

Performance Audit Report

NATIONAL WATER COMMISSION (NWC)

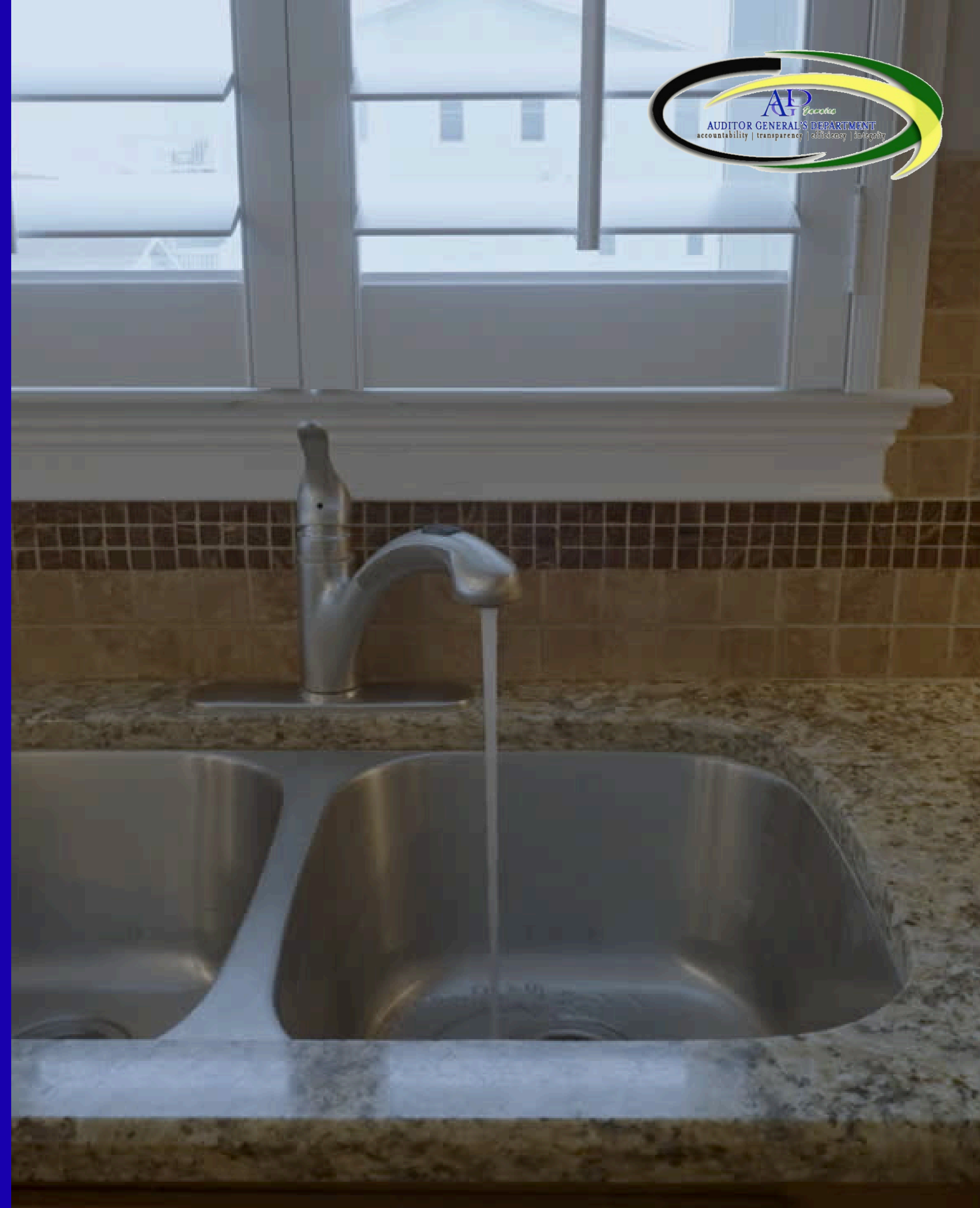
**Effectiveness of
Managing Capital
Projects: Assessing
Budget Credibility at the
Entity Level**

June 2026



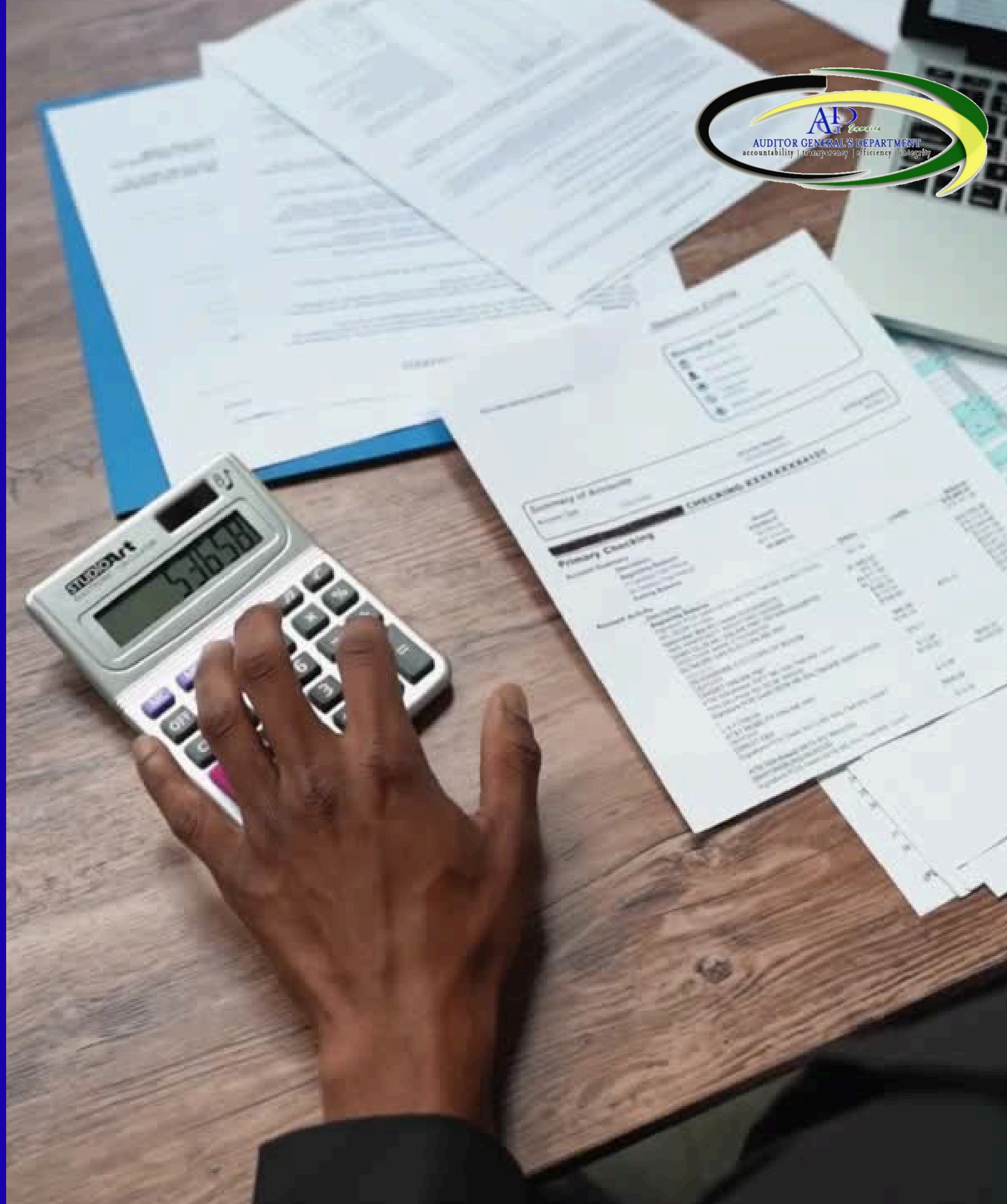
Who is the National Water Commission?

State-owned enterprise mandated to provide access to high quality potable water and sewerage services to consumers in a cost-efficient and sustainable manner.

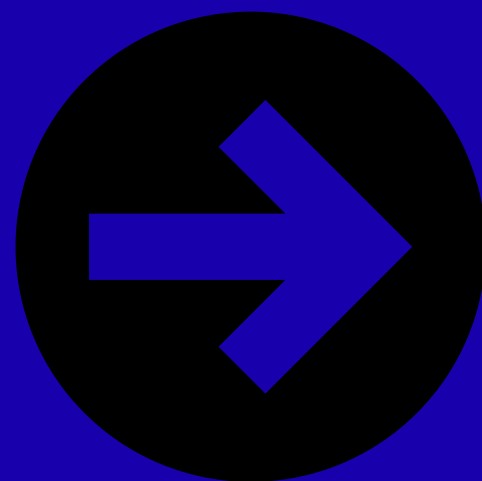


What was assessed by the AuGD in this audit?

This audit examined how well the NWC planned and managed its capital budget over 5 years, from April 2019 to March 2024.



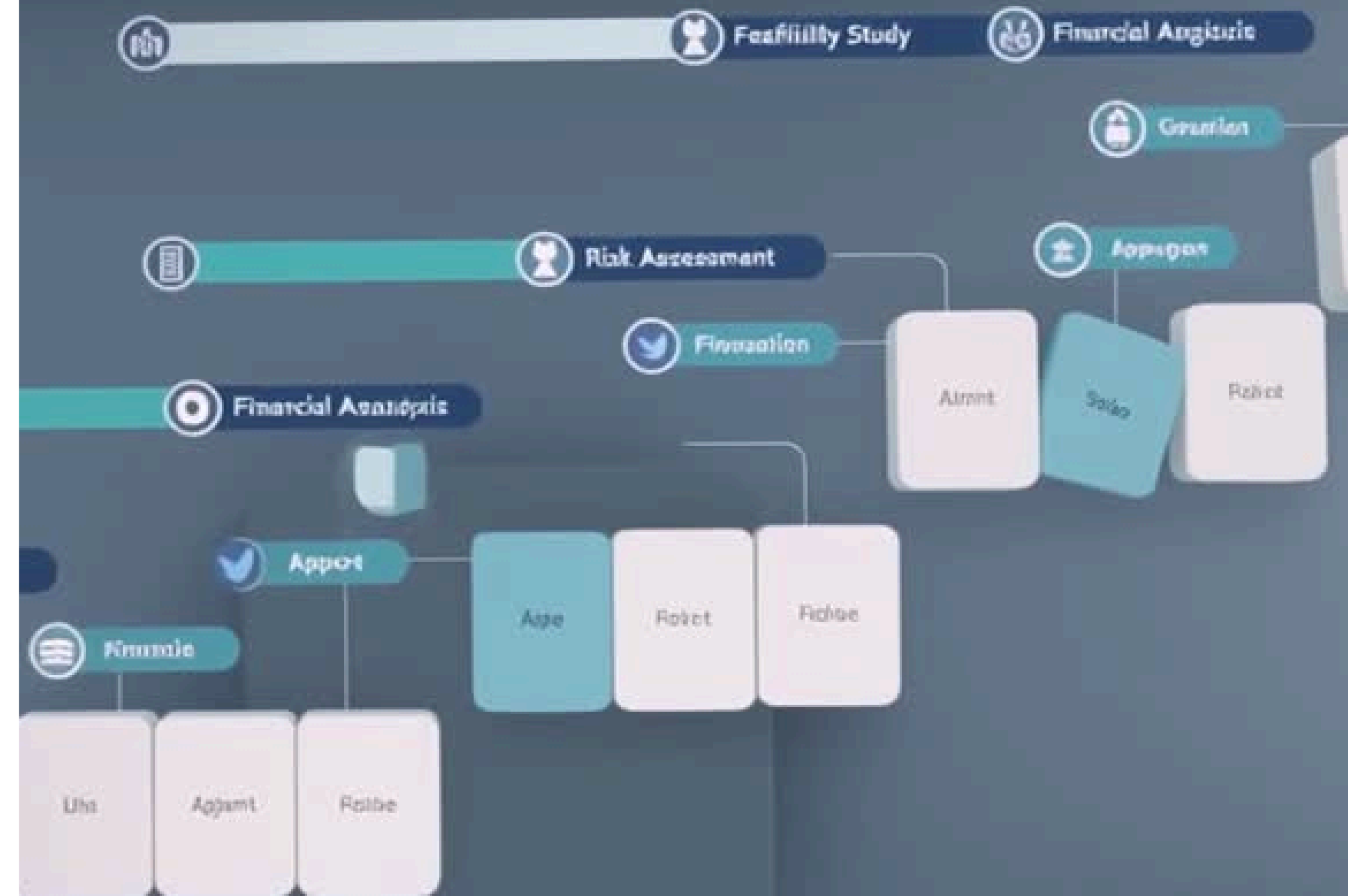
HERE'S WHAT WE FOUND



01

Project Prioritisation Process Unclear

NWC did not provide documentation on how capital projects were prioritised or ranked, making it difficult to determine how funding decisions were made when resources were limited.



02

Infrastructure Spending Fell Short

NWC spent less than planned on water infrastructure in four of the five years, potentially delaying system upgrades.



03

Budget Misalignment

NWC increased budget for internally funded projects from \$1.5bn to \$2.9bn over five years, despite no improvement in its financial position.



Cash flow pressures

As at March 2026, NWC faced liquidity pressure because receivables were too low to cover payables. Payables totalled \$33.2 billion, while net receivables were only \$4.6 billion. Most balances were over 90 days old, including \$27.45 billion in payables and \$20.9 billion in receivables.

05

Financial System Gap

NWC spent US\$3.6 million on a Financial Information Management System that did not operate effectively.



06

Reporting Non-Compliance

NWC has not submitted audited financial statements or annual reports for four consecutive years (FY 2021/22 – FY 2024/25)

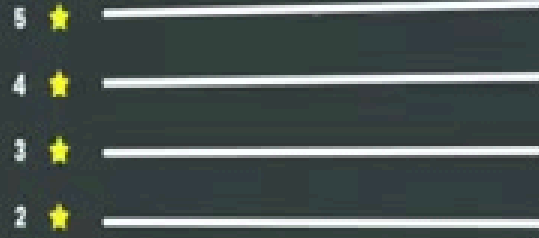
07

Contract Management Gaps

88% of audited contracts were completed but 58% were delayed by 3 to 29 months due to multiple factors, including contractor underperformance. NWC did not consistently exercise its legal right to claim compensation for poor contractor performance.



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08

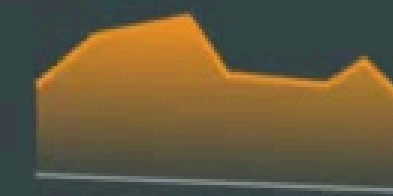
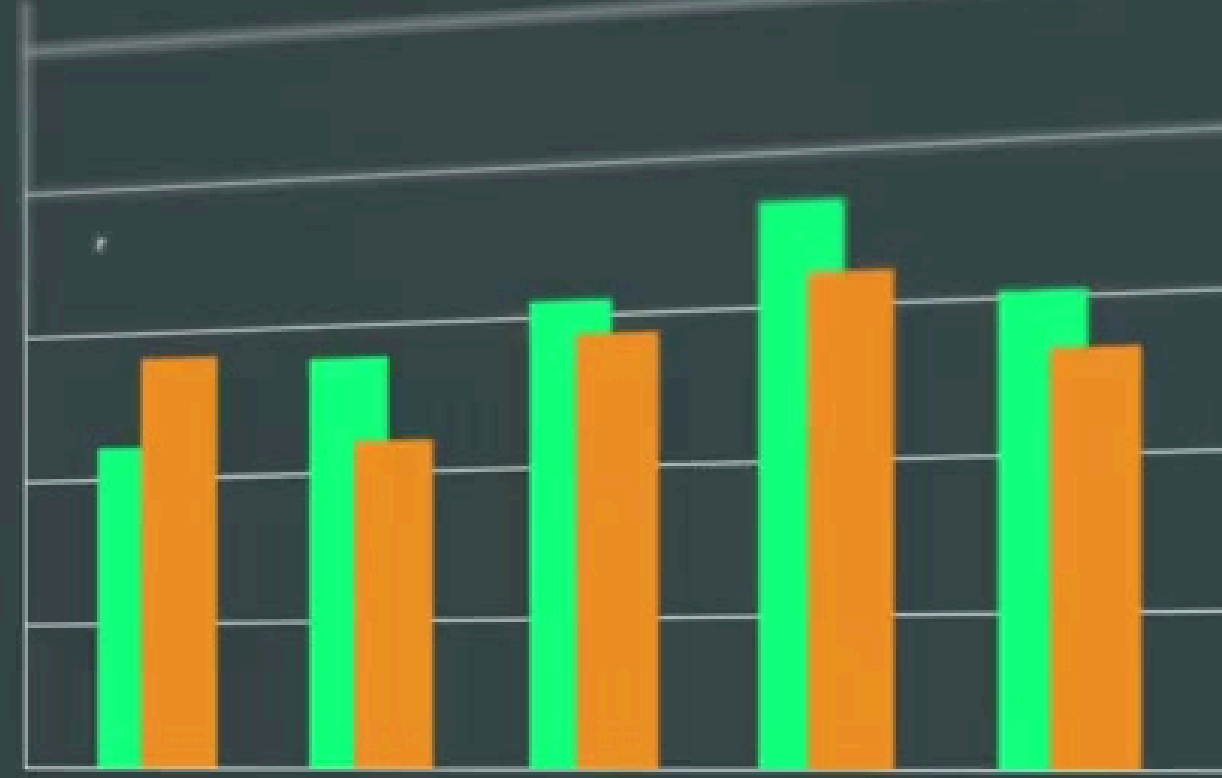
Critical KPIs not met

NWC did not meet key KPI targets for operational efficiency between FY2019/20 and FY2024/25 while targets for revenue growth were only met for FY2022/23. Water and sewerage access was also not consistently measured or reported on, limiting progress tracking.

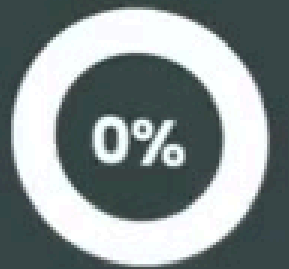


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DATA 1



WHY THESE FINDINGS MATTER TO YOU

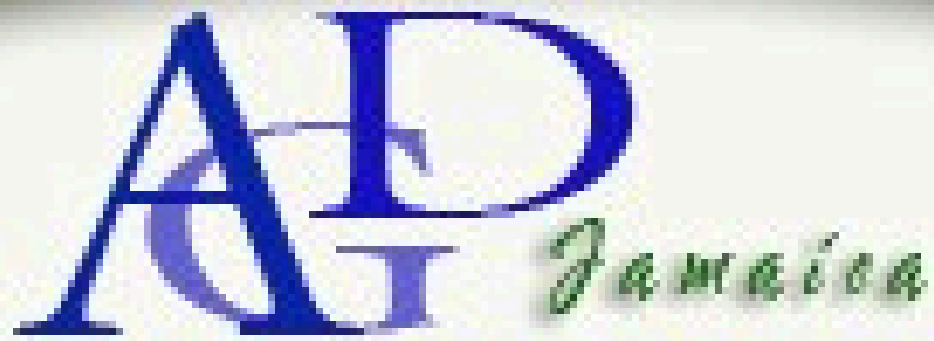
If you've experienced low water pressure, irregular supply or unreliable sewerage services, this audit helps explain why. When NWC under-spends its capital budget, your water and sewerage upgrades can be delayed. Weak financial systems and reporting also make it harder to hold NWC accountable.





RECOMMENDATIONS

- Adopt and document a clear scoring system to prioritise all capital projects consistently across all divisions.
- Set internally funded project budgets based on what can be realistically afforded
- Introduce a unified system for reporting all capital projects and provide quarterly updates showing costs and delays for each project.



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