



AUDIT
OFFICE



REPUBLIC
OF CYPRUS

INVESTIGATION OF COMPLAINTS REGARDING THE SUPPLY OF WATER TO A SLAUGHTERHOUSE AND TO AFFILIATED COMPANIES

Executive Summary



**AUDIT OFFICE OF THE REPUBLIC
SPECIAL REPORT no. TAY/01/2021**

16 April 2021



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AUDITED ENTITIES

Water Development Department

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The audit was carried out in the context of the investigation of complaints submitted to our Office in November 2020 by the Member of the House of Representatives of the MOVEMENT OF ECOLOGISTS - CITIZENS' COOPERATION, Mr. George Perdikis, regarding the procedure followed by the Water Development Department (WDD) for the supply of water to a specific slaughterhouse (hereinafter the Company) and to affiliated companies, by the Governmental Water Work Dam (hereinafter the Dam) and the inspections carried out by WDD, regarding the pumping of water from private boreholes to meet the needs of the Company.

The most important findings from the investigation of the matter and recommendations are summarized in the following points:

- ◆ In 2012 and 2013 WDD issued a groundwater work permit and a groundwater abstraction permit, respectively, for borehole no. 12.21 B which belongs to the family of the owner of the Company and from which the Company gets water. WDD then approved an increase in the maximum annual approved quantity of water pumping, despite the fact that it had repeatedly demonstrated the problem of over-pumping the aquifer in the area and the continuous, according to its inspections, water pumping from that borehole, as well as from one more, which was in the same plot, above the maximum total annual approved quantity.
- ◆ In 2012 WDD issued a groundwater abstraction permit for borehole no. 83.13 which had been leased to the Company, despite the fact that two years earlier the Department itself had

expressed negative views on this issue to the District Administrator, due to the fact that the borehole is located in an area that had been designated as "being in risk" or "over-pumped".

We suggested that decisions for approving or rejecting requests for drilling boreholes and abstraction of water should be taken after assessing the status of water in Cyprus and of the aquifer in the area, as well as the possible impact on the operation of neighboring boreholes.

- ◆ Significant exceedance of the maximum approved quantity of water pumping, in a number of boreholes from which the Company got water, in violation of the groundwater abstraction permit conditions of those boreholes and the relative legislation.
- ◆ The Department did not apply any measures against the Company for the significant exceedances of the maximum approved quantity of water pumping from boreholes (no. 83.12, 83.13). Also, the Department did not apply any measures against the Company regarding the fact that the borehole no. 83.13 was operating illegally, possibly for years, before the issuance of its groundwater abstraction permit on 29.11.2012, while its actions were limited in the submission of a warning letter, for the fact that, until 2017, the Company did not install to the abovementioned borehole an electronic water meter to record the water pumping quantity.
- ◆ The Department did not apply any measures against the private owner of the boreholes no. 118.47, from which the Company got water, although it found out that, one of them was operating without an electronic water meter, for a period of at least three and a half years, while the other one was drilled and operating illegally. Furthermore, it did not apply any measures against the owner of the boreholes no. 12.21 B and C, from which the Company got water, for continuously pumping water more than the total maximum approved quantity.

We consider that WDD demonstrated excessive tolerance for the illegal activities regarding the supply of Company with water from boreholes. As we mentioned in the case of an investigation of a similar complaint, for which we issued the Special Report no. TAY/01/2020, the position of WDD on tolerance in cases of such incidents in general, shows that WDD does not exercise its role effectively, in terms of preserving the water resources of Cyprus.

- ◆ On 26.11.2020 the Department forwarded actions for legal measures against a private owner of a borehole, from which the Company and another company, that belongs to the family of the owner of the Company, get water, for an illegality found one year before. Specifically, while WDD found out on 11.10.2019 that a second water supply had been installed before the water meter and that the water meter was not working, it nevertheless forwarded actions to apply measures two days after a request from our Office, dated 24.11.2020, for the submission of data related to the operation of the boreholes from which the Company gets water.

We suggested that the Department applies in all cases of illegalities the appropriate compliance measures provided for by the relevant legislation.

We also suggested that the Department ensures that a water meter is installed to the borehole immediately after the issuance of a groundwater abstraction permit or as soon as it detects unauthorized drilling with pumping machines.

- ◆ WDD carried out inspections at irregular timing intervals, resulting in not being possible to monitor the compliance with the terms of the permits on an annual basis, from the date of

the issuance of the permit and to draw appropriate and correct conclusions for the legal operation of the boreholes.

We recommended that WDD should record water meter readings, at regular timing intervals, at least for those boreholes with a permit to pump significant quantities of water, The recordings to be determined on the basis of the date of entry into force of the groundwater abstraction permit, so that it is possible to draw useful conclusions and calculate correctly the quantities of water pumped.

- ◆ The Department did not demonstrate the required diligence and attention during the inspections, nor did it record, in all cases, the findings it identified.

We pointed out that control forms should be properly completed with all relevant information and findings, regarding the compliance or not with the conditions of the groundwater abstraction permit and appropriately signed.

- ◆ Weaknesses in the process that WDD followed for the approval of Company's applications and those of an affiliated company, for water supply from the Dam, and for the archiving of the relevant documents, resulting in not being possible to confirm the correctness of the approved quantities of water and any overconsumption.

We suggested that the Department should implement an appropriate archiving system for the relevant documents, in order to enable the audit of the procedure followed for supplying water from Governmental Water Works.