

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS OF THE NATIONAL  
IRRIGATION COMMISSION LIMITED FOR THE YEAR  
ENDED MARCH 31, 2015**

The matter for tabling in the Houses of Parliament is the Annual Report and Audited Financial Statements of the National Irrigation Commission Limited (NIC) for the year ended March 31, 2015, in accordance with Section 3 of the Public Bodies Management and Accountability Act.

**2. COMPANY PROFILE**

The National Irrigation Commission Ltd. (N.I.C.) which is an agency within the Ministry of Industry, Commerce, Agriculture and Fisheries was established in 1986 and became operational in May 1987 with the following stipulated objectives:

- To manage, operate, maintain and expand existing and future irrigation schemes and systems.
- To provide drainage services in the “Black River area”, and such other areas in the parish of St. Elizabeth as the Minister may, by order, specify in accordance with the Irrigation Act.
- To fix the rates or charges and to collect payments for the use of such water.

The Commission maintains an island-wide presence through seven (7) District Offices located in key irrigation areas.

**3. HIGHLIGHTS OF ACTIVITIES OF THE COMMISSION**

It should be noted that for the period under review, the NIC through its departments, focused on the following areas for improvement:

**3.1 National Irrigation Commission Strategy Map**

The corporate objective of the National Irrigation Commission Strategy Map was developed to link the areas of the Commission’s operations that would have the greatest impact within the organization as well as nationally. Below are some of the precursor strategic initiatives that were identified:

- Improvement in agricultural productivity, production and prosperity while ensuring the viability of the Commission.
- Increased provision of irrigation services.
- Continuous consumer engagement and support
- Governance, risk management and compliance
- Effective alliances with RADA and other stakeholders

### **3.2 The Plan for Transformation**

The plan for transformation aims to provide expanded service offerings to stakeholders within farming communities. Presently, the plan has been focused on drought responses and mitigation strategies within the areas of operation that are directly impacted. Adopting the approach of a value chain analysis, a mechanism to rank and evaluate performance and link the current state of the NIC to the desired future state was utilized to identify performance gaps. The focus areas were:

- Building relationships with RADA and other key stakeholders to encourage the expansion of agricultural activity in Jamaica;
- Expansion of irrigation water supply by directly sourcing funds linked to climate change and food security opportunities;
- Provide value added services and technical support to our farmers to supplement irrigation services while educating them on the real value of irrigation;
- Containing cost and increasing service delivery to world class levels through innovative technological solutions;
- Increasing water revenue and collections through increased customer engagement and risk management; and
- Substantially improving strategy execution by strengthening governance, leadership, management, staff capability, culture, accountability systems and working environment.

### **3.3 Agro-Parks Initiative for Sustainable Development**

The Agro-Parks are agricultural production zones with adequate infrastructure, targeted crops and technical support services. The Agro-Parks were formally tied to the growth agenda with the development of nine planned by the end of 2014-15 in the extended fund agreement with the International Monetary Fund (IMF).

The main infrastructural requirement for these zones is the development of sustainable irrigation. The National Irrigation Commission Limited has the responsibility to develop these sustainable systems and was directly involved in the development of eight of the nine Agro Parks planned for development. The NIC provided irrigation within areas such as: New Forrest/Duff House, Manchester and Yallahs in St. Thomas.

### **3.4 On-Farm Water Management Unit**

The On-farm Water Management Unit focused on methods to improve on-farm management and water use efficiency along with the training of both farmers and technical officers. The Unit also facilitated the development of small-scale irrigated schemes, rainwater

harvesting systems as well as developed relevant farm demonstration plots and provided guidance on best practices in irrigation.

#### 4. **FINANCE AND CORPORATE PLANNING**

The Commission suffered a deficit of approximately \$79.4M for the 2014/2015 financial year. This deficit represents an improvement of \$100.8M or 56% over the previous year's deficit of \$180.2M. It should be noted that depreciation for the year 2014/2015 accounted for \$44.8 million.

Operating Revenue grew to \$1.23 billion, an increase of \$0.25 billion above the income figure of \$0.98 billion reported for the year 2013/2014.

Revenue from the company's core business areas of water sales and drainage charges, grew by \$122.9M or 25.5%, up from the previous year's figure of \$482.8M to reach a high of \$605.7 million for the year 2014/2015. Increased revenue was driven primarily by higher demand resulting from the extended drought experienced during the financial year. The NIC increased its sales to existing as well as new customers as demand continued to exceed supply, indicating the need for additional capital expenditure.

#### 5. **SALARIES AND EMOLUMENTS**

The compensation of the Directors and Senior Executives are set out at appendices I and II respectively.

#### **AUDITOR'S REPORT**

The Financial Statements were audited by KPMG Chartered Accountants and they have stated that in their opinion, except for the matter described in the Basis for Qualified Opinion paragraph below, the financial statements gave a true and fair view of the financial position of the National Irrigation Commission as of March 31, 2015, and of its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the Jamaican Companies Act.

#### **Basis for Qualified Opinion**

It was observed that an actuarial valuation was not done at the reporting date, contrary to IAS 19, Employee Benefits. This accounting standard requires that an entity's obligation in respect of post-employment benefit should be actuarially valued at the reporting date. In the absence of a valuation, there is no basis for determining the financial implications of the adjustments, which might have an impact on the company's non-current liabilities, administration expenses, loss for the year and the accumulated deficit.

**Emphasis of matter**

The auditors have expressed apprehension about the ability of NIC to continue as a going concern due to the level of losses incurred over the last two years.

9. The Annual Report and Audited Financial Statements of the National Irrigation Commission Limited for the year ended March 31, 2015 are hereby submitted to be tabled in the Houses of Parliament.

A handwritten signature in black ink, appearing to read 'Audley Shaw', with a long horizontal stroke extending to the right.

Audley Shaw CD, MP.

Minister of Industry, Commerce, Agriculture and Fisheries

June ~~8~~, 2019

**NATIONAL IRRIGATION COMMISSION LTD**  
**DIRECTORS COMPENSATION 2014/2015**

Position of Director	Fees (\$)	Motor Vehicle Upkeep/Travelling or Value of Assigned Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Chairman- Dr. Conrad Douglas	371,250.00	26,484.50	-	-	397,734.50
Deputy Chairman Linford Cooper	197,625.00	511,219.30	-	-	708,844.30
Dir. 1 Balfour Hewitt	127,125.00	449,053.70	-	-	576,178.70
Dir. 2 Basil Fernandez	88,500.00	-	-	-	88,500.00
Dir. 3 Carolyn Campbell	135,130.00	-	-	-	135,130.00
Dir. 4 Edith Chedda	187,875.00	448,604.60	-	-	636,479.60
Dir. 5 Emile Spence	183,750.00	10,730.10	-	-	194,480.10
Dir. 6 Everton Fisher	44,625.00	73,696.00	-	-	118,321.00
Dir. 7 Howard Hill	337,125.00	168,906.10	-	-	506,031.10
Dir. 8 Keith Verley	139,125.00	7,426.00	-	-	146,551.00
Dir. 9 Ludgar Parish	195,750.00	228,886.80	-	-	424,636.80
Dir. 10 Miranda Wellington	71,625.00	135,774.60	-	-	207,399.60
Dir. 11 Oswald Bent	160,500.00	370,844.00	-	-	531,344.00
Dir. 12 Rankin Watson	196,125.00	431,722.50	-	-	627,847.50
Sub-Total	2,436,130.00	2,863,348.20	-	-	5,299,478.20
Dir. 13 Noel Lowe*	-	20,580.00	-	-	20,580.00
<b>Total</b>	<b>2,436,130.00</b>	<b>2,883,928.20</b>	<b>-</b>	<b>-</b>	<b>5,320,058.20</b>

Notes

\*Director 13, appointed for the period 2012-2013, however, payment was actually affected during this review period 2014-2015

**NATIONAL IRRIGATION COMMISSION LTD**  
**SENIOR EXECUTIVE COMPENSATION**

Position of Senior Executive	Year	Salary (\$)	Gratuity or Performance Incentive (\$)	Traveling Allowance or Value of Assigned Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
Dr. Mark Richards - Chief Executive Officer	2014/15	2,361,731.38	-	197,854.00	-	7,530.00	-	2,567,115.38
Dir. Finance & Corporate Planning/Acting - Tafari Burry	2014/15	4,301,404.75	-	477,263.00	-	53,613.32	-	4,832,281.07
Dir. Of Commercial Operation- Wayne Barret	2014/15	4,655,173.00	-	975,720.00	-	35,445.00	-	5,666,338.00
Dir. Of Engineering & Technical Services- Milton Henry	2014/15	5,692,912.00	-	975,720.00	-	556,991.00	-	7,225,623.00
Dir. Corporate & Legal Services - Paola Arscott	2014/15	4,863,142.00	-	975,720.00	-	350,318.00	-	6,189,180.00
Dir. Of Finance /New - Edgar Watson	2014/15	285,172.00	-	65,573.00	-	-	-	350,745.00
<b>Total</b>		<b>22,159,535.13</b>	<b>-</b>	<b>3,667,850.00</b>	<b>-</b>	<b>1,003,897.32</b>	<b>-</b>	<b>26,831,282.45</b>

## Notes

1. Chief Executive Officer's compensation figure comparatively lower, appointment date was later in the year, November 2014.