



Republic of Mauritius

NATIONAL AUDIT OFFICE

REPORT ON PERFORMANCE

FOR

FINANCIAL YEAR 2024-2025

SEPTEMBER 2025



NATIONAL AUDIT OFFICE
REPUBLIC OF MAURITIUS

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INTRODUCTION 01

FOREWORD BY DIRECTOR OF AUDIT

I am pleased to present the Annual Report on Performance of the National Audit Office (NAO) for the financial year 2024-2025.

The Annual Report on Performance is in compliance with the Finance and Audit Act, highlights the activities, accomplishments, operational and financial performance of NAO and also incorporates NAO's financial statements, prepared in accordance with the International Public Sector Accounting Standards (IPSASs) and subjected to external independent audit.

As the Supreme Audit Institution (SAI) of the Republic of Mauritius, the NAO has continuously stood to supply high-quality audit services geared towards transparency, accountability and good governance. Our mission to provide independent assurance to the National Assembly on the proper use of public resources remains unwavering.

This report portrays the persevering endeavours of NAO devoted staff who have worked unfalteringly to conduct audits across multiple entities, meticulously scrutinizing public expenditures, assessing performance, and recognizing areas for improvements. NAO is committed to excellence in all that it does. We strive to give best the recommendations on how to improve the quality of public sector governance and service delivery so as to make a difference in the lives of citizens.

The current portfolio of NAO consists of a total of **225** entities comprising of **52** Ministries and Government Departments accounts including the Rodrigues Regional Assembly, **117** Statutory Bodies, **12** Local Authorities, **16** Special Funds and **28** other bodies.

Despite severe resource and time constraints, the NAO has fulfilled its statutory obligations and submitted its Report on the accounts of the Government and the Rodrigues Regional Assembly for the financial year 2024-2025 in February 2025. The NAO has also issued four Performance Audit Reports.

NAO has embarked on a reorganisation to be more effective and to be in line with international peer practices and is also envisaging the use of AI in certain areas of work.

I take this opportunity to thank all staff for their dedication and hard work and all stakeholders for their active collaboration.

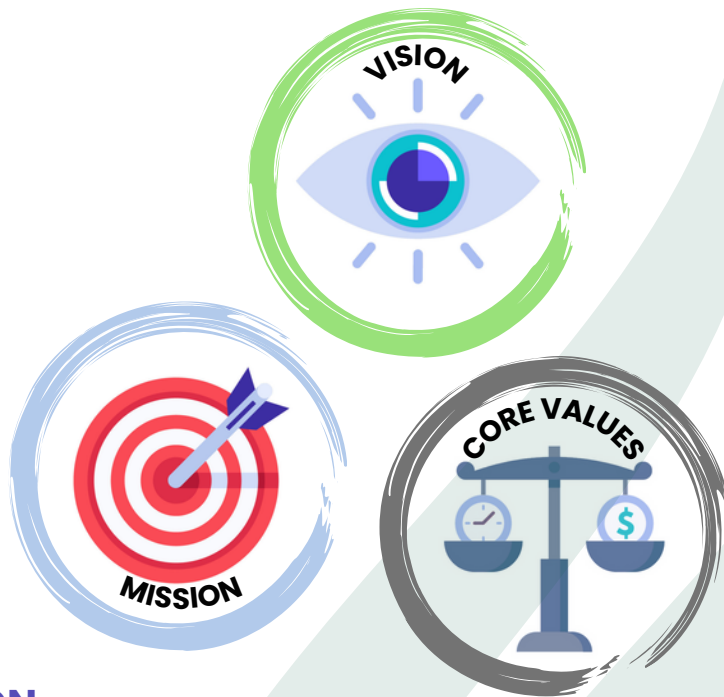

DR D. PALIGADU
Director of Audit

Date: 8/9/25



PAGE 1

NATIONAL AUDIT OFFICE



OUR VISION

To be recognised as a highly respected Supreme Audit Institution.

OUR MISSION

To be an independent model institution that actively engages with stakeholders to ensure transparency and accountability in the public sector through producing high-quality audits. Thereby making a difference to the lives of citizens.

OUR CORE VALUES

Independence: We carry out our work impartially, to build public trust and strengthen accountability.

Integrity: We are honest, ethical, and consistent in the work that we do.

Professional: We drive towards continuous improvement in our work.



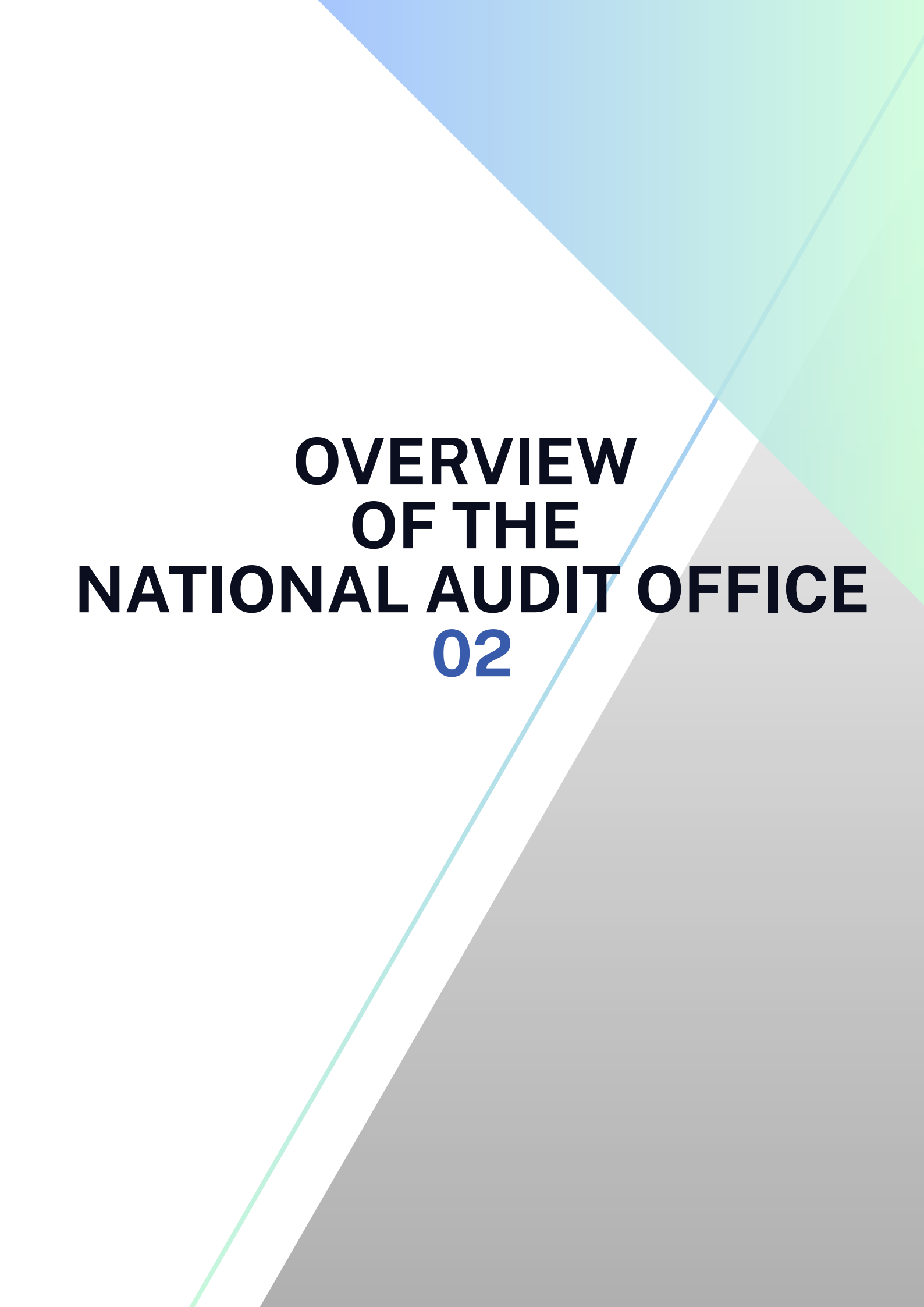
CUSTOMER CHARTER

Our Commitments

- High level of professionalism.
- Providing value added comments and recommendations.
- Providing reasonable time to reply.

What We Expect from Our Customers

- Full cooperation and collaboration.
- Prompt submission of required information and documents.
- Professionalism in all interactions.
- Providing a good working environment and necessary facilities.



OVERVIEW OF THE NATIONAL AUDIT OFFICE

02

OVERVIEW OF THE NATIONAL AUDIT OFFICE

ESTABLISHED UNDER THE CONSTITUTION

SUPREME AUDIT INSTITUTION OF MAURITIUS

**THE INTERNATIONAL ORGANISATION OF
SUPREME AUDIT INSTITUTIONS**

WHO WE ARE

The Constitution of the Republic of Mauritius establishes the National Audit Office (NAO). The appointment, independence, tenure security and powers of the Director of Audit are laid down in the Constitution. The Finance and Audit Act, together with a number of other laws, specify the responsibilities of the Director of Audit.

The National Assembly is the only authority for allocating public funds to public sector entities which are held accountable to the National Assembly for financial resources allocated to them.

NAO plays an important role in the accountability framework in the governance system of the Republic of Mauritius. Moreover, the NAO helps to improve the administration of public finances and promotes transparency in the use of public funds.

NAO reports on the Annual Statements of the Government of the Republic of Mauritius, the Rodrigues Regional Assembly the underlying records of all Ministries, Governmental Departments, and most of the financial statements of public sector bodies.

NAO is a member of the International Organisation of Supreme Audit Institution (INTOSAI), which is the apex body for the external public sector audit community worldwide.

NAO follows the International Standards of Supreme Audit Institutions (ISSAIs) in carrying out its audit, which are issued, authorized and endorsed by INTOSAI.



INTERNATIONAL FRAMEWORK

INTOSAI

Principles are issued by the INTOSAI, as part of the INTOSAI Framework of Professional Pronouncements (IFPP). There are eight fundamental principles that guide SAI. *(Refer to Annex I)*

THE LIMA DECLARATION

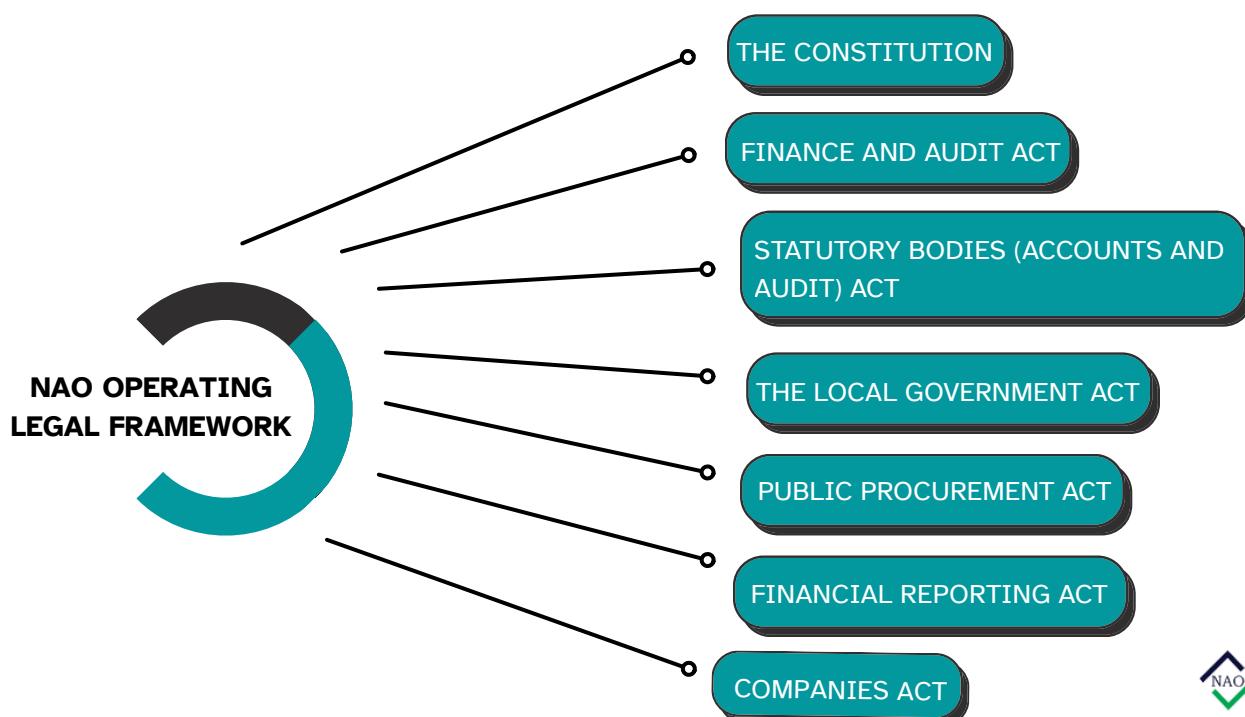
The Lima Declaration (1977) on SAI independence was the first INTOSAI document to comprehensively set out the importance of SAI independence, by reminding INTOSAI members that SAIs can only be objective and effective if they are independent from the audited entity and are protected from outside influence. *(Refer to Annex I)*

THE MEXICO DECLARATION

The Mexico Declaration (2007) on SAI independence elaborates on the topic of SAI independence as laid out in the Lima Declaration. It presents eight core principles, or pillars, of SAI independence. However, currently, NAO does not meet all the provisions of the Lima and Mexico Declarations on SAIs independence. *(Refer to Annex I)*

OPERATING LEGAL FRAMEWORK

The Constitution, the Finance and Audit Act, the Statutory Bodies (Accounts and Audit) Act, the Local Government Act, the Public Procurement Act, the Financial Reporting Act and the Companies Act, provide the primary legal framework under which NAO operates when performing its public sector audit tasks.



INDEPENDENCE

The independence of the National Audit Office from the executive authorities is necessary to enable it to carry out its audit mandate with impartiality, transparency and professionalism, thus establishing credibility in the results of its work.

THE CONSTITUTION

1

Section 110 of the Constitution outlines the appointment of Director of Audit who is appointed by the Public Service Commission after consultation with the Prime Minister and the Leader of the Opposition. **Section 93** states that the Director of Audit cannot be removed from office before retirement age, except when a tribunal recommends removal due to misconduct or being unable to perform the duties of his office.

The main legal provisions regarding the mandate of NAO are embodied in the Constitution that provides the public accounts of Mauritius and all Courts of law and all authorities and officers of the Government shall be audited and reported on by the Director of Audit. In the case of any body corporate directly established by law, the accounts of that body corporate shall be audited and reported on by the Director of Audit provided it is so prescribed.

Section 110(2) of the Constitution provides for the Director of Audit or any other person authorised by him in that behalf to have access to all books, records, reports and other documents relating to accounts to be audited by him.

2

FINANCE AND AUDIT ACT

Section 16 of the Finance and Audit Act provides that the Director of Audit shall satisfy himself that:

- all reasonable precautions have been and are taken to safeguard the collection of public money;
- all laws, directions or instructions relating to public money have been and are duly observed;
- all money appropriated or otherwise disbursed is applied to the purpose for which Parliament intended to provide and that the expenditure conforms to the authority which governs it;
- adequate directions or instructions exist for the guidance of public officers entrusted with duties and functions connected with finance or storekeeping and that such directions or instructions have been and are duly observed; and
- satisfactory management measures have been and are taken to ensure that resources are procured economically and utilised efficiently and effectively.

Section 16(1A) of the Act requires the Director of Audit to carry out Performance Audit and to report on the extent to which a Ministry, Department or Division is applying its resources and carrying out its operations economically, efficiently and effectively.



Section 17A of the Finance and Audit Act provides that no actions shall lie against the Office of the Director of Audit, the Director of Audit or any officer of his staff, in respect of any act done or omitted to be done by the Office of the Director of Audit and by the Director of Audit or any officer of his staff during or after his appointment, in the execution in good faith of its or his functions under the Act. This shall be in addition to and not in derogation of the Public Officers' Protection Act.

Section 17(1) of the Finance and Audit Act provides that, in the exercise of his duties, the Director of Audit may:

- call upon any public officer for any explanations and information which he may require in order to enable him to discharge his duties;
- with the concurrence of the head of any Ministry or Department, authorise an officer of that Ministry or Department to conduct on his behalf any inquiry, examination or audit and such officer shall report thereon to the Director of Audit;
- without payment of any fee, cause searches to be made in, and extracts to be taken from, any document in the custody of any public officer; and
- lay before the Attorney-General a case in writing as to any question regarding the interpretation of any enactment concerning the powers of the Director of Audit or the discharge of his duties and the Attorney-General shall give a written opinion on such case.

3

LOCAL GOVERNMENT ACT

Section 137 of the Local Government Act provides that the approved annual financial statements of every local authority shall be audited by the Director of Audit.

Section 137 of the Local Government Act provides that:

(1) The Director of Audit shall have access at all reasonable times to all Council minutes, information systems, books and accounts of the Local Authority, all vouchers in support of them, all deeds, contracts and other documents, and all relevant papers and writings in the possession or control of the Local Authority.

(2) The Director of Audit may, orally or in writing request:

(a) any person holding or accountable for any such document referred to in subsection (1), to appear before him at the audit or any adjournment;

(b) from any member of the Council or any officer or agent of a Local Authority, such information and explanations as may be necessary for the purpose of the audit; and

(c) any person referred to in paragraph (a) to make and sign a declaration as to the correctness of a document.

(3) Any person who willfully neglects or refuses to comply with any request made under subsection (2) shall commit an offence.

Section 138(1) of the Act requires the Director of Audit to make a report to the Council on the financial statements which have been audited.



Section 138 (2) -The report shall state:

- the work done by him;
- the scope and limitations of the audit;
- whether he has obtained all information and explanations that he has required; and
- whether the instructions of the Minister, if any, in regard to the financial statements have been complied with.

The report should also state, whether, in the opinion of the Director of Audit:

- any item of account is contrary to law;
- any loss or deficiency is wholly or partly due to the negligence or misconduct of any person;
- any sum which ought to have been so brought to account but which, due to willful default or negligence, has not been brought into account;
- any failure to recover any rate, fee or other charge in the manner specified in Section 101 of the Act; and
- the local authority has applied its resources and carried out its operations economically, efficiently and effectively.
- the financial statements give a true and fair view of the matters to which they relate, and where they do not, the aspects in which they fail to do so, and whether the financial statements have been prepared in accordance followed by section (117); and
- the instructions of the Minister, if any, in regard to the financial statements have been complied with.

Section 138(6) provides that the Director of Audit may, where he considers appropriate, send a consolidated audit report on the accounts of every local authority to the Minister who shall cause the report to be laid before the National Assembly.

4

LOCAL AUTHORITIES

Section 134A provides that:

1) Every local authority shall cause to be prepared an annual report.

2) The Annual Report shall consist of:

- the financial statements in respect of the financial year to which the report relates;
- a report on the performance of the local authority in respect of the previous financial year;
- a corporate governance report in accordance with the National Code of Corporate Governance; and
- the strategic direction of the local authority in respect of the next 3 financial years.

Section 136(2) of the Act states that “the Chief Executive of every Local Authority, shall, within four months of the end of every financial year submit the approved annual report to the Director of Audit”.

Section 138(4) of the Act states that “the Director of Audit shall, after receipt of the approved annual report, submit, within 10 months of the close of every financial year, the annual report and the audit report to the Minister and to the Local Authority”.

Section 139(2) - On receipt of the report of the Director of Audit, in respect of the annual report of a Council which has been audited, the Minister shall, at the earliest available opportunity, lay a copy of the annual report and audited accounts of every Council before the National Assembly.

Section 139(3) - The annual report and audited accounts shall be posted on the website of the Local Authority.

5

STATUTORY BODIES (ACCOUNTS AND AUDIT) ACT

Section 6 of the Statutory Bodies (Accounts and Audit) Act provides that:

- Every auditor shall have access, at all reasonable times, to all the books and accounts of the statutory body, all vouchers in support of them, and all relevant books, papers, and writings in the possession or control of the Board relating to them; and
- The auditor may require, from all the members of the Board and all officers, agents and employees of the statutory body, such information and explanations as may be necessary for the purpose of the examination or audit.

7

COMPANIES ACT

The Companies Act 2001 provide audits for public and certain private companies, in line with International Standards on Auditing (ISA). It outlines auditor responsibilities, independence requirements, and reporting obligations to stakeholders and regulators under **Sections 195-208**.

6

PUBLIC PROCUREMENT ACT

Section 42 of the Public Procurement Act provides that the auditor of every public body shall state in his annual report whether the provisions of Part V of the Act regarding the bidding process have been complied with.

PUBLIC PROCUREMENT REGULATIONS

Regulation 69 provides that the report and the register of procurement proceedings, as well as the documents generated in the planning and procurement proceedings and implementing procurement contracts shall be made available for inspection to the Policy Office and the Director of Audit.

REGIONAL COOPERATION

NAO is affiliated to INTOSAI and to its regional working groups namely, the African Organisation of the Supreme Audit Institution (AFROSAI), the English – Speaking sub group, AFROSAI-E and the Asian Organisation of Supreme Audit Institutions (ASOSAI). The INTOSAI has 202 members globally and it aims to help SAIs improve performance, enhance transparency, ensure accountability, and use public resources efficiently for the benefit of citizens.

ISSAIs are professional standards and best practice recommendations for public sector auditors that outline essential principles in the auditing of public institutions. They are fully authorized and supported by INTOSAI. The interchange of experience and knowledge among SAI members enables NAO to acquire insights on new worldwide developments and emerging issues and create opportunities for professional and technical cooperation with SAIs members.

INTERNATIONAL COOPERATION

During the financial year 2024-2025, the NAO has actively engaged in international cooperation initiatives to foster knowledge exchange, strengthen institutional capacity, and promote best practices in public sector auditing. Key activities undertaken include the following:

1. Technical Assistance Agreement with the National Audit Office of the United Kingdom

On 21 October 2024, the NAO signed a technical assistance agreement with the National Audit Office of the United Kingdom during a ceremony held at the Caudan Arts Centre. As part of this agreement, a four-member delegation from NAO UK visited Mauritius from 19 to 25 October 2024 to deliver specialised training sessions for NAO officers. The training covered key areas such as Audit Report preparation, Information Technology (IT) Audit, and Performance Audit, contributing significantly to capacity building within the NAO.



2. Study Visit by the Office of the Auditor General of Uganda and Signing of MoU

A 17-member delegation comprising of some honourable members of the Parliament of Uganda and officers from the office of the Auditor General of Uganda undertook a study tour to the NAO from 3 to 7 March 2025. The objective of the visit was to gain insight into the NAO's practices, with particular emphasis on governance arrangements, collaboration with the National Assembly and other key stakeholders, quality assurance in audit processes, and the digitization of audit operations.

Subsequently, our two SAIs formalised their collaboration by signing a Memorandum of Understanding (MoU) on 19 May 2025 during the 21st AFROSAI-E Governing Board Meeting held in Seychelles. The MoU aims to strengthen, promote, and develop cooperation in the field of public sector auditing.



3. Visit of the China National Audit Office (CNAO)

A delegation from the China National Audit Office (CNAO) visited Mauritius from 21 to 23 June 2025. The purpose of the visit was to enhance collaboration and foster closer working relations between the two Supreme Audit Institutions. Discussions were held on areas of mutual interest, and both parties expressed their commitment to entering into a Memorandum of Understanding in the near future.



Through these initiatives, the NAO continues to reaffirm its commitment to fostering international partnerships and leveraging global expertise to improve the effectiveness and quality of public sector auditing in Mauritius.

AUDIT OF AFRICAN UNION

The African Union Commission nominated Mauritius as a member on the African Union Board of External Auditors, which comprises of 11 Head of SAls of Eswatini, Algeria, Equatorial Guinea, Egypt, Morocco, Mauritius, Nigeria, Libya, Cote D`Ivoire, South Africa and Angola ,for the period 1 January 2025 to 31 December 2026.

The National Audit Office of Mauritius carried out the audit of the financial statements for the financial year ending 31 December 2024 of the following organisations of the African Union:

- Inter - African Bureau for Animal Resources located in Nairobi, Kenya.
- The African Committee of Experts on the Rights and Welfare of the Child located in Kingdom of Lesotho.

Four officers of the NAO participated in the audit of the Financial Statements for the Financial Year ending 31 December 2024 during April 2025 and the report has already been signed by members of the Board of External Auditors.

AUDIT OF SADC SECRETARIAT

The SADC Council appointed the National Audit Office Mauritius to be a member of the Board of External Auditors together with SAI Congo and Malawi for the financial years, 2024/25, 2025/26 and 2026/27.

To that effect two officers of the NAO carried out the audit of SADC secretariat for the financial year ended 31 March 2025 in Botswana. The audit was carried out during May and June 2025 and report has been signed.

COMMUNICATION AND STAKEHOLDER ENGAGEMENT

Effective Communication is crucial for the National Audit Office because it directly impacts its ability to achieve its strategic goals, enhance its influence, and strengthen its role in promoting accountability and good governance.

A communication policy was developed in September 2024. The policy outlines NAO's approach to both internal and external communication. The various stakeholders were identified, along with the corresponding communication channels.

In May 2025, the Communication and Stakeholder Engagement Strategy, including an Implementation plan, was developed in line with the strategic plan. The strategy sets out the strategic framework for communication over the coming years, outlining our objectives, target audiences, key messages, and evaluation mechanisms.

A presentation was made to the Public Accounts Committee (PAC) in May 2025 to the new members on the mandate, duties, and powers of the Director of Audit, as well as the role of the NAO in relation to the PAC.





HUMAN CAPITAL 03

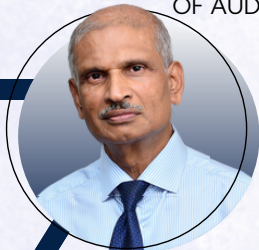
DR D. PALIGADU
DIRECTOR OF AUDIT
(AUDITOR GENERAL)

NAO SENIOR MANAGEMENT TEAM

MR K. REETUN
DEPUTY DIRECTOR
OF AUDIT

MR A. GAFFOOR
DEPUTY DIRECTOR
OF AUDIT

MR D. RAMKISHORE
DEPUTY DIRECTOR
OF AUDIT



MRS N. DULLOO
ASSISTANT DIRECTOR OF AUDIT

MR L. APPASAMY
ASSISTANT DIRECTOR
OF AUDIT
(RETIRED IN MARCH 2025)

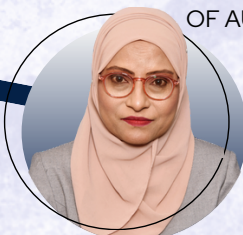
MRT. DODAH
ASSISTANT DIRECTOR
OF AUDIT



MR Y. MAMODE ALLY
ASSISTANT DIRECTOR
OF AUDIT

MRS M. HOOBAYEKHAN
ASSISTANT DIRECTOR
OF AUDIT

MR J. DODAH
ASSISTANT DIRECTOR
OF AUDIT



MRS H. KURREEMUN
ASSISTANT DIRECTOR OF AUDIT

MR G. MADHOW
ASSISTANT DIRECTOR OF AUDIT

MISS B. GHORAH
ASSISTANT DIRECTOR
OF AUDIT



MR S. RAMPERSAD
HEAD, EXAMINER OF
ACCOUNTS
CADRE
(RETIRED IN JULY 2025)



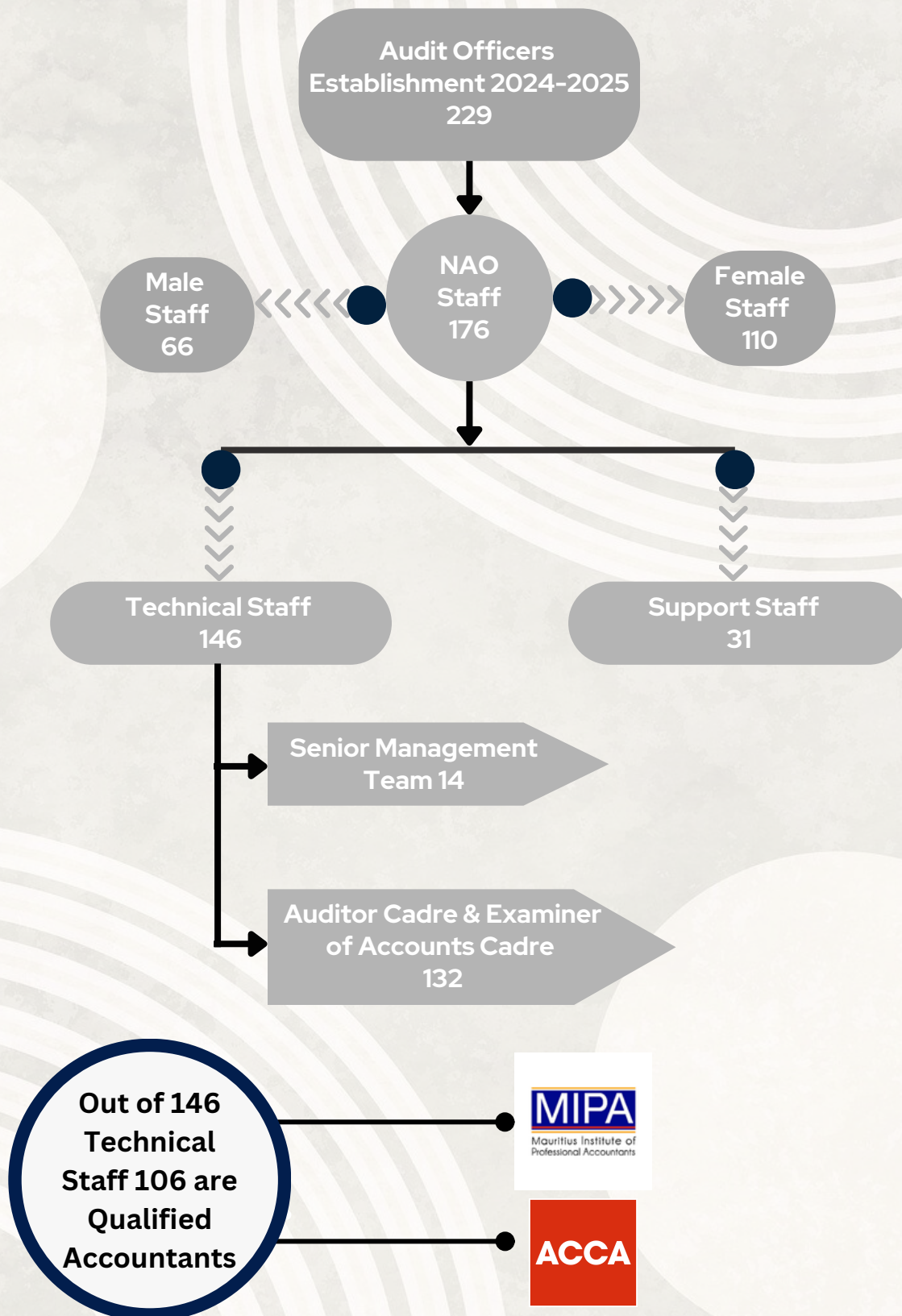
MR P. MOOTOOCURPEN
ASSISTANT DIRECTOR OF AUDIT



MRS D. ARMOOGUM
Ag. ASSISTANT DIRECTOR
OF AUDIT

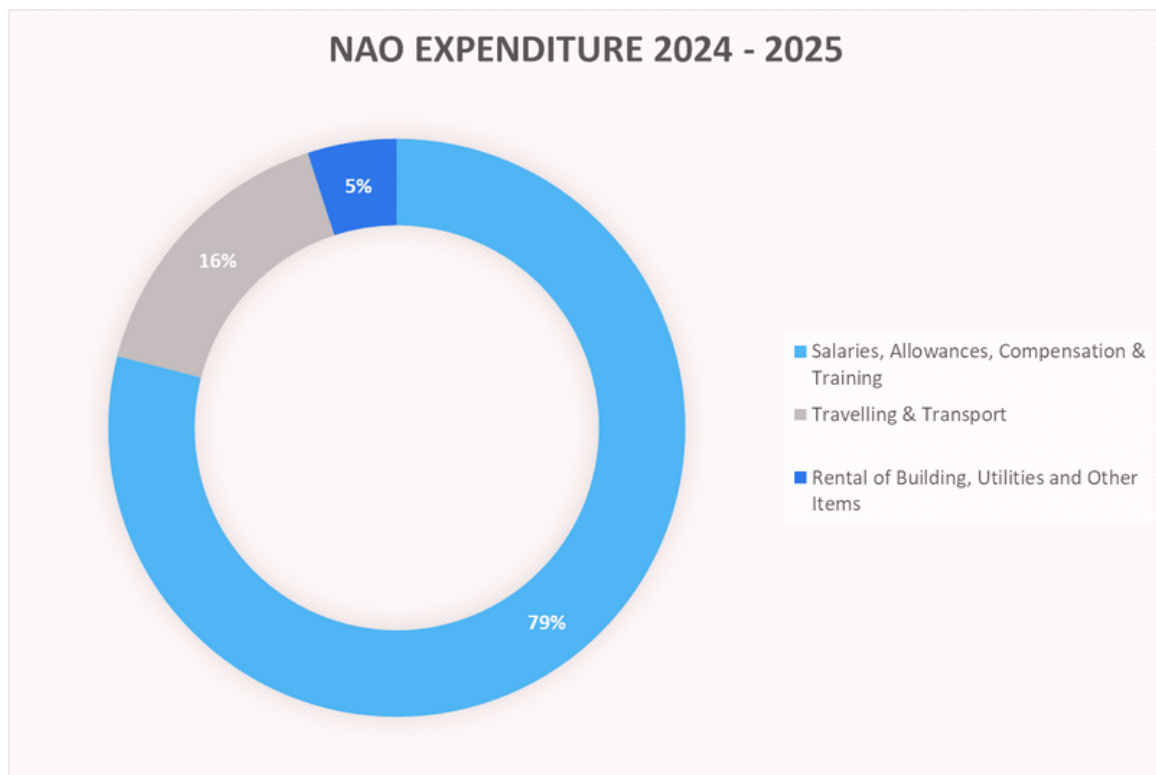


HUMAN RESOURCES

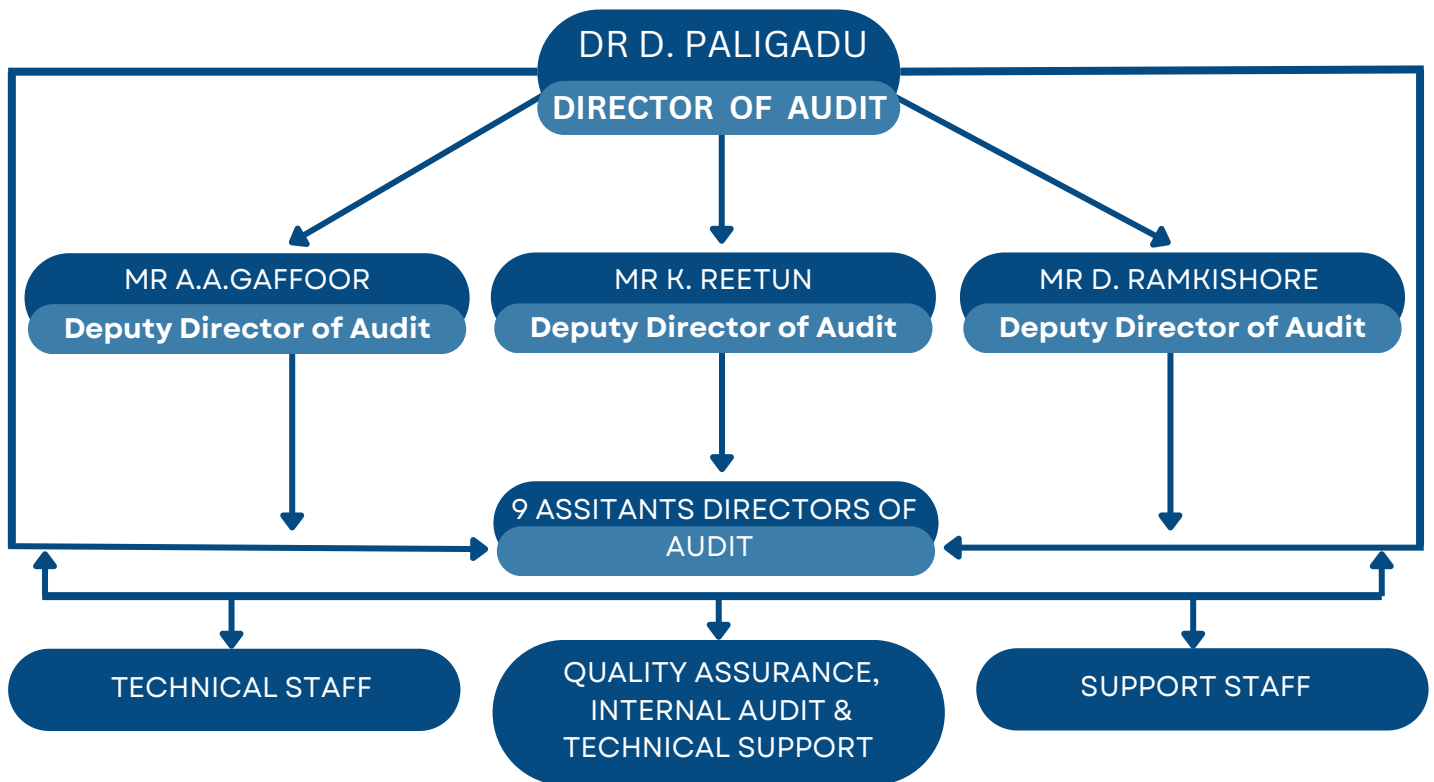


STAFF-RELATED EXPENSES

NAO most valuable resource is the staff, who contributes to effectively carry out its mandate and functions. During the financial year 2024-25, 95% of NAO total expenditure were incurred on staff-related items, of which 79% were on 'Salaries, Allowances, Compensation, Interim Allowance and Training', and 16% on 'Travelling and Transport'. The remaining expenditure (5%) was incurred on Rental of building, Utilities and Other Items.



NAO STRUCTURE



APPOINTMENT

During the financial year 2024-25, one Word Processing Operator joined the National Audit Office.

PROMOTION

Twelve staff of the technical cadres were promoted during the year.

RETIREMENT OF STAFF

One Chief Examiner of Accounts and One Assistant Director of Audit retired on 7 July 2024 and 06 March 2025 respectively. One Examiner of Accounts retired from the service on marriage ground.

WELFARE ACTIVITIES

NAO strives to maintain a balance between operational effectiveness and employee social wellbeing, which includes health, safety, training, and involvement in community and environmental activities. Since the early 1980s, NAO has supported the growth of its personnel.



End of year at Avalon Golf Estate, Bois Cheri

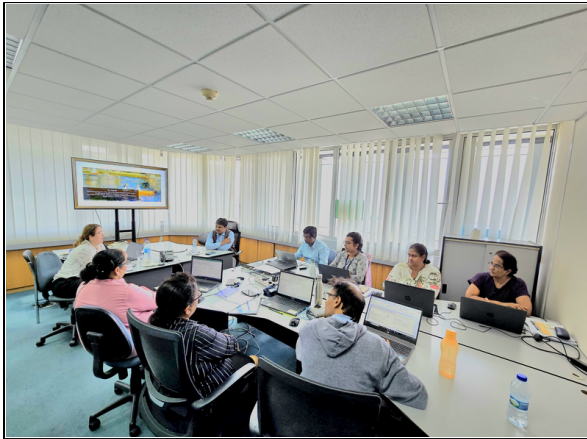
NAO organised its annual end-of-year lunch at Avalon Golf Estate, Bois Cheri on 18 December 2024 to celebrate the achievements of its dedicated staff through their hard work. Some of our staff participated in musical activities and an entertainment show was animated by the local artist "Mr Sam Amigan" on that day. Held in a festive atmosphere, the event provided an opportunity for colleagues to come together, reflect on the year's accomplishments, and enjoyed a well-deserved break.

OCCUPATIONAL SAFETY AND HEALTH

NAO is committed to ensuring compliance with the Occupational Safety and Health Act and other protocols, providing a safe and healthy workplace environment, equipment, and systems, and managing safety and health hazards through risk assessments and implementation of recommendations made by the Health & Safety officer.

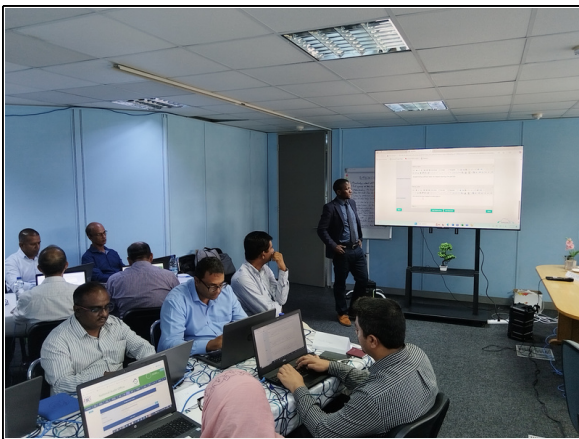


NAO UK TRAINING



The National Audit Office (NAO) of the United Kingdom recently provided training to the National Audit Office of Mauritius, focusing on enhancing audit methodologies and best practices.

AFROSAI - E (MU SEAT TRAINING)



In line with its ongoing commitment to strengthening audit efficiency and embracing innovation in public sector auditing, NAO has adopted the AFROSAI-E SAI Enhancement Audit Tool (A-SEAT) which is free of cost (no license fees) to replace its existing audit management software.

In October 2024, a self-assessment exercise was carried out in collaboration with AFROSAI-E. This was followed by the initial deployment phase, which took place from 2 to 13 December 2024. During this period, the AFROSAI-E Technical Team worked closely with NAO's pilot team to configure and customise the tool to reflect the office's specific operational needs and workflows. This process resulted in the customisation of the Mauritius SAI Enhancement Audit Tool (MUSEAT), which will improve audit documentation and provide an effective system for tracking audit progress at NAO.

The AFROSAI-E team provided training to senior management and staff in February, March, and June 2025. Subsequently, the pilot team conducted a series of training sessions for NAO staff across various divisions during July and August 2025.



TRAINING ON CASEWARE IDEA

As part of the organization's commitment to enhancing analytical capacity, a full-day training program in batches on CaseWare IDEA was delivered to 107 staff members between 13 March and 29 April 2025. Sessions were conducted in house by NAO officers.

The objective of the training was to strengthen staff capabilities in data analysis. Core topics included importing data from various formats, reconciling and profiling datasets, identifying anomalies and irregularities, conducting data sampling, and appending and joining databases.

ONLINE TRAINING

Mr. Gavin Huber (IFRS Expert) conducted online training programmes for the officers of the National Audit Office, focusing on key areas of the International Public Sector Accounting Standards (IPSAS) and International Standards of Supreme Audit Institutions (ISSAI). The training covered IPSAS 41 to 49, which address advanced topics in financial reporting, including financial instruments, revenue, leases, agriculture, and other specialized transactions relevant to the public sector.

In addition, training was also held on the application of ISSAI 140 and 2315, which provide essential guidance on quality control for Supreme Audit Institutions and the use of analytical procedures in auditing. The objective of the training was to enhance auditors' knowledge and technical competencies in applying these international standards to ensure high-quality, consistent, and transparent audit outcomes.

MEMORANDUM OF UNDERSTANDING

The NAO is currently in the process of formalising several Memorandum of Understanding (MOUs) with strategic international partners, including Gambia, the African Professionalisation Initiative (API), SAI India and SAI China. These agreements aim to strengthen institutional collaboration, foster knowledge exchange, and enhance professional capacity in the field of public sector auditing.

Through these partnerships, the NAO seeks to promote best practices, support mutual technical assistance, and reinforce its commitment to improve so as to perform according to international benchmarks.



CAPACITY BUILDING & PERFORMANCE 04

CAPACITY DEVELOPMENT

NAO is dedicated to provide continuous learning and development to all its officers ensuring that they remain relevant in a fast evolving digital landscape. As an ACCA Approved Employer, NAO provides Continuous Professional Development (CPD) opportunities to keep its staff up to date on the latest information and technologies. NAO makes use of training possibilities provided by international and regional organisations such as AFROSAI-E, and ASOSAI, as well as a variety of online courses and webinars.

Capacity Development during Financial Year 2024-2025				
	Overseas Training		Local Training	
	Face-to-Face	Online	Face-to-Face	Online
Courses	11	1	4	1
Participants	18	-	122	127

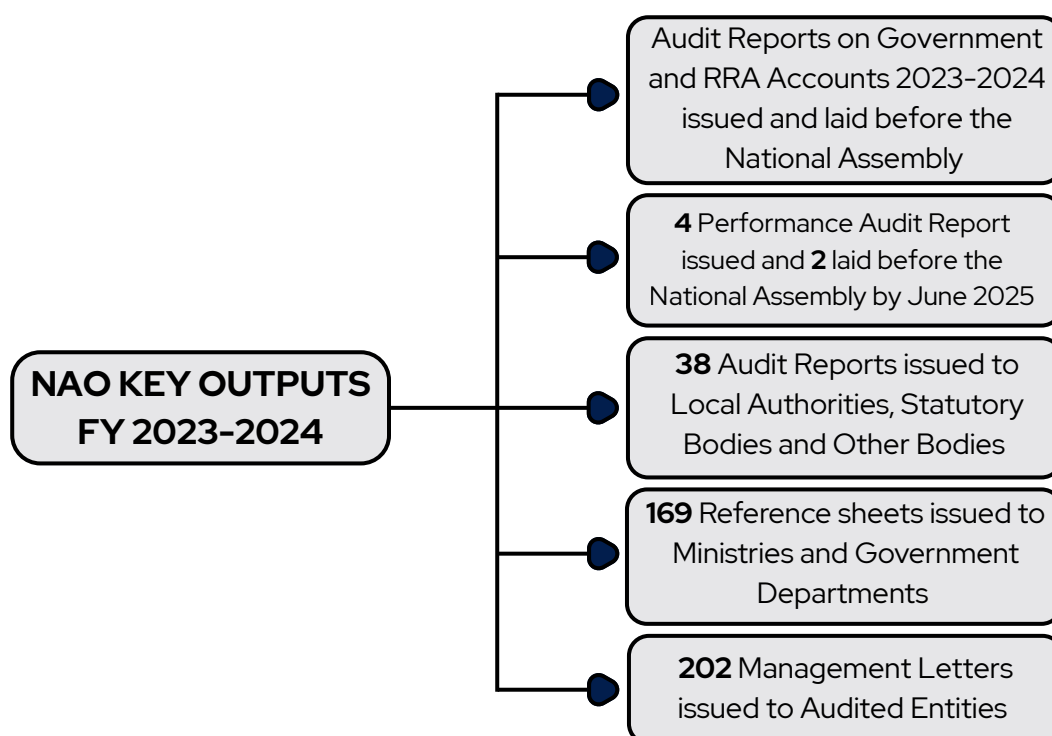
Details of some of the main training courses followed by NAO staff during the financial year 2024-2025 are given at **Annex III**.

KEY DELIVERABLES & PERFORMANCE INDICATORS FINANCIAL YEAR (FY) 2024-25

Main Service	Key Performance Indicator (KPI)	Target 2024 -2025	Achievements as at 30 June 2025
Audit of the Accounts of the Government and other public bodies to provide independent assurance to the National Assembly on the proper accounting and use of public resources.	Annual Audit Reports on the accounts of the Government and the Rodrigues Regional Assembly (RRA) are submitted before end of February	End of February 2025	Audit Report on the Accounts of Government and RRA submitted in February 2025 and tabled before the National Assembly in March 2025
	Percentage of financial statements of Statutory Bodies (SBs) & Local Authorities (LA's) certified within 6 months	85%	88% (N1)
Conduct of Performance Audits to evaluate whether audited entity is carrying out its operations and making use of its resources in an economical, efficient and effective manner.	Number of Performance Audit Reports issued	3	4

N1 – Figure relates to SB's and LA's financial statements 2023-2024 submitted within statutory date limit and certified within 6 months of receipt.

NAO KEY OUTPUTS FY 2024-2025).



The background features a series of diagonal lines creating a geometric pattern. The top-left area is white. The top-right area is a gradient from light blue to light green. The bottom-right area is a gradient from light green to light grey. A thin, light blue line runs diagonally from the bottom-left towards the top-right, passing through the text.

FINANCIAL STATEMENTS 05



**INDEPENDENT AUDITORS' REPORT TO THE DIRECTOR OF AUDIT
NATIONAL AUDIT OFFICE**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NATIONAL AUDIT OFFICE (NAO), which comprise the statements of financial position as at 30 June 2025, and the statement of financial performance, the statement of changes in net assets/equity, the cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our Opinion, these financial statements give a true and fair view of the financial position of the National Audit Office as at 30 June 2025, its financial performance, its changes in net asset/equity and cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

In all material respects, the income and expenditures have been applied to the purposes intended by the National Assembly and conform to the authorities which govern them.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial statements section of our report. We are independent of the NAO in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Director of Audit is responsible for the other information. The other information comprises the information included in the Activity and Performance Report of NAO but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



**INDEPENDENT AUDITORS' REPORT TO THE DIRECTOR OF AUDIT
NATIONAL AUDIT OFFICE**

Report on the Audit of the Financial Statements (continued)

Auditors' responsibilities for the audit of the financial statements (Continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the National Audit Office's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director of Audit.
- Conclude on the appropriateness of the use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the National Audit Office's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the National Audit Office to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieve fair presentation. We communicate regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Director's Responsibilities for the Financial Statements

- The Director of Audit is under no statutory obligation to prepare financial statements for the National Audit Office. However, these financial statements have been prepared in terms of the requirements of International Standards for Supreme Audit Institutions (INTOSAI- P20) -Principles of transparency and accountability and by applying International Public Sector Accounting Standards.
- The Director of Audit is responsible for the preparation and fair presentation of these financial statements. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.



**INDEPENDENT AUDITORS' REPORT TO THE DIRECTOR OF AUDIT
NATIONAL AUDIT OFFICE**

Report on the Audit of the Financial Statements (continued)

Report on Other Legal and Regulatory Requirements

- We have no relationship with or interests in the National Audit Office other than in our capacity as auditors
- We have obtained all the information and explanations we have required.
- In our opinion, proper accounting records have been kept by the National Audit Office as far as it appears from our examination of those records.

Auditax Associates LLP
Registered Firm with the FRC
Block B Astor Court,
Geoges Guibert Street,
Port Louis.

Date: 25.08.2025



IPPILI APPIAH Dharmaraj
Licensed Auditor



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National Audit Office

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National Audit Office
Statement of Financial Position
as at 30 June 2025

		30 June 2025	30 June 2024 Restated
	Notes	Rs	Rs
ASSETS			
Current Assets			
Receivables from Exchange Transactions	17	4,420,000	7,430,025
Other Receivables	18	207,839	200,084
Prepayments	18(a)	464,645	242,505
Employee Benefits	20	6,173,540	5,961,930
Inventories	19	330,066	277,400
		11,596,090	14,111,944
Non-Current Assets			
Employee Benefits	20	115,744,983	112,939,153
Property, Plant and Equipment	15	6,659,619	6,907,974
Right-of-Use Assets	16	21,500,990	22,406,834
Intangible Assets	15(a)	547,967	675,729
		144,453,559	142,929,690
Total Assets		156,049,649	157,041,634
LIABILITIES			
Current Liabilities			
Payables	21	207,839	200,084
Employee Benefits	20	6,173,540	5,961,930
Lease Liabilities	22	5,717,166	4,460,142
		12,098,545	10,622,156
Non-Current Liabilities			
Employee Benefits	20	115,744,983	112,939,153
Lease Liabilities	22	16,407,704	18,117,026
		132,152,687	131,056,179
Total Liabilities		144,251,232	141,678,335
NET ASSETS		11,798,417	15,363,299
NET ASSETS / EQUITY			
Contributed Capital	23	11,798,417	15,363,299

Approved on

31 July 2025

DR. D. PALIGADU

Director of Audit

The notes on pages 32 to 47 form an integral part of these financial statements.

National Audit Office
Statement of Financial Performance
for the financial year ended 30 June 2025

		30 June 2025	30 June 2024
	Notes	Rs	Restated Rs
Revenue			
<i>Revenue from Non-Exchange Transactions</i>			
Appropriation from Consolidated Fund	6	185,257,065	186,091,265
Amount Refundable by Government	6(a)	15,801,099	13,568,823
<i>Revenue from Exchange Transactions</i>			
Audit Fees	7	17,259,224	27,547,500
Total Revenue		218,317,388	227,207,588
Expenses			
Employee costs	8	187,123,215	186,762,368
Rental of spaces	9	904,920	4,562,792
Utilities cost	10	1,304,831	1,084,413
Repairs and maintenance	11	673,649	528,226
Printing and stationery	12	1,502,692	1,309,043
Membership fees	13	739,840	523,378
Professional fees	14	115,000	145,364
Loss on disposal of Property, Plant and Equipment	7(a)	30,531	37,197
Depreciation and Amortisation	15&16	8,051,481	3,694,404
Finance Costs	22	1,332,198	447,653
Total Expenses		201,778,357	199,094,838
Operating Surplus for the year		16,539,031	28,112,750
Fees remittable to Consolidated Fund		(17,259,224)	(27,547,500)
(Deficit)/Surplus for the year		(720,193)	565,250

The notes on pages 32 to 47 form an integral part of these financial statements.

National Audit Office

Statement of Changes in Net Assets/Equity for the financial year ended 30 June 2025

	Contributed Capital
	Rs
Balance at 1 July 2023	11,781,460
Surplus for the year	565,250
Movement in Contributed Capital	3,016,589
Balance at 30 June 2024	15,363,299
Balance at 1 July 2024	15,363,299
Deficit for the year	(720,193)
Movement in Contributed Capital	(2,844,689)
Balance at 30 June 2025	11,798,417

The notes on pages 32 to 47 form an integral part of these financial statements



National Audit Office

Cash Flow Statement

for the financial year ended 30 June 2025

	30 June 2025	30 June 2024
	Rs	Restated Rs
Operating Activities		
(Deficit)/Surplus for the year	(720,193)	565,250
Non-Cash Movements:		
Loss on Disposal of Assets	30,531	37,197
Depreciation and Amortisation	8,051,481	3,694,404
Finance Costs	1,332,198	447,653
Repayment of Finance Lease	6,625,904	2,067,930
Adjustments icw inventories/prepayments and audit fees receivable	2,782,005	3,117,839
Increase in Trade and Other Receivables and Prepayments	(2,780,130)	(3,031,010)
Increase in Inventories	(52,666)	(19,140)
Increase/(Decrease) in Payables	7,755	(14,015)
Increase in Employee Benefits - Receivable	(3,017,440)	(8,029,933)
Increase in Employee Benefits - Payable	3,017,440	8,029,933
(Decrease) /Increase in Lease Liabilities	(452,298)	22,577,168
Net Cash Flows from Operating Activities	14,824,587	29,443,276
Investing Activities		
Purchase of Property, Plant and Equipment	(2,025,076)	(2,730,248)
Audit Fees to Consolidated Fund	(20,269,249)	(24,502,475)
Proceeds from Disposal payable to Consolidated Fund	(66,434)	(50,843)
Net Cash Flows from Investing Activities	(22,360,759)	(27,283,566)
Financing Activities		
Proceeds from Disposal	66,434	50,843
Audit Fees Received	20,269,249	24,502,475
Repayment of Finance Lease	(6,625,904)	(2,067,930)
Addition to Right-of-Use Asset	(4,841,409)	(24,197,445)
Finance Costs	(1,332,198)	(447,653)
Net Cash Flows from Financing Activities	7,536,172	(2,159,710)
Change in Cash and Cash Equivalents		
Cash and Cash Equivalents at beginning of year	-	-
Cash and Cash Equivalents at end of year	-	-



National Audit Office
Cash Flow Statement
for the financial year ended 30 June 2025

Notes to the Cash Flow Statement

(a) Cash and Cash Equivalents

The NAO does not operate any bank account. Revenues are remitted to the Accountant General and all payments are effected by the latter. The Cash and Cash Equivalents were nil at year end.

(b) Property, Plant and Equipment

During the financial year 2024-25, NAO acquired property, plant and equipment with a total cost of Rs 2,025,076, which was funded through an appropriation from the Consolidated Fund.

The notes on pages 32 to 47 form an integral part of these financial statements

National Audit Office

Statement of Comparison of Budget and Actual Amounts

for the year ended 30 June 2025

	Original Budget	Revised Budget	Actual Received/ Paid	Variance Actual vs Revised	Financial Statements	Notes
	Rs	Rs	Rs	Rs	Rs	
Income						
Appropriation from Consolidated Fund	195,000,000	195,000,000	185,118,940	(9,881,060)	185,257,065	A
Other Receivables	-	-	-	-	15,801,099	B
Audit fees	27,900,000	27,900,000	20,269,249	(7,630,751)	17,259,224	C
	222,900,000	222,900,000	205,388,189	(17,511,811)	218,317,388	
Expenditure						
Employee and Related Costs	180,590,000	180,153,000	171,012,643	(9,140,357)	187,123,215	D
Cost of utilities	1,340,000	1,340,000	1,302,076	(37,924)	1,304,831	E
Rental of spaces	7,835,000	7,653,000	7,538,324	(114,676)	904,920	F
Repairs and maintenance	685,000	910,000	760,034	(149,966)	673,649	G
Printing and stationery	1,300,000	1,600,000	1,502,692	(97,308)	1,502,692	H
Professional fees	350,000	186,000	115,000	(71,000)	115,000	I
Membership fees	600,000	858,000	834,072	(23,928)	739,840	J
Finance Costs					1,332,198	
Repayment of finance lease					6,625,904	
Total Recurrent Expenditure	192,700,000	192,700,000	183,064,841	(9,635,159)	200,322,249	
Depreciation and amortisation					8,051,481	
Loss on disposal of assets					30,531	K
Total Expenditure as per FS	192,700,000	192,700,000	183,064,841	(9,635,159)	208,404,261	
Expenditure Capitalised						
PPE	2,300,000	2,300,000	2,054,099	(245,901)	2,025,076	
Total Expenditure Budget	195,000,000	195,000,000	185,118,940	(9,881,060)	210,429,337	

Note A:

The original and revised budget allocation stood at Rs 195,000,000. At the end of the financial year, the actual amount spent was Rs 185,118,940. This means that the actual amount received was less by Rs 9,881,060, which lapsed at the close of the financial year.

Note B:

The sum of Rs 15,801,099 mainly comprises the monetary value of sick leave, vacation leave and passage benefits earned during the year 2024-25, payable by the Government.

Note C:

The original and revised budgets for the audit fees were Rs 27,900,000 each. However, the actual amount received was Rs 20,269,249, falling short by Rs 7,630,751 compared to the budget disclosed in the financial statements. This is because claims were issued in the financial year, but payments by auditees were made in the next financial year.

Note D:

The original budget for employee and related costs was Rs 180,590,000, revised to Rs 180,153,000. The actual amount spent was Rs 171,012,643. The underspent amount is

explained due to unfilled vacancies. The accrued amount of Rs 187,123,215 includes a sum of some Rs 16.1 million for passage benefits, vacation leave and sick leave earned during 2024-25.

National Audit Office

Statement of Comparison of Budget and Actual Amounts

for the year ended 30 June 2025

Note E:

The original and revised budgets for Utilities Costs were Rs 1,340,000. The actual amount spent was Rs 1,302,076 lower than budgeted due to energy-saving measures implemented by the office.

Note F:

The original and revised rental budgets were Rs 7,835,000 and Rs 7,653,000, respectively. Actual expenditure amounted to Rs 7,538,324. The decrease of Rs 114,676 was due to a fall in the number of rented parking slots. The figure reported in the financial statements has been adjusted to account for accrued and prepaid rental of parking and finance lease.

Note G:

The original and revised budgets for repairs & maintenance costs were Rs 685,000 and Rs 910,000, respectively. Actual spending was Rs 760,034 due to fewer repairs being performed. The financial statements figure was adjusted by some Rs 115,000 in respect of prepayment.

Note H:

The original budget for printing and stationery was Rs 1,300,000, revised to Rs 1,600,000. Actual spending was Rs 1,502,692 due to an increase in the purchase of stock items and printing costs.

Note I:

The original budget for fees to the consultant and external audit costs was Rs 350,000, but it was revised down to Rs 186,000. The actual amount spent was Rs 115,000 and the financial statements figure was arrived at after adjusting for accruals.

Note J:

The original and revised budgets for the membership fees were Rs 600,000 and Rs 858,000, respectively. Actual spending was Rs 834,072. This is crucial for maintaining international standards in operations.

Note K:

No budget allocation was made for the loss from the disposal of assets, as this item was unanticipated and thus not included in the original financial planning. However, it is disclosed in the year-end financial statements, indicating a source of income/expense that had not been forecasted.

National Audit Office
Notes to the Financial Statements
for the year ended 30 June 2025

Note 1. Reporting Entity

According to Section 110 of the Constitution of the Republic of Mauritius, there shall be a Director of Audit whose office shall be a public office.

The Finance and Audit Act elaborates on the constitutional roles and responsibilities of the Director of Audit, including how public money is managed and overseen. In addition to scrutinising the accounts and records of Government Ministries and Departments, the National Audit Office (NAO) also audits the financial statements of all Local Authorities, a majority of Statutory Bodies, Special Funds, the Rodrigues Regional Assembly, projects funded by foreign entities, and other organizations.

The financial statements of the NAO have been prepared in line with key principles of good governance, namely accountability and transparency.

1.1 Reporting Period

The financial statements cover the financial year from 1 July 2024 to 30 June 2025.

1.2 Authorisation Date

The financial statements were authorised for issue on 31 July 2025.

1.3 Presentation Currency

The financial statements are presented in Mauritian Rupee (Rs) which is the functional currency.

Note 2. Basis of Preparation

The financial statements of the NAO have been prepared in accordance with International Public Sector Accounting Standards (IPSASs), as set forth by the International Public Sector Accounting Standards Board (IPSASB).

The financial statements have been prepared on historical cost and based on the assumption that NAO will continue to operate. Accounting principles have been consistently applied throughout the given timeframe.

When implementing the NAO's accounting policies, outlined in Note 5, the management team must make judgments, estimates, and assumptions regarding the values of assets and liabilities that are not easily verified through other means. These estimates and assumptions were drawn upon past experiences and other relevant factors.

Note 3. New Standards Issued but Not Yet Effective

The following IPSAS standards have been issued but are effective for periods starting on or after 1 January 2025 and 2026. They are not expected to have a material impact on the NAO's financial statements for the financial year ending on 30 June 2025.

National Audit Office Notes to the Financial Statements for the year ended 30 June 2025

IPSAS	Effective date (Period starting on or after)
IPSAS 44, Non-Current Assets held for sale and discontinued operations	1 January 2025
IPSAS 45, Property, Plant and Equipment	1 January 2025
IPSAS 46, Measurement	1 January 2025
IPSAS 47, Revenue	1 January 2026
IPSAS 48, Transfer Expenses	1 January 2026
IPSAS 49, Retirement Benefit Plans	1 January 2026

The NAO has made early adoption of IPSAS 43 Leases, effective from the period starting 1 January 2025.

Note 4. Measurement Base

In preparing the financial statements, the accepted accounting principles for evaluating and reporting financial performance, cash flows, and overall financial standards are adhered to. These principles are applied on an accrual basis and historical cost has been used for measurement.

Note 5. Significant Accounting Policies

The following specific accounting policies that materially affect the measurement of financial performance and the financial position are applied:

(a) Revenue Recognition

In compliance with IPSAS 9 and IPSAS 23, the entity recognises revenue from both exchange and non-exchange transactions. For exchange transactions, revenue is measured at the fair value of the consideration received or receivable. For non-exchange transactions, revenue is measured at the amount of the increase in net assets recognised by the entity. Revenue is recognised when it is probable that future economic benefits or service potential associated with the transaction will flow to the entity and the amount of revenue can be measured reliably.

(b) Trade and Other Receivables

In accordance with IPSAS 41 - Financial Instruments, trade and other receivables are recognised at fair value plus directly attributable transaction costs (except for those at fair value through surplus or deficit). The entity assesses impairment at each reporting date, measuring the loss allowance at an amount equal to lifetime expected credit losses if there is objective evidence of impairment. An allowance for doubtful and unrecoverable debts is established

based on an expected credit loss model, considering factors such as aging of receivables, historical experience, and current economic conditions.

National Audit Office
Notes to the Financial Statements
for the year ended 30 June 2025

(c) Leases

Leases have been recognised for the first time in the financial statements for the financial year ended 30 June 2025. Prior year figures have been restated retrospectively in line with IPSAS 43 Leases paragraph 109(b).

The NAO assesses whether a contract is, or contains, a lease, at the inception of the contract. The NAO leases office spaces at the Air Mauritius Centre under two lease agreements for periods ranging between 4.5 and 5 years. A right-of-use asset and a corresponding lease liability have been recognised in the financial statements in respect of the two lease agreements. For short-term leases, NAO recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. (Refer to Note 9)

Lease liabilities

The lease liability is initially measured as the present value of the lease payments that are not paid at the commencement date. In calculating the present value of lease payments, the NAO has used a discount rate of 5 per cent, equivalent to an average of the interest rate on Five-Year Government of Mauritius Bonds. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

Right-of-Use-Assets

The right-of-use assets comprise the initial measurement of the lease liability at the commencement date. These are subsequently measured at cost less accumulated depreciation. Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the right-of-use asset.

(d) Employee Entitlements

Employee remuneration and associated benefits are recognised when earned. As of 30 June 2025, employees can roll over unused sick leave into a Sick Leave bank, up to a maximum accumulation of 110 days. The bank balance of this Sick Leave is assessed at the close of the financial year and categorized under Long-Term Payables in the Statement of Financial Position. Any unused sick leave days that exceed the 110-day limit are partially reimbursed to employees at year-end and this expenditure is recognised in the Statement of Financial Performance. Due to the COVID-19 pandemic, unused sick leave earned in 2020 was not reimbursed to Officers and has been accrued.

A maximum of 16 days from such unutilised leave was added to the sick leave banks of qualifying Officers. The monetary worth corresponding to these days has been evaluated using the officers' salary levels at the end of the financial year in June 2025.

When it is anticipated that employees will retire within the forthcoming year, the financial obligation for their sick leaves is reclassified to 'Short Term Employee Benefits' under the 'Current Liabilities' section of the Statement of Financial Position.

National Audit Office
Notes to the Financial Statements
for the year ended 30 June 2025

A provision is made for the anticipated liability related to Passage Benefits. The value of these Passage Benefits for each staff member is calculated at the end of the financial year and is classified under Long-Term Payables. For the current accounting period, an amount of Rs 2.5 million was reclassified from Long-Term Liabilities to Short-Term Liabilities to account for the expected Passage Benefits payouts in the following financial year.

Other Post-Employment Benefits Provision for Accrued Vacation Leaves

Employees at the NAO can accrue vacation leave, capped at a maximum of 210 days based on their years of service. Such entitlements are recognised progressively as employees provide service that increases their vacation leave balance. The financial obligation associated with unused vacation leave that accumulates by the end of the financial year is estimated and classified under Long-Term Payables.

Retirement benefits

Officers of the NAO are eligible for a retirement pension in line with the Pension Act. The pension system is now contributory, and all civil servant pensions are disbursed from the Consolidated Fund on a pay-as-you-go basis, calculated based on their final salary. For employees who joined the service starting 1 January 2013, their contributions are channelled into a defined contribution pension plan managed by an insurance firm. Consequently, no accounting provision is set aside for the anticipated retirement benefit liabilities for these employees.

Civil Service Family Protection Scheme

Established under the Civil Service Family Protection Scheme Act, this scheme outlines the specifics of its administration, mandatory contributions, and pension disbursements. Any public officer appointed before 1 January 2013 is required to contribute to the scheme at a rate delineated in the First Schedule, either until they reach the age of 65 or exit public service. Nonetheless, those who were in service as of June 30, 2008, have the option to cease contributions upon reaching 60. Upon the death of a contributing member, pensions are granted to the surviving spouse and children at rates prescribed by the Act.

(e) Property, Plant and Equipment

Recognition and measurement

Property, Plant and Equipment include the following:

- (i) Computer Equipment
- (ii) Motor Vehicles
- (iii) Furniture and Fittings
- (iv) Office Equipment

National Audit Office

Notes to the Financial Statements

for the year ended 30 June 2025

Note 5. Significant Accounting Policies (continued)

On initial recognition, Property, Plant and Equipment (PPE) is stated at historical cost. Subsequently, they are stated at cost or revalued amount less accumulated depreciation and any impairment losses. PPE is depreciated (as outlined below) at rates estimated to recognise the consumption of economic benefits over their useful lives.

Where the carrying amount of an asset is greater than its estimated recoverable service amount, it is written down to its recoverable amount. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable service amount, which is the higher of the asset's fair value less costs to sell and its value in use.

Gains and losses on disposal are determined by comparing proceeds with carrying amounts and are included in the Statement of Financial Performance.

Assets valued at Rs 10,000 or more have been capitalised, while those below Rs 10,000 have been recognised as expenses in the statement of financial performance.

Depreciation

Depreciation is calculated on a straight-line basis to recognize the consumption of an asset's economic benefits over its useful life. Depreciation methods, useful lives and residual values are reviewed at each reporting date. There has been a change in the depreciation method as compared to the previous year. For the current year, full-year depreciation has been charged in the year of acquisition and none in the year of disposal as compared to the previous year, where full depreciation was provided for assets purchased during the financial period except for the last semester. This change has been accounted for as a change in accounting estimate and has been applied prospectively.

The estimated useful lives of PPE are as follows:

Computer equipment	5 years
Motor vehicles	8 years
Furniture and fittings	10 years
Office equipment	5 years

The cost of software for operating systems and office tools, when acquired with computers, is included in the hardware costs and depreciated as for any computer equipment.

(f) Intangible Assets

Intangible assets, consisting mainly of computer software licenses, are initially recorded at cost less any accumulated amortisation. Costs incurred for maintaining computer software are expensed to the Statement of Financial Performance. Where the carrying amount of an intangible asset is greater than its estimated recoverable amount, it is written down to its recoverable amount.

Note 5. Significant Accounting Policies (continued)

Amortisation

Amortisation is calculated on a straight-line basis to recognise the consumption of economic benefits of an asset over its useful life. The estimated useful lives of software licenses are eight years. Full year amortisation is charged in the year of acquisition and none in the year of disposal.

Licenses paid annually for maintenance of software are charged to the Statement of Financial Performance in the year they are incurred.

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset. Any surplus or deficit arising from disposal is recognised in the statement of financial performance.

(g) Financial Instruments

Financial instruments are recognised when NAO becomes a party to the contractual provisions of the instrument until such time when the rights to receive cash flows from those assets have expired or have been transferred and the NAO has transferred substantially all the risks and rewards of ownership.

NAO uses only non-derivative financial instruments as part of its normal operations. These financial instruments include accounts receivable and accounts payable.

All financial instruments are recognised in the Statement of Financial Position at their fair values.

Gains or losses arising from changes in the fair value of financial instruments are included within the Statement of Financial Performance in the period in which they arise.

(h) Inventories

Inventories are stated at the lower of cost and current replacement cost. Costs comprise all expenses incurred in bringing the inventories to their present location and condition. Current replacement cost represents the cost the entity would incur to acquire the assets on the reporting date.

(i) Contributed Capital

Contributed Capital is the residual interest in the assets of the entity after deducting all its liabilities.

Note 5. Significant Accounting Policies (continued)

(j) Cash Flow Statement

The Cash Flow Statement is prepared using the indirect method.

(k) Rental of Buildings

Rental of Buildings includes leases that are short-term in nature and are expensed in surplus or deficit.

(l) Finance Costs

Finance costs comprise interest expense on leases.

Interest expense on lease liability is the amount that produces a constant periodic discount rate of interest on the remaining balance of lease liability. (Refer to lease liability).

(m) Taxation

No provision has been made in the financial statements for income tax and value-added tax on audit fees, on the basis that the NAO, as a Government Department, is exempted.

(n) Provisions and Contingent Liabilities

Provisions are made for future liabilities and charges where NAO has a present legal or constructive obligation as a result of past events, and it is probable that NAO will be required to settle the obligation.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date.

(o) Risk Management Policies

Financial risks

The NAO, as a public sector entity, is not much exposed to financial risks.

NAO does not use significant derivative financial instruments to hedge risk exposures.

Credit risk

In the normal course of business, NAO incurs credit risk from trade receivables. NAO manages its exposure to credit risk by an effective debtor reporting system and maintains credit control procedures over trade receivables.

Currency risk

NAO is not exposed to any currency risk.

National Audit Office

Notes to the Financial Statements

for the year ended 30 June 2025

Note 5. Significant Accounting Policies (continued)

Interest rate risk

NAO is not exposed to any interest rate risk on car loans disbursed to staff by the Accountant General, as it is borne by the Government.

(p) Events after the Reporting Period

There were no major events after the reporting period that may have a material effect on the financial statements as at 30 June 2025.

(q) Employee Disclosure

As at 30 June 2025, NAO had 176 full-time employees, out of which 30 were non-technical staff.

(r) Key Management Personnel

The key management team of the NAO comprises the Director of Audit, Deputy Directors, Assistant Directors, and the Head of Examiner of Accounts Cadre, who collectively oversee the organisation's diverse functions. Their remuneration totalled Rs 28.3 million for the financial year ending on 30 June 2025.

As of 30 June 2025, the total obligations for vacation leave and passage benefits accrued for the key management team were Rs 9.6 million and Rs 2.7 million, respectively. During the financial year ending 30 June 2025, passage benefits disbursed to the key management team amounted to some Rs 935,000.

(s) Related Parties

Within the context of these financial statements, entities deemed to be related parties to the NAO include other Government Ministries, Departments, and Parastatal Bodies capable of exerting direct or indirect control over the NAO, or significantly influencing its financial and operational decisions, and vice versa. Such related parties could be either individuals or other organisational entities. Transactions with related parties were executed under market-based terms and conditions. All qualifying Officers of NAO are entitled to duty-free facilities and car loans as specified in the PRB reports. The outstanding car loan balance was Rs 23.9 million as of 30 June 2025, compared to Rs 23.6 million on 30 June 2024.

National Audit Office
Notes to the Financial Statements
for the year ended 30 June 2025

Note 6. Appropriation from Consolidated Fund

	30 June 2025	30 June 2024
	Rs	Rs
Budgeted Amount	195,000,000	194,000,000
Appropriation lapsed	(9,881,060)	(7,953,010)
Departmental Warrant	138,125	44,275
Appropriation received from Consolidated Fund	185,257,065	186,091,265

Note 6(a). Amount Refundable by Government

	30 June 2025	30 June 2024
	Rs	Rs
Receivable – Sick/Vacation Leave and Passage Benefits	16,110,571	13,630,384
Fees for audit services	125,000	125,000
Adjustments icw prepayments/accruals and inventories	(434,472)	(186,561)
	15,801,099	13,568,823

Note 7. Audit Fees

	30 June 2025	30 June 2024
	Rs	Rs
Invoices issued to clients	17,259,224	27,547,500

The NAO issues invoices for audit services to all Local Authorities, the majority of Statutory Bodies and Other Bodies.

Note 7(a). Loss on Disposal of Assets

This represents the net loss incurred on the sale of assets to NAO staff at the time of their retirement.

Note 8. Employee Costs

	30 June 2025	30 June 2024
	Rs	Rs
Basic Pay	158,017,084	156,407,687
Payroll related allowances	29,106,131	30,354,681
	187,123,215	186,762,368

Employee costs include basic pay of Rs 158,017,084 and related costs of Rs 29,106,131, which in total represent an increase of only 0.2% compared to 2024 figures.

This increase could be attributed to various factors, such as annual salary increments and promotions among others.

National Audit Office
Notes to the Financial Statements
for the year ended 30 June 2025

Note 9. Rental of Spaces	30 June 2025	30 June 2024
	Rs	Rs
Rental of Building spaces	311,945	4,002,442
Rental of Parking slots	592,975	560,350
	904,920	4,562,792

NAO has adopted IPSAS 43 Leases, as from the financial year ending 30 June 2025. Comparative figures have been restated. Payment of rental for long-term lease (>12 months) has not been included in the statement of financial performance. It has been deducted from lease liabilities in the statement of financial position. Rental for the financial year ending 30 June 2024 of Rs 4 million includes rental of office space at the ground floor at Air Mauritius Centre, which has been treated as short-term due to expiry of lease period and the whole rental payment has been expensed.

Note 10. Utilities Cost	30 June 2025	30 June 2024
	Rs	Rs
Electricity and Telephone charges	1,304,831	1,084,413

Note 11. Repairs and Maintenance	30 June 2025	30 June 2024
	Rs	Rs
Maintenance Cost	627,061	485,335
Fuel and oil cost	46,588	42,891
	673,649	528,226

Note 12. Printing and Stationery	30 June 2025	30 June 2024
	Rs	Rs
Office Supplies	566,124	542,369
Printing cost	706,238	510,471
Books and Publications	230,330	256,203
	1,502,692	1,309,043

Note 13. Membership Fees	30 June 2025	30 June 2024
	Rs	Rs
Affiliations with International institutions	739,840	523,378

Membership fees relate to NAO's affiliation with international institutions.

National Audit Office
Notes to the Financial Statements
for the year ended 30 June 2025

Note 14. Professional Fees

	30 June 2025	30 June 2024
	Rs	Rs
Audit fees	115,000	115,000
Fees to Consultants	-	30,364
	115,000	145,364

Professional fees refer to the audit services provided by an independent audit firm for the audit of the NAO's financial statements.

Note 15. Property, Plant and Equipment

Cost	Computer Equipment Rs	Motor Vehicles Rs	Furniture & Fittings Rs	Office Equipment Rs	Total Rs
At 1 July 2024	17,251,617	1,526,000	2,338,916	2,154,659	23,271,192
Additions	1,730,186	-	147,235	147,655	2,025,076
Disposal	(378,114)	-	-	(28,515)	(406,629)
At 30 June 2025	18,603,689	1,526,000	2,486,151	2,273,799	24,889,639

Accumulated Depreciation

At 1 July 2024	13,479,278	-	1,228,608	1,655,332	16,363,218
Charge for the year	1,597,491	190,750	195,373	210,583	2,194,197
Disposal	(314,975)	-	-	(12,420)	(327,395)
At 30 June 2025	14,761,794	190,750	1,423,981	1,853,495	18,230,020

Carrying Amounts

At 30 June 2025	3,841,895	1,335,250	1,062,170	420,304	6,659,619
At 30 June 2024	3,772,339	1,526,000	1,110,308	499,327	6,907,974

Note 15(a). Intangible Assets

	Rs
Cost	
At 1 July 2023	5,446,054
Additions	33,569
At 30 June 2024	5,479,623
Additions	-
Disposal	(21,641)
At 30 June 2025	5,457,982

Note 15(a). Intangible Assets (continued)
Accumulated Amortisation

	Rs
At 1 July 2023	4,695,354
Charge for the year	108,540
At 30 June 2024	<u>4,803,894</u>
Charge for the year	110,031
Disposal	(3,910)
At 30 June 2025	<u>4,910,015</u>
Carrying Amounts	
At 30 June 2025	<u>547,967</u>
At 30 June 2024	<u>675,729</u>

Note 16. Right-of-Use Assets

	Rs
Cost	
At 1 July 2024	24,197,445
Additions	4,841,409
At 30 June 2025	<u>29,038,854</u>
Accumulated Depreciation	
At 1 July 2024	1,790,611
Charge for the year	5,747,253
At 30 June 2025	<u>7,537,864</u>
Carrying Amounts	
At 30 June 2025	<u>21,500,990</u>
At 30 June 2024	<u>22,406,834</u>

Note 17. Receivables from Exchange Transactions

	2025 Rs	2024 Rs
Balance as at 1 July	7,430,025	4,385,000
Invoices Issued during the year	17,259,249	27,602,600
Remitted to Consolidated Fund	(20,269,249)	(24,502,475)
Adjustments – Prior year Sales Invoice	(25)	(55,100)
Balance as at 30 June	<u>4,420,000</u>	<u>7,430,025</u>

Note 17. Receivables from Exchange Transactions (continued)

Receivables from Exchange transactions in the NAO's Statement of Financial Position represent the unpaid fees for audit services.

Note 18. Other Receivables

	30 June 2025	30 June 2024
	Rs	Rs
Fees-External Auditor	125,000	125,000
Utilities	77,839	75,084
Rental of Parking Slots	5,000	-
	207,839	200,084

Note 18(a). Prepayments refer to deferred payments for membership fees and the annual Maintenance & Support Contracts.

Note 19. Inventories

	30 June 2025	30 June 2024
	Rs	Rs
Inventories	330,066	277,400

Inventories represent the stock on hand as of 30 June 2025 and comprise mainly of distributable items and consumables.

Note 20. Employee Benefits – Assets/Liabilities

	30 June 2025	30 June 2024
	Rs	Rs
Bank Sick Leave	50,956,412	49,814,134
Sick Leave 2020 Entitlement	5,861,211	5,814,611
Vacation Leave	49,167,727	47,519,887
Passage Benefits	15,933,173	15,752,451
Balance at 30 June	121,918,523	118,901,083

Short Term

Sick Leave	3,673,540	3,461,930
Passage Benefits	2,500,000	2,500,000
	6,173,540	5,961,930

Long Term

Bank Sick Leave	47,282,872	46,352,204
Sick Leave 2020 Entitlement	5,861,211	5,814,611
Vacation Leave	49,167,727	47,519,887
Passage Benefits	13,433,173	13,252,451
	115,744,983	112,939,153

The employee benefits comprise short-term and long-term benefits payable to NAO Officers. The arrangement is in line with the conditions stipulated in the applicable PRB Reports.

National Audit Office
Notes to the Financial Statements
for the year ended 30 June 2025

Note 21. Payables	30 June 2025	30 June 2024
	Rs	Rs
Fees – External Auditor	125,000	125,000
Utilities	77,839	75,084
Rental of Parking slots	5,000	-
	207,839	200,084

Payables represent accruals related to invoices received during the year that have not been paid yet. These accrued liabilities are financial obligations that arise in the course of business but have not been settled yet at the end of the accounting period.

Note 22. Lease Liabilities

The carrying amounts of the lease liabilities and the movements during the year are shown below:

	2025	2024
	Rs	Rs
Balance as at 1 July	22,577,168	-
Additions	4,841,409	24,197,445
Repayments	(6,625,904)	(2,067,930)
Interest Accrued	1,332,198	447,653
Balance as at 30 June	22,124,871	22,577,168
Within one year	5,717,166	4,460,142
After one year	16,407,704	18,117,026
	22,124,870	22,577,168

Amount Recognised in Statement of Financial Performance

Depreciation expense on Right-of-Use Assets	5,747,253	1,790,611
Interest Expense on Lease Liabilities	1,332,198	447,653
Short-term leases	904,920	4,562,792
	7,984,371	6,801,056

Depreciation charge for the financial year ending 30 June 2024 is for the right-of-use of office space at level 14 only. For the financial year ending 30 June 2025, it reflects leases at both levels 10 and 14. Depreciation is calculated on a straight-line basis over the lease period.

Deemed/Notional interest on the lease liabilities has been computed at a rate of 5 per cent on the lease liabilities at the start of the financial year.

National Audit Office
Notes to the Financial Statements
for the year ended 30 June 2025

Note 23. Contributed Capital	2025	2024
	Rs	Restated
		Rs
Balance as at 1 July	15,363,299	11,781,460
Surplus/(Deficit) for the year	(720,193)	565,250
Movement in Contributed Capital (N1)	(2,844,689)	3,016,589
Balance as at 30 June	11,798,417	15,363,299

Movement in Contributed Capital

Inventories	(52,666)	(19,140)
Prepayments	222,140	(50,443)
Audit Fees Receivable	(3,010,025)	3,045,025
Adjustment	(4,138)	41,147
	(2,844,689)	3,016,589

N1: Contributed Capital is the residual interest in the assets of the entity after deducting all its liabilities. Net Assets/Equity comprises of Contributed Capital which means future economic benefits or service potential that has been contributed to the entity by parties external to the entity, other than those that result in liabilities of the entity.

Note 24. Car Loans

As of 30 June 2025, the outstanding balance of car loan provided to Officers of NAO amounted to Rs 23,852,316. Since the responsibility and benefits associated with the loan rest solely with the employees, and NAO holds no accountability for any defaults, the loan is not reflected in the financial statements.

ANNEXES 06

INTOSAI-P 1 – The Lima Declaration**II. Independence****Section 5. Independence of Supreme Audit Institutions**

1. Supreme Audit Institutions can accomplish their tasks objectively and effectively only if they are independent of the audited entity and are protected against outside influence.
2. Although state institutions cannot be absolutely independent because they are part of the state as a whole, Supreme Audit Institutions shall have the functional and organisational independence required to accomplish their tasks.
3. The establishment of Supreme Audit Institutions and the necessary degree of their independence shall be laid down in the Constitution; details may be set out in legislation. In particular, adequate legal protection by a supreme court against any interference with a Supreme Audit Institution's independence and audit mandate shall be guaranteed.

Section 6. Independence of the members and officials of Supreme Audit Institutions

1. The independence of Supreme Audit Institutions is inseparably linked to the independence of its members. Members are defined as those persons who have to make the decisions for the Supreme Audit Institution and are answerable for these decisions to third parties, that is, the members of a decision-making collegiate body or the head of a monocratically organised Supreme Audit Institution.
2. The independence of the members, shall be guaranteed by the Constitution. In particular, the procedures for removal from office also shall be embodied in the Constitution and may not impair the independence of the members. The method of appointment and removal of members depends on the constitutional structure of each country.
3. In their professional careers, audit staff of Supreme Audit Institutions must not be influenced by the audited organisations and must not be dependent on such organisations.

Section 7. Financial Independence of Supreme Audit Institutions

1. Supreme Audit Institutions shall be provided with the financial means to enable them to accomplish their tasks.
2. If required, Supreme Audit Institutions shall be entitled to apply directly for the necessary financial means to the public body deciding on the national budget.
3. Supreme Audit Institutions shall be entitled to use the funds allotted to them under a separate budget heading as they see fit.

INTOSAI-P 10 - Mexico Declaration on SAI Independence

Principle 1

The existence of an appropriate and effective constitutional/statutory/legal framework and of de facto application provisions of this framework

Principle 2

The independence of SAI heads and members (of collegial institutions), including security of tenure and legal immunity in the normal discharge of their duties

Principle 3

A sufficiently broad mandate and full discretion, in the discharge of SAI functions

Principle 4

Unrestricted access to information

Principle 5

The right and obligation to report on their work

Principle 6

The freedom to decide the content and timing of audit reports and to publish and disseminate them

Principle 7

The existence of effective follow-up mechanisms on SAI recommendations

Principle 8

Financial and managerial/administrative autonomy and the availability of appropriate human, material, and monetary resources

STAFF DETAILS

Grade Position	Est. Posts	Funded Posts	Officers in Post		
	2023 - 2024	2024 - 2025	Male	Female	Total
SENIOR MANAGEMENT					
Director of Audit	1	1	1	-	1
Deputy Director of Audit	3	3	3	-	3
Assistant Director of Audit	10	10	4	4	8
Head, Examiner of Accounts Cadre	1	1	1	0	1
AUDITING CADRES					
Auditor Cadre					
Principal Auditor	14	14	9	3	12
Senior Auditor	21	21	10	11	21
Auditor	48	52	11	36	47
Examiner of Accounts Cadre					
Deputy Head, Examiner of Accounts Cadre	1	1	-	1	1
Chief Examiner of Accounts	18	14	8	6	14
Deputy Chief Examiner of Accounts	17	16	4	12	16
Principal Examiner of Accounts	22	4	1	3	4
Examiner/Senior Examiner of Accounts	42	15	1	12	13
SUPPORT STAFF					
Assistant Manager, Human Resources	1	1	1	-	1
Assistant Manager Financial Operations	1	1	-	1	1
Other Supporting Staff	29	27	8	18	26

STAFF BY AGE GROUP

Age Group	No. of Officers	%
< 25 years	1	0.57
25 - 34 years	30	17.24
35 - 44 years	44	25.29
45 - 54 years	53	30.46
55 - 64 years	46	26.44
TOTAL	174	100

MAIN TRAINING COURSES DURING FY 2024 - 2025

Course Title		Organising	No. of Participants	Period
		Body		
LOCAL COURSES				
1	FAM Methodology Workshop	AFROSAI-E	129	08-30 JULY 2024
2	Training in Procurement	NAO, Mr Dabeesing from PPO	115	30 JULY 2024
3	Audit Report Writing	NAO	135	22-25 OCT 2024
4	IDEA Training	NAO	107	13 MAR - 29 APRIL 2025
5	IPSAS 41 (Online)	IPSAS, NAO	127	23-27 JUNE 2025
INTERNATIONAL COURSES				
1	International Training on Big Data Analytics - Implementing Data Science for Auditing	The Audit Board of the Republic on Indonesia	1	22 - 26 JULY 2024
2	Workshop for the application of the ClimateScanner - AFROSAI-E	AFROSAI-E	1	29 JULY - 2 AUG 2024
3	33rd WGITA Meeting & Seminar on IT Audit	KENYA	1	14 - 16 OCT 2024
4	AFROSAI-E HR Workshop	AFROSAI-E	1	14 to 18 OCT 2024
5	19th AFROSAI-E Technical Conference	South Africa	1	29 OCT - 1 NOV 2024
6	Audit Training on the Blue Economy: Fishery, Mangrove and Coastal Area	Bali, INDONESIA	1	28 OCT - 15 NOV 2024
7	ITEC - Information System Audit & Audit of E-Governance	ITEC Programme	2	05 - 28 FEB 2025
8	ITEC Course on "Use of Data Analytic and Emerging Technologies in Audit"	ITEC Programme	2	06 - 29 JAN 2025
9	A-SEAT Administrator and Project Management Workshop	South Africa	1	3 - 7 FEB 2025
10	ASOSAI Seminar for Knowledge Sharing on Audit on Public Debt	ASOSAI	1	26 - 30 MAY 2025

NATIONAL AUDIT OFFICE

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