



Republic of Mauritius

NATIONAL ASSEMBLY

Fourth Report of the Public Accounts Committee

**Seventh National Assembly
First Session**

Date: 01 October 2024



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1.0 ESTABLISHMENT OF THE COMMITTEE

1.1 Your Committee is currently comprised as follows:

1. Hon. Muhammad Reza Cassam Uteem, MP, Chairperson
2. Hon. Rameshwar Doolub, MP, Chief Government Whip
3. Dr the Hon. Muhammad Ismaël Rawoo, MP, Parliamentary Private Secretary
4. Hon. Jean Francisco François, MP, Parliamentary Private Secretary
5. Hon. Sanjit Kumar Nuckcheddy, MP, Parliamentary Private Secretary
6. Hon. Mohamad Salim Abbas Mamode, MP
7. Dr the Hon. Mahend Gungapersad, PDSM, MP
8. Hon. Darmarajen Nagalingum, MP

1.2 Honourable Rajanah Dhaliah, Honourable (Ms) Naveena Ramyad and Honourable Patrice Kursley Armance, submitted their resignations as Members of Your Committee with effect from 01 September 2023, 14 February 2024 and 15 April 2024, respectively. Your Committee would like to place on record its appreciation for the active participation of these Honourable Members whenever they participated in the hearing of Your Committee.

1.3 The Committee of Selection met and nominated the following Honourable members to serve Your Committee pursuant to Standing Order 69(2)(a) –

- Honourable Mohamad Salim Abbas Mamode, MP on 11 September 2023; and
- Honourable Sanjit Kumar Nuckcheddy, MP, Parliamentary Private Secretary on 19 March 2024.

1.4 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.

1.5 Your Committee –

- (a) is usually constituted of **9 Members** of Parliament, both from Government and Opposition sides. However, since the resignation of Hon Patrice Kursley Armance, MP from Your Committee, no one has yet been nominated to replace him on Your Committee;
- (b) is by convention, chaired by a Member of the Opposition;
- (c) examines audited accounts showing the appropriation of the sums granted by the Assembly to meet public expenditure;
- (d) is mandated to examine such other accounts laid before the Assembly as the Assembly may refer to Your Committee together with the Director of Audit's report thereon. However, no such referral has been made;
- (e) meets regularly and the members are assisted by the Director of Audit and his staff, by the representatives of the Ministry of Finance, Economic Planning and Development and by the staff of the Accountant-General. Accounting Officers of Ministries and Departments and their representatives attend the hearings to give evidence;

- (f) holds its meetings in camera without any disclosure of the proceedings; and
- (g) is served by the Clerk of the National Assembly, assisted by the Deputy Clerk and the Clerk Assistants.

1.6 Your Committee met on 25 occasions.

1.7 Members of Your Committee worked collectively and in a bipartisan manner to fulfil the duties thereof.

1.8 The main duties of Your Committee is to examine and report on the efficiency, effectiveness and economy with which Ministries, Government Departments and other bodies have used resources put at their disposal. Your Committee also examines compliance with the principles of good governance and reports as to whether value for money has been obtained when spending the taxpayer's rupee.

1.9 Your Committee examined the Reports of the Director of Audit for fiscal years 2019-2020, 2020-2021 and 2021-2022 respectively, during which Your Committee held several meetings with Accounting Officers and senior staff members of selected Ministries and Departments.

1.10 Your Committee also had working sessions with the representatives of the National Audit Office as well as with representatives of the Accountant General Office.

1.11 This Report of Your Committee sets out the findings and recommendations of the hearings carried out with representatives of various Ministries in the order they were convened.

2.0 FINDINGS AND RECOMMENDATIONS

2.1 MINISTRY OF SOCIAL INTEGRATION, SOCIAL SECURITY AND NATIONAL SOLIDARITY

- 1. SOCIAL SECURITY AND NATIONAL SOLIDARITY DIVISION**
- 2. SOCIAL INTEGRATION DIVISION (SID)**

2.1.1 Hearings

Your Committee held meetings with representatives of the Ministry of Social Integration, Social Security and National Solidarity - Social Integration Division (SID) on 5 occasions namely 06, 20, 27 July, 03 and 10 August 2023. The representatives of the Ministry were generally well prepared, collaborated fully and acted promptly on recommendations made by Your Committee during the hearing.

SOCIAL SECURITY AND NATIONAL SOLIDARITY DIVISION

Overpayment of Pensions - No improvement regarding Controls over Detection and Recovery of overpayment of Pensions

2.1.2 Findings

Every year in his report the Director of Audit criticizes the Ministry for the overpayment of pensions to ineligible beneficiaries and the slow recovery of pension overpaid.

As at 30 June 2019 the aggregate amount of pension overpaid stood at Rs 114 million. It increased to Rs 118.7 million as at 30 June 2020. As at 30 June 2021 the amount overpaid was reported as Rs 104.7 million and an amount of Rs 17.1 million was written off as bad debt. As of 30 June 2022, overpayment of pensions had increased to Rs 106.3 million.

At the same time recovery of the overpayment of pensions was low as only Rs 15.7 million was recovered in 2019-20 and only Rs 14.2 million was recovered during 2021-2022.

Your Committee was informed that the Ministry had been advised by the State Law Office that any court action for the recovery of pensions must be initiated within 3 years or will be time barred. As a result, every year the Director of Internal Control approves the writing off of millions of rupees of overpaid pensions which cannot be recovered. No refunds were received with respect to some 400 long outstanding cases concerning Rs 45.6 million and any attempt now to recover those amounts may be time barred.

Your Committee finds it simply unacceptable that every year millions of rupees of public funds are being paid as pension to persons who are not eligible for such pensions or to person who have since passed away.

Your Committee finds it even more unacceptable that once the Ministry has discovered the overpayment prompt and effective actions are not taken to recover the overpayment resulting in wastage of public funds. There is an urgency to detect cases of overpayment and take prompt action as any recovery action must be initiated within 3 years.

Despite criticism by the Director of Audit every year, there seems to be very little improvement at the level of the Ministry to avoid overpayment of pensions and to recover the amount overpaid resulting in considerable waste of public funds.

The Ministry informed Your Committee that they faced several challenges. They are not informed by the heirs when a beneficiary passes away. For instance, seven dead beneficiaries were overpaid for more than one year for some Rs 5.3 million. They are also not informed about beneficiaries who resides abroad for 6 months or more and cease to be eligible to receive the pension.

2.1.3 Recommendations

- There must better coordination and cooperation between the Ministry, the Civil Status Office and the Passport and Immigration Office.
- There is a need for a centralized information system where complete and accurate information on all beneficiaries are readily available to different Ministries to ensure that social aid payment is effected only to eligible beneficiaries.
- The Ministry should on a random sampling basis carry out site visits at the residential address of the beneficiaries to ensure that they are still alive and residing in Mauritius.
- The Ministry should have a dedicated team headed by a law practitioner to initiate recovery proceedings for overpayment to persons who were not eligible to receive the pension.
- Any fraudulent declaration should be reported to the police for investigation and prosecution where appropriate.

Inadequate controls on eligibility for Basic Widow Pension

2.1.4 Findings

The same name and National Identity number was recorded in the Benefits Information System of the Ministry as the late husband in respect of ... 559 beneficiaries of Basic Widow Pension, namely 545 widows since 15 December 1992 and 14 widows since 1 August 2002.

A list of religious marriages was not available, and no matching exercise could be performed to identify any case of remarriage.

Your Committee was not provided with any satisfactory explanation as to how 559 beneficiaries could have been paid basic widow pensions in respect of the same deceased person and how such payment went undetected for so many years.

2.1.5 Recommendations

- There is an urgent need to have a more rigorous system set up to ensure that Basic Widow Pension are only paid to eligible beneficiaries.
- There should be a mechanism in place for the Ministry to verify on an ongoing basis that the beneficiaries are still eligible for such pensions.

Overpayment of Social Aid – Inadequate Control over Recovery of Overpayment of Social Aid

2.1.6 Findings

The payment of social aid to persons who are ineligible for such aid and the failure of the Ministry to recover payment from ineligible persons who received social aid payment is a recurring problem highlighted by the Director of Audit every year in his report.

As at 30 June 2020 overpayment of social aid stood at Rs 5 million. It increased to Rs 6.9 million as at 30 June 2021 and reached Rs 8.3 million as at 30 June 2022.

The Ministry was unable to recover overpayment in most cases. For instance, only Rs19,700 was recovered as at 30 June 2022.

Monthly returns of overpayment listings were not regularly submitted by Local Offices and it is only recently that the Overpayment function in Social Aid Module has gone live.

Lists of social aid beneficiaries were not matched against lists of deceased persons from Civil Status Division. Officers did not verify if a beneficiary was still alive before effecting payment. As a consequence, social aid payment was not discontinued even after the death of the beneficiaries.

Some Rs 134 million paid to Abandoned Women but not matched with list of married women from Civil Status Division. As a result, several women received social aid when they were no longer eligible for same.

Your Committee is not satisfied that the Ministry is taking all necessary precautions to ensure that there is no overpayment of social aid and to recover overpayment once detected.

2.1.7 Recommendations

- Proper due diligence should be carried out before social aid payment is made to eligible beneficiaries to avoid wastage of public funds.
- There should be better coordination between various Ministries to minimize risk of overpayment. In particular, there should be better coordination between the Civil Status Office and the Ministry to ensure that social aid payments are not effected to beneficiaries who have passed away.

- There is a need for a centralized information system where complete and accurate information on all beneficiaries are readily available to different ministries to ensure that social aid payment is effected only to eligible beneficiaries.
- The Ministry should have a dedicated team headed by a law practitioner to initiate recovery proceedings for overpayment to persons who were not eligible to receive the social aid.
- Any fraudulent declaration should be referred to the police for investigation and prosecution where appropriate.

Construction of New Recreation Centre at Riambel

2.1.8 Findings

The Contract for the construction of the Recreation Centre was awarded in November 2015 for Rs 202 million. More than 7 years later the Centre was still not operational.

This is a classic example where the lack of monitoring on the implementation of the project resulted in inordinate delays and cost overrun.

Your Committee is appalled that despite the repeated adverse comments by the Director of Audit in successive reports year in year out there was absolutely no effort at the level of the Ministry to ensure that the Centre is completed in time and operational. Worse, absolutely no action was taken against the contractor for the delay.

As a result of serious deficiency in project management the beneficiaries were unable to enjoy the Centre and public funds were wasted.

2.1.9 Recommendations

- Proper Project Management be should be carried out to ensure that there is proper follow up from the start to the end of a project.
- Once a project is completed, immediate handing over should be done and it should be put to good use.
- Liquidated damages should be applied in cases of significant delay and at different stages of completion.
- The contractor should be referred to the Public Policy Office for appropriate sanctions and if necessary be debarred for participating in future bidding exercise.

Poor Project Management

2.1.10 Findings

The construction of a building at La Marie to house an Elderly Day Care Centre costing Rs 2.4 million was completed in May 2015. However as of 30 June 2022, the Day Care Centre was still not yet set up, nor was the building occupied. Rs 1.9 million was paid for security services from May 2015 to June 2022 to guard the building which is almost the same as the cost of construction of the building!

Your Committee was informed that the Ministry now considers that the building is located in a remote area and not convenient for an Elderly Day Care Centre. A policy decision was under consideration to hand over the building to the Municipal Council of Vacoas Phoenix.

As of 30 June 2022, more than three years after vesting of land at Flic-en-Flac and Palmar, construction of Homes were not yet started despite some Rs 25 million budgeted in 2021-22.

During 2018-19 to 2021-22, contracts were awarded for the cleaning, preparation, topographical plan and geotechnical investigation for Rs 1,947,500 for both plots.

Your Committee was informed that revised cost estimates of construction of the Home in Palmar was Rs 434 million and it was Rs 180 million for Flic-en-Flac. The costs estimate largely exceed the funds budgeted for these homes which is to the tune of Rs 100 million allocated for both Homes. The project will have to be reworked and scaled down.

2.1.11 Recommendations

- Proper and efficient Project Management should become a professional ethos at all levels in the Ministry to ensure quality service and proper execution of projects.
- Before funds are disbursed for any project there should be a proper analysis carried out to ascertain if the location is suitable for such a project.
- Before requesting funds for any project the Ministry should ensure that the funds will be sufficient to implement the whole project.
- Where a budget is ear-marked for a project, the Consultant should ensure that the project is designed in a way to fit within that budget.

Advance Accounts

2.1.12 Findings

The Director of Audit in his report for the financial year 2019-2020 highlighted that as at September 2020, advance accounts totalling some Rs 2.3 million were outstanding. However, the Ministry was slow at taking measures to recover all of the amounts outstanding and as at 30 June 2022, Rs1,145,000 was still outstanding.

Your Committee was informed that an advance account is open whenever a person who retires from office or otherwise leave the service and has not settled the amount that he owes to the Ministry. In some cases, the Officers, including Advisers to the Minister, take car loans and fails to settle the outstanding at the time they leave the service.

2.1.13 Recommendations

- At the time an Officer or Adviser takes a car loan the loan agreement should clearly set out the mechanism for the repayment of the loan.
- The car loan should be secured by a lien over the vehicle and in case of non-payment prompt action should be taken to seize and sell the vehicle.
- Any outstanding loan should be deducted from any lumpsum and compensation payable upon the retirement of the Officer or the termination of the employment contract of the Adviser.
- Prompt legal actions should be taken against the Officers and Advisers to recover the amount due to the State.

Anti-Influenza Vaccines- Nugatory Expenditure of some Rs 16.5 million

2.1.14 Findings

Out of 150,000 doses of anti-influenza vaccines procured for the year 2021, only some 91,100 doses i.e. 61% had been utilised as at November 2021. The unutilised doses of 43,000 were stored in poor condition.

Nugatory expenditure of some Rs 16.5 million arose due to overstocking of some 56,900 doses expired in December 2021.

According to the Ministry, for the year 2021, the number of elderly persons who attended the anti-influenza vaccination campaign has decreased since priority was given to COVID-19 vaccination.

2.1.15 Recommendations

- Proper needs analysis should be carried out prior to purchasing any vaccines to ascertain the number of doses required and avoid over purchase of vaccines.
- There should be a proper vaccination campaign and the target population should be sensitised on the need to be properly vaccinated.
- Unutilised vaccines should be properly stored at the required temperature.

Rental of Buildings - Lapses in Monitoring and Non-compliance with the Fire Safety Requirements

2.1.16 Findings

The Ministry paid rent in an aggregate amount of Rs 720,000 for two institutions that were no longer operating under the aegis of the Ministry. The premises did not have a fire certificate because the Mauritius Fire and Rescue Services was not satisfied that fire safety requirements had been met and requested several improvements to the premises.

Your Committee was informed that provision of Rs 149,600 for refund will be made in Budget 2023-24 for one institution and the other institution was supposed to make its own arrangements to pay back the amount due.

Your Committee was further informed that out of 38 Social Security Offices, 34 held a valid Fire Certificate. Your Committee views with concern that public officers are required to work in premises without a fire certificate and where there is an obvious risk to the health and safety of these officers and generally to public using those premises.

2.1.17 Recommendations

- The Ministry should ensure that all premises owned by it or leased by it should have a valid fire certificate.
- All works required to be done to get such fire certificate should be diligently carried out.
- Appropriate actions should be initiated against the institutions for the refund of the amount of rent by the Ministry on their behalf.

SOCIAL INTEGRATION DIVISION (SID)

Social Housing Projects for Vulnerable Groups – Inability to meet Demand for NHDC Housing Units

2.1.18 Findings

The Social Integration Division (SID) of the Ministry was entrusted with the responsibility to implement measure to provide 10 % of NHDC housing units, to be constructed across the island, to eligible households on the Social Register.

As of August 2021, there was demand from some 1500 households registered on the Social Register for NHDC houses. As of October 2021, only 98 housing units had been delivered to eligible beneficiaries Social Register.

During 2021-22, National Empowerment Foundation acquired 107 NHDC housing units. However, as of October 2022, only 12 of them were handed over to the beneficiaries on the Social Register.

Your Committee was informed by the Ministry that the delay in delivering housing units to the eligible beneficiaries on the Social Register was largely due to delays at the level of the Ministry of Housing and NHDC.

Your Committee finds it totally unacceptable that housing units are not promptly allocated to the eligible beneficiaries on the Social Register despite the long waiting list of beneficiaries waiting for a housing unit.

2.1.19 Recommendations

- There should be better coordination between the Ministry of Housing, NHDC, the Ministry of Social Security and the National Empowerment Foundation to ensure the speedy allocation of housing unit to the eligible beneficiaries on the social Register
- Meritocracy should prevail in the allocation of housing units with clearly cut criteria so that no one feels left out because of whatsoever form of discrimination.

Empowerment Support Scheme – Lapses in the Implementation of the Scheme

2.1.20 Findings

Two important aspects, namely the evaluation of households with regard to their obligations (mentioned in the social contract), and the integration of the SRM with other Government registers/systems in operation at other relevant institutions, were overlooked in the process for recertification of beneficiaries;

The Proxy Means Test (PMT) used to identify eligible beneficiaries was based on the Household Budget Survey (HBS) 2012, hence using outdated statistics;

Poor Process Design and other shortcomings in the new Social Register Database were noted for example, there were a number of instances where the quantum of Monthly Subsistence Allowance (MSA) was wrongly computed; Basic Retirement Pension was not included in computation of MSA; Income threshold was also not applied as prescribed.

As at November 2021, the Monitoring and Evaluation Unit was not yet engaged in processing and analysing information submitted by National Empowerment Foundation.

Your Committee was informed that the proposal for the use of an updated Proxy Means Test was not retained by the Ministry of Finance for implementation for 2021-22 resulting in inaccurate data and several beneficiaries being left out of the Social Register. However, the proxy means test will be updated once the Household Budget Survey is completed in 2022.

The wrong computation of the quantum of MSA was apparently due to a bug in the system and the M&E Unit is now being overseen by the Coordinator (restyled Head of Technical Unit).

2.1.21 Recommendations

- The eligibility criteria and Monthly Subsistence Allowance computation should be revisited following the introduction of minimum wages, salary adjustments and increase in pension to ensure that deserving beneficiaries are included in the Social Register.
- Stringent measures have to be taken to ensure that proper implementation of schemes are approved by the Ministry in a timely manner and effectively executed. Lapses in the implementation of any project indubitably penalize genuine beneficiaries.

Provision of Tablets to SRM Children - Equipment purchased in Excess of Requirement

2.1.22 Findings

The SID gave its approval in November 2020 to the NEF for the procurement of 1,500 tablets for children on the SRM attending grade 10 to 13 classes.

Proper estimate of the number of tablets required was not made. Only 644 out of 1500 tablets purchased had been distributed as of 21 September 2021.

Some 650 tablets costing some Rs 7.5 million might have been procured in excess to requirements, warranty of which was due to expire in April 2022.

325 of the remaining tablets were subsequently issued to children on the Social Register of grade 9/9+ instead of 10 to 13. It is unclear as to who took the decision to give those tablets to children of grade 9/9+.

As a result of the failure to provide the children with the tablets, 270 tablets, whose warranty has expired, were still in stock at the National Empowerment Foundation as of end July 2022.

Your Committee is at pain to understand how the Ministry could have ordered so many tablets in excess of the number of eligible children being given that the Ministry has full particulars of the age and grade of the children registered on the Social Register. This is another example of wastage of public funds which could and should have been avoided with proper planning before procuring the tablets

2.1.23 Recommendations

- There is a need for proper planning before any project is undertaken, any contract is awarded and any fund is disbursed.
- The extra tablets could have been put to good use instead of allowing same to stay in stock.
- Inventory of stock be carried out on a regular basis

Social Housing for Vulnerable Groups – No Improvement regarding Control over Disbursement of Capital Grants

2.1.24 Findings

Your Committee noted that proper monitoring not done at the level of the Ministry to ensure that funds disbursed to NEF were optimally utilized.

Out of the total amount of Rs 375 million already disbursed to NEF for financial years 2016-17 to 2019-20, only some Rs 113 million were spent as at 30 June 2020. As at 31 December 2022, NEF had incurred expenditure totalling some Rs 275 million out of Rs 375 million

Your Committee was informed by the Ministry that they had already taken remedial actions to monitor capital projects undertaken by the NEF and funds are only disbursed to NEF upon submission of proper documents. For financial year 2020-21, out of Rs 50 million budgeted funds, only some Rs 18 million were paid to NEF.

2.1.25 Recommendations

- There should be a proper monitoring of funds disbursed to NEF to ensure that funds are utilised optimally.
- Disbursement of funds should always take place upon the submission of proper documents.

Implementation of New Schemes – Issues with Certification of Claims

2.1.26 Findings

Free sanitary towels and optical glasses were provided to eligible SRM students of grade 6 to 13 classes. SID disbursed some Rs 3.7 million during 2021-22 to NEF for the implementation of those schemes. However, claims submitted did not bear Social Register number or National Identity card of beneficiaries. As a result, there was a risk that the funds might have been disbursed to persons who were not on the Social Register and who were not eligible for such funding.

2.1.27 Recommendations

- The Ministry should carefully monitor the implementation of projects undertaken by or through the National Empowerment Foundation to ensure that they are carried out for the benefit of the intended eligible beneficiaries.
- Whenever a new scheme is approved, its implementation should be carried out effectively. Those who are supposed to ensure its implementation should have a clear administrative roadmap and a clear communication network with the beneficiaries.

2.2 MINISTRY OF RODRIGUES, OUTER ISLANDS AND TERRITORIAL INTEGRITY

2.2.1 Hearings

Your Committee held meetings with representatives of the Ministry of Rodrigues, Outer Islands and Territorial Integrity on 2 occasions namely on 17 August and 07 September 2023 to consider the report of the Director of National Audit on the accounts of the Rodrigues Regional Assembly (RRA) for the years 2020-2021 and 2021-2022. Unfortunately, there were no significant improvement since Your Committee met the representatives of the Ministry before submitting its third report.

2.2.2 Findings

Your Committee noted with concern that once money is disbursed to Rodrigues Regional Assembly (RRA), the Ministry does not monitor the expenditure to ensure that public funds are used in accordance with the provisions of the Finance Act, the Public Procurement Act and directives issued by the Public Procurement Office.

Funds requested by RRA which are appropriated by the National Assembly, are transferred from the Ministry for certain project implementation without any feasibility study and no proper planning.

Once funds are disbursed and transferred to RRA capital projects implementation is not being monitored properly at the level of the Ministry and as a result there is considerable wastage of public funds.

Your Committee noted with concern funds were reallocated by the RRA from one vote item to another in excess of the permitted 2% of a vote item without notifying the Ministry. Such reallocation of funds was not properly monitored at the level of the Ministry resulting in mismanagement of projects and wastage of public funds.

Despite the distinct specificity of Rodrigues, there are no specific guidelines with regard to financial management, in particular, in the reallocation or transfer of funds.

There is an obvious shortage of human resources and an absence of adequate capacity building to ensure proper implementation of projects. In particular there is a shortage of qualified professionals to ensure the proper implementation of project at the level of the RRA.

Your Committee also observed the failure of public officers in certain departments to enforce the law and to take actions against defaulting contractors and consultants. No contractor was debarred by the RRA despite poor performance and defaults which resulted in delay in implementation of projects, cost overruns and wastage of public funds.

Your Committee also observed that RRA does not often seek advice from the State Law Office with regards to actions to be taken against defaulting contractors and consultants.

The RRA seems to favour a consultant in particular for all project whose value does not exceed Rs 500,000. The consultant was appointed without proper tender procedures in an opaque manner. Certain larger contracts were split into smaller projects below Rs 500,000 under different Commissions with a view to appoint that particular consultant in breach of basic procurement principles.

The Island Chief Executive as Head of Finance of the Regional Assembly ought to be more involved in the implementation of projects to ensure that there is no mismanagement of projects, that public funds are well utilized and the public gets value for money.

Despite the recommendation of Your Committee in its Third Report, there seems to have been little progress to ensure that public officers from RRA attend capacity building workshop and training to empower themselves on project management and implementation as well as to strengthen the internal audit committees.

Your Committee was informed that a Joint Monitoring Committee as recommended by Your Committee has been set up at the level of the Ministry, as a monitoring mechanism for funds transferred to RRA. However, that Joint Monitoring Committee was only set up a few days before the hearing of the Ministry.

Your Committee is also concerned with regards to the use by various Commissions of Special Purpose Vehicle to implement certain project without ensuring that such Special Purpose Vehicles adhere to public procurement rules and good governance practices.

2.2.3 Recommendations

- New guidelines for reallocation, virement of funds through a New Financial Management Manual must be issued for RRA.
- A proper Internal Audit Mechanism at the level of the RRA must be set up.
- There needs to be a holistic approach for projects implementation in Rodrigues.
- The support of experts in project management should be extended to RRA.
- There should be an appropriate transfer of technology from Mauritius to RRA to ensure proper financial management;
- The Joint Monitoring Committee should meet regularly for a better coordination between Ministry and RRA;
- The powers of the Joint Monitoring Committee should be extended to monitor the implementation of projects and to take decision for debarment and disqualification of defaulting contractors and consultants;
- Bold decisions should be taken to sanction defaulting contractors and/or consultants;
- There is a need for more capacity building to instill a new procurement mentality culture at the level of RRA;

- It should be mandatory for RRA to submit full and detailed feasibility study/ business plan for projects, whenever funds are sought from the Ministry for implementation of projects in Rodrigues.
- Proper procurement procedures must be followed for the recruitment of consultants or contractors for projects to be implemented by the RRA.
- Special Purpose Vehicles set up to implement various projects should be bound by the Public Procurement Act and good governance, their accounts should be audited by the National Audit Office, and any recruitment of personnel should be transparent and based on merit.
- The Public Accounts Committee of the RRA should be adequately empowered and should receive the same level of support from the National Audit Office and the Public Procurement Office as is extended to Your Committee.

2.3 RODRIGUES REGIONAL ASSEMBLY

Your Committee visited Rodrigues from Wednesday 23 to Saturday 26 August 2023 in regard to matters reported in the Reports of the Director of Audit for the financial years ended 2021 and 2022 and to follow up on the recommendations made in the last Report of Your Committee with regard to the Rodrigues Regional Assembly.

Your Committee would like to place on record the full support provided by the Rodrigues Regional Assembly during their visit.

Your Committee paid courtesy calls on the Chief Commissioner, the Chairperson of the Rodrigues Regional Assembly and the Minority Leader.

Your Committee held a working session with the Members of the Public Accounts Committee of the Rodrigues Regional Assembly to exchange best practices and to follow up on developments concerning matters raised since our last meeting, aiming for collective success in fulfilling the objectives of the PAC's mandate.

Your Committee had a working session with the Head of Finance, Lead Analyst, Internal Control officers and the Manager of the Procurement and Supply.

Your Committee also had a working session with the Island Chief Executive and the Departmental Heads.

Your Committee conducted 13 Site visits.

SITE VISITS

Fisheries - Pointe Monier

(a) Bad Weather Allowance

2.3.1 Findings

During the site visit, Your Committee noted that Bad weather allowance had been paid to registered fishermen who were also beneficiaries of Basic Invalidity Pension and Carer's Allowance and further noted with concern that there is no mechanism to deter such occurrence or to compel the Beneficiaries to inform the Commission when they are no longer able to engage in fishing activities. There is no monitoring done as to ascertain whether the beneficiaries of Fishermen Cards are entitled to draw other Social Aid Benefit;

There is a lack of proper coordination between the Commission for Fisheries and Commission for Social Security to ascertain if a holder of a professional fishermen card is still active.

Professional fishermen cards were issued to applicants who did not satisfy all of the 5 criteria otherwise required for the issue of a professional fisherman card. There were instances where professional fishermen cards were issued to applicants who satisfied only one of the 5 criteria.

Once a professional fishermen card is issued there is no ongoing monitoring to ensure that the holder of the card is still eligible to hold a professional fisherman card. In particular, there is no monitoring done to ascertain the catch of fishermen at the 23 Fish Landing Stations.

As a result, bad weather allowance was paid to registered fishermen who were no longer working as fishermen resulting in wastage of public funds.

2.3.2 Recommendations

- There is a need for better coordination between the Commission for Fisheries and Commission for Social Security and any fishermen who received basic invalidity pension or carer's allowance should be promptly notified to the Commission for fisheries for action.
- The Commission for Social Security should request the Ministry of Social Integration, Social Security and National Solidarity to implement in Rodrigues the same system being used in Mauritius for the identification of allowances paid to registered fishermen;
- The Commission for Fisheries should ensure that applicants for Fishermen Cards meet the five eligibility criteria and make the beneficiaries sign a declaration form declaring that they do meet all the criteria;
- The Commission for Fisheries should on an ongoing basis verify that the holders of the professional fishermen cards still satisfy all the criteria for holding the professional fisherman card.
- The Commission for Fisheries should ensure that fishermen report their catch at the 23 Landing Stations.

(b) Acquisition of five fibre glass boats for Cooperative Societies

2.3.3 Findings

Your Committee was informed that with a view to enable off-lagoon fishing, five boats were acquired in 2011 to assist the Fishers who were to regroup themselves and form Cooperative Societies. The project was financed through 75 % of grant and 25% of loan given to the Cooperative Societies to run the boats. However, the repayment of the loan was not effected as a result of which, a decision was taken for the Commission to retake possession of the five boats in April 2018;

Although the decision to repossess the boats was taken as far back as in April 2018, the Commission was not prompt to recover the boats. As at September 2022, the Commission had repossessed four boats while one boat was still in the possession of one Cooperative Society. At the time of the visit, the four boats were berthed at Pointe Monier and not being used.

Your Committee was informed that a decision has been taken to use one boat for research purposes and the rest to be used by a fishing company, to be set up by the RRA, to manage fishing operations.

2.3.4 Recommendations

- Proper planning must be undertaken before embarking on a project to ensure its viability and successful implementation.
- A policy decision should be taken as the use of the boats which are idle at Pointe Monier.
- The Commission should empower the fishers, providing them with required training to better manage operations of the boats and off-lagoon fishing as well as the management of the Cooperatives.
- Legal actions be initiated to recover the fifth boat.

Setting up of a Honey Research Centre and Crop Gene Bank - Oyster Bay

2.3.5 Findings

Your Committee was informed that the honey research centre was set up with a view to have a maximum of test carried out on the quality of honey produced in Rodrigues. Bee Keepers were required to be registered with the Commission and the honey produced were to be analysed to ensure no adulteration.

Construction of the building was completed in 2021 but was only partly operational as some equipment still had to be procured for the centre to be fully operational. The equipment was apparently rare and had to be procured on international market. A first procurement exercise was made in 2022 but was not successful. Some equipment was expected to be delivered by March 2024;

Your Committee was also informed of shortage of staff especially in technical matters;

Before undertaking the project and constructing the building there ought to have been proper planning and the required equipment should have been procured promptly.

2.3.6 Recommendations

- Proper planning should be undertaken before embarking on a project and to ensure that required resources are available to ensure the viability and successful implementation of the project.
- The necessary arrangements should be made to ensure that the building is fully equipped with equipment and human resources for the full implementation of the project.
- Consideration be given for having a certification label on the packaging of the honey after the honey has been tested and proven that it is genuine.

Slaughter House - Baie Diamant

2.3.7 Findings

The Slaughter House which once was used by local butchers was no longer in operation since the passage of a cyclone last year. The building was in an abandoned state with doors and fittings missing and equipment damaged.

Your Committee was informed that the rehabilitation of both the building and equipment was expected to take some 6 months.

However, Your Committee was also informed that it was difficult for the Commission to manage a Slaughter House due to lack of staff and a policy decision had been taken to set up a special purpose company to operate the slaughter house.

Your Committee noted with deep concern the poor condition of the fittings and the overall building. There was a lack of proper security with an open access to one side to the Slaughter House which may lead to easy access of intruders and pose a risk to thefts thus leading to financial losses.

Before considerable public funds were spent on the construction of the Slaughter House there should have been proper planning and the Commission ought to have ensured that it has the expertise and manpower to manage efficiently and effectively the Slaughter House. As a result of the inaction of the authorities' local butchers were unduly penalized.

2.3.8 Recommendations

- A consultant should be appointed with a view to transforming the Slaughter House into a state of the art facility with the necessary equipment, a cold storage facility and a processing unit.
- The building should be renovated without delay and new additional equipment be procured to target a larger market for sales of meat and processed meat to make optimum use of the building and generate more revenues.
- Security of the building and its equipment should be enhanced.
- Maintenance of the equipment and building be done at regular intervals.
- The Commission should ensure that adequate resources are available when embarking on the project.

Rainwater Harvesting Structures- Baie Malgache

2.3.9 Findings

Your Committee was informed that the project for Rainwater Harvesting (RWH) was designed mainly with a view to supply water to boost food production in Rodrigues and the water generated was expected to be distributed for irrigation and livestock purposes. Despite

the high amount of money invested in the project, the RWH structures were still not operational. There was a high volume of stagnant water in the structure was not being pumped out for distribution due to defects in the design of the structures and viewed that this situation poses difficulties to the inhabitants and farmers;

Your Committee was informed that the project was constituted in two stages, the first part being the construction of the pond and the second focused on establishing the distribution network. The first part was completed in 2018. However, during the construction of the pond, there was oversight in designing for future water pumping needs, neglecting to incorporate provisions for a water pump and gravity-assisted water pumping;

The handing over of the first phase was accepted despite the full specifications were not met.

The Commission embarked on the project in 2016 and yet, in 2023, the project has not been completed. In the meantime, the condition of equipment already installed considerably deteriorated through lack of maintenance.

Your Committee observed with deep concern that mishandling of the contract and lack of follow up of the project at various levels by the Consultant and the Commission which has led to considerable financial losses as well as causing difficulties to the inhabitants who are in dire need of water.

2. 3.10 Recommendations

- There is an urgent need to complete the project and ensure that it is functional.
- The equipment should be properly maintained and a maintenance contract be signed as soon as possible.
- The Commission should take appropriate legal actions against Consultant and defaulting contractor.
- The implementation of the project should be closely monitored by the Commission.

Construction of Watch Tower– Baie du Nord

2.3.11 Findings

Your Committee was informed that the Watch Tower was constructed in 2016 with the objective to provide round the clock surveillance, control over fishing activities and mitigate any potential risks of illegal activities at sea.

Some time after the Watch Tower was operational, it was observed that the building was inclining thus posing a security threat to the users. As a result, a decision was taken to evacuate the building.

Your Committee was informed that a Geo Technical Team from Mauritius was being awaited to carry out an in depth investigation on the reason for the inclination and was further informed that the Team was currently in the process of carrying out the investigation.

In the meantime, the electrical fixtures and other fittings in the building were missing. Surprisingly there was no watchman to guard the tower and some fixtures must have been stolen.

2.3.12 Recommendations

- pending the report of the Geo Technical Team, consideration be given to put in place measures so as to prevent any access to the site for reasons of security to passer-by and to prevent further occurrence of theft or any damage to the fixtures and fitting of the Tower.
- Before any project is implemented and funds disbursed there should be a through survey on the topography of the site to ensure that it is appropriate for the intended purpose.

Setting up of a Second Dialysis Unit at La Ferme Area Health Centre - La Ferme

2.3.13 Findings

Your Committee was informed that the Dialysis Unit cannot be set up at La Ferme Area Health Centre (AHC) as it does not cater for certain necessary amenities, more specifically, an Intensive Care Unit (ICU) and lack of human resources, in particular, the posting of a Medical Officer/Doctor to the Unit;

Your Committee was further informed that with the outbreak of COVID-19 pandemic, the area which was initially ear marked for set up the treatment plant required for the equipment in connection to dialysis was used as kitchen and as a result there was no space to cater for the installation of the treatment plant.

5 Haemodialysis Machines and 1 Bicarbonate Mixer were delivered in May 2022 and 90% of the purchase price has already been paid to the supplier in November 2022 while the equipment has not yet been commissioned. Only 10% of the total amount has been retained pending installation and commissioning of the equipment;

A policy decision was taken to transfer the equipment to the new Dialysis Unit which had recently been constructed at the Queen Elizabeth Hospital in Crève Coeur. However, the dialysis equipment was still being kept in boxes. On query, Your Committee was informed that the equipment was still under the responsibility of the supplier;

Your Committee was informed that the expected date of transfer of all the equipment from La Ferme Area Health Centre to the new Dialysis Unit at Queen Elizabeth Hospital was supposed to be in October 2023 and the proposed date for the coming into operation of the New Dialysis Unit was supposed to be on or about November 2023;

Your Committee notes with concern the lack of planning prior to the proposed establishment of a Dialysis Unit at La Ferme AHC. The Commission ought to have ascertain whether La Ferme AHC was appropriate to have a dialysis unit before it procured the equipment and not after all the equipment had been delivered.

2.3.14 Recommendations

- Proper planning should be made prior to seeking funds to embark on a project so as to ensure judicious use of resources.
- Advice from experts in the field of dialysis ought to be sought before taking a decision to set up a dialysis unit.
- Consideration should be given to extend the guarantee period of the equipment as they have laid idle since November 2022 and may have been damaged in the meantime.
- The equipment should be properly commissioned.

Model Eco-Village Project - Rivière Coco

2.3.15 Findings

The Model Eco-Village in Rivière Coco was initially meant to promote the use of renewable energy. Out of five projects for harnessing and using renewable energy only two were successfully implemented namely the generation of electricity for street lighting and sale of electricity to the Central Electricity Board.

The biogas digesters constructed were not being efficiently utilized.

The solar energy charging bay was never optimally utilized as there were no electric vehicles and electric bikes.

The revenue generated from the sales of electricity to Central Electricity Board was given to the Community Village who independently managed the fund. However, it is not clear how the proceeds of the sale of electricity is use for the benefit of local residents.

Although the idea of having an eco-friendly village run on renewable energy was a laudable initiative Your Committee unfortunately note that the project did not live up to expectations due to lack of proper planning.

2.3.16 Recommendations

- It is crucial that appropriate feasibility study and a cost benefit analysis be carried out prior to investing in eco-friendly projects;

- The inhabitants should be properly trained and empowered to sensitise them on the benefit of using renewable energy and to enable them to make optimal use of the facilities.
- Incentives should be provided to inhabitants to encourage them to use electric vehicles and bikes and use the charging bays at several locations;
- There should be a proper oversight as to how the proceeds of the sale of electricity to the CEB is being spent for the welfare and wellbeing of the inhabitants.

Follow-up on the work-in progress of the Stadium – Roche Bon Dieu

2.3.17 Findings

The construction of a stadium at Roche Bon Dieu started in August 2021 and was scheduled to be completed in August 2022. When Your Committee visited the site in 2022, Your Committee was informed that the scheduled completion date was extended to July 2023.

However, when Your Committee again visited the site in August 2023 the project was still not yet completed and only 65% of the work had been completed;

Your Committee noted with concern that 90% of the project contract value had already been effected to the defaulting contract while only 65% of the work have been completed;

Your Committee was informed that the contractor had sent notice for Extension of Time (EOT) in July 2023 and the latter has been requested to send relevant documents to substantiate the extension being requested. At the time of the visit, the Commission was still awaiting the justifications from the contractor. The Contractor had not even submitted a program of work and the Commission was unable to tell Your Committee when the project will be completed. Yet the Contractor was allowed remained on the site even though it was past the extended completion date.

Your Committee finds its totally unacceptable that a defaulting contractor be allowed to breach its contractual obligations with absolutely no sanctions. Your Committee does not understand how the consultant could have approved the payment of 90% of the contract value to the contractor when only 65% of the work had been completed and how the Commission effected the payment without protest.

This project is a perfect illustration of wastage of public funds through slackness and inaction on the part of the Commission. Not only did the Commission fail to monitor the prompt implementation of the project but it seemed to totally sympathise with the defaulting contractor.

Your committee cannot help but suspect a collusion between the defaulting contractor, the consultant and certain public officer at the level of the Commission.

2.3.18 Recommendations

- An urgent and thorough independent investigation should be carried into the implementation of this project to ascertain whether there was any collusion between the consultant, the defaulting contractor and public officers at the level of the Commission.
- Legal advice be sought for the termination of the contract and to sue the defaulting contractor and consultant for damages.
- The defaulting contractor and consultant should be referred to the Procurement Policy Office for debarment.
- New tender should be launch for the selection of another contractor to complete the contract.

Production of Energy from Household Organic Waste for Cooking Purposes – Le Chou

2.3.19 Findings

141 Biogas Digesters were installed at a project costs around Rs 21 million with the aim of reducing the use of imported gas. The Project was completed in September 2022.

Your Committee carried out a site visit at the residence of one beneficiary of the Biogas Digesters to assess its effective. To its great surprise Your Committee found out that the Biogas Digesters were still not connected to the kitchens of the beneficiaries. The Biogas Digester had been installed in the yard of the beneficiary but not connected to her kitchen yet. The beneficiary told Your Committee that she did not even know how to use the bio gas.

Your Committee notes with concern the lack of proper training/demonstration to the beneficiary on the usage of the Biogas Digester and the lack of support at the disposal of the beneficiary in case of any difficulty encountered in the utilization of same; and

Your Committee notes with regret that considerable amount of fund has been invested in the project without a proper monitoring and implementation plan leading to a wastage of public funds.

2.3.20 Recommendations

- The benefit of using the Biogas Digesters should be properly explained to the beneficiaries, through campaigns and demonstration at their residence.
- The Commission should ensure that all Biogas Digesters are properly connected to the kitchen of the beneficiaries and are in proper working conditions. In this regard the Commission may have to engage the services of suitably qualified technicians to make the connection to the kitchen of the beneficiaries.

- Proper training should be provided to the beneficiaries to assist them in the utilization of the Biogas Digesters and a hotline or dedicated desk be set up to provide technical assistance to them in case of need.

Dual Reverse Osmosis for Haemodialysis Water Purification equipment in Crève Coeur

2.3.21 Findings

Your Committee took note that the Dual Reverse Osmosis for Haemodialysis Water Purification was still not yet installed as the premises where equipment is to be installed was still under construction. The new building was expected to be completed by 25 October 2023 and be ready by November 2023.

Your Committee was informed that the quality of the equipment may be damaged if not kept properly or if kept too long without installation, the quality of the equipment may be impacted. However, Your Committee was also informed that commissioning had not yet been done and in case of any defect, the supplier is agreeable to have same replaced;

Your Committee was also informed that the equipment from La Ferme Area Health Centre will also be transferred to the Crève Coeur hospital once the construction of the building is completed and there will be 3 equipment which are all compatible. Crève Coeur hospital is expected to become the main hospital of Rodrigues. The ventilators which were procured during COVID-19 pandemic will be used as backup.

2.3.22 Recommendations

- Going forward equipment ought to be procured only after the premises where those equipment will be installed are readily available.
- The Supplier should be requested to periodically inspect the equipment to ensure that they are still in good working conditions.
- The guarantee period on the equipment should be extended to factor in the delay in the installation of the equipment.
- Before request is made for disbursement of funds, a proper feasibility study should be carried out and once the equipment has been procured the Commission should ensure that the equipment is installed, commissioned and operational in a timely manner.

Acquisition of Pointe Venus Hotel – Anse aux Anglais

2.3.23 Findings

Pointe Venus Hotel was acquired by the Rodrigues Regional Assembly with the aim of using same for administrative office and possibly to relocate some Commissions and even the Regional Assembly.

Your Committee was surprised to see what was once a beautiful hotel left in a state of abandonment with doors and fittings missing and probably stolen. There was no security on the site and while entering the premises, Your Committee saw some trespassers running away from the site with tools.

Major renovation and restructuring work will be required to convert the hotel into offices blocks.

The Island Chief Executive was unable to provide an estimate of the total cost of renovating the hotel and converting it into office facilities nor could he provide a time frame for implementing such a project. However, he indicated to Your Committee that part of the Hotel had already been renovated and converted for office use and being occupied;

2.3.24 Recommendations

- A proper feasibility study must be carried to assess the cost of conversion of the building, already designed for hotel services, into office use as well as the time it will take to fully implement the project.
- Consideration be given for the operating the building as a hotel again given the fact that the Airport is being upgraded and there will be a demand for a luxurious hotel to accommodate high spending tourists.

Follow up: Gymnasium - Secondary School – Terre Rouge

2.3.25 Findings

Your Committee conducted a site visit to the gymnasium of the school which was under construction in 2022 and was pleasantly surprised to find the gymnasium had been completed and was fully operational.

Given the height of the gymnasium, there is a need of contract out the maintenance and cleaning of the building to cleaning companies with appropriate equipment to clean the high walls and ceiling of the gymnasium. If there is no maintenance agreement and the gymnasium is left unattended, it could result in major costs of repairs or renovations.

Although the contract with previous contractor was terminated due to poor performance back in May 2019, absolutely no action was taken against the contractor. The construction of the gymnasium had to be completed by another Contractor at a substantially higher amount.

Your Committee is disappointed that the matter was not reported to the Procurement Policy Office (PPO) despite the recommendation of You Committee at its last site visit and the contractor was not suspended or debarred.

The Commission also did not seek legal advice as to the possibility of initiating legal actions against the defaulting contractor despite the recommendations of Your Committee.

Failure of the Commission to sanction defaulting contractor and consultants sends the wrong signal that contractors can breach their obligations in all impunity and get away with it.

2.3.26 Recommendations

- Public officers in the Commission should undergo appropriate training in project implementation and in principles underlying public procurement and good governance. In particular, they should understand the need for the public to get value for money and the need to sanction any wastage of public funds by defaulting contractors and consultants
- Legal advice should be sought as to the possibility of initiating legal action against the defaulting contractor and consultant to claim damages for the additional cost incurred in completing the construction of the gymnasium.
- The defaulting contractor and consultant should be reported to the Procurement Policy Office for appropriate sanctions.
- A maintenance contract be executed for the cleaning and maintenance of the gymnasium.

2.4 MINISTRY OF AGRO-INDUSTRY AND FOOD SECURITY

2.4.1 Hearing

Representatives of the Ministry were interviewed on six alternate sessions from 12 October 2023 to 14 March 2024. The Accounting Officer in charge during the period under review was not available and unfortunately the officer who was the Director of Services at that time had passed away. Consequently, it was difficult for representatives of the Ministry to explain to Your Committee the rationale for certain decisions which had been the subject of criticism by the Director of Audit. Although the Ministry had already taken remedial actions in regards to some of the issues highlighted by the Director of Audit in his reports, there were still a number of issues still unresolved and unattended to.

Quarantine Facility

2.4.2 Findings

The Quarantine facility at Richelieu came into operation in October 2003 and had a capacity to accommodate 1,200 animals and was built on a plot of land of an extent of some 33 acres. The aim of the quarantine facility was to prevent the spread of animal diseases through the detection of communicable diseases and to assess the overall health status of imported animals before entering the local population. The operation of the Richelieu Quarantine was discontinued in year 2019 and the site was handed over to a construction company for the ‘Metro Express’ project. The Richelieu Quarantine is now in an abandoned state. Cleaning and maintenance had not been done, resulting in significant wear and tear of the buildings.

There are presently no Government Quarantine facilities for any cattle that are imported to Mauritius. The quarantine is carried out at the facilities of the importer. Members from the Veterinary Division of the Ministry go and regularly inspect the cattle.

Your Committee believes that there is a serious risk to Public Health if importer of cattle sells the animals prior to the completion of the specified quarantine period determined by the Ministry. In addition, the absence of a State-owned quarantine facilities distorts the import market of cattles by unduly favouring importers who have private quarantine facilities.

In fact, Your Committee was informed that in June 2023 around 200 hundred cattle were sold by the importer to the public in the context of the Eid-ul-Adha celebrations without undergoing the 14 days recommended quarantine period. The Chief Veterinary of the Ministry at first, surprisingly, tried to justify the decision of the importer to sell the cattle not even a week after their arrival. However, after conceding that the importer should have observed the quarantine period he even more surprisingly stated that he apparently had no powers to sanction the defaulting importer.

Your Committee drew the attention of the Officers of the Ministry to the Animal Disease Regulation 1925 which clearly specify the role and responsibility of the Permanent Secretary with regards to keeping animals under observation at a quarantine station for such period as he thinks fit and the sanctions for any person who contravenes those regulations.

2.4.3 Recommendations

- The Ministry should as soon as possible set up of a Government Quarantine centre for imported cattle to better monitor and control the movement of import animals during quarantine period before they are sold to the public or sent to the Mauritius Meat Authority for slaughter and sale to the public.
- All quarantine facilities should be controlled by the Ministry under the strict directive of the Permanent Secretary as provided in the law.
- The advice of the State Law Office should be sought in terms of the action and sanction to be taken against importer who breached the quarantine directive set as per the Animal Disease Act 1925 as it concerns public health issues.
- An investigation should be carried out to ascertain the role and responsibility of the veterinary division of the Ministry in allowing cattle to be sold to be public during the Eid-ul-Adha festival of 2023 without undergoing the full quarantine period.
- The Ministry needs to take urgent action to refurbish the Government quarantine facility on remaining land found at Richelieu.
- A comprehensive risk analysis need to be conducted by the Livestock and Veterinary Division and the Sanitary and Phyto-sanitary animal health sub-committee, before determining as to whether a consignment of livestock can be accommodated.
- The Ministry needs to ensure that staff of the Livestock and Veterinary Division (LVD) and Animal Production Division (APD) are trained in management of quarantine units and a minimum quantity of consumables and equipment are made available at each quarantine unit to cater for emergencies.
- Regular bio-security drills need to be conducted for the Livestock and Veterinary Division personnel to be well versed on the implementation of the Protocol to be taken in case of biosecurity threats.

Administration of State Land for Agricultural Purposes

2.4.4 Findings

Out of a total of 5,023 plots of agricultural State land, only 3,674 plots were leased. The remaining 1,349 plots have not yet been surveyed and no Parcel Identification Number (PINs) were assigned to these plots. The plots of land could therefore not be leased as per section 7(2) of the Cadastral Survey Act 2011 resulting in loss of income for the State.

Your Committee was informed that there was only one in house land surveyor at the level of the Ministry and despite their repeated requests no additional land surveyor has been seconded to the Ministry. In May 2016, the Ministry signed a contract with a private land surveyor for the survey of 3,399 plots for an amount of Rs 15.2 Million. The contract was initially for a period of 2 years and was extended for a further period of 15 months. However, as at today, only 14 per cent of the works had been completed and the last submission for pin certificates was received on 19 June 2020. Payment totalling Rs 3.1 million were effected to the private

land surveyor. Although the private land surveyor did not carry out the work entrusted to him, he was not sued for breach of contract and no liquidated damages were claimed for non-completion of works.

Your Committee is concerned about the lack effort to recruit land surveyors to complete survey of the State land so that they can be leased. It is not acceptable that 26% of agricultural State land is not being used because there is no PIN allocated to these plots. Were those plots leased, they would have generated revenue for the State and contribute towards food security.

Your Committee was also informed of a case where the lessee pledged the agricultural state land in favour of a bank. Apparently the Minister gave his approval for that pledge but the Land Use Division of the Ministry was unaware of this authorization. The lessee went into liquidation and the Ministry has not yet recovered the land.

2.4.5 Recommendations

- Land surveyors should be recruited or assigned to the Ministry to complete the survey of the plots of State land. The necessary funding should be provided to the Ministry.
- There should be proper monitoring of contracts awarded to private land surveyors and other consultants and appropriate sanctions should be taken against anyone who breaches their contractual obligations.
- Before the Minister retains the services of any private land surveyor or consultant the contract should be vetted by the State Law Office and appropriate clauses be inserted to allow the Ministry to claim penalty of delay in completion of work and to terminate the contract in case of non-performance and to claims damages.
- The Ministry should sue the private land surveyor for breach of contract without delay.
- The Minister should not give any approval for any pledge over State land without first receiving an advice from the State Law office whether such pledge is permissible. All lease agreement should contain a clause allowing the State to recover the land in case of non-payment of rent irrespective of any third party rights.
- The Ministry needs to align its best practices on lease of State land in line with that of Ministry of Housing and Land Use Planning.
- The Ministry deals on management of government property and there should be set rules and regulation. The Ministry should ensure adherence to set rules to display fair and uniform practice. The Ministry must ensure enforcement of guidelines and see to it that, if there are breach of rules and regulations, the case must be referred to the concerned authority for sanction to be applied.
- The Ministry need to have a permanent legal advisor to advise it on all matters of relating to lease over State land and in particular to advise it on recovering the lease land whenever there is a default in payment of rent or other material breach of the lease agreement.

Heifer Farm Project at Melrose

2.4.6 Findings

The Heifer farm and livestock zone was proposed in the Government Programme of 2015-2019 and was included in the Strategic Plan of 2016-2020. The Heifer farm was initiated to provide impregnated heifers to prospective breeders in the vicinity with a view to increase milk production.

The contract for the construction of the Heifer Farm was awarded on 3 July 2017 for the sum of Rs 14.5 million. Construction of the farm was delayed by 11 months. The project was not completed and drains, septic tank, absorption pit which were essential for operation of the farm were omitted in the terms of contract. Rs 5.6 M as variation costs was incurred for additional works causing delay in completion of the project.

It was only after the construction that it came to light that the project would not be feasible and decision was taken to convert the Heifer Farm into a Cattle Reproduction Farm.

However, additional amenities, such as waste disposal system, cooling tank, maternity pen and mating pen estimated at Rs 15 million were not yet provided for, which resulted in several lapses in the operations of the Farm.

The size of the Farm was not adequate to house 43 animals. The conditions in which these animals were kept were not appropriate in view of the stocking density. Pregnant heifers and milking cows were kept together. Milking could not be done from the lactating cows as the milk could not be transported in the absence of a cooling tank. Only a small quantity of milk was removed and sold to staff on site.

Since the operation of the Farm in December 2019, six calves were born and in September 2020, four calves got “Septic arthritis”.

In October 2020 the Ministry decided to merge the infrastructure of the Cattle Reproduction Farm with that of the Livestock Zone.

For Your Committee, it is a perfect example of how lack of planning and absence of a proper feasibility study before undertaking a project has resulted in a waste of millions of rupees of public funds. Clearly there was inadequate analysis and evaluation before decision was taken to set up the Heifer farm or convert it into a Cattle Reproduction Farm.

2.4.7 Recommendations

- The Ministry should ensure that a proper feasibility study related to land suitability be carried out before undertaking any project and that all components of works are included in the initial scope of works to avoid variation costs.
- The scope of work should be designed to accommodate any “force majeure” encountered during the implementing of the project, as the livestock sector is highly dependent on dynamic factors, such as weather, import of livestock, availability of feed and breeders commitment.

- A more holistic approach needs to be taken so that the whole cost of the project is determined before starting the project and/or the project is implemented in phases where necessary.

Turkey Quarantine Unit at Plaine Magnien

2.4.8 Findings

The Ministry constructed a Turkey Quarantine Unit at Plaine Magnien at a cost of Rs11.4 million. The site was approved by the Head of Veterinary Services as suitable for the quarantine station as it is found near the port of entry.

However, the construction of the Quarantine Unit was not properly planned and water supply was not accessible to the Quarantine Unit. Surprisingly, after the construction of the quarantine facility, the same Veterinary Division of the Ministry noted that the site was inappropriate because it was found near the motorway and sugarcane plantation. As a result, the health of poult was affected resulting in death of several ones.

The project of turkey breeding had to be stopped and the Turkey Quarantine Unit remained idle since October 2019. The quarantine facility has now been converted into a dog shelter as the Mauritius Society for Animal Welfare, a parastatal under the purview of the Ministry, which needed space to carry out its activities for the project “Catch Neuter Campaign”.

Your Committee is not impressed at all with the U-Turn of the Veterinary Division of the Ministry. They ought to have realized that the site was not convenient for a quarantine facility before approving the project.

2.4.9 Recommendations

- A proper feasibility study must mandatorily be carried out by the Ministry before undertaking any project and before applying for the disbursement of any funds.
- Before a site earmarked for a project is used for another project, again a proper feasibility study must be carried and a cost benefit analysis be undertaken to ascertain if the premises are optimally used.

Government Asset Registered (GAR) not properly maintained

2.4.10 Findings

In July 2017, Government Asset Registered (GAR) was introduced for the central Government to keep track of assets from their acquisition to their disposal.

There was non-compliance with deadline for submission of the Government Asset Registered (GAR) Template and delay in clearing backlog by the Ministry.

As from June 2022, the Accountant General has the responsibility to upload information given by the Ministry on the GAR to record and update annual assets. However, as at date there are still discrepancies which are to be resolved at Ministry level to enable the proper updating of the Government Asset Registered (GAR) System.

2.4.11 Recommendations

- All backlogs should be cleared forthwith to enable the Accountant General to publish the full account and update the Government Asset Registered system for subsequent years.
- The collaboration of the Ministry and Accountant General is very important for the input of accurate statement of assets on the Government Asset Registered System.
- Accountant General's Office should equally cater for adequate training at different intervals to incoming new officers of the Ministry to enable smooth and continuous compilation of the required and timely information submission thereof.
- The Government Assets Register be set up at a Zonal level for better monitoring.
- An intranet system be established for better monitoring and quick update of information.

The National Livestock Identification System

2.4.12 Findings

The Animal Production Division (APD) is responsible for the implementation of the National Livestock Identification System (NLIS) which is done through microchipping for any animal to be identified.

The Microchipping has been implemented to replace the old plastic ear tags which were put in the animals' ear upon the recommendation of the Food and Agriculture Organisation (FAO).

However, only 17% of the microchipping exercise been completed as there was an acute shortage of efficient and knowledgeable labour to conduct the exercise.

The Ministry through tender exercise had recourse to service providers to carry out the microchipping exercise after providing specific training on protocol set out by the veterinary services.

2.4.13 Recommendations

- The Ministry has embarked on implementing the FAO's recommendation to establish the identification of animals on a digital platform to trace the origin of animal to enable a proper monitoring and traceability of animals in Mauritius and hence to switch from plastic ear tag of animals to microchipping of animal on a national scale.
- The Ministry needs to set proper planning, execution strategies and timeframe to ensure the completion of project.

Provision of Security Services

2.4.14 Findings

Provision of security services allocated to various station has resulted in poor performance.

There was no monitoring of security agreements in case of defaulters.

No penalty clauses for damages or thefts for non-performance as per condition of contract were applied.

2.4.15 Recommendations

- The Ministry should scrupulously follow the provisions of the Public Procurement Act whenever launching tenders and awarding contracts to avoid non-compliance issues.
- The setting up of a dedicated Monitoring Team to ensure that capital projects are completed on time and respect all legal provisions as per the contractual agreement.
- Legal advice from the Attorney General Office should be sought in a timely manner whenever a Contractor fails to observe any terms and conditions of the contract. Alternatively, a suitably qualified Legal Adviser should be attached to the Ministry.
- In line with Directive 64 issued by Procurement Policy Office (PPO) in February 2022, a Performance Review Committee should be set up to monitor existing and forthcoming contracts and assess the sanctions to be taken against defaulting contractors. The Ministry should set a Monitoring Committee to assess completion of contracts by the Ministry.
- In cases of breaches, the Ministry should apply timely sanctions and report the contractor for non –performance to the PPO for sanctions.
- The Ministry should imperatively review its contract management process including the National Wholesale Market and variations in contract should be kept to a strict minimum.

Non- Compliance with legislations

2.4.16 Findings

A number of statutory bodies or parastatal bodies that fall under the Ministry do not comply with the law in submitting their accounts and get them audited in time.

No actions or sanctions have been taken against the CEO or Officer-in-Charge of the bodies who have not submitted their accounts.

The Mauritius Society for Animal Welfare (MSAW) did not table its accounts dating as far back as 2015 – 2016.

2.4.17 Recommendations

- All Statutory bodies falling under the purview of the Ministry should be compliant with the Statutory Bodies (Accounts and Audit) Act. In cases where they fail to do so, the Ministry should query them about their failure and ensure Good Governance Practices.
- The Ministry needs to exercise its supervisory role in monitoring timely submission of financial accounts and in case same is not being done, the Accounting Officer needs to impose sanctions accordingly as it constitutes a legal statutory responsibility.

2.5 MINISTRY OF FOREIGN AFFAIRS, REGIONAL INTEGRATION AND INTERNATIONAL TRADE

2.5.1 Hearings

Your Committee held meetings with representatives of the Ministry of Foreign Affairs, Regional Integration and International Trade on three occasions namely on 09, 23 May and 27 June 2024. Unfortunately, the accounting officer for the years under review had retired and the representatives of the Ministry were not fully conversant with the various issues raised in the report of the Director of Audit for the years under review. Your Committee was informed that due to lack of financial support, the staff of the National Audit Office had not been able to travel to our Embassies and overseas mission to carry out an onsite inspection and verify that their books and records are properly kept.

Mauritius Mission in Kuala Lumpur – No Authority for Relocation of the Chancery

2.5.2 Findings

In November 2021 the High Commissioner vacated the premises which the Mission had been occupying since 2002 and moved to another premises without the authority of the Ministry.

Only the Accounting Officer of the Mission (Head of Chancery) is authorised to take administrative decisions with the approval of the Ministry. The Accounting Officer of the Mission sought the approval to relocate from Ministry in March 2021. However, in August 2021 the Ministry specifically requested the Mission to stay any relocation plan.

Despite the clear instructions from the Ministry not to relocate the High Commissioner took it upon himself to bind the State of Mauritius to new premises in Kuala Lumpur. The High Commissioner not only signed a lease agreement binding the State of Mauritius when he had not authority to do so but he also paid for the deposit and rent from the Mission's bank account when he had absolutely no authority to do so.

Worse instead of taking any sanctions against the High Commissioner, the Ministry simply ratified the decision to relocate the Mission to the new premises in May 2022 some 7 months after the unauthorized transaction.

Your Committee is very concerned that a political appointee was able to by-pass all established procedures and get away with it. Tax payers' had been used without authority and there was absolutely no sanctions against the person who acted in abuse of his authority.

2.5.3 Recommendations

- Established procedure should be strictly followed when it comes to spending public funds. Accordingly, any High Commissioner or staff in an overseas mission who acts without proper authorization and in abuse of his or her lawful authority should be sanctioned and where appropriate the matter should be referred to the Public Service Commission for disciplinary actions.

- The Ministry should come up with objective criteria to determine the place of location of our Missions and ensure that we can value for money.
- The Mission should propose at least two alternative sites for relocation and evidence that the rent proposed is in line with established market rates.

Consulate in Dubai – Approval of Ministry not sought

2.5.4 Findings

In December 2020, the Ministry gave its approval to the Consulate General of Mauritius in Dubai for the purchase of a Representational Vehicle and allocated some Rs 2.1 million to meet the cost of the vehicle.

In June 2021, the Ministry found out that in addition to the Representational Vehicle the Consulate had also purchases one service vehicle. The approval of the Ministry was not sought for the purchase of the Service Vehicle in breach of established practice. The Ministry only became aware of this purchase when the consulate submitted an inventory of vehicles six months later. In addition, there was a total opacity as to procurement procedures which were duly followed for the purchase of the Service Vehicle.

Following instructions from the Ministry, the Service Vehicle was subsequently sold at a loss as the vehicle had depreciated by then.

The fact that an overseas mission was able to spend public funds without authorization to acquire a vehicle demonstrates not only a blatant disregard for established procedures but also a major weakness in the oversight by the Ministry of the expenditures incurred by our overseas mission.

2.5.5 Recommendations

- The Ministry should tighten its supervision of expenses incurred by its overseas mission and should be informed forthwith of any expenditure in excess of an established threshold;
- There should be clear criteria for the purchase of Representational Vehicles and Service Vehicles for use in our overseas missions. Guideline should be issued with respect to the procurement methods to use to ensure that we get money for value.
- Any person who spend public funds in without authorization and in violation of established procedures should be sanctioned and where appropriate the matter should be referred to the Public Service Commission for disciplinary actions

Consulate in Mumbai - court case for non-refund of Security Deposit (SD) by lessor of INR 12,510,000 still pending

2.5.6 Findings

As far back as in March 2013 the Government of Mauritius filed a court case to recoup the Security Deposit of INR 12,510,000 from the owner of the premises which housed the Mauritius Consulate. The case has been ongoing for more than 20 years and the legal costs incurred as at June 2023 was ...INR 13 million (up to June 23). Representatives of the Ministry were unable to confirm to Your Committee the exact amount of fees incurred to date despite having been given ample time to look for that information.

The owner of the building also sued the Government for failing to vacate the premises and non-payment of rent. In October 2019 the court ordered the Government of Mauritius to pay INR70,600,000 to the owner and order the owner to pay INR48,100,000 to the Government. In other words, the Government has to pay INR22 million more than what it will receive. The Government has lodged an appeal against the judgment which we have been told is still pending.

Despite the request from Your Committee the Ministry was unable to provide Your Committee with a copy of the opinion from Indian Counsel on the likely outcome of the proceedings and the ability of Government to enforce any judgment against the owner.

Your Committee is surprised by the lack of seriousness with which this matter is being handled by Ministry which has already cost tax payers' millions of rupees in legal fees and adverse judgement of several million rupees as well.

2.5.7 Recommendations

- There should be a proper monitoring of the legal proceedings both at the level of the Consulate in Mumbai and at the level of the Ministry.
- Regular updated should be sought from the Indian lawyers and their fees should be regularly reviewed to ensure that we are getting value for money.
- The advice reviewed from the Indian lawyer relating to this case should be reviewed by the State Law office and thereupon a decision should be taken as to whether to continue with the case or not.

Mission in Addis Ababa – unauthorized payment of rent

2.5.8 Findings

In 2022 the Ministry did not approve the renewal of the lease agreements for the residence of two second secretaries and advised them to serve notice of termination of the lease. However, the lease was not terminated and the Mission continued to pay for the rent.

Your Committee was informed that the only action taken against the two second secretaries was not open an advance account in their names. Up to now the two officers have not reimbursed the authorized rent paid as apparently they have not agreed to a repayment schedule. The representative of the Ministry sought to justify their inaction on humanitarian grounds!

Your Committee is concerned that the Ministry is very reluctant to sanction any officer who has disregarded directives from the Ministry which resulted in wastage of public funds.

2.5.9 Recommendations

- There should be a policy of zero tolerance against public officers who disregard directives of the Ministry and incur authorized expenditure.
- The matter should be forthwith remitted to the Public Service Commission for immediate disciplinary sanctions against the accounting officer at the Mission who authorized the payment of rent in blatant disregard of directives from the Ministry.
- The advice of the State law office should be sought and action initiated for the recovery of the authorized payment of rent.
- The matter should be referred to the appropriate authority for enquiry to ascertain the reason for failing to take action against the public officers 2 years after the unauthorized payments.

Unoccupied Government Owned Buildings and Land

2.5.10 Findings

Government owns property in various foreign cities namely Paris, Canberra, Pretoria, London, Washington, New Dehli, Antanarivo and Addis Ababa. However, despite having these properties, government ends paying missions of rupees every year on rent occupied by Ambassadors and other staff. For the financial years 2019 to 22 Rs124 million was paid in rent in countries where we already own properties.

Most of the properties are unoccupied because they require repairs.

The residence in **Washington** which is on a plot of land of two acres was purchased for US\$ 1.43 million in 1995. Repairs amounting to Rs 2.2 million were incurred in April 2021. However, the repairs had been effected the new Ambassador occupied the residence for only five months. He moved to alternate premises and rent totalling some Rs 5.2 million was paid for the period 1 October 2021 to June 2022.

Your Committee was informed that the property was partially repaired so as to enable the Ambassador move in. However, the residence still require extensive repair and Ministry is considering the possibility of selling the property instead of carrying out the repairs.

Your Committee notes that public funds have been wasted on reparation for premises that are unoccupied and 3 years later the residence has neither been repaired nor sold. In the meantime, the residence is deteriorating.

In **New Dehli**, despite having acquired the land in 2000 the residence of the High Commissioner has still not been constructed. Although funds have been provided for the construction of residences and up grading of amenities, up to now the funds have not yet been utilized. Representatives of the Ministry once again lamentably tried to blame Covid for the delay in undertaking the project.

In **Pretoria** the ceiling has collapsed but the Ministry has still not taken a decision whether to repair the building or sell it.

Your Committee noted that there is no proper monitoring at the level of the Ministry to ensure that our overseas properties are optimally utilized and our rent minimized.

2.5.11 Recommendations

- The Ministry should have dedicated department which monitors the government owned overseas properties.
- Before any repair work is carried out on any property belonging to our overseas mission a feasibility study should be carried out to ascertain if it is better to repair the property or sell it.
- Once the Ministry has taken a decision as to whether to sell the property or carry out repair works then it should implement the decision without delay.

Rent paid for Unoccupied Premises in Mauritius

2.5.12 Findings

Rent of Rs 2.4 million paid for unoccupied space (Fooks House)

The Ministry had to pay an aggregate of Rs 2.4 million for two floors that were unoccupied for several months. A representative of the Ministry explained that the delay in occupying the premises was due to default by a contractor to carry out electrical work. There was no performance bond or guarantee provided by the contractor.

Your Committee was informed that no action was taken against the contractor for its failure to carry out its contractual obligations and which has resulted in a waste of Rs2.3 million of public funds. The matter was not referred to the State Law office for advice and the contractor was not reported to the Public Procurement Office.

Unfortunately, Your Committee noted the same reckless attitude from this Ministry as it has noted with other Ministries when it comes to taking sanctions against contractors who have defaulted and breached their contractual obligations. Very often these very same contractors are awarded contract by other ministries because they are not suspended or disqualified.

2.5.13 Recommendations

- There must be a proper monitoring unit at the level of the Ministry to oversee implementation of all contract awarded to avoid delays and cost overrun.
- The Ministry should strictly adhere to the Directives issued under the Public Procurement Act with regards to the setting up of performance review committee
- Suppliers who have defaulted and breached their contractual obligations should be sued for damages and should be disqualified from bidding for other contracts.
- The Accounting Officer should justify in writing any decision not to sue a defaulting supplier or not to disqualify that supplier.

Rent paid for Unoccupied Premises Overseas and non refund of deposit

2.5.14 Findings

Every year the Government incurs millions of rupees of rents for unoccupied premises overseas. For example, in 2021 Rs3.6 million was paid for unoccupied premises in five missions. Very often when an Ambassador, High Commissioner or other staff in our overseas missions return to Mauritius, there are still unexpired terms on the residential lease of his or her. Instead of staying in those residential premises, the new Ambassador and other staff very often preferred to lease other premises. As a result, rent are paid for premises that are not occupied and very often the security deposits are also not refunded.

In the case of our mission in **Berlin**, the mission failed to terminate the lease when the Ambassador left resulting in the payment of some Rs1.8 million for unoccupied premises.

With regards to our **Riyadh** mission, rent was paid until June 2021 despite the fact that the Ambassador had been recalled since January 2021. The Ministry gave three different explanations for the payment of the rent. First they stated that no claim could be made by lessee in case of early departure except for force majeure. Then they changed their version and stated that the Ambassador had kept his personal belongings and furniture until April 2021. And during the hearing the Ministry came up with a third explanation that apparently they kept the premises to be used by posting diplomats! However, later on when the Ambassador resumed his post in Riyadh, he leased another premises! Public funds would not have been wasted, had the lease been terminated promptly upon the Ambassador being recalled to Mauritius in January 2021.

Despite the adverse Report of the Director of Audit every year on the amount of rent and penalty fees which are paid for unoccupied premises, Your Committee notes that absolutely no effort is being made to avoid paying rent and penalty fees for unoccupied premises by our Ambassador, High Commissioner and other staff in our overseas missions.

2.5.15 Recommendations

- All lease entered into by our overseas mission must be vetted by the State Law Office and a specific clause be inserted for the early termination of the lease in the event the tenant has to return to Mauritius.
- The lease agreement should provide for a substitution of tenant in the event the tenant returns in Mauritius and another Ambassador, High Commissioner and other staff stays in those premises.
- Where there is any unexpired term on a lease of residential premises, the new Ambassador, High Commissioner and other staff should stay in those premises until the end of the term of the lease and only then move to other premises.
- There should be proper monitoring of all lease agreements to ensure that landlord of promptly notified of all termination of lease as soon as it is known that the tenant would return to Mauritius.

Electronic Document Management System (EDMS) Project

2.5.16 Findings

In April 2019, the services of the e-Governance Academy of Estonia (e-GA) was retained to help the Ministry to develop an Electronic Document Management System. The project was to be implemented in two phases. The first phase related to consultancy services and the second phase related to the project implementation. For Phase 1, a total amount of some € 92,736 (Rs 3.8 million) was paid in January 2020 as Consultancy fees to the e-GA to carry out the feasibility study. The Ministry purchased 35 laptops for Rs 2 million for use in Phase 2 of the project.

Your Committee was informed that the officers of the Ministry of Information Technology was unable to advise the Ministry of Foreign Affairs with regards to the project because “there was an incompatibility with the programme that has been developed with the Estonian Government”! Consequently, the Ministry has up to now not been able to take any decision with regards the implementation of Phase 2.

The Ministry was at pain to explain what happened to those 35 laptops. One officer stated that they were used by the technical staff of the Ministry as ‘routine equipment’ for office work only instead of buying new Personal Computers. This version was contradicted by another officer who stated that the laptops were being used by senior officers who are required to work from home as well as in the office.

In the end the Ministry purchased 35 laptop which it did not need for a project which was not fully implemented. The Ministry paid Rs3.8 million in consultancy fees for a project which did not materialize.

2.5.17 Recommendation

- Where a project is to be implemented in phases, there should be proper planning and the first phase should only be implemented if there is a decision to implement all the phases and the necessary finance has been secured for the implementation of all phases of the project.
- When selecting foreign consultants to advise on an IT project, officers competent in IT matters at the level of the Ministry should be involved and if there is no one suitably qualified at the level of the Ministry, the assistance from competent officers for the Ministry of Information Technology to evaluate the project and ensure that the project is compatible with the information system used by the Ministry.
- An enquiry should be initiated to determine who took the decision to purchase 35 laptops before the Ministry even took the decision whether to implement Phase 2 and appropriate actions should be initiated against.
- Decision should be taken without delay to whether to go ahead with Phase 2 of the project or not.

3.0 NATIONAL AUDIT OFFICE

- 3.1 Your Committee would like to place on record its appreciation for the assistance which it received from the Director and staff of the National Audit Office throughout the Committee hearings. Before Your Committee considered a particular Ministry, the National Audit Office provided to Your Committee a useful explanatory notes of the issues raised in their reports as well as an update on where matters stood since the publication of their reports on that Ministry. The explanation provided by representatives of the National Audit Office greatly assisted Your Committee when seeking clarification and explanation from representatives on the Ministry concerned.
- 3.2 During the hearings, several issues raised in the report of the National Audit Office were satisfactorily resolved after discussion with representatives of the Ministry. In some cases, the representatives of the Ministry concerned contested the findings of the report of the National Audit Office. But on closer examination very often it was noted that the Ministry had provided a different explanation in the management letter to the National Audit Office as compared to the explanation given to Your Committee.

Recommendations

- 3.3 Your Committee stresses the need for the Accounting Officer of each Ministry to provide all the information and documents which the National Audit Office requires to carry out its statutory duties promptly and without unnecessary delay. The information provided must be complete, accurate and up to date. Management letters provided to the National Audit Office should be carefully drafted and should address every issue raised by the auditors in a complete, accurate and satisfactory manner.

Statutory Bodies and Public Bodies

- 3.4 As part of its statutory duties the National Audit Office is required to audit various Statutory Bodies and Public Bodies. However, several of these bodies do not prepare and submit their annual financial statements in time for them to be audited. In some cases, accounts have not been submitted for over a decade. Such breach by statutory bodies and public bodies of their statutory obligations to submit their accounts to National Audit Office cannot be condoned. Without a proper audit it is not possible to ascertain if the funds provided to those statutory bodies and public bodies have been used judiciously for the purpose for which they had been provided. Any possible fraud by their bodies will be left undetected if accounts are not prepared and submitted.

Recommendations

- 3.5 Your Committee recommends that:
- (a) actions be taken against members of the board of the Statutory Bodies and Public Bodies which do not submit their accounts to be audited without any valid excuse. The actions may range from their removal from the Board to the repayment of the fees that they have received as board members and their disqualification to sit on the Board of other Statutory Bodies and Public Bodies.

- (b) Consideration be given for budgetary cuts on funds provided to Statutory Bodies and Public Bodies that flout the law and do not prepare their accounts and submit them to the National Audit Office for audit within the statutory delay.

Challenges

- 3.6 In the discharge of its constitutional duties and statutory obligations, the National Audit Office faces a number of challenges which should be addressed to increase their efficiency and effectiveness.
- 3.7 One of the major challenges is the lack of adequately qualified staff. The work of the National Audit Office is constantly increasing as the number of Statutory Bodies and Public Bodies to be audited are on the increase. However, the plea to have sufficient additional staff to enable them to carry out the statutory duties effectively have, so far, fallen on deaf ear.
- 3.8 Another challenge is lack of sufficient funding. For example, we have been informed that staff of the National Audit Office have not been able to properly audit our embassies and foreign missions because funding was not provided for them to physically travel to those embassies and foreign missions to carry out an on-site inspect and go through the books and records kept overseas.
- 3.9 The fact that National Audit Office falls under the aegis of the Ministry of Finance, Planning and Economic Development also poses a problem as regards the possibility of lack of independence when auditing the Ministry of Finance which holds their purse. In some other countries, the National Audit Office has its own budget and does not depend on the Ministry of Finance for disbursement of funds. In Seychelles, the independence of the office of the Auditor General was enhanced through the enactment of the Auditor General Act 2010 and all of its staff is recruited and managed by the Auditor General's office itself. In South Africa, the Account General office has financial autonomy and charges a fee for carrying out audits.

Your Committee recommends that:

- Sufficient additional staff be provided to the National Audit Office
- Necessary funding be provided to the National Audit Office to enable it to discharge its functions; and
- Consideration be given to remove the National Audit Office from the aegis of the Ministry of Finance and to provide it with financial autonomy to run its operations. The National Audit Office should also have administrative autonomy to recruit its own staff and fix their terms and condition of employment to attract and retain the necessary personnel.

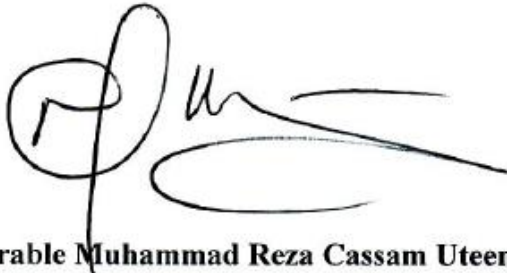
4.0 CONCLUDING REMARKS

- 4.1 Your Committee plays an essential role in scrutinizing the use of public funds and ensuring transparency and accountability of Government. Through recommendations Your Committee tries to improve the management of public funds, ensure that taxpayer's receive best value for money with regards to government spending and minimize wastage of public funds.
- 4.2 In line with the provisions of the SADC PF Model law on Public Financial Management, the Speaker should ensure that Your Committee is adequately equipped to carry out its functions. In that respect, the Speaker should ensure that Members of Your Committee are properly trained and empowered and allowed to participate in capacity building seminars and interact with members of Public Accounts Committees of other countries.
- 4.3 Your Committee noted a general improvement in the level of preparedness of the representatives of various Ministries when attending hearings. However, unfortunately, there does not seem to be a proper handing over when an accounting officer retires or is transferred to another ministry. As a result, there is no proper monitoring and follow up on pending matters.
- 4.4 However, there is little point holding hearings and making recommendations if those recommendations are not implemented.
- 4.5 Your Committee also noted a general reluctance by public officers to report short-comings of their colleagues and no disciplinary actions are taken against public officers whose actions or inactions have resulted in significant loss of public funds.
- 4.6 Your Committee views with concern that little or no action is taken against suppliers who breach their contractual obligations resulting in wastage of public funds. Despite the clear guideline issued by the Public Procurement Office, Ministries do not report defaulting suppliers and do not disqualify them. As a result, non performing supplies are still able to bid for and be awarded contracts by other Ministries and public bodies.
- 4.7 Your Committee believes that there is unlikely to be any significant improvement in the management of public funds unless and until public officers are accountable for their actions or inactions.
- 4.8 Instead of asking public officers to take an early retirement in the public interest with a golden handshake and all their benefits it is high time for any public officers who have misused or facilitated the misuse of public funds to be sanctioned financially and even criminally where appropriate.
- 4.9 Your Committee reiterates its plea that Your Committee be allowed to scrutinize the audited accounts of Statutory Bodies and State-Owned enterprises and hold them accountable for the use of public funds granted to them. For the time being the Standing Orders do not allow Your Committee to scrutinize the use of public funds by Statutory Bodies and is unable to verify if the funds are actually for the purpose for which they have been allocated in the budget. It is crucial that Your Committee's mandate be extended to consider the expenditure of these Statutory Bodies as well. In some countries there are specific sub committees of the Public Accounts Committee which scrutinizes the accounts of statutory bodies and government owned enterprises whereas in other countries such as Kenya, Tanzania, Uganda, Bangladesh and Sri Lanka there are separate Public Investment Committees that specialize in the oversight of State-Owned enterprises.

- 4.10 Your Committee should also be empowered to review the audited accounts of Municipal Council and other local authorities to ensure that public funds are properly spent by those local authorities.
- 4.11 Your Committee also recommends the adoption of a Financial Management Act that encapsulates the parameters for the sound management of public finance and reflects the principles set out in the SADC Parliamentary Forum Model Law on Public Finance Management
- 4.12 Successive Public Accounts Committees have made recommendations in order to enhance, clarify and codify the powers of the Committee so as to increase further its effectiveness. Your Committee can only hope that the Standing Orders will be amended to give effect to those recommendations.

5.0 ACKNOWLEDGEMENT

- 5.1 Your Committee is grateful to **all** of its members who have actively participated in the various meetings of Your Committee and in drafting this report which was unanimously approved by all members.
- 5.2 Your Committee would like to place on record its appreciation for the collaboration it received from the Director of Audit, officers of the National Audit Office, officers from various ministries, the Accountant General's Department and Procurement Policy Office, who deponed before Your Committee.
- 5.3 Your Committee is grateful for the warm welcome that it received in Rodrigues and for the support and assistance which it received from the Clerk of the Rodrigues Regional Assembly, members of the Rodrigues Public Accounts Committee, the Island Chief Executive, the Departmental Heads and other public officers.
- 5.4 Your Committee would also like to thank the Clerks of the National Assembly, the officers from the Clerk's Office and staff from the National Assembly for their support and guidance.



Honourable Muhammad Reza Cassam Uteem, MP
Chairperson of the Public Accounts Committee
01 October 2024

APPENDIX

Standing Order 69(2) of the Standing Orders and Rules of the National Assembly (1995)

(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.