



Republic of Mauritius
NATIONAL ASSEMBLY

**Third Report of the
Public Accounts Committee**



Sixth National Assembly

First Session

Third Report

17 September 2019

Chairperson's Foreword

I am pleased to table the Third Report of the Public Accounts Committee which examined the Reports of the Director of Audit for the 18-month period ending 30th June 2016 and for the year ending 30th June 2017.

This is my last Report for the current Session and I hope that due consideration will be given thereto, whilst recognising the value and importance of the efforts put into the elaboration thereof.

I have to highlight that, since my taking over as Chairperson of the Committee, no progress has been achieved on the recommendations made for necessary amendments to be brought to the existing Standing Orders and Rules of the National Assembly with a view to enhancing the powers of the Public Accounts Committee, in a bid to increasing the effectiveness and efficiency thereof.

The Standing Orders and Rules of the National Assembly, presently in operation, dates back to 1995. Since then, no changes have been brought to the Standing Orders regarding the Public Accounts Committee. This is totally unacceptable and therefore, I am of the considered view that the recommendations made as at to date need to be seriously considered with a view to amending the existing Standing Orders for the enhancement of the powers of the Public Accounts Committee.

As Chairperson, I have always been guided by the principles of transparency and discipline in assessing public expenditure in the line Ministries and Departments. The Committee has, in some cases, noted with dismay that the Director of Audit has been raising the same issues in successive Reports for the financial years under consideration.

The objectives of the recommendations contained in this Report are, admittedly, to ensure that the shortcomings highlighted be addressed with the degree of importance they deserve and not to fall on deaf ears.

Consequently, I reiterate our request for an increasingly vibrant and dynamic public sector, which can only be achieved if all the stakeholders work together to ensure that they are all fully accountable for every single cent of public expenditure, of any nature, that is incurred.

A handwritten signature in black ink, appearing to read 'M. Perraud', with a long horizontal line underneath it.

Honourable Mrs Marie-Aurore Marie-Joyce Perraud, MP
Chairperson of the Public Accounts Committee

17 September 2019

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1.0 ESTABLISHMENT OF THE COMMITTEE

1.1 Your Committee derives its powers under Standing Order 69(2) of the Standing Orders and Rules of the National Assembly (1995), an extract of which is set out in the Appendix to this Report.

1.2 Your Committee –

- is constituted of not more than ten Members of Parliament, both from Government and Opposition sides;
- is, by Convention, chaired by a Member of the Opposition;
- examines audited accounts showing the appropriation of the sums granted by the Assembly to meet public expenditure;
- is mandated to examine such other accounts laid before the Assembly as the Assembly may refer to the Committee together with the Director of Audit's report thereon;
- meets regularly and the Members are assisted by the Director of Audit and/or the representatives of the National Audit Office, by the representatives of the Ministry of Finance and Economic Development, by the Accountant General and/or by his representatives and by the Accounting Officers of Ministries and Departments and their representatives to give evidence;
- meetings are held in camera without any disclosure of the proceedings; and
- is served by the Clerk of the National Assembly and Clerk to the Committee and assisted by Deputy Clerk and the Clerk Assistants.

1.3 Your Committee is comprised as follows –

1. Honourable Mrs Marie-Aurore Marie-Joyce Perraud, MP – Chairperson
2. Honourable Sharvanand Ramkaun, MP, Parliamentary Private Secretary
3. Honourable Jean Francisco Francois, MP, Parliamentary Private Secretary
4. Honourable Sayed Muhammad Aadil Ameer Meea, MP
5. Honourable Sangeet Fowdar, MP
6. Honourable Hugo Joseph Thierry Henry, MP
7. Honourable Ezra Seewoosunkur Jhuboo, MP
8. Dr the Honourable Zouberr Houssein Issa Joomaye, MP
9. Honourable Jean Patrice France Quirin, MP
10. Honourable Sudesh Rughoobur, MP

1.4 On 27 March 2018, the Second Report of the Public Accounts Committee was laid on the Table of the National Assembly under the Speaker's Office.

2.0 MEETINGS

The present Report is based on the proceedings of the meetings of Your Committee held on the following dates –

Meeting	Date	Number of Hon. Members present
64 th Meeting	05 April 2018	5
65 th Meeting	12 April 2018	8
Site Visit – Rodrigues Regional Assembly	18 to 21 April 2018	7
66 th Meeting	26 April 2018	3
67 th Meeting	03 May 2018	9
68 th Meeting	10 May 2018	5
69 th Meeting	17 May 2018	5
70 th Meeting	24 May 2018	7
71 st Meeting	07 June 2018	4
72 nd Meeting	12 July 2018	4
73 rd Meeting	09 August 2018	4
74 th Meeting	16 August 2018	4
75 th Meeting	23 August 2018	3
76 th Meeting	27 September 2018	8
77 th Meeting	04 October 2018	5
78 th Meeting	11 October 2018	5
79 th Meeting	18 October 2018	5
80 th Meeting	25 October 2018	3
81 st Meeting	08 November 2018	3
82 nd Meeting	15 November 2018	8
83 rd Meeting	11 July 2019	5
84 th Meeting	25 July 2019	5
85 th Meeting	02 August 2019	6
86 th Meeting	07 August 2019	6
87 th Meeting	15 August 2019	5
88 th Meeting	29 August 2019	3
89 th Meeting	02 September 2019	3
90 th Meeting	05 September 2019	3
91 st Meeting	16 September 2019	4

3.0 INTRODUCTION

3.1 Your Committee unanimously agreed to work collectively to fulfill the duty thereof, pursuant to Standing Order 69(2) which reads as follows –

“It shall be the duty of the Committee to examine the audited accounts showing the appropriation of the sums granted by the Assembly to meet the public expenditure and such other accounts laid before the Assembly as the Assembly may refer to the Committee together with the Director of Audit’s Report thereon.”

3.2 Your Committee reflected that its main work was to examine the Reports of the Director of Audit which are concerned with the economy, efficiency and effectiveness with which Line Ministries, Government Departments and other bodies have used their resources to further their objectives in compliance with the principle of good governance.

3.3 Your Committee invited the Accounting Officers of selected Ministries while examining the Reports of the Director of Audit on the Accounts of the Republic of Mauritius for the 18-month period 1 January 2015 to 30 June 2016 and for the year ended 30 June 2017 in relation to their respective Ministries.

3.4 Your Committee deplors that only few serving members attended Committee Meetings on a regular basis and only five serving members contributed in the elaboration of this Report.

3.5 Your Committee is of the view that pending the introduction of amendments to the Standing Orders and Rules of the National Assembly for the empowerment of Your Committee, and for the taking of additional measures to increase the efficiency thereof, serving members will not be motivated to attend and participate actively and effectively.

3.6 The Report of Your Committee contains the findings and recommendations in respect of the following–

- Mauritius Police Force
- Ministry of Technology, Communication and Innovation
- Ministry of Public Infrastructure and Land Transport
- Ministry of Education and Human Resources, Tertiary Education and Scientific Research
- Ministry of Housing and Lands
- Ministry of Civil Service and Administrative Reforms
- Ministry of Financial Services and Good Governance
- Rodrigues Regional Assembly

4.0 FINDINGS AND RECOMMENDATIONS

4.1 MAURITIUS POLICE FORCE

Fraud and irregularities on collections for the years 2009 to 2013

- 4.1.1 Your Committee noted with much concern that following the fraud of some Rs 33 million committed by one Police Constable to the detriment of the Police Department, only some Rs 10 million has been recovered as at to date.
- 4.1.2 The accused/interdicted Police Constable is still drawing his monthly salary since Police inquiry has not yet been completed.
- 4.1.3 Furthermore, the Police Department is struggling to clear cheques totalling an amount of Rs 3.3 million collected in the course of the same fraud.

RECOMMENDATIONS

- 4.1.4 Your Committee recommends the following –
- The Police Department should expedite its investigations on the fraud and bring the culprit/s to justice as quickly as possible in order not to cause further financial prejudice to the Police Department.
 - The Police Department must, as a matter of priority, seek the services of financial experts to advise on to the implementation of an internal control system and an IT System, segregation of duties and the training of administrative and financial staff.

Procurement of Remotely Operated Vehicle

- 4.1.5 Your Committee noted that the purchase of a Remotely Operated Vehicle was fraught with some discrepancies. Although defects were noted before and after commissioning, the payment of a sum of Rs 12.9 million for the cost was made in September 2014.
- 4.1.6 The vehicle was therefore unusable and required replacement. The supplier proposed to replace the vehicle at an additional cost of Rs 1.5 million. However, following the advice of the State Law Office, the Police Department did not go ahead with the replacement.

RECOMMENDATION

- 4.1.7 Your Committee recommends that the Police Department urgently reviews its decision in the best interest of the public, that is, either it asks the supplier to replace the vehicle at no cost or ask to be refunded.

Rent Allowance

- 4.1.8 Rent allowance is paid to officers who are not provided with living Police Quarters. Due to lack of a proper internal control system, some officers were paid monthly rent allowance in spite of occupying Police Quarters.

RECOMMENDATIONS

- 4.1.9 Your Committee recommends the following –

- The Police Department should seek the advice of financial experts for the implementation of an internal control system to avoid overpayments and wastage of public funds.
- The implementation of a Quality Management System for the Police Department in view of ensuring effective processes for promoting transparency and better accountability.

4.2 MINISTRY OF TECHNOLOGY, COMMUNICATION AND INNOVATION

School Net II Project

- 4.2.1 Your Committee noted that Government had invested Rs 135 million for the acquisition of 26,100 tablets for Form V students in July 2014. A second contract was awarded in May 2015 for another purchase of a further 23,400 tablets for a contract amount of Rs 108.5 million.

- 4.2.2 Your Committee further noted that in September 2015, the Ministry awarded the contract to the tune of Rs 122.5 million for the School Net II Project to a private contractor, in order to provide high speed connectivity and to connect all secondary schools in Mauritius and Rodrigues, Public Libraries and the Mauritius Institute of Education to the Government Online Centre (GOC).

- 4.2.3 Your Committee noted that the hardware component of the project was to be made over 3 phases for 163 different sites for an amount of Rs 88.5 million. The contract was for a duration of 12 months and some 54/55 sites were to be provided with connectivity and commissioned every 4 months for each phase.

- 4.2.4 Your Committee made the following observations –

- The decision of the Ministry to pay the full amount of Rs 88.5 million for the cost of hardware before the system was fully operational was wrong.
- An absence of close monitoring of the contract by officers of the Central Informatics Bureau was obvious.

- Payment of Rs 22.1 million was approved resulting in a variation of Rs 0.9 million in spite of the fact that the Central Information Systems Division confirmed that telecommunication tests had failed in respect of 23 out of the 54/55 sites during the implementation of Phase I.
- The terms of the contract were not clear for the payment regarding the rental of international internet connectivity amounting to Rs 34 million for 24 months after the system went live.
- There was a lack of coordination between the Ministry of Education and Human Resources, Tertiary Education and Scientific Research and the Ministry of Technology, Communication and Innovation with a view to optimizing better return on investment.
- There was no connectivity for the use of the tablets distributed to students irrespective of the heavy investments made by the Ministry of Education and Human Resources, Tertiary Education and Scientific Research.

RECOMMENDATIONS

4.2.5 Your Committee recommends the following –

- A Memorandum of Understanding (MoU) or an equivalent document be signed between the Ministry of Education and Human Resources, Tertiary Education and Scientific Research and the Ministry of Technology, Communication and Innovation with a view to defining layers of responsibilities at each level.
- An urgent evaluation of the quality of works completed be undertaken and a new scope of works be defined to ensure that the outstanding works are completed either in-house or by a competent contractor to optimize return on investment.
- A better coordination between the Central Information Systems Division and the Central Informatics Bureau on all matters relating to investments on Information Technology by the Government.
- The issue of connectivity with the School Net II Project be wholly managed by the Ministry of Technology, Communication and Innovation until the Ministry of Education and Human Resources, Tertiary Education and Scientific Research has a pool of trained professionals to manage the project.
- A Project Manager be appointed to manage the project with the aim of meeting the defined objectives.

Payment of Pensions Accrued to employees of Mauritius Post Ltd

- 4.2.6 Your Committee noted that the Mauritius Post Ltd has a Fund that is currently being managed by the SICOM Ltd. The total deficit of the Pension Fund amounted to Rs 617 million despite the sum of Rs 255 million disbursed as contribution by the Ministry of Finance and Economic Development in June 2016. In July 2015, SICOM Ltd reported that the Pension Fund will be depleted by the year 2028.
- 4.2.7 Your Committee disapproved the decision of the Ministry to rely entirely on the actuarial report prepared by the service provider itself, that is, SICOM Ltd.

RECOMMENDATION

- 4.2.8 Your Committee recommends that the services of an independent Actuarial Firm be hired to prepare a report on the current status of the Pension Fund of the employees of Mauritius Post Ltd presently being managed by SICOM Ltd. The Ministry to come up with urgent measures to reduce the deficit over the coming years.

Renewal of Oracle Technical Support Licence

- 4.2.9 Your Committee noted that the investment for the acquisition of the Oracle software for the computerization of processes in the Line Ministries in 2006 excluded the annual cost of renewal of the Technical Support Licence.
- 4.2.10 Your Committee viewed with concern the absence of close monitoring on the support provided by the supplier despite the payment of an amount of about Rs 19.4 million annually therefor.
- 4.2.11 Your Committee severely condemns the inability of the Ministry to justify the payment for the renewal of 545 Technical Support Licences while investigation revealed that the number of users generated from the system did not exceed 64.

RECOMMENDATIONS

- 4.2.12 Your Committee recommends the following –
- An investigation be carried out on the amount of Licence Fees paid in the initial contract and the actual number delivered.
 - A proper evaluation of the excess number of Licences procured so that they be redistributed amongst Ministries for better efficiency and effectiveness.

4.3 MINISTRY OF PUBLIC INFRASTRUCTURE AND LAND TRANSPORT

NATIONAL TRANSPORT AUTHORITY

Changes in Engine capacity of vehicles

- 4.3.1 Your Committee noted with concern that the National Transport Authority had failed drastically to implement a proper mechanism so that owners of vehicles strictly comply with the procedures relating to Changes in Engine Capacity and modifications they intended to bring to their vehicles. Consequently, 5,163 cases were referred to the Police for inquiry thereby resulting in a serious shortfall in total revenue collection which could not be quantified.
- 4.3.2 Your Committee deplores that the officers of the National Transport Authority failed to provide an update on the outcome of the cases under investigation.

Supply of Student Identity Cards

- 4.3.3 Your Committee condemns the decision of the National Transport Authority to extend the contract to the same contractor since 2008 for the supply of student identity cards for consecutive periods of three years up to 2017 against the advice of the Public Procurement Office.

RECOMMENDATION

- 4.3.4 Your Committee recommends that an inquiry be carried out for the Ministry of Public Infrastructure and Land Transport to shed light on the reasons that led the National Transport Authority to extend the contract in disregard of the advice of the Public Procurement Office.

Privatisation of Vehicle Examination Centres

- 4.3.5 Your Committee noted the existence of three Private Vehicle Examination Centres as follows –
- Eastern Vehicle Examination Centre situated at Laventure;
 - SGS Limited at Forest Side; and
 - Autocheck Limited at Plaine Lauzun.
- 4.3.6 Your Committee also noted that following the privatisation of Vehicle Examination Centres, the National Transport Authority has done away with the old system of issuing Fitness Certificates in Mauritius while same exists at the Rodrigues Fitness Centre.

- 4.3.7 Your Committee took note that the officers who were based at the Fitness Centres of the National Transport Authority are now Vehicle Examiners at the three stations. Nine Examiners are posted at the Private Vehicle Examination Centres and the remaining are posted at the National Transport Authority Head Office to operate the CCTV Cameras linked to all those different stations from the control room of the Head Office.
- 4.3.8 The Ministry explained to Your Committee that there are two parts of examining a vehicle - the visual test and the two automated system. The risk of corruption is minimal since the private Vehicle Examination Centres are connected, through the CCTV systems, to the National Transport Authority Head Office.
- 4.3.9 Your Committee noted that as at October 2017 as reported by the Director of Audit, terms and conditions included in the letter of comfort regarding the functioning of the Private Operators, had not yet been finalised. Your Committee deplores that as at May 2018, policy decision was still being awaited on a number of unresolved issues such as the examination fees for taxis.
- 4.3.10 Your Committee was not convinced by the justifications provided by the Ministry on the shortcomings noted on the management of the project.

RECOMMENDATIONS

- 4.3.11 Your Committee recommends the following –
- All policy matters pending at the level of the Ministry in regard to private Fitness Centres relating to auto cycles, Government vehicles and the reduction in time for a vehicle to renew its fitness certificates, have to be finalized as soon as possible.
 - An annual evaluation report be prepared by an independent auditor appointed by the National Transport Authority to review the functioning of the private Fitness Centres to enhance transparency and accountability.
 - A review, in collaboration with the Rodrigues Regional Assembly, of the functioning of the Office of the National Transport Authority with regards to fitness of vehicles in Rodrigues.

Revenue Collection

- 4.3.12 Your Committee noted with concern that there were 588 cases of underpayment of licence fees between 2015 and 2017 resulting in a shortfall of some Rs 1.9 million at the Curepipe District Cash Office, as reported by the Director of Audit. Your Committee was not convinced by the explanation of the officers of the National Transport Authority to justify the shortcomings noted. There was a pressing need to equally evaluate the functioning of other centres where licence fees were being collected on behalf of the National Transport Authority, for example, at the Mauritius Post Office.

4.3.13 Your Committee further noted with great concern that the system of Revenue Collection was not computerized and that receipts were being issued manually. Your Committee viewed this particular issue as a major flaw in the system.

RECOMMENDATION

4.3.14 Your Committee recommends that Licence Fees and/or other funds collected on behalf of the National Transport Authority at the Revenue Collection Centres be linked through a computerized system to its Finance Department to ensure better oversight of transactions and movement of funds on a daily basis.

4.4 MINISTRY OF EDUCATION AND HUMAN RESOURCES, TERTIARY EDUCATION AND SCIENTIFIC RESEARCH

Beaugeard Government School

4.4.1 Your Committee noted with concern the way the Ministry has been managing the contract for the upgrading of the Beaugeard Government School.

4.4.2 Two different contracts were awarded between October 2006 and April 2013 and the officers of the Ministry had enormous difficulty in enlightening Your Committee on a number of pertinent issues relating to –

- wastage of fund;
- absence of communication with the Ministry of Arts and Culture based on the fact that the building was classified as a historical monument;
- site management during and after the handing over was done with the second contractor in October 2014 and thereafter;
- absence of a set of procedures to ensure compliance for the design and implementation of projects relating to historical structures or monuments; and
- the building, being a historical one, consisted of a stone facade, columns, veranda and canopy, have been demolished. Dressed stones of high market value due to their historical nature have been stolen and could not be traced back.

4.4.3 Your Committee is of the opinion that approximately Rs 14 million was unnecessarily spent as most of the materials purchased have disappeared and the remainder cannot be used. The Ministry failed to justify the expenses incurred and it was a total wastage of public funds.

RECOMMENDATIONS

4.4.4 Your Committee recommends the following –

- Compliance with procedures with regard to the preservation of historical monuments.
- Strict control by the Ministry on the materials that are removed by contractors on any project so as to safeguard valuable Government assets.
- Restructuring of the department supervising infrastructural projects.

Construction of new University Campuses

4.4.5 Knowledge Park Limited (KPL) was a company incorporated on 15 May 2013. Government invested an amount of Rs 810 million in the form of a loan to the company for the construction of three University Campuses at Réduit, Montagne Blanche and Pamplemousses, respectively. On 2 March 2017, once the three campuses were ready, the name of KPL was changed to Polytechnics Mauritius Ltd (PML). Government decided to change the University Campuses into Polytechnics.

4.4.6 Your Committee was apprised of the functioning of the Polytechnics and expressed serious reservations on the following –

- Financial projections for the coming years were not included in the Business Plan.
- Absence of proper records indicating how the Polytechnics were to sustain the projected recurrent and capital expenditures.
- Absence of cash flow statement such that Your Committee was unable to assess the capacity of the company to meet its financial commitment.
- The last financial statement of KPL prepared dates back to 31st December 2014 and was not audited.
- Your Committee noted that a recommendation from the World Bank to set up strategic partnership with similar foreign institutions had not been implemented as at 31 December 2016.

RECOMMENDATIONS

4.4.7 Your Committee expressed concern on the management of Polytechnics Mauritius Ltd and makes the following recommendations –

- The need to prepare an appropriate feasibility report prior to embarking on the choice of courses to be offered to students.
- An urgent need to partner with reputable foreign institutions specialised in offering similar courses and activities.

- A review of its structure and functioning with the urgent need to recruit appropriate staff to meet its objectives.
- The creation of an effective communication cell with a view to attract local and overseas students.
- Polytechnics Mauritius Ltd to embark on a project together with the Ministry of Labour, Industrial Relations, Employment and Training, Ministry of Finance and Economic Development and the Human Resources Development Council to solve the problem of mismatch in the job market.
- The management of the three Polytechnics should be decentralized with the recruitment of qualified managers accountable to the Chief Executive Officer and the Board on the performance of each individual polytechnic.

Overall Contract Management

4.4.8 Your Committee noted with concern that the same shortcomings were being highlighted year in year out by the National Audit Office on the procedures for contract allocation and management.

Cleaning and Security Services

4.4.8.1 Your Committee noted that there was an absence of effective oversight on the monitoring of contracts for the cleaning of premises and watch-keeping of primary and secondary institutions. The main observations are summarised as follows –

- Regular departures from compliance to scope of works by contractors appointed for above mentioned services on a daily basis.
- Lack of communication between Head of schools and the department of the Ministry responsible to monitor the performance of the contractors.
- The renewal of contracts on a month to month basis in the case of watch-keeping services is a practice that should be discontinued.
- Absence of performance reports on contractors and contracts were being awarded mostly on a lowest price basis.
- Major shortcomings on the profile and regularity of personnel appointed by the contractors providing watch-keeping services.

Capital Projects

4.4.8.2 Your Committee noted with deep concern that there is an acute shortage of staff at the level of the Ministry to monitor capital projects. There has been considerable increase in the amount and value of projects that is currently being administered by the Infrastructure Unit of the Ministry. The overall functioning of the Infrastructure Unit has not been keeping pace with the extensive investments undertaken by the Ministry during the last decade.

RECOMMENDATIONS

4.4.9 Your Committee recommends the following –

- The functioning of its procurement unit and contract management department should be reviewed. The Ministry will have to ensure that urgent and adequate measures are taken for better transparency and good governance in the management of all contracts awarded by the Ministry in order to guarantee value for money investments.
- The Infrastructure Unit of the Ministry will have to be reorganized with the appointment of additional qualified staff in order to monitor capital projects and existing infrastructure of the Ministry.
- The Procurement Unit of the Ministry keeps abreast with the latest procurement procedures and practice.
- The setting up of a mechanism to monitor the level of services by cleaning and watch keeping contractors outside office hours.
- The Directorates be made more accountable for the performance of contractors in their region with submission of regular evaluation reports to the Ministry prior to release of payments to contractors and renewal of contracts.
- The amount of penalties applicable be revised for non-performance by contractors including termination in case of regular default on clauses of contracts.

4.5 MINISTRY OF HOUSING AND LANDS

Arrears in Payments of State Land Leases

- 4.5.1 Your Committee noted that strong remarks were made with regards to arrears of revenue in relation to lease rentals including interests which amounted to some Rs 489 million and owed to Government for year ending 30 June 2016.
- 4.5.2 Your Committee noted with much concern a loss of revenue amounting to Rs 424,859,998 due to negligence on the part of the Ministry with regards to the procedures for the signing of the lease agreement. Infrastructure and vehicular access were not provided resulting in lease agreements not signed.
- 4.5.3 Your Committee further noted that the State Law Office also advised that holders of letter of intent and lessees with no vehicular access should not pay any rent.
- 4.5.4 Your Committee noted that payment facilities were granted to 14 lessees amounting to Rs 82,281,410.53.

RECOMMENDATIONS

4.5.5 Your Committee recommends the following –

- The Digital State Land register should be fully operational to relieve the problem of State Land Management and Revenue Collection.
- The functioning of the internal control should be reviewed to make it more effective.
- A New Revenue Collection System should be implemented. Transferring Revenue Collection to the Mauritius Revenue Authority should be envisaged.
- The Ministry should expedite the review of the regulations in order to ease the procedures in regards to the whole process of lease.

Campement and Industrial Sites

4.5.6 Your Committee viewed with concern that “Government is losing substantial amount of revenue annually as a result of non-payment of rental charges in accordance with the Finance (Miscellaneous Provisions) Act 2008”.

4.5.7 Your Committee noted that the lessees for campement and industrial sites were still paying rentals at the old rate instead of the new rates which implied substantial loss of revenue.

RECOMMENDATION

4.5.8 Your Committee recommends that there should be proper follow up by the Ministry with regards to the conditions of the lease agreements.

Compulsory Acquisitions of Land for the Harbour Bridge Project

4.5.9 Your Committee noted with concern that for 30 plots of land acquired, a sum of Rs 223,463,458 was disbursed by the Ministry for the Harbour Bridge Project and subsequently the project was abandoned.

RECOMMENDATION

4.5.10 Your Committee recommends that there should be proper planning with regards to Government projects and land acquisition should only be carried out when the projects are finalised in order to avoid wastage of public funds.

Assets Management

4.5.11 Your Committee noted with concern that Government has disbursed more than Rs 3 billion between 2013 and 2017 for payment of compensations and interests for compulsory acquisitions. However, there were no Asset Register to record the existence, locations, extent as well as the cost of the lands around the island.

4.5.12 Your Committee noted that 531.94 acres of lands for 86 projects vested in Ministries and Departments for which no value were attributed and was not recognized in the books and records of the Ministry.

RECOMMENDATION

4.5.13 Your Committee recommends that a Land Register should be maintained together with full details such as: location, extent and value attributed to each plot of land.

Acquisition of Lands

4.5.14 Your Committee noted with concern that the Deeds of Acquittance were missing despite disbursement of Rs 14.3 million which have been effected to Notaries between November 2012 and September 2016.

4.5.15 Your Committee noted with dismay that in relation to 7 projects totalling an amount of Rs 64.6 million, the Ministry could not provide evidence with regards to:

- name of former owners;
- extent of land acquired;
- date of transcription;
- amount assessed by the Valuation Department;
- cases referred to Board of Assessment; and
- amount of compensation and interests already paid.

RECOMMENDATION

4.5.16 Your Committee recommends that an enquiry be carried out to ascertain the mishaps as mentioned above and that proper actions be taken against those responsible.

Interest Payments

4.5.17 Your Committee noted with great concern that the Ministry has paid interest amounting to Rs 475.9 million due to:

- delays resulting from the date of transcription to the date of appointment of the Notary for the drawing of the Deed of Acquittance;
- delays between date of vesting until the award of compensation by the Board of Assessment;
- the rate of interest of 8% per annum has remained unchanged since 2004 although interest rates have gone down.

RECOMMENDATION

4.5.18 Your Committee recommends the following: -

- Matters be expedited to avoid delays and payment of interest thus resulting in wastage of public funds.
- Interest rate be reviewed regularly to keep pace with the Repo rate.
- The Land Acquisition Act be reviewed in order to set a time frame for the Valuation Department to submit its evaluation.

Management of State Lands

4.5.19 Your Committee noted with deep concern that year after year huge sums were still due to Government because industrial lease agreements were not signed. As at 31 June 2017, an amount of Rs 229,463,577 was outstanding.

4.5.20 Your Committee was informed that despite payment facilities were offered to the lessees, an amount of only Rs 43,185,311 was recovered out of a total outstanding amount of Rs 154,547,247.

RECOMMENDATION

4.5.21 Your Committee recommends that there is better monitoring of the process for the grant and payment of lease.

National Housing Development Company Limited

4.5.22 Your Committee noted the absence of proper documentation with regards to disbursement of grants by the Ministry to the National Housing Development Company Ltd for the construction of houses, renovation and upgrading of housing estates to the tune of some Rs 1.2 billion.

RECOMMENDATION

4.5.23 Your Committee recommends that the National Housing Development Company Ltd submits its annual accounts timely to the Ministry.

Debtors Management

4.5.24 Your Committee noted that there is a serious discrepancy of Rs 805.4 million between the amount of debtors reported by the Ministry (around Rs 1.4 billion) and the Accountant General (Rs 540.1 million). Your Committee considered that the reasons provided by officers of the Ministry were unacceptable.

RECOMMENDATIONS

4.5.25 Your Committee recommends the following: -

- An effective Credit Control System be set up.
- A full-fledged IT and Legal Department be set up at the Ministry to deal with all land lease cases requiring any legal action, revenue collection amongst others.
- The Ministry of Finance and Economic Development to study the possibility of centralizing the finance of the Ministry of Housing and Lands under the Mauritius Revenue Authority for revenue collection as regards to State land leases rental.

Land Administration Valuation and Information Management System (LAVIMS)

4.5.26 Your Committee noted with concern that despite the massive investment of US \$ 25,994,088, that is, Rs 808.5 million, for the setting up of the LAVIMS Project, it has not yield the expected results. In addition, its high maintenance cost amounted to some Rs 200 million since inception till 2017.

RECOMMENDATION

4.5.26 Your Committee recommends that the exercise for the completion of a full Cadastre be expedited.

4.6 MINISTRY OF CIVIL SERVICE AND ADMINISTRATIVE REFORMS

Interdiction of Public Officers

4.6.1 Your Committee noted with concern that the problem of Interdicted Public Officers (IPOs) have been reported, by the Director of Audit since 2005.

4.6.2 As at August 2016, 284 public officers had been interdicted, Your Committee noted that a substantial amount to the tune of Rs 278.7 million was paid accordingly. It is to be noted that the big chunk of the abovementioned figures, that is, 191 interdicted public officers are from the police department representing an amount of Rs 194.6 million.

4.6.3 Your Committee also noted that some cases of interdiction date back to more than 14 years and that there is no central mechanism to control what is happening in all the Ministries and Departments.

4.6.4 Your Committee took note that between 2014 and 2016, out of 129 cases that were settled, only 3 cases were recommended for departmental actions.

- 4.6.5 Your Committee queried as to the reasons behind this great number of public officers interdicted and the substantial delays in settling these cases.
- 4.6.6 The Ministry explained to Your Committee that the responsibility to interdict a defaulting officer rest with the Supervising Officers in each Ministry after approval from the Public Service Commission.
- 4.6.7 Your Committee expressed deep concern to the fact that during the period of interdiction, the interdicted public officers receive their basic salary together with the yearly compensation. Your Committee was apprised by the officers of the Ministry of Civil Service and Administration Reforms that there are some interdicted public officers who are also carrying on lucrative business outside.
- 4.6.8 Your Committee noted that the Ministry is contemplating the conditional recalling of 62 interdicted public officers as one of the measures envisaged to mitigate the extent of the expenditure of Rs 267 million.
- 4.6.9 Your Committee expressed deep concern on the reasons as to why the Public Service Commission did not implement appropriate measures to decrease the huge number of public officers who were interdicted. Your Committee noted the following shortcomings:
- Though the Ministry proposed guidelines and a draft circular letter in order to do conditional recalling with clear parameters, the Public Service Commission did not give their clearance thereto.
 - The Public Service Commission approved the interdiction of a public officer but refused to approve the decision of the Supervising Officer for the conditional recalling.
 - The Public Service Commission even refused to only acknowledge and take note that Supervising Officers accept to assume full responsibility in his/her action of conditionally recall interdicted public officers. Consequently, Supervising Officers were discouraged to go ahead with conditional recalling.
- 4.6.10 Your Committee understood that the conditional recalling of interdicted public officers was done in some cases after thorough examination and depending on the gravity of the offence committed. This was done with clear parameters. Your Committee also noted with concern that the Public Service Commission did not give its approval and support to the conditional recalling.
- 4.6.11 Your Committee further noted with concern that the Fast Tract Mechanism for court cases of interdicted public officers proposed by the Audit Office has not been implemented, though two meetings were held. Additionally, the Ministerial Committee set up on 22 July 2016 to find solutions so as to decrease the huge number of interdicted public officers had never met.

- 4.6.12 Your Committee drew the attention of the Ministry in regards to one of the recommendations of the Director of Audit to revisit the severity of conditions leading to interdiction.
- 4.6.13 Your Committee was informed by the Ministry that firm instructions have been given to Supervising Officers to avoid flimsy and frivolous interdiction which led to a very significant decrease in the number of interdictions.
- 4.6.14 Your Committee noted with concern that though there were high level representatives of the State Law Office, they could not define what is minor and major offences and where conditional recalling will not be possible.
- 4.6.15 Your Committee condemns the absence of a central mechanism to manage the issue of interdicted public officers in the public service.

RECOMMENDATIONS:

- 4.6.16 Your Committee recommends the following:
- The Ministry continues with the conditional recalling of interdicted public officers, on a case to case basis, while making sure that this is done with clear parameters.
 - Better effectiveness and coordination at the level of the Central Monitoring Committee, the Public Service Commission, the State Law Office and the Ministerial Committee to devise and implement measures to decrease the huge number of Interdicted Public Officers.

Oracle Human Resource Management Information System (HRMIS)

- 4.6.17 Your Committee took note that the contract for the implementation of HRMIS was awarded in September 2013 to State Informatics Ltd (SIL) for a contract amount of Rs 206 million. However, during the meeting with the Officers of the Ministry in August 2018, Your Committee noted that the updated project value amounted to Rs 413.5 million.
- 4.6.18 Your Committee noted with serious concern that no procurement exercise was carried out the award of the project in 2013.
- 4.6.19 The officers of the Ministry concurred with Your Committee that the project was grossly overinflated and that it was delayed. An amount of Rs 327 million had already been spent and yet none of the modules was operational.

4.6.20 Your Committee queried about the delays in the implementation of the project and noted the following: -

- 1,200 business rules have to be introduced in the system to automate all activities and tested prior to providing training to the officers;
- the time taken to input data for some 55,000 officers in the system;
- a separate agreement was signed with State Informatics Ltd to be in line with the 2016 Report of the Pay Research Bureau;
- the movement of trained staff during the implementation of the project; and
- the lack of coordination among all groups of people working on the project.

4.6.21 Your Committee viewed with concern that, in spite of the collaboration of the Ministry of Technology, Communication and Innovation, the Central Informatics Bureau, the Central Information Systems Division and even the IT Security Unit, the project was delayed.

4.6.22 Your Committee also noted that, out of the five HRMIS modules, only two had been handed over to the Ministry in September 2017: Payroll Module and Human Resource Management Module.

RECOMMENDATIONS

4.6.23 Your Committee recommends the following:

- A proper feasibility report be prepared prior to implementation of project of such magnitude.
- The review of the training policy to optimize on the investment undertaken.
- Better coordination among all stakeholders working on the project.
- The Ministry to speed up with the implementation of the remaining modules.

4.7 MINISTRY OF FINANCIAL SERVICES AND GOOD GOVERNANCE

Contract awarded to Stree Consulting

4.7.1 Your Committee noted that a contract to the tune of some Rs 155 million (US \$ 4.34 million) was awarded to a private company without going through tender procedures. As at end of August 2016, a sum of Rs 40 million was disbursed to Stree Consulting and Your Committee deplores the absence of evidence relating to that payment.

4.7.2 The Heritage City company, a wholly State-Owned Company, was incorporated on 4th January 2016. On 5th August 2016, Government decided that the Project be put on hold and finally in October 2016, the Project was abandoned. Your Committee noted that Rs 7.2 million was spent as fees paid to the Board Members and for publications in newspapers.

4.7.3 Your Committee also observed that as at 31 July 2019, the Heritage Company Ltd has not filed its Annual Report with the Registrar of Companies.

Rental of Offices at SICOM Tower

4.7.4 As at 30 June 2016, Your Committee noted that the Ministry rented office spaces at SICOM Tower as per lease agreement for a total area of 161,036 ft². However, after an assessment by the Valuation Department, it was noted that in fact only 137,000 ft² was made available to the Ministry. Clearly there has been overpayment of rent to SICOM Ltd. It was also reported that office spaces were unoccupied and Your Committee noted with dismay that officers present could not provide the information concerning these unoccupied spaces.

Payment for Furniture

4.7.5 Your Committee viewed with concern that there was lack of transparency regarding the procurement procedures for the acquisition of furniture. The officers of the Ministry of Financial Services and Good Governance confirmed that the procurement of furniture was not made as per set procedures. For example, a claim of Rs 24,159,850 submitted by SICOM Ltd was revised to some Rs 21 million by the Ministry of Financial Services and Good Governance due to lack of documentary evidence.

Grants

4.7.6 Your Committee noted that procedures for the release of grants payable to institutions falling under the purview of the Ministry were not followed. In fact, an amount of Rs 172 million has been given to different institutions:

- either without the existence of a grant memorandum; or
- where such a document was signed, other conditions were not followed.

RECOMMENDATIONS

4.7.7 Your Committee recommends the following:

- a full inquiry be made as soon as possible on the National Heritage City Project for the sake of accountability, transparency and good governance.
- strict compliance with the set procedures prior to the release of grants.

4.8 RODRIGUES REGIONAL ASSEMBLY

- 4.8.1 A delegation of the Public Accounts Committee of Mauritius visited Rodrigues following comments made by the Director of Audit in her Report for the 18-month period 01st January 2015 to 30th June 2016 and for the year ending 30th June 2017.
- 4.8.2 The delegation met with the Chairperson and members of the Public Accounts Committee of the Rodrigues Regional Assembly and were briefed on the functioning thereof. Your Committee concurred on the need to amend the Standing Orders and Rules of the Rodrigues Regional Assembly in regard to the powers and mandate of the Public Accounts Committee.

State Lands in Rodrigues

- 4.8.3 Your Committee noted that the Director of Audit in her Report for the 18-months period ending 30 June 2016 had listed a series of shortcomings in the management of State lands in Rodrigues as follows –
- Absence of a Master State Land Register
 - Incomplete Lease Information Data
 - No major improvement in revenue collection
 - Backlog of applications
 - Lack of proper guidelines, policies and procedures
 - Arrears on revenue

RECOMMENDATIONS

- 4.8.4 Your Committee recommends the following –
- That the Rodrigues Cadastral Office be manned by adequate staff in order to enable it to improve on the shortcomings noted above.
 - Adequate funds be allocated for investment in hardware and related equipment including software for the management of State lands in Rodrigues.
 - The assistance and expertise of the Ministry of Housing and Lands in Mauritius be sought with a view to identifying potential solutions to the overall management of State lands in Rodrigues.
 - Regular reminders be sent to ensure settlement of arrears due on lease.

- Expedite the repossession of land which have been allocated but unused or abandoned after a period of 3 years.
- The guidelines for the allocation of State land for residential, commercial and agricultural purposes be reviewed and widely publicised including the posting thereof on the website of the Rodrigues Regional Assembly.

Acquisition of Pointe Venus hotel for the setting up of a ‘Technopole’

4.8.5 Your Committee noted with deep concern that the Pointe Venus hotel was acquired for the sum of Rs 55 million for the setting up of a Technopole Project. During the site visit, Your Committee was shocked by the dilapidated state of the whole building and premises. The site was left abandoned and is in a derelict state. The project has been put on hold at the former Pointe Venus hotel.

RECOMMENDATIONS

4.7.6 Your Committee recommends the following -

- An urgent inquiry be conducted on the acquisition of the former Pointe Venus Hotel for the amount of Rs 55 million.
- To bring the assets to its original state, a substantial amount of money would have to be disbursed as major works will certainly need to be undertaken.
- Maintenance be undertaken on a regular basis to ensure proper management of the property until its proposed disposal.

Management of Public Contracts

4.8.7 Your Committee took note of the management of the following contracts, as listed below, and expressed concern on the quality of works, delays in handing over of sites and shortcomings related to health and safety.

Construction of Secondary School at Pistaches

4.8.7.1 Your Committee noted with concern that basic requirements relating to safety and health was not being complied with as the school was operational without a fire certificate. It was also observed that the handing over of the project was delayed and after the prefinal handing over, the number of toilets was inadequate and provision had to be made for additional ones on an urgent basis.

Desalination plants

- 4.8.7.2 A contract for the construction of four Reverse Osmosis Desalination Plants with designated capacity of 1000 m³ per day was awarded. Your Committee noted with concern that the contract had been mishandled right from the start. The scope of works of the contract, the specifications of the equipment needed and the payment modalities, along with the need to enforce the performance bond in case of default were clearly specified in the Bid Documents.
- 4.8.7.3 Your Committee observed that the equipment supplied were not as per specifications and they were not operating at full capacity.
- 4.8.7.4 Your Committee was not satisfied with the explanations obtained with regards to the replacement of the original contractor. There was no indication as to the actions taken to recoup the extra funds paid to the original contractor following the breach of contract.
- 4.8.7.5 Your Committee noted that the project of such magnitude was not properly managed.

Construction of Slaughter House at Baie Diamant

- 4.8.7.6 Your Committee noted with concern that in spite of its recommendations in its Report of 2015, the building was still not operational although the investment amount was approximately Rs 100 million.
- 4.8.7.7 The officers of the Rodrigues Regional Assembly informed Your Committee that an Expression of Interest for the operation of the slaughter house by private parties had been launched. Your Committee was not convinced with the actions taken for the appointment of an operator for the Slaughter House.

RECOMMENDATIONS

- 4.8.8 Your Committee recommends the following –
- That the functioning of the Procurement Unit be revisited to ensure proper management of public contracts.
 - Better monitoring and accountability for all public contracts by the respective Commission on performance of contractors and consultants on projects awarded and quality of works performed.
 - Regular workshops be carried out by the Public Procurement Office and the Central Procurement Board to empower officers of the different Commissions on procurement procedures to promote fair and transparent procurement practice.

Livestock

4.8.9 Your Committee noted that livestock is an important source of revenue for Rodrigues. It was reported in the aftermath of foot and mouth disease, the production and export of livestock fell drastically from 20,000 units to 8,400 units as follows -

Between 3,500 to 4,000 goats

Between 1,000 to 2,500 sheep

1,900 cattle

RECOMMENDATION

4.8.10 Your Committee recommends that the Mauritius Meat Authority and the Ministry of Agro Industry and Food Security, in collaboration with the Commission for Agriculture in Rodrigues, undertake a study on the current livestock situation in Rodrigues and come up with a comprehensive plan therefor. The study and subsequent support must focus on the training and empowerment of breeders and farmers and other stakeholders, provision of veterinary services and strategy to increase production of livestock.

5.0 CONCLUSION

5.1 Your Committee, foremost, recommends that Government should introduce necessary amendment for the debate and adoption by the Assembly of the Reports of the Public Accounts Committee and empower the Committee with such functions and such scope as the ones adopted in the Parliament of South Africa, Uganda, India and Kenya.

5.2 Your Committee is presently lacking in several key features to be able to hold Government accountable for its decisions and actions as well as to monitor the effectiveness and efficiencies of associated public service delivery.

5.3 Your Committee strongly recommends that its mandate be widened as follows -

- Total Independence of the PAC
- Public Hearings of PAC Meetings
- Media Coverage of PAC Meetings
- Power of PAC to Examine Live National Issues
- Power to Recommend Institution of Inquiries
- Reinforcing Accountability
- Expert Assistance to PAC
- Empower Serving Members and Officers of the PAC
- Financial Autonomy of the PAC

5.4 Your Committee firmly believes that with these reforms, as highlighted above, the Public Accounts Committee will become more efficient in its monitoring and evaluation function.

6.0 ACKNOWLEDGEMENT

- 6.1 Your Committee would like to express its thanks to the members thereof who were regular in attendance at the Committee meetings and who contributed meaningfully in the elaboration of this Report.
- 6.2 Your Committee is grateful to the Clerk of the National Assembly and the other officers for their unflinching support, to the former Director of Audit, Mrs Tse Yuet Cheong, and the officers of the National Audit Office, together with officers of Line Ministries and Departments, who assisted the Committee during the hearings.
- 6.3 Your Committee further expresses its appreciation for the support extended by the Rodrigues Regional Assembly and the members of the Public Accounts Committee thereof during the site visit effected in Rodrigues.

A handwritten signature in black ink, appearing to read 'AP Perraud', with a long horizontal flourish underneath.

Honourable Mrs Marie-Aurore Marie-Joyce Perraud, MP
Chairperson of the Public Accounts Committee

17 September 2019

Standing Order 69(2) of the Standing Orders and Rules of the National Assembly

(2) Public Accounts Committee

- (a) *There shall be a committee to be known as the Public Accounts Committee to consist of a Chairperson to be appointed by the Speaker and not more than nine Members to be nominated by the Committee of Selection at the beginning of each session. It shall be the duty of the Committee to examine the audited accounts showing the appropriation of the sums granted by the Assembly to meet the public expenditure and such other accounts laid before the Assembly as the Assembly may refer to the Committee together with the Director of Audit's report thereon.*
- (b) *The Committee shall have power, in the exercise of the duties mentioned at paragraph (a) of this Order, send for persons and records, to take evidence, and to report from time to time.*
- (c) *If the Chairperson is unable to be present at any meeting, the Committee shall elect another Chairperson whose tenure of office shall be for the day of his or her election only.*
- (d) *In discharging its duties under this Order, while examining accounts showing the appropriation of funds granted by the Assembly and such other accounts which the Assembly had referred to it, the Committee has to satisfy itself –*
 - (i) *that the monies shown in the accounts as having been disbursed were legally available for, and applicable to, the services or purpose to which they have been applied or charged;*
 - (ii) *that the expenditure conformed to the authority which governed it;*
 - (iii) *that every re-appropriation has been made in accordance with the provisions made in this behalf under appropriate rules; and*
 - (iv) *that cases involving negative expenditure and financial irregularities wherever they have occurred in the financial year under study, having regard to the financial report and the estimates as approved by the House, are subjected to scrutiny.*

*Designed by the Stationery Office of the Mauritius National Assembly
Parliament House, Port Louis*

September 2019