MINISTRY OF YOUTH & SPORTS

27.1 Construction of Mare D’Albert Swimming Pool

Contract for this work was awarded to a private Contractor in August 2004 for the fixed sum of Rs 39.9 million inclusive of VAT and contingencies of Rs 2.1 million. The contract duration was 12 months and was initially due for completion on 28 September 2005.

The completion date was however revised to 10 April 2006 following extension of time of some 144 days granted to the contractor for reasons such as adverse climatic conditions and tardy submission of information of component items on the contract by the employer – the Ministry of Public Infrastructure (MPI).

The following were observed:

- As of 30 September 2007, i.e. some 16 months after the due date for completion, the practical handing over of the project was still being awaited. Moreover progress of work on the project was very slow since May 2006.

- The Contractor had completely demobilised from the site, only to remobilise in March 2007 after being served ‘notice of determination of contract’ in February 2007.

- The Contractor has informed in June 2007 that all outstanding mechanical and electrical (M&E) works have been completed. The swimming pool was, however, still not operational as testing and commissioning of the M&E works remain to be done.

- Of the contract value of Rs 40.9 million including variation works on the project, payments of some Rs 32.5 million were made during the period October 2004 to 30 June 2006.

  No additional payment was effected in the period of July 2006 to June 2007.

- Liquidated damages at the contract rate, after the extension of time allowed to the contractor on the project, are estimated at some Rs 8 million and have not yet been claimed.

- The boiler, costing some Rs 1.3 million, supplied on the project, was damaged during unloading by the Contractor. The equipment was installed by the contractor, after some repairs work done thereon.

  As of 30 September 2007 no final decision was taken regarding the acceptance of this item supplied on the project.

- The Lightning Equipment (Rs 135,000) provided in the contract has not been installed. This equipment is considered important for the safety of swimmers, especially during the summer rainy season as lightning in the region is very frequent.
**Ministry’s Reply**

There is litigation on the contract. On one hand, the Contractor has made representations to MPI regarding breach of contract and non payment for works already executed. On the other hand, MPI has applied liquidated damages and consequently no certificates could be issued for payment.

The Contractor has referred the matter to Court and the Ministry has sought legal advice on the issue. The implementation of the remaining works and commissioning of the project will be undertaken as soon as a solution is reached with regard to the dispute.

**27.2 Artificial Turf Donation from FIFA**

The International Football governing body (FIFA), as part of its goal project programme in Africa, approved the donation of an artificial turf to be fitted in a local stadium, namely the St François Xavier Stadium in Port Louis. The agreement was initially between the Mauritius Football Association (MFA) and FIFA. As the agreement involved major financial consideration, Government was requested to take over the local component.

The donation from FIFA was subject to certain conditions, namely that:

- The stadium is of International Standard capable of hosting international matches and is to have a minimum of 5000 seating capacity with all the associated facilities;
- The stadium is vested in the Government; and
- The ‘Mauritius Football Association’ (MFA) is given ready access to the stadium after the completion of works, which include both the upgrading works and the turf installation.

FIFA undertook to conduct all works pertaining to the laying of the artificial turf at the cost of US $ 878,000 (approx Rs 31 million). These include inter alia the ground preparation and the supply and underlay of the artificial turf.

The Ministry agreed to execute the local part of the agreement which consisted of the upgrading of the infrastructural and seating facilities of the stadium at the estimated cost of Rs 20 million.

The construction project was planned to be completed by end of December 2007.

While the upgrading works were being financed from public funds, implementation of the scheme has been left to the Mauritius Football Association – a private body.

The total project value of the scheme was thus estimated at Rs 51 million.

The Ministry released an amount of Rs 2,185,000 to MFA in June 2006 though there was no contract or even any claim from the Consultant. At date of audit in September 2007 no consultancy works were done yet.
Ministry’s Reply

- The request from MFA for transfer of Rs 2,185,000 for consultancy services was made in view of the urgency to complete the project by December 2007.

- Financial clearance was therefore sought from the Ministry of Finance and Economic Development for the sum of Rs 2,185,000 to be transferred to MFA and for awarding the contract of consultancy services to another Consultant. Same was received on 17 October 2007.

- The Ministry has requested MFA to open a special escrow account with a local commercial bank, requiring the joint signature of the Ministry and MFA, and to transfer the ‘Advance for consultancy services’ of Rs 2,185,000 into the account.

  The special bank account with two signatures from the Ministry had been opened since 17 October 2007 and the sum of Rs 2,185,000 transferred to the account. The cheque book is kept at the Ministry.

- The project completion time has now been extended to June 2008, with the approval of FIFA.

27.3 Financial Assistance to Sports Federations

The Ministry provides grants to Sports Federations in the form of direct release of funds and/or settlement of claims.

During financial year 2006-07, the Ministry and the Mauritius Sports Council disbursed some Rs 37.2 million and Rs 2.7 million respectively as financial assistance to 39 Sports Federations.

Every Sports Federation to which a grant has been made is required under the Sports Act 2001 (Section 16(5) and rule 9 in Third Schedule) to submit its final accounts to the Ministry and the Mauritius Sports Council (MSC) within four months of the close of the financial year.

Observations

Out of 39 Federations, nine of them that received Government grant totalling some Rs 3.8 million have not yet submitted their accounts for the year ending 31 December 2006, at time of audit in September 2007.

Ministry’s Reply

MSC has been requested to send a second reminder to the nine federations.
27.4 Arrears of Revenue - Mauritius Football Association (MFA)

With reference to paragraph 18.2 of my 2002-03 Audit Report, MFA still owed a balance of Rs 679,901 since October 2003 to the Ministry.

MFA informed the Ministry in January 2006 and in October 2006 that its financial position was still precarious due to the poor response of the public at their matches and the absence of sponsors.

However, the financial statements of MFA for the financial years 2003-04 to 2005-06 showed a favourable financial position as indicated in Table 26-1.

**Table 26-1  Financial Position of the MFA**

<table>
<thead>
<tr>
<th></th>
<th>2003-04 (Rs)</th>
<th>2004-05 (Rs)</th>
<th>2005-06 (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus for the year</td>
<td>3,010,869</td>
<td>5,077,680</td>
<td>1,452,499</td>
</tr>
<tr>
<td>Cash Balance</td>
<td>1,391,232</td>
<td>1,590,820</td>
<td>1,799,636</td>
</tr>
</tbody>
</table>

Ministry’s Reply

MFA has agreed to refund partly the debt as soon as revenue from gate money increases.

27.5 Asset Management

During 2006-07 the Ministry purchased items of office equipment totalling Rs 1,185,143. Prior to July 2006, the Ministry had acquired some 124 Personal Computers, 41 Printers, three Servers and 14 Microsoft Office Software 2003, amongst others.

These items were distributed to different Sports Complexes, Youth Centres and the Head Office.

Observations

No Office Equipment Register was kept at the Ministry to record all its assets including those distributed to sub-offices and sports complexes. Existence of these assets therefore could not be ascertained.

The Ministry did not carry out any bi-annual survey of all items of Office Equipment, contrary to financial regulations.
Ministry’s Reply

➢ Through shortage of clerical staff it has not been possible to keep a Master Register. Nonetheless action is being initiated to introduce an Office Equipment Register for the Ministry.

➢ The responsibility to carry out the bi-annual survey of all items of Office Equipment is being entrusted to Officers of the Internal Control Unit.

27.6 Computerisation of Registry

In January 2002 a local firm supplied and installed software for the Ministry’s Registry Computerised System. During the period January 2002 to June 2007 expenditure incurred for this computerisation project on account of hardware and software totalled Rs 676,480.

In October 2006 the Ministry informed my Office that the Computerised Registry system was not being used at all since its acquisition because of increased workload due to ‘Commission de la Jeunesse et des Sports de l’Ocean Indien’ and ‘Comité d’Organisateur du Championnat D’Afrique de Maurice’ games in the year 2006.

Observation

The computerised system was still not being used at all as of September 2007, that is, some five years after the purchase of the Computerized Registry System. It is to be noted that the Ministry has paid maintenance charges totalling Rs 90,561 for the period July 2006 to June 2008.

27.7 Overtime

During 2006-07 the Ministry disbursed a total amount of Rs 9.6 million for overtime though the budgetary provision was Rs 2.2 million only.

Of the total amount disbursed, the Ministry paid Rs 7.1 million as overtime that it has charged to other vote items such as Promotion for sports activities, Expenses related to Regionalisation, Junior and Senior African Championship and Sport de Masse, Sports for all and National Training Centres.

Thus, the actual expenditure of Rs 9.6 million on overtime was not adequately disclosed as overtime costs but was instead split and absorbed under different vote items.

Ministry’s Reply

With the change from line budgeting to programme based budgeting, overtime will henceforth be shown as a cost element of the activities for the various programmes.