0.3m' L	3121					0.1061-4140
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	Iron 0.3m' L	3121					0.1061-4140
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	Iron 0.3m' L	3121					0.1061-4140
	0.1041	15120	150				0.1061-4140
	Iron 0.3m' L	3121					0.1061-4140
	0.1041	15120	150				0.1

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For the year ended 31 December 2017

1.3.4 TREATED WATER QUALITY ANALYSIS

Tables 6 and 7 show the five key operational indicators (core parameters) for the regions, nationwide sampling frequencies and the weighted percentage compliance targets of treated water quality during the period under review. The compliance indices are the product of the percentage of samples actually collected and analyzed and the percentage of samples that met the requirements of the Ghana Drinking Water Quality Standards.

No region was able to meet the treated water sampling targets within the year due to several operational challenges such as, lack of adequate plant control test kits, power outages, mining activities and other operational challenges. The sampling Compliance Index achieved was only 0.65 due to the challenges enumerated above. However, the quality compliance targets (99%) from all the regions were satisfactory (See Tables 5 and 6). The most challenging issue for most of our treatment plants was pH adjustment because most of the lime dozers were not functioning properly. Some treatment plants continued to have manual and improvised dosing systems making lime dosing discontinuous and therefore pH levels are not appropriately raised to meet the desired levels as stipulated in the Ghana Standards. Most of the borehole systems also do not receive any form of treatment hence low pH levels and zero residual chlorine values are recorded.

Ghana Water Company Limited

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For the year ended 31 December 2017**Table 6:**[illegible]

Table 7: SUMMARY OF TREATED WATER QUALITY COMPLIANCE INDEX, 2017

OPERATIONAL PARAMETERS	Target number	Actually Analysed	Number Complying	Compliance Target => 95%	Sampling Compliance Index (0.95)
0[6.5-8.5]	63492	41553	41199	99	0.65
Colour[15 HU]	63492	41553	41174	99	0.65
Turbidity[5NTU]	63492	41553	40975	99	0.65
R-Chlorine[0.5mg/L]	63492	41553	40960	99	0.65
E-Colif0 cfu/100mL1	15976	10458	10458	100	0.65
National Average	53989	35334	34953	99	0.65

1.3.5 DISTRIBUTION WATER QUALITY

Tables 8 and 9 show the indicators for the sampling frequencies and the weighted percentage compliance targets of Distributed Water Quality for the period under review. The compliance indices are the product of the percentage of samples actually collected and analyzed from the

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For the year ended 31 December 2017

distributed systems and percentage of samples that met the requirements of the Ghana Drinking Water Quality Standards. The performance indicators express the relationship between the mandated sampling frequencies and the results of the water quality analysis. No region was able to meet the treated water sampling targets within the year due to several operational challenges such as, lack of adequate plant control test kits, lack of adequate WQA personnel, Lack of reliable transportation, power outages, mining activities and other operational challenges

Table 8 **DISTRIBUTED WATER QUALITY ANALYSIS FOR REGIONS**[illegible]

Table 9 NATIONAL DISTRIBUTION WATER QUALITY COMPLIANCE INDEX

OPERATIONAL PARAMETERS	Target number	Actually Analysed	Number Complying	Compliance Target => 95%	Sampling Compliance Index (0.95)
p16.5-8.5J	46080	22823	22520	99	0.49
Colour[15 HU]	46080	22823	22474	98	0.49
Turbidity[5NTU]	46080	22823	22291	98	0.48
R-Chlorine[0.5mg/L]	46080	22823	22136	97	0.48
E-ColifO cfu/100mL1	46080	22823	22823	100	0.50
National Average	46080	22823	22449	98	0.49

Ghana Water Company Limited

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For the year ended 31 December 2017

1.3.6 SUMMARY OF THE TREATED AND DISTRIBUTED WATER QUALITY COMPLIANCE PER REGION

Table 10, shows critical operational water quality indicators and percentage compliance for both treated water at the stations and distributed water quality with respect to the Ghana Drinking Water Quality Standards as well as the set targets for sampling frequency per region.

Results indicated that the quality of treated water distributed was generally satisfactory. No region was able to meet the distribution water sampling targets within the year due to several operational challenges such as, lack of adequate plant control test kits, power outages, mining activities and other operational challenges.

The sampling Compliance Index achieved was only 0.49 due to the challenges enumerated above. However, the quality compliance targets (98%) from all the regions were satisfactory (See Tables 8, 9 and 10).

The most challenging issue for most of our treatment plants was pH adjustment because most of the lime dozers were not functioning properly. Some treatment plants continued to have manual and improvised dosing systems making lime dosing discontinuous and therefore not appropriately raising pH levels enough to meet the desired levels as stipulated in the Ghana Standards. Area served with borehole systems which do not receive any form of treatment recorded low pH levels and zero residual chlorine values.

Appreciable values of colour and turbidity were also recorded from some areas of the regions due to frequent pipe bursts from over age networks.

Table 10

43.110.24A		
1414r	flyr	4
RO2A ATTIVA		
802 SHANTS		
803 WESTERN		
804 CENTRAL		
805 EASTERN		
806 NORTHERN		
807 VOLTA		
808 BRONG AHAFO		
809 UPPER EAST		
810 UPPER WEST		
	\$7.4	
	9\$94	
	1:111C	
		7.0
PO1A ATMA		
RO2 SHANTI		
803 WESTERN		
RO4 CENTRAL		
RO5 EASTERN		
RUB NORTHERN		
807 VOLTA		
ROE BRONG AHAFO		
809 UPPER EAST		
810 UPPER WEST		

1.3.7 NATIONAL WEIGHTED DISTRIBUTION WATER QUALITY COMPLIANCE CHALLENGES

1. Lack of adequate plant control test equipment in most of the systems: - This is impacting negatively on water treatment *and* water quality monitoring on the plants. Important data is being lost and the situation needs to be addressed.
2. Poor laboratory set-ups and inadequate facilities for most of the laboratories in the regions.
3. Inadequate staffing in the WQA department both at the head office and the regions
4. Lack of reliable means of transport for monitoring activities
5. Lack of reliable water treatment dosing equipment for most of the systems
6. Inadequate funding and budgetary allocations to Water Quality Operations

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7. Most of our source waters are under severe threats due to increased pollution from illegal mining, municipal waste and agriculture and this is impacting negatively on GWCL's operations. Very high turbidity, colour, nutrients and some trace element values are being recorded from these sources.
8. Lack of shelter for filter beds in some of the water treatment systems: - The filter beds in some of the systems are not provided with shelters. (housed). They are exposed to the sun light and other sources of contaminations. This is leading to rapid algae proliferation on the filter beds, poor filter performance and frequent rehabilitations.

1.3.8 OTHER OPERATIONAL ACTIVITIES WITHIN THE YEAR UNDER REVIEW

- Development Laboratory Quality Manual for the WQA Department.
- Capacity building in laboratory operations and strengthening water quality management for all region WQA manager *and* other officers in collaboration with USEPA and African Water Association.
Training in Laboratory Operations, Water Quality Monitoring and management by MERCK (GH) Limited under the Water for Health Project in the Brong-Ahafo region.
- Water Safety Plans (WSP) Implementation:
 - o Action Plans for the WSP implementation was submitted to the Ministry of Sanitation and Water Resources
 - o Top management was sensitized on the need and the importance of WSP implementation
 - o The Ministry of Sanitation and Water Resources, UNICEF and WHO are assisting GWCL in developing operation policy and manual for WSP implementation
- Proposal for New Regional Laboratories
 - o Criteria for Designing New Regional Laboratories developed and presented for management's approval

PENDING/ ONGOING ACTIVITIES

- Drafting of the Laboratory Quality Manual is at the final stage. Implementation is expected start in the second half of 2018.
- Development of operational manual and policy document Water Safety Plan (WSP) implementation. Implementation is expected to commence in the third quarter of 2017.
- Redesigning and building of new regional Laboratories. Evaluation Expressing of Interest for Consultancy in in progress.

Implementation of Quality Management Systems for Ghana Water Company Limited: Preparatory works are ongoing

1.4 Distribution Operations

Water distribution improved satisfactorily. The increase *in* production made more water available for distribution. GWCL continued to ration water in areas where water demand exceeded supply to ensure a more equitable distribution.

Improvement in distribution efficiency was also made possible through stocking the districts with the needed materials to facilitate prompt response faults.

Ghana Water Company Limited

Business model and Strategy

For the year ended 31 December 2017

2.0 Commercial Activities

2.1 Water Sales Performance

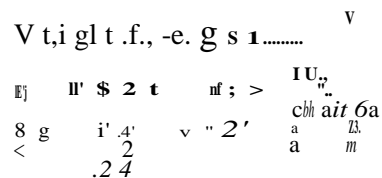
A total volume of **142,071,620m³** was sold in the year 2017. This is 8.9% (13,836,596m³) below the target for the year and 1.7% (2,319,358 m³) higher than that of 2016. The major reason for the non-achievement of the sales target was partly due to frequent leakages and burst especially in the ATMA regions resulting from improved pressures and customers becoming more conscious of their consumption.

The details of the sales performance is shown in table 2 below.

Table 11:

Fig 2:

					40,000
					35,000
					30,000
Accra East	32,202	<u>35,677</u>	<u>36,300</u>	-1.7%	25,000
Accra West	20,956	20,731	22,804	-9.1%	20,000
Tema	27,381	<u>25,928</u>	<u>29,600</u>	-12.4%	15,000
Ashanti South	11,705	11,214	<u>12,921</u>	-13.2%	10,000
Askant North	9,658	<u>10,589</u>	<u>10,061</u>	<u>5.2%</u>	5,000
Western	7,342	<u>7,152</u>	<u>7,680</u>	-6.9%	
Central	9,948	<u>10,842</u>	<u>11,269</u>	-3.8%	
Eastern	4,938	4,899	6,004	-18.4%	
Northern	5,068	5,108	<u>6,055</u>	-15.6%	
Volta	5,023	4,794	<u>7,008</u>	-31.6%	
<u>Brong Ahab</u>	3,594	3,190	<u>3,920</u>	-18.6%	
Upper East	1,405	<u>1,430</u>	<u>1,938</u>	-26.2%	
Upper West	529	<u>513</u>	<u>342</u>	-30.0%	
Total	139,747	142,065	155,903	-8.9%	



2.2 Billing Performance

The total water revenue was **887.1 million Ghana Cedis** for 2017, a decrease of 11.5% below that of 2016, and short of the target by 14.8%. The main reason for the decrease in Billing as against the previous year was due to the fact the company could not meet the sales target as explained in section 2.1 above and the downward review in the GHAPHA, Bottled Water and Sachet Water tariffs as per what was used in planning.

The details of the *Billing* Performance is shown in Table 6 below.

Ghana Water Company Limited

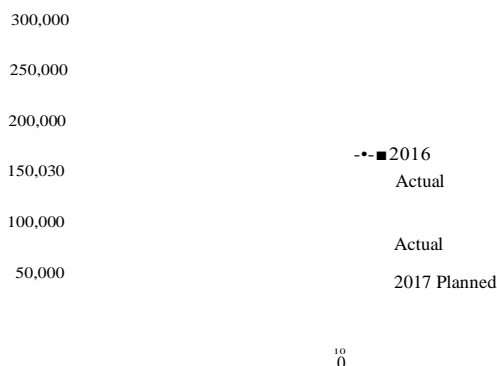
Business model and Strategy

For the year ended 31 December 2017

Table 12:

	216,252	236,078	131,142	-8.1%
<u>Accra West</u>	<u>123,866</u>	<u>120,516</u>	<u>131,142</u>	<u>-8.1%</u>
Tema	211,237	191,019	249,436	-23.4%
Ashanti South	74,028	69,840	82,030	-14.9%
Ashanti North	50,400	51,488	55,717	-7.6%
MEM	48,248		58,926	-25.0%
<u>Central</u>	<u>60,297</u>	<u>62,876</u>	<u>66,175</u>	<u>-5.0%</u>
<u>Eastern</u>	<u>29,611</u>	<u>29,326</u>	<u>35,570</u>	<u>-17.6%</u>
<u>Northern</u>	<u>28,648</u>		<u>34,306</u>	<u>-15.9%</u>
Volta	29,203	26,922	40,891	-34.2%
Brong Ahafo	18,285	15,384	20,761	-25.9%
<u>Upper East</u>	<u>8,060</u>	<u>7,905</u>	<u>11,425</u>	<u>-30.8%</u>
Upper West	2,785	2,675	7,729	-65.4%
Total	900,921	887,069	1,041,472	-14.8%

Fig 3:



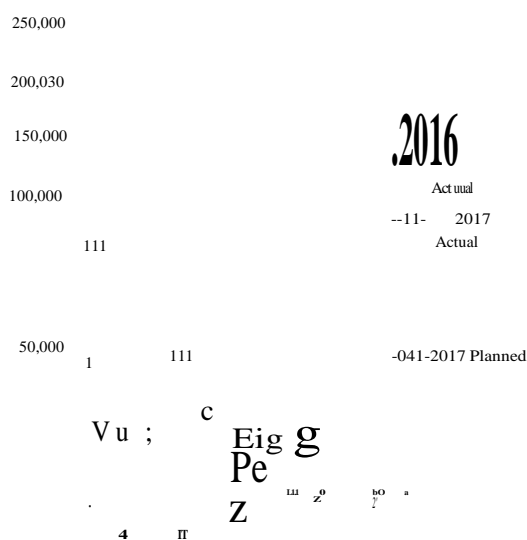
2.3 Collection Performance

Private collection for 2017 was GHS 651,613,706. The collection shows an increase of 11.6% when compared to that of 2016 and a decrease of 20.9% when compared to the 2017 target. Table 7 below shows the private collection performance.

Table 13:

	86,290	102,569	113,748	-25.9%
Accra East	157,507	164,877	222,528	-25.9%
Ashanti South	38,620	40,552	44,539	-19.2%
<u>Ashanti North</u>	<u>32,817</u>	<u>35,973</u>	<u>44,539</u>	<u>-19.2%</u>
Western	29,698	31,513	44,986	-29.9%
<u>Central</u>	<u>37,263</u>	<u>40,548</u>	<u>45,234</u>	<u>-10.4%</u>
Eastern		20,688	26,845	-22.9%
Northern	17,704	18,618	27,358	-31.9%
Volta	18,561	18,937	29,237	-35.2%
Brong Ahafo	12,213	12,235	15,800	-22.6%
Upper East	5,386	6,307	128,600	-20.9%
Upper West	2,185	2,095		
Total	1,137,311	1,152,100	1,381,100	-20.9%

Fig 4:



The total collection for 2017 was GHS 668,887,164. The total collection shows an increase of 10.8% when compared to that of 2016 and a decrease of 32.0% when compared to the 2017 target. Table 7 below shows the total collection performance.

Ghana Water Company Limited

Business model and Strategy

For the year ended 31 December 2017

Table 14

<u>Accra East</u>	<u>129,171</u>	<u>155,124</u>	<u>234,996</u>	<u>-32.3%</u>
Accra West	87,852	104,078	122,077	-14.7%
Tema	160,484	166,945	236,706	-29.5%
Ashanti South	39,588	41,373	77,219	-46.4%
Ashanti <u>North</u>	<u>33,970</u>	<u>37,151</u>	<u>51,302</u>	<u>-27.6%</u>
Western	32,752	33,525	59,152	-43.3%
Central	41,104	42,929	60,576	-29.1%
Eastern	18,747	21,916	33,527	-34.6%
Northern	18,362	19,179	32,282	-40.6%
Volta	20,037	21,112	38,839	-45.6%
Brong Ahafo	12,848	12,879	19,678	-34.6%
Upper East	6,641	6,558	10,709	-38.8%
Upper West	2,289	2,117	6,322	-66.5%
Total	603,846	668,887.164	983,385	-32.0%

Fig 5

The reason for the company not being able to meet her collection targets is the release of the new tariff which for many customers was high and could not immediately pay for it. Many customers are gradually getting adjusted to the new tariff thus the gradual improvement over the months.

2.4 Collection Ratio

The Private Collection Ratio (without MDAs) was 89.6% which is 4.9% higher than that of same period of 2016. The total collection ratio for year ending 2017 was 75.6% as against 72.8% achieved in 2016. The total collection was low because the cross debt facility which allows for 100% MDA collection has been abolished. MDAs now pay for their own bills but this is not working well. The task force put in place to sensitize MDAs to promptly pay their bills is gradually yielding positive results. Table 8 below shows how the regions performed.

Table 15

Ghana Water Company Limited

Business model and Strategy

For the year ended 31 December 2017

Key Performance Indicators

To optimize our financial and operational performances, we monitor key performance indicators (KPIs) as highlighted below:

Financial KPIs

	2017 GHS	2016 GHfi	%Change
Revenue	885,468,803	909,555,959	-2.6%
Profit/(Deficit) before interest	(665,640,738)	120,768,248	651.2%
Profit/(Deficit) for the year	(692,231,664)	101,137,940	784.4%
Cost of Operations	1,146,570,888	630,186,384	81.9%
Gearing (Debt to Equity ratio)	7%	40%	

Financial Highlights

Increase in Loss before finance cost:

By GI-IS 786,408,984

Downturn in results for the year

Loss of GHS 692,231,662

784.4% decrease in profit from prior year

Healthy ratio of:

7%

Gearing

	Units	2017	2016	%Change
Volume of water produced	Mm3	314.8	285.6	29.20%
	Mm3			
Volume of water sold		142.3	139.7	2.60%
Number of customers		636,000	594,674	6.95%

Ghana Water Company Limited
Business model and Strategy
For the year ended 31 December 2017

Operational Highlights

**Increase water
produced**

[3143 million Cubic
meters

**Increase number of
customers**

636,000

Ghana Water Company Limited
Statement of Profit or Loss and Other
Comprehensive Income
For the year ended 31 December 2017

	Notes	2017 GHS	2016 GHS
Revenue	3	885,468,803	909,555,959
Cost of Operations:	4		
Production Cost	4a	619,496,309	424,923,478
Transmission/Boostering Cost	4b	33,365,814	27,672,692
Distribution Cost	4c	240,947,209	73,006,162
Commercial/Marketing Cost	4d	252,761,556	<u>104,584,052</u>
Total Cost of Operations		<u>1,146,570,888</u>	<u>630,186,384</u>
Gross Profit / (Loss)		(261,102,085)	279,369,575
Other Income	5	32,341,577	13,042,334
General Administration and Other Costs	6	<u>(436,880,230)</u>	<u>(171,643,662)</u>
Profit/ (Loss) Before Finance Cost		(665,640,738)	120,768,247
Finance Cost	7	<u>(26,590,926)</u>	<u>(19,630,307)</u>
Profit/Loss <i>for</i> the Year		(692,231,664)	101,137,940
Transfer from Revaluation Surplus	17	<u>700,547,938</u>	0
Total Comprehensive Income For The Year		<u>8,316,274</u>	<u>101,137,340</u>

Ghana Water Company Limited

Statement of Financial Position

For the year ended 31 December 2017

	NOTES	2017 GHS	2016 GHS
Non-Current Assets			
Property, Plant & Equipment	8	13,116,171,257	2,765,272,414
Investment Property	9	489,314	2,267
Total		<u>13,116,660,571</u>	<u>2,765,274,681,</u>
Current Assets			
Inventories	10	95,492,621	43,292,106
Receivables	11	753,061,569	596,228,918
Investments	12	838,737	740,291
Bank and Cash Balances	13	42,034,195	<u>64,645,425</u>
Total		891,427,122	<u>704,906,740</u>
Total Assets		14,008,087,693	ima n =z
Equity and Liabilities			
Equity and Reserves			
Stated Capital	14	1,250,000	1,250,000
Government Deposit for Shares	15	193,226,221	193,226,221
Development Financing	16	2,011,949,588	1,890,382,850
Capital Surplus	17	10,181,578,710	0
Income Surplus/(Deficit)		<u>(51,138,975)</u>	<u>(42,414,395)</u>
Total Equity and Reserves		12336,865,544	<u>2,042,444,676</u>
<u>Long Term Liabilities</u>			
Long Term Loans	18	679,521,462	655,367,394
Provision for Defined Benefit Obligations	19	<u>16,048,606</u>	<u>16,048,606</u>
Total Long Term Liabilities		<u>695,570,068</u>	<u>671,416,000</u>
Current Liabilities			
Current Portion of Long Term Loans		158,151,252	152,529,655
Payables	20	<u>817,500,829</u>	<u>603,791,090</u>
Total Current Liabilities		<u>975,652,081</u>	<u>756,320,745</u>
Total Liabilities		<u>1,671,222,149</u>	<u>1,427,736,745</u>
Total Equity and Liabilities		<u>14,008,087,693</u>	<u>3,470,181,421</u>

Director

Date:

Director

Date: /H of'

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Ghana Water Company Limited
Statement of Cash Flows
For the year ended 31 December 2017

	2017	Cu
	GHS	GHS
OPERATING ACTIVITIES		
Cashflow from Operating Activities:		
Operating Profit/(Loss)	8,316,274	101,137,941
Adjustments for Non Cash Items:		
Provision For Long Service Awards	0	(995,816
Depreciation Charges	755,586,560	55,024,28!
Exchange Loss on borrowing	30,275,667	22,343,22(
Prior Year Adjustment	(17,040,854)	123,387,211
Transfer from Revaluation Surplus	<u>(700,547,938)</u>	
Operating Cash Flow before movements in working capital	<u>76,589,709</u>	M,MM
Movement in working capital		
(Increase)/Decrease in Inventories	(52,200,515)	(17,484,483)
Decrease/(Increase) in Receivables	(156,832,651)	(274,071,062)
Decrease/(Increase) in Payables	<u>213,709,739</u>	<u>130,536,678</u>
Net Cash Flow from Operating Activities	nakkiM	jaMM
INVESTING ACTIVITIES		
Purchase of Property, Plant Et Equipment	<u>(224,845,804)</u>	(412,076,334)
Proceeds from sale of property, plant Et equipment	0	0
Net Cashflow used in Investing Activities	<u>aggaliaol</u>	
FINANCING ACTIVITIES		
Provident Fund Loan Repayment	(8,500,000)	(9,084,693)
Loan Received (Provident Fund)	8,000,000	541,860,770
Societe Generate - Medium Term Loan	0	(2,147,192)
Government Deposit for Shares	0	0
Development financing received from Government of Ghana (GOG)	<u>121,566,738</u>	(210,905,155)
Net Cash Flow from financing activities	=akkM	<u>319,723,730</u>
Net increase! (decrease) in cash and cash equivalents	(22,512,784)	47,525,372
Cash and Cash Equivalents at 1 January 2017	<u>65,385,716</u>	<u>17,860,344</u>
Cash and Cash Equivalents at 31 December 2017	ALIM21Z	aMM
Analysis of cash and cash equivalent as shoWn in the statement of financial position		
	2017	2016
	GHS	GHS
Cash and Bank Balances	42,034,195	64,645,425
Short Term Investments	838,737	740,291
	<u>42,872,932</u>	<u>65,385,716</u>

Ghana Water Company Limited
Statement of changes in equity
For the year ended 31 December 2017

	Stated Capital	Government Deposit for	Development Financing	Capital Surplus	Income Surplus	Total
	GHS	GHS	GHS	GHS	GHS	GHS
Year Ended 31 December 2017						
At 1 January 2017	1,250,000	193,226,221	1,890,382,850		(42,414,395)	2,042,444,676
Additions / (Reductions)	0	0	121,566,738		0	11,003,693,386
Prior Year Adjustment	0	0	0		(17,040,854)	(17,040,854)
Transfers	0	0	0		0	(700,547,938)
Total Comprehensive Income For The Year			0	0	<u>8,316,274</u>	8,316,274
Balance As At 31 December, 2017	1152.M		L211,2A2M	MM MM	mim=	12,336.865.544
Year Ended 31 December 2016						
At 1 January 2016	1,250,000	193,226,221	2,101,288,005	0	(359,927,529)	1,935,836,697
Additions	0	0	328,955,615	0	0	328,955,615
Prior Year Adjustment	0	0	0	0	216,375,194	216,375,194
Transfers	0	0	(539,860,770)	0	0	(539,860,770)
Total Comprehensive Income For The Year	0	0	0	0	<u>101,137,940</u>	<u>101,137,940</u>
Balance As At 31 December, 2016	<u>1,250.000</u>	121,226,221	jaltiLMAN	Q	<u>142,414.3951</u>	2 042,444,676

Ghana Water Company Limited

Notes to the financial statements

For the year ended 31 December 2017.

1. Corporate Information

Ghana Water Company Limited (GWCL) was established on 1st July 1999 as a state-owned limited liability company *under* the Statutory Corporations (Conversion to Companies) Act 461 of 1993 as amended by LI 1648. The address of its registered office and principal place of business is 28th February Road, Accra.

GWCL is principally responsible for the planning and development of water systems and sale of water in urban communities in the country.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of Preparation

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Additional information required by the Companies Code, 1963, (Act 179) is included where appropriate.

The financial statements have been prepared on a historical cost basis, except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial statements are presented in Ghana Cedi (GHS).

2.2 Key accounting judgements, estimates and assumptions

The preparation of the Financial Statements requires Management to exercise judgment and to make estimates and assumptions that affect the application of policies, reported amounts of revenues, expenses, assets and liabilities and disclosures. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on *an* ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision and future periods. Those areas affect mainly provisions and contingencies, intangible assets, with indefinite useful life impairment tests, employee benefits, allowance for doubtful receivables and taxes.

Ghana Water Company Limited
Notes to the financial statements
For the year ended 31 December 2017

2.3 Changes in accounting standards

A number of standards have been modified on miscellaneous points with effect from 1 January 2017. Such changes include Recognition of Deferred Tax Assets for Unrealised Losses (Amendments of IAS 12), Disclosure Initiative (Amendments to IAS 7) and Annual Improvements 2014-2016 (specifically the amendments to IFRS 12 Disclosure of Interest in Other Entities: Clarification of the scope of the standard).

None of these amendments had a material effect on the company's financial statements.

2.4 Changes in accounting standards that may affect the company after 31 December 2017

The following new accounting standards, interpretations **and** amendments to existing standards have been published and are mandatory for the accounting period beginning on 1 January **2018** or later. The company has not early adopted them.

2.5 Improvements and other amendments to IFRS/IAS

A number of standards have been modified on miscellaneous points. These include Measuring and Associate or Joint Venture at Fair Value and Long-term Interest in Associates and Joint Ventures), Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2), Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4), Foreign Currency Transactions and Advance Consideration (IFRIC Interpretation 22), as well as the Annual Improvements to IFRS Standards 2015-2017 Cycle.

None of these amendments are expected to have a material effect on the Company's Financial Statements.

In June 2017, the IASB issued **IFRIC** 23 Uncertainty over Income Tax Treatments to specify how to reflect uncertainty in accounting for income taxes. The current assessment of the Company is that the measurement of taxes will not be impacted. The uncertain tax liabilities included under provisions in non-current liabilities will be reclassified on the face of **the** balance sheet to current and deferred taxes as deemed appropriate.

2.6 Revenue recognition

Revenue represents the fair value of the income receivable in the ordinary course of business for goods and services provided. Where relevant, this includes an estimate of the sales value of units supplied to customers between the date of the last meter reading and the period end, exclusive of value added tax.

Ghana Water Company Limited
Notes to the financial statements
For the year ended 31 December 2017

The company recognizes revenue generally at the time of delivery and when collection of the resulting receivable is reasonably assured. When the company consider that the criteria for revenue recognition are not met for a transaction, revenue recognition would be delayed until such time as the transaction becomes fully earned or collectability is reasonably assured. Payments received in advance of revenue recognition are recorded as deferred income.

2.7 IAS 19 Employee Benefits

In the current year, the company has applied IAS 19 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time.

IAS 19 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates **to** the accounting for changes in defined benefit obligations and plan assets.

The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate 'the corridor' approach permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. All actuarial gains and losses are recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan under IAS 19 (as revised in 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset.

Specific transitional provisions are applicable to first time application of IAS 19 (as revised in 2011). The company has applied relevant transitional provisions and restated the comparative amounts on a retrospective basis.

2.8 Property, plant and equipment

Structures, Machinery and Equipment and Motor Vehicles, after initial recognition as Property, plant and equipment are stated in the balance sheet at cost Less accumulated depreciation *and* impairment. Cost is defined as the amount of cash or cash equivalents paid or the fair value of **the** other consideration given to acquire an asset at the time of its acquisition or construction or, when applicable, the amount attributed to that asset when initially recognized.

The cost of the asset usually remains unchanged until it is derecognized unless an expenditure incurred on the asset meets the recognition criteria. If the recognition criteria are met, the expenditure is added to the carrying amount of the property, plant and equipment. If the recognition criteria are not met, the expenditure is expensed when incurred.

Ghana Water Company Limited

Notes to the financial statements

For the year ended 31 December 2017

The current annual depreciation rates for each class of property, plant and equipment are as follows:

Structures	1.3% - 2.5%
Machinery and Equipment	3.3% - 20%
Motor vehicles	12.5% - 20%
Land is not depreciated.	

Useful lives, components and residual amounts *are* reviewed annually. Such a review takes into consideration the nature of the assets, their intended use including but not limited to the closure of facilities and the evolution of the technology and competitive pressures that may Lead to technical obsolescence.

Depreciation of property, plant and equipment is allocated to the appropriate headings of expenses by function in the income statement.

Useful lives of property, plant and equipment

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the useful life policy was reviewed by the consultant, PricewaterhouseCoopers by management of the various sub categories and made revisions in accordance with best practice as follows.

Summary of Asset Sub Types	GWCL Policy (Years)	= Revised Policy (Years)
Calculator Cash and Type	5	3
Communication Equipment	5	5
Computer and Peripherals	5	3
Computer Servers <i>and</i> Software		5
Domestic Furniture	10	10
Fridge and Air Conditioner	5	5
Office Furniture	10	10
Photocopier and Stencil	5	3

De-minimis Policy

Upon the recommendation of the consultant PWC, GWCL has adopted a lower minimum threshold value for its assets of US\$500 or GHC 3,000. Consequently, only assets with values over us\$500 were revalued.

Ghana Water Company Limited

Notes to the financial statements

For the ,year ended 31 December 2017

Cost of Borrowing

Borrowing costs incurred during the cost of construction are capitalized if the assets under construction are significant and if their construction requires a substantial period to complete (typically more than one year). The capitalization rate is determined on the basis of the short-term basis of the borrowing rate for the period of construction.

Premiums capitalized for leasehold land or building are amortized over the length of the lease. Government grants are recognized as deferred income which is released to the income statement when they are not related to the assets, are credited to the income statement when they are received, if there is reasonable assurance that the terms of grant will be met.

Components

IFRS has a specific requirement for "component" depreciation, as described in IAS 16, Property, Plant and Equipment. Each significant part of an item of property, plant and equipment is depreciated separately. Significant parts of an asset that have similar useful lives and patterns of consumption can be grouped together.

All components are depreciated to their recoverable amount over their useful lives, which may differ among components. The remaining carrying amount of the component is derecognised on replacement and the cost of the replacement part is capitalised.

2.9 Impairment

The utility industry is distinguished by the significant capital investment required, exposure to commodity prices and heavy regulation. The required investment in fixed assets leaves the industry exposed to adverse economic conditions and therefore impairment charges. Utilities' assets are tested for impairment whenever indicators of impairment exist. The normal measurement rules for impairment apply.

Impairment indicators

Examples of external impairment triggers relevant for the utilities industry include falling retail prices, rising fuel costs, overcapacity and increased or adverse regulation or tax changes.

Impairment indicators can also be internal in nature. Evidence that an asset or cash-generating unit (CGU) has been damaged or has become obsolete is an impairment indicator; for example a power plant destroyed by fire is, in accounting terms, an impaired asset. Other indicators of impairment are a decision to sell or restructure a CGU or evidence that business performance is less than expected. Performance of an asset or group of assets that is below that expected by management in operational and financial plans is also an indicator of impairment.

Notes to the financial statements

For the year ended 31 December 2017

Management is alert to indicators of impairment on a CGU basis; for example, a fire at an individual generating station would be an indicator of impairment for that station as a separate CGU. Management may also identify impairment indicators on a regional, country or other asset grouping basis, reflective of how they manage their business. Once an impairment indicator has been identified, the impairment test must be performed at the individual CGU level, even if the indicator was identified at a regional level.

Cash-Generating Units

A CGU is the smallest group of assets that generates cash inflows largely independent of other assets or groups of assets. In identifying whether cash inflows from an asset or groups of assets are largely independent of the cash inflows from other assets (or groups of assets), an entity considers various factors, including how management monitors the entity's operations **or** how management makes decisions about continuing or disposing of the entity's assets and operations.

2.10 Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method.

Gains and Losses are recognized in the income statement when the liabilities are derecognized as well as through the amortization process.

2.11 IFRS 9 - Financial Instruments

The standard addresses the accounting principles for the financial reporting of financial assets and financial liabilities, including classification, measurement, impairment, derecognition and hedge accounting. It will be mandatory for the accounting period beginning on 1 January 2018.

The Company has performed a review of the business model corresponding to the different portfolios of financial assets and of the characteristics of these financial assets. Consequently, debt instruments whose cash flows are solely payments of principal and interest ("SPPI") will be designated either at amortised cost or at fair value through Other Comprehensive Income depending the objectives of the business model. The existing investments in equity instruments at the date of the initial application will generally be designated at fair value through Other Comprehensive Income by election. This election generates a reclassification between equity components, with no net impact on the total company equity.

There is no expected impact on the company's accounting for financial liabilities, as the new requirements only affect the accounting for financial Liabilities that are designated at fair value through profit or loss and the Company does not have any such liabilities.

Ghana Water Company Limited
Notes to the financial statements
For the year ended 31 December 2017

The impact of the new impairment model has also been reviewed. This analysis requires the identification of the credit risk associated with the counterparties and considering that the majority of Company's financial assets are trade receivables, integrates some statistical data reflecting the past experience of losses incurred due to default.

Furthermore, the Company has updated the definitions of its hedging relationships in line with the risk management activities and policies, with a specific attention to the identification of the components in the pricing of the commodities.

Changes in accounting policies resulting from IFRS 9 will be applied retrospectively as at 1 January 2018, but with no restatement of comparative information for prior years. Consequently, the Company will recognise any difference between the carrying amount under IFRS 9 in the opening retained earnings (or other equity components) of the accounting period including the date of initial application.

The total estimated adjustment (net of tax) to the opening equity at the date initial application is not material.

2.12 IFRS 16 - Leases

This standard will replace IAS 17 and sets out the principles for the recognition, measurement, presentation and disclosure of leases.

The main effect on the Company on the Company is that IFRS 16 introduces a single lessee accounting model and requires a lessee and will therefore result in an increase of total property, plant and equipment and total financial debt. All things being equal, under the new standard Trading operating profit would increase due to the replacement of the operating lease expense with amortization of the lease assets. This increase would be partially or entirely offset by higher interest expense resulting in an insignificant impact on net profit. The Company is currently finalizing the precise impact of this new standard.

This standard is mandatory for the accounting period beginning on 1 January 2019. The Company is planning to early adopt the standard beginning on 1 January 2018 *under* the full retrospective approach.

Ghana Water Company Limited
Notes to the financial statements
For the year ended 31 December 2017

2.13 Borrowing costs

The cost of an item of property, plant and equipment may include borrowing costs incurred for the purpose of acquiring or constructing it. IAS 23 (revised) requires such borrowing costs to be capitalised if the asset takes a substantial period of time to get ready for its intended use. Examples of borrowing costs given by the standard are interest expense calculated using the effective interest method (described in IAS 39, Financial Instruments: Recognition and Measurement); finance charges in respect of finance leases recognised in accordance with IAS 17, Leases, and/or exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs is capitalised while acquisition or construction is actively underway. These costs include the costs of specific funds borrowed for the purpose of financing the construction of the asset, and those general borrowings that would have been avoided if the expenditure on the qualifying asset had not been made. The general borrowing costs attributable to an asset's construction is calculated by reference to the entity's weighted-average cost of general borrowings.

2.14 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash at banks and in hand, short-term fixed deposits with an original maturity of three months or less, bank overdrafts which are repayable on demand. All of the component of the cash and cash equivalent form an integral part of the company's cash management. Cash and cash equivalents are measured subsequently at amortised cost.

2.15 Foreign currencies

The functional currency of the company is the currency of their primary economic environment.

Individual companies, transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at yearend rates. Any resulting exchange differences are taken to the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges.

Differences arising from these translations are recognised in general and administration expenses or other comprehensive income.

Ghana Water Company Limited

Notes to the financial statements

For the year ended 31 December 2017

Foreign currency translation

The company's financial statements are presented in Ghana cedis (GHS) which is also the company's functional currency. Items included in the financial statements of the company are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Ghana Water Company Limited
Notes to the financial statements
For the year ended 31 December 2017

	2017 GHS	2016 GHS
3. REVENUE		
Sale of Water to Private Customers	702,605,507	725,775,439
Sale of Water to Government Institutions	182,863,296	<u>183,780,520</u>
	<u>885 468 803</u>	<u>MM,M,</u>
4. COST OF PRODUCTION		
4a. PRODUCTION COST		
Personnel Cost	39,821,830	32,850,191
Water Treatment chemical Cost	49,000,481	30,780,279
Electricity	251,863,193	225,045,383
Fuel and Lubricant	1,713,437	1,468,665
Material Cost	168,973	606,535
Lab. Analytical Chemicals Reagents	22,299	269,152
Hiring of Equipment	141,430	224,042
Overheads	4,601,914	3,294,174
Repairs And Maintenance	86,165,638	104,685,879
Depreciation	<u>185,997,114</u>	<u>25,699,177</u>
SUB TOTAL	<u>619,496,309</u>	<u>424,923,478</u>
4b. TRANSMISSION/BOOSTER STATIONS COST		
Personnel Cost	3,159,461	2,786,068
Water Treatment chemical Cost	94,686	731
Electricity	18,046,532	19,935,566
Fuel and Lubricant	19,826	92,038
Material Cost	58,850	69,356
Lab. Analytical Chemicals Et Reagents	21,032	10,035
Hiring of Equipment	41,790	67,655
Overheads	376,196	410,217
Repairs And Maintenance	445,965	1,111,535
Depreciation	<u>11,101,476</u>	<u>3,189,492</u>
SUB TOTAL	aM&M	aEZIAU

Ghana Water Company Limited
Notes to the financial statements
For the year ended 31 December 2017

	2017 GHS	2016 GHS
4c. DISTRIBUTION COSTS		
Personnel Cost	40,684,842	30,823,524
Water Treatment chemical, Cost	0	200
Electricity	581,937	691,575
Fuel and Lubricant	3,097,803	2,602,069
Material Cost	26,275,315	15,056,872
Hiring of Equipment	761,482	698,747
Overheads	4,845,707	3,900,657
Repairs And Maintenance	18,420,840	15,214,233
Depreciation	<u>146,279,283</u>	<u>4,018,283</u>
SUB TOTAL	<u>2, N. Z, M</u>	<u>73,006,161</u>

4d. COMMERCIAL/MARKETING

Personnel Cost	56,384,913	41,284,575
Electricity	228,302	225,562
Fuel and Lubricant	1,239,872	1,288,167
Material Cost	353,843	240,156
Hiring of Equipment	6,840	8,505
Overheads	55,974,535	56,936,785
Repairs And Maintenance	944,387	822,878
Depredation	137,628,864	3 777,425
SUB TOTAL	<u>252,761.0A</u>	<u>104,584,052</u>

5. OTHER INCOME	GHS	GHS
Bank interest	1,111,323	5,439
Drilling	310,976	470,836
Base and Central Workshop	1,152,727	569,514
Central Stores	3,540	2,340
New Service Connection	5,488,244	914,289
Reconnection fees	649,381	206,056
Meter Rent	40,229	82,300
Guest House Rent	475,767	302,057
Transport Hire	325,412	154,951
Investment Income	100,657	0
Sundry Income	22,683,321	9,338,736
Reduction in Provision For Long Service Award	0	995,816
	<u>32,341,577</u>	<u>13,042,334</u>

Ghana Water Company Limited
Notes to the financial statements
For the year ended 31 December 2017

2017

2016

5a. SUNDRY INCOME

This is mainly made up of receipts from the sale of obsolete stocks, tender documents and laboratory services performed for other companies.

6. GENERAL ADMINISTRATION	GHS	GHS
Personnel Cost	61,472,783	69,013,953
Water Treatment chemical Cost	165,047	285,800
Electricity	1,927,685	2,103,219
Fuel and Lubricant	4,917,815	3,832,442
Operating Materials	791,439	994,887
Lab. analytical chemicals a reagents	533,650	401,964
Hiring of Equipment	76,532	162,827
Overheads	43,440,992	36,665,582
Repairs And Maintenance	7,726,829	7,730,308
Depreciation	274,579,429	18,339,910
Levies and Charges	9,178,694	6,350,400
Bank Charges	1,433,668	1,343,171
Audit Fees	360,000	360,000
Exchange Loss	30,275,667	24,059,197
Employee Benefits Expense	0	0
		<u>171,643,662</u>

6a. OVERHEADS

This is mainly made up of office supplies, communication a postage, transport expense, private security cost, medicals and entertainment expenses.

7. FINANCE COSTS

Interest on Loans	<u>26,590,926</u>
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Ghana Water Company Limited
Notes to the financial statements
For the year ended 31 December 2017

8. PROPERTY PLANT AND EQUIPMENT

VALUATION

COST

Description	At 01/01/2017 GHS	Additions GHS	Capital Surplus GHS	At 31/12/2017 GHS
Structures	1,174,116,885	1,645,539	15,232,361,602	16,408,124,026
Machinery and Equipment	323,447,619	33,681,772	385,467,517	742,596,908
Motor Vehicles	25,758,652	11,260,572	140,467,947	177,487,171
Construction in Progress	<u>1,513,535,157</u>	<u>178,257,921</u>	0	<u>1,691,793,078</u>
	3,036,858,213	<u>224,845,804</u>	<u>15,758,297,066.</u>	<u>19,020,001,183</u>

Depreciation

	At 31/01/2017 GHS	Charge for The Year GHS	Capital Surplus GHS	At 31/12/2017 GHS
Structures	170,632,746	695,354,225	4,634,342,397	5,500,329,368
Machinery and Equipment	84,338,871	33,368,692	147,386,219	265,093,782
Motor Vehicles	16,614,282	26,849,701	94,942,793	<u>138,406,776</u>
	271,585,899	<u>755,572,618</u>	<u>4,876,671,409</u>	<u>5,903,829,926</u>

Net Book Value

31/12/2017

12.1.10...1.71.257

Ghana Water Company Limited
Notes to the financial statements
For the year ended 31 December 2017

COST					
Description	At 01/01/2016	Additions	Adjustment	Disposals/Transfers	At 31/12/2016
	GHS	GHS	GHS	GHS	GHS
Structures	689,832,286	484,284,598	0	0	1,174,116,885
Machinery and Equipment	230,411,033	93,036,586	0	0	323,447,619
Motor Vehicles	24,822,231	936,421	0	0	25,758,652
Construction in Progress	<u>1,679,875,659</u>	<u>(166,183,539)</u>	0	<u>(156,963)</u>	<u>1,513,535,157</u>
	Z.624.941'209	<u>412,074,066</u>	0	<u>1156.9631</u>	<u>1,06.8513,1,11</u>
Depreciation					
	At 01/01/2016	Charge for The Year	Adjustment	Disposals	At 31/12/2016
	GHS	GHS		GHS	GHS
Structures	237,618,394	28,417,179	(95,402,828)	0	170,632,746
Machinery and Equipment	56,586,376	24,138,340	3,614,155	0	84,338,871
Motor Vehicles	15,501,786	2,468,767	<u>(1,356,271)</u>	0	<u>16,614,282</u>
	309,706.'26	<u>5 .024.286</u>	2114..110.1	2	271,585,899
Net Book Value					2.765.272.414
31/12/2016					

Notes to the financial statements**For the year ended 31. December 2017**

	2017 GHS	2016 GHS
9. INVESTMENT PROPERTY		
Opening Balance	11,328	11,328
Revaluation adjustments - Cost	535,013	0
	546,341	11,328
Accumulated Depreciation	(9,061)	(8,778)
Revaluation adjustments - Acc Depn	(34,024)	
Depreciation Charge for The Year	<u>(13,942)</u>	<u>(283)</u>
Net Book Value	<u>489,314</u>	<u>2,261</u>

Investment properties are properties held to earn rentals and/or for capital appreciation and are not occupied by the Company. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, the Company measures its investment properties using the cost model as set out in IAS 16 Property, Plant and Equipment - cost Less accumulated depreciation and Less accumulated impairment losses. Currently, investment property has been stated using the revalued cost.

An investment property is derecognized upon the disposal or when the investment property is permanently withdrawn from use *and* no future economic benefit are expected from the disposal. Any gain or loss arising from derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognized.

10. INVENTORY

At 31 December **"Alum."** **amiol**

Inventories comprise of chemicals, pipes and accessories, fuel and lubricants, stationery, spare parts and general stores. No inventory was written off during the year.

Inventories are stated at the lower of cost and net realisable value. All inventories are valued using the weighted average cost method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Ghana Water Company Limited
Notes to the financial statements
For the year ended 31 December 2017

	2017	2016
11. RECEIVABLES		
Trade receivables - Private customers	374,463,443	311,946,835
Provision for doubtful debts	<u>(140,279,921)</u>	<u>(103,576,325)</u>
	234,183,522	208,370,510
Trade receivables - Government	496,711,149	353,978,615
Staff Loans <i>and</i> Advances	12,252,839	12,940,029
Other Debtors and Prepayment	9,914,059	20,939,763
	=1M	<u>96,228,918</u>

The company makes a provision for doubtful debts of 30% *and* 40% on city and Rural Private Customers respectively. The Company does not charge specific provisions. The provision rates are based on the recoverability trends of these customers, No provision is made in for Government Customers.

12. INVESTMENT

Investment in Treasury Bills and Fixed Deposits	838,737	<u>740,291</u>
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13. BANK AND CASH

	GHS	GHS
Cash in Hand	41,904,759	69,380
Cash at Bank	129,436	<u>64,576,045</u>
	<u>a. QUIU</u>	<u>64,645,425</u>

14. STATED CAPITAL

(a) The number of Authorised Shares of the Company is 200,000,000,000 Shares of no par value.

(b) Stated Capital is made up as follows:

	No. of Shares	Amount GHS
Issued for cash and fully paid	1,250,000	1,250,000

Ghana Water Company Limited
Notes to the financial statements
For the year ended 31 December 2017

2017

2016

15. GOVERNMENT DEPOSIT FOR SHARES

At 31 December

193,226,221

This represents Loans forgiven by the Government under the HIPC initiative and will be converted to equity in due course.

16. DEVELOPMENT FINANCING

Balance at 1st January	1,890,382,850	2,101,288,005
Additions in the year	121,566,738	328,955,615
Transfers	0	<u>(539,860,770)</u>
Balance at 31st December	<u>2,011,949,588</u>	L890.,

The Development Financing represent Drawdowns from foreign donors for execution of water supply projects which are paid through Ministry of Finance. Capitalised China Gezhouba Project account for the funds transfer and the Drawdowns for the additions.

17. CAPITAL SURPLUS

Balance at 1st January	0	0
Additions in the year	10,882,126,648	0
Transfer to Retained Earnings	<u>(700,547,938)</u>	0
Balance at 31st December	<u>AM, ⁵⁷⁸210</u>	0

Ghana Water Company Limited
Notes to the financial statements
For the year ended 31 December 2017

18• LONG TERM LOANS

	Balance at 11/17	Repayments	Additions	Exchange Difference	Balance At 31/12/17
	GHS	GHS	GHS	GHS	GHS
IDA 160 GH	1,080,374			55,428	1,135,802
IDA 499 Gil	5,656,930			290,231	5,947,161
ADB KS GH/PU/74/002 SL	2,533,794			129,996	2,663,790
ADB KS GH/PU/74/002	1,554,026			79,730	1,633,756
Italian Gov't	4,118,254			211,288	4,329,542
CFD 52/241/02	1,925,288			372,750	2,298,038
OECD NO GH 7	139,791,680			12,814,238	152,605,918
Austrian Gov't	54,523,815			10,556,204	65,080,019
Nordic Fund No. 106	22,794,887			2,585,320	25,380,207
ADF/GHA WSR	21,465,866			3,180,480	24,646,346
China Gezhouba	539,860,770			0	539,860,770
Provident Fund - Medium Term	2,000,000	0	8,000,000	0	10,000,000
Societe Generale - Medium Term	1,676,508	(1,000,000)	0	0	676,508
Provident Fund - Medium Term	8,914,857	<u>(7,500,000)</u>	0	0	<u>1,414,857</u>
	<u>807,897,050</u>	<u>(8,500,000)</u>	8,000,000	30,275,665	<u>837,672,714</u>
Current Portion	152,526,655				158,151,252
Long Term Portion	<u>655,367,395</u>				<u>79,521,462</u>

Notes to the financial statements

For the year ended 31 December 2017

IDA 160 GH

This loan facility with effective date of 28/08/1969 was procured to improve and expand Water Supply Systems of Accra and construction of Sewerage Systems in Accra representing USD 1,881,212,000.00 secured from International Development Agency (IDA 160 GH). This debt is for a period of 20 years. Interest Rate is at 6.5% p.a.

IDA 499 GH

This loan facility with effective date of July 1974 was procured for further expansion and development of the Water Supply System in and adjacent ATMA representing USD 7,745,634.00 secured from International Development Agency (IDA 499 GH). This debt is for a period of 20 years with semi-annual repayment. Interest Rate is at 7.5% p.a.

ADB ICS GH/PU/74/002 SL

This loan facility representing USD 2,437,013.00 secured from Africa Development Bank. Interest Rate is at 6%.

ADB ICS GH/PU/74/002

This loan facility representing USD 4,019,687.00 was procured for Civil Engineering Works for the new 20m gd capacity water treatment plant at Weija secured from Africa Development Bank. This debt is for a period of 20 years. Interest Rate is at 6%.

ITALIAN GOV'T

This loan facility with effective date of June 1985 was procured for Kpong, Tema and Accra Water pipeline Project representing USD 4,900,000.00 secured from Italian Government. This debt is for a period of 20 years with a 5-year grace period. Servicing charge for the loan is 1.5%

CFD 52/241/02

This loan facility with effective date of 21/12/1993 was procured for Customer Management Project ATMA representing FRF 6,000,000.00 or 914,694,000.00 Euros secured from CFD. This debt is for a period of 20 years with a 5-year grace period. Interest Rate is at 2.75 p.a (Semiannually).

OECF NO GH 7

This loan facility with effective date of March 2004 was procured under Water Sector Rehabilitation Project (WSRP) for Workshop tool, communication equipment, vehicles and headworks representing 5,444,000.00 Chinese yen secured from OECF. This debt is for a period of 20 years. Interest Rate is at 2.6 p.a (Semi-annually).

Ghana Water Company Limited
Notes to the financial statements
For the year ended 31 December 2017

AUSTRIAN GOV'T

This loan facility with effective date of 16/05/1990 was procured to improve Water Sector Rehabilitation Project (WSRP) at Western and Central regions representing ATS 260,000,000.00 or 18,895,074.00 Euros secured from Austrian Government. This debt is for a period of 20 years with a 10-year grace period. Interest Rate is at 2.5% p.a

NORDIC FUND NO. 106

This Loan facility was signed on 10/09/1995 with effect from 2006 was procured under Water Sector Rehabilitation Project (WSRP) for Teshie-Nungua Main Extension representing SDR 5,000,000.00 secured from Government of Finland. This debt is for a period of 20 years semi-annually with a 10-year grace period. Interest Rate for 1995-2005 was 1% and 2006-2035 is 2%.

ADF/GHA WSR

This loan facility with effective date of 26/06/1989 was procured to improve Weija and Kpong Plant/Staff training/Supply of equipment and plant representing FUA 7,000,000.00 Approx. 5,994,410.00 Euros secured from ADF-F/GHA/WSR/88/9. This debt is for a period of 40 years with a 10-year grace period. Servicing charge for the loan is 0.75%.

CHINA GEZHOUBA

This loan facility was signed on 20/09/2010 procured for Kpong Water Supply Expansion Project representing USD276,250,000 secured from Exim Bank of China. This debt is for a period of 16 years with 1-year grace period. interest Rate is at 2% p.a.

PROVIDENT FUND-MEDIUM TERM

This loan facility of GHC 10,000,000.00 to be received in 5 installments was procured for Kpong Bottling Plant. The 1st installment of GHC 2,000,000.00 received in December 2016 secured from GWCL Staff Provident Fund. This debt is for a period of 4 years. Interest Rate is at 17% p.a.

PROVIDENT FUND-MEDIUM TERM

This loan facility with effective date of 30/04/2013 was procured for the Aboadze Thermal Plant representing GHC5,000,000.00 with an accrued Interest of GHC4,914,856.87 and GHC7,500,00.00 procured for Staff One Month Salary Advance with an interest of GHC 584,693.13 secured from GWCL Staff Provident Fund. This debt is for a period of 4 years with 18 Months grace period. Interest Rate is at 17% p.a.

Ghana Water Company Limited
Notes to the financial statements
For the year ended 31 December 2017

	2017	2016
19. EMPLOYEES BENEFIT OBLIGATIONS	GHS	GHS
Balance at 1st January	16,048,606	17,044,422
Charge for the year	0	<u>(995,816)</u>
At 31 December	AMI	<u>16,048,606</u>

The company pays its employees a long service benefits. The benefit is paid when employees reach predetermined milestones. The method of accounting and frequency of valuation are similar to that used for defined benefit schemes. The actuarial valuation to determine the liability is performed annually. There was no actuarial valuation for the year under review.

Retirement Age: Retirement age is set at age 60

20. PAYABLES

Accounts Payable	745,388,698	227,493,518
Others	<u>72,112,131</u>	<u>24,692,595</u>
	<u>817,500,829</u>	<u>252,186,113</u>

Ghana Water Company Limited
Notes to the financial statements
For the year ended 31 December 2017

21. Fair value of financial assets not carried at fair value

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements (i.e. held to maturity and loans and receivables).

Assets for which fair value approximate carrying values

For financial assets that have a short-term maturity (less than three months), cash and bank balances, and other assets, the carrying amounts approximate to their fair values.

The fair values of fixed rate financial assets carried at amortised cost are estimated by comparing market interest rates when they were initially recognised with current market rates for similar financial instruments. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and maturity.

(i) Financial instruments not measured at fair value

The Directors consider the carrying amounts of the financial assets and Liabilities below to approximate their fair values because the duration of the financial assets/liabilities are Less than one year.

	Carrying amount 2017	Carrying amount 2016	Fair value 2017	Fair value 2016
Financial assets				
Bank and Cash Balances	42,034,195	64,645,425	42,034,195	64,645,425
Financial Investments	838,737	740,291	838,737	740,291
Loans and advances to employees	12,252,839	12,940,029	12,252,839	12,940,029
Other assets (excluding prepayments)	730,894,671	562,349,126	730,894,671	562,349,126

(ii) Loans and advances to employees

Loans and advances are net of charges for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value. The carrying amount approximates their fair value.

Ghana Water Company Limited
Notes to the financial statements
For the year ended 31 December 2017

(iii) Financial Investments

The fair value for loans and receivables and held-to-maturity assets is based on market prices or broker/dealer price quotations. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

Fair value hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
 - This level includes listed equity securities and debt instruments on exchanges (for example, The Ghana Stock Exchange).
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes the majority of Bank of Ghana's securities and other derivative contracts.
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. As at 31 December 2013, the Company did not hold any level 3 financial assets and/or liabilities. This hierarchy requires the use of observable market data when available. The Company considers relevant observable market prices in its valuation where possible.

Financial risk management objective and policy

The company's activities expose it to a variety of financial risks, including credit risk and the effects of changes in equity market prices. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

Risk management is carried out by the Finance and Audit committee of the company. The committee identifies, evaluates but does not hedge its financial risks. The Board provides written principles for overall risk management, as well as written policies covering specific areas such as credit risk and investing excess liquidity.

Ghana Water Company Limited
Notes to the financial statements
For the year ended 31 December 2017

Credit risk

The Company has exposure to credit risk, which is the risk that a counterparty will default in payments when due. The product (water) which is a social commodity is sold on credit.

GWCL is exposed to credit risk when customers/consumers default on contractual obligations which could cause financial loss to the Company. To mitigate credit risk, customers are given a three (3) month credit period after which defaulters' water systems are disconnected until outstanding bills are paid in full. The company has the right to off-set where the customer is also a supplier of the company, as is with Electricity Corporation of Ghana (ECG) and Volta River Authority (VRA). Payments points, which operate also during weekends, are located in every vicinity. To increase payments points, GWCL also outsources to private companies. Internal audit makes regular reviews to assess the degree of compliance with the Company procedures on credit.

Price Risk

GWCL's price is approved by Public Utility Regulatory Commission (PURC). Approval is based on social and economic factors pertinent at the time. As proposed tariffs are usually reduced by PURC, the company is in constant dialogue with them to approve an economic tariff that significantly covers operating and other costs of the company which will ultimately improve the bottom-line.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities.

The management of the company monitors the planned cash inflow and outflow. An important factor in the company's liquidity risk management is an access to a wide range of funding through the sale of water to its customers *and* consumers and interest earned on short term investment. Management aims at maintaining flexibility in financing sources by having undrawn committed facilities available.

The following policies and procedures are in place to mitigate the company's exposure to liquidity risk;

Liquidity risks are monitored and reviewed by management. Exposures identified are

- reported to the Board of Directors for action.
- Maintaining undrawn committed facilities, accessing when the need arises.

Ghana Water Company Limited

Notes to the financial statements

For the year ended 31 December 2017

	2017	2016
Current ratio	<u>0.91</u>	<u>0.93</u>

The company currently has a current ratio under 1 implying it would not be able to pay off its obligations if they become due at this point.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

The company market risk policy sets out the assessment and determination of what constitutes market risk for the company. Compliance with the policy is monitored and exposures and breaches are reported to the company risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company imports raw materials i.e. water treatment chemicals, pumps, motors etc. *and* as such would have to pay for them in foreign currency. Hence there is a significant exposure to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the company to cash flow interest risk, whereas fixed interest rate instruments expose the company to fair value interest risk.

The company's interest risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial Liabilities.

The Company does not currently have any policy in place to manage gap between fixed and variable rate instruments and their maturities. All financial instruments currently bear a variable interest rate.

Ghana Water Company Limited
Notes to the financial statements
For the year ended 31 December 2017

Operational risks

Operational risk is the risk of loss arising from system failure, power outages, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have Legal or regulatory implications or can Lead to financial loss. The company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the company is able to manage the risks. Controls include effective segregation of duties, access controls, authorization and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the company's strategic planning and budgeting process. The presence of an Internal Audit function also ensures that controls are in place and processes and procedures work effectively and efficiently to address risks.

Capital management

The Company manages its capital to ensure that it is able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of debts (Long Term Loan) and equity of the company (comprising stated capital *and* retained earnings).

The company has a target gearing ratio of 30%: determined as the proportion of debt to equity. The gearing ratio as at 31 December 2017 was 7% and December 2016: 40%.

22. Contingencies and commitments

(a) Legal proceedings and regulations

There are no contingencies associated with the company's compliance or lack of compliance with regulations.

Ghana Water Company Limited
Notes to the financial statements
For the year ended 31 December 2017

(b) Capital commitments

At the reporting date, the company had the following capital commitments:

Project Name	Description	Capital Commitment (Estimated cost to completion)
Kumawo Konongo , Kwahu Ridge Water Supply	Construction of 7.4MGD water into the Konongo a Kumawu water supply system + the rehabilitation of the Kwahu Ridge water supply system	\$6,300,000
Akim Oda , Akwatia and Winneba Water Supply Project	Construction of 7.3MGD WTP for the Akim Oda Et Akwatia water supply system + the Rehabilitation of the Winneba water supply system	\$23,090,984
Kpong Water Supply Expansion Project	Construction of 40MGD WTP at Kpong to inject water into the GAMA water supply area namely the Eastern part of Accra,	\$ 6,825,000
Wa Water Supply Expansion	Construction of 3.3MGD WTP at Jambousie to feed into the Wa water supply system	\$16,650,000
Cape Coast Water Supply GNWP	The interconnection of Brimsu and Sekyere Heman Water supply systems to improve upon water supply in Cape Coast	\$400,000
Greater Accra Metropolitan Area(GAMA) Sanitation and Water D.....4.,,I.	Pipeline improvement works to increase access to improved water supply in GAMA with emphasis on low income communities	\$30,000,000
Sogakope-Lome Transboundary Water Project	Updating of feasibility study and ES1A a the preparation of tender documents for the project	C 2,121,013

Ghana Water company Lirnitea
Notes to the financial statements
For the year ended 31 December 2017

23. Related party transactions

This relates to intercompany dealings and transactions with key management personnel. Details of transactions with related parties are detailed below:

a) The following balances were outstanding at the end of the period:

	Amounts owed <i>by</i> related parties		Amounts owed <i>to</i> related parties	
	2017	2016	.2017	2016
	GHS	GHS	GHS	GHS
(1)MDAs Ft NEDCO	<u>119,643,842</u>	<u>336,250,395</u>	43.9 4 151	<u>33,924,039</u>
(II)LONG SERVICE AWARD			<u>16,048.8606</u>	<u>16,048,606</u>

The amounts outstanding are unsecured and will be set-off. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by the related parties.

b) Transactions with directors and key management personnel

Directors and key management personnel refer to those personnel with authority and responsibility for planning, directing and controlling the business activities of the Company. These personnel are the Directors of the Company.

The remuneration of Directors during the year was as follows:

	2017	2016
	GHS	GHS
Short-term benefits	1,601,847	1,111,079
Post -employment benefits	2	
	<u>1,601,847</u>	

The remuneration of Directors is determined by the board of directors.

c) Transactions with board of directors

	2017	2016
	GHS	GHS
Total board allowances including monthly allowances	<u>98,500</u>	<u>325,976</u>

The board allowance for 2017 and 2016 are not comparable due to the fact that the current board of directors was inaugurated on September 2017 (four months).

Ghana Water Company Limited
Notes to the financial statements
For the year ended 31 December 2017

24. Events after the reporting period

The Directors confirm that no event has occurred between the year end and date of signing this report that requires disclosure or could materially affect the financial statement.

25. Income surplus

The additions to the Income Surplus was as a result of the following: Prior year adjustment was due:

- I) Difference between the Receivables in the Commercial Reports generated from its software (Utility 2000) and the Finance Report over the years.
- II) Adjustments to agree audited balances for 2016
- III) Prior Deposits in transit and differences in reconciliation differences between finance and commercial.

GHANA WATER corporation LIMITED

2017 ANNUAL PERFORMANCE REPORT

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VISION, MISSION AND CORE VALUES

MISSION

GWCL is committed to meet the increasing demand for better service delivery through efficient and effective management of our core business of production, transmission, distribution of water and customer management in the urban areas of Ghana.

VISION

To be a world class water company.

OUR CORE VALUES

- Quality and excellent customer service
- Speed and Urgency in Service delivery
- Continuous improvement and Innovation
- Health and Safety of Stakeholders
- High ethical and Professional standards
- Commitment and Dedication to operations

PROFILE GHANA WATER COMPANY LTD

The Urban water sector in Ghana has over the last ten years gone through a couple of evolutions. The major ones included the management contract between Aqua Vitens Rand Ltd (AVRL) of Vitens International, Netherlands and Rand Water Services of South Africa in June 2006. This contract expired in May 2011.

After the exit of AVRL a special purpose vehicle Ghana Urban Water Ltd (GUWL) a subsidiary of Ghana Water Company Ltd was established by the Government of Ghana to continue managing the operations till a long term decision was taken.

In August of 2014 a new policy direction for the water sector was announced by the Government; the dissolution of GUWL and GWCL absorbing the operational activities erstwhile performed by GUWL. GUWL the Operator and GWCL, the asset holder have now merged to form the new Ghana Water Company Ltd which has responsibilities of both operations and asset management.

GWCL is the sole government owned water utility company. It is responsible for the production, transmission and distribution of water in urban areas in Ghana.

The Company as of 2016 manages 88 water systems. Forty three (43) of these systems are bore-hole and forty six (46) are surface whilst three (3) are both. These systems serve about 10.8 million people nation-wide. It operates in 15 Regional offices and 72 district offices. The company has 4 special business units.

CHAIRMAN'S STATEMENT

I am honored to present the 2017 Annual Performance Report of the Company. I must acknowledge the role and dedication of the management team and staff in ensuring that our Company continually adds value to our customers and the stakeholders. For the last couple of years, we have seen the Company grow in leaps and bounds.

We continue to share our delight and the joy we obtain from working in the water sector.

The water we supply is abstracted from the various rivers that flow into and through the country and extracted from the deep subterranean aquifers of the country. It is abstracted and or extracted, purified, transmitted and distributed to our dear customers. The quality of the water is checked at every stage of this process. We transport our water through hundreds of kilometres of pipes to you our cherished customers. We bring it into your homes and businesses. We ensure that all you have to do is simply turn on the tap and receive fresh, healthy water of good quality.

We are becoming increasingly aware that clean drinking water is taken for granted in Ghana. The challenge of covering the whole of our urban centres is huge but we continue to make strides to make significant improvement every year.

The 2017 Performance Report shows that GWCL is a company that believes in dynamism. We never stand still. We continue to improve in all areas of our activities through the various phases of the Performance Improvement Program and through this, our business operations have seen significant improvements and we can safely say with hindsight that we are in the right direction.

In the follow up programs of the Performance Improvement Program (PIP), the company uses the lessons learnt and the critical factors discovered in the preceding program to augment performance. The PIP programs continued to offer incentives, bonuses to staff who achieved their targets at the same time applying sanctions to managers who failed to reach their baseline Performance. The improvement in revenues contributed to the purchase of equipment, repairs and maintenance of our assets and the building of capacity for our most valuable asset: our employees.

In my opinion, the Company is stronger and has the momentum to grow now than at any other time in our history.

The 2017 Performance report is a holistic review of our operations and the company's financial statement *in* 2017.

MANAGING DIRECTOR'S STATEMENT

Ghana Water Company Ltd is pleased to report her performance for the year ending 2017.

Financial Performance

Our Financial Performance improved over the last period providing a strong platform for us to deliver further value to next fiscal year for growth.

Customers

In recent years, we have made great strides in increasing our customer strength. In addition to the numbers we have improved upon our customer satisfaction through better operational performance. Nevertheless, we cannot overlook numerous and significant customer related challenges we encounter which includes but not limited to meter by-passes, meter vandalism and meter tampering. It is appropriate to acknowledge and appreciate the enormous effort of our employees, partners and other stakeholders in assisting us in this regard, however we humbly encourage them to continue in the provision of such support to enable us sustain our improved water services to customers.

Water quality incident

The Company was able to achieve all Water Quality targets. We continued to apply best practices in the treatment of water. We continued in the piloting of polymers and the results are promising. Our readiness to deal with any incident is heightened.

The Company is still struggling with the illegal mining menace which leaves the water bodies very polluted and in some cases untreatable. The same contributes to the increasing cost of chemicals.

In some cases climatic changes affected some water bodies making them completely dry whilst other intake points get flooded such that operations are suspended.

Continuous Improvement

The Organization saw a holistic improvement in our operations especially in water sales, billing, collection and aesthetic. This was as a result of the Performance Improvement Program. In 2017 we had part of PUSH-UP and STEP-UP. The underlying competitive spirit of the programs brought out the very best in our employees. They continue to give their best and strive towards smart targets assigned.

Technology and Innovation

The Company in 2017 commenced steps to leverage Technology and Innovation to drive operational and commercial excellence. The piloting of electronic billing was completed and the scaling up has begun. The scaling up also included e-collection modules. Other activities we employed technology are Asset Validation and Mapping, Network modelling, Telemetry and Cyber Security.

Economic environment

We have a diverse mix of customers, many of whom are economically deprived. We have more customers who struggle to pay, with customer indebtedness continuing to be a significant challenge for us.

We place significant focus on helping customers who are struggling to pay and continue to offer a wide range of ways to help them back into regular payment. We have proposed for a new social tariff for Low Income Customers. Our new GAMA project supports consumers who are willing to have service connections but have financial difficulty,

Corporate Planning

Our Strategic Direction Statement, 'Becoming a world class utility company, has been the energy behind everything we do; our operations and engagement with customers and other stakeholders in creating our best view of what the next 5 years hold for our company and the urban areas where we operate in. This includes economic, social and environmental developments.

We aim to build on our notable achievements from 2017-2021 planning period and remain highly focused on delivering the best service to customers, at the lowest sustainable cost, while acting in a responsible manner.

Employees

We would not have been able to deliver the significant improvements for customers in the previous year without the keenness and commitment of our employees. We are proud of their unrelenting dedication and of our sub-contracting partners who have worked very hard all year round in supporting customers and we would like to thank them for their significant contribution.

The company has seen significant change over the last few years and we continue to move through a period of transformation.

We remain focused on maintaining high levels of employee engagement. We have been successful in attracting and retaining good people and have continued to expand our management trainee and operator training programs, with many now having secured permanent roles across our business.

Health and safety was and will continue to be our key focus area and we will strive for continuous improvement.

Outlook

We are assertive that we can build on our strong operational and financial performance and improve further as we progress through the New Year ahead of us. Leveraging Technology and Innovation to drive our operations and business. We are implementing as much as possible the projects in our Development Plan and substantial investment in our assets will continue, driving benefits for our customers. Our progress so far provides confidence in delivering our targets.

1.0 OPERATIONS' REVIEW

L1 OUR KEY FIGURES

Summary of Key Figures

	unit		2016	2017	% Var (Target-17)
Number of customers as at 31 Dec	x 1,000	.- 610	594.7	629.3	99.9%
Average water tariff	Gh 4/m3	6.58	6.505	6.244	94.9%
ppera					
Raw water abstracted	m m3	315.71-	309.21	333.3	105.6%
FWater produced	M	300.7	285.6	314.8	104.7%
Water Sold	M 1113	157.0	139.8	142.1	90.5%
process loss		5.00	7.6	5.5	110.9%
Average daily production	1000	823.8	782.5	862.4	104.7%
rDady capacity utilization		97.0	93.3-	93.0	95.9%
Financial					
Total income	M GH 4	1048.4	922.6	921.5	87.9%
Water revenue	M GH C	1032.6	909.6	887.1	85.9%
Total collection	M GH 4	1021.0	566.8	668.9 N	65.5%
Collection ratio(govt+private)	%	95.0	68.1	75.17	79.1%
Private Collection Ratio	/	97.0	77.9	89.13	91.9%
Non-revenue water	% L	47.8	51.0	54.9	114.8%
Operating cost	M GH ot	905.3	821.5	817.4	90.3%
Electricity cost	M GH it	269.1	248.0	312.9	116.3%
Chemical cost	M GH C	43.9	31.067	48.2	109.6%
operating cost/authorised consumption	GI-I Vm	5.77	5.875	5.754	99.8%
Electricity cost/m3	GH 4/n-13	0.895	0.868	0.994	111.1%
Chemical cost/rr3	GH cr/m3	0.146	0.109	0.153	104.7%
operating ratio	cy	86.3	89.0	88.7	102.7%
Operating surplus /(deficit)	M GH	4.8	120.77	(3.92)M	-81.7%
Net Surplus/(deficit)	M GH	0.34	101.14	(10.31)	-3005.5%
Employees					
Labour productivity	Gh 4	283,3591	249,351	242,512	85.6%
Staff/1000 connections		5.81	6.2	6.0	102.8%
Training days per staff		7.01	6.6	7.0	100.0%

1.2 Water Production

We recorded a total volume of 314.8Mm3 for the year 2017 showing an increase of 5.4% (16.1Mm3) over that for 2016. The production performance is 4.7% (14.09Mm3) more to the target for the year. The following factors contributed to the improvement in water production for 2017;

1. Stable power in most of the Head works and Borehole sites
2. Effective and efficient maintenance approach to the electromechanical equipment
3. Availability of spare parts
4. The coming on board of the treatment Plant in Jambusi in Upper West Region.
5. The use of polymer at Mampong Head works which made treatment efficient by reducing the frequency of backwashing.

However, the following major challenges were encountered during the year.

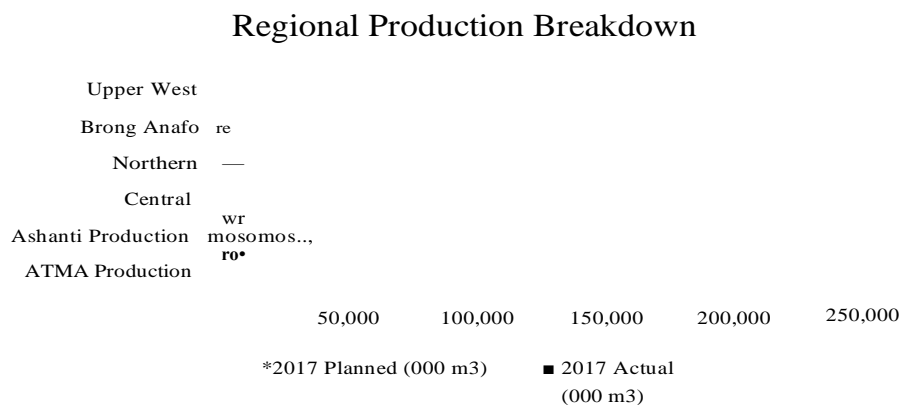
- Frequent pipe burst on the 12 and 10 AC transmission pipelines in Bolgatanga affected production at Veia/Gowrie. Plans are far advanced for its replacement.
- Consistent Power outages and pipe burst in Koforidua Municipality. The Company is still in discussion with ECG to find a lasting solution to the power outages whilst very weak sections of pipelines are being replaced.
- Dried intakes at some Head-works accounted for low production at Eastern Region
- Galamsay activities subsided but is gradually coming up again.

The details of the production report is in table 1 below

Table 1

Region	Production			
	2017 Actual (000 m3)	2017 Planned (000 m3)	Variance (000 m3)	Relative Contribution
<u>ATMA Production</u>	<u>206,902</u>	187,746	<u>19,156</u>	<u>65.7%</u>
Desal Plant	2,283	9 500	(7,217)	0.7%
Ashanti Production	41,499	37,618	3,881	13.2%
Western	10,016	10,207	191	3.2%
	20 451	18,687	1,764	6.5%
Eastern	7 773	8,100	327	2.5%
Northern	10 682	10,440	242	3.4%
Volta	7 577	8 546	969	2.4%
Bron. Ahafo	4 709	5,178	469	1.5%
<u>Upper East</u>	<u>2,239</u>	<u>2,850</u>	<u>(611)</u>	<u>0.7%</u>
Upper West	662	1,825	(1,163)	0.2%
TOTAL	314,794	300,698	14,096	100.0%

Fig 1



ATMA Production and the Desalination plant recorded the highest water production of 66.4% followed by Ashanti (13.2%). Thus ATMA and Ashanti contributed nearly 79.6% of the total water produced.

1.3 QUALITY OF WATER PRODUCED

1.3.1 WATER QUALITY ASSESSMENT AND CHEMICALS USAGE REPORT

Results of water quality assessment of the raw water, treated water, distributed water and consumption of water treatment chemicals for 2017 are summarized below.

1.3.2 WATER TREATMENT CHEMICALS CONSUMPTION

The consumption and cost of water treatment chemicals applied to ensure delivery of safe drinking water during the period under review are summarized in tables 1 and 2 below. The usage of the major water treatment chemicals are very high due to continuous deterioration of source water especially by mining activities.

Total quantity of 13,130,544.60Kg of Aluminium Sulphate, 695,854.89Kg of Chlorine Gas, 536,047.82Kg of Calcium Hypochlorite, 1,648,486.89Kg of Hydrated Lime, 8,070.00Kg of Potassium Permanganate, 950.00Kg of Activated Carbon, 550.00Kg of Soda Ash, 8590.00Kg of Chlorine Tablet and 860,287.30Kg of Polyelectrolytes of water treatment chemicals were used to treat water during the period under review translating into the cost of GH438,085,051.46 respectively. Details can be found in Table 2 and Table 3 below.

REGION WATER TREATMENT CHEMICALS CONSUMPTION FOR 2017

 $\text{cost}(\text{GliS})$

Table3: TOTAL COST OF WATER TREATMENT CHEMICALS FOR 2017

REGION	" TREATM					=	2017				
	ALumIPs_L						<u>.s47.441116.84.</u>	<u>.4941.41.</u>			
NEVA	9676,846.53	402,127.80	918,684.00	507,926.25	0.00	0.00	0.00	0.00	0.00	11,505,584.58	
Kfarg	111,426.00	384,304.12	2,131,428.00	356,040.10	3,361.50	0.00	0.00	0.00	0.00	2,986,559.62	
ASHANK	2,347,679.67	509,664.83	625,804.52	400,876.14	0.00	0.00	15,042.00	0.00	8,344,786.81	12,243,853.97	
WESTERN	1,803,396.00	505,817.00	218,039.58	221,231.25	0.00	1,078.00	0.00	0.00	0.00	2,749,561.83	
CENTRAL	2,615,012.40	304,826.83	575,776.24	1,007,400.00	0.00	0.00	205,620.00	12,920.00	0.00	4,721,555.47	
EASTERN	676,069.17	38,619.92	53,451.32	249,722.18	2,490.00	0.00	2,070.00	0.00	0.00	1,022,422.59	
NORTHERN	1,362,604.01	130,191.85	84,209.32	72,967.50	0.00	0.00	0.00	0.00	0.00	1,649,972.68	
VOLTA	29,620.50	26,575.65	89,559.60	101,864.13	2,739.00	0.00	0.00	0.00	0.00	250,398.88	
BRONG AMMO	472,600.59	70,682.98	0.00	127,670.41	0.00	0.00	0.00	0.00	0.00	670,953.98	
UPPER EAST	180,075.00	25,988.00	0.00	36,577.13	0.00	0.00	0.00	0.00	0.00	242,640.13	
<u>UPPER WEST</u>	<u>26,570.69</u>	<u>7,990.58</u>	<u>6,986.46</u>	<u>0.00</u>	<u>0.00</u>	0.00	0.00	0.00	0.00	41,547.73	
Cost (GHS)	19,301,400,561.24	6,406,789,561.47	703,979,041.30	3,082,274.94	8,590.54	1,078.00	222,732.00	12,920.00	8,344,786.81	38,085,051.46	

1.13 RAW WATER QUALITY

Table 4 below shows the targets, average maximum, minimum and mean values of the four critical operational raw water quality indicators of all the systems per region in comparison with maximum acceptable levels of no health effects on the basis of which treatment chemicals were used.

Most of our source waters are under threat due to increased pollution from illegal mining, municipal waste and poor agricultural practices and this is impacting negatively on GWCL's operations. Very high turbidity, colour and some trace element values were recorded from the most affected sources leading to very high water treatment chemical consumption as well as other operational challenges.

The most affected systems are Kibi, Bunso and Osino on the Birim River, Daboase on the Pra River, Barekese on the Ofin River, Odaso on the Oda River and Konongo on Anunu River especially within the first half of 2017. This led to high Water treatment chemical consumptions from these affected systems.

Table 4: Raw Water Quality Monitoring

RAW WATER QUALITY MONITORING JANUARY-DECEMBER, 2017									
REGION	PARAMETER (No. of Health Effect Levels)	No of Samples		Degree of Health Effect Levels				REMARKS	
		95%Yo							
		Required	Actually Analysed	%Analysed	MINIMUM	MAXIMUM	MGM		
RO1A:ATMA	pH 6.5-8.5	8640	7555	87% ₁	6.6	8.1	7.2	Satisfactory results	
	Colour [5 HU]	8640	7555	87% ₁	Si	100	25		
	Turbidity [5 NTU]	8640	7555	87% ₁	2	6.61	129.9		
	Iron 0.3m. L	90	36	40%		0.11	0.06		
	pH 6.5-8.5	10800				7.7	7.2	some of the plant lack adequate logistics to perform	
R03:1NERN	Colour [5 HU]	10800				2500	430	plant control test, hence the shortfall in sampling	
	Turbidity [5 NTU]	10800				988	130	to ets	
	Iron 0.3m. L	276	164	59%	0.74	2.27			
	Colour [5 HU]	8640	6220	72%	6.7	7.4	6.9	some of the plant lack adequate logistics to perform	
	Turbidity [5 NTU]	8640	6220	72%	170	3000	992	plant control test, hence the shortfall in sampling	
R04:CENTRAL	Iron 0.3m. L	372	45	12%	15	396	76	targets	
	Turbidity [5 NTU]	6480	5326		0.13	10.42	3.42		
	Iron [0.3mg/L]					759.0	149.2	some of the plant lack adequate logistics to perform	
	Colour [5 HU]			48%	6.6			plant control test, hence the shortfall in sampling	
	Turbidity [5 NTU]	15120	7313	48%	23		1028	targets	
R05:EASTERN	Iron 0.3m. L	312	150	48%	5		129	Raw Water Quality from most of the sources remained	
	Colour [5 HU]	3240	2459	76%	0.34		2.85	fairly stable and treatable. Some of the plants lack	
	Turbidity [5 NTU]	3240	2459	76%				adequate logistics to perform plant control test hence	
	Iron 0.3m. L	108	74	69%	1.30	4.50	2.92		
	Colour [5 HU]	3240	2459	76%	7	390	340	Some of the plant lack adequate logistics to perform	
RCM:NORTHERN	Turbidity [5 NTU]	3240	2459	76%	5	350	189	plant control test kits to monitor production in process	
	Iron 0.3m. L	108	74	69%					
	pH 6.5-8.5	6204	3845	62% _r	6.3	7.5	7.0		
	Colour [5 HU]	6204	3845	62% _i	5	42	12		
	Turbidity [5 NTU]	6204	3845	62% _i	0.20	30.00	6.90	62% of the plants lack adequate logistics to perform pia	
R07:VOLTA	Iron 0.3m. L	204	55	27%	0.01	1.39	0.27		
	pH 6.5-8.5	3288	2150	65%					
	Colour [5 HU]	3288		65%	5	450	262	Some of the plant lack adequate logistics to perform plant control test	
	Turbidity [5 NTU]	3288		65%	1	40	12	hence only 65% of sampling met	
	Iron 0.3m. L					2.56			
R08:B. AHAFO	pH 6.5-8.5	1644			6.9	7.4	7.0	Fairly Satisfactory performance	
	Colour [5 HU]	1644			80	400	138		
	Turbidity [5 NTU]	1644			28	77	69		
	Iron 0.3m. L	72			0.02	0.10	0.06		
R09:U.EAST									
R09:41 NEST									
R09:41 NEST									
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No region was able to meet the treated water sampling targets within the year due to several operational challenges such as, lack of adequate plant control test kits, power outages, mining activities and other operational challenges. The sampling Compliance Index achieved was only 0.65 due to the challenges enumerated above. However, the quality compliance targets (99%) from all the regions were satisfactory (See Tables 5 and 6). The most challenging issue for most of our treatment plants was pH adjustment because most of the lime dozers were not functioning properly. Some treatment plants continued to have manual and improvised dosing systems making lime dosing discontinuous and therefore pH levels are not appropriately raised to meet the desired levels as stipulated in the Ghana Standards. Most of the borehole systems also do not receive any form of treatment hence low pH levels and zero residual chlorine values are recorded.

TREATED WATER QUALITY MONITORING COMPLIANCE FOR 2017(JANUARY-DECEMBER)						917)		
REGION	PARAMETER	Target number	No of Samples		95% Compliance Target		Compliance Index (10.95)	REMARKS
			Actualy	Complying	Analysed	Complying		
RO1A	pH16.58.61	86401	6860	6860		100%		Satisfactory performance for the water quality compliance target. Sampling Targets could not be met from the due to several operational challenges such as power outages and lack of ad uaye l istics
	Colourf5 HU1	8640	5860	6832		100451		
	Turbidityf5NTOI	8640	5860	6703		99%		
	R-Chlorinef0.5mg/L1	8640	6860	6739		99%		
ATMA	E-Coll 0 cfu iOOmL	1080	988	988		100%		
					91%			
R02	M1MEgM1/1111111	10800		7628		99%		Sampling Targets could not be met from the Ashanti Production Region due to lack of aequae plant control monitoring test kits from most of the systems
ASHANTI	ginrr	10800	115=1	7611		99%	0.70	
	h1IMB	10800		7601		99%	0.71	
	11greinrTrrntimural	10800	115=1	7601		99%		
	14IKUPHIMAVEH1 T AM	10800	115=1	7625		99%		
R03						100%	0.72	Western region could not meet the sampling targets one to Lack of plant control test kits in some of the systems and other operational Challenges during the time under review. However, all plants performed satisfactorily
WESTERN	Colon SHU	8640						
	Turbidityf5NTil1	8640	6275			99%	0.72	
	R-Chlorinef0.5m4/1-1	8640	6275					
	E-Coll 0 cfu 100mL	2160	1450			100%		
R04				5207		99%		All the plants performed satisfactorily. However, Sampling targets was not met dee to lack of plant control test kits and Other operational challehenges
CENTRAL	R-Chlorine 0.5in! L	6480	5242	5189	8146	97%		
			1200	1200	67%	00%		
				6889	46911	100%		
				6847	46%	99%		
ROE		15120	69031	6798	46%	90%		During the period under review, treated water quality was generally satisfactory. Sampling targets was not met One to, lack of adequate plant control test kits in some of the systems , lack of adequate personnel and Other operational challenges
EASTERN		15120	6903	6789	4%	100%		
R06				65		00%		
NORTHERN	PH16.54151		2270	2219		98%		All the plants performed satisfactorily.Sampling targets not met due to power outages and other operational challenges
	Colourf5		2270	2223		98%		
	Turtildityf5NTUI		2270	2201		97%		
	R-Chlorinef 0.5mg/11		2270	2206		97%		
	E-Coll 0 cfu iOOmL		650	65		00%		
S.07								MI the plants performed satisfactor4.5amplIng target was not met due to , lack of adequate human resources and plant control test kits in some of the systems
VOLTA	E-Coll 0 cfu 100mL							
R08	6.6116							The systems performed satisfactorily during the period under review.. Sampling target was not met as a result of tack of adequate personnel and plant control test kits for some of the s erns
O. AHAFO				2089				
				2061				
				540				
	0165.861	1644	1600	1580		99%		e systems performed satisfactorily.SamplIng targets were not met due to several operatolonal challenges such as down times etc.
	Colourf5 HU1	1644	1600	1553		97%		
	Turbldityf5NTLI1	1644	1600	1541		96%		
	R-Chloriner 0.5mq/LI	1544	1600	1539		96%		
	&Coll 0 cfu 100mL	365	306	306		00%		
	pH16.6-8.51	1080	548			97%		The system performed satisfactorily. Plant operates for only 12 hours per day hence Sampling targets were could not be met
	Colourf5 Hu]	1080	548			98%		
	Turbldityf5A M	1080	548			97%		
	R-Chlorinef0.5mg/LI	1080	548			99%		
	E-Coll 0 c 100m	276	270			100%		

Table 7: SUMMARY OF TREATED WATER QUALITY COMPLIANCE INDEX, 2017

OPERATIONAL PARAMETERS	Target number	Actually Analysed	Number Complying	Compliance Target => 95%	Sampling Compliance Index (0.95)
pl-i[6.5-8.5]	63492	41553	41199	99	0.65
Colour[15 FM]	63492	41553	41174	99	0.65
Turbidity[5NTU]	63492	41553	40975	99	0.65
R-Chlorine[0.5mg/L]	63492	41553	40960	99	0.65
E-Coli[0 cfu/100mL]	15976	10458	10458	100	0.65
National Average	53989	35334	34953	99	0.65

1.3.5 DISTRIBUTION WATER QUALITY

Tables 8 and 9 show the indicators for the sampling frequencies and the weighted percentage compliance targets of Distributed Water Quality for the period under review. The compliance indices are the product of the percentage of samples actually collected and analyzed from the distributed systems and percentage of samples that met the requirements of the Ghana Drinking Water Quality Standards. The performance indicators express the relationship between the mandated sampling frequencies and the results of the water quality analysis. No region was able to meet the treated water sampling targets within the year due to several operational challenges such as, lack of adequate plant control test kits, lack of adequate WQA personnel, Lack of reliable transportation, power outages, mining activities and other operational challenges

Table 8 DISTRIBUTED WATER QUALITY ANALYSIS FOR REGIONS

NATIONAL DISTRIBUTION WATER QUALITY MONITORING COMPLIANCE JANUARY - DECEMBER 2017										
REGION		PARAMETER	Target	Actualy	Complying	No of Sam les	55% Compliance	Perct Compliance	index (0.95)	REMARKS
number : Analysed										
RO1A	ATRIA	pi-Ties-asl	10080	4622	4601		100%			Distribution Water Quality from the ATMA regions were satisfactory. However sampling targets of could <i>not</i> be met due to logistical constraints (46% l. sampling targets needs to be improved
		CcdourE5 HUL	10080	4622	4613		100%			
		Turbidity[5NTU]	10060	4622	4601		100%			
		R-Chlorine[0.5mg/L]	10080	4622	4591		99%			
		8-Cosil0 cfu/100MI-1	10080	4622	462		100%			
R02	ASHANTI	p718.69.1	7200	4748	475		99%			Distribution Water Quality from the Ashanti region was satisfactory. Sampling Target was not met due to venous operational chaPenegs such as logisticiCal contrainsts.
		COOur5 HUI	7200	4748	46813		99%			
		Torbility[5NTU]	7200	4748	4623		97			
		R-cmorine(0.5mg/L)	7200	4748	4004		97			
		E-C 0cfu 100ml	72.0	4						
003	WESTERN	99951	8890	2715	2					Distribution Water Quality from the Western region were satisfactory. Sampling Targets were not Met due to various operational challenges <i>such as</i> logistical and human resources constraints
		Colour[5 HUI]	6890	2715	2681					
		Turbidity[5NTU]	6840	2715	2658					
		R-Chloriner0.5mo/L	6940	2715	2043					
		E-Col110 chi/10011J	684F	2715	2911					
R04	CENTRAL	pli(6.84.8)	6126	3216	3111					Generally performance was satisfactroy. Sampling targets were not met due to venous operational challenges
		CelourfS Hui	6120	3210	3119					
		RIZITMESM	6120	3216	3109					
		R-Chlorine(0.5mg/L)	6120	3218	32					
		E-Coli10 cfu/100mLI	6120	3218	32					
ROS	EASTERN	pl113.5.61	2520	2072	20 1					Generally, the quality of the water from the distribution network was satisfactory although there were some few challenges Compared to the previous quarter, the residual chlorine levels in the <i>network</i> were better and appreciable.
		Colour[5	5520	2072	2044					
		Turtridlt 5NTU	5 0	72						
		to. • uu.051m ■mii■wammoom								
		iA:rumastaEnumom			wagEmiNiiumm					
ROE	NORTHERN	14105.85/	8							Isiah...don Water Quality from the Northern Region was satisfactory. Sampling Target was not met due to various operational cRaltersegs such loofah.' and human resources Constraints
		Colour[5 HUI]	6480							
		Turbidit 5NTU	6480							
		R-Chlorine(0.5mg/L)	6480							
		cfur0OrnAI	6480							
R07	VOLTA	6.613.	1800	1562	1483					Distribution Water Quality from the Volta Region was satisfactory. Samplng rare els were not met due to various operational onallenges and lack of adequate WQA personnel
		Colour[5 HUI]	1800	1562	1327					
		Turbidity[5NTU]	1800	1334						
			1800	1334						
			1800	1334						
ROB	8. AHAFO	01-Chlorine 0.5m L	0	1334 ^d						In the region .
		cfnterunLI	800							
		pi-166.B.52	2880	1274						
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Table 9 NATIONAL DISTRIBUTION WATER QUALITY COMPLIANCE INDEX

OPERATIONAL PARAMETERS	Target number	Actually Analysed	Number Complying	Compliance Target => 95%	Sampling Compliance Index (0.95)
1pH[6.5-8.5]	46080	22823	22520	99	0.49
Colour[15 HU]	46080	22823	22474	98	0.49
Turbidity[5NTU]	46080	22823	22291	98	0.48
R-Chlorine[0.5mg/L]	46080	22823	22136	97	0.48
E-Colir0 cfu/100mL1	46080	22823	22823	100	0.50
National Average	46080	22823	22449	98	0.49

1.3.6 SUMMARY OF THE TREATED AND DISTRIBUTED WATER QUALITY COMPLIANCE PER REGION

Table 10, shows critical operational water quality indicators and percentage compliance for both treated water at the stations and distributed water quality with respect to the Ghana Drinking Water Quality Standards as well as the set targets for sampling frequency per region.

Results indicated that the quality of treated water distributed was generally satisfactory. No region was able to meet the distribution water sampling targets within the year due to several operational challenges such as, lack of adequate plant control test kits, power outages, mining activities and other operational challenges.

The sampling Compliance Index achieved was only 0.49 due to the challenges enumerated above. However, the quality compliance targets (98%) from all the regions were satisfactory (See Tables 8, 9 and 10).

The most challenging issue for most of our treatment plants was pH adjustment because most of the lime dozers were not functioning properly. Some treatment plants continued to have manual and improvised dosing systems making lime dosing discontinuous and therefore not appropriately raising pH levels enough to meet the desired levels as stipulated in the Ghana Standards. Area served with borehole systems which do not receive any form of treatment recorded low pH levels and zero residual chlorine values.

Appreciable values of colour and turbidity were also recorded from some areas of the regions due to frequent pipe bursts from over age networks.

Table 10

NATIONAL SUMMARY OF TREATED		WATER COMPLIANCE PER REGION		FOR JANUARY-DECEMBER 2017	
REGION	(6.2-k-ELS)	each w 18mFul	INN M ow PRNut	Or/-Cred m ot. BILINpaa")	0001,114dtbeleilHML)
ROTA ATMA	100 %	100 %	99 %	99 %	100 %
RO2 SHANTI			99 %	99 %	100 %
RO3 WESTERN	99 %	99 %	99 %	99 %	100 %
RO4 CENTRAL	100 %	99 %	99 %	97 %	100 %
RO5 EASTERN	99 %	99 %	98 %	98 %	100 %
RO6 NORTHERN	100 %	99 %	98 %	97 %	100 %
RO7 VOLTA	91356	99 %	98 %	99 %	100 %
RO8 BRONG AHAFO	99 %	99 %	98 %	97 %	100 %
RO9 UPPER EAST	97 %	98 %	97 %	99 %	100 %
RO10 UPPER WEST	913 %	97 %	99 %	100 %	100 %
NATIONAL SUMMARY OF DISTRIBUTED		WATER COMPLIANCE PER REGION		FOR JANUARY-DECEMBER 2017	
REGROW	WNW., L		V.-. VI	Zil.-	
RO1A ATMA	100 %	100 %	100 %	99 %	100 %
RO2 SHANTI	99 %	99 %	97 %	97 %	100 %
RO3 WESTERN	99 %	99 %	99 %	97 %	100 %
RO4 CENTRAL	99 %	99 %	97 %	97 %	100 %
RO5 EASTERN	99 %	99 %	97 %	97 %	100 %
RO6 NORTHERN	99 %	99 %	98 %	95 %	100 %
RO7 VOLTA	99 %	100 %	98 %	96 %	100 %
RO8 BRONG AHAFO	96 %	95 %	95 %	95 %	100 %
RO9 UPPER EAST	97 %	99 %	97 %	95 %	100 %
RO10 UPPER WEST	98 %	98 %	97 %	98 %	100 %

1.3.7 NATIONAL WEIGHTED DISTRIBUTION WATER QUALITY COMPLIANCE CHALLENGES

1. Lack of adequate plant control test equipment in most of the systems: - This is impacting negatively on water treatment and water quality monitoring on the plants. Important data is being lost and the situation needs to be addressed.
2. Poor laboratory set-ups and inadequate facilities for most of the laboratories in the regions.
3. Inadequate staffing in the WQA department both at the head office and the regions
4. Lack of reliable means of transport for monitoring activities
5. Lack of reliable water treatment dosing equipment for most of the systems
6. Inadequate funding and budgetary allocations to Water Quality Operations
7. Most of our source waters are under severe threats due to increased pollution from illegal mining, municipal waste and agriculture and this is impacting negatively on GWCL's operations. Very high turbidity, colour, nutrients and some trace element values are being recorded from these sources.
8. Lack of shelter for filter beds in some of the water treatment systems: - The filter beds in some of the systems are not provided with shelters (housed). They are exposed to the sun light and other sources of contaminations. This is leading to rapid algae proliferation on the filter beds, poor filter performance and frequent rehabilitations.

1.3.8 OTHER OPERATIONAL ACTIVITIES WITHIN THE YEAR UNDER REVIEW

- Development Laboratory Quality Manual for the WQA Department.
- Capacity building in laboratory operations and strengthening water quality management for all region WQA manager and other officers in collaboration with USEPA and African Water Association.
- Training in Laboratory Operations, Water Quality Monitoring and management by MERCK (GH) Limited under the Water for Health Project in the Brong-Ahafo region.
- Water Safety Plans (WSP) Implementation:
 - Action Plans for the WSP implementation was submitted to the Ministry of Sanitation and Water Resources
 - Top management was sensitized on the need and the importance of WSP implementation

The Ministry of Sanitation and Water Resources, UNICEF and WHO are assisting GWCL in developing operation policy and manual for WSP implementation

- Proposal for New Regional Laboratories
 - a Criteria for Designing New Regional Laboratories developed and presented for management's approval

PENDING/ ONGOING ACTIVITIES

- Drafting of the Laboratory Quality Manual is at the final stage. Implementation is expected start in the second half of 2018.
- Development of operational manual and policy document Water Safety Plan (WSP) implementation. Implementation is expected to commence in the third quarter of 2017.
- Redesigning and building of new regional Laboratories. Evaluation Expressing of Interest for Consultancy in in progress.

Implementation of Quality Management Systems for Ghana Water Company Limited: Preparatory works are ongoing

1.4 Distribution Operations

Water distribution improved satisfactorily. The increase in production made more water available for distribution. GWCL continued to ration water in areas where water demand exceeded supply to ensure a more equitable distribution.

Improvement in distribution efficiency was also made possible through stocking the districts with the needed materials to facilitate prompt response faults.

2.0 Commercial Activities

2.1 Water Sales Performance

A total volume of **142,071,620m³** was sold in the year 2017. This is 8.9% (13,836,596m³) below the target for the year and 1.7% (2,319,358 m³) higher than that of 2016. The major reason for the non-achievement of the sales target was partly due to frequent leakages and burst especially in the ATMA regions resulting from improved pressures and customers becoming more conscious of their consumption.

The details of the sales performance is shown in table 2 below.

Table 11:

Fig 2:

					40,000	
					35,000	
					30,000	
Accra East	32,202	35,677	36,639 ⁰	-1.7%	25,000	
Accra West	20,956	20,731	22,804	-9.1%		
Tema	27,381	25,928	29,600	-12.4%	20,000	-2016 Actual Sales
Ashanti South	11,705	11,214	12,921	-13.2%	15,000	
Ashanti North	9,658	10,589	10,061	5.2%	10,000	-1-2017 Actual Sales
<u>Western</u>	<u>7,342</u>	7,152	7,680	-6.9%	5,000	
<u>Central</u>	9,948	10,842	11,269	-3.8%		Planned sales
Eastern	4,938	4,899	6,004	-18.4%		
Northern	5,068	5,108	6,055	-15.6%		
Volta	5,023	4,794	<u>7,008</u>	-31.6%		it
<u>Brong Ahafo</u>	3,594	3,190	3,920	-18.6%		8
Upper East	1,405	1,430	1,938	-26.2%	8	8
Upper West	529	<u>513</u>	342	50.0%		0
Total		142,066	155,903	-8.9%		ca

2.2 Billing Performance

The total water revenue was **887.1 million Ghana Cedis** for 2017, a decrease of 11.5% below that of 2016, and short of the target by 14.8%. The main reason for the decrease *in* Billing as against the previous year was due to the fact the company could not meet the sales target as explained *in* section 2.1 above and the downward review in the GHAPPHA, Bottled Water and Sachet Water tariffs as per what was used in planning.

The details of the Billing Performance is shown in Table 6 below.

Table 12:

Fig 3:

				-1300,000	
				250,000	
Accra East	216,252	236,078	247,364	-4.6%	5,200,000
Accra West	123,866	120,516	131,442	-8.1%	
Tema	211,237	191,019	249,436	-23.4%	1150,000
Ashanti South	74,028	69,840	82,030	-14.9%	
Ashanti North	50,400	51,488	55,717	-7.6%	100,000
Western	48,248	44,187	58,926	-25.0%	
Central	60,297	62,876	66,175	-5.0%	50,000
Eastern	29,611	29,326	35,570	-17.6%	
Northern	28,618	28,853	34,306	-15.9%	
Volta	29,203	26,922	40,891	-34.2%	
Brong Ahafo	18,285	15,384	20,761	-25.9%	
Upper East	8,060	7,905	11,425	-30.8%	
Upper West	2,785	2,675	7,729	-65.4%	
Total	1,921	887,116	1,041,472	-14.4%	

2.3 Collection Performance

Private collection for 2017 was GHC 651,613,706. The collection shows an increase of 11.6% when compared to that of 2016 and a decrease of 20.9% when compared to the 2017 target. Table 7 below shows the private collection performance.

Table 13:

Fig 4:

				250,000	
				, 200,000	
<u>Accra East</u>	<u>127,328</u>	<u>156,704</u>	<u>191,587</u>	-18.2%	150,000
Accra West	86,290	102,569	113,748	-9.8%	
Tema	157,507	164,877	222,528	-25.9%	100,000
<u>Ashanti South</u>	<u>38,620</u>	<u>40,552</u>	<u>51,551</u>	-21.3%	
<u>Ashanti North</u>	<u>32,817</u>	<u>35,973</u>	<u>44,539</u>	-19.2%	
<u>Western</u>	<u>29,698</u>	<u>31,513</u>	<u>44,986</u>	-29.9%	50,000
<u>Central</u>	<u>37,263</u>	<u>40,548</u>	<u>45,234</u>	-10.4%	
Eastern	17,554	20,688	26,845	-22.9%	
<u>Northern</u>	<u>17,704</u>	<u>18,618</u>	<u>27,358</u>	-31.9%	
Volta	18,561	18,937	29,237	-35.2%	
Brong Ahafo	12,213	12,235	15,800	-22.6%	
Upper East	6,386	6,307	9,363		
Upper West	2,183	2,093	915		
Total	584,125	651,614	823,692		

The total collection for 2017 was G1-11:t 668,887,164. The total collection shows an increase of 10.8% when compared to that of 2016 and a decrease of 32.0% when compared to the 2017 target. Table 7 below shows the total collection performance.

Table 14

Fig 5

						200,000
Accra	East	129,171	159,124	234,996	-32.3%	150,000
Accra	West	87,852	104,078	122,077	-14.7%	
Tema		160,484	166,945	236,706	-29.5%	100,000
Ashanti	South	39,588	41,373	77,219	-46.4%	
Ashanti	North	33,970	37,151	51,302	-27.6%	
Western		32,752	33,525	59,152	-43.3%	50,000
Central		41,104	42,929	60,576	-29.1%	
Eastern		18,747	21,916	33,527	-34.6%	
Northern		18,362	19,179	32,282	-40.6%	
Volta		20,037	21,112	38,839	-45.6%	
Brong Ahafo		12,848	12,879	19,678	-34.6%	
Upper East		6,641	6,558	10,709	-38.8%	
Upper West		2,289	2,117	6,322	-66.5%	
Total		603,846	668,887.164	98,3385	-32.0%	

The reason for the company not being able to meet her collection targets is the release of the new tariff which for many customers was high and could not immediately pay for it. Many customers are gradually getting adjusted to the new tariff thus the gradual improvement over the months.

2.4 Collection Ratio

The Private Collection Ratio (without MDAs) was 89.6% which is 4.9% higher than that of same period of 2016. The total collection ratio for year ending 2017 was 75.6% as against 72.8% achieved in 2016. The total collection was low because the cross debt facility which allows for 100% MDA collection has been abolished. MDAs now pay for their own bills but this is not working well. The task force put in place to sensitize MDAs to promptly pay their bills is gradually yielding positive results. Table 8 below shows how the regions performed,

Table 15

Total Collection Ratio				Private Collection Ratio			
Region				Region			
R0113	Accra East	61.4%	67.6%	R01B	Accra East	76.8%	86.0%
RO1C	Accra West	79.5%	86.8%	RO1C	Accra West	84.7%	92.6%
R01D	Tema	85.0%	88.0%	ROM	Tema	89.4%	93.7%
RO2A	Ashanti South	59.3%	59.5%	RO2A	Ashanti South	95.6%	91.1%
R028	Ashanti North	74.6%	72.5%	8028	Ashanti North	84.3%	81.8%
R03	Western Region	64.9%	76.3%	R03A	Western Region	70.8%	90.3%
R04	Central Region	72.1%	69.6%	RO4A	Central Region	88.6%	89.3%
R05	Eastern Region	78.0%	75.0%	805	Eastern Region	99.4%	90.3%
R06	Northern Region	77.2%	66.7%	R06	Northern Region	88.4%	82.8%
R07	Volta Region	76.6%	79.0%	R07	Volta Region	98.9%	94.8%
R08	Brong Ahafo Region	80.2%	84.6%	R08	BrongAhafo Region	96.2%	97.2%
R09	Upper East Region	92.1%	84.8%	R09	Upper East Region	101.6%	94.7%
R10	Upper West Region	87.5%	82.4%	R10	Upper West Region	98.6%	94.8%
Total		72.8%	75.6%	Total		84.7%	89.6%

2.5 CUSTOMER ACCOUNTS RECEIVABLE

The company continued in her effort to bring accounts receivable to 25% of the annual billed amount. Action taken to achieve this feat included embarking upon sensitization/awareness, campaign, implementing the procedure for disconnection and follow up, formation of teams to disconnect defaulters, implementation of alternative collection methods for rural areas, use of e-billing and e-collection, use of third parties as customer pay points, and court action (only as a last resort)

2.6 Customer Strength

The customer strength increased from 594,674 at the end of 2016 to 629,322 by end of 2017. This represents an increase of 5.8% over the year and an average increase of 0.48% per month. Domestic customers share increased marginally from 84.1% to 84.6%. The commercial and industrial component reduced from 14.6% to 14.2% whilst the MDA and Public Stand-pipes connections was 1.2% and 1.5% respectively for the year under review.

Table 16

Customers	2016	2017 % Contribution 2017	% Var 2016-2017	Fig 6		
				MDA too	Customer Strength,	Public Stand 2%
Domestic	496,227	532,305	83.0	7.27		
Commercial						
+ Industrial	87,662	89,552	14.0	2.16		
MDA	7,658	7,465	1.2	(2.52)		
Public Stand Pipes	9,146	9,631	1.5	5.30		
Total	602,709	640,970		6.35		

16.1 Contribution to Revenue

In 2017 the domestic consumers (having about 84% of customer strength) contributed 45.6% to the revenue as against 39.8% of last year, whilst the commercial and industrial customers, who constitute about 14.0% of the total number of customers, contributed about 33.6%, as against 36% in 2016 (a 2.4% reduction). The MDAs making up 1.2% contributed about 17.1% instead of the 22% of (2016) of the total revenue.

Table 17

BILLING (GHC)	2016	2017%	% Var		Revenue Segments
			Contribution	2016-2017	
			2017		
Domestic	408,311	419,908	45.6	2.84	Domestic
Commercial/	342,220	309,462	33.6	(9.57)	
Industrial					
Government/	150,386	157,724	17.1	4.88	
Institutional					
Other Revenue	34,133	34,477	3.7	1.01	Commercialj -
Grand Total	935,050	921,572			industrial 34%

2.6.2 Call Centre

The Customer Call Centre continued to perform its main function of providing quick and reliable responses to every enquiry. The centre is now very famous with the public. Clients are now familiar with the toll free calling system and thus easily alert the Company on all areas of concern. The number of complaints continues to increase by each year. We believe that every enquiry must be quickly and promptly dealt with. The average customer response time is reduced to 24 hours.

2.6.3 Challenges/Risk and Complaints

The major challenges in the customer care department continued to be illegal activities such as by-passes, illegal connections, tampering of meters by customers, installation of in-line boosters, improper billing, late or non-payment of bills etc.

Customer complaints were mostly irregular and no flows, wrongful billing, and poor water quality. Response time to Customers Complaints continued to improve. Prompt remedial actions were taken on these complaints in most cases.

We admit that our customers and the general consumers of water require more of us to get satisfied and this we desire to achieve.

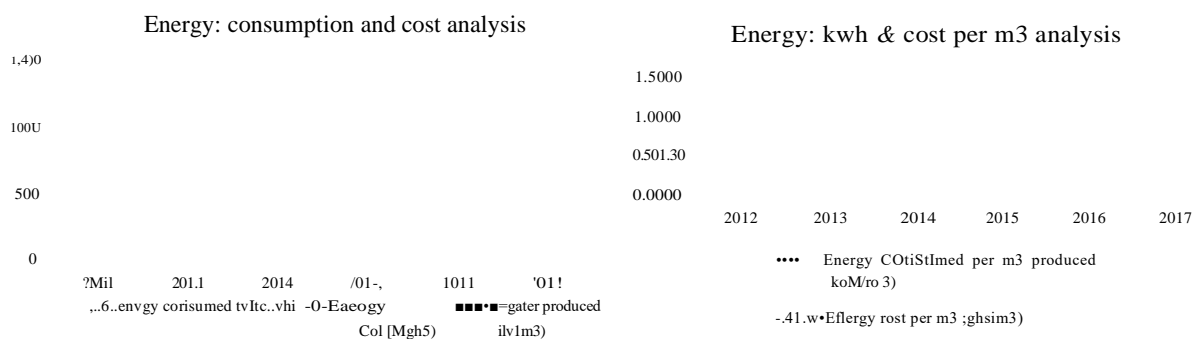
2.7 Energy Consumption

For the year 2017 Power consumption constituted about 38.3% of the total operating cost an increase of 0.3% compared to 2016. The marginal increase despite the increased offtake of the desalination plant was as a result of innovative techniques developed and implemented to minimize energy cost in the previous years which are yielding results. The major strategies included the installation and use of capacitor banks at our major head works, replacement of obsolete pumps and motors with energy efficient ones.

Table 18

Years	water produced (Mm3)	energy consumed (Mkwh)	Energy consumed per m3 produced (kwh/m3)	Energy Cost (Mghs)	Energy cost per m3
2012	255.0	180.4	0.7075	54.9	0.2153
2013	250.1	189.4	0.7573	64.8	0.2591
2014	248.0	171.4	0.6910	114.6	0.4620
2015	297.0	211.3	0.7114	157.6	0.5306
2016	298.7	302.3	1.0121	344.4	1.1529
2017	314.8	345.0	1.0961	326.8	1.0380

The overall performance in terms of energy use for the last six years is shown in the charts below. It can be seen that the production efficiency is dropped slightly over the previous year. This could be as a result of the desalination plant coming on board and also the ageing of equipment at some systems.



2.7.1 Regional Energy Analysis

The average cost of electricity per cubic meter of water produced in 2017 was highest in the Eastern Region with 3.4168 GHC/m3.

Table 19

Regions	Average cost of energy/m3 2016	Average cost of energy/m3 2017	Regional Energy Consumption Analysis
R01	0.7717	0.7379	
R02	0.8800	0.5094	
R03	0.6434	0.8023	
R04	0.9683	1.2622	
R05	2.4919	3.4168	
R06	0.8988	1.0863	
R07	1.6961	1.9882	
R08	0.6232	1.1535	
R09	0.9587	1.0125	
R10	1.5654	2.7057	

3.0 LOW INCOME CUSTOMER SERVICES (LICSU)

LICSU continues to ensure a more reliable, more affordable and safer water services to poor consumers.

In the year under review LICSU collaborated with stakeholders in the NGOs, private sector, academia, government and communities to ensure effective water services at scale for the poor.

3.1 Achievement in 2017

There was evidence that all water, sanitation and Hygiene (WASH) investments had significant health, economic, and development benefits and provided excellent value for money. GWCL through LICSU worked with partners like Vitens Evides International (VEI), Water and Sanitation for Urban Poor (WSUP), the Football for Water (F4W) Programme, local NGOs, etc. to deliver sustainable Water Sanitation and Hygiene (WASH) services to Low Income communities and schools. Through collaboration with partners, efforts have been made to integrate WASH in GWCLs programmes. Concrete steps have been taken to reduce inequalities and improve the quality of water services in communities and schools. Some of these are shown below.

3.1.1 Water Supply Infrastructure

GWCL working in partnership with Water for Life (W4L) extended water supply to the peri-urban poor at Acherensua in the Brong-Ahafo Region. The project improved on water supply to more than 9,000 low income consumers through the construction of a 50m³ high level storage tank, the extension of 2km 100mm distribution network and the construction of 10 standpipes.

- ii. GWCL working with WSUP delivered a water supply project to the urban poor at Fiapre Zongo community in Sunyani, Brong-Ahafo region. This project improved upon water supply to more than 9,000 low income consumers through the Drilling and mechanization of 2No. bore-holes, the construction of 5No. Water kiosks with metered standpipes for monitoring water sales,
- iii. A major initiative in the Ashanti Region is the extension of GWCLs network to selected low income communities in Kumasi. Major activities included the connection to GWCLs existing network at the edge of Adukrom and Akorem; construction of 80m transmission main (including a bulk flow meter) and a 250m³ high level concrete water tank, provision of 12.8km distribution network, construction of 640No. metered house connections and 39No. metered standpipes for monitoring water sales. Community structures have also been formed to enhance relationship between GWCL and customers in these areas.

3.1.2 WASH in Schools (WinS) Programme

The Football for Water (F4W) programme is a unique Dutch cooperation between the WASH sector and the world of football, with the ultimate goal of improving access to WASH infrastructure and to establish behavioural changes in WASH behaviour of children (in mainly) primary schools in Ghana, Mozambique and Kenya. Several Dutch organisations such as SIMAVI, UNICEF NL AND VEI in close partnership with local organisations are

implementing this programme in Ghana. GWCL is a local partner working in close collaboration with VEI and other local NGOs to deliver improved access to safe drinking water and sanitation facilities, to several primary schools in Ghana.

Under the F4W programme, GWCL set-up WASH infrastructure including life skills training for boys and girls for 42 schools in the Northern, Greater Accra and Central Regions of Ghana. Through this partnership, GWCL has been able to reach out to more than 52,000 pupils and their families since 2012. Through this program we have provided: improved health conditions for children; new life skills for boys and girls; increased entrepreneurship, local business development and employability.

3.1.3 The GAMA Project

LICSU continued working with the Project Planning Department of GWCL to implement the water related activities under the GAMA Project being implemented with grants from the International Development Association (IDA) of the World Bank. The overall goal of the project is to increase access to improved sanitation and water supply in the GAMA, with emphasis on low income communities, and to strengthen management of environmental sanitation within the jurisdiction of the project.

Generally, the project is expected to benefit the residents and visitors to GAMA, in terms of improved planning, implementation and management of environmental sanitation services and decreased pollution. At least 250,000 people living in low income communities are targeted to gain access to improved sanitation and water services. To achieve this, the project will support provision of community water points, household water connections and toilet facilities to people in low income areas, which would require expansion and improvements of the water distribution network as well as of the waste collection, treatment and disposal services.

The goal of the Low Income Customer Support component of the GAMA Sanitation & Water Project is to develop scalable innovative service delivery mechanisms and models that will promote equitable and affordable access to water supply for the selected LIUCs in the GAMA area. Best practice and lessons learned will be replicated by LICSU in other GWCL operational areas to enhance service delivery to LIUCs.

3.1.4 Community Engagement

A community engagement program was initiated under the GAMA project in the year under review to increase community involvement in service provision and promote greater accountability and good governance. Under this program, a community entry and mobilization program to **inform** and sensitize residents in more than thirteen (13) LIUCs about their aspirations for water services has been done. Three key messages were delivered at each of the meetings on improving access to water as follows:

- Access to safe, reliable and affordable water enables improved health and livelihood;
- GWCL is improving its distribution network so residents in LIUCs to enable increased access either at the standpipe or through household connections;
- Service connection fees have been subsidized (by more than 300% to GHC200.00) and paperwork and other requirements significantly reduced (applicants only need a passport photo and a valid identity card to apply for a connection).

After delivery of key messages, residents were given the opportunity to ask questions and provide feedback on the GAMA Project and GWCL's services in their operational areas.

3.1.5 Water Demand Promotion

The community engagement program culminated in a drive for new service connections which was christened 'Water Demand Promotion.' Activities carried out under this program involved the Distribution of leaflets and posters containing relevant information and graphics on household connection processes; House to house outreach targeting landlords, tenants, and groups in the selected communities; Assisting prospective applicants to complete and sign new service connection application forms and agreement templates as well as picking all necessary information to help prepare the new service connection estimate including proper measurement to the proposed point of connection.

So far more than one thousand customers have indicated their willingness to access their own private connections. All of these were made possible as a result of new service connections being subsidized by more than 300% per cent. Reducing the cost of new service connections for customers in LIUCs in GAMA, eliminating all forms of paperwork and delays in acquiring new service connections and setting-up temporal NSC offices within the LIUCs to carry out registration, inspection, estimate preparation, material requisition and connections of prospective applicants/beneficiaries.

4.0 Human Resources Management

4.1 Organization and Management

Ghana Water Company Ltd has the sole responsibility of both operations and asset management of urban water in Ghana.

4.1.1 Staffing Strength

The total staff strength of the company at the end of 2017 was 4,328. There was an increase of 3.60% over the 2016 staff strength of 4,178. This total staff strength was made up of 3,886 regular staff and 442 non-regular staff. This also comprised 3,512 (81.15%) male and 816 (18.85%) female. The regular staff was made up of 3,209 junior staff and 677 senior staff.

4.1.2 Recruitment

A total number of 270 staff consisting of 20 senior staff, 226 junior staff and 24 non regular staff were recruited during the period under review to augment the operations of the company and also to fill various vacancies.

RECRUITMENT	TOTAL
Senior	20
Junior	226
Non Regular	24
TOTAL	270

4.1.3 Separation

Total attrition for the period under review stood at 212. The table below shows the type of attrition and their respective headcounts.

Table 20

TYPE OF ATTRITION	SENIOR	JUNIOR	NON <i>REGULAR</i>	TOTAL
Retirement	51	116	5	172
Resignation				
Deceased	2	9		11.
Termination/ Dismissal	1	8	18	27
Leave of Absence	1	1		2
TOTAL	55	134	23	212

4.1.4 Discipline

Disciplinary actions were taken against various staff for flouting standard operating procedures and work ethics. The table below depicts the type of punishment applied:

Table 21

TYPE OF DISCIPLINARY ACTION	HEADCOUNT
Dismissal	
Termination of Employment	5
Interdiction	
Removal from Office	
Warning	11
Demotion	1
Suspension Without Pay	4
TOTAL	23

4.1.5 Capacity Building

A total of 1,824 members of staff were engaged in various capacities to update their knowledge and skills in their respective fields. The table below shows the type of training and the corresponding number of staff who benefited from it.

Table 22

TYPE OF TRAINING	NO. OF PARTICIPANTS
Local	1,749
Tertiary Courses	2
Overseas	73
TOTAL	1,824

5.0 TECHNOLOGY AND INNOVATION

The Technology and Innovation department aims to be the technological wheel that drives GWCL towards operational and commercial excellence. It was formed late 2017, from the agglomeration of four existing technology related departments: Geographic Information Systems (GIS); Information Communication Technology (ICT); Metering and Non-revenue Water Reduction (NRW); and Research. The following projects and activities were carried out in 2017 by the department as individual units before agglomeration and as a body corporate following the merger.

5.1 Electronic Billing Project

The e-Billing Project was undoubtedly the flagship project of the department in 2017; its objective was to significantly improve customer billing and consequent collection of revenue by introducing technology. The project was modelled to conform to existing policies and procedures regarding customer billing such that the purity of such policies would be preserved. It commenced in the second half of 2016 on pilot basis in the Tema region, then scaled to Accra East, Accra West, Central, Western, Ashanti North, and Ashanti South Regions all in 2017.

Within the year in review, all customer databases which used to be isolated per district were consolidated as one to allow for access anywhere on the globe. The project in 2017 developed the following applications: e-Reader; e-Cashier; e-Manager; and Online Service Application portal. Through these applications, Customer Care Assistants in the seven aforementioned regions now read customer meters using android based devices. Customers receive their bills electronically through SMS and e-mails, and they are also able to make bill payments using Mobile Money (MTN, Vodafone, and Tigo); Expresspay; Slydepay and through online banking applications of their banks.

5.2 Asset Validation and Mapping

One of the core functions of the department is the development and management of a Spatial Decision Support System (SDSS), which feeds directly into the vision of the department. GWCL's main 'spatial assets' remain its water transport and distribution systems; pumping stations; and connected customers. Validation and Mapping of these assets is the main backbone to developing such a decision support system. Asset validation and mapping begun within the decade in the Accra Tema Metropolitan Area, and subsequently in Kumasi, Cape Coast, Tamale and other major cities.

For the year in review, asset validation and mapping was conducted in the Tema; Accra East; Accra West; and Northern Regions. In all, about 300km length of pipe mains of hydraulic significance (mainly from DN110) were validated and mapped in all regions combined. Validation involved being present at the location of the asset and capturing it using a GWCL prescribed GPS to attain the accepted standard sub-foot accuracy.

5.3 Network Modelling

Hydraulic Network Models are a replica of the actual water transport and distribution system. They simulate network operations and provide reliable prediction of the behaviour of the network under various conditions. In 2017, the department together with Messrs Mott McDonalds, updated an existing network model of the GAMA water network to reflect the

prevailing conditions of the network. The model has since been used to analyse various scenarios to improve the operations of the GAMA water system.

Development of the model involved validating key hydraulic installations within the supply area, pulling operational data and analysing them. Within the year, flow and pressure measurements were conducted at various strategic positions to partly calibrate the network to at least bear some semblance to the physical network. Apart from GAMA, similar exercises were carried out for the Hydraulic Models for the Kumasi city, Obuasi, and Tamale independent of a consultant.

5.4 Smart Metering

Smart meters as used here refers to meters that have the function of transmitting their registered values, it does not include meters with mechanical or moving parts. The department in 2017 led the company in procuring (under the GAMA Project) 40,000 smart meters for installation within the GAMA area. These meters measure flows based on ultrasonic principle and approved for potable water applications, they have in-built storage to store flow data for at least one calendar year.

The procurement of these meters forms part of the company's drive to introduce more technology in the daily operations of the company, and the T&I department is leading that process.

5.5 Telemetry Project

In the concerted effort to reducing Non-revenue Water, the role of the department is central to all interventions. One major intervention is the delivering of a Telemetry project under the umbrella of GAMA Water Sanitation and Water Project. The project objectives seek to make flow, pressure, level and water quality data readily available and on demand for improved operational efficiency. It is being implemented within the GAMA water supply area covering Accra West, Accra East and Tema regions. After the completion of the project in 2018, accurate water budgeting can be generated for all three regions *in* GAMA, as well as the availability of accurate pressure, level and water quality data on the GAMA network.

In 2017, the department together with SETEC Engineering as consultants, completed field assessment which is a precursor to implementing the main components of the project. By end of 2017 a Master Plan for implementing Telemetry on the GAMA network was ready, pending approval and funding to implement.

5.6 Cyber Security Project

As GWCL makes giant strides in introducing technology in its operations, a major concern for all stakeholders is the security of data and the ability of third parties to intrude GWCL's systems. The department thus, in 2017 began the implementation of a project to ensure that the security of all GWCL's technology systems is beyond reproach.

The full implementation of the project will plug all vulnerabilities in the IT Network of GWCL, and it is expected to be completed within 2018.

•

The NRW for the year 2017 was 54.9%, which is about 7.1% worse than the target and 1.7% worse than that of 2016. In 2017, the main reason for the non-achievement of the annual target was due to numerous leakages and burst in the affected regions as a result of high pressures recorded and weak pipelines. The details are shown in the table below 3.

Fig 3:

6.0 Projects Development

6.1 Completed Projects

Several water supply projects were completed from 2011 to June, 2015 in the Greater Accra, Eastern, Central, Brong Ahafo and Ashanti Regions of Ghana.

Details of individual projects and their respective impact on GWCL's systems and level of service rendered to customers are provided herein.

6.1.1 Koforidua Water Supply Project (Phases I, II & HI)

The Koforidua Water Supply Project was undertaken in three phases at a total cost of 51.25 million Euros.

The scope of works included construction of 4.2 million gallons /day (19,200m³/d) water treatment plant, laying and reinforcement of transmission lines as well as improvement and extension of the distribution network for Koforidua and neighbouring villages and New Tafo Water Supply improvement works. The project has made potable water available to towns such as Okrase, Otoko, Ada, Effiduase, Jumapo, Asokore, Suhlyen and all villages along the transmission line from Oterkpolu to Koforidua.

The project was completed in July 2011.

6.1.2 ATMA Rurals Water Supply (North & South of Kpong)

Regarding the North of Kpong works component, the scope of works comprised; construction of 14,000m³/d water treatment plant, supply and laying of transmission pipeline, supply and laying of distribution pipelines.

For the South of Kpong works component, the scope of works comprised; construction of 28,000m³/d water treatment plant, supply and laying of transmission pipeline (59km and 7km of 600mm and 400mm respectively), distribution improvement works (51km of 100mm) and construction of 4No. reservoirs for the south of Kpong component.

The cost of the North and South of Kpong components were US\$19,698,000.00 and €41,029,000.00 respectively. The project commenced in October, 2009 and was completed in October, 2014. Beneficiary areas include those in and around Kpone, Prampram, Old Ningo, New Ningo and Dahwenya. Other settlements to benefit under the project include Michel Camp, Afienny, Doyum, Kodiabe, Agomeda, Medie, Ayornya, Ayikuma, Menyum, Dodowa, Bafawshi, Oyibi, Amrahia, Amanfro, Oshiyie, Frafraha, Abokobi and Pantang.

Also, towns in the Eastern Region including those areas lying along the road from Akrade, Senchi, New Senchi through Atimpoku, Juapong, Frankadua, Apeguso to Aboasa and then from Agomanya, Odumasi, through Somanya to Sra, Ogome, Akorley, Asesieso to Akwamufie, Apirede, Adukrom, Awukugua, Dawu, Akropong, Mamfe, Amanokrom, Mampong, Tutu, Obosomase, Ahwerease, Aburi, Gyankama, Kitase, Berekuso, Peduase and Ayi Mensa are benefiting from the project.

6.1.3 Kwanyaku to Kasoa Interconnection Water Supply Project

The project involved the transmission of water from Kwanyaku Treatment Plant to a reservoir in Kasoa.

The benefit of this project has been the weaning off of Kasoa area from Weija Headworks thereby freeing about 7 million gallons of water daily into the Accra distribution network to

improve supply to the seriously distressed eastern parts of the Metropolis namely East Legon, Medina and Adenta. The project was undertaken at a cost of 12.23 million Euros.

6.1.4 Mampong Water Supply Project

The scope of works comprised; rehabilitation of existing water treatment plant (2,500m³/d) and construction of a new water treatment plant (10,500m³/d).

The project which has improved water supply to areas such as Darmang, Daaho, Basafour, Besease, Kyeremfaso, Krobo, Mpenya, Dadease, Bonkron, Nsuta and Beposo is estimated at US\$23,112,000.00.

6.1.5 Kpong Water Supply Expansion Project

The scope of works comprised; construction of a new 186,000m³/day water treatment plant, supply and laying of new transmission mains from Kpong through Dodowa to Accra and distribution improvement works.

The project which has improved water supply to areas such as Adenta, Medina, Kwabenya, Ashongman, North, East, and West Legon, Ashaley Botwe, Heats^o, Boi, Asofaa, Dome, and surrounding areas was implemented at US\$273,000,000.00.

6.1.6 Kpong Intake Rehabilitation and Expansion Project

The scope of works comprised; rehabilitation of the existing Kpong intake station and installation of 15,000m³/d water packaged plant.

The project which has optimized the abstraction of water at the intake station for treatment by the various water treatment plants at Kpong was estimated at €16,570,000.00.

6.1.7 Teshie-Nungua Desalination Plant Project

The scope of works comprised mainly of installation of 60,000m³/d Sea Water Reverse Osmosis (SWRO) plant.

The project which was implemented on a Build, Own, Operate and Transfer arrangement (PPP) commenced in November, 2012 and achieved Commercial Operation Date in February, 2015 at an estimated cost of US\$115,000,000.00.

Under the arrangement, the private developer, Messrs Befesa Desalination Developments Ghana Limited, is expected to sell bulk water to GWCL at a contracted tariff of US\$1.37/m³ for a concessionary period of 25 years. It cost GWCL an additional US\$ 0.2/m³ for the distribution to consumers.

Areas that are benefiting from the project include Teshie, Nungua, Burma Camp, GREDA Estates, Spintex, Baatsona, Sakumono, parts of La-Dadekotopon Lashibi, and surrounding communities. Also, the project has weaned off the above-mentioned areas from Kpong Headworks thereby freeing more than 6 million gallons of water daily into the Accra and Tema distribution network to improve supply to the seriously distressed parts of the Metropolises.

6.1.8 Essakyir Water Supply Project

The scope of works for phase 1 comprised construction of new water treatment plant of capacity 3.2 million gallons per day, supply and laying of 38km transmission mains and distribution network improvement works (15km). The second phase of the project involved distribution pipeline improvement works. The entire cost of the project was €23,490,000.00.

Communities that are benefiting under the project include Ekumfi Otuam, Mumford, Dago, Mbroboto, Ekuampoano, Muna, Aboano, Sefara, Esuehyia, Akra, Asaafa, Etwaa, Nakwa, Asokwa, Abeka and Ekumfi Swedru.

6.1.9 Peri -Urban Water Supply Project at Berekum

The scope of works comprised drilling and mechanization of boreholes (506,000 gallons per day), supply and laying of 8.52km transmission and 19.62km distribution pipeline and construction of 41 No. stand pipes. The cost of the project was €1,410,000.00

6.1.10 Kumasi Water Supply Project (Additional Works)

The total estimated cost for the Kumasi Water Supply Project was Euro 13,000,000.00 including Engineering Supervision.

The scope of works of the project included construction of a new 27,000m³ (6million gallons) a day water treatment plant at Barekese, transmission / distribution pipeline improvement works and reforestation.

6.1.11 Five Towns Water Supply Project (Osenase, Apedwa, Anyinam, Kibi and Kwabeng)

The scope of works comprised; installation of water packaged plants at each site (totaling 1.54 million gallons per day) and transmission / distribution pipeline improvement works. The cost of the project was €7,900,000.00.

6.1.12 Wa Water Supply Project

The project entails the construction of a 3.3 million gallons daily treatment plant and transmission and distribution network improvement works.

Communities to benefit under the project include Wa Metropolitan Area, University for Development Studies Campus, Jamgoasi, Kong, Guo, Pase, Dorimon, Boro, Siriyiri, Bamaho, Boll, Buro, Chaira, Kolongo and Kperisi.

The project which commenced in February, 2013 was completed in June 2017. The estimated cost of the project is US\$55.50 million.

6.1.13 Kwahu Ridge, Konongo and Kumawu (3Ks) Water Supply Project

The scope of works comprises; rehabilitation of the Kotoso water treatment plant (WTP) to its installed capacity, and expansion of the Konongo WTP, construction of a new WTP at Kumawu and transmission / distribution pipeline improvement works.

The project commenced in June, 2010 and achieved completion by September, 2016. The cost of the project is US\$252 million.

6.1.14 Nsawam Water Supply Rehabilitation and Expansion Project - Phase I

The project involves the construction of a new 1.7 million per day treatment plant and distribution improvement works.

The project which commenced in 2012 achieved completion in 2015. The cost of the project is estimated at €11.7 million.

6.1.15 Cape-Coast Water Supply Project

The project involves the construction of approximately 19.5km of 500mm Ductile Iron pipeline, construction of approximately 23.5km transmission extensions of 200/315/500mm diameter HDPE pipelines, construction of reservoirs and booster stations. The project is expected to improve the reliability of the reticulation system of Cape Coast.

The project is estimated at 20 million Euros.

6.1.16 Civil and Electro Mechanical Works for the Rehabilitation and Expansion of Supply Systems

The project involves the Construction of a Water treatment plant with transmission, distribution pipelines and mechanization of Boreholes in the selected townships.

The project which was completed between 2014 and 2016 at the various sites is estimated at US\$83.62 Million plus 8.65 Million Ghana Cedis.

6.1.17 Subsequent Year Investment Programme (SYIP) in the Eastern Region

The project involves electromechanical and pipeline works. The project which was completed in 2016 is estimated at 2.29 Million Ghana Cedis.

6.1.18 Pipeline Replacement and Reservoir Maintenance Works

To reduce system losses, GWCL embarked on a number of pipeline replacement / improvement works, storage tanks maintenance works and water treatment plants repair works in several locations nationwide. The cost of the works was GHS9, 910,000.00.

6.2 On-going Projects

In our bid to expand our existing systems to meet the water demand of customers and also to reduce system losses and bring it to the minimum allowable loss of 30%, GWCL is embarking on a number of projects with design year of 2025.

Some of the projects are also introducing smart meters to replace the existing metering devices at the various MDAs and high consumptive users' premises which have numerous challenges including accessibility to meters for reading by GWCL and the difficulty to receive payments for water used by the MDAs and other high consumptive users.

6.2.1 Akim Oda, Akwatia and Winneba Water Supply Project

Under the project, a new water treatment plant of capacity 33,000m³/day has been constructed at Akim Oda to serve both Akim Oda and Akwatia. The beneficiary communities under the Akim Oda component include Akim Manso, Atankama Nkwanta, Aboaboa and Batabi while settlements to benefit from the Akwatia water scheme are Bawdua, Topreman, Bamenase, Ghana Consolidated Diamond Camp, Asubone Camp No 4, Anhwiaso and Moframfadwen.

As part of the project, the existing Winneba Water Treatment Plant will also be rehabilitated to restore it to its original capacity of 3 million gallons a day. The project will serve Winneba Township and surrounding communities including Mpota, Gyahadze, Okyereko, Nsuekyir, Esubonpanyin, Pomadze, Ansafu, Bewadze, Gomoa Mampong, Daggu, Mankoadze, Mprumem, Nkroful, Onyadze, Otsew, Simbrofo, Ankamu and Apam.

The estimated cost of the project is \$164.94 million. The project is substantially completed with minor works to be carried out to allow for commissioning of the project.

6.2.3 Sogakope-Lome Water Supply Project

This is a trans-boundary water project being implemented with the Republic of Togo. The African Development Bank (AfDB) is financing the updating of the feasibility study and Environmental Impact Assessment reports.

The preparatory phase of the project estimated at €2,195,000.00 will enable Togo anchor its water supply from the Volta River at Sogakope, for delivery to Lome. All the towns and villages along the pipe route in Ghana will be supplied with potable water to be produced under the project.

The beneficiary communities include Agordome, Sogakope, Abor, Agbozume, Akatsi, Denu and Aflao in Ghana and Lome and Segbe in Togo.

6.2.4 Greater Accra Metropolitan Area (GAMA) Sanitation and Water Project

The Greater Accra Metropolitan Area (GAMA) Sanitation and Water (GAMA) Project is being undertaken through the Ministry of Local Government and Rural Development (responsible for sanitation activities) and Ghana Water Company Limited (responsible for water supply activities). The aim of the project is to increase access to improved sanitation and water supply in the GAMA, with emphasis on low income communities.

As part of the project, the existing water supply master plan for GAMA will be updated to guide future operations and infrastructure developments. Also, the water distribution network in the GAMA will improved and expanded in order to provide piped water to people living some selected low income communities in particular and GAMA in general.

Telemetry and SCADA systems will be installed to remotely manage the water supply network and also to reduce system losses.

The water supply activities which are directly under the mandate of GWCL is estimated at 48.1 million United States Dollars and expected to be completed by December, 2019.

6.2.5 Pipeline Replacement, Reservoir Maintenance and Water Treatment Plant Repair Works

To further reduce system losses and also sustain production at our water treatment plants, GWCL embarked on a number of pipeline replacement / improvement works, storage tanks maintenance and water treatment plants repair works in several locations nationwide. The cost of the works is GHS18.5 million Ghana Cedis.

The works are at various stages of completion.

7.0 Financial performance

7.1 REVENUE

The Company earned a revenue of GH0385.4 million for the year ended 31st December, 2017. This is a decrease of GH24.1 or 2.7% compared to GH909.6 earned in the period ended 31st December, 2016.

Comparing the revenue of GH0385.4 to the target of GH1,046.0 billion set for the year ended 31st December, 2017, an adverse variance of GH0160.6 million or 15.3% was registered.

Below is a table of figures recorded for the revenue categories for the period.

Table 24

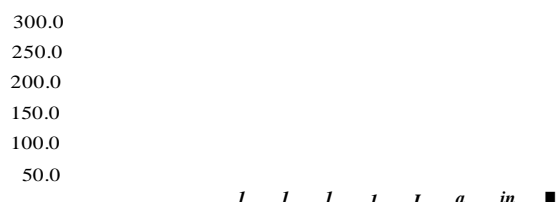
WATER REVENUE CATEGORY	2017 (GHC MILLION)	2016 (GHC MILLION)	INCR/(DEC R)
PRIVATE CUSTOMERS (METERED & UNMETERED)	702.6	725.8	-3.2%
GOVERNMENT INSTITUTIONS	152.4	156.7	-2.8%
GENERAL WATER RATES	12.5	12.6	-0.5%
SEWERAGE SALES	17.9	14.5	23.9%
	885.4	909.6	-2.7%

The Accra East Region contributed the highest to Water Sales accounting for 27.1% for the year ended December 2017. Tema Region followed with 21.5% before Accra West recording 13.7%.

Table 25

REGIONS	Dec-17 GHC'M	Contribution to Water Revenue 0/0
Accra East	240.5	27.1%
Accra West	121.8	13.7%
Tema	191.1	21.5%
Western	44.3	5.0%
Central	62.3	7.0%
Ashanti South	68.8	7.8%
Ashanti North	51.0	5.7%
Eastern	28.6	3.2%
Volta	24.6	2.8%
Brong Ahafo	15.3	1.7%
Northern	28.4	3.2%
Upper East	8.1	0.9%
Upper West	2.7	0.3%
	<u>887.5</u>	<u>100.0%</u>

WATER REVENUE BY REGIONS



7.2 OTHER INCOME

Other Income for the period ended 31st December, 2017 was GH424.3 million resulting in an increase of GH411.3 million against the December 2016 figure of GH1013.0 million. Other Income which is a non-water income include revenue from the service units in Tema and Kumasi and the Central Stores in Tema. Also included in this figure are sundry income, new service connections and reconnection fees from the regions.

7.3 EXPENDITURE

7.3.1 COST OF OPERATIONS

Total expenditure is classified by Activity and Operations. The Expense Activity making up Cost of Operations is shown below:

Table 26

<u>EXPENSES (ACTIVITY)</u>	<u>AMOUNT</u> (GHC'M)
Production Cost	427.3
Transmission Cost	22.0
Distribution Cost	91.0
Commercial Cost	92.5
	<u>632.9</u>

Total Cost of Operations amounted to GH 632.9 million for the period resulting in a Gross Profit of GH52.6 million. A budget of GH37.2 million was made for the cost of operations creating a favourable variance of GH44.3 million or 0.7%.

7.3.2 ANALYSIS OF TOTAL EXPENDITURE BY ACTIVITY

The total operating expenditure classified by activity is depicted below:-

<u>ACTIVITY</u>	<u>AMOUNT (MILLION) BUDGET</u>	
Production Cost	427.3	473.0
Transmission Cost	22.0	33.4
Distribution Cost	91.0	67.7
Commercial/Marketing	92.5	63.0
General Administrative	<u>171.2</u>	406.4
	<u>804.1</u>	<u>1,043.6</u>

7.3.3 DETAILED OPERATING EXPENDITURE

Electricity Cost contributed the highest percentage to the Total Operating Expenditure accounting for 34.6% followed by Personnel Cost with 23.2%. The high Electricity Cost is accounted for by the increase in electricity tariff whilst salary adjustments due to promotions contributed to the increase in personnel cost.

The Laboratory and analytical cost contribution to operating cost was 0,1% recording the lowest contribution of total cost.

Repairs & maintenance cost contributed 14.4% to the operating cost and also decreased by 13% from December, 2016.

Water Chemical cost recorded a decrease of 19% in actual cost incurred over December 2016.

Below is a table and a graph on the operating expenses.

Table 27

OPERATING EXPENSES	AMT IN GH¢M	%	<u>GHANA WATER CO. LTD</u>			
			<u>OPERATING EXPENSES</u>			
Personnel Cost	182.43	22.69				
Water Treatment Chemical Cost	46.63	5.80				
Electricity Cost	272.40	33.88	300.00	250.00		
Fuel and Lubricant Cost	10.99	1.37	200.00			
Materials Cost	27.03	3.36	150.00			
Lab and Analytical Cost	0.55	0.07	100.00			
Hiring of Equipment Cost	104	0.13	50.00			
Overheads	89.84	11.17		I	I	I I
Repair and Maintenance Cost	113,20	14.08				
Depreciation		0.00				
Finance Cost	19.55	2.43				
Bank Charges and Others	40.40	5.02				
	804.07	100.00				

GHANA WATER COMPANY LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 <u>GHS</u>	2016 <u>GHS</u>
Revenue	2	885,430,340	909,555,959
Cost of Operations:	3		
Production Cost	3a	427,342,690	424,923,478
Transmission/Boostering Cost	3b	22,011,474	27,672,692
Distribution Cost	3c	90,997,765	73,006,161
Commercial/ Marketing Cost	3d	<u>92,526,431</u>	<u>104,584,052</u>
Total Cost of Operations		<u>632,878,359</u>	<u>630,186,384</u>
Gross Profit		252,551,981	279,369,576
Other Income	4	24,346,554	13,042,334
General Administration and Other Costs	5	<u>(151,634,813)</u>	<u>(171,643,662)</u>
Profit Before Finance Cost		125,263,721	120,768,248
Finance Cost	6	<u>(19,553,256)</u>	<u>(19,630,307)</u>
Profit for the Year		105,710,465	101,137,940
Other Comprehensive Income			
Total Comprehensive Income For The Year		<u>105,710,465</u>	<u>101,137,940</u>

GHANA WATER COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

ACCOUNT TITLE	NOTES	2017 DRAFT	2016 AUDITED
Non Current Assets		<u>GHS</u>	<u>GHS</u>
Property, Plant & Equipment	7	3,001,662,385	2,765,272,415
Investment Property	8	<u>2,267</u>	<u>2,267</u>
Total		<u>3,001,664,652</u>	<u>2,765,274,682</u>
Current Assets			
Inventories	9	142,272,440	43,292,106
Receivable	10	761,279,348	596,228,918
Investments	11	838,737	740,291
Bank and Cash Balances	12	<u>93,396,249</u>	<u>64,645,425</u>
Total		<u>997,786,774</u>	<u>704,906,740</u>
Total Assets		3,999,451,427	3,470,181,422
Equity and Liabilities			
Equity and Reserves			
Stated Capital	13	1,250,000	1,250,000
Government Deposit for Shares	14	193,226,221	193,226,221
Development Financing		2,011,949,588	1,890,382,850
Income Surplus/ (Deficit)		<u>136,302,676</u>	<u>(42,414,395)</u>
Total Equity and Reserves		2,342,728,485	2,042,444,676
<u>Long Term Liabilities</u>			
Long Term Loans	15	700,086,439	655,367,395
Provision for Defined Benefit Obligations	16	<u>16,048,606</u>	<u>16,048,606</u>
Total Long Term Liabilities		716,135,045	671,416,000
Current Liabilities			
Current Portion of Long Term Loans		152,529,655	152,529,655
Payables	17	<u>788,058,242</u>	<u>603,791,090</u>
Total Current Liabilities		940,587,896	756,320,745
Total Liabilities		1,656,722,942	1,427,736,745
Total Equity and Liabilities		3,999,451,426	3,470,181,421

5 PROPERTY PLANT AND EQUIPMENT

COST

Description	At 01/01/2017	Additions	Adjustment	Disposals/Transfers	At 31/12/2017
	GHS	GHS	GHS	GHS	GHS
Structures	1,174,116,885	6,431,412	1,536,387	(229,470)	1,181,855,214
Machinery and Equipment	323,447,619	41,473,265	(1,551,678)	-	363,369,205
Motor Vehicles	25,758,652	7,800,389	(6,380)		33,552,661
Construction in Progress	<u>1,513,535,157</u>	<u>180,936,047</u>			<u>1,694,471,204</u>
	3,036,858,313	236,641,113	(21,671)	(229,470)	3,273,248,285

Depreciation

	At 31/01/2017	Charge for The Year	Adjustment	Disposals	At 31/12/2017
	GHS	GHS		GHS	OHS
Structures	170,632,746				170,632,746
Machinery and Equipment	84,338,872				84,338,872
Motor Vehicles	<u>16,614,282</u>				<u>16,614,282</u>
	271,585,899				271,585,899

Net Book Value At

31/12/2017	3,001,662,385
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COST

Description	At 01/01/2016	Additions	Adjustment	Disposals/Transfers	At 31/12/2016
	GHS	GHS	GI-IS	GHS	GHS
Structures	689,832,286	484,284,598			1,174,116,885
Machinery and Equipment	230,411,033	93,036,586			323,447,619
Motor Vehicles	24,822,231	936,421			25,758,652
Construction in Progress	<u>1,679,875,659</u>	<u>(166,183,539)</u>		(156,963)	<u>1,513,535,157</u>
	2,624,941,209	412,074,066		(156,963)	3,036,858,313

Depreciation

	At 01/01/2016	Charge for The Year	Adjustment	Disposals	At 31/12/2016
	GHS	GHS		GHS	GHS
Structures	237,618,394	28,417,179	(95,403,030)		170,632,746
Machinery and Equipment	56,586,376	24,138,340	3,614,353		84,338,872
Motor Vehicles	<u>15,501,786</u>	<u>2,468,767</u>	<u>(1,356,264)</u>		<u>16,614,282</u>
	309,706,556	<u>55,024,286</u>	<u>(93,144,941)</u>		

Net Book Value At

31/12/2016	2,765,272,414
------------	---------------

INVENTORY	2017 GHS	2017 GHS
At 31 December,	142,272,440	43,292,106

RECEIVABLES	2017 GHS	2017 GHS
Trade receivables - Private customers	395,448,833	311,946,835
Provision for doubtful debts	<u>(129,560,013)</u>	<u>(103,576,325)</u>
	265,888,820	208,370,510
Trade receivables - Government	473,857,614	353,978,615
Staff Loans and Advances		12,940,029
Other Debtors and Prepayment	<u>21,532,915</u>	<u>20,939,763</u>
	<u>761,279,348</u>	<u>596,228,918</u>

LONG TERM LOANS

	Balance at 1/1/17	Repayments	Additions	Exchange Difference	Balance 31/12/1
	GHS	GHS	GHS	GHS	GHS
IDA 160 GH	1,080,374			55,428	1,135,802
IDA 499 GH	5,656,930			290,231	5,947,161
ADB ICS GH/PU/74/002 SL	2,533,794			129,996	2,663,790
ADB ICS GH/PU/74/002	1,554,026			79,731	1,633,757
Italian Government	4,118,254			211,288	4,329,542
CFD 52/241/02	1,925,288			372,750	2,298,037
OECF NO GH 7	139,791,680			12,814,238	152,605,91
Austrian Government	54,523,815			10,556,204	65,080,01c
Nordic Fund No. 106	22,794,887			2,585,320	25,380,20
ADF/GHA WSR	21,465,866			3,180,480	24,646,34f
China Gezhouba	539,860,770				539,860,7;
Provident Fund - Medium Term	2,000,000		8,000,000		10,000,00C
Societe Generale - Medium Term	1,676,508		13,943,379		15,619,887
Provident Fund - Medium Term	<u>8,914,857</u>	<u>(7,500 ,000)</u>			<u>1,414,857</u>
	<u>807,897,050</u>	<u>f7,500,000)</u>	<u>21,943,379</u>	<u>30,275,666</u>	<u>852,616,0</u>
Current Portion	<u>152,521,655</u>				<u>152,529,6</u>
Long Term Portion	<u>655,367,395</u>				<u>700,086,4</u>

APPENDIX
GHANA WATER COMPANY LIMITED

RATIO ANALYSIS FOR THE PERIOD ENDED 30TH SEPTEMBER, 2017
RATIOS

LIQUIDITY RATIO		Dec-17		Dec-16	
CURRENT RATIO	- <u>CURRENT ASSETS</u>	<u>997,786,774</u>	1.1	1	<u>704,906,740</u>
	0.9:1				
	CURRENT LIABILITIES	940,587,896			756,320,745
QUICK/ACID TEST RATIO	— <u>CURRENT ASSETS - STOCK</u>	<u>855,514,334</u>	0.9		<u>661,614,634</u>
	0.9	:1			
	CURRENT LIABILITIES	940,507,896			756,320,745
RECEIVABLES COLLECTION PERIOD	<u>TRADE RECEIVABLES</u>	<u>761,279,348</u>	156 days		<u>596,228,918</u>
	152 days				
	WATER SALES	885,430,390			909,555,959
CASH RATIO	= <u>CASH AND CASH EQUIVALENT</u>	<u>93,396,249</u>	0.08:	1	<u>64,645,425</u>
	0.13 :1				
	TOTAL LIABILITIES	940,587,896			756,320,745
PROFITABILITY RATIO					
GROSS PROFIT MARGIN	<u>GROSS PROFIT</u>	<u>252,551,981</u>	28.5%		<u>279,369,576</u>
	30.7%				
	WATER SALES	885,430,340			909,555,959
NET PROFIT MARGIN	= <u>PROFIT/LOSS</u>	105,710,465	11.9%		<u>101,137,940</u>
	11.1%				
	WATER SALES	885,430,340			909,555,459
RETURN ON CAPITAL EMPLOYED	<u>PROFIT BEFORE /NT. & TAX</u>	<u>125,263,721</u>	4.1%		<u>120,768,248</u>
	4.5%				
	TOTAL ASSETS -C URR. LIAB.	3,058,863,530			2,713,860,677
EBITDA MARGIN	<u>EMT LESS INT.TPJC.DEP&c AMORT</u>	<u>105,710,465</u>	9.6%		<u>101,137,940</u>
	REVENUE	885,430,340			909,555,959
DEBT AND LEVERAGE RATIO					
DEBT TO EQUITY RATIO	<u>LONG TERM LOAN</u>	852,616,094	=	36%	<u>807,897,050</u>
	SHAREHOLDERS FUND	2,342,728,485			2,042,444,676
ACTIVITY/EFFICIENCY RATIO					
RECEIVABLES TURNOVER RATIO times	<u>WATER SALES</u>	<u>885,430,340</u>	1.16 times		<u>409,555,959</u>
					1.53
	TRADE RECEIVABLES	761,279,348			596,228,918
SALES TO CAPITAL EMPLOYED times	<u>WATER SALES</u>	<u>885,430,340</u>	0.29 times		<u>909,555,959</u>
					0.34
	CAPITAL EMPLOYED	3,058,863,530			2,713,860,677
ASSETS TURNOVER times	<u>WATER SALES</u>	885,430,340	0.30 times		<u>909,555,959</u>
					0.45
	NET ASSETS	2,342,728,485			2,042,444,676
REVENUE GROWTH	<u>REVENUE t- REVENUE t-1</u>	<u>(24,125,619)</u>	-2.7%		
	REVENUE t-1	909,555,959			

GHANA WATER COMPANY LIMITED

PROXY FORM

being a member/members of the above-named company hereby appoint

. of.

or failing him

of ... as my/our proxy to vote for

me/us on my/our behalf at the Annual General Meeting of the Company to be held

on day of ... 2019 and at my adjournment thereof

Dated this day of 2019

REPUBLIC OF G# IANA

MINISTRY OF FINANCE

IMPLEMENTATION OF CORPORATE GOVERNANCE ACTION PLANS

REPORTING TEMPLATE

NAME OF COMPANY To:

Board of Directors

To: Director, Public Investment & Assets Division; Ministry of Finance

Reviewer's Name: *Name of Internal Auditor*

MD / CEO Signature:

Company Secretary Signature:

Date:

	Question	Response	Action FA; PA; NA*	Source of Information
A1	Has the company developed a Board Charter?	e.g Yes the board has a Board Charter in i lace	e.g FA	e.g.Board Charter
A2	Directors receive appointment letters clearly setting out their duties in line with law and governance practices			
A3	Is there a statement signed by all Directors indicating their responsibilities under law and governance guidelines?			
A4	Are all board committees governed by written charter disclosing its mandate, authority, composition and working processes?			
AS	Does the Company have documented Board Orientation / Induction Guidelines for new Directors			
A6	Has the Board determined, agreed on its annual evaluation process and undertaken the evaluation or the performance of the Board, Board Committees, .. Chairman & D' - ctorsA Cornpan		III IIII	

- Secretary?
- A7 The Board has adopted an
Conflict of Interest / Related Party
Transactions Policy
- AS The Board has adopted a
Communications Policy
- A9 The Board has adopted a Whistle
Blowers Policy
- AiD The Board has adopted a
Delegation of Authority Policy
-
- B1 Is the Board size adequate for the
exercise of the company
business?
- B2 Do the Board members represent
a mix of skills, experience,
industry knowledge and
independence to enable the
discharge of their duties?
- B3 Is the role of the Company
Secretary clearly spelt out and
documented?
- B4 There is a board calendar in place
- B5 Do company documents indicate
the role of the Board in
developing and monitoring the
company strategy
- B6 Has the Board established
procedures to allow its members
access to relevant, accurate and
complete information and
professional advice?
Has the Board adopted an annual
work plan to guide its activities?
- B8 Do Board members participate in
on-going corporate governance
training?
- B9 How does the Board ensure
compliance with all applicable
laws, regulations and internal
policies?
- 810 Has the Board organized a
compliance audit on a periodic
basis?
-
- :1 does the Audit Committee and
the Board consider and review
the financial statements for

- integrity of the process and for factual presentation?
- C2 Does the Audit Committee meet on a regular basis and report regularly to the Board on all relevant issues under its responsibility?
- C3 Does the Audit Committee implement and monitor corrective actions for improvement based on External Auditors recommendations?
- C4 Does the Annual Report contain a statement from the Board explaining its responsibility for preparing the accounts and is there a statement by the external auditor about their reporting responsibilities?
- C5 Has the Board established an effective risk management framework, which is inclusive of key risks and issues?
- C6 Has the Board set appropriate policies on internal control and seek regular assurance that the system is operating effectively and efficiently?
- C7 Has the Board established and reviewed on a regular basis the adequacy, integrity and management of internal control systems and information systems for compliance with all applicable laws, regulations, rules etc
- C8 Does the board annually conduct a review on the effectiveness of the company's risk management practices and internal control systems and report this to the shareholder?
- C9 Has the Board established an effective internal audit function which reports directly to the Audit Committee?
- D1 Does the company have policies and processes to ensure timely disclosure of all material information as required:
- D2 Does the company's website

III

- contain information on company, its governance etc
- D3 Does the company include in its Annual Report a statement of policy on good governance?
 - D4 Does the Annual Report cover disclosures relating to the company's governance, the board, and its committees?
 - D5 Does the Annual Report cover disclosures relating to the company's mission, vision and strategic objectives?
 - D6 Does the company have a Communications Policy in place?
 - D7 Has the Board provided disclosures on compliance with laws, regulations and standards, ethical leadership, conflict of interest and corporate social responsibility?
-
- E1 Does the Board have a stakeholder- inclusive approach in its practice of corporate governance and which identifies its various stakeholders?
 - E2 Has the Board developed policies, procedures and strategies to manage relations with different/ key stakeholder groups?
 - E3 How does the Board ensure effective communication with stakeholders?
 - E4 How does the Board take into account the interests of key stakeholders prior to making decisions?
 - E5 Are stakeholders' meetings held?
-
- F1 Has the Board developed a Code of Ethics and has it worked to ensure its application by all directors, management and employees
 - F2 Does the Board ensure that all deliberations, decisions and actions are founded on the core values (transparency, accountability, responsibility)

- underpinning good governance
- F3 How does the Board ensure that compliance with the Ethics Code is integrated into company operations?
- F4 Has the Company established and implemented a whistle blowing policy?
- F5 Does the Board consider not only the financial performance but also the impact of the company's operations on society and the environment?
- G1 Does the Board have a system for management accountability to ensure managers operate in the best interest of the company?
- 62 Is financial reporting done in a manner that is relevant and timely in order to enable decision making *in* the best interest of the company?
- G3 Is adequate and recurring training provided to directors in order to enable them execute their fiduciary duties?
- G4 Is the Board performance measurement system tied to the overall company strategy? Does it contain relevant metrics and performance targets for decision Making? Does it include both financial and non-financial metrics
- G5 Is the performance measurement system reporting at Board level representative of the most relevant factors in order to enable sound decision making?
- G6 Is the performance metrics used reflect the underlying business model and strategy in place?

FA means Fully Complied With

PA means Partially Complied With

NA means Not Complied With

A response of PA or NA is non-compliance and requires an explanation to be provided with a firm commitment to moving towards full compliance.

If an explanation is required because of non-compliance, the explanation must be satisfactory and shall include:

- a. Reasons for non —compliance
- b. Time frame required to meet each compliance requirement
- c. The strategies to be put *in* place to progress to full compliance

**CAPACITY BUILDING NEEDS ASSESSMENT QUESTIONNAIRE FOR APPOINTED
STAFF FROM SOEs**

Sector

Date-

GIMPA Consultancy and Innovation Directorate (GCID) is administering this questionnaire to identify the capacity needs of appointed staff of State Owned Enterprises (SOEs). Information collected using this instrument will be used to design Training Plan (Capacity Development) to address the identified training needs. GCID assures respondents that any information provided will be treated with STRICT CONFIDENTIALITY.

INSTRUCTIONS FOR COMPLETION

The questionnaire comprises two sections in all. Please follow the instructions in each section carefully to ensure that the *various* components of the questionnaire are administered to the targeted Organization.

BACKGROUND INFORMATION

I. Age:

30-40 years 40 — 50 years 50 — 60 years 1 60years and over

2. Gender: Male Female

3. Position/Designation•

4. Number of years in the Position.

5. Name of organization.

6. Please indicate below, the type of State Owned Enterprise in which you serve.

Purely Commercial

Commercial/Public Policy

Public Policy

7. What is the ownership (shareholding) of the organization?

Fully Government Owned

Joint Venture Company

F

8. If Joint Venture, indicate GOG shareholding:

Majority

Minority

SECTION A: Capacity Needs

INSTRUCTION

Administer to respondents. Please probe sufficiently to ensure that ratings quoted by respondent reasonably reflect respondent's depth of knowledge in the question area or item read out.

How well do you think you currently perform your job?

Rating 1-7: 1-lowest, 7- Highest

How important is the following to the successful performance of your job? Rating 1-7:: 1-lowest, 7- Highest

1. I understand the mandate of the organization.
2. I use the mandate to inform my discussions and decisions as an appointed staff.
3. I understand the organizational culture
4. I understand the operations of the organization.
5. I understand the organization's financial statements.
6. I have knowledge of investment priority setting of the organization
7. I have knowledge in performance management system (Financial, Human, operations etc)
8. I have an understanding of the Public Procurement Act, (Act,914, 2016) As Amended
9. I have an understanding of Public Financial Management Act (Act 921,2016)
10. I have a good understanding of the SOE regulations and policies
11. I have good working relationship with Board members
12. Once a Board decision has been made, I respect it and implement it, even if I did not support it at the time the decision was made
13. I have prior experience in working in public sector

SECTION B: Open Response Questions

1. Please list below the key tasks you are expected to perform as an appointed staff?
2. Please list below the skills you need to perform your assigned tasks ?
3. Which of the skill areas among those listed in question 2 above do you need training on to help you perform your assigned tasks?
4. Provide insights on challenges in performing your task?

5. What training programs would be helpful in achieving your goals?

6. Give any suggestions to improve board members training and development.

**CAPACITY BUILDING NEEDS ASSESSMENT QUESTIONNAIRE FOR APPOINTED
STAFF FROM SOEs**

Sector

Date.

GIMPA Consultancy and Innovation Directorate (GCID) is administering this questionnaire to identify the capacity needs of appointed staff of State Owned Enterprises (SOEs). Information collected using this instrument will be used to design Training Plan (Capacity Development) to address the identified training needs. GCID assures respondents that any information provided will be treated with STRICT CONFIDENTIALITY.

INSTRUCTIONS FOR COMPLETION

The questionnaire comprises two sections in all. Please follow the instructions in each section carefully to ensure that the various components of the questionnaire are administered to the targeted Organization.

BACKGROUND INFORMATION

1. Age:

30-40 years [40 — 50 years 50 — 60 years 60years and over

2. Gender: Male Female

3. Position/Designation.

4. Number of years in the Position.

5. Name of organization.

6. Please indicate below, the type of State Owned Enterprise in which you serve.

Purely Commercial

Commercial/Public Policy

Public Policy

7. What is the ownership (shareholding) of the organization?

Fully Government Owned

Joint Venture Company

8. If Joint Venture, indicate GOG shareholding:

Majority

Minority

SECTION A: Capacity Needs

INSTRUCTION

Administer to respondents. Please probe sufficiently to ensure that ratings quoted by respondent reasonably reflect respondent's depth of knowledge in the question area or item read out.

How well do you think you currently perform your job?

Rating 1-7: 1-lowest, 7- Highest

How important is the following to the successful performance of your job? Rating 1-7:: 1-lowest, 7- Highest

1. I understand the mandate of the organization.
2. I use the mandate to inform my discussions and decisions as an appointed staff.
3. I understand the organizational culture
4. I understand the operations of the organization.
5. I understand the organization's financial statements.
6. I have knowledge of investment priority setting of the organization
7. I have knowledge in performance management system (Financial, Human, operations etc)
8. I have an understanding of the Public Procurement Act, (Act,914, 2016) As Amended
9. I have an understanding of Public Financial Management Act (Act 921,2016)
10. I have a good understanding of the SOE regulations and policies
11. I have good working relationship with Board members
12. Once a Board decision has been made, I respect it and implement it, even if I did not support it at the time the decision was made
13. I have prior experience in working in public sector

SECTION B: Open Response Questions

1. Please list below the key tasks you are expected to perform as an appointed staff?
2. Please list below the skills you need to perform your assigned tasks ?
3. Which of the skill areas among those listed in question 2 above do you need training on to help you perform your assigned tasks?
4. Provide insights on challenges in performing your task?

SECTION A: Capacity Needs

INSTRUCTION

Administer to respondents. Please probe sufficiently to ensure that ratings quoted by respondent reasonably reflect respondent's depth of knowledge in the question area or item read out.

How well do you think you currently perform this activity? Rating 1-7: 1= Not Well 7= Very Well

How important is this activity to successful performance of your job?
Rating 1-7: 1= Not Important 7= Very Important

1. I understand the mandate of the organization
2. I use the mandate to inform my discussions and decisions as a board member.
3. I understand the organizational culture
4. I understand the operations of the organisation
5. I understand the organization's financial statements 6. I have knowledge of investment priority setting of the organization
7. I have knowledge in performance management system (Financial, Human, operations etc)
8. I have an understanding of the Public Procurement Act 663, As Amended (Act,914, 2016)
9. I have an understanding of Public Financial Management Act 921 (2016)
10. I have a good understanding of the SOE regulations and policies
11. I have good working relationship with other Board members and appointed GOG staff.
12. Once a Board decision has been made, I respect it and implement it, even if I did not support it at the time the decision was made
13. I have prior experience in working in public sector

SECTION B:

Competency Skills (Please tick boxes that correspond to the skills you possess)

- | | | |
|-------|---|-----|
| i. | Ability to communicate effectively | 1 |
| ii. | Decision-making and problem solving skills | n |
| iii. | Ability to work in Teams/Team building | |
| iv. | Basic Computer literacy | [1 |
| v. | Capacity to initiate and manage change | |
| vi. | Excellent knowledge of Public Policy | |
| vii. | Knowledge and understanding of the Public Administration System | |
| viii. | Monitoring and evaluation skills | |
| ix. | Negotiation and Conflict Management Skills | |
| x. | Performance Management Skills | |
| xi. | Corporate Governance Skills | |
| xii. | Leadership Skills | |
| xiii. | Emotional Intelligence | |

SECTION C: Open Response Questions

1. Please list below the key tasks you are expected to perform as a board member?
2. Please list below the skills you need to perform your assigned tasks.
3. Which of the skill areas among those listed in question 2 above do you need training on to perform your assigned tasks?
4. Give any suggestions to improve board members training and development.