REPUBLIC OF MAURITIUS

NATIONAL AUDIT OFFICE

CERTIFICATE OF AUDIT &

REPORT OF THE DIRECTOR OF AUDIT

ON THE ACCOUNTS OF THE GOVERNMENT

FOR THE FINANCIAL YEAR 2023-24

FEBRUARY 2025

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Republic of Mauritius

NATIONAL AUDIT OFFICE

Making a Difference to the Lives of Citizens

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FOREWORD BY THE DIRECTOR OF AUDIT

I am pleased to present my Report on the audits carried out by the National Audit Office (NAO) for the financial year 2023-24. The Report highlights the most significant observations from the audits undertaken in Ministries and Departments. This exercise gives assurance to the National Assembly on the proper accounting, management and use of public resources and help to strengthen financial governance in the public service and enhances the accountability of public sector entities in their roles as custodians and stewards of public resources.

Audit Mandate

It is my responsibility under Section 110 of the Constitution of the Republic of Mauritius to audit and report on public accounts of Mauritius and of all courts of law and all authorities and officers of Government.

The Finance and Audit Act further requires me to submit a certificate of audit and a report upon my examination and audit of all accounts relating to public money, stamps, securities, stores and other property of Government.

NAO has adopted good practices that are in line with international norms. My audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) issued by International Organisation of Supreme Audit Institutions (INTOSAI).

Audit Report Process

Matters included in this Report have been conveyed to the Accounting Officers of Ministries and Departments concerned for their comments. They were given the opportunity to comment on the truth and fairness of the audit findings. A summary of the comments received from the Accounting Officers is included in the report, where appropriate.

Moving Towards Accountability

Government is being held accountable not only for the execution of the public budget, but also for the effective, efficient, and economical use of taxpayers' money. As Director of Audit, it is my duty to provide the National Assembly and the general public with information as to whether value for money has been obtained concerning Government spending on services for citizens. In that respect, I want to draw public attention on the following issues that have been repeatedly highlighted in previous Audit Reports:

- Weaknesses in Expenditure Control.
- Deficiencies in Assets and Project Management.
- Non-compliance with Applicable Laws.

Lapses in Procurement Management

The legal framework governing procurement is embodied in the Public Procurement Act 2006 and its accompanying regulations. Ever since its proclamation, the Act has been regularly amended with the objective to improve the effectiveness and efficiency in conducting public procurement to ensure transparency, fairness, accountability and achieving value for money.

Over the last three financial years, NAO has repeatedly reported cases of non-compliance with procurement laws and regulations in several Ministries and Departments.

Accounting Officers of Ministries and Departments should pay greater attention to Procurement Management. Deliverables required from contractors should be clearly stipulated in tender specifications and contracts. Specifications must be well defined and drafted to avoid ambiguity and omissions which might lead to cancellations or delays in implementation of projects. They should exercise due diligence in managing contracts and maintain adequate oversight over the performance of the contractors. In that respect, monitoring mechanisms should be put in place to ensure that contractors comply with the contractual terms and conditions.

Slow Pace of Digital Transformation of the Public Service

I also wish to highlight that a review indicated that Digital Transformation of the Public Service was moving at a slow pace. The expected enhancement of the Public Service effectiveness through an improved service delivery, cost minimisation and optimal use of limited resources was being deferred. The Public Service has no other choice than to catch up with international best practices in order to bridge this expectation gap.

Follow-up of Matters Raised in the Audit Report 2022-23

INTOSAI-P10 - Mexico Declaration on SAI Independence Principle 7 requires SAIs to submit their reports to the Legislature, as appropriate, for review and follow-up on specific recommendations made by SAIs for corrective action.

A follow-up of matters raised in the Audit Report for the financial year 2022-23 was carried out. Ministries and Departments were requested to inform NAO of the actions that have been taken to address the recommendations. Out of 301 recommendations, 115 (38 per cent) have been implemented, 131 (44 per cent) have been partially implemented, and 55 (18 per cent) have not been implemented as of February 2025.

Other Issues

In my report for the financial year 2022-23, I had proposed Ministries and Departments to become self-accounting, and report on their financial and non-financial performance in an Annual Report. However, no consideration has yet been given to these proposals.

Limited Access to Financial Information

As per the Finance and Audit Act**,** I am required to ensure that all money appropriated or otherwise disbursed is applied to the purpose for which National Assembly intended to provide and that the expenditure conforms to the authority which governs it. Further, the Statutory Bodies (Accounts and Audit) Act requires me to ensure that a Statutory Body has been applying its resources and carrying out its operations effectively, efficiently and economically.

However, there are limitations in the scope of NAO to ascertain that funds appropriated and disbursed to certain beneficiary entities have been used for their intended purposes.

Challenges

Climate change and its consequences pose significant risks to our society and the economy, and frequency of natural disasters, epidemics and pandemics is more likely to increase. Mauritius, being a Small Island Developing State, is highly exposed to risks of adverse effects of climate change. Therefore, from a public sector budget perspective, resilience to climatic change and its adverse consequences is a highly relevant audit topic for NAO.

In addition to climate change, public sector governance and sustainable development are major potential areas of interest. To stay ahead, NAO needs to demonstrate its ongoing relevance to the citizens and the National Assembly by including these auditable areas in its audit plans.

To implement these plans which comprise also compliance and sustainability audits, NAO needs necessary human and technological resources. A constant capacity building and upgrading of skills and competence is warranted in light of a highly dynamic audit environment and with the advent of Emerging Technologies such as Artificial Intelligence.

Opinion Survey

In view of significant investment in services which touch almost the whole population, Government may consider carrying out opinion surveys, which is a research method that collects and analyse citizens opinions, on the services provided by public hospitals, educational institutions, social security services, police services and others bodies.

The results of the survey can be used to represent the views of a larger group of people and can serve as a basis to improve service delivery in the Public Service.

Acknowledgement

I wish to express my sincere thanks to all the staff of NAO, who sincerely carried out their duties with dedication and devotion, the Heads of Divisions and the Deputy Directors for their continuous support. Without their contribution and commitment, the submission of this Report would not have been possible.

I would also like to thank the Secretary to the Cabinet and Head of the Civil Service, the Ag. Financial Secretary, the Secretary for Public Service, all the Senior Chief Executives, Permanent Secretaries and other Accounting Officers, the Accountant General, the Government Printer, the Clerk of the National Assembly and all their staff for their cooperation and collaboration.

DR D. PALIGADU
Director of Audit

25 February 2025

ENHANCING DIGITAL TRANSFORMATION IN THE PUBLIC SERVICE

Introduction

Mauritius started its digitalisation process in the 1990s through several Information and Communication Technologies (ICT)-enabled projects in the Public Service.

The Ministry of Information Technology, Communication and Innovation (MITCI) is responsible for supervising the execution of digital transformation strategies and propelling the digital transformation agenda as well as creating national ICT policies and digital strategies.

Digital transformation is reshaping how the public and private sector operate and deliver services across the world. It involves the use of new technologies to improve efficiency, transparency, citizen engagement, and creating value for current and future generations. A wholly new approach has to be developed in the Public Service with the advent of Emerging Technologies like Block Chain and Artificial Intelligence (AI).

As of December 2024, there were some 150 ICT-enabled projects in operation in the public service, in addition to the available 123 e-services. Over the past ten years, some Rs 4 billion have been spent on these digital projects.

In its previous reports, NAO reported that many projects in operation had been delivered on time, within budget and according to specifications. However, there were also several projects which experienced cost overruns, were not delivered on time and did not meet specifications.

The purpose of this review is to provide insights on recurrent challenges, bottlenecks and governance issues which were impacting negatively digital transformation in the Public Service.

Concluding Remarks of the Review

The overall assessment indicates that the digital transformation expected to enhance public sector effectiveness through an improved service delivery, cost minimisation and optimal use of limited resources**,** is moving at a slow pace. This may be detrimental to the overall productivity of the Public Service, and eventually have a negative effect on economic growth and societal benefits.

In this respect, Mauritius has no other choice than to catch up with international best practices. NAO is of the view that the Public Service has the potential to succeed in the digital transformation initiative to enhance service delivery to citizens.

A case in point is the Mauritius Revenue Authority which has successfully restructured and reorganised the customs and taxation processes by leveraging the benefits of digitalisation. This can be used as an example to drive digital transformation for an improved public service delivery.

Key Findings

1. No E-Government Master Plan

An E-Government Master Plan for is a dynamic long-term planning document that provides a lay out to guide future growth and development at national level. It is an overarching planning document with relatively more extensive analysis and recommendations when compared to the five-year plans and strategies.

In the absence of an E- Government Master Plan, ICT-enabled projects were being formulated and implemented on an ad-hoc basis and the replacement of important legacy[1] systems, such as Land Administration, Valuation and Information Management System (LAVIMS) and e-Social Security were also still lagging behind.

For example, the e-Agriculture, e-Social Security, e-Health and e-Education, which are of national interest were formulated several years ago, but were either not yet implemented as of December 2024 or were being implemented after long delays.

Moreover, in 2018, the Public Accounts Committee noted that there was no Master Plan for the computerisation of the Public Sector, thereby leading to the absence of a holistic approach to ICT development. Each Ministry was autonomous in relation to ICT investment, and the control on ICT spending was fragmented. Also, a lack of coordination prevailed among the different entities, operating under the aegis of the MITCI, involved in the digitalisation of the Public Service.

Root Cause

Absence of a policy decision for the formulation of an E-Government Master Plan as to how digital transformation would be implemented across the whole Public Service.

Recommendation

The MITCI in collaboration with Ministry of Public Service and Administrative Reforms (MPSAR) and other Key Stakeholders should develop an E-Government Master Plan.

2. No Updated Transformation Strategies

The deliverables of the Public Sector Business Transformation Strategy (PSBTS) formulated in 2017 by the then Ministry of Civil Service and Administrative Reforms included the following in respect of transformation of the Public Service:

- Technology to be used as an accelerator for improved quality service, efficiency, productivity, performance and results; and
- E-platforms, tools, apps and technology to be used to drive customer-centric digital transformation and e-participation.

[1] A legacy system refers to an outdated computer system, software, or technology still in use within an organisation despite the availability of newer alternatives with enhanced functionalities. Usually these systems provided critical functions, but they are subject to increased maintenance costs, security vulnerabilities, and limited scalability.

Further, the Digital Government Transformation Strategy (DGTS) 2018-2022 formulated by the MITCI outlined the governmental imperative for making Government services 'digital by default', and improving the efficiency, effectiveness and governance of public services through successful digitalised transformation.

NAO identified the following shortcomings in respect of the Strategies:

- The PSBTS of 2017 was already considered outdated by MPSAR in 2022.

- After the DGTS 2018-2022 came to term, no new strategy, policy or plan was formulated to guide digital transformation as from 2023 onwards. Also, what was achieved under this Strategy was not assessed.

Root Cause

There was no clear policy direction at the level of MITCI and MPSAR to update the respective Strategies.

Recommendation

There should be clear policy directives for both MPSAR and MITCI to review and evaluate their respective Strategies, and to create the appropriate structure and mechanism to support and enhance the Digital Transformation of the Public Service.

3. Lapses in ICT-enabled Projects Management

Lapses were identified by NAO in areas relating to formulation and implementation of e-strategies, and adoption of appropriate project governance structures and project management methodologies. This has led to several projects to be abandoned before completion. Examples are as hereunder.

- ***High-Speed Internet Connectivity in Secondary Schools of MITCI - Rs 81.7 million.*** None of the 164 secondary schools were connected to the Internet. The infrastructure put in place became obsolete and the project was abandoned.

- ***Passenger Information System (PIS) of the National Land Transport Authority Rs 25 million.*** The system has never provided accurate arrival time of buses since its commissioning and was deactivated in March 2021.The project was abandoned since then.

- ***Revamping of the Mauritius Meteorological Services Website - Rs 1.1 million***. The project had undergone four unsuccessful commissioning exercises. The test for simulating 250,000 concurrent visitors on the new website failed and contract had to be terminated for non-compliance.

- ***Electronic Document Management System of the then Ministry of Industrial Development, SMEs and Cooperatives - Rs 5.3 million***. Contract was terminated as the Supplier failed to perform. Advance Payment of Rs 1 million was not recovered due to non-renewal of Advance Payment Guarantee.

- ***Human Resource Management Information System (HRMIS) Project of the then Ministry of Public Service, Administrative and Institutional Reforms (MPSAIR)***. As of 30 June 2020, Rs 422.4 million had been spent and it was estimated that the project would entail further cost of at least Rs 235 million for the next five years. Seven years, after the award of the contract, none of the five modules of the HRMIS Project had been put to effective use. On 25 September 2020, Government decided to wind up the project.

3.1 Absence of Effective Evaluation Mechanisms

Good Practices, included by MITCI in its Project Management Manual for ICT Projects, recommended the use of two major indicators that are usually used to determine success of an ICT-enabled project. The first one concerns the ability to deliver the technological component of the project on time, within budget, and within scope. This is achieved through a Project Closure Report (PCR) which is the joint responsibility of CIB and user Ministries and Departments.

The second indicator refers to the success in delivering the promised project benefits and is measured in terms of a project's contribution to the business objectives of the organisation. This is measured through a Post Implementation Evaluation (PIE).

Findings

During a review of PCRs for all projects completed during the period July 2020 to September 2024, MITCI reported that only 60 PCRs were prepared out of a list of 116 projects completed.

As of December 2024, 95 per cent of the PCRs submitted were still at draft stage or not yet confirmed with the User Ministries and Departments where the projects were implemented. In some 40 percent of these PCRs, the projects were completed more than one year ago. Further, in respect of 85 per cent of the PCRs submitted, the identities of the Programme Managers of the Central Informatics Bureau involved in the projects and responsible for preparing the PCRs were not recorded.

PIEs were not prepared for the completed projects.

Root Causes

- MITCI did not ensure implementation of recommendations formulated in its Digital Government Transformation Strategy 2018-2022 and compliance with good practices recommended in its Project Management Manual for ICT Projects.

- Lack of ownership in the conception, implementation and evaluation of ICT projects and lack of digital fluency[2]to manage projects of User Ministries and Departments.

[2] "Digital fluency is about understanding how to use digital technologies, deciding when to use specific digital technologies to achieve a desired outcome, and being able to explain why the technologies selected will provide their desired outcome."– Tim Bell (University of Canterbury)

Recommendation

MITCI and User Ministries and Departments should renew initiative to build capacity at strategic management level on areas of e-governance, ICT portfolio management, strategy formulation to enhance uptake of e-services, project funding and project evaluation.

4. Ineffective Governance – Stakeholders working in Silos

With the past successes and lessons learnt on failed projects as backdrop, and the need to push forward the Government Digital Transformation agenda, NAO noted several structural issues that remained unaddressed over the years by those stakeholders who were responsible and accountable for same. For example, a Digital Government Computerisation Committee at the level of the MITCI as recommended in the PRB Report 2021 was not set up.

Consequently, in the absence of this Committee, and any other alternative collaborative structure, MPSAR and MICTI were working in silos.

Moreover, the success of the transformation strategy rested fundamentally on the efficiency and effectiveness of the Transformation Implementation Committees (TICs) set up in Ministries and Departments. The Public Sector Business Transformation Bureau (PSBTB) operating under the aegis of MPSAR maintained a Management Information System which recorded updates on progress reported by the TICs.

As of November 2024, the TICs and National Planning and Results Committee mechanism were non-functional over the past two years.

Root Cause

MITCI contended that the setting up of the Digital Government Computerisation Committee would be a duplication of the mandate of the PSBTB.

Recommendation

Effective collaboration and synergistic actions need to be established among MITCI, MPSAR, and PSBTB through an effective governance structure.

5. Reforms Proposals not Acted Upon

As regards the re-organisation of MITCI, Government initiated a comprehensive exercise through a consultancy firm, with the intention to set-up a Mauritius Digital Transformation Agency (MDTA) which would act as a strong institutional champion to speed up digital transformation of the public service and the whole economy. The report of the Consultant was approved by Government in November 2022.

In addition to the creation of MDTA and several other recommendations, the Consultant confirmed that it would be possible to achieve a service-centred public service to reduce costs, and increase efficiency.

However, the Consultant drew attention that reform proposals made on several occasions over recent years, had not led to comprehensive reforms. There was a risk that its recommendations would not necessarily be acted upon.

As of November 2024, two years after submission of the Report, MITCI considered that the creation of MDTA would be a complex and time-consuming process with far reaching implications. There was no Action Plan prepared to provide visibility on how the key recommendations would be implemented.

Root Cause

MITCI did not take appropriate actions to implement all the recommendations.

Recommendation

Appropriate actions should be taken to implement all the recommendations.

6. Initiatives to adopt Emerging Technologies not undertaken

In its report of 2021, PRB recommended MITCI, in collaboration with MPSAR, to haul properly the digital transformation by promoting, among others, the development of appropriate regulatory and ethical frameworks to assist organisations in the usage of AI in a responsible manner. Also, the Digital Government Computerisation Committee had to conduct a study in Public Sector Organisations to identify areas where actual usage of AI can improve public services, policy making and internal operations.

As of December 2024, none of these tasks were carried out.

Root Cause

MPSAR informed that these activities fell within the purview of MITCI.

Recommendation

There should be effective collaboration between MITCI and MPSAR to adopt latest technologies to improve service delivery in the public service.

7. Absence of Key Performance Metrics

Public Service Transformation is heavily dependent on digital transformation. After some three decades of investment in digitalisation of processes in the public service, there was still no appraisal carried out to identify to what extent the intended tangible and intangible benefits have been realised out of these investments.

There was no Key Performance Metrics in the public service which captured and monitored how investment in transformation through digitalisation and smart processes in the civil service were directly bringing a change to the lives of citizens. The existing KPIs when benchmarked with those of other countries, did not cover measurement of Digital Government outcomes as is the case for the Ministry of Digital Development and Information of Singapore.

For example, the Ministry of Digital Development and Information of Singapore[3] has developed KPIs that measure outcomes that comprise, among others, the following:

- Stakeholders Satisfaction- measurement of satisfaction of citizens and businesses with digital services;

- End-to End Digital Options- percentage of services that offer e-payment options and services that are pre-filled with government -verified data;

- End-to-End Digital Transactions- percentage of transactions completed digitally from end-to-end and percentage of payments completed via e-payments; and

- Transformative Digital Projects- number of transformative digital projects.

Root Cause

Absence of collaboration between the MITCI and MPSAR to support User Ministries and Departments in developing appropriate metrics.

Recommendation

Appropriate collaboration should be established among the key stakeholders for the development of performance metrics.

8. Lack of Digital Skills and Management Engagement

According to MITCI, there was a lack of digital skills across government. This shortage of skills was hindering the development and maintenance of e-governance platforms.

Also, ICT was not seen as a priority in Ministries and Departments though it was considered as an enabler for transformation. There was a lack of ownership in the conception, implementation and evaluation of ICT projects, coupled with lack of understanding on the part user ministries and departments.
In 2018, MITCI identified the need for an e-Government expert to support the Chief Technical Officer of the Ministry to deliver its mandate. The expert was expected to bridge the skills gap at the level of the Ministry in terms of e-governance, ICT portfolio management, strategy formulation to enhance uptake of e-services, project funding and benefits realisation. All these skills were necessary to support Government Digital transformation.

The recruitment of this expert did not materialise as no suitable candidate was identified during the recruitment process. The overall effect was that expected key deliveries in this consultancy service was not realised.

Root Cause

Inadequate continuous professional development and training programmes to build digital competencies among public sector employees.

[3] Accessible at https://www.mddi.gov.sg/files/Publications/dgb_public_document_30dec20.pdf

Recommendations

MPSAR in collaboration of MITCI should organise capacity building and needs assessment and provide targeted training programs.

9. Disaster Recovery Site for the Government on Line Centre not Set Up

Critical projects like the setting up of a Disaster Recovery (DR) Site for the Government on Line Centre were not realised since its initiation some 10 years ago. The need of a DR Site for the Government on Line Centre (GOC), which hosts critical systems of national importance, is pivotal in ensuring the continuation of vital processes in the event that a disaster occurs.

Any breach of security in the systems or physical damage to the present infrastructure would cause a major disruption in government operations.

A consultancy report, costing some Rs 5.3 million, for the setting of a DR site was submitted as far back as in September 2015 and several initiatives were taken without the project being realised as of December 2024. This was exposing the whole ICT system of Government without back up in case of a major disruption.

Root Causes

- Non-responsive bids were received for tenders launched on three occasions (financial years 2017-18, 2018-19 and 2021-22)
- The project was put on hold during the financial years 2019-20 and 2022-23.

Recommendation

It is imperative for MITCI to prioritise the realisation of this critical project without further delay.

10. Inadequate Uptake of Government e-Services

In 2020 a digital marketing campaign costing some Rs 4.3 million was carried out to promote the Government portal, major e-Government systems, e-Services and mobile apps. As of November 2024, 123 e-services were available to the public. Out of these 123 e-services, the number of hits[4] on only 70 e-services was recorded by the Government on Line Centre.

Out of the 70 e-services, less than 10 had relatively high hit rates which included: Apply for a Learner's License, Application for jobs at the Public Service Commission & Local Government Service Commission, Application for NTA Registration Mark and Payment of Driving Test.

[4] A hit refers to the number of physical resources requested from the server during that visit. Pages are made up of many items like images, audio files, video files and text. Each of those items that are presented to the visitor count as a hit.

The remaining 60 e-services had insignificant hit rates since their commissioning on the platform.

Several e-services commissioned as far back as 2016, had trivial hits which was as low as only one hit yearly.

Analysis of the Technical Specifications of e-Services revealed that performance metrics were not embedded at design stage of the systems. For example, one of the most important e-service used is the Online Motor Vehicle Licence (MVL) Renewal System of the National Land Transport Authority (NLTA) did not have the key performance metrics to assess its performance such as *Page Load Time* and *Transaction Success Rate.*

During period July 2024 to November 2024, out of the total of 201,218 renewals only 18,374, representing some 9 per cent were carried out online and the remaining 182,844 was carried out manually.

Root Causes

- There were no performance metrics embedded at design stage in each e-service to assess and ensure that it was user friendly.

- The e-services were not adequately citizen centric, with a strong emphasis on understanding and addressing user needs.

- There was insufficient promotion of these e-services to increase their adoption rate.

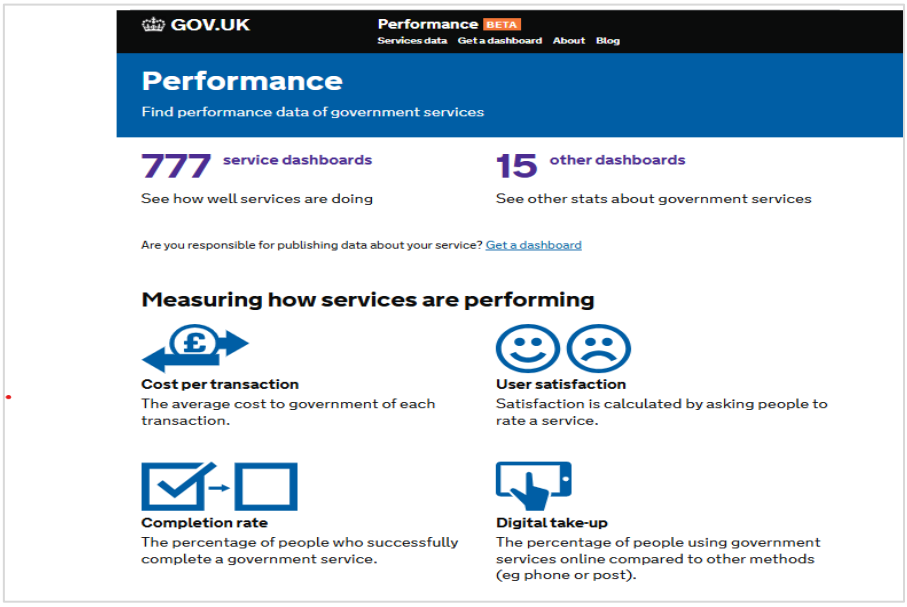
Recommendations

- Frequent surveys should be conducted to gather feedback and inputs from citizens during planning and development phases of e-services.

- There should be proactive engagement and promotional efforts from respective Ministries and Departments responsible for these e-services.

- MITCI should develop a dashboard to monitor the uptake of e-services. An example of a Dashboard is one maintained by the UK's Government Digital Service (GDS) in respect of all e-services in the public service is as per Figure 1.

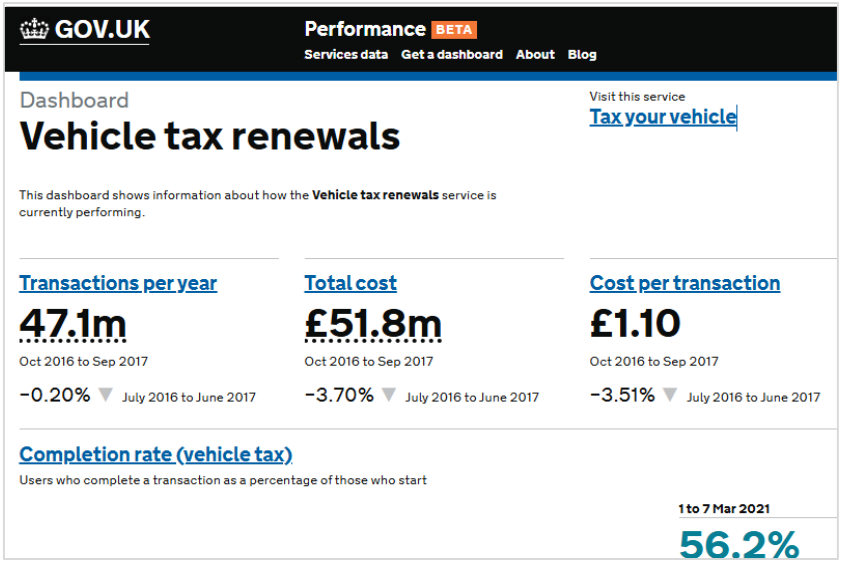
Figure 1 Dashboard on Performance e-Services in the Public Service in UK



Source: UK's Government Digital Service[5]

A more specific dashboard can be used by the NLTA to provide an overview on its Motor Vehicle Licence renewal e-service. Figure 2 refers

Figure 2 Dashboard on Vehicle Tax Renewals relevant to NLTA



Source: UK's Government Digital Service[6]

[5] Accessible at https://webarchive.nationalarchives.gov.uk/ukgwa/20210315084926/https://www.gov.uk/performance

[6] Accessible at https://webarchive.nationalarchives.gov.uk/ukgwa/20210315084943/https://www.gov.uk/performance/vehicle-tax

9. Stagnating progress on E-Government Development Index (EGDI) ranking

In 2024, Mauritius and South Africa were among the best performers in Africa, and both moved to the group of Very High E-Government Development Index (EGDI)· at global level.

However, in terms of world-wide ranking EGDI, the trend for Mauritius has been wavery, with the best ranking in 2016 and then falling over the years. Its ranking in 2024 (76 th) is almost the same as it was in 2010 (77th), some 14 years ago.

In contrast, South Africa has witnessed continuous progress in its ranking from the 97th to 40th position.

Low E-Participation and Online Service Indices

The Telecommunication Infrastructure Index (TII) measures the adequacy of telecommunications infrastructure. The Online Service Indices (OSI) score is based on the types of e- services offered along with their access and use by the different categories of users in the population, in comparison to other countries' offerings. The e-Participation Index (EPI) measures how deeply Government engages with the general public online. It ranges from information provision, consultation, to decision-making.

Findings

The TII of Mauritius has been on the increasing trend, while the OSI and e-Participation Index (EPI) have been on a declining trend since 2016. This declining trend indicates that maximum benefits from investment in telecommunication infrastructure is not being realised.

In contrast, in the case of South Africa investment in infrastructure is being accompanied by increase in the OSI and EPI. Countries like Rwanda, Kenya and Egypt with less favourable world-wide rankings and Telecommunication Index have better OSI than Mauritius, indicating that a better use of the infrastructure was being achieved.

Root Cause

Absence of a muti-stakeholder approach, inter-alia, inter-ministerial digital transformation committees, national ICT forums and national e-government executive committees.

Recommendations

- A multi-stakeholder approach and a more appropriate governance structure should be implemented to analyse and bridge the gap between investment in ICT infrastructure and its actual usage.

  This governance structure should leverage on the good practices adopted by countries like Australia, Singapore and United Kingdom.

- Benchmarking should be carried out with countries which assess performance of their e-services and publish same on a dashboard.

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CERTIFICATE OF AUDIT

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Republic of Mauritius

NATIONAL AUDIT OFFICE

CERTIFICATE OF AUDIT

TO THE NATIONAL ASSEMBLY

Report on the Audit of the Annual Statements of the Government of the Republic of Mauritius

Qualified Opinion

I have audited the Annual Statements of the Government of the Republic of Mauritius, submitted in accordance with Section 19(1) of the Finance and Audit Act, which comprise the statement of financial position as at 30 June 2024, and the statement of financial performance, the statement of changes in net assets or equity, the cash flow statement and the statement of comparison of budget estimates and actual amounts for the year then ended, other statements as required under Section 19(3) of the Act, and notes to the accounts, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of my report, the accompanying Annual Statements give a true and fair view of the financial position of the Government of the Republic of Mauritius as at 30 June 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Qualified Opinion

Transitional IPSAS Financial Statements

The second transitional IPSAS financial statements have been prepared for the financial year 2023-24. Government has taken advantage of transitional exemptions in compliance with *IPSAS 33—First-time Adoption of Accrual Basis IPSASs*, which affected the fair presentation of the financial statements as disclosed in *Note 2.1(B)* of the financial statements. As a result, it is unable to make an explicit and unreserved statement of compliance with accrual basis IPSASs.

Contingent Liabilities

In the absence of confirmation from the Government Legal Counsel, the completeness of any pending litigations in which the Government is involved could not be ascertained. Thus, potential liabilities related to litigations may not be disclosed or accrued for in the financial statements as required by IPSAS 19 '*Provisions, Contingent Liabilities, and Contingent Assets*'.

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I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Annual Statements* Section of my report. I am independent of the Ministries and Government Departments in accordance with the INTOSAI Code of Ethics, together with the ethical requirements that are relevant to my audit of the Annual Statements of the Government of the Republic of Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

I draw attention to the following:

- As per the statement of financial performance, prepared on accrual basis, the deficit for the financial year ending 30 June 2024 amounting to Rs 21.2 billion.
- Note 18 concerning the provision of Rs 494 million on account of contractual liability for the supply of COVID-19 vaccines.
- Note 23 to the financial statements regarding liabilities in respect of the pension defined benefit plan of Rs 149.9 billion as of 30 June 2024.

My opinion is not modified in respect of the above matters.

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the Annual Statements of the current period. These matters were addressed in the context of my audit of the Annual Statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Except for the matters described in the Basis for Qualified Opinion section of my report, I have determined that there are no other key audit matters to communicate in my report.

Responsibilities of the Accountant General and Those Charged with Governance for the Annual Statements

The Accountant-General is required, under Section 19 of the Finance and Audit Act, to sign and submit Annual Statements within 6 months of the close of every fiscal year, and is responsible for such internal control necessary to enable the preparation of Annual Statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance in Ministries and Government Departments are responsible for maintaining proper accounting records and providing to the Accountant-General, for the purpose of the Annual Statements, information that are accurate.

Auditor's Responsibility for the Audit of the Annual Statements

I am required under Section 20 of the Finance and Audit Act to issue a certificate of audit on the Annual Statements of the Government of the Republic of Mauritius, submitted in accordance with Section 19 of the Finance and Audit Act, within 8 months of the close of every fiscal year.

My objectives are to obtain reasonable assurance about whether the Annual Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate of audit that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs 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 Annual Statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the Annual 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 my 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 Ministries' and Departments' internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Evaluate the overall presentation, structure and content of the Annual Statements, including the disclosures, and whether the Annual Statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the Annual Statements of the current period and are therefore the Key Audit Matters. I describe these matters in my certificate of audit, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my certificate 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

Management's Responsibility for Compliance

Management is responsible for controlling expenditure on any service in respect of which public funds have been appropriated and for collecting revenue and paying that revenue into public funds, as well as putting in place a sound system of internal control designed to provide reasonable assurance regarding, amongst others, the effectiveness and efficiency of operations, the safeguarding of assets and data, the prevention of fraud and irregularities, and the compliance with applicable laws, regulations and instructions, policies and established procedures.

Auditor's Responsibility

Finance and Audit Act

In addition to my responsibility to express an opinion on the Annual Statements described above, I am required under Section 16 of the Finance and Audit Act to satisfy myself that:

(a) all reasonable precautions have been and are taken to safeguard the collection of public money;

(b) all laws, directions or instructions relating to public money have been and are duly observed;

(c) all money appropriated or otherwise disbursed is applied to the purpose for which Parliament intended to provide and that the expenditure conforms to the authority which governs it;

(d) adequate directions or instructions exist for the guidance of public officers entrusted with duties and functions connected with finance or storekeeping and that such directions or instructions have been and are duly observed; and

(e) satisfactory management measures have been and are taken to ensure that resources are procured economically and utilised efficiently and effectively.

I am also required, under Section 20 of the Finance and Audit Act, to submit a Report upon my examination and audit of the accounts of Government.

In my opinion, except for the matters mentioned in my Report for the financial year 2023-24, nothing has come to my attention that causes me to believe that the financial management principles laid down at Section 16 of the Finance and Audit Act have, in all material respects, not been adhered to.

Public Procurement Act

I am required to state whether the provisions of Part V of the Public Procurement Act regarding the bidding process have been complied with.

In my opinion, except for the matters mention in my Report for the financial year 2023-24, the provisions of Part V of the Act have been complied with as far as it could be ascertained from my examination of the relevant records.

DR D. PALIGADU
Director of Audit

National Audit Office
14th Floor
Air Mauritius Centre
PORT LOUIS

25 February 2025

PART I

REPORT OF THE DIRECTOR OF AUDIT

ON

THE ACCOUNTS OF THE GOVERNMENT

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2 - ANNUAL STATEMENTS - TREASURY

2.1 Submission of Annual Statements

Background Information

The Finance and Audit Act requires that the Accountant General shall, within 6 months of the close of every fiscal year, sign and submit to the Director of Audit financial statements presenting fairly, in all material respects, the financial position of Government as at the last date of the fiscal year and the financial performance and cash flows of Government for the year then ended.

The accounts of Government were closed on 8 August 2024 and the Financial Statements of Government for the year ended 30 June 2024 were submitted by the Accountant General on 30 December 2024. The main Statements comprised the Statement of Financial Position (Statement A), the Statement of Financial Performance (Statements AA and AB), and the Statement of Changes in Net Assets or Equity (Statement AC).

Other Statements, as prescribed under Section 19(3) of the Finance and Audit Act, not mentioned above, were submitted to NAO on 15 November 2024, 2 and 11 December 2024.

Implementation of Accrual-Based Accounting and Compliance with IPSAS

Background Information

With a view to improving transparency, accountability and decision making through the production and publication of internationally benchmarked financial statements, the Finance and Audit Act was amended in July 2017.

Section 19(3A) (a) of the Act provides that the statements referred to in subsection (3)(a) to (ag) shall, as far as possible, be prepared in compliance with International Public Sector Accounting Standards (IPSAS).

According to Section 19(3A) (b) of the Act, the Financial Statements shall, for the fiscal year 2022-23 and onwards, be prepared in compliance with IPSAS.

Second Transitional IPSAS Financial Statements

As disclosed in note 2.1 B (i), the second transitional IPSAS financial statements have been prepared in respect of the financial year 2023-24 and it is expected that the financial statements will be fully compliant with IPSAS as from the financial year 2025-26.

According to paragraph 9 of IPSAS 33 - 'First-Time Adoption of Accrual Basis IPSAS', Transitional IPSAS financial statements are the financial statements prepared in accordance with this IPSAS (IPSAS 33) where a first-time adopter cannot make an explicit and unreserved statement of compliance with other IPSASs because it adopted one or more of the transitional exemptions that affect the fair presentation of the financial statements and its ability to assert compliance with accrual basis IPSASs. According to paragraph 135 of IPSAS 33, the first-time adopter should include a statement that the financial statements do not fully comply with accrual basis IPSASs.

According to paragraph 136 of IPSAS 33, where a first-time adopter takes advantage of the transitional exemptions, the first-time adopter shall disclose:

(i) The extent to which it has taken advantage of the transitional exemptions that affect the fair presentation of the financial statements and its ability to assert compliance with accrual basis IPSASs; and/or

(ii) The extent to which it has taken advantage of the transitional exemptions that do not affect the fair presentation of the financial statements and its ability to assert compliance with accrual basis IPSASs.

The government has taken advantage of the transitional exemptions that affect the fair presentation of the financial statements in respect of the following:

(i) Property Plant and Equipment;

(ii) Employee Benefits;

(iii) Related Party Disclosures;

(iv) Impairment of Non-Cash Generating Asset;

(v) Intangible Assets;

(vi) Financial Instruments – Disclosures;

(vii) Leases; and

(viii) Revenue from Exchange Transactions and Revenue from Non-Exchange Transactions.

Findings

2.1.1 Issues regarding the Implementation of Accrual-Based IPSAS

- ***Secondary Ledger***

The Secondary Ledger (SL), which was to cater for accruals accounting in the Treasury Accounting System (TAS), has been implemented since May 2017. After more than 7 years, the system was still not operational.

To prepare the Accrual IPSAS financial statements, the cash Trial Balance from the Primary Ledger (TAS) was adjusted manually for accruals based on returns from Ministries/Departments which sometimes were not accurate and complete and which needed several adjustments. This time-consuming process increases the administrative burden with a high risk of errors and delays in preparing the financial statements.

- Excessive number of journal adjustments.

- Returns submitted may not be complete and accurate.

As an example, the Ministry of Health and Wellness submitted 'Nil' returns in respect of 'Retention Money on Contracts'. An amount of Rs 24 million withheld under the contract for the 'Construction and Renovation of Cancer Hospital' was released to the contractor in September 2024.

The figure of Rs 45.3 million for 'Retention Money on Contracts' included in the item 'Payables' has therefore been understated by an amount of Rs 24 million.

Treasury's Response

- The Treasury Accounting System was originally set up to facilitate cash basis reporting, and integrating a layer for accrual-based accounting has proven to be more challenging than expected. As a result, some technical issues remain unresolved.

- The SL is a valuable tool in this process, it is worth noting that the SL necessitates substantial manual adjustments at year-end to align all accrual transactions and balances with the evolving requirements of IPSAS.

- To enhance the efficiency and accuracy of this process, one potential solution could involve assigning Treasury Accountants to Ministries and Departments. This would allow for real-time updates to the SL at the source, rather than relying on manual submission of accounting returns at the end of each financial year.

2.1.2 Government Asset Register still not complete

The Government Asset Register (GAR) has been implemented since July 2017, however, as of 30 June 2024, the GAR was yet to be completed as some Ministries/Departments were still not updating the register.

During the financial year 2023-24, out of 108 templates to be uploaded monthly by Ministries/Departments, only 23 have been completely uploaded up to 30 June 2024. In 6 cases, the monthly transactions in GAR have been uploaded for some months only while in 79 cases, the templates had not been uploaded by Ministries/Departments.

For all classes of assets, differences were observed between the amount reported in the financial statements and the amount uploaded in the GAR. As of November 2024, Property Plant and Equipment (PPE) (excluding Furniture, Fixtures and Fittings) and Intangible Assets (IA) recorded in the GAR at cost stood at Rs 490.4 billion and Rs 284.9 million respectively while the amount recognised at cost in the Statement of Financial Position as at 30 June 2024 were Rs 586.1 billion and Rs 4 billion respectively.

Recommendation

In view of the fully compliant IPSAS financial statements in financial year 2025-26, the Accountant General should take necessary measures to ensure that the Secondary Ledger is operational and all the Government assets are duly recorded in GAR.

Treasury's Response

- Regarding GAR, the responsibility of recording asset details and reconciling same rest with Ministries and Departments. Considerable efforts have been made by the Treasury in the training of officers of Ministries and Departments for this purpose. Reminders are sent to Ministries and Departments to obtain the necessary data to be uploaded in GAR but still response was low.

- Proposals to have a dedicated team at the Treasury to maintain the GAR has to date not been positively considered by the Ministry of Finance.

2.1.3 Contingent Assets and Contingent Liabilities – Inability to identify pending litigations

In notes 46 and 47 of the financial statements, it was disclosed that there were no known contingent assets and contingent liabilities to be disclosed.

According to paragraph 18 of IPSAS 19 - 'Provisions, Contingent Liabilities and Contingent Assets' a contingent liability is a possible obligation that arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Findings

- In the absence of confirmation from the Attorney General's Office, NAO has not been able to identify presence of any pending litigations in respect of law suits in which the Government is involved and that are unresolved at the end of the financial year.

- According to paragraph 36 of IPSAS 19, a contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Recommendation

The Accountant General must have a comprehensive list of pending litigations with status of expected outcome and any penalties to comply with IPSAS 19 - 'Provisions, Contingent Liabilities and Contingent Assets'.

Issues on measurement of Loss Allowance – IPSAS 41, Financial Instruments

According to paragraph 73 of IPSAS 41, Financial Instruments, an entity shall recognise a loss allowance for expected credit losses on financial asset.

Paragraph 81 requires that at each reporting date, an entity shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition.

According to Paragraph 83, there is a rebuttable presumption the credit risk on a financial asset has increased significantly when contractual payments are more than 30 days due.

Findings

- ***Investment - Loss Allowance not provided***

Note 8 of the financial statements include other investment of Rs 9.4 billion. This figure includes fixed deposit of Rs 500 million with a financial institution which matured on 9 September 2024. The financial institution was placed under conservatorship in February 2024. As of November 2024, the principal amount nor the accrued interest was refunded to the Government.

There was no evidence that the credit risk on the fixed deposit of Rs 500 million has been assessed.

Recommendation

The Accountant General should assess the risk of default and recognise any possible loss allowance in the Financial Statements.

Treasury's Response

The investment pertains to a Fixed Deposit of the Projects Development Fund. As per information provided by the Fund, the Conservator has confirmed that funds will be repaid in full.

2.1.4 Expected Credit Loss Allowance Rs 199.5 million on 'Outstanding Loans financed from Revenue' understated

As at 30 June 2024, a total amount of Rs 199.5 million was recognised in the financial statements as expected credit loss allowance (Note 7) in respect of 3 loans as detailed in Table 2-1 using an Explicit 'Probability of Default' Approach.

Table 2-1 – Expected Credit Loss Allowance on Outstanding Loans

Statutory /Other Bodies	Loan outstanding as at 30 June 2024 Rs	Expected Credit Loss Allowance Rs	Percentage of expected credit loss allowance
Wastewater Management Authority (WMA)	3,976,520,315	100,765,025	2.5
Central Water Authority (CWA)	3,872,608,812	98,131,907	2.5
Rodrigues Regional Assembly (RRA)	23,243,224	588,983	2.5
Total	**7,872,372,351**	**199,485,915**	2.5

Source: Treasury records

The expected credit loss allowance recognised on the 3 loans which represented 2.5 per cent of the total outstanding loan balances was not adequate as credit risk on the 3 loans have increased significantly since initial recognition.

The WMA has not paid the principal amount on its outstanding loan balance which was due since 2018. The CWA has stopped repayment of loans since June 2017. The RRA has also not made any reimbursement after the financial year 2015-16.

According to the WMA's financial statements submitted to NAO, the Authority registered deficits of Rs 443.5 million and Rs 527.5 million for financial years 30 June 2023 and 30 June 2024 respectively. Additionally, its bank overdrafts amounted to Rs 73.4 million and Rs 11.4 million as of 30 June 2023 and 30 June 2024 respectively.

Furthermore, according to the financial statements submitted by CWA, the Authority reported deficits of Rs 580 million and Rs 300.1 million for financial years 30 June 2023 and 30 June 2024 respectively. Its bank overdrafts were reported at Rs 75.3 million and Rs 149.6 million as of 30 June 2023 and 30 June 2024 respectively.

Recommendation

The Accountant General should review the expected credit loss allowance to reflect the past, current and future financial situations of these Bodies.

Treasury's Response

The Expected Credit Loss is reviewed annually and necessary amendments, (if any) will be made as from financial year 2024-25, after consultation with the Ministry of Finance.

2.1.5 Employee Benefit Obligations - Liability in respect of Defined Benefit Plan of Rs 149.8 billion may be materially understated

Background Information

According to paragraph 60 of IPSAS 39 - Employee Benefits, an entity shall determine the net defined liability (asset) with sufficient regularity that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period.

At paragraph 61 of IPSAS 39, it is stated that an entity may request a qualified actuary to carry out a detailed valuation of the obligation before the end of the reporting period. The results of that valuation are updated for any material transaction and other material changes in circumstances up to the end of the reporting period.

A sum of Rs 149.8 billion was accounted as liability in respect of Defined Benefit Plan in respect of the financial years 2021-22, 2022-23 and 2023-24. According to paragraph 2.19 (ii) (b) of the notes to the financial statements, the calculation of defined benefit obligations is performed on a 3-yearly basis by a qualified actuary. The last valuation was carried out on 30 June 2022.

Findings

- The pension deficit of Statutory Bodies and Local Authorities increased from Rs 40 billion as of 30 June 2021 to Rs 51.4 billion as of 30 June 2023 representing an increase of 28.5 per cent over a period of 2 years.

- Based on this analysis, if the actuarial valuation is carried out on a 3-yearly basis, the pension liability of the Government standing at Rs 149.8 billion at 30 June 2024 may be materially understated.

Recommendation

In view of full compliance for the financial year 2025-26, it is recommended that the actuarial valuation be carried out at each reporting date and the Accountant General must ensure compliance with IPSAS 39 in order to show a true and fair view of pension liability at the end of each reporting date.

Treasury's Response

As from financial year 2024-25, it has been decided that yearly actuarial valuation will be conducted to ensure compliance with IPSAS 39. This will provide a true and fair presentation of the Government's pension liability at each reporting date.

2.1.6 Property, Plant and Equipment - Rs 540.4 billion and Intangible Assets - Rs 1.2 billion

As of 30 June 2024, Property, Plant and Equipment (PPE) and Intangible Assets (IA) owned by Government were recognised at Rs 540.4 billion and Rs 1.2 billion respectively in the Statement of Financial Position.

Findings

- ***List of State Land not updated***

The value of land amounted to Rs 382.5 billion as of 30 June 2024. At paragraph 2.1 (IV) of Audit Report for financial year 2022-23, mention was made regarding the absence of an updated list of land from the Ministry of Housing and Land Use Planning to substantiate the figures for Land, reported in the financial statements.

It was again noted that a list of land regarding additions for financial years 2018-19 to 2020-21 and 2022-23 totalling Rs 4.1 billion was not available. Furthermore, the additions totalling Rs 971.4 million for the financial year 2023-24 were also not supported by a list of land acquired.

- ***Useful Economic Lives of Fully Depreciated/Amortised Assets still in Use not reviewed in line with IPSAS 17 and IPSAS 31***

At paragraph 2.1 (IV) of Audit Report for financial year 2022-23, mention was made for the non-compliance with Paragraph 67 of IPSAS 17, Property, Plant and Equipment. It was again noted that the residual value and the useful life of assets were not reviewed at 30 June 2024 in line with IPSAS.

As a result, the carrying amounts of PPE has not been adjusted and PPE costing Rs 10.2 billion were fully depreciated and were shown at zero carrying amount. Additionally, Intangible Assets costing Rs 2.3 billion were also fully amortised and recorded at zero carrying amount. Details are given in Table 2-2.

These fully depreciated/amortised assets may include those which are still in use or assets which have already been retired from active use and still included in total costs and accumulated depreciation/amortisation charges.

Table 2-2 Cost of fully depreciated/amortised assets as at 30 June 2024

ASSETS	Cost (Rs)
Infrastructure Assets	
Stadiums, Gymnasium	183,335,629
Other Structures	1,633,642,711
Transport Equipment	
Ships/Vessels	388,939,976
Overhaul Aircrafts/Helicopters	111,632,491
Other Vehicles	2,509,674,054
Medical Equipment	251,222,812
Office Equipment	2,146,444,676
Other Machinery	2,977,218,018
Buildings	19,658,121
Total PPE	**10,221,768,488**
Intangible Assets	
Software and Licenses	2,300,320,896
Total IA	**2,300,320,896**
Total PPE and IA	**12,522,089,384**

Source: Treasury records

Root Cause

The Treasury did not keep a detailed list of all assets to substantiate the figures of PPE as at 30 June 2024.

Recommendations

The Accountant General must ensure that:

- An updated list of state lands is kept to substantiate the total cost of land disclosed in the financial statements.

- The useful economic lives of fully depreciated assets still in use are reviewed on a regular basis and their carrying values adjusted accordingly as per Paragraph 67 of IPSAS 17, 'Property, Plant and Equipment' and Paragraph 103 of IPSAS 31, 'Intangible Assets'.

Treasury's Response

- Several meetings have been held with the Ministry of Finance and the Ministry of Housing and Land Use and follow up reminders have been sent to ensure progress on this matter. This office has been informed that the exercise is currently underway, and updated information will be provided in due course.

- Presently, the review of the useful life of Non-Financial Assets is not being conducted due to the incomplete status of the GAR. It is essential for Ministries and Departments to closely monitor and evaluate the remaining useful lives of these assets. This matter will be effectively addressed once the GAR is regularly updated by the respective Ministries and Departments and is complete in all aspects.

2.1.7 Receivables from Non-Exchange Transactions – Rs 46.5 billion and Receivables from Exchange Transactions – Rs 2 billion

Total receivables before loss allowance amounted to Rs 48.5 billion as of 30 June 2024 compared to Rs 23.7 billion as of 30 June 2023, representing an increase of 104.6 per cent.

Receivables from Non-Exchange Transactions and Exchange Transactions before loss allowance amounted to Rs 46.5 billion and Rs 2 billion, respectively for the financial year 2023-24 as shown in Table 2-3.

Exchange Transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity in exchange. Examples include licences, finance income, rent, royalties and sales of goods and services.

A Non-Exchange Transaction occurs when an entity receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange. Examples include taxes, fines, penalties, forfeits and social contributions.

Table 2-3 Receivables from Non-Exchange Transactions and Exchange Transactions as at 30 June 2023 and 30 June 2024

Ministries and Departments	*30 June 24* Rs	*30 June 23* Rs
Receivables from Non-Exchange Transactions		
Mauritius Revenue Authority (MRA)	46,017,594,429	21,429,311,864
Registrar- General's Department	301,856,339	397,275,059
The Judiciary	47,728,499	50,211,580
Corporate and Business Registration Department	47,057,213	37,448,802
National Land Transport Authority	38,064,000	38,064,000
Ministry of Commerce and Consumer Protection	1,067,000	236,000
Subtotal for Non-Exchange Transactions	***46,453,367,480***	***21,952,547,305***
Receivables from Exchange Transactions		
Ministry of Housing and Land Use Planning	1,327,530,432	1,257,710,373
Treasury	507,668,402	322,274,727
Corporate and Business Registration Department	94,680,037	75,481,767
Police Service	33,806,575	32,858,641
Ministry of Health and Wellness	25,723,438	23,451,818
Civil Aviation	17,460,900	12,940,131
Ministry of Agro-Industry and Food Security	12,974,883	11,509,293
Others	34,478,649	27,722,699
Mauritius Revenue Authority	-	2,260,194
Subtotal for Exchange Transactions	***2,054,323,316***	***1,766,209,643***
Total Receivables	**48,507,690,796**	**23,718,756,948**

Source: Returns from Ministries and Departments

The Receivables from non-exchange transactions have increased by 111.6 per cent and receivables from exchange transactions have increased by 16.3 per cent for the financial year 2023-24.

Findings

- ***Increase in Receivables of the Mauritius Revenue Authority by 114.7 per cent - Receivables in respect of cases not yet settled/pending cases now recognised***

Receivables from the Mauritius Revenue Authority (MRA), increased from Rs 21.4 billion as of 30 June 2023 to Rs 46 billion as of 30 June 2024. This increase was attributed to the following factors:

(i) Receivables amounting to Rs 14.9 billion which represented 40 per cent of tax assessments not yet settled/pending cases of Rs 37.2 billion as at 30 June 2024. This accounting policy has been adopted as from the financial year 2023-24.

(ii) Receivables from Corporate Tax has increased by Rs 10.9 billion from Rs 5.2 billion as of 30 June 2023 to Rs 16.1 billion as of 30 June 2024.

- ***Age Analysis of Receivables – 33 per cent overdue for more than one year***

Table 2-4 below shows an age analysis of receivables for Non-Exchange and Exchange Transactions after loss allowance excluding receivables in respect of tax assessments not yet settled.

Table 2-4 Age analysis of receivables for the financial year 2023-24

	Non-exchange Transactions Rs billion	***Exchange Transactions Rs billion***	***Total Rs billion***	***Percentage of total receivables (%)***
Less than 1 year*	21.29	0.39	21.68	67
Between 1 year to 5 years	5.64	0.21	5.85	18
Between 5 years to 10 years	2.40	0.88	3.28	10
Over 10 years	1.57	0.01	1.58	5
Total	**30.90**	**1.49**	**32.39**	**100**

Source: Notes 5 and 6 to the Financial Statements
** Receivables less than one year includes current due as per disclosure Notes 5 and 6*

Receivables overdue for more than one year accounted for 33 per cent, with about 5 per cent of them exceeding 10 years. This indicated potential issues with collection efforts or an increased risk of defaults.

- ***Receivables written off - Rs 218.6 million***

A total of Rs 218.6 million has been written off against total receivables for the financial year 2023-24, and which mostly related to Non-Exchange Transactions.

An amount of Rs 215 million representing 98.4 per cent related to receivables write-off by the MRA.

Root Cause

Lack of an effective debt recovery system, poor follow-up by Ministries and Departments, and an inefficient collection process leading to write-offs.

Recommendation

The Ministry of Finance should establish an effective debt recovery system within Ministries and Departments for tracking and managing all receivables, enabling better monitoring and timely actions.

Treasury's Response

It is the primary responsibility of Accounting Officer of Ministries/Departments to ensure that all amount due to be received on account of services offered by their Ministry are properly collected.

2.1.8 Investments - Fair Value is based on Old Net Asset Value, not reflecting current market conditions.

The fair values of Unquoted Shares and Equity Participation in Companies/Government Bodies were based on Net Asset Figure from the latest audited Financial Statements of investees.

When the latest audited Financial Statements are not available, IPSAS 41-Financial Instruments (Implementation Guidance) recommends the net asset value from the last audited Financial Statements to be adjusted to reflect current market conditions or another appropriate valuation technique should be used to calculate the fair value of unquoted equity investments.

Findings

- In 12 cases, investments costing Rs 24.5 billion had a total fair value of Rs 33.3 billion based on Net Assets Values in Financial Statements dating back to years 2015 to 2022. Furthermore, in 3 other cases, investments totalling Rs 16.1 million were valued at cost, since no audited financial statements had been available since these companies' incorporation.

- Hence, these 15 investments were not measured in line with IPSAS 41 guidance, and their fair value may have been misstated because it does not reflect the fair value as of 30 June 2024.

Recommendation

The Accountant General should ensure that investment is valued in compliance with IPSAS 41 'Financial Instruments'.

Treasury's Response

The accounting policy of the Government, as per notes to the Financial Statement No. 8(i), is to use the latest audited financial statements of investees to estimate the fair value of investments.

2.1.9 Social Benefits liabilities - Rs 141,078,120

Background Information

Social benefits are cash transfers provided to specific individuals and/or households who meet eligibility criteria, aimed at mitigating the effects of social risks and addresses the needs of society as a whole.

Social risks are events or characteristics that relate to the circumstances of individuals and/or households that may affect their welfare, either by imposing additional demands on their resources or by reducing their income.

For the financial year 2023-24, social benefits expenses amounting to Rs 63.2 billion were recognised in the Statement of Financial Performance, while social benefits liabilities of Rs 141.1 million were recorded in the Statement of Financial Position.

Findings

- ***Wrong Measurement of Social Benefits Liabilities***

Paragraph AG 15 of IPSAS 42, Social Benefits provides that *"an entity shall measure the liability for a social benefit scheme at the best estimate of costs that the entity expects in fulfilling the present obligation represented by the liability. The maximum amount to be recognised as a liability is the costs the entity expects to incur in making the next social benefit payment".*

The amount of Rs 141,078,120 recognised under current liabilities as social benefits represented the accruals for social benefits that were due but not yet paid as of 30 June 2024, under 17 social benefits schemes.

The Social Benefits Liability should reflect the costs in respect of Social Benefit Schemes that the Government expects to incur in making the next social benefit payment.

- ***Misstatements of Social Benefits Expenses***

According to the social benefits return submitted by the MRA, an amount of Rs 62,995,985,384 was paid. However, the amount transferred to the MRA for various social benefit schemes, totalling Rs 63,366,247,466, has been recorded in the financial statements. As a result, the amount paid has been overstated by Rs 370,262,082.

Social benefits paid through Special Funds were not accounted in the financial statement of the Government. Example are "one-off gift voucher to new born" paid by the National Resilience Fund and "prime à l'emploi" paid by the Solidarity Fund.

The Treasury had not maintained a comprehensive listing of all social benefits schemes paid by the Government, along with their eligibility criteria. As a result, the completeness of the social benefits liability and social benefits expenses could not be ascertained.

Root Cause

The Treasury did not comply with IPSAS 42 - Social Benefits, requirements.

Recommendations

The Accountant General should ensure:

- That social benefit liability is measured in accordance with IPSAS 42 and the figures in the Financial Statements should be amended accordingly.

- That the amount of social benefits recognised as paid are the actual amount paid to beneficiaries, rather than the amount transferred to the entity responsible for making the payments.

- That an updated listing of all social benefits schemes provided by the Government, which fall under IPSAS 42, is readily available.

Treasury's Response

In relation to the measurement of the Social Benefits, although an alternative methodology has been adopted, it is expected that the resulting amount will not differ significantly. Nonetheless, this observation has been noted, and necessary actions will be taken in the financial year 2024-25, aligning the liability measurement with the recommended approach.

2.1.10 Accounting for Special Funds

As of 30 June 2024, the Cash/Bank balances of 8 Special Funds totalling Rs 6.3 billion represented 42.3 per cent of the Government's Cash and Cash Equivalents of Rs 14.9 billion. Investment balances included Rs 8.8 billion (amortised cost) in respect of 4 Special Funds. This makes a total of Rs 15.1 billion that is Rs 6.3 billion plus Rs 8.8 billion accounted as Assets in the Statement of Financial Position as at 30 June 2024.

During the financial year 2023-24, one of the 8 Special Funds received Rs 4.3 billion accounted as expenditure under the item 'Grants' in the Statement of Financial Performance.

Therefore, funds disbursed to the Special Funds at year end were accounted as expenditure in the Statement of Financial Performance. The unspent funds were accounted as Cash and Cash Equivalents and Investments of Government as at 30 June 2024.

Recommendation

The Accountant General needs to review the accounting treatment for Special Funds in Government's financial statements.

Treasury's Response

As from financial year 2024-25, the accounting for Special Funds will be reviewed.

2.2 Provision for contractual liability for COVID-19 Vaccines – Rs 494 million

Background Information

A provision of Rs 494 million was made in the financial statements of the Government as at 30 June 2024 to account for the contractual liabilities for COVID-19 vaccines - Pfizer and Johnson and Johnson vaccines.

Along with the other vaccines, a contractual commitment of Rs 549 million was also disclosed in the financial statements of the National COVID-19 Vaccination Programme Fund as at 30 June 2023 for procurement of Sputnik vaccines.

Following the winding up of the National COVID-19 Vaccination Programme Fund in August 2023, assets and liabilities of the fund were transferred to the Consolidated Fund.

Contract agreement for Pfizer Vaccines

In 2021, a contract agreement was signed by the Ministry of Health and Wellness on behalf of the Government for the procurement of 999,180 doses of Pfizer Vaccines at US$ 12 per

dose. In December 2021, an advance payment of US$ 2 per dose was effected amounting to US$ 1,998,360 by the National COVID-19 Vaccination Programme Fund. During the same month, 400,140 doses were delivered for which payment of US$ 4,001,400 was effected.

Contract agreement for Johnson and Johnson Vaccines

Another agreement was signed by the Government in 2021 for the procurement of 1,134,975 doses of Johnson and Johnson Vaccines. In April 2021, an advance payment of US$ 1,276,847 was made by the COVID-19 Vaccination Programme Fund. In August and November 2021, 439,200 doses were received for which payment of US$ 3,294,000 was effected. Of the outstanding balance of 695,775 doses, the number of vaccines was rounded to 691,200 due to packaging.

Findings

- **Pfizer and Johnson and Johnson Vaccines**

Due to the high vaccination rate already attained, the Ministry of Health and Wellness initiated negotiations with the suppliers of Pfizer and Johnson and Johnson Vaccines not to take delivery of the remaining 599,040 and 691,200 doses respectively. However, these negotiations were unsuccessful.

Additionally, the Pfizer supplier was contacted regarding an extension of the vaccine shelf life, which was set to expire on 19 August 2024. However, as of 17 December 2024, no response had been received.

The Government has a contractual liability of Rs 494 million for COVID-19 vaccines that are no longer required, some of which have already expired.

- **Sputnik Vaccines**

Contractual commitment as of 30 June 2023 for the purchase of Sputnik vaccines amounted to Rs 549 million. The commitment still existed as of 30 June 2024 and neither a provision has been made in the financial statements of the Government nor any disclosure made.

Recommendation

The provisions for contractual liability may have to be increased to Rs 1.1 billion taking into account liability for Sputnik vaccines of Rs 549 million.

2.3 Public Sector Debt

Background Information

Government Debt Management is the process of establishing and executing a strategy for managing the Government's debt in order to meet the borrowing needs of Government in a manner that avoids market disruption, minimises the cost of the debt portfolio within an acceptable level of risk and supports the development of a well functioning market for Government securities.

2.3.1 Public Sector Debt as of 30 June 2024

As per the Public Debt Management Act, Public Sector Debt consists of debts of the Central Government, Extra Budgetary Unit, Public Enterprises, Rodrigues Regional Assembly, and Local Authorities.

Findings

- ***Public Sector Debt Increased by 43 per cent Over the Past Five Financial Years***

Total Public Sector Debt (PSD) Stock increased by Rs 164.3 billion, that is, 43 per cent, from Rs 381.8 billion as at 30 June 2020 to Rs 546.1 billion as at 30 June 2024. Details are given in Table 2-5.

Table 2-5 Public Sector Debt Stock as at 30 June 2020 to 30 June 2024

Debt Category	30-Jun-24 Rs million	30-Jun-23 Rs million	30-Jun-22 Rs million	30-Jun-21 Rs million	30-Jun-20 Rs million	% increase/ (Decrease) over the five-year period
Budgetary Central Government (BCG) Debt						
BCG – Domestic	406,861	365,214	326,979	307,559	304,789	33.5
BCG – External	85,460	83,873	84,459	85,106	43,688	95.6
	492,321	***449,087***	***411,438***	***392,665***	***348,477***	
Guaranteed by Government						
Extra Budgetary Units	24	24	24	24	49	(51.0)
Public Corporations	38,628	39,027	36,463	32,986	34,706	11.3
	38,652	***39,051***	***36,487***	***33,010***	***34,755***	
Non-Guaranteed by Government						
Extra Budgetary Units	96	101	106	112	168	(42.9)
Public Corporations	28,473	25,597	16,776	6,519	3,830	643.4
	28,569	***25,698***	***16,882***	***6,631***	***3,998***	
Sub Total	**559,542**	**513,836**	**464,807**	**432,306**	**387,230**	
Less Consolidation Adjustments	**(13,394)**	**(18,270)**	**(15,512)**	**(12,948)**	**(5,434)**	**146.5**
Total Public Sector Debt	**546,148**	**495,566**	**449,295**	**419,358**	**381,796**	**43.0**
Comprising:						
Total Domestic Public Sector Debt	429,961	380,299	336,124	308,560	317,096	35.6
Total External Public Sector Debt	116,187	115,267	113,171	110,798	64,700	79.6

Source: Statement J - Statement of Public Sector Debt as at 30 June 2020 to 30 June 2024

Note: Public Corporations consist of Financial and Non-Financial Corporations. Financial Corporations include DBM, MauBank Holdings Ltd, SIC and Non-Financial include Air Mauritius Ltd, CEB, CWA, STC, SIT.
Extra Budgetary Units consist of University Of Mauritius and Small Entrepreneurs.

- ***Consolidation Adjustment Rs 13.4 billion***

The PSD before and after the deduction of consolidation adjustments for the financial years 2019-20 to 2023-24 is shown in Table 2-6.

Table 2-6 Public Sector Debt before and after consolidation adjustment

Financial Year	Public Sector Debt (before adjustment) Rs million	Consolidation Adjustment Rs million	Public Sector Debt (after adjustment) Rs million
2019-20	387,230	(5,434)	381,796
2020-21	432,306	(12,948)	419,358
2021-22	464,807	(15,512)	449,295
2022-23	513,836	(18,270)	495,566
2023-24	559,542	(13,394)	546,148

Source: Statement J – Statements of Public Sector Debt as at 30 June 2020 to 30 June 2024

The consolidation adjustment represented investments held by Non-Financial Public Corporations, Statutory Bodies and Local Authorities in Treasury Bills, Government of Mauritius Bonds, Treasury Notes, Treasury Certificates and domestic loans from SIC Development Co Ltd.

The PSD figure of Rs 559.5 billion was adjusted to Rs 546.1 billion as a result of a consolidation adjustment of Rs 13.4 billion made in line with the IMF Government Finance Statistics Manual, which requires that inter-sectoral and intra-sectoral transactions be netted.

The consolidation adjustments are, therefore, necessary to eliminate reciprocal debt liabilities and assets of different entities in order to present information about the public sector as a single entity.

- ***Public Sector Domestic Debt Increased by 35.6 per cent Over the Past Five Financial Years***

As at 30 June 2024, the total Public Sector Domestic Debt commitments stood at Rs 430 billion, accounting for 78.7 per cent of the total PSD of Rs 546.1 billion. This represents an increase of 13.1 per cent over the past year's Public Sector Domestic Debt balance of Rs 380.3 billion.

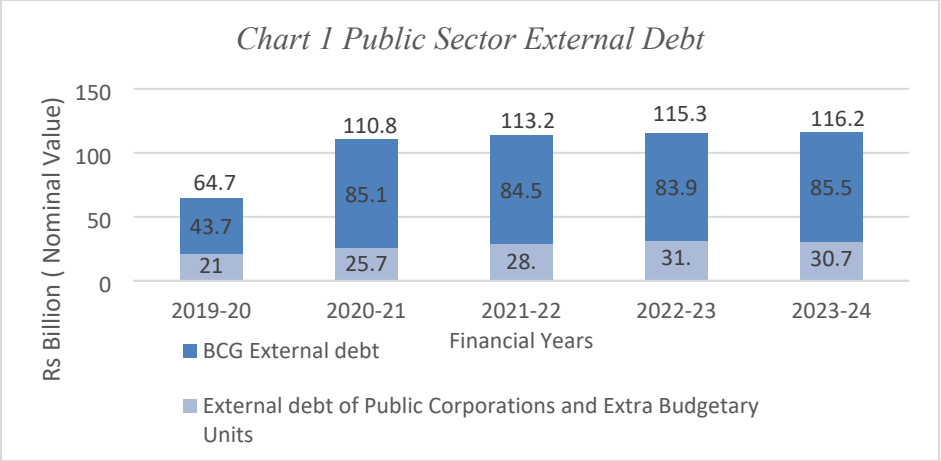
Over the past 5 years, the Public Sector Domestic Debt increased by 35.6 per cent, that is by Rs 112.9 billion, from Rs 317.1 billion as at 30 June 2020 to Rs 430 billion as at 30 June 2024.

- ***Public Sector External Debt Increased by 79.6 per cent Over the Past Five Financial Years***

As at 30 June 2024, Public Sector External Debt of Rs 116.2 billion constituted 21.3 per cent of total Public Sector Debt of Rs 546.1 billion, which is in line with the Government objective to keep the share of Government foreign debt below 22 per cent (Estimates 2023-2024 – Debt Management Strategy).

Over the past 5 years, the Public Sector External Debt increased by 79.6 per cent, that is by Rs 51.5 billion, from Rs 64.7 billion as of 30 June 2020 to Rs 116.2 billion as at 30 June 2024.

Chart 1 depicts the progression of the Public Sector External Debt over the past 5 years.



Source: Statement J – Statement of Public Sector Debt as at 30 June 2020 to 30 June 2024

During the financial year 2023-24, additional loans of Rs 3.6 billion, at nominal value, were contracted by the Government from external financial institutions. Out of the Rs 3.6 billion, Rs 2.8 billion related to a new loan agreement signed in December 2023 for the water sector.

External Debt of Public Corporations in nominal terms decreased slightly by 2.2 per cent from Rs 31.4 billion as at 30 June 2023 to Rs 30.7 billion as at 30 June 2024.

- ***Exchange Losses on External Debt***

Table 2-7 provides a breakdown of the BCG External Debt by currency over the past 5 financial years.

Table 2-7 Currency Composition of BCG External Debt

	2019-20	**2020-21**	**2021-22**	**2022-23**	**2023-24**
	million	**million**	**million**	**million**	**million**
United State Dollar (US$)	137.3	120.1	116.3	353.4	345.0
Japanese Yen (JPY)	1,789.7	31,022.7	31,055.4	31,098.7	30,182.9
European Union (EUR)	555.4	808.1	763.6	724.7	753.0
Great Britain Pound (GBP)	31.0	27.7	24.3	21.0	17.6
Chinese Yuan (CNY)	741.8	607.9	505.9	399.0	314.0
Special Drawing Rights (SDR)	97.1	97.0	233.3	233.2	233.2
Saudi Riyal (SAR)	42.0	104.9	127.5	186.2	198.1
Kuwati Dinar (KWD)	-	-	-	1.8	2.9
Gain/(Loss) on Foreign Exchange (Rs million)	(3,686.9)	(6,546.7)	3,984.6	(2,093.2)	(1,146.2)

Source: Statement of Public Sector Debt as at 30 June 2020 to 30 June 2024 (Annex 2c) and Notes to Financial Statements for financial years 2019-20 to 2023-24

The exchange rate fluctuations had a significant impact on BCG's external debt including debt servicing, with exchange losses ranging from Rs 1.1 billion to Rs 6.5 billion occurring in 4 out of the past 5 financial years.

Recommendation

The Ministry of Finance should develop strategies to minimise exchange losses.

Ministry's Response

With a view to minimising exchange losses, the Ministry has taken the following measures:

- Maintain foreign debt at low, representing just around 18 per cent of the total Government debt at end of June 2024.

- Diversify the currency composition of the foreign debt.

2.3.2 Public Sector Debt to Gross Domestic Product

Background Information

PSD as a percentage of Gross Domestic Product (GDP) is an important debt indicator for assessing a country's debt's financial health and sustainability. It provides a clear picture of the relationship between the total debt owed by the Government and GDP. The Public Debt Management Act was amended through section 67 of the Finance (Miscellaneous Provisions) Act 2023 to reintroduce a public sector debt ceiling set at 80 per cent of GDP.

With effect from 23 March 2020, the COVID-19 (Miscellaneous Provisions) Act 2020 revised Section 6(1A) of the Public Debt Management Act of 2008 requires that the public sector debt be calculated on a "net basis".

Findings

- ***Debt Management Strategy – Target set in Estimates 2023-2024 not Achieved***

PSD as a percentage of GDP as outlined in the Estimates 2023-2024 - Debt Management Strategy and the actual results are shown in Table 2-8.

Table 2-8 Public Sector Debt as a Percentage of GDP

	Debt Management Strategy Estimates 2023-2024	Actual 2023-2024	Variance Increase/ (Decrease)
BCG Debt (Rs billion)	448.5	492.3	43.8
PSD Gross (Rs billion)	516.5	546.1	29.6
PSD Net (Rs billion)	475.6	494.2	18.6
Gross Domestic Product (GDP) (Rs billion)	722.9	670.5	(52.4)
BCG Debt/GDP (percent)	62.0	73.4	11.4
PSD Gross/GDP (percent)	71.5	81.4	9.9
PSD Net/GDP (percent)	65.8	73.7	7.9

Source: Estimates 2023-2024, Statement J and Statistics Mauritius, Quarterly National Accounts, 3rd Quarter 2024
Note – PSD Net = PSD Gross MINUS Cash & Cash Equivalent and Equity Investments

The percentage of Budgetary Central Government (BCG) Debt and PSD Gross to GDP of 73.4 per cent and 81.4 per cent exceeded the target specified in the Estimates 2023-2024 - Debt Management Strategy by 11.4 and 9.9 percentage points respectively.

Furthermore, both BCG debt and PSD (Gross) have exceeded the estimated amounts by Rs 43.8 billion and Rs 29.6 billion respectively.

- ***Debt-to-GDP Trend During Last Five Financial Years***

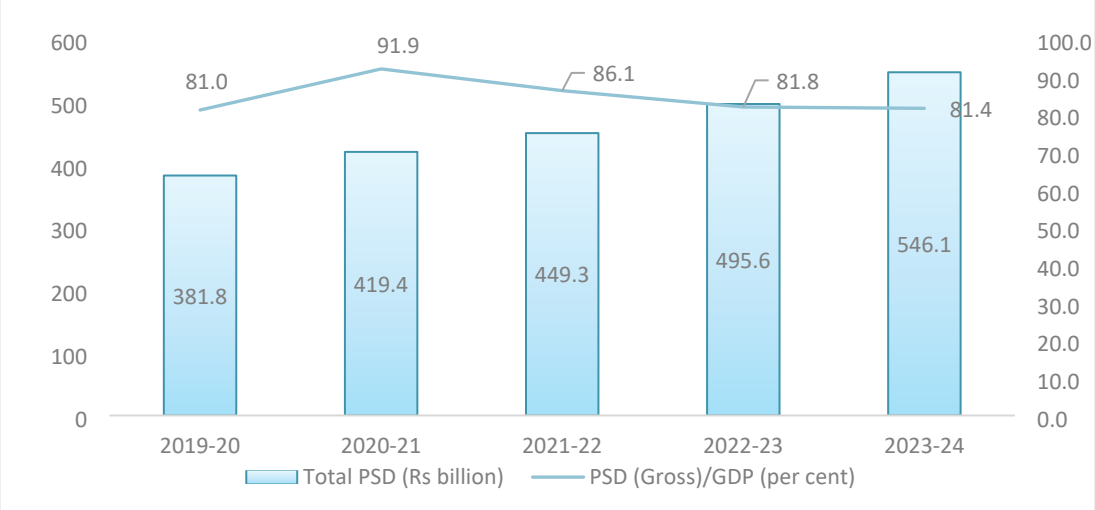
The Debt-to-GDP ratio during the past 5 years is shown in Table 2-9 and Chart 2.

Table 2-9 Public Sector Debt as at end of financial years 2020 to 2024

	2019-20	2020-21	2021-22	2022-23	2023-24
Total PSD (Rs billion)	381.8	419.4	449.3	495.6	546.1
GDP (Rs billion)	471.1	456.3	521.6	605.8	670.5
PSD (Gross)/GDP (per cent)	81.0	91.9	86.1	81.8	81.4
PSD Net (Rs billion)	322.2	345.0	385.5	427.7	494.2
PSD Net/GDP (per cent)	68.4	75.6	73.9	70.6	73.7

Source: Statements J – Statement of Public Sector Debt for financial years 2019-20 to 2023-24 and Statistics Mauritius and MoFEPD Website

Chart 2 Trends of outstanding debt as of 30 June 2020 to 30 June 2024



The gross PSD-to-GDP ratio registered a decrease of 0.4 per cent from 81.8 per cent as of 30 June 2023 to 81.4 per cent as of 30 June 2024.

As at 30 June 2024, Cash and cash equivalents and equity investments of Rs 51.9 billion were deducted from the gross PSD figure of Rs 546.1 billion to reach a net PSD figure of Rs 494.2 billion.

The net PSD-to-GDP ratio increased from 70.6 per cent as at 30 June 2023 to 73.7 per cent as at 30 June 2024.

Recommendation

The Ministry of Finance should formulate appropriate fiscal policies to reduce the public sector debt to GDP ratio below the 80 per cent debt ceiling.

2.3.3 Debt of Budgetary Central Government

As at 30 June 2024, BCG's Debt with a nominal value of Rs 492.3 billion was accounted for at an amortised cost of Rs 488.9 billion, consisting of Rs 408.1 billion of BCG Domestic Debt and Rs 80.8 billion of BCG External Debt.

Amortised cost represents the present value of a debt's future cash flows, calculated using the effective interest rate method. This method allocates the interest expense over the relevant period and adjusts the debt's carrying amount to reflect these changes.

Findings

- ***BCG Debt Servicing over the past five Financial Years***

The BCG debt servicing included capital repayments, interest payments on both Domestic and External Debts, and management service charges associated with these debts. Government debt servicing as per Statement D1 – 'Detailed Statement of Expenditure of the Consolidated Fund' for the past 5 financial years is shown in Table 2-10.

Table 2-10 Government Debt Servicing for financial years 2019-20 to 2023-24

Particulars	30.06.2020 Rs million	30.06.2021 Rs million	30.06.2022 Rs million	30.06.2023 Rs million	30.06.2024 Rs million
Interests*					
External Debt	637.6	577.4	552.0	1,265.3	1,505.8
Domestic Debt	12,727.6	11,837.3	12,698.1	14,343.8	16,331.5
Management Service Charges	24.3	70.4	12.6	33.2	38.1
Sub Total	***13,389.5***	***12,485.1***	***13,262.7***	***15,642.3***	***17,875.4***
Capital Repayments					
External Debt	10,875.1	4,949.4	5,153.6	15,543.6	3,597.8
Domestic Debt**	66,363.1	92,979.1	109,829.5	96,741.5	104,182.8
Sub Total	***77,238.2***	***97,928.5***	***114,983.1***	***112,285.1***	***107,780.6***
Total Government Debt Servicing	**90,627.7**	**110,413.6**	**128,245.8**	***127,927.4***	***125,656.0***

Source: Treasury Accounting Systems

* *Interest is computed on an accrual basis*

*** The Treasury's policy prior to the financial year 2020-21 was not to include redemption of Treasury Bills, Treasury Certificates, Treasury Notes, Saving Notes and Saving Bonds in Government Debt Servicing (Statement D1). The capital repayments for domestic debt for 2019-20 have been adjusted to include these redemptions.*

- ***Interest Payments***

The ratios of interest payments to revenue, expenditure, and GDP are shown in Table 2-11 below.

Table 2-11 Interest Payments on BCG Debt for financial years 2019-20 to 2023-24

	2019-20	2020-21	2021-22	2022-23	2023-24
Recurrent Revenue (Rs million)	99,585	129,494	131,196	146,481	159,852
Interest Payments* (Rs million)	13,390	12,485	13,263	15,642	17,875
Total Government Debt Servicing	90,628	110,414	128,246	127,927	125,656
Total Recurrent Expenditure (Rs million)	134,916	138,797	139,494	158,110	182,478
Total Expenditure** (Rs million)	243,566	297,278	283,660	292,848	311,519
GDP (Rs million)	471,094	456,341	521,625	605,799	670,522
Interest Payments/GDP (per cent)	2.8	2.7	2.5	2.6	2.7
Interest Payments/Recurrent Revenue (per cent)	13.4	9.6	10.1	10.7	11.2
Interest Payments/Total Recurrent Expenditure (per cent)	9.9	9.0	9.5	9.9	9.8
Total Government Debt Servicing/Total Expenditure (per cent)	37.2	37.1	45.2	43.7	40.3

Source: Statement AF, D1, Statistics Mauritius and NAO workings

**Interest Payments include management service charges.*

***The Treasury's policy before the financial year 2020-21 was not to include redemption of Treasury Bills, Treasury Certificates, Treasury Notes, Saving Notes and Saving Bonds in Government Debt Servicing (Statement D1). The total expenditure (Statement D1) for 2019-20 has been adjusted to include capital repayments for the above-mentioned domestic debt.*

➢ *Ratio of Interest payments to GDP – Exceeded Target of 2.4 per cent*

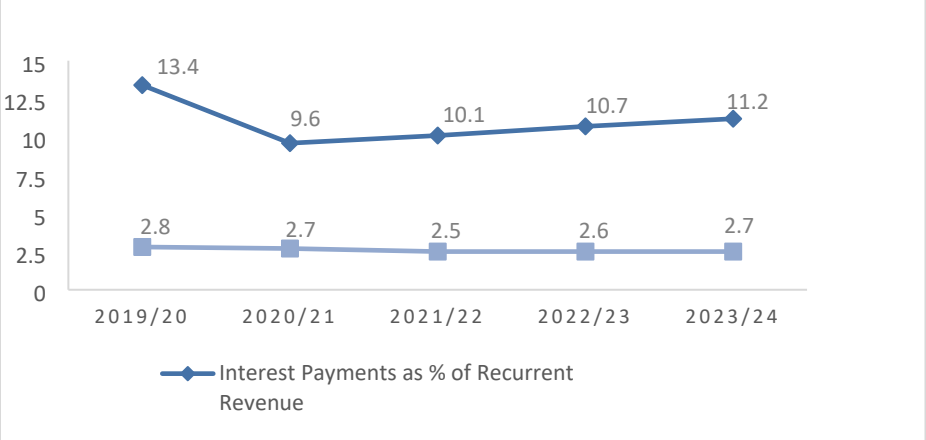
The interest payments on the Government Debt to GDP ratio for financial year 2023-24 was 2.7 per cent, exceeding the target of 2.4 per cent set in the Estimates for 2023-2024. However, the ratio has remained between 2.5 and 2.8 per cent from 2020 to 2024 (Chart 3), well below the 3.5 percent limit established by the Ministry of Finance, Economic Planning and Development (MoFEPD).

➢ *Interest payments to recurrent revenue – Exceeded Target of 10 per cent*

Total interest payments out of revenue decreased significantly from the financial year 2019-20 to 2020-21. However, it thereafter showed an upward tendency, rising from 9.6 per cent in financial year 2020-21 to 11.2 per cent in financial year 2023-24 (Chart 3). Additionally, the actual interest payments as a ratio of recurrent revenue for the financial year 2023-24 exceeded both the 10 per cent target set in the Estimates for 2023-2024 and the benchmark of 10.5 per cent.

This ratio reflects the share of total recurrent revenue that is spent on interest payments. A high ratio indicates that interest payments are taking up a large portion of the government's recurrent budget.

Chart 3 Government Debt Cost Indicators



➢ *Government Debt Servicing represented 45.2 per cent of Total Government Expenditure*

Total Government Debt Servicing increased from Rs 90,628 million in financial year 2019-20 to Rs 125,656 million in financial year 2023-24.

The share of Government debt servicing in total Government expenditure (Statement D1 – Detailed Statement of Expenditure of the Consolidated Fund) was high between financial years 2019-20 and 2023-24, ranging from 37.1 per cent to 45.2 per cent as shown in Table 2-11.

▪ ***Maturity Structure of Government Securities***

The maturity profile of the outstanding Government Securities as at 30 June 2024 is shown in Table 2-12.

Table 2-12 Maturity Structure of Government Securities

Maturity Period	Treasury Bills	Treasury Certificates	Treasury Notes	GOM Bonds	Silver Bonds	Total	%
	Rs million	Rs million	Rs million	Rs million	Rs million	Rs million	
2024-25	48,600	11,169	24,197	36,382	-	120,348	30
2025-26	-	-	18,600	32,612	-	51,212	13
2026-27	-	-	24,650	27,443	-	52,093	13
2027-28	-	-	-	21,824	-	21,824	5
2028-29	-	-	-	21,696	-	21,696	5
2029-30 Onwards	-	-	-	133,472	6,052	139,524	34
Total	**48,600**	**11,169**	**67,447**	**273,429**	**6,052**	**406,697**	**100**

Source: Ledger of Respective Securities

Annual Issue of Government Securities exceeded Redemption, resulting in an Increase in BCG Domestic Debt in the Financial Year 2023-24

The Government raised funds for public expenditure by issuing financial instruments, such as bonds, securities, and other debt instruments.

Table 2-13 shows the issues and redemptions of the main financial instruments, namely Treasury Bills, Treasury Certificates, Treasury Notes and Government Bonds for the past 5 financial years.

Table 2-13 Issues and Redemptions of Government Securities – Past Five Financial Years

	30 June 2020 Rs billion	30 June 2021 Rs billion	30 June 2022 Rs billion	30 June 2023 Rs billion	30 June 2024 Rs billion
Issues	115.8	107.4	127.9	122.9	144.4
Redemption	64.5	92.9	109.7	96.5	104.0
Excess Issues Over Redemption	**51.3**	**14.5**	**18.2**	**26.4**	**40.4**

Source- Reports of Director of Audit and Treasury Financial Statements

Recommendation

The Ministry of Finance needs to balance its borrowing practices, with effective fiscal policies and debt management strategies, to ensure that the debt remains manageable and does not become a strain on the financial market and economic growth.

2.3.4 Increase in Non-Guaranteed debt contracted by Public Corporations

Domestic-Non-Guaranteed Debt of Public Corporations comprising loans and overdraft facilities from local bank are included in Total Public Sector Debt.

Findings

- As at 30 June 2024, the outstanding balance of those debts stood at Rs 28.5 billion compared to Rs 25.6 billion as at 30 June 2023 representing an increase of 11.3 per cent.

- During the financial year 2023-24, new debts were contracted by 3 additional Public Corporations (MCS Mutual Aid Association Ltd, Air Mauritius Ltd, and Central Water Authority). The outstanding balance of these loans stood at Rs 4.6 billion as at 30 June 2024.

- Outstanding debts of the Central Electricity Board increased from Rs 4.6 billion as at 30 June 2023 to Rs 7.1 billion as at 30 June 2024, representing an increase of 54.3 per cent.

Recommendation

The Ministry of Finance should continuously evaluate and monitor the financial performance of Public Corporations to ensure that theses bodies can repay the non-guaranteed loan contracted.

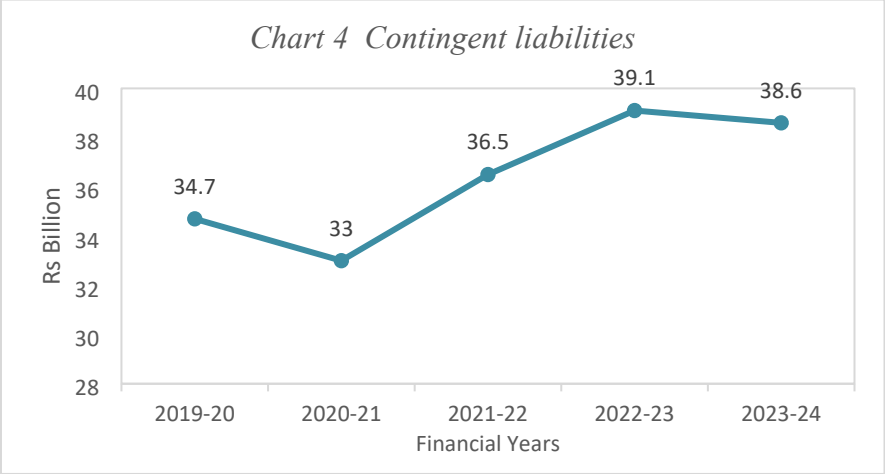
Ministry's Response

All loans are subject to clearance by the respective Board of Directors of the public enterprises as well as the concerned Parent Ministries. It is understood that the required process is being followed and loans are being contracted on a need-basis taking into account the capacity to repay the loan.

2.3.5 Statement L-Statement of Contingent Liabilities including details of any Loans, Bank Overdraft or Credit Facilities Guaranteed by the Government as at 30 June 2024

Debts contracted by Extra Budgetary Units and Public Corporations from both Domestic and External Sources form part of the Public Sector Debt. Debts guaranteed by Government (both Domestic and External Sources) are reported in Statement L- Statement of Contingent Liabilities including details of any Loans, Bank Overdraft or Credit Facilities Guaranteed by the Government as at end of financial year.

These loans represented contingent liabilities of Government in the event of default on the part of the Extra Budgetary Units and Public Corporations.



Source: Statement L: "Statement of Contingent Liabilities including details of any Loans, Bank Overdrafts or Credit Facilities Guaranteed by Government"

Findings

- The total contingent liabilities fluctuated over the years, with a noticeable increase from Rs 33 billion as at 30 June 2021 to Rs 39.1 billion as at 30 June 2023, before slightly decreasing to Rs 38.6 billion as at 30 June 2024. These liabilities may significantly impact debt sustainability.

- As at 30 June 2024, the "Extent of Government's Liability" – (Statement L) in respect of debts from Local and External Sources stood at Rs 7.9 billion and Rs 30.7 billion respectively compared to Rs 7.7 billion and Rs 31.4 billion respectively as of 30 June 2023.

- During the financial year 2023-24, fresh guarantees were provided by the Government with respect to new loans contracted by Public Corporations totalling Rs 678.6 million.

- The amount of those debts falling due at the end of a particular financial year is accounted as "Financial Guarantee Liability" in the Statement of Financial Position in line with IPSAS 41, Financial Instruments. As at 30 June 2024, the Financial Guarantee Liability was Rs 3.3 billion compared to Rs 3.2 billion as at 30 June 2023.

Recommendation

The Ministry of Finance should continuously monitor the financial health of public corporations to ensure that they maintain and sustain repayment capacity.

Ministry's Response

As per Section 8 of the Public Debt Management Act 2008, Government may provide guarantee for the repayment of loans contracted by public sector entities for any purpose except current liabilities. All the loan guarantees have been provided by Government for implementation of various projects, most of which had been requested by development partners to give them comfort and also to reduce the debt service cost.

2.4 Statement of Investment

Background Information

Statement F – "Statement of Investments" gives details of all investments made out of monies standing to the credit of the Consolidated Fund and Special Funds. As at 30 June 2024, investments comprised equity investments in 62 companies (14 quoted companies, 38 unquoted companies, and equity participation in 10 public bodies/companies), redeemable preference shares in one company, and other investments, including fixed deposits in Local Financial Institutions.

Investments as of 30 June 2024

As at 30 June 2024, total investments costing Rs 104.1 billion were measured at fair value of some Rs 140 billion. The movement of investments during the financial year 2023-24 is shown in Table 2-14.

Table 2-14 Investments as at 30 June 2024

	Quoted Shares	Unquoted Shares	Equity Participation/ Contributed Capital	Redeemable Preference Shares	Other Investments	Total
Fair Value/ Amortised Cost	**Rs**	**Rs**	**Rs**	**Rs**	**Rs**	**Rs**
1 July 2023	**672,946,849**	**88,945,434,775**	**29,725,660,173**	**200,000,000**	**19,108,849,811**	**138,652,891,608**
New Investments	-	2,031,291,920	1,258,992,361	-	-	3,290,284,281
Capitalisation of Dividend	-	123,398,348	-	-	-	123,398,348
Derecognised	(16)	(1)	-	-	-	(17)
Exchange Difference	349	110,078,591	-	-	-	110,078,940
New Fixed Deposit	-	-	-	-	5,525,000,000	5,525,000,000
Redemption Of Fixed Deposit	-	-	-	-	(15,079,280,000)	(15,079,280,000)
Fair Value Gain/(Loss)	29,904,008	5,495,582,421	1,984,094,328	-	-	7,509,580,757
Movement in Interest Receivable	-	-	-	-	(152,768,472)	(152,768,472)
30 June 2024	**702,851,190**	**96,705,786,054**	**32,968,746,862**	**200,000,000**	**9,401,801,339**	**139,979,185,445**
Net Increase/ (Decrease) during the year	**29,904,341**	**7,760,351,279**	**3,243,086,689**	**-**	**(9,707,048,472)**	**1,326,293,837**
COST						
1 July 2023	**41,083,167**	**76,418,098,488**	**14,572,507,998**	**200,000,000**	**18,913,375,000**	**110,145,064,653**
30 June 2024	**41,083,500**	**78,682,867,348**	**15,831,500,358**	**200,000,000**	**9,359,095,000**	**104,114,546,206**

Source – Statement F: Detailed Statement of Investments as at 30 June 2024 and NAO workings

Investments in Quoted Shares – Rs 702.8 million

The fair value of quoted shares has increased from Rs 672.9 million as at 30 June 2023 to Rs 702.8 million as at 30 June 2024. This was mainly due to an increase in the market price of a company's shares from Rs 4.50 to Rs 4.70, in which Government held 149,526,150 shares, resulting in a fair value gain of Rs 29.9 million for the investment in that company.

Investments in Unquoted Shares – Rs 96.7 billion

As at 30 June 2023, the fair value of investments in unquoted shares which stood at Rs 88.9 billion increased by Rs 7.8 billion to Rs 96.7 billion as at 30 June 2024, that is, an increase of 8.8 per cent. The increase was due to new investments totalling Rs 2 billion in 4 companies and dividend totalling Rs 123.4 million capitalised in 2 other companies, a net exchange gain of Rs 110.1 million for shares held in foreign companies, a total fair value gain of Rs 6.6 billion for investments in 19 companies and a total fair value loss of Rs 1.1 billion for investments in 9 companies.

Equity Participation – Rs 33 billion

The equity participation of Government increased from Rs 29.7 billion as at 30 June 2023 to Rs 33 billion as at 30 June 2024. During the financial year 2023-24, new investment of Rs 1.3 billion was made in 2 Government Bodies. Investments in 6 Government Bodies recorded a fair value loss totalling Rs 5.3 billion while investments in 2 Government Bodies recorded a fair value gain totalling Rs 7.2 billion.

Other Investments – Rs 9.4 billion

Other investments totalled Rs 19.1 billion as at 30 June 2023 decreased to Rs 9.4 billion as at 30 June 2024. The decrease was mainly due to the maturity of the Government's fixed deposits of Rs 4.3 million and the redemption of one Special Fund's fixed deposits of Rs 9.6 billion.

2.4.1 New Investments with no Expectation of Return

Findings

- In the financial year 2023-24, Government invested Rs 3.3 billion, of which Rs 1.3 billion was in Metro Express Ltd (unquoted shares), Rs 500 million in MauBank Holdings Ltd (unquoted shares), Rs 238 million in African Development Bank (unquoted shares), Rs 11 million in Mauritius Housing Holdings Ltd (unquoted shares), Rs 700 million in Central Water Authority (equity participation) and, Rs 559 million in Wastewater Management Authority (equity participation).

- As at 30 June 2024, total investments in Metro Express Ltd and Wastewater Management Authority, initially costing Rs 15.2 billion, and Rs 2.6 billion respectively, had experienced a decline in value and were worth Rs 11.7 billion and Rs 831 million respectively. Whilst the shares in MauBank Holdings Ltd costing Rs 5.7 billion, were recorded at zero fair value.

- Since their acquisition, all 3 entities have failed to provide returns on the Government's investments. Metro Express Ltd and Wastewater Management Authority both made losses as per their latest financial statements dated 30 June 2021 and 30 June 2023, respectively. MauBank Holdings Ltd generated a profit, according to its latest audited financial Statements as of 30 June 2022.

Recommendation

The Ministry of Finance should monitor the financial health and performance of these companies.

2.4.2 Valuation - Fair Value of Total Investments Rs 140 billion

Findings

- ***Net Gain in Fair Value of Investments of Rs 7.5 billion***

During the financial year 2023-24, investments, costing Rs 94.6 billion in quoted shares, unquoted shares and equity participation, experienced a net gain in fair value of Rs 7.5 billion, representing an 8 per cent gain. The breakdown of these results is as follows:

(i) Out of 62 companies, only 27 recorded fair value gains totalling Rs 13.9 billion, while 23 companies registered fair value losses amounting to Rs 6.4 billion;

(ii) Three companies showed neither gain nor loss in fair value as they had negative net asset values in both the financial years 2022-23 and 2023-24;

(iii) The fair value changes in 6 companies could not be determined because their latest financial statements were unavailable; and

(iv) Two companies, fully owned by the Government with a total investment of Rs 5,100,000 was incorporated in 2020, had not prepared financial statements, making it impossible to ascertain their fair value changes.

Recommendation

The Ministry of Finance should closely monitor the performance of government-owned companies since large amounts of public funds are being invested in these entities.

- ***Fair Value based on Old Net Asset Value***

The fair values of Unquoted Shares and Equity Participation in Companies/Government Bodies were based on Net Asset Values from the audited Financial Statements of Investees.

When the latest audited Financial Statements are not available, IPSAS 41-Financial Instruments recommends the net asset value from the last audited Financial Statements to be adjusted to reflect current market conditions or another appropriate valuation technique should be used to calculate the fair value of unquoted equity investments.

An analysis of the fair value of investments by the year-end date of financial statements was carried out. The outcome is shown in Table 2-15.

Table 2-15 Fair Value of Investments based on Latest Available Financial Statements

Financial Statement at Year End	No.of Companies/ Government Bodies	Cost of Investment	Fair Value of Investment
		Rs	Rs
31 December 2023	8	4,774,679,069	12,825,696,070
30 June 2023	25	65,244,922,598	83,572,507,339
31 December 2022	2	101,000,000	7,103,982,304
30 June 2022	7	8,833,244,313	10,957,886,700
30 June 2021	1	15,177,690,306	11,658,753,370
31 December 2018	1	98,844,218	3,539,607,133
31 December 2015	1	267,887,202	-
Based on Cost	3	16,100,000	16,100,000
Total	**48**	**94,514,367,706**	**129,674,532,916**

Source: Treasury's NAV workings

In 12 cases, investments costing Rs 24.5 billion were measured at a total fair value of Rs 33.3 billion based on Net Assets Values stated in Financial Statements dating back to years 2015 to 2022. Furthermore, in another 3 cases, investments totalling Rs 16.1 million were valued at cost, since no audited financial statements were available. Two of these companies were incorporated in 2020 while the third one in 2022.

Hence, the valuation of the above 15 investments, in Government owned companies, might have been misstated as they may not reflect their fair value as at 30 June 2024.

Root Cause

Lack of monitoring for the preparation and submission of financial statements by the respective Parent Ministry of government bodies/companies.

Recommendations

- The Ministry of Finance should closely monitor the submission of financial statements by these bodies.
- The Accountant General should ensure that the requirements of IPSAS 41 are followed.

Treasury's Response

The accounting policy of Government, as per notes to the Financial Statements No. 8 (i), is to use the latest audited financial statements of investees to estimate the fair value of investments.

2.4.3 Investment Measured at Zero Fair Value as at 30 June 2024

Investments, costing Rs 21.4 billion, were disclosed at zero fair value as at 30 June 2024. Details of these investments are shown in Table 2-16.

Table 2-16 Investments stated at zero Fair Value as at 30 June 2024

Unquoted Shares	Year of Investment	Cost Price Rs	% Shareholding	Net Asset Value Rs	Net Asset Value as at
MauBank Holdings	2001-2005, 2015-2016, 2019 and 2024	5,696,266,400	100	(1,286,598,428)	30 June 2022
National Property Fund Ltd	2020-2022	14,780,000,003	100	(37,032,128)	30 June 2023
The Mauritius Post Ltd	2001-2016	626,111,200	100	(1,502,359,817)	30 June 2023
Equity Participation					
State Trading Corporation	1982	400,000	100	(311,203,288)	30 June 2023
National Transport Corporation	Prior to 1.07.01-2018	267,887,202	100	(785,622,898)	31 December 2015
Total		**21,370,664,805**			

Source: Treasury Investment Register and Treasury Workings

The Government's entire investment in the above Government-owned companies, totalling Rs 21.4 billion, has been wiped out by accumulated losses and was accounted for at zero fair value in the Government's Statement of Financial Position.

Furthermore, according to latest financial statements, The Mauritius Post Ltd, State Trading Corporation, and National Transport Corporation incurred losses, while MauBank Holdings Ltd and National Property Fund Ltd recorded surpluses.

Root Cause

Lack of ongoing evaluation and oversight of the investments and implementing appropriate remedial actions.

Recommendation

The Ministry of Finance should devise a system for continuous monitoring of all government-owned companies, including those whose net worth had been completely eroded, and take necessary steps to improve their financial performance.

2.4.4 Return on Investments

As of 30 June 2024, the total cost of investments in quoted and unquoted shares in Companies amounted to Rs 78.7 billion. Dividends received increased by Rs 511.6 million (104 per cent), from Rs 491.8 million for the financial year 2022–23 to Rs 1 billion for the financial year 2023–24. Details are given in Table 2-17.

Table 2-17 Dividends received during the financial years ended 30 June 2023 and 30 June 2024

	Details	2023-24 Investment at Cost Rs	Number of Shares	Dividend Received Rs	Dividend per hare Rs	2022-23 Dividend Received Rs
	Quoted Shares					
1	Alteo Limited	1,140	462	111	0.24	9,533
2	Excelsior United Development Co. Ltd	37	37	42	1.14	33
3	IBL LTD	125	4	3	0.75	2
4	Lux Island Resorts Ltd	401	7	32	4.57	-
5	Medine Limited	300	30	80	2.67	71
6	New Mauritius Hotels Limited	240	72	14	0.19	-
7	SBM Holdings Ltd	41,058,573	149,526,150	59,810,460	0.40	29,905,230
8	The Bee Equity Partners Ltd	16	16	233	14.56	960
9	The Mauritius Development Investment Trust Co Ltd	2	21	1	0.05	3
10	United Docks Ltd	9,600	960	2,880	3.00	960
	Unquoted Shares					
1	AfrAsia Bank Limited	197	3	75	25.00	13
2	African Export-Import Bank	39,055,661	163	5,374,497	32,972.37	8,635,293
3	African Reinsurance Corporation	43,428,140	9,200	3,638,456	395.48	3,547,667
4	Airports Holdings Ltd	26,000,100,000	26,000,100	509,861,961	19.61	-
5	Eastern & Southern African Trade & Development Bank	1,061,214,134	3,976	123,250,270	30,998.56	53,635,024
6	Mauritius Housing Co. Ltd	59,161,634	12,000,005	-	-	4,546,142
7	Mauritius Telecom Ltd	63,625,174	63,625,174	295,220,807	4.64	198,510,543
8	National Real Estate Ltd	500,000,000	5,000,000	-	-	65,000,000
9	ZEP-RE (PTA Reinsurance Company)	6,990,184	272,844	148,078	0.54	152,187
10	State Informatics Ltd	32,800,000	328,000	4,753,465	14.49	7,820,300
11	Sugar Investment Trust	19,999,980	25,464,426	1,273,221	0.05	-
12	The Lux Collective	14	7	1	0.14	-
13	The State Investment Corporation Ltd	85,000,000	8,500,000	-	-	120,000,000
	Total	**27,952,445,552**		**1,003,334,687**		**491,763,961**

Source: Treasury Abstract– Item Code 1412: Dividends and Treasury Records

Findings

- ***Investments yielding no Returns***

Investments at cost totalling Rs 67.2 billion did not yield any return during the financial year 2023-24. This comprised investments of Rs 12.4 billion, as shown in Table 2-18, which were irregular in payment of dividend and investments totalling Rs 54.8 billion which did not yield any return since acquisition as shown in Table 2-19.

Table 2-18 Investments yielding no Returns during 2023-24

		Year of Investment	Cost Price Rs
	Unquoted Shares		
1	Cargo Handling Corporation Limited	1983-2019	943,600,000
2	Development Bank of Mauritius Ltd	Prior to 2001, 2005-2009 and 2018	496,150,000
3	Mauritius Housing Company Ltd	1982-1995, 2008 and 2013	59,161,634
4	Mauritius Shipping Corporation Ltd	Prior to 2001,2011 and 2019	290,693,000
5	National Real Estate Ltd	2009	500,000,000
6	Shelter- Afrique	2013	5,428,518
7	State Investment Corporation Ltd	2001 and 2012	85,000,000
	Equity Participation		
1	Bank of Mauritius	2005, 2011 and 2020	10,000,000,000
2	State Trading Corporation	Prior 2001	400,000

Source: Statement F – Detailed Statement of Investments as at 30 June 2024 and Investment Register

- ***Investments not Yielding any Return Since Acquisition***

Investments at cost totalling Rs 54.8 billion, representing 58 per cent of the total cost of investments in Shares and Equity Participation, did not yield any return since they were acquired. These shares had a fair value of Rs 59.4 billion as at 30 June 2024. Details are given in Table 2-19 below.

Government had more than 90 per cent shareholdings in 16 unquoted companies with total investments costing Rs 45.6 billion which did not yield any return. Of the 16 companies, 6 had accumulated profits, whilst 8 had accumulated losses as per latest financial statements. The audited financial statements of 2 remaining companies were unavailable. One of the companies had accumulated surpluses of Rs 12.4 billion as at 30 June 2023. The Government invested Rs 3 billion in that company and fair value as at 30 June 2024 amounted to Rs 21.8 billion.

Table 2-19 Investments not yielding any Return Since Acquisition

	Quoted Shares	**Number of years of Investment***	**Cost of Investment Rs**	**Fair Value of Investment Rs**	**% Shareholding**
1	United Investment Ltd	24	48	2,880	Insignificant
2	Blue Life Ltd	12	1,976	217	Insignificant
3	Semaris Ltd	6	472	39	Insignificant
	Unquoted Shares				
4	African Development Bank	33	3,054,937,258	4,362,586,830	0.65
5	Mauritius Educational Development Co. Ltd	25	16,000,000	27,509,629	99.94
6	Multi Carrier Mauritius Ltd	24	219,000,000	156,783,299	100.00
7	MauBank Holdings Ltd	24	5,696,266,400	-	100.00
8	Rodrigues Educational Development Co.Ltd	24	29,000	6,300,400	29.00
9	The Mauritius Post Ltd	24	626,111,200	-	100.00
10	Industrial Finance Corporation of Mauritius (Equity) Ltd (formerly SME Equity Fund Ltd)	19	355,317,588	300,902,768	39.49
11	National Housing Development Co. Ltd	18	200,000,000	207,691,765	99.50
12	Landscope (Mauritius) Ltd	16	3,040,370,633	21,794,422,886	98.92
13	Polytechnics Mauritius Ltd	12	299,937,111	1,317,689,791	100.00
14	National Property Fund Ltd	10	14,780,000,003	-	100.00
15	Mauritius Africa Fund Ltd	9	183,980,000	184,144,810	100.00
16	SME Mauritius Ltd	8	25,000	7,997,123	100.00
17	Mauritius Multisports Infrastructure Ltd	7	5,238,856,213	4,653,585,610	97.05
18	Metro Express Ltd	7	15,177,690,306	11,658,753,370	100.00
19	Industrial Finance Corporation of Mauritius Ltd (formerly Investment Support Programme Ltd)	5	1,000,000	652,204	0.06
20	ISM Ltd	4	5,000,000	5,000,000	100.00
21	The National Fishing Company Ltd	4	100,000	100,000	100.00
22	Mauritius Institute of Biotechnology Ltd	3	100,000,000	96,095,808	100.00
23	Cote d'Or International Racecourse and Entertainment Complex Ltd	2	30,000,000	28,073,873	100.00
	Equity Participation (Contributed Capital **)				
24	Rose Belle Sugar Estate Board	38	98,844,218	3,539,607,133	-
25	Mauritius Livestock Marketing Cooperative Federation Limited	33	450,000	444,443	-
26	Central Water Authority	32	2,562,250,913	9,346,392,659	-
27	Economic Development Board	21	79,782,747	124,877,456	-
28	Civil Service College	13	15,000,000	44,317,655	-
29	The Mauritius Cane Industry Authority	12	173,803,732	681,066,749	-
30	The National Transport Corporation	9	267,887,202	-	-
31	Wastewater Management Authority	8	2,633,081,546	831,033,767	-
	Total		**54,855,723,566**	**59,376,033,164**	-

Source: Statement F – Detailed Statement of Investments as at 30 June 2024 and Investment Register
**The number of years of investments has been determined from initial investments in the company*

*** Contributed Capital does not involve the issue of shares. As per IPSAS, Contributed Capital means future economic benefits or service potential that has been contributed to the entity by the Government*

Root Causes

- No mechanism for monitoring the performance of government-owned companies and implementing appropriate remedial actions.

- No policy for the distribution of profits for government-owned companies that generate distributable profits.

Recommendations

The Ministry of Finance should implement the recommendations already made at paragraph 2.3 of the Audit Report for financial year 2022-23:

- Formulation and review of policies to improve investment management;
- Formulation of dividend policy; and
- Establishment of an Investment Committee.

Ministry's Response

Dividend is dependent upon the financial position of the institutions/enterprises concerned. Furthermore, the primary objective of government investment in some entities is not only to generate dividends or other financial returns, but to enable them to sustain their operations and improve their financial standing and service delivery.

2.5 Outstanding Loans financed from Revenue as at 30 June 2024

Background Information

Government advances loans to Statutory Bodies, Private Bodies, Other Bodies, and Private Individuals mainly to finance the implementation of capital projects.

Findings

- ***Increasing trend in Outstanding Loans - Rs 11.3 billion (at amortised cost) as at 30 June 2024***

The balance of outstanding loans at amortised cost has increased from Rs 10.6 billion as at 30 June 2023 to Rs 11.3 billion as at 30 June 2024 as shown in Table 2-20.

Table 2-20 - Balance of Outstanding Loans

	Name of Borrowers	30 June 2023	30 June 2024		Percentage Increase/(Decrease) Amortised Cost over Previous Year
		Amortised Cost	Cost	Amortised Cost	
		Rs	Rs	Rs	
1	Central Water Authority	3,649,772,707	3,427,751,548	3,872,608,812	6.1
2	Wastewater Management Authority	3,651,367,212	3,455,869,450	3,976,520,315	8.9
3	Metro Express Limited	964,833,590	1,136,770,385	1,086,769,520	12.6
4	Cargo Handling Corporation Ltd	645,495,393	681,297,299	607,891,803	(5.8)
5	Airport Terminal Operations Ltd	544,476,998	647,654,606	590,481,738	8.4
6	Development Bank of Mauritius Ltd	352,958,746	434,753,421	353,519,241	0.2
7	National Housing Development Co. Ltd	321,856,607	341,528,648	314,801,825	(2.2)
8	Airports of Mauritius Co. Ltd	146,871,137	110,143,836	102,466,094	(30.2)
9	Rodrigues Business Park Development Co. Ltd	100,719,670	220,000,000	159,502,407	58.4
10	National Transport Corporation	92,287,830	104,508,483	94,865,822	2.8
11	Others (Note 1)	144,397,563	106,196,189	107,966,426	(25.2)
	Total	**10,615,037,453**	**10,666,473,865**	**11,267,394,003**	6.1

Source: Statement M – Statement of all Outstanding Loans financed from Revenue as at 30 June 2023 and 30 June 2024

Amortised cost reflects the present value of the future cash flows of the debt, using the effective interest rate method.

Cost represents the balance of the loan outstanding as of 30 June 2024.

Note1: *Others include: The Municipal Council of Beau Bassin-Rose Hill, Rodrigues Regional Assembly, Mauritius Cane Industry Authority, Pamplemousses District Council, Rivière du Rempart District Council, Mauritius Housing Company Ltd, Repatriation Expenses and Landscope (Mauritius) Ltd*

Some Statutory and Private Bodies including the Central Water Authority (CWA), the Wastewater Management Authority (WMA), Metro Express Limited (MEL), and Rodrigues Business Park Development Co. Ltd (RBPD) have shown significant increases indicating rising borrowing needs.

The increase of 8.4 per cent for Airport Terminal Operations Ltd (ATOL) was due to an adjustment made in respect of currency revaluation as at 30 June 2024 while the increase of 2.8 per cent for the National Transport Corporation (NTC) was due to interest capitalised during financial year 2023-24.

- ***New Loans of Rs 333.1 million advanced during the financial year 2023-24***

Background Information

During the financial year 2023-24, new loans totalling Rs 333.1 million (at cost) were advanced to 2 Statutory Bodies, 3 Private Bodies, and Private Individuals as shown in Table 2-21.

Table 2-21 – New Loans disbursed during financial year 2023-24

	Organisations/Individuals	Amount Rs
1	Wastewater Management Authority	150,625,522
2	Rodrigues Business Park Development Co. Ltd	75,000,000
3	Metro Express Limited	62,730,000
4	Central Water Authority	28,471,615
5	Development Bank of Mauritius Ltd	16,179,007
6	Individuals – Repatriation Expenses	89,500
	Total	**333,095,644**

Source: Statement M – Statement of all Outstanding Loans financed from Revenue as at 30 June 2024

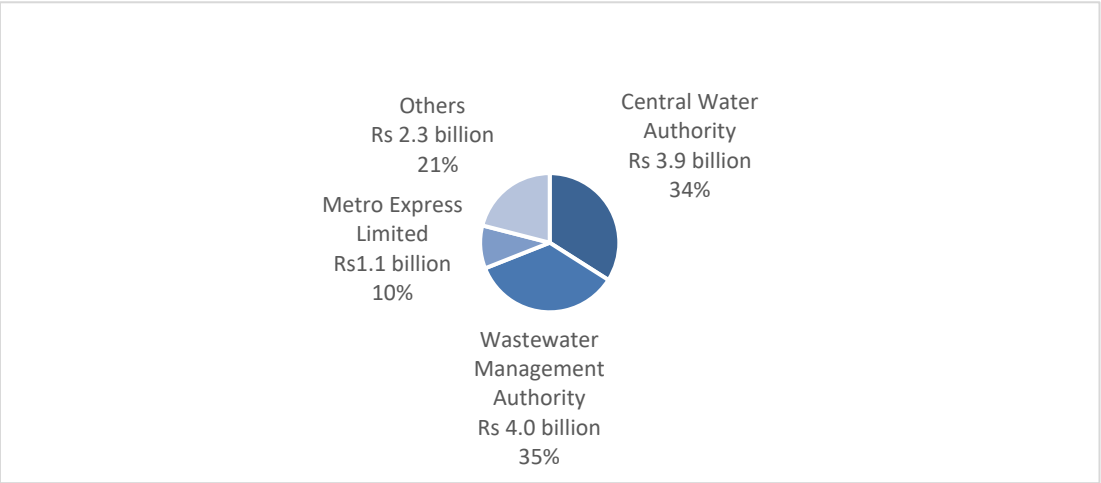
Findings

- Out of a total amount of Rs 333.1 million, Rs 270.3 million were disbursed to WMA, RBPD, CWA, and DBM to finance the implementation of ongoing infrastructure projects while a loan of Rs 62.7 million was advanced to MEL to finance its operating costs.
- In August 2023, a new loan agreement for a project value of Rs 309 million was signed between the Government and the CWA for the implementation of 10 capital projects. As per clause 2.3(b) of the loan agreement, the closing date for withdrawal of funds was 30 June 2024. As at 30 June 2024, out of the Rs 309 million earmarked, a sum of Rs 28.5 million had been disbursed in respect of 6 projects.

2.5.1 Significant Debts of two Statutory Bodies and a Private Body– Rs 9 billion (at amortised cost)

The chart below provides information on the proportions of debts held by CWA, WMA, MEL and others.

Chart 5: Debt distribution



Source: Statement M – Statement of all Outstanding Loans financed from Revenue as at 30 June 2024

The WMA and the CWA held a significant portion of 34 and 35 per cent respectively of the total debt. As at 30 June 2024, the outstanding debts of WMA and CWA at amortised cost stood at Rs 4 billion and Rs 3.9 billion respectively representing 69 per cent of the total outstanding loans of Rs 11.3 billion.

Findings

- ***Wastewater Management Authority***

Outstanding loans of Rs 4 billion (at amortised cost) as at 30 June 2024

As at 30 June 2024, the Authority owed a total amount of Rs 4 billion. As at December 2024, neither repayment of principal amounts due since 2018 nor payment of interest/penalties had been effected by the Authority due to financial difficulties.

Expected Credit Loss Allowance

As at 30 June 2024, Rs 100.8 million was recognised as expected credit loss allowance in respect of the total outstanding loan balance of Rs 4 billion.

Arrears of Loan Capital, Interests and Penalties at cost

As at 30 June 2024, the total amount due for payment comprising principal, interests, and penalties amounted to Rs 2.2 billion representing 50 per cent of the total balance of loan in arrears of Rs 4.4 billion. (Statement N - 'Statement of Arrears of Revenue as at 30 June 2024' refers).

In February 2024, the MoFEPD informed NAO that the Ad-Hoc Committee set up by the WMA Board had prepared a financial sustainability report. The purpose of the report was to set out an action plan to be adopted in the short, medium, and long term to transform WMA into a financially sustainable Authority.

- ***Central Water Authority***

Outstanding loans of Rs 3.9 billion (at amortised cost) as at 30 June 2024

As at 30 June 2024, the outstanding balance of the loan of the CWA stood at Rs 3.9 billion. No repayments have been effected by the Authority.

Expected Credit Loss Allowance

As at 30 June 2024, Rs 98 million was recognised as expected credit loss allowance in respect of the total outstanding loan balance of Rs 3.9 billion.

Arrears of Loan Capital, Interests and Penalties at cost

As at 30 June 2024, the total amount due for payment comprising principal, interest, and penalties amounted to Rs 2.1 billion representing 48 per cent of the total balance of loan in arrears of Rs 4.4 billion. (Statement N - 'Statement of Arrears of Revenue as at 30 June 2024' refers).

In February 2024, MoFEPD informed NAO that CWA was in financial difficulties due to high operating costs and had to have recourse to an overdraft facility of Rs 150 million.

- ***Metro Express Limited***

Since the financial year 2019-20, MEL has received a government loan to finance its operating activities. As at 30 June 2024, MEL owed a total amount of Rs 1.1 billion (at amortised cost), inclusive of interest capitalised. Total arrears outstanding as at 30 June 2024, as per Statement N, stood at Rs 155.2 million.

2.5.2 Arrears for Rodrigues Regional Assembly - Rs 33 million

Findings

- ***Arrears of Loan Capital, Interests and Penalties at cost***

Total arrears due as per Statement N – "Statement of Arrears of Revenue as at 30 June 2024" amounted to Rs 33 million comprising principal of Rs 14.7 million and interests and penalties of Rs 18.3 million. The loan was contracted in 2011 to finance development projects in the fisheries sector. Only part of the loan had been reimbursed in the financial year 2015-16.

- ***Expected Credit Loss Allowance***

As at 30 June 2024, an amount of Rs 588,983 was recognised as expected credit loss allowance in respect of the total outstanding loan balance of Rs 23.2 million.

In January 2024, MoFEPD informed NAO that the RRA stated that even with the repossession of the fishing vessels, the outstanding loan balance cannot be recovered. In light of the above, a policy decision will be taken in consultation with the RRA regarding the outstanding loans.

However, as of 20 December 2024, the stand to be taken by MoFEPD was still being awaited.

Recommendation

The Ministry of Finance should strengthen oversight mechanisms to improve the financial performance of those Bodies and should explore alternative mechanism for financing the capital projects of these institutions.

2.6 Statement AE and Statement AF – Statement of Comparison of Budget Estimates and Actual Amounts for the Financial Year 2023-24

Background Information

The approved budget for the financial year 2023-24 included estimates of revenue as well as estimates of recurrent and capital expenditure of the Government appropriated by votes. The original Estimates of revenue was Rs 179.2 billion.

The National Assembly approved the original expenditure estimates of Rs 174.8 billion on 21 June 2023 and supplementary estimates of Rs 6.7 billion on 12 June 2024.

Findings

- ***Increase in borrowing requirements from an estimated figure of Rs 24.3 billion to Rs 40.9 billion***

Due to lower revenue collections than estimated and the resulting higher deficit during the financial year 2023-24, the Government's actual borrowing requirements to finance the deficit amounted to Rs 40.9 billion, significantly exceeding the estimated figure of Rs 24.3 billion. This represented 6.1 per cent of GDP, which was much higher than the 3.4 per cent projected in the Budget Estimates 2023-24.

A summary of the Comparison of Budget Estimates and Actual Amounts for the financial year 2023-24 is provided in Table 2-22.

Table 2-22 Comparison of Budget Estimates and Actual Amounts for the financial year 2023-24

	Original Estimates Rs million	Total Provisions Rs million	Actual Amount Rs million	Variance Rs million
Revenue Budget				
Recurrent Revenue	176,780	176,780	159,852	(16,928)
Capital Revenue	2,380	2,380	1,146	(1,234)
Total Revenue	**179,160**	**179,160**	**160,998**	**(18,162)**
Expenditure Budget				
Recurrent Expenditure	178,400	186,681	182,478	4,078
Capital Expenditure	21,778	19,058	16,479	(5,299)
Total Expenditure	**200,178**	**205,739**	**198,957**	**(1,221)**
Difference between Total Revenue and Total Expenditure (Budget/Actual Balance)	**(21,018)**	**(26,579)**	**(37,959)**	**16,941**
Budget/Actual Balance (as % of GDP)	**(2.9)**	**(3.7)**	**(5.7)**	
Net Acquisition of Financial Assets	**(3,619)**	**(4,868)**	**(3,929)**	**(310)**
Adjustment for difference in cash and accrual interest	**325**	**325**	**949**	**(624)**
Government Borrowing Requirements	24,312	31,122	40,939	16,627
Government Borrowing Requirements as % of GDP	**3.4**	**4.3**	**6.1**	
Domestic Financing	12,059	18,861	40,781	28,722
Foreign Financing	12,253	12,261	158	12,095

Source: Statement AF, Statement of Comparison of Budget Estimates and Actual Amounts for the financial year ended 30 June 2024 (Classification of Expenses by Nature) and NAO workings

Note: Estimated GDP 2023-24 – Rs 722.9 billion (Source- Estimates 2023-2024) and GDP 2023-24 – Rs 670.5 billion (Source: Website – Statistic Mauritius, Quarterly National Accounts 3rd Quarter 2024)

** Estimate Total Expenditure – Rs 200,178 million comprised Original Estimates of Expenditure - Rs 174,800 million PLUS Expenditure Charged Statutorily (Public Service Pension PLUS Government Debt Servicing – Management Service Charges and Interests) – Rs 29,900 million LESS Acquisition of Financial Assets - Rs 4,522 million*

- ***Increase in Budget Deficit Recurrent Expenditure and Capital Expenditure exceeding Recurrent Revenue and Capital Revenue***

In the financial year 2023-24, total revenue amounted to Rs 161 billion, falling short of the estimated Rs 179.2 billion by Rs 18.2 billion. Conversely, expenditure was Rs 199 billion, which was Rs 1.2 billion less than the estimated Rs 200.2 billion.

As a result, the budget deficit, initially projected at Rs 21 billion, escalated to Rs 38 billion. Consequently, the budget deficit increased from 2.9 per cent to 5.7 per cent of GDP. This significant deviation from fiscal targets indicated that the Government's objective to reduce the budget deficit as a percentage of GDP, as outlined in the Estimates 2023-2024, was not achieved.

Root Cause

Lapses in the forecast of revenue and expenditure.

Recommendation

The Ministry of Finance should improve the revenue and expenditure forecasting system.

- ***Estimated Budgetary Central Government Debt to GDP not achieved***

Details of the borrowing requirements for financial year 2023-24 are provided in Table 2-23.

Table 2-23 Government's Borrowing Requirements for the financial year 2023-24

Domestic Financing	Original Estimates Rs million	Actual Amount Rs million
Government Securities		
Issues	103,472	144,296
Redemptions	(92,213)	(104,183)
Financing from SIC Development Co. Ltd		
Drawdown	800	123
Financing from cash and cash equivalents	-	545
Sub-Total	***12,059***	***40,781***
Foreign Financing		
Government Securities held by Non-Residents		
Issues	-	140
Redemptions	-	(102)
Foreign Loans		
New Loans	16,153	3,615
less Repayments	(3,900)	(3,495)
Sub-Total	***12,253***	***158***
Budget/Actual Deficit and Total Government Borrowing Requirements	**24,312**	**40,939**
BCG Debt	**448,478**	**492,321**
GDP	**722,900**	**670,522**
BCG Debt to GDP	**62.0%**	**73.4%**

Source: Estimates 2023-2024, Statement AF and Statement J – Statement of Public Sector Debt as at 30 June 2024

The higher borrowings required to finance the budget deficit increased BCG Debt from Rs 449.1 billion as at 30 June 2023 to Rs 492.3 billion as at 30 June 2024, exceeding the BCG Debt target of Rs 448.5 billion in the Estimates 2023-2024.

The actual BCG Debt to GDP ratio was 73.4 percent and 11.4 per cent higher than the estimate of 62 per cent due to the higher BCG Debt as at 30 June 2024. The Government's aim to reduce the BCG Debt Ratio, as stated in the Estimates 2023-2024, has not been achieved.

Root Cause

Lapses in financial forecasting.

Recommendations

The Ministry of Finance to improve the financial forecasting system.

2.7 Statement B - Revenue and Expenditure of the Consolidated Fund

Background Information

Section 3 of the Finance and Audit Act mandates that the Consolidated Fund be:

(a) Credited with all revenues of the Government and any other money properly accruing to it; and

(b) Charged only with expenses on the authority of a warrant issued by the Minister responsible for the subject of Finance.

The sources of Government's revenue include taxes, social contributions, grants, property income, sales of goods and services, fines, penalties and forfeits, transfers, reimbursements of loans, International Monetary Fund Special Drawings Rights, issue of Government securities and loans from foreign Governments and International Organisations.

Expenditure covers costs incurred for the functioning of ministries and departments, grants to public institutions, acquisition of property, plant and equipment, investments in shares, loans advance to State-owned enterprises, debt servicing and public service pensions.

Findings

- ***Deficit in the Consolidated Fund in four of the past five financial years***

The Consolidated Fund reported deficits for the financial years 2019-20 to 2021-22 and in 2023-24 and a surplus in financial year 2022-23 as shown in Table 2-24.

Table 2-24 Revenue and Expenditure of the Consolidated Fund - Past Five Financial Years

Financial Year	Revenue Rs	Expenditure Rs	Surplus/(Deficit) Rs
2019-20	178,906,756,635	189,555,981,185	(10,649,224,550)
2020-21	289,103,836,427	297,277,874,464	(8,174,038,037)
2021-22	275,882,127,819	283,659,839,277	(7,777,711,458)
2022-23	296,372,270,693	292,848,110,615	3,524,160,078
2023-24	310,024,841,114	311,519,374,902	(1,494,533,788)

Source: Statement B – Abstract Account of Revenue and Expenditure of the Consolidated Fund

- ***Revenue and Expenditure of the Consolidated Fund***

The revenue and expenditure of the Government for the financial years 2022-23 and 2023-24 are shown in Table 2-25.

Table 2-25 Revenue and Expenditure of the Consolidated Fund

		2022-23 Rs	2023-24 Rs
Revenue	Taxes	129,787,189,175	141,132,389,083
	Borrowings	146,967,169,019	148,174,650,594
	Others	19,617,912,499	20,717,801,437
	Total	**296,372,270,693**	**310,024,841,114**
Expenditure	Ministries/Departments	164,920,662,178	185,863,302,100
	Debt Servicing	127,927,448,437	125,656,072,802
	Total	**292,848,110,615**	**311,519,374,902**
Surplus/(Deficit)		**3,524,160,078**	**(1,494,533,788)**

Source: Statement B – Abstract Account of Revenue and Expenditure of the Consolidated Fund

Revenue from Borrowings – High Dependence of Government on Borrowings to Finance its Expenditure

Revenue increased from Rs 296.4 billion in financial year 2022-23 to Rs 310 billion in 2023-24, having a net increase of Rs 13.6 billion.

Taxes in total revenue was 46 per cent in financial year 2023-24, while borrowings accounted for 48 per cent, indicating high reliance on borrowings to finance expenditure.

In financial year 2023-24, borrowings amounted to Rs 148.2 billion, comprising Rs 144.5 billion from Government Securities issued, Rs 122.8 million from SIC Development Company Ltd and Rs 3.6 billion being loans from Foreign Governments and International Organisations.

Increase in Expenditure of the Consolidated Fund

The Government's expenditure increased from Rs 292.8 billion in financial year 2022-23 to Rs 311.5 billion in financial year 2023-24, showing a net increase of Rs 18.7 billion.

Significant increases were noted in the following areas:

(i) Ministry of Social Integration, Social Security and National Solidarity: Rs 8.7 billion.

(ii) Ministry of Housing and Land Use Planning: Rs 2 billion.

(iii) Ministry of Health and Wellness: Rs 1.6 billion.

(iv) Ministry of Finance, Economic Planning and Development: Rs 1.2 billion.

(v) Centrally managed initiatives of Government: Rs 3.5 billion.

Significant proportion of Government Expenditure towards Debt Servicing

In the financial year 2023-24, Rs 125.7 billion was spent on Debt Servicing, including capital repayments of Rs 107.8 billion, interest payments of Rs 17.8 billion, and management/service charges of Rs 38.1 million. This accounted for 40 per cent of total Government expenditure, compared to 44 per cent in financial year 2022-23.

While debt servicing expenditures slightly decreased over the last financial year, the overall high level of debt servicing continues to impose a significant fiscal burden.

Recommendation

The Ministry of Finance should devise strategies for stringent expenditure control.

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3 – PRIME MINISTER'S OFFICE, MINISTRY OF DEFENCE, HOME AFFAIRS AND EXTERNAL COMMUNICATIONS AND MINISTRY FOR RODRIGUES, OUTER ISLANDS AND TERRITORIAL INTEGRITY

3.1 DEFENCE AND HOME AFFAIRS

3.1.1 Grants to a Private Company – Non-Compliance with Financial Instructions and Grant Memorandum

Background Information

In September 2023, the Government of Mauritius became the sole registered shareholder of a private company after acquiring 300,000 fully paid ordinary shares for Rs 30 million.

The objective of the company was to create an innovative Leisure and Entertainment Complex at Côte d'Or which would also include a new racecourse of international standards.

Since June 2022, the company has also been vested with the control and maintenance of the Champ de Mars Racecourse.

Out of the total amount of Rs 45 million earmarked as grants for the financial year 2023-24, the Defence and Home Affairs Division (DHAD) approved the disbursement of Rs 22.6 million to the company.

Findings

- In February and June 2024, the company submitted applications for the disbursements of current and capital grants. However, as required by Section 7 of the Grant Memorandum, these applications were not supported by relevant documents such as cash flow statements for the last 12 months and revised estimates of revenue and expenditure for the financial year.

- The Finance Section did not adequately analyse, amongst others, the entity's financial position and cash flows for the financial year 2023-24 while determining the quantum of grants to be released and frequency of grant disbursements, as outlined in Paragraphs 13 and 14 of Financial Instructions No. 2 of 2014.

- According to DHAD, the first disbursement of Rs 15 million, made in March 2024, was related to the National Day Celebrations. However, according to the company's detailed expenditure statement, no significant expenditure was incurred during the period March to May 2024.

- As of 31 May 2024, the company had a bank balance of Rs 23.7 million, indicating that the Rs 15 million released in March 2024 was not fully utilised. This is not in line with Paragraph 13 of the Financial Instructions No. 2 of 2014 stating, "Grants released to Grants recipients should not be idle in the organisation's bank accounts."

The failure to submit relevant supporting documents, coupled with insufficient oversight did not give assurance that the company utilised public funds for their intended purposes.

3 – PRIME MINISTER'S OFFICE, MINISTRY OF DEFENCE, HOME AFFAIRS AND EXTERNAL COMMUNICATIONS AND MINISTRY FOR RODRIGUES, OUTER ISLANDS AND TERRITORIAL INTEGRITY

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The failure to submit relevant supporting documents, coupled with insufficient oversight did not give assurance that the company utilised public funds for their intended purposes.

Root Causes

- The Accounting Officer and the Manager, Financial Operations did not ascertain that all required information was obtained before approving the disbursement of grants as outlined in the grant memorandum.

- The absence of a monitoring mechanism at DHAD did not give assurance that grants were used for their intended purposes.

Recommendations

- The Accounting Officer should ascertain that the grant recipients fully comply with Financial Instructions No. 2 of 2014 and the terms and conditions of the Grant Memorandum.

The Manager, Financial Operations should:

- thoroughly assess the financial position of the grant recipient before determining the quantum of grants to be released and the frequency of disbursements;

- implement a monitoring mechanism to ensure the timely and effective utilisation of grants released; and

- request and analyse periodic progress reports to track milestones and achievements as stipulated in the Financial Instructions.

Division's Response

- Henceforth, the Division will adhere strictly to the provisions of the Grant Memorandum.

- The company generates its revenue and as such, grants were only released as and when requested.

- Following the financial assessment made by the Finance Section, the disbursement to the company was made on the premise that it would not be granted any capital fund in the subsequent financial years 2024-25, 2025-26, and 2026-27.

3.1.2 Provision for Cleaning Services - Delay in Awarding New Contract

In December 2019, DHAD approved Service Provider A's offer to provide cleaning services at the Prime Minister's Office premises for the fixed amount of Rs 6,685,162, inclusive of VAT. The contract was for an initial period of 12 months, effective from 3 February 2020, and renewed annually at the same rate, terms and conditions until February 2023.

Findings

- In May 2022, DHAD initiated actions for a fresh bidding exercise but the bid invitation was launched in April 2023, almost one year later and after the expiration of the existing contract.

- The Bid Evaluation Committee's (BEC) report, submitted in July 2023, was completed after 2 months, considerably exceeding the 16 hours authorised by the Accounting Officer and the 15-day indicative timeframe outlined in Procurement Policy Office Directive No. 13 of 2013.

- In October 2023, that is after 3 months the Departmental Bid Committee (DBC) endorsed BEC's recommendations to award the contract to Bidder B for Rs 6.4 million, inclusive of VAT, being the lowest evaluated substantially responsive bidder.

- In response to identified shortcomings in the bid evaluation process, a Review Committee composed of experienced officers was established in October/November 2023, to review the evaluation exercise. However, the latter could not conduct the review process before 5 November 2023 as required by the Accounting Officer.

- On 6 November 2023, the bid validity expired and DBC recommended the cancellation of the bid exercise of April 2023.

- On 19 April 2024, DHAD re-launched an invitation for bid and offered the new contract to Service Provider A on 26 July 2024 for Rs 9.8 million, inclusive of VAT. This represents a substantial increase of 53.1 per cent over Bidder B's bid price of Rs 6.4 million, inclusive of VAT, which was the lowest evaluated bid in the previous bid exercise.

The new contract started in September 2024. As an interim measure, DHAD extended the previous agreement made with Service Provider A, on a month-to-month basis for 19 months, from February 2023 to August 2024, incurring a total cost of Rs 11.3 million.

Root Causes

- The Accommodation Section, Procurement and Supply Section and DBC spent significant time in the preparation, amendment, and vetting of the bid documents.

- DBC's delay in endorsing BEC recommendations resulted in the expiry of the bid validity period and the cancellation of the initial bidding process.

- The Chairperson of the Review Committee could not chair the meeting due to unforeseen circumstances.

Recommendations

The Accounting Officer should ensure that:

- the Accommodation and Procurement and Supply Sections prepare bids with due diligence.

- each stage of the procurement process complies with the relevant Acts, Regulations, and established procedures set by the Procurement Policy Office.

- contract awards are expedited to minimise unnecessary costs and maximize value for money.

Division's Response

- The preparation of the scope of works was a complex task as it included several lots pertaining to the New Government Centre, Old Government House, New Treasury Building, and National Assembly, including additional requirements from different departments. This has caused a significant delay in the finalisation of the document.

- The complexity of the bid document made it time-consuming for BEC to understand the scope of the document.

- Given that the cleaning service is essential, there was no alternative for the Prime Minister's Office (PMO) to continue with the same supplier on a month-to-month basis to ensure continuity of service.

3.1.3 Upgrading and Renovation of Main Lobby - Shortcomings in Contract Management

Background Information

In March 2021, DHAD initiated actions for the upgrading and renovation of the main lobby of PMO, at the New Government House, on a fast-track basis.

In January 2023, DHAD awarded the contract to a private Contractor for Rs 4 million, inclusive of Contingency Sum and VAT.

As of September 2024, payments to the tune of Rs 3.7 million, inclusive of VAT were effected to the Contractor.

Findings

Delay in the Awarding and Executing Contract

- In March 2021, the representatives of the Ministry of National Infrastructure and Community Development (MNICD) submitted a detailed scope of works for the estimated cost of Rs 4.3 million, inclusive of VAT. However, MNICD, the Procurement and Supply Section and DBC took 6 months to prepare and vet the bid documents. In March 2022, one year after the submission of the scope of works, DHAD launched invitation for bids through the electronic-restricted bidding method. At the closing date of 20 April 2022, no bids were received.

- On 23 April 2022, the Accounting Officer approved the re-launch of the bid exercise with revised specifications. However, the invitation for bids was relaunched under the Open National Bidding Method four months later, in August 2022.

The procurement lead time of 225 days for the second bidding exercise was substantially longer. BEC submitted its final report after two months.

- In January 2023, DHAD awarded the contract to a private Contractor with works commencing in May 2023. The late submission of relevant documents by the Contractor delayed the handing over of the sites by four months.

The project, prioritised by DHAD in 2021, experienced a significant delay of over two years. Further, the delay in procurement process resulted in an upward revision of the project's value from Rs 4.3 million to Rs 5.1 million, inclusive of VAT, attributable to general price increases.

Root Cause

DHAD's poor project planning contributed to the delays.

Division's Response

- The specifications were received from MNICD on 10 June 2022 and bid was launched in August 2022.

- The Accounting Officer approved the offer of the private Contractor on 30 December 2022 and Letter of Acceptance was issued on 12 January 2023.

- The Performance Security and Insurance Cover submitted on 2 February 2023 were not in the required format. It was only in 28 March 2023 that MNICD informed that the documents were in order.

Non-Compliance with Conditions of Contract

- DBC did not inform the 6 unsuccessful bidders of the name and address of the successful bidders and the contract amount as stipulated in Paragraph 18 of the Instruction to Bidders.

- The Contract Agreement was signed on 15 May 2023, with a three-month delay. This was not in accordance with Paragraph 17 of the Instruction to Bidders, which required the Agreement to be signed within 28 days of receiving the Letter of Acceptance.

- The Contractor submitted its Program of Works on 18 May 2023 for approval, three months behind schedule and after the site been handed over. This was not in line with Clause 25.1 of the General Conditions of the Contract, which required the submission of the document within 28 days from the Letter of Acceptance.

- The Contractor submitted the insurance cover on 9 March 2023, which exceeded the 21-day timeframe as stipulated in the Letter of Acceptance.

- On 30 March 2023, two and a half months from date of issue of the Letter of Acceptance, the Contractor submitted the sample of tiles to be approved by the Lead Architect of MNICD. This further delayed the handing over of the site as DHAD took cognisance of MNICD's approval on 2 May 2023.

- MNICD issued the Completion Certificate on 15 July 2024, 8 months after the completion of works on 15 November 2023 instead of within 14 days as per Clause 53.2 of the General Conditions of the Contract.

Root Cause

MNICD's oversight of the Contractor's adherence to the contractual terms and conditions was not fully effective.

Recommendation

MNICD should exercise close monitoring of contractors and ensure the timely submission of documents as required by the Contract Agreement.

Division's Response

- Since the posting of a new Manager in March 2024, he has taken measures to ensure that all unsuccessful bidders are notified.

- The contract is only signed when all mandatory documents are submitted by the successful bidder after having been vetted by the MNICD.

- The supplier verbally informed the MNICD that it could not submit a sample of tiles for inspection in time due to the late shipment.

- The MNICD informed that the Contractor took longer time to attend to the snag list, thus, delaying the release of the completion certificate up to July 2024.

3.1.4 Follow-up of Recommendations raised in the Audit Report 2022-23

The status on actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarised below. Out of 10 recommendations, 6 (60 per cent) have been implemented, 3 (30 per cent) have been partly implemented and one (10 per cent) has not been implemented.

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
	Upgrading Government House/Centre – Delay in Execution of Projects (Page 45)			
1	▪ As of 30 June 2022, Rs 9.7 million lapsed. ▪ As of 30 June 2023, the remaining Rs 12.8 million lapsed; and ▪ An amount of Rs 25 million for other upgrading works at OGH and at NGC was lapsed. *(Pg 45, Para 4.1.1)*	Funds earmarked are utilised for the intended purpose and projects are executed in a timely manner. *(Pg 46, Para 4.1.1)*	There is close monitoring of projects to ensure optimum utilisation of funds.	**Implemented**
	Upgrading of the New Government Centre – Significant Delay in Works Completion (Page 46)			
2	BEC did not provide the opportunity to the Grade A+ Contractor to submit the missing information in line with Section 37 of PPA. *(Pg 46, Para 4.1.2)*	BEC should fully comply with Section 37 of PPA. *(Pg 47, Para 4.1.2)*	Information on liquid assets could not be asked as it can change over time as previously advised by the Attorney General Office.	**Implemented**
3	The insurance certificates were not in accordance with Section 13.1 of the General Conditions of Contract. *(Pg 47-48, Para 4.1.2*)	Appropriate action should be taken to sanction the Contractor and a project Coordination Committee should be set up. *(Pg 48, Para 4.1.2)*	A performance Review Committee has been set up to report to and inform PPO on defaulting Contractors. Projects Monitoring meetings are held fortnightly to follow up on project implementation.	**Implemented**
4	Works were still ongoing but officers of MNICD scheduled the taking over of the site on two occasions in August 2023, and in October 2023. *(Pg 49, Para 4.1.2)*	DHAD should ascertain that the representatives of MNICD fulfil their roles and responsibilities for overseeing and monitoring project works effectively. *(Pg 49, Para 4.1.2)*	• Regular meetings are held with MNICD to ensure close monitoring of projects. • Practical Completion and handing over certificates are found in the file.	**Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
	Old Government House – Not Complying with Fire Safety Measures (Page 49)			
5	▪ As of 22 December 2023, the OGH did not comply with the MFRS (Fire Safety Plan and Fire Certificate) Regulations 2018. ▪ OGH did not satisfy the fire safety norms. ▪ DHAD did not launch bidding procedures for the upgrading works. *(Pg 49-50, Para 4.1.3)*	The Accounting Officer should ascertain that the bidding exercise for the upgrading works at OGH is launched promptly and that the Upgrading works at OGH are carried out without any further delay. *(Pg 50, Para 4.1.3)*	• The specifications for the internal and external staircase will be submitted by the first week of February 2025 which are the prerequisite for the obtention of a Fire Certificate. • The Quantity Surveying Department of the MNICD has submitted the cost estimate of the project to the tune of Rs 16.8 million.	**Partly Implemented**
6	As of November/December 2023, ▪ Ten fire extinguishers already expired; ▪ The new fire extinguishers still not installed; and ▪ DHAD was still in process of procuring brackets. *(Pg 50-51, Para 4.1.3)*	Officers of the Accommodation Unit should conduct regular inspections, ensure that the new fire extinguishers are installed without delay and that Accounting Officer should ascertain that Annual servicing is carried out. *(Pg 51, Para 4.1.3)*	• Fire Wardens will be assigned the responsibility to examine fire extinguishers regularly before the expiry date. All new fire extinguishers have been installed and brackets fixed.	**Partly Implemented**
	Removal, Supply, Installation, Testing, Commissioning and Maintenance of Lifts at the New Government Centre – Non-Compliance to Condition of Contract (Page 51)			
7	▪ As of December 2023, the Contractor had not taken the necessary action to address the issues. *(Pg 52, Para 4.1.4)*	The Accounting Officer should ascertain that the Contractor takes remedial actions without further delay. *(Pg 52, Para 4.1.4)*	• The Contractor has agreed to provide a ventilation system in the lifts until the condensation issue is resolved. • The Maintenance Contract will be entered with the Supplier as of February 2025.	**Not Implemented** *(The Contractor has not yet found a permanent solution to the condensation issue)*

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
	Risk Management Framework – Not Yet Developed (Page 53)			
8	As of December 2023, no development for a Risk Management Framework and the RM policy. *(Pg 53, Para 4.1.5)*	The RM Framework and the policy should be developed and approved without delay. *(Pg 53, Para 4.1.5)*	Completed	**Implemented**
	Procurement – Non-Compliance with Regulations and Circular (Page 54)			
9	▪ The APP of some of Rs 2.2 million was prepared almost three months after the beginning of the financial year. ▪ The APP was neither published on the Ministry's website nor periodically updated and revised. *(Pg 54, Para 4.1.6)*	The Acting Manager, Procurement and Supply should Comply with Section 10 of the Public Procurement Regulations 2008 and Circular No 11. of 2021. *(Pg 55, Para 4.1.6)*	The Procurement and Supply Section uploaded the Annual Procurement Plan on the website on 8 April 2024 and 14 January 2025 for the financial years 2023-24 and 2024-25 respectively.	**Partly Implemented**
	Government Asset Register – Not Updated (Page 55)			
10	As of November 2023, details of NFAs acquired during the period August 2022 to November 2023, for a total amount of some Rs 51.7 million were neither recorded in the GAR nor in the Application Desktop Integrator. *(Pg 55, Para 4.1.7)*	The Accounting Officer should ensure that all NFAs are recorded in GAR system in a timely manner. *(Pg 55, Para 4.1.7)*	The Backlog has been cleared.	**Implemented**

3.2 CIVIL AVIATION

3.2.1 Follow-up of Recommendations raised in the Audit Report 2022-23

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarised below. The 2 recommendations (100 per cent) have been partly implemented.

SN	Finding	Recommendations	Ministry's Response-Status as of January 2025	NAO's Comments
	Risk Management Framework – Not yet Developed (Page 57)			
1	No formal Risk Management (RM) Policy in place and no risk assessment were carried out *(Pg 57, Para 4.2.1)*	▪ The Accounting Officer should establish a RM Framework and Strategy within reasonable time.	The RM Framework was approved on 24 January 2025.	**Partly Implemented**
		▪ The composition and mandate of RM Committee should be clearly defined and approved by the Accounting Officer. *(Pg 57, Para 4.2.1)*	A RM Committee has been set up for the implementation and monitoring of the RM.	**Partly Implemented**

3.3 POLICE SERVICE

3.3.1 Deficiencies in Management of VIP Car Pool

Background Information

The VIP Car Pool is maintained by the officers of the Transport Guard Room at Line Barracks. As of 30 June 2024, the Pool consisted of 80 luxurious vehicles which were previously returned by Members of the National Assembly and Government Officials. The approval of the Secretary to the Cabinet and Head of Civil Service has to be obtained prior to allocation of a car from the Pool to an official making a request.

Findings

Low Usage of VIP Cars - 65 per cent of vehicles of the VIP Car Pool Not Being Used

- As per vehicles master list as at 30 June 2024, there was a fleet of 80 vehicles in the Car Pool of which 60 were available for use. The following were noted:

  (i) Only 21 vehicles, that is 35 per cent, were allocated; and

  (ii) 39 cars, that is 65 per cent, were parked at the Line Barracks's compound and were idle due to absence of requests.

  (iii) Out of these 39 cars, 17 cars were lying idle between 2 years and 5 years.

- 20 vehicles, that is 25 per cent of the whole fleet, were awaiting Board of Survey;

- According to the document "Daily state of VIP Cars" of 16 August 2024, there were 64 vehicles at the VIP Car Pool.

  An audit survey carried out on the same day revealed that 14 vehicles were awaiting repairs at agents and one was proposed for Board of Survey and the remaining 49 vehicles were stated to be in good running condition.

- Out of the 49 vehicles available only 24 were allocated to beneficiaries while 25 remained idle at Line Barracks.

- There were unnecessary holding costs to keep a vehicle in a fleet such as costs relating to depreciation, administration, repairs and maintenance.

Root Cause

There was no policy on the use, management and disposal of cars in the VIP Car Pool.

Recommendations

- A proper policy has to be devised based on a Cost Benefit Analysis to assess whether it is more cost effective to have recourse to leasing or purchasing.

- A clear disposal policy should be devised by adopting modern auction methods so that value for money is obtained from the sale of the vehicles.

Department's Response

The Police Department is entrusted with the care and maintenance of VIP Cars only and it stands guided by all the directives given by the Prime Minister's Office (PMO) with regards to the implementation of any appropriate policies towards the management of VIP Cars.

Allocation of VIP Cars not in Compliance with PRB Report 2021

Background Information

New cars are purchased for the beneficiaries of the "Government Official Car Scheme" from the vote "Centrally Managed Initiatives of Government" under the control of Ministry of Finance, Economic Planning and Development. The latter provides funds for the acquisition of official cars according to the criteria for entitlement set under the PRB Report and as per the decision of the High-Powered Committee.

An amount of Rs 209.4 million was spent by Government during the last 3 financial years 2021-22 to 2023-24 for the acquisition of 92 new VIP Cars for onward allocation to beneficiaries in Government.

Findings

- Two VIP cars were allocated to the then Accounting Officer (AO) of Police Service, instead of one, which is contrary to the provisions of PRB Report 2021. The AO has been using two VIP cars simultaneously during the financial year 2023-24, namely car number 1 RM 18 and 123 RM 19. The former vehicle was returned on 12 June 2024 to the Car Pool and the AO was allocated another car, make Porsche Mecan bearing number 95 RM 19 on the same day.

- The approval of the Secretary to the Cabinet and Head of Civil Service was not seen for the allocation of two VIP Cars to the then AO.

Root Cause

Non-compliance with rules and regulations by the then Accounting Officer with respect to the use of official vehicles.

Recommendation

Accounting Officers should always abide with existing rules and regulations.

3.3.2 Safe City Project - Lapses in Project Management

Background Information

Project Objectives

The Safe City Project (SCP) was initiated in the year 2017 with a view to enhance citizen's quality of life by combating crimes and drugs proliferation and to assist in more effective traffic and road safety management.

The objectives of the project were as follows:

- Prevent and detect crime through Intelligent Video Surveillance (IVS) cameras which can detect a threat in real time or identify unusual and suspicious behaviour;
- Increase criminal activity prevention;
- Increase in road safety through Intelligent Traffic Surveillance (ITS) cameras which is capable of detecting traffic offences through its in-built Automatic Licence Plate Recognition;
- Observe and monitor traffic patterns and issue tickets for traffic violations; and
- Decrease Emergency Response time.

Cost of the Project

In December 2017, two lease agreements were signed between the Police Service and a telecommunication company for provision of Safe City Services for a total amount of US $ 456 million. In October 2018, another agreement was signed with the same company for the supply of poles at an additional cost of US $ 9.2 million. The lease agreements covered a period of 20 years that would cost a total US $ 465.2 million as lease charges.

Actual Payments as at 30 June 2024

The payments for SCP from financial year 2017-18 to 2023-24 totalled Rs 3.9 billion as shown in Table 3-1.

Table 3-1 Payments for lease of facilities for Safe City Project as at 30 June 2024

Financial Year	Expenditure charged Under Vote/Item	Amount Rs million
2017-18	Centrally Managed Government Initiative	416.6
2018-19	Police Service	47.5
2019-20	Police Service	295.1
2020-21	Police Service	619.9
2021-22	Police Service	814.8
2022-23	Police Service	845.4
2023-24	Police Service	872.4
Total		**3,911.7**

Source: Treasury Accounting System

Operational Status of the Project

The SCP was expected to be fully operational by June 2019, but was partly put to operation as from January 2021.

(a) The Benefits of Safe City Project Were Not Fully Realised

Findings

- One of the main objectives of the project was to increase Road Safety through Intelligent Traffic Surveillance (ITS) cameras which is capable of detecting traffic offences through its in-built Automatic Licence Plate Recognition and issuing tickets for traffic violations, However, this objective was not met and therefore value for money was not being obtained.

- During financial years 2021-22 to 2023-24, a total amount of Rs 2.5 billion were spent for Safe City services. However, the number of elucidated cases through safe city cameras was on the low side compared to the total number of outstanding criminal cases, that is the percentage of elucidated cases ranged from 3.1 to 4 per cent only as shown in Table 3-2.

Table 3-2 Number of Elucidated Cases

Cases elucidated through Safe City Cameras		Total Number of Outstanding Cases of Crime at end of financial year	Proportion of Elucidated Cases to Outstanding Cases of Crime (%)	Expenditure: Safe City Project (Rs million)
Financial Year	No. of cases			
2021 - 22	355	11,287	3.1	814.8
2022 - 23	529	13,311	4.0	854.4
2023 - 24	487	12,341	3.9	872.4

Source: Project Research and Development Unit and Police Main Command and Control Centre

- Footages for events exceeding 30 days were not available.

Root Causes

- Poor planning and monitoring of the implementation of the project.

- The validity period of back up of footages was limited.

Recommendations

- In view of the significant amount spent ranging from Rs 814 million to Rs 872 million annually, consideration be given for traffic offences to be captured through ITS cameras forming part of the project in order to increase road safety.

- Consideration be given for extension of the validity period of the back up so as to facilitate enquiry of cases reported to Police after 30 days.

- Consideration to be given for the setting up of a high level Committee to optimize the use of the SCP.

Department's Response

The implementation of the Safe City Project was based on Policy decisions taken at the material time where Police was not authorized to use certain features.

(b) Lapses in Contract Management

Findings

The project was expected to be fully operational in June 2019. However, as of November 2024:

- the SCP was not yet commissioned;

- the full implementation of the project has been delayed by more than five years;

- 143 out of 300 ITS cameras were not yet installed; and

- the features, namely Enterprise/Enhanced Long Term Evolution (eLTE) Bookmarking, IVS Authentication, Deportation of Alarm on IVS Platform and Network Coverage were not yet provided.

Root Cause

Poor oversight and monitoring of the SCP by the Police Service.

Recommendation

Proper project monitoring should be carried out by the Police Service to ensure that all the intended services are available at the required time.

Department's Response

- The Safe City is a huge project and the commissioning is being done in a phased manner and according to a User Acceptance Test for items already supplied and in actual use.

- At the initial stage of the project, all the cameras were meant to be installed along the motorway but in view of new exigencies same had to be reviewed.

(c) Overpayment of Rs 10.7 Million Not Yet Recovered

Findings

- In June 2024, overpayment totalling US $ 448,057, equivalent to Rs 21 million, for period January 2022 to March 2023 were deducted against the claim for quarter ending 30 June 2024. However, no interest was charged on the above amount overpaid.

- Overpayment of lease charges totalling Rs 10.7 million made for the period January 2021 to December 2021 was not yet recovered, that is 3 years after. This overpayment represented Rs 5.9 million for features not provided and Rs 4.8 million for 644 ITS equipment not yet installed.

- As from January 2020, annual service fee amounting to US $ 1.5 million were being paid in full to the telecommunication company. Though the SCP was not yet completed, the full amount for service fee was paid for the period January 2020 till date. This is contrary to the advice of Attorney General's Office (AGO) tendered to Police Service on 9 October 2020. The latter advised that the Police Service may resort to part payment for services satisfactorily performed.

Root Causes

- There was no proper verification of claims before payment by the Technical Section of the Police Service.

- Non-compliance with AGO's advice.

Recommendations

- Police Service should expedite the recovery of Rs 10.7 million and the quantum overpaid for annual service fee.

- The Police Service should comply with the AGO's advice.

Department's Response

The service fee has to be maintained in view of instructions conveyed by the Ministry of Finance.

3.3.3 Crime Occurrence Tracking System Not Being Used Efficiently and Effectively

Background Information

The Police Service implemented Phase 1 and 2 of the Crime Occurrence Tracking System (COTS) in 2012 and 2015 respectively, with the main objective to empower the Police Service with a tool for effective and efficient recording and tracking of crime occurrences.

The contracts for Phase 1 and 2 were awarded in December 2009 and March 2014 respectively for a total amount of Rs 287.4 million to a company. As of October 2024, a total of some Rs 643.5 million had already been spent on COTS since its implementation, that is, a total of Rs 287.4 million as capital expenditure and Rs 356.1 million as maintenance costs.

The usage of COTS modules and functionalities were reviewed at 6 Police Stations, namely Rivière du Rempart, Pamplemousses, Piton, Triolet, Trou aux Biches, Plaine des Papayes and the Northern District Head Quarters.

Purpose of COTS Not Achieved: Modules and Functionalities Were Not Optimally Used

The COTS system comprises 23 modules and 54 functionalities that were to be used by Police Stations, Police Headquarters, Traffic Branch and other units of the Police Service.

Findings

Functionalities and Modules Not Used

The sum of Rs 68.4 million were paid as maintenance charges for the financial year 2023-24. The functionalities and modules of the COTS system status is shown below.

(i) Out of a total of 54 functionalities:

- 6 functionalities were used;
- 22 functionalities were being partially used; and
- 26 functionalities were not used at all.

(ii) The following modules were also not being used as at December 2024:

- The Statement Pad Module which was meant to record details of complaints was not activated. Instead, a brief of the complaints in English version is input in the system, printed for signature and thereafter scanned and uploaded in the system.
- The Closed and Write off Case Module which allows users to mark a case as being closed or written off was not used.
- The Detainee Movement, Preparation of Resume, Preparation of Information, Police Supervision and Case Lodging Modules were not being used by the Prosecution Unit.
- The Reports Generation Module which was designed to generate various statistical and other reports and information such as the number of cases reported for a particular crime sub-category in a given period, filing and disposal of cases, amongst others, was not used.

Movement of Case Files not Recorded in COTS

Findings

- COTS was mainly used for opening entries when a case was reported. Information required for active and closed case files have to be searched in the manual Master Registers. Hence, the updated status of case files was not available on COTS.
- Onwards movements of the cases were not entered in COTS. The movement of cases could not be tracked on the system.
- A manual case file was prepared which was then physically transferred between officers of different Units for processing and taking decisions at various levels.

- Statistical cards which are updated manually on a daily basis are still being used in Police Stations for compiling statistics for crimes.

Root Causes

- Lack of a proper change management strategy for the introduction of COTS.
- No dedicated unit in the Police Service to continuously support the implementation of the COTS.
- Internet connectivity and speed problems not effectively addressed.

Recommendations

- The Police Service should devise a proper change management strategy with a defined realistic timeframe to enable smooth adoption of the COTS taking into account the constraints and the practical problems faced by Police Officers.
- To set up a dedicated Team responsible for the implementation of the COTS system.
- To set clear responsibilities for Station Managers, Divisional Commanders and users in connection with use of COTS.
- Connectivity issues should be promptly addressed.

Department's Response

- Though not all functionalities are being used, the Closed and Write Off Case Module is partially being used.
- COTS dates 15 years back and is very low in performance where the basics only can be accessed.

Complaints from User Departments Due to Old Hardware Still In Use

Finding

User Departments submitted a significant number of complaints regarding the connection failures, hardware defects and slowness of the system.

Root Cause

Computer hardware and other accessories were not properly maintained and corrective actions were not taken promptly.

Recommendation

A comprehensive survey of the computer hardware related to COTS operations should be done and appropriate decisions taken accordingly.

Department's Response

The actual system is low in terms of technology and performance. Very often, connectivity and network issues are being encountered on the system which renders operations tedious and time consuming for the processing of information in as much as it operates solely on Windows 7 which is also an outdated version.

No Provision Made for Essential Components in COTS

In the year 2021, the Police IT Unit recommended that some essential components such as Electronic Signature, Archiving and Dashboard be incorporated in the COTS system to ensure its efficient use.

Findings

As of October 2024, the following components were not yet implemented:

- **Electronic Signature -** COTS did not provide for digitalisation of signatures of the person giving the statement. The statement/complaint recorded in the Occurrence Book functionality had to be printed for the signature of the complainant and thereafter scanned for input.

- **Archiving -** COTS did not provide archiving of past records. Manual past records/case files are gradually piling up in the Police Stations. They are vulnerable to wear and tear and are exposed to hazards regarding their storage conditions. Storing information physically in books and case files are liable to damage and therefore information cannot be obtained easily.

- **Dashboard -** Implementation of a dashboard could help Management keep track of cases for more effective case file management.

Root Cause

The Accounting Officer did not initiate appropriate actions to address the issues raised by the Police IT Unit.

Recommendation

The Accounting Officer should take necessary action to implement the proposals of the Police IT Unit.

Department's Response

The essential components such as electronic signature and dashboard have not been implemented as they are not directly and fully supported by the actual version of COTS. Furthermore, the archiving of Diary Book entries as from year 2010 up to December 2021 have already been carried out and can be assessed by users as and when required.

Deficiencies in IT Governance of COTS: Disaster Recovery Phase (DRP) Not Done After Nine Years of Implementation of COTS

One important aspect in designing an IT system is to have a pre-defined contingency plan as a fallback option. It is, therefore, important to have a Disaster Recovery Site in case of complete failure of the main site. A DRP was to be implemented after successful implementation of the final phase, that is, after 2015.

Finding

Nine years after the implementation of the final phase in the year 2015, a system to recover those data in case of breakdown/disaster has not yet been implemented.

Root Cause

There was no planning for the implementation of the Disaster Recovery Phase (DRP).

Recommendation

The Police Service should implement a DRP for the COTS project.

Department's Response

The revamping of the actual COTS System is under consideration in order to cater for new technologies, features in terms of compatibility with new software/hardware and increasing cost to maintain the system which inter alia would also include a Disaster Recovery (DR) Solution.

3.3.4 National Coast Guard operating an Obsolete Coastal Surveillance Radar System

Background Information

One of the main objectives of the National Coast Guard (NCG) is to exercise surveillance over the maritime waters with a view to achieving Maritime Domain Awareness in the Exclusive Economic Zone of Mauritius. Coastal Surveillance Radar System assists in the safety, security, prevention of environment disaster, illegal fishing and drug trafficking in Mauritian territorial waters.

The NCG is equipped with a Coastal Surveillance Radar System (CSRS), which was commissioned in March 2011. The system was maintained by a foreign company up to April 2022.

The current CSRS comprises a network of one Command Centre at Les Salines, 5 mainland radar stations located at Grand Gaube, Albion, Le Morne, Gris Gris and Point Du Diable, 3 radar stations located at outer islands namely Rodrigues, Agalega and St Brandon and 5 standalone Automatic Identification System stations at Mont Bar le Duc, Mont Pte Du Diable, Mont Jurancon, Signal Mountain and Mont Simonet.

Proposal for New Coastal Surveillance Radar System

After the Wakashio incident in August 2020, representatives of Japan International Cooperation Agency (JICA) undertook data collection survey to identify possible areas of assistance that could be offered to Mauritius in the field of Maritime Safety and Accident Prevention. Following the JICA's survey, the Japanese Government decided to finance the implementation of a new CSRS in Mauritius.

Two agreements were signed between Government of Mauritius and Crown Agents Japan Ltd (CAJL) for the implementation of the Japanese Grant-in-Aid for the Economic and Social Development Programme for the Coastal Surveillance Radar System project on 16 June 2021 and 5 November 2021.

A total grant of Japanese Yen (JPY) 1,200 million was provided under the two agreements. As per the agreement, the project is scheduled for completion by August 2026.

CAJL hired a Consultant to execute the CSRS Project. A survey was carried out by the Consultant from 6 to 14 June 2022 in Mauritius and Outer Islands to assess the state of the existing CSRS. The final survey report was submitted on 29 November 2022.

Based on the survey, an additional grant of JPY 300 million was proposed by CAJL to complete the requirements of the new CSRS. The agreement for the additional funds was signed on 2 March 2023.

Obsolete CSRS

Findings

- On 28 January 2020, Police Service informed the Prime Minister's Office that the existing CSRS has completed its economic life and it has become less effective.

- The last inspection by the representative of the Original Equipment Manufacturer (OEM) was undertaken in April 2022 and no maintenance contract was signed thereafter.

- Obsolete CSRS entailed the risks associated to potential environment disaster, illegal fishing, drug trafficking and maritime safety.

Root Cause

OEM was facing difficulty in supporting the existing system due to unavailability of spare parts.

Recommendation

The Police Service should expedite the proposed implementation of a new CSRS.

Department's Response

- The CSRS was declared as obsolete by the OEM and the Police Service envisaged its replacement since 2019.

- The contract for the implementation of the new CSRS project has already been signed on 13 December 2024 between the Crown Agents (acting as Procurement agent on behalf of the Government of Mauritius) and a Japanese Company and the duration for the implementation of the project is two years.

Both Common Operational Picture Display Defective

Background Information

The Command Centre located at Les Salines is equipped with two Common Operational Picture Displays (COPDs) which enabled NCG to have entire data of all CSRS stations on a single display.

Finding

As of October 2024, both COPDs at the Command Centre were not operational. One COPD was reported beyond repairs in May 2019 and the second one non-operational since November 2023. Hence, the entire data of all the 8 radar stations was not available in a single display at the Command Centre.

Root Causes

- Lack of replacement policy of critical equipment; and

- The Responsible Officer did not take appropriate actions before the end of the useful economic life of the equipment.

Recommendation

The COPDs should be repaired pending availability of new CSRS scheduled for August 2026.

Department's Response

- The case for replacement/upgradation of existing CSRS has already been taken up.

- A case for repairs of COPD was duly taken but, however, considering the cost involved and lead time taken by OEM for replacement of the COPD's post signing of contract is considered exorbitant vis a vis left over useful time of COPD and pending replacement of existing system.

Defective Radar Stations in Outer Islands

Background Information

The CSRS included 3 radar stations located at outer islands, namely Rodrigues, Agalega and St Brandon.

Findings

- The CSRS at St Brandon, which was not operational since September 2020, was declared beyond economic repairs by the OEM in April 2022.

- There was no preventive maintenance of the existing CSRS as no maintenance contract was signed after April 2022.

- The radar station at Agalega was not operational since December 2023 as spare parts were awaited for rectification.

- The radar tower at Rodrigues was heavily corroded up to a height of 20 metres.

Root Cause

Poor planning for preventive and scheduled maintenance of CSRS stations by NCG.

Recommendation

A Proper Steering Committee should be set up to closely follow the implementation of the new CSRS project, so that it is delivered as scheduled.

Department's Response

- In view of the obsolescence of the existing CSRS, non-availability of spare parts and subsequent grant by the Government of Japan for upgradation of the system, further Annual Maintenance Contract for CSRS was not considered.

- The radar station at Agalega faced a power supply issue in December 2023 which was supplied by Outer Islands Development Corporation in February 2024. The Radar was reported defective in March 2024 and required trigger Board PCB for rectification. NCG Technicians were deputed with requisite spares, however, new defects were observed during checks. The procurement of the requisite spares is being taken up by NCG.

- The radar tower at Rodrigues will be replaced under the new CSRS Project.

- Defects arising in the present system may be attributed to ageing of equipment, obsolescence, non-availability of spares and subsequent non-supportability by the OEM.

Defects Noted during Site Visit at Gris-Gris CSRS Station

Defects were noted during site visit carried out by National Audit Office Officers in the presence of Officers of NCG at the Gris-Gris CSRS station in October 2024.

Findings

- Sensor Data Acquisition Unit (SDAU) used to transmit data to Command Centre was defective.
- The main door of the Container House was blocked due to rusted handle as shown in Figure 1.
- The radar tower was rusted due to salty water. As per survey effected by the Consultant at the Gris-Gris Station in June 2022, the radar tower was reported as damaged as shown in Figure 2.

Figure 1: Main Door of the Container House Blocked due to Rusted Handle

Figure 2: Rusted Radar Tower

Root Cause

No proper follow up on the procurement of SDAU was done by NCG.

Recommendation

The NCG should initiate action for the repair of the defective components.

Department's Response

- The Sensor Data Acquisition Unit (SDAU) is responsible with COPD at Control Centre. A case for repairs has been taken up and same is under deliberation at the level of the Prime Minister's Office.

- NCG will proceed with the replacement of:

  (i) The main door handle of Container House at Gris Gris; and

  (ii) The Tower at Gris Gris and Rodrigues CSRS stations and all solar panels under the new CSRS project.

3.3.5 Police Helicopter Squadron- Lapses in Maintenance of Helicopters

Background Information

The Police Helicopter Squadron (PHS) provides support to Police Divisions and assist in Search and Rescue Operations, Casualty Evacuation and Airborne Surveillance. It has a fleet of 8 helicopters to assist in the execution of its tasks. Expenditure incurred on maintenance of helicopters totalled Rs 32.96 million for the financial year ended 30 June 2024. This represented 51 per cent of the budgeted expenditure of Rs 65 million for Maintenance of Helicopters.

As of September 2024, 6 out of 8 helicopters were serviceable. The status of the helicopters is shown in Table 3-3.

Table 3-3 PHS Fleet of Helicopters

Type	Reference	Acquired Year	Operational Status as of October 2024
Chetak	MPH-03	1987	Serviceable
Chetak	MPH-04	1987	Serviceable
Fennec (Twin-Engine)	MPH-05	1997	Overhaul since July 2022. Delivery delayed by more than18 months
Dhruv (Twin-Engine)	MPH-07	2009	On overhaul at HAL India since Jun 2024. Expected to be back to Mauritius in Jan/Feb 2025
Chetak	MPH-08	2016	Serviceable
Chetak	MPH-09	2016	Serviceable
Dhruv (Twin- Engine)	MPH-10	-	On free lease from India since April 2022
Dhruv (Twin- Engine)	MPH-11	2023	Serviceable

Source: Reply from PHS

Only two Twin-Engine Helicopters were Serviceable

Background Information

There were 4 twin-engine helicopters of PHS namely, MPH-05 (Fennec), MPH-07 (Dhruv), MPH-10 (free lease helicopter) and MPH-11 (Dhruv). Twin-engine helicopters are essential during rescue operations and night sorties as these helicopters are safer against engine failure, fly faster and longer distance than single engine helicopters.

Findings

- ***Only two twin-engine helicopters serviceable***

As of November 2024, only 2 twin-engine helicopters, namely MPH-10 and MPH-11, were operational out of 4 in the fleet.

- ***MPH-07 was grounded for six months due to delay to complete procedures for overhaul***

The overhaul of Dhruv helicopter (MPH-07) was scheduled for 31 December 2023. However, the helicopter was grounded since 1 January 2024, awaiting administrative procedures for its overhaul. The procedures were initiated in May 2023 but finalised in June 2024, that is, nearly one year after.

Root Causes

- Poor planning for maintenance of twin-engine helicopters.
- Delay in finalisation of administrative procedures of overhaul of MPH-07.

Recommendations

- Administrative procedures for overhauling should be planned and finalised within reasonable time frame to ensure timely maintenance of helicopters.
- Consideration be given for adopting a Maintenance Framework Agreement.

Department's Response

- The lease period of Helicopter MPH-10 was extended to make it available to the Police Service mainly to handle operational tasks efficiently.
- The case of overhaul of MHP-07 was well anticipated and projected and the time delays were mainly due to the financial and administrative procedures such as clearance from Ministry of Finance and Economic Development and Finance Section.

Overhaul of Fennec Helicopter-Lapses in Procurement Management

Background Information

The Fennec Helicopter (MPH-05) has served the PHS for more than 27 years since its acquisition in April 1997.

The major overhaul of MPH-05 was due on 26 November 2021, after completion of its 12 years calendar life. The overhaul due date was extended to 26 May 2022 as per the Master Servicing Manual.

The contract for the major overhaul, which was awarded to a foreign company on 1 April 2022, was signed on 4 May 2022 for a total amount of € 867,000 (Rs 42 million).

Additional Services totalling some Rs 30 million

On 23 December 2022, the Contractor submitted a quotation totalling € 436,364 (Rs 21.3 million) for defects such as Fuselage Repair, defects in flight safety, cosmetic and avionics identified by the Contractor during the Major Overhaul.

On 19 May 2023, the Contractor submitted another quotation for additional defects totalling € 167,669 (Rs 8.2 million). Police Service approved both additional services totalling € 604,033 (Rs 30 million).

Delivery Schedule

The completion of overhaul and delivery of the Fennec helicopter by the Contractor was scheduled for February 2023.

Findings

- ***Handing-over of helicopter for repair unduly delayed***

The Helicopter was handed over to the above Company on 7 July 2022, that is, 2 months after signature of the agreement.

- ***Actual Expenditure exceeded the initial contract sum***

The initial contract was for Rs 42 million but a total of Rs 59.6 million was already paid as at 30 June 2024. The initial contract amount of € 867,000 was exceeded by € 604,033 due to additional works on identified defects during repair.

- ***Non- compliance with Delivery Schedule***

Delivery of Helicopter MPH-05 exceeded the scheduled delivery date by more than 18 months. The Helicopter was initially scheduled for delivery in February 2023. Due to additional defects identified, lead time of some spare parts and dynamic components emerging from the defects, the delivery date was revised on several times. MPH-05 has remained in South Africa for more than two years.

Additional time for completion of the entire overhaul of the helicopter was not agreed by the Police Service and the Contractor.

Deadlines were extended unilaterally by the Contractor.

- ***Absence of Liquidated Damage Clause***

There was no Liquidated Damage Clause in the contract signed between Police Service and the Original Equipment Manufacturer (OEM).

- ***Non- Compliance with Public Procurement Laws***

The additional works for repair of defects detected subsequently totalled € 604,032. This represented an increase of 70 per cent over the initial contract sum, thus exceeding the prescribed limit of 50 per cent stipulated in Section 25(2) (c) of the Public Procurement Act and Regulations 44 (3) of the Public Procurement Regulations.

Root Causes

- Inadequate monitoring of the contract.
- Poor assessment was carried out during pre-survey by representative of OEM.
- There was no replacement policy for helicopters.
- There was no plan in terms of helicopters required for effective and efficient service delivery.

Recommendations

- Police Service should properly monitor terms and conditions of the contract.
- Consideration be given for formulation and adoption of a replacement policy.
- The Police Service should carry out a study to determine the requirements for helicopters for the PHS.
- Consideration be given for capacity building of local staff for maintenance and repairs of helicopters.

Department's Response

- The Agreement for overhaul was signed on 4 May 2022.
- On 5 June 2022 an Engineer from OEM arrived in Mauritius for dismantling and shipment of the helicopter.
- The helicopter was partially dismantled and loaded in a container on 16 June 2022.
- The helicopter was shipped on 21 June 2022 and reached South Africa on 7 July 2022.

3.3.6 Deficiencies in Management of Outstanding Cases of Police Enquiries

Background Information

The Police Service is responsible for maintaining law and order, preventing and detecting offences, investigation crimes and ensuring safety and security of the general public. The Police Service is committed to fight crime in all its forms and deliver the highest quality of service to the community.

Following the increasing number of outstanding cases of crime and misdemeanour in 9 Police Divisions/Units, the Police Service has worked out an action plan in the year 2017 to reduce the outstanding cases.

The measures to reduce the outstanding cases were defined in an Administrative Order dated 18 April 2017. Eight senior Police Officers were earmarked to oversee the progress of enquiries, decide and dispose cases in the Police Divisions.

These Officers were conferred with the authority to decide and dispose cases as per Police Standing Order relating to disposal, classification and prosecution of cases.

As of 30 June 2024, the Police Service had 178,140 outstanding cases in respect of police enquiries compared to 147,702 as of 30 June 2020. These cases were made up of crime offences, misdemeanour, contraventions and other offences as shown in Table 3-4 and 3-5.

Table 3-4 Outstanding cases for the last five years classified by offences

	At 30 June 2024	**At 30 June 2023**	**At 30 June 2022**	**At 30 June 2021**	**At 30 June 2020**	**% increase/ (decrease) compared to 2020**
Crime	12,341	13,311	11,287	9,972	5,426	127%
Misdemeanour	51,018	55,698	60,942	43,318	27,559	85%
Contravention	83,722	101,510	133,278	136,694	114,212	(27)%
Others	31,059	29,024	27,479	890	505	6050 %
TOTAL	**178,140**	**199,543**	**232,986**	**190,874**	**147,702**	

Source: Information from Police Research Development Unit

Table 3-5 Division wise outstanding cases for the last five years

Division	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20	% increase/ (decrease) compared to 2020
Northern	27,517	38,239	57,765	45,962	16,119	71%
Metropolitan (North)	20,590	21,121	21,263	18,468	18,836	9%
Metropolitan (South)	11,189	11,588	7,220	10,625	2,334	379%
Western	46,375	44,039	51,190	51,996	70,293	(34%)
Central	21,266	34,312	29,008	32,258	7,397	187%
Eastern	19,726	19,648	36,441	6,804	10,200	93%
Southern	22,712	19,798	22,105	17,715	18,505	23%
CCID	1,952	3,434	1,686	1,546	1,073	82%
ADSU	6,813	7,364	6,308	5,500	2,945	131%
Total	**178,140**	**199,543**	**232,986**	**190,874**	**147,702**	

Source: Information from Police Research Development Unit

Findings

Lapses in Monitoring of Outstanding Cases

- There was an increase of 20 per cent in the number of outstanding cases over the last 5 years.
- Outstanding cases in respect of crime and misdemeanour had increased by more than 80 per cent in the last five years as shown in Table 3-4 above.
- The Metropolitan (South), Central and Anti Drug Smuggling Unit (ADSU) had seen an increase of more than 100 per cent in outstanding cases during the last 5 years as shown in Table 3-5.
- 47 per cent of the outstanding cases related to contraventions for non-payment of fines within the delay provided in respect of alcohol concentration above prescribed limit, fixed penalty notice, illegal parking and exceeding speed limit.
- A total of 1,145 cases and 70,835 cases of police enquiries relating to the period 2006 to 2017 and 2018 to 2022 respectively was outstanding at 30 June 2024, as shown in Table 3-6.

Table 3-6 Ageing of Outstanding Cases-Police Enquiry

Year	No. of Outstanding Cases
Prior 2018	1,145
2018 to 2022	70,835
2023	60,251
2024	45,909
Total	**178,140**

Source: Police Research Development Unit

Root Cause

Poor management of outstanding cases by the Police Service.

Recommendations

- The Police Service should put in place a proper system of follow up/monitoring of outstanding cases.

- The Police Service should review its strategies to reduce crime and misdemeanour.

Department's Response

- Covid-19 pandemic was a major contributing factor to the rise in outstanding police enquiries as at that time priority was on maintaining order to prevent proliferation of the virus and keep the community safe.

- Outstanding police enquiries remain one of the major priorities of our organisation.

- It is planned to re-energise the process of monitoring of outstanding cases as were defined in Administrative Order dated 18 April 2017.

- A Committee under the Chairmanship of a Deputy Commissioner of Police will be set up to work out a more efficient follow up/monitoring process of outstanding cases.

3.3.7 Lapses in Management of Cases of Interdicted Police Officers

Background Information

During the financial year 2023-24, salaries totalling Rs 60.5 million were paid to 175 interdicted Police Officers (IPOs) for offences committed by them. A total amount of Rs 224 million were disbursed as salaries to these officers during the last 7 financial years as shown in Table 3-7.

Table 3-7 Increasing Number of Interdicted Police Officers and Salaries Paid

Financial Year	Number of Interdicted Officers at end of year	Salaries Paid (Rs million)
2017-18	52	10.6
2018-19	69	13.7
2019-20	86	16.4
2020-21	101	24.3
2021-22	147	49.6
2022-23	162	49.3
2023-24	175	60.5
Total		**224.4**

Source: Human Resource- Discipline

The offences committed were related to crimes such as drug dealing/possession, bribery, causing child to be sexually abused, conspiracy, larceny and murder.

Findings

Increasing Number of Interdicted Officers and Salaries Paid in the Last Seven Years

- The number of IPOs and salaries paid to them as at 30 June 2024, have increased by 236 per cent and 471 per cent respectively compared to the financial year 2017-18.

- A total amount of Rs 209 million has already been paid as salary to the 175 IPOs as at 30 June 2024 since their interdictions.

- Out of the 175 IPOs as at 30 June 2024, 12 Police Officers were interdicted for more than 10 years. The salaries paid to these officers totalled Rs 4.1 million.

- Interdiction periods lasted for several years and upon determination of their case, the officers concerned were either dismissed from the service or reinstated in their post. The case of officers, who were interdicted in 2020 and 2023, were dismissed in June 2024 and Rs 1.1 million were disbursed as salaries during their period of interdiction.

- As of 30 June 2024, out of 227 offences committed by 175 Police Officers, 91 offences, that is 40 per cent of total offences was still under police enquiry.

- 20 cases of interdicted officers on conditional reinstatement were still ongoing as at 30 June 2024. The date of interdiction dated as far back as the year 2008.

Department's Response

- As at 30 June 2017, 46 interdicted Police Officers were conditionally reinstated and as at 23 Septembers 2019 the number of interdicted Police Officers recalled for duty increased to 115. This resulted in a decrease in number of interdicted Police Officers at the end of financial years 2017-18 and 2018-19. The last batch of Police Officers who were conditionally reinstated dates back to 23 September 2019.

- Any action by Police related to the dismissal or otherwise can only be initiated upon determination of the cases.

- The case file usually transits between the Office of the Director of Public Prosecutions (DPP), the Enquiring Officer and Police Prosecutions Office in order to address further queries/clarifications.

- No action can be initiated before determination of the cases against the conditionally reinstated officers.

Fast Track Measures to Speed Up Enquiry Not Applied

The measures proposed so far to curtail period of interdiction were not yielding expected results. As of July 2024:

- Fast track measures envisaged as per Department Instructions issued in 2007, 2015, 2020 and 2024 by the Police Service were not effectively implemented; and

- An Inter-Ministerial Committee was set up on 4 September 2020, but meetings were not held on a regular basis and the following aims of the Committee were not therefore being realised:

  (i) The setting up of a Fast Track Mechanism for disciplinary proceeding against police officers.

  (ii) The implications of interdicting officers without salary.

Recommendation

The Police Service should review the present system in place so as to expedite the final decision making process with respect to interdicted officers

Department's Response

- The Police Department endeavours to complete all enquiries within the shortest possible delay and same is monitored by the Commissioner of Police through the respective Divisional Commanders. It cannot account for delays in the handling of files at the level of the Office of DPP.

- The provision for a Departmental Orderly Room has already been made in all Divisions/Branches of the Police Force to look into disciplinary proceedings that should be instituted against Police Officers at departmental level.

3.3.8 Manual Fixed Penalty Notice - Lapses in Revenue Management

Background Information

A person who commits a Road Traffic offence is served a manual Fixed Penalty Notice (FPN). The person has 28 days to settle the fine at any District Court. If the person fails to pay the fine within the 28 days, a Contravention Case file is opened and an entry is made in the Crime Occurrence Tracking System (COTS) before referring the case file to the appropriate Police Station for enquiry. The process for collection of revenue from manual FPNs raised by Traffic Branch was reviewed.

Findings

(a) Inadequate Monitoring of Outstanding Fixed Penalty Notices

- ***Cumbersome and Time Consuming Monitoring of Unpaid FPNs***

Monitoring of unpaid FPNs was rendered cumbersome and time consuming as a manual Master Contravention Register was kept to record all FPNs issued.

- ***Unpaid FPN Not Yet Referred for Enquiry after more Than One Year***

An examination of a sample of unpaid FPNs showed many cases which were not yet referred by the Road Safety Unit to Police Stations for enquiry after more than one year.

- ***Undue Delay to Create Records in COTS for Unpaid Fixed Penalty Notices***

The time taken to record unpaid FPNs under COTS at Team B - Metropolitan South ranged from 145 to 202 days after the expiry of delay of 28 days for payment of fine. Referral of such cases to Police Stations for enquiry were also delayed.

- ***Delay in Processing Fixed Penalty Notice Due to Absence of Statement of Issuing Officer***

The Statement of Issuing Officer is required prior to the referral of the contravention case files to the Police Stations for enquiry. A sample verification revealed nine cases where the Statement of Issuing Officer were missing in the contravention case files. This delayed the processing of unpaid FPNs.

Root Causes

- Inadequate monitoring of unpaid FPNs by the Road Safety Unit.
- Absence of Standard Operating Procedures (SOP) for processing unpaid FPNs.

Recommendations

- Unpaid FPNs should be referred to Police Stations for enquiry within reasonable delay.
- A SOP manual should be prepared for processing FPNs till payment.
- Consideration should be given to modernise the payment of fine by the Police Service by adopting latest techniques and technologies that are available.

Department's Response

Police will engineer the possibility of modernisation payment of FPNs.

(b) Inconsistencies in Database for Payment of Fines for Manual FPNs

Background Information

Officers of the Traffic Branch are required to input all manual FPNs raised in the computerised Revenue Collection and Case Management System (RCCMS) of the Judiciary. Payment for FPNs effected at District Courts are updated in the same system. In October 2024, the Police IT Unit submitted a listing of FPNs raised by the Traffic Branch during the financial year 2023-24 together with the payment details.

Findings

- Inconsistencies were noted in 7 cases where the RCCMS generated erroneous reports. As per these reports, the date of payment was recorded as being earlier than date of offence. The follow up of unpaid FPNs could not be effected from the RCCMS as the reports generated were not reliable.

- 7 cases were noted where FPNs raised were not recorded in RCCMS.

- The list provided to NAO contained many inaccuracies for both fine paid and fine outstanding such as repeated rows for the same FPN served. Hence, the accuracy of total number of FPNs raised, paid and unpaid as at 30 June 2024 could not be ascertained.

- An age analysis of outstanding FPNs was not available.

Root Causes

- FPN booklets with same serial numbers were printed and issued for use for a second time in May 2024.

- Riders failed to input FPNs raised in RCCMS.

Recommendations

- Police Service should ensure that FPN booklets are not ordered bearing the same serial numbers already used in the past.
- All FPNs raised should be recorded in the RCCMS.

Department's Response

The new FPN will bear alpha-numerical numbers.

Arrears of Revenue on Fixed Penalty Notices Not Accounted for

Background Information

Debtors for unpaid fixed penalty are recognised and accounted as arrears under the Judiciary only after the amount to be paid by the offender has been determined by the Court.

International Public Sector Accounting Standards require a public body to recognize a revenue transaction if the amount of revenue can be measured reliably and it is probable that the economic benefits/service potential associated with the transaction will flow to the entity.

Findings

- Arrears for unpaid FPNs at year end were not accounted for in the Statement of Arrears of Revenue submitted to the Treasury.

- Revenue from FPNs served by Police Officers was collected at District Courts and credited as fines under the control of the Judiciary instead of a revenue item for the Police Service.

Root Cause

Lack of a coherent holistic digitalised system for the fines process cycle.

Recommendations

- A return of unpaid FPNs should be submitted to Treasury.

- To digitalise the whole process of raising fines and the payments of same by Police Service.

Department's Response

- A return of unpaid FPNs will be submitted to Treasury when so required.

- The IT Unit is being taken on board to look into the process.

3.3.9 Fire Outbreak at Line Barracks - Renovation of Heritage Building not yet started after more than two years

Background Information

A fire outbreak was reported during the night of 4 July 2022 at the building along the Orleans Street and which comprised spaces occupied by the Special Support Unit (SSU) No.4 Barracks and Office, Special Supporting Recruits Barracks, SSU Store, Catering Store, Special Response Group Office, Women Police Constable Barracks and the Police Vehicle Technical Unit. The building is classified as National Heritage of Mauritius under the National Heritage Fund Act.

Estimated Cost of Damages - Rs 30.2 million

As per Police Service, the estimates of cost of damages caused to goods and equipment at the different units totalled Rs 30 million.

On 5 July 2022, the Ministry of National Infrastructure and Community Development (MNICD) was requested to carry out a survey for the restoration of the damaged building and to submit scope of works with estimated costs. The site inspection was carried out on 11 July 2022. On 14 July 2022, the MNICD stated that the damaged building was in an alarming condition and represented a potential hazard.

Removal of Debris - Survey

On 19 August 2022, the services of the technical team of the MNICD were being solicited to carry out a survey, workout the scope of works for removal of debris and prepare the bidding document with cost estimate.

Cost Estimate for Removal of Debris

On 9 January 2023, MNICD provided a cost estimate of Rs 8.7 million, exclusive of VAT for the removal of debris. As per letter dated 27 February 2024, the bidding documents for the demolition of the unsafe part of the building and general cleaning of debris was prepared and submitted by MNICD, under the guidance of the National Heritage Fund.

Construction of New Structure

In a letter dated 27 February 2024, the MNICD stated that the removal of debris and construction of the new structure cannot be undertaken under one contract simultaneously as this would imply carrying out detailed survey in an unsafe environment thereby putting at risk the lives of Officers working on the project. A comprehensive survey would be carried out after completion of the demolition works.

Findings

Lapses in Re-instatement of Building

- ***Bidding Exercise for removal of debris and renovation works not yet finalised after more than two years***

As of November 2024, that is, after more than two years, the bidding exercise for the removal of debris and renovation works was not yet finalised. Hence, the clearing of debris and renovation works has not yet started.

- ***Hazards due to delay in Removal of Debris***

(i) There were potential hazards on site, namely the risks of partial collapse of the gable walls, the deformed roof structures with damaged corrugated sheeting hanging loosely/dangerously, heavily cracked stone at the eave level and collapsed timber flooring and columns inside the building as shown in Figure 1 and 2.

Figure 1 Iron Sheets representing a danger to the public

Figure 2 Collapsed Ceiling

(ii) Contrary to the security measures recommended by MNICD in July 2022, welded metal barriers placed around the building have been removed since October 2023 and part of the restricted zone was being used as parking, entailing risk hazards to users.

(iii) According to MNICD report dated July 2022, there was risk of falling debris along Deschartes Street.

Root Cause

No final decision taken by the Police Service on whether to reinstate the building or not.

Recommendations

- Welded barriers should be reinstated along the restricted zone to avoid potential threat to public safety.
- Measures should be taken to expedite the reinstatement of the building.
- A Reinstatement Steering Committee be set up to monitor the implementation of the reinstatement project.

Department's Response

The proposal made by the National Heritage Fund for the removal of debris, demolition and restoration of the wall to be carried out simultaneously has been taken into consideration whereby tenders have been launched on two occasions at the level of the Police Tender Unit but no responsive bids were obtained.

On the 13th of January 2025, a meeting was held in the presence of representatives from the Police Department, MNICD, Architect Section from MNICD and NHF in that connection and it has been decided that a survey regarding the design and other technical aspects on other existing buildings in Line Barracks be made following which, all stakeholders would be required to submit a detailed report including the cost estimate of the project for onward transmission to the Police Tender Unit for the re-launching of bids.

Day to day Operations affected by the Temporary Relocation of Units for more than two years

Background Information

Following the outbreak of fire, the SSU Catering Store, SSU SRG Office, WPC Barracks and SSU Sleeping Area were relocated to SSU Kitchen, SSU Complex, Traffic Branch and SSU Conference Room respectively.

Findings

- The relocated units have been accommodated in limited spaces for over two years.
- SSU Catering Stores has been procuring provisions and foodstuffs in small quantities due to limited space.
- During a site visit effected at the relocated SSU by NAO Officers on 20 November 2024, it was noted that the sleeping area was crowded and mattresses were used instead of beds.

Root Cause

Lack of planning to relocate affected Units/Sections with proper alternative accommodation.

Recommendation

Police Service should expedite the reinstatement of the building or explore alternative solutions.

Department's Response

Officers relocated due to the fire outbreak will shortly be shifted to an ideal place already identified within Line Barracks compound.

3.3.10 Follow-up of Recommendations raised in the Audit Report 2022-23

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarised below. Out of 6 recommendations, 3 (50 per cent) have been partly implemented and 3 (50 per cent) have not been implemented.

SN	Findings	Recommendations	Department's Response- Status as at December 2024	NAO's Comments
	Acquisition of Specialised Equipment for Rs 21.6 million-Nugatory Expenditure (Page 59)			
1	After More than 4 years since September 2019, an amount of Rs 21.6 million was paid in, for the acquisition of Equipment 1 and Equipment 2. Equipment 1 has not been commissioned and used. Equipment 2 has not yet been delivered as of October 2023. *(Pg 59-60, Para 4.3.1)*	The advice of the Attorney-General's Office should be sought for the way forward. *(Pg 60, Para 4.3.1)*	Equipment 1 and 2 were delivered to Police Service and on 18 October 2024, the equipment was tested and found operational to 2G only. Same could be upgraded to 5G at additional cost. As of January 2025, the equipment was not operational as the licence have expired. The equipment has not yet been commissioned and Attorney- General's Office will be intimated anew into the matter.	**Partly Implemented**
	NCG Ships-Lapses in Fleet Management and Procurement Procedures (Page 61)			
2	Ships not operating at full capacity due to delayed maintenance. Only two ships out of five were under running condition. *(Pg 61-62, Para 4.3.2)*	A proper maintenance plan should be prepared and complied with in accordance of Manufacturer's instructions. *(Pg 62, Para 4.3.2)*	All efforts at the NCG was focussed on undertaking scheduled maintenance of ships. However, due to lack of infrastructure facilities and availability of spares locally, the scheduled maintenance requiring external assistance are sometimes delayed resulting in increased operational cycle of the ship. Refit of CGS Victory was completed on 31 January 2024 and the refit of CGS Valiant is in progress in India on gratis and is expected to be completed in mid-March 2025. The case for refit of CGS Barracuda was taken up by Government of Mauritius with the Government of India.	**Partly Implemented**

SN	Findings	Recommendations	Department's Response-Status as at December 2024	NAO's Comments
3	Additional repair works for CGS Observer for Rs 14.2 million (inclusive of VAT), which represented an increase of 85% over initial contract sum, exceeded the prescribed limit of 50% stipulated in the Public Procurement Act and Public Procurement Regulations. *(Pg 63, Para 4.3.2)*	The Officer-in-Charge of Procurement should ensure compliance with procurement legislation. *(Pg 63, Para 4.3.2)*	Due to lack of infrastructure facilities and non-availability of technical infrastructure to ascertain status of machinery prior to commencement of refit, the exact scope of work can only be ascertained post unboxing of machinery during refit by the refitting authority. However, efforts are being made to conclude a comprehensive scope of work for the next refit of the ship.	**Not Implemented**
	New Automated Fingerprint Identification System-Lapses in Procurement (Page 64)			
4	Repeated revision of Bidding documents due to inaccurate specifications. The specifications were revised three times and the escalation in cost estimate from Rs 20 million in February 2018 to Rs 101.2 million in March 2022. As of September 2023, six months after cancellation of third bidding exercise, the revised specifications were still not finalised. *(Pg 64, Para 4.3.3)*	▪ Proper project monitoring should be carried out. ▪ The project should be planned appropriately, a proper market survey conducted, appropriate technical specifications and cost estimates determined. ▪ The Police Service should consider hiring a Consultant who is well-versed in the design of AFIS. *(Pg 65, Para 4.3.3)*	A Project Monitoring Committee has been established to oversee the implementation and monitoring of various IT projects including ABIS. Bidding documents have been finalised and submitted to Police Tender Unit for the launching of bids. However, due to technical problems, the bidding documents could not be uploaded on e-procurement.	**Partly Implemented** **Not Implemented**

3.4 RODRIGUES AND OUTER ISLANDS AND TERRITORIAL INTEGRITY

3.4.1 Governance Issues – Non-compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of Statutory Bodies with the objective of strengthening accountability and transparency in the public sector.

Findings

Non-Submission of Financial Statements for Audit

The Statutory Bodies (Accounts and Audit) Act requires the Chief Executive Officer of a statutory body to submit the annual report, including the financial statements, to the auditor not later than 4 months after the end of every financial year.

As of 31 December 2024, the following statutory bodies falling under the purview of the Prime Minister's Office (Rodrigues and Outer Islands Division), have not submitted their financial statements for audit as shown in the table 3-9 below.

Table 3-8 Financial Statements not submitted to NAO for Audit

SN	Statutory Body	Financial Year	No of Financial Statements
1	Chagossian Welfare Fund	2023-24	1
2	Outer Islands Development Corporation	2022-23 & 2023-24	2

Source: NAO records

NAO is of the view that the Ministry should:

- Exercise control over statutory bodies and other entities operating under its aegis to ensure that they comply with their statutory responsibilities regarding the preparation of financial statements and their submission for audit; and

- Lay a copy of the annual report and audited financial statements before the National Assembly.

Division's Response

The financial statements of the Chagossian Welfare Fund for the year ended 30 June 2024 has already been prepared and submitted by the Accountant. Necessary approval will be sought at the next Board Meeting scheduled on 27 January 2025, prior to submission of the financial statements to the National Audit Office.

3.5 PRISON SERVICE

3.5.1 Baggage X-Ray Inspection System Unit at Women Prison Not Utilised

Background Information

The contract for the Supply, Delivery, Installation, training of staff and maintenance of 5 units of Baggage X-Ray Inspection system was awarded, on 21 June 2023, to a company for an amount of Rs 7,828,309 and payment was made on 15 December 2023.

The Baggage X-Ray Inspection system reached Mauritius on 27 October 2023, that is, with a delay of 2 weeks. However, the equipment could not be cleared from Customs Department as the Radiation Safety and Nuclear Security Act requires that end users of X-ray inspection system should be licensed. As such, the delivery was delayed by another 2 weeks.

The Baggage X-Ray Inspection system was to be delivered on 12 October 2023, to each of the 5 Penal Institutions of the Prison Service. The 5 units were tested and commissioned on 13 November 2023.

Findings

- ***Baggage X-Ray Inspection System Unit at Women's Prison idle***

As of September 2024, the Baggage X-Ray Inspection System unit at the Women's prison was not operational since its delivery on 13 November 2023 due to:

(a) non-identification of a suitable location for the deployment of the equipment. In the meantime, the equipment was placed in the mess room; and

(b) training had not been conducted by the supplier to the Women's Prisons staff for operating the equipment in line with the contract.

- ***Equipment not in use during the Warranty Period***

The warranty period of 24 months started as from date of delivery of 13 November 2023. As of September 2024, 9 months of the warranty period had already lapsed and the equipment at the Women Prison was still not put in use.

- ***No charge of Liquidated damages due to delay***

The Prison Service did not charge liquidated damages for the delay of 4 weeks due late delivery. As per conditions of the contract, the amount that should have been deducted was Rs 136,000.

Root Causes

- Officer-in-Charge of the Women Prison did not identify an appropriate location for the installation of the equipment.

- The Accounting Officer did not ensure that the conditions of contract in respect of training were complied with.

Recommendations

- The equipment should be installed, as soon as possible, so that the objectives of preventing the entry of illegal and prohibited items are achieved at the Women's Prison.

- The Accounting Officer should ensure that the conditions of contract are complied with.

Prison Service's Response

- No appropriate location was found, in line with recommendation made by the Radiation Authority, for the installation of the Baggage X- Ray Inspection System at the Women's Prison. However, the mess room at the Women's Prison would be converted into an appropriate location for deployment of the procured equipment.

- The delivery schedule was revised to 27 October 2023 following agreement to supplier's proposal to supply an improved version of the conveyor belt of the Baggage X-Ray inspection System Units.

- As the licence issue with the Radiation Safety and Nuclear Security Authority was outside the control of the purchaser and the supplier, the liquidated damages were waived exceptionally.

4 – DEPUTY PRIME MINISTER'S OFFICE, MINISTRY OF HOUSING AND LAND USE PLANNING AND TOURISM

4.1 HOUSING AND LAND USE PLANNING

4.1.1 High Demand and Inadequate Supply of Housing Units

Background Information

The Ministry of Housing and Lands is mainly involved in creating, amongst others, access to decent, safe and affordable residential units. The Ministry, together with the National Housing Development Company Ltd (NHDC) and its subsidiary, the New Social Living Development Ltd (NSLD) are mandated to deliver housing units to needy families.

At paragraph 5.1.1 of the Audit Report 2022-23, the National Audit Office (NAO) highlighted the need for a social housing strategy to address growing demand in the social housing sector.

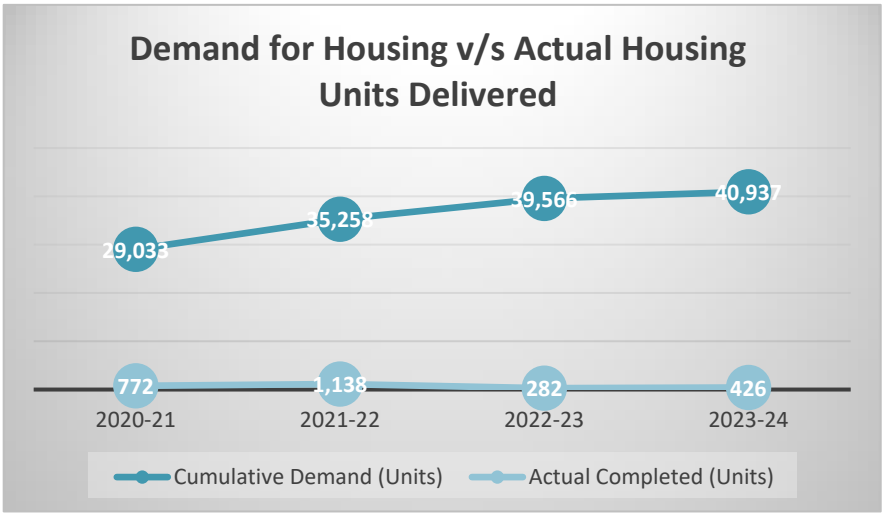
Findings

- In response to paragraph 5.1.1 of the Audit Report 2022-23, the Ministry informed that it initiated the preparation of a National Housing Strategy. To this end, Rs 1 million had been budgeted for the consultancy services in financial year 2023-24. However, as of September 2024, the procurement process for consultancy services had not yet started.

- NHDC delivered 2,618 housing units between the financial years 2021-22 and 2023-24.

- NSLD delivered only 796 units against a target of 8,000 units under Phase I of the Project, by September 2024.

- The demand increased from 29,033 in 2020-21 to 40,937 by July 2024, that is, an increase of 41 per cent.



Source: Housing Division

There is a significant gap between the demand and the supply for social housing units.

Root Cause

There was no social housing strategic plan to guide the Ministry on how to address the gap between the demand and supply of social housing units.

Recommendations

- The Ministry should develop a mechanism to oversee and monitor the entire process of developing a comprehensive Strategic Plan for social housing.

- The Ministry should assess the effectiveness of having 2 separate entities, NHDC and NSLD, for achieving the same objective, that is, construction of social housing units and should take appropriate decision.

Ministry's Response

- The Ministry has initiated actions for the drafting of the Terms of Reference to seek expert technical assistance for the development of the National Housing Strategy in view of meeting its medium and long-term objectives.

- The contract for the construction of NSLD housing units were awarded from April 2023 to August 2023 with contract duration from 335 to 802 days. Thus, the first housing units were scheduled to be delivered as from August 2024.

- The construction of 7,652 housing units (7,204 units by the NSLD and 448 units by the NHDC) are ongoing across 40 sites. Some 5,000 housing units are expected to be completed during financial year 2024-2025.

Potential Loss of Revenue Due to Delays in Signing Lease Agreements

Background Information

A formal deed signed by the Ministry and the lessee determines the validity and terms and conditions of a lease agreement. The deed should be signed within 4 months from the date lessees are notified. If the lessee fails to sign within the period of 4 months, a 14-day notice is issued. Failure to comply with this notice results in the offer being annulled.

In the absence of a signed lease agreement, rent cannot be charged by the Ministry.

Findings

For 12 cases, where the applicants failed to sign a lease agreement within the stipulated four-month period and did not respond to the 14-day notice:

- The offers were not annulled even after these deadlines had lapsed.

- Out of the 12 cases, 6 cases resulted in a potential loss of revenue of Rs 95.6 million.

Root Cause

The failure of the Ministry to effectively enforce the stipulated terms and conditions.

Recommendations

The Ministry should:

- Establish a formal transparent process with clear timelines for lease agreement signing.
- Consistently follow-up after the four-month and 14-day notice periods.
- Consider enforcing penalties for non-compliance and ensure rent due are collected with applicable penalties.

Ministry's Response

- Each lease has its own specificity resulting in delays in finalisation of the lease agreements, such as outstanding payments, incomplete documents, fulfillment of certain planning conditions or other conditions prior to signature of the lease agreements.
- The imposition of a penalty for non-compliance as recommended by the NAO has to be cleared with the State Law Office, the more so that the option of not proceeding with the finalisation of the lease agreements may entail legal and financial implications.

Inadequate Monitoring of Vested State Land

Background Information

The Ministry vests land to Ministries and Departments for the implementation of projects of national interest. These lands are either State Lands or those acquired from private landowners.

In response to the Audit Report 2017-18, the Ministry required Ministries and Departments to confirm both the availability of funds and project implementation timelines prior to acquiring land.

Findings

The Ministry did not ensure that lands acquired for projects of national interest were utilised as intended:

- In 10 cases, the intended projects had not started as of September 2024.Two of these lands were vested as far back as 2013.
- Land was acquired in October 2022 at a cost of Rs 75 million. However, as of September 2024, construction of the Rose Hill Urban Terminal had not started.
- Public funds were being tied up and no public benefits were derived as the acquired lands were not utilised for intended purposes.

Root Cause

The absence of a formal monitoring system hindered the ability of the Ministry to ensure that lands acquired for projects of national interest are utilised as intended.

Recommendations

The Ministry should:

- Establish a formal monitoring system to track project implementation on State Lands.
- Implement mechanisms to retrieve the lands from Ministries and Departments that failed to use the land and reallocate them to other Ministries and Departments with active projects.

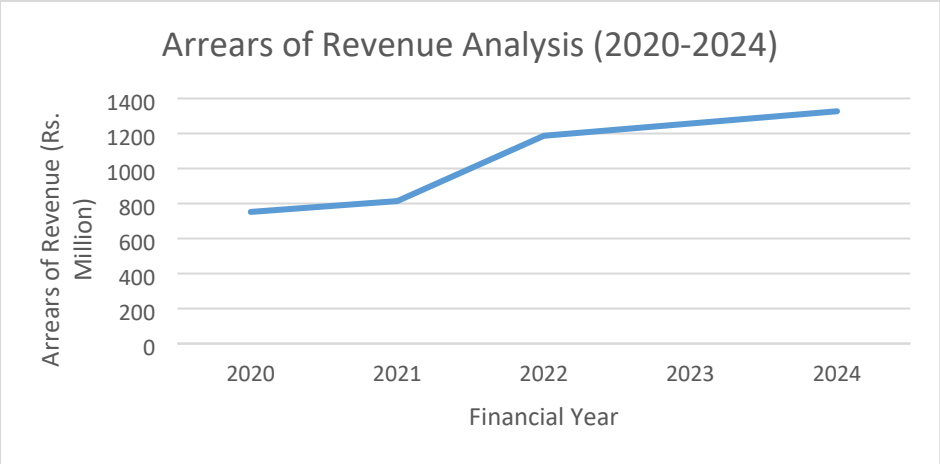
Ministry's Response

- Monitoring of State Lands vested in Ministries/Departments is being carried out.
- Ministries/Departments have been called upon to update an existing database of State Lands vested in Ministries/Departments for the implementation of projects to ascertain whether State Lands are being or will be utilised for the intended purposes and if not, whether they can be retrieved.

Ineffective Management of Arrears of Revenue

Background Information

Between 30 June 2020 and 30 June 2024, arrears of revenue increased by Rs 575 million, that is, by 76 per cent. No rent was charged for the financial year ending 30 June 2021 to support the tourism sector during the COVID-19 pandemic. The increase is depicted in the graph below:



Source: Annual Report of Accountant General

As at 30 June 2024, the arrears of revenue stood at Rs 1.3 billion as detailed in Table 4-1.

Table 4-1 Arrears of Revenue

Leases	Arrears as at 30 June 2024 Rs million
Campement Site	37.1
Premium for Campement	20.5
Other Land	1,114.5
Ex- CHA	14.9
Sub-Total	**1,187**
Interest	140.5
Total	**1,327.5**

Source: Statement of Arrears

Findings

- In response to the Audit Report 2021-22, the Ministry replied that a Centralised Debt Management Unit (CDMU) will be set up as per Estimates 2022-23. As of September 2024, CDMU was not operational.
- Arrears of revenue, including interest, increased by Rs 70 million as of 30 June 2024 compared to the 30 June 2023 figure.
- Arrears for Other Land Leases amounted to Rs 1.1 billion (excluding interest) representing 93 per cent of the total outstanding amount (excluding interest). Of this amount, Rs 357 million (excluding interest), representing 32 per cent, dated back to financial years 2019-2020 and prior years.

Root Cause

The absence of a dedicated debt management unit has resulted in inadequate and ineffective monitoring of arrears.

Recommendations

The Ministry should:

- In the absence of the CDMU, establish a debt management mechanism for debt recovery and monitoring.
- Strengthen debt recovery strategies, including legal actions to recover outstanding amounts promptly.
- Consider the cancellation of leases as per the conditions of the lease agreement.

Ministry's Response

This Ministry stand guided by the directives provided by the CDMU but in order not to forgo rental, the different sections of this Ministry is working relentlessly despite unavailability of requested resources for recoupment of rental for lessees with huge arrears.

State Land Register Software Solution – Finance Module Not Operational

Background Information

The contract for the implementation of the State Land Register Software Solution (SLRSS) was awarded on 17 July 2018 for some Rs 7.8 million inclusive of all applicable charges, duties and taxes.

A Contract Agreement and a Software Contract Agreement (SCA) were signed between the Ministry and the Supplier on 3 September and 19 October 2018 respectively. The project was due to be completed in October 2019.

Findings

- As of September 2024, that is, after 6 years, Rs 5.5 million representing 70 per cent of the contract value had been paid. However, the Finance Module was not operational.

- Reliance on outdated hardware supporting the current revenue system which was 24 years old, posed significant risks.

Root Cause

Lack of proper planning and delays in data migration impacted the usability and roll out of the Finance Module.

Recommendations

Timely corrective actions are critical to ensure that the Ministry can fully benefit from the SLRSS. The Ministry should:

- Prioritise the completion of the Finance Module and ensure that data migration is completed within a set timeframe.

- Set clear timelines with the contractor to resolve all pending issues.

Ministry's Response

Necessary actions have been initiated for the data migration and a weekly meeting is being organised to monitor proper implementation of the project

4.2 Follow up of Recommendations raised in the Audit Report 2022-23

The status of actions taken on key findings and recommendations since the publication of the Audit Report are summarised below. Out of 14 recommendations, 6 (43 per cent) have been implemented, 7 (50 per cent) have been partly implemented and one (8 per cent) have not been implemented.

SN	Findings	Recommendations	Ministry's Response – Status as of January 2025	NAO's Comments
Inefficient Management of State Lands (Page 75)				
1	State Lands Coordinating and Monitoring Committee (SLCMC) was not Operational. *(Pg 76, Para 5.1.2)*	Given the fundamental role of the SLCMC, the Ministry should ensure it is functional. *(Pg 77, Para 5.1.2)*	With the change in policy whereby approval for grant of new leases is being conveyed by Cabinet, the SLCMC is no longer warranted.	**Implemented**
2	Details of uncommitted State Lands were not readily available. *(Pg 76, Para 5.1.2)*	For efficient and effective release of State Lands for development, details of uncommitted State Land should be compiled. *(Pg 77, Para 5.1.2)*	Records available at the Cartography are being input in the State Land Register.	**Partly Implemented**
3	Record of vested State Lands was incomplete. *(Pg 76, Para 5.1.2)*	The record / database of the Ministry should be reconciled with the records of the Ministries in which State Lands are vested and a survey should be carried out to identify State Lands vested in other Ministries. *(Pg 77, Para 5.1.2)*	Records are being updated in the State Land Register as and when files are being processed.	**Partly Implemented**
4	Campement sites were being occupied without their leases being renewed. *(Pg 77, Para 5.1.2)*	-	Expired campement site leases are being looked into on a case to case basis due to their specific nature.	**Partly Implemented**
5	The Valuation Module has not yet gone live. *(Pg 78, Para 5.1.3)*	A formal monitoring mechanism should be established to expedite the survey at Municipal Council of Quatre Bornes. *(Pg 80, Para 5.1.3)*	The Local Government Act was amended by the Finance (Miscellaneous Provisions) Act 2024 with effect 27 July 2024. Following this amendment, the Valuation Department is finalising the cadastral database based on information collected from aerial photography. User Acceptance Testing (UAT) is being carried out on the updated version submitted by the contractor.	**Partly Implemented**

SN	Findings	Recommendations	Ministry's Response – Status as of January 2025	NAO's Comments
Revamping and Enhancement of LAVIMS not yet Achieved (Page 78)				
5	The Valuation Module has not yet gone live. *(Pg 78, Para 5.1.3)*	A formal monitoring mechanism should be established to expedite the survey at Municipal Council of Quatre Bornes. *(Pg 80, Para 5.1.3)*	The Local Government Act was amended by the Finance (Miscellaneous Provisions) Act 2024 with effect 27 July 2024. Following this amendment, the Valuation Department is finalising the cadastral database based on information collected from aerial photography. User Acceptance Testing (UAT) is being carried out on the updated version submitted by the contractor.	**Partly Implemented**
6	Revamping of Land Administration and Valuation Information Management (LAVIMS) to LAVIMS 2.0 was being delayed and the Ministry had not set up a Programme Steering Committee (PSC). *(Pg 79, Para 5.1.3)*	A PSC should be set up and the Accounting Officer should ensure that there are no further delays in upgrading LAVIMS *(Pg 79, Para 5.1.3)*	A tender exercise for the supply, Installation, Testing, Commissioning and Maintenance of LAVIMS 2.0 was carried out by this Ministry in November 2023 by the Central Procurement Board. There was no successful bidder as the cost estimate was too low. This Ministry is considering to re-launch the tender exercise with the enlistment of a new Consultant to re-work the technical specifications to revamp the LAVIMS project. A new Term of Reference to enlist the Consultant who will act as Project Manager and develop an implementation plan for a more integrated LAVIMS project.	**Not Implemented** *(A PSC has to be set up)*

SN	Findings	Recommendations	Ministry's Response – Status as of January 2025	NAO's Comments
7	No value for money on land acquired. *(Pg 80, Para 5.1.4)*	Prior to acquisition all necessary investigations should be carried out to ensure the suitability of the land for its intended use. *(Pg 81, Para 5.1.4)*	All necessary investigations are being carried out to ensure suitability of land for its intended use.	**Partly Implemented** *(The land is still idle and kept in the land bank of the Ministry. Plot of land identified for Social Housing Projects are being acquired after obtaining favourable views from relevant stakeholders and found suitable after geotechnical investigations)*
Governance Issues (Page 82)				
8	Audit Committee (AC) was not functional. *(Pg 82, Para 5.1.5)*	▪ The Accounting Officer should ensure compliance with the provisions of the AC Charter and the Performance Agreement. ▪ The Chairperson should ensure that the AC holds a minimum of six meetings annually, with at least one meeting per quarter, as required in the Performance Agreement. *(Pg 82, Para 5.1.5)*	Resolved.	**Implemented**
9	Risk Register not developed. *(Pg 83, Para 5.1.6)*	▪ The Accounting Officer should ensure that a Risk Register (RM) is developed within a reasonable time. ▪ The composition and the mandate of the Risk Management Committee including roles, responsibilities and accountability should be clearly defined and approved by the Accounting Officer. *(Pg 83, Para 5.1.6)*	The Risk Management Framework has been uploaded on the Ministry's website.	**Implemented**

SN	Findings	Recommendations	Ministry's Response – Status as of January 2025	NAO's Comments
10	The provision of the Finance and Audit Act was not complied with. Reports on MHL's performance for the financial years 2021-22 and 2022-23 were not submitted. *(Pg 83, Para 5.1.7)*	The Ministry should comply with the legal requirements. *(Pg 83, Para 5.1.7)*	All Annual Reports have been submitted to the Ministry of Finance, Economic Planning and Development and have been uploaded on the Ministry's website.	**Implemented**
11	State lands were not captured in Government Asset Register (GAR). *(Pg 84, Para 5.1.8)*	The Accounting Officer should ensure that State Lands are promptly recorded in GAR. *(Pg 84, Para 5.1.8)*	Records for years 2020-2022 submitted to GAR coordinator, 2022-23 already uploaded to GAR System for 2023-24, necessary action had been initiated for entries on GAR System.	**Partly Implemented**
12	Absence of Standard Operating Procedures Manual for Valuation Department (VD). *(Pg 85, Para 5.1.9)*	To improve VD's governance, the Accounting Officer should ensure that all policies and operational procedures are documented and communicated across the Department. *(Pg 85, Para 5.1.9)*	The SOPM for Valuation Inspectors has already been prepared and circulated to all officers. However, as all officers in the valuers' cadre are Chartered Valuation Surveyors from Royal Institution of Chartered Surveyors (RICS), they need to adhere to the Valuation Standard Practice Manual prescribed by the RICS which is commonly known as RED BOOK. As for the SOPM for Valuer's cadre, this is under preparation and need to be in compliance to Valuation Standard practice manual prescribed by RICS and IVSC.	**Partly Implemented**

5 – VICE-PRIME MINISTER'S OFFICE, MINISTRY OF EDUCATION, TERTIARY EDUCATION, SCIENCE AND TECHNOLOGY

5.1 Violence in Schools

Background Information

Secondary schools in Mauritius face significant challenges related to violence and indiscipline, which have contributed to problems such as bullying, absenteeism, and dropouts. In line with Sections 38 and 39 of the Education Act, it is the responsibility of the Ministry of Education, Tertiary Education, Science and Technology (MoETEST) to maintain a safe and conducive learning environment.

To address issues of indiscipline and violence, the Ministry has implemented 2 programmes, the "Holistic Education Programme" and the "Natation Scolaire".

Findings

- **Significant Cases of Violence and Indiscipline in Schools**

Data from the National Education Counselling Service (NECS) indicated that schools faced serious behavioural challenges including indiscipline and violence. Table 5-1 indicated the frequency and intensity of violence and other issues over the last few years.

Table 5-1 School Issues attended by Educational Psychologists

Indicators	Jan - Dec 2020	Jan - Dec 2021	Jan - Dec 2022	Jan – Dec 2023	Jan – Dec 2024
Behavioural	622	248	551	756	658
Bullying	113	43	74	184	104
Academic & Neuro-Developmental issues	597	323	315	471	407
Social and Emotional distress	899	546	715	1035	952
Other Medical Issues	35	9	20	27	20
Sexual Abuse	37	15	34	49	42
Substance Abuse	7	3	11	21	24
Total	**2,310**	**1,187**	**1,720**	**2,543**	**2,207**

Source: Ministry's Records (NECS)

The number of violence cases reported was relatively high, although there was a sharp decline in the academic year 2021 possibly due to school closures related to the COVID-19 pandemic. However, violence cases rose again and though there was a slight decrease in the academic year 2024, the situation requires urgent attention.

Previously, indiscipline in schools encompassed unruly behaviour in class, truancy, theft, damaging school property and bullying. Data compiled by the Chief Technical Officer revealed that now, students have escalated their behaviour to include smoking, substance abuse, weapon-related threats, sexual violence and exhibiting rebellious attitudes.

- **Student Behaviour Policy not Updated**

➢ The Student Behaviour Policy introduced in the year 2015 provides guidelines and protocols regarding behaviour to be implemented at the level of schools. The behaviour policy has not been updated to reflect current challenges or trends in student behaviour. Moreover, there was no evidence that the Student Behaviour Policy has been communicated to the students and acknowledged by responsible parties since its implementation.

➢ There was also an absence of a formal anti-bullying policy which represented a significant gap in addressing bullying and student safety effectively. Each year significant number of bullying cases were referred to the Ministry. As per the Children Act 2020, bullying is a serious punishable offence. Failure to prioritise anti-bullying measures can cause social and emotional distress as well as jeopardise academic success and can contribute to a culture of violence at schools.

- **Failure to Introduce the Position of Discipline Master in Schools**

Since the financial year 2019-20, the government in its commitment to educational reforms decided to provide for the recruitment of 34 Discipline Masters. As of 20 October 2024, Discipline Masters were not recruited by the Ministry.

- **Ineffective Discipline Measures and Lack of Protocols in Handling Violence**

➢ There was a lack of protocol for handling violence cases at educational institutions. The officer in charge of schools was not in a position to intervene effectively when there was a breach of discipline.

➢ Suspension which remained the sole disciplinary action available may not address the root causes of misconduct and prevent recurrence. These measures are inadequate since there were very few administrative guidelines for the implementation of effective discipline initiatives.

Root Causes

- Lack of monitoring by the Ministry on the effectiveness of the current violence prevention programmes in place.
- Inadequate planning before the implementation of these two programs.
- Lack of protocol for handling violence.

Recommendations

- The Ministry should conduct a comprehensive study on violence and behavioural problems in schools and come up with appropriate recommendations.
- Supervision at schools should be enhanced through the recruitment of Discipline Masters or other relevant personnel.
- Teachers, administrative staff and parents should be trained on how to manage violence and indiscipline at schools and at home.

Ministry's Response

- Heads of schools have the primary and direct responsibility for maintaining discipline within their institutions in line with the provisions made in the Education Act.

- The Ministry has taken a series of measures such as institutional networking and collaborative partnerships with the Mauritius Police Force and the Child Development Unit, setting up of Student Care and Counselling Desks in State Secondary schools, recruitment of additional psychologists and social workers, setting up of Disciplinary Committees, installation of CCTV cameras and regular police patrolling in risk-prone schools.

- The Ministry needs to strengthen the Student Behaviour Policy based on new developments and trends. It is currently in the process of developing an Anti-Bullying Policy which will complement the Student Behaviour Policy.

- Regarding the post of Discipline Masters in schools, the posts could not be filled as no provisions were made in the Budget for the financial year 2023-24. In fact, the scheme of service has been prescribed on 13 November 2024 but there is a proposal to strengthen the duties and profile of the Discipline Master to meet the prevailing challenges. A policy decision is being sought as to whether to review the same.

- Regarding disciplinary measures, alternative arrangements are required for the education of students below 16 years if they are rusticated from school for indiscipline to be compliant with the law.

- The Ministry has only 40 Educational Social Workers and 21 Psychologists to tackle the increasing number of indiscipline cases and would require additional human resources to that effect.

- The Ministry reiterates its efforts to combat indiscipline at school through a series of related activities, including sports, music and arts and is proposing to enlarge those activities for the benefit of our children.

5.2 Substance Abuse in Schools

Background Information

The Health and Wellness Directorate was set up by the Ministry to implement drug prevention programmes in schools in collaboration with other stakeholders. Subjects related to drug use have been included in the primary and secondary curricula as follows:

Get Connected Programme

In line with the National Drug Control Master Plan 2019-2023, the Ministry has introduced the 'Get Connected' Programme in all secondary schools as a social and emotional well-being programme for Grade 8 students.

Rebound Programme

The Rebound Programme, a media-based life skill and risk education programme for students aged 14 to 25 years, was launched in April 2023.

Findings

Gaps in Implementation and Monitoring of Drug Prevention Programmes in Schools

- For the financial year 2023-24, a budget of Rs 5.5 million was earmarked under Health and Wellness, out of which Rs 4 million was allocated exclusively to "Drug Use Prevention (Rebound) Programme". However, only 42 per cent of the allocated funds amounting to Rs 1.6 million was spent on training and workshops for teachers to raise awareness about drug abuse and drug prevention programme. This indicates a significant underutilisation of resources for the drug prevention programme.

- No key performance indicators or measurable outcomes were developed to evaluate the effectiveness of the drug prevention and sensitisation programme in secondary schools. Appropriate metrics are essential to assess the impact of drug prevention programmes.

- The Ministry has not undertaken any school survey to identify the trends and patterns of drug consumption among students. The absence of such data has hindered the development of strategies to address the root causes of drug consumption at schools.

- The 'Get Connected' Programme was limited to Grade 8 students, leaving out the remaining student population who are also at risk, thus, limiting the program's overall effectiveness.

- According to the National Drug Observatory (NDO) Report 2022 which was published in November 2023, there were 1,008 admissions in public health institutions in the year 2022 in Mauritius following complications due to drug use. It was reported that predominantly teenagers aged between 15 to 19 represented 6 per cent of the admissions in public hospitals.

- The Ministry provided the following statistics of drug cases reported by schools in Table 5-2.

Table 5-2 – Number of Drug Cases Reported by Schools at the Ministry

Year	No. of Cases
2022	13
2023	21
2024	21

Source: Ministry's Records (NECS)

The number of drug cases at schools as compiled by the Health and Wellness Directorate was 13 which was significantly lower than the figure of 60 as presented in the NDO Report. The disparity between these figures may suggest a potential lack of identification or underreporting of drug-related cases at schools.

- As of October 2024, the Rebound Programme which was launched in April 2023 was not yet implemented at the school level. Comprehensive prevention programs within the education system can empower teenagers with the necessary knowledge and resilience to resist drug use even after they leave school.

Root Cause

Underutilisation of resources earmarked for drug prevention programme.

Recommendations

- Regular school surveys should be conducted to identify causes of drug abuse and targets should be set to assess the effectiveness of the programs in place.

- Teachers and parents should receive training that enables them to recognise early warning signs of substance abuse and respond appropriately.

Ministry's Response

- The Rebound Programme could not be implemented in the year 2024 as the media clips produced were completed only in July 2024. The programme is expected to be implemented in the first term of 2025.

- The performance indicators or measurable outcomes of the Drug Prevention Programmes cannot be estimated in the short term.

- The number of students can be used as an indicative measure for the Drug Implementation Projects. As of date, 29,284 students have completed the formal curriculum of 12 modules for the Get Connected Programme, including 10,327 and 16,258 for the years 2023 and 2024 respectively.

- Regular activities are also organised at the school level for drug prevention programme in collaboration with different stakeholders.

- The Global Youth Tobacco survey was conducted in 2017. The Ministry in collaboration with the National Aids Secretariat carried out the 'Knowledge, Attitude, Behaviour Study' exercise in schools in 2023 based on a scientific sampling. The results will be published shortly after the completion of the validation exercise for Rodrigues.

- There is a disparity with the figures provided by the NDO as statistics of this Ministry do not account for cases of adolescents not enrolled in schools or learners admitted for drug use outside the school set-up/knowledge of educational staff.

5.3 Utilisation of the e-Register System in Secondary Schools

Background information

The e-Register System (e-RS) was introduced in 2011 and aimed at improving communication between secondary schools and parents by sending automatic SMS alerts with respect to student absences. The main objective of the system was to curb unjustified absences and truancy of students to ensure a safer school ecosystem for both parents and schools.

The e-RS is operated at school level and the notifications of absences are sent to parents through the automatic messaging gateway system hosted by the Government Online Centre (GOC).

Findings

- An analysis of absenteeism records of the State Secondary Schools (SSSs) for the academic years 2022 to 2024 has revealed an absenteeism rate exceeding 20 per cent.

Table 5-3 Absenteeism for the Past Three Years

Year	2022	2023	2024
Percentage of Absenteeism	28.45	27.20	23.00
Number of School Days	136	150	143

Source: Database from Statistics MoETEST

- Out of 69 SSSs, 26 were not using the e-RS, representing 37.7 per cent. Among the 43 schools that have adopted the system, 28 did not use it consistently with the absences for several months not being input into the system.

- Of the 61 registered Private Secondary Schools, 13 schools had closed down and only 3 schools were actively using the system.

- An analysis of the e-RS database showed that the undelivered messages to parents ranged from 3,000 to 8,000 messages for the academic year 2024. The schools did not receive any notifications of the delivery failures.

Table 5-4 Undelivered Messages to Parents

Months	Total Message Sent	Total Message not delivered	Percentage of messages not delivered (%)
Jan -24	1,285	-	-
Feb-24	13,144	-	-
Mar-24	25,865	4,646	17.96
Apr-24	16,230	8,188	50.45
May-24	36,588	7,359	20.11
Jun-24	38,361	5,321	13.87
Jul-24	23,557	5,307	22.53
Aug-24	34,813	5,207	14.96
Sept-24	38,674	3,066	7.93

Source: e-RS database

- There was no comprehensive policy in place to enforce the mandatory use of the e-RS in all secondary schools.

- Over the years, the Ministry has shown limited commitment to ensure the effective and efficient use of the e-RS.

Root Causes

- Lack of commitment from school management to ensure optimal use of the e-RS.

- Lack of monitoring from MoETEST on the effective implementation of the e-RS.

Recommendations

- The Ministry should establish a comprehensive policy that makes it compulsory for all secondary schools to use the e-RS so that all absences are communicated to the responsible parties to ensure the safety and security of the students.

- The policy should outline clear guidelines and responsibilities of the Head of School to ensure effective use and compliance of the e-RS.

- The schools should update the parents' contact details regularly by devising a clear policy in that regard.

- Consideration be given to upgrade the existing e-RS so as to improve its functionality.

Ministry's Response

- The e-RS was implemented in 2011. However, in the last few years, there has been a decline in engagement leading to the non-usage of the system at its optimum use.

- There are various circumstances where schools were not able to use the e-RS, namely due to connectivity issues, shortage of staff, technical issues, improper handing over during transfers of staffs among others.

- Numerous reasons generate undelivered messages including change or wrong mobile numbers of parents, configuration issues of the e-RS following migration from copper to fibre cables and technical failures at the level of GOC.

- A correspondence has been issued to all Head of Secondary Schools on 6 January 2025 whereby they have been requested to:

  (i) Update the records of their student's database;

  (ii) Report any technical issues related to connectivity or login credentials immediately for remedial actions and;

  (iii) Ensure the readiness of officers to operate the system effectively including the provision of training.

- A comprehensive survey is being conducted across all schools by the e-Gov Unit to identify recurring challenges and barriers to using e-RS effectively.

- The Ministry is proposing to enhance the functionality of the e-RS including additional features for generating reports to monitor compliance and usage at schools and Zone level.

- The e-Education directorate has been requested, henceforth, to carry out a strict monitoring of the e-RS.

5.4 Implementation of Free Pre-Primary Education

Background Information

In line with the policy to provide equal opportunities to all children, pre-primary education was made free as from January 2024 for children aged 3 to 5 years.

All the costs associated with early childhood education in private pre-primary schools are covered through a Grant-in-Aid (GIA) formula. The Early Childhood Care and Education Authority (ECCEA) was entrusted with the management of free pre-primary education.

For the financial year 2023-24, the approved budget for ECCEA amounted to Rs 694.7 million. An additional amount of Rs 33.8 million was reallocated to this item to meet the actual expenditure of Rs 728.6 million as of 30 June 2024.

Out of this sum, Rs 373.3 million representing 51.2 per cent of the total grant was disbursed to the Private Free Pre-Primary Schools project and the remaining 47.8 per cent was used to fund the expenditure of Government Pre -Primary Units (PPUs).

Findings

- ***Challenges in Procurement and Availability of Pedagogical Materials and in the Replacement of Toddler Sanitation Facilities in Government Pre-Primary Units***

In the financial year 2023-24 budget estimates, Rs 5 million was provided to upgrade the existing infrastructure and to procure necessary pedagogical materials at the 100 PPUs.

However, the budgeted amount of Rs 5 million remained unutilised and was reallocated to other recurrent expenditures.

During the financial year 2021-22, the ECCEA procured 78 toilets, costing Rs 351,000, to replace the unserviceable ones in 29 Government PPUs. However, these toilets were not adapted for toddlers, as MoETEST provided specifications for medium-sized toilets.

The installation of the sanitary facilities was entrusted to the Maintenance Units of the Zones Directorates. Although the sanitary units were procured in the year 2021, the installation of 52 toilets was not completed as of November 2024.

Site Visits carried out at Schools

NAO carried out site visits in 15 Government PPUs from 3 to 8 October 2024. The following shortcomings were observed:

(i) Out of the 15 PPUs visited, 14 PPUs lacked outdoor playground equipment. NAO was informed that the old equipment was dismantled due to health and safety concerns.

(ii) There was a shortage of pedagogical materials across all PPUs such as balls, building bricks, blocks, kitchen and multi-purpose sets. Existing materials were old, broken, or incomplete.

(iii) Ten PPUs were found to have poor sanitary conditions, including broken toilet seats, damaged toilet units, and inadequate water supply.

(iv) As of November 2024, 10 adapted toddler toilets procured by the Zone 3 Directorate in February 2024 had not yet been installed. Four PPUs were using sanitary facilities that were not adapted to toddlers.

- ***Non-Compliance with ECCEA's Teacher-Pupil Ratio Regulations in Private Pre-Primary Units Under the GIA Scheme***

An appropriate teacher-pupil ratio in pre-primary education is essential for ensuring quality education and effective classroom management. However, in 22 private pre-primary units under the GIA scheme, the teacher-to-pupil ratio exceeded the recommended ratio of 1:25 contrary to Paragraph 11 of the ECCEA Regulations, which stipulates that there shall be one educator for every 25 children. Exceeding these ratios can negatively impact both the teaching capacity of the teachers and the learning ability of children.

- ***Staffing Shortages Limiting Effective Oversight of the GIA Program At ECCEA***

In June 2023, MoETEST recommended the recruitment of Supervisors/Mentors and Control Officers to support the implementation of the free pre-primary education scheme and to ensure effective oversight. As of November 2024, the supervisory staff was not recruited. Hence, ECCEA could not effectively monitor and enforce compliance with regulations and standards among private pre-primary institutions due to a lack of resources.

Root Causes

- Lack of clear guidelines from the Ministry regarding the maintenance and replacement of facilities of Pre-Primary Schools.

- Inadequate enforcement capacity by ECCEA to ensure compliance with regulations and standards at pre-primary schools.

Recommendations

- The Ministry should ensure that a unit is set up at the ECCEA to monitor the free Private Pre-Primary Units under the GIA Scheme and ensure its effective implementation.

- The ECCEA should ensure that all private pre-primary schools under the GIA scheme adhere to the ECCEA's regulations.

- The Ministry should establish appropriate guidelines regarding the maintenance and replacement of pre-primary school facilities.

- The ECCEA's new mandate, which involves managing and supporting increased enrolment and service delivery, requires the necessary personnel to ensure effective operation.

Ministry's Response

- Funds for upgrading infrastructure and pedagogical materials were not utilised due to inconclusive bidding exercises at the level of ECCEA. A new procurement exercise has since been launched and the evaluation of bids was completed on 23 January 2025. The acceptance letter is expected to be issued by mid-February 2025.

- The installation of the remaining 52 toilets will be effected in the light of the survey carried out by ECCEA and based on a priority basis.

- Repairs and works have been completed at 5 schools as of January 2025 and actions are being taken for the remaining 5 schools.

- The shortage of pedagogical materials across all PPUs is primarily due to the limited budget allocated for their procurement in schools. The Ministry will ensure that requests are made for a meaningful and reasonable allocation of funds for PPUs.

- A User Committee is established every year by ECCEA to evaluate the quality of the samples received for pedagogical materials and stationery.

- A meeting was held with the various stakeholders to address the issue and chart a way forward for the replacement/installation of the toddler's toilets with minimal delay. The Maintenance Units at the Zone level are initiating necessary actions regarding schools with poor sanitary conditions.

- There is currently a shortage of qualified educators in the job market, and both ECCEA and private pre-primary schools are facing difficulties in recruiting and retaining teaching staff. A proposal has been made to reduce the pupil teacher ratio with a view to improving the quality of teaching.

- The ECCEA is working towards the setting up of a GIA unit to supervise, control and monitor GIA schools. This would require additional staff such as Supervisors/Inspectors and Control Officers.

5.5 Central Supplies Division

Background Information

The Central Supplies Division (CSD) of MoETEST is responsible for the overall management of the procurement of goods, services, and capital works. The division is also responsible for warehousing, stock control, and distribution of store items and school requisites to the Zones.

Findings

Non-Compliance with the Public Procurement Act

Instances of non-compliance with the Public Procurement Act (PPA) were observed which may lead to reduced transparency and increased risk of inefficiencies in procurement procedures.

- ***Non-adherence to the e-Procurement Bidding System***

In the financial year 2023-24, CSD launched 173 quotations: 109 under the e-Procurement System and 64 in paper-based format, that is, 37 per cent of the bidding exercises were not processed electronically. This was not in line with Part V Section 26 A (1) of PPA, which mandates the use of the e-Procurement System to receive and process bidding documents for evaluation and award of any procurement contract.

- ***Quotation Register not Updated Properly***

Useful information such as the launching date, closing date, date of award of contract, successful bidders, and contract amount were not recorded in the Quotation Register, thereby, failing to comply with Section 70 (1) (2) of procurement regulations.

- ***Notification to Unsuccessful Bidders and Publication of Award***

Tender for the Printing, Supply, and Distribution of Textbooks for Primary (G1 to G6) Part 2-Academic Year 2024 was launched through Open National Bidding on 6 November 2023, with a closing date of 5 December 2023. In February 2024, letters of acceptance were issued to 2 successful bidders for a total amount of Rs 18.1 million exclusive of VAT.

Directive No. 10 of the Procurement Policy Office (PPO) requires that:

(i) For all contracts exceeding Rs 1 million, other than those under Direct Procurement Method, public bodies shall, promptly after awarding the contract, inform all unsuccessful bidders in writing the name and address of the successful bidder and the contract amount.

(ii) For all contracts equal to or exceeding Rs 5 million, public bodies should publish on their respective websites and the Public Procurement Portal within 7 days of the award of contract, the outcome of the bidding proceedings specifying the subject matter of the procurement, the name and address of the successful bidder and the contract price.

The Ministry failed to adhere to Directive No. 10 and did not fulfil the transparency requirements regarding disclosure of contract award details.

5.5.1 Delays in the Implementation of Projects or Acquisition of Goods Due to Several Cancelled Bidding Exercises

Background Information

Section 39(1) of the PPA Act 2006 outlines the circumstances under which a public body may, at any time before the acceptance of a bid, cancel the public procurement proceedings namely, where all bids are non-responsive, the lowest evaluated bid is substantially above the applicable updated cost estimate and the goods, works or services are no longer required.

Findings

- During the financial years 2022-23 and 2023-24, CSD launched 143 and 173 bidding exercises respectively, out of which 36 and 32 were cancelled respectively. Out of these cancelled bidding exercises, it was noted that new bidding exercises were not yet finalised for 7 cases as of December 2024. The delay in the bidding process has resulted in a significant increase in cost estimates. In 3 projects, the estimates have increased by more than 50 per cent.

- Six major projects, including the Construction of Additional Classrooms and New Specialist Rooms faced significant delays, one main project has been delayed since October 2021, due to several cancellations of procurement exercises, adversely affecting service delivery to students.

- Nine bidding exercises were cancelled at least twice, one was cancelled 4 times and one was cancelled 5 times. Recurring cancellation of bids consequently caused significant delays in projects' implementation leading to the wasting of valuable resources in terms of time, costs, and manpower which ultimately undermined the planning objectives at the onset.

- During the financial year ending 30 June 2023, 2 bidding exercises for school furniture were cancelled due to lack of funds, with plan to relaunch them in financial year 2023-24. However, the bidding exercise was not yet concluded as of December 2024. These delays have significantly impacted the timely supply of furniture for both primary and secondary schools over the 2 academic years 2023 and 2024.

5.5.2 Non-delivery in the Supply, Installation, Testing, and Commissioning of Personal Computers in Secondary Schools

Background Information

In November 2023, MoETEST approved the procurement of 186 Personal Computers (PCs) for an estimated cost of Rs 6.5 million to replace the obsolete equipment at the SSSs ICT laboratories.

Findings

- The procurement exercise initiated in November 2023 took some 6 months to be finalised. Bids were launched on 30 January 2024 with a closing date of 4 March 2024. On 29 May 2024, MoETEST issued a letter of acceptance to the successful bidder for the 186 PCs for a total sum of Rs 5,764,512, excluding VAT. Delivery of the equipment was to be completed by 28 July 2024.

- No contract agreement between MoETEST and the supplier has been signed for the Supply, Installation, Testing, and Commissioning of Personal Computers for Rs 6.5 million. The lack of a signed contract weakened the Ministry's position to enforce performance.

- On 22 July 2024, one week before the delivery deadline, the selected bidder informed the Ministry that the approved specifications were no longer available on the market and proposed an alternate PC model. The Departmental Bid Committee and the Performance Review Committee (PRC) approved these revised specifications for the same approved sum in August 2024.

- As of 2 October 2024, these 186 PCs had still not been supplied to the schools. Consequently, the academic year 2024 ended without the replacement of the obsolete computer equipment in the laboratories. Failure to upgrade the outdated equipment has hindered academic objectives and deprived students of essential technological resources.

- The Ministry cancelled the award on 10 October 2024. However, in November 2024, the performance security totalling Rs 576,451.20 has not yet been encashed by MoETEST.

5.5.3 Delayed Launching of Bids Led to Late Deliveries of Textbooks and Atlases

Findings

- Late deliveries of textbooks have been a recurring issue every academic year. 87 secondary schools' textbooks including teachers' workbooks in 543,240 copies were received after the resumption of school. Delays in receipt of textbooks disrupted the smooth resumption of studies, thus penalizing students.

- The distribution of 14,800 atlases for Grade 4 and 230 titles of enlarged textbooks in 3,430 copies for visually impaired secondary school students was completed during the second term thus, causing significant inconvenience to visually impaired children.

- The letter of acceptance to suppliers did not explicitly outline a definite delivery deadline for the textbooks. Instead of specifying a clear delivery schedule, it was stated that delivery should be 60 days from the date of clearance by the Mauritius Institute of Education. This ambiguity allowed for potential delays in the delivery timelines.

Root Causes

- Lack of proper procurement planning.

- No quotation was received for some bidding exercises done under the e-Procurement System.
- Not all suppliers were registered on the e-Procurement System.
- Technical specifications and cost estimates were inappropriately prepared.
- Delay in launching of tender and the lengthy evaluation process for textbooks.

Recommendations

- MoETEST should adhere to the PPA, procurement legislations and PPO directives.
- A proper procurement plan, that outlines responsibilities and budget for each procurement project, should be developed to ensure the timely receipt of school requisites for more efficient teaching and learning.
- The Ministry must ensure that contracts are formalised and signed by both parties.
- The Ministry should take immediate steps to forfeit the performance security.
- The PRC should monitor the performance of suppliers and necessary actions should be taken in cases of default by the latter.
- The acceptance letters to suppliers should include clear delivery deadlines and include provisions for penalties to prevent the recurrence of delays in textbook deliveries.

Ministry's Response

- Regarding the request for training of Officers on online evaluation, PPO has informed that it will conduct training only for Chairpersons of Bid Evaluation Committees.
- The Quotation Register has already been updated.
- Henceforth, the attention of the Manager, Procurement and Supply has been drawn to ensure that all Notifications of Award are issued promptly in line with procurement regulations.
- As per Directive No 47 of PPO, paper-based procurement may exceptionally be used for certain types of procurement such as minor works, repairs and maintenance and catering of low value and one-off procurement from non-regular suppliers.
- Out of the 8 projects, the letter of acceptance has been issued for one project and bidding documents are under preparation for another one. The remaining 6 projects are dependent on the submission of cost estimates and bidding documents by MNICD.
- Bidding exercises had to be cancelled in various instances which are most often beyond the control of the Procurement Section. These include nil receipt and non-responsiveness of bids, unrealistic cost estimates, unavailability of registered bidders on the e-Procurement System and the inability of contractors to fulfil the requirements in terms of tax clearance certificate, insurance cover and performance security.

- Bidding exercises have already been prepared for the supply of furniture and bids are expected to be launched by mid-February 2025.

- Regarding non-delivery in the supply of PCs, PRC, on 10 June 2024 recommended the exclusion of the supplier. The contract was cancelled on 10 October 2024 and on 21 November 2024 action was initiated to forfeit its performance security.

  It is to be noted that PCs in secondary schools have reached their lifespan. Nevertheless, many of those PCs are still in operation.

- There was a delay in the launching of bids for textbooks due to unrealistic cost estimates which had to be updated and incomplete specifications submitted by the User Section.

- Letters of Acceptance for the procurement of textbooks for the Academic year 2025 have been amended. The due date for delivery is now 60 days from the issue of the Letter of Acceptance.

- The Ministry is continuously streamlining its processes to ensure timely delivery of textbooks. However, there is a limited number of suppliers for such high-volume printing on the market which is a major constraint.

5.6 High-Speed Internet Connectivity in Secondary Schools not operational

Background Information

The Audit Reports for the financial years 2015-16 to 2020-21 highlighted issues relating to the failure to provide high-speed internet connectivity in secondary schools. The Internet Connectivity project for secondary schools was initiated in the year 2014 as the School Net II Project.

The project aimed to provide high-speed broadband for internet access, wireless connectivity, and access to pedagogical content to students in 164 secondary schools in Mauritius and Rodrigues.

Despite a total disbursement of Rs 81.7 million in the financial years 2015-16 to 2019-20, the supplier failed to fulfil its contractual obligations and the School Net II Project did not materialise as none of the secondary schools were connected to the internet. The disbursement of Rs 81.7 million was nugatory expenditure.

In the financial year 2020-21, the Government decided to prioritise High-Speed Internet Connectivity in 155 secondary schools in Mauritius and Rodrigues. Following a revision of the project scope, the estimated project value was set at Rs 170 million.

The project sought to deploy a wireless Local Area Network at each secondary school through the GOC to ensure fast and reliable wi-fi connectivity.

Funds totalling Rs 140 million were allocated in the budget estimates for the financial years 2020-21 to 2022-23 for the project, but these remained unutilised as the project was not implemented.

Findings

Delayed Implementation due to Substantial Modifications

- The scope of the High-Speed Connectivity Project was substantially modified. The budgetary provisions were made in the Ministry of Information Technology, Communication and Innovation (MITCI) budget estimates 2022-23 to take on board the connection of 162 secondary schools under the Government Intranet Systems (GINS) Framework. The scope of the project was substantially modified once again.

- In January 2023, as an initial phase, connectivity was deployed only in the computer rooms of 47 secondary schools through the GINS Network under a framework agreement between MITCI and the Internet Service Provider. Since then, the whole project remained stagnant and the remaining 115 sites were not connected to the GINS network. No clear timeline for the completion of the project was set, as no provisions were made in the financial years 2023-24 and 2024-25 budgets.

  The MITCI reported that the GINS was not operational at 23 out of the 47 schools connected.

- After 10 years delay, none of the secondary schools were connected to high-speed internet. The changes in the project scope highlighted a lack of strategic planning and poor coordination between the Ministry and MITCI which was the implementing agency.

- There was no Memorandum of Understanding (MoU) between MoETEST and MITCI outlining roles, responsibilities, completion dates, and costs for connecting the remaining 115 secondary schools to the GINS network.

- The initial commitment of the Government to deploy High-Speed Connectivity in all secondary schools was not achieved. Further delay in the project execution will considerably increase project costs.

- Lack of internet connectivity at schools may hinder access to the deployment and usage of technology and online pedagogical resources for learning and research.

- The non-implementation of high-speed internet connectivity has also restricted the Ministry to equip learners with innovative cutting-edge knowledge and deep research skills for increased competence in a dynamic work environment.

Root Causes

- Poor project planning and implementation of the High-Speed Internet Connectivity in Secondary Schools project by the Ministry.

- Inadequate needs assessment and feasibility studies before project implementation.

- Lack of coordination and governance issues between MoETEST and MITCI.

Recommendations

- The Ministry's initiative to deploy a wireless area network in 162 secondary schools should be implemented for the benefit of students in this digital age.

- The Ministry should set up a dedicated technical support team to address operational challenges in schools where the GINS network remains unused.

- MoETEST should define a timeframe to connect the remaining 115 sites to the GINS network.

- A Memorandum of Understanding which clearly defines the roles and responsibilities of each stakeholder, the expected completion date and the cost to be subsequently incurred by the Ministry should be signed between MoETEST and MITCI.

- Consideration should be given to entrusting the management of the project to MoETEST

- Monitoring and reporting mechanisms should be reinforced to track progress and mitigate delays.

Ministry's Response

- The main constraint for the implementation of the project remains the availability of funds. The project timeline has already been worked out but no funds were allocated in the financial years 2023-24 and 2024-25.

- In July 2024 MITCI has approached the United Nations International Children's Emergency Fund (UNICEF) for funding of the project and support under the Global Initiative for Internet Growth and Access (GIGA) Scheme.

- In the meantime, the Ministry is addressing the issue of connectivity at schools by providing a high-speed connectivity lines.

- A technical team has also been set up to monitor the usage of the Internet in the 47 SSS and Private Secondary Education Authority Schools.

- The circumstances leading to non-implementation of the project are beyond the control of this Ministry.

5.7 Delayed Implementation of Infrastructural Facilities at State Schools

Background Information

The Audit Report for the financial year 2022-23 highlighted the considerable delays in implementing infrastructural projects intended to enhance the quality of education by providing modern and well-equipped facilities. However, no significant progress was noted regarding the following projects giving rise to concerns about delays in implementation and their impact on educational objectives.

5.7.1 Upgrading of Science Laboratories

The project value of the 4 laboratories and science blocks was estimated at Rs 208.5 million. Some of these laboratories had deficiencies in terms of the norms of the equipment and furniture.

Findings

- More than 3 years have lapsed since requests for refurbishment from the schools were made. However, as of January 2025, none of them has been implemented. Funds of Rs 5 million were allocated in the financial year 2023-24, for the project New Science Block at John Kennedy College only.

The status of the projects is shown in Table 5-5.

Table 5-5 Science Laboratories Projects

Project	Status
New Science Block at John Kennedy College	Project was still in the evaluation stage.
Science Block at Queen Elizabeth College	Bids were under preparation.
Science Laboratories at France Boyer de la Giroday	Tender drawings were in progress.
Renovation of Laboratories at Sookdeo Bissoondoyal State College	Drawings still at the level of MNICD.

Source: Compiled by NAO

- Due to delays in project implementation, the costs of the projects have escalated, and students were deprived of the essential facilities they need. Delay in the execution of projects raises concerns on the overall efficiency in delivering essential infrastructure.

Root Cause

The considerable time taken in the finalisation of preliminary design and bidding documents by MNICD.

Recommendations

- Project planning and coordination with MNICD should be improved.
- Proper monitoring and oversight should be strengthened.

Ministry's Response

- The existing science laboratories are fully functional in all the 4 schools mentioned.
- There are several stages prior to implementation of building projects. All these processes are time consuming and with the available resources at MNICD, it was not expected that the projects outlined in Budget 2022-23 would reach construction stage in financial year 2024-25, except for the project of Science Block at John Kennedy College which is currently at evaluation stage.

- In fact, no funds have been provided for the projects in the Ministry's Budget for financial 2024-25 and the projects have been listed as "projects under preparation".

Construction of Swimming Learning Pools

- The projects for the construction of 4 swimming learning pools were initiated in the financial year 2017-18. Contracts for the swimming pools were awarded between March 2020 to 2023. However, the contract for Melrose Government School was subsequently terminated on 18 February 2022. As of January 2025, a new contract for the Melrose Government School has not yet been awarded.

- Only the Plaine des Papayes Swimming Pool has been completed and has been operational since 4 August 2023.

- The contract for the construction of the swimming pool at Permal Soobrayen Government School was awarded on 3 March 2023 for a total amount of Rs 34.7 million. Works were scheduled for completion on 17 September 2024. However, the completion date was revised to 6 February 2025. As of November 2024, only 50 per cent of the work was completed.

- The construction of the swimming pool at Cascavelle Government School which started on 3 June 2022 with a revised completion date of 18 June 2023 was not yet completed as of November 2024.

Ministry's Response

- The PRC of the Ministry has recommended the exclusion of the contractor from future bidding exercises.

- Revised bidding document are being awaited from MNICD for preparation and launching of the contract for the project of the construction of swimming pool at Melrose Government School.

- The percentage progress for Permal Soobrayen Government School is 60 and for Cascavelle Government School is 81.

Construction of Specialist Room Projects

- The project of specialist rooms was initiated in 2018 in line with the Educational Reforms. Funds for the construction and upgrading of specialist rooms for Food and Textile Studies and Design and Technology were earmarked under the budget estimates 2019-20 for 58 SSSs.

  Three years have lapsed since the Educational Reforms were implemented. However, the specialist rooms in 2 academies and 9 regional schools were still not completed.

- Eight projects with a total contract value of Rs 120 million were ongoing and 3 projects with estimated costs of Rs 119.4 million which were initiated since the year 2019 were still at the design stage.

Several bids had to be cancelled multiple times due to issues in e-procurement, discrepancies in drawings, unresponsive bidders, and the expiry of the validity period. This resulted in an increase in the project costs and excessive delays in the implementation of the specialist rooms projects.

- The delay pointed to inefficiencies in project planning and management which has led to prolonged timelines, escalated costs estimates and impeding progress towards educational objectives.

Root Causes

- E-procurement bid documents were not properly verified before their launching.

- Lapses in design, planning and submission of e-bid documents and drawings by MNICD.

Recommendations

- The Ministry should implement a thorough review process for the e-procurement bid documents before launch to ensure their accuracy and completeness.

- Improve collaboration between MNICD and other stakeholders to ensure timely and accurate design, and drawings among other submissions or to explore alternative mechanisms.

Ministry's Response

Between 10 to 75 per cent progress was made on 5 contracts, while one contract was 90 per cent complete.

5.7.2 Construction of New Toilet Block and Upgrading Works at Fond Du Sac Government School

Background Information

The procurement process for the Construction of a New Toilet Block and Upgrading Works at the Existing Pre-Primary Unit at Fond Du Sac Government School was completed in September 2022. The project was intended to provide a healthier and more hygienic environment for the school community. On 14 September 2022, the successful bidder was notified of the selection of his bid for the sum of Rs 20.5 million.

Findings

Lapses in the Implementation of Project

- The letter of award was issued on 8 December 2022, representing a delay of more than 2 months following notification of award to the bidder. The contract agreement was signed on 13 February 2023, further extending the timeline for the commencement of work.

- The MNICD proposed changes in the scope of work, including relocating the New Toilet Block and the Pre-Primary Unit, after the site was handed over to the contractor on 31 March 2023, which delayed the progress of works. However, no major variations were implemented.

- The contract, initially set for 180 days, was extended by 392 days, despite the absence of significant variations.

- Due to delays in releasing payments, the contractor stopped work in December 2023, and the site was closed for six months. After the third payment was released, the contractor re-mobilised the site on 3 July 2024.

- As of 29 July 2024, the project was only 50 per cent complete despite the extended timeline. The prolonged delays have deprived the school community of improved sanitation facilities which may affect the health and well-being of the pupils.

Root Cause

Poor planning and monitoring of the project by the Ministry.

Recommendations

- The Ministry should improve its planning and monitoring processes.

- Contract should be signed promptly to avoid unnecessary delays in project implementation.

- Thorough site investigations and surveys should be carried out before the planning and design stage.

- Extension of time should be granted based on justified reasons.

- Liquidated damages as per the contractual rate should be applied in the next payment.

Ministry's Response

- The contractor initially submitted an insurance document that was not in order and consequently, provided an amended insurance cover on 3 February 2023.

- In the General Conditions of Contract mention is made specifically that 'the intended completion date may be revised only by the project manager by issuing an extension of time…'. Thus, it is the project management team who has the expertise and right to allow for extension of time.

- The project was properly planned at the level of IMU and MNICD, besides the initial scope satisfied all the required criteria. However, due to poor performance of the contractor and despite close follow up being done, yet it has negatively impacted the project.

5.8 Governance Issues – Non-compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of statutory bodies with the objective of strengthening accountability and transparency in the public sector.

Findings

Non-Submission of Financial Statements for Audit

The Statutory Bodies (Accounts and Audit) Act requires the Chief Executive Officer of a statutory body to submit the annual report, including the financial statements, to the auditor not later than 4 months after the end of every financial year.

As of 7 January 2025, the following statutory bodies falling under the purview of MoETEST, have not submitted their financial statements for audit as shown in Table 5-6.

Table 5-6 Financial Statements not submitted to NAO for Audit

SN	Statutory Body	Financial Year	No of Financial Statements
1	Early Childhood Care and Education Authority	2023-24	1
2	Private Secondary Education Authority	2022-23 & 2023-24	2
3	Rajiv Gandhi Science Centre Trust Fund	2021-22 to 2023-24	3
4	Sir Seewoosagur Ramgoolam Foundation	2023-24	1
5	Université Des Mascareignes	2022-23 & 2023-24	2
6	Special Education Needs Authority	2023-24	1

Source: NAO records

Annual Reports not Laid Before the National Assembly

The Statutory Bodies (Accounts and Audit) Act requires a copy of the annual report and audited accounts of every statutory body to be laid before the National Assembly at the earliest opportunity.

As of 7 January 2025, the annual reports of 11 statutory bodies had not yet been laid before the National Assembly as shown in Table 5-7.

Table 5-7 Annual Reports including Audited Financial Statements not laid before the National Assembly

SN	Statutory Body	Financial Year/ Period	Date Certified*	No. of Financial Statements
1	Mahatma Gandhi Institute	2022-23	14.05.2024	1
2	Mauritius Examinations Syndicate	2022-23	30.04.2024	1
3	Mauritius Institute of Education	2022-23	24.04.2024	1
4	Mauritius Qualification Authority	2022-23	05.06.2024	1
5	Private Secondary Education Authority	2021-22	05.04.2023	1
6	Quality Assurance Authority	2022-23	29.04.2024	1
7	Rabindranath Tagore Institute	2022-23	30.04.2024	1
8	Université des Mascareignes	16.11.2009-31.12.2010 to 2019-20	18.07.2024 to 01.08.2024	10
9	University of Technology Mauritius	2017-18 & 2018-19 2019-20	14.08.2024 29.08.2024	3
10	Special Education Needs Authority	2019-20 to 2022-23	07.01.2025	4

Source: National Assembly Records

NAO is of the view that the Ministry should:

- Exercise control over statutory bodies and other entities operating under its aegis to ensure that they comply with their statutory responsibilities regarding the preparation of financial statements and their submission for audit; and

- Lay a copy of the annual report and audited financial statements before the National Assembly.

5.9 Follow-up on Recommendations in Audit Report 2022-23

The status of actions on key findings and recommendations since the publication of the Audit Report 2022-23 are summarized below. Out of 18 recommendations, 11 (61 per cent) have been implemented and 7 (39 per cent) have been partly implemented.

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
	Design- Build/Turnkey and the construction of a Training Centre at Beau Vallon on a Design -and- Build Basis- Delay in Completion of Projects (Page 89 - 90)			
1	Handing over of the Training Centre has not been completed due to documents such as test sheets and drawings not yet submitted by the Contractor. *(Pg 90, Para 6.1 I)*	The Accounting Officer and MITD should take appropriate measures to expedite the completion of the construction project so that the Centre becomes operational. *(Pg 90, Para 6.1)*	Handing over effected between the Contractor and the MITD on 23 April 2024. Launching of building effected by ITET on 02 May 2024.	**Implemented**
	Construction of new Ramsoondar Prayag SSS (Pages 90 - 92)			
2	On 12 January 2023, the Ministry requested encashment of the advance payment guarantee and performance security of a total Rs 57 million. As at time of Audit, the report of the Contractor's performance and the decision of the PRC in respect of the debarment of the contractor was still being awaited. On January 2023, the Ministry requested the Solicitor General to lodge a case against the contractor for damages amounted Rs 393.7 million for breach of contract. The estimated cost assessed by the MNICD to complete the outstanding works was Rs 467 million. *(Pg 90-91, Para 6.1 II)*	Actions should be taken to recover the loss and amount due from the Contractor. *(Pg 92, Para 6.1)*	Matter has been referred to the Attorney General's Office for lodging a case claiming damages against the Contractor since 20 January 2023. Reminder had been sent to the Attorney General's Office on 27 March 2024. This Ministry is proposing to issue a further correspondence by the end of January 2025. Court Cases are beyond the control of the Ministry. The procurement procedures will begin when funds are made available by the Ministry of Finance for the project.	**Partly Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
	Reunion Road Government School- Additional claims from contractors due to extended stay as a result of late instructions by MNICD (Pages 92-94)			
3	***Abandonment of Site and Additional Claims of Rs 39.8 million from Contractor.*** The Contractor issued a notice of suspension of works and abandoned all works on site due to MNICD's failure to assess the extension of time and payments. *(Pg 92, Para 6.1 III)*	The Accounting Officer should initiate action for the completion of the outstanding works at the new block. *(Pg 93, Para 6.1)*	**At level of MNICD** The contract has been terminated on 17 September 2024. In order to operationalise the project, outstanding works will be carried out in Phases. Phase I, which is the completion of the toilet block and site works shall be executed through framework agreement. A works order amounting to Rs 5,952,030.44 was issued and handing over of the site to the Contractor has been rescheduled on 16 January 2025 for start of works. Discussions are ongoing for Phase II, which pertains to the completion of the classroom block.	**Partly Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
4	***Failure to assess the performance of the Contractor by the Performance Review Committee (PRC)*** **–** The PRC did not evaluate the performance of the contractor and did not make recommendations regarding any actions to be taken against the contractor. The contract was not yet terminated thus procurement procedures for the completion of the outstanding works could not be initiated. *(Pg 93, Para 6.1 III)*	▪ Performance of the contractors should be closely monitored by PRC, in line with Section 9 of PPO Regulations and Directives. ▪ A PSC should be set up for proper project monitoring. *(Pg 93, Para 6.1)*	A Project Steering Committee (PSC) already exists at the Ministry for project monitoring and regular meetings are held thereto. Nine meetings have been held up to now for financial year 2023-24. The performance of contractors is presently being monitored by the PRC. Two suppliers were suspended/referred to PPO for suspension during the financial year. For the project of Reunion Road GS, no performance report was submitted by the MNICD. Thus, PRC could not assess the performance of the Contractor.	**Implemented**
	Extended Programme (Pages 97 -100)			
5		▪ Feedback and insights from students, parents, educators, facilitators and other stakeholders should be gathered on the program's effectiveness for future enhancements. ▪ Targeted support should be developed for students who did not pass the NCE examination and left the education system. *(Pg 99, Para 6.2)*	The Extended Programme is being phased out and replaced by the Foundation Programme on Literacy, Numeracy and Skills. This initiative is specifically designed to address foundational gaps and equip students with the essential competencies required for lifelong learning.	**Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
6	There was no evidence of a comprehensive review of the EP after the end of Assessment Year 2022 for the first cohort. *(Pg 99, Para 6.2)*	▪ A comprehensive assessment of the extended education program should be conducted to identify specific challenges and shortcomings. *(Pg 99, Para 6.2)* ▪ A suitable indicator should be designed exclusively to measure the performance of EP. *(Pg 99, Para 6.2)*	An evaluation exercise was effected by a Committee set up by the Ministry which recommended the integration a School-Based Assessment (SBA) component into the EP evaluation framework. This would allow for a more holistic assessment whilst considering a wider range of skills, including practical, social, and vocational abilities. The EP cohort taking NCE in 2024 has been awarded the NCE (EP) certification which is based on scores of SBA and the written components. Based on the feedback received from major stakeholders, the EP is phased out.	**Implemented**
	Institute of Technical and Technology (ITET) not fully operational (Pages 100 – 101)			
7	ITET was not fully operational. The Director and Staff have not been recruited.	▪ Timely action needs to be undertaken to render ITET operational. ▪ ITET should be properly staffed to meet its objectives as set out in the Act.	With the setting up of the new Government, the portfolio for training, including MITD Skills Development and Human Resource, is now under the responsibility of this Ministry.	**Partly Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
8	Section 31 of the ITET Act was still not proclaimed. The assets of the training centres are still not vested in the institute. *(Pg 100, Para 6.3)*	MoETEST should take action for the proclamation of section 31 of the ITET Act. *(Pg 101, Para 6.3)*	This Ministry is proposing to have a holistic review of the TVET, Human Resource and Skill Development Landscape. A consultative meeting of all stakeholders was held on Tuesday 09 December 2024 and will chart the way to "Assises de L'Éducation de Resources Humaines" in April 2025. The new strategy will be based on the outcome thereat. The Ministry is currently in the process of reconstituting the ITET Council and MITD Board which will chart the way forward for both institutions.	
	Procurement and Supplies Management - Central Supplies Division (Pages 104-107)			
9	***Delay in procurement of Laboratory Chemicals*** In the absence of fresh chemicals, expired non-hazardous chemicals were being used in schools for practical classes in laboratories. (*Pg 104, Para 6.5)*	A proper procurement plan that outlines timelines, responsibilities and budget for each procurement project should be developed. (*Pg 105, Para 6.5)*	Chemicals procured under the procurement exercise initiated for the Academic Years 2020-22 have been delivered to schools for use in the Academic year 2024.	**Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
10	***Office Accomodation -*** The Ministry was renting additional space of 722 square metre as from 15 July 2023. However, the office space was not fully occupied. *(Pg 106-107, Para 6.5)*	There should be proper planning mechanism in place to assess requirements, identify additional works that needed to be carried out and evaluate the corresponding financial implications prior to finalising lease agreements. (*Pg 107, Para 6.5)*	Space fully occupied by 15 staffs.	**Implemented**
	Key Performance Indicator (Pages 107 - 109)			
11	The Benchmark set was derived based on historical data without taking into consideration the mission statements. *(Pg 107, Para 6.6)*	Target setting should focus on improving the performance of teachers and students. *(Pg 108, Para 6.6)*	The KPI will be reviewed taking into consideration all the various changes in the Education sector.	**Partly Implemented**
12	Targets for the financial year 2022-23 were set at a low level for two metrics due to non-achievements of the KPI for the financial year 2021-22. *(Pg 107-108, Para 6.6)*	Targets should be monitored and the causes for non-achievement of goals should be addressed. *(Pg 108, Para 6.6)*	Quartely returns compiled and provided to MoFEPD including remedial measures. Some KPIs are independent of the Ministry.	**Implemented**
13	The KPIs for the financial years 2021-22 and 2022-23 were compared with the actual results and it was noted that for both financial years, targets were not achieved. *(Pg 108, Para 6.6)*	Goals and indicators should be set towards education for sustainable development in national education policy and school curriculum. *(Pg 108, Para 6.6)*	Quarterly returns compiled and provided to MoFEPD including remedial measures. Note: Some KPI's are independent of the Ministry (e.g, Performance of students at exams)	**Implemented**

SN	Findings	Recommendations	Ministry's Response-Status as of January 2025	NAO's Comments
	Government Assets Register (GAR) (Pages 109-110)			
14	Capital expenditures in financial years 2020-21 to 2022-23 in connection with construction in progress, extension, and upgrading of schools, totalling some Rs 1 billion were not uploaded on the system. *(Pg 109, Para 6.7)*	The Accounting Officer should ensure timely postings are made on GAR in accordance with Treasury Circular No. 16 of 2017. *(Pg 110, Para 6.7)*	Reconciliation of the GAR system has been completed up to December 2022. Regarding the completion of inputs for January 2023 to November 2024, the same is expected to be completed by the end of July 2025. This process was delayed due to shortage of staff at Treasury.	**Partly Implemented**
15	Acquisition of non-financial assets amounting to some Rs 394 million were not uploaded on GAR since August 2022. *(Pg 109, Para 6.7)*			

6 – VICE-PRIME MINISTER'S OFFICE, MINISTRY OF LOCAL GOVERNMENT AND DISASTER RISK MANAGEMENT

6.1 LOCAL GOVERNMENT AND DISASTER RISK MANAGEMENT

6.1.1 Placement of Surplus Funds by LAs – Non-Compliance with Financial Instructions

Background Information

In the Audit Report for the year ended 30 June 2021, the National Audit Office (NAO) reported that two Local Authorities (LAs) invested their surplus funds in a financial institution that was licensed.

The placements were done without due regards to Financial Instructions of Ministry of Finance, Economic Planning and Development (MoFEPD), which required that the deposit of surplus funds of LAs and Statutory Bodies be invested in low risk Treasury instruments of the Bank of Mauritius.

An Investigation Report of the Internal Control Unit concluded that there was a lack of supervision and monitoring of the funds of the LAs by the Parent Ministry.

The licensed financial institution was thereafter placed under conservatorship by the Bank of Mauritius and was taken over by a newly formed commercial bank in October 2021.

Findings

The status of the placements of the 2 LAs were reviewed as of July 2024.

- One of the LAs had fully retrieved its deposits plus interest from the newly formed commercial bank by August 2023.

- The other LA retrieved some Rs 37 million of its placements from the newly formed commercial bank and entered into a Deposit Retention Agreement (DRA) with the Bank for the remaining funds of some Rs 55 million for 3 years, as from 10 September 2021.

However, the newly formed commercial bank was placed under conservatorship by the Bank of Mauritius in February 2024.

In July 2024, the Conservator of the newly formed commercial bank had informed that:

(i) the request to withdraw funds from the accounts maintained with the Bank could not be acceded to, until further notice; and

(ii) pursuant to section 66(3)(a) of the Banking Act 2004, the Conservator suspended the repayment or withdrawal of deposits as well as the payment of the other liabilities until further notice in order to protect the assets of the bank for the benefit of its depositors and other creditors.

Root Cause

Persistent overriding of directives of MoFEPD by the LAs with regards to the placement of surplus funds due to lack of oversight by the parent Ministry.

Recommendation

The Ministry of Local Government should closely monitor the surplus funds of LAs and ensure that any placement of surplus funds strictly adhere to Ministry of Finance's directives.

Ministry's Response

- The LA in question is making all its effort to withdraw the fund tied up with the financial institution as the Deposit had matured on 16 October 2024. On 7 November 2024, the LA wrote a letter to the Conservator for applying for the withdrawal of the capital together with the interest accrued thereon.

- On 8 November 2024, the Conservator informed that they were working towards the finalisation of a transaction, as a potential investor has been identified.

- On 10 January 2025, the LA wrote another letter to the Conservator for applying for the withdrawal of the capital together with interest accrued thereon.

6.1.2 Procurement of Tipper Lorries for Local Authorities – Delivery Still Awaited After Five Years

Background Information

At paragraph 7.1.2 of my Audit Report 2022-23, I pointed out that the ability of LAs to offer an improved service delivery to their inhabitants were constrained on the basis that Ministry informed that the tipper lorries were urgently needed since 2018.

The contract for the supply of 17 tipper lorries was awarded for the sum of Rs 43.4 million in July 2019 with an intended delivery in January 2020.

Findings

- As of July 2024, that is 5 years after the award of the contract, the procurement exercise was still not completed. No payments were made to the Contractor up to July 2024.

- Multiple commissioning exercises were carried out due to the disagreement between Ministry of Local Government, Disaster and Risk Management (MLGDRM) and the local supplier regarding conformance to tender specifications of the Power Take-off and Tipper Mechanism of the Lorries.

- In June 2023, the Supplier was requested to arrange for the necessary tests to be carried out by the foreign manufacturer and submit compliance certificates to certify that the lorries were technically fit and proper for its designated use and that safety standards and efficiency requirements were met.

- The status of the procurement exercise was updated as of July 2024 and the following were noted:

(i) The necessary tests were carried out. In July 2023, the Supplier submitted a report along with the Compliance Certificates from the foreign manufacturer and the Examination Report from an independent Registered Professional Engineer.

(ii) In October 2023, after examination of the documents, the Technical Team of MLGDRM confirmed that the 17 tipper lorries were safe and efficient, and recommended the Ministry to proceed with the final commissioning and delivery of the lorries.

(iii) In June 2024, the Supplier informed that the 17 tipper lorries had already been registered in the name of concerned LAs and Registration Books had already been issued. It had also received the approved B Carrier's Licence from National Land Transport Authority (NLTA) and the final 'mise en route' procedure for the second fitness was still in process. The LAs would receive delivery of an item of equipment which is already four and half years old.

Root Cause

Excessive delay to resolve non-conformance to technical specifications in bidding documents for vehicles being supplied by the Contractor.

Recommendation

The Ministry should explore the possibility that in future contracts, a clause be inserted in the contract so that both the supplier and the local agent are equally responsible for the resolution of conflicts.

Ministry's Response

- Further to legal advice obtained from the Attorney General's Office, the Ministry did not terminate the contract with the supplier.

- The Ministry issued several correspondences to the Ministry of Infrastructure and Community Development (MNICD) requesting for the 17 tipper lorries at the earliest.

- It was agreed on 20 November 2024, that the Mechanical Engineer of the MNICD seconded for duty to the Mauritius Fire and Rescue Service, would carry out the commissioning exercise with the assistance of the Mechanical Engineers from the Mechanical Workshop of the MNICD.

- On 16 January 2025, the Mechanical Engineer at MFRS informed that he would take cognisance of the documents related to the acquisition of the Tipper Lorries and would work in collaboration of the MNI to start the commissioning procedures.

6.1.3 Implementation of the National Multi Hazard Emergency Alert System

Background Information

At Paragraph 7.1.6 of my report on the Ministry for the year 2022-23, I pointed out that the National Multi Hazard Emergency Alert System (NMHEAS) Project was being implemented in 2 phases and had reckoned significant delays in its implementation.

Findings

- As of July 2024, the Project was still in progress, 7 years after its start in October 2016. The setting up of the Common Alert Protocol (CAP) under Phase I was completed in June 2024.

- In May 2024, the contract for the consultancy services was extended for the fifth times to June 2025 at no additional cost. The extension was to allow the Consultant to oversee the post go-live of the CAP and the completion of pending tasks under Phase I.

- Payments under the Project as of July 2024 were as follows:

(a) Consultancy Services: 95 per cent of the contract value of US$ 514,488.

(b) Supplier of the CAP Aggregator for Phase I: 60 per cent of the contract value of € 543,724.

There was no indication that Phase II of the Project, which related to the setting up of a Cell Broadcast Centre for sending of messages to local mobile network operators, would be executed.

Consequently, the alert system would be available only to public officers who had registered their mobile number with the Government Online Centre. If this situation is maintained, it would mean that the population would be left out of the warning system.

Root Cause

The Steering Committee set up for managing the NMHEAS project did not carry out proper monitoring.

Recommendation

A Project Closure Committee be set up for the project to ensure that the Ministry has a validated Project Closure Report.

Ministry's Response

- The Supplier successfully completed tasks necessary for the replication to the secondary server, namely target groups integration, Email and SMS Gateway configurations and social media integration.

- Failover testing, whereby the Primary server was put on standby mode and the secondary server was made active was successfully completed in April 2024.

- User acceptance testing confirming that NMHEAS solution met agreed business requirements and was fit for purpose was signed off in May 2024.

- After successful implementation of the Primary and Secondary server of the NMHEAS, commissioning was carried out successfully in June 2024 with the support of Central Information System Division.

NAO's Comment

As of December 2024, the System had not yet been used by the NDRMC.

6.1.4 Construction of Multisport Complex and Music School on the first floor level of the existing Abercrombie Market Fair Building, Port Louis – Consultancy and Builders Work

Background Information

The contracts for the construction of the facility, and associated project management services, were terminated prematurely by the City Council of Port Louis (CCPL) in 2023.

This led to claims totalling some Rs 60 million against the Council. The related court arbitration cases were still ongoing as of October 2024.

Attempts to award the completion of the project to a different contractor were not successful.

The Project was in a standstill state.

6.1.4.1 Termination of the Contract for Project Management Services and Builder's Works

- *Consultancy Services*

In July 2019, CCPL awarded the contract for the provision of full project management services to a Joint Venture for a lump sum of Rs 2.4 million, exclusive of VAT, and for a duration of 20 months. Payments to the Consultant reached Rs 1.6 million up to December 2022.

On 13 December 2022, CCPL informed the Consultant that the Letter of Acceptance had been revoked. The contract was treated as null and void due to non-performance and failure to comply with section (19) of the Construction Industry Development Board Act – Registration of Consultant.

In September 2023, the Consultant filed a case at the Supreme Court against the Council for termination of the contract and claiming Rs 13.1 million.

- *Construction Contract – Builder's Work*

CCPL awarded the contract for the builder's work to a local construction company for the sum of Rs 68.8 million, exclusive of VAT, in July 2021. The expected completion date was 18 August 2022. Payments totalling Rs 26.5 million had already been made to the Contractor.

In May 2023, upon advice of its Legal Advisor, CCPL terminated the contract with the Contractor on in accordance with Clause 57.4 of the General Conditions of Contract on ground of convenience and fundamental breaches of the contract such as stopping works unreasonably for 28 days, failure to maintain the bid security and delay to complete the works. However, Performance Security of Rs 6.9 million, valid up to 30 June 2023, was not forfeited.

In July 2023, the Contractor submitted a claim of Rs 43.9 million for the amount due and payable as a result of the termination. On 21 August 2023, the Contractor submitted a 'Notice to Arbitrate' with respect to the unsettled claim at termination. The unsettled claim was declared as a dispute and was referred to arbitration as per Clause 24 of Section VII of the General Conditions of Contract in September 2023.

In August 2024, the arbitration process was still ongoing.

6.1.4.2 Factors Hindering the Award of Contract for Completion of the Project

Following Government decision, a Technical Team from MNICD was appointed to work on the consolidation works at the ground floor and completion of works at the first floor. The Technical Team prepared a new bidding document and worked out the detailed estimates of the cost to complete the outstanding works at Rs 134.6 million, which was Rs 66.6 million above the original cost estimate for the whole project of Rs 108 million.

The bid was launched in March 2024 at the level of the Central Procurement Board (CPB) for the 'Procurement of Outstanding Works to the Multisport Complex at First Floor and Major Consolidation Works at Ground Floor at Abercrombie Market Fair Building'.

As of August 2024, more than one year since termination of contract of the Contractor in May 2023, works had not yet restarted because of the following:

(i) Financial clearance of MoFEPD to increase the project value from Rs 108 million to Rs 174.6 million was sought on 5 October 2023. The clearance was obtained on 6 October 2023, but subject to the Ministry seeking the approval of the Cabinet. As of August 2024, the approval was still awaited.

(ii) One of the two responsive bids received in May 2024 at the level of CPB was from the former building contractor of the Project. As a result, the new contract was not awarded.

Root Cause

There was poor project management by the CCPL.

Recommendation

A Project Steering Committee, comprising officials from the Ministry, the Council and Civil Engineers from MNICD and PPO, be set up to follow up on the matter and decide on the best course of action on the way forward.

Ministry's Response

- In January 2022, the Ministry requested the Council to set up a Performance Review Committee to assess both the consultant's and contractor's performances. After three sittings, the Committee took note that there had no report about any kinds of shortcomings in the performance of the consultant. A few issues relating to flooring materials and health and safety were raised with regard to the performance of the contractor, which were cleared thereafter.

- In June 2023, Council's Legal Advisor submitted that the Performance Security might be forfeited if there was fundamental breach of contract. In this case, the balance was more on ground of convenience. In such circumstances, the proper action might be not to enforce the performance security.

- Cabinet approved the increase of the project's budget from Rs 108 million to Rs 174 million on 20 October 2023.

- CCPL is presently reviewing bidding documents in consultation with CPB prior to relaunching of bids. It was agreed that revised bidding documents/ templates incorporating amendments will be uploaded on the e-Procurement system by 21 January 2025.

6.1.5 Victoria Urban Terminal – Unpaid Stall Fees Refunded by Government

Background Information

At paragraph 3.0 of my Audit Report for the year 2022-23, I stated, in relation to the agreement between the CCPL and Victoria Station Limited (VSL) for the accommodation of 1000 hawkers at the Victoria Urban Terminal (VUT), that the Ministry had assumed a constructive obligation to compensate VSL for any shortfall in the collection of VUT stall fees by CCPL. The expenditure though not provided for in the estimates of the Ministry was likely to become a recurring charge for the Government.

In June 2023, Government paid a sum of Rs 21.3 million to VSL in connection with VUT stall fees for the period June 2022 to June 2023, uncollected by CCPL.

Findings

- In financial year 2023-24, due to low occupancy of stalls and default of current stallholders to pay their stall fees, CCPL was again unable to meet its obligation with VSL. Uncollected VUT stall fees for the period July 2023 to June 2024 amounted to Rs 23.5 million, and was reimbursed by the Ministry in June 2024 as an additional grant to CCPL.

- Measures taken by CCPL for the collection of arrears of stall fees, which included court cases against defaulters and payment facilities among others, did not prove very effective.

  With a view to mitigating the recurring charge, the Ministry took the following measures:

  (i) CCPL would let the second floor of the VUT to the National Land Transport Authority (NLTA) for a monthly rental of Rs 1.7 million; and

  (ii) Stallholders still operating at the VUT will be offered the possibility to buy their stalls for around Rs 500,000 with a facility from the Development Bank of Mauritius (DBM).

  As of August 2024, only 15 stallholders had signified interest to buy their stalls.

Root Cause

Poor contingency or scenario planning before entering in a constructive agreement with a private company for the payments of uncollected arrears of stall fees, resulting in negative impact on public finances.

Recommendation

The Ministry should ensure that financial risks are properly evaluated before entering into agreement where the cardinal principle should be to safeguard the financial interest of government finances.

Ministry's Response

- It has been decided to relocate the NLTA from Cassis to the second floor of the VUT. MNICD is working on the necessary layout designs for the internal works to accommodate the NLTA. Stakeholders concerned have been requested to expedite with the relocation exercise.
- As for the selling of stalls on the first floor, the issue is being looked into by MoFEPD along with DBM.

6.1.6 Construction of Market Fair and Traffic Centre at Mahebourg by District Council of Grand Port – Rs 83.7 million: Construction Site in an Abandoned State

Background Information

In my Audit Report for the financial years 2021-22 and 2022-23, I reported that the Contractor had abandoned the construction since June 2022 with 65 per cent of the works remaining to be completed. The existing iron structure was deteriorating due to the weathering. The District Council of Grand Port (DCGP) terminated the Contract in December 2022 and forfeited the Contractor's Performance security of Rs 8.4 million. Payments already made to the Contractor totalled Rs 41.7 million, representing some 50 per cent of the contract value.

Findings

- In December 2023, following Government decision, MNICD took over the Project with a revised scope of work.

- In September 2024, although necessary bidding documents had already been prepared since May 2024, the completion of the Project was not tendered out as financial clearance from MoFEPD for the increase in the project value by some Rs 60 million was still being awaited.

- In March 2023, the Contractor lodged a case for Arbitration before the Supreme Court with the following terms of reference, to determine whether:

(a) the Contractor lawfully terminated the Contract under Clause 16.2 of the Conditions of Contract on the basis of the Employer's breach of its obligations under the Contract; and

(b) the claims of the Contractor in the sum of Rs 57.3 million plus interest, comprising claim for Extension of Time with cost of Rs 16.3 million, refund of the Performance Security forfeited of Rs 8.4 million and damages of Rs 23.3 million among others, were valid.

- The Arbitration Tribunal delivered its award in March 2024, ordering DCGP to pay the Contractor an amount of Rs 45.4 million. The award specified among others: the repayment of the forfeited performance security and loss of profit to the Contractor, with interest, and the charges to be paid to legal representatives of both Council and the Contractor, as detailed in Table 6-1.

Table 6-1 Analysis of Arbitration Award-Dispute icw Construction Contract Market Fair and Traffic Centre Mahebourg

Details	Total Amount Rs 000	Capital Rs 000	Interest Rs 000	Legal Charges Rs 000
Performance Security forfeited	9,654	8,373	1,281	-
Remaining works	4,997	4,658	339	-
Loss of Profit	1,475	1,375	100	-
Extension of time	17,438	16,257	1,181	-
Finance Costs	156	145	11	-
Success Fees – Contractor's Lawyers	7,367	-	-	7,367
Legal Fees – Contractor's Attorneys	2,274	-	-	2,274
Counsel Fees – Council's Lawyers	472	-	-	472
Attorney fees - Council	115	-	-	115
Arbitrator Fees	1,265	-	-	1,265
Secretary and Note Writer fees	187	-	-	187
Total	**45,400**	**30,808**	**2,912**	**11,680**

Source: Arbitration Award

In May 2024, the AGO advised that there was no valid ground of appeal as regards the Award and that the DCGP was bound to pay the sum of Rs 45.4 million. MoFEPD gave its financial clearance to enable the timely settlement of the arbitration award as follows:

(a) Rs 38 million would be met from the General Reserves of the DCGP; and

(b) Rs 7.4 million would be met from reallocation from potential savings/under-expenditure from within the current capital budget of the MLGDRM.

In May 2024, MLGDRM released Rs 7.4 million as additional grant in aid to DCGP to effect the settlement of the part of the Arbitration Award.

As of June 2024, it was not known whether the performance of the contractor was assessed and any reports submitted to PPO for breach of contract.

Some Rs 1.5 million had also been paid to the Contractor in respect of loss of profit on the value of remaining works under the contract, while the General Conditions of Contract on Payment stipulated that if the Contract was terminated, the Contractor should not be entitled to recover anticipated profits on the completion of the contract.

Recommendation

The Ministry should set up a Committee to monitor the completion of the Project.

Ministry's Response

- Concerning performance of contractor, debarment was not yet done as at June 2024 as the proceeding of Court was in progress.

- As for the Rs 1.5 million paid to the contractor in respect of loss of profit, this was based on the award delivered by the arbitration tribunal which supersedes the GCC.

- Since it was observed that nearly all the awards of the Arbitration Tribunal were in favour of the contractors, a circular was issued to all Local Authorities by the Ministry on 3 May 2024 to inform that for future bidding exercises, legal advice/ assistance of the Attorney General's Office should be sought through the Ministry in the event a dispute is not resolved amicable.

  On 10 October 2024, in line with provisions of the Capital Projects Process Manual, MNICD submitted a proper breakdown for the increase in cost of the project and worked out the revised cost estimate at Rs 128.7 million (VAT Exclusive). Financial clearance would be sought anew.

6.1.7 Project Management Consultancy Services in connection with Renovation of the Town Hall Building of the Municipal Council of Curepipe

Background Information

The full project management services for the renovation of the existing town hall of the Municipal Council of Curepipe (MCC) was awarded to an Architect firm (Consultant) in April 2016 for a lump sum of Rs 1.8 million (exclusive of VAT). The duration for the Services was based on a period of 30 months starting from April 2016 and included the defects liability period of 12 months. A period of 8 months was allowed for the design works and 10 months for the construction works.

The renovation works were initially estimated at some Rs 38 million. In September 2016, the Consultant submitted a detailed cost estimate of the refurbishment works in the assessed value of Rs 117.4 million. In April 2018, prior to the bidding procedures, the cost estimate was increased to Rs 126.2 million, exclusive of VAT.

The renovation project was awarded for the sum of Rs 122.5 million in February 2019, and the works were substantially completed on 27 February 2023.

Findings

Disputed Revised Consultancy fees

In December 2017, the Consultant claimed additional fees for extended time and increase in the scope of works on the project respectively as detailed below:

- The consultancy was already in 20th month of the contract, and the implementation of the project would exceed 30 months. Their services would have to be extended as provided under Sub-Clauses 2.5.3 and 2.5.4 of the General Conditions of Contract.

- The consultancy services were based on scope of repair works valued at about Rs 40 million. The refurbishment works were at an estimated cost of Rs 117.4 million, exclusive of VAT and inclusive of Rs 10 million as contingencies.

In December 2018, MCC informed MLGDRM and the Consultant that, after analysis, the Council had approved the new consultancy fees of Rs 6 million, exclusive of VAT. The calculation was based on the formula that the initial consultancy fee represented 4.6 per cent of the initial value of Rs 40 million. The advice of the PPO was sought, and it responded as follows:

(a) MCC computed the increase in fees on a percentage basis with regard to the project escalation in the cost of construction instead of applying procedure and method of calculation of additional fees due for additional services as per the Conditions of Contract, and

(b) MCC erroneously interpreted Section 46 (4) of the Public Procurement Act to justify an increase in fees with no limit, whereas the relevant Section applicable was 46 (3) which capped the amount.

In light of the above, PPO requested MCC to re-assess the additional fees taking into consideration, Sections 2.4, Section 6.3 and Appendices D and E of the General Conditions of Contract, amongst others.

In February 2019, following the advice of the PPO, MCC re-assessed the consultancy fees to Rs 2,205,000, exclusive of VAT.

In March 2019, the Project Manager was informed of the above re-assessment and the increase, inclusive of the increase in the construction period of 5 months that could be entertained. The same rate was maintained for a further period of five months.

In May 2022, the Project Manager was not agreeable to the revised consultancy fees of Rs 2,205,000.

Arbitration Award Paid to Consultant

On 30 May 2022, MCC and the Project Manager entered into an Arbitration agreement for the resolution of disputed contractual consultancy fees, additional claims for 17 months of additional input of services at the supervision stage beyond June 2020 up to December 2021, interest payable on amounts claimed, and legal costs by an Arbitrator appointed by the Supreme Court.

The Arbitrator gave his award in August 2023. MCC was ordered to pay a sum of Rs 13 million which was twice the consultancy fees for the Project, as detailed in Table 6-2.

Table 6-2 Analysis of Arbitration Award – Dispute icw Additional Consultancy Fees for Renovation of Town Hall Curepipe

Details	Total Amount Rs 000	Capital Rs 000	Interest Rs 000
Unpaid Consultancy Services fees	6,209	4,828	1,381
Additional Supervision Services fees from June 2020 to December 2021	4,689	4,131	558
Legal and Arbitration Charges	778	778	-
Vat Charges	1,344	1,344	-
Total	**13,020**	**11,081**	**1,939**

Source: Arbitration Award

In September 2023, the Council viewed that an appeal against the award was not advisable and requested the MCC legal advisers to discuss with the Project Manager as to whether the quantum being claimed could be brought down.

In November 2023, MLGDRM released additional Capital grant of Rs 13 million to MCC to settle the cost of the award.

Variations of Rs 13.1 million (Exclusive of VAT) paid to the Contractor

In April 2023, the Consultant submitted a projected final value of the works in the sum of Rs 135.6 million. An additional amount of Rs 13.1 million was paid, which represented 10.7 per cent increase from the contract amount.

The Consultant reported that the increase in the cost of the Project was due to increases in the scope of works, and the Contractor was entitled to the payment and extension of time for the additional works. An amount of Rs 14.4 million was certified as contingencies. Major items that impacted on the cost of the contract were:

(a) Extension of time with costs for the additional works undertaken.

(b) Variations for works required to strengthen the building and other improvements to the structural components.

Interest on Late Payments

In July 2024, the Contractor claimed interest on late payments amounting to Rs 1.3 million as financial charges compounded on all delayed payments.

Root Cause

Poor project management by the Municipal Council of Curepipe.

Recommendation

A Project Steering Committee should be set up for all capital projects undertaken by the Council.

Ministry's Response

- Since it was observed that nearly all the awards of the Arbitration Tribunal were in favour of the contractors, a circular was issued to all Local Authorities by the Ministry on 3 May 2024 to inform that for future bidding exercises, legal advice/assistance of the Attorney General's Office should be sought through the Ministry in the event a dispute is not resolved amicable.

- As for the interest for late payment, the Financial Controller of MCC has reworked the amount payable using repo rate in the sum of Rs 249,852.

  MCC was unable to clarify as to why the payments were effected late.

6.1.8 Construction of Chemin Grenier Market Fair by District Council of Savanne- Rs 123.6 million

Background Information

The works consisted of the construction of a double-storey market fair building in a concrete structure of an approximate area of 3,820 m², services installation and external drainage and site works

Findings

- The District Council of Savanne (DCS) awarded the above contract to a private contractor for the sum of Rs 123.6 million, inclusive of VAT and contingencies of Rs 5 million. The contract period was 364 days from the start of work of 27 September 2021, with intended completion date of 10 October 2022.

- Liquidated and ascertained damages were set at Rs 75,000 per day, up to a maximum amount of Rs 6,750,000 for the whole works.

- In August 2024, the project was still in progress. Twenty-three months after the intended completion date, 28 per cent of contract works remained to be completed.

Progress of Works

Value of works certified, including those executed by nominated sub-contractors and suppliers, amounted to Rs 77.9 million. On 13 August 2024, following a joint site visit carried out at the Market Fair by representatives of MNICD, DCS and the Contractor, a snag list of 14 significant works was drawn.

In December 2024, the works in the snag list were not yet fully addressed.

Non–Extension of Consultancy Services by the Former Project Manager and Additional Consultancy Fees Until Completion of Project

In April 2024, the Project Manager informed that he would terminate his services but would be available until a new project manager was appointed and, for any clarifications on any instructions given by himself on-site to the Contractors.

The Head of the Public Infrastructure Department of DCS took over the supervision of the project in May 2024.

In July 2024, the services of a Project Manager from MNICD were retained for the completion of the project against appropriate allowances as per established rates. The consultancy services of the new project manager included project management, quantity surveying, structural engineering and mechanical engineering.

Extension of Time Not Yet Assessed

Two Extensions of Time (EOT) had already been granted to the Contractor, while a third one was still under assessment by the Quantity Surveyor on the Project.

After the second EOT, the completion date of the contract was revised to 8 March 2023. Of the EOT granted, 7 days were with costs and related to change in scope of works.

In May 2023, the former Project Manager informed that the Contractor had applied for a third EOT. However, evidence with respect to recruitment of foreign labour, number of foreign workers on site and programme of works were not submitted. Thus, the extension of time could not be provided.

Significant Additions to Scope of Works: Realignment, Design and Build and Sizing of Drain Near the New Market Fair of Chemin Grenier

In April 2024, the Contractor was requested to prepare plans and cost estimates for the proposed design and built realignment and sizing of the stormwater drain network, which was to pass through the site of the new market fair to the nearby rivulet. After several meetings, the Contractor was requested to stop the preparation of the documents and to complete the market fair project as per the existing contract and within the prescribed delay.

The Contractor threatened to claim EOT with costs for abortive works as actions were already initiated to design of the stormwater drains.

In July 2024, Council decided that the Contractor would proceed with the design and build of the drain project and that the contract would be awarded as additional works under direct procurement Section 25 (2) D of the PPA 2006. The proposed duration of the storm water drain network project was 3 months.

In August 2024, MoFEPD gave its financial clearance for the drain works which were estimated to cost Rs 10.6 million, VAT exclusive.

In December 2024, the drain works were not yet executed and this was delaying the start of the operation of the new market at Chemin Grenier.

Root Cause

Poor project management of the Drains work and the construction of the market fair by the District Council.

Recommendation

A Project Steering Committee be set up to monitor the final phases of the project until completion.

Ministry's Response

The building has reached 95 per cent completion. The storm drain works were 50 per cent complete. As for the tarmac/parking/loading bay, crusher and compaction have been completed. Only the asphalt works and line marking need to be undertaken.

NAO's Comment

Poor project management practices appear to be pervasive in capital project implementation of nearly all Councils. The Ministry should look into this recurrent problem and propose measures to prevent recurrence of same.

6.2 MAURITIUS FIRE AND RESCUE SERVICES

6.2.1 Lapses in Capital Projects Implementation

Construction of a New Fire Station at Goodlands – Rs 100 million

Background Information

The Project consisted of the construction of a New Fire Station of a gross floor area of 2,070 m^2 consisting of a ground floor and a first floor building in concrete, and with a Fire Truck Garage in steel structure.

A technical team of the Ministry of National Infrastructure and Community Development (MNICD) prepared the bidding documents for the Project, and worked its detailed cost estimates at Rs 62.2 million in 2021. In January 2023, the cost estimates were revised to Rs 120.8 million, exclusive of VAT, to reflect current prices.

MNICD also ensured the management of the construction project.

Findings

- ***Bidding Process and Contract Award***

The bidding process was conducted by the Central Procurement Board (CPB). In July 2023, the CPB, after notification, recommended the award of the contract to the lowest substantially responsive bidder for the sum of Rs 100 million, inclusive of VAT. The Mauritius Fire and Rescue Service (MFRS) awarded the contract accordingly on 27 October 2023.

- ***Implementation Issues Identified Post-Award***

On 15 December 2023, the MNICD Quantity Surveyor flagged issues in the Bill of Quantities (BOQ) submitted by the Contractor such as high rates and "frontloading", that is highly inflated preliminaries and general costs with the effect that substantial payments would be effected at the early stages of the contract that was not representative of the level of works completed. Further, concerns were raised on 18 January 2024 regarding the handling of errors and inconsistencies in the BOQ.

These issues were reported by MFRS to the CPB and the Procurement Policy Office (PPO) for guidance as to how to address them.

In January 2024, CPB clarified that contract implementation was beyond its scope; while PPO advised that there was no provision in the law to address frontloading at the implementation stage and suggested that advice be sought from the Attorney-General's Office (AGO).

In February 2024, following a joint meeting of MFRS, PPO and AGO, it was agreed that the Contract can be modified by mutual agreement between the MFRS and Contractor. The Contractor would have to submit revised rates for bill items in the BOQ, but the overall contract value would remain within the contract amount.

PPO and AGO, however, stressed that since the contract was binding, further delays in handing over the site could have contractual repercussions.

The contractor submitted a revised work summaries and a BOQ on 7 February 2024 and 26 February 2024. These documents were transmitted to the Quantity Surveyor of MNICD for assessment.

As of September 2024, it was not known whether:

(a) the revised documents submitted had addressed the issues of frontloading and inflated rates; and

(b) a supplementary agreement had been signed with the Contractor regarding the amended documents, while precluding the Contractor from any claim for late possession of site.

- ***Site Handing Over with 8 months delay***

The site was officially handed over to the Contractor on 26 June 2024, that is, eight months after the award of the contract.

Root Cause

CPB did not identify the frontloading done by the bidder, which was within the project estimates. There was no involvement of the Project Management Team of the MNICD during bid evaluation exercise.

Recommendation

The CPB to consider that in future bid evaluations, the Project Management Team from the Ministry or Department concerned could attend bid evaluations so as to assist CPB to identify possible cases of frontloading.

Department's Response

The MFRS apprised the CPB of the recommendation of the Director of Audit namely that CPB may consider allowing Project Management Team of ministries and departments to attend and assist in bids evaluation so that the issue of "front loading" does not recur.

Supply, Installation, Configuration and Commissioning of Control room and Mobilisation Management System – Rs 3.5 million

The contract for the supply, installation, configuration and commissioning of the Control Room and Mobilisation Management System (CRMS) was awarded to a private company for the sum of some Rs 3.5 million on 2 February 2024. The contract was expected to be completed within 16 weeks following the date of the letter of award.

Payments to the Contractor totalled some Rs 3.1 million as of September 2024.

Findings

- ***Delay in Completion of Contract***

The CRMS contract started on 6 March 2024 and was scheduled for completion by end of May 2024. As of September 2024, however, the contract was still in progress. The IT Consultant and the Fire Officer in charge of the Project informed that the project was in testing phase.

- ***System not Operational***

The system went live at the Government Online Centre (GOC) on 21 June 2024. However, it could not be put to use in Fire Stations and the MFRS Main Control Room (MCR) due to lack of appropriate IT infrastructure.

While the shortcomings at the level of Fire Stations were mainly due to internet connectivity, the MCR lacked the necessary computer hardware to operate the system, and this was confirmed by the Supplier.

- ***Deficiencies in System Deployment***

The IT Consultant on the Project highlighted the following deficiencies in the system deployment:

(a) As per the bidding document, the solution was required to undergo full testing and acceptance before being considered as ready to "Go Live." Despite this requirement, the CRMS went live on 21 June 2024, without the completion of the full testing as required in the bidding documents.

(b) Technical Specification at paragraph 15.24 mandated that Factory Acceptance Testing be conducted on the actual solution supplied. However, testing was performed on the demo version instead of the version that went live.

(c) Regarding Technical Specification at paragraph 15.26, the IT Consultant indicated that only a few staff members were able to test the system, and some of them identified bugs. Additionally, logins for the system were not provided.

- ***Contract Payments Not According to Conditions in Bidding Document***

(a) 90 per cent of the contract value had already been paid to the Contractor. As per the General Conditions of Contract (GCC), a total of 70 per cent of the contract value was payable after successful operation of the application software at the GOC and user acceptance testing.

(b) In September 2024, it was not known whether the application software was operating successfully as no Commissioning Report and Operational Acceptance Testing Certificate were available.

Root Cause

The Project was implemented without proper planning and was deployed in a disorderly manner at the level of MFRS.

Recommendation

A Project Closure Committee be set up for the project to ensure that MFRS has a validated Project Closure Report.

Department's Response

Necessary computer hardware to fully operate the System were Rugged Tablets, which needed to be imported from abroad. The Supplier could only work out the technical specifications of these Tablets after the Software Requirement Specifications (SRS) of the complete System had been prepared and approved by the client. The SRS was completed and approved on 20 June 2024.

Due to the very complex processes and related SOPs applicable to the activities and operations of the MCR, there have been several consequent modifications in the system requirements. The modifications were made to enhance the efficiency and effectiveness of the system, at no additional cost.

The system development was carried out in the Agile Software methodology, whereby several releases had to be tested. Full testing was performed on the first release that incorporated all the requirements of the Bidding Document, while subsequent releases included additional requirements that were added to the scope of the Project.

336 Firefighters from MCR and Fire Stations completed full training on the system. Operational Testing was successfully completed in August 2024. The Commissioning Report was submitted on 13 August 2024.

A Project Closure Committee with relevant stakeholders will be set up for projects of the MFRS.

6.2.2 Follow-up of Recommendations raised in the Audit Report 2022-23

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarised below. My recommendation is being implemented.

SN	Finding	Recommendation	Ministry's Response- Status as of December 2024	NAO's Comments
MFRS - Sub Optimal Operating Capabilities affecting Service Delivery (Page 135)				
1	Nearly 75 per cent of MFRS vehicles and equipment were not in operable conditions. In order not to compromise warranties or functional systems of appliances acquired in the period 2021-2023 at the cost of some Rs 345 million, they were put off the run due to maintenance, preventive or otherwise, not carried out by local agents/ representatives of foreign suppliers. *(Pg 135-136, Para 7.2.1)*	MFRS may, after consultation with Procurement Policy Office, consider the insertion of a "Case of Need" clause in future contracts for the procurement of specialised equipment from foreign sources. This will enable legal actions against local agents/representatives in cases where terms and conditions of contracts are not observed by foreign suppliers. *(Pg 137)*	The issue related to the procurement of specialised vehicles and equipment, is respect of which MFRS had recourse to Open International Bidding procedures with a view to having responses from experienced international bidders, promoting competition and having value for money. In 2023-24 and 2024-25, in order to avoid recurrence of the issue, MFRS conducted only Open National Bidding for the procurement of specialised equipment so that contracts are signed with local bidders, enabling legal actions in cases where terms and conditions are not observed. The MFRS has also communicated the recommendation of the Director of Audit to the PPO regarding the insertion of a "Case of Need" clause in future contracts for the procurement of specialised vehicles and equipment through International Bidding exercises, and which involve local agents.	**Implemented**

6.3 MAURITIUS METEOROLOGICAL SERVICES

6.3.1 Shortcomings in the Project for Enhancing Meteorological Observation Weather Forecasting and Warning Capabilities

Background Information

The project, funded by the Japan International Cooperation Agency (JICA) was estimated at some ¥ 260 million, equivalent to Rs 80.6 million. On 28 March 2019, Japan Weather Association (JWA) informed Mauritius Meteorological Services (MMS) that they have been selected as JICA's contractor to implement the technical cooperation project.

The Project started in May 2019 and was due for completion in May 2022. However, the project duration was extended to May 2024 due to the global COVID-19 pandemic.

The main objective of the project was to improve the capability of the MMS to disseminate more accurate and timely meteorological information to disaster-related organisation and the public.

The overall outcome of the project was to improve:

(i) The capacity in meteorological observation.

(ii) The capacity in meteorological data analysis, weather forecasting and warning.

(iii) The methods and contents to disseminate meteorological information.

(iv) MMS activities for public awareness.

The Joint Coordination Committee (JCC) was set up comprising of several stakeholders to report and submit project plans.

The project was completed in May 2024.

Findings

Inadequate Records

(i) There was no proper handing over between the former and new Accounting Officer in respect of documents relating to the project.

(ii) The agreement on the budget between Government of Mauritius and JICA for the Technical Cooperation Project was not produced to NAO.

(iii) MMS requested representatives from the Ministry of Finance, Economic Planning and Development and JICA to have bilateral discussions on the budget estimates for the financial year. No details of discussions were available.

Transfer Payments

As of 30 June 2024, MMS transferred Rs 73 million to JWA through JICA for the project as shown in Table 6-3. However, these transfers were not supported by any documentary evidence.

Table 6-3 Payments Effected

Financial Years	TAS Adjustment Voucher No	Rs million
2019-20	325064209	25
2020-21	325064312	27
2021-22	325044176	3
2022-23	325054174	11
2023-24	325064247	7
Total		**73**

Source: Treasury Abstracts

There was inadequate follow-up action by the Accounting Officer in respect of non-submission of documentary evidence.

Limitations in Service Delivery due to non-revamping of new website

According to the Work Plan, the MMS web contents had to be revamped to be more user friendly for disaster-related organisations and the general public. However, as MMS opted for the termination of the contract on 13 November 2024 for the revamping of its new website due to poor performance by the service provider, no improvements in service delivery was noted.

Root Cause

The Monitoring Committee was not effective in ensuring that appropriate actions were taken to remedy identified shortcomings during the course of the project.

Recommendation

The Committee should ensure that remedial actions are taken promptly to resolve the issues highlighted.

Department's Response

- The agreement does not include budget breakdown, but rather addresses activities and deliverables only.

- MMS will seek guidance from JICA in respect of limitations in service delivery due to non-revamping of website.

Incomplete Government Asset Register

Background Information

In July 2017, the Accountant-General issued a Treasury Circular with regard to the introduction of a Government Asset Register (GAR). This was a key milestone towards the creation of a central database of assets owned by the Government for an efficient and effective management.

Findings

- Non-Financial Assets amounting to Rs 8.8 million, acquired by MMS during financial year 2023-24, were not recorded in GAR. The last transaction captured in GAR dated August 2022.

- Prior to 30 June 2024, 12 equipment/instruments handed over by JICA worth Rs 1.7 million and 24 others, for which the records did not show the cost of equipment/instruments, were not recorded in GAR.

Root Cause

There was no monitoring by management over GAR.

Recommendation

The Accounting Officer should exercise proper control to ensure GAR is up to date.

Department's Response

The MMS has designated a team to enter all the donated items on the Register.

6.3.2 Governance Issue - Non-compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of statutory bodies with the objective of strengthening accountability and transparency in the public sector.

Finding

Non-Submission of Report on Performance

As of 31 December 2024, the Report on Performance of the Mauritius Meteorological Services for the financial years 2022-23 and 2023-24 had not yet been submitted to the Ministry of Finance, Economic Planning and Development, despite the statutory deadline being 31 October.

NAO is of the view that the Department shall comply with its statutory responsibilities.

6.3.3 Follow-up of Recommendations raised in the Audit Report 2022-23

The status of actions taken on key findings and recommendations since the publication of the Audit Report are summarised below. Out of 2 recommendations, one (50 per cent) has been partly implemented and one (50 percent) has not been implemented.

SN	Findings	Recommendations	Department's Response-Status as of December 2024	NAO's Comments
	Delay in Revamping of the Mauritius Meteorological Services Website (Page 141-142)			
1	The website was to be delivered, installed and commissioned on 4 July 2021. On 28 February 2023, Procurement Policy Office requested MMS to seek advice from the Attorney General's Office (AGO) for termination of contract. *(Pg 141-142, Para. 7.3.1)*	The Accounting Officer should ensure effective management of the project. *(Pg 142, Para. 7.3.1)*	Awaiting AGO's guidance.	**Partly Implemented**
	Automatic Weather Station Idle – St Brandon (Page 142-143)			
2	As of December 2023, the equipment was not installed due to pending infrastructural work at St Brandon and out of 24 months warranty period, six months has already lapsed. *(Pg 142, Para 7.3.2)*	The Accounting Officer should ensure that the infrastructural works are undertaken at the earliest, to enable the installation of the Automatic Weather Station (AWS). *(Pg 143, Para 7.3.2)*	Awaiting transportation of AWS to St Brandon.	**Not Implemented**

7– MINISTRY OF LAND TRANSPORT AND LIGHT RAIL

7.1 LAND TRANSPORT AND LIGHT RAIL

7.1.1 Speed Camera System-Not being Efficient and Effective

Background Information

One of the main responsibilities of the Traffic Management and Road Safety Unit (TMRSU), which falls under the aegis of the Ministry of Land Transport is to maximise road safety through, inter alia, speed management.

On 22 November 2022, the Ministry signed a three-year contract with a local company for the maintenance of the Speed Camera System which included the maintenance of 63 speed cameras installed throughout the island, hardware and software maintenance. During the financial year 2023-24, the Ministry paid Rs 33.2 million to the Contractor as maintenance charges.

The Photographic Enforcement Device Unit (PEDU), which is housed at the TMRSU, has a team of officers from the Police Service who have to import all the photos from the Magna Server of the Speed Camera System and view them on a daily basis. After the validation/adjudication of the images, PEDU issues Photographic Enforcement Device Notices (PEDN) to offenders.

Stakeholders in the Operational Management of Speed Cameras

Stakeholders for the operational management of speed cameras are:

The Ministry of Land Transport and Light Rail is the owner of the system and the TMRSU is responsible to host the server at its premises and for the budget.

Operational speed cameras take photos of motor vehicles exceeding speed limit in breach of the Road Traffic Act.

Findings

- ***Drivers violating Speed Limits not fined - 56 per cent***

For the financial year 2023-24, the speed cameras captured a total of 92,291 images. Of these, 30,977 images (33 per cent) were exempted and 20,949 images (23 per cent) were rejected due to technical reasons.

- ***PEDN issued Not Paid - 45 per cent***

PEDU initiates criminal proceedings in case the offender fails to pay the specified fine within 28 days of the date of the Notice. The Contravention Case Files (CCFs) are then sent to the Police Service for investigation and follow-up.

- PEDNs were issued to 40,365 drivers violating speed limits. Payments were received for only 22,177 PEDNs within the required delay, that is, 55 per cent.

- 18,188 PEDN amounting to Rs 45.5 million, that is 45 per cent, issued during the financial year 2023-24, were not yet paid within the legal limit of 28 days.

- ***Delay in preparation of Contravention Case Files***

For unpaid PEDN issued during the financial year 2023-24, the preparation of 18,188 CCFs have been delayed.

(i) Of the above, some 6,581 CCFs were ready as of November 2024 to be submitted to the Police Service for prosecution.

(ii) There was no proper computerized monitoring system in place to follow up cases of unpaid fines.

Root Causes

- There was no Standard Operating Procedures Manual to define all the processes to be followed, defined responsibilities and provided timeframe for taking actions at different steps.

- There was no proper monitoring system in place that would have triggered actions when the legal timeframes are breached.

- There was no computerised system for follow up on cases of nonpayment.

- Delay in the preparation of CCFs and inputs in COTS were due to poor human resource management.

Recommendations

- The speed camera system to be reviewed by the Ministry to make it more efficient and effective.

- The PEDU to explore the possibility of making use of data/reports from the computerised system for a more efficient and effective process.

- The Ministry to consider having a proper computerised accounting system in place for revenue management, automated sending of reminders, automated online payment.

Ministry's Response

- As for rejection, issue is with the registration plates. There are regulations for registration plates and NLTA/Police must enforce. Consultancy services for the study and design of a Photographic and Video Camera Detection System for enforcement of road traffic violations in Mauritius has been enlisted by the Ministry to recommend the best technologies to be used to capture all infractions.

- The Ministry may consult the Judiciary and the Police for inclusion of reminders in the existing system and elaboration of automated online payment system.

- The Ministry of Information Technology would be requested to carry out an IT audit and submit recommendations thereon.

7.1.2 Deficiencies in Management of National Cycle Network Project

Background Information

A National Cycling Policy Framework was to be developed in order to encourage cycling as an option to go to work, school and for fitness and recreational purposes. The objectives, among others, were to improve the urban quality of life and to contribute to the overall sustainable future of urban development.

It was initially intended to have Cycling Networks in Rose Hill, Vacoas, Grand Baie and Flacq for which the total cost estimates amounted to Rs 139 million as shown in Table 7-1.

Table 7-1 Estimated Costs for Cycle Network Project

Town/Village	Cost Estimates Rs million
Rose-Hill	47.5
Vacoas	30.4
Grand Baie	29.2
Flacq	31.9
Total	**139.0**

Source: Ministry of Land Transport

For Phase I of the project, the Ministry decided to implement the Rose Hill Cycle Network that comprised the construction of some 5.2 km of cycle tracks, cycle streets and cycle lanes passing through Beau Bassin, Rose Hill and Ebène. Amenities such as cycle racks, traffic signages and road markings, speed limits and traffic calming devices were also to be provided.

Delay in Project Implementation and Risk of Nugatory Payments

Background Information

In May 2019, a contract for Consultancy Services was awarded for Rs 13.5 million for the development of design standards for the cycling integration in Mauritius and for a detailed Cycling Network Plan for Rose Hill, Vacoas, Grand Baie and Flacq. The Consultant submitted the Cycle Design Manual and Guidelines in February 2020 and the detailed design of a complete Cycling Network Plan for the 4 specific towns/villages, during the period December 2020 to February 2021.

The Ministry paid the full contract amount of Rs 13.5 million for the Consultancy services from June 2019 to May 2021.

Findings

- There were considerable delays in the implementation of the National Cycling Network Project.

(i) The detailed design of the Cycle Network Plan of the 4 towns/villages was completed in February 2021 but the contract for construction works for Rose Hill Cycle Network was awarded only in December 2022, that is 22 months after; and

(ii) As of December 2024, the contract for the construction works for the projects at Vacoas, Grand Baie and Flacq had not yet been awarded though the Consultant had already submitted the design reports more than 3 years back.

- Due to the non-implementation of the project, so far, at the three sites relating to Vacoas, Grand Baie and Flacq, there is risk of a nugatory expenditure of Rs 10 million.

Lapses in Management of Construction Works for Rose Hill Cycle Network

Background Information

In December 2022, the Ministry awarded a contract for civil works for Rose Hill Cycle Network for Rs 61.9 million. The project consisted of the construction of a cycle network from Camp Levieux to Ebene Park through Rose-Hill over a distance of 5.2 km.

The contractor started the construction works in April 2023 that were scheduled to be completed by 3 January 2024.

As at 30 June 2024, payments to the Contractor totalled Rs 42.8 million, representing 69 per cent of contract amount.

Findings

- Officers of NAO were informed during a site visit in August 2024 that part of the project from Camp Levieux to Rose-Hill, that is, for a distance of some 2 km was not implemented. This was a significant change in the scope of works for which the approval of the Accounting Officer of the Ministry and the financial implications were not available.
- The completion of the project had already been delayed by some 8 months as of September 2024. The Contractor did not submit an updated program of works.
- The Contractor submitted an insurance cover which expired on 13 October 2023. However, the Contractor did not submit its renewed insurance cover to the Ministry.

Root Cause

Inadequate monitoring of the Project by the Ministry.

Recommendations

- For changes in scope of work prior approval of Accounting Officer should be obtained and financial implications thereof should be determined.
- Extension of insurance cover should be requested from the Contractor.

Ministry's Response

- Implementation of cycle networks in Grand Baie, Flacq and Vacoas will depend on the outcome/success of the Pilot Project at Rose Hill and on future budgetary allocation.

- Change of scope of work was decided by the then Director of Traffic Management and Road Safety Unit.

7.1.3 Governance Issues – Non-Compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of statutory bodies with the objective of strengthening accountability and transparency in the public sector.

Finding

Non-Submission of Financial Statements for Audit

The Statutory Bodies (Accounts and Audit) Act requires the Chief Executive Officer of a statutory body to submit the annual report, including the financial statements, to the auditor not later than four months after the end of every financial year.

As of 31 December 2024, the following statutory bodies falling under the purview of Ministry of Land Transport and Light Rail, had not submitted their financial statements for audit as shown in the Table 7-2.

Table 7-2 Financial Statements not submitted to NAO for Audit

SN	Statutory Body	Financial Year	No of Financial Statements
1	National Transport Corporation	2020-21 to 2023-24	4
2	Taxi Operators Welfare Fund	2022-23 to 2023-24	2

Source: NAO records

NAO is of the view that the Ministry should:

- Exercise control over statutory bodies and other entities operating under its aegis to ensure that they comply with their statutory responsibilities regarding the preparation of financial statements and their submission for audit; and

- Lay a copy of the annual report and audited financial statements before the National Assembly.

7.1.4 Follow-up of Recommendations raised in the Audit Report 2022-23

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarised below. All the 5 recommendations (100 per cent) have not been implemented.

SN	Findings	Recommendations	Ministry's Response- Status as of December 2024	NAO's Comments
	Implementation of National Road Safety Strategy (Page 145)			
	Trend of Fatalities in Road Accidents - Main Objectives Not being achieved as expected			
1	In 2015, 139 people were killed in road traffic accidents. The number of people killed in road accidents during the year 2023 was 138. The strategy and its accompanying engineering measures implemented under road safety programme did not yield the expected result. *(Pg 145-147, Para 8.1.1)*	Amendments to Legislation to Road Traffic (Construction and Use of Vehicles) Regulations 2010 should be finalized so as to align the requirement for number plates of autocylces/motorcycles with that of four wheelers to enable speed cameras to capture all speed violations. *(Pg 148, Para 8.1.1)*	As at date in 2024, number of people killed is 109. A new fatality rate will be computed in 2025.	**Not Implemented**
2	The annual percentage of death of riders/pillion riders of autocycles/motorcycles over the total number of people killed in road accidents was nearly 50 per cent for the years 2020 to 2022. *(Pg 145-147, Para 8.1.1)*		Sensitisation campaigns are carried out throughout the year on radio, television and social media to change unsafe behaviour of all road users. A new campaign on two wheelers was launched in 2021. The National Curriculum Framework and Teaching and Learning Syllabus was developed by MIE in collaboration with TMRSU and Traffic Branch from the Mauritius Police Force, followed by the development of curriculum materials for CRSE for grade 1 to grade 6. It is being envisaged to organize a sensitization campaign in December 2024 on "Drink and Drug Driving."	**Not Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of December 2024	NAO's Comments
3	The speed cameras are still unable to capture speed violations by autocycles/motorcycles in most cases. *(Pg 145-147, Para 8.1.1)*		Ministry/TMRSU is awaiting for the Final Report from the Consultant and will stand guided by its recommendations.	**Not Implemented**
	Road Safety Programme – Funds for some Projects in approved Budget Not Spent (Page 147-149)			
4	Out of the initial budget of Rs 158 million under the Road Safety Programme for 13 projects, a total of Rs 80 million for five projects, namely Arrestor Beds on Motorways at Soreze and Valton, Adaptive Traffic Control System, Improving Access at Trianon Station and Footbridge at Phoenix Station, were not spent. This represents some 50 per cent of funds provided in the budget. Funds initially included in the budget for these projects were subsequently reallocated to other projects or items of expenditure. *(Pg 147-149, Para 8.1.1)*	A detailed implementation and procurement plan for road safety infrastructures should be worked out for the constant monitoring of each project. *(Pg 149, Para 8.1.1)*	Bids for "Consultancy Services for the Study, Design and Implementation of Adaptive Traffic Control System (ATCS) in Mauritius" was launched on 16 April 2024. The contract has been awarded to B-Bub Consulting Co Ltd on 2 October 2024. For Arrestor Bed, Request for Proposal (RFP) is being prepared by TMRSU and will be submitted to the Ministry for vetting shortly. It is recommended that the project be implemented by the RDA. Improving access at Trianon Station project was delayed due to land acquisition issues and bidding exercise was carried out but no responsive bids was obtained. Bids will need to be relaunched.	**Not Implemented**

SN	Findings	Recommendations	Ministry's Response-Status as of December 2024	NAO's Comments
	Road Safety Programme-Lapses in Procurement Management (Page 149)			
5	*Arrestor beds at Soreze and Valton* Considerable delay was noted in the implementation of both projects at Soreze and Valton. The scheduled date to launch the tenders was November 2022. Bidding documents were not yet finalised for launching of bids for the project at Soreze. A first bidding exercise was carried out in June 2023 for the project at Valton for which no bid was received. *(Pg 149, Para 8.1.1)*	Projects for which funds have already been budgeted should be properly managed by the Director of TMRSU and the Accounting Officer. *(Pg 149, Para 8.1.1)*	Request For Proposal will be submitted to the Ministry for vetting shortly. It is also recommended that the Project be implemented by the RDA.	**Not Implemented**
6	*Infrastructural Works in connection with Metro at Trianon and Phoenix Stations* No expenditure was incurred for two projects with budgetary provision of Rs 40 million namely "Improving Access at Trianon Station" and "Footbridge at Phoenix Station". The project "Improving access at Trianon Station" was still at the design stage. No bidder responded to the tender launched on 14 October 2022 for the project "Footbridge at Phoenix Station".	There should be proper planning for implementation of these projects by the Director of TMRSU and proper monitoring by the Accounting Officer. *(Pg 150, Para 8.1.1)*	Improving access at Trianon Station project was delayed due to land acquisition issues and bidding exercise was carried out but no responsive bids was obtained. Bids will need to be relaunched. In a meeting held on 26 April 2024, at MoFEPD, it was advised that implementation of the Footbridge Project at Phoenix be implemented by the RDA.	**Not Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of December 2024	NAO's Comments
	Compulsory land acquisition procedures were still underway for the project "Improving Access at Trianon Station". The request to review the bidding documents after unsuccessful bid was submitted to the TMRSU with some six months' delay for the project "Footbridge at Phoenix Station" by the Procurement Unit. *(Pg 150, Para 8.1.1)*			
	Cashless Ticketing System Project (Page 151-153)			
7	*Implementation Delayed* There is considerable delay in reviewing payment methodology for Free Travel Scheme as proposed by a Consultant in May 2017, that is more than six years now. No further development was noted since May 2022. The budget estimates for financial years 2020-21, 2021-22 and 2022-23 provided Rs 24 million, Rs 24 million and Rs 20 million respectively for acquisition of IT equipment for CTS. However, no disbursement was made in each of these financial years.	Appropriate actions should be taken to expedite the process for the implementation of the CTS. *(Pg 151, Para 8.1.2)*	Meetings and consultations are being held on the matter. New policy directives will need to be obtained on the implementation strategy.	**Not Implemented**

SN	Findings	Recommendations	Ministry's Response-Status as of December 2024	NAO's Comments
7	According to the Budget for financial year 2022-23, the Key Performance Indicator of the Ministry was to implement the Cashless Ticketing System Project by April 2023. The Ministry proposed to initiate the project under a Government-to-Government agreement whereby the services of Consultant/Transaction Advisor would be enlisted. However, a Transaction Advisor has still not been recruited. *(Pg 151, Para 8.1.2)*			

7.1.5 Follow-up of Recommendations raised in the Performance Audit Report 2021

Title of Report: "Enhancing Road Safety in Mauritius"

Date Issued: June 2021

Road Safety is under the purview of the Ministry of Land Transport. One of the missions of the Ministry is to improve road safety through a multi-pronged approach including legislative framework, engineering, education, sensitisation, and enforcement.

A follow-up of recommendations raised in the abovementioned report was carried out. The Ministry of Land Transport was requested to inform the National Audit Office of the actions taken to address the findings and recommendations in the Report.

The status on actions taken on key findings and recommendations since the publication of the Report are summarised. Out of **25** recommendations, **6** (24 per cent) have been implemented, 3 (12 per cent) have been partly implemented and **16** (64 per cent) have not been implemented.

Also, the Ministry committed to take remedial actions, out of which, one was implemented, one partly implemented and 4 were not implemented.

The Ministry's progress in addressing the following challenges remains largely unimplemented as of December 2024:

(i) ***No Lead Agency:*** No Lead Agency was designated to drive the National Road Safety Strategy to ensure necessary coordination and implementation of necessary interventions.

(ii) ***Monitoring and Evaluation Gaps***: Current road safety monitoring was limited to crash mortality and injury rates. This arrangement did not comprise a performance result framework which is crucial for tracking the effectiveness of interventions.

(iii) ***Insufficient Training and Testing Infrastructure***: The driver training and licensing scheme was conceived without any set standards or national training program, leading to inadequate driver competency. Implementing a structured national training program is essential for enhancing safe driving.

(iv) ***Unsafe Vehicles on Roads***: Speed management of heavy vehicles through speed limiters and the registration plates of auto/ motor cycles needed immediate attention. These two issues were not addressed effectively. Also, finalisation of regulations to prohibit the entry of structurally damaged vehicles on public roads was outstanding.

(v) ***Legislative Loopholes***: There were unresolved gaps in the administration of the Cumulative Road Traffic Offences, enabling repeated offenders to evade penalties.

(vi) ***Enforcement Challenges***: A Road Traffic Enforcement Plan was not developed inclusive of a mechanism to target high-risk offences which would enhance enforcement efforts.

*(*vii) ***Road Safety Education Campaigns***: Communication and awareness campaigns were not linked to enforcement strategies, thereby preventing the maximisation of potential impact. A comprehensive communication strategy to reinforce behavioural changes in road safety was not addressed.

Follow-up on Key Findings and Recommendations- Performance Audit Report
'Enhancing Road Safety in Mauritius'

SN	Key Findings	Key Recommendations	Ministry's Response- Status as of December 2024	NAO's Comments
Effectiveness of Institutional Management Functions				
1	No Lead Agency to drive the National Road Safety Strategy forward. (*Pg 4)*	The Ministry should act as a Lead Agency pending the setting up of an alternate entity with the necessary mandate and resources. *(Pg 135, Para 5.1)*	No Lead Agency to drive the Strategy.	**Not Implemented**
2	Road crashes were mainly monitored through mortality and injury rates. There was no result framework to track progress over time and provide focus on results and evidence-based interventions. *(Pg 4)*	To include in the mandate of the Road Safety Council, the responsibility to formulate a performance result framework and to provide regular reports to the National Road Safety Commission on results. *(Pg 135, Para 5.2.1)*	TMRSU relies on data provided by Statistics Mauritius.	**Not Implemented**
3	There were loopholes in the legislation and administration of CRTO which either enabled the offenders to avoid being caught for related offences, or when caught avoid prosecution and disqualification. Since its enactment, the Ministry did not assess whether the CRTO was being implemented appropriately to deliver the expected results and the need for any adjustment to enhance its efficiency and effectiveness. *(Pg 5)*	Implementation of the Cumulative Road Traffic Offences (CRTO) legislation should be examined to close all loopholes in the regulations which are exploited to pursue unsafe behaviour and avoid disqualification. *(Pg 136, Para 5.2.2)*	Ministry/TRMSU will brainstorm on the legislation with the Police Service and come up with appropriate corrective action.	**Not Implemented**

SN	Key Findings	Key Recommendations	Ministry's Response- Status as of December 2024	NAO's Comments
4	No periodic monitoring and evaluation exercise were carried out except for ad-hoc 'bilans' on the Strategy. There was no comprehensive processed road data to determine the malfunctioning of the road network system. *(Pg 6)*	Collection of data for research and sharing among stakeholders needs to be given the proper attention as they are critical to support evidence-based interventions. *(Pg 136, Para 5.2.2)*	TMRSU carries out a thorough accident data analysis. Ministry / UOM has set up a Road Safety Observatory.	**Implemented**
	Licensing and Admission of Safe Users			
5	The challenges related to competent training, testing and licensing were still outstanding with little visibility on how they will be addressed effectively. *(Pg 6)*	The re-engineering of the training and licensing system initiated in 2017 needs more attention to realise the expected benefits. *(Pg 11)*	Ministry is working on setting up a Driver Education and Training Centre.	**Not Implemented**
6	The driver training and licensing scheme in Mauritius was conceived without any set standards or national training program. *(Pg 7)*	The training cost charged by 'moto écoles' was considered to be on the high side and accounted for low intakes. As an alternative to subsidising the training costs individually, free massive online training can be organised by the Ministry. *(Pg 136, Para 5.3.1)*		**Not Implemented**
7	Based on resources available, there was neither the capacity to train the outstanding number of learner riders, nor the Police Service had the capacity to carry all the tests by 2026. *(Pg 6)*	As regards the backlog and resource constraints for carrying out tests by the Police Service, there is a need to assess the number of tests the Police Service can potentially carry out by March 2026. The feasibility of a separation of the management of driving licences from the core functions of the Police Service could be explored. *(Pg 136, Para 5.3.1)*	Ministry is envisaging to embark on the implementation of Motorcycle Training Scheme. Possibility to introduce Graduated Licence scheme is being explored.	**Not Implemented**

SN	Key Findings	Key Recommendations	Ministry's Response-Status as of December 2024	NAO's Comments
8	The re-engineering of the training and qualification process of Driving Instructors was identified as a priority in the Strategy. As of March 2021, more than five years later, the modalities of imparting the training were still at discussion stage. *(Pg 7)*	As regards the training of Driving Instructors and Police Examiners, a Steering Committee needs to be set up to plan the whole project to ensure that all issues are considered beforehand, to prevent those which impeded the 'moto école' project. *(Pg 136, Para 5.3.1)*	MITD is in process of revamping its Professional Drivers Training Centre.	**Not Implemented**
	Effectiveness of Enforcement of Road Safety Legislation			
9	The Police Service submitted a draft Road Safety Plan, instead of the expected Road Traffic Enforcement Plan. Based on this input, the Ministry prepared a 'Resume of the Agenda on Enforcement Strategy' which did not include objectives, targets, outputs time frame and measurement and monitoring mechanism. *(Pg 7)*	The Ministry needs to ensure that an appropriate enforcement plan is prepared, taking into consideration available police resources, the traffic offences that need to be targeted in priority and how the outcomes would be measured and monitored. *(Pg 137, Para 5.3.2)*	The Lead Agency, once set up, will have the authority to ensure that evidence-based Enforcement Plan is devised and implemented.	**Not Implemented**
10	Police Service regularly reported on the number of crackdown operations. However, the Ministry was not provided with the necessary details to ensure that the Police Service was effective in coordinating enforcement with campaigns, carrying out covert operations in accident-prone areas, and enforcing traffic laws in synergy with various stakeholders. *(Pg 7)*			**Not Implemented**

SN	Key Findings	Key Recommendations	Ministry's Response- Status as of December 2024	NAO's Comments
11	Some 75 per cent of contraventions established during period 2016-2019 required the physical mobilisation of police resources out of which only some 25 per cent tracked offences related to the main causes of road crashes and casualties. In contrast, minor offences which had exceptionally low or negligible incidence on road crashes and severity, accounted for some 43 per cent of the contraventions established. *(Pg 7,8)*	Give priority to the processing and lodging of case files for traffic offences that are more likely to cause fatalities and severe injuries during road crashes. *(Pg 137, Para 5.3.2)*	Section 123LA of the Road Traffic Act was amended Third Schedule of the Road Traffic Act was amended.	**Partly Implemented**
	Effectiveness of Enforcement of Road Safety Legislation *(continued)*			
12	Several constraints and challenges impaired the efficiency and swiftness of enforcement through prosecution and administration of sanctions. *(Pg 8)*	For struck-out cases, the addresses of offenders need to be precisely ascertained through additional means. The reasons for which cases have been set aside under the CRTO legislation, need to be examined and appropriate amendments considered to close all possible loopholes. *(Pg 137, Para 5.3.2)*	Ministry will hold consultations with concerned stakeholders and explore the bottlenecks so that improvement may be brought to Legislation.	**Not Implemented**
	Ensuring only Safe Vehicles are admitted on Public Roads			
13	There was no consolidated and finalised guideline circularised among the Vehicle Examination Centres (VECs) and National Land Transport Authority (NLTA) personnel to ensure that tests were carried out in a harmonised way to ensure roadworthy vehicles on public roads *(Pg 8)*	Documentation and criteria for assessment should be harmonised to ensure consistency in the new fitness control system. Assurance that roadside safety checks were targeting the appropriate number of vehicles should be ensured through regular verifications of outputs and outcomes. *(Pg 137, Para 5.3.3)*	The Guideline is being amended to cater for changes in the sector. Examination of vehicles are done by Authorised Examiner (private companies) since 2016	**Partly Implemented** *(Technical Guideline 2021 not finalised and circularised)*

SN	Key Findings	Key Recommendations	Ministry's Response- Status as of December 2024	NAO's Comments
14	Cases where vehicles issued with fitness certificates inside VEC premises and immediately found not roadworthy during surprise checks once outside, were not addressed effectively. *(Pg 8)*	NLTA should carry out an audit of cases where vehicles issued with fitness certificates within VEC premises were immediately found not roadworthy by officers of NTLA outside the premises. The overhauling of certain aspects of the fitness control are required together with upgrading of the competencies of the testers. *(Pg 138, Para 5.3.3)*		**Not Implemented**
	Ensuring only Safe Vehicles are admitted on Public Roads (*continued*)			
15	At least 10,000 vehicles had to be fitted with speed limiters to ensure that they were driven at speeds not exceeding the prescribed limits. NLTA did not ensure effective compliance to this legal requirement during fitness control. *(Pg 9)*	Speed management of heavy vehicles through speed limiters and the registration plates of auto/ motor cycles need immediate attention. These two issues were not addressed effectively. The hiring of external expertise should be considered. *(Pg 138, Para 5.3.3)*	The draft Road Traffic (Construction and Use of Vehicles) Regulations are being amended.	**Not Implemented**
16	The drafting of 'Road Traffic (Total Loss) Regulations' initiated in 2016 to impose an obligation on concerned parties to report cases of 'Total Loss' was not finalised. *(Pg 9)*	Regulations to prohibit the entry of structurally damaged vehicles on public roads should be finalised and enforced. *(Pg 138, Para 5.3.3)*	The draft regulations are still being worked out and have not yet been finalised.	**Not Implemented**
17	NLTA did not keep record of the number of vehicles inspected and did not analyse the types and significance of the defects identified. *(Pg 9)*	NLTA should keep appropriate records to analyse the types and significance of the defects identified. *(Pg 110)*	Monthly return of the number of vehicles examined by VECs are kept at NLTA.	**Partly Implemented**

SN	Key Findings	Key Recommendations	Ministry's Response- Status as of December 2024	NAO's Comments
	Providing Safer Roads and Roadsides			
18	Some Rs 11.5 million was invested since 2018 in a digitalised system capable of producing analysis of road crash data. Implementation of this system was delayed by several issues which were not adequately addressed by the Ministry. *(Pg 9)*	A closer follow-up is required by the Ministry to engage the Police Service to support a road crash data collection system, which was not functional. (*Pg 138, Para 5.3.4)*	iMAAP software is in use.	**Implemented**
19	The Ministry invoked insufficient funding as reason for the significant backlog on remedial works to treat hazardous locations. However, funds were annually underspent, leading to a total of some Rs 154 million unspent under the Capital Budget during the last four financial years. Besides, under the Recurrent Budget an annual amount of Rs 40 million was underspent. (*Pg 9)*	Budget monitoring and project implementation of 'Safer Roads and Roadsides' projects need to be improved to ensure that funds allocated are fully utilised. (*Pg 138, Para 5.3.4)*	TMRSU has set up dedicated Project Team to manage funds under relevant budget.	**Implemented**
20	The Ministry and the Council had not considered and addressed the need for adequate capacity building in terms of safe road design and national standard for road works among the concerned stakeholders. (*Pg 9)*	Support should be provided to local authorities to build knowledge and skills on the Safe System Approach, sharing of specifications of signage and road markings. *(Pg 138, Para 5.3.4)*	The portfolio of the Ministry now includes maintenance of both Traffic Signs and Road Markings.	**Implemented**

Sn	Key Findings	Key Recommendations	Ministry's Response-Status as of December 2024	NAO's Comments
21	The Ministry did not ascertain that RDA was consistently carrying out independent Road Safety Audits. *(Pg 10)*	The Ministry should use appropriate legal authority to ensure that safety aspects are duly considered during design stages and construction and upgrading of road projects. This can be achieved by promoting the need for a local standard in road design and maintenance. *(Pg 139, Para 5.3.4)*	Road Safety has been included in the law. TMRSU audits all new projects falling under the responsibility of RDA.	**Implemented**
22	The Ministry did not ensure that all Road Safety Audit Reports submitted by the Traffic Management and Road Safety Unit to RDA were appropriately followed up and recommendations considered. *(Pg 10)*	There should be adequate follow-up on the road safety audit reports to ensure that the recommendations are discussed, agreed and implemented in a timely manner. *(Pg 139, Para 5.3.4)*	Weekly meetings are held with RDA to ascertain recommendations are implemented where feasible.	**Implemented**
	Investing in Effective Road Safety Campaigns, Sensitisation and Education			
23	None of the Communication Plans prepared by the Ministry/ TMRSU was linked to an accompanying traffic law enforcement plan to reinforce and capture the results of the awareness campaigns. *(Pg 10)*	The Ministry should formulate a long-term Communication Strategy, accompanied by medium to long term Communication Plans, in order to sustain appropriate behavioural change towards road safety. (*Pg 139, Para 5.3.5)*	Campaign themes decided according to road crash situation, accident trends and statistics.	**Not Implemented**
24	The Ministry did not use appropriate metrics to measure the impact of the awareness campaigns independently of the surveys carried out by the service providers. *(Pg 10)*	The Ministry needs to build capacity among those personnel who are carrying out sensitisation in the community to ensure the effectiveness of their delivery. Future campaigns should be accompanied by planned enforcement and evaluated to ensure that the intended benefits are realised. (*Pg 139, Para 5.3.5)*	Due to insufficient funds, an independent service provider could not be recruited to assess the impact of road safety campaigns.	**Not Implemented**

Sn	Key Findings	Key Recommendations	Ministry's Response- Status as of December 2024	NAO's Comments
	Focusing on Results for Effectiveness in Road Safety Interventions			
25	Issues with coordination over interventions, absence of time frame for the implementation of several programmes and projects and each stakeholder operating within its mandate contributed to lack of ownership and weakening of accountability for results. *(Pg 10)*	In order to guide efficiently and effectively road safety management and interventions, intermediate outcomes need to be defined by the Ministry and agreed by all stakeholders. Also, to ensure accountability and focus on results, time frames should be set as far as possible, for programmes and projects implemented by stakeholders. *(Pg 139, Para 5)*	Once the Lead Agency will be set-up, one of its mandate will be to ensure cross-sectional coordination with all major stakeholders.	**Not Implemented**

Commitments made by Ministry as per its reply
(Page 12 of the Report – Summary of Ministry's Reply)

	Actions envisaged by Ministry in June 2021	Status as of December 2024	NAO's Comments
1	The Road Traffic Act needs to be amended to create a Lead Agency which should have a technical arm and a Secretariat for implementation and coordination of road safety interventions.	There was no legally mandated National Road Safety Lead Agency.	**Not Implemented**
2	The Lead Agency should formulate a performance result framework and regularly report to the National Road Safety Commission on the results and matters calling for better coordination among the various Government bodies and motoring organisations dealing with road safety matters.	Once the Lead Agency, is set up, the Agency will report accordingly to the Commission.	**Not Implemented**
3	Loopholes in the implementation of the Cumulative Road Traffic Offences are to be studied together with the Police Service and State Law Office for any appropriate measures/amendments to address identified issues.	Ministry/TRMSU will brainstorm on the legislation with the Police and come up with appropriate corrective action.	**Not Implemented**
4	The Ministry is working in close collaboration with the Mauritius Institute of Training and Development to set up a Driver Education and Training Centre and intends to recruit a strategic partner to advise on the whole process of reviewing the Driver Standard.	MITD recruited a Transaction Advisor (Consultant).	**Partly Implemented**
5	Vehicle Examination Centres will be requested to install an apparatus to check speed limiters. The Ministry would also look into the possibility of implementing a Global Positioning System on heavy vehicles and buses which would connect to a system at NLTA for tracking vehicles speeding vehicle beyond 70 kilometres per hour limit.	No agreement was signed between VECs and NLTA. The draft was sent to Attorney General Office for vetting in February 2024.	**Not Implemented**
6	The Ministry will find alternative ways to perform small campaigns at lower costs through social media, Radio and Television.	The Ministry is using social media to carry out road safety campaigns online.	**Implemented**

7.2 NATIONAL LAND TRANSPORT AUTHORITY

7.2.1 Follow-up of Recommendations raised in the Audit Report 2022-23

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarised below. Out of 15 recommendations, 2 (13 per cent) has been implemented, 6 (40 per cent) have been partly implemented and 7 (47 per cent) have not been implemented.

SN	Findings	Recommendations	NLTA's Response – Status as of January 2025	NAO's Comments
	Motor Vehicle Licence Online Payment System Phase I and II (Pg 156)			
1	Only some 4,000 online payments were effected from May 2019 to June 2022 as online payments could be effected through credit cards only. ▪ Only a monthly average of 240 Motor Vehicle License (MVL) online payments have been effected, that is an average of eight online payments daily compared with the expected 1,000 online payments daily. ▪ Some 450,000 vehicle owners, that is 80 per cent, were paying their MVL at Post Offices. These payments were not being updated in RLS. Those who had renewed their last MVL at Post Offices and were willing to renew their current MVL online were encountering many difficulties in the absence of the necessary update in RLS.	▪ There is need to expedite the interfacing of the MPL system relating to MVL paid for at Post Offices with RLS at NLTA. ▪ Incentives should be given to encourage vehicle owners to use the online MVL payment system. *(Pg 157, Para 8.2.1)*	Following a management meeting held at the Ministry on 13 January 2025, it was agreed that the NLTA will liaise with the Mauritius Post Ltd (MPL) to ensure that its system is satisfactorily and properly linked to the NLTA. However, development of the system at MPL is independent of the NLTA that will only provide for the linkage port, if any, when MPL is ready with its system. Irrespective of this connectivity, anybody can log in to the MVL platform provided they have a MAUPASS account and pay MVL for other parties. The Ministry took a policy decision to postpone the cutoff date for online renewal of MVL from 2 November 2024 to 30 June 2025 so that the MPL continues to renew MVL till the new cutoff date. Sensitisation campaign has been organized on the media and social networks in July and	**Not Implemented** **Not Implemented**

SN	Findings	Recommendations	NLTA's Response – Status as of January 2025	NAO's Comments
			September 2024 to encourage vehicle owners to use the online MVL payment system for both phase I and II.	
	▪ No User Acceptance Testing Certificate for MVL Online System Phase I was available. ▪ There has been automation of the existing manual payment system without rethinking improvement in the system. ▪ As of October 2023, Phase II was not yet finalised, that is a delay of more than 10 months. *(Pg 156-158, Para 8.2.1)*			
	Revenue Management- Motor Vehicle Licence (Pg 158)			
2	*Inadequate Control over MVL Revenue by NLTA* ▪ A list of all registered vehicles was not made available to officers NAO and, therefore the accuracy and completeness of all revenue receivable and received for MV could not be ensured. ▪ A daily Cash Book Summary Report of all collections at the Head Office and sub-offices was not available.	▪ A Cash Book Summary Report of all collections at NLTA Offices and a complete list of all transactions should be generated daily by the Finance section. ▪ Monthly returns of cash collected should be certified correct by officers of NLTA sub-offices. ▪ The IT system should be upgraded. *(Pg 159, Para 8.2.2*	▪ Cash Book summary already implemented ▪ Corrective action is being undertaken by the Manager Financial Operations to inform all officers posted at the sub offices to henceforth certify correct the monthly returns.	**Implemented** **Not Implemented** **Not Implemented**

SN	Findings	Recommendations	NLTA's Response – Status as of January 2025	NAO's Comments
	▪ The stock book of MVL booklets was not updated whenever booklets were returned by the cashiers at the Head Office. ▪ NLTA sub-offices did not return the unused MVL booklets to NLTA Head Office. ▪ The IT Section could not run a script to extract a huge volume of transactions due to the old structure of the entire system. ▪ *(Pg 158-159, Para 8.2.2*		▪ Stock book has already been updated. Corrective action will be taken by the Finance section for return of the unused booklets. The matter is being looked into by the MFO to work on latest format reports that need to be generated for audit purposes.	
3	*Lapses in Monitoring of MVL Revenue Collection by Post Offices.* ▪ Payments of MVL effected at Post Offices during the financial year 2022-23 were not updated in RLS by NLTA. ▪ Used and unused MVL booklets returned by MPL to NLTA were not verified against the stock book. ▪ Independent verification was not carried out on MVL issued by MPL to ascertain whether the right fee had been charged with respect to engine ratings and class of vehicles.	▪ MVL booklets returned by MPL after the expiry of their validity period should be verified with the used copies of MVL. ▪ NLTA should implement interfacing of the RLS with MPL system so that payments of MVL at Post Offices are updated in the RLS. *(Pg 160, Para 8.2.2)*	Verification on used and unused MVL booklets are being carried out for year 2024. Backlog is being cleared by the newly recruited MSO's. Following a management meeting held at the Ministry on 13 January 2025, it was agreed that the NLTA will liaise with the Mauritius Post Ltd (MPL) to ensure that its system is satisfactorily and properly linked to the NLTA.	**Partly Implemented** **Not Implemented**

SN	Findings	Recommendations	NLTA's Response – Status as of January 2025	NAO's Comments
	▪ Post Offices, as collecting agents, were not connected to the RLS of NLTA, so payments of MVL were not reflected therein. ▪ *(Pg 159-160, Para 8.2.2)*			
	Lapses on Management of Levy on Fees for Examination of Vehicles (Pg 160)			
4	*Agreement with operations of Vehicle Examination Stations not yet signed.* ▪ Seven years have elapsed since the issue of the Letter of Comfort and no agreement has yet been signed between the NLTA and each of the operators of the VES. *(Pg 160-161, Para 8.2.3)*	A formal agreement should be finalized with each of the private Operators of the VES. *(Pg 161, Para 8.2.3)*	The Agreement to be signed with the VESs is being looked into at the level of the Ministry, including the follow-up with the Attorney-General's Office.	**Not Implemented** *(Agreement is being looked into at the Ministry)*
5	*Inadequate monitoring of revenue by NLTA.* ▪ During the financial year 2022-23 a total amount of Rs 14.7 million was received from the three operators against a budgeted revenue of Rs 26 million, that is, a shortfall of Rs 11.3 million. No returns of monthly revenue collected by the operators were submitted to NLTA *(Pg 161, Para 8.2.3)*	The monthly return prepared by VES should be verified by NLTA Vehicle Examiners posted at each VES. *(Pg 161, Para 8.2.3)*	Monthly return prepared by VES are verified by the NLTA Senior Vehicle Examiners posted at each VES.	**Implemented**

SN	Findings	Recommendations	NLTA's Response – Status as of January 2025	NAO's Comments
6	**Enhancement of NLTA Services (pg 161)**			
	▪ There were long queues at the different counters at the NLTA Head Office. ▪ There is a high demand for services at the NLTA Head Office in respect of MVL. ▪ Collections in respect of MVL by the Mauritius Posts Ltd) totalled some Rs 1.4 billion. *(Pg 161, Para 8.2.4)*	▪There is a need for a One-Stop-Shop computerised system for a Central Motor Vehicles database in Mauritius. ▪ Different applications can reside in the system and each user can have access to the relevant services in the system. ▪Registration of vehicles can be digitalised along with the e-Horse Power. *(Pg 163, Para 8.2.4)*	MVL Phase I and Phase II and online Gage sans Deplacement at the level of Registrar General Department have already been implemented thus reducing greatly the waiting time and long queues. Online First Registration by Motor Vehicle Dealers (MVDs) already implemented since October 2023. As of January 2025, 8 MVDs have already roped into the project and are fully operational. Moreover, since October 2024, NLTA has implemented the MVL online payment system to enable MVDs to effect payment online thus reducing the large number of queues at the NLTA.	**Partly Implemented** **Partly Implemented**
7	**The Computerised Registration and Licence System of NLTA is outdated (Pg 164)**			
(a)	▪ RLS was running on Oracle RDBMS 8.1.7 using Windows 7 as operating system. Windows 7 was no longer supported since 14 January 2020, which led to the current system to be unstable and hence affected its performance.		Tender documents already prepared for the revamping of the RLS. Request for Funds has made by the Ministry. A reply being awaited from MoFED.	

SN	Findings	Recommendations	NLTA's Response – Status as of January 2025	NAO's Comments
	The RLS was being revamped in collaboration with the Central Informatics Bureau (CIB). *(Pg 164, Para 8.2.4)*			
8	**Deficiencies in IT Governance at NLTA (Pg 165)**			
	▪ There was no proper IT Strategy Committee to ensure alignment of IT with NLTA's objectives. ▪ NLTA had no formal IT Strategic Plan, Budget and Performance Indicators. ▪ There was neither a System Administrator nor an IT Manager to manage the IT systems. Staff of the Central Information System Division, posted at NLTA, gave ICT support services and CIB Officers assigned to NLTA as part-time Programme Managers. ▪ Between July 2017 and June 2023, the IT expenditure budget amounted to Rs 288.4 million, but only Rs 46.2 million were spent, that is some 16 per cent, which is on the low side. ▪ In the financial year 2017-18, the project value for the Computerisation of NLTA amounted to Rs 415 million, but in December 2023, the tender documents	▪ NLTA need to appropriately staff its IT Unit in order to manage some 700,000 registered vehicles. ▪ An IT Strategic Plan and an IT Operation Plan with the appropriate IT Budgets, combined with necessary Key Performance Indicators and Risk Management Framework should be prepared, implemented, monitored and evaluated. ▪ A Monitoring, Evaluation and Reporting System should be put in place. *(Pg 166, Para 8.2.4)*	Matters regarding IT for the Public Sector falls under the purview of Ministry of Information Technology, Communication and Innovation. Staffing of the IT unit and IT Manager are provided by the said Ministry. There is a close monitoring and follow up through meetings chaired by the RTC/OIC. Also, the SSA conducts meetings with all concern stakeholders. Online services have been attained at 70%. The computerization of NLTA system is a misnomer as it concerns rather the upgrading of NLTA system. This is because of the multiple additional online services which has rendered the system quite slower in speed. Hence more operational capacity needs to be provided. Strategically the NLTA is already online in terms of service provided to the public. For example MVL, Personalised Registration Marks, renewal of Public Service Vehicle Licenses, Moto Vehicle Dealers providing online registration of new vehicles.	**Not Implemented** *(No specific reason given)* **Partly Implemented** **Partly Implemented**

SN	Findings	Recommendations	NLTA's Response – Status as of January 2025	NAO's Comments
	were still under preparation and only Rs 2.7 million were spent on the project. ▪Some Rs 12.3 million were spent on the Passenger Information System, but the objective of the project has not yet been attained in December 2023. ▪ The Cashless Ticketing System project has still not been implemented though funds have been appropriated since the financial year 2018-19. ▪ As of 30 June 2023, some Rs 0.7 million were spent on Phase 2 of the MVL Online but the project has still not been implemented. For Phase 1, some Rs 5.2 million were expensed in 2018-19 and some 6,300 applications were received as of 30 June 2023. *(Pg 165-166, Para 8.2.4*		Fitness centers and Insurance companies are linked to the system. Remaining online services are dependant on the computerisation of other stakeholders. Upgrading of the NLTA system is being dealt with at the Ministry. Enhancement and upgrading are being carried as per funds available. With regards to KPI the IT section will work on proper KPIs which need to be specific, measurable, achievable, relevant and time bound with an aim of continuous improvement.	

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8 – MINISTRY OF FINANCE, ECONOMIC PLANNING AND DEVELOPMENT

8.1 FINANCE, ECONOMIC PLANNING AND DEVELOPMENT

8.1.1 Non-compliance with the Finance and Audit Act – Remedial action on shortcomings in the Report of the Director of Audit

Background Information

Section 4B of the Finance and Audit Act stipulates the following:

(1) "*Every department shall, not later than 31 October in every year, submit to the Minister a report on its performance in respect of the previous fiscal year and on its strategic direction in respect of the following 3 fiscal years".*

(2) "*A report under subsection (1) shall contain a statement showing an implementation plan for remedial action and for preventing the recurrence of the shortcomings, including wastage of public funds referred to in the report of the Director of Audit."*

Finding

From a sample of 40 reports examined for the financial year 2022-23, 10 reports did not include an implementation plan for remedial actions to prevent the recurrence of the shortcomings referred to in the Report.

Root Cause

There was inadequate monitoring of Section 4B of the Finance and Audit Act by the Ministry of Finance, Economic Planning and Development (MoFEPD).

Recommendation

The Ministry of Finance should draw the attention of the Ministries to comply with Section 4B of the Finance and Audit Act and to take appropriate remedial actions.

Ministry's Response

Meetings/Consultations were held with several Ministries/Departments to assist them in preparing their Annual Reports in line with the guidelines issued by the Ministry.

Investments in MauBank Holdings Ltd – Rs 5.7 billion

Background Information

As of 30 June 2024, the Government held a 100 percent equity stake in MauBank Holdings Ltd (MHL), amounting to Rs 5.7 billion. MHL, owned 99.96 per cent of MauBank Ltd and 100 per cent of MauFactoring Ltd and EAMC Ltd. Additionally, MauBank Ltd held 100 per cent of the shares in MauBank Investment Ltd.

The Government's main objective was to recoup its investments by partially selling the shares in MauBank Ltd once the latter achieved substantial profits and capital growth.

Further to the Management Letter for the financial year 2022-23, MoFEPD, had on 17 November 2023, replied that the disposal process was ongoing.

Findings

- The disposal process was still ongoing as of 5 September 2024. The first disposal attempt failed as the preferred bidder missed the down payment deadline, even after 3 extensions.

- Government injected an additional Rs 500 million as equity into the bank through MHL during the financial year 2023-24 to strengthen the bank's capital base and support its growth strategies.

- Since 2015, Government has invested Rs 4.1 billion as equity in MauBank Ltd through MHL to meet regulatory capital requirements and to expand its operations. However, as of date, the Government has not received any returns from these investments.

Recommendation

The Steering Committee of the Ministry of Finance should expedite the disposal of shares as per the Government's decision.

Ministry's Response

As of now, the disposal process is still ongoing and the Steering Committee is following on the disposal process and has requested MauBank to expedite the process.

Projects under Preparation: Financial Clearance not sought before award of Contract

Background Information

Financial Instruction No. 1 of 2019 states that Public Bodies should seek financial clearance from MoFEPD before launching bids and implementation of projects.

Findings

In the following cases, the financial instruction was not complied with. Financial clearance was not sought before the contract were awarded and payments had to be met under Vote Centrally Managed Initiatives of Government, Item 31113999 "Other Structures: Projects under preparation".

- ***Upgrading of the Trou Chenilles Trail – Le Morne***

In the financial year 2023-24, the Le Morne Heritage Trust Fund, awarded a contract in connection with "Stabilisation Works at Le Morne Brabant Mountain" for an amount of Rs 6,575,006. In April 2024, the Ministry of Arts and Cultural Heritage submitted a request to MoFEPD for the release of Rs 1,568,300, to meet payment in connection with the project.

MoFEPD noted that financial clearance was not sought before the award of the contract.

- ***Revamping of Professional Drivers Training Centre***

In January 2023, the Mauritius Institute of Training & Development awarded a contract for the "Provision of Transaction Advisory Services for the Revamping of the Professional Drivers Training Centre into a modern Driver Training and Education Centre under Build, Operate and Transfer Scheme" for the sum of US$ 193,231 and a sum of Rs 1,700,000 as success fee (both exclusive of VAT). As at 30 June 2024, a total amount of US$ 77,292 (Rs 3,475,421) was disbursed.

MoFEPD noted that financial clearance was also not sought before the award of the contract.

Root Cause

Implementing agencies were not complying strictly with the Financial Instructions issued by MoFEPD.

Recommendation

The Ministry of Finance should re-issue reminders to Ministries/Departments to request compliance with the Financial Instruction No. 1 of 2019 and to exercise better financial control on the use of public funds.

Ministry's Response

As there were contractual commitments, funds were exceptionally released. The attention of the above-mentioned bodies was drawn to abide to established financial rules and procedures and to ensure that such a situation does not recur.

Disbursements of Funds to Rodrigues Business Park Development Co Ltd not supported by appropriate documentary evidence

Background Information

In the Budget Speech 2018-19, provision was made for constructing a technology park in Rodrigues and a private company, Rodrigues Business Park Development Co. Ltd (RBPD) was incorporated in February 2019 to implement the project.

In February 2021, a loan agreement was signed between the Government and RBPD, for a amount of Rs 220 million to finance the construction of the park. Section 2.3 of the Loan Agreement stipulates that *"Disbursement of the loan shall be effected upon application for funds by RPBD supported by appropriate documentary evidence as may be required by GOM".*

As at June 2024, a total amount of Rs 220 million was disbursed to RBPD, including an amount of Rs 75 million in the financial year 2023-24.

Finding

Disbursement of the Rs 75 million in the financial year 2023-24, was effected in the absence of appropriate documentary evidence such as payment certificates duly certified by the Consultant.

Recommendation

The Ministry of Finance should ensure that the terms of the Loan Agreements regarding disbursement are complied with when releasing funds.

Ministry's Response

The agreement does not specify the exact documentary evidence to be provided. However, the loan was disbursed in advance, based on the application for funds and cash flow forecast to allow the company to meet its obligations to the contractor on time.

Key Performance Indicators not correctly set

As per Estimates 2023-24, MoFEPD's Key Performance Indicators (KPI) was set as follows:

Delivery Unit	Main Service	Key Performance Indicator	Target 2023/24
MoFEPD	Development of sound economic and fiscal policies and effective budget execution and monitoring	Percentage of Key Budget measures implemented	85%

Finding

KPI - "Percentage of Key Budget measures implemented"

As per MoFEPD's Circular No 1 of 2022, the Project Implementation and Monitoring Agency, has been set up under the Ministry, to improve the timely implementation of government projects/programmes and budgetary measures.

This KPI did not include infrastructure and non-infrastructure projects implemented by other Ministries/Departments even though MoFEPD's key function is to ensure effective budget execution and monitoring for the whole government.

Recommendation

The KPI of the Ministry of Finance should be reviewed taking into consideration both infrastructure and non-infrastructure measures implemented by all Ministries/Departments.

Ministry's Response

The KPI 'percentage of Key measures implemented' takes into consideration key budget measures implemented by MoFEPD only, as the section Strategic Overview is for the Ministry only. Other Ministries/Departments may include in their strategic overview this KPI for monitoring of key budget measures implemented under their purview.

- ***KPI for the Mauritius Revenue Authority not adequate***

The main service of the Mauritius Revenue Authority (MRA) is the "Collection of tax revenue". Table 8-1 shows the budget and actual revenue collection of the MRA over the financial years 2019-20 to 2022-23.

Table 8-1 Budgeted and Actual Tax revenue collected

Financial Year	Budget Estimates	Revised Estimates	Actual Tax Collected	Excess of Actual Collection over Estimates
	Rs million	Rs million	Rs million	Rs million
2019-20	95,238	-	84,282	(10,956)
2020-21	75,243	-	78,327	3,084
2021-22	108,522	-	106,500	(2,022)
2022-23	126,519	131,083	128,152	(2,931)

Source: Integrated Annual Report of the MRA

Findings

- Over the past 4 years, the tax revenue collected was lower than the estimated figure except for the financial year 2020-21.

- The KPI for the MRA was "Arrears collected as a percentage of total collectible arrears at the start of the year" which does not reflect the main service of MRA.

Recommendation

The Ministry of Finance should ensure that KPI for MRA also include the "Percentage increase in revenue collection" as an indicator of performance, over and above debt collection.

Ministry's Response

Consideration will be given to the proposal of NAO for inclusion of the new KPI for MRA.

8.1.2 Pension Funds – 74 Public Sector Bodies reported Deficits Totalling Rs 51.4 billion as at 30 June 2023

Background Information

According to IPSAS 39 *'Employee Benefits'*, an entity shall recognise the net defined benefit liability/asset in the statement of financial position. The net defined benefit liability/asset is the deficit or surplus calculated by deducting the fair value of plan assets from the present value of the defined benefit obligations.

The defined benefit plan deficits of Statutory Bodies and Local Authorities have increased from Rs 40 billion as at 30 June 2021 to Rs 51.4 billion as at 30 June 2023, that is an increase of 28.5 per cent.

Findings

Based on the Financial Statements submitted to the NAO, for the financial year ended 30 June 2023, the following were noted as shown in Table 8-2.

- The aggregate pension deficit of the 62 Statutory Bodies amounted to Rs 42 billion.
- The aggregate pension deficit for the 12 Local Authorities increased from Rs 7.1 billion as at 30 June 2021 to Rs 9.4 billion as at 30 June 2023.
- As at 30 June 2023, 9 of the Statutory Bodies and 5 Local Authorities had aggregate deficits of Rs 34.2 billion and Rs 6.5 billion respectively.

Table 8-2 Pension Fund Deficits of Statutory Bodies and Local Authorities for the past 3 years ending 30 June 2023

Statutory Bodies	**30 June 2023 Rs**	**30 June 2022 Rs**	**30 June 2021 Rs**
Private Secondary Education Authority (PSEA)*	12,704,202,720	10,754,395,586	9,531,995,111
Central Electricity Board	5,727,480,000	5,628,042,000	6,644,464,000
Mauritius Revenue Authority	5,124,840,087	4,223,281,212	3,503,015,657
Central Water Authority	2,586,827,712	2,480,036,073	2,276,820,717
University of Mauritius	2,077,277,071	1,851,267,164	1,389,209,031
Mauritius Cane Industry Authority	1,521,575,727	1,522,273,929	1,254,772,914
Mauritius Broadcasting Corporation	1,583,447,412	1,407,928,967	1,184,420,088
Mahatma Gandhi Institute	1,586,843,449	1,343,661,001	1,015,713,896
Mauritius Institute of Education	1,288,825,317	1,269,573,662	1,123,808,395
	34,201,319,495	**30,480,459,594**	**27,924,219,809**
51 other Statutory Bodies	-	-	**5,053,106,299**
56 other Statutory Bodies	-	**6,772,852,317**	-
53 Other Statutory Bodies	**7,818,962,846**	-	-
Total for Statutory Bodies	**42,020,282,341**	**37,253,311,911**	**32,977,326,108**
Local Authorities			
The City Council of Port Louis	2,126,138,973	2,104,586,895	1,720,664,491
Municipal Council of Curepipe	1,134,893,940	1,129,000,798	947,866,219
Municipal Council of Vacoas /Phoenix	1,234,395,269	1,183,186,514	933,383,076
Municipal Council of Beau Bassin /Rose Hill	1,147,920,319	1,085,824,818	881,872,741
Municipal Council of Quatre Bornes	900,577,500	830,801,692	689,566,766
	6,543,926,001	**6,333,400,717**	**5,173,353,293**
7 Other Local Authorities	**2,852,801,796**	**2,402,126,104**	**1,918,925,503**
Total for Local Authorities	**9,396,727,797**	**8,735,526,821**	**7,092,278,796**
Gross Total	**51,417,010,138**	**45,988,838,732**	**40,069,604,904**

Source: NAO Analysis of Statutory Bodies and Local Authorities Financial Statements
**The figures for PSEA as of 30 June 2023 were based on the SICOM Statement as the financial statements for the financial year 2022-23 have not yet been submitted to NAO.*

Recommendation

Necessary measures should be taken to ensure that the public sector bodies meet their future pension obligations.

Ministry's Response

The defined benefit pension funds of statutory bodies and local authorities have accumulated significant actuarial deficits over time.

- Public Bodies, having private pension funds governed by the provisions of the Private Pension Schemes Act, such as in the case of the Central Electricity Board, have the responsibility to address any funding gap in their pension funds.

- Revenue-generating statutory bodies having pension funds that are governed by the Statutory Bodies Pension Funds Act, such as the Central Water Authority and the Mauritius Broadcasting Corporation, their boards are required to take appropriate actions to finance any deficit in their pension funds out of their own funds.

- For non-revenue generating statutory bodies, a Technical Committee was set up at the level of the Ministry of Finance to look into the financial position of their pension funds and to come up with appropriate recommendations.

  The committee recommended, inter alia to increase the funding level of the pension funds to at least 60 percent over a period of 10 years starting financial year 2022-23. To date, more than Rs 1 billion has already been injected into these pension funds to improve their funding level.

The Ministry is monitoring the situation of these pension funds and will consider the implementation of the medium to long-term recommendations subject to economic conditions and fiscal space.

8.1.3 Non-Compliance with Procurement Rules/Regulations/Directives

Background Information

The Procurement Policy Office (PPO) derives its mandate from the Public Procurement Act (PPA) 2006. Section 7(b) of PPA empowers the PPO to formulate policies relating to procurement and issue directives, procedures, technical notes and manuals in view of implementing provisions of the Act and any Regulations made under it.

Findings

- ***Non- Compliance with Directive No. 47- Mandatory use of e-Procurement System***

In the budget speech for 2020-21, it was announced that the e- Procurement System (e-PS) will become mandatory for all Public Sector Bodies. In August 2020, the PPO issued Directive No. 47 relating to the mandatory use of the e-PS.

As at 30 June 2024, out of 273 public bodies, 112 were accessing the e-PS, representing 41 per cent.

PPO's Response

The level of compliance cannot solely be measured by the number of public bodies but rather by the percentage of total public procurement spend. Most of the public bodies that have not yet started using the e-PS are small organisations not having the required number of staff to perform the tasks in different roles. This office is working on a technical solution.

- ***All Stages of Procurement Processes not conducted in e-PS***

The number of electronic bid submissions through e-PS was 10,987 and 11,357 in financial years 2022-23 and 2023-24 respectively. However, not all the stages were conducted through the e-PS as shown in Table 8-3.

Table 8-3 Bid submission through e-PS and procurement process/stage involved

Financial Years	Procurement Process/Stage		Total Number of Bid Submissions
	Up to Opening of bid	Up to Evaluation of bid	
2022-23	10,770	217	10,987
2023-24	11,192	165	11,357

Source: Information provided by PPO

For the financial year 2022-23, 98 per cent of the bid submission was made up to the opening of the bid, however, only 2 per cent up to the evaluation stage. For the financial year 2023-24, the percentage of bids made up to the evaluation stage has decreased to 1.5 per cent.

Additionally, Directive No. 47 requires that all public bodies shall keep a register of all procurement exercises not undertaken under the e-PS incorporating justifications for such deviations and shall submit a return of such procurement exercises to PPO on a quarterly basis. No such return was sent by public bodies.

PPO's Response

In a phased manner public bodies including CPB have been trained to extend the use of e-PS at least to the evaluation stage. It is expected that the new e-Government Procurement system will be more user-friendly and designed in a manner that all stages would have to be mandatorily performed through the system.

- ***Non-submission of Return on Procurement Activities***

Circular No. 11 of 2021 was issued by PPO under section 7A of the PPA 2006. This circular stipulates that Public Bodies shall, henceforth, submit the Returns on Procurement Activities (ROPA) (including those having nil returns) on a half-yearly basis as per the template designed by PPO, as follows:

(i) 1 January to 30 June to be submitted by 15 July at the latest; and

(ii) 1 July to 31 December to be submitted by 15 January at the latest.

For the financial year 2023-24, out of 273 public bodies, 61 and 132 have not yet submitted ROPA for the period July to December 2023 and January to June 2024 respectively.

PPO's Response

This office has issued a reminder to defaulting public bodies that non-provision of information requested may constitute an offence. Some public bodies have started complying.

- ***Performance Rating of Suppliers, Contractors and Consultants***

Section 35 (3) of the PPA 2006 and Regulation 9A(6) of 2008 stipulates that the performance rating of suppliers, contractors, and consultants shall be accessible to public bodies through a portal designated by the PPO. Directive No. 69 was also issued along the same line. In February 2024, PPO issued Circular No. 3 of 2024 to the heads of public bodies requesting Accounting Officers of Ministries /Departments to post the performance rating of contractors/suppliers on the portal designated by the Policy Office.

The above provisions were not being complied with as PPO noted that no information has been posted on the designated portal about any supplier rated as a poor performer.

In August 2024, PPO reiterated to Accounting Officers that public bodies are mandatorily required to:

(i) Set a performance review committee as per Directive No. 64A.

(ii) Monitor and rate the performance of contractors for works as per Directives No. 69.

(iii) Post on the designated portal for the rating of any supplier, contractor, or consultant as rated as a poor performer.

PPO also requested Accounting Officers to inform whether their Ministry and any respective Department, Statutory Bodies, Local Authorities falling under their purview have complied with the provisions stated above. As of November 2024, PPO had not received any reply.

- ***KPIs for Procurement Lead Time – Directive No. 13***

Directive No.13 set out a tentative procurement lead time in respect of procurement using Open Advertised Bidding for major and non-major contracts which aims for public bodies to attain. It proposes an indicative time frame for the different stages of the bidding process which takes into account the bid submission period allowing sufficient time for bidders to prepare and submit their bids and reasonable time for examination, evaluation, approval, and award of contracts.

Public bodies are required to submit a brief report when submitting their return of procurement activities that have exceeded the lead time.

No such report was seen although in several cases compliance audit reports showed delays in the procurement processes.

PPO's Response

This Office will send a reminder to public bodies to make use of the individual procurement plan template available on the e-PS to monitor the different stages.

- ***Report in respect of Works Contract- Directive No. 62***

Directive No. 62 issued on 8 February 2022 requires public bodies to henceforth submit to the PPO a progress report of works and that of the Performance Review Committee in relation to projects exceeding Rs 300 million on a quarterly basis, within 15 days following the end of each quarter.

As per the file F/PPO/2022/115 (Report for works contract- Directive No. 62) only the Ministry of National Infrastructure and Community Development (National Development Unit) had submitted brief details as regards to works contracts exceeding Rs 50 million. However, no progress report was submitted as required.

As for the other public bodies, dealing in works contracts in this category, there was no evidence that they were complying with these provisions.

PPO Response

Directive No. 62 will have to be reviewed as projects exceeding Rs 300 million now fall under the purview of the Project Management and Contract Administration Unit (Ministry of Finance).

Findings from Compliance Audit Undertaken by PPO– Non-Compliance Issues

Under section 7A of the PPA 2006, in the discharge of its functions, the PPO may carry out a procurement audit.

During the financial year 2023-24, PPO carried out 13 compliance audits at different public bodies relating to the financial years 2021-22 and 2022-23. The procurement audit revealed several non-compliance issues including:

- In 9 public bodies, section 40 (1A) of the PPA 2006 was not complied with. This section provides that the Chief Executive Officer of a public body shall, before awarding a contract, certify and keep on record that all the procurement rules have been complied with.

- The Performance Review Committee was not set as required by Directive No. 64A by 8 public bodies.

- The use of e-PS for conducting all the stages involved in the procurement process, in accordance with Directive No. 47, was not adhered to by 12 public bodies.

- In 8 public bodies, register for formal quotations and informal quotation exercises were either not kept or incomplete in accordance with paragraph 32 (j) of Financial Instruction 1 of 2014 and regulation 70(1) of the Public Procurement Regulations (PPR) 2008 which stipulates that "every public body shall keep record of every procurement proceeding".

PPO's Response

While this Office makes all possible efforts to improve the level of compliance, it should be recognised that the small compliance team can only conduct a limited number of on-site audits.

Root Causes

- Lack of proper follow-up and monitoring at the level of public bodies to comply with the relevant legislation and guidance provided by the PPA 2006, PPR 2008, directives, circulars, and financial instructions.

- Lack of enforcement actions as per Section 60 of the PPA 2006.

Recommendations

- PPO should ensure enforcement of Section 60 of the PPA 2006.

- Effective use of e-PS by Ministries and Departments to improve transparency and accountability and facilitate the flow of information to stakeholders.

PPO's Response

- PPO agrees with the root causes and would make recommendations for disciplinary action whenever the need arises.

- PPO reports deliberate non-compliance to the Head of Civil Service for necessary action when such is found during a compliance audit.

- Following the Methodology for Assessing Procurement Systems recommendations, the legal framework will be reviewed, and the e-PS replaced by the new e-GP, which will be more user-friendly. Together with the revised legal framework, it will greatly improve transparency and accountability and facilitate the flow of information to stakeholders. The implementation of the new system will largely contribute to addressing the problems and weaknesses found.

8.1.4 Follow-up of Recommendations raised in the Audit Report 2022-23

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarised below. Out of 7 recommendations, 2 (29 per cent) have been implemented, 3 (42 per cent) have been partly implemented and 2 (29 per cent) have not been implemented.

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
	Assessment Review Committee -Cases involving taxes not yet resolved (Page 183)			
1	Significant number of Cases with Substantial amount pending at the level of the ARC at close of each financial year. KPI not set for ARC. *(Pg 183-184, Para 9.1.1)*	▪ To put in place an Arrears Management Committee to monitor the performance of ARC and the pace of settlement of cases. ▪ The setting up of KPI for ARC. *(Pg 186, Para 9.1.1)*	Amendment has been brought to the MRA Act through the Finance (Miscellaneous Provisions) Act 2024 for the setting up of KPI for ARC. Accordingly, consultations are being held with ARC to agree on a KPI that will be in line with the amendment made in the Act.	**Partly Implemented**
	Key Performance Indicators (Page 186)			
2	(a) KPI not set for IRP. *(Pg 187, Para 9.1.2)*	The Accounting Officer should ensure that IRP set its KPIs. *(Pg 187, Para 9.1.2)*	Consideration will be given for setting up of KPI for IRP.	**Not Implemented** *(KPI not yet set)*
	(b) KPI targets not met. (i) Report on Performance. *(Pg 187, Para 9.1.2)*	The Accounting Officer should revise the KPI to "Percentage of Ministries/Departments submitting Annual Report on Performance within Statutory Deadline". *(Pg 187, Para 9.1.2)*	Several actions have been taken to ensure full compliance with the statutory provisions. The onus of submission rests with Ministries. As at 15 October 2024, the submission rate has reached 91%.	**Partly Implemented** *(KPI not yet amended)*
	(ii) Electronic Inventory Management System (EIMS)	A Project Steering Committee to be set up at Ministry's level to closely monitor progress for the implementation of EIMS.	A Project Steering Committee has been set up at MoFEPD to monitor the implementation of the project.	**Implemented**

SN	Findings	Recommendations	Ministry's Response-Status as of January 2025	NAO's Comments
	(iii) Establishment of Risk Management (RM) Framework in the Public Sector. *(Pg 187, Para 9.1.2)*	A Project Steering Committee should be set up at the level of MoFEPD which should include officers of the Ministry, Internal Control Cadre and Office of Public Sector Governance. The Committee should then devise a proper implementation plan with clear objectives, deliverables and output to ensure timely setting up of RM Framework in Ministries/Departments *(Pg 188-189, Para 9.1.2)*	Consultations are being held on the proposal.	**Not Implemented** *(Committee not yet set up)*
	Audit Committee (Page 189)			
3	The Audit Committee at MoFEPD met only once during the financial year 2022-23. *(Pg 189-190, Para 9.1.2)*	The Chairperson should ensure that the AC holds a minimum of six meetings annually, with at least one meeting per quarter. *(Pg 190, Para 9.1.2)*	Two meetings were held by the Audit Committee during 2022-23. One in July and another one in October 2022. For 2023-24, the Audit Committee has had six meetings.	**Implemented**

8.1.5 Follow-up of Recommendations raised in the Audit Report 2022-23

Improving Accountability in Ministries and Government Departments

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarised below. Out of 12 recommendations, 7 (58 per cent) have been partly implemented and 5 (42 per cent) have not been implemented.

SN	Findings	Recommendation	Ministry's Response – Status as of January 2025	NAO's Comments
IMPROVING ACCOUNTABILITY IN MINISTRIES AND GOVERNMENT DEPARTMENTS (Page III-IX)				
1	83 per cent of Ministries and Government Departments have not complied with Section 4B of the Finance and Audit Act in respect of the submission of their Report on Performance within statutory deadline.	The Accounting Officer should revise the KPI to "Percentage of Ministries/Departments submitting Annual Report on Performance within Statutory Deadline".	To strengthen Annual Reporting by Ministries and Departments, the Finance and Audit Act was amended through the Finance (Miscellaneous Provisions) Act 2024 to provide for Annual Reports on the Performance of Ministries and Departments to be tabled at the National Assembly. This amendment is effective as of financial year 2024-25.	**Partly Implemented**
2	(i) 57 per cent of the Key Performance Indicators (KPI) targets set were not met. (ii) 19 Delivery Units had not set any KPI.	KPIs must be set for each Ministry and Government Department taking into consideration resources available for the achievement of the goal/objective with a deadline for delivery. Accounting Officers should monitor closely the KPIs and take necessary remedial actions	As per Section 19(3) of the Finance and Audit Act, a statement on "Progress report on achievements and performance" has to be included in the Annual Report of the Accountant-General. When conducting this exercise, follow-up is done with Ministries and Departments by this Ministry and SMSTs regarding the achievements of the KPIs.	**Partly Implemented**
3	Inadequacy of the existing legal framework for effective control mechanism over grants of some Rs 28.2 billion disbursed to Parastatal Bodies, Local Authorities and Rodrigues Regional Assembly.	There is a need for an effective mechanism to allow for appropriate control to be exercised over grants to these bodies so as to ensure that the intended objectives for which public funds have been provided are duly achieved.	When assessing grant eligibility, the Accounting Officer should ascertain whether the organization has been compliant with previous grant terms and conditions, including achievement of stated objectives and delivery of expected outputs. Accounting Officers should also ensure that	**Partly Implemented**

SN	Findings	Recommendation	Ministry's Response – Status as of January 2025	NAO's Comments
		Public funds disbursed to these bodies must be related to their KPI.	annual reports of grant recipients appropriately disclose grants received from Government and the application thereof.	
4	Significant delays in the implementation of projects concerning the delivery of essential services, thus affecting the lives of citizens.	Responsibilities must be well defined in project implementation by setting up of appropriate KPIs.	Implementation of projects and timelines are monitored through the E-Project Management Information System (e-PMIS). Also, a management tool, the Executive Management System, is being implemented for the monitoring of capital projects on a real-time basis. Different training sessions have already been conducted with Ministries/Departments. Presently, the system is being fully used by the RRA to monitor its projects.	**Partly Implemented**
5	Inadequate monitoring at the level of Ministries and Government Departments on the implementation of capital projects by other public sector bodies falling under their aegis, thus causing delays in completion of projects and poor contract management.	Ministries should monitor projects for which public funds have been disbursed under their Vote Items and should not function merely as a disbursement agency.	A management tool, the Executive Management System, is being implemented for the monitoring of capital projects on a real-time basis for Ministries/Departments and their parastatal bodies. In addition, a Project Management and Contract Management Unit has been set up at the level of the Ministry of Finance for efficient contract management of major capital projects.	**Partly implemented**
6	Limitation in the scope of audit of NAO to ascertain whether public funds disbursed to private entities or special purpose vehicles are applied for the intended purpose set by the National Assembly.	Relevant legislations have to be reviewed to enable NAO to verify whether public funds have been applied for the purpose for which National Assembly provided funds and have been used economically, efficiently and effectively.	Consultations will be made with relevant stakeholders with regard to the proposed recommendations and in particular with regard to the intention of the new Government.	**Not Implemented**

SN	Findings	Recommendation	Ministry's Response – Status as of January 2025	NAO's Comments
		Consideration to be given for the Public Accounts Committee of the National Assembly to hold these bodies accountable for the use of public funds granted to them.		
7	Audit Committee was not achieving its objectives and Risk Management (RM) Framework was not developed.	The Office of the Public Sector Governance (OPSG) should monitor the setting up of an RM Framework.	Implementation of Risk Management Framework is being implemented in a phased manner, the targets are stated in the Budget document.	**Partly Implemented**
PROPOSED REFORMS TO IMPROVE ACCOUNTABILITY (Page X – XIII)				
1	Preparation of Annual Report for each Ministry and Government Department.	It is proposed that each Ministry and Government Department publish on a timely basis an Annual Report, including its financial position and performance as well as non-financial performance information.	The Annual Report on Performance of Ministries/Departments are generally published on their Websites. The report consists of both financial and non-financial information.	**Not Implemented**
2	Professionalisation of the Finance Function in Ministries and Government Departments providing more than accounting information.	It is proposed that professional accountants be posted in each Ministry and Government Department.	Given that officers in the Financial Operations Cadre have been provided with Capacity Building, consultations will be made with relevant stakeholders on the proposed recommendations.	**Not Implemented**
3	All Ministries and Government Departments to become Self-Accounting.	With the professionalisation of the finance function, all Ministries and Government Departments can become self-accounting, whereby the responsibility for making payments, collecting revenue and maintaining the accounts will be transferred from the Accountant-General to the Accounting Officer of the non-self-accounting Ministry/Department.	It is to be noted that the proposed recommendations will require additional resources and setting up of appropriate mechanisms at the level of Ministries/Departments. Consultations will be made with relevant stakeholders on the proposed recommendation.	**Not Implemented**

SN	Proposals	Recommendation	Ministry's Response – Status as of January 2025	NAO's Comments
4	Introducing a framework for Good Governance in the Public Sector.	The public sector should develop a Code for '*Good Governance in the Public Sector'* to enhance trust and confidence in public sector administration while also improving accountability.	The Office of Public Sector Governance (OPSG) has already initiated action for the Ministry of Financial Services and Good Governance to avail the services of a consultant for the development and implementation of this Code.	**Partly Implemented**
5	Audit of Performance Information – For financial year 2022-23, audit has noted that 57 per cent of the KPI targets set were not met and 19 Delivery Units did not set any KPI.	It is proposed that each Ministry and Government Department prepare a Report on Performance Information including KPI's and actual achievement on non-financial information.	Circular No.7 of 2018 – Guidelines on Annual Reports on Performance issued by this Ministry provide that Ministries/Departments should include in their Annual Report Key Actions for the fiscal year set in the Budget Estimates and to what extent the targets have been met.	**Not Implemented**

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8.2 MAURITIUS REVENUE AUTHORITY

8.2.1 Revenue Collection

Background Information

The Mauritius Revenue Authority (MRA) is responsible for managing an efficient tax collection system and ensure that taxpayers comply with tax legislations. The MRA collects some 90 per cent of the tax revenue which are remitted to the Consolidated Fund.

Analysis of Revenue Collection

Total revenue for income tax, including individuals and corporates, collected during the financial year 2023-24 amounted to Rs 116,428 million which represents an increase of 11 per cent over the financial year 2022-23.

An analysis of revenue is shown in Table 8-4.

Table 8-4 Revenue Collections for financial years 2023-24 and 2022-23

Types of Revenue	Actual Collections 30 June 23	Budget Estimates for financial year 2023-24	Actual Collections 30 June 24	Over/(under) Actual v/s Estimates (%)
	Rs million	Rs million	Rs million	
Income Tax – Individuals	15,665	15,543	13,400	(14)
Companies & Bodies Corporate	22,563	28,313	28,463	1
Tax Deduction at Source	2,949	3,312	3,770	14
Value Added Tax*	47,766	61,475	53,155	(14)
Tax on Specific Services & Gambling	2,712	3,360	2,663	(21)
Passenger Fee on Air Tickets	1,648	2,779	2,078	(25)
Contribution Social Généralisée (CSG)	9,508	11,424	10,902	(5)
Advertising Structure fee	43	30	28	(7)
Others (Solidarity levy, Covid levy, etc)	2,206	2,599	1,969	(24)
TOTAL	**105,060**	**128,835**	**116,428**	**(10)**

Source: MRA Collection – Finance and Administration Department
**includes collections for VAT at Customs*

Findings

- Income Tax Revenue from Individuals showed a decrease of Rs 2,143 million as compared with the estimated budgeted figures following changes in The Finance (Miscellaneous Provisions) Act 2023, where the personal income tax became progressive.

- The Solidarity Levy was abolished on 1st July 2023, while the Covid Levy was applicable to assessments for the financial years starting 1st July 2021 and 2022 and reflected only arrears collected.
- The Advertising Structure fee dropped by 7 per cent after amendments to the Advertising Regulation Act, with revised lower fees taking effect from January 2024.
- Overall performance of the tax collections showed under-collections with the budget estimates by 10 per cent, which may have an impact on the overall fiscal balance.

Revenue Collection and Income Support Schemes

Background Information

The MRA was also mandated to implement Income Support Schemes. Table 8-5 shows amounts disbursed under the different Financial Assistance Schemes (FAS).

Table 8-5 Financial Assistance Schemes paid during financial years 2023-24 and 2022-23

SN	Financial Assistance Schemes	2022-23 Rs million	2023-24 Rs million
	On-going schemes		
1	Small Planter/Farmers/Fishermen Scheme	5	7
2	VAT on Res. Building/apartment or house	113	78
3	Negative Income Tax Allowance	41	36
4	Special Allowance	402	884
5	Special Allowance- Salary Compensation	23	15
6	Special Allowance- FASA	48	54
7	Contribution Social Généralisée (CSG) Income Allowance	4,308	7,314
8	Prime a L'Emploi	166	923
9	Payment of subsidy to Bakeries	16	43
10	Payment of subsidy for essential goods	444	-
11	Refund PET Bottles	21	21
12	Refund Waste tyres	5	6
13	Payment of negative excise	58	129
		5,650	***9510***
	New Schemes for 2023-24		
14	Adulthood Independence Allowance	-	450
15	Child Allowance	-	868
16	Housing Loan Relief	-	328
17	Financial Support for Gas Oil - Diesel	-	28
18	Assistance for Salary Compensation	-	520
19	Assistance for National Minimum Wage	-	366
20	Assistance for Power Cut	-	94
21	Damaged Road Assistance Scheme	-	4
		-	***2,658***
	Total Refund Schemes	**5,650**	**12,168**

Source: Finance and Administration Department

Findings

- In financial year 2023-24, Rs 12,168 million was disbursed for 20 FAS. Eight of these schemes were new and financed for the first time, including Adulthood Independence Allowance, Child Allowance, and Assistance for National Minimum Wage. In comparison, Rs 5,650 million was disbursed for 13 schemes in financial year 2022-23.

- The total funds disbursed to finance the FAS has more than doubled in financial year 2023-24 compared to financial year 2022-23. The financing of the eight new schemes had resulted in an additional disbursement of Rs 2.66 billion for the financial year 2023-24.

Arrears of Revenue - Rs 49.5 billion

The arrears of revenue as at 30 June 2024 stood at Rs 49.5 billion, of which Rs 12.7 billion were collectible and Rs 36.8 billion represented amount not yet settled/pending cases. An increase of some Rs 5.6 billion was noted in the total outstanding debts as compared to Rs 43.9 billion as of 30 June 2023.

The amount not yet settled/pending cases comprised mainly cases under dispute, cases pending under objection at the MRA, cases pending at the Assessment Review Committee (ARC), and also cases where assessments had been raised. Objections could still be lodged for these cases within the statutory time limit of 28 days, referred to as 'Sums Otherwise not Due'.

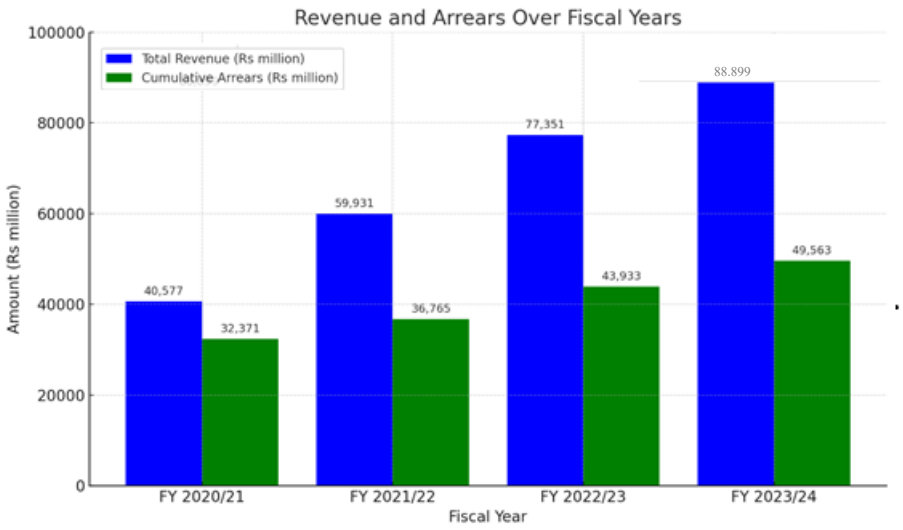
Out of the Rs 36.8 billion of the amounts not yet settled/pending cases, Rs 26 billion representing 71 per cent, were under examination at the ARC as of 30 June 2024.

Findings

Analysis of revenue from income tax collected and arrears of revenue for the financial years 2020-21 to 2023-24

Figure 1 shows the total revenue for income tax, and cumulative arrears of revenue for the past 4 financial years from 2020-21 to 2023-24.

Figure 1



Over the past 4 years, the total revenue for income tax collected has grown significantly, increasing by some 119 per cent from Rs 41 billion in financial year 2020-21 to Rs 89 billion in financial year 2023-24. This indicates substantial growth in revenue collection during this period. Meanwhile, arrears of revenue have also increased by 53 per cent, that is, from Rs 32 billion in financial year 2020-21 to Rs 49 billion in financial year 2023-24.

The increase in arrears showed that, despite higher revenue collection, there remains a challenge in collecting overdue taxes, which has also been growing over time.

Analysis of arrears of revenue

Collectible Debts consisted mainly of taxes, penalties and interests due which were payable at the year end. Also included under Collectible Debts were amounts due on assessments under appeal at Supreme Court (as per section 21-3 MRA Act) or Privy Council. Tables 8-6 and 8-7 show the categories and types of the arrears of revenue.

Table 8-6 – Collectible Debts and Amounts Not yet Settled/Pending cases

Status	**Collectible Debts Rs million**	**Amounts not yet settled/Pending cases Rs million**	**Total Debts Rs million**
Arrears of Revenue	12,667	-	12,667
Cases pending at Supreme Court and Privy Council	87	-	87
Pending under Objection	-	2,346	2,346
Pending at ARC	-	25,960	25,960
Pending under ATDR and EDRTS	-	455	455
Sum Otherwise not due		8,048	8,048
Total	**12,754**	**36,809**	**49,563**

Source: Statement of Return of Arrears of Revenue as at 30 June 2024
ATDR – Alternative Tax Dispute Resolution
EDRTS – Expeditious Dispute Resolution Tax Scheme

Table 8-7 – Arrears of Revenue as per Tax Type

	Collectible Debts 30 June 2024 Rs million	Amounts not yet settled/Pending cases 30 June 2024 Rs million	Total Debts 30 June 2024 Rs million	Collectible Debts 30 June 2023 Rs million
VAT	5,783	5,009	10,792	5,960
Corporation tax	3,415	30,215	35,479	3,314
Income tax	1,849	-	-	1,662
PAYE	608	57	665	589
CSG	434	11	445	338
TDS	206	70	276	191
Others	459	1,447	1,906	403
Total	**12,754**	**36,809**	**49,563**	**12,457**

Source: Statement of Return of Arrears of Revenue as at 30 June 2024

- A higher portion of the non-collectible debts pending at the Objection and ARC stages represents corporate taxes which may take significant time for being finalised.

- The main tax types which represents 87 per cent of collectible debts were VAT, Corporation tax and Income tax with Rs 5.8 billion, Rs 3.4 billion and Rs 1.8 billion respectively.

Age analysis for collectible debts

An age analysis was carried out on collectible debts outstanding as at 30 June 2024 are shown in Table 8-8.

Table 8-8 Age Analysis of Collectible Debts

Period	I Tax/ CTax	VAT	CSG	PAYE	Others	Total
	Rs million	Rs million	Rs million	Rs million	Rs million	Rs million
Prior to 30.06.1993	4	nil	nil	nil	nil	**4**
01.07.1993 – 31.12.2010	313	202	-	14	39	**568**
01.01.11 – 30.06.21	2,326	2,746	63	244	317	**5,696**
01.07.21 – 30.06.24	2,620	2,835	372	350	309	**6,486**
Total	**5,263**	**5,783**	**435**	**608**	**665**	**12,754**

Source: Statement of Age analysis by financial year as at 30 June 2024

Of the Rs 12.7 billion collectible debts, an amount of Rs 572 million was outstanding prior to 31 December 2010 and Rs 5.7 billion related to period January 2011 to June 2021 which represents some 49 per cent of the collectible debts.

Irrecoverable debts written off

During the financial year ending 30 June 2024, irrecoverable debts totalling Rs 243 million were approved and written off. This represents 2 per cent of the total collectible debts.

Enforcement actions

Part IV C of the MRA Act provides for enforcement actions to be undertaken to recover unpaid debts. Table 8-9 shows details of the enforcement actions taken by the MRA for the last two financial years.

Table 8-9 Enforcement Actions Undertaken by MRA

Enforcement Actions	Financial Year 2022-2023		Financial Year 2023-2024	
	No. of cases	Amount Rs million	No. of cases	Amount Rs million
Final claims	23,869	12,800	27,330	15,005
Agreements	538	1,049	475	995
Attachment order-Salary	2	0.1	2	0.2
Attachment order	2,255	837	1,402	966
Distress Warrants	1	37	3	4
Inscription	567	2,079	685	1,881
Renewal of inscription	117	408	-	-
Objection to Departure	15	196	15	154
Prosecution	-	-	7	92
Prior Notice Contrainte	8	102	7	34
Contrainte	25	194	1	11
Total	**27,397**	**17,702.1**	**29,927**	**19,142.2**

Source: Debt Management Unit of MRA

These enforcement actions aimed at reducing arrears of revenue and encouraging prompt settlement of arrears. However, the arrears of revenue has kept on increasing over the years.

In financial year 2023-2024, while the final claims and Attachment Order amounts increased, other enforcement types such as Agreements, Inscriptions, and Contrainte showed decrease in either number of cases, amounts, or both.

Contribution Social Généralisée (CSG)

Contribution Social Généralisée was introduced and came into effect as from September 2020. Under the CSG, employers are required to deduct, where applicable, the employee's contribution from his wage or salary and pay that contribution with the employer's contribution to the MRA. Self-employed individuals are also required to pay CSG.

As of 30 June 2024, the total CSG collected since its introduction amounted to Rs 34 billion, as shown in Table 8-10.

Table 8-10 CSG Collections for the financial years 2020-21 to 2023-24

Financial Year	CSG Collected	% increase
	Rs million	
2020-2021	5,247	-
2021-2022	8,348	59
2022-2023	9,508	14
2023-2024	10,902	15
	34,005	

Source: Finance and Administration Department MRA

Contribution of CSG from self-employed individuals

For the financial year 2023-24, CSG collections from self-employed individuals have increased from Rs 154 million in financial year 2022-23 to Rs 204 million. Table 8-11 shows the details of filing obligations.

Table 8-11 Analysis of Filing Obligations

Details	30 June 2023	30 June 2024
Number of filing obligations	66,525	85,527
Number of Returns filed	55,715	71,008
% Returns filed	84%	83%
Self-employed Registered for CSG	63,546	77,147
% Self-employed registered who had filing obligations	96%	90%

Source: Statement of Taxpayers Register

The percentage of Tax Returns filed in relation to the number of filing obligations for the financial year 2023-24 has remained nearly the same at 83 per cent as compared to the financial year 2022-23. However, the proportion of self-employed individuals with filing obligations declined from 96 to 90 per cent in the financial year 2023-24.

MRA's Response

MRA confirms that all self-employed individuals who have income tax filing obligations and deriving business income are registered for CSG and have CSG filing obligations.

Fiscal Investigations Department

Background Information

The Fiscal Investigations Department (FID) is responsible for investigating tax compliance to ensure accurate revenue collection and compliance with tax laws. During financial year 2023-24, the FID completed 809 investigations, resulting in an expected tax yield of Rs 4,442 million, mainly from income tax cases. 592 cases were assessed for an amount of Rs 3,664 million.

A sample of 21 cases was analysed to assess compliance and recovery performance.

Table 8-12 Number of cases examined out of completed cases for income tax

Category	Total Number completed during FY 2023/24	Expected Tax yield from investigation Rs million	Number of cases examined	Expected Tax yield for sample examined Rs million
Income tax-Individual	339	1,633	9	895
Income Tax-Corporate	253	2,031	12	1,048
Total	**592**	**3,664**	**21**	**1,943**

Source: FID Database

Findings

- Of the 592 cases completed, 24 per cent (141 cases) resulted in no tax liability consisting of 83 individual cases and 58 corporate cases.

- A sum of Rs 55.4 million was assessed in 3 determined cases, but only Rs 9.4 million was recouped as of October 2024 which was not in compliance with Section 129 A (2).

Root Cause

No comprehensive pre-assessment review mechanism was in place to minimise investigations that result in no tax yield.

Recommendations

- The pre-assessment mechanism should be put in place to reduce the number of cases with no tax liability, to ensure more effective use of investigation resources.

- The coordination between FID, Assessment Review Committee (ARC), Objections, Appeal and Dispute Resolution Department (OADR), and Alternative Tax Dispute Resolution Panel (ATDR) should be enhanced to streamline objection resolution and minimise delays.

MRA's Response

- The MRA uses a risk -based approach to select cases for audit and investigation based on available third-party information. The MRA is continuously redefining its risk management strategy to reduce the number of cases without a tax liability.

- In addition, whenever a case is selected for investigation, all entries connected to that case need to be investigated so as to ensure that income is not diverted to a third party. However, in most cases, the investigation of the connected party does not yield any tax liability.

- According to Income Tax Act, the taxpayer may have recourse to litigation if dissatisfied with the assessment. The taxpayer can object and make representations to the ARC, appeal to Supreme Court/Privy Council. In case of no objection, recovery is made through the enforcement tools as provided by the MRA Act.

Objections, Appeals and Disputes Resolution Department (OADR)

Background Information

The Objections, Appeals, and Disputes Resolution Department (OADR) is responsible for considering objections to assessments raised by taxpayers dissatisfied with assessments for personal income tax, corporate tax, VAT, or customs duties.

In financial year 2023-24, OADR handled 3,179 new cases amounting to Rs 11.5 billion. A statutory four-month timeframe is provided for resolving objections, with taxpayers required to pay a 10% deposit on assessed tax before determination. Cases can result in the assessment being maintained, revised, or reduced to nil.

During the last 3 financial years ending 30 June 2024, OADR has processed over 73 per cent of cases lodged annually. Table 8-13 shows details on assessment cases where objections have been raised and referred to the OADR.

Table 8-13 Assessment Cases for the Past Three Years

	30-Jun-22		30-Jun-23		30-Jun-24	
	No of Cases	Amount Rs million	No of Cases	Amount Rs million	No of Cases	Amount Rs million
Opening Balance	208	99	841	2,572	1,074	3,746
Cases Lodged	2,594	5,722	3,420	7,022	3,179	11,528
Cases Determined	1,961	3,250	3,187	5,848	3,163	12,709
Closing Balance (Pending cases)	**841**	**2,571**	**1,074**	**3,746**	**1,090**	**2,565**
Down payment on assessed amount	-	183	-	192	-	**362**
Refunds made to Taxpayers	-	72	-	166	-	94

Source: Database provided by OADR

Findings

- In financial year 2023-24, 221 cases amounting to Rs 711.7 million were revised to nil. Over the past three years, 549 cases worth Rs 2.36 billion were revised to nil.

- Tax refunds for excess payments in financial year 2023-24 of Rs 93.9 million, compared to Rs 165.6 million in financial year 2022-23 represented a decrease of 43.2 per cent.

- The Alternative Tax Dispute Resolution (ATDR) Panel reviewed 164 new cases worth Rs 3.5 billion in financial year 2023-24. A total of 137 cases were resolved for Rs 3 billion as of 30 June 2024.

- Reporting on the quality of assessments is one of the quality objectives of OADR under its Standard Operating Procedures. Only 2 reports were prepared for the financial year 2023-24.

Recommendation

The MRA should ensure that reports on the quality of assessments raised by the compliance departments are prepared on a regular basis.

Tax Arrears Settlement Scheme (TASS)

The Tax Arrears Settlement Scheme (TASS) was introduced in financial year 2012-13 to assist taxpayers with outstanding tax arrears to settle their debts with MRA promptly. It enables taxpayers to apply for a full waiver of penalties and interest, subject to specific conditions, including payment of tax arrears by 1 April 2024.

As of 3 January 2024, 10,573 TASS applications totalling Rs 4.8 billion were received which includes Rs 2.8 billion in pure tax liability and Rs 2 billion in penalties and interest. Penalties and interest amounting to Rs 791 million were waived as of 30 June 2024. Table 8-14 shows an analysis of the applications received during the year.

Table 8-14 TASS Applications Received at the MRA

Taxpayer's Category	No. of cases	Pure Tax Arrears	Penalties & Interest	Total	Payment	No of Cases Payment
		Rsmillion	Rs million	Rs million	Rs million	
Total Arrears incl Penalties and Interest	5,545	2,819	1,810	4,629	1,164	2,611
Penalties & Interest Only	4,944	-	202	202	1	76
Pure Tax Only	84	12	-	12	11	28
	10,573	**2,831**	**2,012**	**4,843**	**1,176**	**2,715**

Source: Database provided by OSD

Findings

- Total collectible debts for financial year 2023-24 stood at Rs 12.75 billion, with Rs 4.8 billion representing 38 per cent enrolled under TASS. Arrears collected under TASS amounted to Rs 1.18 billion, representing 24 per cent of total arrears collected for financial year 2023-24. Over the past 2 financial years, Rs 2.1 billion has been collected through TASS.

- Of the 10,573 applications received, 2,715 taxpayers have settled their liabilities for an amount of Rs 1.18 billion.

- Penalties and interest represented more than 15 per cent of total collectible debt. Some 39 per cent of penalties and interest accrued under TASS were waived during financial year 2023-24 amounting to Rs 791 million.

Recommendation

The MRA should increase awareness about TASS benefits to the taxpayers.

MRA's Response

A personalised letter is issued to each debtor eligible to join TASS inviting him to join the Scheme. MRA also issues Communiqué and carries out awareness programmes on radio and television to increase awareness.

CUSTOMS DEPARTMENT

8.2.2 Arrears of Revenue

Background Information

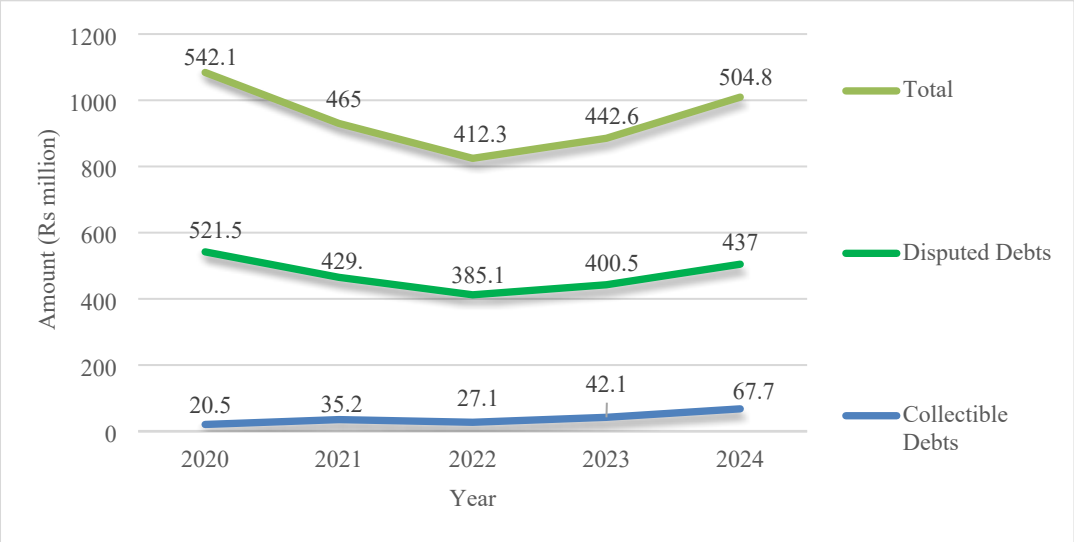
The Return of Arrears of Revenue for the Customs Department as at 30 June 2024 showed a total arrears of Rs 1,429 million from 732 cases, of which Rs 992 million were collectible debts and the remaining Rs 437 million were disputed debts. The collectible debts comprised an amount of Rs 924 million representing duty and taxes due on petroleum products already discharged by a main importer.

Findings

- ***Low Level of Collectible Debts over the Past Five Years***

Collectible debts for the past 5 financial years are shown in Figure 1. The collectible debts for the financial year 2023-24 exclude the amount of Rs 924 million from a major importer of petroleum products.

Figure 1: Trend Analysis of Arrears of Revenue for the past five financial years



*Excluding duty due on petroleum products

The percentage of collectible debts to total arrears increased from 3.8 per cent to 13 per cent over the financial years 2019-20 to 2023-24. Owing to lengthy enquiry and processing time in recovering the debts at the different departments of the MRA and other Government entities, Customs Department did not maximise its collection from arrears.

From an analysis of debts for the financial year 2022-23 and collection in financial year 2023-24, NAO noted that:

- Only Rs 10.8 million was collected, representing 3 per cent of the disputed debts of Rs 400.5 million; and

- Some Rs 19 million was collected out of Rs 42.1 million classified as collectible debts.

MRA's Response

Different provisions of the Customs laws give the importer that right to appeal against any assessment made. Stakeholders are taking advantage of this appeal mechanism in case they are dissatisfied with such assessment. The low level of collectible debts is mainly due to a high level of disputed debts which is beyond the control of MRA Customs.

- ***Arrears outstanding at MRA Departments and other Government Entities***

(a) Objection Appeal and Dispute Resolution Department

As at 30 June 2024, although the number of cases at the Objection Appeal and Dispute Resolution Department (OADRD) decreased from 26 to 17, the total amount due increased from Rs 21.6 million in the financial year 2022-23 to Rs 27 million in financial year 2023-24.

(b) Assessment Review Committee

The total number of cases referred to the Assessment Review Committee (ARC) increased from 267 to 306 with total debts amounting to Rs 146.2 million and Rs 171.5 million in financial years 2022-23 and 2023-24, respectively.

- For 212 cases out of a total of 306, the arrears totalling Rs 124.5 million, representing 73 per cent of the total amount outstanding at ARC, were from four debtors.

- Two cases having arrears amounting to Rs 1.5 million were under consideration at the ARC since the year 2012.

- Eight cases involving one importer with debts totalling Rs 26 million were referred to ARC since the year 2015. In October 2024, that is after 9 years, the ARC ruled in favour of the Customs Department and the importer had to settle the debt by mid November 2024. However, the latter appealed against the decision of the ARC at the Supreme Court.

- Another importer owed Rs 85 million since the year 2018. The case which was initially disallowed by OADRD was referred to ARC. In September 2024, 6 years after, ARC ruled in favour of the importer due to lack of evidence. In October 2024, MRA appealed against the decision of the ARC at the Supreme Court.

(c) Court Cases

As of November 2024, in 4 cases out of 14 with total debts amounting to Rs 12.4 million, the decisions of the Court were still being awaited for more than 10 years.

(d) Receivership Cases

As of 30 June 2024, the total amount owed by entities under receivership amounted to Rs 184.4 million, of which, two companies owed Rs 174.4 million.

The Customs Department detained a final receivership report in November 2023 for a company which was under receivership since the year 2019 and owed an amount of Rs 153.5 million as at 30 June 2024. As of December 2024, the report was still under consideration by the Customs Department for appropriate actions.

Root Cause

The loopholes in the current recovery system including the lengthy enquiry and processing time, were hindering the Customs Department from maximising collection from arrears.

Recommendations

Customs Department should review its current recoverability mechanism and have a robust system for managing arrears effectively by:

- Strengthening its policies and procedures for revenue collection to minimise the occurrence of arrears;
- Implementing a system to detect cases of arrears early, and allowing for timely intervention; and
- Engaging with the policy makers to effectively address the loopholes.

MRA's Response

MRA Customs has proposed to amend Customs laws in order to prevent frivolous objections and appeal.

Petroleum Products – Arrears in Excise Duty

Background Information

During the financial year 2023-24, excise duty collected from petroleum products totalled Rs 4.3 billion. According to Section 8 (2) of the Customs Act, the importer has a period of 30 days from the date of importation of such products to pay excise duty and taxes.

The Debt Management Unit (DMU) prepares the Statement of Arrears of Revenue. Bonded Tanks Unit (BTU) provides to the DMU the amount to be disclosed as arrears of revenue of petroleum products, in respect of fuel already discharged but not paid as at 30 June.

Finding

An amount of some Rs 924 million due by a major importer as at 30 June 2024 was disclosed in the Return of Arrears of Revenue. The importer confirmed to NAO that an amount of Rs 1, 125 million in respect of Petroleum Products and Liquified Petroleum Gas was due to Customs Department as at 30 June 2024. A discrepancy of Rs 201 million was noted. The Statement of Arrears of Revenue was, thus, understated.

Root Cause

There was no proper co-ordination between DMU and BTU.

Recommendation

DMU should reconcile the figure with BTU prior to the preparation of the Statement of Arrears of Revenue.

MRA's Response

The Excise Section will ensure that the figures as at 30 June are correctly reported in the Statement of Arrears of Revenue.

8.2.3 Excise Duty collected on Beer

Background Information

In the financial year 2023-24, the Customs Department collected Rs 2,235 million of excise duty on beer at Rs 52.80 per litre, made up of Rs 2,198 million on some 41.6 million litres from 4 local manufacturers and Rs 36.8 million from importers.

The Excise Unit is responsible for the collection of excise duty, monitoring and control and delivery of locally manufactured excisable goods including beer.

Findings

- ***No Independent Check on Volume of Production***

Excise duty from local manufacturers was based on self-assessed returns, calculated on production volume based on raw materials used, to determine the volume of production of beer.

The Excise Unit did not carry out an analysis of raw materials used with the reported volume of beer produced to ascertain the accuracy of excise duty collected.

There is a risk that revenue may be forgone as discrepancies in the volume of beer produced may not be detected.

Root Cause

The Customs Department did not develop a protocol for carrying out an independent check on the volume declared with raw materials used.

Recommendation

The Customs Department should establish a protocol for independent and random verifications of declared production volumes with raw materials used for monitoring and control purposes.

MRA's Response

There is no standard formula for quantity of raw materials used for beer manufactured as it varies for every beer product.

- ***No Online Access to Manufacturers' Computerised Records***

As per Section 71A (3) of the Customs Act, "*Any proper officer shall at all times have online access to the computerised records of the goods in the bonded warehouse, kept and maintained by the proprietor or occupier.*" This section is also applicable for goods in an excise warehouse as per Section 4A of the Excise Act.

The Excise Unit did not have online access at all times to the computer records of the 4 manufacturers as per Section 71A (3) of the Customs Act.

There is limited assurance as regards to the accounting of goods in the warehouse of the manufacturers for monitoring purposes. As a result, the completeness and accuracy of the goods declared could not be ascertained.

Root Cause

The Excise Unit did not enforce Section 71A (3) which allows online access at all times to the computer records of the manufacturers.

Recommendation

The Customs Department should ensure that the manufacturers comply with Section 71A (3) of the Customs Act by allowing access at all times to the computerised records to a proper officer of the Excise Unit.

MRA's Response

Implementation of Warehouse Management System similar to bonded warehouses, at excise stations is not feasible due to the nature of activities. The stock is managed using Customs Management System.

- ***No Post Clearance Audit carried out on Excise Duty collected on Beer***

The Post Clearance Audit (PCA) Unit did not conduct post clearance audit in the financial year 2023-24 and in past years, to examine the books and records relating to declarations on beer produced by a major manufacturer.

There is a risk that any infringement relating to Excise duty may not be detected.

Recommendation

Customs Department should ensure that the books and records of the major manufacturer of beer are subject to PCA to ascertain that the correct amount of excise duty on beer are declared and any infringement is timely detected.

MRA's Response

The manufacturer has been audited by PCA in the financial year 2022-23 on Sugar Sweetened Products.

8.2.4 Excise Duty on Petroleum Products

Background Information

The sole importer, being a body corporate, imports all petroleum products for home consumption. The products are apportioned to 4 oil companies and the Mer Rouge Oil Storage Terminal jointly owned by the 4 companies and the importer. For financial year 2023-24, an amount of Rs 4.3 billion was collected as excise duty on the petroleum products.

Customs Department, through the BTU is responsible for the monitoring of petroleum products at importation and ascertains that applicable duty and taxes are brought into account on these products.

Findings

- ***No Independent Check on Volume of Petroleum Products***

Customs Officers witness the representatives of oil companies and cargo surveyor appointed by the importer in taking dip (dip Before and After) of storage tanks. Customs Department relied on the surveyor in taking dip of storage tanks, readings of temperature and density to determine excise duty payable by the importer.

Customs Department did not carry out an independent random check on the reading and measurement provided by the importer, through the surveyor. This practice did not ensure proper segregation of duties between the taxpayer and the MRA, and could lead to revenue foregone.

Root Cause

Customs Department did not take appropriate action to assess, mitigate and manage the risk of any infringement relating to importation of petroleum products.

Recommendation

As the excise duty collected on petroleum products is significant, Customs Department should carry out independent random checks on the reading and measurement provided by the importer.

MRA's Response

MRA Customs carries out documentary checks from various sources (exporter, shipping line, importer, surveyor etc.) for compliance purposes. It did not find it necessary to cross-check measurement done by surveyors as Customs officers are present during this exercise.

NAO's Comment

MRA as a Revenue Collecting Agency should be autonomous and seen to be autonomous in its operations by carrying out independent checks.

- ***No Post Clearance Audit carried out on Excise Duty collected on Petroleum Products***

As per Section 25B (7) of the Customs Act which stipulates that "*the Director-General – (a) may carry out post-control audit, through examination of documents or at the business premises of the importer, within 3 years from the date of validation of the bill of entry to ensure compliance with the customs laws."*

The Post Clearance Audit (PCA) of the Customs Department is a valuable tool for ensuring traders' compliance with Customs requirements and ensures that all imports are accurately declared. However, the PCA Unit did not carry an audit exercise on excise duty collected on petroleum products.

There may be a risk of possible infringement that could not be timely detected.

Recommendation

The PCA Unit should carry out post-completion audit exercise on excise duty collected on petroleum products.

MRA's Response

PCA is carried out on selected importers based on risk assessment. MRA Customs selects entities for audit based on well-established World Customs Organisation guidelines for audit and risk management.

- ***Risk of the Use of Non-Calibrated Equipment***

Three types of equipment were used by the surveyor for taking reading and measurement of dip of storage tanks, temperature and density.

The BTU did not ensure that equipment used by one surveyor for taking measurement of petroleum products discharged were duly calibrated at regular intervals prior to November 2023.

The calibration certificates of equipment used by another surveyor appointed since November 2023 were received on 18 September 2024, some 10 months after.

The BTU Unit did not keep a database with relevant details of the equipment used by the surveyors.

There was a risk that non-calibrated equipment was used for taking reading and measurement of petroleum products. This could potentially result in reading and measurement being inaccurate which could lead to revenue foregone.

Root Cause

The BTU did not ensure that all equipment used for taking reading and measurement of petroleum products was calibrated at regular intervals.

Recommendation

The BTU should ensure that all equipment used by the surveyor for taking reading and measurement of petroleum products is duly calibrated at regular intervals.

MRA's Response

It is the responsibility of the importer to ensure that the equipment used are in compliance with the accreditation requirements.

NAO's Comment

MRA as a Revenue Collecting Agency should be autonomous and seen to be autonomous in its operations by carrying out sample checks.

8.2.5 Port Surveillance

Background Information

The Port Surveillance and Enforcement Unit (PSEU) of the Customs Department is responsible for border control at the port, with the objective to prevent illicit trafficking of drugs, arms and prohibited goods.

To maintain maritime security, it operates a fleet of 5 patrol boats and conducts joint operations with the National Coast Guard (NCG). The 5 patrol boats were acquired at a total cost of Rs 48.7 million and were moored at Quay E.

Findings

- In September 2024, the 5 patrol boats were damaged during an incident at Quay E. Following the incident, independent sea patrols operations of PSEU were impaired.

- Joint sea patrols were maintained with the NCG. However, the operations of PSEU were reduced by 60 per cent, with only 5 joint patrols per week compared to thirteen carried out independently and jointly each week prior to the incident.

PSEU could not continue its independent sea patrols following the incident.

Root Cause

Customs Department did not have a business continuity plan to deal with unforeseen circumstances.

Recommendation

Customs Department should have a business continuity plan with respect to carrying out independent sea patrols and to effectively respond to unforeseen circumstances.

MRA's Response

No emergency response plan is required. The existing Memorandum of Cooperation between MRA and the Police Services already caters for the sharing of resources and logistics available at each Party's end for enhanced border control and protection in the harbour or at sea.

Prohibited Goods Detained at the Postal Traffic Unit

Background Information

The Postal Traffic Unit (PTU) of the Customs Department is responsible for overseeing commercial and legitimate items, from the point of entry until delivery, emphasising border protection and societal safety by preventing the entry of illicit goods.

It also plays a crucial role in safeguarding Government revenue by identifying commercial fraud and customs offences. Prohibited goods are detained by the PTU and sent to the Forensic Science Laboratory (FSL) for analysis to confirm the presence of illicit or prohibited substances.

Findings

Long outstanding cases awaiting Forensic Science Laboratory Reports

- During the financial year 2023-24, the PTU sent 35 cases to the FSL for analysis. Out of the 35 cases, reports for 13 were received from the FSL.

- Moreover, there are 15 cases of detained goods sent to FSL for analysis since 2015 and as at November 2024, the reports were still being awaited. These cases were not properly followed up by PTU.

Delayed reports from FSL could hinder timely appropriate actions.

Root Cause

There was no Memorandum of Cooperation between the Customs Department and FSL.

Recommendations

- Customs Department should have a Memorandum of Cooperation on its working arrangement with the FSL with clear timelines and expectations for prioritising and processing cases of illicit or prohibited goods amongst others.

- Customs Department should follow up the long outstanding cases for appropriate actions.

MRA's Response

- Out of 15 cases, FSL has provided the report of analysis for 5 cases, while for the remaining cases FSL reports are still being awaited.

- A Memorandum of Cooperation between MRA and FSL has already been drafted and is at the level of FSL's parent Ministry for vetting since February 2022.

8.2.6 Detained Currency

Background Information

As per Section 131A (4) of the Customs Act, where a proper officer reasonably suspects that there may be money laundering, financing of terrorism or any other criminal offence, he shall detain, in an escrow account or in such other manner as the Director-General may determine the amount currency or bearer negotiable instruments or precious stones and metals including gold, diamond and jewellery or any goods of high value including work of arts declared under subsection (1) or (1A), so as to allow for an investigation to be carried out by the Director-General.

As per Customs procedures, suspicious cases of foreign currencies are detained by officers of the Customs Anti-Narcotics Section (CANS) and are investigated by the Anti-Money Laundering Unit (AMLU) of the Customs Department. They are kept at the detained room. Following investigation by AMLU, these currencies are remitted to the passenger in cases where there are no suspicion of money laundering. For cases warranting lengthy investigation, procedures are initiated within 5 working days with the Bank of Mauritius (BOM) for placement of the detained items.

Findings

Delay in Placing Detained Currencies in an Escrow Account

- As of September 2024, CANS detained foreign currencies of Rs 8.6 million relating to 11 cases for the period ending 30 June 2024.

- CANS informed that an amount of Rs 2.7 million relating to three cases were released in October 2024. Two of them totalling Rs 1.6 million dated since February 2024 and were kept at the detained room for more than 8 months.

- In another case, foreign currencies detained and amounting to Rs 728,000 were kept at the detained room for 7 months. It was detained since February 2024 and was released in September 2024.

- As of October 2024, foreign currencies detained for period January to June 2024 and amounting to Rs 5.9 million were still kept at the detained room. AMLU did not initiate procedures for placement of these detained currencies with the BOM within 5 working days as per Customs procedures. Customs Department informed that these cases were under investigation since long.

Keeping significant amount of detained currency beyond the required timeframe at the Customs detained room is risky.

Root Cause

AMLU did not take appropriate action to initiate procedures with BOM for placement of detained currencies within reasonable time as stipulated in the Customs Procedures.

Recommendation

AMLU should ensure that procedures relating to detained currencies are initiated and are placed in an escrow account as per Customs procedures.

MRA's Response

There is no risk of theft. Due to a substantial increase in the number of undeclared currency cases and the long period of time taken in some cases to determine suspicion of money laundering, financing of terrorism *(*ML/TF), the five-day period will henceforth be removed.

8.2.7 Follow-up of Recommendations raised in the Audit Report 2022-23

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarized below. Out of 8 recommendations, 4 (50 per cent) have been implemented and 4 (50 per cent) have been partly implemented.

SN	Findings	Recommendations	Ministry's Response-Status as of January 2025	NAO's Comments
	Arrears of Revenue (Page 203)			
1	Low level of collectible debts over the past 5 years. *(Pg 203, Para 9.2.9)*	The Customs Department should carry out a thorough analysis of its current system of managing arrears by identifying and collecting relevant data on the regulatory loopholes and the factors causing the lengthy enquiry and processing time. *(Pg 205, Para 9.2.9)*	MRA Customs has proposed amendment to the Customs Laws by imposing certain amount of penalty for any objection or appeal to be made at OADRD/ARC in order to prevent frivolous objections/Appeal.	**Partly Implemented**
		The Customs Department should engage with the policymakers to discuss the problem and find an effective solution to address the loopholes in the current regulatory framework and streamline its procedures with the aim of maximizing collections from arrears. *(Pg 205, Para 9.2.9)*	Same was not taken on board for budget 2023-2024.	**Partly Implemented**
		The MRA should consider empowering its Legal Services Department in effectively dealing with cases involving arrears. *(Pg 205, Para 9.2.9)*	Already being done.	**Implemented**
	Excise duty on Tobacco Products (Pg 205)			
2	Lack of forestalling restrictions imposed on clearance of excisable goods. *(Pg 206, Para 9.2.9)*	Restrictions should be imposed on clearing large quantities of excisable goods in the run up to the National Budget. *(Pg 206, Para 9.2.9)*	The Excise Act has been amended by the Finance (Miscellaneous Provisions) Act 2024 with the introduction of a new provision namely section 3F. Anti-forestalling restrictions on excisable goods which came into effect on 27 July 2024.	**Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
	Excise Duty on Sugar Sweetened Products (Page 207)			
3	***Lapses in Monitoring of Excise Duty collected from Local Manufacturers of SSP (Page 208)***			
	Out of the Rs 641.3 million of Excise duty collected from 52 local manufacturers of SSPs, some 84 per cent (Rs 541.2 million) were from two main local manufacturers. However, during financial year 2022-23, the two manufacturers were not subject to Post Clearance Audits (PCAs). *(Pg 208, Para 9.2.9)*	The Customs Department should plan to conduct PCAs at the two local manufacturers of SSPs to mitigate the risk of foregoing revenue instead of relying only on monthly returns, for the collection of excise duty on SSPs. *(Pg 208, Para 9.2.9)*	The PCA Unit completed the audit at the two major local manufacturers of SSPs in December 2023, which was initiated in April 2023. The PCA Unit submitted copies of the reports to NAO.	**Implemented**
4	The Internal Audit Division of MRA did not carry out an audit exercise on the administration and collection of Excise duty on SSPs at the Customs Department to evaluate and improve the effectiveness of risk management, control and governance processes. *(Pg 208, Para 9.2.9)*	The Internal Audit Division of MRA should conduct an audit exercise to evaluate the effectiveness of the internal controls and propose additional safeguards to timely detect and prevent under-declaration of Excise duties on SSPs. *(Pg 208, Para 9.2.9)*	The Internal Audit Division of MRA has carried out an audit on SSPs in May 2024.	**Implemented**
	No Reconciliation Exercise between Imported Preforms by Importers and PET Bottles produced (Page 209)			
5	A reconciliation exercise between imported Preforms by importers and exercisable PET bottles produced by local manufacturers were not carried out as they were subject to control by two different units, namely the Compliance and Excise Units. *(Pg 209, Para 9.2.9)*	The Excise Unit should ensure that preliminary controls on local manufacturers of excisable PET bottles are working effectively. The PCA Unit should act as an additional safeguard. *(Pg 210, Para 9.2.9)*	Monthly returns submitted are reconciled with a database, maintained at the Excise Unit, for each local manufacturer. The database, which is another check mechanism in place, contains information related to all bills of entry (warehoused and ex-warehoused) lodged by the manufacturers.	**Partly Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
			For any anomaly noted, the manufacturer is queried for appropriate action.	
	Inadequate control on Monthly Returns (Page 210)			
6	Information relating to Preforms, such as opening stock of pump bottles, filled up bottles, defects amongst others, which is important to assess the accuracy and completeness of PET bottles produced and sold, was not included in the monthly returns. The completeness and accuracy of excise duty collected on PET bottles could not be ascertained. *(Pg 210, Para 9.2.9)*	The Excise Unit should perform additional checks on the records of the local manufacturers to ensure the accuracy and completeness of the figures declared on their monthly returns. *(Pg 211, Para 9.2.9)*	The local manufacturers are now reporting additional information in the monthly returns submitted to the Excise Unit.	**Partly Implemented**

8.3 CORPORATE AND BUSINESS REGISTRATION DEPARTMENT

8.3.1 Unavailability of Business Continuity Plan/ Disaster Recovery Plan for Companies and Businesses Registration Integrated System

Background Information

The online Companies and Businesses Registration Integrated System (CBRIS), which was operational since the year 2007, is being continuously updated, is a web based application for registration of businesses, incorporation of companies, filing of statutory forms, as well as payment of yearly fees. Some 900 users have access to CBRIS.

Findings

In April 2024, the IT Security Unit of the Ministry of Information Technology, Communication and Innovation highlighted that no drill was carried out by the Government Online Centre (GOC) to regularly test the CBRIS backup.

Given that the Corporate and Business Registration Department (CBRD) did not have any Business Contingency Plan/Disaster Recovery Plan for CBRIS, any disaster in the system would entail disruptions in both operations and the provision of services.

Root Cause

CBRD did not prepare any Business Contingency Plan/Disaster Recovery Plan for CBRIS.

Recommendation

CBRD should prepare a Business Contingency Plan/Disaster Recovery Plan.

Department's Response

- Management is holding discussions with all stakeholders to look for the best operandi as per recommendations made by the Central Informatics Bureau.

- The testing of CBRIS back up had several times been raised with GOC, but the proper environment is yet to be created at the level of the GOC as it involves cost in terms of equipment and licences.

Incomplete information on Companies Special Deposit Account – Rs 68 million

Background Information

Section 315 (3A) of the Companies Act provides that the money vested in the Registrar pursuant to an order of the Court under this section shall be paid into the Companies Special Deposit Account (CSDA) which shall be kept and maintained by the Registrar.

As per Treasury Accounting System (TAS), money vested into the CSDA as at 30 June 2024 totalled Rs 68.7 million which was administered by the Legal Unit.

Following Court Orders, monies were vested into at least one of the 5 bank accounts. As at 30 June 2024, the bank balances were Rs 57.7 million, US $ 221,000, € 37,000 and £ 7,000 respectively.

Findings

- A detailed list of defunct companies with their money vested in the CSDA was not available. Hence, the completeness and accuracy of the deposit accounts could not be ascertained.
- No administrative instruction was seen in file for the non maintenance of a deposit ledger for CSDA.
- Reconciliation between the TAS and Bank Statements was not carried out to identify any discrepancies.

Root Cause

There was no clear line of responsibility between Finance Section and Legal Unit in respect of the CSDA.

Recommendations

- The Accounting Officer should clearly define the roles and responsibilities of the Finance Section and Legal Unit with respect to the management of the CSDA.
- In the absence of an administrative instruction to maintain deposit ledgers, the provisions of the Financial Management Manual (FMM) on deposits should be complied with.

Department's Response

On 20 January 2025, the Department informed:

- All information in respect of defunct companies held in the CSDA are available.
- CSDA is a Statutory Deposit Account under Section 315 of the Companies Act, contrary to public funds which are required to be maintained in accordance with the FMM.
- Deposit ledger was not maintained as these were funds of companies kept by the Registrar of Companies.

NAO's Comment

The CBRD should seek the advice of the Attorney General's Office as to whether the Statutory Deposit Account falls under the ambit of the FMM.

8.3.2 Follow-up of Recommendations raised in the Audit Report 2022-23

The status on actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarised below. Out of 13 recommendations, 4 (31 per cent) have been implemented, 5 (15 per cent) have been partly implemented and 4 (54 per cent) have not been implemented.

SN	Findings	Recommendations	Department's Response- Status as of January 2025	NAO's Comments
	Revenue Management (Pages 215-216)			
1	(i) Discrepancies in Revenue Figures. (ii) Debtors accounts not updated. (iii)Significant increase in number of skipped receipts. *(Pg 215-216, Para 9.3.1)*	▪ The Accounting Officer should take corrective action to address the deficiencies in revenue and debtors' management. *(Pg 216, Para 9.3.1)* ▪ The Service Provider should be requested to investigate into the discrepancies in CBRIS and take appropriate action. *(Pg 216, Para 9.3.1)*	(i) The service providers were still investigating the possible causes of payment not loaded in a timely manner in CBRIS. (ii) The module on refund by debtors is functional and reports can be generated. (iii)This is due to a technical issue. The matter has been referred to the service provider several times.	**Partly Implemented** **Not Implemented**
	Slow Recovery of Debts and Debts Written Off (Pages 216-218)			
2	Since the year 2011 revealed there was no major improvements in recovery of debts and no new mechanisms to recover the outstanding amounts was introduced. A Monitoring Committee had been set up to ensure that fees due were collected and compounding of offences for non-payment were resorted to.	▪ The Accounting Officer has to take prompt action to recover debts and explore other viable avenues to recover arrears. *(Pg 218, Para 9.3.2)* ▪ A Monitoring Committee should be set up at the earliest for follow up. *(Pg 218, Para 9.3.2)*	Compounding is a very efficient system of recovering arrears. The recovery of arrears is strictly effected in accordance with the processes laid down in the law. An amount of Rs 11.6 million was recovered through compounding during the financial year 2023-24. A Monitoring Committee will be set up.	**Partly implemented** **Not Implemented**

SN	Findings	Recommendations	Department's Response- Status as of January 2025	NAO's Comments
	The decrease in the arrears figures over these years was mainly attributed to the write-off of debts totalling some Rs 476 million, thus entailing a significant loss of revenue to the Government. *(Page 216-218, Para 9.3.2)*	Procedures should be reviewed and a more robust mechanism be implemented to minimise loss of revenue. *(Pg 218, Para 9.3.2)*	An SMS platform to inform companies/individuals of the due dates for the payment of annual fees, trade fees and compounding of offences is fully operational since December 2024.	**Partly Implemented**
	Arrears of Revenue (Pages 218-220)			
3	(i) Age Analysis – upward Trend in Arrears (ii) Unavailability of Debtors Listing. *(Pg 218-219, Para 9.3.3)*	▪ Necessary action should be taken to have a comprehensive CBRIS. *(Pg 220, Para 9.3.3)* ▪ Monitoring of debtors should be strengthened to ensure timely recovery of debts. *(Pg 220, Para 9.3.3)*	New reports on the list of debtors and appropriate modules will be included in the new CBRIS 3.0 to ensure the accuracy and completeness of all reports on arrears of revenue to enable more efficient monitoring.	**Not Implemented** **Not Implemented**
	Trade Fees (Pages 220-2.21)			
4	(i) Unexplained differences of 4 million in collection; (ii) Unavailability of debtors listing. (*Pg 220, Para 9.3.4)*	CBRD and LAs should use a common IT Platform to curtail additional costs charged to CBRD by the Service Provider for each intervention. (*Pg 220, Para 9.3.4)*	(i) Inability to update database due to incompatibility between the two IT systems. (ii) In November 2023 training to access the application. was provided to all LAs.	**Partly Implemented**
	Service Delivery (Page 221)			
5	Online payments of Trade Fees was low. *(Pg 221, Para 9.3.5)*	The Accounting Officer and LAs have to sensitise the business operators to adopt the online payment modes due to their convenience and speed. *(Pg 221, Para 9.3.5)*	Online payments increased from 7.23 per cent in 2020 to 37.84 per cent in 2023.	**Partly Implemented**

SN	Findings	Recommendations	Department's Response- Status as of January 2025	NAO's Comments
	Non-Renewal of Lease Agreement (Page 222)			
6	The lease agreement with Company B for the rental of office space in respect of both wings on level 5, which expired on 31 March 2020, was not renewed and rent was paid on a month-to-month basis. *(Pg 222, Para 9.3.6)*	Lease Agreements should be finalised to avoid uncertainty as to occupation and possible future disputes. *(Pg 222, Para 9.3.6)*	Lease agreement was signed on 13 September 2024.	**Implemented**
	Non-Renewal of Fire Certificates – Page 222-223			
7	Fire Certificates which expired on 28 October 2021 were not renewed as of November 2023 for CBRD offices. *(Pg 223, Para 9.3.7)*	CBRD should ensure that the premises occupied have valid fire certificates to ensure the safety of staff and the public. *(Pg 223, Para 9.3.7)*	Fire Certificate valid from 13 December 2023 to 12 December 2024.	**Implemented**
	Risk Management (RM) Framework- Not yet developed-Page 223-224			
8	The Risk Management (RM) policy had not yet been implemented and the time frame for its implementation was not set. *(Pg 223, Para 9.3.8)*	▪ A time frame should be set for the implementation of the RM Framework. ▪ Circular No.8 of 2021 on Guidelines for establishment of RM should be complied with. *(Pg 223, Para 9.3.8)*	Action taken. Action taken.	**Implemented** **Implemented**

8.4 REGISTRAR-GENERAL'S DEPARTMENT

8.4.1 Arrears of Revenue – Significant amount involved - Rs 302 million

Background Information

The Arrears of Revenue of the Registrar-General's Department comprise of Registration Duty, Land Transfer Tax, Leasehold Tax and Campement Tax among others which are collectible. However, it excludes untraceable debtors, cases under "objection" and cases lodged at the Assessment Review Committee (ARC).

During the last 6 financial years, the percentage of collectible debts to total arrears had remained below 10 per cent as shown in Table 8-15.

Table 8-15 Arrears of Revenue over six years

	Financial Years					
	2018-19	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
			Rs million			
Balance as at 1 July	404	350	377	414	409	394
Less Arrears Recovered	(34)	(12)	(29)	(16)	(19)	(23)
Less Write off	(1)	(1)	-	(3)	(3)	(71)
Less APS remitted	-	(4)	(1)	-	(3)	(6)
Less Adjustment	(47)	(33)	(1)	(2)	(5)	(22)
Add New Debtors	28	76	67	16	15	30
Balance as at 30 June	**350**	**377**	**414**	**409**	**394**	**302**
Percentage of Arrears Recovered	8.4	3.4	7.7	3.9	4.7	5.8

Source: Returns of Arrears of Revenue

Matters raised on Arrears of Revenue in the Audit Reports in prior years

Long Outstanding Debts Unlikely to be Recovered

At paragraphs 10.5, 9.5.1 and 9.4.2 of the Audit Reports for financial years 2020-21, 2021-22 and 2022-23, respectively, it was highlighted that the recovery of debts was slow and unlikely to be recovered.

Long outstanding debts totalling Rs 58.6 million represented 19 per cent of total arrears as at 30 June 2024. The arrears comprise different components which are shown in Table 8-16.

Table 8-16 Long Outstanding Debts

Details	Amount Rs million
Short on deed and incorrect declaration and Campement Tax, since 1980	29.0
Irrecoverable fees/duties for 7 high-value debtors each exceeding Rs 1 million	19.0
19 defunct companies	10.0
Capital Gains Tax Debtors abolished since 2012	0.6
Total	**58.6**

Source: Debtors Listing

In January 2023 and 2024, the Department informed NAO that:

- The ultimate recourse is to proceed with seizure which requires a policy decision.
- RGD was awaiting for approval for the write off of Rs 76 million.

However, approval for write off was obtained for an amount of Rs 71 million.

Department's Response

A team of 5 Attorneys at Law, from the Attorney General's Office was assigned the task to initiate recovery proceedings for seizure. After a few months they declined, leaving unattended the cases referred to them. As of January 2025, one Attorney at Law has already assumed duty and initiating recovery action.

Analysis of Arrears of Revenue between Pre and Post Computerisation 2015

Background Information

Debts amounting to Rs 202.7 million, representing 67 per cent of total debtors were kept manually. As of October 2024, these were still not migrated in the MeRS as shown in Table 8-17.

Table 8-17 Analysis *of Arrears of Revenue*

Details	As at 30 June 2023 Rs million	As at 30 June 2024 Rs million
Prior MeRS	311.1	202.7
Campement Tax	3.0	3.0
MeRS	79.9	96.3
Total Arrears	**394**	**302**

Source: Statement of Arrears of Revenue

Findings

- Arrears of revenue prior to MeRS totalling Rs 311.1 million as at 30 June 2023 decreased to Rs 202.7 million, which was due to debts written off of Rs 71 million and adjustments of Rs 34 million in respect of correction of errors relating to prior years.

- As at 30 June 2024, an increase of Rs 16.4 million was noted in debtors as per the MeRS. This increase was partly due to an adjustment Rs 12.3 million in the debtors control account for which details were not available.

- During the financial year 2023-24, an amount of Rs 17.4 million, being a balancing figure could not be verified as details were not available.

The completeness of debtors in the MeRS could not be ascertained.

Root Causes

- Appropriate and timely actions were not taken for the recovery of debts by the Registrar.

- Monthly reconciliation of MeRS and the debtors control account and individual debtors account was not carried out by the Finance Section.

Recommendations

- RGD should investigate long outstanding debts to ensure that only recoverable arrears are accounted as arrears.

- Reconciliation should be carried out on a monthly basis by the Finance Section and appropriate action taken.

- RGD should set up a Debt Recovery Unit.

Department's Response

- Reconciliation will be carried out monthly to prevent occurrence of balancing figure for revenue collections at the end of each financial year.

- Revenue transactions processed through MeRS near the end of a month are occasionally accounted for in TAS in the subsequent month, leading to temporary timing differences. Cut-off procedures will be reviewed to minimise these timing differences.

Ineffective Debt Recovery Mechanism

Background Information

Enrolment of Inscription of privilege only acts as a deterrent to debtors from doing any future sales transactions on their immovable properties instead of a means of recovery.

At paragraph 5.10.2, 10.5 and 9.5.2 of the Audit Reports for the financial years 2019-20, 2020-21 and 2021-22 respectively, it was reported that the measures and enforcement mechanisms put in place at the Department were inadequate and ineffective.

In its reply, the Department stated that the implementation of a Valuation Roll will be the appropriate solution.

Valuation Roll – No Action Taken to Review the Valuation Mechanism

Background Information

The lengthy procedures of re-assessment, inscription, determination of cases under objection and debtors management will be significantly eliminated once the valuation roll is fully implemented. Besides, avoiding the risk of loss of revenue and collecting the right amount of tax or duty at time of registration, this would save public funds and time in dealing with re-assessment cases.

No action was taken since the financial year 2019-20 to review the valuation mechanism despite assurance given by management to have a Valuation Roll as a tool that would enable the availability of the open market values of immovable properties prior to registration.

Arrears Payment Scheme– Not effective

Background Information

The objective of the scheme is to encourage debtors to settle their debts promptly. The scheme is also applicable to cases which are under reassessment.

During the financial years 2022-23 and 2023-24, RGD had recourse to Arrears Payment Scheme (APS), which aims at encouraging debtors to repay only the tax amount, thereby waiving the penalty.

Reminders were sent to 3,663 debtors during the year under review. However, only 594 debtors settled their debts through APS, totalling Rs 19 million, representing 4.8 per cent of the total arrears.

Outsourcing of Recovery of Debts to Mauritius Revenue Authority

Pursuant to Section 42B (2) of the Land (Duties and Taxes), the RGD outsourced the process of recovery of some debts, totalling Rs 111 million to the Mauritius Revenue Authority (MRA) during the financial year 2022-23.

No monthly status reports were submitted by MRA.

Root Cause

There was no Monitoring Committee comprising of officer of RGD and MRA to regularly review the status of debt recovery. The debt recovery mechanisms are not effective.

Recommendations

- A Monitoring Committee should be set up.
- RGD should liase with Ministry of Housing and Land to explore ways and means to update the valuation roll.

Department's Response

- The RGD has been implementing various debt recovery methods.
- A debt recovery unit to be headed by an in-house Attorney at Law.

8.4.2 Follow-up of Recommendations raised in the Audit Report 2022-23

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarised below. The 2 recommendations (100 per cent) have been partly implemented.

SN	Findings	Recommendations	Ministry's Response-Status as of January 2025	NAO's Comments
	Limited Accessibility to the Online Search (Page 227)			
1	Access to the online search on the Mauritius e-Registry System (MeRS) between 8.00 am to 6.30 pm might cause inconvenience to stakeholders. *(Pg 227, Para 9.4.1)*	To meet the increasing demands of its stakeholders, the Registrar-General's Department (RGD), should consider extending the search hours to a 24/7 basis**.** *(Pg 227, Para 9.4.1)*	The search hours will be extended to 11.00 pm upon introduction of payment by e-voucher, through MauPass Corporate which is a prerequisite for the implementation of the e-voucher. The project is expected to be implemented by June 2025.	**Partly Implemented**
2	**Delay in the Implementation of an Online One-Stop-Shop (Page 227)**			
	The public has to queue up and wait long hours at the National Land and Transpot Authority (NLTA) counters for applications regarding "Certificat de Gage sans Deplacement" before proceeding for registration at RGD and transfer of ownership.	The Accounting Officer should ensure that all parties sign the MOU. (*Pg 228, Para 9.4.1*)	The project is fully implemented. However, the MOUs with Civil Status Division and Mauritius Revenue Authority are being awaited.	**Partly Implemented**
	The Memorandum of Understanding (MOU) with each party was not signed. (*Pg 228, Para 9.4.1*)			

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9 – MINISTRY OF ENERGY AND PUBLIC UTILITIES

9.1 Infrastructural Works- Non-reimbursement of Loans by two Statutory Bodies

Infrastructural works by the Central Water Authority (CWA) and the Wastewater Management Authority (WMA) was financed by Government by way of loans despite the non-reimbursements by these bodies over the years of the outstanding loan balances.

During the financial year 2023-24, further sums of Rs 179.1 million and Rs 559 million respectively were disbursed in respect of loans and shares and equity participation cumulating to loan balances of some Rs 7.2 billion and shares and equity participation of Rs 2.6 billion as at 30 June 2024.

Table 9-1 Funds by Way of Loans/Share and Equity Participation as at 30 June 2024

Statutory Body	Loan Balances (Rs)	Shares and Equity Participation (Rs)
CWA	3.7 billion	-
WMA	3.5 billion	2.6 billion
Total	**7.2 billion**	**2.6 billion**

Source: Ministry's Records

Findings

- The non-reimbursements of outstanding loans by these Statutory Bodies were stated to be due to lack of capacity of these bodies to generate adequate revenue.

- Measures implemented so far by these bodies such as revenue optimization, costs curtailment, review of legal frameworks by Ministry/relevant Authority for the financing of capital works and outcome of the Ad-hoc Committee set up could not yield the desired results to ensure reimbursements of above loans to government.

Root cause for non-reimbursements of loans

The method used to finance infrastructural works was not supported by prior feasibility study to ensure that these bodies have the necessary reimbursement capacity.

Recommendation

Financing of infrastructural works by Government by way of loans to these two Statutory Bodies need to be reviewed. Alternative financing method might have to be resorted to, so as to avoid the need for loan recovery from these bodies without causing undue hardship to these bodies and the public.

Ministry's Response

- The financing of infrastructural works by Government is being reviewed.

- A Financial Sustainability Plan is under implementation at the level of WMA, which comprises measures to effect timely repayment of its loan.

- The financial review and recommendation for CWA is being examined prior to its approval for implementation.

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10 - MINISTRY OF SOCIAL INTEGRATION, SOCIAL SECURITY AND NATIONAL SOLIDARITY

10.1 SOCIAL INTEGRATION DIVISION

10.1.1 Grants to the National Empowerment Foundation

Background Information

The Social Integration Division (SID) is responsible for the implementation of Government policy measures for poverty alleviation and empowerment of vulnerable families eligible under the Social Register of Mauritius (SRM). In this context, SID provides grants to the National Empowerment Foundation (NEF), a wholly state-owned private company, to enable the latter to meet its operational and capital expenditure as well as the costs of implementing such programmes/projects as entrusted to it by SID.

During the financial year 2023-24, SID disbursed funds totalling Rs 213.8 million as grants to NEF to cater for its recurrent expenditure, comprising Rs 197.5 million and Rs 16.3 million in respect of operational and project costs respectively.

On 18 March 2022, SID and NEF entered into a Memorandum of Understanding (MOU) covering a period of 3 years.

Findings

Non-compliance with the Memorandum of Understanding

NEF has not complied with several Articles of the MOU, as detailed below:

- Non-adherence to the expenditure ceiling for each item of expenditure as appropriated by the National Assembly (Article 2(g) refers).

- Non-establishment of necessary administrative and financial systems and procedures to enable the Foundation to exercise proper control over expenditure incurred, as required at Article 2(k).

- Non-obtention of the Ministry's approval prior to having recourse to reallocation of funds (Article 2(m) refers).

- Non-timely submission of its Annual Report, including the audited financial statements, to the parent Ministry (Article 2(l) refers).

  As of 31 December 2024, NEF had not submitted its Annual Reports, including its financial statements, for the financial years 2021-22 to 2023-24 to the National Audit Office for audit purposes.

  The Annual Reports for the 4 financial years 2017-18 to 2020-21 were submitted to NAO on 2 September 2020, 23 February 2021, 13 June 2022 and 28 June 2023 respectively, that is, 20 to 26 months after the financial year-end.

Inadequate budget monitoring by the Ministry

Excess expenditure was incurred during the financial year 2023-24 pertaining to operating costs, as detailed hereunder:

- A total amount of Rs 30 million, excluding accruals, has been spent by NEF during the financial year 2023-24 in excess of the operational expenditure ceilings appropriated for each item of expenditure.

- The excess expenditure of Rs 30 million included Rs 22.2 million, in respect of 'Salaries and Allowances'. The Ministry had to disburse Rs 171.1 million, that is, Rs 20.1 million over and above the original budget ceiling of Rs 151 million.

- The Internal Auditor reported on a net excess expenditure of Rs 16.5 million incurred by NEF during the preceding financial year 2022-23 in respect of operating costs. Controls have not been strengthened at the level of the Ministry to ensure that NEF's expenditure remained within budget ceilings.

Root Cause

The Ministry has not exercised adequate supervision and monitoring over NEF's operations so as to ensure compliance with provisions of the MOU.

Recommendation

SID should monitor at regular intervals the affairs of NEF so as to ensure compliance with the MOU.

Ministry's Response

- NEF has been instructed to adhere to the expenditure ceiling for each item as appropriated by the National Assembly and to seek the approval of its Board and of the Ministry before having recourse to reallocation of funds.

- A paper on the financial position of NEF is submitted on a monthly basis to the Board of NEF. Regular and close monitoring is henceforth being effected both at the levels of NEF and the Ministry.

- A Committee has been set up since 18 January 2023 to ensure close follow-up and progress on the preparation/ finalization of the outstanding financial statements. NEF has recruited an Accountant/ Senior Accountant since 30 September 2024 for the preparation and finalization of the outstanding financial statements. The outstanding financial statements for the financial years 2020-21 to 2022-23 are expected to be finalized during the year 2025.

- All applications for release of Grants to NEF, with supporting documents, are examined by the Budget Monitoring Committee. NEF submits its request for release of funds on a monthly basis as from July 2024.

Lapses in the implementation of the Empowerment Support Scheme

Background Information

Subsistence Allowance (SA) is an income support paid on a monthly basis to beneficiaries living below the absolute poverty threshold to ensure that the basic needs of their families are met. During the financial year 2023-24, SA of Rs 452.7 million was paid to some 9,500 households registered on the SRM.

Lapses were observed in the operation of the Empowerment Support Scheme, as detailed hereunder:-

(a) Report from NEF not seen submitted at the end of 12 months period

Eligible claimants were required to sign a Marshall Plan Social Contract (MPSC) to benefit from the monthly allowance. In March 2022, the contract period to be covered by the MPSC was revised from one year to 2 years, effective as from 1 April 2022.

Section 3.3 (vi) of the MPSC stipulates that *"The Case Management Officers of the Foundation are responsible for reviewing the compliance to the conditions of this Contract and progress achieved by the family after a period of one year of the signing of contract"*.

Finding

Reports on compliance with conditions of the contracts and on progress achieved were submitted by NEF after a period of 2 years of the signing of the MPSC instead of one year.

Root Cause

The Ministry did not ensure that NEF complied with the requirement for annual submission of the reports.

Recommendation

SID should ensure that NEF submits its reports in line with MPSC requirement.

Ministry's Response

The Head of the Technical Unit, expected to resume duly at the Ministry on 3 February 2025, will be required to ensure close monitoring with respect to the Empowerment Support Scheme.

(b) Proxy Means Test still based on outdated Household Budget Survey 2012

At Paragraph 11.1.1 of Audit Report 2022-23, mention was made that the Proxy Means Test (PMT) used was based on the Household Budget Survey (HBS) 2012 since the implementation of the Marshall Plan in December 2016. The PMT is used to determine the eligibility of households for income support.

In the Budget Speech 2023-24, it was announced that the PMT would need to be reviewed to take into account changes in the socio-economic profile of persons living in absolute poverty over time.

Finding

As at end of August 2024, the PMT was still not reviewed.

Root Cause

Statistics Mauritius has not yet published the final data of the HBS 2023 to enable review of the PMT.

Recommendation

The Ministry should liaise with Statistics Mauritius on the issue of latest data of the HBS.

Ministry's Response

- Maurice Strategie has agreed to assist the Ministry for the review of the PMT. Preliminary meetings were conducted with stakeholders in 2023 and further consultations were held on 18 November 2024 with the international and local consultants appointed by Maurice Strategie.

- The review of PMT is however dependent on the final findings of the HBS, which are expected to be finalized by mid-February 2025 according to Statistics Mauritius.

(c) Eligibility of households not reviewed following various measures introduced in favour of full-time employees between 2020 and 2024

Between January 2020 and June 2024, several measures were introduced for full-time employees such as the National Minimum Wage (NMW), monthly Special Allowance, the Contribution Sociale Généralisée (CSG) Income Allowance and the "Revenue Minimum Garantie" of Rs 15,000.

The NMW as well as the Special Allowance, introduced in the year 2020 were subsequently revised upwards, together reaching Rs 13,000 as from 1 July 2023 whilst the NMW alone reached Rs 16,500 as from 1 January 2024. The CSG Income Allowance was revised to Rs 2,000 for employees earning a gross income of up to Rs 25,000 as from 1 July 2023.

The maximum income threshold, pertaining to the maximum household income beyond which SA would not be payable was also revised, from Rs 9,520 to Rs 10,500 as from July 2021 and to Rs 14,650 as from July 2023.

Finding

Since January 2020, the monthly NMW and special allowance payable to full-time employees working in the formal sector exceeded the maximum household income threshold. Consequently, households with at least one member working on a full-time basis were no longer eligible to benefit from the SA.

However, since the Ministry had not evaluated the impact of the above–mentioned measures against the prescribed eligibility threshold, SA has been paid over the years to households not actually eligible for same. During the financial year 2023-24 alone, SA totalling Rs 5.7 million has thus been paid to 144 households that were not eligible.

Root Cause

The Ministry has not considered all the relevant criteria for payment of SA.

Recommendation

A re-assessment exercise in respect of full time employees should be carried out to ascertain the eligibility of the households.

Ministry's Response

The recertification policy is being reviewed

(d) Household Income not verified

According to Section 6 (2a) of the Social Integration and Empowerment Act 2016, income derived by any of the household members should be taken into consideration when assessing the monthly income or combined monthly income of a household.

During the financial year 2023-24, SA totalling Rs 2.7 million was paid to 82 additional households having signed the MPSC, and which comprised at least one household member working on a full-time basis in the formal sector.

Findings

- The salary declared by only 4 of the 82 households was verified by the Social Security Division (SSD).

- As of August 2024, SSD had not yet requested MRA to provide relevant information pertaining to the negative Income Tax Incentive of up to Rs 1,000. The incentive was payable with effect from January 2018 to full-time employees deriving a monthly basic salary not exceeding Rs 10,000.

- As a result of the above, SA might have been overpaid.

Root Cause

Due diligence was not exercised to ensure the accuracy of the income declared by households.

Recommendation

Appropriate measures should be taken to verify income declared by household members.

Ministry's Response

- Action has been initiated for a review of the duration of the Social Contract. Measures are also being considered to verify income support provided by MRA

- However, following consultations with MRA to obtain real time information on SRM beneficiaries, the Ministry has been informed that the request for sharing of the requested data cannot be entertained as MRA is bound by the confidentiality provisions under Section 13 of the MRA Act

(e) Advance Account not opened for overpayment of SA after expiry of contracts

Findings

- Contrary to Paragraph 31 of the Financial Instructions No. 2 dated 21 October 2016 issued by the Ministry of Finance, Economic Planning and Development, an advance account was not opened although the overpayment of SA was identified on 17 June 2024.

- Due to a bug in the Social Integration Management Information System (SIMIS), SA totalling Rs 287,080 was overpaid to 19 households between April and June 2024 after expiry of the MPSC in March 2024.

Root Cause

Appropriate action was not taken to ensure compliance with Financial Instructions No. 2.

Recommendation

The Accounting Officer should ensure that Financial Instructions No. 2 are duly complied with.

Ministry's Response

- Remedial action has been taken for recoupment of SA overpaid to beneficiaries under the SRM through monthly standing orders.

- SIMIS has been enhanced to ensure that there is no payment made at the expiry of the Social Contract. Payment of SA would be put on hold at the end of the two-year contract, pending the outcome of the re-assessment exercise.

(f) Delays in the process for determining eligibility of households registered on the SRM

During the financial year 2023-24, 3,622 households having signed the MPSC were benefitting from the SA.

Finding

Although the process for determining the eligibility of households should be completed by SSD within 30 days from the date of registration on the SRM, as mentioned in the Standard

Operating Procedures for Processing of SRM Applications', the applications of 1,528 households, representing 42 per cent of the above approved applications, were processed after more than one month.

As a result of tardy processing of applications, payment of SA was delayed.

Root Cause

Inadequate management of resources at SSD to process applications registered on the SRM.

Recommendation

Appropriate measures should be taken to ensure that applications are processed within prescribed time.

Ministry's Response

464 applications were processed after three months as from date of registration due to lack of technical staff at that particular point in time. The issue has already been addressed and the officers have been instructed to comply with the period of 30 days for processing of applications.

(g) Late submission of list of beneficiaries receiving Basic Retirement Pension resulting in overpayment of SA

As per Section 6 (2c) of The Social Integration and Empowerment Act 2016, any pension received under the Pensions Act by any of the household members should be taken into consideration during the assessment of monthly income or combined monthly income of a household.

Findings

- From July 2022 to August 2023, SSD had not submitted a list of household members receiving Basic Retirement Pension (BRP) to SID, resulting in overpayment of SA whilst household income has exceeded the income threshold.

- Scrutiny of the payments effected over the period July to September 2023 revealed that SA totalling Rs 401,667 was overpaid to 26 households.

- As of August 2024, after nearly one year, no action was taken to recover the overpaid SA.

Recommendation

The Accounting Officer should ensure that corrective actions are taken to recover the overpayments.

Ministry's Response

A list of beneficiaries receiving BRP is being submitted for verification purposes prior to preparation of paysheet for the payment of SA.

(h) Case Management Visits not conducted as per the conditions of MPSC

The needs assessment of an eligible household has to be performed and agreed upon by both the Case Management Officers (CMOs) of NEF and the household at the beginning of the contract period as stated in the Training Manual issued in May 2023.

As per the MPSC, the CMOs were further required to carry out periodic visits to provide guidance and support to the beneficiaries. Visits were to be carried out monthly for an initial period of six months and thereafter, every two months.

Findings

- 260 households had, however, not received any Case Management visits during the first 6 months after having signed the MPSC during the period July 2023 to January 2024.
- Of the 266 households, for which compliance reports were submitted by NEF for the months of April to June 2024, 158 households, representing 60 per cent, had received only up to 10 visits during the two-year contract period.
- Consequently, the needs of the households and the extent of any progress achieved/ not achieved would not have been identified despite SA being paid as an income support.

Root Cause

Lack of monitoring over Case Management visits.

Recommendation

Visits of households should be carried out regularly, in accordance with the MPSC, so as to assist beneficiaries in accessing services and empowerment programmes.

Ministry's Response

- Out of the 260 households, 184 are from Rodrigues. During financial year 2024-25, action has already been taken for the recruitment of five additional Community Project Officers, who have assumed duty in September 2024 thereat. Funds were not available for that purpose in 2023-24.
- Clear instructions have been given by the Ministry to NEF to ensure monthly visits to SRM households during the initial period of six months and periodic visits to be conducted thereafter every two months in Mauritius and Rodrigues.
- The Monitoring and Evaluation Officer at the Ministry has been entrusted the responsibility to closely ensure that NEF submits the relevant reports and complies with the conditions stipulated in the Social Contract.

(i) SRM not yet integrated with other Government systems/ registers

At Paragraph 11.1.1 of Audit Report 2022-23, mention was made of the need to integrate the SRM with other Government Register/ systems. According to SID, the matter regarding the integration of SRM with other government systems/registers has been taken up at the

level of SSD, the custodian of the SRM. Consultative meetings with concerned stakeholders so as to integrate the SRM with other registers/systems through the Info Highway platform were being envisaged.

Finding

As of end of August 2024, no action has, however, effectively been taken with respect to the proposed integration.

Root Cause

Absence of proper communication and co-ordination amongst concerned stakeholders.

Recommendation

An integrated system to enable cross-verification of data needs to be implemented as early as possible.

Ministry's Response

The Ministry has initiated action to have access to the InfoHighway in order to obtain updated information regarding applicants registering under SRM. The National Land Transport Authority has agreed to share information as from 2018 with the Ministry. Consultations are ongoing.

(j) Effectiveness of Training provided to unemployed household members not assessed

The MPSC provides for enhanced access to training and placement opportunities for the unemployed household members who are eligible on the SRM to enable them to acquire the required skills to start a small business or become employable more easily.

Findings

Financial year 2023-24

SID has disbursed an amount of Rs 4,625,664 between October 2023 to April 2024 to NEF for the payment of training fees and other related costs.

As of 19 June 2024, as per the status report submitted by NEF, only an amount of Rs 2,155,383, representing some 47 per cent of the total amount disbursed, was spent by NEF accordingly. The remaining amount of Rs 2,470,281 was used for purposes other than training. In addition, no information was provided regarding the refund made by beneficiaries who could not attend training courses.

Financial year 2022-23

During the financial year 2022-23, 9 different types of training courses were run for the benefit of 265 unemployed household members. SID disbursed a total amount of Rs 2.7 million to NEF for the payment of training fees, stipend, start-up kits and toolkits in relation to these courses.

The 'Special Scheme for Unemployed' reports, submitted by NEF in July 2024, revealed that 198 beneficiaries, representing 75 per cent of the above 265 beneficiaries, were still eligible on the SRM to benefit from the monthly SA.

As a result, the effectiveness of the training programs could not be determined.

Root Causes

- Inadequate monitoring over funds disbursed to NEF by SID.

- The consultant, appointed in April 2023 to assess the training programs, did not comply with the conditions of the contract.

Recommendation

The effectiveness of the Scheme should be assessed and adequate measures would need to be implemented.

Ministry's Response

The Scheme is being reviewed and action would be taken to ensure adequate control on funds disbursed to NEF and effectiveness of the training provided.

Child Allowance

Background Information

Child Allowance (CA) of some Rs 43.2 million was paid during the financial year 2023-24. CA is paid every 2 months to children of eligible households registered on the SRM, aged 3 to 23 years and attending a registered school or educational institution. CA is an incentive for the children to attend school regularly.

Monthly attendance sheets of children registered on the SRM were submitted by educational institutions and compiled manually by SID in 2023. As from 01 January 2024, educational institutions were required to submit same electronically on the Web-based Attendance System.

Finding

- As of July 2024**,** records of attendance of several children were not submitted by many educational institutions resulting in the Ministry's inability to process payment of CA.

  Examination of the 'lists of non-submission of attendance sheets' for the months of July to October 2023 and January and February 2024 revealed 13,629 such instances, as illustrated in the Table 10-1.

Table 10-1 Non-submission of Attendance Sheets during FY 2023-24

Attendance sheet for	No. of Household members		
	Mauritius	Rodrigues	Total
July 2023	209	884	1,093
August 2023	184	1,014	1,198
September 2023	470	2,143	2,613
October 2023	607	1,883	2,490
January 2024	1,257	926	2,183
February 2024	2,289	1,763	4,052

Source: List of non-submission of attendance sheets

- As a result, only Rs 43.2 million, representing 30 per cent of the budgeted amount of Rs 145 million, was spent during the financial year 2023-24.

Root Cause

Lack of monitoring and follow-up over non-submission of attendance sheets by educational institutions.

Recommendation

Appropriate corrective measures should be taken for prompt submission of attendance sheets. A meeting to be held with the Ministry of Education and Human Resource to find a workable solution.

Ministry's Response

- The submission of school attendance for academic year 2023 was obtained manually from the Ministry of Education, Tertiary Education, Science and Technology and was a tedious and time consuming exercise.

- With regard to SRM households not paid Child Allowance for the months of January and February 2024, the Web-Based Attendance System was still at its testing stage and the database had also to be updated.

- Outstanding school attendance has been obtained and payment of Child Allowance to the tune of Rs 31,658,236 has been effected.

- A monitoring mechanism has been put in place to ensure that educational institutions provide school attendance for SRM children in a timely manner and monthly reports are generated and analysed.

- The implementation of the CA Scheme is being reviewed for payment of CA to be effected on a monthly basis. The Ministry will ensure close follow-up with the Ministry of Education and Human Resources in instances of failure to submit online attendance of SRM children as per the deadline set.

Non-compliance with the Public Procurement Act 2006

Compliance with procurement rules not seen certified

Background Information

According to section 40(1A) of the Public Procurement Act (PPA) 2006, "*The chief executive officer of a public body shall, before awarding a contract under subsection (1), certify and keep on record that all the procurement rules have been complied with in accordance with this Act*."

Finding

SID has not complied with the above provision of PPA 2006.

Bid opening reports not published on website

Background Information

As per subsection 14(3) of the Public Procurement (Electronic Bidding System) Regulations 2015, "*The bid opening report shall be in the format issued by the Policy Office and shall be promptly published on the website of the public body*."

Finding

The SID did not publish its bid opening reports on its website as required by the above Regulations.

Root Cause

The Accounting Officer did not ensure compliance with provisions of PPA 2006 and related regulations.

Recommendation

The Accounting Officer should ensure compliance with provisions of PPA 2006 and related regulations.

Ministry's Response

Necessary action is being taken to ensure compliance with Section 40(1A) of the Public Procurement Act 2006 and with Subsection 14(3) of the Public Procurement (Electronic Bidding System) Regulations 2015.

10.2 SOCIAL SECURITY AND NATIONAL SOLIDARITY DIVISION

10.2.1 E-Social Security System – Delay in the Project

Background Information

In 2013, the procurement cost of an IT solution for the Ministry was estimated at Rs 240 million, following which a Request for Proposal (RFP) was prepared. After multiple reviews of the project specifications by the Consultant, the cost estimates were revised to Rs 502 million in July 2024.

The E-Social Security System (ESS) would constitute a 100 per cent transition to e-service and e-processing.

Findings

- ***Significant delays in the implementation of the ESS project***

(i) Multiple reviews of the cost estimates and amendments to RFP have been made since the initiation of the project in the year 2013. After 11 years, the ESS project has still not been implemented.

(ii) As of end of September 2024, the vetting of the reworked RFP was still awaited from the Central Procurement Board (CPB).

- ***Escalation in estimated project costs***

As a result of delays in the project implementation, the estimated project costs have escalated by Rs 38 million, from Rs 464 million in 2016 to Rs 502 million as of July 2024. The latter cost estimates excluded additional cost foreseen of Rs 89 million in respect of fluctuation in exchange rates, change requests and other investment, as well as Rs 125 million recurring costs over the implementation period of 3 years.

- ***Funds budgeted for not disbursed as intended***

Of the budget provision of Rs 50 million allocated for the ESS project in the financial year 2023-24, Rs 46.3 million was reallocated through virement towards the construction of the Recreation Centre at Riambel (Rs 11.3 million), and for the payment of Basic Widows' Pension and Basic Invalid Pension (Rs 35 million). Such reallocation was done after obtaining clearance from the Ministry of Finance, Economic Planning and Development.

- ***Delayed implementation of ESS Project***

Delays in the implementation of the ESS project implied that benefits to be derived therefrom, that is, facilitation of citizens'/stakeholders' access to services, efficient and effective service delivery, enhanced operational efficiency, improved transparency in service delivery and minimised risk of benefits overpayment or fraud were yet to be reaped.

Continued use of the current outdated system, which has been in operation for over past 25 years and which was no longer compatible with recent technology, are likely to:

- Render same prone to system outages and cyber threats.
- Involve high maintenance costs.
- Impact adversely on timely receipt of benefits by beneficiaries in case of software and hardware failure, and on service delivery.

Root Cause

Poor project planning.

Recommendation

The Social Security and National Solidarity Division (SSD) needs to take proper and prompt actions to avoid further delay in the implementation of the project. Proper planning would be critical in ensuring the successful implementation of the ESS project.

Ministry's Response

- Following approval, the RFP for the ESS Project was submitted to CPB on 3 September 2024.
- Notwithstanding the launching of tenders for the ESS Project by CPB, the Ministry has invited bids on 8 October 2024 for data cleansing. Tenders were relaunched on 7 January 2025 as a result of non-submission of bids during the earlier tender exercise. Additionally, the Ministry has started preparatory works on the filing system to implement the scanning of document project. The Ministry has started the weeding of files whereby 71,130 files have been disposed of.
- Change Management has already started. 12 awareness sessions, involving 382 staff from the technical cadre, were held in 2024.

Overpayment of Pensions – Rs 187 million

Background Information

During the financial year 2023-24, SSD disbursed Rs 51.7 billion for the payment of pensions, including basic retirement pension, widows' pension, invalid pension and other benefits to some 300,000 beneficiaries.

As at 30 June 2024, total overpayment of pensions amounted to Rs 187 million, representing 40 per cent increase as compared to the Rs 134 million overpaid as at 30 June 2023. This increase was partly attributed to overpayment on departure cases.

Findings

Overpayment of Pension on Departure Cases

- Overpayment of pension on departure cases accounted for 60 per cent of total pension overpayments. A total of Rs 112 million was overpaid in 622 departure cases as at 30 June 2024. Of this amount, Rs 61 million related to new cases, were detected by SSD during the current financial year, following regular verification by officers of the Ministry at the Passport and Immigration Office (PIO).

  Overpayment on departure cases arose as a result of the continued disbursement of monthly pensions to beneficiaries who were residing abroad for more than 6 months and who were therefore not eligible, in accordance with Section 4(a) and (d) of National Pension Act 1976, for benefits.

- In 17 such cases detected in financial year 2023-24, the beneficiaries had been overpaid over the past 11 to 27 years. Seven of the beneficiaries to whom Rs 7.7 million had been overpaid, were untraceable, whilst 2 others, accounting for Rs 2.8 million overpayment, were unaware of the eligibility criteria for pension payment.

- Despite effort made by the Ministry to detect and recoup the overpayments, same was hampered as a result of the difficulty in tracking the movements of beneficiaries owing to:

  - Use of dual passports by beneficiaries whilst arriving in and departing from Mauritius.
  - Different names of beneficiaries on the dual passports.
  - Different National Identity Card numbers of beneficiaries as per SSD database and Info Highway platform.
  - Ascertaining beneficiaries who passed away abroad.

- Recovery effort pertaining to overpayment on departure cases was not adequate since SSD did not avail of the provision of Section 4(1)(c ix) Passport Act 46 of 1968 (as amended), in requesting PIO to retain the passports of beneficiaries unwilling to settle the overpaid amounts. Of the Rs 149.3 million overpaid on departure cases, only Rs 32.1 million, representing 22 per cent, have been recouped during the year.

Slow Recovery of Overpayments

- As of 30 June 2024, despite efforts made by the Ministry, the recovery rate of overall pension overpayments was 20 per cent as compared to the 35 per cent targeted in SSD's three-year Strategic Plan 2023-2026.

- An amount of Rs 116 million and Rs 71 million of pension overpayments, relating to old and newly detected cases respectively and representing 87 and 67 per cent, were yet to be recouped.

- Following successive increases in the quantum of pension benefits in recent years, no exercise was carried out by SSD to revise upwards, the amounts to be recouped for overpayment from each beneficiary.

Inadequate follow-up of Overpayment cases

- In 566 of the 1,411 cases which accounted for the total pension overpayments of Rs 187 million, no refunds have been made during the financial year under review.

  In the absence of proper monitoring, there is a risk that the amounts overpaid of Rs 79.5 million, in relation to these 566 cases, might become time-barred, leading to subsequent write-offs and loss of revenue.

- During the 4 financial years 2020-21 to 2023-24, an amount of Rs 20.5 million pertaining to 240 cases of pension overpayment, have already been written-off, as a result of being time-barred.

- The Benefits system did not include an overpayment module whereby details pertaining to the history of overpaid amounts, terms and conditions for repayment, among others could be viewed.

- A sample of 15 overpayment files was requested by audit to ascertain the extent of monitoring effected. However, these files were not produced.

- Staff deployed for effective monitoring and recovery of overpayments, were inadequate. In August 2024, only 2 Higher Social Security Officers and one newly recruited Management Support Officer were involved in monitoring overpayment cases at the Overpayment Recovery Unit.

Root Causes

- Inaccurate information, pertaining to death and marriage, submitted by the Civil Status Division (CSD).

- Absence of Standard Operating Procedures (SOPs) for recovery of overpayments.

- Inadequate staffing at the Overpayment Recovery Unit.

- Absence of regular assessment of follow-up actions and outcomes thereof.

Recommendations

- CSD should ensure accurate and up to-date information are submitted to SSD as such information would be critical, in the prevention of cases of pension overpayment/ fraudulent encashment.

- SSD should review and enhance the operation structure of the Overpayment Recovery Unit, particularly given the likely future increases in the quantum of pension payable.

- SOPs should be detailed out to provide guidance on steps to be taken upon detection of cases of overpayments.

- Regular assessments of follow-up actions taken need to be made to ensure that overpayments are recouped.

Follow-up on prior year audit issues

- *Pay Day for pensions being the first working day of the month*

At paragraph 1.1 of the Audit Report 2022-23, mention was made that pension overpayment could have been curtailed were the payday to be other than the first working day of the month. Overpayments, arising as a result of non-cessation of pension payment from the month following the death of 110 beneficiaries, amounted to Rs 1.4 million for the financial year 2023-24.

- *Non-submission of updated list of re-marriages*

No matching exercise could be carried out to identify cases of re-marriage of beneficiaries of basic widows' pension as a result of non-submission of an updated list of such remarriages, by the Muslim Family Council (MFC) (despite being so required by Section 5A of the Civil Status (Muslim Family Council) Regulations 2005).

- *Electronic Document Management and Workflow System not yet introduced*

At paragraph 1.4 of the Audit Report 2022-23, mention was made that the filing system was not efficient and effective.

The Ministry asserted that tenders would be launched by January 2024 for the implementation of an Electronic Document Management and Workflow System. As of September 2024, no such tender was launched.

During the financial year 2023-24, out of a sample of 119 claim files requested for by audit, only 70 were produced.

Ministry's Response

- Since data uploaded by CSD and PIO on the Info Highway are not updated, there will always be overpayment issues registered at this Ministry due to reliance on these data. Nevertheless, the Ministry has carried out regular matching exercises and officers are posted on a daily basis at PIO and CSD which have resulted in an increase in detection of fraudulent encashment of benefits representing 28 per cent of cases detected.

- The recovery rate of overpayment is slow for death cases, mainly because most of these cases involving huge amounts of overpayment are long standing and hence it is difficult for the Ministry to identify persons/heirs who have fraudulently cashed the benefits. Moreover, in cases where the money was credited in joint accounts the bank refuses to disclose the identity of the other account holder and it is only through a judge's order that such information can be retrieved which is a quite lengthy process.

- With the increase in the quantum of pension, a policy decision will have to be taken to increase the monthly amount to be recouped.

- Additional staff has been posted to the Overpayment Recovery Unit for a proper monitoring of overpayment cases.

- Each of the above 566 cases are being re-examined for the purposes of recovery, of assessing the status of the refund and follow up, identifying the constraints for the recovery of the amounts overpaid, and initiation of action for the write off for those related to period September 2005 to June 2014.

- Any new decision regarding rescheduling of the pay day is a matter for the Government to decide.

- Regarding the non-submission of an updated list of re-marriages, request has been made by the Ministry to MFC followed by a series of reminders. The Ministry has been informed that the list will be submitted only upon authorization from PMO. The authorisation is still awaited.

- RFP for the acquisition of a web-based Document Management System has already been prepared by the Central Informatics Bureau and will be launched shortly.

Processing of Applications for Basic Invalid Pension and Additional Basic Invalid Pension

Significant delays in processing Applications

Significant delays, ranging from 153 to 428 days were observed in the processing of beneficiaries' applications. Most of the delays occurred after the assessment of eligibility for these benefits by the medical board. These delays impacted adversely on the timely disbursement of financial support meant to alleviate the hardship suffered by the applicants.

No time frame set for Processing of Applications

No SOPs outlining the guidelines, instructions, and timeframes for each stage of the application processing, was in place at SSD.

A database review revealed that applications were processed randomly from the date of approval by the medical board rather than on a first-in, first-out basis.

Root Cause

Inefficient administrative procedures and resource constraints at key stages of the process.

Recommendations

- An automated tracking system should be introduced to monitor the processing of each application and flag any delays.

- SSD should develop and implement formal SOP's.

Ministry's Response

- The filing system has been reviewed. Additional space and equipment have been provided to ensure proper filing. Backlog for Award Notices and Medical certificates have been cleared. In addition, all renewal cases are now being processed online by the 25 Awarding Units.

- As recommended, a formal SOP manual that outlines the guidelines, instructions and time frame for each process is being developed with the assistance of a consultant. The ESS would cater for the automated tracking system as recommended.

Medical Unit

Background Information

The Medical Unit comprises a Domiciliary Visit (DV) section, a Medical Board (MB) section, and a Medical Appeal Tribunal (MAT). For the financial year 2023-24, Rs 264 million were disbursed as fees for MBs and DVs and Rs 13.5 million for medical supplies and vaccines.

Findings

- ***Inadequate time allocation for proper medical assessment of applicants***

There were 30 to 35 applicants scheduled for each three-hour MB session, conducted by 2 medical officers. The medical assessment was performed over an average of 5 to 6 minutes only to determine eligibility for pension.

- ***Determinations of benefit eligibility by MB quashed by the Medical Appeal Tribunal***

Out of the 5,122 applications for appeal against MB decisions received during the financial year 2023-24, 2,017 cases representing 40 per cent, have been allowed/approved by the MAT. Thus, applicants were granted financial support which would, otherwise, have been wrongly denied to them.

During the financial year 2023-24, Rs 6.7 million were disbursed to members of MAT for handling of appeal cases.

- ***Carer's Allowance/Additional Basic Invalid Pension of Rs 3,500 monthly granted to ineligible persons***

As mentioned in the second schedule of the National Pensions Act, a person is eligible for a Carer's allowance /Additional Basic Invalid Pension (ABIP) if he/she is a beneficiary of a Basic Invalid Pension, and needs constant care and attention.

Two cases, out of 10 examined, were observed whereby the applicants had been assessed as being eligible for carer's allowance/ABIP, despite being in employment.

- ***Risk of potential bias/conflict of interest impacting on the integrity of medical examinations***

The Medical Unit did not have independent pools of medical officers to conduct Domiciliary Visit Medical Examinations (DVMEs)/ MBs on the one hand, and monthly DVs on the other.

Consequently, the risk of potential bias or conflict of interest influencing their decisions might compromise the integrity of the medical examinations as:

(a) These officers were allocated region-wise.

(b) Only one medical officer conducted the DVME for each applicant.

(c) A medical officer was paid per MB session, and per patient for each DVME/DV (rather than on a monthly basis).

(d) There were inadequate proper control mechanisms to ensure that no medical officer conducting MB/DVME for a particular applicant/beneficiary was thereafter responsible for effecting the monthly DVs for that person.

- ***Inadequate control pertaining to DVs***

Absence of proper monitoring to ensure quality of service during DVs

During the financial year 2023-24, 312,982 DVs were conducted for which Rs 203 million were disbursed. However, no proper structure or control mechanism was in place at the Medical Unit for the verification of the medical history forms filled, in during the DVs and/or through post DV sample visits to ensure the quality of service being provided during the DVs.

A review of complaint letters received from beneficiaries revealed instances of unsatisfactory service provision by medical officers during DVs, examples of which are as follows:-

(a) Monthy DVs not conducted on a regular basis.

(b) Non timely receipt of prescription forms.

(c) Blood pressure test not always conducted.

(d) Request to pre-sign the medical history forms for the upcoming month.

(e) Lack of professionalism and communication issues.

Non-monitoring/ follow-up of untraceable/unreachable beneficiaries at the time of DVs

There was no evidence of any investigation having been carried out pertaining to the whereabouts of beneficiaries who were untraceable or unreachable during the DVs, despite monthly lists of same being complied by the Medical Unit.

Such investigations could have served as a critical control mechanism to verify whether beneficiaries are still alive or residing abroad, thereby minimising the risk of overpayment.

- ***Manual processing of information***

Though the number of MBs/DVMEs/DVs has significantly increased compared to previous years, most of the processes and reporting were still being carried out manually, which was time-consuming. Retrieval of information was also tedious.

Audit requested a report to verify the interval of DVs carried out. This report could not be produced as information was not fully uploaded onto the system due to staffing issues.

- ***Poor filing system***

Medical history forms filled in during DVs for beneficiaries, and claims for medical fees were kept in large plastic bags instead of being properly filed.

Root Causes

- No separate and independent pools of Medical officers conducting DVMEs/MBs and monthly DVs.
- Inadequate monitoring over DVs conducted.
- Absence of a computerised system for information recording and processing and for reporting purposes.

Recommendations

- The Ministry should consider restructuring the existing pool of medical officers into 2 separate pools for the purpose of conducting MBs/DVMEs and DVs
- A monitoring mechanism would need to be put in place to ensure provision of consistent and high-quality services during DVs.
- The Ministry should introduce a computerised system to facilitate information recording and processing, and for proper reporting purposes.

Ministry's Response

- The Ministry is reviewing the whole process of medical assessment for BIP. The composition of the Medical Board and its operations are currently being reviewed.
- The principle behind the award of a Carer's allowance to a person suffering an incapacity of 60 per cent or more is that the person requires constant care and attention, irrespective of the occupation status of the person, and whether the person is bedridden or not. Persons with disabilities are also encouraged to join gainful employment and if so, required, they even benefit from carer's allowance.
- Since July 2024, a new DV Assessment Form, Safe Prescribing Guidelines and a Safe Prescribing Monitoring Mechanism, besides Quality-Control Sampling of Prescriptions, and a system of Domiciliary Visit counter-checks by phone have been implemented, besides a system of Code of Conduct applied for all doctors, with records of complaints, responses and measures filed, for each doctor.
- HSSOs posted in regional offices are already enquiring on the cases submitted by the Medical Unit with regard to the beneficiaries who are either untraceable or unreachable during monthly DVs. In some cases, the exact address of the beneficiaries has been retrieved and in other cases, the beneficiaries have declined the offer of being visited by the Doctor from the Ministry as they have their personal doctor.
- The filing system has been reviewed. Additional space and racks have been provided to arrange the files in an orderly way for ease of retrieval.

Overpayment of Social Aid – Rs 13.4 Million

Background Information

As of 30 June 2024, overpayments of social aid still outstanding amounted to Rs 13.4 million, of which about Rs 11.2 million pertained to social aid other than Self-Employed Assistance Scheme (SEAS) related cases. The Rs 11.2 million comprised amounts due of Rs 7.7 million from old cases and of Rs 3.5 million from new cases detected by the Ministry during financial year 2023-24.

Findings

Inadequate effort for recovery of overpayment of social aid other than SEAS related cases

The overall arrears recovery rate during financial year 2023-24 was only 23 per cent. 81 per cent of amounts due as at start of the financial year 2023-24 relating to old cases and 71 per cent of amounts overpaid relating to new cases detected during the year, were yet to be recouped as of 30 June 2024.

Non-communication of changes in status by beneficiaries

- The overpayments arose mainly due to non-notification by beneficiaries of changes in employment and "marital status" and in departure cases.

- Intentional non-disclosure by beneficiaries about changes in employment and 'marital' status, as well as movements from/ to Mauritius constituted an offence under Section 8 of the Social Aid Act 1983. Such persons would be liable to payment of fines/imprisonment.

  There was, however, no evidence that SSD had informed/reminded the beneficiaries about the above statutory provision and that the latter have taken cognizance of same.

New Cases detected during the year

- An amount of Rs 2.2 million have been overpaid in 141 newly-detected cases, as a result of changes in employment status. This represented 45 per cent of the total overpayments of Rs 4.9 million effected in 402 newly-detected cases during the financial year under review.

  Such overpayments were also attributable to delays by MRA, in updating Employer/Employee records in SSD's Contribution System.

- During the financial year 2023-24, 16 new cases were detected, whereby overpayments of some Rs 975,000 have been effected owing to changes in 'marital' status.

  The completeness of the figure of Rs 975,000 could however not be ascertained. A sample examination of compiled lists available at 2 of the 48 local offices, revealed that a total of Rs 272,602 overpaid in 4 cases, have not been included in the Return of Overpayments.

- The total amount overpaid of Rs 120,000 to 57 beneficiaries in respect of new cases, following payment of monthly CSG Child Allowance by MRA, might also have been significantly understated. The overpayment was detected at 13 out of the 48 local offices, after re-assessment of existing cases.

  It could however not be ascertained whether the remaining 35 local offices have re-assessed their existing cases.

Root Causes

- Beneficiaries not being aware about their statutory responsibility to inform SSD of any changed statuses and of the consequences of not doing so.

- Inadequate communication between SSD and MRA on the need for the latter to promptly update Employer/Employee records in the Contribution System and to promptly notify SSD of the payment of CSG child allowances.

- Absence of SOPs regarding the whole process for payment of various social aids, including registration/ approval of applications and recovery of overpayments.

- Slow recovery of overpayment of social aid and inadequate follow-up actions at the level of local offices.

Recommendations

- Enhanced communication and follow-up between SSD and MRA would ensure timely updating of Employer/Employee records and prompt notification about the payment of CSG child allowances by the latter.

- SOPs need to be developed to facilitate the whole process for payment of various social aids.

- Prompt reassessment of cases and proper follow-up should be effected at the level of all local offices.

Ministry's Response

- Recovery rate is quite low as most of the beneficiaries are from low income group families. Instructions have been issued to award cases for a maximum period of three months to avoid overpayment.

- Officers from the local offices visit the beneficiaries when CSD informs about the death of spouse and also to review the status of the family.

- This Ministry is collaborating with MRA to share information regarding employer/ employee records on a monthly basis for early detection of cases of overpayment.

Inadequate Control over payment of Social Assistance through Immediate Payment

During the financial year 2023-24, social aid through Immediate Payment (IP), as per the Treasury Accounting System (TAS) and as per listing submitted by Mauritius Post Ltd (MPL), totalled Rs 102,517,430.

- The amount of IPs effected as per the Social Aid Module (SAM) was Rs 91,077,523 and differed by Rs 11.4 million from the TAS figure.

- Included in the Rs 11.4 million, is a total amount of Rs 10.5 million pertaining to IPs effected to flood and cyclone victims. This difference in figures was found to be mainly due to payments not having been input on SAM at 5 local offices.

  Since the IPs were not being input on SAM in a prompt manner, there was the risk of same beneficiaries collecting IP forms at different locations on more than one occasion and presenting these at MPL for encashment.

- There was no control over IP forms issued to flood and cyclone victims since same were not recorded.

- Certified monthly listings of all IP forms issued were not being submitted by all local offices to SSD for reconciliation purposes.

Root Causes

- Inadequate staffing for ensuring input on SAM in respect of IP forms issued to flood and cyclone victims is done within a reasonable delay

- Lack of monitoring at the level of SSD to ensure that all local offices submit the monthly certified listings of IP forms issued in a timely manner.

Recommendations

- Local offices to ensure that input on SAM in respect of IP forms issued to flood and cyclone victims be done within a reasonable delay.

- The Ministry should ensure that proper follow-up is effected for submission of monthly IP listings by all local offices.

Ministry's Response

Officers at local offices have been instructed to make the data entry within 2 weeks after the event and tally IP listings with triplicate IP vouchers every month prior to submission to Finance section.

Payment of Surviving Partner Allowance

Background Information

The Surviving Partner Allowance (SPA), introduced in October 2014 under Section 3(d) (r) of the Social Aid (Amendment) Regulation 2014, is payable to women who had contracted a Muslim religious marriage between 13 November 1987 and 22 December 1990 and whose partner has subsequently passed away. The SPA, equivalent to Basic Widows' Pension, is payable provided the women were living with their partner till the latter's demise and that they have not remarried since then.

During the financial year 2023-24, SSD disbursed Rs 5.1 million in respect of payment of SPA to 40 beneficiaries.

SPA disbursed though criteria for payment not complied with

In 5 out of a sample of 7 cases verified, SPA of Rs 600,000 had been paid, though criteria, as set out in the Social Aid (Amendment) Regulation 2014 (Sections 3(d)(r) and 17(2) for payment, had not been complied with. Such instances were as follows:

- Application for SPA in one case was made nearly 3 years after the partner's demise. No evidence was seen whether this case had been considered for approval under Section 17 (2) (c) of the said Regulations, which provided for possible departure from the six-month delay on the grounds of illness or other reasonable cause.

- Despite the applications for SPA being supported by affidavits solemnly affirmed by 2 witnesses, in 2cases, the beneficiaries did not remain partners in the union until they became surviving partners since they were civilly married to other persons during that period.

- SPA was backdated to the month of the partner's demise instead of to the date of application in one case.

- One beneficiary became a surviving partner on 20 January 2003, prior to the coming into operation of the Regulations.

  Although the application was submitted on 2 February 2024, that is, more than 9 years after the prescribed time limit of 31 December 2014, SSD approved the payment of SPA.

- In one case, the religious marriage certificate produced to audit had the signature of the bride only. Hence, it could not be ascertained whether the person in respect of whom SPA has been claimed was actually her partner.

- In 2 cases, the partners started living together with the SPA beneficiaries at the unlikely ages of 6 and 13 years old respectively.

Renewal of SPA

Renewal of SPA was being done annually upon confirmation by local offices that the surviving partner was still alive and upon securing a statement from the latter that she had not conducted any religious or civil marriage after the death of her partner.

- In the absence of a list of religious marriages from the Muslim Family Council, SSD did not ascertain the correctness of the statement given by the surviving partner.

- No verification was done by SSD against the Civil Status Division's records of civil marriages. Hence, there was the risk that those beneficiaries might not be genuine.

Root Cause

Inadequate control mechanisms over the assessment of eligibility and in processing payment for SPA.

Recommendation

SSD should investigate into the cases mentioned above for any overpayment that might have occurred. Also, reassessment of all other cases would need to be effected by SSD.

Ministry's Response

- All cases of SPA have been reassessed. For the cases mentioned, remedial actions have been taken**.** Henceforth, all new cases of SPA shall have the approval of the Assistant Commissioner prior to payment.

- All cases of SPA are being awarded for a maximum period of three months. Instructions have been given to officers of the Technical Cadre to verify with CSD whenever the SPA beneficiaries are civilly married at the time of renewal.

Asset Management - Assets not Operational

James Burty David Recreational Centre

A site visit was carried out by NAO at the James Burty David Recreation Centre (JBDRC) at Pointe Aux Sables on 18 October 2024.

Findings

- ***The CCTV camera***

(i) The existing 21 CCTV cameras together with accessories, which were installed in 2014, were not operational.

(ii) In February 2022, the Commissioner of Police submitted a cost estimate of Rs 8.6 million for the rental and installation of CCTV surveillance system at the JBDRC and other Recreation Centres. However, due to financial constraints, SSD informed that the project could not be implemented in the previous financial years, but that henceforth the Ministry would proceed with the implementation of the project.

(iii) As of October 2024, no further action was seen taken in respect of the rental of the new CCTV system.

(iv) The absence of a proper surveillance system could give rise to risk of security issues.

- ***Swimming Pool & Passenger Lift***

The swimming pool with its attached pump and electrical system, and the passenger lift basement were not operational at time of the site visit. These assets have remained non-operational, even though the centre started its activities in July 2024.

As per correspondences dated January 2023 and January 2024 between JBDRC manager and the Ministry, due to torrential rains and cyclones which occured in previous years, the pool, pump room and electrical system, and passenger lift basement were over-flooded with muddy waters and debris, thus causing major damage.

- ***Inadequate drains system inside JBDRC***

The existing drainage system at the JBDRC was found to be innapropriate to direct heavy rainwater toward the sea. For the safety of the residents and to safeguard assets, SSD should take remedial action to prevent over-flooding within the compound.

Ministry's Response

- *The CCTV system* - This Ministry has resorted to private companies to submit quotations for same on 18 January 2024 but could not proceed due to unavailability of funds. No budget has been received for this project ever in this financial year.

- *Swimming Pool* - The JBDRC is located in a flood prone area with recurrent accumulation of high level of water in its compound. Pending completion of the drain works project at La Tour Koenig by the National Development Unit, which is expected to mitigate the flooding issue at the Centre, it is not advisable to revamp the swimming pool's pumping, mechanical and electrical systems.

- *Passenger Lift* - Cost estimates submitted by the Energy Services Division for the electrical works are around Rs 250,000. Report is awaited from the Civil Engineering Section to assess whether the lift shaft is structurally sound and free from water ingress. Concurrently, the supplier has been contacted to carry out a survey and submit report for further action required.

- *Inadequate drains system inside JBDRC* - The completion of the drain works project at La Tour Koenig is expected to mitigate the flooding issue at the JBDRC. Pending same, the drains inside the compound have been unclogged and are being regularly maintained. In addition, the Road Development Authority has been requested to construct a drain in front of the JBDRC which is expected to dispose the flood water into the sea through an existing external drain situated around 400 metres from the Centre.

10.2.2 Governance Issues – Non-compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of Statutory Bodies with the objective of strengthening accountability and transparency in the public sector.

Findings

Non-Submission of Financial Statements for Audit

The Statutory Bodies (Accounts and Audit) Act requires the Chief Executive Officer of a statutory body to submit the annual report, including the financial statements, to the auditor not later than four months after the end of every financial year.

As of 31 December 2024, the following statutory bodies falling under the purview of Ministry of Social Integration Social Security and National Solidarity (Social Security Division) have not submitted their financial statements for audit as shown in Table 10-2.

Table 10-2 Financial Statements not submitted to NAO for Audit

Statutory Bodies	Financial Year	No of Financial Statements
National Council for the Rehabilitation of Disabled Persons	2020-21 to 2023-24	4
Senior Citizen Council	2023-24	1
Training and Employment Of Disabled Persons Board	2018-19 to 2023-24	6

Source: NAO records

NAO is of the view that the Ministry should:

- Comply with its statutory obligation regarding submission of its Report on Performance;
- Exercise control over statutory bodies and other entities operating under its aegis to ensure that they comply with their statutory responsibilities regarding the preparation of financial statements and their submission for audit; and
- Lay a copy of the annual report and audited financial statements before the National Assembly.

10.2.3 Follow-up of Recommendations raised in the Audit Report 2022-23

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarised below. Out of 7 recommendations, 3 (42 per cent) have been implemented, 2 (29 per cent) have been partly implemented and 2 (29 per cent) have not been implemented.

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO'S Comments
	Payment of Pensions (Page 235 -238)			
1	New cases with significant amounts overpaid. *(Pg 235 Para 11.2.1)*	BIP and BWP should be included in the criteria reported by passport office on departure exceeding six months. *(Pg 238, Para 11.2.1)*	Regular cross verification icw BIP and BWP cases with PIO by SSD officers as from 2023-2024.	**Implemented**
2	Long periods of overpayment. *(Pg 236, Para 11.2.1)*	The legal framework governing National Pension Scheme needs to be strengthened to make provision for recovery of pensions cashed illegally by deceased kins. *(Pg 238, Para 11.2.1)*	A formula for refund will be devised based on amount fraudulently encashed. Also, the Office of the Attorney General will be consulted to recoup the amount overpaid.	**Not Implemented**
3	Incorrect records of beneficiaries of Basic Widows pension. *(Pg 237, Para 11.2.1)*	Accounting Officer should update database of beneficiaries. *(Pg 237, Para 11.2.1)*	Only 10 cases remained.	**Implemented**
	Pension paid through cash in Post Offices (Pages 238 and 239)			
4	Payment of pension to 42,000 beneficiaries through Post Office was not a cost saving option as processing fees of some Rs 10m were disbursed to MPL. *(Pg 239, Para 11.2.2)*	Ministry to carry out cost benefit analysis to determine most appropriate and economical method of payment. *(Pg 239, Para 11.2.2)*	The Ministry cannot impose on the elderly to accept payment through bank.	**Not Implemented**
		Ministry to organize extensive campaign to sensitise beneficiaries to open bank account. *(Pg 239, Para 11.2.2)*	Intensive sensitization campaigns have yielded positive result. Number paid by post is on the decline.	**Partly Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
	Memorandum of Understanding (MOU)with MPL not yet signed (Page 240)			
5	Memorandum of Understanding not yet signed since prepared in November 2022. *(Pg 240, Para 11.2.3)*	Accounting Officer needs to take corrective action to address the deficiencies before signing of the MOU. *(Pg 240, Para 11.2.3)*	Vetted amended document received on 25 Sept 2024 from the Attorney General/s Office and same forwarded to MPL for agreement. Clearance from MOFEPD will be sought following which the MoU would be sent to Government for approval.	**Partly Implemented**
	Assets Under-utilised (Page 240-241)			
6	Three Recreational Centres (RCs) not reopened since Quarantine Period in April 2022. *(Pg 240, Para 11.2.4)*	The operationalization of the RCs should be expedited by the Accounting Officer for the benefits of the senior citizens. *(Pg 241, Para 11.2.4)*	All four RCs opened in June 2024.	**Implemented**

11 – MINISTRY OF FINANCIAL SERVICES AND GOOD GOVERNANCE

11.1 Acquisition of a Double Cab 4x4 Vehicle

Background Information

The Ministry purchased a Double Cab 4x4 for Rs 1.8 million in April 2024 as it was facing difficulties in attending to daily requests for the conveyance of staff and to facilitate transport of miscellaneous items at national and international workshops.

Findings

Non-compliance with Paragraph 8 of the Financial Instructions No. 1 of 2015 – Virement

- The Ministry initiated procedures for the procurement of the vehicle in March 2024. On 1 April 2024, the Ministry issued a letter of award for the acquisition of the vehicle. On 8 April 2024, the Ministry applied for approval for reallocation from another budget item as there was no provision for the acquisition of the vehicle in the budget estimates 2023-24.

- However, the Ministry did not comply with the virement rule which stipulates that the clearance of the Ministry of Finance, Economic Planning and Development (MoFEPD) ought to have been sought before taking any commitment for the acquisition of the vehicle for which provision has not been made in the budget estimates.

  In May 2024, MoFEPD exceptionally gave its approval for the virement and reminded the Ministry to seek financial clearance before any commitment in the acquisition of any item of expenditure or engaging in a new service.

Root Cause

The Accounting Officer did not ensure that the Ministry complied with Paragraph 8 of the Financial Instruction No. 1 of 2015.

Recommendation

The Accounting Officer should, henceforth, comply with relevant financial instructions.

Ministry's Reply

The Ministry will, henceforth, ensure that financial clearance is duly sought before any commitment in the acquisition of any item of expenditure or engaging in a new service.

Lack of Control and Monitoring on the Use of Government Vehicles

Background Information

The Ministry has a pool of 3 vehicles out of which 2 vehicles were purchased during the financial year 2023-24. The vehicles were used to attend daily transport request, conveyance of staff, office duties and facilitate the transport of miscellaneous items following organisation of national and international workshops.

Findings

- Senior Officers entitled to travelling benefits/car allowance and duty exemption were allowed to use Government vehicles.

- The double 4x4 vehicle purchased in April 2024 defeated the real purpose for which the vehicle was purchased.

- In the Corruption Risk Assessment Report 2021-22, it was recommended that the vehicles of the Ministry be equipped with a Global Positioning System (GPS) for effective monitoring and real-time tracking. However, after 2 financial years, none of the vehicles were equipped with a GPS.

Root Cause

The Ministry did not have a robust monitoring and control system on the use of its vehicles.

Recommendation

The Ministry should strengthen its monitoring and control system on the use of its vehicles to ensure its effectiveness, and put in place a GPS System.

Ministry's Reply

The Ministry has already embarked on a proper system of monitoring and control system, and arrangement will be made to equip the Ministry's vehicle with a GPS subject to funds made available in the budget.

Lapses in Office Accommodation – Rs 14.7 million

Background Information

For the financial year 2023-24, the Ministry spent Rs 14.7 million on the rental of buildings for the accommodation of its offices and departments which included an amount of Rs 12.6 million paid for office space at SICOM Tower at Ebene.

Findings

No Lease Agreement for office spaces at SICOM Tower

- In June 2019, MoFEPD informed all Ministries/Departments that its contract with the company would be terminated on 30 June 2019. They were requested to take necessary action to finalise and sign individual lease agreements before 1 July 2019.

- As of 30 June 2024, the Ministry of Financial Services and Good Governance being one occupant of SICOM Tower since 2015, did not enter into a lease agreement with the company. The Ministry paid a total rent of Rs 58.1 million for the period 2019-20 to 2023-24 to the company without an individual lease agreement.

Rental paid not as per Assessment of Valuation Department

The Ministry requested the Valuation Department for assessment of the rental rates of office spaces proposed by the company on 2 occasions as follows:

In the first assessment in January 2022, the Valuation Department informed the Ministry of the following:

- The proposed monthly rental rate of Rs 37.54/ft^2 (inclusive of VAT), service charges and parking for a gross area of 28,253 ft^2 in respect of levels 9, 13, 14 and part of level 8 of the building was on the high side.

- The total revised net effective area occupied by the Ministry was found to be only 19,600 ft^2 and on this basis**,** the monthly rental inclusive of 34 parking slots, service charges and VAT amounted to Rs 988,080.

- The Valuation Department advised the Ministry to stand guided by the recommendation made in January 2022.

In the second assessment in March 2024, the Valuation Department proposed a revised rate of Rs 41.50/ft^2 and Rs 3,500 per parking slot. Hence, the total monthly rent proposed was Rs 1,072,260 (inclusive of VAT) and 34 parking slots.

However, the Ministry continued to pay the rental on the rate and floor area claimed by the company for the period January 2022 to June 2024. This resulted in the payment of some Rs 3 million over the rate assessed by the Valuation Department as fair and reasonable.

Root Cause

The Ministry was unable to make a timely decision arising from the disagreement between the company and the Valuation Department on the rates proposed and the floor areas occupied.

Recommendation

The Ministry should ensure that it has a lease agreement with the company and should expeditiously resolve the disagreement between the company and Valuation Department.

Ministry's Reply

The Ministry is in the process of finalising the lease agreement with the company.

11.2 Governance Issues – Non-compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of statutory bodies with the objective of strengthening accountability and transparency in the public sector.

Finding

Non-Submission of Financial Statements for Audit

The Statutory Bodies (Accounts and Audit) Act requires the Chief Executive Officer of a statutory body to submit the annual report, including the financial statements, to the auditor not later than 4 months after the end of every financial year.

As of 31 December 2024, the Insurance Industry Compensation Fund (IICF) falling under the purview of Ministry of Financial Services and Good Governance, had not submitted its financial statements for the financial year 2023-24 for audit.

NAO is of the view that the Ministry should:

- Exercise control over statutory bodies and other entities operating under its aegis to ensure that they comply with their statutory responsibilities regarding the preparation of financial statements and their submission for audit; and

- Lay a copy of the annual report and audited financial statements before the National Assembly.

Ministry's Reply

The IICF has reported that the financial statements for the financial year 2023-24 have already been prepared. Once the new Managing Committee has been duly constituted, its approval will be sought and the financial statements will be forwarded to the National Audit Office.

11.3 Follow-up of Recommendations raised in the Audit Report 2022-23

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarised below. All 4 recommendations (100 per cent) have been partly implemented.

SN	Findings	Recommendations	Ministry's Response- Status as at January 2025	NAO's Comment
	Adequacy of Key Performance Indicators for the Office of the Public Sector Governance (Page 285)			
1	The limited number of KPI (only1) for the Office of the Public Sector Governance (OPSG) did not permit the Ministry to monitor and assess the performance of the Unit in areas other than financial and organisational review. *(Pg 285, Para 14.1)*	The Ministry should review the current KPI and formulate those that reflect the main services of the Unit. *(Pg 285, Para 14.1)*	KPI reviewed for 2024/25 budget.	**Partly Implemented**
	No Standard Operating Procedure Manual (SOPM) for the Ministry (Page 286)			
2	The Ministry did not have a Standard Operating Procedure Manual (SOPM) which sets out the policies, procedures, systems and mechanisms in place, *(Pg 286, Para 14.3)*	The Ministry should initiate necessary action to formulate an SOPM. *(Pg 286, Para 14.3)*	SOPM for AML/CFT Unit was prepared while for Financial Services Unit is being finalised.	**Partly Implemented**
	Independence of Audit Committees (Page 286)			
3	Accounting Officers still appoint Audit Committee (AC) members from the Ministry/Department and most of them are from the management team. *(Pg 286, Para 14.3)*	The Ministry should follow-up the matters relating to AC's independence with higher authorities. *(Pg 287, Para 14.3)*	A technical committee under the chairmanship of the Permanent Secretary was set up to look into the matter.	**Partly Implemented**
4	Monitoring of ACs on a quarterly basis not done by OPSG – Fieldwork carried out only at year end. *(Pg 287, Para 14.4.1)*	The Accounting Officer should include a clause on the deadline for the submission of the documents by ACs in the performance agreement. *(Pg 287, Para 14.4.1)*	Regular monitoring only possible subject to increase in the workforce of OPSG, timely submission of AC documents, client and Ministry acceding to OPSG's request. Performance agreement was updated to include timely submission of reports.	**Partly Implemented**

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12 – MINISTRY OF ENVIRONMENT, SOLID WASTE MANAGEMENT AND CLIMATE CHANGE

12.1 ENVIRONMENT AND CLIMATE CHANGE

12.1.1 Environmental Impact Assessment and Preliminary Environmental Report – Lapses in Recording and Monitoring

Background Information

During the financial year 2023-24, 48 Environmental Impact Assessments (EIA) and 11 Preliminary Environmental Report (PER) applications were received at the Economic Development Board against payment of processing fees totalling Rs 753,000.

Findings

Database Not Comprehensive

- A database is kept in excel format by the EIA/PER Monitoring Division. As of 30 June 2024, 3,021 EIA and PER approved licences were granted by the Ministry.

- As of June 2024, 30 out of 47 approved licences issued during financial year 2023-24 were not updated in the database. This is not in line with one of the main duties of the EIA/PER Monitoring Division for preparing and updating the database on projects for which EIA Licence/PER approvals have been issued.

- In 98 instances, the date of issue of the licences was not inserted in the database.

- The database did not cater for essential information such as the status of projects, the start and completion date, the date of site visits carried out, remarks for non-compliance, and completion as per Environmental Monitoring Plans.

Root Cause

The EIA/PER Monitoring Division and the Monitoring did not ensure that the database of EIA/PER Monitoring Division was regularly updated.

Recommendation

The EIA/PER Monitoring Division and the Monitoring Committee should ensure that the database is regularly updated for all approved EIA/PER licences.

Division's Response

- On 2 October 2024 the Ministry made a request to the Economic Development Board for the onboarding of the processing of Environmental Monitoring Plans and Completion Certificates on the National e-Licensing System Platform. This activity will also involve the setting up of a database of EIA/PER Projects in real time.

- The updating of the database of the EIA/PER Monitoring Division is expected to be completed by end of January 2025 and the database will henceforth be kept updated.

Lack of Monitoring and Non-compliances of Environmental Impact Assessments Licences

Background Information

An EIA/PER Licensing and Monitoring Division was set up:

To assess and approve the Environmental Monitoring Plans submitted by the proponents during the applications for their EIA Licences (approved Licences) before the commencement of their Projects in collaboration with other authorities.

To ensure compliance with conditions imposed in EIA/PER Licences issued to proponents for promoting sustainable environmental management.

Finding

For the period January to June 2024, only 107 EIA and 11 PER had been monitored by the EIA/PER Monitoring Division.

Thus, cases of non-compliance could not be detected and reported, due to insufficient monitoring to the Monitoring Committee for appropriate enforcement action and remedial measures as per the provisions of the Act.

Following a post-monitoring exercise carried out on 118 undertakings, 35 non-compliance cases of EIA conditions, representing 30 per cent were noted.

The main reasons for non-compliance were:

- Non-submission and/or incomplete Environmental Monitoring Reports and other related documents.

- Non-implementation of mitigating measures during site preparation, implementation, and operation phases resulting in environmental nuisances such as air pollution, water pollution, noise, odour, and wastewater nuisances.

- Deviation to approved project without approval.

As of September 2024, 21 non-compliances were rectified and the remaining 14 cases were being closely monitored and under consideration by the Monitoring Committee.

Root Cause

There was inadequate planning and monitoring by the EIA/PER Monitoring Division and the Monitoring Committee on the approved EIA/PER licences.

Recommendation

The EIA/PER Monitoring Division and the Monitoring Committee should regularly monitor the approved EIA/PER licences.

Division's Response

- Monitoring of the EIA/PER Project is also undertaken by Enforcing Agencies under the Environment Protection Act.
- The EIA/PER Monitoring Division will continue to monitor projects through the PER/EIA/SEA Monitoring Committee.

12.1.2 Environment Risks

Background Information

Mauritius is particularly vulnerable to the impacts of climate change, including severe weather events and natural disasters such as cyclones, coastal erosion, torrential rains, floods and flash floods among others.

Findings

National Adaptation Plan - Not Finalised

- The National Adaptation Plan process started in 2017. The overall aim is to strengthen the capacity required to analyse climate change impact, assess climate change risk, and establish investment information available for vulnerable sectors such as coastal zones, infrastructure, high flood-prone areas, and fisheries.
- In February 2022, the assistance of the United Nations Development Programme was sought to rewrite the Concept Note for the receipt of US$ 2.5 million from the Green Climate Fund.
- As of 30 September 2024, the National Adaptation Plan was not finalised after almost seven years.

Root Cause

The Department of Climate Change encountered difficulties in finding a Delivery Partner for writing the National Adaptation Plan.

Recommendation

The National Adaption Plan should be finalised as early as possible.

Division's Response

- In 2024, United Nations Environment Programme Copenhagen Climate Centre provided pro bono support to rewrite the National Adaptation Plan.
- The Indian Ocean Commission has recently accepted to be the Delivery Partner for National Adaptation Plan.
- The NAP Concept Note has been submitted to the Green Climate Fund on 10 December 2024 for evaluation and to address queries from the evaluation Board. Approval of the proposal is dependent on the GCF procedures and processes.

MauNDC Registry - Incomplete Information

Background Information

One of the objectives of the Nationally Appropriate Mitigation Actions project is to develop a Nationally Determined Contribution (NDC) Registry for an Enhanced Transparency Framework with the technical assistance of the United Nations Environment Programme Copenhagen Climate Centre.

The Key objectives of MauNDC Registry, among others, are:

- To improve the engagement of stakeholders by providing a one-stop platform for data input, assigned tasks, and updating implementation status;
- To track and report on cross-cutting mitigation and adaptation policies and actions;
- To report on overall NCR progress versus the targets; and
- To support proactive decision making.

Findings

- The development of the MauNDC Registry started in early 2022 and the platform went live in December 2022 and was to be populated with projects and measures, among others.

  As of October 2024, the MauNDC Registry was still not populated with projects in terms of outcomes, interventions, indicators and targets. Also, stakeholders were providing incomplete information on the platform and were not related to climate change.

- In April 2024, the Division embarked on the Initiative for Climate Action on Transparency project to support the capacity building of stakeholders for operationalising the MauNDC Registry.

  As of 30 September 2024, after 5 months the collaboration of all relevant Ministries and Departments was not yet sought for implementing the project which is scheduled to be completed by end of 2025.

Root Causes

- There was inadequate coordination between several stakeholder engagements to respond to environmental risks.
- The change in staff at various levels of the Division has delayed the implementation of the MauNDC Registry.

Recommendations

- The Accounting Officer should put in place a system involving all stakeholders and the Division in the implementation of the adaption measures.

- The MauNDC Registry is to be populated with the appropriate information and measured in terms of outcomes, interventions, indicators for all projects.

Division's Response

- Populating the MauNDC Registry requires dedicated staff with adequate training.

- Coordination and monitoring with stakeholders will always be a problem.

- The relevant training will be undertaken under the Initiative on Climate Action and Transparency project which is expected to be completed by end of 2025.

12.1.3 Lapses in Plastic Management

Background Information

The Department of Environment took initiatives to address plastic pollution to make Mauritius a plastic free country. However, it faced several challenges for achieving the overall objectives.

Findings

Revised Environment Protection Regulations Not Yet Finalised

In November 2022, the Department of Environment proposed 15 amendments to encourage the use of biodegradable products, under the *Environment Protection (Control of Single-Use Plastic Products) Regulations 2020* and 23 amendments under the *Environment Protection (Banning of Plastic Bags) Regulations 2020* to be made.

As of September 2024, after more than 22 months, 13 amendments relating to *Environment Protection (Control of Single-Use Plastic Products) Regulations 2020*. With regards to the regulations for banning of plastic bags, 17 amendments *Environment Protection (Banning of Plastic Bags) Regulations 2020* were still at discussion stage for more than 17 months.

Root Cause

Inadequate involvement of a legal expertise in drafting revised regulations.

Recommendation

The Accounting Officer should consider hiring a legal expert to finalise the amendments to the existing Regulations.

Division's Response

The Consultancy for the Roadmap Project has been awarded to the University of Mauritius in September 2024 and are in the process of reviewing the Regulations. The assignment is due to be completed in August 2025.

Inadequate Crackdown Operations

Background Information

The Plastic Management Division ensures the enforcement of the existing provisions through crackdown operations, carried out jointly by the Police de L'Environnement, and Local Authorities' Health Inspectors to markets/fairs, supermarkets, and manufacturers' premises once per month. During the financial year 2023-24, 138 visits were carried out throughout markets/fairs, supermarkets and manufacturers in operation.

Findings

- The crackdown team issued 88 contraventions against defaulters for selling non-biodegradable plastic bags.

- The crackdown operations carried out were insufficient as compared to the total number of markets/fairs, supermarkets, and manufacturers' premises operating around the island.

Thus, there was a high risk of cases of non-compliance.

Root Causes

- The Plastic Management Division did not have a proper annual plan to effectively enforce the existing Regulations through crackdown operations.

- The Division did not have adequate resources to carry out more site visits.

Recommendation

The Plastic Management Division in collaboration with the Police de L'Environnement, and Local Authorities' Health Inspectors should prepare an annual plan based on risk factors and increase the number of visits per month to markets/ fairs, supermarkets, and manufacturers' premises around the island.

Division's Response

- Regular monthly planned enforcement is carried out by officers of the Division with the collaboration of the "Police de L'Environnement" and Local Authorities at market fairs, supermarkets, food courts and at the level of manufacturers.

- Crackdown Operations needs to be carried out following complaints and information received on plastic manufacturing, sale and supply of non-biodegradable plastic bags.

- To enable intensive enforcement, this Division proposed the creation of the post of "Environment Warden" in the context of the two budgetary exercises. However, same was not acceded to.

Seized Imported Plastic Products - Not Yet Destroyed

Background Information

Imported plastic products that do not comply with the prevailing Regulations are detained at the Mauritius Revenue Authority Customs Warehouse.

Findings

- As of June 2024, 250 cubic metres of imported banned plastic product were lying at the Customs Warehouse since January 2021.

- As of August 2024, 67 statements were yet to be recorded by the Police de L'Environnement out of 102 seized consignments.

Root Cause

The Plastic Management Division did not ensure that the Police de L'Environnement records statements from concerned importers of their no objection statements for non-compliance with the prevailing Regulations.

Recommendation

The Plastic Management Division should ensure that the Police de L'Environnement should record no objection statements from importers.

Division's Response

- Seized plastics are sent for destruction only after securing a no objection statement from importers.

- Follow-up is being ensured at the level of the Plastic Management Division with all concerned individuals/companies for the remaining statements to be recorded.

- Despite repeated follow-up with importers to give their no-objection statements to the "Police de L'Environnement", there has been a lack of response from the importers' side, which resulted in the large volume of seized plastic products stored at the Customs Warehouse.

- Where importers are not turning up to record their "no objection" statement despite several reminders, it is being envisaged to seek the advice of the Attorney-General's Office for amendment to the Regulations.

Fines Not Imposed

Background Information

Sections 14 (c) and 16(c) of the Environment Protection Regulations 2020 stipulates that "*any person who imports a non-biodegradable single use plastic* or *any person who imports, exports, or manufactures a plastic bag"* will be liable to a fine varying from Rs 50,000 up to Rs 250,000 and to imprisonment for a term not exceeding 2 years including the revocation of the certificate.

Finding

As of October 2024, the provisions of Sections 14 (c) and 16(c) of the Environment Protection Regulations 2020 were not applied by the Police de L'Environnement and Plastic Management Division against defaulting importers of non-biodegradable single use plastic or plastic bag.

Recommendation

The relevant provisions of the Environment Protection Regulations 2020 should be applied in all cases of non-compliance.

Division's Response

- Working sessions were held with Mauritius Revenue Authority Customs to develop a modus operandi for the disposal of seized plastics through recycling. This procedure is being followed by a pending amendment to the Regulations to cater to the compounding of offences.

- No prosecution is currently being undertaken due to difficulty to provide evidence in court as to whether a seized plastic product has been produced from a petroleum based-material or its derivatives as defined in the current Regulation.

Expired Registration Certificates of Importers and Manufacturers

Background Information

A registration certificate is issued and is valid for 3 years for all importers and manufacturers of biodegradable single-use products and exempt plastic bags which are registered with the Director of Environment.

As of August 2024, the Director of Environment had issued 710 valid registration certificates.

Findings

- As of August 2024, 78 registration certificates for biodegradable single-use product and 101 registration certificates for exempt plastic bags had already expired after their validity period of 3 years and were not renewed.

- Officers of the Plastic Management Division were not currently authorised by the existing environmental laws or regulations to conduct site visits at the premises of importers and manufacturers to verify the validity of registration certificates. The Plastic Management Division could not confirm whether importers and manufacturers were still in operation.

Root Cause

The renewal of a registration certificate is not mandatory in the existing regulations.

Recommendations

- All undertakings should operate with valid registration certificates.

- The loopholes in the existing regulations have to be addressed for the renewal registration certificates.

Division's Response

The renewal of a registration certificate is not mandatory as the manufacturer /importer may cease operation at any point in time.

Delay in Award of Contract for Consultancy Services to Develop a Roadmap for a Plastic Free Mauritius

Background Information

The United Nations Environment Program approved a scheduled plan for the Roadmap Project Implementation so that the contract for consultancy services for the development of the Roadmap is to be awarded by 28 June 2024 and an inception report be submitted by 22 July 2024.

Finding

The contract for the consultancy services was awarded on 30 August 2024, that is, 2 months after the date set in the planned schedule, while the Inception Report has not yet been submitted by the end of September 2024.

Root Cause

The Bid Evaluation Committee (BEC) took more time to evaluate the bids due to their complexity.

Recommendation

The Division should ensure that the inception report is submitted within a reasonable time for the development of the Roadmap due to its urgency.

Division's Response

The Inception Report was received from the Consultants on 27 September 2024. The report of Stakeholder Consultation Process and the draft State of Knowledge Report have been received in November 2024.

12.1.4 Pesticide Residue Testing Equipment for Water Resources - Non-Compliance with Public Procurement Regulations

Background Information

In June 2023, a contract was awarded for the Supply, Installation, Testing, and Commissioning of one Quad Ultra High-Pressure Liquid Chromatograph-Mass Spectrometer System for the regular monitoring of pesticide residues in surface and groundwater, for Rs 31 million, inclusive of VAT.

The equipment was commissioned on 19 April 2024 at the National Environment Laboratory at Reduit, and as of 31 December 2024, 11,500 tests had been carried out.

Finding

On 1 June 2023, the Departmental Bid Committee (DBC) endorsed the BEC's recommendation dated 6 April 2023, for awarding the contract to the lowest responsive bidder and a Letter of Acceptance was issued on 16 June 2023 despite the validity period had already expired since 16 April 2023.

Root Cause

DBC did not comply with the Public Procurement Regulations.

Recommendation

DBC should fully comply with Section 30 of the Public Procurement Regulations.

Division's Response

A mechanism has already been established by DBC for monitoring the expiry of the bid validity period and is being scrupulously followed and strict compliance with all procurement legislation and Procurement Policy Office Directives/ guidelines is ensured.

Oil Spill Combat Equipment – Shortcomings in Procurement Procedures

Background Information

In March 2022, the Division initiated actions to procure Oil Spill Combat Equipment for an estimated cost of Rs 90 million. This would enhance the preparedness capability in case of eventual oil spills in our Exclusive Economic Zone.

In September 2023, the bid was launched in several lots by the Central Procurement Board (CPB) through the Open International Bidding method via the e-procurement system with closing dates in October 2023.

On 16 July 2024, the contract was awarded for the supply, testing, and commissioning of the equipment for the following contract amounts: Rs 38.3 million to Supplier A for 6 lots, Rs 7.1 million to Supplier B for 6 lots, EUR 104,384 to Supplier C for 7 lots and US$ 18,018 to Supplier D for 3 lots.

After two and half years, the objectives for procuring the Oil Spill Combat Equipment were still not achieved.

Findings

- The purchase was behind schedule by more than one year as the expected completion date was scheduled to be June 2023 as per the Project Request Form submitted to the Ministry of Finance, Economic Planning and Development (MoFEPD).

- The contracts for the supply, testing, and commissioning of the equipment were awarded to the 4 bidders on 16 July 2024, 8 months after the closing of bids.

- As of 20 September 2024, Supplier C had not submit performance security of EUR 10,485. This was not in line with Section 1 of the Instruction to bidders, which required the successful bidder to furnish the performance security under the General Conditions of Contract within 28 days of the receipt of the Letter of Acceptance.

Root Cause

There was a delay at the level of CPB for vetting and approval of the bidding documents.

Recommendations

DBC should:

- Closely follow up with CPB for the vetting and the approval of the bidding documents.

- Take appropriate actions against suppliers who did not submit their performance security as per the conditions of the contract.

Division's Response

- The vetting and finalisation of the bidding documents at the level of CPB was time-consuming in view of the complexity of the project.

- Concerning the submission of the Performance Security by the Supplier, the latter, being a foreign entity, requested for clarifications regarding the payment method and upon being requested to submit same by Monday 25 November 2024 and the amended Performance Security was submitted on 21 November 2024.

Consultancy Services for the Review of Siting Criteria for Stone Crushing Plant and Crematorium /Cremation Ground - Delay in Submission of Reports

Background Information

The Environmental impacts on air and noise pollution required a review and evaluation of the siting criteria both stone crushing plants and crematorium/cremation facilities had to be conducted.

In August 2022, proposals were invited through Open International Bidding with the closing date for the submission of proposals was on 3 October 2022.

In December 2022, the Division awarded the contract for "Consultancy Services for the Review of Siting Criteria for Stone Crushing Plant and Crematorium /Cremation Ground" for Rs 12 million, inclusive of VAT. A contract agreement was signed in April 2023 for a contract duration of 9 months, starting from January 2023.

During the period May 2023 to August 2024, Rs 7.1 million was paid to the Consultant after the submission of 4 deliverables.

Findings

Non-Adherence to Contractual Terms and Conditions

As per the contract agreement, the Consultant had to submit 8 deliverables:

- Inception Report and Work Plan.
- Assessment Report of all existing stone crushing plant and crematoria/cremation ground in Mauritius and gap analysis.
- Social impact assessment on potential relocation of existing crematoria and cremation ground and recommendations.
- Air Quality and Noise Monitoring for 6 existing stone crushing plant, 5 crematoria and 15 Cremation ground.
- Recommendation for reviewing the 1km buffer for existing stone crushing activities and the existing siting criteria and coming up with new siting criteria for crematorium and cremation grounds, communication Strategy and Action Plan for implementation.
- Legal Requirement with policy and Legislative amendments.
- Sensitisation program, all public and stakeholder consultations, Training and capacity building on good environmental practices.
- Final documents/reports/maps of all deliverables.

As of 30 June 2024, only 3 deliverables, namely the Inception Report, Report on assessment of all stone crushing plants, crematoria/cremation grounds, and Report on social impact assessment on the potential relocation of existing crematoria/cremation grounds were completed and were approved by the Project Steering Committee (PSC).

The delay in submitting the deliverables after one and half years hindered the Division's ability to evaluate the potential impacts resulting from the possible relocation of existing crematoria and cremation grounds.

Root Cause

The Manager, Procurement, and Supply did not include penalty provisions for late submission of deliverables or non-conformity with the terms and conditions of the Contract.

Recommendation

The Manager, Procurement, and Supply should consider including a penalty clause in the Contract Agreements to encourage adherence to contractual obligations.

Division's Response

- The contract was extended up to 31 October 2024 without any additional cost.

- Consultations are being held with the Procurement Policy Office in respect of applying penalty clauses/ Liquidated damages for Consultancy services.

Delay in Submitting the Deliverables

Background Information

A PSC was set up at the Division together with several stakeholders to oversee the implementation of the study, validate and approve the deliverables.

Findings

- In October 2023, the PSC approved a five-month extension of the consultancy services without additional cost and to be completed by February 2024.

  In May 2024, the PSC approved an amended implementation plan and granted a further extension of time to the Consultant for completion and submission of the remaining outstanding deliverables 5 to 8 by 28 June 2024.

  On 04 July 2024, the PSC approved the amended Report relating to the fourth deliverable but the Consultant did not submit the amended Reports for the fifth and sixth deliverables as of August 2024.

- The Consultant did not submit any reports as of August 2024 on the sensitisation program, training/capacity building, and training manual and the Final Reports/Documents/Maps of all deliverables.

Root Cause

Inadequate monitoring by the PSC.

Recommendation

The PSC should closely monitor the performance of the Consultant and ensure that the latter complies with the Division's requirements.

Division's Response

- The PSC approved the extension of the deadline for the submission of the Deliverables without additional cost; and

- Several Deliverables had a finish-to-start dependency.

- There were circumstances which were beyond the control of the Consultant which contributed the delay such as rainy weather conditions, absence of cremation at selected sites and no laboratory in Mauritius for analysing tests.

12.1.5 Coastal Protection Works Projects – Lapses in the Execution of Contracts

Background Information

For financial year 2023-24, an amount of Rs 186.7 million was budgeted for the implementation of Coastal Protection Works projects, of which Rs 70 million was expensed.

Coastal Protection Works at Bois des Amourettes Delayed by more than 25 Months

Background Information

The contract for the Coastal Protection Works at Bois des Amourettes was awarded on 7 September 2021 for Rs 41.3 million and was initially scheduled to be completed in May 2022. In the financial year 2023-24, Rs 18 million was paid to the Contractor.

Findings

- As of 30 June 2023, the work progress was reported to have reached 65 per cent and there was time overrun of 13 months.

- As of 10 September 2024, work completed was estimated at 85 per cent and the works have been further delayed by 15 months.

- On 12 September 2023, the advice of the Attorney-General's Office was sought for the amendment to Sub-Clause 14.2 for the deferred recoupment of the Advance Payment and the progressive application of Delay Damages.

  The contract document was accordingly amended on 18 January 2024 and an updated Advance Payment Guarantee was received by the Division on 26 February 2024.

On 1 August 2024, a third and final Notice to correct was issued whereby the Contractor was instructed to complete all outstanding works at latest by 31 August 2024, failing which, the termination of the contract, amongst others, would be considered.

- Works were not completed on time due to poor performance of the Contractor.

Root Cause

The Accounting Officer and the Consultant poorly monitored the project.

Recommendation

The Accounting Officer should, henceforth, ensure proper supervision of implementation of projects.

Division's Response

- On 30 October 2024, the Contractor informed that the works were nearing completion and a report was awaited from the supervision team of the Ministry of National Infrastructure and Community Development (MNICD) with regards to the progress of work achieved;

- The project was referred to the Performance Review Committee due to the performance of the Contractor; and

- Actions have been initiated for the forfeiture of the Performance Security and in line with the Contract Agreement, liquidated damages were applied.

Deux Frères Waterfront Project -Bids Documents Not Finalised

Background Information

In October 2020, a private company was awarded a 30-month Consultancy Services for the Design, Preparation of the EIA Report, Tender Documents, Management of the Construction Contract, and Supervision for the Deux Frères Waterfront Project for Rs 20.4 million, exclusive of VAT.

Findings

- The cost of implementing the project, which was estimated at Rs 284 million by the Consultant in 2020 was revised to Rs 417 million in July 2022, representing an increase of 47 per cent.

- In April 2023, the Consultant provided an updated project cost estimate of Rs 435.9 million, that is, an increase of Rs 19 million over the cost estimate of Rs 417 million.

- In November 2023, the Consultant informed the Division that the updated budgetary cost estimate for the project, as of the end of October 2023 amounted to Rs 459.8 million.

- During the financial year 2023-24, a further amount of Rs 2.3 million was disbursed after the submission of the final bidding documents. As of 30 June 2023, the cumulative payments to the Consultant amounted to Rs 7 million.

- On 1 December 2023, the tender for the recruitment of a Contractor for works was launched with an initial closing date of 15 January 2024. The closing date for bidding was extended on 4 instances (21 February, 4 March, 20 March, and 27 March 2024) due to various queries received from prospective bidders.

  The bidding exercise was cancelled by CPB under paragraph 39(1)(a) of the Public Procurement Act as the lowest substantially responsive bidder had not satisfied the requirement of the key personnel, which was a mandatory criterion.

  In June 2024, the Consultant was informed to review the bid documents and the estimated cost, for which the Division was agreeable to disburse an additional amount of Rs 760,000.

  As of September 2024, the revised bid documents were not yet finalised as the cost estimate had not yet been revised in light of prevailing market conditions.

Root Causes

- The Consultant wrongly prepared the Tender Documents with a lot of loopholes.

- Lack of monitoring by the Accounting Officer on the works of the Consultant.

Recommendation

The Division should ensure the finalisation of the bidding documents and award of contracts within reasonable time and monitor the performance of the Consultant.

Division's Response

- Due to an unsuccessful tender exercise, the Consultant has revised the bidding documents and the cost estimate in order to reflect new market rates.

- The tender was expected to be launched in December 2024, subject to clearances.

Coastal Protection Works at Grand Baie – Delay in Awarding the Contract

Background Information

The Grand Baie West beach was severely eroded resulting in a lack of access along the shoreline and the coastal road. In that context, financial clearance was obtained in July 2023 for the implementation of Coastal Protection Works at the revised estimated cost of Rs 18.2 million.

The project which was initially under the purview of a private company, was transferred to MNICD as from March 2023.

Findings

- The amended bid documents were received in June 2023 and were further revised in December 2023. The final copy was received in February 2024.

- Tenders were launched in July 2024 with a closing date of 27 August 2024. As of September 2024, the project was still at the bid evaluation stage.

Root Causes

- Poor specification in drafting of the bidding document by the Consultant.

- Lack of rehabilitation plan for the execution of Coastal Protection Works.

Recommendations

- The Ministry has to develop a national plan and obtain the collaboration of all key stakeholders to ensure the timely execution of projects.

- The Ministry should expedite completion of the Coastal Protection Works at Grand Baie.

Division's Response

- The contract was awarded on 24 October 2024 and the duration of work is scheduled for around eight months.

- Externally driven factors and adoption for a holistic approach is time consuming.

- A dedicated Project Management Unit for coastal protection works has not been approved in the Budget.

Coastal Protection Works for 16 Sites and Around the Island – Delay in Providing Bathymetric Data and No Objection Letters by the Ministry of Housing and Land Use Planning

In May 2022, the Division awarded a contract for Consultancy Services for the sum of Rs 82.3 million, exclusive of VAT for the submission of the Inception, Preliminary, and Detailed Design Reports and draft tender documents.

As of 30 June 2024, a total amount of Rs 19 million was disbursed.

Findings

- The information in respect of bathymetric data for the projects, was submitted with delay by the Ministry of Housing and Land Use Planning (MHLUP), despite several reminders and meetings being held.

- 3 months after the approval of Detailed Design Reports in November 2023, the Consultant was requested to prepare the tender documents and submit of EIA reports in February 2024.

- Processing of EIA reports could not start as "no objection" in connection with land ownership was still being awaited as of July 2024.

- As of September 2024, no objection letter had been obtained from the MHLUP for land ownership for 6 sites while for the remaining 10 sites, they were still awaited.

Root Causes

- Lack of effective and timely cooperation and collaboration with stakeholders.

- MHLUP submitted the bathymetric data information for coastal protection projects with considerable delay.

Recommendation

The Division should set up a dedicated Project Management Unit to ensure the cooperation and collaboration of relevant stakeholders for the timely execution of coastal protection projects.

Division's Response

- Close monitoring and follow-up of projects are being made to obtain clearances from authorities, namely MLHUP for land.

- The request was not retained in the budget 2024-25 for the establishment of a dedicated Project Management Unit for monitoring coastal projects.

- Approval of the Detailed Design Reports were done progressively and the Consultant was requested to proceed with the EIA reports for the 16 sites.

- Delays were also accrued due to shortcomings in the deliverables from the Consultant.

Earmarked Coastal Protection Works Projects – Draft Tender Documents Not Finalised

(a) Coastal Stretch from Flic en Flac to Wolmar

Background Information

In August 2022, a Consultant was hired for Rs 24.85 million for the preparation of the Inception Report, Preliminary Design Report, Detailed Design Report, and Tender Documents.

The contractual commencement date was 5 September 2022 and the duration of services was to be spanned over 18 months, that is, to be completed by March 2024.

As of 30 June 2024, Rs 7.4 million was already paid to the Consultant.

Findings

- According to the Schedule of Deliverables, the submission and approval of the Detailed Design Report had to be completed within the timeframe of 15 months of the commencement date.

  However, the Detailed Design Report was submitted in February 2024 and a revised one on 20 May 2024, that is with a delay of 3 months.

- Consultation meetings were held on 11 June and 1 August 2024 with hotels located in the regions regarding the protection measures proposed by the Consultant. However, as of September 2024, the matter was still not resolved.

- As of September 2024, 2 years after the commencement date of the contract, the draft Tender Documents were still outstanding from the Consultant.

- As per the Division site visit report dated 26 February 2024, the state of the coast had further deteriorated following the passage of cyclones, storm surges, and swells.

(b) Coastal Protection Works at Souillac Cemetery Seafront Edge

Background Information

The coastline along the coastal cemetery has continued suffering from degradation with climate change, wave patterns, and intensities.

To find an integrated solution to rehabilitate the site and stop the erosion of the coastal sand dune, the Division awarded a contract on 2 June 2023 to a Consultant for Rs 14.95 million spanned over 24 months for the study that is to be completed by May 2025, preparation of designs as well as supervision of works and a further 12 months for the defect liability period.

The Inception Report and the Preliminary Design Report were approved on 28 August 2023 and 29 November 2023 respectively. As of 30 June 2024, Rs 6 million had been disbursed.

Findings

- The Detail Design Report submitted in mid-February 2024 was not approved due to major shortcomings. Additional information was submitted on 24 April 2024 and it was approved on 14 May 2024.

- A draft EIA Report was submitted on 2 February 2024 for vetting. However, the EIA was not accepted due to delay in obtaining permission from the land owner to undertake the Coastal Protection Works. The final EIA was accepted on 29 April 2024.

- The draft Tender Documents were submitted on 16 July 2024. However, as of September 2024, the tender documents were still not finalised as the recommendation of the EIA Committee on the EIA Report was still awaited.

Root Cause

The Accounting Officer and the Consultant poorly monitored the project.

Recommendation

A PSC should be set up by the Division to ensure that the Consultant abide by the key deliverables date.

Division's Response

- The EIA process is consultative and open to the public to make comments. Depending on the amount and complexity of the public comments, this Ministry has to ensure due diligence while addressing those comments;

- As at mid-January 2025, the EIA Report had not yet been approved by the EIA Committee owing to addressing public comments from Non-Governmental Organisations;

- The geotechnical investigations took longer than expected; and

- The Consultant submitted a draft Tender Document on 16 July 2024 and will be finalised after the recommendation of the EIA Committee on the EIA Report.

12.1.6 Cleaning and Embellishment Works at Places of Worship and Other Public Sites - Lapses in Project Management

(a) Inadequacies in Project Management

Background Information

The Living Environment Unit (LEU) which forms part of the Environment and Climate Change Division (ECCD), plays a crucial role in enhancing the environment and improving the overall quality of life of Mauritian citizens through the conception, design, and implementation of upgrading, landscaping and embellishment works across the island.

For the financial year 2023-24, MoFEPD provided financial clearances to the tune of Rs 283.5 million, primarily for the upgrading of works at places of worship and other public sites.

As of 30 June 2024, Rs 103.5 million were disbursed under the National Environment and Climate Change Fund and the Projects Development Fund for the upgrading and embellishment projects which were grouped under batches and series.

Findings

- ***Absence of an Annual Plan***

LEU prioritised the upgrading and embellishment of places of worship, rather than focusing on setting up and/or upgrading and maintaining green spaces, health tracks, endemic gardens and wellness parks that would have served a much wider population.

The basis of selection, extent of scope, and cost of upgrading works at places of worship were not determined systematically as per approved annual plan.

The change in LEU priorities contradicted its stated goal of upgrading the physical environment to achieve a "Cleaner, Greener and Safer Mauritius" and improving the lives of citizens.

Root Cause

LEU operated without an annual plan to guide, amongst others, project priorities, costs, and timelines.

Recommendation

ECCD should devise a policy and develop an annual plan for the implementation of upgrading and embellishment project.

Division's Response

- A draft policy for the implementation of embellishment projects has been prepared and consultations are ongoing to develop a comprehensive policy. Following the approval of the policy, an annual plan will be prepared.

- A guideline for the implementation of cleaning and embellishment projects undertaken by this Ministry has been developed and its implementation would be subject to a policy decision.

- ***Overlapping Responsibilities***

In December 2022 and October 2023, MoFEPD directed the Division not to implement projects falling under the purview of other Ministries/Departments/ Local Authorities as funds for such projects had already been earmarked under their respective votes.

Further, Section 50(2) of the Local Government Act mandates Local Authorities to construct, improve and manage rivers and cemeteries, amongst others.

However, the upgrading works of 4 educational institutions, 2 river banks, and 3 cemeteries, for a cumulative estimated cost of Rs 13.3 million, were entrusted and undertaken by LEU under Series 9, 10 and 11 respectively. In addition, MoFEPD provided financial clearance for the implementation of those upgrading works in November 2023 and February 2024 respectively.

Root Cause

There was inadequate coordination between relevant stakeholders.

Recommendations

- To prevent potential duplication of funding, the Division should strictly adhere to the instructions of MoFEPD.

- Consideration be given for the setting up of a Committee to coordinate the embellishment projects.

Division's Response

- Funding is available for the upgrading of places of worship and public sites. However, other authorities have been reluctant to take over the public sites for onward maintenance.
- The Division is often called upon to carry out works for Local Authorities and other Ministries in view of urgency and lack of capacity at their end. This is coupled with specific requests from the National Task Force which have led to this Division's involvement.

- ***Non-Adherence with Financial Procedures***

The LEU failed to follow the financial procedures outlined in Part 9 of the Capital Project Process Manual as it did not seek authorisation from MoFEPD for estimated cost exceeding 15 per cent before launching bids for 58 upgrading and embellishment works grouped under Batch M, Series 9 and 10.

In March and May 2024, MoFEPD had to exceptionally raise no financial objection for the provision of additional funds of Rs 10.3 million, Rs 12.1 million and Rs 6 million to meet the increase in the contract value for the upgrading and embellishment works.

Root Cause

The Division failed to promptly secure MoFEPD's authorisation for the increased project value.

Recommendation

The Accounting Officer should strengthen the oversight mechanism to deter any possibility of non-compliance with financial procedures established by MoFEPD.

Division's Response

The Division will ensure stricter adherence to financial and procurement procedures to avoid similar occurrences.

(b) Shortcomings in Projects Implementation

Background Information

Project Management involves, amongst others, the planning, monitoring, and timely completion of projects, within budget and to the desired quality standards. However, several unsatisfactory features were noted in the implementation of 58 projects grouped under Batch M, Series 8 and Series 9.

(i) Batch M - Upgrading and Embellishment Works at Four Places of Worship Located in the Regions of Flacq, Mont Ida and Moka and the Setting Up of a Health Track at Mont Ida

Findings

Delay in Awarding and Completing the Contract

- In November 2021, the LEU obtained financial clearances to the tune of Rs 9.4 million, inclusive of VAT, for the upgrading and embellishment works at 4 places of worship in the regions of Flacq, Mont Ida and Moka and the setting up of a Health Track at Mont Ida. However, the Division launched three bidding exercises before awarding the contract after two and half years, in May 2024 for a negotiated amount of Rs 15.4 million, inclusive of VAT.

- The negotiated contract amount of Rs 15.4 million, inclusive of VAT, represented 63 per cent increase over the initial cost estimates of Rs 9.4 million, inclusive of VAT.

- Owing to the significant delay in awarding the contract and handing over of the sites of work to the Contractor, works at one place of worship at Queen Victoria, Flacq and part of works at another place of worship at Mont Ida, for a total estimated cost of Rs 700,000 had already been implemented by private organisations. However, LEU did not adjust the project timeline to account for the reduced scope of work.

- Regarding the setting up of a Health Track at Mont Ida, LEU granted an extension of time of 45 days due to issues raised with respect to concurrent construction works at the site of work and changes in the scope of work that resulted in additional works costing Rs 684,000, inclusive of VAT. Consequently, the initial contractual completion date of 17 September 2024 was revised to 1 November 2024.

Root Causes

The Living Environment Unit did not:

- Prepare reliable cost estimates as bid amounts in the first and second bidding exercises significantly exceeded the original estimates.

- Ensure that the scope of work was comprehensive.

Recommendations

The Division should:

- consider hiring a Quantity Surveyor or seek assistance from MNICD to measure quantities, calculate cost estimates, and prepare bills of quantities, amongst others.

- Ensure that contracts are awarded and implemented in due time after receiving financial clearances from the MoFEPD.

Division's Response

- The Division recognises the need for a more formalized and accurate approach to cost estimation. A proposal would be submitted to the Ministry of Public Service and Administrative Reforms and Ministry of Finance, Planning and Economic Development for the recruitment of a Quantity Surveyor in the context of the 2025-26 Budget exercise.

- In the absence of a dedicated Land Surveyor at the Division, the Contractor was required to carry out a topographical survey, which resulted in additional work and an extension of time.

(ii) Series 8 - Upgrading and Embellishment Works at 13 Public Sites and 9 Places of Worship

Findings

- ***Non-Compliance with the Conditions of Contract***

On 21 March 2024, the Division awarded the contract for the upgrading and embellishment of 22 sites grouped under Series 8, to a private Contractor for the negotiated amount of Rs 40.6 million, inclusive of VAT.

Despite the Contractor submitted Performance Security and Insurance Covers that did not fully align with the contractual requirements, the Division, on 24 April 2024, handed over the site of works to the Contractor. This contradicted Section 1.1 of the Particular Conditions of Contract which stated that no physical works shall start on site before the submission of a proper Performance Security and Insurance Cover, and acceptance of the documents by the Division.

- ***Additional Works and Extension of Time***

During the period June 2024 to August 2024, the Accounting Officer gave approval to carry out additional works costing Rs 2.3 million, inclusive of VAT at 2 places of worship located at Curepipe and at one public site, namely, the Mini Soccer Pitch at La Marie.

However, the additional works that were identified during site visits and/or upon requests of the socio-cultural organisations could have been foreseen at the project's initial planning phase.

The additional works would use up 79 per cent of the contingency fund of Rs 2.9 million, inclusive of VAT allocated to cover unforeseen expenses that could not be reasonably anticipated or planned for, during project execution.

In addition, the Contractor was granted a 56-day extension of time to complete the works as a Compensation Event under sub-clause 41.1 (c) of the General Conditions of Contract due to a delay in receiving instructions from the Division, thus extending the completion date from 2 August to 27 September 2024.

Root Cause

Inadequate project management and planning by LEU.

Recommendations

- The Accounting Officer and the Project Manager, LEU should strengthen their oversight capabilities and ensure rigorous enforcement of the contractual obligations.

- LEU should secure the agreement of relevant stakeholders on the scope of work.

Division's Response

- The Contractor has been instructed to refrain from continuing works on site until the submission of valid insurance covers.

- The Division acknowledged that there were areas where further foresight and planning could have minimized the occurrence of such changes.

- The Division has developed a survey form designed to clearly define the scope of work at the beginning of the project.

(iii) Series 9 - Upgrading and Embellishment Works at 9 Public Sites and 22 Places of Worship

On 23 April 2024, the LEU awarded the contract for the upgrading and embellishment works at nine public sites and 22 places of worship grouped under Series 9 to a private Contractor for Rs 49.5 million, inclusive of VAT.

Findings

- ***Non - Compliance with Financial Procedures***

In January 2024, LEU included 2 new projects in Series 9, namely, the upgrading works of one public site (Hall) and one place of worship, both located in Quatre Bornes, for an initial estimated cost of Rs 1 million, inclusive of VAT, without obtaining the necessary financial clearance from MoFEPD.

In February 2024, the estimated costs of both projects were revised to Rs 1.3 million, inclusive of VAT.

- ***Slow Progress of Works***

Works started on 15 May 2024. According to the only progress report submitted by the Contractor on 29 July 2024, out of the 31 sites, upgrading works at 12 sites which had an estimated cost of Rs 20 million, had not yet started.

In August 2024, LEU noted that the projects were significantly behind schedule as the progress achieved was 15 per cent instead of 85 per cent.

As of 9 September 2024, LEU had not evaluated the progress of works to verify the Contractor's adherence to the project timeline.

- ***Inadequate Monitoring***

From 9 May to 22 August 2024, LEU conducted 78 site visits to 18 sites of work. Of these visits, 43 were related to sites where the Contractor had not yet started work.

No site visit was carried out for the remaining 13 sites of work for which the estimated cost was Rs 16.2 million, inclusive of VAT.

- ***Delay in the Implementation of Projects approved by the National Task Force Committee***

On 16 November 2023, LEU obtained financial clearance from MoFEPD as well as approval from the National Task Force Committee for the upgrading works in 5 cemeteries for an upcoming festival in February 2024. The estimated cost of the project was Rs 7 million.

However, the objective set by the National Task Force Committee for the timely upgrading of the cemeteries for the religious festival was not achieved. The status of the project was as follows:

- As of the end of July 2024, the upgrading works at two cemeteries located at Les Salines and Surinam, with estimated costs of Rs 1.2 million and Rs 3.5 million respectively, had not started.

- As of August 2024, the overall progress works was 35 per cent at Amaury cemetery, having an estimated cost of Rs 2.2 million.

- As of September 2024, upgrading works at the two remaining cemeteries located at Belmont and Point des Lascars for an estimated cost of Rs 124,000 and Rs 111,000 respectively, were not yet carried out by LEU in-house workers.

Root Cause

Inadequate oversight of project implementation.

Recommendation

The Division should enhance its ability to effectively manage the implementation of projects by ensuring that resources are used in a timely and effective manner.

Division's Response

- As of 22 November 2024, out of the 31 sites, one project was completed, 22 are underway while eight have not yet started.

- There is currently a shortage of staff within the Inspectorate Cadre which has affected the monitoring of all contracts under Living Environment Unit's purview.

- The Contractor has been informed that liquidated damages shall be applicable for any delay in completion of works, as per the Contract.

- To address the delays in future projects, the Ministry has already awarded a Framework Agreement contract for a period of 3 years. This approach allows for works orders to be issued as needed, significantly reducing the procurement process timeline and facilitating more timely project implementation.

12.1.7 Follow-up of Recommendations raised in the Audit Report 2022-23

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarised below. Out of 15 recommendations, 12 (80 per cent) have been implemented, one (7 per cent) has been partly implemented and 2 (13 per cent) have not been implemented.

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comment
	Coastal Protection Projects- Lapses in Planning and Execution of Works (Page 255)			
1	As of October 2023, the submission of the tender documents was still pending. *(Pg 255, Para 13.1.1)*	The Project Manager should ensure that relevant information for the finalisation of the tender documents are obtained on a timely basis. *(Pg 255, Para 13.1.1)*	• It is being ensured at the level of the Project Management Unit of the LEU. • Recruiting additional staff to set up a dedicated Project Management Team for the ICZM Division was proposed, but the proposal was not considered in the budget. • Henceforth, it is being ensured that all relevant information and clearances from stakeholders are obtained prior to finalisation of the Terms of Reference in the event of recruiting a Consultant.	**Not Implemented** *(The Project Management Team for the ICZM was not set up)*
2	In December 2022, the Consultant submitted a draft bidding document for the construction works. As of October 2023, it has not yet been finalised. *(Pg 256, Para 13.1.1)*	The Project Manager should closely follow up with Central Procurement Board for the vetting and approval of the bidding documents without further delay. *(Pg 256, Para 13.1.1)*	• Bids were launched but no responsive bid was received. • Needful is being done at the level of the Ministry for relaunching of the bids. • The Consultant has revised the cost estimate prior to relaunching of the bids. Additional financial clearance was sought. Consequently, liaison is being made with the Procurement Policy Office (PPO) and Central Procurement Board (CPB) pursuant to queries made by the Ministry of Finance. Follow-up with the CPB and the PPO is being ensured at the level of the Department Bid Committee.	**Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comment
3	As of September 2023, the revised bid documents submitted to MNICD since June 2023, were not yet finalised. *(Pg 257, Para 13.1.1)*	The Project Manager should ensure the timely finalisation of the bidding documents through close monitoring. *(Pg 257, Para 13.1.1)*	The Contract has already been awarded on 24 October 2024 for the works.	**Implemented**
	Cleaning and Embellishment of Places of Worship and Other Public Sites – Lapses in Execution of Projects (Page 258)			
4	As of 30 June 2023, only Rs 125.5 million of the total amount of Rs 254 million were disbursed, that is, 50 per cent of the approved amount. *(Pg 258, Para 13.1.2)*	A project steering committee should be set up to manage the timely implementation of projects more efficiently and effectively. *(Pg 260, Para 13.1.2)*	A Project Monitoring Committee has been set up under the chair of the Deputy Permanent Secretary.	**Implemented**
5	Sixteen upgrading works at an estimated cost of some Rs 19.5 million were not implemented due to bids received were not responsive, cancelled and still under process. *(Pg 259, Para 13.1.2)*	The Project Manager should ensure that bidding documents are correctly prepared so that projects are implemented on a timely manner. *(Pg 260, Para 13.1.2)*	Projects have already been implemented.	**Implemented**
6	▪ Insurance cover and performance security as per the provisions of the General Conditions of Contract. ▪ Signed contracts not seen for Batches A, D & F. ▪ Approval of the Accounting Officer or Project Manager was not seen for the reduction in the rate of retention money from 10 to five per cent for Batches C, D, F and SHTCE. *(Pg 261, Para 13.1.2)*	A project monitoring committee should be set up at the LEU to ensure close monitoring of all projects and take prompt actions, when there are deviations from milestones. *(Pg 261, Para 13.1.2)*	A Project Monitoring Committee has been set up at the level of the LEU for the close monitoring of the projects. Additionally, sub-meetings are effected by our Inspectorate with the Contractors to monitor the progress of the works.	**Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comment
7	**Greening and Embellishment of M1 and M2 Motorways - Lapses in Implementation of Projects (Page 262)**			
	▪ The Final Master Plan dated November 2021 was not supported by a comprehensive implementation plan. ▪ The total cost for implementing the whole project initially estimated at Rs 324.2 million was revised to Rs 684 million in November 2021 and further revised to Rs 762 million as of October 2023. *(Pg 262, Para 13.1.3)*	A comprehensive implementation plan is prepared and cost estimates are realistic before initiating project works. *(Pg 262, Para 13.1.3)*	The project is already completed. The responsibility for the cleaning and maintenance of the Motorways for 2023-24 would rest upon the National Environment Cleaning Authority. A copy of the Master Plan was handed over to the National Environment Cleaning Authority.	**Implemented**
8	Execution works at Segments 7 and 8 were postponed due to financial constraints. *(Pg 263, Para 13.1.3)*	Explore other avenues of funding to implement project works at the remaining segments. *(Pg 264, Para 13.1.3)*	Assistance from the private sector was sought for implementation of the Master Plan by the National Environment Cleaning Authority.	**Not Implemented**
9	The maintenance and remedial works were poorly implemented and was effected at a slow pace. *(Pg 263, Para 13.1.3)*	Ensure that all mechanisms put in place to ascertain the smooth implementation of projects are effective. *(Pg 264, Para 13.1.3)*	The project has already been completed and handed over to National Environment Cleaning Authority for onwards maintenance.	**Implemented**
	National Roadmap for Making Mauritius Plastic-Free - Delay in Development (Page 264)			
10	None of the bidders were technically and financially responsive regarding the tenders launched for the recruitment of a Consultant in September 2022 and January 2023. *(Pg 264, Para 13.1.4)*	ECCD should ensure the timely recruitment of a Consultant. *(Pg 265, Para 13.1.4)*	A third bidding exercise was conducted in April 2024 and the contract was awarded on 2 September 2024.	**Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comment
	Review of Key Performance Indicators in Strategic Overview 2022-23 (Page 265)			
11	The target set for the financial year 2022-23 to decrease the total GHG emissions to 4,860 Gg CO2-eq was incorrect as the estimated figure submitted by the Department of Climate Change (DCC) to Ministry of Finance, Economic Planning and Development (MOFEPD) was 5,400 Gg CO2-eq. *(Pg 265, Para 13.1.5)*	The Accounting Officer should ascertain that information relating to KPIs Progress Report on Achievements is duly vetted by DCC before onward submission to MOFEPD. *(Pg 266, Para 13.1.5)*	Appropriate remedial action has been taken.	**Implemented**
12	DCC did not achieve the targets set for two KPIs, namely, the "Number of beach sites rehabilitated" and the "Recycling rate of post-consumer Polyethylene Terephthalate (PET) bottles". *(Pg 266, Para 13.1.5)*	The Officer in Charge of the Divisions should exercise close monitoring regularly to ensure that targets are achieved and any deviations therefrom are reported to the Accounting Officer for corrective actions. *(Pg 266, Para 13.1.5)*	• 1.6 km of eroded coastline were rehabilitated from Bambous Virieux to Anse Jonchee while works were on-going over some 450 m of coastline at Bois Des Amourettes. Delays have been encountered for the completion of works at Bois Des Amourettes due to poor performance of the Contractor. The Ministry has already initiated procedures for the forfeiture of the Performance Security of the Contractor. • New EPR Regulations were proposed for the management of post-consumer PET bottles to achieve recycling rate at least 80 per cent.	**Partly Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comment
			This new policy for the management of post consumer PET bottles was approved by the Government in April 2022.The Solid Waste Management Division was assigned the responsibility to develop the proposed EPR Regulations to be promulgated under the Waste Management and Resource Recovery Act 2024.	
	Audit Committee (Page 267)			
13	▪ The AC has only reviewed four internal audit reports out of nine issued. ▪ Quarterly reports for the period July to September 2022 and October to December 2022 were not seen. *(Pg 267, Para 13.1.6)*	The terms of reference per the PA and the AC charter should be strictly complied with to ensure that the objectives set for such committees are attained. *(Pg 267, Para 13.1.6)*	The Internal Control Unit has been requested to ensure that henceforth, all reports of the ICU are duly submitted to the AC for effective monitoring. The AC is fully committed to fulfilling its responsibilities in accordance with the provisions of the AC Charter and ensures that quarterly reports are submitted as per the prescribed deadline.	**Implemented**
	Internal Control (Page 268)			
14	▪ The Internal Audit (IA) Charter, signed by the Accounting Officer and the Director of Internal Control in July 2021, was revised after two years. ▪ The annual report on the performance achievement relating to the AIAP 2022-23, was not seen as at September 2023. *(Pg 268, Para 13.1.7)*	The Annual Internal Audit Plan should be signed before the start of the financial year and the requirements of the Internal Audit Charter should be strictly adhered to. *(Pg 268, Para 13.1.7)*	The new Internal Audit Charter was approved by the Audit Committee in April 2024. The Annual Report on performance for the financial year 2022-23 was submitted on 16 November 2023.	**Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comment
	Government Asset Register not Updated (Page 269)			
15	As of October 2023, no value was attributed in GAR for six sub-offices of the Living Environment Unit (LEU) and the National Environmental Laboratory owned by ECCD prior to 2017. *(Pg 269, Para 13.1.8)*	The Accounting Officer should take prompt action to have the buildings revalued by the Government Valuer. *(Pg 269, Para 13.1.8)*	The Valuation Department has carried out assessments of the seven buildings for a total estimated value of some Rs 87 million. Thereafter, the Government Asset Register will be updated at the level of the Treasury.	**Implemented**

ClimateScanner

ClimateScanner is an initiative that aims to engage Supreme Audit Institutions (SAIs) around the world in global climate action. It offers a globally designed tool for SAIs to track, assess, and monitor national governments' actions towards climate change in three areas: governance, public policies, and finance.

An assessment for the Republic of Mauritius was carried out in September 2024. The Country is a party to the United Nations Framework Convention on Climate Change and the Paris Agreement. As part of its international commitments, Mauritius has pledged to reduce its greenhouse gas emissions by 40 per cent by the year 2030.

The Ministry of Environment, Solid Waste Management and Climate Change is responsible for developing and coordinating policies, projects, strategies, and action plans to address the adverse effects of climate change and overseeing their implementation by stakeholders and is guided by the Climate Change Act 2020. Some of the strengths identified and areas that lack progress across the three components that were assessed are as follows:

Component	Some of the strengths identified	Some areas that lack progress
Governance	***Legal and Regulatory Framework*** The law and other government documents are consistent with the Paris Agreement and provide for the mainstreaming of climate change aspects into national planning instruments and sectoral plans.	***Ineffective Monitoring Mechanism*** Mechanisms in place for tracking progress towards Nationally Determined Contributions (NDC) are not working effectively.
	Government Structure There are national government structures to address climate change issues with defined responsibilities.	***Insufficient Oversight*** There are no institutional mechanisms outside the executive branch that can enhance the implementation of climate actions.
Public Policies	***International Commitments*** NDC articulates ambitious and updated commitments for Mauritius in line with the requirements of the Paris Agreement.	***National Adaptation Plans*** There are no official National Adaptation Plans for climate change.
	National Climate Change Mitigation Strategy and Action Plan Government has mapped relevant policies for GHG emissions and has delineated clear strategies and sectoral plans aimed at curbing GHG emissions.	***National Climate Change Adaptation Strategy and Action Plan*** Government has not yet developed its National Climate Change Adaptation Strategy and Action Plan as required by the Climate Change Act 2020.
Finance	***Domestic Climate Finance*** Climate Change expenditures of several Ministries are earmarked in the National Environment and Climate Change Fund.	***Domestic Climate Finance*** There is currently no formal climate taxonomy to facilitate direct and indirect climate finance tracking.
	International Climate Finance Needs for international climate finance have been identified to accomplish climate change targets within the time frame of 2030.	***International Climate Finance*** Stakeholders were facing challenges in formulating bankable project proposals to mobilise climate finance from international sources.

Source: Auditors Analysis

The ClimateScanner will serve as a compass and an input to support the National Audit Office on how to audit climate related issues in the future and strengthen the role of the Office in addressing climate change.

12.2 SOLID & HAZARDOUS WASTE AND BEACH MANAGEMENT

12.2.1 Landfill and Transfer Stations- Not complying with Fire Safety Measures

Background Information

Section 19 (5) of the Mauritius Fire and Rescue Act 2013 stipulates that "*the owner of such premises shall apply to the Chief Fire Officer for a fire certificate that certifies that all safety requirements have been met about those premises and no premises shall be occupied or used unless the owner has been issued with a fire certificate".*

Solid Waste Management Division (SWMD) is responsible for managing Mare Chicose Landfill and 5 Transfer Stations.

Findings

Mare Chicose Landfill- No Fire Certificate

- As of November 2024, the Mare Chicose landfill did not hold a Fire Certificate as required under Section 19 (5) of the Mauritius Fire and Rescue Act 2013.

- The Bidder and the Negotiation Panel agreed to remove additional charges for firefighting measures of Rs 5 million under Bill 1, Preliminaries and General Item 1.4.3 during negotiations for the Operation and Maintenance of Mare Chicose Landfill, Works for Creation of Void Space for the period July to December 2023 under Emergency Procurement. The bid was accepted by SWMD for the total price of Rs 181.2 million, inclusive of Provisional Sums and VAT.

  The operation of the landfill was disrupted and ceased following a fire outbreak on 6 November 2024.

Root Cause

The Accounting Officer and the Director of SWMD did not ensure that the Mare Chicose landfill had a valid Fire Certificate in compliance with Section 19 (5) of the Mauritius Fire and Rescue Act 2013.

Recommendation

The Accounting Officer and the Director of SWMD should ensure compliance with Section 19 (5) of the Mauritius Fire and Rescue Act 2013.

Division's Response

- The onus to provide firefighting measures rests on the present contractor which has been awarded the contract for the Vertical Expansion of the Mare Chicose Lanfill. The design for the firefighting system has been submitted to the Mauritius Fire and Rescue Service (MFRS) which has proposed the installation of a Fire Fighting Pipeline, including Inlet Works at River La Chaux, Hydrants and other ancillary works.

The design has been amended and submitted to the MFRS on 14 January 2025 for comments and clearance.

- As regards the office building, an application for Fire Certificate was made on 8 August 2024. Following an Improvement Notice issued by MFRS, necessary works are being conducted and are expected to be completed by mid-March 2025.

- At the negotiation stage, the cost of firefighting measures was removed as it was included in the general cost.

Transfer Stations- No valid Fire Certificate

- The Roche Bois Transfer Station did not have a valid Fire Certificate as from February 2023 as the previous one expired in January 2023.

- On 14 June 2023, SWMD applied for a fire certificate for the Roche Bois Transfer Station which was issued on 26 January 2024 and is valid up to 25 January 2027.

- As of September 2024, both La Brasserie and La Chaumière Transfer Stations had been operating without a valid Fire Certificate since 2022 as improvement works as recommended by MFRS were not yet completed by both the private contractors and SWMD.

Root Causes

The Director of SWMD did not ensure that:

- Transfer Stations have a valid Fire Certificate and complied with Section 19 (5) of the Mauritius Fire and Rescue Act 2013; and

- Improvement works are closely monitored and is completed on a timely basis.

Recommendations

SWMD should ensure that:

- All Transfer Stations have a valid Fire Certificate and comply with Section 19 (5) of the Mauritius Fire and Rescue Act 2013; and

- Improvement works as required by MFRS are completed without delay.

Division's Response

- Following a fire outbreak at the Roche Bois Transfer Station, the Division was informed to re-apply for the Fire Certificate and Improvement Notice is being awaited from MFRS.

- Additional improvement works have been submitted following reapplication of Fire Certificates at La Brasserie and La Chaumière Transfer Stations which have already been communicated to the Contractor for appropriate actions.

Installation of Firefighting Systems Not Yet Implemented

Background Information

Bidders are required to quote an amount for the Design, Implementation, Testing and Commissioning of a Fire-Fighting System at the Transfer Stations and the installation of a fire fighting system at the Mare Chicose Landfill.

Findings

- As of 30 September 2024, 2 years after the award of the contracts to private contractors, no expenditure had been incurred despite an amount of Rs 12 million and Rs 13 million were quoted for the firefighting and allied works at La Chaumière and La Brasserie Transfer Stations respectively.

- An amount of Rs 27 million was included under additional services for the contract awarded, including the installation of a fire fighting system for the "Vertical Expansion of the Mare Chicose Landfill, and Operation and Post Closure Management of Cells" to a private Contractor for Rs 4.2 billion, inclusive of VAT in June 2024.

  The location and design of systems for the fire fighting system using water have not yet been decided by SWMD as of October 2024.

Root Cause

The Accounting Officer and the Director of SWMD did not adequately monitor the Contractors' work, to ensure that the Contractor complied with legal and contractual obligations.

Recommendation

SWMD should ensure that Contractors strictly adhere to the terms and conditions of the contract as well as the provisions of the Mauritius Fire and Rescue Act.

Division's Response

The SWMD does not have the manpower to undertake works. Any improvement or additional works would have to be effected under the contract for operation and maintenance of the transfer stations.

Lapses in Procurement Procedures and Operational Activities of Roche Bois Transfer Station

Background Information

During the financial year 2023-24, an amount of Rs 48.3 million was paid to a private contractor for the operation and maintenance of the Transfer Station.

Findings

Bidding documents not finalised after 1 Year for Operations and Maintenance

- In September 2023, the Accounting Officer approved the preparation of the bid document for the Operation and Maintenance of the Roche Bois Transfer Station and Transportation of waste to Mare Chicose Landfill.

- In June 2024, that is 9 months later, the Central Procurement Board (CPB) reviewed the bidding documents and templates of the e-Procurement System, and several errors were identified in the mandatory criteria.

- As of September 2024, which is one year after, the amended bid document was not yet finalised. Meanwhile, the contract was renewed on a month-to-month basis on same terms and conditions.

Root Cause

Inadequate coordination and review by the SWMD Project Officers and the Procurement and Supply Section before the finalisation and submission of the bid document to the CPB.

Recommendation

The Manager, Procurement, and Supply, along with the SWMD Project Officers should have a joint meeting with the CPB to finalise the bid document.

Division's Response

With view to expediting the finilisation of bidding documents, CPB should have one joint meeting with all departments concerned to vet and finalise all bidding documents.

Non-Compliance with Contract Agreement for the Disposal of Inflammable Products

Background Information

(a) Section 6.4 of the Contract Agreement stipulates that '*If certain loads are encountered that contain large amounts of oils, or any other inflammable substance, they will be redirected to appropriate disposal facilities elsewhere.'*

(b) As per the Multipurpose Disinfectants "Safety Data Sheet", highly inflammable products should be properly disposed of by a licensed disposal company and not to the transfer station, this might be exposed to fire incidents.

Finding

On 27 July 2024, the Contractor gave its approval to a private company to dispose of 6,000 units of a multipurpose disinfectant in a 250 ml pressurised container. This contravened Section 6.4 of the Contract Agreement and the Multipurpose Disinfectants "Safety Data Sheet".

Root Cause

The Technical Enforcement Unit of the SWMD did not enforce the provisions of the Contract Agreement and the relevant sections of the "Safety Data Sheet".

Recommendations

SWMD should ensure that the Contractor:

- Strictly complies with the conditions of the Contract Agreement regarding the safety measures.

- Makes necessary arrangements for the proper disposal of hazardous chemicals under the relevant sections of the "Safety Data Sheet" to avoid any risk of fire incidents.

Division's Response

It is the duty of the Contractor to effect random sampling of wastes entering the transfer station and not to accept such wastes, to redirect them to the appropriate disposal sites.

Weighbridge- Out of Order

Background Information

The Contractor of the Transfer Station was responsible to ensure that the Weighbridge "IN" and "OUT" are always in operation.

Findings

- SWMD did not take appropriate and timely action against the Contractor, to ensure the calibration of the Weighbridge "IN" and to expedite the repair of the Weighbridge 'OUT' in line with Section 7.21 of the Contract Agreement and comply with Section 8 of the amended Legal Metrology Act 1985.

- As of April 2024,

(i) The calibration certificate for the Weighbridge 'IN' has expired since December 2023;

(ii) The Weighbridge 'OUT' has not been operational since November 2022 and was out of order for more than 17 months.

Root Causes

- The Accounting Officer did not monitor the performance of the Contractor with respect to the maintenance and repair of the Weighbridge.

- The Accounting Officer did not include a penalty clause in the Contract Agreement, along with a robust enforcement mechanism, for the effective enforcement of the contractual obligations.

Recommendations

- The Accounting Officer should consider including a penalty clause in the Contract Agreement to encourage the Contractor to adhere to contractual obligations; and

- The Technical Enforcement Unit should ascertain that the Contractor schedules regular calibration and verification of the weighbridge to maintain weight accuracy.

Division's Response

- The weighbridge 'OUT' load cells have been installed and is working properly.

- The Division may consider a penalty clause in the contract for non-functioning of the bridge in future procurement exercise.

Lapses in the Operation and Maintenance of Mare Chicose Landfill

Background Information

SWMD awarded a contract to a Contractor for the "Construction of Cell 7 and the Operation and Maintenance of Mare Chicose Landfill" for some Rs 1.6 billion, including VAT. The contract duration was 59 months as of January 2014.

The Operation and Maintenance contract, amounting to Rs 394 million, inclusive of VAT, was extended on four occasions from December 2018 to June 2021, covering a total period of 31 months.

Invitations for the "Operation and Maintenance and Works for Creation of Void Space" were launched on 6 occasions through Emergency Procurements (EP) from 1 July 2021 to 30 June 2024 and were awarded to the same private Contractor for the cumulative amount of Rs 1.035 billion, inclusive of VAT.

During the financial year 2023-24, some Rs 296.7 million was paid, as of 30 June 2024, there was an outstanding amount of Rs 108.7 million.

The operation and maintenance of the Landfill is supervised by a private Consultant and monitored by the Technical Enforcement Unit of the SWMD.

(a) Lapses in Contract Management

Findings

Extension of Contract and Emergency Procurement on Several Occasions to Same Contractor

The same Contractor has been repeatedly allocated contracts either through extension or emergency procurement for the operations and maintenance of the Mare Chicose Landfill.

The practice of repeatedly extending contracts and resorting to Emergency Procurements to the same Contractor may undermine the quality of service delivery.

Emergency Contract Agreement Signed after Completion Date

The fourth and the sixth Emergency Contracts were signed after their completion period of December 2023 and June 2024 respectively while the fifth Emergency Contract was signed two weeks before the contractual completion date, which was on 30 April 2024.

In the absence of a signed contract, SWMD may run the risk of having difficulties in enforcing the terms and conditions of the agreement, potentially leading to legal disputes and financial losses.

Taking Over Certificate-Not Issued

As of 19 October 2024, the Taking Over Certificate for the contract which ended on 30 June 2024, had not yet been issued by the Contractor.

Root Cause

The Accounting Officer of SWMD did not strictly enforce contract terms and conditions and imposed penalties for non-compliance.

Recommendations

The Division should:

- set a timeline for signing the Contract Agreement which should be included in the Letter of Acceptance.

- ensure that contract terms and conditions are strictly enforced, and apply penalties for non-compliance.

Division's Response

- The question of the emergency contract will no longer arise as a 10-year contract has been awarded on 28 June 2024 commencing on 1 July 2024.

- The delays in signing the Contract Agreements for the 2 Emergency Procurements were due to heavy workload.

- The Taking Over Certificate is achieved automatically once a period of 28 days post the time for completion has passed.

(b) Operational Activities- Appropriate and Prompt Actions Not Taken

Findings

SWMD did not take appropriate and prompt actions against the Landfill Contractor and the Consultant for several shortcomings noted by the Technical Enforcement Unit as listed below:-

- Trucks were not complying with the limit of 60 tonnes of waste.

- The Consultant did not apply the performance damage of Rs 20,000 per occurrence per day in cases, where there were more than 5 waste trailers queueing outside the Landfill for more than one hour.

- The Contractor did not take timely actions to repair the weighbridge which was faulty from 9 October 2023 to 11 January 2024 (94 days) and 14 February 2024 and 19 March 2024 (35 days) respectively.

- The Consultant did not apply performance damages of Rs 470,000 for the 94 days for the faulty weighbridge as per sub-clause 4.26 of the Cell 7 Contract Agreement.

Root Causes

- The Consultant did not adequately exercise close supervision of the operations and works to be carried out at the Landfill.

- SWMD did not exercise adequately monitoring and control on the Consultant's work.

Recommendations

SWMD should set up a Monitoring Committee to oversee Landfill operations and ascertain that:-

- The Consultant exercises close supervision over the Contractor for the efficient operation and maintenance of the Landfill site.

- Appropriate and prompt actions are taken to address the shortcomings highlighted.

Division's Response

The Consultant has been requested to ensure close supervision and to enforce the contractual obligations upon the contractor.

Lapses in Landfill Vertical Expansion Project

Background Information

In June 2024, SWMD awarded the contract for "Vertical Expansion of the Mare Chicose Landfill, and Operation and Post Closure Management of Cells" to a private Contractor for some Rs 4.2 billion, inclusive of VAT. The contract duration of 10 years is effective as from 1 July 2024.

Findings

Delay in Awarding a New Contract

- Since 2019, a Technical Committee set up by SWMD, recommended the implementation of the Vertical Expansion Project of the landfill as a top and immediate priority. However, in May 2022, after 3 years, the approval was obtained for the launching of a new bid exercise through International Competitive Bidding.

- In May 2023, one year later bids were invited with a closing date in June 2023. This was subsequently extended on 3 occasions, namely in August, September, and October 2023 respectively due to land acquisition issue, among others.

- On 3 occasions from January to June 2024, additional time was requested to issue the "Notification of Award" from the CPB.

- Due to the delay in awarding the new contract, SWMD had to engage the same Contractor for the Operation and Maintenance of the Landfill through Emergency Procurements during the period July 2022 to June 2024 for which Rs 771 million were paid.

Particular Conditions of the Contract Not Complied With

As of October 2024,

- The signed Contract Agreement with the Contractor was not yet finalised 4 months after the issue of the Letter of Acceptance.

- The amended Performance and Advance Security was submitted with a delay of 2 months.

- The Contractor had not yet submitted the compliant insurance covers and policies as required in Section VII of the Particular Conditions of the Contract (PCC).

- SWMD had not secured way leaves and approvals from the Forestry Services for site clearance and felling down of trees for the Westerly Cells before the handing over the Landfill facility to the Contractor in July 2024.

- The Contract Programme of works was not yet submitted after 110 days from the commencement date as per Sub-Clause 8.3 of the PCC.

- The breakdowns of all defined bill items were not submitted as required by Sub-Clause 14.2 of the Contract.

- Three copies of the progress report and one soft copy were not forwarded to the Engineer, within one week of each month-end as required by Section 3.5.6 of the Works Requirement.

Absence of an Amended Environmental Impact Assessment Licence

- An amended EIA licence was not sought from the Department of Environment following alteration in design and encroachment on mountain reserves as notified by the Forestry Services. This could result in a significant environmental impact on the local ecosystem.

- In July 2023, Government proposed to acquire two plots of land totalling an area of 183A69 from a private company.

  As of October 2024, the land acquisition procedures were still in progress after more than one year.

  The delay in acquiring land limits the Landfill capacity to accommodate future waste.

Root Cause

Poor planning and execution of the project.

Recommendations

SWMD should take appropriate actions to ensure:

- the Landfill is granted an Environmental clearance based on a valid EIA.
- the Contract Agreement is signed within reasonable delay.
- the Contractor complies with the terms and conditions of the contract.
- the Consultant carries out effective monitoring.
- the Ministry of Housing and Lands Use Planning expedites the land acquisition process.

Division's Response

- The procurement of the contract has suffered numerous setbacks encompassing cancellation of the first procurement exercise, preparation of new bidding documents and land issue.
- As at mid-December 2024, the Contractor had submitted insurance covers.
- Clearance from Forestry Services has been obtained on 17 September 2024.
- Following discussions with the land owner, the Accounting Officer successfully negotiated the lease of the land temporarily pending the acquisition procedure.

Delay in Distribution of Compost Bins

Background Information

In August 2022, the Environment and Climate Change Division (ECCD) procured 5,000 High-Density Compost Bins for some Rs 7.6 million. This would encourage the population to recycle compostable waste and divert some 2,738 tonnes of waste from Landfill each year.

Findings

- As of October 2024, that is after 2 years, out of the 5,000 compost bins procured, 2,835 bins representing 57 per cent, were not yet distributed. The number of compost bins stored at the 3 transfer stations namely at La Laura, La Chaumière, and Poudre D'Or were 825,330 and 1,680 respectively.
- During a site visit effected on 11 October 2024 at the Poudre D'Or Transfer Station, the 1,680 compost bins were compactly stored in 2 rooms as illustrated in the pictures.

Root Cause

ECCD did not adequately plan the distribution of the compost bins.

Recommendation

ECCD should expedite the distribution of the remaining compost bins.

Division's Response

The logistics available at the Living Environment Unit of ECCD will be used to assist in the distribution of the remaining compost bins.

12.2.2 Governance Issues – Non-compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of statutory bodies with the objective of strengthening accountability and transparency in the public sector.

Findings

- **Non-Submission of Report on Performance**

As of 31 December 2024, the Report on Performance of the Ministry of Environment, Solid Waste Management and Climate Change (Solid Waste Management Division) for the financial year 2023-24 had not yet been submitted to the Ministry of Finance despite the statutory deadline being 31 October 2024.

Division's Response

This Division is expediting the finalisation of the Annual Report.

- **Annual Reports not laid before the National Assembly**

The Statutory Bodies (Accounts and Audit) Act requires a copy of the annual report and audited financial statements of every statutory body to be laid before the National Assembly at the earliest opportunity.

As of January 2025, the annual reports of the Beach Authority for the financial year 2022-23, whose financial statements were certified on 29 April 2024, had not yet been laid before the National Assembly.

NAO is of the view that the Ministry should:

Comply with its statutory obligation regarding submission of its Report on Performance; and exercise control over statutory bodies and other entities operating under its aegis to ensure that they comply with their statutory responsibilities of laying a copy.

Division's Response

The Annual Report of the Beach Authority for 2022-23 is under publication.

12.2.3 Follow-up of Recommendations raised in the Audit Report 2022-23

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarised below. Out of 14 recommendations, 4 (28 per cent) have been implemented, 8 (57 per cent) have been partly implemented and 2 (15 per cent) have not been implemented.

SN	Findings	Recommendations	Ministry's Response-Status as at January 2025	NAO's Comment
	Cleaning Services - Lapses in Management of Services Contracts (Page 270-275)			
1	The cleaning of beaches and toilet blocks awarded for the total amount of Rs 185 million under Lots 1,2 and 4 were renewed for another five months up to 30 November 2023. *(Pg 270, Para 13.2.1)*	Consideration should be given to transfer the responsibility for the cleaning of all public beaches and maintenance of toilet blocks to the Beach Authority. *(Pg 271, Para 13.2.1)*	The Ministry has been requested to give effect to this recommendation at budget time.	**Partly Implemented**
2	Two emergency contracts No.3 and No. 4 were awarded for some Rs 383 million and Rs 181.1 million respectively. *(Pg 271-272, Para 13.2.1)*	The procurement exercise should be completed within reasonable time. *(Pg 272, Para 13.2.1)*	The Contract for Vertical Expansion Works for a term of 10 years has been awarded on 28 June 2024. This puts an end to emergency procurement-based contract.	**Implemented**
3	In June 2022, the Consultant's services were sought for amendments to be made to the existing bidding documents for an amount of € 127,500. *(Pg 272, Para 13.2.1)*	A timeframe should be set for the preparation and finalization of bidding documents. *(Pg 272, Para 13.2.1)*	It depends on the number of technical and procurement staff available.	**Partly Implemented**
4	After several corrections, the revised bidding exercise was launched in May 2023. As of October 2023, the evaluation process was still ongoing at the level of CPB. *(Pg 273, Para 13.2.1)*	Bidding documents should be free from errors before submission to CPB. *(Pg 273, Para 13.2.1)*	The Central Procurement Board has been approached to have a single exercise of reviewing the Bidding Document with the procurement and user documents.	**Partly Implemented**
5	As of June 2021, 13,000 units of e-waste were exported out of 36,220 units stacked in the private company's premises. These were left outside and were found in a deteriorating state. *(Pg 274, Para 13.2.1)*	The Accounting Officer should ensure that Director of SWMD closely monitor the performance of contractors. *(Pg 274, Para 13.2.1)*	The Division has started to set up Performance Review Committees for close monitoring of projects.	**Partly Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as at January 2025	NAO's Comment
6	SWMD did not have a policy on Household Hazardous Chemical Wastes. *(Pg 275, Para 13.2.1)*	SWMD should comply with the provisions of the new Waste Management and Resource Recovery Act 2023. *(Pg 275, Para 13.2.1)*	Regulations for the EPR have been drafted and submitted to the State Law Office for vetting.	**Partly Implemented**
7	SWMD did not have an updated inventory and a database on the quantity of HCW generated around the island. *(Pg 275, Para 13.2.1)*	SWMD should set up an inventory and a database on the quantity of Hazardous Chemical Wastes generated around the island. *(Pg 275, Para 13.2.1)*	A new tender exercise in process as the tender exercise launched in October 2024 was not conclusive as the price quoted was higher than the cost estimate.	**Partly Implemented**
8	The last sensitization and awareness campaign was carried out during 2018-19. *(Pg 275, Para 13.2.1)*	Regular sensitization and awareness campaigns should be carried out. *(Pg 275, Para 13.2.1)*	Agreed with recommendation.	**Not Implemented** *(As it depends on the availability of resources both human and financial)*
	Review of Key Performance Indicators in Strategic Overview 2022-23 (Page 276-277)			
9	As of August 2023, SWMD had not yet uploaded the information pertaining to the five KPIs on the Management Information System of the Public Sector Business Transformation Bureau. *(Pg 276, Para 13.2.2)*	▪ The progress on the KPIs should be uploaded on the Management Information System Platform. ▪ The roles and responsibilities of staff at management level should be clearly defined to ensure compliance to Circular No 67 of 2022. *(Pg 277 Para 13.2.2)*	The KPI has been uploaded.	**Implemented**
	Budget Measures 2022-23 not fully achieved (Page 278)			
10	As of September 2023, land for the additional déchetterie was not yet identified by MHLUP. *(Pg 278, Para 13.2.3)*	The Accounting Officer should ensure that a feasibility study is prepared so that the project is implemented within the timeframe set. *(Pg 278, Para 13.2.3)*	Feasibility studies for CAC's are not warranted as there is no business case where the Government will get income or make a loss.	**Not Implemented** *(A full feasibility will be prepared with the assistance of the EU for future projects)*

SN	Findings	Recommendations	Ministry's Response- Status as at January 2025	NAO's Comment
11	The project for the composting of green wastes from parks and gardens were not completed as of 30 June 2023. *(Pg 278, Para 13.2.3)*	The Director of SWMD should ensure that projects are completed within the set timeframe. *(Pg 279, Para 13.2.3)*	Construction of composting unit completed on 25 September and 19 November 2023 at SMF Vacoas and Bras D'Eau respectively.	**Implemented**
	Audit Committee Not Fully Operational (Page 279)			
12	▪ Only two meetings were held out of six meetings annually. ▪ Performance Agreement (PA) for 2021-22 was submitted in September 2021. *(Pg 279, Para 13.2.4)*	The Accounting Officer should ensure that the terms and conditions of the PA and the AC Charter are strictly adhered to. *(Pg 280, Para 13.2.4)*	A new Audit Committee for the financial years 2024/25 and 2025/26 has been set up.	**Implemented**
	Risk Management Framework (RMF) not yet developed (Page 280)			
13	As of September 2023, the RMF was not yet developed to identify and assess potential risks. *(Pg 280, Para 13.2.5)*	The Accounting Officer should ensure that the RMF is established. *(Pg 280, Para 13.2.5)*	The Risk Management Committee has been set up on 30 October 2023.	**Partly Implemented**
	Government Asset Register (GAR) Not Updated (Page 281)			
14	SWMD did not comply with the Treasury's requirement for the recording of all NFAs directly on the GAR online system as from 01 July 2022. *(Pg 281, Para 13.2.6)*	The Division should arrange for effective programmes to enable GAR users to record data relating to NFAs on the GAR online system. *(Pg 281, Para 13.2.6)*	Entries from July 2022 to January 2024 has been completed and for the period February 2024 onwards is outstanding due to changes in posting for the grade of OME.	**Partly Implemented**

12.2.4 Follow-up of Recommendations raised in the Performance Audit Report 2023

Title of Report: 'Implementation of Measures for Sustainable Solid Waste Management'
Date Issued: September 2023

A follow up of recommendations raised in the abovementioned Performance Audit Report was carried out. The Solid Waste Management Division of the Ministry of Environment, Solid Waste Management and Climate Change (MoECC) was requested to inform the National Audit Office of the actions that have been taken to address the findings and recommendations in the Audit Report.

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarised below. Out of 6 recommendations, 2 (33 per cent) have been implemented, 2 (33 per cent) have been partly implemented and 2 (34 per cent) have not been implemented.

SN	Key Findings	Key Recommendations	Ministry's Response – Status as of January 2025	NAO's Comments
	Implementation of Strategies not Successful (Page 2)			
1	Most of the strategies of the strategic plans 2005-10, 2011-15 and the new Solid Waste Management (SWM) Strategy and Action Plan 2021-25 were not implemented. *(Pg 2, Para 1.2)*	A Project Steering Committee at MoECC must be set up to henceforth oversee and monitor the implementation of projects and ensure that appropriate remedial actions are taken wherever there are deviations from the plan. *(Pg 4)*	A Performance Review Committee has been set up under the Chair of the Director, SWM and comprising three members to review and monitor projects.	**Implemented**
2	There was inadequate planning for implementation of the projects and changes of Accounting Officers at the Solid Waste Management Division (SWMD) to drive the plans successfully further compounded the matter. *(Pg 2, Para 1.2)*	SWMD may consider hiring the services of relevant experts to drive the implementation of projects for diverting wastes from the landfill. *(Pg 4)*	Recruitment of professional under the Expert Skills Scheme is envisaged for the implementation and monitoring of projects.	**Not Implemented**

SN	Key Findings	Key Recommendations	Ministry's Response – Status as of January 2025	NAO's Comments
	Undue Delay in Developing Waste Management Legislations (Page 2)			
3	As of August 2023, a dedicated legal framework for the management of solid waste was not proclaimed and the relevant regulations were still not finalised. *(Pg 2, Para 2)*	The Accounting Officer of the SWMD should ensure that the Waste Management and Resource Recovery Act is proclaimed promptly and that all the relevant regulations made thereunder are finalised. *(Pg 4)*	The Waste Management Resource Recovery Act was proclaimed on 31 July 2024. Only Section 53 has not yet been proclaimed	**Partly Implemented**
	Weak Institutional Framework (Page 3)			
4	There was an absence of a strong institutional arrangement between SWMD and MoLG to oversee the implementation of the strategies. The measures, undertaken by the Local Authorities in view of diverting waste from the landfill were still in progress. *(Pg 3, Para 3)*	Appropriate infrastructure planning and coordination with the Local Authorities must be strengthened by MoECC and SWMD. A Joint Monitoring Committee co-chaired by MOECC and MoLG must be set up to avoid waste of both financial and non-financial resources with regard to the implementation of projects that are undertaken jointly by the SWMD and the Local Authorities. *(Pg 4)*	The National Coordination Committee as provided under Section 9 of the Waste Management Resource Recovery Act 2023 has been set up and the first meeting was held on 26 August 2024	**Implemented**
5	The SWMD did not carry out a feasibility study before the setting up of Civic Amenities Centres (CACs). In the absence thereof, the SWMD faced several challenges in ensuring the optimum use of the CACs to divert waste from the landfill. *(Pg 22, Para 3.5.1)*	To ensure efficient and effective operation of the CACs, the Director of the SWMD should ensure that a feasibility study is carried out before embarking on forthcoming similar projects. *(Pg 4)*	For future projects, a full feasibility will be prepared with the assistance of the European Union representatives in Mauritius.	**Not Implemented**

SN	Key Findings	Key Recommendations	Ministry's Response – Status as of January 2025	NAO's Comments
6	The education and sensitisation campaigns on the existence of CACs, the benefits of the Compost Scheme at household levels and on the conditions of existing and forthcoming regulations were not properly planned. *(Pg 22, Para 3.5.2)*	The citizens must be sensitised on the existence of CACs, the benefits of the Compost Scheme at household level and on the conditions of the existing and forthcoming regulations. To ensure effective management of Construction & Demolition wastes, waste generators need to be sensitised on the benefits of segregating waste at source. *(Pg 4)*	About 100,000 pamphlets were distributed and radio programs were conducted for each construction of CAC with MBC coverage.	**Partly Implemented**

13 – MINISTRY OF AGRO-INDUSTRY AND FOOD SECURITY

13.1 AGRO-INDUSTRY AND FOOD SECURITY

13.1.1 Project financed by European Union not implemented according to Grant Contract

Background information

Properly irrigated land is crucial for cultivation and since water is a scarce resource, it should be used effectively and efficiently. The Ministry entrusted the responsibility for irrigation projects to the Irrigation Authority (IA).

A Grant Contract was signed between the IA and the European Union (EU) on 23 August 2018 in connection with the project "*Supporting Climate Smart Agriculture for Small Holders*" and the contract was effective on the same date.

The project was financed up to 80 per cent by the EU and the IA was entitled to a grant of € 568,870.40 (Rs 22.7 million). The Government was to contribute for the remaining 20 per cent (Rs 7 million). The total cost budgeted for the project was Rs 29.7 million, including consultancy services and rehabilitation works.

The project consisted of 6 components as shown in Table 13-1.

Table 13-1 Components of Projects

SN	Components of Project	Estimated cost (€)	Estimated cost Rs million
1	Consultancy services	133,000	5.5
2	Building a resilient irrigation infrastructure	334,900	12.25
3	Sheltered farming and rain water harvesting	161,500	6.6
4	Capacity building of technical personnel and farmers	12,500	0.6
5	Awareness campaigns	13,500	0.65
6	Audit, evaluation and contingencies		4.1
	Total	**655,400**	**29.7**

Sources – Files from Ministry and Irrigation Authority

Findings

(a) Delay in completion of the project

- The project started on 23 August 2018 and was scheduled to be completed on 31 August 2021.

  Due to several reasons, including outbreak of COVID-19 pandemic, the project was completed on 10 November 2023, that is, more than 5 years after the initial signature of the Grant Contract.

(b) National Consultancy Firm not recruited

A National Consultancy firm had to be recruited to evaluate the status of the 3 existing projects, namely Solitude I, Solitude II and Pointe aux Piments Drip Irrigation projects, as shown in Table 13-2, to improve application efficiency, to efficiently manage water for irrigation purposes and to improve resilience of small holders to the effect of climate change.

Table 13-2 – Details of projects

Drip Irrigation Projects	Area (ha)	No. of planters	Crops Grown
Solitude I Drip Irrigation Project	101	215	Sugarcane and foodcrops
Solitude II Drip Irrigation Project	65	126	Sugarcane and foodcrops
Pointe aux Piments Centre Pivot/Drip Irrigation Project	39	98	Sugarcane and foodcrops
Total	**205**	**439**	

Source: Contract between EU and Irrigation Authority

- The tender for the recruitment of a consultancy firm was launched on 3 occasions and all were not responsive.

  A Project Steering Committee set up at the level of the Ministry concluded that the IA has enough in-house capacity, experience and expertise to recommend on improving water application efficiency, increase agricultural productivity to contribute towards food security and capacity building of small holders. Hence, a National Consultancy Firm was not recruited.

(c) Delay in building a resilient Irrigation Infrastructure

The tender for the work *"Building a resilient irrigation infrastructure*" at Solitude I, Solitude II and Pointe aux Piments was launched under the open national bidding method on 3 occasions. The contract was finally awarded on 7 March 2023 after the third tender exercise, to a Contractor for the sum of Rs 17,865,408. Works started on 15 May 2023 and were to be completed on 10 November 2023.

- The project was completed on 21 December 2023, with a delay of 41 days.

- As at September 2024, the Contractor had not yet submitted to the IA the cable to download data from flowmeter although all the electrical connections for the flowmeter were completed on 28 March 2024.

(d) Sheltered Farming and Rain Water Harvesting component not materialised

The project consisted of the design, supply, installation, testing and commissioning of one single span greenhouse at site A and 2 single span greenhouses at site B, inclusive of earth works and drainage system for evacuation of storm water from the sites. As per the grant contract, a portion of the project area of an extent of 3,000 m² was dedicated to sheltered farming.

According to the project write up "*The farming practice adopted for sheltered farming will make use of reduced amount of pesticides as the incidence of pests is substantially reduced in the secured environment*".

The tender was launched on 4 occasions. At the last bidding exercise on 2 May 2023, out of the 3 bids received, one was not retained due to major omissions in the bidding documents, and the 2 others did not respond to the request for clarification. The Bid Evaluation Committee recommended to relaunch the bid with same specifications.

- No further tender exercise was launched due to limited time frame as the project would be delayed and as such, the objectives of the project to produce crops with reduced pesticide and helped collect rain water for ulterior use, did not materialise.

(e) Capacity Building for limited number of small holders of plots of land

The objective to implement the project '*Capacity building of technical personnel and farmers'* would ensure that the farming community and the technical personnel have a better understanding of climate change, its impact on agriculture and measures to build resilience. Trainings were to be provided to 341 small holders of land who formed part of the 3 Water Users Cooperative Societies (WUCs), namely Pointe aux Piments Pivot/Drip WUCs, Solitude I WUCs and Solitude II WUCs.

- The training was not provided to all the small holders of land. Instead, only about 100 of them, representing 29.3 per cent were trained, contrary to the capacity building component.

(f) Refund of unutilised fund to European Union

The EU had undertaken to finance 80 per cent of the project up to a maximum of € 568,870.40 (Rs 22.7 million). On 6 August 2018 and 29 August 2023, it provided the IA a pre-financing amount of € 103,563.52 and € 336,915 respectively.

The total cost incurred for the project amounted to € 291,587.25 (Rs 20,355,972.76) as at February 2024.

- Out of the total grant of € 568,870.40, the sum of € 335,600.56, representing 59 per cent of the total grant has not been utilised.

- An amount of € 207,243.16 (Rs 10,975,602.11) was refunded to EU on 25 September 2024, representing 36.4 per cent of the initial grant amount.

Root Cause

The Accounting Officer did not properly follow up the project to make effective and efficient use of the grant.

Recommendation

The Accounting Officer should ensure that future projects are implemented as per the Grant Contract and funds provided under the contract are used as per the estimated schedule.

Ministry's Response

- Delay in completion was due to the absence of a full-fledged General Manager from 2018 to 2020 and uncertainties associated with the COVID-19 pandemic/lockdown, negatively impacted the timely completion of the project.

- Following 3 unsuccessful bidding exercises and subsequent consultations with the EU, it was mutually agreed that the IA possessed the requisite expertise and institutional knowledge to effectively determine the priority areas for immediate intervention on the drip irrigation projects.

- The delay was due to factors which were outside the control of the IA and not due to procurement issues.

- The cable to download data from flowmeter has indeed not yet been submitted by the contractor, as it is being awaited from an overseas supplier. In the absence of the cable, daily readings of water use are being taken personally by the irrigation operators.

- The sheltered farming and rain water harvesting structures could not be set up in spite of all the good faith and determination of the IA, due to unsuccessful bidding exercises. Given that limited time was left prior to the project closure deadline, this component of the project was dropped.

- The training component was purposely structured for a group of 100 leader planters, so that they could disseminate their acquired knowledge and skills to the remaining planters, through field demonstration and showcasing the new techniques in the fields.

- Out of the 6 components of the EU project, sheltered farming/rain water harvesting and consultancy services could not be completed due to factors which were beyond the control of the IA. Therefore, funds earmarked for these uncompleted components, were returned to the EU as per agreement after all other project expenses were incurred.

13.1.2 Plant Tissue Culture – Decrease in production of Banana Plantlets

Background Information

Plant Tissue Culture has become an integral component of plant biotechnology. It caters for mass propagation of desired plants and provides the means to regenerate and multiply disease-free novel plants from genetically engineered cells cultured in a nutrient medium under sterile conditions.

The Tissue Culture Laboratory (TCL) at the Barkly Experiment Station **(**BES) indulges mainly in the in-vitro culture of banana plantlets.

Findings

(a) Absence of a Strategic Plan

- The BES and the Food Agriculture Research Extension Institute (FAREI) were both involved in the propagation of tissue culture banana plantlets.

A strategic plan had not been devised nor any work plan established between the two institutions to cater for the increased demand for banana plantlets.

Root Cause

The Officer in Charge of BES had not prepared a strategic plan to make the optimum use of the resources.

Recommendation

There should be effective co-ordination between the 2 institutions involved in plant tissue culture so as to make efficient use of available facilities and resources.

(b) Acclimatisation Units not operational

Three Acclimatisation Units are used by the TCL at BES for the transfer of plantlets from cultured process, for their adaptation in the new environment.

- The 3 Acclimatisation Units were not providing proper environment for the plantlets to grow due to the following issues:

(i) At September 2024, Acclimatisation Unit 3 was damaged for more than 2 years. The automatic irrigation system of the Acclimatisation Unit was not functioning for more than 5 years and has not been repaired.

The Officer in Charge reported this issue to the Ministry several times but no corrective measures were taken. Hence, the environmental conditions had adversely impacted on the growth of plantlets.

(ii) Each time there was a power outage, the electrical panel controlling the automatic mist irrigation system for Acclimatisation Units 1 and 2 were switched off and had to be reset manually. Following receipt of plant shipments during warm days and public holidays, where officers were not present to reset the acclimatisation system for plants to be irrigated, there was high risk for the plantlets to be withered.

- The aeration system of the shed was also not functioning since several years back.

Root Cause

The Officer in Charge of BES did not have a proper maintenance plan for the infrastructural facilities.

Recommendations

- The defects of the Acclimatisation Units should be repaired at the earliest so as to increase the production of banana plantlets.

- A proper preventive maintenance plan should be prepared for the Acclimatisation Units.

(c) Decrease in Production of Banana Plantlets

The TCL carries out propagation of banana and orchid plantlets using tissue culture techniques. This technique is very labour intensive as it involves shifting the plantlets to a fresh culture media for their growth and multiplication.

- Sub-culture was being performed by one Agricultural Support Officer (ASO).

  Delay in carrying out sub-culture in due time has resulted in wastage of economic resources. Consequently, banana plantlets from the sub-culture have been decreasing from 39,281 since the year 2019 to 3,883 plantlets in 2024. Refer to Table 13-3.

Table 13-3 Production of banana plantlets in Laboratory

Year	Production of plantlets
2019	39,281
2020	26,241
2021	38,348
2022	25,811
2023	18,054
2024 *(8 months)*	3,838

- As at 31 August 2024, there was a cumulative demand of 64,625 plantlets to be delivered to planters. Due to lengthy waiting time, some of the applicants were no more interested for the purchase of plantlets and have consequently cancelled their orders.

Root Cause

The Officer in Charge did not have a proper production plan to satisfy the demand for banana plantlets.

Recommendation

There should be a proper production plan to increase the level of production of banana plantlets so as to minimise the waiting list and to have a time frame from application to delivery.

(d) Breakdown of Autoclave device

On 30 January 2024, the existing autoclave device at the TCL broke down. Consequently, assistance was sought from the Mauritius Cane Industry Authority for autoclave culture jars and on 7 February 2024, 150 banana medium culture jars were autoclaved at the Authority.

Due to the non-availability of the autoclave device which is a critical equipment in tissue culture, the production of banana plantlets decreased drastically from 300 units in January to 130 units in August 2024.

- A new autoclave device, acquired at a cost of Rs 1,759,500, was delivered on 12 August 2024. However, it was still awaiting commissioning as at 20 September 2024.

Root Causes

The Officer in Charge of TCL did not:

- have a proper maintenance plan.

- ensure that the newly acquired autoclave device was commissioned shortly after delivery.

Recommendations

- The newly acquired autoclave device should be commissioned so that it can be put to use.

- Management should consider to repair the defective autoclave device as soon as possible.

Ministry's Response

- TCL is involved in the production of planting materials and FAREI carries out research and makes recommendation for mass propagation.

- Repairs for acclimatization unit 3 have not yet started.

- Commissioning of new autoclave was carried out on 25 September 2024 and is in use.

13.1.3 National Wholesale Market – Post Implementation Issues

Background Information

The need for the setting up of a National Wholesale Market (NWM) for fruits and vegetables arose from the pressure of growers to have a modern and adequate wholesale and auction facility.

The project was initially estimated at Rs 707 million. In order not to delay the implementation of the project, the scope of works was revised and was brought down to Rs 390 million which consisted only of the construction of the main building. The NWM was handed over to Agricultural Marketing Board (AMB) on 27 December 2021 and was inaugurated on 27 July 2023.

As at 30 June 2024, the AMB had disbursed Rs 128,941,532 to complete all the ancillary works of the NWM.

Findings

(a) Additional Costs incurred by the AMB

After the handing over of the site, all the ancillary works which included drilling of borehole, supply, installation, testing and commissioning of the sewer treatment plant and the standby generator, the purchase of computers and software for NWM, among others, had to be undertaken by AMB for a total cost of Rs 98.5 million.

The revenue of Rs 10,259,400 generated during the financial year 2023-24 did not cover the operating and administrative expenditure of Rs 24,366,824 incurred by the AMB.

(b) Lease agreement for the NWM not yet finalised

The NWM, of an extent of 35,000 m^2, was constructed on a plot of State land, without any lease agreement. The building was handed over on 27 December 2021 to AMB.

On 1 August 2024, the Ministry of Housing and Land Use Planning considered to grant a 60-year industrial lease to the AMB over the plot of State land of an extent of 25A87 so that the AMB could apply for a Building and Land Use Permit to start the construction of additional works on site, namely a canteen, a new office and electric gate posts.

As of September 2024, the title deed was still not formalised. The contract for additional works at the NWM was consequently kept pending.

(c) Unutilised Sewer Treatment Plant

On 29 March 2023, the AMB awarded the contract for the construction of a Sewer Treatment Plant (STP) to a Company for an amount of Rs 25,158,751. However, during the execution of the project, it was noted that no provision was made in the tender document for electrical cabling works to feed the equipment with power supply.

Therefore, additional funds had to be earmarked for cabling works of the STP equipment and additional manhole towards the leaching field due to the uneven ground. The works had to be kept on hold until approval of the parent Ministry. On 6 June 2024, the AMB requested additional funds to the tune of Rs 2.5 million for completion of the additional works, but the funds were not made available.

As at September 2024, the tender for the supply, installation and commissioning of a power feeder cable to the STP and miscellaneous works at the NWM was not yet launched. Meanwhile, the STP was left unutilised.

(d) Inadequate space for handling of fruits and vegetables

- During peak hours, it was reported that the parking space of 200 slots was inadequate, leading to traffic jam at the entrance for loading and unloading of fruits and vegetables.

- The area allocated for auction of fruits was not sufficient during peak time. Tarpaulin tents had been erected on the parking areas, since several months, for the auction of fruits, hence, worsening the problem of parking space during peak hours. Refer to Figures 1 and 2.

Figure 1 - Tents erected in parking space

Figure 2 - Crammed parking space

- There was no proper waste disposal system. Rotten vegetables were stacked in a corner of the compound which caused foul smells.

Root Cause

There was poor planning of the project by the Ministry.

Recommendations

- The Ministry should finalise the lease agreement of the State land occupied by the NWM.

- The Ministry should take appropriate action to remedy the problem of space for parking and auction sale of fruits. Extension of the NWM could be a solution to the problem.

- The supply, installation and commissioning of a power feeder cable to the STP should be completed as soon as possible for the operationalisation of the STP.

Ministry's Response

- The request to the Ministry of Housing and Land Use Planning for a plot of land at Five Ways, Wootun to be vested into the AMB, dates to 11 October 2023. A reply to this Ministry's request dated 3 October 2024, for a special instead of an industrial lease to be granted to the AMB is awaited.

- The tender for the supply, installation and commissioning of power cable and associated works for the STP was awarded to a Contractor on 17 December 2024. Works are expected to be completed by end of March 2025, following which, the equipment would be commissioned. The STP is expected to be operational by mid-April 2025.

- The Ministry of Environment, Solid Waste Management and Climate Change is being consulted regarding the feasibility of alternative measures for the disposal of the waste.

13.1.4 Increase in the production of chicks not attained

Background Information

The Poultry Breeding Centre (PBC) found at Reduit, was established in 1959 with the aim of providing an incentive to the development of the poultry industry in Mauritius by providing day old chicks at an affordable price to the farming community. The PBC has an important role in the development of the poultry sector in Mauritius.

Findings

(a) Decrease in the production of chicks

An analysis for the production and sales of eggs and chicks was carried for the past 4 financial years ended 30 June 2024, as detailed in Table 13-4.

Table 13-4 – Production and Sales of Eggs and Chicks

Financial Year (FY)	No. Eggs Collected (Non-Cracked)	No. Eggs selected for Setting	No. Eggs Sold (Units)	No. Eggs Discarded	No. Chicks Produced (Units)	No. Chicks Sold (Units)
2020-21	483,856	205,597	276,742	2,519	152,640	150,438
2021-22	382,707	223,706	157,021	1,059	186,899	168,431
2022-23	457,147	312,452	144,185	1,080	253,798	252,307
2023-24	613,704	169,021	426,364	16,080	145,152	118,346

Source: Monthly Report at the PBC

- For the year ended 30 June 2024, 613,704 eggs were collected, of which 169,021 eggs were selected for setting, that is placing the eggs inside an incubator to keep them warm during the incubation period, represented 27 per cent of the total production. Furthermore, eggs collected for settings had decreased from 312,452 in financial year 2022-23 to 169,021 in financial year 2023-24, representing 54 per cent decrease.

- Moreover, 16,080 eggs were discarded in financial year 2023-24 as compared to 1,080 units in financial year 2022-23 due to the presence of shigella species in a pen.

- The number of chicks sold has decreased from 252,307 units in financial year 2022-23 to 118,346 units in financial year 2023-24, representing a decrease of 53 per cent.

- Due to breakdown of the incubator in the financial year 2023-24, the level of production of chicks decreased to 145,152, resulting in an increase in the number of eggs sold to 426,364 units, representing 69 per cent of eggs collected.

(b) Breakdown of the Chick Incubator

The incubator, consisting of hatcher and setter, was important for the PBC for chicks production. The incubator was acquired in September 2009 and commissioned in December 2009.

- On 15 February 2024, the setter broke down, as a result of which new orders of chicks from the farming community could not be met by the PBC.

  Existing orders received between 19 March 2024 to 21 May 2024, totalling 12,950 chicks from 63 farmers could not be supplied by the PBC.

- The Animal Production Division had submitted a project proposal concerning the chick incubator in 2022 and 2023 to the Ministry. However, approval was still being awaited.

- The strategic direction of the Budget Estimates 2023-24 to increase production of breeding stock has not been achieved. This had a negative impact on the revenue of small breeders and the main objectives of the PBC with regards to the farming community were not met.

(c) Outbreak of Salmonella Bacteria

- On 2 August 2024, the Livestock and Veterinary Division of the Ministry reported the presence of salmonella bacteria in a dead bird in the Deep Litter House 4 at the PBC. On 13 August 2024, salmonella bacteria was also detected in Deep Litter House 5.

- Additional vaccination was administered to all parent stock batches. On 30 August 2024, the Principal Veterinary Officer informed that salmonella had also been detected from hatching eggs and advised to destroy all those eggs.

- No eggs had been put on sale as from 8 August 2024. As at 19 September 2024, 902 broilers had been culled and incinerated, and 58,422 eggs had been discarded due to the presence of the disease. Therefore, demand for eggs and chicks from the farmers could not be met.

(d) Site Visit

A site visit at the PBC farm was carried out by NAO Officers in the presence of a Senior Agricultural Support Officer on 9 October 2024. The following were observed:

- Small birds could easily enter the pen through the door handles and the broken fencing where the broilers were bred. This could significantly compromise farm biosecurity, leading to health complications in the event of any disease transmission and contamination.

  (i) There was a serious threat of feed and water contamination when birds entered the pens and shared the same living spaces with the broilers.

  (ii) Birds dropping in water or animal feeds could lead to harmful bacteria causing serious health risks to the broilers.

- It was reported by the officer that rats were seen in the pens from the nearby drains which were harmful for the broilers.

Root Cause

The Officer in Charge of the PBC did not have an updated biosecurity and maintenance plan.

Recommendations

- The Officer in Charge of the PBC should devise an updated biosecurity and maintenance plan to prevent the spread of shigella and salmonella bacteria in all the units of the PBC.

- The old pens should be upgraded.

- The Officer in Charge of the PBC should acquire incubators to increase the production of chicks to satisfy the demand of the farming community.

Ministry's Response

- The decrease in the number of eggs collected for setting is due to the breakdown of the incubators. The Animal Production Division had reasonably foreseen the problems that could arise with the functioning of the old incubator and based on its request, the Ministry had submitted a project proposal for the procurement of a new incubator ahead of the breakdown of the old incubator.

- The presence of shigella species was detected in view of a well-established surveillance programme for animal diseases. According to established protocols, unsafe eggs have to be discarded for public health reasons.

- The strategic direction was elaborated on the basis that funding would be provided for the procurement of a new incubator which could operate to its full capacity without the risk of any breakdown and the production of breeding stock would accordingly increase.

- Due to public health consideration, contaminated eggs have to be culled/destroyed in accordance with established protocols. Regarding the parent stock, same had already reached the end of their life cycle and would have, in any case, been culled.

- A request for the "supply and installation of bird deterrents" has already been processed and is presently at evaluation stage. There is a pest control programme in place for the eradication of rats. Regular visits and surveillance programme is in place to ensure that all biosecurity measures are being adhered to.

13.1.5 Governance Issues – Non-compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of statutory bodies with the objective of strengthening accountability and transparency in the public sector.

Findings

Non-Submission of Report on Performance

As of 31 December 2024, the Report on Performance of the Ministry of Agro-Industry and Food Security for the financial year 2023-24 had not yet been submitted to the Ministry of Finance despite the statutory deadline being 31 October 2024.

Non-Submission of Financial Statements for Audit

The Statutory Bodies (Accounts and Audit) Act requires the Chief Executive Officer of a statutory body to submit the annual report, including the financial statements, to the auditor not later than four months after the end of every financial year.

As of 31 December 2024, the following statutory bodies falling under the purview of the Ministry of Agro-Industry and Food Security, have not submitted their financial statements for audit as shown in the Table 13-5 below.

Table 13-5 Financial Statements not submitted to NAO for Audit

Statutory Body	Financial Year/Period	No of Financial Statements	Remarks (Accounts under Audit)
Mauritius Meat Authority	2022-23 & 2023-24	2	Financial Statements for 2021-22 were submitted on 27 November 2023
Mauritius Society for Animal Welfare	01.01.2016-30.06.2017 to 2023-24	8	Financial Statements for 30.10.13-31.12.14 and 2015 were submitted on 30 May 2023 and 19 October 2023 respectively.
Small Farmers Welfare Fund	2020-21 to 2023-24	4	
Sir Seewoosagur Ramgoolam Botanical Garden Trust	2020-21 to 2023-24	4	
Sugar Cane Planters Trust	2007-08 to 01.07.2009-24.07.2010	3	
Vallée D'Osterlog Endemic Garden Foundation	2020-21 to 2023-24	4	Financial Statements for 2019-20 was submitted on 19 May 2021.
National Parks and Conservation Fund	2022-23 to 2023-24	2	Financial Statements for 2021-22 was submitted on 10 February 2023.

Source: NAO records

Annual Reports not laid before the National Assembly

The Statutory Bodies (Accounts and Audit) Act requires a copy of the annual report and audited financial statements of every statutory body to be laid before the National Assembly at the earliest opportunity.

As of 31 December 2024, the annual reports of 2 statutory bodies had not yet been laid before the National Assembly as shown in the table 13-6 below.

Table 13-6 Annual Reports including audited Financial Statements not laid before the National Assembly

Statutory Body	Financial Year	Date Certified	No of Financial Statements
Small Farmers Welfare Fund	2019-20	24.10.2024	1
Vallée D'Osterlog Endemic Garden Foundation	2017-18 & 2018-19	26.06.2024	2

Source: National Assembly Records

NAO is of the view that the Ministry should:

- Exercise control over statutory bodies and other entities operating under its aegis to ensure that they comply with their statutory responsibilities regarding the preparation of financial statements and their submission for audit; and

- Lay copy of the annual report and audited financial statements before the National Assembly.

13.1.6 Follow-up of Recommendations Raised in Audit Report 2022-23

The status on actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarised below. Out of 27 recommendations, 9 (33 per cent) have been implemented, 12 (45 per cent) have been partly implemented and 6 (22 per cent) have not been implemented.

SN	Findings	Recommendations	Ministry's Response - Status as at January 2025	NAO's Comments
	Legislations and Conditions of Deed of Lease not always complied with (Page 293)			
	Arrears of Rent of the Forestry Service understated			
1	Rents were paid by the lessees with delays varying from 27 to 467 days. Interests for late payments were not included in the arrears of rent as at 30 June 2023. The arrears figure was understated. *(Pg 293, Para. 15.3.1)*	The Accounting Officer should ensure that the Shooting and Fishing Leases Act and the terms and conditions of the deeds of lease are complied with. *(Pg 293, Para. 15.3.1)*	As at October 2024, most of the arrears of rent has already been retrieved.	**Partly Implemented**
	Granting of Lease exceeding 14 years			
2	Leases were renewed to the same lessees whereby the leases covered a total duration exceeding 14 years. *(Pg 293, Para. 15.3.1)*	▪ The Shooting and Fishing Leases Act, should be amended to promote the principles of good governance in the allocation/renewal of leases.	The Attorney General's Office has advised that upon completion of a 14-year lease, the Minister may resort to Section 3 of the Act for granting of a new lease.	**Not Implemented**
3		▪ The Accounting Officer should consider the two other methods, namely public auction or call for tenders for the grant of a new lease. *(Pg 294, Para. 15.3.1)*	This will be considered if the need arises.	**Not Implemented**
	Non-compliance with Legislations and Conditions of Deed of Lease			
4	▪ None of the six lessees had complied with the provisions of the Shooting and Fishing Leases Act and the conditions of their deeds of lease. *(Pg 295, Para. 15.3.1)*	The Accounting Officer should ensure that the terms and conditions of the deed of lease and relevant legislations are complied with by the lessees. *(Pg 297, Para. 15.3.1)*	• The Forestry Service has increased the frequency of patrols on leased forest lands and is ensuring that all terms and conditions of the leases are strictly complied with.	**Implemented**

SN	Findings	Recommendations	Ministry's Response - Status as at January 2025	NAO's Comments
5	▪Four of the six lessees, had not complied with the provisions of the Forests and Reserves Act.	The Accounting Officer should ensure that the officers of the Forestry Service carry out regular patrols and take appropriate prompt actions in case officers are committed by the lessees. *(Pg 297, Para. 15.3.1)*	• The case No. 1 has been sent to Attorney General's Office. The lease for Lessee 2 has been cancelled. The lease for Lessee 3 has been renewed for 7 years as from 08 September 2021. Lease for Lease 5 has been cancelled.	**Partly Implemented**
	▪ Lessees 2 and 4 had sublet a portion of their leased lands.		• Lease of Lessee 2 has been cancelled and site visit at Lessee 4 revealed no physical sign of subletting.	
	▪ Lessee 2 had illegally sub-divided the leased land into three blocks and had sublet them to three different lessees.		• Lease of Lessee 2 has been cancelled.	
	▪ Lessee 4 has been subletting the hunting lodge located on the leased land for entertainment events and other functions not related to shooting and fishing activities.		• The lessee was informed that in case of any breach of conditions of lease and/or any offence under the Forests and Reserves Act, the lease will be cancelled without any further notice.	
	▪ Lessee 1 had constructed a track road on the leased land without Ministry's authorisation.		• A contravention has been established against Lessee 1 and the Conservator of Forest recommended prosecution against the lessee.	
	▪ Three gates and fencing were erected by Lessee 3 over the common forest tracks on the leased land without the authorisation of the Ministry.		• Following the instruction of the Forestry Service, the gate was removed and the fencing was restored.	

SN	Findings	Recommendations	Ministry's Response - Status as at January 2025	NAO's Comments
	▪ Lessee 5 had illegally erected an artisanal bridge. ▪ Lessee 2 had destroyed some 180 trees, in breach of the Forests and Reserves Act. The offence was not recorded in the Contravention Register and was not prosecuted. ▪ The deed of lease for the period starting 8 September 2021 was not signed by Lessee 6. ➢ For Lessee 5, approval for the additional extent of 37.02 hectares was not seen. The deed of lease was signed on 17 February 2022, more than six months after the start of the lease. *(Pg 295-297, Para. 15.3.1)*		• The lease of Lessee 5 has been cancelled. • The lease of Lessee 2 has been cancelled. • The letter of intent issued to Lessee 6 was revoked and the lease was not renewed. • When an application for lease is received by the Forestry Service, the area of the site is estimated by the Land Surveyor.	
	Enjoyment of Rights by Lessees still owing rentals/rentals being paid with delay (Page 297)			
6	▪ The 14 lessees had not complied with Section 8 of the Shooting and Fishing Leases Act. ▪ Of the remaining 62 lessees, some have not paid their rent prior to 1 April. *(Pg 298-297, Para. 15.3.1)*	The Conservator of Forests should ensure that the provisions of the Shooting and Fishing Leases Act are always complied with by the lessees. *(Pg 298, Para. 15.3.1)*	• This practice has been revised and the Forestry Service is now claiming rental for use and occupation of site pending approval of the lease renewal. • Most of the arrears of rent has already been retrieved.	**Partly Implemented**

SN	Findings	Recommendations	Ministry's Response - Status as at January 2025	NAO's Comments
	Late Signature of Deed of Lease/Deed of Lease not seen			
7	▪ Section 5(5) of the Shooting and Fishing Leases Act had not always been complied with. Cases were noted where the deeds were signed 13 to 17 months after the start date of the lease. ▪ In one case, the deed of lease was still not signed as at August 2023.	The Accounting Officer should ensure that: ▪ the deeds of lease are signed both by the Ministry and the lessees within one month of the commencement of the lease.	• The delay for the signature of lease is outside the control of the Forestry Service owing to the lengthy procedures for lease.	**Partly Implemented**
8	▪ In four cases, the deeds of lease were not made available to NAO Officers. *(Pg 298, Para. 15.3.1)*	▪ the Conservator of Forests properly keep all deeds of lease. *(Pg 298, Para. 15.3.1)*	• Additional clarification is needed regarding the four deeds of lease being referred to.	**Not implemented**
	Lapses in the Operational Activities of the Cattle Reproduction Farm (Page 299)			
	Delay in the Provision of Amenities			
9	As of August 2023, some 44 months after its inception, the basic amenities were still not provided at the farm. In the absence of the required amenities, the farm was not operational. *(Pg 299, Para. 15.3.2)*	The Accounting Officer should ensure that procurement procedures for providing the basic amenities are initiated without further delay. *(Pg 299, Para. 15.3.2)*	The farm is already operational.	**Implemented**
	Slow Growth - Farm not operating at Full Capacity			
10	As at 30 June 2023, the farm had only 73 animals and was thus, operating at 24 per cent of its full capacity. Due to the unavailability of an isolation unit, no new stocks have been imported for breeding since year 2019. *(Pg 300, Para. 15.3.2)*	The Accounting Officer should ensure that appropriate actions are initiated to enable the farm to operate at its full capacity to attain sustainability and growth in animal production to meet the needs of the farming community. *(Pg 300, Para. 15.3.2)*	The Ministry has already initiated actions to import breeding stock through the Mauritius Meat Authority, to meet the needs of the farming community.	**Partly Implemented**

SN	Findings	Recommendations	Ministry's Response - Status as at January 2025	NAO's Comments
	Depletion of the Parental Stock			
11 12	▪ As at August 2023, the Cattle Reproduction Farm had 30 cows, but still without a bull. ▪ During the financial year 2022-23, 11 animals died, including eight due to splayed legs caused by the smooth flooring of the farm which was too slippery. *(Pg 300-301, Para. 15.3.2)*	The Accounting Officer should ensure that the Director, Agricultural Services: ▪ Take appropriate measures to import new breeding stock at regular time intervals. ▪ Procure additional bulls to increase animal production. *(Pg 301, Para. 15.3.2)*	The breeding programme is ongoing through artificial insemination. The keeping of spare bulls requires additional facilities which would be costly for the Ministry.	**Partly Implemented** **Not Implemented**
	Site Visit			
13	Since the operation of the farm in December 2019, essential amenities such as a mating pen and a maternity pen, were not constructed. *(Pg 302, Para. 5.3.2)*	The Accounting Officer should ensure that maternity pen is constructed on the farm to enable deliveries in hygienic conditions. *(Pg 304, Para. 15.3.2)*	A dedicated pen in the ex-heifer farm building had been refurbished to house only pregnant cow and cater for new-born.	**Implemented**
14	No proper wiring system was installed and electrical wires for the connection of light bulbs inside the farm were hanging loosely. *(Pg 302, Para. 15.3.2)*	The Accounting Officer should ensure that the electrical wirings in the farm building are properly done. *(Pg 304, Para. 15.3.2)*	The electrical works project will address all issues related to electrical wiring.	**Partly Implemented**
15	▪ The track road leading to the entrance of the farm was covered with a thick layer of sticky mud. ▪ The initial grooves on the floor were smooth, thus making it difficult for the animals to stand and to move around. *(Pg 302, Para. 15.3.2)*	The Accounting Officer should ensure that yards are regularly cleaned for the animals to roam around in proper and hygienic conditions. *(Pg 303, Para. 15.3.2)*	The tarring of the track although feasible, is not cost-effective as very few vehicles access the site.	**Not Implemented**

SN	Findings	Recommendations	Ministry's Response - Status as at January 2025	NAO's Comments
16	▪The premises of the Livestock Zone were in a very deplorable state and had no electricity. The exercise yards for the animals were covered with mud and were slippery. As no drains or septic tanks for animals' wastes existed, these were evacuated at the entrance of the farm. *(Pg 303, Para. 15.3.2)*	The Accounting Officer should ensure that proper drains, septic tanks and access roads to the pens are provided. *(Pg 303, Para. 15.3.2)*	The pending works which includes the setting up of a waste disposal system is carried out in a phased manner, based on the availability of funds.	**Partly Implemented**
	Wrong Cost Estimates leading to Delay in Award of Contracts			
17	▪ The first tender exercise, launched in November 2022, was not successful as the price quoted by the sole bidder was higher than the estimated cost. ▪ In November 2022, a tender for the setting up of the Isolation Unit was launched. However, the price quoted was higher than the estimated cost and the procurement exercise had to be relaunched in June 2023. *(Pg 304, Para. 15.3.2)*	The Accounting Officer should ensure that the cost estimate for any procurement or construction project reflects the market value. *(Pg 305, Para. 15.3.2)*	The Ministry generally ensures that the cost reflects the market value of the goods/services/ works. However, there are external factors beyond the control of Ministry.	**Partly Implemented**
	Ineffective Administration of State Lands for Agricultural Purposes (Page 305)			
	Non-enforcement of Lease Conditions			
18	▪ Lessee A secured loans for the total sum of some Rs 3.4 million from a local bank. As of October 2023, the lessee was still carrying out its activities on the State Lands although the lease agreements had expired since February 2019.	The Accounting Officer should ensure that the leased State Lands are used for the intended purpose and objectives. *(Pg 307, Para. 15.3.3)*	Lessee A has been informed that rents for the above State Land will have to be paid as from year 2019.	**Partly Implemented**

SN	Findings	Recommendations	Ministry's Response - Status as at January 2025	NAO's Comments
19	▪ Lessee B was granted a lease for five plots for the purposes of food crop production, and the setting up of a poultry farm and greenhouses. The lessee pledged the leasehold rights on three plots with a bank for a loan amount of Rs 2,925,000 for the construction of a cowshed, purchase of heifers, purchase of equipment and fodder production. The purpose of the loan was not in line with the conditions of the lease. ▪ In year 2011, Lessee C pledged the leasehold rights as security for a loan of Rs 1,775,000 from a bank. During 2 site visits effected by LUD Officers, the lands were reported to be in a neglected state and integrated farming activities were not being carried out. *(Pg 305-307, Para. 15.3.3)*	The Accounting Officer should ensure that the conditions of the pledge on leasehold rights are properly formulated in the interest of the Ministry. *(Pg 307, Para. 15.3.3)*	The five plots previously allocated to Lessee B, have been reallocated to three other lessees. The lease agreements were drawn as from year 2021 and the rents on the whole extent were being recouped from the 3 lessees. Plots have been declared vacant on 18 October 2024 and will be allocated to eligible applicants.	**Not implemented**
	Lapses in Management of Mechanical Workshop and Transport (Page 308)			
	Delay in Repairs of Vehicles			
20	▪As of 18 August 2023, repair works of 14 vehicles still needed to be completed and the vehicles had remained in the garages for periods ranging from 18 to 675 days. The delay in repairs was attributed to late delivery of spare parts.	The Accounting Officer should ensure that a full time Procurement and Supply Officer is posted in the Procurement Unit for the timely delivery of spare parts to reduce the period of stay of vehicles in the workshop. *(Pg 308, Para. 15.3.4)*	A Senior Procurement Officer has already been posted at the Engineering Division on a full time basis to cater for the procurement and delivery of stores for the Division.	**Implemented**

SN	Findings	Recommendations	Ministry's Response - Status as at January 2025	NAO's Comments
	▪ Delivery of ordered spare parts was inadequately monitored, resulting in delays ranging from 14 to 464 days. *(Pg 308, Para. 15.3.4)*			
	Ministry's Fleet of Vehicles not available			
21	▪ Thirty one vehicles were not recorded in the Plant Register. ▪ The list of vehicles posted at the Forestry Service was not submitted to NAO Officers. *(Pg 309, Para. 15.3.4)*	The Accounting Officer should ensure that the Plant Register is always kept up to date. *(Pg 309, Para. 15.3.4)*	• Plant Register has already been updated. • The list of vehicles is available.	**Implemented**
	Physical Surveys - Boarded Vehicles Heavily Corroded			
22	Since April 2021, for some three years, the condemned vehicles were still in the open yard at the Curepipe Forestry Service. *(Pg 309, Para. 15.3.4)*	The Accounting Officer should set up a proper Board of Survey at the earliest possible for the 12 vehicles awaiting to be boarded and initiate action for the disposal of the 26 vehicles already condemned. *(Pg 310, Para. 15.3.4)*	The BEC is finalising the award of contract for the Auctioneer and will submit its recommendation to the DBC by 20 October 2024.	**Partly Implemented**
	Non-compliance with Governance Issues (Page 310)			
	Strategic Overview - Targets Not Achieved			
23	As at 30 June 2023, the targets set for KPIs and deliverable to improve food security level by increasing local production of all non-sugar crops and livestock were partly achieved by nine Delivery Units. *(Pg 310, Para. 15.3.5)*	The Accounting Officer should ensure that the Monitoring Committee closely monitors the targets set by the Ministry. *(Pg 311, Para. 15.3.5)*	There is a Monitoring Committee to follow on progress and targets achieved in line with the Government Programme 2020-2024.	**Implemented**

SN	Findings	Recommendations	Ministry's Response - Status as at January 2025	NAO Comments
	Audit Committee – Provisions of the Audit Committee Charter not adhered to			
24	▪ The Audit Committee had submitted its Action Plan for the financial year 2022-23 to the MFSGG on 29 November 2022 instead of 1 July 2022. ▪ Quarterly Reports of the AC were submitted to OPSG with delays ranging from 6 to 43 days. ▪ The notes of meetings of the AC held on 30 August 2022 and 25 October 2022, were submitted to OPSG on 29 November 2022. ▪ The Performance Agreement for the financial year 2022-23 was submitted to MFSGG on 14 September 2022, instead of the beginning of the financial year. *(Pg 311-312, Para. 15.3.5*	The Chairperson of the AC should ensure that all procedures of the AC Charter are strictly complied with. *(Pg 312, Para. 5.3.5)*	The AC Charter has been circulated to all members of the AC on 17 January 2024 for strict compliance.	**Partly Implemented**
25	Appropriate and timely training, to be conducted by OPSG, were not provided to the Chairperson and members of the AC. *(Pg 312, Para. 15.3.5)*	The Accounting Officer should ensure that the Chairperson and Members of AC are provided with appropriate and timely training. *(Pg 312, Para. 15.3.5)*	In August 2023, five members of the AC have already attended training on 'Improving Public Sector Governance through Audit Committees' provided by Civil Service College.	**Implemented**
	Internal Audit – Audit Plan not Completed			
26	▪ Some 30 per cent of the auditable areas of the Annual Internal Audit Plan for financial year 2022-23 were not done. ▪ Out of 75 recommendations made by the Internal Control	The AC should ensure that all auditable areas in the Annual Internal Audit Plan are achieved. *(Pg 313, Para. 15.3.5)*	The Internal Audit team would need to report on Audit Plan at the AC. The latter will monitor to ensure, as far as possible, that all auditable areas of the plan are completed.	**Implemented**

SN	Findings	Recommendations	Ministry's Response - Status as at January 2025	NAO's Comments
	Unit, 32 per cent of the recommendations were not yet implemented. *(Pg 313, Para. 15.3.5)*			
	Risk Management Framework not Established			
27	A Risk Management (RM) Framework was still not established. *(Pg 313, Para. 15.3.5)*	The Accounting Officer should establish a RM Framework at the earliest in compliance with MoFEPD's Circular. *(Pg 313, Para. 15.3.5)*	The Ministry has already initiated on implementing a RM Committee as per Circular from MoFEPD.	**Implemented**

14 – ATTORNEY-GENERAL'S OFFICE, MINISTRY OF FOREIGN AFFAIRS, REGIONAL INTEGRATION AND INTERNATIONAL TRADE

14.1 FOREIGN AFFAIRS, REGIONAL INTEGRATION AND INTERNATIONAL TRADE

14.1.1 Shortcomings in the Management of Residential Buildings, Chancery and Staff Residence

Background Information

For the financial year 2023-24, an amount of Rs 53.5 million was provided for the Construction/Upgrading and Maintenance of Government Owned Property (GOP) in 6 Missions namely New Delhi, London, Paris, Washington, Brussels and Madagascar.

Findings

Protracted implementation of decision to sell premises of Mission Washington

The GOP in Mission Washington, serving as residence for the Ambassador, was of a total surface area of 12,180 ft² and was constructed in 1988 on a plot of land of 2 acres purchased in September 1995 for US$ 1.43 million.

- The building was in a deplorable state due to lack of repairs and maintenance. The decision made in October 2021 to sell the dilapidated and unoccupied building was not executed as of mid-October 2024. In 2023 action was limited to only seeking the sale value of the residence. An amount of Rs 10 million, provided for in budget estimates 2023-24 for maintenance purposes, however remained unspent.

  The value of the property dropped by 30 per cent from US$ 2.2 million in 2008 to US$ 1.54 million in 2023 as shown in the Table 14-1.

Table 14-1 Decreasing Trend in Value of The Residence

Year	Value of Property US$ (million)	% decrease compared to 2008
2008	2.20	-
2016	1.90	14
2017	1.80	18
2023	1.54	30

Source: Registry Files

- An amount of Rs 2.2 million was incurred as renovation costs in April 2021. However, the building was occupied by the Ambassador for only 5 months. Thereafter, the Ministry of Foreign Affairs (MFA) had incurred a total cost of Rs 18 million for rental of alternative accommodation for the Ambassador from September 2021 to June 2024.

- On 30 July 2024, the Mission informed that 2 property Agents were contacted with a view to selling the residence and on 7 August 2024, MFA requested the Mission to open negotiations with one of the Agents. However, as of 15 January 2025, no further action has been taken. Thus, the intention to acquire new premises to accommodate the Ambassador and the home-based staff from the sale proceeds, to save on rental payment, could not be materialised.

- Insurance premiums increased by 367 per cent due to the deteriorating condition of the building since 2021. An amount of US$ 38,766 (Rs 1,723,150) has been paid for the period 2021 to 2025.

Delay in procurement procedures to renovate the GOPs in Missions Paris and London

Mission Paris – The Quai de Grenelle Government apartment located in Totem Tour in Paris, and used as the residence for the First Secretary in post there, was vacated in June 2017 given its impending renovation. Procurement procedures for the renovation works were launched on various occasions as detailed hereunder:

- Procurement procedures initiated in 2018 were still ongoing as of 12 September 2024. Bids re-launched in June 2024 were at evaluation stage.

- Tender exercises were re-launched on 2 occasions over the period March 2023 to February 2024 following refusal of contactor, selected in November 2019, to undertake the works. These exercises could not be finalised due to flaws in the procurement procedures.

Mission London – Renovation of the High Commissioner's residence at "Flat 8, 29 Braham Gardens", London has been delayed. As of October 2024, consultancy services for design and preparation of bidding documents have not been procured.

- Tender exercises were repeatedly delayed due to flaws in procurement procedures.

- In January 2019, approval was conveyed for rental of a temporary accommodation for the High Commissioner as renovation by a neighbour was causing nuisance. The flat was temporarily vacated in February 2019 and Mission proposed to initiate, during that period, renovation works in the flat, which were estimated to be completed in 9 months. However, the temporary residence was being leased on a permanent basis.

- For the past 5 years, since 2019, Mission and MFA were still in the process of selecting a multidisciplinary consultancy service provider for the proper design of works and preparation of the bidding documents for the renovation project to be carried out, despite the site visit effected by the Project Manager from Mauritius.

Financial Implications

- Rental payments for the alternative accommodation amounted to Rs 51.1 million as of June 2024 for Missions Washington, Paris and London.

Table 14-2 Rent Paid as at 30 June 2024

Mission / Institution	Premises occupied by	Rent Paid Rs million	Remarks
Paris	First Secretary/ Minister Counsellor	8.9	Rent computed since 2019
Washington	Ambassador	18.0	Rental for Sept 2021 to June 2024
London	High Commissioner	24.2	Rental for July 2021-June 2024
	Total	**51.1**	

Source: Accommodation file/ TAS

- In Mission London, a vacant 4-bedroom apartment at '40 The Crescent Wimbledon' has not been used since September 2023 whilst the lease for alternative accommodation of the High Commissioner was extended, leading to unnecessary rental costs. In the event the High Commissioner had moved to Wimbledon, savings of £ 105,300 (Rs 6,132,000) could have been realised.

- Additional costs included Council tax of Rs 1.5 million for unoccupied buildings and bi-annual service charges for the Braham Gardens flat amounting to Rs 452,000 for financial year 2023-24.

Missions New Delhi/ Madagascar – Decision for Construction/ upgrading works and repairs not implemented

MFA decided, some years back, to construct buildings in New Delhi and Madagascar for the Ambassador's residence and for the Chancery respectively.

No construction projects have been initiated as of mid-October 2024 in New Delhi and Madagascar on land owned since 2000 and 2018, despite Rs 42.5 million and Rs 24 million having been provided since 2016 respectively. Moreover, since 2021, Rs 27.5 million have been allocated for upgrading of the Chancery House and staff residence in Mission New Delhi but no works have been started yet.

Mission Brussels – Substantial delay in the Renovation of Chancery's basement and replacement of lift

Mission Brussels had informed that the lift at the Chancery, owned by Government, had been found unfit for use by the competent authorities of Belgium as it constituted a hazard. In June 2023, a technical inspection was effected by an agency which was responsible to control the safety of all lifts in Belgium. The lift was sealed since urgent repairs were needed, creating a hardship situation for the staff members.

- Funds of Rs 3.5 million, provided in financial year 2023-24, had remained unspent and had lapsed due to inappropriate procurement procedures. A further Rs 3.5 million has been provided in budget estimates 2024-25. However, as of October 2024, no action has yet been taken.

- Despite the urgency of the repairs, Mission sought MFA's guidance some 7 months later, that is, in January 2024, as regards the launching of bids. In March 2024 Mission had received 4 bids and was requested to carry out a Bid Evaluation Committee. However, in May 2024, the Mission informed that they did not have the required technical expertise to analyse the bids and therefore same were sent to MFA for further action. As of September 2024, the procurement procedures were not finalised.

Root Cause

The Accounting Officer did not put in place a proper follow up mechanism to address the delays to renovate/construct/sell the premises.

Recommendation

In view of the deteriorating state of the premises, high cost implications for renting alternative accommodation and other associated costs, there is an urgent need to accelerate matters to find a rapid solution.

Ministry's Response

- The Ministry has taken note of the recommendations of the National Audit Office and in view to ensure compliance with existing regulations, a Monitoring Committee, with the assistance of officers from the Ministry of National Infrastructure and Community Development, will be set up for proper follow-up of funded capital projects for timely implementation.

- As regards to insurance premiums paid, same has been contracted to keep the property on the market while fulfilling the local council requirements in place.

Mission Addis Ababa – Unresolved Issues

Background Information

The construction of a six-storey building in Addis Ababa, costing Rs 238 million and intended to accommodate the Chancery, residences of Ambassador and Home Based Staff, was completed and functional as from June 2022.

Findings

Full economic benefits have not been derived from the construction of the GOP as detailed below:

- The construction cost apportioned to the floor assigned as the Ambassador's residence was Rs 35 million. This floor has remained unoccupied since 1 June 2022 resulting in no economic benefits being derived.

- The Ambassador did not comply with the instruction of the Ministry to move into the new building, entailing Rs 8.4 million as rent for period June 2022 to October 2024.

- MoFEPD gave financial clearance for the above as no funds were provided for same, on the condition that the party responsible for bearing the financial obligations would have to be determined. Moreover, on 15 October 2024, the lease agreement was renewed for period 1 November 2024 to 31 January 2025, after obtaining financial clearance, at a total cost of US$ 19,500 (Rs 897,000).

- Prior to a Second Secretary and the Chancery moving in the newly constructed building in August 2023 and April 2023 respectively, the lease agreements for the previously rented apartment/ building were renewed for the periods 12 May 2022 to 11 August 2023 and October 2022 to March 2023 respectively without MFA's approval. The rentals amounting to US$ 36,000 (Rs1.6 million) and Rs 700,000 respectively were paid by Mission without MFA's approval.

- Mission was eligible to claim VAT refund amounting to US$ 815,930 in connection with construction of the GOP from the Ethiopian Government. A sum of US$ 729,230 had been refunded as of 30 June 2024 and had been used by the Mission Addis Ababa instead of being transferred to the Consolidated Fund.

- The remaining balance of US$ 86,700 had still not been recouped.

Root Causes

- MFA has not taken appropriate action to ensure that the GOP was optimally used, thereby avoiding unnecessary expenditure, in terms of additional rental being incurred.

- Absence of a policy decision at the level of the Ministry regarding accommodation of the Ambassador Home Based Staff.

Recommendations

- MFA should come up with a policy regarding accommodation for Ambassadors.

- VAT refunds should be transferred to the Consolidated Fund.

Ministry's Response

- The Ambassador was constantly being instructed through Ministry's mails and correspondences with effect from October 2022 to move to the newly built GOP.

- It is noted that the contract of the Ambassador has already been terminated. Action is being taken to recoup the rental costs incurred by the Ministry and to situate the responsibility accordingly.

- The Ministry is in the process of approaching the PRB with regard to the allocation of a ceiling for rent and utilities in respect of Ambassadors' residence in each capital.

- With respect to rentals paid for the apartment of the Second Secretary, several avenues are being explored to recoup the rental costs in due form.

Transport Management pertaining to vehicles in Missions

Background Information

As per MFA's policy, each Mission was authorised to have one Representational Vehicle (RV) and one Service Vehicle (SV) with a ceiling for acquisition cost of Rs 2 million and Rs 1.5 million respectively. In April 2024, the ceiling for RV was revised in the range of Rs 2.7 million to Rs 3.8 million depending on the vehicle type (fuel, hybrid or electric) and to Rs 2 million for SV.

Findings

Purchase of new vehicles for Missions

- *Budgeted expenditure exceeded* – The actual expenditure of Rs 9.25 million for the acquisition of vehicles exceeded the budgeted amount of Rs 5 million by 85 per cent. This indicates lack of budgetary control and excessive spending trend for vehicle acquisition.

- *Approval for purchase of Vehicles well above the ceilings* – MFA approved the purchase of a new SV for Rs 2.47 million and RV for Rs 2.45 million for Missions Paris and Beijing respectively, both exceeding the respective ceilings by Rs 1 million and Rs 450,000.

- *Purchase not budgeted for* – One RV was purchased for Mission Dubai in February 2024 which was not budgeted for. The cost of the RV exceeded the ceiling by Rs 1.1 million.

- *Replacement of Vehicles* – The purchase of the Dubai RV was unwarranted, as the previous vehicle was bought only 3 years earlier in January 2021. The justification given for replacing the vehicle was the Ambassador's discomfort with the previous vehicle. The acquisition therefore resulted in potential mismanagement of financial resources.

Root Cause

MFA has been overriding its own policies regarding acquisition of vehicles.

Recommendation

MFA should ensure that proper budgetary control is exercised and that the expenditure ceilings for the acquisition of diplomatic vehicles, as per its policy, are complied with.

Ministry's Response

MoFEPD provided Rs 2.5 million for Missions Paris and Beijing each and MFA requested the Missions to initiate procedures accordingly.

Excess number of vehicles in Missions/Consulate not yet disposed of

- As of September 2024, Missions New Delhi, London and Addis Ababa had not yet disposed of excess vehicles, which was against MFA's policy that limits the number of vehicles for each Mission to one RV and one SV.

- *Non-Compliance with Vehicle Quotas* – Missions continued to keep more vehicles than permitted, according to MFA's policy, leading to unnecessary expenses for maintenance and other operational costs such as fuel and insurance, among others.

- *Excess Vehicle in Consulate*s – The Mumbai and Dubai Consulates had an RV each, despite not having a resident High Commissioner/Ambassador there, which was contrary to MFA's policy.

- *No proper justification to keep an RV in Consulate* – The Ministry informed that in Mumbai Consulate, the RV was to be used by the High Commissioner for occasional visits to Mumbai and by Ministerial Delegations.

However, the High Commissioner did not make any official visits to Mumbai during the period under review. Moreover, official visits by members of the Ministerial Delegations were brief (1-2 days) and the conveyance costs were normally covered by the relevant Ministries. Therefore, the RV was not required.

Root Causes

- Non-compliance with MFA's Policy in respect of the number of vehicles per Mission/Consulate.

- Lack of proper follow-up by MFA regarding the disposal of excess vehicles at Missions.

Recommendations

- MFA should ensure strict adherence to its policy on the number of vehicles at Missions and Consulates.

- MFA should follow-up on procedures for the disposal of excess vehicles at Missions.

Ministry's Response

- The Ministry has constantly instructed Missions to dispose of the excess vehicles.

- *Mission New Delhi* – Approval was exceptionally conveyed in October 2017 to keep the second SV based on justifications provided.

- *Mission London* – Mission was requested to start procedures for the disposal of the excess SV, however, subsequently the RV had a major breakdown and the SV was being used in replacement of the RV.

- *Mission Addis Ababa* – Mission was requested on several occasions, since 2018, to make arrangements for the urgent disposal of the excess vehicle but as at date no action was taken by Mission.

- *Consulate Mumbai* – The car was not disposed of, as the process for purchase and disposal was extremely lengthy. Since the vehicle was in good condition the Mission did not dispose of same.

Unauthorised/Unidentified persons using the official diplomatic vehicles

Unauthorised persons were using official diplomatic vehicles in violation of MFA's policies

Findings

- *Consulate Dubai* – The First Secretary, despite opting for a monthly car allowance, was using the Consulate's vehicle for travel between his residence and office. This is contrary to Paragraph 5.2.4.2 of the Manual of Procedures which states that such an officer "*should make his own arrangements for the performance of official traveling and should not be allowed to use the Mission's vehicles*."

- *Consulate Mumbai* – The Acting First Secretary was using both the RV and SV for his conveyance from and to his residence and for other trips without authority for use of official vehicles.

- *Mission Riyadh* – The log book for official travels did not specify the names of the officers involved and the purpose of their journeys. Instead, the word "Official" was used for both, making it unclear whether the travel was authorised.

Root Cause

Absence of proper monitoring over use of diplomatic vehicles in Missions by the Ministry.

Recommendation

The Ministry should ensure that only authorised persons, as per its policy, are allowed to use diplomatic vehicles.

Ministry's Response

A circular letter was issued to all Head of Missions on 25 September 2024 regarding the proper use of official car and proper entries/ maintenance of log books.

Human Resource Management Matters – Inadequate Controls and Non-Compliance with Policies and Procedures.

Background Information

A review of the Human Resource Management of the Ministry revealed some departures from its policies and procedures.

Findings

Non-Compliance with Policy decision for the Newly-promoted Ambassadors leading to additional costs

- In January and September 2024, 5 Minister Counsellors were promoted as Ambassadors to head Directorates at MFA. However, 2 of them were still posted in Missions and subsequent additional costs were incurred as follows:

(i) In Mission Paris, additional Foreign Service Allowance (FSA) and Entertainment Allowance (EA) paid from January to June 2024, amounted to € 3,020 (Rs 154,000) and € 3,331 (Rs 170,000) respectively.

(ii) Similarly, additional costs would be borne for Mission Washington given the monthly costs for FSA and EA would be US$ 545 (Rs 25,000) and US$ 600 (Rs 27,000) respectively.

(iii) Additional monthly rental payable for the newly-promoted Ambassador in Paris would amount to € 899 (Rs 46,000), given that Ambassadors do not have a ceiling for rent. This incremental rental cost would total € 10,788 (Rs 550,000) on an annual basis.

- As of end of September 2024 Missions Paris and Washington continued to have 2 Ambassadors in post contrary to the Ministry's policy.

Root Cause

MFA did not comply with the policy decision for the creation of additional posts of Ambassadors.

Recommendation

The newly-promoted Ambassadors should be requested to assume duty as Head of Directorates at MFA as intended.

Ministry's Response

The Ambassador in Washington has been issued his return ticket and was expected in Mauritius on 9 January 2025 and the other in Paris has made a request to allow him to return by the third week of February 2025.

(a) Appointment of Counsellor in Mission Geneva

After his retirement from service on 28 June 2024, the former Ambassador was re-employed as Counsellor on a one-year contract basis, renewable thereafter, with effect from 15 July 2024.

- The duties of the Counsellor, as stated in his contract of employment, were similar to those of the Minister Councellor (MC) in post at the Mission, with 2 of the major duties being exactly the same.

- MFA did not select from amongst the 16 MCs/Temporary MCs who were available to shoulder such responsibilities had an urgent need been identified for same.

- Employment of the retired Ambassador as Counsellor entailed one-off costs of Rs 295,000 (for air tickets, transfer grant, excess baggage and transportation of personal effects), and a monthly cost of about CHF 19,600 (Rs 1 million) as salary, FSA, EA, rent and utilities.

Root Cause

MFA did not properly assess the need for employment of a Counsellor at Mission Geneva.

Recommendation

MFA should make a proper assessment for posting of additional staff and should use its existing resources rather than hiring retired staff on contract basis, which would incur additional cost.

Ministry's Response

- The Ministry has taken note of the recommendation made which would be considered in the forthcoming exercise of posting of staff in Missions abroad.

- The contract of the Councellor in Mission Geneva has already been terminated since 21 November 2024.

(b) No approval for visits by High Commissioner in Mauritius seen

Section 19 (iv) of the Terms and Conditions of Employment of an Ambassador/ High Commissioner stipulates that "*All your movements away from your post, whether on Mission or on leave or otherwise, must be approved by the Ministry in the first instance".*

- No approval was sought and obtained from MFA for visits of the Ambassador in Mauritius from Mission Moscow on the following occasions: -

Table 14-3 Visits of the Ambassador in Mauritius

Dates	
Arrival	**Departure**
24.12.23	14.01.24
25.01.24	03.02.24
10.03.24	24.03.24
14.05.24	25.05.24

Source: Registry File

- A chauffeur-driven Government vehicle was put at his disposal, without any authorisation, whenever same was requested for.
- No evidence was seen that the Ambassador had been invited or officially requested to attend any meetings in Mauritius.
- No leave was seen deducted from his entitlement during the above periods.

Root Causes

- Poor monitoring by MFA of movements of Ambassadors**.**
- Ambassadors not abiding by clauses of their Contract of Employment.
- No control over the use of Government vehicles at MFA.

Recommendations

- MFA should ensure that the movements of Ambassadors are properly monitored.
- Usage of vehicles by Ambassadors in Mauritius should be properly authorised.
- MFA should ensure that any leaves are applied for and approved and that such leaves are deducted from entitlements accordingly.

Ministry's Response

- All requests received for the Ambassadors are processed on file for approval before providing transport facilities.

- In the case of the Ambassador from Mission Moscow, the Transport Section was informed that all the requests on the above dates were official. Also, as per section 14 of the contract of the Ambassador, mention is made that the latter would be provided with an official car, upon request to attend official and related functions.

Visits of High Commissioner of Mission London in Mauritius

Ambassadors/ High Commissioners are entitled to 21 days of annual leave (working days) and 11 days of sick leave. Annual leaves not taken over any 12-month contractual period, are either accumulated or refunded to the former, whilst unutilised sick leaves are non-refundable.

Leave Requests converted as official missions

The High Commissioner of Mission London applied for leave as follows:

- 7 days of annual leave from 24 July to 1 August 2023, to be spent in Mauritius, and 10 days of sick leave from 2 to 15 August 2023.

- Another 10 days of annual leave from 5 to 16 February 2024, followed by routine medical check-ups.

However, on 20 November 2023, MFA approved the conversion of the High Commissioner's annual and sick leaves in July/August 2023 to official duty, which was not deemed proper owing to the following:

- The conversion was based on a list of meetings attended by the High Commissioner in Mauritius, without any supporting documents detailing the purpose and outcome of each meeting.

- MFA approved 8 days of sick leave being treated as official duty whilst a request was made to offset only 2 days of sick leave as official duty.

As a result:

(a) No deductions were made from the leave entitlement.

(b) Unutilised annual leave was refunded in monetary terms.

(c) Foreign Service Allowance was paid which would not normally apply during leave periods.

On 28 February 2024, MFA obtained approval from the Secretary to Cabinet to consider the entire stay of the High Commissioner in Mauritius, from 4 February to 2 March 2024 as an official visit, despite the initial approval for 10 days of annual leave from 5 to 16 February 2024, which was to be followed by medical check-ups.

Inconsistency in official mission's and visit's dates

On 6 March 2024, approval of the Prime Minister's Office was conveyed to call the High Commissioner to Mauritius to attend meetings related to the Chagos Archipelago.

Despite the official mission being scheduled for 3 days, 20 to 22 March 2024, the High Commissioner arrived in Mauritius on 16 March 2024 and stayed until 31 March 2024. It was not clear as to how the additional 4 days before and 9 days after the official mission were accounted for, as neither approval nor deduction from leave entitlement was seen.

Root Cause

Lack of due diligence by the Ministry to ensure that leaves applied for and approved be deducted from leave entitlements rather than be converted to official mission.

Recommendation

The Ministry should exercise due diligence to ensure that approved leaves are appropriately deducted from leave entitlements and that official meetings and missions are undertaken before and/or after such leave periods.

Ministry's Response

The Ministry has taken note of the recommendation made.

Non-compliance with the Public Procurement Act 2006 and related regulations/ Directives

Findings

- Contrary to Directive 47 dated 21 August 2020 of the Procurement Policy Office (PPO) on mandatory use of the e-procurement system, no procurement exercises were conducted through the system during the financial year 2023-24.

  A register of all procurement exercises not undertaken under the e-Procurement System incorporating justifications for such deviations was not kept. A return of such procurement exercises was not submitted to the PPO on a quarterly basis.

- Section 40 (1)(a) of the Public Procurement Act (PPA) stipulates that "*The Chief Executive Officer of a public body shall, before awarding a contract under subsection (I), certify and keep on record that all procurement rules have been complied with in accordance with this Act.*"

  MFA has not complied with the above provision of PPA 2006 in respect of several procurement exercises undertaken.

Root Cause

The Ministry did not ensure compliance with the provisions of PPA 2006 and related Regulations and Directives.

Recommendation

The Accounting Officer should ensure compliance with the provisions of PPA 2006 and related Regulations/ Directives.

Ministry's Response

- For the financial year 2023-24, there were no adequately trained procurement officers and upon posting of an AMPS, the latter had to be trained on the e-portal, despite the fact the Secretary to DBC and Chairperson as well as the approver were all trained on the system and could effectively use it.

- Following the Draft Management Letter for the financial year 2022-23 in October 2023, this Ministry had initiated action to ensure compliance with Section 40 (1) (a) of the Public Procurement Act (PPA).

14.2 Follow-up of Recommendations raised in the Audit Report 2022-23

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarised below. Out of 5 recommendations, one (20 per cent) has been implemented, 2 (40 per cent) have been partly implemented and 2 (40 per cent) have not been implemented.

SN	Findings	Recommendations	Ministry's Response – Status as of January 2025	NAO's Comments
	Human Resource Management- Inadequate Controls and Non-Compliance with Procedures (Page 171)			
1	Rent of house of high value for High Commissioner after stay of eleven months in hotel. *(Pg 171, Para 8.3.1)*	Market research should be carried out on accommodation rates in countries of staff posting. *(Pg 171-172, Para 8.3.1)*	Market research is being carried out on a regular basis by our Missions abroad.	**Partly Implemented**
		For good governance and fairness, ceiling considerations should be set for rent and utilities for Ambassadors and High Commissioners. *(Pg 171-172, Para 8.3.1)*	The Ministry is envisaging taking up the matter with the PRB in its forthcoming Report.	**Not Implemented**
2	Lack of transparency over posting of Diplomats. *(Pg 172, Para 8.3.1)*	Appropriate policy for posting and staffing needs in each mission should be devised. *(Pg 172, Para 8.3.1)*	No recent posting exercise for officers in Missions has been carried out. Recommendation made is noted and Management is devising an appropriate policy for posting of diplomats.	**Not Implemented** (*the exercise of posting is ongoing and the recommendation made is being taken into consideration)*

SN	Findings	Recommendations	Ministry's Response – Status as of January 2025	NAO's Comments
3	Conversion of Salary not made according to PRB Recommendations. *(Pg 173, Para 8.3.1)*	The salary conversion for all diplomats posted in Missions should be reviewed and any overpayment should be recouped from the officers concerned. *(Pg 173, Para 8.3.1)*	The matter was taken up with PRB and the Ministry of Public Service and the matter has been resolved. No overpayment was done.	**Implemented**
4	Employment and Dismissal of Local Recruits in Missions Overseas – Non-Compliance with Procedures. *(Pg 173, Para 8.3.1)*	All staff should comply with the procedures and policies of the Ministry. *(Pg 174, Para 8.3.1)*	The attention of all staff in Mission was drawn to comply with the procedures and policy of the Ministry as per the Manual of Procedures (MOP) and PRB recommendations. The MOP is being revised to include new conditions and will be updated to be in line with new policies, and new recommendations.	**Partly Implemented**

15- MINISTRY OF YOUTH EMPOWERMENT, SPORTS AND RECREATION

15.1 Governance Issues-Non-compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of statutory bodies with the objective of strengthening accountability and transparency in the public sector.

Finding

Non-submission of Financial Statements for Audit

The Statutory Bodies (Accounts and Audit) Act requires the Chief Executive Officer of a statutory body to submit the annual report, including the financial statements, to the auditor not later than four months after the end of every financial year.

As of 31 December 2024, the Mauritius Sports Council, falling under the purview of the Ministry of Youth Empowerment, Sports and Recreation has not submitted its financial statements for financial years 2022-23 and 2023-24 for audit.

Ministry's Response

The Annual Report, including the financial statement for financial year 2022-23 will be submitted for auditing before end of February 2025.

15.2 Follow-up of Recommendations raised in the Audit Report 2022-23

The status on actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarised below. The recommendation (100 per cent) has been partly implemented.

SN	Finding	Recommendation	Ministry's Response-Status as of January 2025	NAO's Comments
	Funds disbursed to Mauritius Multisports Infrastructure Ltd (page 327)			
1	Inadequacy of Legal Framework for Effective Control Mechanism over Grants. *(Pg 327, Para 16.1)*	Ministry should work with relevant stakeholders to devise an appropriate budgetary control mechanism for Government-controlled companies/State-owned enterprises under its aegis. *(Pg 328, Para 16.1)*	Action on the part of the Ministry of Finance is still being awaited.	**Partly Implemented**

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16 - MINISTRY OF NATIONAL INFRASTRUCTURE AND COMMUNITY DEVELOPMENT

16.1 NATIONAL INFRASTRUCTURE DIVISION

16.1.1 Public Sector Investment for Road Network Enhancement

Background Information

The Public Sector Investment Programme covers capital projects, including roads and bridges, which are carried out by the Ministry of National Infrastructure and Community Development (MNICD) through its implementing agency, the Road Development Authority (RDA).

The main objective for the road investments was to reduce significantly the heavy traffic jam during peak hours, ensure smoother traffic flow, and improve accessibility for commuters. As of June 2024, the strategic road network in Mauritius comprises some 1,279.2 km of classified roads, including 104 km of motorways falling under the jurisdiction of RDA.

Despite recent road upgrades, the growing number of vehicles, particularly in urban areas for example Port Louis, and ongoing construction projects contribute to persistent traffic jams. While infrastructure improvements are underway, effective traffic management strategies are essential to alleviate the ongoing challenges of traffic jams.

Analysis of allocated funds during the past three financial years

Funds are provided from the Consolidated Fund and the Projects Development Fund to finance the projects. A sum of Rs 9.62 billion had been allocated to the MNICD for the implementation of main roads and bridges for the past 3 financial years ending 30 June 2024 as shown in Table 16-1. The total actual disbursements amounted to Rs 7.06 billion.

Table 16-1 Projects, Estimates and Actual Expenditure for the financial years 2021-22 to 2023-2024

Financial Years	Number of Projects			Estimates Rs million			Actual Costs Rs million		
	Ongoing	New	Total	Ongoing	New	Total	Ongoing	New	Total
2021-22	25	8	33	2,626	1,177	3,803	1,607	14	1,621
2022-23	32	11	43	2,698	455	3,153	2,299	246	2,545
2023-24	45	7	52	2,440	225	2,665	2,744	154	2,898
Total						**9,621**			**7,064**

Source: Estimates and PSIP documents, Treasury Abstracts

- 19 out of the 52 road enhancement projects, planned for delivery in financial year 2021-22 to 2023-24 are major infrastructure projects.

- The stages of the projects as of 30 June 2024 are:

  (i) 7 projects with project value totalling Rs 6,423 million were not yet initiated;

  (ii) 8 projects were under preparation, that is, at design and tender stages with total project value of Rs 1,280 million;

  (iii) 13 projects were under construction totalling Rs 5,477 million; and

  (iv) 24 projects were completed from financial year 2021-22 to 2023-24 with total project value of Rs 9,835 million.

- Out of the Rs 7.06 billion total disbursements, Rs 1.44 billion, that is 20 per cent, relates to an increase in project value due to scope adjustments, material cost escalations, and other unforeseen factors.

Findings

- *Financial Management* - Out of the Rs 179 million earmarked for the construction and upgrading of bridges, Rs 49 million had been disbursed during the past 3 financial years, representing only 27 per cent of the budgeted funds, as shown in Table 16-2.

Table 16-2 Budget Estimates and Actual Expenditure for the past three financial years ending 2023-24

Projects	Estimates past three FYs Rs million	Actual Expenditure past three FYs Rs million	% Decrease
Consolidated Fund			
Construction and Upgrading of Roads	6,441	5,261	82
Construction and Upgrading of Bridges	179	49	27
Special Funds			
Projects Development Fund	3,001	1,754	58
Total	**9,621**	**7,064**	**73**

Source: Treasury Abstract and Budget

- *Change in Budget Estimates* - Over the past 3 financial years, the project value for 11 projects had decreased by Rs 72.61 million, while for 20 projects increased by Rs 1.44 billion with variations between +/- 1 per cent to 49 per cent.

- Significant cost increases were noted for projects namely the Jumbo Phoenix Roundabout (18 per cent), Pont Bruniquel (49 per cent), B28 Phase 2 (42 per cent), and the La Brasserie-Beaux Songes Link Road (45 per cent).

  These increases were mainly due to the following factors:

  (i) changes in scope of work and material cost fluctuations;
  (ii) delays in procurement processes and project execution; and
  (iii) unforeseen circumstances.

- *Delays in Project Execution*- Out of the 52 planned road and bridge projects, 24 were completed and 13 were under construction due to the following factors:

  Land Acquisition Issues: Delays due to unresolved legal disputes or procedural complexities have slowdown project progress, such as:

  The Grade Separated Junctions at Pont Fer/Jumbo/Dowlut Flyovers, where disputes were resolved after nearly three years.

  The Palmerston Road upgrade were delayed due to a lease agreement issue.

  The Savanne Road (A9) upgrade were delayed from September 2024 to April 2025 due to land acquisition challenges.

- *Utility Relocation Challenges*: Delays for re-routing CWA water pipes for the Holyrood Bridge project resulting in extended project timelines.

- *Scope Changes and Design Modifications:* Geotechnical challenges and design changes resulted in cost increases, for instance, the A1-M1 Bridge, where piers were relocated following a geotechnical study, adding Rs 155 million to costs.

  The foundation design for the Holyrood Bridge project had to be redesigned as no geotechnical investigations was conducted.

- *Monitoring and Reporting:* Quarterly government updates and frequent Ministerial Committee meetings help monitor progress.

  However, the MNICD lacks processes for project closure and post-implementation evaluations, which are critical for assessing project outcomes and deriving lessons for future initiatives.

- *Strategic Road Network Master plan*: The RDA developed a Strategic Road Network Master plan to optimize existing road infrastructure and plan future construction to address traffic growth. Despite Government approval obtained for the setting up of the Master Plan in 2021, no funding has yet been provided**.**

Root Cause

The projects undergo significant delays due to inadequate planning at the initial stage. Key issues included changes in the project's scope, problems with geotechnical investigations and land acquisitions. These problems led to extra costs and longer project timelines.

Recommendations

- Land acquisition and utility relocation processes should be initiated at early stage to minimize delays.

- A risk management approach should be adopted and necessary geotechnical investigations should be carried before finalising the design of the project.

- Monitoring and evaluation process should be introduced for project closure and post-implementation to assess performance and ensure accountability.

- In view of the significant investments in major road infrastructure projects and the increase in traffic jam around the island, necessary funds should be provided for the Strategic Road Network Master plan.

Ministry's Response

- Appropriate reforms should be brought to the overall land acquisition procedures at the level of the Ministry of Housing and Land Use Planning as from survey of land until payment of compensation to owners with a view to streamlining the procedures.

- The post opening of new roads/bridges/flyovers are monitored at the level of the RDA, Traffic Management and Road Safety Unit.

- The Ministry/RDA will proceed with the elaboration of the New Strategic Road Network Masterplan as soon as financial clearance is obtained.

16.1.2 Construction of La Vigie-La Brasserie-Beaux Songes Link Road – Lapses in implementation of the project

Background Information

The La Vigie-La Brasserie-Beaux Songes Link Road is a major infrastructure project that establishes an East-West Connector under the National Decongestion Programme. The project seeks to enhance road connectivity, reduce traffic congestion, and promote economic development in the region. Phase 1 of the project involved constructing a 7 km single-carriageway road, 3 roundabouts, embankments, drainage systems, and street lighting.

The contract was initially awarded to a private company in December 2020 for the contract value of Rs 570 million (excluding VAT), with contractual completion date of 10 February 2023. The project experienced significant changes in scope of work and delays during implementation phase. Hence, the final project cost was revised to Rs 680 million (excluding VAT). Despite an extended timeline, the project was substantially completed on 14 November 2023.

Findings

Scope Changes and Cost Variations

The project underwent significant modifications, including:

- Changes in bill of quantities, such as additional box culverts requested by the Land Drainage Authority and unanticipated service relocations, which increased costs by Rs 9.14 million;

- The addition of a 3.5 km cycle lane from La Marie to Mon Ver Nature Walk, costing Rs 73.4 million has increased the contract price by 14.27 per cent. The variation of works was approved by Government only in August 2022, one year after project initiation; and

- Delays in land acquisition postponed access to the remaining 25 per cent of the project site until October 2022, leading to a 239-day extension and Rs 27.08 million in additional costs.

Flyover Construction at La Vigie – Increase in Project Cost

- During Phase 1 of the project, a shift in the Government Policy to eliminate roundabouts on motorways resulted in the construction of a Flyover at La Vigie. In November 2023, a separate contract was awarded to a private company for the sum of Rs 235 million, with expected completion date of 11 April 2025.

- The initial design of the project included a roundabout at Motorway M1, later replaced by the slip-in and slip-out lanes as an interim solution. Hence, this change required a 3.2 km detour at the Midlands flyover, incurring an additional cost of Rs 41.2 million.

Finding

The cumulative costs of the project, including the Flyover and Phase 1 adjustments, reached Rs 915 million, a significant increase from the original budget of Rs 570 million. This includes Rs 680 million for Phase 1 and Rs 235 million for the flyover and related works.

Root Causes

- *Delayed Land Acquisition*: The land acquisition process was not completed before project commencement, leaving 25 per cent of the site unavailable until October 2022. This delay disrupted the timeline and increased costs.

- *Inadequate Impact Assessment*: Changes to the project scope and design were not adequately evaluated during the implementation phase. This lack of foresight led to additional costs and extensions of time.

- *Design not aligned with Policy*: The project's initial design did not align with the Government's updated policies favouring flyovers over roundabouts, necessitating costly adjustments mid-project.

Recommendations

To ensure efficient and cost-effective implementation of future infrastructure projects the Ministry:

- should start the land acquisition processes in advance of project commencement;

- project designs should be aligned with current Government policies; and

- ensure proper coordination with other stakeholders.

Ministry's Response

- According to studies carried out on different projects, it has been demonstrated that completing 100 per cent land acquisition prior to the start of the project leads to a significant increase in project cost as compared to costs associated with delays in land acquisition.

- Appropriate reforms may be brought to the overall land acquisition procedures at the level of the Ministry of Housing and Land Use Planning and Tourism as from the survey of land until payment of compensation to owners.

16.1.3 Construction of a New Bridge and Associated Works at Holyrood, Vacoas – Significant delays in implementation of the project

The Holyrood Bridge in Vacoas was a narrow, structurally compromised bridge, posing safety risks and limiting heavy traffic. Its reconstruction became critical to improving traffic flow and access to Trois Mamelles and Pierrefonds.

In September 2016, the Ministry of National Infrastructure, National Development Unit (NDU) awarded SJPCE Ltd, the consultancy services for the reconstruction of the bridge for Rs 1.92 million. In October 2017, a Detailed Design Report (DDR) from the Consultant highlighted severe structural issues and recommended a new bridge alignment.

However, the project faced funding constraints until February 2022, when the RDA took over its implementation. The construction contract was awarded to GC Ltd for Rs 49.9 million, which was revised to Rs 60.1 million, under the Framework Agreement for Maintenance and Minor Works with start date 17 March 2022 and expected completion date of 18 November 2022.

The new completion date was revised to February 2024 due to delays in design deficiencies, approvals, and site conditions. As of September 2024, payments amounting to Rs 57.02 million was made to the contractor.

Findings

- *Change in Scope of Consultancy Services:* The project's scope changed from reconstructing the existing bridge to constructing a new alignment, resulting in an additional cost of Rs 10 million.

- *Inadequate Project Details:* Construction started 2 months later due to incomplete and insufficient design details provided by the Consultant.

- *Absence of Geotechnical Investigations:* The Consultant's DDR lacked a geotechnical investigation, necessitating revised foundation designs during construction, contributing to cost increases and delays.

- *Additional Costs in Works Order Value:* The Works Order value increased by Rs 10.14 million (20.3 per cent), which was above the Framework Agreement ceiling of Rs 50 million. However, evidence of clearances from the Central Procurement Board and the Ministry of Finance, Economic Planning and Development were not seen.

- *Delays in Project Completion:* The project was completed in March 2024 with a delay of 16 months due to late approval for the utility relocation, collapse of existing retaining wall and approval for traffic diversions.

Root Cause

The absence of detailed design, initial geotechnical investigations, and delays in approvals from the relevant authorities have resulted in significant delays in the completion of the projects.

Recommendations

The Ministry should ensure that:

- Geotechnical investigations are conducted during the design stage for design accuracy, to ensure timely completion of projects and to minimise additional costs; and

- Proper coordination among stakeholders should exist to avoid delays in design approvals and project implementation.

Ministry's Response

- The initial Scope of Works as per the Consultant's proposal regarding the DDR was to construct a new bridge on a new alignment for which land acquisition was carried out by the Ministry of Housing and Land.

- Approval of the Ministry of Finance, Economic Planning and Development would, henceforth, be sought for such substantial increase in project value.

NAO's Comment

The frequent changes in design and inadequate geotechnical investigations are the main reasons contributing to the significant delays and cost overrun in the implementation of projects.

The Ministry should consider the setting up of a quality control function to ensure that designs are as per intended specifications and all required investigations are carried out before start of the project for efficient and cost-effective project implementation.

16.1.4 Project Management Information System not fully optimised

Background Information

Project Management Information System (PROMIS) is a web-based Project Management Information System which was developed in-house by a former Senior Adviser to improve the tracking and management of capital-building projects. The system was in operation since 2022, to support the Civil Engineering Section, and Electrical Services Division of the Ministry.

As of 15 February 2024, the Senior Advisor received a total of Rs 903,639 as extra duty allowance for setting up the system along with other responsibilities.

Findings

Incomplete Handing over of PROMIS

The handing-over exercise was carried out on the 29 January 2024 which included only a basic overview of the system for example user creation and report generation. As of August 2024, key documentation, including backup file locations, patch updates, technical documentation, user guides, and cloud account credentials, were not made available.

Data Discrepancies in Project Status

A scrutiny of the information from the system revealed the following:

- discrepancies between PROMIS's dashboard and the detailed listings concerning registered, active, and completed projects; and

- 179 projects were kept in abeyance due to funding, land issues, and scope changes, while the Geotechnical Unit had not yet adopted PROMIS.

Hosting and Support Challenges

PROMIS is hosted on a private cloud managed by the former Senior Adviser, but the server has reached its maximum capacity. As of August 2024, the support team has not yet been established. However, the Central Information Systems Division and Central Informatics Bureau could not carry out the necessary enhancements due to resource constraints.

Root Causes

- The handing over process were not properly done.

- Due to inadequate oversight, the accuracy and completeness of data from the system could not be ascertained.

Recommendations

To realise the full potential of PROMIS and enhance governance, accountability, and the effectiveness of project management operations:

- The Ministry should ensure that all pending documentation is provided and a responsible team should be assigned to validate and archive the information. Project information on PROMIS should be regularly updated and reconciled.

- The Ministry should expedite the establishment of a dedicated support team responsible for system maintenance, regular updates, and comprehensive user training.

- The Ministry should request the involvement of the Ministry of Information Technology, Communication and Innovation for all in-house developed IT projects.

Ministry's Response

The Senior Adviser had to provide the required information and full documentation such that the Terms of Reference for the maintenance and troubleshooting of the system could be devised by the IT officers. The collaboration of the Ministry of Information Technology, Communication and Innovation will be sought to ensure the sustainability of the project.

16.1.5 Follow-up of Matters raised in the Audit Report 2022-23

Consultancy Services for the Design, Supervision, and Project Management for the construction of grade-separated junctions at Pont Fer/Jumbo/Dowlut roundabouts and A1 M1 Link Road and Bridges

In paragraph 17.1.7 of my Audit Report for the financial year 2022-23, I noted that on 25 November 2016, the RDA entered into a contract with Consultant KEC under a government-to-government arrangement. The contract was for consultancy services related to the design, supervision, and project management of grade-separated junctions at the Pont Fer, Jumbo, and Dowlut roundabouts, as well as the A1-M1 Link Road, for a lump sum of US$ 10.8 million (excluding VAT).

The expected completion date of November 2020 was revised to December 2024, due to delays in implementing the A1-M1 Bridge (SAJ Bridge). As a result, the contract value was revised to US$ 13.3 million (excl VAT), representing an increase of 22.95 per cent of the contract value.

Approval for Extension of Time - Due Diligence Committee still awaited

On 20 June 2024, the RDA submitted a proposal for a 13-month extension of time (EOT) for the supervision work under the consultancy contract, with cost of US$ 526,500 (excluding VAT), due to the delay in completion of the A1-M1 Bridge (SAJ Bridge) in February 2024.

Findings

- The revised total contract amount including the EOT would be US$ 13.5 million (excluding VAT), representing an increase of 25 per cent from the initial contract amount of US$ 10.8 million.

- The MNICD has set up a Due Diligence Committee (DDC) to assess the proposed variation.

As of 13 September 2024, the DDC has met 3 times.

Ministry's Response

The report was submitted to the High Powered Committee on 24 September 2024 and its approval is being awaited.

Construction of Grade Separated Junctions at Pont Fer/Jumbo/Dowlut Flyovers and A1-M1 Link Road Project – Lapses in Contract Management

In paragraph 17.1.9 of my Audit Report for the financial year 2022-23, I highlighted the substantial delays with cost overruns noted in the completion of the project over which the MNICD did not have any control as total reliance were placed on the RDA for the execution of the contract. The objective of the project was to relieve heavy traffic congestion and improve quality of life of the general public.

The expected completion date for the extra A1-M1 Bridge was January 2022 but was revised end of December 2023. The taking over of the Bridge (SAJ Bridge) was done on the 24 February 2024 which became operational on 10 March 2024. However, no liquidated damages were charged for the delays in completion of the project.

Safety measures on using the SAJ Bridge not yet implemented

On 28 February 2024, the RDA and MNICD agreed to strengthen road safety measures regarding the use of the Bridge, which requires an amendment to the Road Traffic Act, as recommended by the Consultant, KEC. As of September 2024, the Road Traffic Act has not yet been amended.

Ministry's Response

The Report on the mitigating measures/laws which other countries have adopted for similar bridges is being awaited from the RDA and on submission of same, a decision would be taken.

16.1.6 Follow-up of Recommendations raised in the Audit Report 2022-23

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarised below. Out of 12 recommendations, 2 (17 per cent) have been implemented, 9 (75 per cent) have been partly implemented and one (8 per cent) have not been implemented.

SN	Findings	Recommendations	Ministry's Response-Status as of January 2025	NAO's Comments
1	Lapses in the management of Government quarters. *(Pg 329-330, Para 17.1.1)*	The Accounting Officer: ▪ should initiate action to survey of all quarters; and ▪ secure the same to deter illegal occupation. *(Pg 331, Para 17.1.1)*	Court proceedings against illegal occupiers are still ongoing. New lease agreement is being proposed to Non-Governmental Organisations (NGOs) paying rent regularly.	**Partly Implemented**
2	Inadequate control over the disbursement of funds for the maintenance and rehabilitation of roads and bridges. *(Pg 331-332, Para 17.1.2)*	The Accounting Officer should, in accordance with Section 21(1) of the Finance and Audit Act and the Financial Management Manual (FMM), prepare a Standard Operating Procedure Manual (SOP) for the operation of the Ministry including funds disbursed to RDA. *(Pg 332, Para 17.1.2)*	The RDA has submitted the approved list of projects at the beginning of the financial year 2024-2025. In addition the details of contracts awarded, site of works, contract amount and completion date issued per District are being submitted on a monthly basis to the Ministry.	**Not Implemented**
3	Significant delays in addressing issues for the operation of the Standby Generator. *(Pg 332-333, Para 17.1.3)*	The Accounting officer should: ▪ take prompt remedial actions to address the issue as regards the use of the standby generator; and ▪ seek necessary advice from the Attorney General's Office (AGO) for remedial actions against the Consultant. *(Pg 333, Para 17.1.3)*	Generator operational.	**Implemented**
4	Asset Management – Delay in recording Non-Financial Assets in the Government Asset Register (GAR). *(Pg 333-334, Para 17.1.4)*	The Accounting Officer should ensure timely posting in the GAR as guided by the Treasury and intensive training is to be provided to GAR users to ensure that the GAR is kept up to date. *(Pg 335, Para 17.1.4)*	Follow ups are being effected with each Division to process backlogs and necessary assistance are being provided. It is only when the Accountant General (AG) would close the MNI Book for specific month that the GAR Users would be able to submit data for the subsequent month.	**Partly Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
5	Under-utilisation of the Electronic Document Management System (EDMS). *(Pg 335, Para 17.1.5)*	▪ Necessary action should be taken to ensure that the system is being used effectively and efficiently. ▪ The system should also be able to interface with the proposed EDMS of the Ministry of Public Service, Administrative and Institutional Reforms (MPSAIR). *(Pg 335-336, Para 17.1.5)*	Based on the new platform that will be implemented by the MPSAIR and which will be accessible to all Ministries/Departments, the Ministry will accordingly synchronise and harmonise with the new platform to go fully paperless.	**Partly Implemented**
6	Vehicle Management System (VMS) - not optimally used. *(Pg 336-337, Para 17.1.6)*	▪ The Responsible Officer of the Mechanical Engineering Section (MES) should have an agreement with the four Ministries, clearly defining the roles and responsibilities of each party. ▪ The Responsible Officer should have a clear roadmap for the full implementation to ensure optimal benefits in the management of vehicles. ▪ Proper training should be provided to all users concerned and necessary equipment should be made available. ▪ Data should be migrated promptly into the system to ensure its successful implementation. ▪ *(Pg 337, Para 17.1.6)*	The pilot VMS has been implemented. However, the lack of manpower to input the data on the platform and subsequently processing files traditionally is deplored. One of the major flaws observed is the lack of a fully integrated digitised system that would have removed the need for files in the traditional sense.	**Partly Implemented**

16.2 NATIONAL DEVELOPMENT UNIT

16.2.1 Financing of Projects –Under-utilisation of Funds

The under-utilisation of budgeted funds by the National Development Unit (NDU) for financing of projects is a recurring feature which was highlighted in the Audit Report for the financial year 2022-23. It was again noted that significant amount of funds had remained unutilised due to the low completion rate of projects during the financial year 2023-24.

Overall Financial Performance

The total budget for all programs was Rs 1,773 million, but the actual expenditure amounted to Rs 941.1 million, with Rs 831.9 million unspent representing 46.9 per cent of the budget. This reflects significant underutilisation of funds across the programs as shown in Table 16-3.

Table 16-3 NDU Projects Budgeted and Actual Amount for financial year 2023-24

	Budgeted Amount	Actual Expenditure	Unspent Amount	Planned No. of projects	Actual No of projects in Progress/ Construction	Actual No of projects Completed
	Rs million	Rs million	Rs million			
NDU's Budget						
Road	300	133	167	261	95	44
Amenities	185	51	134	149	7	13
Project Development Fund						
Drains	1,200	718	482	988	89	58
Project Development Fund - Consultancy						
Design	-	-	-	-	238	-
Land acquisition	-	-	-	-	20	-
Economic Recovery Programme						
Roads	13	9.6	3.4	-	-	-
Amenities	15	4.8	10.2	-	-	-
Indian Grant						
Amenities	60	24.7	35.3	14	4	8
Total	**1,773**	**941.1**	**831.9**	**1,412**	**453**	**123**

Source: Database from Engineering Section and Finance Section, NDU

Findings

- *NDU's Budget*. The roads sector had low project completion rate of 17 per cent despite spending Rs 133 million. Amenities showed significant delays, with only 9 per cent of projects completed despite Rs 51 million spent.

- Project Development Fund (PDF) – Only 5.9 per cent of the 988 planned drain projects were completed as per NDU's records indicating significant delays and inefficiency in the construction of drains. The percentage completed has slightly increased as compared to the previous financial year's performance of 4 per cent.

- During the financial year 2023-24, 42 drain projects were awarded for Rs 1,107 million compared to 34 projects awarded for Rs 457 million in financial year 2022-23.

Root Causes

- The funds allocated were not based on a proper and realistic plan with achievable targets.

- The non-realisation of projects also related to factors outside the control of NDU such as land acquisition and way leaves access and approval from Land Drainage Authority (LDA).

Recommendations

- A proper planning system should be in place. It should determine how many projects could be completed with the available funds. The objectives should be clear. They must be specific, measurable, achievable, realistic, and time-bound.

- Necessary procurement procedures should be initiated within defined timeframe to ensure their successful implementation.

NDU's Response

- A proper planning can only be carried out if NDU gets its list of projects for road and amenities early during the financial year. Furthermore, the initial approved list are revised during the year and this adversely impact on the procurement procedures for award of these projects.

- The NDU strives to implement projects within reasonable time. However, there are several factors that lead to delays in implementation:

(i) Late approvals from LDA, depends on the time taken for assessment and approval of reports based on the complexity of projects and quality of reports submitted by Consultants;

(ii) Presence of existing services which warrant relocation and major land acquisition issues; and

(iii) Financial clearances are obtained tardily which further delays award of projects.

Low Execution of High-Risk Flood-Prone Areas Projects

Background Information

The LDA has identified 88 high-risk flood-prone projects in financial year 2023-24 as compared to 72 in financial year 2022-23, reflecting on increasing vulnerability to severe downpours. Delays in the execution of projects persist due to recurring issues, such as contractor underperformance, land acquisition challenges, poor coordination among stakeholders, and inadequate monitoring mechanism.

These challenges significantly hinder the timely implementation of emergency projects, particularly in Port Louis, where only 2 out of 12 projects have been completed.

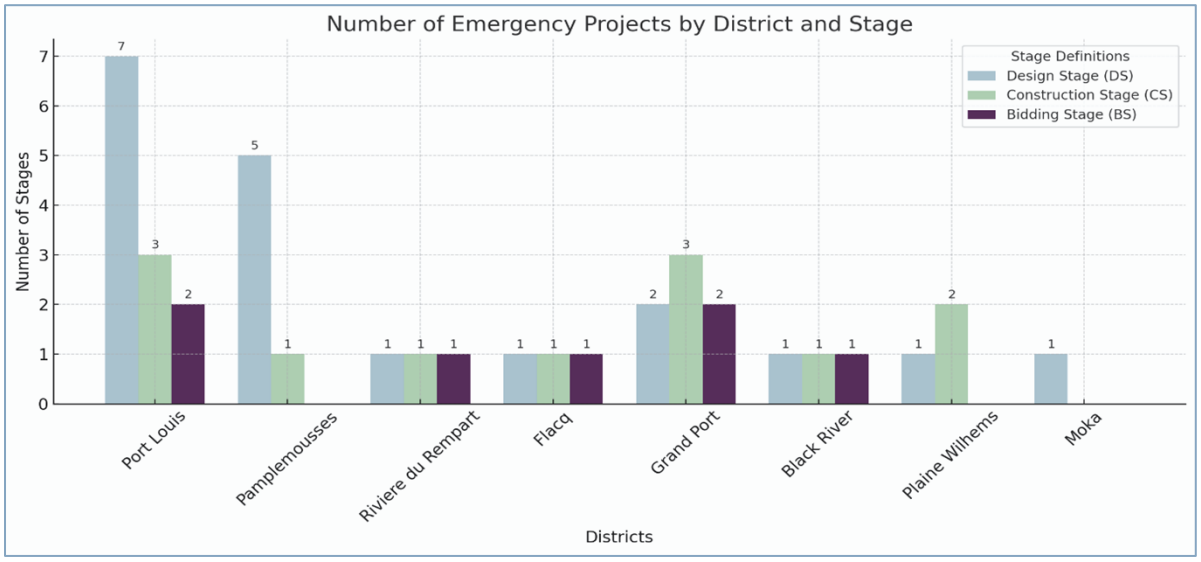
Findings

Slow completion rate of Projects in High-Risk Areas

- As of June 2024, out of the 62 emergency projects allocated to NDU, 25 were completed and the remaining 37 were in various stages of design, bidding or under construction.

  Figure 1 illustrates the distribution of emergency projects by district and their respective stages.

Figure 1



Source: NDU's Database

- Twelve emergency projects were initiated in Port Louis since 2019. Only 2 were completed by August 2024. The remaining projects are still at other stages due to delays in appointment of the Consultant and the submission of design reports.

- Twenty one projects allocated to the Drain Infrastructure Company Ltd (DICL) were high risk drain projects. These should be implemented on a fast-track basis, hence mitigating the consequences of flash floods and torrential rain. As of August 2024, only three projects with total contract value of Rs 265 million were completed out of Rs 11.7 billion allocated to the Company.

Recurring Issues Leading to Delays

- *Contractor Performance*: Several contracts were terminated due to poor performance of contractors. The performance of one Contractor was reviewed and revealed that 11 out of 20 contracts awarded were terminated and only 2 were found satisfactory.

  The Contractor was excluded from the bidding process for 6 months, however, in February 2021, he was still awarded contracts, 3 of which involved high-risk flood-prone areas. These contracts were later terminated due to poor performance.

- *Bidding Issues:* Frequent cancellations of bids were also noted due to inaccurate cost estimates and specification changes contributing to delays in the award of emergency contracts (Drainworks at Lord Kitchener Street and Raising of Bridges at Mere Barthelemy and Labrillante Streets).

- *Land Acquisition*: Lengthy processes involving landowner identification, valuation, and legal clearances significantly deter implementation of projects. Significant delays were encountered for the completion of the Canton Nancy project, Pamplemousses due to land acquisition issues which started in 2018. One out of 5 components of the projects was completed in 2024 (Drainworks at Quartier Shell and Morcellement La Valley).

- *Design Delays*: Late submissions of design reports by consultants with inadequate monitoring mechanisms resulting in delay for launching of bids. No remedial action was taken for their timely submission (Ruisseau de Creoles and Drainworks in the region of Mgr Leen, La Butte and Les Salines).

- *Service Relocation*: Due to inadequate coordination among stakeholders, significant delays were encountered in relocating utilities and obtaining wayleaves. (Drain Works at Raoul Rivet Street and Construction of Drainwork Network and Bridges at Cite Roma, Riche Terre).

- *Contract Management*: Inadequate contract management were noted in some cases where no liquidated damages were imposed for delayed completion of projects (Construction of Drainwork Network and Bridges at Cite Roma, Riche Terre).

- *Cost and Time Overruns*: Delayed projects resulted in extensions of time and additional costs to contractors, undermining objectives despite substantial funding allocations (Drainworks at Upper Military Road and Canal Anglais, Port Louis).

Root Causes

- Significant delays in the geotechnical investigations due to late appointment of consultant and weak monitoring mechanism.

- Emergency projects were delayed due to the selection of contractors having poor performance in previous project executions and poor stakeholder coordination.

Recommendations

- *Improved Planning and Coordination* – Management should define clear timelines for all project stages and ensure stakeholder coordination to resolve wayleave and land acquisition issues promptly.

- *Streamline Land Acquisition Procedures*-The delays should be addressed through the review of the land acquisition procedures/framework at higher levels involving all stakeholders depending on the urgency of the projects.

- *Review Procurement Practices*- NDU may consider to discontinue emergency procurement for these projects. The Public Procurement Act should be strictly followed and Central Procurement Board be involved for projects exceeding Rs 70 million to ensure transparency and accountability.
- *Monitoring and accountability:* Past performance of contractors should be assessed before allocating emergency projects for the high risk flooding projects. Close monitoring of projects allocated to other implementing agencies should be assessed including their manpower capacity to ensure safety environment for citizens.

Ministry's Response

- The LDA has declared 62 regions as high risk flood prone areas with 73 projects to be implemented in these areas. Complex projects have been broken into workable components for implementation in phases.

- Relocation of existing underground services in Port Louis is very complex due to unavailability of information concerning the exact location of these services and current conditions of services.

- Land acquisition procedures have to be followed in compliance with the relevant legislations and is a lengthy process in view of the large number of land owners involved.

- Flood mitigation measures in the region of Port Louis is a tedious exercise. NDU does have a proper monitoring mechanism for each project with its own specific requirements.

- Meetings are systematically held with stakeholders. Delays if any, are usually imputed to protracted internal procedures at the level of the stakeholders.

Flooding at Tranquebar

Background Information

In July 2020, Consultant G Ltd was awarded the contract for consultancy services related to drain works in Port Louis, including the 12 emergency projects such as "Ruisseau du Pouce". The contract ended in December 2022 without completing the Detailed Design Report (DDR).

In December 2023, the construction phase started with the award of the contract for the demolition of damaged retaining walls and construction of the reinforced concrete or block walls. The contract was awarded to another Contractor and the project implementation was overseen by another Consultant appointed in January 2024. On 30 January 2024, the Contractor was given right of access to the site.

Torrential rains on 21 April 2024 caused flooding in Tranquebar, leading to the collapse of one residence and damaged other 3. An investigation carried out has revealed major flaws in design, risk management, supervision, and project execution.

Findings

Non-Compliance with Consultant Recommendations

- Consultant G Ltd strongly recommended to conduct geotechnical investigations and implement the project in phases, but these suggestions were not taken into account by LDA and NDU.

- Due to urgency of the project, in December 2022, LDA approved the wall-raising works without carrying out geotechnical investigations which had a significant impact on the nearby properties.

Insufficient Temporary Works and Safety Measures resulting in contractual breaches by contractor

- Contractor E did not adhere to specifications of the contract for excavation and water management which had contributed to structural damage by flooding. The contractor did not implement temporary measures to stabilise the exposed banks and protect them from water flow which was against the contractual obligations.

- The unprotected excavations during the heavy rainfall had caused erosion, site destabilisation, and weakened structural integrity of the surrounding area. Hence, increasing the risk of collapses and damage to nearby properties and infrastructures.

Inadequate Supervision and Oversight

- Due to lack of monitoring, the submission of DDR by the Consultant was significantly delayed. Additionally, the NDU and the Consultant did not adequately supervise the work to ensure compliance with the contractual conditions.

- As of November 2024, services of a third-party expert for assessment of damages caused to all the buildings and infrastructures as required by NDU has not yet been appointed.

Payments for incomplete services and additional costs due to delays in accessing site

- Consultant G Ltd was awarded the contract for the value of Rs 11.3 million for projects in Port Louis. As at 30 June 2024, payment of Rs 2.94 million was made although the DDR and the bid document stages were not completed.

- Payments of Rs 5.2 million out of the Rs 27 million of the contract value was made to Contractor E. The Contractor claimed additional costs of Rs 6.85 million for extension of time of 61 days, partly due to site readiness and mobilisation.

Impact on Affected Residents

Four residences were severely affected including one which has collapsed due to erosion caused by colluvial soil foundation. The residents had endured considerable financial losses.

Financial Assistance of Rs 1.9 million was provided as compensation to affected families for damages caused by flooding.

Root Causes

- Poor oversight of the projects by NDU and the Consultants.
- Contractor negligence in carrying out temporary works.
- Inadequate risk management for adverse weather conditions.

Recommendations

- *Improved Planning and Design* – The NDU should conduct mandatory geotechnical investigations for flood-prone projects before implementation. Consideration be given for implementation of projects during dry season to minimise weather-related risks.
- *Strengthened Supervision and Monitoring* – Oversight should be enhanced by ensuring compliance with contractual obligations and a dedicated project management team to monitor resources, risks, and deliverables should be assigned. The Standard Operating Procedures (SOPs) should be developed and include projects in high-risk areas.
- *Implementation of Safety and Contingency Measures* – Contingency plans and emergency response protocols for high-risk projects should be developed. Besides, compliance with safety requirements, including proper temporary works should be enforced.
- *Accountability and Damage Mitigation* – Third-party experts should be appointed to evaluate the damages and appropriate actions taken accordingly.

Ministry's Response

- There was a substantial delay in submission of DDR by the Consultant. An urgent need for the execution of the works was warranted due to the high vulnerability and exposure of flood risk, in phases, that is, Phase 1A: Raising of Wall and Phase 1B: Raising of Bridges.
- Geotechnical investigation was provided under the works contract and the report was submitted prior to the start of the works. NDU proceeded with the project where the walls were in a deteriorated state.

- The NDU as employer of the project, stand guided by the recommendation of the Project Manager and the Consultant. It is the responsibility of the contractor to take appropriate health and safety measures during construction.

- The expert has not yet been appointed despite actions taken by NDU to appoint a third party expert.

NAO's Comment

- Land acquisition, geotechnical investigations and stakeholders' coordination are recurrent problems which should be addressed at an early stage of the project implementation cycle.

- Based on the lessons learnt from past challenges on the implementation of projects, the Ministry should set up a proper mechanism with adequate planning for the successful implementation of the projects at strategic level.

16.2.2 Follow-up of Recommendations raised in the Audit Report 2022-23

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarised below. Out of 7 recommendations, one (14 per cent) has been implemented and 6 (86 per cent) have been partly implemented.

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
1	**Financing of Projects** - Underutilisation of funds provided for NDU projects. *(Pg 347-348, Para 17.2.2)*	The Accounting Officer should ensure that projects earmarked are undertaken within a reasonable period. A mechanism needs to be worked out for the realisation of priority projects earmarked. *(Pg 348, Para 17.2.2)*	Monitoring meetings are held on a fortnightly basis to review the status of Emergency projects which are priority projects. Bottlenecks identified are addressed promptly to avoid delays.	**Partly Implemented**
2	Delay in implementing projects in High-Risk Flood-Prone areas may cause harm to the citizens. *(Pg 349-350, Para 17.2.3)*	▪ The NDU should ensure that there is effective coordination amongst different stakeholders to sort out land acquisition and wayleaves matters during implementation phases. ▪ The Land Drainage Authority (LDA) should give its clearances promptly for NDU to expedite the implementation of the urgent drain projects. *(Pg 351, Para 17.2.3)*	The Ministry of Housing and Land Use Planning (MoHLUP) is responsible to carry out all the procedures in the Land Acquisition process. To speed up matters, the NDU sought Cabinet approval to carry out some of the steps involved in Land Acquisition at the level of the NDU. Currently. Offers and negotiations are carried out by the NDU.	**Partly Implemented**
3	Significant delays in the completion of projects allocated to Local Authorities (LAs). *(Pg 351-352, Para 17.2.4)*	▪ NDU should manage funds allocated efficiently and effectively for the achievement of its planned activities. ▪ A Steering Committee should be set up with the different stakeholders concerned for the proper monitoring and follow up of projects at the NDU. *(Pg 352, Para 17.2.4)*	On 31 July and 9 September 2024, all local authorities were requested through the Ministry of Local Government and Disaster Risk Management to submit only outstanding claims for projects implemented. The Claims should be duly certified by the Head of Public Infrastructure Department or the Engineer. A committee has already been set up under the Chair of the Chief Regional Development Officer for monitoring purposes.	**Partly Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
4	Non-Compliance with the Public Procurement Act - Significant delays in signing of contracts. *(Pg 352-353, Para 17.2.5)*	The Accounting Officer should ensure that procurement contracts are prepared and vetted within a defined time frame. Contract agreements should be signed within the prescribed delay of 28 days as per the PPA. *(Pg 353, Para 17.2.5)*	It is a fact that there is a certain number of unsigned contracts. The Procurement Section and the Chief Project Manager have already been requested to do due diligence to clear the backlog.	**Implemented**
5	Overpayment of Escalation Costs - Construction and upgrading of roads and drains. *(Pg 354, Para 17.2.6)*	The Accounting Officer should implement a sound system of internal control and an efficient project management system. *(Pg 354, Para 17.2.6)*	11 cases have been lodged with regard to disputes over the base price of bitumen. These cases are still at Court level. Corrective action would be taken pending the outcome of the Court cases.	**Partly Implemented**

17 - MINISTRY OF INFORMATION TECHNOLOGY, COMMUNICATION AND INNOVATION

17.1 Governance Issues – Non-compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of statutory bodies with the objective of strengthening accountability and transparency in the public sector.

Findings

17.1.1 Non-Submission of Financial Statements for Audit

The Statutory Bodies (Accounts and Audit) Act requires the Chief Executive Officer of a statutory body to submit the annual report, including the financial statements, to the auditor not later than four months after the end of every financial year.

As of 31 December 2024, the Mauritius Research and Innovation Council (MRIC) falling under the purview of Ministry of Information Technology, Communication and Innovation, has not submitted its financial statements for financial years 2022-2023 and 2023-2024 for audit.

Ministry's Reply

- The Financial Statements 2022-2023 were completed on 30 November 2024, but Board's approval to submit same to the National Audit Office is pending. The financial statements 2023-2024 is in process and same should be completed by end of January 2025.

- The MRIC now operates under the Ministry of Tertiary Education, Science and Research.

17.1.2 Annual Reports not laid before the National Assembly

The Statutory Bodies (Accounts and Audit) Act requires a copy of the Annual Report and audited financial statements of every statutory body to be laid before the National Assembly at the earliest opportunity.

As of 31 December 2024, the Annual Report of the Mauritius Emerging Technologies Council (METC) for financial year 2022-23, whose financial statements were certified on 30 September 2024, had not yet been laid before the National Assembly.

NAO is of the view that the Ministry should:

- Exercise control over statutory bodies and other entities operating under its aegis to ensure that they comply with their statutory responsibilities regarding the preparation of financial statements and their submission for audit; and

- Lay a copy of the annual report and audited financial statements before the National Assembly.

Ministry's Reply

The Board of METC approved the Annual Report for financial year 2022-23 on 29 October 2024. Printing of the Annual Report is expected to be completed shortly. The Annual Report 2022-23 and audited financial statements are expected to be tabled before the National Assembly by the end of February 2025.

18 – MINISTRY OF LABOUR, HUMAN RESOURCE DEVELOPMENT AND TRAINING

18.1 LABOUR DIVISION

18.1.1 Delay in the Computerisation of Occupational Safety and Health Division

Background Information

At paragraph 19.1.1 of the Audit Report for the financial year 2022-23, it was reported that there was considerable delay in the completion of the computerisation of the Occupational Safety and Health Division (OSHD).

The project was completed on 24 June 2024 and payments of Rs 7.5 million were made as at 30 June 2024.

Additional Findings

- Liquidated damages were not claimed for delays.
- The Bank Guarantee and Performance Security which expired on 2 January 2023 and 29 February 2024 respectively were not renewed.
- As of October 2024, only 20 per cent of the data were migrated to the new system. Hence, optimal use of the system was not made.
- Retention money amounting to Rs 800,000 was not disclosed in the Returns of Accruals, Prepayments and Retention Money as at 30 June 2024 submitted to the Accountant-General.

Root Cause

The project was not properly monitored by the Steering Committee.

Recommendation

The project should be properly monitored and prompt action should be taken to ensure timely completion of the project.

Ministry's Response

- The contract agreement signed on 01 September 2021 already provided that liquidated damages shall be assessed at one per cent of the contract value per week, with the maximum liquidated damages being 10 per cent of the contract value.
- The Ministry requested the service provider for a Bank Guarantee and Performance Security as from 01 March 2024.
- The migration of data is an ongoing exercise and the National Occupational Safety and Health Department (NOSHD) has already migrated 20 per cent of data on the computerised system, as opposed to the 10 per cent of data migration that was requested by the service provider. However, not all of the 20 per cent data appeared on the system.

- The Rs 800,000 was not disclosed in the "Returns of Accruals, Prepayments and Retention Money" as at 30 June 2024 submitted to the Accountant-General since that amount would become due for payment after 24 June 2025.

Transition Unemployment Benefits– Alleged Cases of Fraud

Background Information

At paragraph 19.1.2 of the Audit Report for the financial year 2022-23, alleged cases of fraud were highlighted, involving some 100 applications for the payment of Transitional Unemployment Benefits (TUB) at Curepipe and Chemin Grenier Labour Offices which were reported in September and October 2022 respectively.

As per the report of the Office of Public Sector Governance dated June 2024, the fraud involved 146 cases of TUB estimated at Rs 14.6 million.

Additional Findings

A sample of 37 TUB files were examined and the following were noted:

- In all 37 cases, the prescribed schedule "within 7 days" under Section 84(5) of Workers' Rights Act (WRA) to complete the cases was not adhered to. The time taken in excess of the 7 days within which the applications should be processed and the date they were sent to the Ministry of Social Integration, Social Security and National Solidarity (MSISSNS) ranged between 18 days and 18 months.

- Out of the 37 files, 29 related to informal cases where employers did not contribute to the National Savings Fund and there was no documentary evidence, such as an appointment letter, payslip and letter of termination. Hence, reliance was placed solely on clarifications provided by the employers and laid-off workers which was not verifiable evidence.

- Under Section 84(7), a laid-off worker who is already in receipt of TUB would no longer benefit in case he/she becomes gainfully employed. In 8 cases, the laid-off workers were still benefitting under TUB, although they were gainfully employed, therefore, leading to overpayment which have to be recouped.

- In 10 cases, the laid-off workers were registered in the Workfare Program for misconduct although the responsibility for misconduct rests on the workers and not the employers.

- The current Workfare Program system does not have all relevant information. A file is opened for each TUB at the Registry of the Workfare Program Unit. For financial year 2022-23, an amount of Rs 2 million was budgeted for the computerisation of the services of the Labour and Industrial Relations Division which had a project value of Rs 10 million. In 2023-24, an amount of Rs 5 million was budgeted. The project is now at the procurement stage.

Root Causes

- There is a loophole in the Workers' Right Act to determine the processing of applications for TUB cases.
- The Workers' Right Act does not mention any procedures for informal cases and cases of misconduct.
- Significant time taken at the specification writing stage for the new Workfare Programme System.

Recommendations

- A clear time frame should be established for processing of applications.
- The Act should be reviewed to include informal cases.
- The computerisation of the Workfare Unit should be expedited. Digitalisation would speed up processing of TUB to make it more business friendly.

Ministry's Response

- Certain termination of employment cases are very complex in nature and in-depth inquiry has to be carried out to determine whether the cases are bona fide or not. The Standard Operating Procedure is strictly being adhered to for the processing of TUB cases. Subsequently bona fide cases are processed at the earliest and the MSISSNS is notified for payment of the TUB.
- Computerisation of the Workfare Programme Unit, will be incorporated in the computerisation project of the Labour Division, for which a contract has already been awarded on 06 September 2024.

Non-Renewal of Lease Agreements and Fire Certificates

Background Information

Seventeen buildings were leased by the Labour Division to accommodate the Head Office, the Labour Offices, the National Remuneration Board, the Registry of Associations, the Commission for Conciliation and Mediation and the Redundancy Board.

During the financial year 2023-24, rent totalling Rs 37.6 million were paid.

Findings

- **Non-Renewal of Lease Agreements**

Out of the 15 offices which were rented by the Labour Division, 10 lease agreements had already expired as of June 2024. Rent was paid on a month-to-month basis.

- **No Fire Certificates**

Section 19 (1) of the Mauritius Fire and Rescue Service Act 2013, requires that the owner of such premises as may be prescribed shall apply to the Chief Fire Officer for a fire certificate in relation to the premises, which certifies that all safety requirements have been met in relation to those premises and no premises shall be occupied or used unless the owner has been issued with a fire certificate.

Two Labour offices did not have valid fire certificates as of October 2024.

Root Cause

Procedures for the renewal of lease and fire certificate were not initiated on time by the Ministry.

Recommendation

The Ministry should plan for the renewal of the lease agreements and fire certificates before their expiry.

Ministry's Response

- As of January 2025, the lease agreements for 2 Labour Offices (LOs) were signed. For the remaining 13 LOs, relocation is in progress for 5 LOs and renewal of lease agreements is in process for 8 LOs. Clearances from the Ministry of National Infrastructure and Valuation Department are being awaited.

- As at January 2025, 2 lessors were requested to renew the fire certificates.

Government Asset Register - Assets not Recorded

Background Information

During the financial year 2023-24, the Labour Division purchased non-financial assets amounting to Rs 8.4 million.

Finding

IT software relating to the computerisation of OSHD amounting to Rs 1.7 million and Rs 5.8 million incurred during the financial years 2021-22 and 2023-24 respectively were not recorded in GAR.

Root Cause

The Ministry did not consider IT software as a non-financial asset to be included in Government Asset Register (GAR).

Recommendation

The IT software costs should be recorded in the GAR as an intangible asset.

Ministry's Response

The GAR was being updated.

Registry of Associations – Poor Monitoring over Submission of Annual Returns

Background Information

The objectives of the Registry of Associations (RoA) are to register Associations, Trade Unions and their respective rules to enable the organisations to have their legal status and to ensure that they operate within their respective legal framework.

Findings

- As per records of RoA, out of 10,622 Associations, 4,800 have not submitted their annual returns.
- Out of 426 Trade Unions, 180 had not submitted their annual returns.

Root Cause

The Officer-in-Charge did not ensure that the Associations and Trade Unions complied with law in respect to submission of annual returns.

Recommendation

Appropriate actions should be taken to ensure that the Associations and Trade Unions comply with law.

Ministry's Response

- Notices have been issued to Associations for submission of annual returns.
- The registration of non-compliant Associations and Trade Unions with the Registration and Association Act are subsequently cancelled despite notices being issued to them.
- The Registration of 780 Associations and 42 Trade Unions were cancelled for the period July 2023 to January 2025. However, they may appeal against their cancellation.

18.1.2 Governance Issues – Non-compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of statutory bodies with the objective of strengthening accountability and transparency in the public sector.

Findings

Non-Submission of Financial Statements for Audit

The Statutory Bodies (Accounts and Audit) Act requires the Chief Executive Officer of a statutory body to submit the annual report, including the financial statements, to the auditor not later than four months after the end of every financial year.

As of 31 December 2024, the following statutory bodies falling under the purview of Ministry of Labour and Industrial Relations (Labour Division), have not submitted their financial statements for audit as shown in Table 18-1.

Table 18-1 Financial Statements not submitted to NAO for Audit

Statutory Bodies	Financial Years	No of Financial Statements	Remarks (Accounts under Audit)
Manufacturing Sector Workers Welfare Fund (MSWWF)	2023-24	1	-
National Wage Consultative Council (NWCC)	2023-24	1	-
Trade Union Trust Fund (TUTF)	2021-22 to 2023-24	3	Financial Statements for 2020-21 were submitted on 25 November 2022

Source: NAO records

Annual Reports not laid before the National Assembly

The Statutory Bodies (Accounts and Audit) Act requires a copy of the annual report and audited financial statements of every statutory body to be laid before the National Assembly at the earliest opportunity.

As of 31 December 2024, the annual report of TUTF for the financial year 2020-21 which was certified on 13 April 2023 had not yet been laid before the National Assembly.

NAO is of the view that the Ministry should:

- Exercise control over statutory bodies and other entities operating under its aegis to ensure that they comply with their statutory responsibilities regarding the preparation of financial statements, their submission for audit; and

- Lay a copy of the annual report and audited financial statements before the National Assembly.

Ministry's Response

- The annual report of the MSWWF for the financial year 2023-24 was submitted to its Board for approval, following which it would be submitted to NAO.

- The annual report of the NWCC for the financial year 2023-24 is under preparation and would be submitted to NAO.

- The financial statements of TUTF for the financial years 2021-22 to 2023-24 are expected to be submitted by the end of February 2025.

18.1.3 Follow-up of Matters Raised in the Audit Report 2022-23

The status on actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarised below. Out of 8 recommendations, 2 (25 per cent) have been implemented 5 (62 per cent) have been partly implemented, and one (13 per cent) has not been implemented.

SN	Findings	Recommendations	Ministry's Response-Status as of January 2025	NAO's Comments
	Delay in the Computerisation of Occupational Safety and Health Division (Page 359)			
1	▪ As of August 2023, some nine months after expected completion date, the project was still not completed. ▪ On 7 December 2022, following proclamation of the Occupational Safety and Health (Amendments) Act 2022 changes to the software could not be implemented as the project was still ongoing. ▪ The User Acceptance Testing Round 2 Stage which started on 8 March 2023 was still not completed in October 2023. (*Pg 359, Para 19.1.1*)	The Project Steering Committee should take appropriate remedial actions. (*Pg 359, Para 19.1.1*)	As at 24 January 2025, 280 meetings were held to monitor the implementation of the project. The Service Provider was requested to attend to the delays at the earliest. In June 2024, changes were made to the software by the Service Provider and this is an ongoing exercise. The User Acceptance Certificate was signed on 13 May 2024 and the Operational acceptance Certificate was signed on 24 June 2024. The service provider agreed to take remedial action.	**Partly Implemented**
	Transition Unemployment Benefit – Alleged Cases of Fraud (Page 360)			
2	▪ Alleged cases of fraud involving some 100 applications for the payment of TUB at Labour Offices were reported in September and October 2022. The amount involved was not quantified. ▪ All records were kept under lock at the Labour Division. The cases were	The Accounting Officer should implement a proper system of internal control and monitoring mechanism to ensure that lapses in TUB payroll do not recur. (*Pg 360, Para 19.1.2*)	A Standard Operating Procedure (SOP) was introduced following detection of the alleged cases of fraud. All officers concerned have been requested to ensure strict compliance with the SOP.	**Partly Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
	reported to the Independence Commission Against Corruption (ICAC) and were under investigation by the Police Service. *(Pg 360, Para 19.1.2)*			
	Risk Management Framework – Not yet developed (Page 361)			
3	As the RM policy was not implemented within a time frame, the risks areas were not addressed by the Ministry. (*Pg 361, Para 19.1.3*)	The Accounting Officer should set a time frame for the implementation of the RM Framework once staff obtain the appropriate training. *(Pg 361, Para 19.1.3*)	The RM framework has been approved and training sessions were held. The Risk Register has been introduced and is updated regularly.	**Implemented**
	Internal Audit (Page 361)			
4	Significant items of expenditure and the Registry of Associations were rolled over to the financial year 2023-24. Hence, any shortcomings in these components were not identified. (*Pg 361, Para 19.1.4*)	The Accounting Officer should identify all high risks areas to be audited. (*Pg 361, Para 19.1.4*)	The Registry of Associations was subject to internal audit for the financial year 2023-24. The audit of significant items of expenditure will be carried out in the next financial year 2023-24.	**Partly Implemented**
	Governance Issues – Non-compliance with legislation (Page 362)			
5	Non-submission of Report on Performance- As of 18 December 2023, the Report on Performance for the financial year 2022-23 was not submitted to the Ministry of Finance, Economic Planning and Development, despite the statutory deadline being 31 October 2023. Non submission of financial statements for audit. As of 14 December 2023, the TUTF had not submitted its Financial Statements for the financial years 2021-22 and 2022-23 for audit.	The Ministry should exercise control over Statutory Bodies and other entities operating under its aegis to ensure that they fulfil their statutory responsibilities regarding the preparation of financial statements, their submission for audit and tabling before the National Assembly. (*Pg 363, Para 19.1.5*)	The Report on Performance was submitted on 21 May 2024. TUTF has been reminded on several occasions of its statutory obligations with regard to the provisions of the TUFT Act.	**Implemented** **Not Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
	Annual Report not laid before National Assembly:- Manufacturing Sector Workers Welfare Fund 2019-20. Trade Union Trust Fund from financial years 2015 to 2020-21. (*Pg 362-363, Para 19.1.5*)		The Annual Report of Manufacturing Sector Workers Welfare Fund for the financial year 2019-20 was re-submitted to the National Assembly on 8 January 2024. The Annual Reports of TUFT for the financial years 2015 to 2019-20, except for 2020-21 were laid to the National Assembly.	**Partly Implemented** **Partly Implemented**

18.2 HUMAN RESOURCE DEVELOPMENT AND TRAINING DIVISION

18.2.1 Skills Development Authority Not Set Up

Background Information

The Skills Development Authority Act 2019 was proclaimed on 1 November 2022. The Act establishes the Skills Development Authority (SDA) which shall be a body corporate.

The objects of the SDA are, among others, to:

(a) Regulate the Technical and Vocational Education and Training (TVET) sector.

(b) Ensure quality assurance in the TVET sector.

(c) Confer awarding powers to training institutions.

(d) Develop a skills framework.

(e) Maintain the Skills Development Fund.

One of the functions of SDA is to set up and maintain a register of skills and skilled persons and to identify and facilitate funding for the implementation of skills framework in line with strategic national initiatives, among others.

Findings

- As of October 2024, that is 23 months after the proclamation of the SDA Act, the Authority has not yet been operational.

- The project cost for the e-register of skills and skilled persons was estimated at Rs 25 million. In the budget estimates, for financial years 2022-23 and 2023-24, Rs 10 million and Rs 1 million were earmarked respectively. The project was allocated to Mauritius Institute of Training and Development (MITD) in the financial year 2022-23 for implementation which amounted to Rs 412,375, that is, 1.6 per cent of the estimated cost.

- As per the Project Management Manual for ICT Projects of the Ministry of Information Technology, Communication and Innovation, a project write-up was not available at the Human Resource Development and Training Division (HRDT).

Root Cause

A Project Steering Committee was not set up at the Ministry to monitor the implementation of the project.

Recommendation

A Project Steering Committee should be set up to monitor implementation of the SDA so that a register of skills and skilled persons can be established and maintained.

Ministry's Response

- The MITD is spearheading the project given that it provides training in the manufacturing and construction sectors. The project is at its finalisation stage.

- The SDA has been constituted in September 2024 and now falls under the aegis of the Ministry of Education and Human Resources.

18.2.2 Work Permit not processed through National Electronic Licencing System

Background Information

Work Permits for non-citizens are issued by the HRDT Division of the Ministry under the Non-Citizens (Employment Restriction) Act 1973.

The Work Permit Unit operates a Work Permit Application System (WPAS) through which work permits are processed.

As per the Finance (Miscellaneous Provisions) Act 2023, all applications for new and renewal of a work permit should be made through National Electronic Licencing System (NELS) operated by the Economic Development Board (EDB) as from 31 January 2024.

The amount collected for work permit issued for the financial year 2023-24 was Rs 237 million. The number of work permit allocated was 30,907 and certificate of exemption was 5,416.

Findings

- As of October 2024, the WPAS system was still being used by the Work Permit Section for processing new and renewal of certificate of exemption as the option was not available in NELS.

- The NELS system for work permits was limited as many options cannot be used online and had to be done manually such as certificate of exemption, vetting of contracts, transfer of work permit applications, permission in principle and quota. These procedures were time consuming and delaying the issue of work permits.

- The user requirements were not properly assessed at the start of the project implementation. This was being implemented on an ad-hoc basis.

- Outstanding claims in respect of work permit as of 30 June 2024 amounting to Rs 7.3 million were paid in the next financial year. These were not disclosed in the Return of Arrears of Revenue as at 30 June 2024, submitted to the Accountant-General.

- Penalty fees collected for renewal of work permit during financial year 2023-24 amounted to Rs 22.5 million. From a sample of 14 claims issued with penalty fees, it was noted that claims were paid some 4 to 6 months after being issued.

Root Causes

- There was no Steering Committee at the level of the HRDT Division to monitor the transition of work permit application through NELS.

- There was no proper planning such as user requirements and a Memorandum of Understanding to ensure smooth transition of the activities of issue of work permits.

Recommendation

A timeframe should be agreed with EDB to ensure the computerisation of the work permit can be fully implemented through NELS.

Ministry's Response

- EDB has adopted a phase wise implementation approach.

- Delays were encountered in the implementation of the various modules through NELS in view of change in policy decisions.

- EDB was unable to provide the Ministry with a definite time frame regarding the implementation of the work permit modules. At a meeting held on 15 January 2025, EDB was requested to submit an implementation plan in respect of the enhancements to be brought to the existing system which was due for completion in 3 months.

- It is envisaged to issue communiqué informing employers to comply with the provision of the Non-Citizen (Employment Restriction) Act.

- The Ministry has initiated appropriate actions to include outstanding claims in the Return of Arrears of Revenue.

18.2.3 Underutilisation of Funds Allocated Under the Employability Enhancement Programme

Background Information

The Training Programmes Unit falls under the purview of the Director, National Employment Department. The main objective of the unit is to process requests for placement of trainees in the 6 schemes offered by the Ministry.

For the financial year 2023-24, funds totalling Rs 104.3 million were budgeted and Rs 63.1 million were disbursed to finance the schemes.

The trend of the unspent amount under the Employability Enhancement Programme (EEP) is shown in Table 18-2.

Table 18-2 Unspent Amount Under Employability Enhancement Programme

Training Programmes	Percentage of Amount Unspent after Virement		
	FY 2021-22	FY 2022-23	FY 2023-24
Youth Employment Programme (YEP)	44	20	46
Women Back to Work Programme (WBTW)	59	4	69
Trainee Engineer Scheme (TES)	46	7	17
Trainee Land Surveyor Scheme (TLSS)	-	-	100
Training and Placement of Persons with Disabilities (TPPWD)	-	100	100

Source: Treasury Accounting System

Findings

- Provisions made during the last 3 financial years for the schemes were not optimally utilised.
- Five trainees who were offered placements under TLSS declined the offer as they were already working.
- Funds obtained under TPPWD remained almost unspent during the financial years 2022-23 and 2023-24.

Low Level of Placements

As of 30 June 2024, the number of applications and placements made under the different programmes are given in the Table 18-3.

Table 18-3 Status of Employability Enhancement Programme

Training programmes	No of applications received	No of placements made	Percentage of placements	No of Employers registered
Youth Employment Programme	46,744	25,590	55	8,048
Women Back to Work Programme	6,838	1,472	21	985
Trainee Engineer Scheme	1,643	956	58	105
Trainee Land Surveyor Scheme	5	0	0	7
Training and Placement of Persons with Disabilities	88	5	6	0

Source: Training Programme Unit

Findings

- The number of applications received under the different schemes significantly outweigh the number of placements made. This was attributed to the low level of participation of employers registered.

- The YEP is a placement programme to enable unemployed youth to obtain training and placement for an initial period of one year with the possibility of permanent employment thereafter on condition of satisfactory performance. During the financial year 2023-24, 260 and 63 trainees were placed in the private and public sectors respectively. However, 63 per cent for both sectors left the scheme.

- Despite the eligibility criteria for placements of YEP in both the public and private sectors were same, stipends payable differed and were not revised since the year 2013. Applicable rates are given in the Table 18-4.

Table 18-4 Stipend to Trainees under Youth Employment Programme

Qualifications	Private Sector (Rs)	Public Sector (Rs)
HSC	8,000	6,000
Diploma	10,000	7,000
Degree	15,000	10,000
Post graduate	15,000	12,000

Source: Training Programme Unit

- Under the WBTW Programme, the beneficiaries are provided training by local training institution. Despite payment of a monthly stipend of Rs 10,575, out of 6,838 applications received, only 1,472 women accepted work placements. The response to the scheme was low.

Non-Submission of Quarterly Progress Report by Employers for TES

Paragraph 15 of the agreement stipulates that 'The employer shall every three months submit progress reports on the trainee/s to the Ministry of Public Infrastructure and Land Transport, copy to HRDT. Out of a sample of 8 companies selected only one company complied with the above.

The application form for refund of stipends did not include the number of days the trainee was present and did not bear his signature. Hence, the risk of overpayment may arise in case of resignation and absences.

Root Cause

The different schemes may not be attractive to the trainees

Recommendations

- An assessment of all the programmes should be undertaken to sort out any mismatch in demand and supply of trainees.

- To review the effectiveness of the schemes.

Ministry's Response

- The Ministry will hold regular meetings to assess the efficiency and effectiveness of the various training programmes/schemes.

- Henceforth, regular meetings will be held with the MSISSNS to gather expertise on the matter.

- For TES, the Ministry has initiated action for submission of quarterly progress report by employers.

- Action has been initiated for amending the application form for refund of stipends.

18.2.4 Rental of Office Space-Lease Agreements not Renewed and Fire Certificate not available

Background Information

Fifteen buildings were leased by the HRDT Division to accommodate the Employment Information Centres, Career Guidance and Record Office. Rent paid for the financial year 2023-24 amounted to Rs 13.9 million.

Findings

- **Non-Renewal of Lease Agreements**

Out of the 15 offices rented by the HRDT Division, 7 lease agreements have already expired as at 30 June 2024. Rent was paid on a month-to-month basis.

- **No Fire Certificates**

Section 19 (1) of the Mauritius Fire and Rescue Service Act 2013, requires that the owner of such premises as may be prescribed shall apply to the Chief Fire Officer for a fire certificate in relation to the premises, which certifies that all safety requirements have been met in relation to those premises and no premises shall be occupied or used unless the owner has been issued with a fire certificate.

Three employment offices did not have a valid fire certificate as of September 2024.

Root Cause

Procedures for renewal of leases were not initiated on time.

Recommendation

The Ministry should initiate action to renew the lease agreements and fire certificates prior to their expiry.

Management Response

- The Ministry is initiating action as per Circular 45 of 2023 from the Ministry of National Infrastructure and Community Development for renewal of lease agreements.

- Regular meetings will be held with the lessors and relevant stakeholders to ensure timely renewal of lease agreements.

- Close follow-up with lessors and the Mauritius Fire and Rescue Services for the issuance of a valid fire certificate will be done by the Ministry.

18.2.5 Follow-up of Matters Raised in the Audit Report 2022-23

The status of actions taken on key finding and recommendation since the publication of the Audit Report 2022-23 are summarised below. The recommendation was partly implemented.

SN	Finding	Recommendation	Ministry's Response- Status as of January 2025	NAO's Comments
	Risk Management Framework – Not yet developed (Page 365)			
1	The Risk Management (RM) policy was not implemented and the time frame, for the implementation was not set. Hence, the risk areas were not addressed by the Ministry. *(Pg 365, Para 19.2.1)*	A time frame should be set for the implementation of the RM Framework once staff obtain the appropriate training. *(Pg 365, Para 19.2.1)*	The RM Framework has almost been finalised and regular meetings will be held for its implementation.	**Partly Implemented**

19 - MINISTRY OF HEALTH AND WELLNESS

19.1 Post-Completion Audit for the renovation and construction of the National Cancer Centre Hospital

Background Information

Since 2015, the Government decided to set up a cancer centre for cancer control, comprising two phases:

(i) The renovation of the Ex–Med Point hospital at Solferino; and

(ii) The construction of a bunker equipped with specialised radiotherapy equipment.

In 2017, an Indian Company was appointed as a project consultant. Before the appointment of the Indian Company, the services of the Ministry of National Infrastructure and Community Development (MNICD) and a local consultant were enlisted as project coordinator.

The Indian Company was responsible for project design, bidding, bidder selection and the management of the project. The contract was awarded to an Indian contractor for some Rs 1 billion in October 2018 as shown in Table 19-1.

Table 19-1 Key Project Information

Project component	Contract Amount (Rs)	Funded by	Date works started	Date works handed over to MOHW
Renovated Block	138,502,407	MoHW Budget	22 November 2018	October 2020
New Block	861,541,209	Saudi Fund for Development	22 November 2018	January 2023
Total	**1,000,043,616**			

Source: Ministry's Files

Contracts worth some Rs 950 million were also awarded to equip the centre with medical equipment and furniture.

Findings

- ***Delays and Cost implications following changes in the Project concept***

The MoHW initiated the project in 2015 to finally sign the contract agreement in February 2019, that is some three years after.

The initiation and finalisation of the first project design spanned from 2015 to 2017. During that period, the Ministry incurred expenditure totalling Rs 1.7 million relating to fees to a previous consultancy firm. However, following the appointment of the Indian Company as consultant in 2017, a new project design was proposed.

The bidding exercise was initiated in January 2018. The contract was awarded 10 months later. Signature of the contract was effected after a further delay of 3 months, that is, in February 2019.

Ministry's Response

- On 20 January 2015, this Ministry decided to explore the conversion of the Med Point Hospital into a cancer department. On 14 September 2015, a local consultant was appointed as the Consultant on Phase 1 of the Project. On 10 October 2016, the local consultant submitted the architectural drawings, structural tender drawings, M&E tender drawings and copy of CPB checklist.

- Around July 2017, as the Government of Mauritius was expected to be receiving a line of credit under the EXIM Bank Financing Assistance Scheme from the Indian Government to finance the National Cancer Centre (NCC) project, the termination of the local consultant was initiated. For works executed, the payment of Rs 2,350,553 was made to the local consultant.

- In August 2017, previous initiatives were put on hold until the modalities for entrusting the project to the Indian Company.

- The Government of Mauritius was expected to receive a Line of Credit under the EXIM Bank Financing Assistance Scheme from the Indian Bank to finance the NCC project. Financial clearance was sought on 26 October 2017 for an estimated amount MUR 1.5 million for the Indian company to float bids. Notice inviting Tender was floated on 17 January 2018 to Indian Companies only as a requirement by EXIM bank under the line of credit.

- On 30 April 2018, a negotiation meeting was held with the selected contractor to bring down the costs from MUR 1,024,320,000 to MUR 1 billion given that the cost of the lowest bidder was 6.66 per cent above the justified costs whereas the allowable variation was 5 per cent only.

- On 16 July 2018, the State Law Office informed the Ministry of Finance has secured funding of approximately Rs 800 million from Saudi Arabia but Government intends to proceed to issue the letter of award to the Indian Contractor. To ensure compliance with the Public Procurement Act, Regulations were amended on 31 August 2018.

- On 24 October 2018, the Saudi Fund for Development informed that it had no objection to sign the said contract with the Indian Contractor. The contract was awarded on 29 October 2018 to the tune of Rs 1,000,043,616.

Flaws in the bidding process

The bidding process inordinately lasted for some 14 months, i.e. from the invitation to bid in January 2018 to the signature of the contract in February 2019. Various shortcomings were noted:

(i) Modification of original drawings

Several changes were made to the original drawings. A four-storeyed building was later re-scoped to three storeys. Changes were made to the extended basement for parking in favour of parking at surface level. The financial impact of these changes was not determined.

Ministry's Response

In October 2017, this Ministry approved as a policy for the renovation works and construction of the new block of the NCC to be implemented under consultancy of the Indian Company (Basement+ Ground + Five Floors) for a total area of 16,982 sqm. Financial clearance was sought on 26 October 2017 for an estimated amount of Rs 1.5 billion for the Indian Company to float bids.

On 12 January 2018, a meeting was held at this Ministry whereby it was agreed that the Project value would be capped at MUR 1.5 million, and the building would have one (01) less floor. The floor area would be 17,240 sqm. instead of 20,000 sqm.

No evidence was seen whether the Project got the approval of the Building Plans Committee of the Ministry of National Infrastructure.

On 9 April 2018, further to site visit and based on the site conditions, this Ministry approved the modified concept plan of the NCC to best fit the requirements.

(ii) Contract Conditions not applicable in the Mauritian context

The bid documents contained many provisions referring to Indian laws and context whereas the contract was being executed in Mauritius. No action was taken by MoHW to seek legal advice from the State Law Office on how to manage the legal framework difference in the bid documents and the contract.

Non-compliance with the Conditions of the Loan Agreement

In 2018, a loan agreement was signed with a funding agency for a total amount of Saudi Riyals 93.75 million. The following conditions of the loan agreement were not complied with:

(i) The Project Implementation Unit did not have Architects, Quantity Surveyors, Electrical/ Mechanical Engineers or Accountants as per requirement of funding agency.

(ii) The financial report section of the Project Completion Report submitted in May 2024 by MoHW was incomplete. No explanations were sought by MoHW on the differences between the approved amount and actual amount for the Renovated Block and New Block.

(iii) Deviations were noted in terms of the number of storeys, surface area and bed capacity that were planned and constructed.

(iv) NAO could not ascertain whether the funding agency gave its clearance for all modification works amounting to Rs 143.7 million.

Ministry's Response

- There is no evidence whether the technical team from the Indian Company has been registered with the Council of Registered Professional Engineers of Mauritius or the Professional Architects' Council.

- Since Budget 2023-24, a dedicated unit for the timely maintenance and construction of health infrastructure was to be constituted. The options of having an internal reinforced team with secondment challenges from the Ministry of National Infrastructure compared to having a Health Infrastructure Agency for health infrastructure management are still being explored.

- The Project Completion Report was prepared by the Indian Company, consultant on the Project and submitted to the Funding Agency through the Ministry of Finance. No objections to the report were raised.

- On 12 January 2018, a meeting was held at this Ministry whereby it was agreed that the Project value would be capped at Rs 1.5 billion, and the building would have one (01) less floor. The floor area would be 17,240 sqm instead of 20,000 sqm.

- ***Contract implementation deficiencies***

(i) Total Project Cost not known

Total project costs for setting up the NCC were not available at MoHW as items were scattered under different items of expenditure. According to information from the Indian Company and awards made by MoHW, the total project expenditure totalled at least Rs 2 billion. Payments for VAT and items purchased at regional hospital level were not provided by MoHW.

(ii) Incomplete Project documentation

Project documentation was not complete. My officers had to conduct several meetings with the Indian Company to request information on the project. As of 25 November 2024, some information requested, such as revised drawings and site meeting reports, had not yet been provided.

(iii) Liquidated damages for delays in project completion

The scheduled completion date of the project was 22 May 2020. However, the Renovation block was completed in October 2020 and the New Block in January 2023.

Eight Extensions of Time (EOT) without costs were granted to the contractor by MoHW in June 2020 for a total of 984 days.

Details of all EOT applications with the Indian Company's recommendations were not seen in file at the Ministry.

Ministry's Response

- The fragmentation approach to Project Implementation by different departments of the Ministry and other stakeholders led to improper execution and documentation of the Project.

- The NAO has access to all files requested. However, not all information requested by the NAO was present at this Ministry, such as for VAT exemption for which the Contractor did not submit copies of MRA returns to this Ministry.

- The onus to apply Liquidated Damages rested upon the Consultant. The Extension of Time granted were either upon advice of the Consultant or the Engineer on the Project.

Operations and Maintenance- Rs 26,054,976

Operations and Maintenance (O&M) formed part of the original contract and was effective at the time of official handing over for three years. The O&M contract for the renovated block was awarded in 2022 for three years.

However, it was backdated to 2020 when the handing over was made. Some Rs 4.6 million was paid to the contractor with most of the contract being already performed without an agreement.

Ministry's Response

Recommendations to sign and effect payment for the O & M contract for the renovated block was as per advice of the Consultant. The Ministry is undertaking the relevant procedures to rope in the Ministry of National Infrastructure to take over the building and aligned with the Financial Management Manual.

- ***Project Deficiencies***

During the construction stage, water seepages were seen while excavating at a depth of some 4.5 metres. This posed a potential threat to the basement and the bunker to host sophisticated and costly equipment as well as the construction of the delay tank structures for the iodine department.

(i) Geotechnical investigation report ignored

MoHW did not take into account the appropriateness of the site before construction. In 2015, the Ministry requested a Geotechnical Investigation to be carried out for an amount of Rs 600,000. It was reported that groundwater level was encountered in all borehole locations approximately from ground level to 4.6-4.8 metres below existing ground level.

The issue reported in the Geotechnical Investigation was overlooked despite that the basement/bunker was designed to be constructed some 6-7 metres below the existing ground level.

Ministry's Response

According to the geotechnical assessment and indicative engineering recommendations, the site appeared to be suitable for the proposed cancer hospital building construction from a geotechnical perspective.

No evidence was seen as to whether the report was shared with the Indian Company during the design/concept of the NCC. As a result, on 6 February 2019, the Road Development Authority informed that the contractor reported that it was faced with a high-water table and continuous groundwater infiltration thereby hindering the progress of work.

(ii) Construction of evacuation pipe of bunker

During the construction stage, water seepages were seen while excavating at a depth of some 4.5 metres. The low water table constituted a potential threat to the smooth progress of the construction works for any underground structures that were planned for the NCC: the basement and the bunker to host sophisticated and costly equipment as well as the construction of the delay tank structures for the iodine department.

A borehole costing some Rs 14 million was constructed to mitigate water accumulation risk and reduce humidity following a recommendation made by a Geomorphologist hired by the Contractor.

The borehole water could also be used to meet the non-potable needs of the hospital. The borehole was operational in February 2024 but the efficiency of the water evacuation mechanism has yet to be tested during extreme weather conditions such as continuous heavy rainfall/ flash flood episodes.

It was still not used for the non-potable water needs of the NCC.

Ministry's Response

On 4 August 2021, after a meeting held on 27 July 2021 with various stakeholders, including the then Ministry of National Infrastructure and Community Development, a private consultant geomorphologist informed that a borehole be provided to reduce the water level and same was agreed by the MNICD.

After seeking quotation, on 17 July 2023, this Ministry approved for the borehole and associated works to be conducted by the Contractor for an amount of Rs 10,659,839.

(iii) Discontinuation of the construction of the Iodine Block

Discontinuation of the Iodine block project by the Ministry resulted in a nugatory expenditure of Rs 1.5 million representing works performed for the construction of underground Delay tank structures for the Iodine block.

The basement/ bunker humidity levels were not monitored systematically and continuously, thus putting at risk the specialised, lifesaving medical equipment costing some Rs 360 million with maintenance contracts awarded for Rs 69 million. The decision taken by MoHW to expose the sophisticated equipment to humid conditions was not justified.

Ministry's Response

On 1 December 2020, the Indian Company was requested to construct an iodine department as a high dose therapy centre and a delay tank. At a meeting held on 6 July 2021, the Indian Company informed that four delay tanks for the Nuclear Medicine Department were already provided in the new building.

On 4 August 2021, after meeting held on 27 July 2021 with various stakeholders, including the then Ministry of National Infrastructure and Community Development, this Ministry was advised inter-alia, that the provision of an Iodine Department has risk of contaminating the groundwater and that same be omitted at NCC with possibility to provide same at the J. Nehru Hospital.

The recommendations of the Ministry of National Infrastructure and Community Development and the basement/bunker humidity levels monitoring are being looked into with the Consultant, the Ministry of National Infrastructure and the user department.

National Cancer Centre not operationalised as a centre for excellence

The MoHW derived limited benefits from NCC which was portrayed as a centre of excellence for cancer care for the region. A site inspection of NCC and an occupancy survey of the NCC showed that all project deliverables of NCC as handed over to MoHW were not being used as intended. Constructed facilities as of November 2024 were mainly idle or used for non-clinical purposes.

(i) Renovated Hospital Block

The renovated hospital block is being used as an administrative block except the laboratory for routine tests located thereat. An evaluation of using the renovated block as an administrative block was not done by MoHW.

The renovation costs for the hospital block amounted Rs 195 million comprising infrastructure works, furniture, Medical Equipment and operations/maintenance. The 68 bedded wards comprising of the beds, accessories, oxygen supply networks, waste disposal systems and ancillaries were thus rendered inoperative.

Ministry's Response

The Ground Floor at the renovated building has been functioning as the follow-up OPD since 23 December 2024. The DEXA scan has been relocated to the ground floor and is expected to be operational in 2 to 3 weeks pending the replacement of some damaged parts by the supplier due to rodent damage.

Additionally, we have a procurement department on the ground floor that houses all the stocks of the National Cancer Centre along with an office for the Procurement Officer. An office for the Principal Radiation Therapist is also located on the Ground Floor.

The Human Resource Department has been temporarily relocated to the previously used in-patient ward. HR is currently occupying the entire space, awaiting the Ministry's approval to move HR to a proper administrative block.

(ii) New Hospital Block

The facilities of the third floor included four operating theatres, a 10-bed ICU, recovery areas and Central Sterile Supply Department facilities. These were handed over to MoHW in January 2023. However, as of November 2024, these facilities have not been used.

The MoHW has not yet contemplated if surgeries would be carried out at NCC.

Nuclear medicine diagnostic and treatment facilities were presently not available at NCC. Two diagnostics equipment costing Rs 133.8 million were not yet operational.

Ministry's Response

As regards the 2 equipment for the Nuclear Medicine Diagnostic procured through the Indian Company and the International Atomic Energy Agency:

- Award for the SPECT CT Gamma Camera was made to a company on 18 July 2023. The mechanical installation of the equipment has been completed. However, dose calibrator is required for performing testing. Moreover, installation of Main Entrance Door is pending.

  SPECT CT Scan foreign engineers are here since 3 February 2025 and are currently working on the installation of the equipment.

- For PET CT Scan received under a cost sharing principle with the International Atomic Energy Agency, the Radiation Safety and Nuclear Security Authority provided the authorisation for Installation and Commissioning received on 18 March 2024. The procurement of the PET dose calibrator is pending at the Procurement Section.

(iii) Mismatch between the Constructed infrastructure and the planned cancer facility

Constructed infrastructure did not host the planned /intended cancer facility due to various reasons:

- Three bunkers were constructed to house two Linear Accelerators (LINACs) and one Cyber knife RT equipment. However, the cyber-knife equipment was not procured and one bunker was lying idle.

- Infrastructure built for Endoscopy services was still not put to use as equipment was not acquired.

- Facilities for a Stem cell bone marrow transplant unit and for cancer dedicated laboratory were not yet provided although infrastructural works were completed.

Root Causes

- Lack of Operational Strategy and Plan on how to optimise the use of the facilities for the benefits of the patients.

- Lack of technical expertise and project coordinator at MoHW.

- Inadequate control and monitoring mechanisms over project implementation.

Overall Recommendations

There is a need for MoHW to:

- Set up a Project Implementation Unit with qualified personnel to oversee capital projects.

- Prepare Operational Strategy and Plan that would ensure when construction is completed, services are delivered to the satisfaction of patients.

19.2 Effectiveness of the National Cancer Centre

Background Information

The renovation block was completed in October 2020 and the new block was completed in January 2023. The NCC came into full operation in May 2024.

The project was expected to:

- Improve cancer healthcare delivery system; and

- Position Mauritius as a centre of excellence for cancer care in the region.

Findings

- ***Inadequate monitoring of the National Cancer Control Programme***

The National Cancer Control Programme **(**NCCP) as advocated by the World Health Organisation (WHO) was not carried out in a sustained and effective manner by the Ministry. The Ministry prepared two NCCP covering period 2010-25. However, a gap was noted in period 2015-21, as no NCCP was prepared for that period, thus resulting in a disruption in the programme.

Ministry's Response

Steering committees were being carried out and chaired by the Supervising Officer. Technical Working Groups were also set up. NCC had a program in phases for the NCCP.

- ***Performance targets and timeframes not defined for NCCP 2022-25***

Recommendations of the NCCP 2020-25, were not always supported by well-defined performance targets and time frames.

Cancer patients referred to private health institutions for treatment were not factored in the NCCP.

The MoHW did not monitor the implementation of the NCCP 2022-2025 effectively. The National Steering Committee set up in 2022 for overseeing the implementation of the NCCP met only three times in the period 2022-24. Follow-up of recommendations was not being made systematically.

A risk-based cancer management approach focusing on the 5 most common cancers was not carried out.

A research unit at the NCC to develop therapeutic and diagnostic designs for new treatment and prevention strategies has not been developed.

Ministry's Response

Protocols have already been set up and implemented since 2023. The yearly target number of cervical cancer screening is 10,000 women. In 2023, 7,550 women were screened for cervical cancer by Non-Communicable Diseases, Health Promotion and Research Unit. From January to September 2024, 5,038 and 3,864 women were screened for breast cancer and cervical cancer respectively.

- ***Incomplete database of cancer patients***

High quality data was not collected by the Ministry on cancer to assist in the formulation of its policies and plans.

Information on cancer patients were kept in a fragmented manner, that is, at regional hospitals, NCC, the Cancer Registry and Overseas Treatment Unit. As of November 2024**,** MoHW did not know the exact number of cancer patients and their health status. Information for all cancer patients attending private health institutions was not captured by the Cancer Registry. Hence the information available at the Cancer Registry was not on a population basis.

Ministry's Response

Active patient files are filed in the main filing area in the new building while inactive files and Passed Away cases are filed separately in a secondary storage area in the old building. As at now, some 10,000 inactive files of patients who have not attended treatment since 2017 are being kept in the old building.

Besides, an up-to-date Master Patient Index helps to trace all patients who have been registered at the NCC.

With the coming up of the NCC, it is being proposed that the Cancer Registry be managed at NCC itself by its own staff, by collecting yearly data from all related stakeholders. This will speed up cross-verification, elimination of duplicates and ensure completeness of information. A more robust, updated and expansive reporting system will thus emerge.

- ***Reorganisation of the Cancer services not effectively carried out***

The MoHW has not reorganised its cancer services effectively after the coming into operation of the NCC in May 2024.

As of November 2024, MoHW was not providing comprehensive cancer healthcare services by promoting early diagnosis, effective screening, comprehensive treatment, and palliative care as urged by the WHO.

Ministry's Response

Early cancer diagnosis is done at the level of regional hospitals. Cancer screening is done by department of health promotion unit of the Ministry. Comprehensive treatment are accessible to all patients. Palliative care has been revived and taken charge by a palliative care specialist.

- ***Referral of cancer patients for Overseas Treatment still maintained***

Prior to the construction of the NCC, some patients were treated in private health institutions or referred overseas. With the coming into operation of the NCC, new protocols were not developed for referral of patients. Treatment for cancer patients still constituted a mixture of in-house and outsourced treatment after the setting up of the NCC.

According to the NCC, during the period January 2021-June 2024, 124 patients were referred to private health institutions, as detailed in the Table19-2 below.

Table 19-2 Patients referred to private health institutions

No. of patients	Remarks
51	lack of RT/technologies /equipment
45	lack of specialised surgery
28	lack of specialised surgery/ equipment

Source: NCC Reports

Ministry's Response

Overseas treatment boards are carried out in Regional Hospitals.

- ***Structural set-up of cancer-related services provided by Regional Hospitals not reviewed***

The structural set-up of cancer-related services was not reviewed after the coming into operation of the NCC in May 2024 in respect of the following:

- Cancer-related services of the Regional Hospitals, including Victoria Hospital (VH) were still maintained as before.

- Proposed laboratory facilities were not set up at the NCC such as Haematology, cytopathology, surgical/ molecular pathology, microbiology, molecular biology. Laboratory equipment purchased for some Rs 12.5 million for the NCC was transferred to other laboratories in MoHW.

- The specialised Breast Surgery Unit at the SSRNH was still not replicated in the other regional hospitals contrary to the recommendation of the NCCP. As of November 2024, no decision was taken to set up this specialised surgery at the NCC despite having idle and costly surgical facilities thereat.

- No blood banking/ apheresis procedures were available at the NCC.

Ministry's Response

- Other services cannot be relocated to NCC for the following reasons:

  (i) There is an acute shortage of all cadres of Laboratory staff which makes it nearly impossible to set up these services at NCC.

  (ii) Moreover, it is not cost-effective to duplicate the services (Central Health Laboratory is very close to NCC and provides all services)

- The setting up of lab for cancer genomics, immunohistochemistry and tumor markers is in process.

- Routine Hematology lab facilities are also available at NCC.

- As the services for which the Laboratory equipment were procured has not been relocated at NCC, the equipment has been transferred to Central Health Laboratory.

- The blood bank facilities are also not relocated for the same reasons mentioned above.

Human resource limitations for the NCC

In 2024, a list of some 300 officers of several cadres was worked out to operate the NCC. As of 31 October 2024, 223 staff were posted at the NCC.

Moreover, there were 103 vacant posts for 12 grades of specialised medical/paramedical staff required to run the hospital. Vacant posts included those of Gynaecologist and Pediatric Oncologists, Interventional Radiologist, Clinical Psychologists and Palliative Care Physicians.

No human resource plan was seen regarding the recruitment of the above-specialised professionals. Recruitment delays will jeopardise the delivery of specialised cancer services.

Ministry's Response

Short-term vacancies have already been reported to Public Service Commission for filling of posts. Exercise on-going to fill medical/paramedical posts.

Other Observations

- No Key Performance Indicators were set to gauge the performance of the NCC where timeliness (early detection) and precision (Radiation therapy) constitute the essence of the treatment.

- As of mid-December 2024, not all the essential clinical facilities were available and operational at the NCC.

- The Centre has a bed capacity 200 but an average of 80 beds were occupied by cancer patients. Other cancer patients were treated in other regional hospitals including children with cancer at the VH.

- Intensive Care Units, fully equipped for both medical and surgical care were available but were not used. Instead, patients were sent to VH.

- Essential diagnostic facilities such as endoscopy, specialised laboratory services not available.

- Many essential treatment facilities at the NCC were either not available or not operational.

- Radiotherapy Treatment was minimal as one Linear Accelerator (LINAC), out of the two, and the HDR Brachytherapy equipment were not operational.

- Cancer treatment related to the stem cell and bone marrow transplant and the iodine department were not available at the NCC.

- Currently, palliative care and supportive care as urged by the WHO was not being dispensed. The NCC did not have trained and specialised palliative care staff.

- No emphasis was laid on community and home based palliative care as well as supportive care services at the NCC such as psychosocial assistance, rehabilitation and survivorship care.

Ministry's Response

- The NCC follows National Comprehensive Cancer Network from United States, NICE from United Kingdom, European Society of Medical Oncology and Radiation Therapy Oncology Group guidelines for cancer management.

- Treatment given to cancer patients in NCC is just and equitable.

- Palliative care physician, Psychologist, Hematologist, Onco-pathologist, Medical Social Worker, Thoracic Surgeons are all providing comprehensive Cancer services at the NCC.

- The aims and objective of the NCCP is to lower the incidence of cancer, reduce morbidity and mortality indices for cancer.

- The Ministry of Health and Wellness has worked in close collaboration with the International Atomic Energy Agency.

- The centre has a bed capacity of 200. On average, 80 beds out of 100 are occupied by cancer inpatients. Currently, there are 20 beds available in the Chemo Day Care Unit.

The remainder of beds are found in the Pre-Op, post OP, ICU and Stem Cell Transplant Departments which are not functional for the time being.

- PET-CT and SPECT-CT are expected to be operational in first trimester of 2025 at NCC.

- The DEXA scan available at the NCC donated by the IAEA is expected to be functional by the end of January 2025.

- Second LINAC already operational.

- Brachytherapy is expected to be operational first trimester 2025.

- NCCP 2022-25 recommendation was not implemented for an extension of palliative care services from hospital to community and domiciliary due to lack of trained personnel.

NAO's Comment

Underutilised specialised equipment is a waste of resources and a missed opportunity to improve patient care. Inadequate staffing levels pose a risk to the quality and timeliness of patient care.

The above situation may cause harm to the patients.

Root Causes

- Lack of proper project planning in terms of project milestones, goals, estimated timeline, resource plan, key performance indicators and roles and responsibilities.

- Lack of monitoring/coordination by the Ministry on activities of the NCC and regional hospitals on dispensing of cancer care services.

- Absence of human resource planning in the recruitment of health professionals.

Recommendations

The Ministry could consider:

- Elaboration of a comprehensive NCCP with well-defined targets, time frames and allocation of responsibilities.

- Recruitment of specialised health professionals to enable the NCC to operate as a centre of excellence.

- Setting up a Monitoring Committee at the Ministry to coordinate the activities and operations of health institutions dispensing cancer care services and to ensure the implementation of the NCCP.

19.3 Digitalisation of Health Services through an effective e-Health System

Background Information

In January 2022, Government agreed to the signing of a project portfolio document on e-health system initiatives between the Ministry of Health and Wellness (MoHW) and the United Nations Development Programme (UNDP).

An Addendum to the Portfolio Agreement (PA) was signed in October 2023 following financial clearance received from the Ministry of Finance, Economic Planning and Development.

Funding arrangements according to the two agreements signed were as follows as shown in Table 19-3.

Table 19-3 Funding Arrangements for e-Health

Agreement signed in 2022	**Cost component (US$)**	**Financed by**	
		UNDP	**MoHW**
3.1 Implementation of Digital Health Law	125,000	-	125,000
3.2 Long-Term Digital Health Transformation Strategy Framework	200,000	-	200,000
3.3 Study on Site Assessment and Readiness	300,000	-	300,000
4.1 Implementation of PAS	560,000	-	560,000
Total	**1,185,000**	**-**	**1,185,000**
Agreement signed in 2023			
General Management Support	340,350	-	340,350
4.2 Implementation of eHealth Modules	4,500,000	-	4,500,000
4.3 Onboarding of selected health facilities	800,000	400,000	400,000
4.4 Training / Change Management	225,000	-	225,000
4.5 Community Engagement	300,000	-	300,000
Addendum: Project Management Unit and Oversight	982,000	-	982,000
Direct Project Cost	75,000	75,000	-
Total	**7,222,350**	**475,000**	**6,747,350**

Source: Portfolio Agreement and Addendum

As per the agreements signed, the UNDP would be responsible for different aspects of the e-Health implementation and the procurement for the development of the software, tendering, and awarding contracts, as shown in Table above. The MoHW would be responsible for site preparation of all health facilities in terms of staff training, data cabling and networking, electrical works, and procurement of IT equipment.

Disbursement of funds by the Ministry were made to the UNDP for the implementation of the e-Health system in three tranches of US$ 125,000 (Rs 5,286,812), US$ 758,625 (Rs 36.4 million) and US$ 3,883,402 (Rs 175 million) in financial years 2020-21, 2022-23 and 2023-24 respectively.

On 9 January 2024, UNDP awarded the contract for the *Supply, Design, Installation, Testing and Commissioning of the eHealth system in the Republic of Mauritius* to a Consortium for a total bid price of USD 4,440,576 for Phase 1 of the e-Health initiative. According to the Inception Report attached to the PA, the e-Health project was supposed to go live by 30 November 2024 in the five Regional Hospitals.

Findings

- ***No feasibility study and cost comparison were carried out prior to signature of portfolio agreement***

No feasibility study was carried out by MoHW to evaluate the project's viability in terms of financial aspects, site readiness, people and digital health readiness before embarking on the e-Health project. It was only in May 2023 that the UNDP appointed a consultant to assess site readiness.

In 2021, the Central Informatics Bureau (CIB) submitted a complete solution for an e-health project, at an estimated cost of Rs 1.4 billion, including Rs 774 million for Phase 1 of the project. At time of signature of the Addendum to the PA in October 2023, MoHW carried out no comparison exercise between the figures submitted by the CIB in 2021 and those included in the PA signed with UNDP.

Based on the agreement made with UNDP, MoHW would have to disburse more than Rs 1 billion for the implementation of Phase 1 of the project, as detailed below in Table 19-4.

Table 19-4 Summarised cost breakdown for implementation of Phase 1

Details	Amount (Rs)
Total financed under portfolio agreement (USD 7,932,350) – Exchange Rate Rs 48	380,752,800
IT Equipment, Lan, Electricity and DHA	371,846,543
Hosting as per CIB Estimates (Exc Vat)	350,000,000
Total	**1,102,599,343**

Source: Ministry's files

Ministry's Response

This Ministry had no relevant expertise and maturity in understanding the complexity of e-health implementation.

A desk study, prior to the signature of the Portfolio, was conducted by the UNDP Consultant from June to September 2021. This Ministry was mainly guided by the UNDP's Consultant. A Health Information Exchange Maturity Assessment was conducted by this Ministry only in August 2024 subsequent to a capacity building by the Africa CDC.

Consultant's recommendations not implemented

Following a review made by a Consultant appointed by the UNDP in May 2023 to assess site readiness, various shortcomings were pointed out in a Final Recommendation Report submitted in January 2024. However, the following shortcomings were still not addressed by MoHW:

- Procurement of IT Equipment has still not yet been completed in October 2024. The percentage of workplaces having a personal computer ranged from 18.7 to 27.5.
- Electrical and associated works have still not started at the five Health Regions.
- Training of staff in office applications, information security and basic PC skills has not been carried out despite that the eHealth project would go live on 30 November 2024.

Ministry's Response

Maximum efforts were put in place by this Ministry to accelerate readiness by this Ministry. In practice, at time of implementation, the fragmented approach which was adopted by this Ministry upon the recommendation of the UNDP, has now proven to be associated with high risks and lack of value-for-money. Therefore, the different initiatives have been put in abeyance.

To ensure digital transformation of the healthcare system in Mauritius by leveraging on innovative technologies, clinical practices and bilateral partnership, the High Commission of India has been approached.

Transparency and Accountability

Key documents and information listed below were not kept at MoHW:

- Bid Evaluation Reports
- Letters of Award issued by the UNDP
- Contracts signed by successful bidders
- Status Reports
- Statements of Expenditure
- Invoices and Receipts for payments made by UNDP

In the absence of these documents, Ministry could not provide assurance if the terms and conditions attached to the contract were complied with.

Ministry's Response

Often, when this Ministry has requested the UNDP for information or action to be taken given that milestones are not being achieved, the UNDP has refused to be transparent and cautioned this Ministry that these may lead to audits of the Project at its end or by Government auditors.

Other Observations

- Data Cabling and Networking works were completed only in one Health Region out of the 5 health region as at October 2024.

- No decision has yet been taken by MoHW, regarding the location of the infrastructure for hosting the server of the e-Health system.

- As of October 2024, funds disbursed by the Ministry for implementation of the eHealth project totaled some Rs 216 million. However, Phase 1 of the PA signed with UNDP has still not been completed, more than 20 months after the signature of the PA. Only an Approved Assignment Work Plan was seen to have been submitted to MoHW on 12 April 2024. The project was still at 'Definition of software requirements' stage.

- The Digital Health Law has still not been drafted by the UNDP. A payment of Rs 5,286,812, equivalent to US$ 125,000, was made by MoHW in November 2021 for the legal drafting of the Digital Health Law. However as of October 2024, a Consultant has not yet been selected for drafting of the legislation.

- The Digital Health Agency (DHA), incorporated in September 2024 to drive the digital transformation of health care, was not yet operational.

Ministry's Response

The different tracks for Digital Health Transformation are being put in abeyance pending a policy decision.

Root Causes

- Poor project planning by the Ministry.
- Lack of commitment by the Ministry to accelerate the timely completion of the project.
- Absence of a high-level Project Steering Committee.

Recommendations

The Ministry could consider:

- Establishing a team of full- time professional dedicated to the implementation of the project with clearly defined realistic milestones factoring in potential contingencies.
- Setting up the DHA to drive the digital transformation of healthcare.
- Preparing an Awareness and Training Plan so as to mitigate potential resistance to the changeover to the new system.
- Tracking the project with an appropriate project management software.

- Set up of a High-Level Project Steering Committee comprising of the Ministry of Health and Wellness, Ministry of Information and communication Technology and Innovation and Ministry of Finance and any other stakeholder the Ministry deem fit.

19.4 Effectiveness and Efficiency of Angiography/ Angioplasty Services in Public Hospitals

Background Information

Cardiovascular diseases account for some 33 per cent of deaths in Mauritius. The number of patients waiting for an angiography/angioplasty increased from 705 at 30 June 2023 to 1,293 at 31 July 2024, that is an increase of some 83 per cent.

Findings

- ***Absence of Guideline regarding minimum waiting time for an angiography/angioplasty***

There is no general guideline with regard to the period for which a patient requiring an angiography/angioplasty has to be examined.

During July 2023-July 2024, 3,885 patients underwent an angiography/angioplasty under emergency conditions and were not on waiting list. Also, 2,968 patients, who were on waiting list, underwent an angiography/angioplasty.

These included 2,788 patients who waited up to six months, 162 patients who waited between 7 to 12 months and 18 who waited more than 12 months.

Ministry's Response

All patients suffering from acute coronary syndrome undergo angiography + PTCA within 48-72 hours or earlier depending on symptoms and clinical state of patients. CICs have been instructed to further develop guidelines for the referral of patients for angiography to streamline the process.

CT Angio has been introduced at NCC and is expected to decrease the waiting list significantly. The number of angio at VH is being increased to 25 per cent. Angiography service will in the future be extended to Flacq Hospital.

- ***Angiography machine not put to use for more than one year***

A new angiography machine donated by Japan in November 2022 was stored in a rented container at Dr AG Jeetoo Hospital (JH) for over six months. In May 2023, the equipment was transferred to the Trust Fund for Specialised Medical Care (TFSMC) and installed at a cost of some Rs 4 million.

It was only in November 2023 that the equipment became operational at TFSMC, that is almost one year after the donation.

Ministry's Response

The Ministry will better plan while acquiring equipment.

- ***No Standard Operations Manual and Maintenance Schedule for Angiography Machines***

There was no Standard Operations Manual and a Maintenance Schedule in place to ensure that angiography machines were properly managed, including timely maintenance, frequent calibration, and monitoring of equipment end-of-life.

There was no monitoring system to ensure that maintenance schedule was strictly adhered to at the different hospitals.

In the absence of the above, this may lead to mismanagement of the equipment.

Ministry's Response

To avoid misuse/mismanagement of angiography machines and consumables, angiography machines, wires and stents will be monitored at the level of the Ministry.

Jawaharlal Nehru Hospital

Following the decision to install the Japan-donated angiography machine at TFSMC, the old one at TFSMC was relocated to Jawaharlal Nehru Hospital (JNH) in July 2023. However, as of October 2024, the said machine has not been put into use, that is some 18 months after its transfer. There was no indication at the JNH as to when the equipment would be installed and become operational.

There was no defined policy with respect to the installation of angiography machine at different hospitals.

Ministry's Response

The existing angiography machine was commissioned in 2013 and generally the expected lifespan of an angiography machine may range between 12 to 15 years, which requires frequent maintenance. A new Angiography machine will be included in next FY budget proposal.

Dr AG Jeetoo Hospital

Dr AG Jeetoo Hospital (JH) has one Angiography machine costing some Rs 30.7 million and was commissioned in 2013. Works costing around Rs 3.4 million were carried out as from 2017 for the establishment of a Catheterisation (Cath) Lab where an angiography machine would be installed. As at December 2024, MoHW had not acquired any angiography machine which was considered as urgent as per MoHW Annual Requirement 2018-19.

The constructed Cath Lab, was being used as a store, and JH was running with only one Angiography machine.

More than Rs 10 million had already been spent on the maintenance and repair of the actual angiography machine since it was out of order as from May 2024 up to start of September 2024. The machine went out of order again on 5 November 2024. The supplier of the equipment reported that parts availability could not be guaranteed as End of Life of the equipment was in the year 2023.

As of mid-October 2024, 187 stents worth around Rs 1.1 million had expired due to the failure to establish a second Cath Lab and the breakdown of existing equipment. The stents could have been sent to other hospitals for use.

Ministry's Response

A CT angiography machine has been procured and installed at the National Cancer Centre.

Victoria Hospital

The waiting list increased from 24 patients in January 2024 to 426 in July 2024 after one of the hospital's two angiography equipment broke down due to the lack of a UPS equipment and repairs to water leakages in the Cath Lab.

The Ministry did not ensure urgent replacement of the UPS.

Ministry's Response

A UPS will be introduced.

Other observations

- As at 31 July 2024, 1,025 patients were waiting for an appointment for a stress test/cardiac echo for an average of 7 to 20 weeks and 1,293 patients were waiting for an angiography/angioplasty since August 2023.

- No Cath Lab has been provided in the New SAJ Hospital.

Ministry's Response

Only three centres are performing angiography and angioplasty, VH, JH and Cardiac Trust Fund. Ministry is planning to start angiography services at JNH and SAJ.

Root Causes

- There is no policy on the installation and use of angiography machines in different hospitals.

- There is no replacement policy for these critical equipment.

- There is no schedule of maintenance for the existing machines.

Recommendations

- The Ministry should devise a policy on the acquisition, maintenance and replacement of the angiography machines.

- A defined waiting timeframe should be devised to give appointments to the patients or an alternative mechanism be explored to clear the existing backlog of cases and reduce the timeframe for appointments.

19.5 Mauritius Health System Resilience to face a resurgence of infectious diseases

Background Information

Government Health Services Statistics showed that deaths due to infectious and parasitic diseases have continuously increased during the last 4 years from 1,298 in 2020 to 1,962 in 2023 as shown in Table 19-5.

Table 19-5 Deaths Due to Infectious Diseases

Year	Number of deaths
2020	1,298
2021	1,420
2022	1,683
2023	1,962

Source: Government Health Statistics

According to the National Health Accounts issued in 2020, Rs 2.01 billion was spent on infectious and parasite diseases for the year 2019. There were 20 deaths between 11 December 2023 to 28 August 2024 directly attributed to Dengue and Leptospirosis.

The above figures show that there has been a substantial increase of 51 per cent in the number of deaths due to infectious diseases. MoHW is responsible for preparing a plan to strengthen public health surveillance and response.

Findings

- ***Absence of a risk assessment of the health care system***

The MoHW did not carry out a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis of the different units under its purview for effective prevention, detection and response to all public outbreak.

A risk assessment was carried out at the point of entry (airport and seaport) between 30 July 2024 and 2 August 2024 by the World Health Organisation and International Civil Aviation Organisation in connection with the preparation of a National Health Emergency Response Operation Plan. However, as of November 2024, no report on the risk assessment exercise has yet been submitted.

A Public Health Emergency Operations Centre (PHEOC) has not yet been established despite that the Africa Centre for Disease Control Eastern Regional Collaborating Centre allocated a budget of up to US4 500,000 to each Member State for the establishment/ strengthening of PHEOC.

The clearance of the Prime Minister's Office was awaited since May 2024 for implementation of the National Action Plan for Health Security.

Ministry's Response

- The Ministry acknowledges the importance of a comprehensive risk assessment to strengthen preparedness, detection and response mechanisms. The Ministry has conducted the Strategic Toolkit for Assessing Risks (STAR) in 2022. Also, Mauritius conducted the State Party Annual Report (SPAR) effectively in 2022 and 2023 for monitoring and evaluating the country's capacity to detect, assess, report and respond to public health emergencies.

- As of now, the final draft of the Risk Assessment at the points of entry from the WHO is awaited.

- Cabinet has agreed to the operationalization of the PHEOC in 2024 and a steering committee has been set up to ensure the PHEOC is fully operational in 2025. In the meantime, interim measures are in place to manage health emergencies effectively.

- A reply from the PMO is still being awaited for implementation of the National Action Plan for Health Security and relevant clearances will be sought from the MOFED prior to seeking Cabinet's approval.

▪ ***Public Health Act 1925 outdated***

Infectious disease was regulated by the Public Health Act which was promulgated in 1925 and was not harmonised with the recent environmental laws, and international norms and legislations.

In January 2021, the WHO Regional Office offered the services of a consultant to review the Public Health Act. However, the Ministry did not avail itself of these services.

Ministry's Response

The WHO agreed to provide assistance and initiated procedures for the selection of a Consultant in 2023. A list of 39 candidates was submitted to this Ministry for screening and after scrutiny, a short list of 6 candidates was sent back to WHO. However, the recruitment of a Consultant was put on hold by WHO due to other priorities.

▪ ***Potential health hazards***

Following a Strategic Toolkit for Assessing Risks (STAR) workshop organised in the year 2023, 25 potential health emergencies and disasters (hazards) were identified for Mauritius. Twenty-two of the hazards were identified as moderate risk to very high risk. The likelihood, impact and vulnerabilities of most of the hazards were on the high side which required major attention.

A State Party Self-Assessment Annual Reporting Tool was carried out by MoHW in 2022 where 15 capacities consisting of 35 indicators were assessed. Eighteen indicators were assessed at Level One. The latter relates to absence of procedures, mechanism, guidelines, plans, quality standards to detect, assess, notify and respond to any public health event.

According to the Annual Report on Performance of the Ministry, there is a high risk of Mauritius to be invaded by the malaria vector Anopheles stephensis. A recommendation was made to strengthen vector surveillance and control at point of entry.

However, as of November 2024, there were 22 posts of Surveillance Officers vacant at the Ministry. Moreover, Vector Control Operations had to mobilise resources from the Food and Safety cadre to carry out its operations.

Ministry's Response

- The need for STAR was driven by Mauritius' vulnerability to infectious diseases outbreaks, compounded by climate change, urbanization and increasing international travel. The STAR assessment conducted in 2022 enabled to identify 25 potential hazards, ranging from moderate to very high risk, ensuring a targeted approach to health security and disaster management.

- The State Party Self-Assessment Annual Reporting Tool exercise was completed for the years 2023 and 2024 respectively. Gaps identified are, thereafter, addressed through an on-going process via the IHR Technical Working Group.

- The Ministry acknowledges that the recruitment of staff has been challenging. The matter will be pursued in future budget proposals.

▪ ***Non-compliance with Infection Prevention and Control measures in hospitals***

The setting up of a Hospital Hygiene and Infection Control Unit (HHICU) and regular monitoring and reporting of nosocomial functions were two strategic actions included in the Health Sector Strategic Plan 2020-2024.

As of November 2024, the HHICU had not been set up due to the non-creation of posts. The nosocomial surveillance functions at health centres were done through the Infection Prevention and Control Committee set up at the hospital level.

The Communicable Diseases Control Unit (CDCU) of the Ministry lacked the resources to effectively perform its role and responsibilities to contain diseases and overcome the threats to the health of the population and the economy.

Ministry's Response

- A proposal to set up an Infection Prevention and Control (IPC) Unit was made in 2022 for the unit to form part of a Center for Disease Control Infectious Diseases Department. However, the proposal was not retained and IPC committees have instead been set up in regional hospitals, along with a National IPC Committee to monitor and control infections.

- CDCU activities were previously limited to surveillance activities. Currently, owing to an increase of CDCU activities, including operationalization of PHEOC and IHR activities, a proposal will be developed to address resource gaps, including recruitment of additional staff, enhanced training programs and allocation of financial resources.

- ***Poor hygiene in hospitals***

During March and May 2024, the Squad Team and National Infection Prevention & Control (IPC) Focal Point of the Ministry observed various shortcomings in the 5 regional hospitals, as detailed below:

- There was an absence of terminal cleaning (thorough cleaning after use).
- The toilets were in poor state and there was inadequate provision of sanitizer.
- Ants, cockroaches, and other insects were found in wards.
- Patient tables were not clean, fungus was found growing on ceiling and poor management of wastes.
- Food was kept in dirty medication refrigerators.
- The bed linen was found filthy, stained, and murky. Bloodstained walls were seen at the casualty of Victoria Hospital (VH).
- At VH, it was observed that a patient infected with multi-drug resistant organism was not properly isolated which may result in outbreaks in wards and another dengue patient was not under bed net. The IPC team revealed that multi-drug patients were not always isolated.
- Unhygienic pricking of pints.

No corrective actions were seen to have been taken by the Ministry.

Five causes of outbreak of the High Priority Multi-Drug Resistant Organisms at VH were due to:

- Non-compliance with isolation/contact precautions;
- Dirty ICU/Wards;
- Poor hand hygiene;
- Antibiotic abuse; and
- Unhygienic preparation of medications.

No isolation facility has been constructed although funds of Rs 5.96 million have been earmarked for the setting up same by the end of December 2023 at VH.

Ministry's Response

- Shortage of staff to ensure timely cleaning of wards and toilets have proved to contribute to the prevailing situation.

- Newly procured equipment beds were easily damaged and there was a lack of isolation facilities due to space constraint.

- Antimicrobial stewardship teams were set up to curb antibiotic abuse

- Provision will be made in next year's budget for procurement of additional refrigerators.

- Regional Health Directors are being requested to report and ensure compliance to the proper preparation of medication with regard to pricking of pints.

▪ ***Site visits carried out by National Audit Office***

Several non-compliance issues with Infection Prevention and Control measures were noted following site visits carried out by the NAO officers at three institutions, namely Sir Seewoosagur Ramgoolam National Hospital (SSRNH), Brown Sequard Hospital (BSH) and VH in August 2024 such as:

➢ Rats and pigeons were seen in the wards, kitchens and corridors.

➢ A big manhole was observed in the kitchen of BSH which may lead to easy infiltration of rats.

➢ Pigeons were seen in the unit at VH.

➢ Many stray dogs were seen in the yard of BSH. These are vectors for infectious diseases.

➢ The catering unit at the three hospitals was very slippery as there was water everywhere.

➢ The washing area of the Linen Unit at the SSRNH was in a deplorable state.

➢ At BSH, the beds in most wards were very close together, that is, were less than one metre apart, contrary to the IPC checklist.

➢ At BSH, in Ward 22 (17 patients) and Ward 23 (21 patients), only two toothbrushes were seen in the box in each room and were not labelled. In other wards, several brushes were kept in one box but were not labelled.

➢ At BSH, the clothes were left drying on the ground in the yard. In July 2024, the Hospital Administrator reported the presence of bed bugs in several wards.

Ministry's Response

- Rodent control remains challenging at Victoria Hospital due to the old infrastructure, open areas and the numerous food outlets surrounding the hospital.

- Despite repeated requests to MSAW for the control of stray animals on the premises of hospitals, actions have been unfruitful.

- Spikes were installed at BSH to control influx of pigeons in the ward.
- Training to Cooks and Officers of the Catering Unit have been provided to ensure proper hygiene in the kitchen.
- The washing area at SSRN is being upgraded and additional wash basin are being provided.

Root Causes

- Amendment to the Public Health Act not done by the Ministry.
- Human resource management issues at the Communicable Diseases Control Unit.
- Non-setting up of the Hospital Hygiene and Infection Control Unit.
- Absence of a National Infectious Disease Prevention Plan.

Recommendations

The Ministry should:

- Make necessary amendments to the Public Health Act.
- Address human resource management issues at the Communicable Diseases Control Unit.
- Set up the Hospital Hygiene and Infection Control Unit.
- Prepare the National Infectious Disease Prevention Plan.

19.6 Medical Hub at Côte D'Or

Background Information

Following a request made by MoHW to the Ministry of Finance and Economic Planning and Development in April 2017, a company in June 2018 agreed to earmark 50 arpents of land within Zone 3 of the Côte D'Or City for the following projects:

- Eye Hospital
- Ayush Hospital
- National Health Laboratory Services Centre
- Drug Warehouse

In April 2022, MoHW proposed to take another 10 acres of land to implement a state-of-the-art Cardiac Centre.

MoHW and the company signed two lease agreements for 40 acres of land in August 2024:

- Lease agreement for period July 2021-June 2051 related to construction of a Medical Laboratory, Medical Warehouse and Cardiac Centre; and

- Lease agreement for period March 2023 to February 2053 related to construction of an Ayush Hospital.

Both lease agreements are renewable for two consecutive periods of 30 years. Lease payments for the last three financial years 2021-22 to 2023-24, totalled Rs 18.7 million.

Findings

- ***Projects not yet materialised***

The three projects under the first lease agreement were to be implemented on a Design, Finance, Build, Operate and Maintain model in a joint venture arrangement with private investors, as decided by the Government in year 2021.

It was only in September 2022 that a Transaction Advisor was appointed. However, following winding up, the Transaction Advisor sent a notice of termination of contract in May 2023. Payment of Rs 8.5 million was made to the Transaction Advisor in financial year 2022-23. In June 2024, a new Transaction Advisor was appointed.

The projects had not yet materialised despite the Ministry has already incurred a total cost of Rs 27.2 million in relation to lease payments and fees to the previous Transaction Advisor.

Ministry's Response

- The lease of land at Cote D'Or is being terminated for a location which is more accessible to the public for each of the projects.

- The implementation of the 3 projects under the Build Operate Transfer Projects Act entailed appointment of a transaction advisor which would in turn appoint a promotor. The latter would need to secure the investment, partners and design and build the facility, and thereafter operate/maintain/transfer the facilities.

- This Ministry had no control over the winding up of the previous transaction advisor.

- The payment of fees was made in line with deliverables submitted by the Transaction Advisor and the different Lease Agreements.

- The timelines set by the BOT Projects Unit were unrealistic as the Project Team was multi-stakeholder whereby, the views of each stakeholder were required prior to approving deliverables. The BOT Projects Unit should have proposed more realistic timelines for implementation of the projects.

Current services of the Ministry adversely affected

The current services provided by MoHW were being adversely impacted by the delayed implementation of the health projects for which land has been leased, as explained below.

Medical Warehouse

Delay in the construction of a Medical Warehouse compelled the Ministry to rent new warehouses which were scattered throughout the island leading to unnecessary costs, such as running costs, rental of warehouses and storage and demurrage fees which amounted to some Rs 41 million for financial year 2023-24.

Moreover, the existing warehouses, whether government-owned or rented, were not appropriate for the storage of pharmaceuticals and other products for the whole island.

Ministry's Response

The Central Medical Procurement Authority (CMPA) Act 2023 makes provision for the setting up of the Central Procurement Authority to cost effectively manage the overall procurement, warehousing, supply and distribution of medical supplies.

The newly set up CMPA will look into the warehousing and storage conditions of pharmaceutical products as one of its priorities.

Meanwhile, Ministry is also exploring the possibility of renting other appropriate warehouses.

Medical Laboratory

In July 2021, the Government agreed to the construction of a National Health Laboratory Services Centre at Côte D'Or.

Meanwhile, space problems were jeopardising the Central Health Laboratory's (CHL) day-to-day operations as follows:

- Services such as leukaemias, lupus testing, and coagulation tests were not being provided in a structured manner.
- The risk of a biosafety/biosecurity threat existed.
- The Ministry had resorted to six 40-feet containers to store laboratory items.

Inconveniences were also caused to patients. Those coming for fine needle aspiration cytology and bone marrow procedures have to make their way for the Cytology Department by walking outside the CHL.

Ministry's Response

- The lack of space is preventing the Government Analyst Division to offer further services such as being a centre for capacity building for Mauritius and the Region.

- Not all tests for diagnosis of Von Willebrand disease are being provided at present due to lack of equipment and adequate space.

- Arrangements have been made for provision of 6 containers to cater for storage of laboratory items.

Cardiac Centre

According to records of the Cardiac Centre, an increase was noted in the number of attendances of outpatients, angiography cases and cardiac surgeries, as detailed in Table 19-6.

Table 19-6 Increase in cases at OPD, Angiography and Surgeries at Cardiac Centre

Details	Year 2019/20	Year 2023/24	% Increase
Attendance OPD	13,668	22,574	65
Cardiac Surgeries	869	1,036	19
Angiography/ Angioplasty	2,338	3,147	35

Source: Data from Cardiac Centre

The number of outpatients, cardiac surgeries and angiography cases increased by 65 per cent compared to the year 2019-20. The existing Cardiac Centre was limited in terms of bed capacity of 63 as compared to the 225 beds and six main operation theatres proposed at the new Cardiac Centre.

Timely angiography is imperative to prevent any fatality as late treatment may result in more complex cases where surgery may need to be done. The waiting time for an angiography was 10 weeks. However, several patients who were on waiting time for more than a year at the Cardiac Centre to avail an angiography had to undergo cardiac surgery.

Ministry's Response

A new Cardiac Centre is demanded as the Centre has limited bed capacity and also no space to accommodate staff for its operations. The proposed new Cardiac Centre will be at central point to ease the accessibility of the patients over Mauritius.

19.7 Purchase of Drugs - Rs 1.4 billion

Background Information

Expenditure on procurement of medicines, drugs and vaccines totalled some Rs 1.4 billion during the financial year 2023-24.

Findings

- ***Expired Pharmaceutical Items***

During the financial year 2023-24, 157 pharmaceutical items totalling Rs 31.2 million had expired at the Central Supplies Division (CSD) and the 4 Regional Hospitals. Information regarding expired items at the Sir Anerood Jugnauth Hospital, community health centres and area health centres were not available.

Expired items arose as there were significant differences between annual requirements and actual usage at the regional hospitals levels. According to a sample of 6 items examined.

Ministry's Response

The Pharmacists in charge of hospitals do calculate an average monthly consumption of each drug based on data available at respective hospitals. However, these figures are worked out again by a Committee of Needs together with Consultants of each speciality and final figures are generated for the annual requirement and submitted to the Principal Pharmacist of CSD.

- ***Local Purchases due to out-of-stock at Central Supplies Division***

The Ministry had recourse to local purchases totalling Rs 13,243,571 during the financial year 2023-24 for the purchase of listed drugs which were out-of-stock at the CSD.

Significant variations were noted in the prices paid by the hospitals in a short lapse of time. For example, for Rituximab 100 mg Injection, prices varied in the range Rs 1,625 to Rs 4,499. For Noradrenaline 2mg/ml*4ml IV Injection, prices varied in the range Rs 63 to Rs 195.

The prices paid by the hospitals were significantly higher, that is, two to four times more than the average price as per the Electronic Inventory Management System (EIMS). For example, for Noradrenaline 2mg/ml*4ml IV Injection and Atorvastatin 20mg tab (scored), the prices paid were four times the average price as per the EIMS.

Ministry's Response

Local purchase at hospital level is carried out by pharmacist posted in hospitals following approval by Director Pharmaceutical Service. With measures applied to reduce the amount of procurement at hospital level, there has been a significant decline in the number of local purchases of drugs at hospital level, which amounted to Rs 56.1 million for the financial year 2022-23.

- **Electronic Inventory Management System not optimally used**

Optimum use of EIMS was not being made. Information such as maximum/minimum stock and reorder levels were still not fed into the system to improve stock management. This resulted in procurements being made when stocks were already depleted. For example, for Spiramycin 1.5 mu tab, Chloroxylenol Cream 0.3% (Box of 500 gm) and Metoprolol 5mg/5ml IV injection, no stock was available at the CSD for more than 14 months before replenishment of stock.

Ministry's Response

At the CSD, the maximum/minimum stock and re-order levels have already been implemented for Section A and Dangerous Drugs Section. The under-staffing problem at CSD is still prevailing and the recruitment of APSOs by the Director Procurement and Supply is being awaited to address the acute shortage of staff. Instructions had been given to all Pharmacists to optimize the use of EIMS and insert maximum/minimum stock and re-order levels in order to have a better stock monitoring.

- ***Delays in lead time***

According to Directive No.13 issued by the Procurement Policy Office in May 2013, the lead time is defined as the interval in calendar days between the preparation of the bidding documents and the issue of the award of the contract. The lead time for procurement through OAB for major contracts for pharmaceuticals was 110 days. MoHW did not comply with Directive No.13 issued by the Procurement Policy Office in May 2013 in two cases, that is DO 33/2023-24 and DO 86/2023-24, where the lead time was 234 and 263 days respectively.

Ministry's Response

The Procurement Lead Time has been exceeded by 61 and 26 days respectively as the selected supplier informed that it would not be able to supply the item. The next best supplier was then selected for award.

Procurement Pharmacy Section has to launch bids for the Annual Requirements, bridging exercises and to relaunch due to non-responsive bid in previous tenders and issue Letter of Award concurrently.

- ***Procurement of cough preparation syrup-mixture expectorant adult 100ml***

The contract was awarded on 2 August 2023 for the supply of 350,000 flasks for an agreed amount of Rs 4,287,500.

Delivery of the 350,000 flasks was scheduled to be made by 31 October 2023. However, actual delivery was completed by the supplier in April 2024. Meanwhile, regional hospitals had recourse to local purchases totalling some Rs 1.5 million to meet patients' demand. Unit prices paid by hospitals ranged from Rs 90 to Rs 160, that is, significantly higher than the agreed price of Rs 12.25 with the supplier.

The same contractor was awarded a second contract in January 2024 for delivery of 500,000 units for Rs 5,510,000 with delivery to be completed by August 2024. However, as of September 2024, delivery was not yet effected by the supplier.

Ministry's Response

The long unexpected delay in the supply of cough preparation resulted mainly because of an extra level of control imposed by the Regulatory Authority of India. This new control required considerable time prior to release.

As per condition of contract, the excess expenses will be claimed from the supplier for any procurement effected from the local market by the user departments.

Root Causes

- The annual requirements of drugs were not properly prepared by the Regional Hospitals and the Committee of Needs has not properly examined the annual requirements.
- The Pharmacy Unit of the Ministry did not set stock control levels for inclusion in EIMS for effective stock management at both CSD and Hospital levels.

Recommendations

- The Pharmacy Unit of MoHW should work out the Stock Control Levels and feed them into the EIMS to avoid stock-out issues.
- Actual usage should be taken into consideration by health institutions when compiling figures of Annual Requirements to minimise the risk of expired items.
- Proper oversight should be done by the Ministry to avoid stock-out.
- MoHW may consider seeking technical assistance in putting in place a more robust annual procurement planning system.
- To consider the setting up of a Hospital Management Committee at Regional Hospital level.

19.8 Excessive Overtime

Background Information

Over the last 4 years, MoHW spent some Rs 2.6 billion on overtime for a budgeted provision of some Rs 577 million.

Findings

- ***Overtime payments in excess of salary by more than 100 per cent***

Some 39 grades benefitted from overtime during the financial year 2023-24. Overtime paid to 5 grades accounted for 70 per cent of total overtime disbursed as per the Table 19-7.

Table 19-7 Overtime Payments

Grade	Amount Spent (Rs)
MHO/SMHOs	194,071,472
Attendants	92,394,514
Senior Attendants	62,865,125
Health Records staff	49,265,964
Ward Assistants	37,937,166
Total	**436,534,241**

Source: MoHW's Finance Section Workings

Out of 50 cases of overtime payment for the above 5 grades, 20 cases were noted where overtime exceeded the monthly salary by more than 100 per cent and in 2 cases by more than 200 per cent.

In respect of the grade of Ward Assistants, 131 were posted at the Brown Sequard Hospital (BSH), for which an amount of Rs 37.9 million was paid as overtime.

Ministry's Response

Various reasons for overtime include shortage of staff, non-filling of vacancies and unavoidable overtime due to public health concerns.

MHO/SMHOs have to perform overtime as they have to work 160 hours per month and are, as per the current roster system, putting 182 hours.

Payments of overtime are also due to the fact that AHCs and Mediclinics are operating up to 22.00 hrs and also on Sundays.

Every year, requests for additional staff are made to the Ministry of Public Service and Administrative Reforms in the context of the Budget Proposals. However, the proposals of this Ministry were not fully entertained. Also, many posts which were previously funded, have not been funded in the Budget.

Officers working continuously for more than five days

Arrangement for overtime was not in line with the requirements prescribed under the Workers' Rights Act (July 2024) and Pay Research Bureau (2021) as follows:

- Section 23(2)(b) of the Workers' Right Act requires that *an employer shall not, without a worker's consent, require the worker to work on shift work at night on more than five consecutive nights, except in such sector or industry as may be prescribed*.

- Paragraph 16.5.52 I, of the Pay Research Bureau (Volume 1) issued in 2021 regarding shifts involving night work:

  -two consecutive full-time shifts should not be performed by the same shift workers, except in unavoidable circumstances; and

  -as far as possible, a rest period of at least 11 hours between two shifts should be guaranteed, except for disciplined forces.

At BSH, NAO observed that most of the Nursing Officers and Charge Nurses worked day and night for a period of at least five to 12 days at a stretch. Another case was noted whereby an attendant worked both day and night shifts for up to 12 days in a row from March to April 2024.

Ministry's Response

Overtime may be reduced with the implementation of a proper shift system. However, in view of shortage of staff in various cadres where the system has been recommended, the shift system cannot be implemented resulting in excessive payment of overtime.

Absence of monitoring by MoHW resulted in Overtime payments above Estimates

Since 2020-21, actual overtime paid by MoHW exceeded the voted provisions by more than 4 times.

The Ministry of Finance, Economic Planning and Development regularly drew the Ministry's attention to closely monitor overtime. The MoHW did not develop an effective oversight mechanism.

Ministry's Response

Every year, the Accounting Officer issued a Circular to all Heads of Sections to draw their attention on the need to monitor overtime.

As regards human resource audit, a request was made to the Ministry of Public Service and Administrative Reforms to perform a manpower assessment at this Ministry.

- ***Discrepancy between figures at the Finance Section of MoHW and Treasury Abstract***

The Treasury Abstract for Financial year 2023-24 showed that overtime payments for the five regional hospitals amounted to Rs 366,004,538 whereas workings from Finance section of MoHW reported a figure of Rs 617,221,121 for overtime disbursements, that is, a discrepancy of Rs 251,216,583.

According to the Ministry, payments of overtime were charged under Basic Salary as funds for Overtime were exhausted since October 2023, that is in non-compliance with Financial Regulations.

Ministry's Response

Under subhead 180102-Hospital and Specialised Services item 21111100 Overtime, an amount of Rs 150 million was allocated in budget 2023-24. However, funds were exhausted since October 2023 and item basic salary was charged. An application for funds from Contingencies and Reserves amounting to Rs 1.99 billion, out of which Rs 621 million for overtime was sent to the Ministry of Finance, Economic Planning and Development in March 2024. However, the request had not been entertained.

Since funds were exhausted under item Overtime, instructions were given to charge Payment of Overtime under item Basic Salary for processing of payroll successfully. Adjustment was made upon approval of virement by Ministry of Finance, Economic Planning and Development.

Root Cause

No comprehensive human resource planning carried out by the Ministry.

Recommendations

- The Ministry should carry out a comprehensive human resource audit to identify the reasons for persistent increases in yearly overtime payments.

- A Human Resource Plan should be prepared based on the long-term needs of the Ministry.

NAO's Comment

- Excessive overtime done by staff may negatively affect the quality of service delivered.

19.9 Governance Issues

19.9.1 Risk Management Framework

Background Information

In December 2021, the Ministry of Finance, Economic Planning and Development (MoFEPD) issued a circular for the establishment a Risk Management Framework (RMF) within each Ministry. To support this initiative, MoFEPD developed guidelines and established a dedicated team within the Internal Control Cadre to assist Ministries/ Departments in the development and implementation of the RMF.

Findings

- Two RMF meetings and 5 brainstorming sessions were conducted during financial year 2023-24. However, as of November 2024, the RMF for MoHW was not prepared.

- In view of the scope of works of MoHW and the complexities of the different activities and tasks, the Ministry, at its second RMF meeting on 29 May 2024, agreed to have an external consultant to assist in the preparation of the RMF. It was only on 5 November 2024, that is 6 months after, that a request was made to MoFEPD to delegate an external consultant.

- As of November 2024, a signed Risk Management Policy approved by the Accounting Officer and a Risk Management Register as per the guideline were still outstanding.

Ministry's Response

- A letter was sent to the Accountant General on 26 November 2024 for which a reply is still awaited.

- Risk Management Policy will be approved once the Risk Management Framework is prepared. The Ministry has initiated to outsource a Consultant to assist the Risk owners in the identification of Risks, categorize the Risks, measure the impact of the Risks on the Department/Section as well as on the Service Delivery to the patients only.

- After identification and categorisation of Risks and measurement of the impact of Risks on the Department/Section, this will be recorded in the Risk Registers for each Department/Section and then consolidated in the Risk Management Framework.

Root Cause

The Accounting Officer did not initiate timely action for the implementation of the RMF.

Recommendation

The Accounting Officer should expedite the process for the preparation of the RMF.

19.9.2 Internal Audit Plan

Background Information

The Internal Audit Plan for the financial year 2023-24 included 22 areas for audit. As of 30 June 2024, 17 areas had been completed, 2 areas were still in progress while 3 have been rolled over to 2024-25.

Findings

- Acquisition of non-financial assets amounting to Rs 2.39 billion, as outlined in the Estimates, was not included in the Internal Audit plan.
- The Ministry has not yet prepared a Risk Profile as at November 2024. In the absence of a Risk Profile, it could not be ascertained whether the Audit Committee has reviewed the Audit Plan.

Ministry's Response

- The Audit Committee has drawn the attention of the Internal Control to do a follow-up audit on several reports issued by the NAO on Capital Projects as well as on the Maintenance works, and this is actually being done by the Internal Control team.
- A letter was sent to the Accountant General on 26 November 2024 for which a reply is still awaited.

Root Cause

Absence of RMF at MoHW.

Recommendation

The Accounting Officer should expedite the process for the preparation of the RMF.

19.9.3 Government Assets Register

Background Information

A Government Asset Register (GAR) was introduced in July 2017 following the issue of a Treasury Circular by the Accountant General. The purpose of the GAR is to create a central database of assets owned by the Government.

Findings

- The Ministry did not comprehensively fill the GAR.
- As per the Treasury Circular, Supervising Officers were requested to draw up a proper plan for the recording of assets in GAR. Although previously reported in

paragraph 20.14 of the Audit Report for financial year 2022-23, no such plan for the recording of assets was seen at MoHW as November 2024.

- The GAR Detail Asset Register Report and a list of all assets purchased in the financial year 2023-24 were not provided for audit purpose.

  Despite a training held on 10 July 2024 for GAR Users on how to process the Non-Financial Assets transactions and a reminder sent on 11 July 2024 by the Treasury. The Ministry did not process the 30 Non-Financial Asset transactions (NFAs) and 26 partly processed NFAs as from July 2022 in GAR.

- Signed GAR Asset book reconciliation form was not sent to the Treasury, resulting in all assets purchased for financial year 2023-24 not being posted in the GAR.

- As per the mail dated 29 November 2024, The Treasury informed the National Audit Office that MoHW had 1,289 unprocessed NFAs and 1,039 partly processed NFAs in the GAR as of 30 June 2024, for Rs 3.05 billion and Rs 37.18 million, respectively.

Ministry's Response

At the last Audit Committee Meeting for the FY 2024-25 held on 12 December 2024, it was decided that a dedicated meeting on the GAR system, chaired by the PS, will be held at Head Office, with all the users in the different Regional Hospitals including HQ.

Root Cause

The roles and responsibilities of officers of the Finance Section and Office Management Executives regarding the recording of assets in the GAR were not clearly defined.

19.9.4 *Key Performance Indicators and Outcome Indicators not achieved*

Findings

- *Mortality Rate due to Non-Communicable Diseases*

In the last 2 financial years, the Ministry has failed to meet its target of reducing Non-Communicable Diseases (NCD) the "mortality rate due to NCDs per 100,000" to be below 600 for the financial year ended 30 June 2024. For the financial year 2023-24, the actual mortality rate was 630 which exceeded the target, that is, an increase compared to the mortality rate of 620 in financial year 2022-23.

Ministry's Response

In 2021 and 2022, increases in mortality were registered mostly among people with comorbidities. This phenomenon is mostly associated with an ageing population coupled with high prevalence of NCDs and their risk factors.

- *Reduce Prevalence of Non-Communicable Diseases*

The MoHW targeted to implement 45 per cent of the National NCD Plan 2023-2028 in financial year 2023-24. The National Integrated NCD Action Plan and the National Service Framework for NCDs 2023-2028 were launched on 5th September 2023.

The Multi-Sectoral Committee was set up to ensure proper coordination, monitoring and implementation of the National NCD Plan. For financial year 2023-24, MoHW achieved only 20 per cent of the NCD Plan.

Ministry's Response

The activities to reduce the prevalence of NCDs are ongoing.

- *Improve Neonatal Services*

At the end of the financial year 2022-23, 45 neonatal ICU ventilators were available and the Ministry targeted to increase it to 50 in financial year 2023-24. However, the procurement exercise to acquire additional neonatal ventilators was not yet done.

Ministry's Response

The target of 50 neonatal ICU ventilator, in 2023-24, could not be reached. Same has been carried forward in this financial year and is currently under process.

- *Digitalise health services through an effective e-Health system*

Although the percentage of public health facilities covered with e-Health was targeted at 30 per cent, the Ministry achieved only 5 per cent. The e-Health system was planned to go live on 30 November 2024. However, the project was still at the Software Requirement Specifications for different modules at time of audit.

Ministry's Response

A steering committee has now been set up to closely monitor the implementation of the project and it is expected that the different models will be implemented in a more timely manner.

Root Cause

Poor monitoring of KPI and outcome indicators at the level of the Ministry.

Recommendation

Set up a Monitoring Committee at the level of the Ministry to ensure that KPI and outcome indicators are achieved.

19.10 Follow-up of Recommendations raised in the Audit Report 2022-23

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarised below. Out of 35 recommendations, 25 (71 per cent) have been implemented, 7(20 per cent) have been partly implemented and 3 (9 per cent) have not been implemented.

SN	Findings	Recommendations	Ministry's Response-Status as of January 2025	NAO's Comments
	ENT Health Care Service Delivery affected with the Relocation of Services (Page 371)			
1	Poor control over existing assets and assets newly acquired. *(Pg 372, Para 20.2.2)*	A survey of existing equipment should be carried out at the hospital and a master list be kept both at the hospital and MoHW. *(Pg 374, Para 20.2.2)*	Survey carried out by RHSA of each Regional Hospital. Inventory updated in collaboration with Biomedical Engineering team.	**Implemented**
		The Ministry should compile a list of equipment acquired and received as donation according to its records and carry out a survey to ascertain their existence and location. *(Pg 374, Para 20.2.2)*	Inventory of all medical equipment acquired and received as donation kept by Biomedical Engineering team posted at each Regional Hospital.	**Implemented**
		The Accounting Officer should assign responsibility for the management of equipment to a Bio-Medical engineer. *(Pg 374, Para 20.2.2)*	Responsibility for management of medical equipment assigned to Biomedical Engineering team and Surgical Technology Unit of each Regional Hospital	**Implemented**
2	Medical Equipment not efficiently used. *(Pg 373, Para 20.2.3)*	The Ministry should make optimum use of equipment available so that service delivery to patients is not affected. *(Pg 374, Para 20.2.3)*	Normally, equipment is procured following a need assessment.	**Implemented**
3	Unsatisfactory Operations and Maintenance Services for New ENT Hospital. *(Pg 374, Para 20.2.4)*	The Medical Superintendent should ensure that the Contractor complies with the conditions of the Operations and Maintenance agreement. *(Pg 375, Para 20.2.4)*	Maintenance carried out at hospital level as and when required.	**Partly Implemented**
4	Poor Management of Information Technology Considerations. *(Pg 375, Para 20.2.5)*	IT and Control System installations should be included in the new Operations and Maintenance agreement. *(Pg 376, Para 20.2.5)*	The system has not been deployed for use by this Ministry.	**Not Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
	Infrastructure Development for Regional Hospitals: Absence of Planning and Delays in Completion of New Flacq Teaching Hospital (Page 376)			
5	Inadequate Planning for Infrastructure Development of Regional Hospitals. *(Pg 377, Para 20.3.1)*	The Accounting Officer should set up a Steering Committee to plan, monitor and oversee strategic matters such as the regional hospital infrastructure development, the outcome of the BCH and the optimisation of functional assets thereat. *(Pg 381, Para 20.3.1)*	A Steering Committee has been set up to monitor the operationalisation of Services as well as infrastructural development of the new hospital.	**Implemented**
6	Absence of Planning for Transfer of Services to the New FTH. *(Pg 377, Para 20.3.2)*	The Accounting Officer should formulate a plan to transfer comprehensively all health services to the new FTH including a manpower plan to operate at its optimal capacity. *(Pg 381, Para 20.3.2)*	A total ''one go'' strategy is not feasible due to delays in delivery or completion of all infrastructural/process implementation.	**Partly Implemented**
7	Non-compliance with Conditions of Loan Agreements. *(Pg 378, Para 20.3.3)*	The Accounting Officer should ensure compliance with conditions of loan agreements of donor agencies. *(Pg 381, Para 20.3.3)*	Due to non-availability of an adequate internal team of professionals, this Ministry had limitations to manage loan agreements and the project implementation.	**Partly Implemented**
8	Contract Management/Project Implementation Problems- Inadequate Technical Expertise at MoHW. *(Pg 379, Para 20.3.4)*	The Accounting Officer should strengthen the pool of technical staff of the PIU to support MOHW in taking informed decisions. *(Pg 381, Para 20.3.4)*	As at date, only two Engineers/Senior Engineers (Civil) and three Technical Officers are posted at the Project Implementation Unit.	**Partly Implemented**
	Construction of Stanley Mediclinic (Page 382)			
9	Poor Planning at Initial Stage of Project *(Pg 382, Para 20.4.1)*	The Accounting Officer should ensure that, henceforth, the Ministry complies with all legal provisions governing healthcare infrastructure project. *(Pg 384, Para 20.4.1)*	For all new projects, this Ministry is complying to the CPPM, the FM Kit and Financial Instructions.	**Implemented**

SN	Findings	Recommendations	Ministry's Response-Status as of January 2025	NAO's Comments
10	Delay in Extension of Time and Liquidated Damages not applied. *(Pg 383, Para 20.4.2)*	The responsible officer of the PIU must ensure that the Consultant complies with its terms of reference. *(Pg 384, Para 20.4.2)*	In the Bill No.22 of 22 November 2023, the Consultant has applied 30 days of liquidated damages amounting to Rs 750,000.	**Implemented**
11	Lease agreement signed before Advice of Solicitor General. *(Pg 384, Para 20.4.3)*	The Accounting Officer should ensure that the lease agreement with SILWF includes the recommendations made by AGO. *(Pg 384, Para 20.4.3)*	On 13 May 2024, this Ministry prepared an addendum to the lease agreement incorporating the recommendations made by the AGO.	**Partly Implemented**
12	Poor Planning at Initial Stage of Project. *(Pg 385, Para 20.5.1)*	The Accounting Officer should ensure that, henceforth, the Ministry complies with all legal provisions governing healthcare infrastructure project. *(Pg 387, Para 20.5.1)*	For all new projects, this Ministry is complying to the CPPM, the FM Kit and Financial Instructions.	**Implemented**
13	Approved Cost of Additional Works. *(Pg 386, Para 20.5.2)*	The responsible officer of the PIU must ensure that the Consultant complies with its terms of reference. *(Pg 387, Para 20.5.2)*	For new projects, to minimize risks associated with additional works, this Ministry is having broad consultations with all stakeholders prior to approving of the scope of works, designs and tender documents.	**Implemented**
	Warehousing of Pharmaceutical and Medical Disposables-Lapses in Stores Management (Page 387)			
14	Undue delay in realisation of warehouse project. *(Pg 388, Para 20.6.1)*	The Ministry should set up a Steering Committee to fast-track the project for the construction of a warehouse. *(Pg 392, Para 20.6.1)*	The project for the construction of a warehouse is under the Build Operate Transfer Projects Act.	**Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
15	Storage space occupied by expired items- Expired drugs kept in two containers. *(Pg 391, Para 20.6.5)*	Urgent action must be taken to discard the expired items stored in the containers. *(Pg 392, Para 20.6.5)*	Expired items have been transferred to Guibies warehouse. Authority for write-off from Accounting Officer is under process at CSD.	**Partly Implemented**
		Board of survey should meet on a quarterly basis instead of annually for pharmaceutical items and medical disposables. *(Pg 392, Para 20.6.5)*	As per FMM, Board of Survey is appointed in case of Major Goods, the original cost of which exceeds Rs 25,000 per item, as and when required.	**Implemented**
		The Ministry should devise a policy for the disposal of drugs. *(Pg 392, Para 20.6.5)*	Disposal of drugs is effected as prescribed by the Solid Waste Management Division. The Ministry stands guided by the provisions in the FMM and procedures set out in the Environment Protection (Standards for Hazardous Wastes) Regulations 2001.	**Implemented**
	Poor Stock Management of Pharmaceutical Products (Page 392)			
16	Stock levels not properly managed. *(Pg 394, Para 20.7.1)*	The Pharmacy Unit of the Ministry should work out the Stock Control Levels for the high-usage items and have them recorded in the EIMS. *(Pg 396, Para 20.7.1)*	The inventory management of medication at CSD has been reviewed to ensure the determination of the minimum stock level, reorder level, safety stock level and maximum stock level.	**Implemented**

SN	Findings	Recommendations	Ministry's Response-Status as of January 2025	NAO's Comments
17	Non-Compliance with PPO Directive-Lead Time. *(Pg 394, Para 20.7.1)*	MoHW should devise an appropriate timeline for the preparation of annual requirements where a timeframe for each stage in the procurement process should be agreed to ensure efficiency. *(Pg 396, Para 20.7.1)*	Request to launch tender following approval by the Accounting Officer is submitted to tendering unit in a systematic manner as per a procurement plan. Despite all our effort to streamline the procurement process we are often faced with unanticipated issues leading to non-compliance to PPO Directive on Lead Time in some projects.	**Implemented**
18	Expired Items. *(Pg 394, Para 20.7.1)*	Actual usage, amongst others, should be taken as an important factor by health institutions when compiling figures of Annual Requirements to minimise risk of expired items. *(Pg 396, Para 20.7.1)*	Figures submitted by hospitals are again worked out in respective Committee of Needs with all stakeholders again before finalising the amount to be procured.	**Implemented**
19	Inaccurate stock balances on the EIMS. *(Pg 395, Para 20.7.1)*	Issues of drugs should be promptly posted in the EIMS. *(Pg 396, Para 20.7.1)*	Receipts of items are promptly posted in EIMS. However, due to the significant number of Health Institutions and the limited number of staff, posting of drugs issued takes a longer time.	**Implemented**
	Upgrading of Health Infrastructures-Leakages (Page 396)			
20	Incomplete project database. *(Pg 396, Para 20.8.1)*	The PIU should maintain a central database of requests for upgrading works and monthly reports be submitted to the Accounting Officer. *(Pg 396, Para 20.8.1)*	For financial year 2024-25, a list of requests for upgrading works has been compiled.	**Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
21	Leakage issues at Health Institutions. (*Pg 397, Para 20.8.2*)	The Regional Health Services Administrator must ensure that all upgrading works are properly supervised. (*Pg 398, Para 20.8.2*)	A circular letter emanated from the office of the SCE, MOHW was addressed to all RHDs on 19 Sep 2023 to ensure compliance with all recommendations made by Audit.	**Implemented**
	MRI Examinations -Service Delivery affected by Unavailability/Breakdown of Equipment and Non-Delivery of Consumables (Page 398)			
22	Unavailability/Breakdown of MRI Equipment at Victoria Hospital, Jeetoo Hospital and Sir Seewoosagur Ramgoolam National Hospital. *(Pg 399, Para 20.9.1)*	The Ministry should work out a plan for the replacement of critical equipment to avoid diagnostic delays and inconvenience to patients. *(Page 401, Para 20.9.1)* Given that there are only 3 MRI equipment in the island for the whole population, their timely replacement is of utmost importance to avoid lengthy waiting time and inconvenience to patients. *(Pg 401, Para 20.9.1)*	A replacement policy has been worked out by the DHS (Procurement of Medical Equipment) and circulated to the Biomedical Engineering Unit and Surgical Technology Department of each regional hospital.	**Implemented** **Implemented**
23	Non-Delivery of Consumables. *(Pg 401, Para 20.9.2)*	The Secretary, Tendering Unit should update its list of suppliers regarding procurement of contrast media. *(Pg 402, Para 20.9.2)*	The STU keeps a database of all registered suppliers which is updated on a regular basis.	**Implemented**
24	Absence of Control over Administration of Contrast Media on Patients *(Pg 402, Para 20.9.3)*	Procurement of consumables should be properly planned so as not to hamper service delivery at the hospital level. *(Pg 402, Para 20.9.3)*	An average monthly consumption is calculated by the User department. Figures are generated for the annual requirement and submitted to the Stock Control Unit.	**Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
		Issues of contrast media should be properly recorded at the hospital level to ensure proper monitoring over usage. *(Pg 402, Para 20.9.3)*	For recording of the vials used in the department, the number of vials issued daily to the units concerned are recorded on a daily requisition book. The number of vials issued over the week is indented in the "Weekly Issues Book". Additionally, the number of vials issued weekly are recorded in the Store Ledger.	**Implemented**
25	Risk Management Framework Implementation. *(Pg 405, Para 20.11)*	The Accounting Officer should seek the assistance of the Director, Internal Control for the setting up of RM Framework. *(Pg 405, Para 20.11)*	A Risk Management Committee was set up in July 2023.	**Not Implemented**
	Governance Issues (Page 405)			
26	Audit Committee (AC)- not operating according to the AC Charter. (*Pg 405, Para 20.12*)	The Accounting Officer should ensure that the AC operates effectively as it provides an independent source of assurance and advice to those responsible for governance on key aspects of MoHW operations. (*Pg 406, Para 20.12*)	The Monitoring Committee noted that several improvements have been brought to the mode of operation of the Audit Committee for the financial year 2022-23. The Audit Charter was circulated to all members.	**Implemented**
27	Internal Control- no risk profile worked out by MoHW. (*Pg 406, Para 20.13*)	The Accounting Officer should set up a Risk Management Framework. (*Pg 407, Para 20.13*)	The Risk Management Committee is working on the setting up of the Risk Management Framework.	**Not Implemented**
28	Government Asset Register (GAR)- Not properly filled, plan for recording of assets in GAR not done, acquisition of medical equipment and capital projects not included *(Pg 407, Para 20.14)*	The Accounting Officer has to clearly define the roles and responsibilities at the level of MoHW. *(Pg 408, Para 20.14)*	A meeting on GAR was held at the Ministry on 24 January 2023. The responsibilities for GAR updating as regards to the administrative cadre were agreed.	**Partly Implemented**

SN	Findings	Recommendations	Ministry's Response-Status as of January 2025	NAO's Comments
			The Treasury also carried out a half day practical /demo session on GAR on 8 July 2024.	
29	Key Performance Indicators and Outcome Indicators not attained. (*Pg 408, Para 20.15*)	The Accounting Officer should put up an appropriate mechanism for setting up of KPI and monitoring of same and taking corrective actions as appropriate. (*Pg 411, Para 20.15*)	A systematic approach has been adopted during the pre-budgetary period to define clear, measurable and relevant KPIs aligned with the objectives and goals of the Ministry.	**Implemented**

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20 – MINISTRY OF BLUE ECONOMY, MARINE RESOURCES, FISHERIES AND SHIPPING

20.1 Fisheries Sector Development

Background Information

The Ministry of Blue Economy, Marine Resources, Fisheries and Shipping faced several major fisheries and aquaculture challenges, mainly strategic planning and effective policy implementation.

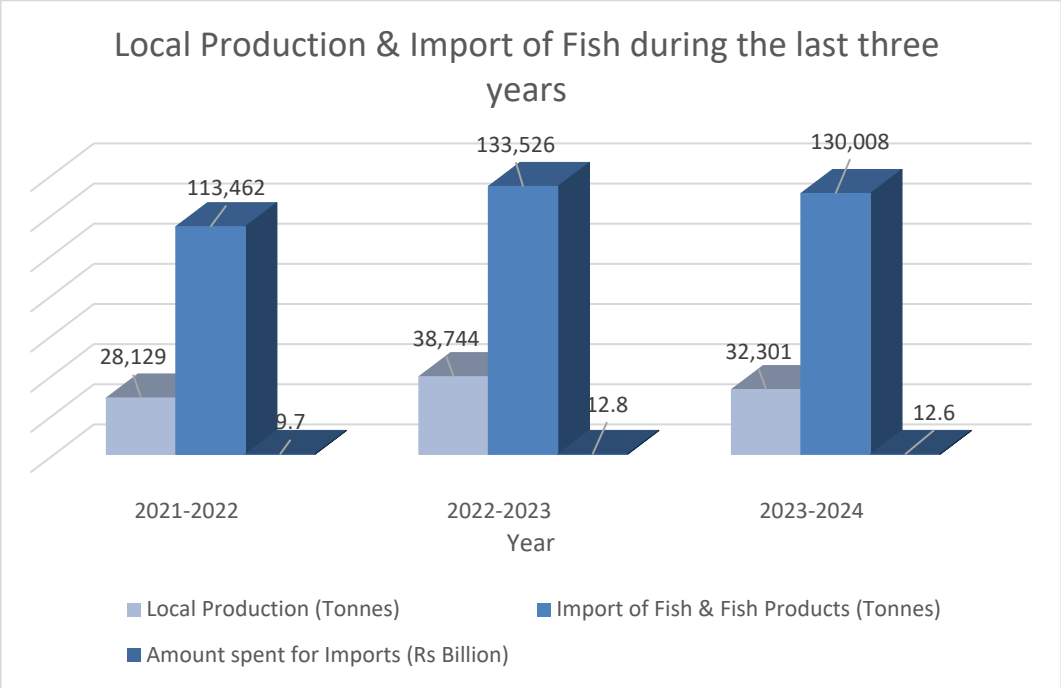
Mauritius has a vast 2.3 million km² area of Exclusive Economic Zone (EEZ) with untapped potential fishery resources.

The Ministry has to take appropriate actions to explore and exploit the available resources.

Findings

Low Fish Production and High Reliance on Import

- There was continued reliance on fish imports from 113,462 tonnes in financial year 2021-22 to 130,008 tonnes in financial year 2023-24 as shown in the graph. These imports for financial year 2023-24 costed Rs 12.6 billion.



- Local fish production is insufficient to meet domestic demand and export, leading to heavy reliance on imports. The trend has increased over the past years.

- The Ministry did not develop a comprehensive strategic plan to boost local fish production.

- Targets for fish production was misleading, as they were based on previous achievements rather than real market demands.

Root Causes

- The frequent rotation of Accounting Officers has led to a lack of continuity in the strategic planning process.

- There is an absence of a dedicated unit consisting of skilled professionals in the blue economy sector.

Recommendations

The Ministry should:

- Set up of a Blue Economy Unit with the required financial, technical and human resources to develop strategies for the fisheries sector.

- Formulate a methodology for estimating the current market demands.

Ministry's Response

- A strategic plan for the development of the Blue Economy is being worked out by this Ministry in consultation with relevant stakeholders.

- In future, the Ministry would analyse and consider current market demands to estimate future fish production. Data such as the per capita consumption, the quantity of imported fish for direct consumption as well as the amount of fish unloaded by our local fleet and put on the local market for consumption would also be taken into account to plan its fish production targets.

Non-assessment of Untapped Resources in the Exclusive Economic Zone

Background Information

To promote the sustainable exploitation of offshore fisheries, the Ministry outlined specific measures and conditions in the explanatory notes accompanying the 2021-22 budget speech for exploring untapped resources within the EEZ through exploratory fishing. Further, the 2023-24 budget speech emphasised that companies interested in assessing untapped resources in Mauritian waters will be granted exploratory licenses, aiming to boost seafood production.

The Fisheries and Marine Resources (Exploratory Fishing) Regulations 2022 was promulgated on 10 November 2022 for the issue of exploratory fishing licenses to private companies.

In parallel, the Government announced in October 2022 that these licenses would be granted through an Expression of Interest (EOI) process.

By January 2023, the Attorney General Office confirmed that the EOIs and Terms of Reference drafted by the Ministry were legally in order.

Findings

- As of October 2024, the Ministry had not yet issued any EOIs.
- The delay in initiating exploratory fishing within EEZ implied that economic opportunities were being foregone and reliance on imports will continue.

Root Cause

The Ministry did not have a clear policy with regards to the conditions to be attached to the licences.

Recommendation

The Ministry should ensure that the exploration of the EEZ is not further delayed by expediting the decision on the conditions.

Ministry's Response

This Ministry would no longer proceed with the issue of exploratory fishing licenses. Instead, a new mechanism has been formulated and the necessary legal framework is being worked out to implement same.

In this connection, the draft Regulations have been prepared and are currently being reviewed by the legal expert appointed by this Ministry.

Underperformance of Key Entities

Background Information

The National Ocean Council (NOC) is still non-operational, and the Fishermen Investment Trust (FIT) was dissolved after years of inactivity, leaving critical gaps in blue economy initiatives.

National Ocean Council

NOC was set up in June 2015 in line with the Government Programme 2015-19 to make the ocean economy an important industry to sustain economic diversification, job creation and wealth generation. As of October 2024, the National Ocean Council was not operational.

Fishermen Investment Trust

Fishermen Investment Trust (FIT), a corporate body established under the Fishermen Investment Trust Act 2006 was set up in 2006. Its objectives were to invest, directly or through a body controlled by it, in fishing activities, fish processing activities and fish marketing, amongst others.

FIT obtained from the parent Ministry, a yearly quota of 300 tonnes of fish at St. Brandon and a further 400 tonnes of fish at the Nazareth bank.

FIT did not have the means and resources to exploit the quota. The Board of FIT authorised private companies, upon request, to carry out the harvest at St. Brandon and Nazareth bank. From 2007 to 2015, FIT sold only a total of 284 tonnes of its fish quota.

FIT is no longer operational. The Fishermen Investment Trust Act was repealed in August 2023.

Root Cause

Lack of strategic direction on the part of the Ministry.

Recommendation

A strategic plan for the sector has to be prepared.

Ministry's Response

A strategic plan for the development of the Blue Economy is being worked out by this Ministry in consultation with relevant stakeholders.

Inaction for Development of a Semi-Industrial Demersal Species Fishing

Background Information

Demersal fishing is performed mostly by local fishers and companies in the lagoon, shallow waters and fishing banks within the EEZ. The estimated maximum sustainable yield of demersal fish is approximately 6,000 tonnes per year.

Findings

- Yields from demersal fishing were well below the sustainable potential of 6,000 tonnes per year and 15.5 per cent to 23.5 per cent of this target were achieved over the past 3 years.

- In October 2021, the Government approved the launching of an EOI for local and international companies to invest in demersal fishing and processing facilities.

- The EOI launched in December 2022 to attract investment did not yield positive results.

- No further action, such as relaunching the EOI or revising the project specifications, was taken by the Ministry.

Root Cause

Lack of strategic direction from the part of the Ministry.

Recommendations

The Ministry should:

- Take necessary steps to develop demersal fishing.
- Relaunch the EOI with revised and clearer project specifications that are more aligned with investor's needs.
- Develop a long-term strategic plan that includes clear timelines, targets and milestones for the development of the demersal fishing industry.

Ministry's Response

- The Ministry is proposing to carry out stock assessment so as to review and update the stock status. Workshops/Meetings would also be held with the stakeholders and operators to gather their inputs including their constraints so that future plans remain in line with their needs and concerns.
- The EOI document has been revised and would be re-launched during this financial year.
- A strategic plan will be worked out during the current financial year in collaboration with all stakeholders including the Economic Development Board and the Ministry of Finance.
- Necessary consultations are being done for market research to be conducted to understand the demersal fish industry.

Aquaculture Sector

Background Information

The contribution of aquaculture to total fish production decreased from 7.3 per cent in financial year 2021-22 to 5.7 per cent in financial year 2023-24.

Delays in project implementation, inadequate monitoring systems, and insufficient utilisation of allocated resources have hindered the potential of the sector.

(a) Aquaculture Master Plan - Medium-term Target not Achieved After Two Decades

The Aquaculture Master Plan 2006 was designed to position Mauritius as a marine aquaculture hub, attracting investors and supporting feasibility studies for sustainable projects. The plan identified potential sites across 4 categories: in-lagoon, offshore, coastal belt and freshwater aquaculture, with medium and long-term production targets of 29,000 and 39,000 tonnes of fish annually. The position was as follows as at September 2024:

- In-Lagoon Aquaculture: Of 12 identified sites, only 6 were allocated to 2 private companies.

- Offshore Aquaculture: 6 sites were identified but none was developed.
- Inland Aquaculture using sea water: Out of 6 sites identified, only one was operational.
- Freshwater Aquaculture: Neither of the 2 identified sites was operational.

Nearly 2 decades later, the medium-term target of 29,000 tonnes was not achieved.

(b) Absence of Legal Framework for Aquaculture Development

Background Information

The Aquaculture Master Plan highlighted the need for a robust legal framework to ensure the sustainable development and regulation of the aquaculture sector. However, delays in finalising this framework have hindered progress.

Government approved the drafting of an aquaculture framework to support the implementation of aquaculture projects with the aim of minimising potential conflicts with other economic activities in the lagoon.

Findings

- Since 2018, in-lagoon aquaculture projects have been put on hold, with 3 proposals shelved.
- In 2021, Government approved the draft framework. As of October 2024, the legal framework has not yet been finalised.

Root Cause

The frequent rotation of Accounting Officers had contributed to the slow progress in finalising an aquaculture legal framework.

Recommendation

The Ministry should not delay the finalisation of the legal and regulatory framework for aquaculture development.

Ministry's Response

Consultation regarding the revised draft framework on Aquaculture has been completed. By March 2025, approval of Government would be sought on the revised framework.

(c) Delays in Construction of Additional Hatcheries

Background Information

The Aquaculture Division situated at the Albion Fisheries Research Centre (AFRC) is responsible for promoting and developing aquaculture with a view to increase fish production through research on different marine and freshwater species. It is also responsible for the production of fish fingerlings for stock enhancement in the lagoon.

Finding

Plans for 2 additional hatcheries, initiated in 2022, have been hindered due to delays in tender exercise. This has impacted the ability of the Aquaculture Division to meet the increase in fish fingerlings production and enhancement of lagoon fish stock.

Root Cause

There was lack of planning for the project.

Recommendation

The Ministry should expedite the construction of additional hatcheries to improve hatchery output.

Ministry's Response

- Provision is being made for monitoring of aquaculture practices in the revised draft Aquaculture Framework at sea, which is currently being finalised.

- The Ministry could not proceed with the construction of the hatcheries as the new cost estimate, worked out by Ministry of National Infrastructure and Community Development considerably exceeds the budgeted amount for financial year 2024-25.

- The Ministry is, accordingly, reviewing the scope of the project, with a view to determining its implementation in a phased manner, which would be feasible with the amount of fund budgeted.

Challenges in Monitoring and Evaluating Sea Bream Stocking Initiatives

Background Information

Over the last 5 years, 410,000 sea bream fingerlings were released by AFRC. However, the effectiveness of these measures could not be evaluated due to the following:

Findings

- Catch reporting data for Artisanal fishers was based on estimates and actual data was unavailable. Catch recording ceased in February 2023, and prior to that, due to lack of officers at the Fisheries Protection Service (FPS), recording was done on a random basis.

- The Electronic Reporting System (ERS), contracted in 2019 to collect reliable catch data from licensed fishing vessels such as purse seiners, longliners, local industrial and semi-industrial, was still not operational.

- Insufficient supervision by FPS officers to prevent illegal fishing in financial year 2023-24 made it difficult to determine if the released sea bream fingerlings were being illegally harvested. The FPS carried out 534 patrols in financial year 2023-24 compared to 922 in financial year 2022-23.

Root Cause

Inadequate monitoring and failure to operationalise the ERS.

Recommendations

The Ministry should:

- Establish systems by using latest technology for ongoing monitoring of aquaculture practices to ensure sustainability and adapt to emerging challenges.
- Deploy the ERS to enable real time accurate data collection to support decision making.
- Provide the necessary resources to improve FPS's coastal monitoring efforts to combat illegal fishing.

Ministry's Response

- Market research would be conducted to identify appropriate technology available on the local market for monitoring of aquaculture practices.
- Provision is being made for monitoring of aquaculture practices in the revised draft Aquaculture Framework at sea, which is currently being finalised.
- Implementation of the Fisheries (Electronic Reporting System) Regulations 2024 has been initiated and is ongoing.
- The Fisheries Protection Service is working on the reintroduction of the catch recording system.

Inadequate Management and Maintenance of In-Lagoon Floating Cage

Background Information

The Ministry initiated small-scale floating cage culture projects in the lagoon for fishermen's cooperatives or associations.

In 2015, the Government introduced regulations that designated 10 sites for small-scale fish farming. In 2016, the Ministry allocated 10 floating cages to eligible Fishermen Cooperative Societies through an expression of interest process, along with approximately 5,000 cordonnier fingerlings per cage.

The physical deterioration of cages, after Cyclone Berguitta in January 2018 and the lack of post-cyclone recovery efforts had led to the abandonment of the project since financial year 2018-19.

Findings

- No formal written agreement was made between the Ministry and the beneficiaries.
- Due to the lack of formal agreements, no insurance policies were in place to cover potential damages to the cages at the respective sites.
- There was no monitoring framework for the project.
- No fish farming activities were carried out in all the 10 fish cages as from financial year 2018-19.
- An assessment conducted in June 2024, found that the nets at the sites were damaged.
- The removal of one of the fish farming zones (Quatre Soeurs 1) from the Third Schedule of the Fisheries Act 2023 further limits opportunities for future expansion of fish farming projects in the lagoon.

Root Causes

- A weak regulatory framework hindered commercial aquaculture development.
- The absence of binding contracts between the Ministry and the fishermen cooperatives resulted in a lack of accountability, unclear responsibilities, and insufficient protection for the fish cages.
- The Ministry failed to set up a structured system for monitoring of cage conditions, and the management of the aquaculture sites.

Recommendations

The Ministry should:

- Devise an Aquaculture Framework to provide clear guidelines for small-scale and commercial aquaculture operations, so as to encourage investment and transform aquaculture into a major revenue source.
- Establish formal written agreements between all stakeholders that outline roles, responsibilities and liability in case of damage or losses.
- Create a structured monitoring framework that includes regular inspections of cage conditions and maintenance protocols.

Ministry's Response

- Consultation regarding the revised draft Framework on Aquaculture has been completed. By March 2025, approval of Government would be sought on the revised Framework.
- Provision is being made in the draft Framework on Aquaculture for formal written agreements to be established between the Ministry and promoters, outlining the roles, responsibilities and liability in case of damage or losses.

- Provision is being made in the draft Framework on Aquaculture, which also includes oyster farming in floating cages, for monitoring the cage conditions and provide proper maintenance accordingly. A monitoring plan for the management of the floating cages would be devised.

- The Ministry has already requested the Marine Spatial Planning (MSP) Committee to renew the fish farming zones with a view to identifying new zones that can be dedicated to fish farming.

Inadequate Management of Barachois

Background Information

The Ministry aims to increase local fish production and exports by promoting freshwater and seawater aquaculture through barachois. However, aquaculture production remains low, that is, only 2 tonnes in financial year 2023-24.

Findings

- **Under-utilisation of Government-Owned Barachois**

Only 10 out of 21 State-owned barachois are under the Ministry's control. However, only 2 of these were actively used for aquaculture or fish farming.

- **State Debt Recovery Act Not Yet Amended**

In August 2023, Attorney General's Office advised the need to amend the State Debt Recovery Act, the State Land Act and the Pas Geometriques Act before the Barachois Policy could be adopted.

However, the State Debt Recovery Act has not yet been amended as of October 2024.

Root Cause

The delays in the finalisation of the Barachois Policy and lack of legislative amendments led to inefficient use of vested barachois, reducing fish farming output.

Recommendations

- The uncommitted barachois should be allocated for productive use.

- The Ministry should prepare a plan to monitor the activities conducted in the vested barachois to determine the efficiency and effectiveness of the barachois-based aquaculture projects.

- The Ministry has to put in place a monitoring mechanism to ensure that the promoter complies with all the terms and conditions attached to the Letter of Authorisation.

Ministry's Response

- A second Expression of Interest exercise, inviting interested promoters to submit their projects for carrying out aquaculture activities in the uncommitted barachois, has been launched on 27 September 2024, with closing date 26 November 2024. Applications received in respect of theses barachois are currently under evaluation by Committees set up at the level of the Ministry. Uncommitted barachois would then be allocated to selected promoters, whose projects are found to be viable.

- A monitoring plan is being drafted which is expected to be finalised by March 2025.

- The Barachois Policy provides for the Ministry to carry out on-site inspections to ensure compliance with the conditions attached with the Letter of Authorisation or Lease Agreement and license.

- Request has been made to the office of the Accountant General on 30 July 2024 and 02 September 2024 respectively to make the necessary amendment to the State Debt Recovery Act.

20.2 Governance Issues – Non-compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of Statutory Bodies with the objective of strengthening accountability and transparency in the public sector.

Findings

Non-Submission of Financial Statements for Audit

The Statutory Bodies (Accounts and Audit) Act requires the Chief Executive Officer of a statutory body to submit the annual report, including the financial statements, to the auditor not later than four months after the end of every financial year.

As of 7 January 2025, the following statutory bodies falling under the purview of the Ministry, have not submitted their financial statements for audit as shown in the Table 20-1 below.

Table 20-1 Financial Statements not submitted to NAO for Audit

SN	Statutory Body	Financial Year/ Period	No. of Financial Statements
1	Fishermen Investment Trust	1 July 2022 to12 August 2023 *(Date repealed Investment Trust Act was proclaimed)*	1
2	Mauritius Oceanography Institute	2020-21 to 2023-24	4

Source: NAO records

20.3 Follow-up of Recommendations raised in the Audit Report 2022-2023

The status of actions taken on key findings and recommendations since the publication of the Audit Report are summarized below. Out of 10 recommendations, 2 (20 per cent) have been implemented and 8 (80 per cent) have been partly implemented.

SN	Findings	Recommendations	Ministry's Response-Status as of January 2025	NAO's Comments
Unsuccessful Implementation of Off-lagoon Fishing Scheme (Page 415)				
1.	*Canotte Scheme:* The number of fishing boats acquired by fishers for the past three years was far below the target. The Ministry did not have a database regarding: ▪ The number of fishers who, out of the 2700 registered fishers, are in need of and interested in acquiring a Canotte under the Scheme; and ▪ The applications received.	The Accounting Officer of the Ministry should evaluate the effectiveness of the Scheme and take appropriate corrective measures.	The scheme is ongoing and is recurrent in each financial year since year 2015. For financial year 2023-24, Rs 14.6 million was disbursed in respect of 43 Mauritian beneficiaries, and Rs 4.2 million in respect of 19 Rodriguan beneficiaries.	**Implemented**
2	*Purchase of Semi-industrial Fishing Boat:* From financial year 2017-18 to 2022-23, only Rs 19.7 million was disbursed out of the Rs 84 million earmarked for the Scheme. From the five cooperative societies that had benefitted from the Scheme, only three of them had their vessels delivered as at 30 June 2023. *(Pg 415, Para 21.1)*	Given that the Scheme has now been reviewed and new applications have been received, the Ministry should, nonetheless, continuously evaluate the effectiveness of revised Scheme and make necessary adjustment when required. *(Pg 415, Para 21.1)*	During the financial year 2023-24, three individual beneficiaries were found to be eligible out of 6 applications. Out of the Rs 12 million earmarked for the Scheme, Rs 11 million was disbursed in respect of the following: (a) Rs 2 million to 2 individual companies; (b) Rs 1.8 million to one Fishermen Cooperative Society approved	**Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
			during financial year 2023-24; (c) Rs 7.2 million to 3 Fishermen Cooperative Societies (which are still under evaluation at the Industrial Finance Corporation of Mauritius Ltd); and (d) Rs 1 million to the 3rd beneficiary was disbursed in financial year 2024-25.	
	Mauritius Maritime Training Academy (MMTA) - Insufficient Training Delivered (Page 417)			
3	*Inadequate Technical Staff for Training* Training Provided by Private Sector. Out of the 2,097 trainees for the last three years, 41 per cent were trained by MMTA and 59 per cent by the private Maritime Training Institute.	The Accounting Officer should: ▪ Take necessary actions to provide MMTA with adequate resources; and	Recruitment under Expert Skills Scheme is being envisaged. A bidding exercise "Request for Proposal" has been launched and the closing date is 30 January 2025.	**Partly Implemented**
4	No follow up on the Memorandum of Understanding (MOU) with the Indian Maritime University (IMU). Non-Achievement of Key Performance Indicators. *(Pg 417, Para 21.2)*	Ensure proper follow up of MOU signed in order for MMTA to benefit from the assistance of other maritime institutes in areas where it needs resources to operate effectively. *(Pg 419, Para 21.2)*	The MMTA, in collaboration with the Shipping Division, has already submitted a report in connection with the syllabi tendered by the IMU in December 2024. The report is currently being examined at the level of the Ministry and consultations would have to be made with tertiary institutions.	**Partly Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
	Inadequate Management of Barachois (Page 420)			
	Barachois Policy Not Yet Finalised			
5	Vested Barachois Not Active in Aquaculture Activities.	The Accounting Officer should: ▪ Expedite the amendments in the legislations following Attorney General Office's advice; ▪ Finalise the Barachois Policy;	Request has been made to the Accountant General on 30 July 2024 and 02 September 2024 to make the necessary amendment to the State Debt Recovery Act. Follow up is being done with the Ministry of Finance, Economic Planning and Development and the Accountant General, with a view to expediting matters.	**Partly Implemented**
6	Non-Vested Barachois Not Active in Aquaculture Activities.	▪ Liaise with Ministry of Housing and Land Use Planning (MHLUP) for the vesting of barachois; and	The Ministry of Housing and Lands vested three additional barachois to this Ministry on 26 August 2024. These three barachois were part of the list of vested barachois attached to the Expression of Interest launched on 27 September 2024, with closing date 26 November 2024. 7 applications have been received following the Expression of Interest. Same are currently under evaluation at the Ministry.	**Partly Implemented**

SN	Findings	Recommendations	Ministry's Response-Status as of January 2025	NAO's Comments
7	Absence of Agreement with Promoters. *(Pg 420, Para 21.3)*	▪ Authorise the occupation of Government-owned barachois with legally binding agreement. *(Pg 421-422, Para 21.3)*	Promoters, who were already allocated a barachois prior to the Barachois Policy, have been requested to submit their project proposals and plans for future development. The submissions are being assessed by an Assessment Committee and subject to the projects being found to be viable, the promoters would be required to sign a lease agreement with the Ministry.	**Partly Implemented**
	Absence of Risk Management Framework (Page 422)			
8	As of September 2023, the Ministry did not have a Risk Management Policy. The Risk Management Committee was not set up Only the Risk Registers that form part of the Quality Management Systems for ISO Certified Divisions were available. *(Pg 422, Para 21.4)*	The Accounting Officer should expedite the implementation of a Risk Management Framework. *(Pg 423, Para 21.4)*	Arrangements are being made with the Manager, Internal Control for a power point presentation to be made with Head of Sections. Thereafter the latter will be requested to submit relevant inputs for the development of the Risk Management Framework and a meeting will be held to validate same.	**Partly Implemented**
	Incomplete Government Asset Register (Page 423)			
9.	During the last 5 years, Rs 151.5 million were spent by the Ministry in the acquisition of non-financial assets. However, the total assets recorded in the Government Asset Register (GAR) as at September 2023 was only Rs 137.2 million.	The Accounting Officer should ensure that the Government Asset Register is updated. *(Pg 424, Para 21.5)*	Valuation Department has already submitted estimates with regard to buildings. Same has been forwarded to the Accountant General in October 2024. Inputs for the period 2022 to 2024 have already been compiled in "*ADI"* Template. Reconciliation for	**Partly Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
	As at September 2023, buildings owned by the Ministry were not recorded in GAR. Out of 43 Outboard Motors allocated to the 14 Fisheries posts around the island, only 6 were recorded in GAR. Similarly, out of 14 patrol boats attached to the Fisheries Posts, only 11 were recorded in GAR. *(Pg 424, Para 21.5)*		July 2022 was submitted in October 2024. Reconciliation for August 2022 is still in progress. Needful is being done to record all the outboard motors and patrol boats by end of January 2025.	

21 – MINISTRY OF GENDER EQUALITY AND FAMILY WELFARE

21.1 Social Welfare and Community-Based Activities - Rs 401 million

Background Information

Over the past years, 42 per cent of the Ministry of Gender Equality and Family Welfare (MGEFW) annual budget was consistently directed towards social welfare and community-based services as shown in Table 21-1.

Table 21-1 Annual Budget & Actual Expenditure

Financial Year	2021-22 Rs million	2022-23 Rs million	2023-24 Rs million
Estimates	362.5	387	401
Actual Expenditure	347.4	383.5	397.7

Source: Budget & TAS

For the financial year 2023-24, 87 per cent of the budget was allocated to the Sugar Industry Labour Welfare Fund (SILWF) as grants for recurrent and capital purposes. The remaining funds were assigned to the Social Welfare Division.

21.1.1 Grant to SILWF

During the financial year 2023-24, the Government disbursed a total of Rs 406 million in grants to SILWF. The MGEFW provided a total of Rs 362.2 million to SILWF as Recurrent and Capital grants, to cover its operating costs, meet the cost of programmes and activities in all its 139 Community Centres, and fund capital expenditure.

Additionally, a sum of Rs 33.45 million was disbursed under the National Resilience Fund (NRF) to finance the Revamping of Community Centres into Community Wellness Centres projects.

In May 2024, the Ministry of Local Government and Disaster Risk Management (MoLG) also contributed Rs 10.24 million to SILWF to support sports and social activities in 16 constituencies during May and June 2024.

Findings

- The applications for grants to MGEFW were not supported by Progress Reports on the delivery of outputs and services in accordance with financial instructions No. 2 of 2014 and Ministry of Finance and Economic Development Circular No. 4 of 6 March 2024.

- The majority of the grant which was designated for community-based initiatives was used to cover labour and administrative costs of Community Centres. In the financial year 2023-24, only Rs 11.3 million representing 3 per cent of grants allocated was actually spent on the community development programmes whilst the staff costs of SILWF amounted to Rs 417 million as per its financial statements.

- An amount of Rs 3.66 million was reallocated from the item upgrading of Social Welfare Centres (SWCs) and disbursed to SILWF as grants. Consequently, the upgrading works at SWCs regarding waterproofing and minor repairs were not done.

21.1.2 Overlapping Roles of SILWF and the Social Welfare Division

The SILWF was established under the SILWF Act 1974. It operates under the aegis of the MGEFW.

The SILWF focuses on fostering community development through its 139 Community Centres which offer a few community-based programmes, including social, cultural, recreational, leisure, educational and economic activities. The Social Welfare Division (SWD) implements social and welfare activities through its 57 SWCs.

In addition, 83 Community Centres and 46 SWCs are used as emergency shelters during torrential rainfalls and other natural disasters.

Finding

There was no clear demarcation between the operations and the roles of SWD of the Ministry and the Community Centres of SILWF. Both the Community Centres and the SWCs provide similar community-based activities and services. Financial resources were engaged in performing overlapping functions.

21.1.3 Government Social Welfare Centres Act 1961 and Sugar Industry Labour Welfare Fund Act 1974

In accordance with its Act, SILWF is required to do all actions that are beneficial to enhance the well-being of the Sugar and Ex Dock workers. The Fund provided housing and other schemes to these workers. These schemes have been phased out and SILWF has, since the year 2009, extended its jurisdiction to urban areas and is responsible for the promotion of community development on a national level. However, there was no legislation in place to clarify SILWF's redefined roles and jurisdiction.

As stipulated by the Social Welfare Centres Act 1961, the object of the SWCs is to further health, advance education and provide facilities for mental and physical training and generally for recreation and social, moral and intellectual development. Therefore, initially SWCs were set up to combat malnutrition, illiteracy, bad sanitisation and lack of recreational facilities.

Findings

- Both the SILWF Act and the Social Welfare Act are outdated and lack relevance in the modern context. Since the financial year 2020-21, the Government decided to embark on a project to modernise the Community Centres and to review the existing SILWF Act and SWC Act to meet the aspirations of the population.

- As part of the "Revamping of Community Centres into Family and Community Centres" Project, SILWF was also contemplating to broaden the scope of its community development initiatives. Consequently, it was proposed to repeal the SILWF Act 1974 and introduce the new Family and Community Welfare Fund Act to better align with the new community objectives for the advancement and promotion of family welfare and the community.

  In this regard, since the financial year 2021-22, several consultations with the relevant stakeholders were held regarding the proposed amendments.

  However, in October 2024 both Acts were being reviewed.

21.1.4 Revamping of SILWF Community Centres into Community Wellness Centres

Since the financial year 2021-22, Government has allocated Rs 220 million under NRF for revamping 10 Community Centres into Community Wellness Centres, to promote community well-being and development.

According to SILWF Strategic Plan, the objectives of the revamping of Community Centres into Community Wellness Centres were to:

(i) Connect different age groups, associations and genders through wellness activities in their community and optimise community engagement and participation in wellness activities.

(ii) A physical renovation of the existing Community Centres.

(iii) Review the SILWF Act 1974 in line with the new vision.

(iv) Putting in place an IT component which will ensure connectedness between the community and public institutions engaged in wellness activities.

Findings

- As of October 2024, 4 years have elapsed since the project was initiated, yet only one new Community Wellness Centre at Gokhoola was completed and was inaugurated in July 2024.

- As per the project plan submitted by SILWF in January 2023, the construction of the other 2 new Community Wellness Centres and the upgrading of 7 existing facilities including one at Rodrigues were scheduled for completion by December 2023. However, none of the projects has started in October 2024.

- As of 30 June 2024, NRF has disbursed a total amount of Rs 82.6 million to the Ministry's deposit account for "Revamping of Community Centres", of which Rs 80.6 million was granted to SILWF and a remaining balance of Rs 2 million was left in the Ministry's Deposit Account. Table 21-2 below shows the estimated funds allocated in the budget and the amount disbursed under NRF.

Table 21-2 Funds Granted from NRF to Ministry Disbursed to SILWF

Funds allocated for	FY 2022-23 (Rs)		FY 2023-24 (Rs)		Total
	Estimates	Actual	Estimates	Actual	Actual
Revamping of Community Centres	30,000,000	9,917,550	50,000,000	23,458,532	33,376,082
Funds allocated to Recurrent Expenses		37,210,000		9,996,996	47,206,996
Total		**47,127,550**		**33,455,528**	**80,583,078**

Source: TAS, Deposit Account

- Out of the Rs 82.6 million released from NRF, only Rs 33.4 million was spent on the revamping project, while the remaining Rs 47.2 million was directed towards covering SILWF's recurrent expenditure. As of 30 June 2024, a balance of Rs 2 million was available in the deposit account.

  There may be a risk that SILWF will lack funds to complete the project, as 36.7 per cent of the Rs 220 million has already been utilised.

- Although 37.5 per cent of the funds have been disbursed, only one Community Wellness Centre has been completed and the construction and revamping of the other 9 facilities has not yet started. The Construction of St Aubin Wellness Centre was at the bidding stage whilst the construction of the St Pierre Wellness Centre and the upgrading of the other 6 Community Centres were at the design stage.

- In August 2022, SILWF appointed an IT consultant for the digitalisation of its Community Centres. The consultant was required to perform a technical assessment of the existing IT infrastructure currently in place, make recommendations on the most appropriate technology strategies/solutions and work out detailed cost breakdown and estimated IT solutions proposed. The consultant submitted his final report in June 2023. As of October 2024, the digitalisation project has not yet been implemented.

Root Causes

- Lack of oversight on the operation of SILWF by MGEFW.

- The roles and objectives of SILWF and SWD were not clearly specified within their respective legislation.

- Inadequate monitoring of the Revamping of the SILWF Community Centres project by the Ministry and SILWF.

Recommendations

- The Ministry should ensure that all applications for grants are supported by the relevant financial and non-financial documents in accordance with financial instructions and guidelines.

- Specific Key Performance Indicators should be established to assess how effectively funds were utilised in fulfilling the mission of fostering community-based programmes for the welfare of the citizens.

- The SILWF Act 1974 and the Social Welfare Act 1960 should be reviewed and the new objectives be clearly defined.

- The SILWF and SWCs activities should be clearly demarcated.

- Proper monitoring of the SILWF Community Centres project should be ensured.

Ministry's Response

- The Ministry did have oversight on the spending of SILWF as all requests for disbursement of grants were made with duly supported documents. Due to the extensive network of centres under the responsibility of SILWF, there is a high dependency on HR to service these centres hence the allocation of almost 80% and above the grant for HR needs.

  The SILWF also fund activities, when sufficient funds are not available, through sponsorship, donations and other financial support from other organisations.

- Due to the growing demand for activities, funds were re-allocated from the item "Upgrading of Social Welfare Centres" as the project of upgrading by SWD at that time could not be firmed up due to elaboration of specifications and lengthy tendering procedures with the risk of funds lapsing by the end of the financial year.

- The Ministry has formally established a Grant Committee which peruses all applications and makes recommendations for the release of grants on a monthly basis.

- Undeniably, the roles and objectives of SILWF and SWD should be reviewed with changes in their respective legislations to meet the needs of the day.

- In parallel, to meet the needs of the community, there will also be the need to look at all buildings housing the centres and associated infrastructure for a conducive environment for new welfare and community activities.

- There is already preliminary work undertaken for the review of SILWF Act.
  The Ministry shall look into the new roles that both institutions shall be called to play and meet societal challenges.

- Financial clearance under NRF for an amount of Rs 51.3 million was obtained from the Ministry of Finance and Economic Planning and Development (MoFEPD) for Project St Aubin. However, in a correspondence from MoFEPD, this Ministry was requested to put on hold both St Aubin and St Pierre projects.

- With regard to the digitalisation project for the IT infrastructure within the Community Wellness Centres, following the submission of the report from the IT consultant, funds were requested from MoFEPD for the implementation of the recommendations of the IT consultant. However, funds have not been received for same.

21.2 Upgrading of Shelter La Colombe Rs 11.2 million

Background Information

In October 2017, the Ministry of Gender Equality, Child Development and Family Welfare decided to construct a new model shelter as the existing Shelter La Colombe located at Point aux Sables, which can accommodate a maximum of 60 children, had reached its full capacity and had inadequate amenities and overflowing absorption pit. The project was valued at Rs 60 million and a total of Rs 16 million was provided in the budget estimates from financial years 2018-19 to 2020-21.

In May 2019, MGEFW instead decided to upgrade the existing La Colombe shelter. On 4 June 2019, the children were transferred to other centres, with 27 children relocated to Shelter La Marguerite in Belle Rose.

Findings

Renovation Works not yet Completed

From the financial years 2018-19 to 2023-24, funds totalling Rs 34.8 million were budgeted for the upgrading of Shelter La Colombe. Capital expenditures amounting to only Rs 6.7 million were incurred as shown in Table 21-3.

Table 21-3 Capital Expenditure Incurred for the Upgrading of Shelter La Colombe

Financial Year	Budgeted Amount (Rs)	Details	Actual Amount (Rs)
2018/2019	4,000,000	Boundary wall construction	Nil
2019/2020	6,800,000	Shelter upgrades and boundary wall	1,024,443
2020/2021	4,500,000	Shelter upgrades	3,610,862
2021/2022	1,300,000	Renovation works	1,134,011
2022/2023	7,000,000	Shelter upgrades	871,451
2023/2024	11,200,000	Shelter upgrades	104,224
Total	**34,800,000**		**6,744,991**

Source: NAO Compilation

As of October 2024, the upgrading works at the Shelter La Colombe have not yet been completed and no remedial measures have been taken by the Ministry to address the sanitary deficiencies required for relocating the children to the shelter.

The closure of Shelter La Colombe for more than 5 years has adversely impacted other Residential Care Units, with 11 out of 20 of these shelters operating above capacity.

Termination of Contract for the Construction of Toilet Blocks and a Leaching Field

In January 2022, the Ministry decided to construct additional toilet blocks and a leaching field, with an estimated project cost of Rs 18.4 million. On 13 April 2023, the Ministry awarded the contract for the Construction of New Toilet Blocks and a Leaching Field at Shelter La Colombe, for an amount of Rs 16.2 million.

However, the Contractor could not commence work as the contract agreement was not signed and the handing over of the site to the Contractor was deferred.

On 2 August 2023, the Principal Quantity Surveyor of the Ministry of National Infrastructure and Community Development (MNICD) reported that certain items in the Contractor's Bill of Quantities were overpriced.

The failure to detect these pricing irregularities before awarding the contract was due to the absence of a Quantity Surveyor on the Bid Evaluation Committee.

The lack of adequate financial scrutiny at the evaluation stage ultimately halted the contract signing process and delayed the project.

On 29 March 2024, the MNICD was informed of the decision to terminate the contract under Section 48(b) of the Public Procurement Act 2008 based on the advice of the Attorney-General's Office (AGO).

A letter of termination was issued to the Contractor on 19 August 2024; that is, after one year the decision was made to halt the contract signing process.

Subsequently, on 28 August 2024, the Contractor submitted a claim for compensation of Rs 3.2 million for costs incurred until the contract was terminated for convenience. In October 2024 payment has not yet been released.

Financial Impact of the Non-completion of the Infrastructural Works

- ***Payment of rentals***

In November 2024, the sanitary upgrades had still not been carried out. Thus, Shelter La Colombe was not operational for more than 5 years. For the period June 2019 to September 2024, the Ministry disbursed a total amount of Rs 4.2 million in respect of rentals of Shelter La Marguerite where some of the children were relocated.

- ***Security Costs and Facility Expenses***

Between May 2022 to February 2024, MGEFW incurred overtime costs of Rs 1,244,000 for 2 employees who provided security services at Shelter La Colombe until a contract was awarded to a private contractor in June 2024 at Rs 85,000 per month.

- ***Funds Reallocated to Recurrent Expenditure***

During the financial year 2023-24, a sum of Rs 11.2 million was allocated in the budget to finance the upgrading of Shelter La Colombe. Only Rs 104,000 was used on minor restorations.

Consequently, in March 2024, the Ministry reallocated Rs 5.2 million from the capital budget under the item "*upgrading of shelters*" to finance the International Women's Day events.

Root Causes

- Poor planning and monitoring of Shelter La Colombe project by the Ministry.
- Inadequate due diligence and financial scrutiny during bid evaluation by members of the Bid Evaluation Committee.
- Poor decision-making at the level of the Ministry with respect to the Shelter La Colombe Project.

Recommendations

- The MGEFW should effect proper planning and monitoring of the renovation project.
- Management needs to address the sanitary issues at Shelter La Colombe to facilitate its prompt reopening.
- When constituting a Bid Evaluation Committee, the Departmental Bid Committee should ensure that the selected evaluators have the required competence and expertise in line with Directive No. 51 of the Procurement Policy Office. For construction projects, the Bid Evaluation Committee should include a Quantity Surveyor to assess cost estimates and verify Bill of Quantities.

Ministry's Response

- The MGEFW does not have in-house expertise for managing capital projects and relies only on the guidance and advice of MNICD for all technical matters related to projects.
- The MNICD did not deem it necessary for a Quality Surveyor to be part of the technical team at the initial stage of the project.
- The Quantity Surveying Section of MNICD was requested to advice on the quantum of payment due to the contractor. On 14 January 2025, the proper quantum for payment was quantified at Rs 123, 568.38 plus VAT.

21.3 Non-Registered Residential Care Institutions

Background Information

Section 5(1)(a) of the Residential Care Institutions for Children Regulations under the Children Act 2020 stipulates that "*no person shall operate an institution for the protection of children unless the institution is registered as a residential care institution for children.*"

Several Residential Care Institutions have failed to comply with the Children's Act 2020 and the relevant regulations.

Findings

- As of October 2024, 11 of the 22 shelters in operation, were not registered under the Residential Care Institutions for Children (RCIC) Regulations 2022.

- Seven Residential Care Units had not yet submitted their emergency and evacuation plans as mandated under the additional conditions attached to the license under Part II of the RCIC Regulations 2022.

- Twelve Residential Care Institutions had not yet registered their caregivers and shelter managers contrary to Sections 8 and 9 of the RCIC Regulations. Failure to comply with regulatory requirements significantly jeopardises the safety and well-being of children.

- The Relay Centre at Cap Malheureux known as Shelter L'Oiseau Du Paradis was operational since December 2020. The shelter accommodates 26 residents and was managed by the National Children's Council (NCC). For the financial year 2023-24, the Ministry disbursed Rs 2.9 million to NCC as operational grants.

  However, no Memorandum of Understanding (MOU) was established among the Relay Centre, the Ministry, and the NCC.

Root Causes

- The existing Residential Care Institutions were registered under the former Child Protection Act 1994 whilst the new regulations were enacted under the Children's Act 2020.

- Lack of monitoring and enforcement by the Ministry.

Recommendation

The Ministry should ensure that the Residential Care Institutions comply with the applicable laws and regulations.

Ministry`s Response

- Out of 22 Residential Care Institutions, 5 are Government-owned, and exempt from registration. As of November 2024, out of the remaining 18 Residential Care Institutions managed by NGOs, 7 are registered under the Residential Care Institutions Regulations 2022 and 2 Residential Care Institutions have submitted their application for registration.

- The Emergency and Evacuation protocol for L`Oiseau du Paradis has already been prepared and submitted to the Ministry. As regards the remaining three Government-owned Residential Care Institutions, necessary action has been initiated for the preparation of a plan and the Ministry is following up closely for the management of these Residential Care Institutions.

- In October 2024, correspondence was sent to all Residential Care Institutions to submit their requisite documentation for registration. Follow-up is being ensured by officers of the Ministry and a time frame of 3 months would be given.

21.4 Child Adoption Bill Not Finalised

Background Information

Mauritius is a party to the Protection of Children and Co-operation in respect of Intercountry Adoption (the Hague Convention 1993) since 1998. It has ratified the African Charter on the Rights and Welfare of the Child in 1992 and the United Nations Convention on the Rights of the Child in 1990. Both the Conventions and Charter highlight the importance of appropriate domestic adoption laws and procedures to safeguard the child's best interests.

The Adoption Unit of MGEFW deals with the adoption of children by Mauritians and foreigners. The National Adoption Council (NAC) is also responsible for the adoption of Mauritian children by foreigners, including intra-family adoption.

The Ministry is proposing to introduce the Child Adoption Bill to cater for all adoption types under a Central Authority.

Findings

Lack of Oversight by the Ministry on Private Adoptions

- In February 2018, the Ministry retained the services of an international Consultant, funded by the European Union, to draft a Child Adoption Bill, which would aim to cater for all types of adoption, under a Central Authority and regulate inter-country adoption in line with the Hague Convention 1993. However, as of November 2024, the Child Adoption Bill had not yet been finalised.

- In the absence of a Child Adoption Act, the Ministry could not maintain a register of adoptable children.

- In November 2024, there were 389 children at 16 registered Residential Care Institutions for children and none of the children placed in those shelters can be put up for adoption due to the absence of a Child Adoption Act.

- Between July 2021 to June 2024, the Ministry and the Judiciary received 188 applications from Mauritian parents to adopt both foreign and Mauritian children, along with 25 applications from foreign citizens to adopt Mauritian children. Nine adoptions were finalised by MGEFW during this period.

- In the absence of a Child Adoption Act, local private adoption is being done through an attorney who lodges the case before a Judge of the Supreme Court. The Ministry does not intervene in this type of adoption.

  In the absence of relevant records at the Ministry, the number of private adoptions could not be ascertained.

  Without post-adoption follow-up for private adoption cases, the safeguards and best interests of the children cannot be ensured.

- According to Section 6 of the National Adoption Council Act 1988, prior authorisation of NAC should be obtained before an adoption application is made to the Judge in Chambers by a non-citizen.

  During the last 3 years, 25 applications from non-citizens were submitted to the Judge in Chambers without authorisation from the Council.

- The NAO was informed that for cases of private adoption lodged before the Supreme Court, the Ministry was not apprised nor consulted to provide its stance on the matter. Hence, the Ministry was not in a position to know that the authorisation of the Council had been sought.

- There was no coordination between the Judiciary and the Ministry on the cases of adoption received at the Judiciary as required by Section 6 of the NAC Act 1988.

Root Cause

There is no clear-cut time frame established by the Ministry, as a Key Performance Indicator, on the date of finalisation of the Bill.

Recommendations

- The Ministry should expedite the finalisation and enactment of the Child Adoption law that regulates all types of adoption for the best interests of the child.

- Measures should be implemented to improve coordination between the Judiciary, the NAC and the MGEFW so as to prevent non-compliance with adoption laws.

Ministry`s Response

- According to the present legislation, private adoption is governed by the Code Civil Mauricien which presently falls under the purview of the Judiciary.

- The Child Adoption Bill could not be finalised given that a number of major policy issues had to be discussed with other stakeholders such as Prime Minister's Office and Civil Status Division.

- For cases of private adoption lodged before the Supreme Court, the Ministry was not informed.

- Along with the finalisation of the Child Adoption Bill, substantial amendments are also required in the Code Civil Mauricien and these are under the purview of AGO.

- Agreement of the Government was sought in January 2025 for the Ministry to convey instructions to AGO to complete drafting of the Child Adoption Bill.

- Provision has been made in the Child Adoption Bill to carry out post-adoption follow-up until the age of 18 years.

- With the advent of the Adoption law, the Ministry will provide a list of probable adoptable children to the Central Authority which would be legally set up.

21.5 Gender-Based Violence

Background information

In 1997, Government passed the Protection from Domestic Violence Act 1997 (PDVA) to protect spouses from domestic violence. Amendments were brought to PDVA in 2004, 2007, 2011 and 2016.

In February 2023, MGEFW decided to repeal PDVA and prepare a new Domestic Abuse Bill in order to address the weaknesses in the existing law to combat and prevent domestic violence.

Findings

Absence of a Comprehensive Integrated Database System for GBV at the MGEFW

- The Ministry allocated Rs 54.5 million under the vote Family Welfare and Protection from Gender Based Violence (GBV), of which only Rs 45.8 million was utilized during the financial year 2023-24 to fund initiatives aimed at addressing GBV.

- As per the records maintained by the Ministry, 6,506 cases of GBV were reported in the financial year 2022-23 and 6,112 in the financial year 2023-24. This figure did not encompass the entire scope of GBV as incidents reported at the Ministry of Health and Wellness and the Police Service were not included.

- Statistics and details on cases of feminicide were not available at the Ministry.

- Male victims represent some 20 per cent of the total number of cases reported at the Ministry. There was no shelter for male victims operated by the Ministry.

- No meaningful Key Performance Indicator was set with respect to GBV. Key performance metrics are vital for identifying risk factors and assessing the effectiveness of the existing anti-violence measures.

Lack of Formal Agreements and Regulatory Frameworks

- A total of Rs 3.8 million was disbursed as capitation grant to 2 women's shelters providing accommodation to women victims of domestic violence in the financial year 2023-24.

- The Ministry did not have a Memorandum of Understanding defining the roles and responsibilities of the grant to beneficiary shelters.

- In October 2024, there were no regulations for shelters accommodating women victims of domestic violence.

- The PDVA did not provide for mandatory therapy, support services, and a compulsory perpetrator rehabilitation programme.

- The Domestic Abuse Bill which enhances support services, and protection for victims and introduces a compulsory rehabilitation programme has still not been finalised.

Root Causes

- The Accounting Officer did not take measures to ensure that GBV cases reported at the Police Service are integrated in MGEFW database.

- Lack of framework for management of shelters.

Recommendations

- The Ministry should act as a focal point and ensure a coordinated approach with all stakeholders of GBV.

- The Ministry should create a single platform for recording GBV cases.

- In the absence of Regulations for women's shelters, a Memorandum of Understanding could be signed with the shelters as a transitional measure.

- The need for a shelter for male victims of domestic violence should be assessed.

- The Domestic Abuse Bill should be finalised after consultations with relevant stakeholders.

Ministry`s Response

- The Ministry sought technical expertise from the United Nations Population Fund (UNFPA) for the design and set up of a Gender-Based Violence Management Information System (GBVMIS).

- Feminicide was not defined in the Criminal Code and statistics on murder of a female victims are captured as homicide by the Police and all information thereon is kept by the Police. Once the GBVMIS is operational, the cases of feminicide will be captured.

- As regards male victims of GBV, most of them are not in need of a shelter from their perpetrators. Thus, the need for a male shelter at this point is not warranted.

- With regards to the MOU with shelters, the Ministry is pursuing discussions with representatives of shelters.

- Regarding Regulations for shelters accommodating women victims of domestic violence, a first draft has already been worked out. Following the clearance, same will be made operational once the Domestic Abuse Act is promulgated.

21.6 Governance Issues – Non-Compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of statutory bodies with the objective of strengthening accountability and transparency in the public sector.

Findings

Non-Submission of Financial Statements for Audit

The Statutory Bodies (Accounts and Audit) Act requires the Chief Executive Officer of a statutory body to submit the annual report, including the financial statements, to the auditor not later than 4 months after the end of every financial year.

As of 31 December 2024, the following statutory bodies falling under the purview of MGEFW have not submitted their financial statements for audit as shown in Table 21-4.

Table 21-4 Financial Statements not submitted to NAO for Audit

SN	Statutory Body	Financial Year	No of Financial Statements
1	National Adoption Council	2023-24	1
2	National Children Council	2023-24	1
3	National Women Entrepreneur Council	2023-24	1

Source: NAO Records

Annual Reports not laid before the National Assembly

The Statutory Bodies (Accounts and Audit) Act requires a copy of the annual report and audited financial statements of every statutory body to be laid before the National Assembly at the earliest opportunity.

As of 31 December 2024, the annual reports of 2 statutory bodies had not yet been laid before the National Assembly as shown in Table 21-5.

Table 21-5 Annual Reports including audited Financial Statements not laid before the National Assembly

Statutory Body	Financial Year	Date Certified	No of Financial Statements
National Women Entrepreneur Council	2022-23	03.10.2024	1
National Women Council	2020-21	08.11.2024	1

Source: National Assembly Records

NAO is of the view that the Ministry should:

- Exercise control over statutory bodies and other entities operating under its aegis to ensure that they comply with their statutory responsibilities regarding the preparation of financial statements and their submission for audit; and

- Lay a copy of the annual report and audited financial statements before the National Assembly.

21.7 Follow-up of Recommendations in Audit Report 2022-23

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarized below. Out of 9 recommendations, 5 (55 per cent) have been implemented and 4 (45 per cent) have been partly implemented.

SN	Findings	Recommendations	Ministry's Response – Status as of February 2025	NAO's Comments
	Child Day Care Centres (CDCC) (Page 427)			
1	Role of the Corporate and Business Registration Department (CBRD) and MGEFW. CDCC still operating despite the order to Cease Operation (*Pg 427-428, Para 22.1*)	Activities of MGEFW and CBRD should be coordinated so as to enable the Ministry to capture all CDCC in operation, in a unified registration process. (*Pg 428, Para 22.1*)	CBRD was requested to submit a list of companies which have as object the running of CDCC. After perusing the list, the Ministry found that there were 513 duplicate entries. 105 companies registered with the CBRD replied to the Ministry on their intention to run a CDCC. Follow-up action is being entertained with the CBRD.	**Implemented**
		The Advisory Committee should be set up to oversee processes, standards and strategies related to implementation and development of CDCC. (*Pg 428, Para 22.1*)	A letter has been sent to the Ministry of Public Service and Administrative Reforms to determine the quantum to be paid to members of the Advisory Committee. However, no reply has been received and therefore the Advisory Committee could not be functional.	**Partly Implemented**
		MGEFW should follow up regularly with the Commissioner of Police on the status of cases. (*Pg 428, Para 22.1*)	All letters sent to CDCC to cease operations are being copied to the Commissioner of Police. A new protocol was established between the Ministry and the Police Department and the advice of the Solicitor General's Office (SGO) was sought in order to facilitate action on those CDCCs regarding prosecution.	**Implemented**

SN	Findings	Recommendations	Ministry's Response – Status as of February 2025	NAO's Comments
	Risk Management Framework and Risk Register Not Yet Finalised (Page 429)			
2	As of 13 September 2023, a Risk Management Framework was not yet finalised and approved by the Accounting Officer. (*Pg 429, Para 22.2*)	Circular No. 8 of 2021 issued by MoFEPD should be complied with and the Risk Register should be implemented without delay. (*Pg 429, Para 22.2*)	The Ministry has taken the following actions: (a) Risk areas for the Ministry have already been drawn. (b) A Risk Management Policy has been signed on 04 September 2024 and is since then effective. (c) The Risk Management Framework and Risk Register are still in process.	**Partly Implemented**
3	Audit Committee not effective. Only one status report for the quarter ended 30 September 2022 was submitted to the Office of the Public Sector Governance (OPSG) on 14 March 2023. *(Pg 429 Para 22.2)*	The Audit Committee should adhere to all the requirements of the Audit Committee Charter. *(Pg 429 Para 22.2)*	The Ministry would ensure that henceforth the Audit Committee carries out its functions in line with the Audit Committee Charter.	**Implemented**
	Key Performance Indicators (KPI) (Page 430)			
4	Targets for "Back to Home," "Foster Care," and "Community Development" programmes were reduced for financial years 2022-23 and 2023-24. The "Back to Home" program reintegrated fewer children, dropping from 210 to 162. The "Foster Care" target was reduced by 50%. *(Pg 430, Para 22.2)*	Targets should be monitored and reasons for non-achievement of goals should be analysed. *(Pg 431, Para 22.2)*	There has been a drop in the success rate regarding "Back to Home" Programme. The Ministry will maintain a close monitoring for a more successful "Back to Home" programme. Some 65 sensitisation campaigns have been carried out for the period 2022-2023.	**Partly Implemented**

SN	Findings	Recommendations	Ministry's Response – Status as of February 2025	NAO's Comments
			The foster care allowance was increased from Rs 8,000 to Rs 12,000 and an incentive of Rs 15,000 was provided in the Budget 2023-2024 to encourage foster parents to foster a child with special needs.	
5	No explicit KPI was established regarding the implementation of family welfare and gender-based violence. *(Pg 430, Para 22.2)*		The Ministry has worked out new systems for data collection which would allow for better monitoring, hence new KPI's in the forthcoming years.	**Partly Implemented**
	Governance Issues – Non-Compliance with Legislation (Page 431)			
6	***Non-submission of Report on Performance*** As of 18 December 2023, the Report on Performance of MGEFW for the financial year 2022-23 had not yet been submitted to the Ministry of Finance, Economic Planning and Development, despite the statutory deadline being 31 October 2023. *(Pg 431, Para 22.3)*	The Ministry should exercise control over Statutory Bodies and other entities operating under its aegis. *(Pg 432, Para 22.3)*	The Ministry would henceforth ensure that Report on Performance is submitted according to statutory deadline.	**Implemented**
	Non-submission of Financial Statements for audit As of 14 December 2023, statutory bodies falling under the purview of MGEFW, had not submitted their financial statements for audit. *(Pg 431, Para 22.3)*		The non-submission of financial statement for audit was mainly due to the non-availability of human resources to finalise the financial statement. The Ministry would exercise control over statutory bodies and other entities operating under its aegis. A committee at the Ministry level has been set up to follow up these matters.	

SN	Findings	Recommendations	Ministry's Response – Status as of February 2025	NAO's Comments
	Annual Reports not laid before the National Assembly As of 14 December 2023, two Statutory Bodies had not yet laid their financial statements before the National Assembly, although they had been certified by the National Audit Office (NAO). *(Pg 432, Para 22.3)*			**Implemented**

22 - MINISTRY OF ARTS AND CULTURAL HERITAGE

22.1 Deficiencies in the Management of E-Government Project -Digitisation of Archives

The E-Archiving System (EAS) is one of the web-based portals, which has been developed in 2009 to manage and preserve archival records of the National Archives Department (NAD) falling under the aegis of the Ministry, with the following objectives:

- Online access to national and international audience.
- Preservation of the original records by reducing wear and tear of the originals.
- Access to partly damaged documents that could not be accessed in their original format.
- Improved service to customers.

In June 2009, a contract was awarded for a turnkey solution for an EAS for the sum of Rs 17.9 million and the software was commissioned in December 2009.

In September 2018, a contract was awarded to Contractor A for the sum of Rs 10.7 million for the implementation of a new Document Management System (DMS) together with a web-based application subscription portal to allow external users to securely access historical materials which have been scanned and uploaded on the DMS. The system was fully commissioned in September 2019.

Lapses in Implementation of Subscription Portal for Access to Online Users

Background Information

Phase 1 of the digitisation process comprised the scanning, indexing and uploading of 526,447 pages of archives documents that was completed in March 2013.

Under Phase 2, the Ministry awarded another contract in June 2023 for the provision of services to NAD for digitisation/scanning, indexing and uploading of 500,000 historical documents pertaining to Indentured Immigration to Contractor B for a sum of Rs 14.8 million. The intended completion date was 15 months from the letter of award, that is 26 September 2024. As at 30 June 2024, payments totalling Rs 6.2 million were made to the contractor.

On 27 May 2022, Government took note of the proposed promulgation of National Archives (Access to Public and Destruction of Public Records) (Amendment) Regulations 2022, which would provide for the subscription fees to access the online database for periods ranging from 3 to 12 months, as well as printing fees for digital images. Consequently, in October 2023, Contractor A was requested to modify the existing structure related to the subscription portal at a cost of Rs 443,325.

In April 2024, an amount of Rs 99,750 was paid to the Contractor A for the implementation of MPGS Gateway after the State Bank of Mauritius Ltd informed that it has planned to migrate the e-Commerce platform on the Mastercard Payment Gateway Service (MPGS).

Findings

Delay in Scanning, Indexing and Uploading of Documents for Phase 2

- The work for the digitisation of documents under Phase 2 started in October 2023, after the infrastructure set up and training of staff, that is more than 3 months after the award of contract.

- As at 27 August 2024, only 200,000 documents had been quality controlled and validated by NAD and 300,000 documents were yet to be scanned, indexed, quality controlled and validated.

- On 27 August 2024, NAD expressed concern about the considerable number of errors that were being detected.

Instant Payment System not yet Introduced due to Lack of Funds

- In line with Budget Speech 2021-2022, in August 2022 the Treasury, requested NAD to introduce the Instant Payment System (IPS) of the Bank of Mauritius to enable online payment through banking, mobile applications and QR code.

- In October 2022, the software developer company submitted a draft Software Requirement Specifications to that effect. In March 2023, the Central Informatics Bureau found the financial proposal for the integration of IPS in the Subscription portal to be excessively high and not acceptable.

- On 16 August 2023, NAD informed that funds had not been obtained for the implementation of this functionality, hence same would be kept in abeyance for the time being.

- As of August 2024, the IPS was not yet implemented.

Delay for the Promulgation of the National Archives Regulations

- On 24 June 2022, the Ministry requested NAD to submit amended draft National Archives Regulations to enable the former to proceed with its promulgation. On 11 July 2022, NAD submitted the new rates for the subscription fee to be charged to adults and students and other proposals, amongst others.

- On 12 October 2022, NAD forwarded its views on the draft regulations already vetted by the Attorney General's Office. However, the draft regulations have not yet been finalised, that is 2 years after.

Root Causes

- Poor project planning and monitoring by NAD.

- Inadequate follow up by the Ministry to finalise the National Archives Regulations.

Recommendations

- Effective project monitoring should be undertaken with regards to time factor, cost and tasks to be completed by NAD and the Ministry.

- The Ministry should expedite matters regarding digitisation of the historical documents and the finalisation of the amendments to National Archives Regulations in order to meet the objective of the EAS relating to online access to national and international audience.

Ministry's Response

- As at 27 January 2025, 455,813 out of 500,000 pages have been quality controlled and validated by NAD and it is expected to be completed by February 2025.

- Consideration will be given for the implementation of IPS after weighing up factors such as cost and benefits.

- Government approval on the National Archives Regulations would be sought shortly.

22.2 Governance Issues – Non-Compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of statutory bodies with the objective of strengthening accountability and transparency in the public sector.

Findings

Non-Submission of Report on Performance

As of 31 December 2024, the Report on Performance of the Ministry of Arts and Cultural Heritage for the financial year 2023-24 had not yet been submitted to the Ministry of Finance despite the statutory deadline being 31 October 2024.

Non-Submission of Financial Statements for Audit

The Statutory Bodies (Accounts and Audit) Act requires the Chief Executive Officer of a Statutory Body to submit the annual report, including the financial statements, to the auditor not later than 4 months after the end of every financial year.

As of 31 December 2024, the following Statutory Bodies falling under the purview of the Ministry of Arts and Cultural Heritage had not submitted their financial statements for audit as shown in Table 22-1.

Table 22-1 Financial Statements not submitted to NAO for Audit

SN	Statutory Body	Financial Year	No of Financial Statements
1	Arabic-speaking Union	2020-21 to 2023-24	3
2	Bhojpuri Speaking Union	2023-24	1
3	Hindi-Speaking Union	2023-24	1
4	Malcolm de Chazal Trust Fund	2022-23 & 2023-24	2
5	Marathi-speaking Union	2023-24	1
6	Mauritian Cultural Centre Trust	2004-05 to 2023-24	19
7	Mauritius Marathi Cultural Centre Trust	2023-24	1
8	Mauritius Film Development Corporation	2019-20 to 2023-24	5
9	Mauritius Museums Council	2017-18 to 2023-24	7
10	Mauritius Society of Authors	2022-23 to 2023-24	2
11	Mauritius Tamil Cultural Centre Trust	2021-22 to 2023-24	3
12	National Art Gallery	2019-20 to 2023-24	5
13	Nelson Mandela Centre for African Culture Trust Fund	2020-21 to 2023-24	4
14	Professor Basdeo Bissoondoyal Trust Fund	2007-08 to 2023-24	16
15	Sanskrit-speaking Union	2022-23 & 2023-24	2
16	Tamil-speaking Union	2022-23 & 2023-24	2
17	Urdu-speaking Union	2019-20 to 2023-24	5

Source: NAO records

Annual Reports not laid before the National Assembly

The Statutory Bodies (Accounts and Audit) Act requires a copy of the annual report and audited accounts of every statutory body to be laid before the National Assembly at the earliest opportunity.

As of 31 December 2024, the annual reports of 10 statutory bodies had not yet been laid before the National Assembly as shown in Table 22-2.

Table 22-2 Annual Reports including Audited Financial Statements not laid before the National Assembly

SN	Statutory Body	Financial Year/Period	Date Certified	No of Financial Statements
1	Apravasi Ghat Trust Fund	2022-23	18.03.2024	1
2	Bhojpuri Speaking Union	2022-23	10.07.2024	1
3	Islamic Cultural Centre Trust Fund	2022-23	29.03.2024	1
4	Malcolm de Chazal Trust Fund	01.01.2016-30.06.2017 to 2020-21	31.05.2021 to 31.03.2023	5
5	Mauritius Museums Council	01.01.2016 to 30.06.2017	16.10.2024	1
6	Mauritius Telugu Cultural Centre Trust	2022-23	20.05.2024	1
7	National Art Gallery	2018-19	20.09.2024	1
8	National Heritage Fund	2020-21	29.02.2024	2
		2021-22	22.05.2024	
9	Sanskrit-speaking Union	2020-21	11.06.2024	1
10	Telugu-speaking Union	2017-18 to 2021-22	04.08.2021 to 21.06.2023	5

Source: National Assembly records

NAO is of the view that the Ministry should:

- Comply with its statutory obligation regarding submission of its Report on Performance;
- Exercise control over statutory bodies and other entities operating under its aegis to ensure that they comply with their statutory responsibilities regarding the preparation of financial statements and their submission for audit; and
- Lay a copy of the annual report and audited financial statements before the National Assembly.

Ministry's Response

The Ministry will follow up with the Parastatal Bodies for submission of Annual Reports and financial statements after reconstitution of respective Boards.

22.3 Follow-up of Recommendations raised in the Audit Report 2022-23

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarised below. Out of 4 recommendations, 2 (50 per cent) have been partly implemented and 2 (50 per cent) have not been implemented.

SN	Findings	Recommendations	Ministry's Response-Status as of January 2025	NAO's Comments
	Acquisition of Non-Financial Assets - 92.4 per cent of Budgeted Funds Not spent (Page 433)			
1	During the financial year 2022-23, some Rs 9.3 million that is only 7.6 per cent were disbursed out of the Rs 122.5 million *(Pg 433, Para 23.1)*	The Accounting Officer should ensure that the implementation of projects is properly planned and executed so that the budgeted amounts are utilised fully. *(Pg 433, Para 23.1)*	Disbursement of funds within a year is effected as per claims and expenditure incurred.	**Partly implemented** *(16.7% utilised out of original budgeted amount of Rs 148 million in financial year 2023-24)*
	Capital Grants to Statutory Bodies - Budgeted Funds unnecessarily tied up (Page 433)			
2	In the financial year 2022-23, only Rs 1.3 million, that is 15 per cent, were disbursed from the sum of Rs 11.5 million earmarked for capital grants to three Statutory Bodies *(Pg 433, Para 23.2)*	The Accounting Officer should ensure that the Statutory Bodies have a proper implementation plan for projects. *(Pg 434, Para 23.2)*	Disbursement of the remaining Rs 10 million was subject to launching of tenders and subsequent awards.	**Partly Implemented** *(only 33.3% of the total amount of Rs 15 million disbursed in financial year 2023-24)*
	Annual Procurement Plan not published (Page 434)			
3	An Annual Procurement Plan for financial year 2022-23 was not uploaded on the Ministry's website. *(Pg 434, Para 23.3)*	The Accounting Officer should, henceforth, ensure compliance with the Public Procurement Regulations. *(Pg 434, Para 23.3)*	The MPS has been requested to comply with Procurement laws and Directive 22A of the PPO.	**Not Implemented** *(Annual Procurement Plan for 2023-24 not published)*

SN	Findings	Recommendations	Ministry's Response-Status as of January 2025	NAO's Comments
	Short Deadline for Response to Bids (Page 435)			
4	Short deadlines ranging from one to three days were given to potential bidders for the submission of their bids. *(Pg 435, Para 23.3)*	Submission of bids should remain open for a reasonable period of time so that responsive bids are received. *(Pg 435, Para 23.3)*	In most procurement exercises carried out by the Ministry, a reasonable time lag is given to bidders to respond. However, sometimes due to non-responsive bids, the exercises have to be relaunched, thus necessitating the time lag to be reduced from opening to closing. Moreover, in some cases, dates of events and activities to be organised are communicated tardily and such factors are beyond the control of the Ministry.	**Not Implemented** *(In financial year 2023-24 in 21 instances short deadline ranging from 1-6 days given to suppliers to submit bids)*

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23 - MINISTRY OF COMMERCE AND CONSUMER PROTECTION

23.1 Price Monitoring and Control Application - "MOPRI" Application

Background Information

The Consumer Affairs Unit of the Ministry of Commerce and Consumer Protection (MCCP), in its endeavour to monitor prices of commodities on the local market and to identify trends, proposed that a database be set up to monitor prices across the island. In this context, the MCCP proposed that a price monitoring and control application be developed. Such an application would also provide all consumers with more visibility on prices of certain products and help them in their purchasing decisions.

The Mauritius Research and Innovation Council (MRIC) agreed to finance the Price Monitoring and Control Application (PMCA), also known as MOPRI, under the Public Sector Transformation Scheme following a call for proposals.

The proposal received from Company A was selected for the development of the PMCA project upon approval by MCCP. The financing involved MRIC contributing up to Rs 2 million, whilst Company A contributed Rs 500,000 in kind. Monitoring and management of the project would be done by MCCP.

The contract agreement signed by the 3 parties involved (MCCP, MRIC and Company A), provided for the project to be completed over a period of 7 months starting in September 2021. A maximum delay of 6 months from the scheduled completion date would be allowable.

The application was officially launched on 18 May 2023.

Findings

- The PMCA project was not properly planned, monitored and managed.
- Communication between MCCP, MRIC and the Contractor was also not effective, thereby hindering proper and timely cognizance of project progress and changes.
- Non-inclusion of report generation for the Price Observatory Committee in the initial scope, entailed subsequent reworking of the design wireframe and revisiting of the methodology, involving re-installation of several features.
- The Ministry failed to inform the Contractor at the very start of the project, of the IT environment in which the application would have to be developed and the security aspects to be considered.
- The resulting persistent IT security weaknesses which were identified, could only be remedied after the project was moved to a high availability architecture involving provision by the Government Online Centre (GOC) and use of additional servers. The Contractor thereafter had to re-conduct all configurations and hardening of the servers.
- Cooperation of traders was not secured at planning stage. This called for amendments to be brought to legislation, making it mandatory for traders with an annual turnover exceeding Rs 50 million, to submit such information as might be requested for by the Ministry.

These amendments were made in July 2023, that is, some 12 months after MCCP's initial request for written consent from 14 owners of 51 retail outlets, and nearly 2 years after initiation of the project.

- Server hosting and deployment issues were encountered as a result of the initial non provision of a System Administrator by the supplier and the incompatibility of the application with the servers originally dedicated for testing on GOC, amongst others.

- Delays in publishing vetted informative text on the application and website were significant. Multiple revisions and feedback extended the timeline, pointing to inefficiencies in the content creation and approval process.

- Integration of user feedback into the application development was slow and inefficient.

- The contract between MCCP, MRIC and the Contractor did not include any provision for a warranty period. The ownership of the source codes for PMCA was not defined in the agreement.

- Extent of services paid for, following signature of the Application Software Maintenance Agreement, were not known. No records were kept in respect of interventions carried out, price updates of products on the application, modifications and other enhancements.

- The commissioning certificate was also not seen after the user acceptance testing was done.

Root Causes

- Inadequate definition of technical requirements of the Ministry and of the scope of the project.

- Failure by MCCP to give relevant information to the Contractor at the start of the project and late involvement of stakeholders in the implementation of the project.

- Inadequate communication, and ineffective quality assurance processes during the application development.

Recommendations

- For similar future ICT projects, MCCP should clearly define its technical requirements and the scope of the project with the assistance of public bodies like the Central Informatics Bureau.

- The supplier should be properly briefed at the very start of the project and timely involvement of stakeholders should be ensured.

- Effective communication and quality assurance processes should be established during the application development.

- Provision should be made in future agreements for any major enhancement envisaged in the application.

Ministry's Response

- In its quest to encourage research and innovation MRIC "sponsored" the project. The initiative's main objective was to encourage innovative companies and start-ups to develop applications for the public sector. The scheme aimed at supporting innovative, collaborative projects that "test" new approaches/ technologies by the "start-ups". The very fact that the projects were considered as "test" presented a high element of risk and did not guarantee their success.

- Because such companies are still in their learning phase, the risk of successful and timely implementation of the projects are higher than is generally the case for IT projects implemented in the public sector.

- It appears that the project had indeed not been properly planned and monitored by the team which was at that time responsible for implementation of the project for various reasons, the main ones being the challenges of implementing e-government projects and most probably the fact that very few officers in the public sector had an understanding of or have been trained to monitor IT and E-Government Projects.

- The Software Developer faced major challenges and difficulties. For instance, a different algorithm from that proposed by the Ministry was used. The Ministry proposed the computation of the value of a basket of goods based on fixed items while the software developer used simple average for the whole database, which led to inaccurate information. The Software Developer was then called to re-organise the metric used for the computation of the value of the basket of goods. Similar issues had to be resolved throughout the development of the software thus extending the time frame.

- The delay in submitting the vetted information text on the application and website was due to consultations with the State Law Office with respect to the different aspects of user terms and agreement of the mobile application such as privacy, date protection, liability amongst others.

- Regarding the root cause analysis for the MOPRI project, all three identified issues pertain to the 2021/2022 period. The team in 2023 thoroughly addressed these weaknesses, resulting in improved service delivery for the application.

Non-compliance with the Public Procurement Act 2006 and related regulations

As per the return on procurement activities submitted to the Public Procurement Office (PPO), MCCP awarded contracts for a total amount of Rs 4,812,726 during the financial year 2023-24.

Findings

- According to paragraph 40(1A) of the Public Procurement Act (PPA) 2006, "*The chief executive officer of a public body shall, before awarding a contract under subsection (1), certify and keep on record that all the procurement rules have been complied with in accordance with this Act."*

  MCCP has not complied with the above provision of PPA 2006.

- As per subsection 14(3) of the Public Procurement (Electronic Bidding System) Regulations 2015, *"The bid opening report shall be in the format issued by the Policy Office and shall be promptly published on the website of the public body."*

  MCCP did not publish its bid opening reports on its website as required by the Public Procurement (Electronic Bidding System) Regulations 2015.

- Contrary to Section 10(4) of the Public Procurement Regulations 2008, MCCP did not post its Annual Procurement Plan for the financial year 2023-24 on its website nor on the Public Procurement Portal for open advertised bidding.

Root Cause

The Ministry did not comply with provisions of PPA 2006 and related regulations.

Recommendation

The Accounting Officer should ensure compliance with the provisions of PPA 2006 and related regulations.

Ministry's Response

- The Ministry acknowledges the observations made.

- The Ministry is committed to enhancing its compliance mechanisms. Training sessions on procurement laws and best practices will be conducted for all relevant staff. A monitoring framework is being introduced to track compliance with procurement regulations, ensuring prompt corrective action where necessary.

23.2 Governance Issues – Non-compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of statutory bodies with the objective of strengthening accountability and transparency in the public sector.

Finding

Non-Submission of Report on Performance

As of 31 December 2024, the Report on Performance of the Ministry of Commerce and Consumer Protection for the financial year 2023-24 had not yet been submitted to the Ministry of Finance, Economic Planning and Development, despite the statutory deadline being 31 October 2024.

NAO is of the view that the Ministry should comply with its statutory obligation.

24 – MINISTRY OF PUBLIC SERVICE, ADMINISTRATIVE AND INSTITUTIONAL REFORMS

24.1 Key Performance Indicators – Two Targets Not Attained

Background Information

For the financial year 2023-24, the Ministry identified 6 Key Performance Indicators and 1 Outcome Indicator to assess its performance.

Findings

Sandbox Projects - Not Developed

For the financial year 2023-24, an amount of Rs 2 million was earmarked for the implementation of two projects namely the e-Library System and the SMS Gateway and Alert System under the Sandbox Framework.

However, the earmarked amount of Rs 2 million was not used and reallocated to another vote item, namely *"Rental of Building"* in April 2024.

As of September 2024:-

- The Ministry did not proceed with the e-Library System as no responsive bids were received following an invitation for bids;
- The implementation of the SMS Gateway and Alert System was still at the evaluation stage following the relaunch of bids in May 2024;
- The Terms of Reference for the procurement of the Mobile Application to support public officers in maintaining good health, mental well-being and addressing alcohol dependence to ensure a sound workplace has not yet been finalised; and
- The Scheme of Service System was implemented in 10 Ministries and Departments. However, the Terms of Reference for the procurement exercise was still under process for the remaining Ministries and Departments.

Ministry's Response

- On 26 April 2024, a Memorandum of Understanding was signed with the University of Mauritius (UOM), enabling the UOM to share its e-Library platform with the Civil Service Library and Documentation Unit. The Ministry had decided not to go ahead with the e-Library project under the Sandbox Framework.
- Two bidding exercises for the SMS Gateway and Alert System were launched on 27 April 2023 and 16 May 2024 respectively and both of them were unsuccessful. The Ministry of Labour and Industrial Relations has been requested to propose another project for implementation under the Sandbox Framework.

- The Terms of Reference for Mobile Application has been drafted. However, given the lack of resources to avail the services of specialised health personnel, the project has been kept in abeyance.

- The Terms of Reference for the Scheme of Service System have been finalised and tender will be launched, at latest by mid-February 2025.

- Since funds allocated under the Sandbox Framework Project were not used, funds were reallocated to the item 'Rental of Building' wherein there was an increase in the monthly rental of SICOM Building with effect from October 2023.

Recruitment of Consultant to Review Performance Management System - Bid Exercise Not Finalised

For the financial year 2023-24, funds to the tune of Rs 3.5 million were allocated under the Ministry's Vote *'Fees to Consultant'* for the recruitment of a Consultant to review the Performance Management System in the Public Service.

Finding

As of October 2024, the bid exercise for the recruitment of a Consultant was not finalised.

The budgeted amount of Rs 3.5 million was not used and reallocated to another vote, namely "*Rental of Building"* and "*Public Service Day*".

Root Cause

The Public Sector Business Transformation Bureau did not have an annual plan of activities with key deliverables.

Recommendation

The Ministry should expedite recruitment of Consultant to allow timely review of Performance Management System.

Ministry's Response

In March 2024, this Ministry agreed to re-launch bids for the recruitment of a Consultant, with an earmarked budget of Rs 3 million in the next financial year 2024-25. However, this Ministry was allocated an amount of only Rs 1 million for the item "Fees for Consultants" and could not proceed with the project. It has been proposed that the assistance of the Indian Authorities be sought for the project.

24.2 Construction of New Civil Service College – Delay in Project Completion

Background Information

The contract for the Construction of the New Civil Service College was awarded to a local company for the sum of Rs 395.8 million, inclusive of VAT. The project started on 27 January 2022 and was scheduled for completion by July 2023.

During the financial year 2023-24, the project was further reviewed and the Ministry paid Rs 157.7 million to the Contractor, Rs 3.5 million to the Consultant, and Rs 1.5 million to the Central Electricity Board.

As of October 2024, a total of Rs 376.6 million had already been disbursed under the project.

Findings

Delay in Project Completion

- In May 2023, the initial completion date of 29 July 2023 was first extended by 138 days to 14 December 2023. Two months later, on 21 February 2024, a second extension of time of 199 days was granted to the Contractor to complete the project by 30 June 2024. As of August 2024, the construction project was still not completed.

- Construction workers were still present on site of works and the Auditorium was partly furnished as per site visit conducted by the National Audit Office on 22 October 2024.

The delay in the completion of the new Civil Service College Mauritius resulted in an increase in the initial project value from Rs 160 million in the financial year 2020-21 to some Rs 483.3 million as of August 2023.

Root Cause

The Ministry did not clearly define the scope of works at the initial stage of the project.

Recommendation

The Ministry should expedite the timely operation of the college and for future capital project, the scope of works should be adequately defined.

Ministry's Response

- The construction works have now been completed. On 18 December 2024, the Project Consultant has issued the completion certificate.

- The operationalisation of the College is being proposed for the end of the first quarter 2025.

Non-Compliance with the General Conditions of Contract

- The Insurance Cover for Contractors All Risks and Third Party Liability expired on 30 June 2024 but not extended up to the Defects Liability Period by the Contractor as mandated by Clause 13.7 of the General Conditions of Contract. Meanwhile, the Contractor was operating without a valid insurance cover for more than three months.

- The Performance Guarantee which was renewed on 5 March 2024, remains valid until 30 June 2025 and not up to 28 calendar days after the end of the Defects Liability Period as per Clause 49.1 of the General Conditions of Contract.

- As of September 2024, only 66.7 per cent of the contract price was certified for payment and the Contractor did not renew the Advance Payment Guarantee despite the Ministry's request dated 13 August 2024.

Root Cause

The Accounting Officer and the Consultant did not ensure that documents were submitted as per the General Conditions of Contract and were adhered by the Contractor.

Recommendation

The Accounting Officer and the Consultant should ensure that all documents are submitted as stipulated in the General Conditions of Contract.

Ministry's Response

- The Building Contractor has renewed the insurance cover for the contract period from 1 December 2021 to 31 December 2024, with a maintenance period of 12 months as from 1 January 2025.

- Several follow up requests have been made at the Ministry's level with the Project Consultant for the Building Contractor to submit the amended Performance Guarantee.

- Several reminders were issued to the Project Consultant and Building Contractor to renew the Advance Payment Guarantee which had expired on 30 June 2024. However, the Building Contractor did not renew same.

Extension of Time not Approved and Liquidated Damages Not Yet Imposed

- On 24 October 2024, the Ministry effected a payment of some Rs 58.3 million to the Contractor as per Payment Certificate No.13 despite the insurance cover was not valid, and was not in line with Clause 13.7 (a) of the General Conditions of Contract.

- As of November 2024, the Consultant had not taken any decision in line with Clause 26.2 of the General Conditions of Contract for an extension of time of 105 days with additional costs submitted by the Contractor on 5 September 2024. However, the Ministry had neither approved any further extension to the project timeline nor decided on whether to impose liquidated damages, starting from 1 July 2024.

Root Cause

The Consultant did not adhere to the General Conditions of Contract regarding extension of time and claim of liquidated damages.

Recommendation

The Consultant should strictly abide to the General Conditions of Contract in respect of renewal of Insurance cover, extension of time and claiming liquidated damages.

Ministry's Response

- The Project Consultant has recommended the extension of time from 27 July 2023 to 31 October 2024 to the Building Contractor at no additional cost.

- The Ministry has not applied liquidated damages because the causes of delay in the project were mostly beyond the control of the Building Contractor.

24.3 Leave Management System Not Fully Implemented

Background Information

The e-Human Resource Project consisting of the data migration of the Core Human Resource Module and the Leave Management System (LMS), was carried out in three phases for a total cost of Rs 19.2 million, exclusive of VAT. During the financial year 2023-24, Rs 9.5 million was disbursed for the project.

The e-Human Resource Project has been successfully rolled out to 79 Ministries/ Departments benefitting some 58,000 public officers.

Findings

- As of September 2024, some 12, 000 out of some 58,000 public officers, representing 21 per cent were still not activated on LMS.

- The Ministry of Health and Wellness and the Mauritius Prison Service did not fully implement LMS as the issue of standardisation of leave deductions for shift/roster employees had not yet been finalised. Thus, leave processing was still being done manually, which was a time-consuming process.

- Inadequate logistics and internet connectivity did not allow officers at the Ministry of Health and Wellness and the Mauritius Prison Service to apply for leaves online.

- Leaves were being processed and updated online by the Human Resource Section through back-end entries for Dr A.G. Jeetoo Hospital only.

Root Cause

The system did not cater for the specifications of certain Ministries and Departments sufficiently during the initial system design phase.

Recommendation

The Ministry should address the specifications of these entities promptly.

Ministry's Response

There were several issues encountered in the implementation of the LMS at the Ministry of Health and Wellness and the Mauritius Prison Service.

24.4 Effective Use of Electronic Time Recorders – Not Yet Assessed

Background Information

A total of 556 Electronic Time Recorders (ETR) had been installed across 52 Ministries and Departments for which the Government spent over Rs 35 million over the last decade.

Findings

- As of October 2024, 32,000 out of 58,000 public officers, representing 55 per cent were still not activated on the Electronic Attendance System (EAS).

- The Ministry did not maintain a detailed record of the number of staff enrolled and actively using ETR in each Ministry/Department as the latter was not required to submit such information.

- The Ministry has not evaluated the effectiveness of EAS in terms of accuracy, reliability, and optimal utilisation of ETR.

Root Causes

- The Ministry did not establish a monitoring and reporting mechanism to assess the effectiveness of EAS.

- The Ministry did not have a plan for the implementation of the system across the Civil Service.

Recommendations

The Ministry should:

- ensure that ETR is fully operational in all Ministries/Departments and that manual processing of attendance is phased out.

- establish a monitoring and reporting mechanism to ascertain the effective use of ETR.

Ministry's Response

- According to record available at the Ministry, 26,296 Public Officers are enrolled on ETR as of September 2024.

- The Ministry is actually in the process of revamping the current EAS. Accordingly, provisions would be made for the inclusion of a module on the EAS as a control mechanism to monitor the attendance of Public Officers across the Civil Service.

- Monitoring meetings will be held regularly with all officers of the Human Resource Cadre posted in Ministries/Departments to ensure effective use of the EAS.

24.5 Follow-up of Recommendations raised in the Audit Report 2022-23

The status on actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarised below. Out of 9 recommendations, 5 (56 per cent) have been implemented, 3 (33 per cent) have been partly implemented and one (11 per cent) has not been implemented.

SN	Findings	Recommendations	Ministry's Response-Status as of January 2025	NAO's Comments
	Construction of New Civil Service College – Shortcomings in Contract Management and Incorrect Recovery of Advance Payment (Page 439)			
1	As of June 2023, the construction and completion stage for the Academic Block and Auditorium reached only 53 per cent and 43 per cent respectively. *(Pg 439-440, Para 24.1)*	The Accounting Officer should ensure that the New Civil Service College is completed within a reasonable timeframe. *(Pg 440, Para 24.1)*	The construction works have been completed and the completion certificate was issued by the Project Consultant on 18 December 2024.	**Implemented**
	Strategic Overview – Targets not Achieved and Unrealistic (Page 441)			
2	The Ministry targeted the development of three sandbox project but as of September 2023, only one project was completed. *(Pg 441-442, Para 24.3)*	The Accounting Officer shall ensure that all constraints and challenges faced in implementing the sandbox projects and conducting BPR exercises are addressed. *(Pg 443, Para 24.3)*	The Ministry of Labour was requested to submit another project in replacement of the SMS Gateway and Alert System Project.	**Not Implemented** *(The two Sandbox Projects, namely, the SMS Gateway and E-Library System did not materialise in view of unsuccessful bidding exercises)*
3	MPSAIR did not set realistic targets for two KPIs, namely "Number of Safety Audits Conducted" and "the Number of Public Officers Trained". *(Pg 444, Para 24.3)*	The Accounting Officer should ensure that factors such as past achievements and implementing capacity of the Ministry are considered before setting realistic targets. *(Pg 444, Para 24.3)*	For future planning of Safety Audits, a realistic figure based on recent achievements of part financial years will be considered before setting targets.	**Partly Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
	Audit Committee – Not Fully Operational (Page 444)			
4	▪ Only three meetings of the AC were held out of the required six meetings. ▪ The AC did not submit its Status Reports for the quarters ended 31 March 2023 and 30 June 2023 to the Accounting Officer and OPSG. *(Pg 444-445, Para 24.4)*	The AC members and the Accounting Officer should fulfil their reporting responsibilities by complying with the provisions of the AC Charter and the PA. *(Pg 445, Para 24.4)*	• There was a high turnover of administrative staff within a period of five months. • The Audit Committee of the financial year 2023-2024 has been reconstituted and is now fully operational.	**Implemented**
	Internal Audit – Risky Audit Areas not Covered (Page 445)			
5	AC did not review and recommend the approval of the IA Charter as outlined in the AC Charter. *(Pg 445, Para 24.5)*	The Annual IA Plan and IA Charter should be reviewed by the AC. *(Pg 446, Para 24.5)*	The Annual IA Plan and Charter could not be reviewed by the AC as it was not fully operational.	**Implemented**
6	Only 75 per cent of the planned audit and follow-up assignments were covered and some risky auditable areas may not have been reviewed. *(Pg 445, Para 24.5)*	The risky audit areas identified in the Annual IA Plan should be covered as far as possible. *(Pg 446, Para 24.5)*	For the financial year 2022-23, 4 audit assignments have been completed.	**Partly Implemented**
	Government Asset Register – Procured Assets Not Recorded (Page 446)			
7	Assets procured for July 2022 were recorded on the GAR online system while NFAs procured from August 2022 to June 2023 were recorded on the Application Desktop Integrator. *(Pg 446, Para 24.6)*	The Accounting Officer should arrange for effective training programmes to enable GAR users to record data in respect of NFAs on the GAR online system. *(Pg 446, Para 24.6)*	All assets procured for the period August 2022 to June 2023 were recorded on the GAR online system. The Government Asset Register for the Ministry is up to date for the period ending 30 November 2024. As for assets procured in December 2024, the exercise has already been completed.	**Implemented**

SN	Findings	Recommendations	Ministry's Response-Status as of January 2025	NAO's Comments
	Risk Management Framework – Not Yet Developed (Page 447)			
8	As of September 2023, the Ministry did not develop a Risk Management (RM) Framework. *(Pg 447, Para 24.7)*	The Accounting Officer should establish an RM Framework and Strategy within reasonable time. *(Pg 447, Para 24.7)*	In July 2024, the Accounting Officer approved the Risk Management Policy. The Risk Management Framework has been drafted with the assistance of representatives of Internal Control Unit of the Ministry of Finance.	**Implemented**
9	The RM Committee was set up in January 2023 but not yet operational as of September 2023. *(Pg 447, Para 24.7)*	The composition and mandate of the RM Committee, including roles, responsibilities and accountability should be clearly defined and approved by the Accounting Officer. *(Pg 447, Para 24.7)*	In November 2023, the Risk Management Committee was reconstituted at this Ministry with the responsibility to establish the Risk Management Framework and strategy. The Risk Management Framework is expected to be completed by the end of the first quarter of 2025.	**Partly Implemented**

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25 - MINISTRY OF INDUSTRIAL DEVELOPMENT, SMES AND COOPERATIVES

25.1 SMALL AND MEDIUM ENTERPRISES DEVELOPMENT

25.1.1 Follow-up of Recommendations raised in the Audit Report 2022-23

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2022-23 are summarised below. Out of 3 recommendations, one (33 per cent) has been implemented and 2 (67 per cent) have been partly implemented.

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
	Risk Management Framework- Not yet developed (Page 247)			
1	As of October 2023, the SMEs Division had not yet developed a Risk Management Framework (RM). Hence, the identification and management of risk could not be carried out. (*Pg 247, Para 12.1.1*)	The Accounting Officer (AO) should establish a RM Framework and Strategy within reasonable time.	The RM Committee was set up on 30 October 2024.	**Partly Implemented**
		The composition and the mandate of the RM Committee including roles, responsibilities and accountability should be clearly defined and approved by the AO. (*Pg 247, Para 12.1.1*)	The RM Framework would be finalised once the officers forming part of the RM Committee would complete the training course at the Ministry of Public Service, Administrative and Institutional Reforms.	**Partly Implemented**
	Governance Issues- Non-Compliance with Legislation (pages 247-248)			
2	Financial statements for the Small and Medium Enterprises Development Authority (SMEDA) for the periods 1 January 2016 to 30 June 2017 and 1 July 2017 to 18 January 2018 were not submitted for audit (*Pg 247-248, Para 12.1.2*)	The Ministry should exercise control over Statutory Bodies and ensure that they fulfil their statutory responsibilities regarding the preparation of financial statements, their submission for audit and tabling before the National Assembly. (*Pg 247-248, Para 12.1.2*)	The financial statements were submitted to Audit.	**Implemented**

25.2 COOPERATIVES DEVELOPMENT

25.2.1 Schemes for the Benefit of Cooperative Societies

Background Information

The Ministry operated 5 schemes namely, boost to local production, goat farming, waste recycling, zero budget natural farming and seedlings production which were financed by the National Resilience Fund. For the financial year 2023-24, provision for funding of the schemes and the actual amount disbursed are shown in Table 25-1.

Table 25-1 Amount budgeted and actual amount disbursed for the schemes

Schemes	Amount budgeted Rs million	Amount disbursed as at 30 June 2024 Rs million	Amount disbursed as a percentage of budget Per cent
Boost to Local Production	12	4.7	39.17
Goat Farming	3	1.6	53.33
Zero Budget Natural Farming	1	0.2	20
Waste Recycling	3	0.2	7
Seedlings Production	2	-	-
Total	**21**	**6.7**	**31.90**

Source: Treasury Abstract

All applications for the different schemes are processed and approved by a Technical Committee.

Waste Recycling Scheme

Background Information

The scheme aimed at encouraging Cooperative Societies to undertake recycling activities, hence decreasing the burden of waste disposal. A grant of 50 per cent, up to a maximum of Rs 500,000 is provided for the purchase of equipment and vehicles.

At paragraph 12.2.2 of the Audit Report for the financial year 2022-23, NAO reported that out of two applications received only one application was approved.

Finding

Out of 8 applications received, only one application was approved for disbursement. The remaining ones were rejected as they were either not properly filled or incomplete. An amount of Rs 205,562 was disbursed representing only 6.8 per cent of the budgeted amount of Rs 3 million. The viability of the scheme was not adequately assessed prior to embarking on the project.

Root Cause

Most of the applications did not fully meet the requirements of the terms and conditions the scheme.

Recommendation

The terms and conditions of the scheme should be reviewed so as to meet the needs of potential beneficiaries.

Zero Budget Natural Farming Scheme

Background Information

The Zero Budget Natural Farming (ZBNF) Scheme provided financial assistance to a maximum of Rs 200,000 to Cooperative Societies for the production of 'Jiwamitra', a compost, requiring the purchase of cows and construction of cow sheds. One of the conditions of the scheme required the beneficiaries to follow training in cow rearing.

Findings

- Two Cooperative Societies who did not attend the training benefitted from the scheme.
- There was risk of conflict of interest in 3 cases where the secretaries of the Cooperative Societies were also the individual supplier or director of the supplier company.

Root Cause

Poor management of the scheme by the Cooperative Division.

Recommendations

- The Cooperative Division should ensure compliance with all conditions of the scheme.
- Necessary action to be taken in case of risk of conflict of interest.

Goat Farming Scheme

Background Information

Goat farming scheme empowered and financially assisted Cooperative Societies to engage in goat rearing activities with a view to satisfying the local demand of meat and assisting in attaining food security.

The scheme financed the construction/upgrading of goat shed and the purchase of micro-chipped for goats and sheep. Each beneficiary was granted an amount of Rs 200,000 under the scheme.

During the financial year 2023-24, out of the budgeted amount of Rs 3 million, only an amount of Rs 1,600,000 was disbursed.

Findings

- Out of the 31 applications received for Goat Farming scheme, only 18 were recommended for approval. The remaining 13 applicants did not submit the required documents within the given time and were rejected.

- Despite 10 Cooperative Societies had not submitted their quotations for micro-chips goats, their applications for the scheme were approved.

- During monitoring site visits, cases were noted where goats were stolen from the shed of the beneficiaries who benefitted from this scheme during financial year 2022-23 and the stolen animals could not be traced out since they were not micro-chipped.

Root Cause

Poor management of the scheme by the Cooperative Division.

Recommendation

A Monitoring Committee should be set up to monitor the projects following the disbursement and take appropriate corrective actions to address deviations.

Boost to Local Production Scheme

Background Information

The scheme promoted a local food production, agro-processing and value addition. One of the conditions of the scheme, was that cooperative societies can benefit from only one scheme during a financial year.

Findings

- On 7 June 2023, a grant of Rs 250,000 was given to a Cooperative Society under the Boost to Local Production Scheme (BLPS) to purchase sheep and goats. During a monitoring visit conducted by a Principal Cooperative Officer, it was found that the beneficiary had already sold the animals by the end of June 2023, thereby not complying with the conditions of the scheme.

- Moreover, although the above beneficiary did not comply with the conditions of the BLPS, it benefitted an additional grant of Rs 400,000 under the Goat Farming and ZBNF Schemes.

Root Cause

Absence of coordination among the different schemes at the Cooperatives Division.

Recommendations

- A Monitoring Committee should be set up to monitor the projects following the disbursement and take corrective actions in case of any non-compliance.

- Consideration be given to have a Coordinating Committee to ensure that grants are disbursed to compliant beneficiaries only.

Ministry's Response

The eligibility criteria and conditions for grant or applications under all the schemes have been reviewed for the financial year 2024-25.

Poor Governance over submission of Financial Statements by Cooperative Societies

Background Information

Cooperative Societies are required under Section 73(3) of the Co-operatives Act to submit, within a period of 3 months after the closing of every financial year, to the Principal Co-operative Auditor (PCA) or auditor, as the case may be, the Financial Statements (FS) together with all relevant documents and such statistical returns as the PCA or auditor may require. Section 73(4) of the same Act requires that the PCA or auditor shall, within 3 months from receipt of the financial statements together with all relevant documents, submit report on the audit carried out to the President of the Society and the Registrar.

Findings

A scrutiny of the financial statements submitted to the Registrar of Co-operatives Societies (RCS) during the financial year, revealed the following:

- For the financial year 2022-23, out of 1,247 societies, 671 societies representing, 53.8 per cent of societies did not submit their FS to the PCA.
- 385 societies, that is, 31 per cent submitted their FS after the statutory deadline.
- FS of 99 Cooperative Societies were not audited by the PCA due to late submission and unavailability of documents for completion of the audit.
- For 73 Cooperative Societies, the dates the external auditors submitted the FS, were not known. Hence, it could not be ensured whether the external auditors complied with Section 73(4) of the Co-operatives Act.

Root Cause

Inadequate follow up by the RCS for non-compliance with the Co-operative Act 2016.

Recommendation

The RCS should take corrective action for non-compliance.

Ministry's Response

- The Ministry is initiating necessary actions against societies which have not submitted their FS, failing which legal procedures will be initiated.
- Action is being taken to ensure compliance with Co-operative Act 2016.

25.2.2 Follow-up of Recommendations raised in the Audit Report 2022-23

The status on actions taken on key findings and recommendations since the publication of the Audit Report 202-23 are summarised below. Out of 8 recommendations, 4 (50 per cent) have been implemented, 3 (37 per cent) have been partly implemented and one (13 per cent) has been implemented.

SN	Findings	Recommendations	Ministry's Response-Status as of January 2025	NAO's Comments
	Liquidation of Cooperative Societies - Non-Compliance with Cooperatives Act (Pages 249-250)			
1	Non-submission of monthly progress and final reports on liquidation as required by section (97) (2) (a) of the Co-operatives Act.	The Registrar of Co-operative Society should: ensure that all the requirements of the Co-operatives Act with respect to liquidation are adhered to by the liquidator.	Corrective actions have been taken to ensure compliance with the Co-operatives Act.	**Implemented**
	Liquidation process for 30 cases not completed within one year as required by Section 97 (3) of the Co-operatives Act. Other reasons for non-completion of liquidation process.	The Liquidation and Arbitration Unit should carry out proper follow-up to ensure compliance and to speed up the liquidation process.		**Implemented**
	Notice to Creditors as per Section 96(1) (b) not published. Notice of closure as per (100) (2) of the Co-operatives Act were not published, hence entailing delay in the completion of the liquidation process. *(Pg 249-250, Para 12.2.1)*	Apply for disbursements of funds from Cooperative Development Fund for publication of notices, following requests from the liquidator. *(Pg 251, Para 12.2.1)*	Online publication is done by societies through Government Information System process.	**Implemented**
	Waste Recycling Scheme for the Benefit of Cooperative Societies (Pages 251-252)			
2	To be registered as a recycler, the applicant must submit a Preliminary Environment Report (PER) for the recycling plant to the Ministry of Environment, Solid Waste Management and Climate Change.	The Accounting Officer should: ▪ Ensure that an awareness campaign is carried out, targeting more applicants and explaining all the requirements relating to terms and conditions of the scheme;	An open Day on was organised to explain application procedures of the schemes.	**Partly Implemented**

SN	Findings	Recommendations	Ministry's Response- Status as of January 2025	NAO's Comments
	Applications were not being approved due to non-submission of relevant documents. *(Pg 252, Para 12.2.2)*	▪ Set up a help desk to assist Cooperative Societies in accessing the scheme; and	• A team of officers provided desk support to Cooperative Societies at the head office and Co-operative Business Centres	**Implemented**
		▪ Consider the setting up of a Project Steering Committee comprising all the relevant stakeholders. *(Pg 252-253, Para 12.2.2)*	• A Project Steering Committee will be set up.	**Not Implemented**
	Risk Management Framework- Not yet developed (Page 253)			
3	The Risk Management (RM) Framework as provided under Circular No 8 of 2021 was not developed. *(Pg 253, Para 12.2.3)*	▪ The Accounting Officer should establish a RM Framework within reasonable time.	The RM policy was signed.	**Partly Implemented**
		▪ The composition and the mandate of the RM Committee including roles, responsibilities and accountability should be clearly defined and approved by the Accounting Officer. *(Pg 253, Para 12.2.3)*	A RM Framework is being finalised in consultation with the Internal Control cadre.	**Partly Implemented**

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PART II

AUDIT OF OTHER PUBLIC ENTITIES

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26 – STATUTORY BODIES, LOCAL AUTHORITIES, SPECIAL FUNDS AND OTHER BODIES

26.1 Financial Reporting

26.1.1 Statutory Bodies

Statutory Bodies are established by law to carry out specific functions which Government considers may be more effectively performed outside a traditional departmental structure. They are subject to varying degrees of ministerial control which are specified in the legislations establishing them. Ministers are accountable to the National Assembly for the operation of the statutory bodies falling under their respective responsibilities. Since public money is allocated to the operations of statutory bodies, there is need to ensure that the funds are spent in an efficient, effective and economic manner.

The Statutory Bodies (Accounts and Audit) Act provides that every statutory body shall cause to be prepared an annual report which shall consist of:

- the financial statements in respect of the financial year to which the report relates;
- a report on the performance of the statutory body in respect of the previous financial year;
- a corporate governance report in accordance with the National Code of Corporate Governance; and
- the strategic direction of the statutory body in respect of the following 3 financial years.

The Act also sets out the following timelines to be complied with:

(a) The Chief Executive Officer of every statutory body shall, not later than **three months** after the end of every financial year, submit to the Board for approval the annual report in respect of that year.

(b) After approval by the Board, the Chief Executive Officer shall, not later than **four months** after the end of every financial year, submit the annual report to the auditor.

(c) The auditor shall, within **ten months** of the end of every financial year, after receipt of the annual report, submit the annual report and his audit report to the Board.

(d) On receipt of the annual report, including the audited financial statements and the audit report, the Board shall, not later than **one month** from the date of receipt, furnish to the Minister such reports and financial statements.

(e) The Minister shall, at the **earliest available opportunity**, lay a copy of the report and audited accounts of every statutory body within his portfolio before the National Assembly.

26.1.2 Local Authorities

The Local Government Act provides that the approved annual report of every Local Authority shall be audited by the Director of Audit. The main provisions made in the Act regarding the time frame for the submission of the accounts of Local Authorities for audit, and the gazetting of the certified financial statements and the report of the Director of Audit are as follows:

- The Chief Executive of every Local Authority, other than a Village Council, shall, within **three months** after the end of the financial year submit annual report to the Council.

- The Chief Executive of every Local Authority shall, within **four months** of the end of every financial year, submit the approved annual report to the Director of Audit.

- The Director of Audit shall, after receipt of the approved annual report, submit, within **10 months** of the close of every financial year, the annual report and the audit report to the Minister and to the local authority.

On receipt of the report of the Director of Audit, in respect of the annual report of a Council which has been audited, the Minister shall, at the earliest available opportunity, lay a copy of its annual report and audited accounts before the National Assembly.

26.1.3 Special Funds

All Special Funds are either regulated by an Act or a Regulation made under the Finance and Audit Act. Some are required to submit accounts not later than three months after the end of each financial year, while for others, there is no such deadline.

Every Special Fund shall prepare Financial Statements in accordance with International Public Sector Accounting Standards (IPSAS).

26.2 Audit of Accounts of Public Sector Bodies

NAO carries out the audit of the accounts of the following Public Sector Bodies (PSBs) besides Ministries and Government Departments, and the Rodrigues Regional Assembly (RRA).

- **115** Statutory Bodies (SBs)

- **12** Local Authorities (LAs)

- **20** Special Funds (SFs)

- **5** State-Owned Companies (SOCs)

- **27** Other Bodies (OBs) including **3** Donor-Funded Projects (DFPs)

26.2.1 Financial Statements not Submitted for Audit

As of 21 February 2025-

(a) 48 SBs have not yet submitted a total of 152 Financial Statements to NAO for audit purposes;

(b) 6 SFs have not yet submitted a total of 14 Financial Statements to NAO for audit purposes; and

(c) 12 OBs have not yet submitted a total of 16 financial statements to NAO for audit purposes.

Details are given at Appendix I.

26.2.2 Financial Statements not yet Laid before the National Assembly

As of 21 February 2025 –

(a) 62 Financial Statements in respect of 30 SBs had been certified but have not yet been laid before the National Assembly.

(b) One Financial Statement in respect of one SF were certified by NAO but not yet laid before the National Assembly.

Appendix II refers.

This is viewed with concern as, despite legal provisions, Financial Statements were either not submitted for audit or not laid before the National Assembly. In 2 cases, Financial Statements for more than 15 financial years have not been submitted to NAO for audit purposes.

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APPENDICES

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ANNEX

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FINANCIAL STATEMENTS NOT YET SUBMITTED TO NAO FOR AUDIT

SN	Statutory Body	Client Type	No. of Financial Statements	Financial Year/Period
THE JUDICIARY				
1	Institute for Judicial and Legal Studies	OB	3	2021-22 to 2023-24
2	National Human Rights Commission	OB	1	2023-24
PRIME MINISTER'S OFFICE, MINISTRY OF DEFENCE, HOME AFFAIRS AND EXTERNAL COMMUNICATIONS, MINISTRY OF FINANCE AND MINISTRY FOR RODRIGUES, OUTER ISLANDS				
3	Chagossian Welfare Fund	SB	1	2023-24
4	Outer Islands Development Corporation	SB	2	2022-23 & 2023-24
5	Discharged Persons Aid Committee	OB	1	2023-24
MINISTRY OF ENVIRONMENT, SOLID WASTE MANAGEMENT AND CLIMATE CHANGE				
6	The National Environment Cleaning Authority	SB	1	2023-24
MINISTRY OF AGRO-INDUSTRY, FOOD SECURITY, BLUE ECONOMY AND FISHERIES				
7	Mauritius Meat Authority	SB	2	2022-23 & 2023-24
8	Mauritius Society for Animal Welfare	SB	8	01.01.2016-30.06.2017 to 2023-24
9	Small Farmers Welfare Fund	SB	4	2020-21 to 2023-24
10	Sir Seewoosagur Ramgoolam Botanical Garden Trust	SB	4	2020-21 to 2023-24
11	Sugar Cane Planters Trust (*ceased operation on 25.07.2020*)	SB	3	2007-08 to 01.07.2009-24.07.2010
12	Vallée D'Osterlog Endemic Garden Foundation	SB	4	2020-21 to 2023-24
13	National Parks and Conservation Fund	SF	2	2022-23 & 2023-24
	MINISTRY OF BLUE ECONOMY AND FISHERIES			
14	Fishermen Investment Trust	SB	1	01.07.2022-12 08.2023
15	Mauritius Oceanography Institute	SB	4	2020-21 to 2023-24

FINANCIAL STATEMENTS NOT YET SUBMITTED TO NAO FOR AUDIT

SN	Statutory Body	Client Type	No. of Financial Statements	Financial Year/Period
MINISTRY OF HEALTH AND WELLNESS				
16	Allied Health Professionals Council	OB	1	2023-24
MINISTRY OF SOCIAL INTEGRATION, SOCIAL SECURITY AND NATIONAL SOLIDARITY				
17	National Council for the Rehabilitation of Disabled Persons	SB	4	2020-21 to 2023-24
18	Senior Citizen Council	SB	1	2023-24
19	Training and Employment of Disabled Persons Board	SB	6	2018-19 to 2023-24
20	National Pensions Fund	SF	1	2023-24
21	National Empowerment Foundation	OB	3	2021-22 to 2023-24
22	National Savings Fund	OB	1	2023-24
MINISTRY OF FINANCIAL SERVICES AND ECONOMIC PLANNING				
23	Insurance Industry Compensation Fund	SB	1	2023-24
24	Financial Intelligence Unit	OB	1	2023-24
25	Recovered Asset Fund	SF	1	2023-24
MINISTRY OF ENERGY AND PUBLIC UTILITIES				
26	CEB (Facilities) Co Ltd	OB	1	2023-24
MINISTRY OF YOUTH AND SPORTS				
27	Mauritius Recreation Council	SB	1	2022-23
28	Mauritius Sports Council	SB	2	2022-23 & 2023-24
MINISTRY OF LABOUR AND INDUSTRIAL RELATIONS				
29	National Wage Consultative Council	SB	1	2023-24
30	Trade Union Trust Fund	SB	3	2021-22 & 2023-24
MINISTRY OF LAND TRANSPORT				
31	National Transport Corporation	SB	3	2021-22 to 2023-24
32	Taxi Operators Welfare Fund	SB	2	2022-23 & 2023-24

FINANCIAL STATEMENTS NOT YET SUBMITTED TO NAO FOR AUDIT

SN	Statutory Body	Client Type	No. of Financial Statements	Financial Year/Period
MINISTRY OF GENDER EQUALITY AND FAMILY WELFARE				
33	National Adoption Council	SB	1	2023-24
34	National Children Council	SB	1	2023-24
35	National Women Entrepreneur Council	SB	1	2023-24
36	Senior Citizens Council	SB	1	2023-24
MINISTRY OF INDUSTRY, SMES AND COOPERATIVES				
37	SME Mauritius Ltd	OB	1	2023-24
38	Cooperative Development Fund	SF	1	2023-24
MINISTRY OF EDUCATION AND HUMAN RESOURCE				
39	Early Childhood Care and Education Authority	SB	2	2022-23 to 2023-24
40	Private Secondary Education Authority	SB	2	2022-23 & 2023-24
41	Rajiv Gandhi Science Centre Trust Fund	SB	3	2021-22 to 2023-24
42	Sir Seewoosagur Ramgoolam Foundation	SB	2	2022-23 & 2023-24
43	Université des Mascareignes	SB	2	2022-23 & 2023-24
MINISTRY OF INFORMATION TECHNOLOGY COMMUNICATION AND INNOVATION				
44	Mauritius Research and Innovation Council	SB	2	2022-23 & 2023-24
MINISTRY OF LOCAL GOVERNMENT				
45	Association of District Council	OB	1	2023-24
46	Association of Urban Authorities	OB	1	2023-24
MINISTRY OF ARTS AND CULTURE				
47	Arabic-speaking Union	SB	3	2021-22 to 2023-24
48	Bhojpuri Speaking Union	SB	1	2023-24
49	Hindi-Speaking Union	SB	1	2023-24

FINANCIAL STATEMENTS NOT YET SUBMITTED TO NAO FOR AUDIT

SN	Statutory Body	Client Type	No. of Financial Statements	Financial Year/Period
MINISTRY OF ARTS AND CULTURE *(CONTINUED)*				
50	Malcom de Chazal Trust Fund	SB	2	2022-23 & 2023-24
51	Marathi-speaking Union	SB	1	2023-24
52	Mauritian Cultural Centre Trust	SB	19	2004-05 to 2023-24
53	Mauritius Marathi Cultural Centre Trust	SB	1	2023-24
54	Mauritius Film Development Corporation	SB	5	2019-20 to 2023-24
55	Mauritius Museums Council	SB	6	2018-19 to 2023-24
56	Mauritius Society of Authors	SB	2	2022-23 to 2023-24
57	Mauritius Tamil Cultural Centre Trust	SB	2	2022-23 to 2023-24
58	National Art Gallery	SB	5	2019-20 to 2023-24
59	Nelson Mandela Centre for African Culture Trust Fund	SB	4	2020-21 to 2023-24
60	Professor Basdeo Bissoondoyal Trust Fund	SB	16	2007-08 to 2023-24
61	Sanskrit-speaking Union	SB	2	2022-23 & 2023-24
62	Tamil-speaking Union	SB	2	2022-23 & 2023-24
63	Urdu-speaking Union	SB	5	2019-20 to 2023-24
64	National Arts Fund	SF	3	2021-22 & 2023-24
65	President Fund for Creative Writing	SF	6	2018-19 to 2023-24
ATTORNEY-GENERAL'S OFFICE				
66	Mauritius International Arbitration Centre	OB	1	2023
	TOTAL		**182**	

Source: NAO records

AUDITED FINANCIAL STATEMENTS NOT YET LAID BEFORE THE NATIONAL ASSEMBLY

SN	Statutory Body	Client Type	No. of Financial Statements	Financial Year/ Period	Date Certified*
MINISTRY OF ENVIRONMENT, SOLID WASTE MANAGEMENT AND CLIMATE CHANGE					
1	Beach Authority	SB	1	2022-23	29.04.2024
MINISTRY OF AGRO-INDUSTRY, FOOD SECURITY, BLUE ECONOMY AND FISHERIES					
2	Small Farmers Welfare Fund	SB	1	2019-20	24.10.2024
3	Sugar Industry Labour Welfare Fund	SB	1	2022-23	14.05.2024
4	Vallée D'Osterlog Endemic Garden Foundation	SB	2	2017-18 & 2018-19	26.06.2024
MINISTRY OF LABOUR AND INDUSTRIAL RELATIONS					
5	Trade Union Trust Fund	SB	6	2015 to 2020-21	09.12.2021 to 13.04.2023
MINISTRY OF GENDER EQUALITY AND FAMILY WELFARE					
6	National Women Entrepreneur Council	SB	1	2022-23	03.10.2024
7	National Women's Council	SB	1	2020-21	08.11.2024
MINISTRY OF EDUCATION AND HUMAN RESOURCE					
8	Mahatma Gandhi Institute	SB	1	2022-23	14.05.2024
9	Mauritius Examinations Syndicate	SB	1	2022-23	30.04.2024
10	Mauritius Institute of Education	SB	1	2022-23	24.04.2024
11	Mauritius Qualification Authority	SB	1	2022-23	05.06.2024
12	Private Secondary Education Authority	SB	1	2021-22	05.04.2023
13	Professor Basdeo Bissoondoyal Trust Fund	SB	1	04.04.2005-30.06.2006	26.06.2024
14	Quality Assurance Authority	SB	1	2022-23	29.04.2024
15	Rabindranath Tagore Institute	SB	1	2022-23	30.04.2024
16	Special Needs Education Authority	SB	4	2019-20 to 2022-23	06.01.2025

Audited Financial Statements not yet Laid before the National Assembly

SN	Statutory Body	Client Type	No. of Financial Statements	Financial Year/ Period	Date Certified*
MINISTRY OF EDUCATION AND HUMAN RESOURCE *(CONTINUED)*					
17	Université des Mascareignes	SB	10	16.11.2009-31.12.2010 to 2019-20	18.07.2024 to 01.08.2024
18	University of Technology Mauritius	SB	3	2017-18 & 2018-19 2019-20	14.08.2024 29.08.2024
MINISTRY OF INFORMATION TECHNOLOGY, COMMUNICATION AND INNOVATION					
19	Mauritius Emerging Technologies Council	SB	1	2022-23	30.09.2024
MINISTRY OF ARTS AND CULTURE					
20	Aapravasi Ghat Trust Fund	SB	1	2022-23	18.03.2024
21	Bhojpuri Speaking Union	SB	1	2022-23	10.07.2024
22	Chagossian Welfare Fund	SB	1	2020-21	01.10.2024
23	Islamic Cultural Centre Trust Fund	SB	1	2022-23	29.03.2024
24	Malcom de Chazal Trust Fund	SB	5	01.01.2016-30.06.2017 to 2020-21	31.05.2021 to 31.03.2023
25	Mauritius Museums Council	SB	1	2016-17	16.10.2024
26	Mauritius Telugu Cultural Centre Trust	SB	2	2021-22 2022-23	02.05.2023 20.05.2024
27	National Art Gallery	SB	1	2018-19	20.09.2024
28	National Heritage Fund	SB	4	2018-19 to 2021-22	16.05.2023 to 22.05.2024
29	Sanskrit-speaking Union	SB	1	2020-21	11.06.2024
30	Telugu-speaking Union	SB	5	2017-18 to 2021-22	04.08.2021 to 21.06.2023
ATTORNEY-GENERAL'S OFFICE					
31	Curatelle Fund	SF	1	2022-23	28.06.2024
	TOTAL		**63**		

Source: National Assembly records

** Where a period is indicated, it implies that the Financial Statements were certified on different dates within that period*

ANNUAL STATEMENTS

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STATEMENT A

Statement of Financial Position as at 30 June 2024

	Notes	30 June 2024 Rs	30 June 2023 Restated Rs
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	4	14,852,531,666	24,802,518,512
Receivables from Non-Exchange Transactions	5	20,243,636,259	10,012,450,181
Receivables from Exchange Transactions	6	1,232,201,817	834,205,721
Loans and Advances	7	5,367,196,977	4,331,395,429
Investments	8	9,212,299,279	17,431,994,054
Inventories	9	3,871,564,587	3,207,194,114
Prepayments		61,970,334	58,182,615
		54,841,400,919	**60,677,940,626**
NON-CURRENT ASSETS			
Receivables from Non-Exchange Transactions	5	25,550,502,157	11,274,511,365
Receivables from Exchange Transactions	6	257,443,749	479,566,742
Loans and Advances	7	9,315,620,357	9,336,737,166
Investments	8	130,766,886,166	121,220,897,554
Other Financial Assets	10	15,227,167,987	14,641,146,440
Biological Assets	11	11,717,990	11,246,906
Property, Plant and Equipment	12	540,427,621,106	536,078,709,867
Right-of-Use Assets	13	8,417,728,111	9,130,507,939
Intangible Assets	14	1,158,526,929	1,009,540,806
		731,133,214,552	**703,182,864,785**
Total Assets		**785,974,615,471**	**763,860,805,411**
LIABILITIES			
CURRENT LIABILITIES			
Payables	15	2,345,428,959	1,908,032,447
Deposits	16	1,930,568,243	2,684,952,599
Social Benefits	17	141,078,120	295,394,495
Provisions	18	530,500,000	40,000,000
Lease Liabilities	19	806,807,791	890,200,378
Government Debt	20	122,966,008,121	80,363,057,428
Financial Guarantee Liabilities	21	123,682,845	133,808,182
Employee Benefit Obligations	22	3,312,287,876	2,924,227,542
		132,156,361,955	**89,239,673,071**

STATEMENT A

Statement of Financial Position as at 30 June 2024

	Notes	30 June 2024 Rs	30 June 2023 Restated Rs
NON-CURRENT LIABILITIES			
Payables	15	1,139,002,158	1,125,824,297
Deposits	16	1,248,970,031	1,020,118,529
Lease Liabilities	19	9,977,648,091	10,377,167,721
Government Debt	20	365,957,716,351	364,719,891,954
Financial Guarantee Liabilities	21	3,150,026,120	3,070,001,947
Employee Benefit Obligations	22 & 23	176,213,325,375	174,683,254,819
		557,686,688,126	**554,996,259,267**
Total Liabilities		**689,843,050,081**	**644,235,932,338**
Net Assets		**96,131,565,390**	**119,624,873,073**
NET ASSETS/EQUITY			
Consolidated Fund	24	95,447,853,825	94,205,282,231
Accumulated Deficits	24	(14,429,568,420)	(7,845,620,262)
Special Funds	24	15,113,279,985	33,265,211,104
		96,131,565,390	**119,624,873,073**

S.RAMPARSAD
Ag. Accountant-General

30 December 2024

STATEMENT AA

Statement of Financial Performance for the financial year ended 30 June 2024 (Classification of Expenses by Function)

	Notes	Year Ended 30 June 2024 Rs	Year Ended 30 June 2023 Restated Rs
Revenue			
Revenue from Non-Exchange Transactions			
Taxation	25	147,632,126,852	129,650,207,576
Fines, Penalties and Forfeits		427,364,296	433,103,769
Grants and Aid	26	792,249,639	2,122,303,835
Other Transfers	27	822,591,800	518,572,149
Social Contributions		11,157,054,258	9,560,059,722
		160,831,386,845	**142,284,247,051**
Revenue from Exchange Transactions			
Licences	28	3,249,264,420	3,050,011,897
Finance Income		730,764,815	792,605,332
Dividends	29	2,425,540,876	1,290,353,022
Rent and Royalties		1,257,619,271	1,405,391,240
Sales of Goods and Services		2,013,417,742	2,066,511,569
Other Revenue	30	635,926,884	576,166,193
		10,312,534,008	**9,181,039,253**
Total Revenue		**171,143,920,853**	**151,465,286,304**
Expenses			
General Public Services		37,571,541,937	33,105,128,039
Defense		822,938,229	701,095,236
Public Order and Safety		11,707,280,337	11,001,441,951
Economic Affairs		12,544,850,345	15,369,200,002
Environmental Protection		1,280,877,248	1,746,392,495
Housing and Community Amenities		4,123,745,399	1,714,801,894
Health		14,453,506,424	14,126,154,262
Recreation, Culture and Religion		1,098,695,508	985,492,255
Education		19,316,254,511	18,131,915,128
Social Protection		69,832,354,636	59,888,165,149
Depreciation and Amortisation	12, 13 & 14	6,512,812,404	6,393,112,228
Finance Costs	36	19,703,760,374	16,900,235,618
Total Expenses		**198,968,617,352**	**180,063,134,257**

STATEMENT AA

Statement of Financial Performance for the financial year ended 30 June 2024 (Classification of Expenses by Function)

	Notes	Year Ended 30 June 2024 Rs	Year Ended 30 June 2023 Restated Rs
Other Gains/(Losses)			
Gain on Disposal of Property, Plant and Equipment		26,593,824	32,224,706
Loss on Foreign Exchange Transactions and Revaluation		(899,515,876)	(1,867,660,921)
Fair Value Gain on Investments		7,509,580,740	3,742,845,759
Fair Value Gain on Other Assets		10,032,839	839,737,975
Deficit for the year		**(21,178,004,972)**	**(25,850,700,434)**

30 December 2024

S. RAMPARSAD
Ag. Accountant-General

STATEMENT AB

Statement of Financial Performance for the financial year ended 30 June 2024 (Classification of Expenses by Nature)

	Notes	Year Ended 30 June 2024 Rs	Year Ended 30 June 2023 Restated Rs
Revenue			
Revenue from Non-Exchange Transactions			
Taxation	25	147,632,126,852	129,650,207,576
Fines, Penalties and Forfeits		427,364,296	433,103,769
Grants and Aid	26	792,249,639	2,122,303,835
Other Transfers	27	822,591,800	518,572,149
Social Contributions		11,157,054,258	9,560,059,722
		160,831,386,845	**142,284,247,051**
Revenue from Exchange Transactions			
Licences	28	3,249,264,420	3,050,011,897
Finance Income		730,764,815	792,605,332
Dividends	29	2,425,540,876	1,290,353,022
Rent and Royalties		1,257,619,271	1,405,391,240
Sales of Goods and Services		2,013,417,742	2,066,511,569
Other Revenue	30	635,926,884	576,166,193
		10,312,534,008	**9,181,039,253**
Total Revenue		**171,143,920,853**	**151,465,286,304**
Expenses			
Employee Costs	31	49,157,765,617	49,339,427,050
Subsidies		2,487,184,911	1,889,953,148
Grants	32	37,619,872,564	38,361,853,011
Social Benefits	33	63,211,931,091	49,311,170,868
Operating Expenses	34	11,796,054,381	11,612,415,926
Depreciation and Amortisation	12, 13 & 14	6,512,812,404	6,393,112,228
Other Expenses	35	8,479,236,010	6,254,966,408
Finance Costs	36	19,703,760,374	16,900,235,618
Total Expenses		**198,968,617,352**	**180,063,134,257**

STATEMENT AB

Statement of Financial Performance for the financial year ended 30 June 2024 (Classification of Expenses by Nature)

	Notes	Year Ended 30 June 2024 Rs	Year Ended 30 June 2023 Restated Rs
Other Gains/(Losses)			
Gain on Disposal of Property, Plant and Equipment		26,593,824	32,224,706
Loss on Foreign Exchange Transactions and Revaluation		(899,515,876)	(1,867,660,921)
Fair Value Gain on Investments		7,509,580,740	3,742,845,759
Fair Value Gain on Other Assets		10,032,839	839,737,975
Deficit for the year		**(21,178,004,972)**	**(25,850,700,434)**

S. RAMPARSAD
Ag. Accountant-General

30 December 2024

STATEMENT AC

Statement of Changes in Net Assets or Equity for the financial year ended 30 June 2024

	Notes	Consolidated Fund (Cash basis) Rs	Accumulated Surpluses/(Deficits) Restated Rs	Special Funds Rs	Total Restated Rs
Balance at 30 June 2022		**87,466,366,212**	**23,686,337,838**	**34,921,131,631**	**146,073,835,681**
Prior period adjustment					
Recognition of Payable to the State Trading Corporation	**15 & 39**	-	(871,967,579)	-	(871,967,579)
Restated Balance at 1 July 2022		**87,466,366,212**	**22,814,370,259**	**34,921,131,631**	**145,201,868,102**
Changes in net assets or equity for 2022-2023					
Capitalisation of Property, Plant and Equipment relating to Special Funds		-	1,929,625,932	-	1,929,625,932
Net movement attributable to Consolidated Fund		6,738,916,019	(6,738,916,019)	-	-
Net movement in Special Funds		-	-	(1,655,920,527)	(1,655,920,527)
Deficit for the year		-	(25,850,700,434)	-	(25,850,700,434)
Restated Balance at 30 June 2023		**94,205,282,231**	**(7,845,620,262)**	**33,265,211,104**	**119,624,873,073**
Changes in net assets or equity for 2023-2024					
First-time recognition of Receivables from Non-Exchange Transactions (Taxation Assessment under Dispute)	**5**	-	14,894,091,414	-	14,894,091,414
Capitalisation of Property, Plant and Equipment relating to Special Funds		-	942,536,994	-	942,536,994
Net movement attributable to Consolidated Fund		1,242,571,594	(1,242,571,594)	-	-
Net movement in Special Funds		-	-	(18,151,931,119)	(18,151,931,119)
Deficit for the year		-	(21,178,004,972)	-	(21,178,004,972)
Balance at 30 June 2024		**95,447,853,825**	**(14,429,568,420)**	**15,113,279,985**	**96,131,565,390**

30 December 2024

S. Ramparsad
Ag. Accountant-General

STATEMENT AD

Cash Flow Statement for the financial year ended 30 June 2024

	Year Ended 30 June 2024 Rs	Year Ended 30 June 2023 Rs
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Taxation	137,902,322,931	126,748,761,025
Fines, Penalties and Forfeits	417,410,764	408,495,771
Grants and Aid	792,249,639	2,122,303,835
Licences	3,230,066,150	3,038,428,150
Finance Income	169,319,060	189,190,205
Rent and Royalties	1,200,421,785	1,350,473,786
Sales of Goods and Services	1,987,545,991	2,056,686,497
Transfers	8,681,123	156,023,000
Social Contributions	10,901,707,770	9,508,290,825
Receipts of Special Funds	30,054,228,195	29,744,222,897
Other Receipts	56,079,231,739	48,005,632,586
Payments		
Employee Costs	(48,243,033,548)	(46,712,048,105)
Subsidies	(2,410,136,484)	(1,889,953,148)
Grants	(34,026,336,074)	(31,412,094,215)
Social Benefits	(63,366,247,466)	(49,311,170,868)
Operating Expenses	(12,548,632,720)	(11,226,320,864)
Finance Costs	(17,598,509,916)	(15,130,474,745)
Payments by Special Funds	(51,090,045,167)	(38,454,886,788)
Other Payments	(62,778,872,411)	(51,684,075,552)
Net Cash Flows from Operating Activities	**(49,318,628,639)**	**(22,492,515,708)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Intangible Assets	(8,341,213,275)	(8,524,842,380)
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets	27,543,840	32,796,434
Purchase of Investments	(9,248,384,843)	(8,175,875,540)
Proceeds from Sale of Investments	15,730,826,060	7,722,814,312
Dividends	2,302,142,528	1,236,556,481
Issue of Loans and Advances	(856,336,944)	(581,673,335)
Proceeds from repayment of Loans and Advances	225,015,020	401,425,064
Net Cash Flows from Investing Activities	**(160,407,614)**	**(7,888,798,964)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Government Debt	147,968,444,255	146,468,162,464
Redemption/Repayment of Government Debt	(107,780,628,302)	(112,285,158,037)
Repayment of Lease Liabilities	(892,084,535)	(861,035,457)
Net Cash Flows from Financing Activities	**39,295,731,418**	**33,321,968,970**
Net (Decrease)/Increase in Cash and Cash Equivalents	**(10,183,304,835)**	**2,940,654,298**
Cash and Cash Equivalents at beginning of year	**24,802,518,512**	**21,673,055,130**
Gains on Foreign Exchange Transactions and Revaluation	233,317,989	188,809,084
Cash and Cash Equivalents at end of year	**14,852,531,666**	**24,802,518,512**

30 December 2024

S. RAMPARSAD
Ag. Accountant-General

STATEMENT AE

Statement of Comparison of Budget Estimates and Actual Amounts for the financial year ended 30 June 2024 (Classification of Expenses by Function)

	Original Estimates (a) Rs	Total Provisions* (N1) (b) Rs	Actual Amount (c) Rs	Variance (N2) Rs
REVENUE				
Tax Receipts	156,241,000,000	156,241,000,000	141,132,389,083	15,108,610,917
Social Contributions	13,142,000,000	13,142,000,000	12,299,507,764	842,492,236
Grants	2,176,000,000	2,176,000,000	792,249,639	1,383,750,361
Reimbursement of Loan by Parastatal Bodies	902,977,000	902,977,000	200,719,110	702,257,890
IMF SDR Sales	-	-	651,546,060	(651,546,060)
Issue of Government Securities (N3)	103,472,000,000	103,472,000,000	144,296,088,643	(40,824,088,643)
Financing from SIC Development Co. Ltd	800,000,000	800,000,000	122,812,076	677,187,924
Issue of Government Securities Held by Non-Residents (N3)	-	-	140,181,457	(140,181,457)
Loans from Foreign Governments and International Organisations	16,153,000,000	16,153,000,000	3,615,568,418	12,537,431,582
Other Revenue	7,601,000,000	7,601,000,000	6,773,778,864	827,221,136
Total Revenue	**300,487,977,000**	**300,487,977,000**	**310,024,841,114**	**(9,536,864,114)**
Financing from Cash and Cash Equivalents	**-**	**6,700,000,000**	**544,964,320**	**(544,964,320)**
Total Financing	**300,487,977,000**	**307,187,977,000**	**310,569,805,434**	**(10,081,828,434)**
EXPENDITURE				
General Public Services	155,591,177,000	157,545,540,516	165,117,716,785	(9,526,539,785)
Defence	953,500,000	940,155,000	901,033,332	52,466,668
Public Order and Safety	14,650,300,000	14,455,379,000	13,350,093,651	1,300,206,349
Economic Affairs	17,250,700,000	16,986,283,700	15,915,242,020	1,335,457,980
Environmental Protection	2,712,300,000	2,659,628,621	2,084,517,545	627,782,455
Housing and Community Amenities	4,346,000,000	6,286,459,879	5,448,308,637	(1,102,308,637)
Health	15,700,000,000	16,900,000,000	16,865,129,422	(1,165,129,422)
Recreation, Culture and Religion	1,280,000,000	1,281,134,589	1,187,985,809	92,014,191
Education	19,969,700,000	20,110,467,000	19,850,065,946	119,634,054
Social Protection	67,234,300,000	70,006,600,000	69,849,712,287	(2,615,412,287)
Total Expenditure	**299,687,977,000**	**307,171,648,305**	**310,569,805,434**	**(10,881,828,434)**
Contingencies (N4)	800,000,000	16,328,695	-	800,000,000
Total Expenditure including Contingencies	**300,487,977,000**	**307,187,977,000**	**310,569,805,434**	**(10,081,828,434)**

** Refers to the total amount approved after Supplementary Appropriation & Virement.*

Notes:

N1 'Total Provisions' is not applicable to Revenue.

N2 Column (a) - Column (c)

N3 Original Estimates comprise of Budget for Government Securities held by both Residents and Non-Residents.

N4 The amount appropriated under 'Contingencies' has been reallocated to expenditure items under different votes of expenditure.

S. RAMPARSAD
Ag. Accountant-General

30 December 2024

STATEMENT AF

Statement of Comparison of Budget Estimates and Actual Amounts for the financial year ended 30 June 2024 (Classification of Expenses by Nature)

	Original Estimates (a) Rs	Total Provisions* (N1) (b) Rs	Actual Amount (c) Rs	Variance (N2) Rs
RECURRENT BUDGET				
Recurrent Revenue	**176,780,000,000**	**176,780,000,000**	**159,852,253,790**	**16,927,746,210**
Tax Receipts	156,241,000,000	156,241,000,000	141,132,389,083	15,108,610,917
Social Contributions	13,142,000,000	13,142,000,000	12,299,507,764	842,492,236
Recurrent Grants	357,000,000	357,000,000	209,543,675	147,456,325
Other Revenue	7,040,000,000	7,040,000,000	6,210,813,268	829,186,732
Recurrent Expenditure	**178,400,000,000**	**186,680,672,478**	**182,478,380,610**	**(4,078,380,610)**
Compensation of Employees	38,937,562,000	39,200,676,681	38,235,395,705	702,166,295
Purchase of Goods and Services	13,705,874,000	15,418,515,941	14,219,404,611	(513,530,611)
Interest (Accrual basis)	17,800,000,000	17,910,258,449	17,837,321,144	(37,321,144)
Subsidies	2,679,150,000	2,706,420,124	2,410,136,484	269,013,516
Grants to Parastatal Bodies/Local Authorities/RRA	30,294,380,000	31,648,332,497	31,154,770,968	(860,390,968)
Social Benefits	60,734,420,000	63,579,102,036	63,475,413,673	(2,740,993,673)
Other Expense	13,648,614,000	16,216,368,750	15,145,938,025	(1,497,324,025)
Contingencies (N3)	600,000,000	998,000	-	600,000,000
Recurrent Balance	**(1,620,000,000)**	**(9,900,672,478)**	**(22,626,126,820)**	**21,006,126,820**
CAPITAL BUDGET				
Capital Revenue	**2,380,000,000**	**2,380,000,000**	**1,145,671,560**	**1,234,328,440**
Capital Grants	1,819,000,000	1,819,000,000	582,705,964	1,236,294,036
o/w External Grants	*1,819,000,000*	*1,819,000,000*	*582,705,964*	*1,236,294,036*
Transfer from Special Funds	561,000,000	561,000,000	562,965,596	(1,965,596)
Capital Expenditure	**21,778,000,000**	**19,058,425,973**	**16,478,755,211**	**5,299,244,789**
Acquisition of Non-Financial Assets	11,867,200,000	10,166,203,532	8,495,472,998	3,371,727,002
Grants to Parastatal Bodies/Local Authorities/RRA	3,295,000,000	2,600,127,746	2,115,298,388	1,179,701,612
Transfer to Special Funds	4,500,000,000	4,300,000,000	4,300,000,000	200,000,000
Other Transfers	1,915,800,000	1,976,764,000	1,567,983,825	347,816,175
Contingencies (N3)	200,000,000	15,330,695	-	200,000,000
Capital Balance	**(19,398,000,000)**	**(16,678,425,973)**	**(15,333,083,651)**	**(4,064,916,349)**
Budget/Actual Balance (Before Net Acquisition of Financial Assets)	**(21,018,000,000)**	**(26,579,098,451)**	**(37,959,210,471)**	**16,941,210,471**
Net Acquisition of Financial Assets	**3,619,023,000**	**4,868,183,000**	**3,929,345,608**	**(310,322,608)**
Domestic	**3,106,023,000**	**3,440,183,000**	**3,184,600,558**	**(78,577,558)**
Loan to Parastatal Bodies	824,000,000	709,000,000	333,006,144	490,993,856
Reimbursement of Loan by Parastatal Bodies	902,977,000	902,977,000	200,719,110	702,257,890
Equity Purchase/Participation	3,185,000,000	3,634,160,000	3,052,313,524	132,686,476
Foreign	**493,000,000**	**493,000,000**	**463,190,548**	**29,809,452**
Equity Purchase/Participation	493,000,000	493,000,000	463,190,548	29,809,452
Net SDR Transactions	**20,000,000**	**935,000,000**	**281,554,502**	**(261,554,502)**
IMF Purchase/Subscription	20,000,000	935,000,000	933,100,562	(913,100,562)
IMF SDR Sales	-	-	651,546,060	(651,546,060)
Adjustment for difference in cash and accrual interest	**325,023,000**	**325,023,000**	**949,569,467**	**(624,546,467)**

STATEMENT AF

Statement of Comparison of Budget Estimates and Actual Amounts for the financial year ended 30 June 2024 (Classification of Expenses by Nature)

	Original Estimates (a) Rs	Total Provisions* (N1) (b) Rs	Actual Amount (c) Rs	Variance (N2) Rs
NET GOVERNMENT BORROWING REQUIREMENTS	**(24,312,000,000)**	**(31,122,258,451)**	**(40,938,986,612)**	**16,626,986,612**
Domestic Financing	**12,059,000,000**	**18,861,357,740**	**40,781,056,940**	**(28,722,056,940)**
Government Securities	**11,259,000,000**	**11,361,357,740**	**40,113,280,544**	**(28,854,280,544)**
Issue of Government Securities (N4)	103,472,000,000	103,472,000,000	144,296,088,643	(40,824,088,643)
Redemption of Government Securities	92,213,000,000	92,110,642,260	104,182,808,099	(11,969,808,099)
Financing from SIC Development Co. Ltd	**800,000,000**	**800,000,000**	**122,812,076**	**677,187,924**
Drawdown	800,000,000	800,000,000	122,812,076	677,187,924
Financing from cash and cash equivalents	**-**	**6,700,000,000**	**544,964,320**	**(544,964,320)**
Foreign Financing	**12,253,000,000**	**12,260,900,711**	**157,929,672**	**12,095,070,328**
Government Securities Held by Non-Residents	**-**	**(102,357,740)**	**37,823,717**	**(37,823,717)**
Issues	-	-	140,181,457	(140,181,457)
Redemptions	-	102,357,740	102,357,740	(102,357,740)
Foreign Loans	**12,253,000,000**	**12,363,258,451**	**120,105,955**	**12,132,894,045**
Loans from Foreign Governments and International Organisations	16,153,000,000	16,153,000,000	3,615,568,418	12,537,431,582
Repayment of Foreign Loans	3,900,000,000	3,789,741,549	3,495,462,463	404,537,537
	-	-	-	-

** Refers to the total amount approved after Supplementary Appropriation & Virement.*

Notes:

N1 'Total Provisions' is not applicable to Revenue.

N2 Column (a) - Column (c)

N3 The amount appropriated under 'Contingencies' has been reallocated to expenditure items under different votes of expenditure.

N4 Original Estimates comprise of Budget for Government Securities held by both Residents and Non-Residents.

N5 Refer to Note 38 for explanation on variances.

S. RAMPARSAD
Ag. Accountant-General

30 December 2024

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Republic of Mauritius is an island found in the Indian Ocean. It got its independence on 12 March 1968. The country has a Westminster type of Parliamentary Government.

Under the Finance and Audit Act, 1973, as subsequently amended, it is the responsibility of the Accountant-General to prepare the financial statements of the Government within six months of the close of every fiscal year. The Government refers to the Budgetary Central Government.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

A Estimates

The Estimates (Budget) of the Government is appropriated by votes of expenditure on a cash basis, except for 'cost of borrowings' which is appropriated on an accrual basis and 'carry-over of capital expenditure' where amount earmarked in a fiscal year is carried over to a period not exceeding 3 months in the following fiscal year. The Estimates is classified by both economic and functional classifications based, as far as possible, on the Government Finance Statistics Manual.

The Estimates is for the Budgetary Central Government, which includes Ministries and Government Departments. Transfers to Special Funds are appropriated and included as expenditure in the approved Estimates in the year of expenditure. However, the revenue and expenditure of the Special Funds deposited with the Accountant-General are not included in the approved Estimates.

The approved Estimates covers the fiscal year from 01 July 2023 to 30 June 2024.

B Financial Statements

The financial statements have been prepared in accordance with Section 19 (3A) (b) of the Finance and Audit Act 1973, as subsequently amended which requires these statements to be in compliance with International Public Sector Accounting Standards (IPSAS).

(i) Transitional Financial Statements

The Government adopted accrual basis IPSAS on 01 July 2022 and the financial statements have been prepared in compliance with *IPSAS 33 – First-time Adoption of Accrual Basis IPSAS,* which provides a first-time adopter with a transitional period of three years for the recognition, measurement, presentation and disclosure of certain assets and liabilities. The second transitional IPSAS financial statements of the Government is in respect of the financial year 2023-2024.

Government has taken advantage of the transitional exemptions which affected fair presentation. As a result, it is unable to make an explicit and unreserved statement of compliance with Accrual Basis IPSAS in preparing its transitional IPSAS financial statements for the financial year 2023-2024. The financial statements do not fully comply with accrual basis IPSASs.

NOTES TO THE FINANCIAL STATEMENTS

The status of compliance with IPSAS issued to date is as per table below:

IPSAS	Compliance Status	Key Non Compliance / Transitional Exemptions	Affect Fair Presentation (Yes/No)	Expected date of Compliance
IPSAS 1—Presentation of Financial Statements (revised)	✔			
IPSAS 2—Cash Flow Statements	✔			
IPSAS 3—Accounting Policies, Changes in Accounting Estimates and Errors (revised)	✔			
IPSAS 4—The Effects of Changes in Foreign Exchange Rates (revised)	✔			
IPSAS 5—Borrowing Costs	✔			
IPSAS 9—Revenue from Exchange Transactions	Partial		Yes	2024-2025
IPSAS 10—Financial Reporting in Hyperinflationary Economies	N/A			
IPSAS 11—Construction Contracts	N/A			
IPSAS 12—Inventories (revised)	✔			
IPSAS 14—Events After the Reporting Date (revised)	✔			
IPSAS 16—Investment Property (revised)	N/A			
IPSAS 17—Property, Plant, and Equipment (revised)	Partial	Measurement-Impairment Recognition and measurement of Furniture, Fixtures and Fittings Use of deemed cost	Yes Yes No	2025-2026 2025-2026 2025-2026
IPSAS 18—Segment Reporting	Applicable upon Consolidation			2025-2026
IPSAS 19—Provisions, Contingent Liabilities and Contingent Assets	✔			
IPSAS 20—Related Party Disclosures	Partial	Additional Disclosure required	Yes	2024-2025
IPSAS 21—Impairment of Non-Cash-Generating Assets	X	Indication of impairment yet to be assessed on an annual basis	Yes	2025-2026
IPSAS 22—Disclosure of Financial Information About the General Government Sector	Applicable upon Consolidation			2025-2026
IPSAS 23—Revenue from Non-Exchange Transactions (Taxes and Transfers)	Partial		Yes	2024-2025
IPSAS 24—Presentation of Budget Information in Financial Statements	✔			
IPSAS 26 — Impairment of Cash-Generating Assets	N/A			
IPSAS 27—Agriculture	✔			
IPSAS 28—Financial Instruments: Presentation	✔			

NOTES TO THE FINANCIAL STATEMENTS

IPSAS	Compliance Status	Key Non Compliance / Transitional Exemptions	Affect Fair Presentation (Yes/No)	Expected date of Compliance
IPSAS 29—Financial Instruments: Recognition and Measurement	N/A			
IPSAS 30—Financial Instruments: Disclosures	Partial	Full disclosure on Market risk	No	2024-2025
IPSAS 31—Intangible Assets	Partial	Measurement Impairment	Yes	2025-2026
IPSAS 32—Service Concession Arrangements: Grantor	N/A			
IPSAS 33—First-time Adoption of Accrual Basis IPSAS	✔			
IPSAS 34—Separate Financial Statements	Applicable upon Consolidation			2025-2026
IPSAS 35—Consolidated Financial Statements	Applicable upon Consolidation			2025-2026
IPSAS 36—Investments in Associates and Joint Ventures	Applicable upon Consolidation			2025-2026
IPSAS 37—Joint Arrangements	Applicable upon Consolidation			2025-2026
IPSAS 38—Disclosures of Interests in Other Entities	Applicable upon Consolidation			2025-2026
IPSAS 39—Employee Benefits	Partial	Recognition of Liabilities in respect of Civil Service Family Protection Scheme Pension liabilities are being valued on a 3 years basis instead annually Discounting for time value of money of Liabilities in respect of Other long-term employee benefits	Yes Yes Yes	2024-2025 2024-2025 2024-2025
IPSAS 40—Public Sector Combinations	N/A			
IPSAS 41—Financial Instruments	✔			
IPSAS 42— Social Benefits	✔			
IPSAS 43 -Leases	Partial	Lessor Accounting: partial assessment carried out	Yes	2024-2025 (Effective Date 01 January 2025 Early adoption 01 July 2022)
IPSAS 44- Non-current assets held for sale and discontinued operations	✔			Early adoption 01 July 2022 Effective Date 01 January 2025

✔ Complied

x Not complied

N/A Not applicable

NOTES TO THE FINANCIAL STATEMENTS

It is expected that the Financial Statements of the Government will be fully compliant to IPSAS as from financial year 2025-2026.

During the financial year ended 30 June 2024, progress were made as follows:

(i) IPSAS 17- A list of buildings has been complied and is being finalised. This list will henceforth support the figure reported in the financial statements. Preliminary discussions have been initiated for the recognition and measurement of Furniture, Fixtures and Fittings. Continuous training has been provided to GAR Users to help them keep up-to-date with the system. Ongoing discussions are being held with the Ministry of Finance on the way forward;

(ii) IPSAS 23 -Revenue and receivables in respect of cases under dispute with the Mauritius Revenue Authority (MRA) have been recognised for the first time as at 30 June 2024 representing 40% of the disputed amount;

(iii) IPSAS 39- Preliminary meetings/discussions were held with the Civil Service Family Protection Scheme management and the independent valuer. The 2024-2025 Financial Statements will include this liability and the employee benefits liability will be updated on an annual basis to fairly present such liabilities in the financial statements; and

(iv) IPSAS 43- Ministries/Departments concerned with lessor accounting have been identified and meetings have been conducted. Meetings will be held to assess the existence of same based on conditions listed in the standard.

(ii) New Standards Issued but Not Yet Adopted

At the date of approval of these financial statements, the following IPSASs had already been issued but not yet effective:

IPSAS	Effective date
IPSAS 45, Property, Plant, and Equipment	01 January 2025
IPSAS 46, Measurement	01 January 2025
IPSAS 47, Revenue	01 January 2026
IPSAS 48, Transfer Expenses	01 January 2026
IPSAS 49, Retirement Benefit Plans	01 January 2026

The new standards will be adopted when they become effective. The potential impact of the application of these new standards is yet to be assessed.

(iii) Consistent Accounting Policies

The accounting policies have been applied consistently throughout the year. Where necessary and where it is practicable, comparative figures have been restated to conform to changes in presentation, or in accounting policies in the current year.

2.2 Reporting Entity

The financial statements are for the Budgetary Central Government of the Republic of Mauritius, which comprises Ministries and Government Departments and include bank balances and fixed deposits of Special Funds deposited with the Accountant-General.

2.3 Reporting Period

The financial statements cover the financial year of the Government of Mauritius from 01 July 2023 to 30 June 2024.

NOTES TO THE FINANCIAL STATEMENTS

2.4 Authorisation Date

The financial statements were authorised for issue on 30 December 2024.

2.5 Foreign Currencies

(i) Functional and Presentation Currency

The financial statements are presented in Mauritian Rupees (Rs), rounded to the nearest rupee, which is also the functional currency.

(ii) Transactions and Balances

Transactions in foreign currencies are initially translated at the foreign exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Financial Performance. Non-monetary assets and liabilities measured at historical cost in foreign currencies are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at reporting date.

2.6 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash remitted to Ministries and Departments, cash balances with banks, both local and overseas, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value and cash held on behalf of Special Funds.

2.7 Financial Assets

(i) Receivables from Non-Exchange Transactions and Receivables from Exchange Transactions

Receivables from Non-Exchange Transactions comprise receivables from taxation, fines, penalties and forfeits, social contributions and other transfers.

Receivables from Exchange Transactions comprise receivables from licences, finance income, rent and royalties, sales of goods and services and other revenue.

These are recognised when it is probable that the future economic benefits associated with the asset will flow to the Government and can be measured reliably. Receivables are measured at cost adjusted for expected credit losses.

Impairment of Receivables

A loss allowance for expected credit losses (ECL) is recognised on receivables from non-exchange transactions and exchange transactions. An impairment gain or loss is recognised in Statement of Financial Performance representing the amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised.

NOTES TO THE FINANCIAL STATEMENTS

The methodology of loss allowance on receivables has been determined using judgement, estimates and various assumptions which are deemed to be reasonable and appropriate. For Ministries and Departments, factors/indicators such as past trends, historic data, ageing analysis and long overdue payments for a period of more than 10 years have been used to calculate the loss allowance.

For tax revenue, the methodology for the calculation of loss allowance is as follows:

	% Debt unrecoverable
Over 10 years	20
Between 5 and 10 years	10
Between 1 and 5 years	2
Less than 1 year	0.5
Current Due	0

No loss allowance is charged on tax receivables under non-exchange transactions where tax assessments are under dispute.

(ii) Loans and Advances

Loans to Statutory bodies, Private bodies and Other bodies are recognised at amortised cost adjusted for expected credit losses.

The ECL has been calculated for loans granted to entities with repayment terms greater than 10 years and has been determined using a methodology that incorporates judgment, estimates, and various assumptions, all of which are considered reasonable and appropriate.

Advances are made under the authority of warrants issued under Section 6(1) of the Finance and Audit Act and are recoverable within specified periods. Advances are recognised at cost as the effect of discounting is not considered material.

(iii) Investments

These represent mainly investments made out of monies standing to the credit of the Consolidated Fund and Special Funds in accordance with Sections 3(4)(a) and 9(3)(a) of the Finance and Audit Act.

Initial Recognition of Investments

On initial recognition, investments are measured at fair value.

NOTES TO THE FINANCIAL STATEMENTS

Classification and Subsequent Measurement of Investments

The table below shows the classification and subsequent measurement basis for the different categories of investments:

Category	Classification and Subsequent Measurement Basis
Equity Investments (Quoted Investments, Unquoted Investments, Equity Participation) and Redeemable Preference Shares	Fair Value Through Surplus or Deficit
Other Investments (Fixed Deposits)	Amortised Cost

(a) Equity Investments and Redeemable Preference Shares Recognised at Fair Value Through Surplus or Deficit

Investments classified as fair value through surplus or deficit are measured at fair value at the end of each financial year, with any gains or losses on remeasurements recognised in surplus or deficit. Any dividend earned on these investments is also recognised in surplus or deficit.

(b) Other Investments Recognised at Amortised Cost

Other investments (fixed deposits) held by Government and Special Funds at banks and financial institutions have been reported at amortised cost. Any movement pertaining to other investments held by Government are recognised through surplus or deficit. As regards to investments held by Special Funds, these are recognised in Special Funds.

(iv) Other Financial Assets

(a) International Monetary Fund (IMF) Special Drawing Rights (SDR) Deposits

IMF SDR Deposits represent international reserve assets allocated to Mauritius by the IMF (SDR Holdings) and held at the Bank of Mauritius.

IMF SDR Deposits are translated at year-end exchange rate with any gains or losses arising on re-measurements recognised in the Statement of Financial Performance in the period in which they arise.

(b) IMF Reserve Tranche Position

The Reserve Tranche Position represents that portion of the quota of the Republic of Mauritius in IMF that has been paid in reserve assets, i.e. SDRs or foreign currency acceptable to the IMF.

Reserve Tranche transactions, i.e. subscriptions, purchases and sales, are initially translated at the exchange rate at the date of the transaction. At year-end, the SDR Reserve Tranche Position is translated using year-end exchange rates and any gains or losses recognised in the Statement of Financial Performance as foreign exchange gains or losses.

NOTES TO THE FINANCIAL STATEMENTS

2.8 Inventories

Inventories comprise mainly of distributable items, consumables, donated inventories and agricultural produce and biological inventory.

Inventories meant for distribution at no charge or nominal charge or consumption in the production process of goods to be distributed at no charge or for a nominal charge are measured at lower of cost and the estimated replacement cost.

The cost of inventories from non-exchange transactions (donated inventories) is measured at its fair value at the date of receipt.

Agricultural produce are measured at fair value at the point of harvest. The costs to sell relating to agricultural produce is considered to be insignificant. Any gains or losses arising on recognition of agricultural produce at fair value are recognised in surplus or deficit. Thereafter, agricultural produce and inventories relating to agriculture are measured at lower of cost or net realisable value.

The cost has been determined using First In First Out Basis (FIFO).

2.9 Non-Current Assets Held for Sale and Discontinued Operations

The Government classifies a non-current asset (or disposal group) as held for sale when the following criteria are met:

- its carrying amount will be recovered principally through a sale transaction rather than through continuing use;
- the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups); and
- its sale must be highly probable.

A non-current asset (or disposal group) classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell.

No depreciation or amortisation is charged while the non-current asset (or disposal group) is classified as held for sale.

Discontinued Operations

A discontinued operation is a component of the Government that either has been disposed of, or is classified as held for sale, and represents a significant component of the Government's operations. The Government will no longer have control over the operations once the disposal is complete.

2.10 Prepayments

Prepayments are recognised as assets when payment for goods or services has been made in advance of obtaining a right to access those goods or services.

2.11 Biological Assets

Biological assets are split into the following categories:

(i) Bearer Biological Assets (other than bearer plants);
(ii) Consumable Biological Assets; and
(iii) Agricultural Produce (classified under inventories).

NOTES TO THE FINANCIAL STATEMENTS

Bearer biological assets (other than bearer plants) are those biological assets that are used repeatedly or continuously for more than one year in an agricultural activity. Examples of bearer biological assets include breeding stocks such as fish, rams, ewes, ducks, lambs, cows, heifers, calves and broiler parent stock.

Consumable biological assets are those that are held for harvest as agricultural produce or for sale or distribution at no charge or for a nominal charge as biological assets such as animals and plants for one-time use. Examples of consumable biological assets are trees in a timber plantation forest, fish in farms, freshwater prawn juveniles, weaner calves and lambs that are sold to farmers.

Agricultural produce is the harvested produce of biological assets.

The Government recognises biological assets when it controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the Government and the fair value or cost of the assets can be measured reliably.

Bearer biological assets (other than bearer plants) and consumable biological assets are measured at fair value less costs to sell, with any change therein recognised in surplus or deficit. The cost to sell relating to biological asset have been considered to be insignificant.

2.12 Property, Plant and Equipment

Property, Plant and Equipment include the following:

(i) Infrastructure, Plant and Equipment;
(ii) Land and Buildings;
(iii) Assets under Construction; and
(iv) Other Assets

Furniture, Fixtures and Fittings are currently being expensed.

Capital expenditure incurred under Special Funds for the Government has also been included.

(i) Infrastructure, Plant and Equipment

On initial recognition, Infrastructure, Plant and Equipment are stated at cost or deemed cost. Subsequently, they are stated at cost less accumulated depreciation. Infrastructure, Plant and Equipment represent the cost of the following:

(a) Infrastructure Assets:

- Roads - classified roads/motorways

Valuation Methodology

The value of the roads as at 30 June 2020 has been estimated by the Road Development Authority based on the cost of constructing a road to the following standard:

SN	Road Type	Cost per km (MUR)
1	Motorways	120 million
2	A Roads	75 million
3	B Roads	65 million

NOTES TO THE FINANCIAL STATEMENTS

The value of roads constructed after 30 June 2020 has been measured at cost.

- Bridges

  Valuation Methodology

  The value of bridges as at 30 June 2020 has been estimated by Road Development Authority by using the benchmark of recently constructed bridges of similar nature and size, at that time.

  The value of bridges constructed after 30 June 2020 has been measured at cost.

- Dams, Stadiums and Gymnasiums and Other Structures.

  Valuation Methodology

  The above have been measured at cost.

Infrastructure assets do not include assets acquired by the Government on behalf of Other Public Sector Bodies.

(b) Transport Equipment have been measured at cost and include the following:

- Ships/Vessels;
- Aircrafts/Helicopters; and
- Other Vehicles.

(c) Other Machinery and Equipment have been measured at cost and include the following:

- Medical Equipment;
- Office Equipment; and
- Machinery.

(ii) Land and Buildings

(a) Land

Land acquired prior to 2018 are estimated at deemed cost and those acquired after 2018 are estimated at cost.

The basis used by the Government Valuation Department of the deemed cost is as follows:

- State Lands leased by the Government for various purposes is a reduced rate of 1/3 of freehold value. The rate for leased properties was based on use such as residential, agricultural, industrial and commercial. In cases where the State Lands were leased for industrial use such as hotel, the rate per arpent obtained through analysis of sale of leasehold rights of State Lands along the Pas Geometriques was adopted.
- Outer Islands have been recognised at deemed cost by the Government Valuation Department.
- For grazing land, 1/3 rate of market value of agricultural land as per region has been used for assessment.
- For Ex Tea Land, Agricultural Stations, MSPA Lands and land settlement, valuation has been based on freehold agricultural sales evidence according to different regions.
- For National Parks used as touristic sites, a rate of Rs 2.5 million/arpent has been used.
- For campement sites, valuation has been carried out based on Pas Geometriques sales evidences (leasehold sites).
- Nature Reserve and Walks, Shooting and Fishing Leases and Guardienages have been valued at a uniform rate of Rs 250,000/Arpent.

NOTES TO THE FINANCIAL STATEMENTS

- Islets used as Nature Reserve have been valued at rates of Rs 200,000 and Rs 215,000 per Arpent depending on regions. Public Beaches and Islets were valued based on rent paid per annum under the State Lands Act and were capitalised in perpetuity at rate of 8%. For Islets leased as hotels i.e industrial site, valuation has been carried out based on sales of leasehold rights along the Pas Geometriques.
- In respect of land acquired by Government for different purposes, the amount of compensation reported to the Ministry of Housing and Land Use Planning has been used.

(b) Buildings

Buildings represent residential and non-residential buildings, whether purchased, constructed or upgraded.

Buildings are initially recognised at cost and subsequently at cost less accumulated depreciation.

(iii) Assets under Construction

Assets in the course of construction are recognised at cost.

Depreciation of these assets commences when the assets are ready for their intended use.

(iv) Other Assets

Other Assets include Bearer Plants, Plants to maintain the Ecosystem and trained Sniffer Dogs used to detect illicit substances. These are measured at fair value at end of each reporting date.

The fair value model has been used as it is considered to be more appropriate. "Other Assets" category falls under IPSAS 17- Property, Plant, and Equipment as it meets the recognition criteria. However, IPSAS 17 cost and revaluation measurement basis does not provide guidance regarding classes of assets undergoing physical transformation. As similar assets are valued at fair value for instance under IPSAS 27- Agriculture, the fair value model has been applied for biological assets which was deemed to be more appropriate in that context. Moreso, by valuing such assets at fair value represents a fair presentation of their amounts recognised in the financial statements.

(v) Donated Assets

When an asset is acquired in a non-exchange transaction for nil or nominal consideration, the asset is measured at its fair value at the date of acquisition and subsequently depreciated over its remaining useful life.

(vi) Depreciation

Depreciation on assets is charged on a straight-line basis over the useful life of the asset. Full year depreciation is charged in the year of acquisition and none in year of disposal. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset over its remaining useful life, as follows:

Buildings	50 years
Infrastructure Assets	10 – 50 years
Transport Equipment	8 – 25 years
Other Machinery & Equipment	4 – 20 years

NOTES TO THE FINANCIAL STATEMENTS

Land is not depreciated.

(vii) Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

(viii) Derecognition

Property, plant and equipment and/or any significant part of an asset are derecognised upon disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in surplus or deficit when the asset is derecognised.

2.13 Leases

The Government assesses whether a contract is, or contains, a lease, at inception of the contract.

The Government leases various buildings, equipment and other assets under contract for periods ranging between 0 to 20 years which may be extended, as required.

A right-of-use asset (as stated below) and a corresponding lease liability (Refer to 2.18) are recognised with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less). For these short-term leases, the Government recognises the lease payments as an operating expense on a straight-line basis over the term of the lease (Refer to 2.23 Expenses- (iii) Operating Expenses).

Right-of-Use Assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, and lease payments made at commencement date.

These are subsequently measured at cost less accumulated depreciation. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset.

2.14 Intangible Assets

Intangible assets include licenses, software and IT projects acquired, developed or under development.

Intangible assets acquired separately are initially recognised at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation. Internally generated intangible assets are not capitalised and are expensed in the Statement of Financial Performance in the period in which the expenditure is incurred.

Intangible assets are amortised using the straight-line method over a period of 8 years. Full year amortisation is charged in the year of acquisition. Intangible assets which are still under development phase are recognised at cost and no amortisation is charged until the asset is available for use.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset. Any surplus or deficit arising from the disposal is recognised in the Statement of Financial Performance.

NOTES TO THE FINANCIAL STATEMENTS

2.15 Financial Liabilities

(i) Payables

Payables are recognised at cost as the effect of discounting is not considered material. Payables comprise the following:

(a) 'Cost of Borrowings' consist of Accrued Interest on Re-opening of Government Bonds and Treasury Notes and Management Charges payable;
(b) 'Accounts Payable' which are expenses incurred by the Government during the financial year but not yet paid as at year end;
(c) *'Retention Money on Contracts'* which is a percentage of the amount certified as due to the contractors, deducted from the amount due and retained by the Government; and
(d) *'Carry-over of Capital Expenditure'* which represents the balance of the provision earmarked for capital projects in the current financial year payable within 3 months of the close of the financial year as per Section 3A of the Finance and Audit Act. The amount recognised in the Statement of Financial Position represents that portion of the total provision carried-over in respect of which goods were received or works completed by end of the financial year.

(ii) Deposits

Deposits are recognised at cost as the effect of discounting is not considered material and includes the following:

(a) Money deposited with the Government under Section 8 of the Finance and Audit Act; and
(b) Deposits held with the MRA for the purpose of disputes.

(iii) Government Debt

(a) Domestic and External Debts (Excluding IMF SDR Allocations)

Initial Recognition and Measurement

Upon initial recognition, Domestic and External Debts are measured at fair value.

For concessionary loans, the difference between the loan proceeds and the fair value on initial recognition is accounted as revenue from non-exchange transactions.

Subsequent Measurement

- Treasury Bills and Treasury Certificates

Treasury Bills and Treasury Certificates are measured at amortised cost which is equivalent to cost plus accrued interest, due to the short-term nature of these liabilities.

- Treasury Notes, Government of Mauritius Bonds (including Inflation-Indexed Bonds), Domestic Loans and External Debts

Subsequently, these instruments are measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in surplus or deficit. Amortised cost is calculated by taking into account any discount or premium on acquisition of these instruments excluding commitment fees, management charges and front-end fees.

NOTES TO THE FINANCIAL STATEMENTS

- Silver Bonds

Silver Bonds have no pre-defined maturity date as such these are measured at amortised cost which is equivalent to cost plus accrued interest.

De-Recognition of Financial Liabilities

A financial liability (or a part of a financial liability) is removed from the Statement of Financial Position when, the financial liability is extinguished, that is, when the obligation specified in the contract is discharged, waived, cancelled or expired.

(b) IMF SDR Allocations

IMF SDR Allocations represent obligations which arise through the participation of the Republic of Mauritius in the SDR Department of the IMF and that are related to the allocation of SDR Holdings. SDR Holdings are international reserve assets created by the IMF and allocated to members to supplement reserves.

IMF SDR Allocations are translated at year-end exchange rate with any gains or losses arising on re-measurements recognised in the Statement of Financial Performance in the period in which they arise.

(iv) Financial Guarantee Liabilities

The Government provides financial guarantee as and when required in respect of loans contracted by Public Sector Bodies. Such guarantees are given to the lender to reimburse the amount of any loss incurred in the event of non-repayment of the respective loans by the Public Sector Bodies.

These financial guarantee contracts are initially recognised as a liability at fair value.

Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the liability and the amount initially recognised less cumulative amortisation.

2.16 Social Benefits

Social benefits are cash transfers provided to specific individuals and/or households who meet eligibility criteria, mitigate the effect of social risks and address the needs of society as a whole.

(i) Initial Measurement

The Government recognises a liability for a social benefit scheme when it:

(a) has a present obligation for an outflow of resources that results from a past event; and

(b) the present obligation can be measured in a way that achieves the qualitative characteristics and takes into account constraints on information. The initial measurement of the liability for a social benefit scheme is at the best estimate of the costs, that is the social benefit payments, that the Government will incur in fulfilling the present obligations represented by the liability. The Government also recognises an expense for the social benefit scheme at an amount equivalent to the amount of the liability.

NOTES TO THE FINANCIAL STATEMENTS

(ii) Subsequent Measurement

The liability is reduced as social benefit payments are made and any difference between the cost of making the social benefit payments and the carrying amount of the liability in respect of the social benefit scheme is recognised in surplus or deficit in the period in which the liability is settled.

2.17 Provisions

Provisions are recognised when the Government has a present obligation as a result of a past event and it is probable that the Government will be required to settle that obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. The expense relating to any provision is presented in the Statement of Financial Performance net of any reimbursement. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

2.18 Lease Liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. On initial measurement, lease payments included in the measurement of the lease liability comprise fixed and variable lease payments.

In calculating the present value of lease payments, the Government has used the following discount rates:

Lease Term	Discount Rate
Less or equal to 1 year	No discounting
More than 1 year and less or equal to 5 years	5.0%
More than 5 years and less or equal to 10 years	5.5%
More than 10 years	6.0%

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made. Adjustments resulting from changes in market rental rates that are not incorporated into the lease liability measurement are recognized in the surplus or deficit.

In addition, the carrying amount of lease liabilities is remeasured in the event of a modification, a change in the lease term or a change in the assessment regarding the purchase of the underlying asset

2.19 Employee Benefit Obligations

(i) Short-Term Employee Benefits

Short-term employee benefits are benefits which are expected to be settled wholly before twelve months after the reporting period in which the employee renders the related service.

NOTES TO THE FINANCIAL STATEMENTS

The short-term employee benefits consist of salaries, wages, salary compensation, overtime, travelling and transport, allowances, end of year bonus, social security contributions, annual sick leave, current portion of passage benefits, and allowance in lieu of passage benefits.

Short-term employee benefits are expensed in the period the employee renders the service and a liability is recognised in respect of amount not paid at the end of the financial year for end of year bonus and annual sick leave.

Passage benefits represent the estimated liability of the Government in respect of passage benefits accrued to public officers on permanent and pensionable establishment drawing a minimum monthly salary of Rs 27,400 or reckoning at least five years' service as per Pay Research Bureau (PRB) Report 2021. Passage benefits are earned at the rate of 5% of the gross salaries annually. The carrying amount is re-measured each year end after taking into account amount paid and earned during the year.

(ii) Post-Employment Benefits

(a) Defined Contribution Plan

Defined contribution plans are post-employment benefit plans under which the Government pays fixed contributions into another entity, the State Insurance Company of Mauritius Limited (SICOM Ltd), for full time employees who joined the Public Sector from 1 January 2013 onwards. The Government has no further payment obligations once the contributions have been paid. These contributions are expensed in the period the employee renders the service and a liability is recognised in respect of amount not paid at the end of the financial year.

(b) Defined Benefit Plans

The Government operates a Defined Benefit Plan, which includes employees who joined service prior to the year 2013 and members of the Legislative Assembly.

The plan is unfunded. The calculation of defined benefit obligations is performed on a 3 yearly basis by a qualified actuary and will be aligned to the requirements of IPSAS 39 - Employee Benefits during the transitional period. Currently, Government appoints SICOM Ltd as its actuary. The cost of providing benefits is calculated using the projected unit method. The benefits are then discounted in order to determine the present value of the defined benefit obligations and the current service cost.

Remeasurements, comprising actuarial gains and losses, are reflected in the Statement AC - Statement of Changes in Net Assets or Equity.

(iii) Other Long-Term Employee Benefits

Other long-term employee benefits comprise non-current portion of bank of sick leave, vacation leave upon retirement and passage benefits.

Liabilities in respect of other long-term employee benefits have not been discounted for the time value of money.

NOTES TO THE FINANCIAL STATEMENTS

2.20 Contingent Assets and Contingent Liabilities

The Government does not recognise a contingent asset, but discloses in the notes to the financial statements details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Government. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the notes to the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognised in the financial statements of the period in which the change occurs.

The Government does not recognise a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

2.21 Revenue from Non-Exchange Transactions

(i) Taxation

Taxation consists of Taxes on Income and Profits, Taxes on Property, Taxes on Goods and Services, Taxes on Financial and Capital Transactions, Taxes on International Trade and Transactions, Assessment Under Dispute and Other Taxes. The revenue recognition policy adopted for each major type of taxation revenue is as follows:

Tax Type	Revenue Recognition Point
Taxes on Income and Profits	1. Income Tax- Individuals (self-assessment) Revenue is recognised when the taxable activity takes place based on income tax returns submitted by the taxpayer by 15 October of the following financial year. Any revenue for the current financial year declared after 15 October or relating to prior periods are recognised as revenue in the year that the returns are submitted. Revenue recognised represents the net amount payable by the tax payer after any refund and deduction of any Pay As You Earn (PAYE) or Tax Deduction at Source (TDS).
	2. Income Tax- Companies and Bodies Corporate Revenue is recognised when the taxable activity takes place based on tax returns submitted by the entities by 31 October following the end of the financial year. For entities which submit their tax return for the financial year after the 31 October, revenue for that income year is estimated based on the tax return submitted for the previous financial year end. Any revenue relating to prior periods are recognised as revenue in the year of submission of returns.
	3. Pay As You Earn (PAYE) and Tax Deduction at Source (TDS) Revenue is recognised in the financial year when the taxable activity takes place based on returns submitted in the current financial year. PAYE and TDS for the month of June submitted up to the cut-off date of 31 July of the following financial year are recognised as revenue in the current financial year. PAYE and TDS relating to any month prior to June that are declared after the end of the current financial year and PAYE/TDS relating to any prior periods are recognised as revenue in the year in which the returns are submitted.

NOTES TO THE FINANCIAL STATEMENTS

Tax Type	Revenue Recognition Point
Taxes on Property	Revenue is recognised on an accrual basis.
Taxes on Goods and Services and Taxes on International Trade and Transactions	1. Value Added Tax (VAT) Revenue is recognised in the year when the taxable activity takes place based on returns relating to the current financial year submitted by the taxpayer during the financial year and returns pertaining to the month of June and Quarter April to June submitted by 31 July of the following financial year, net of any repayment. VAT returns for the month of July to May and Quarters July to March declared after financial year end and VAT relating to prior periods are recognised as revenue, net of any repayment in the year in which the returns are submitted.
	2. Custom and Excise Duties and Other taxes collected at Customs Revenue is recognised in the financial year when the taxable activity takes place based on the customs declarations submitted at customs.
	3. Betting and Gaming Taxes Revenue is recognised when taxes are declared in the tax payers returns during the financial year.
	4. Passenger Fee Revenue is recognised when taxes are declared in the tax payers returns during the financial year.
Other Taxes	1. Environment Protection Fee (EPF) Revenue is recognised when taxes are declared in the tax payers returns during the financial year.
	2. Advertising Structure Fee and Special Levy on Banks Revenue is recognised when taxes are declared in the tax payers returns during the financial year.

40% of the disputed amount (Assessment Under Dispute) is recognised as receivables from non-exchange transactions for the financial year under review and the relative movement is charged to surplus or deficit under the different categories of Tax revenue listed in the above table.

Penalties, interests and surcharges arising in relation to taxation are recognised as revenue in the year when these charges are applied.

(ii) Transfers

(a) Fines, Penalties and Forfeits

Fines, Penalties and Forfeits are recognised on an accrual basis.

(b) Grants and Aid

Grants and Aid consist of Grants from Foreign Governments, International Organisations and Other General Government Units.

These grants are recognised on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

(c) Other Transfers

Other transfers include:

- Transfer of surplus cash balances from statutory bodies and special funds and any contributions made by a party to Government. These are recognised on a cash basis.
- Contribution in respect of Tourism Development Projects on State Lands. These are recognised on cash basis.
- Concessionary Loans
  The difference between loan proceeds and the fair value of the loan on initial recognition is recognised as revenue.
- Goods in-kind
  Goods in-kind are measured at fair value as at the date of acquisition and recognised on obtaining control of the asset if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Government and can be measured reliably.
- Debt Forgiveness
  Debts written off by Development Partners and Donor Agencies are recognised as revenue when the debt no longer meets the definition of a liability.

(iii) Social Contributions

Social Contributions is recognised on an accrual basis.

2.22 Revenue from Exchange Transactions

Revenue from exchange transactions consist of Licences, Finance Income, Dividends, Rent and Royalties, Sales of Goods and Services and Other Revenue.

Revenues are recognised on an accrual basis.

2.23 Expenses

(i) Subsidies and Grants

Subsidies and Grants to Local Authorities, Extra Budgetary Units, Rodrigues Regional Assembly and Other General Government Units are recognised on accrual basis.

Contributions to International/Regional Organisations are recognised in the period to which they relate.

(ii) Social Benefits

Social benefits are recognised in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS

(iii) Operating Expenses

These are recognised in the period when goods are received or services are rendered.
Operating expenses include leases which are short term, normally for one year and of low value in nature and are expensed in surplus or deficit (Refer to 2.13 Leases).

(iv) Other Expenses

Other expenses are recognised on an accrual basis.

(v) Finance Costs

Finance costs include interest expense on financial liabilities and leases and management charges.

Interest expense on financial liabilities are measured at amortised cost and are recognised using the effective interest rate method.

Interest expense on lease liability is the amount that produces a constant periodic discount rate of interest on the remaining balance of lease liability (Refer to 2.18 Lease Liabilities).

Management charges have been recognised on an accrual basis.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements includes the use of accounting estimates and management assumptions and judgement. It also requires management to exercise its judgement in the process of applying accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant, include, but are not limited to: estimation of Receivables , loss allowance for expected credit losses on Receivables, selection of useful lives and the depreciation/amortisation method for Property Plant and Equipment, Intangible Assets and right-of-use assets, estimating the fair value of certain categories of Property Plant and Equipment, Biological Assets, Investments, actuarial measurement of post-employment benefit obligations, assumptions used in calculating the fair value of Government Debt for which there is no observable market price, assumptions in measuring Loans at amortised cost and expected credit loss on Loans, estimation to compute the value for Financial Guarantee Liabilities and discount rate for the computation of Lease Liabilities. The actual results could differ from those estimates. Changes in estimates are reflected in the period in which they become known.

NOTES TO THE FINANCIAL STATEMENTS

4. CASH AND CASH EQUIVALENTS

The total cash and cash equivalents are made up as follows:

	30 June 2024	30 June 2023
	Rs	Rs
Cash and Bank balances	10,661,740,040	21,379,023,951
Remittances	4,190,791,626	3,423,494,561
Total	**14,852,531,666**	**24,802,518,512**
Comprising:		
Local currency balances	10,942,990,225	20,331,325,178
Foreign currency balances - at local banks	3,840,335,939	4,414,103,490
Foreign currency balances - at external banks	69,205,502	57,089,844

As at 30 June 2024, there is no significant cash and cash equivalents balances that are not available for use.

Cash and cash equivalents include an amount of Rs 6,298,797,854 (2023: Rs 14,747,580,422) for Special Funds.

Non-cash transactions

For non-cash transactions relating to loans, lease liabilities and Government Debt, refer to Note 7 Loans and Advances, Note 19 Lease Liabilities and Note 20 Government Debt respectively.

Non-cash transactions also include the following:

	30 June 2024	30 June 2023
	Rs	Rs
Donated Property, Plant and Equipment	76,974,117	68,919,411
Conversion of Advances to Equity Instruments	500,000,000	-
Others	128,966,973	55,201,448

5. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	30 June 2024	30 June 2023
	Rs	Rs
Taxes on Income and Profits	34,254,376,573	11,089,274,627
Taxes on Property	16,076,216	15,786,267
Taxes on Goods and Services	10,505,153,142	9,475,496,721
Taxes on International Trade and Transactions	13,946,647	2,030,794
Other Taxes	204,351,413	173,870,749
Fines, Penalties and Forfeits	133,916,712	125,960,381
Social Contributions	1,325,546,777	1,070,127,766
	46,453,367,480	21,952,547,305
Less: Loss Allowance	(659,229,064)	(665,585,759)
Total	**45,794,138,416**	**21,286,961,546**
- Within one year	20,243,636,259	10,012,450,181
- After one year	25,550,502,157	11,274,511,365
Total	**45,794,138,416**	**21,286,961,546**

NOTES TO THE FINANCIAL STATEMENTS

The ageing of receivables from non-exchange transactions are as follows:

	30 June 2024 Rs	30 June 2023 Rs
Current Due	17,292,575,274	11,626,719,499
Past Due:		
Less than 1 year	3,994,625,156	627,699,136
Between 1 to 5 years	5,646,582,547	5,670,962,241
Between 5 to 10 years	2,399,626,169	2,017,655,704
Over 10 years	1,566,637,856	1,343,924,966
Total	**30,900,047,002***	**21,286,961,546**

*This amount excludes receivables in respect of tax assessments not yet settled amounting to Rs 14,894,091,414.

Receivables in respect of tax assessments not yet settled, amounting to Rs 14,894,091,414, has been recognised for the first time as at 30 June 2024, representing 40% of the disputed amount. No loss allowance has been charged on this amount.

During the financial year 2023-2024, an amount of Rs 316,129,004 (2023: Rs 200,350,804) was written off. Out of this amount, an amount of Rs 97,516,316 (2023: Rs 14,371,974) was charged directly through surplus or deficit as no loss allowance in respect of these amounts were previously recognised (Refer to Note 35). The remaining amount of Rs 218,612,688 (2023: Rs 185,978,830) was written off against loss allowance (Refer to table below).

The changes in loss allowance in respect of receivables from non-exchange transactions are as follows:

	30 June 2024 Rs	30 June 2023 Rs
Loss Allowance as at 01 July	**665,585,759**	**593,519,713**
Receivables Write-Off	(218,612,688)	(185,978,830)
Impairment Loss	212,255,993	258,044,876
Loss Allowance as at 30 June	**659,229,064**	**665,585,759**

6. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	30 June 2024 Rs	30 June 2023 Rs
Licences	94,680,037	75,481,767
Finance Income	2,272,904	1,456,508
Rent and Royalties	1,208,263,038	1,151,065,553
Sales of Goods and Services	257,944,497	231,015,354
Other Revenue	491,162,840	307,190,461
	2,054,323,316	1,766,209,643
Less: Loss Allowance	(564,677,750)	(452,437,180)
Total	**1,489,645,566**	**1,313,772,463**

NOTES TO THE FINANCIAL STATEMENTS

	30 June 2024	30 June 2023
	Rs	Rs
Within one year	1,232,201,817	834,205,721
After one year	257,443,749	479,566,742
Total	**1,489,645,566**	**1,313,772,463**

The ageing of receivables from exchange transactions are as follows:

	30 June 2024	30 June 2023
	Rs	Rs
Current Due	234,680,930	158,022,125
Past Due:		
Less than 1 year	158,426,195	91,700,994
Between 1 to 5 years	212,691,148	1,000,515,758
Between 5 to 10 years	875,108,239	54,059,297
Over 10 years	8,739,054	9,474,289
Total	**1,489,645,566**	**1,313,772,463**

During the financial year 2023-2024, an amount of Rs 11,013 (2023: Rs 41,107,255) was written off. No write-off (2023: Rs 16,602,780) was charged to surplus or deficit (Refer to Note 35). The amount of Rs 11,013 (2023: Rs 24,504,475) was written off against loss allowance (Refer to table below).

The changes in the loss allowance in respect of receivables from exchange transactions are as follows:

	30 June 2024	30 June 2023
	Rs	Rs
Loss Allowance as at 01 July	**452,437,180**	**141,227,622**
Receivables Write-Off	(11,013)	(24,504,475)
Impairment Loss	112,251,583	335,714,033
Loss Allowance as at 30 June	**564,677,750**	**452,437,180**

7. LOANS AND ADVANCES

	30 June 2024			30 June 2023		
	Current	Non-Current	Total	Current	Non-Current	Total
	Rs	Rs	Rs	Rs	Rs	Rs
Loans	4,458,178,791	6,609,729,297	11,067,908,088	3,399,379,904	7,019,346,459	10,418,726,363
Advances	909,018,186	2,705,891,060	3,614,909,246	932,015,525	2,317,390,707	3,249,406,232
Total	**5,367,196,977**	**9,315,620,357**	**14,682,817,334**	**4,331,395,429**	**9,336,737,166**	**13,668,132,595**

Details of the total loans granted by the Government are provided in Statement M – Statement of all Outstanding Loans financed from Revenue as at 30 June 2024.

NOTES TO THE FINANCIAL STATEMENTS

(i) Loans

Loans to Statutory bodies, Private bodies and Other bodies have been recognised at amortised cost in the financial statements for the financial year ended 30 June 2024.

A reconciliation of loan at amortised cost is shown below:

	2024 Rs	2023 Rs
Balance as at 01 July	**10,615,037,453**	**10,001,922,324**
Cash Movement:		
Issue	333,095,644	558,248,749
Repayment:		
Capital	(200,719,110)	(376,985,795)
Interest	(60,343,027)	(77,803,117)
Non-cash Movement:		
Non-exchange expense (Concessionary loans)	(74,202,590)	(95,871,567)
Interest income	575,988,077	641,430,649
Capitalisation of interest	45,280,853	40,384,897
Write off of loan	-	(122,445,604)
Gains on foreign exchange transactions and revaluation	33,256,703	46,156,917
Balance as at 30 June	**11,267,394,003**	**10,615,037,453**

	30 June 2024 Rs	30 June 2023 Rs
Loans at Amortised Cost	11,267,394,003	10,615,037,453
Less: Expected Credit Loss Allowance	(199,485,915)	(196,311,090)
Loans as per *Statement A- Statement of Financial Position*	**11,067,908,088**	**10,418,726,363**

The ageing of the loans are as follows:

	30 June 2024 Rs	30 June 2023 Rs
Less than 1 year	4,458,178,791	3,399,379,904
Between 1 to 5 years	4,018,845,921	3,946,683,793
Between 5 to 10 years	1,830,478,245	2,293,844,729
Over 10 years	760,405,131	778,817,937
Total	**11,067,908,088**	**10,418,726,363**

The movement in expected credit loss allowance in respect of loans are as follows:

	30 June 2024 Rs	30 June 2023 Rs
Loss Allowance as at 01 July	196,311,090	135,724,213
Loss Allowance for the year	3,174,825	60,586,877
Loss Allowance as at 30 June	**199,485,915**	**196,311,090**

NOTES TO THE FINANCIAL STATEMENTS

The discount rate used in calculating the present value of loan is determined by reference to market yields on weighted average rupee lending rate of banks, as prescribed by the Bank of Mauritius.

(ii) Advances

	30 June 2024	30 June 2023
	Rs	Rs
Government Officers (include Motor Cars and Motor Cycles Advances)	2,242,629,256	2,072,587,400
Parastatals/Local Government/Corporate Bodies	1,261,054,330	1,056,255,358
Ministries/Departments	111,225,660	120,563,474
Total	**3,614,909,246**	**3,249,406,232**

8. INVESTMENTS

Details of investments are shown below:

	30 June 2024	30 June 2023
	Rs	Rs
Equity Investments	130,377,384,106	119,344,041,797
Redeemable Preference Shares	200,000,000	200,000,000
Other Investments	9,401,801,339	19,108,849,811
Total	**139,979,185,445**	**138,652,891,608**
-Within one year	9,212,299,279	17,431,994,054
-After one year	130,766,886,166	121,220,897,554
Total	**139,979,185,445**	**138,652,891,608**

(i) Equity Investments and Redeemable Preference Shares

Fair Value of Equity Investments and Redeemable Preference *Shares*

The Government uses the following hierarchy for determining and measuring the fair value of investments:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Other techniques for which all inputs are observable and have a significant effect on the recorded fair value, either directly or indirectly; and
- Level 3 – Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

NOTES TO THE FINANCIAL STATEMENTS

The level of fair value measurement used for each category of investment is shown in the table below:

Category	Level	Basis
Quoted Investments	Level 1	Based on market prices of shares on the Stock Exchange of Mauritius as at the end of the financial year.
Unquoted Investments	Level 3	Based on the Net Asset figures from the latest audited financial statements of investees except for ISM Mauritius Ltd, Mauritius Housing Holdings Ltd and The National Fishing Company Ltd, where their costs have been deemed to be their market value as no audited financial statements are available.
Equity Participation	Level 3	Based on the Net Asset figure from the latest audited financial statements of investees.
Redeemable Preference Shares	Level 3	Based on the value disclosed in the latest audited financial statements of investees.

The table below shows an analysis of equity investments and redeemable preference shares mandatorily measured at fair value through surplus or deficit, by the level of hierarchy:

	Level 1	Level 3	Total Carrying Amount	Total Fair Value
30 June 2024	**Rs**	**Rs**	**Rs**	**Rs**
Quoted investments	702,851,190	-	702,851,190	702,851,190
Unquoted investments	-	96,705,786,054	96,705,786,054	96,705,786,054
Equity participation	-	32,968,746,862	32,968,746,862	32,968,746,862
Redeemable Preference Shares	-	200,000,000	200,000,000	200,000,000
Total	**702,851,190**	**129,874,532,916**	**130,577,384,106**	**130,577,384,106**
30 June 2023				
Quoted investments	672,946,849	-	672,946,849	672,946,849
Unquoted investments	-	88,945,434,775	88,945,434,775	88,945,434,775
Equity participation	-	29,725,660,173	29,725,660,173	29,725,660,173
Redeemable Preference Shares	-	200,000,000	200,000,000	200,000,000
Total	**672,946,849**	**118,871,094,948**	**119,544,041,797**	**119,544,041,797**

There have been no transfers between Level 1 and 3 during the current year.

NOTES TO THE FINANCIAL STATEMENTS

A reconciliation of fair value measurements in level 3 is set out below:

	2024	2023
	Rs	Rs
Balance at 01 July	**118,871,094,948**	**113,499,482,635**
Additions during the year	2,790,284,281	1,472,697,332
Conversion of advance into equity	500,000,000	-
Dividends capitalised	123,398,348	53,787,211
Impairment of investment	(1)	-
Gains on foreign exchange transactions and revaluation	110,078,591	57,399,544
Fair value gain on investment	7,479,676,749	3,787,728,226
Balance at 30 June	**129,874,532,916**	**118,871,094,948**

(ii) Other Investments

Other Investments have been recognised at amortised cost.

A reconciliation of amortised cost is shown below:

	Government	Special Funds	Total
	Rs	Rs	Rs
Balance at 01 July 2022	**596,121,803**	**18,929,887,318**	**19,526,009,121**
Redemption of fixed deposits	(4,520,000)	(550,000,000)	(554,520,000)
Movement in interest receivable	(382,675)	137,743,365	137,360,690
Balance at 30 June 2023	**591,219,128**	**18,517,630,683**	**19,108,849,811**
Additions during the year	-	5,525,000,000	5,525,000,000
Redemption of fixed deposits	(4,280,000)	(15,075,000,000)	(15,079,280,000)
Movement in interest receivable	380,080	(153,148,552)	(152,768,472)
Balance at 30 June 2024	**587,319,208**	**8,814,482,131**	**9,401,801,339**

Additional details in respect of investments are provided in the Statement F - Statement of Investments as at 30 June 2024.

9. INVENTORIES

	30 June 2024	30 June 2023
	Rs	Rs
Inventories consist of the following:		
Inventories for Distribution and Consumption	3,837,327,216	3,165,156,324
Donated inventories	741,241	5,604,690
Agricultural Produce and Biological Inventory	33,496,130	36,433,100
Total	**3,871,564,587**	**3,207,194,114**

NOTES TO THE FINANCIAL STATEMENTS

Inventories amounting to Rs 4,124,251 (2023: Rs 2,896,259) was written-off during the financial year 2023-2024.

Agricultural produce harvested during the period, determined at point of harvest amounted to Rs 4,413,330 (2023: Rs 2,987,059).

Agricultural Produce and Biological Inventory amounting to Rs 3,168,765 was written off during the financial year 2023-2024 (2023: Rs 4,720,263).

The movement in Agricultural produce and Biological Inventory charged to surplus/deficit amounted to Rs 8,035,841 for the financial year 2023-2024 (2023: Rs 7,088,877).

Methods to determine the fair value of Agricultural Produce

The fair value of agricultural produce has been estimated by the Ministry of Agro Industry and Food Security and Ministry of Blue Economy, Marine Resources, Fisheries and Shipping and is based mainly on market prices (i.e. price set by the Ministry of Agro Industry and Food Security and Ministry of Blue Economy, Marine Resources, Fisheries and Shipping), quantity and weight.

10. OTHER FINANCIAL ASSETS

	30 June 2024	30 June 2023
	Rs	Rs
IMF SDR Deposits	12,846,592,009	12,100,561,354
IMF Reserve Tranche Position	2,380,575,978	2,540,585,086
Total	**15,227,167,987**	**14,641,146,440**

IMF SDR Deposits represent the rupee equivalent of the deposit of SDR 205,402,512 (2023: SDR 197,605,675) by the IMF to the Republic of Mauritius.

IMF Reserve Tranche Position of the Republic of Mauritius with IMF stood at SDR 38,062,724 (2023: SDR 41,488,491), whilst the Quota amounted to SDR 142,200,000 (2023: SDR 142,200,000).

The movement in the Reserve Tranche is as follows:

	2024	2023
	Rs	Rs
Balance as at 01 July	**2,540,585,086**	**2,418,161,031**
Gain on Foreign Exchange Transactions and Revaluation	45,847,166	39,663,091
Transactions during the year	(205,856,274)	82,760,964
Balance as at 30 June	**2,380,575,978**	**2,540,585,086**

NOTES TO THE FINANCIAL STATEMENTS

11. BIOLOGICAL ASSETS

	30 June 2024	30 June 2023
	Rs	Rs
Bearer Biological Assets	10,922,960	10,454,201
Consumable Biological Assets (N1)	795,030	792,705
Total	**11,717,990**	**11,246,906**

N1: Consumable Biological Assets exclude Agricultural Produce. Agricultural Produce has been recognised under Inventories (Refer to Note 9).

Reconciliation of Carrying Amount of Bearer Biological Assets

	2024	2023
	Rs	Rs
Carrying amount at 01 July	**10,454,201**	**8,710,834**
Increases due to purchases	1,546,386	1,549,450
Transfer to inventories	(400,222)	(124,615)
Fair value (loss)/gain	(677,405)	318,532
Carrying amount at 30 June	**10,922,960**	**10,454,201**

Reconciliation of Carrying Amount of Consumable Biological Assets

	2024	2023
	Rs	Rs
Carrying amount at 01 July	**792,705**	**480,329**
Transfer to inventories	(1,615,739)	(6,550,821)
Fair value gain	1,618,064	6,863,197
Carrying amount at 30 June	**795,030**	**792,705**

Methods to determine the fair value of biological assets

The fair value of biological assets has been estimated by the Ministry of Agro Industry and Food Security and Ministry of Blue Economy, Marine Resources, Fisheries and Shipping and is based mainly on market prices (i.e. price set by the Ministry of Agro Industry and Food Security and Ministry of Blue Economy, Marine Resources, Fisheries and Shipping), quantity and weight.

Restrictions and pledges for liabilities

During the financial year 2023-2024, there were no biological assets whose title was restricted and there were no restrictions on the Government's use or capacity to sell biological assets (2023: Nil).

During the financial year 2023-2024, no biological assets were pledged as security for liabilities (2023: Nil).

Contractual Commitments

During the financial year 2023-2024, there were no contractual commitments for the acquisition or development of biological assets (2023: Nil).

NOTES TO THE FINANCIAL STATEMENTS

Financial Risk Management Strategies

The Budgetary Central Government is exposed to financial risks arising from changes in price due to disease and pest risks, climate risks (e.g flood, drought, cyclones), environmental and other risks (e.g fire in forest, thefts, power failure of pumps).

The risk management strategies put in place are as follows:

1. Disease and Pest risks
   These are managed by constant monitoring for early detection of diseases and pests and surveillance by veterinary services to avoid propagation.

2. Climate risks
   These are managed by planting plants with deep rooted system and suitable to agro climatic conditions and moving from traditional open field cultivation to sheltered farming system.

3. Environmental and Other risks
   These are managed by putting standby generators in place to supply electrical power in case of power failure, reporting thefts having constant watchmanship to ensure security of assets and creating fire breaks to reduce the spread of fire outbreaks.

NOTES TO THE FINANCIAL STATEMENTS

12. PROPERTY, PLANT AND EQUIPMENT

	Infrastructure, Plant and Equipment			Land and Buildings				
	Infrastructure Assets	Transport Equipment	Other Machinery & Equipment	Land	Buildings	Asset Under Construction (AUC)	Other Assets	TOTAL
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
COST								
At 01 July 2022	**119,013,774,802**	**11,789,789,654**	**11,996,381,148**	**380,617,156,900**	**33,438,630,686**	**7,512,973,525**	**787,550,180**	**565,156,256,895**
Additions	1,272,038,927	911,152,222	1,780,064,194	952,037,752	444,330,034	5,260,863,299	3,336,149	**10,623,822,577**
Transfer from AUC	2,121,934,084	-	-	-	222,971,919	(2,344,906,003)	-	-
Transfer to Inventories	-	-	-	-	-	-	(1,613,986)	**(1,613,986)**
Disposal	-	(26,825,848)	(5,654,078)	-	-	-	(420,000)	**(32,899,926)**
Fair Value Gain	-	-	-	-	-	-	827,185,537	**827,185,537**
At 30 June 2023	**122,407,747,813**	**12,674,116,028**	**13,770,791,264**	**381,569,194,652**	**34,105,932,639**	**10,428,930,821**	**1,616,037,880**	**576,572,751,097**
Additions	1,164,018,146	599,458,992	964,282,012	971,441,772	739,246,301	5,088,759,354	7,047,150	**9,534,253,727**
Transfer from AUC	6,677,912,948	48,064,839	-	-	1,745,573,847	(8,471,551,634)	-	-
Transfer to Inventories	-	-	-	-	-		(1,838,344)	**(1,838,344)**
Disposal	-	(6,091,422)	(4,317,323)	-	-	-	(2,255,750)	**(12,664,495)**
Fair Value Gain	-	-	-	-	-	-	2,450	**2,450**
At 30 June 2024	**130,249,678,907**	**13,315,548,437**	**14,730,755, 953**	**382,540,636,424**	**36,590,752,787**	**7,046,138,541**	**1,618,993,386**	**586,092,504,435**

NOTES TO THE FINANCIAL STATEMENTS

	Infrastructure, Plant and Equipment			Land and Buildings				
	Infrastructure Assets	Transport Equipment	Other Machinery & Equipment	Land	Buildings	Asset Under Construction (AUC)	Other Assets	TOTAL
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
ACCUMULATED DEPRECIATION								
At 01 July 2022	**12,577,711,917**	**6,023,208,629**	**8,158,370,285**	**-**	**8,765,736,846**	**-**	**-**	**35,525,027,677**
Charge for the year	2,556,477,038	694,642,572	1,067,860,226	-	681,941,916	-	-	5,000,921,752
Disposal	-	(26,825,848)	(5,082,351)	-	-	-	-	(31,908,199)
At 30 June 2023	**15,134,188,955**	**6,691,025,353**	**9,221,148,160**	**-**	**9,447,678,762**	**-**	**-**	**40,494,041,230**
Charge for the year	2,717,359,405	688,780,812	1,042,738,719	-	731,421,893	-	-	5,180,300,830
Disposal	-	(6,091,422)	(3,367,308)	-	-	-	-	(9,458,731)
At 30 June 2024	**17,851,548,360**	**7,373,714,743**	**10,260,519,571**	**-**	**10,179,100,655**	**-**	**-**	**45,664,883,329**
Carrying Amounts								
At 30 June 2023	**107,273,558,858**	**5,983,090,675**	**4,549,643,104**	**381,569,194,652**	**24,658,253,877**	**10,428,930,821**	**1,616,037,880**	**536,078,709,867**
At 30 June 2024	**112,398,130,547**	**5,941,833,694**	**4,470,236,382**	**382,540,636,424**	**26,411,652,132**	**7,046,138,541**	**1,618,993,386**	**540,427,621,106**

1. Other Assets:

   (a) The value of Other Assets (Sniffer Dogs) as at 30 June 2024 decreased to Rs 5,371,250. The net decrease of Rs 1,928,750 arose from the disposal of Rs 2,028,750 and additions of Rs 100,000 during financial year 2023-2024.

   (b) "Plants to maintain Ecosytem" has increased in value during financial year 2023-2024 and amounts to Rs 1,610,268,236. The increase of Rs 4,653,406 arose from the additions of Rs 6,491,750 and transfer to inventories of Rs 1,838,344.

   (c) "Bearer Plants has increased in value during financial year 2023-2024 and amounts to Rs 3,353,900. The increase of Rs 230,850 arose from the additions of Rs 455,400, disposal of Rs 227,000 and fair value gain of Rs 2,450.

2. Donated assets amounting to Rs 76,859,117 (2023: Rs 68,363,395) have been recognised in the financial year 2023-2024.

3. Contractual commitments for the acquisition of Property, Plant and Equipment amounted to Rs 262,693,982 (2023: Rs 355,491,732) as at 30 June 2024.

NOTES TO THE FINANCIAL STATEMENTS

13. RIGHT-OF-USE ASSETS

	Land	Buildings	Other Machinery and Equipment	Total
	Rs	Rs	Rs	Rs
COST				
At 1 July 2022	**173,811,040**	**2,059,294,630**	**10,242,991,105**	**12,476,096,775**
Additions	27,734,499	429,698,220	215,396,862	672,829,581
Adjustments	-	(6,119,911)	-	(6,119,911)
At 30 June 2023	**201,545,539**	**2,482,872,939**	**10,458,387,967**	**13,142,806,445**
Additions	150,604	755,365,542	18,758,209	774,274,355
Termination/Expiry	-	(1,245,877,120)	(407,856,870)	(1,653,733,990)
At 30 June 2024	**201,696,143**	**1,992,361,361**	**10,069,289,306**	**12,263,346,810**
ACCUMULATED DEPRECIATION				
At 1 July 2022	**16,812,242**	**997,972,827**	**1,814,778,119**	**2,829,563,188**
Charge for the year	5,786,799	557,354,539	624,591,907	1,187,733,245
Adjustments	-	(4,997,927)	-	(4,997,927)
At 30 June 2023	**22,599,041**	**1,550,329,439**	**2,439,370,026**	**4,012,298,506**
Charge for the year	6,329,550	566,597,564	591,609,284	1,164,536,398
Termination/Expiry	-	(1,100,479,387)	(230,736,818)	(1,331,216,205)
At 30 June 2024	**28,928,591**	**1,016,447,616**	**2,800,242,492**	**3,845,618,699**
Carrying Amounts				
At 30 June 2023	**178,946,498**	**932,543,500**	**8,019,017,941**	**9,130,507,939**
At 30 June 2024	**172,767,552**	**975,913,745**	**7,269,046,814**	**8,417,728,111**

14. INTANGIBLE ASSETS

	Licences & Software	Asset Under Development (AUD)	Total
	Rs	Rs	Rs
COST			
At 01 July 2022	**3,423,636,931**	**58,302,620**	**3,481,939,551**
Additions	154,041,539	45,183,177	199,224,716
At 30 June 2023	**3,577,678,470**	**103,485,797**	**3,681,164,267**
Additions	59,356,925	257,604,374	316,961,299
Transfer from AUD	7,086,913	(7,086,913)	-
At 30 June 2024	**3,644,122,308**	**354,003,258**	**3,998,125,566**
ACCUMULATED AMORTISATION			
At 01 July 2022	**2,467,166,230**	**-**	**2,467,166,230**
Charge for the year	204,457,231	-	204,457,231
At 30 June 2023	**2,671,623,461**	**-**	**2,671,623,461**
Charge for the year	167,975,176	-	167,975,176
At 30 June 2024	**2,839,598,637**	**-**	**2,839,598,637**
Carrying Amounts			
At 30 June 2023	**906,055,009**	**103,485,797**	**1,009,540,806**
At 30 June 2024	**804,523,671**	**354,003,258**	**1,158,526,929**

During the financial year 2023-2024, there were no donated assets (2023: Rs 556,016).

During the financial year 2023-2024, there were no contractual commitments for the acquisition of intangible assets (2023: Rs 9,947,768).

NOTES TO THE FINANCIAL STATEMENTS

15. PAYABLES

	30 June 2024	30 June 2023 Restated
	Rs	Rs
Cost of Borrowings	60,875,036	89,107,683
Accounts Payable (N1)	3,378,206,683	2,749,484,608
Retention Money on Contracts	45,349,398	73,358,577
Carry-over of Capital Expenditure (N2)	-	121,905,876
Total	**3,484,431,117**	**3,033,856,744**
- Within one year	2,345,428,959	1,908,032,447
- After one year	1,139,002,158	1,125,824,297
Total	**3,484,431,117**	**3,033,856,744**

N1: Accounts Payable was understated by Rs 1,115,132,433 in the financial year 2022-2023, representing amount payable to the State Trading Corporation (STC) with respect to the STC's deficit in its Subsidy Account.
Refer to Note 39 (i) for details on prior period adjustments.

N2: There were no carry-over of capital expenditure during the financial year.

Cost of Borrowings is made up of accrued interest on re-opening of Government Securities and Management Charges payable as at 30 June. Details are as follows:

	30 June 2024	30 June 2023
	Rs	Rs
Accrued Interest on Re-opening of Government Securities:		
- Government Bonds	22,877,000	50,776,000
- Treasury Notes	34,882,000	37,341,000
Management Charges payable on:		
- Domestic Debts	983,497	115,864
- External Debts	2,132,539	874,819
Total	**60,875,036**	**89,107,683**
- Within one year	60,875,036	89,107,683
- After one year	-	-
Total	**60,875,036**	**89,107,683**

16. DEPOSITS

	30 June 2024	30 June 2023
	Rs	Rs
Grants	125,419,897	266,716,480
Deposits held with Mauritius Revenue Authority	572,612,438	644,858,613
Other Deposits	2,481,505,939	2,793,496,035
Total	**3,179,538,274**	**3,705,071,128**
- Within one year	1,930,568,243	2,684,952,599
- After one year	1,248,970,031	1,020,118,529
Total	**3,179,538,274**	**3,705,071,128**

NOTES TO THE FINANCIAL STATEMENTS

The amount of liabilities recognised in respect of Grants that are subject to conditions are Rs 125,419,897 (2023: Rs 266,716,480).

17. SOCIAL BENEFITS

	30 June 2024	30 June 2023
	Rs	Rs
Balance as at 01 July	**295,394,495**	**154,444,800**
Payments made during the year	(63,366,247,466)	(49,170,221,173)
Charge for the year	63,211,931,091	49,311,170,868
Balance as at 30 June	**141,078,120**	**295,394,495**
- Within one year	141,078,120	295,394,495
- After one year	-	-
Total	**141,078,120**	**295,394,495**

The total expenses for Social Benefits analysed by Social Benefit Schemes are shown below:

	30 June 2024	30 June 2023
	Rs	Rs
Social Aid- Pension	260,852,394	282,489,112
Cyclone Allowance	165,500	225,250
Incontinence Allowance	78,578,400	72,554,431
Medical Allowance	2,747,543	2,704,638
Income Support-UHR	248,683,414	68,656,603
Funeral Grant	44,660,740	42,927,745
Child Allowance Attending school	3,378,510	4,325,400
Basic Retirement Pension	39,825,569,127	33,074,557,634
Basic Widow Pension	2,588,719,050	2,301,486,510
Basic Invalid Pension	4,422,638,079	3,987,464,288
Basic Orphan Pension	55,974,500	48,364,000
Child Allowance	365,219,958	277,439,514
Other Basic Pensions	1,586,399,224	1,563,443,865
CSG Benefits	2,844,520,000	2,207,038,629
Poverty and Empowerment	570,119,275	304,339,014
Bad Weather Allowance	218,922,225	120,813,400
Closed Season Allowance	6,500,000	5,490,675
Foster Care	14,170,146	9,315,586
Negative Income Tax Allowance	35,922,400	38,731,191
Special Allowance/ Allowance icw National Minimum Wage	1,059,390,606	573,803,383
CSG Income Allowance	7,290,000,000	4,325,000,000
Housing Loan Relief Scheme	345,000,000	-
CSG Child Allowance	880,000,000	-
Independence Allowance	463,800,000	-
	63,211,931,091	**49,311,170,868**

NOTES TO THE FINANCIAL STATEMENTS

The table below provides the characteristics of social benefits schemes:

Nature of social benefits	Key Features of Social Benefit Schemes			Funding of scheme	Factors influencing level of expenditure	Amendments to social benefit schemes during the reporting period	
	Legislative framework governing scheme	Main eligibility Criteria	Reference where additional information about the scheme be obtained			Description of significant amendments	Description of expected effect of amendments
Negative Income Tax (NIT)	The Income Tax Act	Refer to Section 150A Income Tax Act	MRA Website	Budget Appropriation	Changes in Legislation, Increase/Decrease in number of individuals qualifying for the schemes, based on the eligibility criteria.		
Special Allowance	The Workers Right Act and Workers Right Act Regulations (Payment of Special Allowance)	Refer to Section 33A and 124 of The Workers Right Act and Workers Right Act Regulations (Payment of Special Allowance) 2022 and 2023	MRA Website	Budget Appropriation	Changes in Legislation, Increase/Decrease in number of individuals qualifying for the schemes, based on the eligibility criteria.	Scheme ended in December 2023	
CSG Income Allowance	The Social Contribution and Social Benefits Act	Refer to Sub-Part IIIB of The Social Contribution and Social Benefits Act	MRA Website	Budget Appropriation	Changes in Legislation, Increase/Decrease in number of individuals qualifying for the schemes, based on the eligibility criteria.	As from July 2023, an Allowance of Rs 2,000 is payable to eligible employees and self-employed individuals whose total income/emoluments and any basic retirement or widow's pension do not exceed Rs 25,000 and an Allowance of Rs 1,000 is payable to eligible employees and self-employed individuals whose total income/emoluments and any basic retirement or widow's pension are above Rs 25,000 but not exceeding Rs 50,000.	Additional fund disbursed

NOTES TO THE FINANCIAL STATEMENTS

Nature of social benefits	Key Features of Social Benefit Schemes			Funding of scheme	Factors influencing level of expenditure	Amendments to social benefit schemes during the reporting period	
	Legislative framework governing scheme	Main eligibility Criteria	Reference where additional information about the scheme be obtained			Description of significant amendments	Description of expected effect of amendments
Housing Loan Relief Scheme	Income Tax Act	Refer to Section 150G of the Income Tax Act	MRA Website	Budget Appropriation	Changes in Legislation, Increase/Decrease in number of individuals qualifying for the schemes, based on the eligibility criteria.		
CSG Child Allowance - Rs 2,000 Monthly	The Social Contribution and Social Benefits Act	Refer to Sub-Part IIIC of The Social Contribution and Social Benefits Act	MRA Website	Budget Appropriation	Changes in Legislation, Increase/Decrease in number of individuals qualifying for the schemes, based on the eligibility criteria.		
Independence Allowance - Rs 20,000	The Social Contribution and Social Benefits Act	Refer to Sub-Part IIID of The Social Contribution and Social Benefits Act	MRA Website	Budget Appropriation	Changes in Legislation, Increase/Decrease in number of individuals qualifying for the schemes, based on the eligibility criteria.		
Social Aid- Pension	Social Aid Act	Item 1-17 as per Provisions in Social Aid Act, 1983 and Social Aid Regulations, 1984	Social Aid Act	Budget Appropriation	Depending on number of applications received	New budgetary measures and new policies	Wider coverage of vulnerable people and increase in financial implications
Cyclone	Social Aid Act		Social Aid Act	Budget Appropriation	Natural Disasters		

NOTES TO THE FINANCIAL STATEMENTS

Nature of social benefits	Key Features of Social Benefit Schemes			Funding of scheme	Factors influencing level of expenditure	Amendments to social benefit schemes during the reporting period	
	Legislative framework governing scheme	Main eligibility Criteria	Reference where additional information about the scheme be obtained			Description of significant amendments	Description of expected effect of amendments
Incontinence Allowance	Social Aid Act	Item 1-17 as per Provisions in Social Aid Act, 1983 and Social Aid Regulations, 1984	Social Aid Act	Budget Appropriation	Depending on number of applications received	New budgetary measures and new policies	Wider coverage of vulnerable people and increase in financial implications
Medical Allowance	Social Aid Act		Social Aid Act	Budget Appropriation			
Unemployment Hardship Relief	Social Aid Act		Social Aid Act	Budget Appropriation			
Income Support-UHR	Social Aid Act		Social Aid Act	Budget Appropriation			
Funeral Grant	Social Aid Act		Social Aid Act	Budget Appropriation			
Child Allowance Attending school	Social Aid Act		Social Aid Act	Budget Appropriation			
Basic Retirement Pension	National Pension Act	Age of 60 yrs	National Pension Act	Budget Appropriation	Economic	New budgetary measures and new policies	Wider coverage of vulnerable people and increase in financial implications
Widow's Basic Pension	National Pension Act	Should be below the age of 60 and was either civilly married to late partner or religiously married and registered with Muslim Family Council	National Pension Act	Budget Appropriation	Economic		
Invalid's Basic Pension	National Pension Act	Should be below the age of 60 and suffers from a disability of at least 60% for a period of 12 months.	National Pension Act	Budget Appropriation	Economic		
Orphan's Pension	National Pension Act	Child whose both parents have passed away. The child should be below the age of 23.	National Pension Act	Budget Appropriation	Economic		

NOTES TO THE FINANCIAL STATEMENTS

Nature of social benefits	Key Features of Social Benefit Schemes			Funding of scheme	Factors influencing level of expenditure	Amendments to social benefit schemes during the reporting period	
	Legislative framework governing scheme	Main eligibility Criteria	Reference where additional information about the scheme be obtained			Description of significant amendments	Description of expected effect of amendments
Child's Allowance	National Pension Act	Beneficiaries of Basic Pension are entitled to the child allowance	National Pension Act	Budget Appropriation	Economic	New budgetary measures and new policies	Wider coverage of vulnerable people and increase in financial implications
Other Basic Pensions	National Pension Act	Carer's Allowance to beneficiaries of Invalid's Basic Pension & Basic Retirement Pension who needs the constant care & attendance of another person. Guardian Allowance to beneficiaries of Orphan's Pension.	National Pension Act	Budget Appropriation	Economic		
CSG Benefits	The Social Contribution and Social Benefits Act	Person of 65 years and above	The Social Contribution and Social Benefits Act	Budget Appropriation	Economic	New budgetary measures and new policies	Wider coverage of vulnerable people and increase in financial implications

NOTES TO THE FINANCIAL STATEMENTS

Nature of social benefits	Key Features of Social Benefit Schemes			Funding of scheme	Factors influencing level of expenditure	Amendments to social benefit schemes during the reporting period	
	Legislative framework governing scheme	Main eligibility Criteria	Reference where additional information about the scheme be obtained			Description of significant amendments	Description of expected effect of amendments
Poverty and Empowerment	Regulations 2019 made under section 12 of the Social Integration and Empowerment Act 2016	Households registered and found eligible under the Social Register of Mauritius	(i) Regulations 2019 made under section 12 of the Social Integration and Empowerment Act 2016 (ii) Website: socialintegration.govmu.org	Budget Appropriation	Level of expenditure is based on the actual number of eligible households which fluctuates depending on new eligible households and/or households moving out of the register.		
Bad Weather Allowance	Social Security Act	Registered fishers who have their card signed and stamped.	Registered fishers are informed of changes by officers of the ministry.	Funded by Ministry of Social Security through Departmental Warrant.	Change in number of fishers, number of days stated as bad weather as per Meteorological Report and change in rate paid	Newly registered fishers must be present during bad weather days for cleaning of coast line and landing station plus card must be signed and stamped - new condition (budget speech) as from June 2023. Increase in rate per day i.e from Rs 575 to Rs 650	Increase in amount to be paid
Closed Season Allowance	Fisheries Act (closed period from 01 Oct 2023 to end of Feb 2024. Closed for reproduction of fish and to protect the fauna of sea)	Only Net Fishers	Net fishers are informed of changes by officers of the ministry.	Funded by Ministry of Social Security through Departmental Warrant.	Change in number of Net fishers, and in rate paid	Increase in rate per day i.e from Rs 575 to Rs 650	Increase in amount to be paid

NOTES TO THE FINANCIAL STATEMENTS

Nature of social benefits	Key Features of Social Benefit Schemes			Funding of scheme	Factors influencing level of expenditure	Amendments to social benefit schemes during the reporting period	
	Legislative framework governing scheme	Main eligibility Criteria	Reference where additional information about the scheme be obtained			Description of significant amendments	Description of expected effect of amendments
Foster Care Allowance	The Children's Act 2020	1.Prior approval of the Ministry required to be registered as foster parent 2.Child assigned to the foster parent by court order 3.An amount of Rs 12,000 is being paid monthly to any registered foster parent who foster a child.	Website of Ministry of Gender Equality and Family Welfare	Government Funding through Ministry of Gender Equality and Family Welfare.	Number of children placed in Foster Care.		

NOTES TO THE FINANCIAL STATEMENTS

18. PROVISIONS

The movement in Provisions are shown below:

	30 June 2024 Rs	30 June 2023 Rs
Balance as at 01 July	**40,000,000**	**50,000,000**
Charge for the year*	523,923,243	18,842,334
Payment	(33,423,243)	(28,842,334)
Balance as at 30 June	**530,500,000**	**40,000,000**

*This includes provision of an amount of Rs 494,000,000 made on account of a contractual liability towards African Vaccine Acquisition Trust and Pfizer for the supply of COVID-19 Vaccines.

19. LEASE LIABILITIES

The carrying amounts of the lease liabilities and the movements during the year are shown below:

	30 June 2024 Rs	30 June 2023 Rs
Balance as at 01 July	11,267,368,099	11,456,743,848
Additions	774,274,355	672,829,581
Repayment as per contractual term	(1,591,490,222)	(1,553,756,629)
Interest Accrued	674,883,725	692,721,172
Termination	(340,580,075)	(1,169,873)
Balance as at 30 June	**10,784,455,882**	**11,267,368,099**

	30 June 2024 Rs	30 June 2023 Rs
- Within one year	806,807,791	890,200,378
- After one year	9,977,648,091	10,377,167,721
Total	**10,784,455,882**	**11,267,368,099**

The maturity analysis of lease liabilities is as follows:

	30 June 2024 Rs	30 June 2023 Rs
Less than 1 year	806,807,791	890,200,378
Between 1 to 5 years	3,006,520,639	2,837,911,631
Between 5 to 10 years	3,361,711,998	3,188,681,690
Over 10 years	3,609,415,454	4,350,574,400
Total	**10,784,455,882**	**11,267,368,099**

NOTES TO THE FINANCIAL STATEMENTS

Amounts Recognised in Statement of Financial Performance:

	30 June 2024 Rs	30 June 2023 Rs
Depreciation expense on Right-of-Use Asset	1,164,536,398	1,187,733,245
Interest expense on Lease Liabilities	674,883,724	692,721,172
Short term lease expense (Refer to Note 34)	538,053,055	210,067,595
Gain on contract termination	18,062,292	47,888
Total	**2,395,535,469**	**2,090,569,900**

The total cash outflow for leases (principal and interest) amounted to Rs 1,566,968,529 (2023: Rs 1,553,756,629).

20. GOVERNMENT DEBT

	30 June 2024 Rs	30 June 2023 Rs
Domestic and External Debts (Excluding IMF SDR Allocations)		
Government Securities	408,037,962,857	366,622,083,950
Domestic Loans	474,106,355	345,950,038
External Loans	65,832,899,628	63,840,958,516
IMF SDR Allocations	14,578,755,632	14,273,956,878
Total	**488,923,724,472**	**445,082,949,382**
- Within one year	122,966,008,121	80,363,057,428
- After one year	365,957,716,351	364,719,891,954
	488,923,724,472	**445,082,949,382**

Details of the total debt of the Government are provided in Statement J - Statement of Public Sector Debt as at 30 June 2024.

A. Domestic and External Debts (Excluding IMF SDR Allocations)

	30 June 2024 Rs	30 June 2023 Rs
Balance as at 01 July	**430,808,992,504**	**392,647,328,874**
Cash Movement:		
- Issue/Receipt (N1)	147,999,455,255	146,503,956,464
- Redeemed/ Repayment (N2)	(124,669,662,570)	(126,780,226,024)
Non-cash Movement:		
- Direct Payments	203,957,499	493,342,653
- Capitalisation of Interest (N3)	49,085,413	45,716,891
- Losses on Foreign Exchange Transactions and Revaluation	1,171,920,384	2,102,357,007
- Other Changes (N4)	18,781,220,355	15,796,516,639
Balance as at 30 June	**474,344,968,840**	**430,808,992,504**
- Within one year	122,966,008,121	80,363,057,428
- After one year	351,378,960,719	350,445,935,076
Total	**474,344,968,840**	**430,808,992,504**

NOTES TO THE FINANCIAL STATEMENTS

The maturity analysis of domestic and external debt is as follows:

	30 June 2024	30 June 2023
	Rs	Rs
Less than 1 year	122,966,008,121	80,363,057,428
Between 1 to 5 years	163,602,258,909	175,857,018,338
Between 5 to 10 years	87,844,174,308	80,419,605,967
Over 10 years	99,932,527,502	94,169,310,771
Total	**474,344,968,840**	**430,808,992,504**

N1: Issue/ Receipt relates to capital, premium and loans.

N2: Redeemed/Repayment relates to capital, discount, interest and loans.

N3: Capitalisation of interest includes those on conversion from Silver Retirement Bond to Silver Savings Bond, domestic loan and external debt.

N4: Other Changes pertain to non-exchange revenue and interest expense.

N5: Receipt of premium, repayment of interest and discount upon redemption have been reclassified as cash movement.

B. IMF SDR Allocations

The rupee equivalent of the total allocation of SDR 233,097,854 (2023: SDR 233,097,854) made to the Republic of Mauritius, that is, Rs 14,578,755,632 as at 30 June 2024 (2023: Rs 14,273,956,878) is shown as liability and is also included in the Statement J - Statement of Public Sector Debt as at 30 June 2024.

21. FINANCIAL GUARANTEE LIABILITIES

	30 June 2024	30 June 2023
	Rs	Rs
Balance as at 01 July	**3,203,810,129**	**2,905,829,220**
Increases (New Guarantees)	103,206,981	425,685,771
Remeasurement	(136,763,018)	(148,325,056)
Expired*	-	(14,161,218)
Losses on Foreign Exchange Transactions and Revaluation	103,454,873	34,781,412
Balance as at 30 June	**3,273,708,965**	**3,203,810,129**
- Within one year	123,682,845	133,808,182
- After one year	3,150,026,120	3,070,001,947
Total	**3,273,708,965**	**3,203,810,129**

The maturity analysis of Financial Guarantee Liabilities is as follows:

	30 June 2024	30 June 2023
	Rs	Rs
Less than 1 year	123,682,845	133,808,182
Between 1 to 5 years	1,991,738,301	1,775,775,654
Between 5 to 10 years	846,032,289	902,207,604
Over 10 years	312,255,530	392,018,689
Total	**3,273,708,965**	**3,203,810,129**

*Financial guarantee are derecognised when the obligation under the contract is discharged, cancelled or expired.

NOTES TO THE FINANCIAL STATEMENTS

Details of the loan guaranteed by the Government as at 30 June 2024 are provided in Statement L - Statement of Contingent Liabilities including details of any Loans, Bank Overdrafts or Credit Facilities Guaranteed by Government as at 30 June 2024.

22. EMPLOYEE BENEFIT OBLIGATIONS

	30 June 2024 Rs	30 June 2023 Rs
Liability in respect of Defined Benefit Plan (Refer to Note 23)	149,859,960,526	149,859,960,526
Accrued Sick Leave	11,680,209,199	11,270,781,223
Accrued Vacation Leave	11,431,880,576	10,953,604,782
Accrued Passage Benefits	5,471,356,435	4,741,483,377
Accrued Bonus	1,082,206,515	781,652,453
Total	**179,525,613,251**	**177,607,482,361**
- Within one year	3,312,287,876	2,924,227,542
- After one year	176,213,325,375	174,683,254,819
Total	**179,525,613,251**	**177,607,482,361**

23. DEFINED BENEFIT PLAN

Amounts Recognised in Statement of Financial Position at End of Year:

	30 June 2024 Rs	30 June 2023 Rs
Defined Benefit Obligations	149,859,960,526*	149,859,960,526
Fair Value of Plan Assets	-	-
Liability Recognised	**149,859,960,526**	**149,859,960,526**

*The last actuarial valuation was carried out as at 30 June 2022.

	30 June 2024 Rs	30 June 2023 Rs
Amounts Recognised in Statement of Financial Performance:		
Charge to Surplus or Deficit	8,864,279,898	8,418,397,476
Amounts Recognised in Statement of Net Assets or Equity:		
Remeasurements		
Net Assets or Equity	-	-

The plan is a defined benefit arrangement for the employees and members of the Legislative Assembly and it is unfunded.

Weighted average duration of the defined benefit obligations: 13 years
(Calculated as a % change in PV of liabilities for a 1% change in discount rate)
The plan is exposed to actuarial risks such as longevity risk, salary increase risk and pension increase risk.

NOTES TO THE FINANCIAL STATEMENTS

The cost of providing the benefits is determined using the Projected Unit Method. The principal assumptions used for the purpose of the actuarial valuation were as follows:

	30 June 2024	30 June 2023
Discount Rate*	5.15%	5.15%
Future Salary Increases	2.50%	2.50%
Future Pension Increases	1.50%	1.50%
Mortality before Retirement	Nil	Nil
Mortality in Retirement	PA (90) Tables rated down by 2 years	
Retirement Age	65 years	

*This is determined by reference to market yields on bonds for the year ended 30 June 2022.
All other rates are that of 30 June 2022.

Significant actuarial assumptions for determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analyses below have been determined based reasonably on possible changes of the assumptions occurring as at 30 June 2022:

- If the discount rate would be 100 basis points (one percent) higher (lower), the defined benefit obligations would decrease by Rs 17,144 million (increase by Rs 21,267 million) if all other assumptions were held unchanged.

- If the expected salary growth would increase (decrease) by 1%, the defined benefit obligations would increase by Rs 8,880 million (decrease by Rs 7,590 million) if all assumptions were held unchanged.

- If life expectancy would increase (decrease) by one year, the defined benefit obligations would increase by Rs 4,483 million (decrease by Rs 4,469 million) if all assumptions were held unchanged.

There may be interrelationships between the assumptions, especially between discount rate and expected salary increases, given that both depend to a certain extent on expected inflation rates. The analysis above abstracts from these interdependence between the assumptions.

24. NET ASSETS/EQUITY

The Net Assets/Equity is the net position of the Government after deducting all its liabilities from its assets at end of the year and comprises the following:

a) Consolidated Fund (Cash basis);
b) Accumulated (Deficits)/Surpluses; and
c) Special Funds.

The value of Net Assets or Equity of the Government as at 30 June 2024 amounted to Rs 96,131,565,390 (2023 (Restated): Rs 119,624,873,073). The movement in the Net Assets/Equity is provided in Statement AC – Statement of Changes in Net Assets or Equity for the financial year ended 30 June 2024.

NOTES TO THE FINANCIAL STATEMENTS

(a) Consolidated Fund

Consolidated Fund has been established by Section 103 of the Constitution of the Republic of Mauritius. In accordance with Section 3 of the Finance and Audit Act, the Consolidated Fund has, during the year under review been:

(i) credited with all the revenues of the Government and all other money properly accruing to it; and
(ii) charged only with expenses on the authority of warrant issued by the Minister of Finance.

According to Section 104(4) of the Constitution and Sections 3(4)(a) and 3(4)(b) of the Finance and Audit Act, the Consolidated Fund should consist of the following:

(i) The cash balance in respect of the Consolidated Fund (excluding Deposits and Special Funds) held at the Bank of Mauritius or in a commercial bank for day-to-day cash requirements;
(ii) Deposit of money with a bank; and
(iii) Investments with a financial institution, fund or in such securities as may be approved by the Minister.

(b) Accumulated (Deficits)/Surpluses

This represents the accumulated deficits to date for the Government after making necessary adjustments for accrual accounting which is provided in Statement AC – Statement of Changes in Net Assets or Equity for the financial year ended 30 June 2024.

(c) Special Funds

These are monies deposited with the Accountant-General by the various funds set up under the Finance and Audit Act. The total balance of Special Funds disclosed in Statement H – Statement of Special Funds Deposited with the Accountant-General as at 30 June 2024 amounted to Rs 15,080,797,854 and comprise fixed deposits at cost and cash balances to the amount of Rs 8,782,000,000 and Rs 6,298,797,854 respectively. Details of Special Funds are provided in Statement H – Statement of Special Funds Deposited with the Accountant-General as at 30 June 2024.

Special Funds in the Statement of Financial Position which amounts to Rs 15,113,279,985 (2023: Rs 33,265,211,104) includes investments at amortised cost of Rs 8,814,482,131 (2023: Rs 18,517,630,683)

A reconciliation of the figure of fixed deposits by Special Funds disclosed in Statement H – Statement of Special Funds Deposited with the Accountant-General to the figure reported under 'Special Funds' in Statement A – Statement of Financial Position is shown as follows:

	Year Ended 30 June 2024	Year Ended 30 June 2023
	Rs	Rs
Opening Balance (at cost)	**18,332,000,000**	**18,882,000,000**
Additions during the year	5,525,000,000	6,500,000,000
Redemption of fixed deposits	(15,075,000,000)	(7,050,000,000)
Closing Balance (at cost)	**8,782,000,000**	**18,332,000,000**
Total interest receivable	32,482,131	185,630,683
Closing Balance (at amortised cost)	**8,814,482,131**	**18,517,630,683**

NOTES TO THE FINANCIAL STATEMENTS

25. TAXATION

	Year Ended 30 June 2024	Year Ended 30 June 2023
	Rs	Rs
Taxes on Income and Profits	57,015,110,191	42,623,382,444
Taxes on Property	92,854,294	40,119,562
Taxes on Goods and Services	86,910,227,164	83,413,991,861
Taxes on International Trade and Transactions	1,839,654,085	1,825,221,519
Other Taxes	1,774,281,118	1,747,492,190
Total	**147,632,126,852**	**129,650,207,576**

26. GRANTS AND AID

	Year Ended 30 June 2024	Year Ended 30 June 2023
	Rs	Rs
Grants from Foreign Governments	523,069,805	1,849,272,992
Grants from International Organisations	211,097,478	243,332,112
Grants from Other General Government Units	58,082,356	29,698,731
Total	**792,249,639**	**2,122,303,835**

27. OTHER TRANSFERS

	Year Ended 30 June 2024	Year Ended 30 June 2023
	Rs	Rs
Transfer of Surplus Cash Balances from Statutory Bodies and Special Funds	562,965,596	-
Contribution in respect of Tourism Development Projects	8,681,123	28,125,000
Concessionary Loans	162,932,103	334,849,978
Goods in-kind	88,012,978	90,597,171
Others	-	65,000,000
Total	**822,591,800**	**518,572,149**

NOTES TO THE FINANCIAL STATEMENTS

28. LICENCES

	Year Ended 30 June 2024	Year Ended 30 June 2023
	Rs	Rs
Road Motor Vehicle Licences	1,851,305,128	1,806,832,770
Company and Other Licences	1,397,959,292	1,243,179,127
Total	**3,249,264,420**	**3,050,011,897**

29. DIVIDENDS

	Year Ended 30 June 2024	Year Ended 30 June 2023
	Rs	Rs
Dividends from Quoted and Unquoted Investments	1,003,334,687	491,763,961
Similar Distributions from Quasi Corporations	1,422,206,189	798,589,061
Total	**2,425,540,876**	**1,290,353,022**

30. OTHER REVENUE

	Year Ended 30 June 2024	Year Ended 30 June 2023
	Rs	Rs
Civil Service Family Protection Scheme	336,636,199	333,893,752
Miscellaneous Revenue	299,290,685	242,272,441
Total	**635,926,884**	**576,166,193**

31. EMPLOYEE COSTS

	Year Ended 30 June 2024	Year Ended 30 June 2023
	Rs	Rs
Wages, Salaries, Compensations and Allowances	30,918,960,831	29,240,923,846
Contributions to Defined Contribution Plan, Family Protection Scheme, National Savings Fund and Social Contributions	2,308,390,330	2,119,886,018
Amount Recognised in respect of Defined Benefit Plans (Note 23)	8,864,279,898	8,418,397,476
Other Employee Benefits	7,066,134,558	9,560,219,710
Total	**49,157,765,617**	**49,339,427,050**

Other employee benefits include cash in lieu of vacation leave, cash in lieu of sick leave, passage benefits, cash in lieu of passage benefits, gratuity, travelling and transport, staff welfare amongst others.

NOTES TO THE FINANCIAL STATEMENTS

32. GRANTS

	Year Ended 30 June 2024 Rs	Year Ended 30 June 2023 Rs
Donations and Contributions	663,788,283	544,975,693
Capital Grants	6,466,099,076	10,188,824,906
Current Grants	30,489,985,205	27,628,052,412
Total	**37,619,872,564**	**38,361,853,011**

33. SOCIAL BENEFITS

	Year Ended 30 June 2024 Rs	Year Ended 30 June 2023 Rs
Pension (Retirement, Widow, Invalid and Others)	48,844,519,938	41,252,755,811
Other Social Benefits	14,367,411,153	8,058,415,057
Total	**63,211,931,091**	**49,311,170,868**

34. OPERATING EXPENSES

	Year Ended 30 June 2024 Rs	Year Ended 30 June 2023 Rs
Cost of Utilities	962,796,321	939,236,139
Fuel and Oil	478,761,771	429,225,395
Rental Expense (N1)	594,367,453	430,090,987
Office Expenses	147,862,119	126,805,029
Maintenance	1,517,430,961	1,526,378,454
Cleaning Services	903,804,996	915,498,277
Medical Supplies, Drugs and Scientific Equipment	2,836,210,255	2,999,260,928
Travelling and Mission Expenses	226,740,893	216,975,106
Other Operating Expenses (N2)	4,128,079,612	4,028,945,611
Total	**11,796,054,381**	**11,612,415,926**

N1: For financial year 2023-2024, rental expense includes an amount of Rs 538,053,055 (2023: 210,067,595) in respect of short- term lease.

N2: For the financial year 2022-2023, expenses relating to agriculture amounted to Rs 7,088,877 was reclassified from Other Expenses (Others) to Operating Expenses (Other Operating Expenses).

NOTES TO THE FINANCIAL STATEMENTS

35. OTHER EXPENSES

	Year Ended 30 June 2024	Year Ended 30 June 2023 Restated
	Rs	Rs
Transfers (N1)	3,314,807,702	3,691,825,549
Insurance	17,677,755	14,994,397
Compensation arising out of Government Liability	523,923,243	18,842,334
Refund/Payment of taxes icw projects and schemes financed by Development Partners or under Special Programmes	135,728,164	192,901,121
Impairment Loss on Receivables from Exchange Transactions (N2)	112,251,583	335,714,033
Impairment Loss on Receivables from Non-Exchange Transactions (N3)	212,255,993	258,044,876
Impairment Loss – Exchange Transactions (Local Loans)	3,174,825	60,586,877
Receivables from Exchange Transactions Write-Off (N2)	-	16,602,780
Receivables from Non-Exchange Transactions Write-Off (N3)	97,516,316	14,371,974
Loans, Advances and Inventories Write-Off	12,861,641	131,467,033
Concessionary Loans	74,202,590	95,871,567
Financial Guarantee (Income) / Expense (Refer to Note 21)	(33,556,037)	263,199,497
Others (N4)	4,008,392,235	1,160,544,370
Total	**8,479,236,010**	**6,254,966,408**

N1: Refer to Note 39 (i) for details on the prior period adjustments.

N2: Refer to Note 6 – Receivables from Exchange Transactions

N3: Refer to Note 5 – Receivables from Non-Exchange Transactions

N4: For the financial year 2022-2023, expenses relating to agriculture amounted to Rs 7,088,877 was reclassified from Other Expenses (Others) to Operating Expenses (Other Operating Expenses).

36. FINANCE COSTS

	Year Ended 30 June 2024	Year Ended 30 June 2023
	Rs	Rs
Interest Expense on Domestic Debt	16,611,948,224	14,247,490,432
Interest Expense on External Debt	2,380,536,569	1,926,785,832
Interest Expense on Lease	674,883,724	692,721,172
Management Charges	36,391,857	33,238,182
Total	**19,703,760,374**	**16,900,235,618**

NOTES TO THE FINANCIAL STATEMENTS

37. TRANSACTIONS WITH INTERNATIONAL FINANCIAL ORGANISATIONS

(i) IMF- Treasury Notes

Pursuant to Section 4(3) of the International Financial Organisations Act, non-interest bearing demand notes have been issued by the Government to the IMF, as part of the Quota subscription of the Republic of Mauritius. The value of the notes as at 30 June 2024 stood at Rs 6,389,590,000 (2023: Rs 6,092,370,000).

(ii) Other International Financial Organisations

Pursuant to Section 4(3) of the International Financial Organisations Act, the Government has also issued non-negotiable securities to the International Development Association. The value of securities as at 30 June 2024 stood at Rs 9,196,738 (2023: Rs 9,196,738).

38. COMPARISON OF BUDGET AND ACTUAL AMOUNTS

The approved budget is in respect of revenue estimates and Government expenditure, both recurrent and capital, appropriated by votes for the financial year ended 30 June 2024. The original estimates of expenditure amounting to Rs 174,800 million (2023: Rs 152,000 million) were passed by the National Assembly on 21 June 2023 and Supplementary Estimates amounting to Rs 6,700 million (2023: Rs 5,417 million) were passed on 12 June 2024.

The Statements AE and AF - Statement of Comparison of Budget Estimates and Actual Amounts for the financial year ended 30 June 2024 are prepared on the same basis as the budget.

(i) Explanation between Original and Total Provisions (Final Budget)

The amounts presented under '*Total Provisions*' in - Statements AE and AF - Statement of Comparison of Budget Estimates and Actual Amounts for the financial year ended 30 June 2024 differed from the original estimates as there was a Supplementary Estimates approved and also funds were transferred or re-allocated in accordance with the Virement Rules.

(ii) Explanation of material differences between Original Estimates and Actual Amounts

The table hereunder provides the explanation for material variances:

Budget line item	Variance amount Rs	Variance percentage	Explanation
Recurrent Revenue	(16,927,746,210)	(9.6%)	The shortfall in recurrent revenue was mainly due to the following: (i) lower than expected collections of VAT, Excise Duties and Gambling Taxes owing to lower growth of consumption of goods and services, and receipts from corporate tax; (ii) Lower receipts under the Social Contribution; (iii) delays in the implementation of some grant-funded programmes; and

NOTES TO THE FINANCIAL STATEMENTS

Budget line item	Variance amount Rs	Variance percentage	Explanation
			(iv) non-payment of interest by the Central Water Authority and the Wastewater Management Authority, amongst others, on the loans they owed to Government.
Recurrent Expenditure	4,151,317,913	2.3%	The increase in recurrent expenditure was mainly due to: (i) higher spending on medicines, vaccines and medical disposables to cater for new health facilities, increase in prices, and settlement of arrears of these goods; (ii) increase in interest rates and issuance of higher amount of Government Securities; (iii) provision of additional grants to some public bodies, namely Mauritius Revenue Authority, Rodrigues Regional Assembly, Local Authorities, Special Education Needs Authority, and Higher Education Commission, to cater for increase in their operating costs. (iv) increase in the CSG Retirement Allowance by Rs 1,500 monthly as from January 2024 to those aged 75 and above as well as increase in rates of basic pensions by Rs 2,500 monthly with effect from 1st April 2024; and (v) payment of compensation to the tune of Rs 1.9 billion to Patel Engineering Limited following the award delivered by the Permanent Court of Arbitration in respect of termination of the lease agreement over a plot of land situated at Les Salines. These higher spending were partly offset by funds that were appropriated for Contingencies as well as lower expenditure under: (i) compensation of employees mainly due to delays in the filling of vacancies; and (ii) subsidies as a result of lower disbursement under the Bus Modernisation Scheme.
Capital Revenue	(1,234,328,440)	51.9%	Capital revenue was lower due to delays in the implementation of some grant-funded capital projects.
Capital Expenditure	(5,299,244,789)	24.3%	Capital expenditure was lower mainly because of the following: (i) delays in the implementation of some projects such as • construction of the Mauritius Disciplined Forces Academy, Hospitals, Forensic Science Laboratory and the Building for the National Archives and National Library; and • acquisition of Tugs, Offshore Patrol Vessel, IT and High-Tech Equipment, and LAVIMS Project;

NOTES TO THE FINANCIAL STATEMENTS

Budget line item	Variance amount Rs	Variance percentage	Explanation
			(ii) lower disbursement of capital grant to Local Authorities and Rodrigues Regional Assembly in view of delays in the implementation of some projects; (iii) lower transfers to the National Resilience Fund; and (iv) delays in the implementation of Pipe Replacement and Water Distribution Programmes. These were offset by additional expenditure required for construction of roads, acquisition of security equipment and construction of Mediclinics.
Net Acquisition of Financial Assets	310,322,608	8.6%	The increase in net acquisition of financial assets was mainly due to: (i) purchase of SDRs under the IMF Voluntary Trading Arrangement of the International Monetary Fund; and (ii) lower reimbursement of loans by the Central Water Authority and the Wastewater Management Authority, amongst others. The increase in net financial assets was partly offset by lower disbursement of loans to public bodies and sales of SDRs.

39. PRIOR PERIOD ADJUSTMENTS

Adjustments have been made to the comparative figures presented in the Statement A – Statement of Financial Position as at 30 June 2024 and Statement AC - Statement of Changes in Net Assets or Equity for the financial year ended 30 June 2024. These changes have also resulted in the restatement of certain comparative figures presented in the Statements AA and AB – Statement of Financial Performance for the financial year ended 30 June 2024.

(i) Payables

Payables was understated by Rs 1,115,132,433 in the financial year 2022-2023 representing amount payable to the State Trading Corporation (STC) with respect to the STC's deficit in its Subsidy Account. In this respect, the prior period figures have been restated retrospectively by Rs 243,164,854 and Rs 871,967,579 for the financial year 2022-2023 and 2021-2022, respectively.

NOTES TO THE FINANCIAL STATEMENTS

The effects of the above changes are illustrated below:

	Year Ended 30 June 2023	Increase/ (Decrease)	Year Ended 30 June 2023 (Restated)
	Rs	Rs	Rs
Statement of Financial Performance (Classification of Expenses by Nature) (extract)			
Expenses			
Operating Expenses (N1)	11,605,327,049	7,088,877	11,612,415,926
Financial Guarantee Expense (N1)	263,199,497	(263,199,497)	-
Other Expenses (N1 & N2)	5,755,690,934	499,275,474	6,254,966,408

N1: An amount of Rs 7,088,877 was reclassified from Other Expenses to Operating Expenses and an amount of Rs 263,199,497 was reclassified from Financial Guarantee Expense to Other Expenses.

N2: This includes an amount of Rs 243,164,854 representing amount payable to the STC with respect to the STC's deficit in its Subsidy Account.

NOTES TO THE FINANCIAL STATEMENTS

	30 June 2023 (Adjusted)	Increase/ (Decrease)	30 June 2023 (Restated)	30 June 2022	Increase/ (Decrease)	01 July 2022 (Restated)
	Rs	Rs	Rs	Rs	Rs	Rs
Statement of Financial Position (extract)						
LIABILITIES						
Non-Current Liabilities						
Payables	882,659,443	243,164,854	1,125,824,297	413,200	871,967,579	872,380,779
NET ASSETS OR EQUITY						
Accumulated Surpluses/ Deficits	(7,602,455,408)	(243,164,854)	(7,845,620,262)	23,686,337,838	(871,967,579)	22,814,370,259

NOTES TO THE FINANCIAL STATEMENTS

40. RECONCILIATION: BUDGETARY RESULT WITH DEFICIT

	Year Ended 30 June 2024	Year Ended 30 June 2023 Restated
	Rs	Rs
Budget Balance as presented in the Statement of Comparison of Budget Estimates and Actual Amounts (Statement AF)	**(37,959,210,471)**	**(29,781,230,575)**
Net movement in Prepayments	(2,195,544)	14,982,584
Net movement in Payables	(105,920,729)	(1,386,875,717)
Net movement in Inventories	660,516,167	403,717,287
Depreciation and Amortisation	(6,512,812,404)	(6,393,112,228)
Net Movement in Investments	7,509,960,820	3,742,463,084
Loss on Foreign Exchange Transactions and Revaluation	(899,515,876)	(1,867,660,921)
Subscriptions to International Organisations	(225,219,792)	(187,873,949)
Capitalisation of Dividends	123,398,348	53,796,541
Net movement in Loan to Statutory Bodies, Private Bodies and Other Bodies	483,637,989	359,270,070
Net movement in Receivables	9,861,667,276	2,486,160,957
Net Movement in Non-Financial Assets	8,317,839,811	9,952,817,077
Net Movement in Employee Benefits Obligations	(1,918,130,890)	(3,632,330,256)
Net movement in Financial Guarantee Liabilities	33,556,037	(263,199,497)
Net movement in Government Debt	(992,231,546)	(231,439,415)
Net movement in Provisions	(490,500,000)	10,000,000
Net movement in Leases	934,668,787	861,083,345
Net movement in Biological Assets	2,487,045	8,731,179
Deficit as presented in the Statement of Financial Performance (Statements AA & AB)	**(21,178,004,972)**	**(25,850,700,434)**

NOTES TO THE FINANCIAL STATEMENTS

41. RECONCILIATION: DEFICIT WITH NET CASH FLOWS FROM OPERATING ACTIVITIES

	Year Ended 30 June 2024	Year Ended 30 June 2023 Restated
	Rs	Rs
(Deficit) as presented in the Statement of Financial Performance (Statements AA & AB)	**(21,178,004,972)**	**(25,850,700,434)**
(Gains)/Losses Adjustments		
Adjustments in respect of Foreign Exchange Transactions and Revaluation	899,515,876	1,867,660,921
	899,515,876	**1,867,660,921**
Non-Cash Adjustments		
Net Movement in Loan to Statutory Bodies, Private bodies and Other bodies	(483,637,989)	(447,651,787)
Net Movement in Receivables	(9,861,667,276)	(2,486,160,957)
Capitalisation of Dividends	(123,398,348)	(53,796,541)
Loan and Advances Written-Off	5,568,625	123,844,305
Net Movement in Investments	(7,509,960,820)	(3,742,463,084)
Depreciation and Amortisation	6,512,812,404	6,393,112,228
Net Movement in Non-Financial Assets	(108,246,791)	(930,713,304)
Net Movement in Employee Benefits Obligations	1,918,130,890	3,632,330,256
Interest and other Adjustments in respect of Government Debt	1,946,260,526	1,456,647,087
Net Movement in Financial Guarantee Liabilities	(33,556,037)	263,199,497
Net Movement in Leases	(934,668,787)	(861,083,345)
Net Movement in Provisions	490,500,000	(10,000,000)
Net Movement in Biological Assets	(2,487,045)	(8,731,179)
	(8,184,350,648)	**3,328,533,176**
Working Capital Movement		
(Increase)/ Decrease in Advances	(372,036,749)	879,792,551
(Increase) in Inventories	(660,516,167)	(403,717,287)
Decrease/(Increase) in Prepayments	2,195,544	(14,982,584)
Increase in Payables	191,012,090	1,107,210,451
(Decrease) in Deposits	(453,286,677)	(1,378,077,282)
(Decrease)/ Increase in Social Benefits	(154,316,375)	140,949,695
(Decrease) in Special Funds	(17,998,782,568)	(1,793,663,891)
	(19,445,730,902)	**(1,462,488,347)**
Classification Adjustments		
Dividends	(2,302,142,528)	(1,236,556,481)
Repayment of Lease Liabilities	892,084,535	861,035,457
	(1,410,057,993)	**(375,521,024)**
Net Cash flows from Operating Activities	**(49,318,628,639)**	**(22,492,515,708)**

NOTES TO THE FINANCIAL STATEMENTS

42. RECONCILIATION: BUDGETARY RESULT WITH NET CASH FLOW

	Operating Activities Rs	Investing Activities Rs	Financing Activities Rs	Total Rs
Budget Balance as presented in the Statement of Comparison of Budget Estimates and Actual Amounts (Statement AF)	**(29,463,737,473)**	**(8,495,472,998)**	-	**(37,959,210,471)**
Basis Differences				
Interest Accrued	949,569,467	-	-	949,569,467
Interest Capitalised	2,248,840	-	-	2,248,840
(Increase)/Decrease in Advances	(366,468,124)	965,110	-	(365,503,014)
(Decrease) in Deposits	(453,286,677)	-	-	(453,286,677)
(Decrease) in Payables	(69,225,010)	(305,823,245)	-	(375,048,255)
(Increase) in Investments and Other Securities	-	(9,248,384,843)	-	(9,248,384,843)
Proceeds from sale of investments	-	15,730,826,060	-	15,730,826,060
(Increase) in Loans to Statutory, Private and Other Bodies	-	(132,287,034)	-	(132,287,034)
Net movement in Non-Financial Assets	(285,879,981)	285,879,981	-	-
Dividends	(2,302,142,528)	2,302,142,528	-	-
Subscriptions to International Organisations	(225,219,792)	-	-	(225,219,792)
Borrowings increase	-	-	40,187,815,953	40,187,815,953
Direct Payment by Funding Agency	2,210,672	201,746,827	-	203,957,499
Net movement in Leases	892,084,535	-	(892,084,535)	-
Non-cash adjustment relating to investments	-	(500,000,000)	-	(500,000,000)
Entity Differences				
Special Funds (net)	(17,998,782,568)	-	-	(17,998,782,568)
Actual Amount as presented in the Statement of Cash Flow (Statement AD)	**(49,318,628,639)**	**(160,407,614)**	**39,295,731,418**	**(10,183,304,835)**

NOTES TO THE FINANCIAL STATEMENTS

43. FINANCIAL INSTRUMENTS

A. CATEGORIES OF FINANCIAL INSTRUMENTS

The table below shows the classification and measurements basis for the different categories of financial assets and their respective balances:

At 30 June 2024

Category	Cash and Cash Equivalents	Cost	Amortised Cost	Fair Value Through Surplus or Deficit	Total
	Rs	Rs	Rs	Rs	Rs
Cash and Cash Equivalents	14,852,531,666	-	-	-	14,852,531,666
Receivables from Non-Exchange Transactions	-	45,794,138,416	-	-	45,794,138,416
Receivables from Exchange Transactions	-	1,489,645,566	-	-	1,489,645,566
Loans and Advances					
Loans	-	-	11,067,908,088	-	11,067,908,088
Advances	-	3,614,909,246	-	-	3,614,909,246
Investments					
Equity Investments (Quoted Investments, Unquoted Investments, Equity Participation)	-	-	-	130,377,384,106	130,377,384,106
Redeemable Preference Shares	-	-	-	200,000,000	200,000,000
Other Investments	-	-	9,401,801,339	-	9,401,801,339
Other Financial Assets					
IMF SDR Deposits	-	12,846,592,009	-	-	12,846,592,009
IMF Reserve Tranche Position	-	2,380,575,978	-	-	2,380,575,978
Total Financial Assets	**14,852,531,666**	**66,125,861,215**	**20,469,709,427**	**130,577,384,106**	**232,025,486,414**

NOTES TO THE FINANCIAL STATEMENTS

At 30 June 2023

Category	Cash and Cash Equivalents	Cost	Amortised Cost	Fair Value Through Surplus or Deficit	Total
	Rs	Rs	Rs	Rs	Rs
Cash and Cash Equivalents	24,802,518,512	-	-	-	24,802,518,512
Receivables from Non-Exchange Transactions	-	21,286,961,546	-	-	21,286,961,546
Receivables from Exchange Transactions	-	1,313,772,463	-	-	1,313,772,463
Loans and Advances					
Loans	-	-	10,418,726,363	-	10,418,726,363
Advances	-	3,249,406,232	-	-	3,249,406,232
Investments					
Equity Investments (Quoted Investments, Unquoted Investments, Equity Participation)	-	-	-	119,344,041,797	119,344,041,797
Redeemable Preference Shares	-	-	-	200,000,000	200,000,000
Other Investments	-	-	19,108,849,811	-	19,108,849,811
Other Financial Assets					
IMF SDR Deposits	-	12,100,561,354	-	-	12,100,561,354
IMF Reserve Tranche Position	-	2,540,585,086	-	-	2,540,585,086
Total Financial Assets	**24,802,518,512**	**40,491,286,681**	**29,527,576,174**	**119,544,041,797**	**214,365,423,164**

The table below shows the classification and measurements basis for the different categories of financial liabilities and their respective balances at:

At 30 June 2024

Category	Cost	Amortised Cost	Total
	Rs	Rs	Rs
Payables	-	3,484,431,117	3,484,431,117
Deposits	-	3,179,538,274	3,179,538,274
Government Debt			
Government Securities, Domestic and External Loans	-	474,344,968,840	474,344,968,840
IMF SDR Allocations	14,578,755,632	-	14,578,755,632
Financial Guarantee Liabilities	-	3,273,708,965	3,273,708,965
Total Financial Liabilities	**14,578,755,632**	**484,282,647,196**	**498,861,402,828**

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At 30 June 2023

Category	Cost	Amortised Cost Restated	Total
	Rs	Rs	Rs
Payables	-	3,033,856,744	3,033,856,744
Deposits	-	3,705,071,128	3,705,071,128
Government Debt			
Government Securities, Domestic and External Loans	-	430,808,992,504	430,808,992,504
IMF SDR Allocations	14,273,956,878	-	14,273,956,878
Financial Guarantee Liabilities	-	3,203,810,129	3,203,810,129
Total Financial Liabilities	**14,273,956,878**	**440,751,730,505**	**455,025,687,383**

B. FINANCIAL RISK MANAGEMENT

Government activities are exposed to various risks comprising mainly interest rate risk, foreign exchange risk, liquidity risk and refinancing risk. Given that there is a trade-off between cost and risk, Government's debt management strategy aims at minimising the cost of the debt portfolio whilst at the same time ensuring that risks associated with Financial Assets-loans granted to Statutory bodies, Private bodies and Other bodies are mitigated. The main risks as well as the risk management policies to address them, are outlined below:

(i) Interest Rate Risk

Government is exposed to interest rate risk as the rate of interest might increase resulting in additional costs. In relation to Domestic Debt, almost 98% of Government securities have been issued at a fixed rate of interest.

With regard to External Debt, the share of variable interest rate loans represented 56.8% of the total External Debt as at 30 June 2024 (2023: 54.4%). To mitigate this risk, the strategy in place is to have a nearly balanced mix of fixed and variable interest rate loans over the medium term. Accordingly, preference is being given to contract new loans at a fixed interest rate.

Interest Rate Sensitivity Analysis

Government is exposed to interest rate risk as interest rates in relation to inflation-indexed bonds (assuming changes in interest and inflation rate are correlated) and variable interest rate external debts may change. The table below details the sensitivity analysis to a 10 basis points (bp) increase and decrease in the interest rate:

NOTES TO THE FINANCIAL STATEMENTS

	Increase/Decrease	Year Ended 30 June 2024	Year Ended 30 June 2023
	Basis Points	Rs Million	Rs Million
Government Debt:			
Inflation-Indexed Bonds: (Excluding those classified under External Debt)			
Impact on Surplus or Deficit	+10 bp	+10	+10
Impact on Surplus or Deficit	-10 bp	-10	-10
External Debt:			
Impact on Surplus or Deficit	+10 bp	+49	+46
Impact on Surplus or Deficit	-10 bp	-49	-46

Based on the above table, it can be noted that an increase/decrease of 10 basis points in interest rates would result in an increase/decrease in the interest payments by about Rs 59 million for the financial year 2023-24 (2022-2023: Rs 56 million).

Floating-rate loans granted to Statutory bodies, Private bodies and Other bodies are subject to market interest rate fluctuations, which may lead to increased costs in servicing the debt and non-settlement by entities. Mitigation strategies include monitoring of market conditions, back-to-back loans on same terms and conditions as the original loan, revision of the terms of the loans and conversion of loans into equity amongst others.

(ii) Foreign Exchange Risk

Exposure to exchange rate risks arise as transactions denominated in foreign currencies are undertaken by Government. The strategy has been to minimise exposure to exchange rate risks by having greater recourse to domestic financing and to align the currency composition of public sector external debt to that of export earnings of the country.

Accordingly, the share of External Debt in Government debt portfolio stood at 17.4% at 30 June 2024 (Based on nominal value) (2023: 18.7%). The currency composition of foreign debt has also been diversified. In addition, the foreign currency risk is mitigated by maintaining bank accounts denominated in foreign currencies.

Foreign Currency Sensitivity Analysis

The table below details the sensitivity analysis regarding the impact of a 5% increase or decrease in exchange rates:

	Increase/ Decrease	Year ended 30 June 2024	Year ended 30 June 2023
	%	Rs Million	Rs Million
Impact on (deficit)/surplus (Appreciation of MUR)	+5%	+4,281	+4,195
Impact on (deficit)/surplus (Depreciation of MUR)	-5%	-4,281	-4,195

As per the above table, an appreciation/depreciation of MUR by 5% against all foreign currencies in which external debt has been contracted would increase/decrease (deficit)/surplus by Rs 4,281 million for financial year 2023-2024 (2022-2023: Rs 4,195 million).

NOTES TO THE FINANCIAL STATEMENTS

As regards to loans to Statutory bodies, Private bodies and Other bodies, the policy for the use of the local currency is preferred. However, where loans have to be disbursed in foreign currencies, such loans are repaid in the same foreign currency in which they were originally denominated.

(iii) Liquidity Risk

Liquidity risk refers to the risk that Government will encounter difficulty in meeting its financial obligations when they fall due. The liquidity risk for Government is managed and mitigated by having an efficient and effective cash flow forecasting system that ensures adequacy of cash resources to meet all Government obligations as and when they fall due.

(iv) Refinancing Risk

Refinancing or rollover risk is the risk that redemptions of securities will be concentrated over the shorter term or in a particular year which might affect the refinancing ability of Government. To mitigate refinancing risk, actions have been taken to gradually move towards instruments with longer term.

The average time to maturity of Domestic Debt stood at 4.9 years at 30 June 2024.

Concerning External Debt, the majority of the loans are contracted with a term of 15 to 20 years and include a moratorium of 5 years on capital repayment. Compared to Government securities which are redeemable as a bullet payment on maturity date, External Debts are repayable on a semi-annual or annual basis. Therefore, the refinancing risk for External Debts is quite low.

44. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-Current Assets Held for Sale

During the financial year 2023-2024, there were no known non-current assets held for sale and the non-current assets held for sale in financial year 2022-2023 were disposed of.

Discontinued Operations

During the financial year 2023-2024, there were no known discontinued operations (2023: Nil).

45. RELATED PARTY TRANSACTIONS

(i) Key Management Personnel

Related parties include key management personnel. The key management personnel are the Ministers who constitute the governing body of the Government of Mauritius. The key management personnel also include Accounting Officers and Senior Management (not below the grade of Permanent Secretary) who have the authority and responsibility for planning, directing and controlling the activities of the Government.

The aggregate remuneration paid to key management personnel includes Annual Allowance, Basic Salary, Salary Compensation, Extra Remuneration, Allowances, Extra Assistance, Cash in lieu of Leave, Facilities Allowance to Honourable Members, End-of-year Bonus, Travelling and Transport, Overtime, Passage benefits, Allowance in lieu of passages amongst others. These remunerations are as per the recommendation of the PRB Report 2021.

NOTES TO THE FINANCIAL STATEMENTS

Key management personnel are also entitled to post-employment benefits and these are included in Employee Benefit Obligations.

(ii) Related Parties

All transactions between related parties are on normal terms and conditions. Accordingly, there is no separate related party transaction to be disclosed.

46. CONTINGENT ASSETS

As at 30 June 2024, there were no known contingent assets to be disclosed.

47. CONTINGENT LIABILITIES

As at 30 June 2024, there were no known contingent liabilities to be disclosed. Contingent liabilities (as disclosed in Statement L - Statement of Contingent Liabilities including details of any Loans, Bank Overdrafts or Credit Facilities Guaranteed by Government as at 30 June 2024) in relation to Loans, Bank Overdrafts or Credit Facilities Guaranteed by Government have been recognised as Financial Guarantee Liabilities in Statement A - Statement of Financial Position as at 30 June 2024. Refer to Note 21 - Financial Guarantee Liabilities for more details.

48. MANAGING CAPITAL

Government's capital, represented by the Net Assets or Equity in Statement of Financial Position, comprise the balance of the Consolidated Fund, Accumulated Surpluses/Deficits and monies deposited with the Government by various Special Funds set up under the Finance and Audit Act. The overall objective in the management of capital is to maximise net assets by implementing coherent fiscal policies and an effective debt management strategy.

In this context, in financial year 2023-2024, Government pursued the following main fiscal policies: (i) invest in resilient infrastructure; (ii) strengthen social safety nets for the vulnerable and low income households and workers; (iii) recovery of arrears of revenue and enhancing tax administration to improve collections; (iv) introduction of new revenue raising measures; (v) adapting to and mitigating the effects of climate change; (vi) improving road network and providing modern medical and education infrastructure; (vii) review of low impact programmes to improve efficiency and eliminate wastages; and (viii) restructuring of public bodies to reduce their dependence on the National Budget.

In addition, Government adopted a debt management strategy aimed at minimising the cost of the debt portfolio while maintaining risks at an acceptable level. The debt profile was improved to contain exposure to foreign exchange rate risks and reduce refinancing risks.

Information on the fiscal policies and debt management strategy of Government can be found in the 2023-2024 Budget Estimates document.

49. MATERIAL EVENTS AFTER REPORTING DATE

As at 30 June 2024, there were no known material events after reporting date to be disclosed.

National Audit Office

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