24.1 Matching Grant for the Rehabilitation of Historical and Cultural Heritage Sites and Structures - Rs 57 million

The “Matching Grant Scheme for the Rehabilitation of Historical and Cultural Heritage Sites and Structures” had been set up to facilitate the raising of funds for the rehabilitation of historically and culturally important buildings and sites not-owned by Government that require urgent rehabilitation. The National Heritage Fund (NHF) was requested to prepare a 10-year plan for phasing necessary rehabilitation works of National Heritage Sites and Cultural Heritage Structures and sites (NHS) in Mauritius. Under the scheme, 50 percent of the costs of rehabilitation on a matching basis are provided upfront. Should the beneficiary be unable to raise funds to the tune of the Government funding, it would need to reimburse Government the difference between the amount provided and the fund it raised.

The Ministry of Finance received two requests for consideration and subsequently made the necessary provisions in the budget in June 2007. The Ministry of Finance consequently issued instructions for the payment of Rs 50 million and Rs 7 million for the rehabilitation of two sites respectively. A Memorandum of Understanding (MOU) with a Local Authority in respect of one of these two sites was to be signed.

The rehabilitation costs for these projects were estimated at Rs 250 million and Rs 14 million respectively. On 28 June 2007, Rs 50 million and Rs 7 million were disbursed in respect of the above projects.

The following were noted:

- The 10-year plan for the NHS required to be prepared by the NHF was not seen.

- A copy of the MOU with the Local Authority was not seen. There was no requirement for the signing of a MOU for the renovation of the other site.

- Although the Local Authority was to defray expenditure to be incurred for the renovation of the site concerned, neither the implementation plan nor the source of fund for the said renovation at a cost of Rs 250 million were available at the Ministry.

- Rs 7 million were disbursed for the renovation of the other site although only some Rs 3.2 million were raised and another Rs 1.4 million purported to be raised by the beneficiary as of 5 June 2007. Thus, the beneficiary was short of some Rs 2.4 million to match the grant of Rs 7 million. As such, the beneficiary might have to reimburse the Rs 2.4 million.

- It was only on 2 July 2007 that the Ministry apprised the NHF to designate an Officer to monitor the rehabilitation of the two projects.

The proposals required from the beneficiaries on how to maintain the site in good state after rehabilitation were also not seen at the Ministry.
Ministry’s Response

- The NHF has already started preliminary works on the plan, namely identification of potential sites which would require rehabilitation in both short and long term. However, the NHF is still awaiting the finalisation of the detailed criteria and features of the Scheme with the Ministry of Finance and Economic Development (MOF).

- As of October 2007, MOF was finalising the MOU to be signed by the parties concerned.

24.2 Promotion of Arts and Culture: Divali Celebration - Rs 3.45 million

An amount of Rs 400,000 was budgeted for the Divali Celebration on a National Scale. Some Rs 3.45 million had been incurred for the celebration including Rs 1.1 million for the services of foreign artists to perform at the stadium. A show by foreign artists was organised on 27 October 2006 at the Anjalay Stadium, Mapou.

In order to meet this commitment, over and above the Rs 400,000 provided in the Budget, Rs 700,000 were met from funds provided for amounts to be disbursed as grants to four cultural centres and Rs 2 million were to be met from local sponsorships. This excluded the cost of airfares, and board and lodging for the foreign artists. These latter expenses were to be sponsored by two organisations. The following were also noted:

- Only Rs 1,695,000 were received from sponsors. The shortfall in sponsorship was met by way of reallocation from other expenditure items.

- Whilst the cost of airfares was to be sponsored by an Airline Company, an amount of some Rs 246,000 had to be disbursed by the Ministry for the payment of air tickets of artists. Furthermore, an additional sum of Rs 300,000 for the settlement of air tickets for the artists was paid directly to the Airline Company by two other sponsors.

- The Ministry disbursed some Rs 134,000 for board and lodging of the artists although this item of expenditure was purported to be sponsored by an organisation.

- Procurement procedures as required under regulations were not followed for the award of contract to the foreign artists. Also, the approval of the Central Tender Board for the award of the contract to the artists at Rs 1.1 million was not sought.

Ministry’s Response

- Henceforth, instead of disbursing funds directly from the Vote Item of the Cultural Centres, the Ministry will after necessary clearances, reallocate funds from the latter as appropriate.

- A decision was taken in October 2006 to change the date of the show. This entailed changes in flight schedule of the group and consequently increased the duration of their stay in Mauritius by two nights. Thus the Ministry had to incur extra hotel expenses and pay penalty on air tickets due to change in the date of the programme.
When the Reference Sheet of the Audit Report 2005-06 dated 10 October 2006 was received at this Ministry drawing our attention on the need to obtain Central Tender Board’s approval instead of financial clearance, the Ministry had already completed the exercise for the enlistment of foreign artists for the Divali show 2006. The Central Tender Board has been involved in the tender exercise for Divali this year.