15.1 Vote Management – Excess over Provisions

As of 30 June 2007, total provisions under several Items of the Ministry and Overseas Missions were not sufficient to meet the expenditure charged to the respective Item. This had resulted in excess expenditure under these Items. A few examples are listed in Table 15-1.

<table>
<thead>
<tr>
<th>Ministry/Mission</th>
<th>Description of Items</th>
<th>Total Provisions (Rs)</th>
<th>Amount Spent (Rs)</th>
<th>Excess (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry</td>
<td>Operating Costs Mauritius Embassy, Moscow</td>
<td>12,200,000</td>
<td>12,374,472</td>
<td>174,472</td>
</tr>
<tr>
<td>Berlin</td>
<td>Wages</td>
<td>4,345,000</td>
<td>4,513,277</td>
<td>168,277</td>
</tr>
<tr>
<td>Brussels</td>
<td>Wages</td>
<td>5,935,000</td>
<td>6,412,107</td>
<td>477,107</td>
</tr>
<tr>
<td></td>
<td>Rent and Rates</td>
<td>3,800,000</td>
<td>4,129,152</td>
<td>329,152</td>
</tr>
<tr>
<td>Maputo</td>
<td>Rent and Rates</td>
<td>3,370,000</td>
<td>3,775,059</td>
<td>405,059</td>
</tr>
<tr>
<td>Paris</td>
<td>Wages</td>
<td>11,225,000</td>
<td>11,382,102</td>
<td>157,102</td>
</tr>
<tr>
<td></td>
<td>Rent and Rates</td>
<td>10,125,000</td>
<td>10,230,880</td>
<td>105,880</td>
</tr>
<tr>
<td></td>
<td>Postage</td>
<td>410,000</td>
<td>619,319</td>
<td>209,319</td>
</tr>
<tr>
<td></td>
<td>Other Operating Expenses</td>
<td>1,300,000</td>
<td>1,578,254</td>
<td>278,254</td>
</tr>
<tr>
<td>Geneva</td>
<td>Wages</td>
<td>7,796,000</td>
<td>8,493,926</td>
<td>697,926</td>
</tr>
<tr>
<td></td>
<td>Rent and Rates</td>
<td>12,843,300</td>
<td>12,982,493</td>
<td>139,193</td>
</tr>
</tbody>
</table>

In August 2007, the Ministry applied for Retrospective Reallocations to cover the excesses. According to financial regulations, it is only in exceptional circumstances that the Ministry may have recourse to a retrospective Reallocation Warrant to cover the excess expenditure. It must also be proved that the excess has not been caused as a result of carelessness or inefficiency of the Officer responsible for controlling the Vote.

It was only on 4 October 2007 that the Retrospective Reallocations have been approved and all excesses cleared.

I have emphasised on the facts that Ministry/Missions should ensure that funds are available before incurring any expenditure and that too judiciously. But it is noted that the Ministry,
instead of applying strict financial regulations against defaulting officers, regularly bails them with “exceptional” approvals.

Ministry's Reply

- Available provisions were insufficient to meet commitments because of recruitment of additional staff and unfavourable rate of exchange of foreign currency vis-a-vis the Mauritian Rupee.
- A monitoring mechanism would be devised in consultation with the Finance Division.

15.2 Overtime

15.2.1 Ministry's Headquarters

For financial year 2006-07, a sum of Rs 1.5 million was provided for under the Item “Overtime” of the Ministry’s Headquarters. A further amount of Rs 700,000 was reallocated to the Item. As of 30 June 2007, a sum of Rs 2,131,813 was actually charged to the Item.

(i) According to the "General Conditions for Use of Chauffeur Driven Car", when the Senior Officer is on leave, the driver attached to him will be paid only his salary from public funds during that period. The Senior Officer, with whom a driver was working, was on Vacation Leave from 11 to 22 December 2006. However, contrary to the above, the driver was paid some 39 hours overtime (Rs 3,600) during that period. The driver had worked on eight of the 12 days during which the Senior Officer was on leave. The reasons for working overtime were stated as "Official Dinner" and "Official Reception".

(ii) One officer and the 12 Office Attendants posted at the Ministry were performing overtime almost every week days and on every Saturday. For 10 of the Office Attendants, the reason stated for performing overtime was "General cleaning of offices". The other two were working till late to clean and close office. With regard to the Officer, the reasons put forward for overtime included "Putting order in letter documents". A driver also had to remain till late hours to drop these officers at their residence.

Overtime drawn by the Officer during the year represented about 94 per cent of her annual salary.

15.2.2 Overseas Missions

(i) During financial year 2006-07, a sum of Rs 222,900 was paid as overtime to the driver attached to the Ambassador at one of the Overseas Mission. The driver performed overtime almost everyday and overtime drawn by him during the year represented 78 per cent of his annual salary. The reasons put forward for working on Sundays were, among others "Sport/Magasin" and on week days "Ecole/Reception/Sortie/Magasin".
(ii) At two other Overseas Missions, sums of Rs 380,000 and Rs 290,000 respectively were paid as overtime to the drivers in post during financial year 2006-07. At one of the Missions, reasons for performing overtime were at times not stated in the monthly Mileage Claims. As for the other months, the reasons for overtime stated in the claims were vague (for example "Private" or "Working with the Ambassador"). At the other Mission, the driver attached to the Ambassador performed overtime almost everyday. Reason for overtime as stated in his claim was "Working with the Ambassador".

I have emphasised on the fact that Officers may not be able to perform effectively if they work for such long hour everyday and this may also be to the detriment of their health. The Ministry should ensure that overtime be kept to a minimum and have recourse to it only in official cases where it is really essential.

I have also suggested that a roster system be introduced for the daily and general cleaning of offices. As for drivers working with Senior Officers, the Ministry and the Overseas Missions should ensure that all the overtime claimed was in respect of duties performed strictly in accordance with the official activities of the Senior Officer and when they were not on Vacation Leave.

15.3 Advance Account - Motor Cars – Rs 3,859,391

The figure of Rs 3,859,391 included an amount of Rs 476,900, representing loan granted in June 1997 to a former Ambassador, while he was posted in one of the Overseas Missions, to purchase a motor car. His contract was terminated in October 1997. He sold the vehicle in January 1998, but did not refund the loan still due. In January 1999, the case was referred to the Attorney-General's Office for the recovery of the outstanding amount.

With regard to the case of another former Ambassador, a sum of Rs 80,057 which he owed on his Car Loan of Rs 340,000 granted to him since October 1993, had not yet been settled. The case had been referred to the Attorney-General's Office.

At time of audit in October 2007, a reply was still being awaited from the Attorney-General's Office in both cases, and the sums due were still outstanding.

15.4 Rent and Utilities

According to the recommendations of the Pay Research Bureau 2003, full charges in respect of rent and utilities are to be paid for Ambassadors, High Commissioners and Permanent Representatives by the Missions. For other officers, charges in respect of rent and utilities are to be paid up to a monthly ceiling depending on their rank and the country of posting. Any amount above the recommended ceiling was to be borne in toto by the officer.

The payments of rent and utilities over and above the recommended ceiling to an officer at the Mauritius Consulate in Mumbai (Rs 23,213) and to another one at the Office of the Permanent Representative in Geneva (Rs 16,000), and mentioned at paragraph 9.14 of the 2005-06 Audit Report, had still not been recovered.
15.5 Unauthorised Expenditure

The service car of one of the Overseas Mission broke down in March 2007 and had to be towed to a workshop for repairs. The Ministry was informed that the total cost of repairs would amount to some Rs 169,000. According to Mission, the cost of repairs was on the high side, as the estimated value of the car was about Rs 360,000. Nevertheless, in May 2007, the Ministry conveyed its approval for the service car to be repaired for the total amount of Rs 169,000 subject to Mission being satisfied that the cost was fair and reasonable.

On 30 July 2007, Mission settled a bill for the cost of repairs amounting to some Rs 334,000, that is, almost twice the original estimate of Rs 169,000. Mission did not seek covering approval nor submit any explanations for the excess cost of repairs incurred prior to payment of the bill.

Spending some Rs 334,000 to repair a car which was worth about Rs 360,000 is truly stupefying.

Ministry’s Reply

Mission had reported that it was informed of the total cost of repairs only after completion of the repairs to the service car. At that time, the representational car was also being repaired and Mission was facing much hardship due to unavailability of its two cars. It had no choice than to settle the bill for repairs to be able to retrieve the car. However, Ministry viewed with concern the fact that no covering approval was sought by Mission for the cost of repairs.

15.6 Damages to Rented Accommodation

Home-based staff posted in Overseas Missions is provided with furnished accommodation in accordance with the standard list of furniture. The officers are personally liable for any damages caused to rented premises during the period of tenancy. They will have to personally repay any Security Deposit forfeited or premium paid as a result of non-observance of the terms and conditions of the lease agreement.

At paragraph 9.13 of the 2005-06 Audit Report, mention was made that two Security Deposits totalling Rs 89,000 were retained by the respective landlords due to the fact that the apartments rented by two former officers posted at the Office of the Permanent Representative in New York sustained damages during the tenancy period. There was no evidence that the sum of Rs 89,000 had been recovered from the Officers concerned.

Following the recommendation made in the 2005-06 Audit Report, an “état de lieu de sortie” is now being carried out in the presence of all persons concerned, whenever an officer left the rented apartment he/she was occupying. Any sustained damages during tenancy period noted and agreed by all parties were refunded by the officer concerned.
Ministry’s Reply

Ministry had not been able to establish whether the damages had been caused by the officers themselves. In order not to give rise to any litigation, the Ministry had already written to the Solicitor General to seek appropriate advice on the matter. A reply from the Attorney-General’s Office was being awaited.

15.7 Bypassing Normal Tender Procedures

Normal Tender Procedures Not Followed

In September 2006, the Ministry approved a ceiling of €4,000 for the purchase and fixing of curtains at the residence of the Permanent Delegate of Mauritius to UNESCO, in Paris. The Office of the Permanent Delegate was informed accordingly. It was also requested that ‘Mission should submit at least three quotations from potential suppliers for approval’.

The following were noted:

- Normal tender procedures had not been followed. In fact, quotations had been sought after actual completion of the works in July/August 2006 from different Contractors at different times between June and October 2006, with no deadlines for submission of quotations.

- Works had been carried out prior to the approval of the Ministry and that too at a cost exceeding the approved ceiling.

- The Contractor submitted a formal claim for payment for an amount of €5,956. This claim was subsequently forwarded to the Ministry by the Embassy on 16 October 2006.

- On 1 December 2006 the Ministry of Finance had exceptionally approved the payment of €5,956. On the same day, the Ministry directed the Office of the Permanent Delegate to UNESCO that ‘payment of €5,956 may be effected subject to Mission being satisfied that the works have been carried out as per specifications and that the price is fair and reasonable’.

- On 12 December 2006, the Permanent Delegate to UNESCO informed the Embassy in Paris that works had been completed to her satisfaction. Payment was effected on 13 December 2006. However, no one at the Embassy had certified whether the price was fair and reasonable, especially given that a specimen of the material for making the curtain was not forwarded beforehand.

Ministry’s Reply

- On the basis of (i) the fact that the Ministry was faced before a ‘fait accompli’, (ii) clarifications submitted by the Permanent Delegate; and (iii) in order to avoid her any embarrassing situation, the Ministry sought the financial clearance of the Ministry of Finance and Economic Development.
Ministry has issued a strong warning to the Office of the Permanent Delegation of Mauritius to UNESCO and has instructed the Office to comply with proper tendering procedures and to respect any ceiling set by the Ministry for the purposes of the purchase/payment of any equipment/repair.

15.8 Mauritius Consulate in Mumbai

15.8.1 General

Control was non-existent and the processing of any transaction was not subject to independent check by another official.

Excessive and unnecessary expenditures have been noted on the transactions dealt during the financial years 2005-06 and 2006-07. These refer in particular to the use of cars for non-official purposes, use of telephone, medical expenses, repairs and maintenance of vehicles, renewal of the motor insurances and also the rent charge of the Consulate.

The Consul initiates, authorises and approves all the transactions, including his own claims, while the processing and recording of the transactions were done by the Clerical Officer and the Personal Assistant

15.8.2 Telephone expenses

There was no control over the use of telephone. Consulate paid the whole telephone bills in respect of the cellular phones used by the Consul, his spouse and the fixed telephone line at their residence and these totalled to Rs 154,771 and Rs 125,418 for financial years 2005-06 and 2006-07 respectively.

There were no limits on the calls made and the details regarding personal calls were not available.

15.8.3 Refund of medical expenses

Under the present system regarding medical expenses, Government meets 100 per cent of all medical expenses in cases of hospitalization for surgical intervention and 85 per cent in all other cases. The medical expenses also include dental care.

The staff member incurs the expense and later claims for reimbursement.

However, there are no clearly defined rules as to which expenses qualify for reimbursement. There are cases where reimbursements did not seem to be justified.

Case 1 - The Consul reimbursed himself some Rs 45,000 for expenditure on a Laser Eye Surgery on his eyes at a private eye care Centre for a Laser Vision Correction. He was admitted for laser treatment at the Centre on 4 February 2007 and was discharged on the same day and was under their care from 4 to 7 February 2007.
Mention is made of surgery when in fact the treatment was a laser vision correction. It appears that because the clinic mentioned ‘laser surgery on his both eyes’, a 100 per cent treatment was made.

Case 2 - Claims of medical expenses totalling some Rs 15,550 were forwarded by the Consul for the period 10 March 2006 to 7 October 2006 and of which he refunded himself 85 per cent i.e. an amount of Rs 13,218.

The claims for reimbursements were for dental care treatment for both the Consul and his spouse on 26 June 2006. The treatment comprised dental care treatment with ceramic crown, consultation fees, medical investigation.

A total of INR 10,000 was paid in respect of the spouse dental treatment while the Consul reimbursed himself INR 10,200.

15.8.4 Use of vehicles


The Consulate also made use of a Lancer Mitsubishi as the service car.

Correcting fluid has been used to correct the initial details of trips effected in the log book of the new representational car. In the other cases, sufficient details have not been stated in the log books of the new car.

The Consul made use of the Representational car for both private and official trips.

The running costs of the three vehicles were high for the Consulate. There is still the possibility of hiring any category of cars in the city for any official delegation visiting Mumbai.

The service car which is of a lower capacity consumed more petrol than the Mercedes E270. On average the service car was running 5 kms per litre while the Mercedes E270, 6.3 kms to 7.50 kms per litre.

15.8.5 Procurement of services

Repairs and maintenance of Consulate vehicles

Given the small number of staff at the Consulate, there was no formal quotation committee to examine the bids in respect of services required. The shortcoming was obvious in the procurement of services such as repairs and maintenance and the insurance of the Consulate cars.

Quotations from three garages were called for and the repairs were awarded on the basis of the lowest price. Preference was given to one garage to repair and maintain the vehicles.
There is also evidence in the files to substantiate that Consul did not act in the best interests of Ministry and in the use of public funds.

The repair transactions and the procedure of awarding the repair works were not carried out in a transparent way.

Renewal of insurance policy

Consulate insured its cars with the same insurance company. In one case of motor insurance policy renewed to cover period November 2006 to November 2007 at a price of INRs 97,204, the procedure of renewing the insurance is not clear.

15.8.6 Rent of Consulate Office in Mumbai

The rent charge of the Consulate Office is made up of a license fee and a service charge. The license fee allows the licensee to use and occupy the office premises while in the service agreement, the Licensor provides certain facilities such as telephones, fixtures and fittings at the office premises.

Since the opening of the Consulate and until December 2000, lease agreements were entered for a period of three years. With effect from January 2001, Ministry has been advising Consulate to renew the lease agreement on a year to year basis at no rent increases.

Upon expiry of the lease agreement in December 2005, the Consul informed Ministry that the owner was requesting an increase of 15 per cent which was accepted.

A monthly rent of INRs 123,200 was paid during the period 1 January 2006 to 31 December 2006.

The Consul again informed Ministry of further request for increase in rent upon renewal of lease for 2007.

The Ministry supported the request for the increase in the monthly rent and recommended the extension of the lease agreement for a further period of one year with effect from 1 January to 31 December 2007.

The rent increase is very high for both components. For the service charge, the increase is above 70 per cent and the owner neither provided new items to the Consulate nor carried out renovation works to the office. The increase of the other component is 60 per cent.

There was no written evidence from the owner to substantiate the request of the rent increase.

Since the Consulate has been occupying the office during the past years, it was possible to negotiate the rent amount.
15.8.7 Residence of Mauritius Consul in Mumbai

Government decided not to renew the lease agreement of the Consul’s Residence in November 2000, given that a Society was suing the owners for unpaid society dues. The owner was informed that the premises would be vacated and arrangements should be made for the refund of security deposit of INR 12,510,000 (MR 6.5 million).

The owners of the flat could not refund the security deposit and upon advice of the Ministry, Consulate entered a case in court against the owner of the premises in March 2003, to recover the security deposit. Consulate was instructed not to move out of the premises until the refund was effected as per the provisions of the lease agreement.

In September 2003, the Indian Court pronounced judgement in favour of the Government of Mauritius and the owner was ordered to reimburse the said security deposit with accrued interest and legal costs. As the security deposit still remained unpaid the Government of Mauritius initiated execution proceeding in September 2005 upon the advice of the Attorney General’s Office.

According to information obtained in September 2006, the High Court of Bombay has approved the sale of premises, presently occupied by the Consul, by way of public auction under its observation. Government was to make a bid through Consulate’s lawyers, up to the amount of INRs 20 million for the purchase of the premises.

As of date of the report, the matter was still pending and the security deposit has yet not refunded.