



REPUBLIC OF MAURITIUS

## **NATIONAL AUDIT OFFICE**

# **REPORT OF THE DIRECTOR OF AUDIT ON THE ACCOUNTS OF THE RODRIGUES REGIONAL ASSEMBLY FOR THE FINANCIAL YEAR 2020-21**

**JUNE 2022**



**NATIONAL AUDIT OFFICE**

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**ON THE ACCOUNTS OF**

**THE RODRIGUES REGIONAL ASSEMBLY**

**FOR THE FINANCIAL YEAR 2020-21**



# **NATIONAL AUDIT OFFICE**

*Contributing to Strengthening Good Governance  
in the Public Sector*





# NATIONAL AUDIT OFFICE

My Ref: NAO/ADM/ARA/AUD

30 June 2022

Dr. the Honourable Renganaden Padayachy  
Minister of Finance, Economic Planning and Development  
Ministry of Finance, Economic Planning and Development  
Government House  
Port Louis

Honourable Minister,

Pursuant to the provisions of Section 110 of the Constitution of the Republic of Mauritius and Section 20 of the Finance and Audit Act, I am pleased to submit copies of the Annual Statements for the financial year 2020-21, submitted to me in accordance with Section 19 of the Act, together with the Certificate of Audit and the Report upon my examination and audit of the Accounts of the Rodrigues Regional Assembly.

Subsequent to the tabling of the above documents at the National Assembly, they will be posted on the Website of the National Audit Office- <https://nao.govmu.org>.

Yours sincerely,

**C. ROMOOAH**  
**Director of Audit**





# CONTENTS

	<b>PAGE</b>
LIST OF TABLES	
FOREWORD BY DIRECTOR	1
1 OVERVIEW	3
LIST OF AUDIT AREAS AND KEY FINDINGS	11
2 ANNUAL STATEMENTS	13
3 ACCOUNTABILITY AND OVERSIGHT MECHANISM	17
4 CHIEF COMMISSIONER’S OFFICE	19
5 DEPUTY CHIEF COMMISSIONER’S OFFICE	27
6 COMMISSION FOR HEALTH, COMMUNITY DEVELOPMENT, FIRE SERVICES, METEOROLOGICAL SERVICES, JUDICIAL SERVICES AND CIVIL STATUS	33
7 COMMISSION FOR SOCIAL SECURITY, HOUSING, LABOUR AND INDUSTRIAL RELATIONS, EMPLOYMENT AND CONSUMER PROTECTION	37
8 COMMISSION FOR AGRICULTURE, ENVIRONMENT, FISHERIES, MARINE PARKS AND FORESTRY	39
9 COMMISSION FOR YOUTH AND SPORTS, ARTS AND CULTURE, LIBRARY SERVICES, MUSEUM, ARCHIVES AND HISTORICAL SITES AND BUILDINGS	43
10 FOLLOW UP	45
APPENDIX I – NAO – OVERVIEW OF MANDATE AND AUDIT PROCESS	49
APPENDIX II – FOLLOW UP OF MATTERS RAISED IN AUDIT REPORT 2019-20	59
ANNEX – AUDIT CERTIFICATE AND ANNUAL STATEMENTS	73

## LIST OF TABLES

<b>Table</b>	<b>Description</b>	<b>Page</b>
1	Assets and Liabilities of RRA for the Past Three Financial Years	14
2	Completed Capital Projects – Infrastructure/Assets Not Optimally Utilised	21
3	Comparison between Assessed Compensation and Actual Compensation Paid	44
4	Follow Up of Audit Report 2019-20 – Status by Commissions	45

## **FOREWORD BY THE DIRECTOR OF AUDIT**

I am pleased to submit my Audit Report on the Accounts of the Rodrigues Regional Assembly for the financial year 2020-21.

It is my responsibility under Section 110 of the Constitution of the Republic of Mauritius to audit and report on the public accounts of Mauritius and of all courts of law and all authorities and officers of the Government. The Finance and Audit Act further requires me to submit a certificate of audit and a report upon my examination and audit of the accounts of the Regional Assembly relating to the Island of Rodrigues.

I am submitting this Report to the Minister of Finance, Economic Planning and Development to be laid before the National Assembly, in accordance with Section 20 of the Finance and Audit Act, together with:

- (a) Copies of the Annual Statements of the Rodrigues Regional Assembly (RRA) for the financial year 2020-21, submitted to me in accordance with Section 19 of the Finance and Audit Act; and
- (b) A Certificate of Audit on the Annual Statements.

This Report, Statements and Certificate will be posted on the website of the National Audit Office (NAO) after they are laid before the National Assembly.

My audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) which are the standards relevant for the audit of Public Sector entities.

### **Audit Observations**

My observations for the financial year 2020-21 are mainly in the areas of financial reporting, assets management, expenditure control, compliance with laws and regulations, and project management. Various lapses have been noted. These lapses impact adversely on public finances, resources, and service delivery.

My Office has carried out an exercise to assess responses by the RRA to matters raised in my Audit Report for the financial year 2019-20. I have noted that no action has been taken in respect of 45 per cent of the issues raised. On the other hand, seven per cent of issues have been resolved while actions have at least been initiated on 48 per cent of the audit issues. The challenge is now for the RRA to complete initiated actions within a reasonable time frame as they have an impact on operational efficiency and the quality of service delivery.

### **Constraints**

Due to COVID-19-related restrictions, my officers could only proceed to Rodrigues after February 2022. As a result, I could not carry out the audit and submit my Report on the accounts of the RRA for 2020-21 by end of February 2022, as required by law. Pursuant to Section 20(2)(b) of the Finance and Audit Act, the period for the submission of the Annual

Audit Report on the accounts of the RRA for the financial year 2020-21 was extended to 30 June 2022.

### **Acknowledgement**

I wish to express my sincere thanks to the staff of the NAO involved in the audit of the RRA for their contribution and commitment without which the submission of this Report would not have been possible.

I would also like to take this opportunity to thank the Island Chief Executive, the Departmental Heads and all their staff for their cooperation and collaboration.



**C. ROMOOAH**  
**Director of Audit**

**National Audit Office**

30 June 2022

# OVERVIEW

This Report is submitted to the Minister of Finance, Economic Planning and Development to be laid before the National Assembly, in accordance with Section 20 of the Finance and Audit Act.

The Report contains a summary of the most significant audit observations following the audit of the accounts of Rodrigues Regional Assembly (RRA), that in my opinion, may have significant impact on finances, resources and service delivery, or that may adversely affect financial governance and controls, if not corrected. These observations were communicated and discussed with the respective Accounting Officer of the Commission concerned.

This Report also includes an overview of the mandate of the National Audit Office and the audit process (*Appendix I*).

## **Audit Mandate**

Section 110 of the Constitution provides that the Director of Audit shall audit the public accounts of Mauritius and of all courts of law and all authorities and officers of the Government.

The RRA has been established under Section 3 of the Rodrigues Regional Assembly Act and by virtue of Section 48 of the Act, the accounts of RRA are public accounts of Mauritius for the purposes of Section 110 of the Constitution.

Pursuant to the provisions of Section 110 of the Constitution of the Republic of Mauritius and Section 20 of the Finance and Audit Act, I am required to submit my report upon the audit of the Accounts of the RRA for the financial year 2020-21 within 8 months of the date of the financial year.

## **Scope of Audit**

The scope of my audit includes determining whether:

- (a) the Annual Statements of RRA present fairly the financial transactions of the RRA during the financial year 2020-21 and the financial position as of 30 June 2021; and
- (b) the RRA is managing and utilising its resources economically, efficiently and effectively, and laws and regulations are being complied with.

The Annual Statements of the RRA are prepared in accordance with Section 19 of the Finance and Audit Act. This Act requires the Commissioner, responsible for the subject of finance, to sign and submit to the Director of Audit, within three months of the close of every financial year, Annual Statements, showing fully the financial position of the Island of Rodrigues on the last day of such financial year.

The Annual Statements submitted to NAO on 4 October 2021 had to be amended due to misstatements. The amended Annual Statements were submitted to the NAO on 25 April 2022. These statements were prepared on a cash basis and comprised a Statement of Assets and Liabilities and Other Statements as required under Section 19(6) of the Finance and Audit Act.

In accordance with Section 16 (1) of the Finance and Audit Act, I am required to provide reasonable assurance to the National Assembly that:

- (a) all reasonable precautions have been and are taken to safeguard the collection of public money;
- (b) all laws, directions or instructions relating to public money have been and are duly observed;
- (c) 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;
- (d) 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
- (e) satisfactory management measures have been and are taken to ensure that resources are procured economically and utilised efficiently and effectively.

### **Audit Approach**

NAO adopts a risk-based approach in determining the areas to be covered. In carrying out the audit, NAO examines records, files, reports and other documents, conducts site visits and interviews relevant officers. The audit observations reported are based on the information and evidence so gathered. As audits are conducted on a sample basis, they do not reveal all irregularities and weaknesses. However, they should help uncover some of the serious lapses and at the same time provide those charged with governance of Commissions an indication of areas where improvements are required.

At the conclusion of the audit, an exit meeting is held with the Accounting Officer (the Island Chief Executive and Departmental Head of each Commission) to discuss audit findings. Management Letters are thereafter issued to the Accounting Officers and the latter are given the opportunity to give their comments and explanations on the matters raised therein.

Audit findings which are considered significant and of a nature to be brought to the attention of the National Assembly, are communicated through “Reference Sheets” to the Island Chief Executive and the Departmental Heads. The latter are given the opportunity to comment on the truth and fairness of these findings and to give any additional explanations they deem necessary. A summary of their comments is included in the Report.

Based on explanations and/or any information provided by the Accounting Officers, I may retain, amend, or consider not including any of the audit findings in my report. Accounting Officers are notified that where I do not receive a reply within the time specified in the Reference Sheet, it will be assumed that they agree with the matters reported therein.

### **Responsibility of Accounting Officers**

In accordance with Section 35(1) of the Rodrigues Regional Assembly Act, the Executive Council is responsible for the carrying out of the functions of the Regional Assembly and the Chairperson, acting on the advice of the Chief Commissioner, may, for that purpose, assign to a Commissioner the responsibility for one or more Departments of the Regional Assembly. The Island Chief Executive is the administrative head and is responsible for the efficient administration of the functions of the Executive Council.

The RRA comprises seven Commissions, each under the responsibility of a Commissioner with defined responsibilities. Each Commission is under the administrative responsibility of one or more Departmental Heads who are responsible for ensuring, amongst others, that:

- (a) funds entrusted to them are applied only to the purpose intended by the National Assembly and Rodrigues Regional Assembly which is to implement Government policy within the resources budgeted;
- (b) adequate measures have been taken to safeguard the collection of public money and ensure judicious utilisation of resources; and
- (c) all laws, directions or instructions relating to public money have been and are duly observed.

It is the RRA's responsibility to maintain proper financial records.

The Judiciary, the Police Service and the National Land Transport Authority do not fall under the administrative control of the RRA. Revenues collected for the Mauritius Revenue Authority are remitted directly to the Government of Mauritius.

### **Summary of Audit Findings**

The key issues highlighted in this Report are summarised below:

- (a) Absence of strategy for implementation of accrual-based IPSAS;
- (b) Inadequate oversight mechanism;
- (c) Assets inefficiently and ineffectively utilised;
- (d) Weaknesses in Expenditure Control;
- (e) Non-compliance with legislations;

- (f) Non-compliance with Ministry's Policy and Procedure Manual; and
- (g) Deficiencies in project management.

### **Absence of Strategy for Implementation of Accrual-Based IPSAS**

#### *Moving Towards Accrual-Based IPSAS*

The Finance and Audit Act was amended in July 2017 to provide for the Annual Statements of Government to be prepared in compliance with International Public Sector Accounting Standards (IPSAS) as from the financial year 2022-23.

A road map was developed in consultation with the International Monetary Fund (IMF) whereby IPSAS Consolidated Financial Statements are to be prepared for the General Government, which includes the RRA, as from the financial year 2021-22.

In the Audit Reports for the financial years 2018-19 and 2019-20, I drew attention that the RRA needed to gradually adopt accrual-based IPSAS to be in line with Central Government and that a time frame had to be set to that effect.

The Annual Statements for the financial year 2020-21 were again prepared on a cash basis. The RRA was still not prepared to move towards accrual-based accounting and to prepare its financial statements for the financial year 2021-22 in accordance with IPSAS. As such, the preparation of IPSAS Consolidated Financial Statements for the General Government may be challenging.

### **Inadequate Oversight Mechanism**

Several weaknesses were noted in the internal control system. Remedial actions were not always taken in respect of matters raised in the reports of the Internal Control Unit.

The composition and functioning of the Audit Committee were not according to best practice. Recommendations of the Procurement Policy Office, amongst other Oversight Authorities, made in 2018 on lapses in key control activities, such as procurement process, contract management and project monitoring were not implemented.



## **Assets Inefficiently and Ineffectively Utilised**

Over the years, RRA has awarded contracts to the tune of some Rs 622 million in respect of 11 projects without proper feasibility study and planning. As of April 2022, completed buildings and other infrastructures were not optimally being utilised and some were not operational.

In 2017, the RRA had acquired a hotel at Mont Venus for Rs 55 million to set up a 'Technopole'. As of April 2022, that is five years after, the 'Technopole' was set up at a different location and it was reported that the hotel was poorly maintained and left in an abandoned state.

A new Dual Reverse Osmosis for Haemodialysis Water Purification equipment for dialysis patients to replace the existing one, costing some Rs 4.3 million, was neither installed nor commissioned since its delivery in January 2021.

## **Weaknesses in Expenditure Control**

Personal data of patients eligible for monthly domiciliary medical visits were inaccurately recorded in the Commission's database. As per records of the Civil Status Office, a patient declared dead has been paid Basic Retirement Pension and Carer's Allowance totalling some Rs 1.5 million.

On-call and In-attendance allowances were paid to Medical Officers despite no entries were made in the In-attendance Register and no evidence of certification was seen on the claims.

For the financial year 2020-21, bad weather allowance totalling Rs 84.7 million were paid compared to the budgetary provision of Rs 30 million. In addition to bad weather allowance, some registered fishermen were also benefiting from Basic Invalidity Pension, Carer's Allowance and Severe Handicap Allowance, which is not in accordance with criteria set.

## **Non-compliance With Legislations**

A Rodrigues Regional Assembly Companies General Fund has not been established as per the Rodrigues Regional Assembly (Investment Management) Regulations.

Annual reports, incorporating the financial statements, were not submitted by two companies, contrary to Rodrigues Regional Assembly (Investment Management) Regulations.

In the case of the project for the construction of six additional classrooms at La Ferme College, one Contractor challenged the decision of the Commission responsible for Education at the Independent Review Panel (IRP) for not retaining its contract. The Commission did not wait for the challenge to be resolved by the IRP as prescribed in the Public Procurement Act, but awarded the contract to the second lowest bidder.

The project cost for the setting up of a Honey Research Centre and Crop Gene Bank increased by some 64 per cent, exceeding the limit of 25 per cent, as prescribed under the Public Procurement Act.

The Fisheries and Marine Resources Act 2007 has not always been complied with by the Commission responsible for Fisheries. Only five out of 106 illegal activities reported at three Fisheries Posts as from 2017 were referred to the Court for prosecution.

### **Non-compliance with Ministry's Policy and Procedure Manual**

Domiciliary medical visits were not effected as per the Policy of the Ministry of Social Integration, Social Security and National Solidarity.

Electronic Attendance System was not properly used by the Specialists and Medical Health Officers of the Commission for Health and Others.

Contrary to provisions of the Human Resource Management Manual and the PRB Report, allowances totalling some Rs 1.1 million were paid to six interdicted officers.

### **Deficiencies in Project Management**

Due to poor performance of a Contractor, the contract for the extension of the Secondary School at Terre Rouge was re-awarded and would finally cost the Commission some Rs 62 million instead of the initial contract value of some Rs 40.9 million. There was delay in notifying suspension of the Contractor to the Procurement Policy Office.

As regards to the contract for the upgrading works at Batatran Primary School, liquidated damage of Rs 800,000 was undercharged by the Commission.

As for the contract for the construction of a Community School at Baie Malgache, works were completed with significant delay of 1,118 days and the maximum liquidated damages was not yet applied as of March 2022.

Contract for the construction of six additional classrooms at La Ferme College was awarded in June 2020. The site was not handed over to the Contractor as of April 2022, nearly two years later, as the final contractual amount had not yet been finalised due to change in location of the project.

Two contracts totalling some Rs 46.8 million were awarded to one Contractor for the construction, testing and commissioning of 1,000 m<sup>3</sup> concrete circular reservoirs at Hauteur Accacia and Montagne Cabris. These reservoirs, expected to be completed in mid-2020, were not handed over to the Commission as of April 2022.

Contract for the construction of a Fire Station and Disaster Risk Reduction and Management Centre at Mon Plaisir was awarded in July 2017 for the sum of Rs 69.6 million. As of April 2022, more than 46 months since the initial scheduled completion date of June 2018, the Centre was still not handed over to the Commission for Health and Others.

The Honey Research Centre and the Crop Gene Bank, substantially completed and taken over by the Commission in May 2021, were not operational as of April 2022.

### **Follow up of Matters Raised in the Audit Report 2019-20**

As required by ISSAIs, Supreme Audit Institutions (SAIs) should report on follow-up measures taken by audited entities with respect to their findings and recommendations. The follow-up mechanism is intended to:

- (a) enable the SAI to report on the results of its follow-up actions appropriately to the legislature, executive, stakeholders and the public;
- (b) encourage the audited entity to take relevant corrective actions; and
- (c) demonstrate the value and benefit of the SAI and the impact of the audit report.

Accordingly, a follow up of matters raised in the Audit Report 2019-20 was carried out during the current audit. Based on the findings of NAO and/or management responses, the actual status of the audit issues has been categorised as follows:

- Whether necessary actions have been taken and the matter has been resolved.
- Whether management has taken necessary actions at its end but is awaiting for other outcomes, advice or decisions in pursuit to wholly resolve the issues.
- Whether management has initiated some actions at its end to resolve the audit issues.
- No appropriate action has been taken by management to address shortcomings reported.

The follow up audit has shown that:

- 6.7 per cent of issues raised in the Audit Report 2019-20 have been resolved.
- The RRA has already taken necessary actions at their end in respect of another 36.6 per cent of issues.
- Actions have been initiated, but not completed, in respect of 11.7 per cent of issues raised.
- No action has been taken in respect of 45 per cent of the issues raised.

#### *Recommendations*

- ***Financial Reporting***
  - Developing and implementing an action plan for the implementation of accrual-based IPSAS.
- ***Oversight and Internal Control***
  - The structure and functioning of the Audit Committee to be reviewed to strengthen oversight.

- Proper mechanism to be put in place to ensure remedial actions are taken on shortcomings reported by NAO and other oversight authorities, including the Internal Control Unit of RRA.
- ***Procurement/Project Management and Contract Administration***
  - Enhancing support by the Commission for Public Infrastructure and Others in the management of capital projects.
  - Implementation of a capacity development programme for continuous training of public officers engaged in procurement and project management.
  - Implementation of a proper Management Information System with readily available status reports and exception reports to improve monitoring of projects.
  - Strengthening due diligence to properly assess operational and financial capacity of contractors prior to award of contracts.
- ***Expenditure Control***
  - Controls over payment of allowances to be strengthened.
- ***Asset and Inventory Management***
  - Implementation of the Government Assets Register and Electronic Inventory Management System to be expedited.
- ***Management Information Systems***
  - Proper databases to be maintained across Commissions to ensure that complete and up to date information is available.

### **Concluding Remarks**

Government grants to RRA totalled some Rs 11.5 billion over the past three financial years, including Rs 4.06 billion for the financial year 2020-21. Due care and diligence must be exercised to ensure that public funds are spent economically, efficiently and effectively with a view to ensuring that expected outcomes are achieved.

This report highlights the most significant observations on the audit of RRA for the financial year 2020-21. Procurement and project management are areas RRA should pay greater attention to. Significant sums are spent on capital projects to provide required amenities and infrastructure. Most of the observations are recurring over the years.

I have observed that no action has been taken in respect of 45 per cent of the issues raised in the Audit Report 2019-20. The RRA should take necessary measures to address shortcomings reported by NAO.

# LIST OF AUDIT AREAS AND KEY FINDINGS

<b>Para</b>	<b>Description</b>	<b>Page</b>
<b>2.0</b>	<b>ANNUAL STATEMENTS</b>	
2.1	Annual Statements for the Financial Year 2020-21	13
2.2	Statement A – Statement of Assets and Liabilities – Rs 180.76 million	14
2.3	Rodrigues Consolidated Fund (RCF) – Transfer from RCF Not Approved	14
2.4	Loan from Government of Mauritius Not Refunded	15
2.5	Statement of Advances – Outstanding Amounts Not Cleared	15
2.6	Statement of Arrears of Revenue – Amount Understated	15
<b>3.0</b>	<b>ACCOUNTABILITY AND OVERSIGHT MECHANISM</b>	
3.1	Oversight Mechanism – Weaknesses in Internal Control System and Recommendations of Internal Audit Not Implemented	17
<b>4.0</b>	<b>CHIEF COMMISSIONER'S OFFICE</b>	
4.1	Detailed Statement of Revenue of the Rodrigues Consolidated Fund	19
4.2	Statement of Investments – Lapses in Investment Practices and Non-compliance with Regulations	19
4.3	E-Procurement System Not Implemented	20
4.4	Capital Projects – Value for Money Not Obtained	21
4.5	Financial Assistance to Residents of Rodrigues Stranded in Mauritius	23
4.6	Interdicted Officers – Overpayments of Rs 3.2 million Not Yet Recouped	23
4.7	Construction of a Community School at Baie Malgache – Lapses in Contract Management	24
4.8	Extension of Secondary School at Terre Rouge – Lapses in Contract Management	25
4.9	Upgrading Works at Batatran Primary School – Lapses in Contract Management	25
4.10	Construction of Six Additional Classrooms at La Ferme College – Project Not Started due to Delay in Handing Over of Site	26

*Continued*

<b>Para</b>	<b>Description</b>	<b>Page</b>
<b>5.0</b>	<b>DEPUTY CHIEF COMMISSIONER'S OFFICE</b>	
5.1	Construction of Roads in Rodrigues – Lapses in Contract Management	27
5.2	Concrete Circular Reservoirs at Hauteur Accacia and Montagne Cabris – Not Yet Operational	30
<b>6.0</b>	<b>COMMISSION FOR HEALTH, COMMUNITY DEVELOPMENT, FIRE SERVICES, METEOROLOGICAL SERVICES, JUDICIAL SERVICES AND CIVIL STATUS</b>	
6.1	Dual Reverse Osmosis for Haemodialysis Water Purification Equipment Not Operational over One Year after Acquisition	33
6.2	Lack of Controls Over Payment of On-Call and In-Attendance Allowances	34
6.3	Construction of Fire Station and Disaster Risk Reduction and Management Centre at Mon Plaisir – Lapses in Contract Management	34
<b>7.0</b>	<b>COMMISSION FOR SOCIAL SECURITY, HOUSING, LABOUR AND INDUSTRIAL RELATIONS, EMPLOYMENT AND CONSUMER PROTECTION</b>	
7.1	Domiciliary Medical Visits – Weaknesses in Expenditure Control	37
7.2	Rehabilitation of Administrative Building at La Ferme – Defects Not Yet Remedied	38
<b>8.0</b>	<b>COMMISSION FOR AGRICULTURE, ENVIRONMENT, FISHERIES, MARINE PARKS AND FORESTRY</b>	
8.1	Setting up of a Honey Research Centre and Crop Gene Bank – Lapses in Project Implementation	39
8.2	Fisheries Protection Service – Lapses in Service Delivery	40
8.3	Payment of Bad Weather Allowances – Eligibility Criteria Not Verified	41
<b>9.0</b>	<b>COMMISSION FOR YOUTH AND SPORTS, ARTS AND CULTURE, LIBRARY SERVICES, MUSEUM, ARCHIVES AND HISTORICAL SITES AND BUILDINGS</b>	
9.1	Relocation of Lessees at Roche Bon Dieu – Compensation Exceed Amount Assessed by Valuation Department	43
<b>10.0</b>	<b>FOLLOW UP</b>	
10.1	Follow Up of Matters Raised in Audit Report 2019-20	45

## 2– ANNUAL STATEMENTS

### 2.1 Annual Statements for the Financial Year 2020-21

The Commissioner responsible for the subject of finance is required, under Section 19(4) of the Finance and Audit Act, to sign and submit to the Director of Audit, within three months of the close of every fiscal year, Annual Statements showing fully the financial position of the Rodrigues Regional Assembly (RRA) on the last day of such fiscal year.

The Annual Statements for the financial year 2020-21 were prepared on a cash basis and comprised a Statement of Assets and Liabilities and Other Statements. These were submitted to the National Audit Office (NAO) on 4 October 2021.

The Annual Statements contained several errors. For instance, Statement A showed assets totalling Rs 180.8 million and total liabilities of Rs 264.8 million, that is a difference of Rs 84 million. Management was informed of discrepancies in the Annual Statements in February 2022. Amended Annual Statements, duly signed, were submitted on 25 April 2022.

#### ***2.1.1 Absence of Strategy for the Forthcoming Implementation of IPSAS and Compliance with Finance and Audit Act***

Government has decided to gradually adopt accrual-based International Public Sector Accounting Standards (IPSAS) in the preparation of the financial statements with effect from financial year 2016-17. Full compliance with IPSAS will be mandatory as from the financial year 2022-23. RRA needs to gradually adopt accrual-based IPSAS to be in line with the policy of Government.

In January 2021, I was informed that a team from the Ministry of Finance, Economic Planning and Development (MoFEPD) was expected to be on mission to Rodrigues to assist in the implementation of IPSAS in the same month and a dedicated accrual IPSAS project team would be set up accordingly.

As of April 2022, a roadmap for the implementation of IPSAS was not yet developed at the level of the Central Administration of the RRA. The Annual Statements of the RRA continued to be prepared on a cash basis. No transition to the accrual based IPSAS for the preparation of Annual Statements was initiated.

The RRA has not yet considered the implementation of the following, among others:

- (a) *Secondary Ledger*: This ledger will facilitate accounting on an accrual basis and produce accrual-based financial information.
- (b) *Government Assets Register (GAR)*: The GAR is a computerized record, developed by the Treasury to assist Ministries and Departments to identify and record non-financial assets.

#### *RRA's Response*

The mission has not been effected so far. The assistance of the MoFEPD will be sought anew with regards to the implementation of the IPSAS.

## 2.2 Statement A - Statement of Assets and Liabilities – Rs 180.76 million

The Statement of Assets and Liabilities of the RRA for the financial year ended 30 June 2021 was prepared on a cash basis. Assets and Liabilities showing the financial position of the RRA as at the close of each of the past three financial years are as shown in Table 1.

*Table 1: Assets and Liabilities of RRA for the Past Three Financial Years*

Details	30 June 2021	30 June 2020	30 June 2019
	Rs	(Restated) Rs	Rs
<b>Assets</b>			
Cash and bank balances	91,591,676	88,637,715	150,376,906
Advances	89,169,918	92,015,228	85,055,094
<b>Total</b>	<b>180,761,594</b>	<b>180,652,943</b>	<b>235,432,000</b>
<b>Liabilities</b>			
Rodrigues Consolidated Fund	16,822,262	18,549,245	37,624,197
Deposits	80,729,419	78,858,123	110,824,131
Loan-Government of Mauritius	83,209,913	83,245,575	86,983,672
<b>Total</b>	<b>180,761,594</b>	<b>180,652,943</b>	<b>235,432,000</b>

*Source: Annual Statements of the RRA*

As a result of not adopting accrual-based IPSAS in the preparation of accounts, the following components were not recognised in Statement A.

- (a) Property, Plant and Equipment;
- (b) Liabilities such as pension, passage benefits and the monetary value of accumulated sick leave; and
- (c) Arrears of Revenue.

## 2.3 Rodrigues Consolidated Fund (RCF) - Transfer from RCF Not Approved

Total expenditure of the RRA in the financial year 2020-21 amounted to Rs 4,105.5 million and exceeded total revenue (Rs 4,103.8 million) by some Rs 1.7 million. An amount of some Rs 2 million was transferred from RCF to cater for the shortfall.

- The approval of the MoFEPD was not sought for the above transfer. In a legal advice tendered on 2 October 2020, the Attorney General's Office was of the view that the Executive Council cannot transfer money from the RCF (over and above the amount appropriated by the National Assembly) to revenue to cater for any shortfall.



- The transfer of a total of some Rs 59.8 million from the RCF for the three financial years ended 30 June 2020 was also not in order.

## **2.4 Loan from Government of Mauritius Not Refunded**

### *Fibre Glass Boats Unutilised – Rs 14.7 million*

The above figure represents amount due by the RRA to the Central Government. The RRA had used the fund for financing the purchase of five fibre glass boats for the benefit of Cooperative Societies in 2011. Contrary to their respective loan agreement, the five Cooperative Societies have not refunded the principal and interest amounts due on the loan. On the other hand, the RRA has also not refunded any amount due since financial year 2017-18.

Due to defaults in loan repayments, the Executive Council repossessed the five fishing boats from the Cooperative Societies on 19 April 2021. As of April 2022, these boats were lying idle at the mooring bay of Pointe Monier.

## **2.5 Statement of Advances – Outstanding Amounts Not Cleared**

Three advances were granted to former members of RRA for the purchase of motor cars. Contrary to their respective loan agreement, capital and interest have not been repaid by them since they ceased to be a member in the years 2012 and 2017. The total amount due as at 30 June 2021 stood at Rs 1,537,613.

### *RRA's Response*

In one case, the sale by levy is pending Court action. In another case, monthly deduction is being made since April 2022. The third case has been referred to the legal adviser for necessary action.

## **2.6 Statement of Arrears of Revenue - Amount Understated**

According to the database of the Commission of Women and Others, there were 2,077 trade licence holders who have not renewed their licences and they owed a total amount of Rs 23.6 million at 30 June 2021. This amount was not included in the Statement of Arrears of Revenue.



## 3 – ACCOUNTABILITY AND OVERSIGHT MECHANISM

### 3.1 Oversight Mechanism – Weaknesses in Internal Control System and Recommendations of Internal Audit Not Implemented

- Remedial action was not always taken by the different Commissions in respect of matters raised in the reports of the Internal Control Unit. Out of 125 recommendations made in financial years 2019-20 and 2020-21, only 24 were implemented, representing 19 per cent.
- No corrective action was taken to deal with the weaknesses in internal control system, lapses in procurement, contract management and project monitoring highlighted by different oversight bodies.

#### 3.3.1 Audit Committee

- Audit Committee (AC) members comprised Officers from the Chief Commissioner’s Office (CCO) and the Deputy Chief Commissioner’s Office (DCCO). The Audit Committee members were therefore not fully independent of Management of the RRA.
- Contrary to the Audit Committee Charter, only four meetings of the AC were held during the 22 months’ period, July 2020 to April 2022, instead of at least seven meetings.
- The notes of meeting were not approved and signed by the members.
- No Performance Contract and Action Plan of the AC for the financial year 2021-22 were submitted to the Office of Public Sector Governance as of April 2022, despite requests were made in three instances.

#### *RRA’s Response*

- Approval of MoFEPD has been obtained to recruit additional officers in the Internal Control Cadre under the Expert Skills Scheme to strengthen the internal control mechanism. Action is being initiated accordingly. The Audit Committee will be revamped and operationalised.
- The Performance Review Committee is being set up under the Chairmanship of the Head Public Infrastructure.



## 4 – CHIEF COMMISSIONER’S OFFICE

### 4.1 Detailed Statement of Revenue of the Rodrigues Consolidated Fund

#### 4.1.1 Revenue Management

Government grant has increased from Rs 3.6 billion in the financial year 2018-19 to Rs 4.06 billion in financial year 2020-21, that is, by 12.8 per cent.

Revenue generated by RRA totalled Rs 46 million in the financial year 2020-21.

The following were noted:

- Income from rental of bandwidth was only Rs 4.9 million compared to budgeted amount of Rs 25 million.
- 2,077 trade licence holders who owed a total amount of Rs 23.6 million as at 30 June 2021 have not renewed their licences.
- Licence fees, as prescribed in the Rodrigues Regional Assembly (Licences) Regulations, and rental for residential lease have not been revised since 2003 and 2011 respectively.

### 4.2 Statement of Investments – Lapses in Investment Practices and Non-compliance with Regulations

As at 30 June 2021, the RRA held investments totalling some Rs 54.4 million in nine companies. At paragraph 4.4 of the Audit Report for the financial year 2019-20, the following were reported:

- Non-submission of Annual Reports by the Companies to the Commissioner.
- Non-establishment of the RRA Companies General Fund, though required under the Rodrigues Regional Assembly (Investment Management) Regulations.
- Non-operation of the Rodrigues Venture Capital and Leasing Fund (RVCLF).

As of April 2022, no action has been taken by the RRA in respect of the above.

#### *RRA’s response*

The companies and their respective commissions are being reminded to comply with the Rodrigues Regional Assembly (Investment Management) Regulations 2008.

#### 4.2.1 Rodrigues Business Park Development Company Ltd – Not Yet Operational

The Rodrigues Business Park Development Company Ltd was incorporated on 12 February 2019 to manage the project for the setting up of a Technopark at Baladirou for promoting entrepreneurship and employment in the field of ICT in Rodrigues.

According to the financing mechanism devised by the MoFEPD, RRA and a local bank would each contribute an amount of Rs 6.5 million. In addition, the RRA and the Central Government would provide loan to the tune of Rs 75 million and Rs 175 million respectively, to the Company.

The Company has not yet started its operation despite more than three years have elapsed since incorporation

#### ***4.2.2 Rodrigues Tourism Development Company Limited - Lack of Transparency and Good Governance***

The Rodrigues Tourism Development Company (RTDC) Limited, in which RRA and a private entity have shareholding of 51 and 49 per cent respectively was incorporated in 2018.

- In 2018, RRA contributed an amount of Rs 5.1 million to RTDC Ltd. However, the other shareholder has not yet paid its share of contributed capital of Rs 4.9 million.
- As of April 2022, RTDC Ltd had not submitted any annual report, including financial statements since its operation.

#### *RRA's response*

The Manager Internal Control is presently conducting a full audit on the affairs of the company

#### ***4.2.3 RRA Companies General Fund Not Established***

- The RRA Companies General Fund has not yet been established though required by the Rodrigues Regional Assembly (Investment Management) Regulations 2008.
- No dividend has yet been received from any of the Companies during the financial year 2020-21.
- RRA invested an amount of Rs 5 million in the equity of Rod Clean Ltd to enable it to purchase two waste carrier lorries. In the absence of the RRA Companies General Fund, disbursement was made out of the Rodrigues Consolidated Fund.

### **4.3 E-Procurement System Not Implemented**

The Procurement Policy Office (PPO) issued Directive No 47 in August 2020 to make it mandatory for public bodies to implement the e-Procurement System by December 2020.

As of April 2022, RRA had not yet embarked on the e-Procurement System and continued to use the traditional paper-based system for all procurement activities.

## *RRA's Response*

Officers from the PPO could not proceed to Rodrigues as scheduled in November 2020 to train Officers of the RRA on the e-Procurement System due to the Covid-19 pandemic. The PPO will be contacted with regards to the training.

### **4.4 Capital Projects - Value for Money Not Obtained**

Over the years, the RRA has awarded contracts to the tune of some Rs 622 million in 11 projects, as shown in Table 2, without proper feasibility study and planning. As of April 2022, these infrastructure/assets were still not operational and some not optimally utilised.

*Table 2 - Completed Capital Projects – Infrastructure/Assets Not Optimally Utilised*

<b>Date Completed</b>	<b>Projects</b>	<b>Contract amount</b>
		<b>Rs million</b>
1 Sept. 2020	Coffee Processing Plant at Mon Plaisir	20.5
2 Dec 2020	Desalination Plant at Pointe Coton and Baie Malgache	142.0
3 May 2021	Setting up of a Honey Research Centre and Gene Bank	6.8
4 May 2020	Upgrading of RYC at Oyster bay	18.8
5 Dec 2018	Acquisition of five fibre glass boats for Cooperative Societies	54.2
6 2017	Acquisition of Pointe Venus Hotel	55.0
7 Sept 2017	Remand and Convict Block at Pointe La Gueule	33.2
8 April 2016	Construction of Watch Tower	3.4
9 Feb. 2015	Desalination Plant at Anse Aux Anglais, Caverne Bouteille, Pointe Coton and Baie Malgache	156.1
10 2005	Swimming Pool at Marechal	75.8
11 Aug 2014	Construction of Slaughter house	56.2
	<b>Total</b>	<b>622.0</b>

- The Coffee Processing Plant at Mon Plaisir, built in September 2020, had cost some Rs 20.5 million. As coffee beans required have not been harvested, the Plant has not been utilised.
- Contract for the supply and installation of four Desalination Plant at Anse Aux Anglais, Caverne Bouteille, Pointe Coton and Baie Malgache at a cost of Rs 156.1 million, was terminated in February 2015 due to non-performance of the Contractor after payments totalling Rs 99.4 million as of December 2014. Plant at Pointe Coton and Baie Malgache were not installed.

In 2018, the RRA had re-invested some Rs 142 million for installation of a new plant at Pointe Coton and Baie Malgache. The former was operating at 50 per cent of its capacity while the latter has broken down.

- The Rehabilitation Youth Centre (RYC) and a Honey Research Centre (HRC) at Oyster Bay, costing some Rs 18.8 million and Rs 6.8 million respectively, were not being utilised due to modifications not yet effected to the building (RYC) for enhanced suitability and non-availability of equipment (HRC).
- Five fibre glass boats were acquired for some Rs 54.2 million in December 2011 and were allocated to five Cooperative Societies. Due to non-repayment of loan of some Rs 14.3 million, the Executive Council repossessed all the five boats in April 2018. As at April 2022, these boats were lying idle.
- In 2017, RRA acquired a hotel for some Rs 55 million for the setting up of a proposed Technopole. However, the project was shifted to another location. It was reported that the hotel was poorly maintained and was left in an abandoned state.
- The Remand and Convict Block constructed at Pointe La Gueule for some Rs 33.2 million, was not yet put to use as the height of the boundary wall and fencing were not up to security standards.
- A Watch Tower constructed at a cost of some Rs 3.4 million was not functional since its completion in January 2016 due to its inclination.
- The swimming pool at Marechal was constructed in 2005 at a cost of some Rs 75.8 million. However, it has been irregularly utilised due to dependency on high volume of water.
- A Slaughter House was built at a cost of Rs 56 million in 2014 but has never operated.

In addition, RRA invested some Rs 26.4 million in three wholly owned companies but did not derive any benefit from the investments. These companies have been wound up.

#### *Recommendations*

RRA should put in place appropriate mechanisms to ensure judicious use of public funds.

#### *RRA's Response*

The RYC for girls is non-operational pending additional works recommended by the National Human Rights Commission. The work is expected to be completed in August 2022.

In the case of the Remand and Convict Block of Prison, a contract has been awarded for the construction of new boundary walls at the prison and the works are expected to be completed by the end of July 2022.



For the Slaughter House, the MoFEPD has allocated an amount of Rs 20 million in the National budget 2022-2023 for its operationalisation.

#### **4.5 Financial Assistance to Residents of Rodrigues Stranded in Mauritius**

Due to the COVID-19 pandemic prevailing in Mauritius, no passenger was allowed to travel from Mauritius to Rodrigues from 7 to 31 March 2021.

On 25 March 2021, the Chief Commissioner's Office decided to provide a cash grant of Rs 10,000 to each individual in financial difficulties and holding a return ticket. This was financed from the Chief Commissioner's Kalunde Relief Fund.

During the period 7 April to 3 September 2021, 210 families/individuals were paid a total amount of Rs 2.1 million.

- Financial support was to be provided to those in dire financial difficulties as was decided by the Chief Commissioner's Office. No survey had been conducted to determine those residents who were in financial difficulties and thus eligible for the cash grant and no eligibility criteria was established for determining the need for financial assistance.
- 35 beneficiaries were RRA public officers who were deriving income. The income and professional occupations of the remaining 175 beneficiaries were not known.
- No distinction was made for residents who had to remain in Mauritius for only one day and others for 25 days (from 7 to 31 March 2021) as they had all received the cash grant of Rs 10,000.
- Contrary to Financial Instructions, there was no documentary evidence such as return ticket to support the date of return to Rodrigues from 7 to 31 March 2021 for each individual.

#### **4.6 Interdicted Officers – Overpayments of Rs 3.2 million Not Yet Recouped**

At paragraph 4.8.3 of the Audit Report for the financial year 2019-20, mention was made that salaries and allowances totalling Rs 5.7 million were paid to five officers since their interdiction, including overpayment of Rs 385,000. On 17 March 2021, another employee was interdicted.

As of March 2022, payments to the six interdicted employees had reached some Rs 9.8 million.

Contrary to provisions of the Human Resource Management Manual and the PRB Report, end of year bonus, incremental credit, PRB interim allowance and uniform allowance totalling some Rs 1.1 million, were overpaid to them during the interdiction periods.

On 1 March 2021, an interdicted officer retired at the age of 60. In April 2021, retirement benefits totalling some Rs 2.1 million were paid to the officer though he was not yet reinstated. Approval of relevant authorities was not sought.

Action should be initiated to recover the overpaid amount of Rs 3.2 million.

#### *RRA's Response*

Action has been initiated for regular recoupment except in one case and an amount of some Rs 108,000 has already been recouped. As regards the interdicted retired officer, payment of gratuity has been made on the basis of legal advice tendered by the Solicitor General in a former case.

#### *NAO's Comments*

The advice was sought in respect of the request for retirement from the Public Service of a former General Worker in December 2017. In the case of the interdicted officer retired in March 2021, neither legal advice for the payment of gratuity nor approval of relevant authorities was sought.

### **4.7 Construction of a Community School at Baie Malgache – Lapses in Contract Management**

The contract for the construction of a Community School at Baie Malgache was awarded on 12 July 2017 to the substantially responsive bidder, for the sum of Rs 84.8 million.

Works started on 14 August 2017 and were scheduled for completion on 9 August 2018. The completion date was thereafter revised to 27 October 2018.

- In September 2020, two years later, only some 40 per cent of works were completed. The Executive Council was apprised of the delay in the construction only in November 2020.
- Report of the Performance Review Committee was not available, contrary to Directive 64 of the PPO.
- As of March 2022, there was a significant delay of 1,118 days in the completion of the project. The maximum liquidated damages that could be claimed from the Contractor as per the General Condition of Contract was Rs 2.25 million. However, the Commission recouped only Rs 1.1 million as of March 2022.
- As of April 2022, no Practical Completion Certificate was yet issued. The site was still not taken over by the Commission.
- At date of Audit visit on 13 April 2022, retaining wall and access to disabled persons were yet to be constructed.

The Commission should recoup the remaining liquidated damages and give consideration to further improve security measures for the safety of the students.

#### **4.8 Extension of Secondary School at Terre Rouge – Lapses in Contract Management**

##### ***Poor Contractor’s Performance Leading to Termination of Contract***

The contract for the extension of Secondary School at Terre Rouge, was awarded to Contractor A for a sum of Rs 40.9 million on 12 July 2017 and works were scheduled for completion on 4 June 2018.

Due to the poor performance of the Contractor, the contract was terminated on 13 May 2019 when 46 per cent of works were completed. As of June 2020, a total amount of Rs 13.9 million was paid to the Contractor, that is, 34 per cent of the contract sum.

##### ***Delay in Notifying Suspension of Contractor A to Procurement Policy Office***

It was only in August 2020 that the Contractor was notified of its suspension for participation in RRA bidding exercises for the coming six months.

On 6 December 2019, bids for completion of works at Terre Rouge Gymnasium were launched through the open national bidding method, at a time when there was no exclusion of Contractor A from participating in any bidding exercise.

##### ***Delay in Completion of the Gymnasium by the New Contractor***

The contract for the completion of works at Terre Rouge Gymnasium was ultimately awarded on 9 March 2021 to the second lowest bidder, Contractor B, for an amount of Rs 48.2 million.

Works started on 27 May 2021 and were scheduled to be completed by 23 March 2022. However, on 14 January 2022, only half of the works was completed, which was far behind the estimated 75 per cent completion. As of March 2022, a total amount of Rs 12.6 million was paid to Contractor B.

##### ***Cost Escalation***

The initial contract was awarded for some Rs 40.9 million. As of June 2020, only 46 per cent of works were completed and Rs 13.9 million were paid to the initial Contractor.

To complete the remaining 54 per cent of work, a new contract was awarded for some Rs 48.2 million. Thus, the project would finally cost the Commission some Rs 62 million which represents an increase of 51 per cent over the initial contract amount.

#### **4.9 Upgrading Works at Batatran Primary School – Lapses in Contract Management**

The contract for upgrading works, including construction of two classrooms, at Batatran Primary School was awarded on 23 September 2019 for some Rs 13.5 million. Works started on 11 November 2019 and were scheduled to be completed by 30 August 2020. However, works were practically completed on 22 October 2021, that is, 14 months later. The site was

taken over by the Commission in February 2022. As of March 2022, some Rs 12.4 million were paid to the Contractor.

- On resumption of schools in August 2021, the two classrooms were not available because of the 14-month delay by the Contractor.
- On 16 March 2021, the Commission informed the Contractor that liquidated damage of Rs 1 million would be applied. However, only an amount of Rs 200,000 was recouped in November 2021 for which no basis of calculation was available.
- The insurance cover and performance security covered the period up to 30 June 2021 and 31 March 2022 respectively, and were not extended to cover the maintenance period up to October 2022.

#### **4.10 Construction of Six Additional Classrooms at La Ferme College – Project Not Started due to Delay in Handing Over of Site**

On 21 October 2019, the Commission launched an open advertised bidding exercise for the construction of six additional classrooms at la Ferme College. On 7 May 2020, the Commission notified the bidders that the contract would be awarded to the second lowest bidder. However, on 18 May 2020, one Contractor challenged the decision of the Commission at the Independent Review Panel (IRP) for not retaining its bid.

In August 2020, the Commission informed the Consultant that there was a change in the location of the project and requested for advice on the feasibility and implications thereof.

- Contrary to Section 43(4) of the Public Procurement Act, the Commission did not await for the challenge to be resolved by the IRP. On 12 June 2020, the contract was awarded to the second lowest bidder for the sum of Rs 17.4 million.
- No approval of the Executive Council was available for the change in location.
- No reason for the change in location of the project was available.
- The Contractor thereafter submitted a revised contract price of Rs 20.8 million. On 10 November 2021, the Consultant proposed a counter assessment of Rs 20.5 million. The final contractual amount had not yet been finalised.
- As per conditions of contract, works should have started 14 days from the date of handing over of site. As of April 2022, nearly two years later, the site was not handed over to the Contractor.

## 5 – DEPUTY CHIEF COMMISSIONER’S OFFICE

### 5.1 Construction of Roads in Rodrigues - Lapses in Contract Management

#### 5.1.1 Contract for the Financial Years 2018-19 and 2019-20

A two-year contract for the construction of roads was awarded to a Company in May 2019 for a contract amount of Rs 235.9 million. The contract ended in April 2021.

During the period July 2019 to April 2021, 46 Works Orders for a total value of Rs 237.2 million were issued. Payments totalling some Rs 153.5 million and Rs 71.4 million were made during the financial years 2019-20 and 2020-21 respectively.

In addition to the sum of Rs 71.4 million paid in respect of the contract for the construction of roads, an amount of Rs 24 million was disbursed to the same Company in 2020-21 under another contract.

#### (i) *Widening Works along Jardin Mamzelle – Variation Works leading to Increase in Cost by 65 per cent*

Works Order 3/2019-2020 was awarded on 14 June 2019 for an amount of Rs 3.5 million and works were to be completed by 16 August 2019. The works were practically completed on 20 September 2019.

In November 2019, it was reported that the cost overrun of Rs 2.4 million had occurred due to the extension of the road length by some 40 metres, resulting in an increase of excavation, concrete kerbs, masonry works, bituminous concrete and excavation in rocks.

- Prior approval of the Deputy Chief Commissioner’s Office (DCCO) was not sought for the increase in scope of works.
- The additional works have caused the project cost to escalate from Rs 3.5 million to Rs 5.9 million, representing 68 per cent increase.
- Despite the delay in completion of works, liquidated damages were not claimed.

#### (ii) *Construction of Road from Le Chou to Port Mathurin – Road Damaged due to Heavy Rainfalls and Absence of a Drainage System*

The Project was split by the DCCO into Zones I, II and III, starting from Soupir to end at Port Mathurin. The Works Order for Zone II only was issued in November 2016 to the Contractor for an amount of Rs 77.7 million and works were expected to be completed in May 2017.

Heavy rainfall on 1 June 2019 had damaged the bituminous layer base course of the road over a length of 373 metres and width of 7.20 metres. Water had penetrated the layer, thereby damaging the sub-bases.

In July 2019, the Contractor submitted an estimate of Rs 13.7 million for the construction of additional drain works at the damaged section of the road and later, on 12 August 2019, the Contractor issued a report on the drainage system at Montagne Charlot.

- The works were completed in August 2020, that is more than three years later. Payments had reached Rs 72.4 million as at November 2021, after deduction of liquidated damages of Rs 5.2 million.
- The topography of that part of Rodrigues which is one of the steepest slope of the island, was overlooked by the Commission in the design of the road by the Contractor. As a result, additional cost of some Rs 8.5 million was borne by the DCCO for drainage and other works.
- The concept, design and the cost estimates of the construction of the damaged road, and the drainage system were done by the same Contractor. Based on these documents, the DCCO had issued the Works Order on 9 November 2016 only for the road works but no consideration was given to the drainage works. It was only when the road was damaged that the Works Order 11/2019-2020 *Drainage works at Mont Charlot* for an amount of Rs 22.9 million was issued.
- Subsequently, the Contractor had surveyed the damaged site and submitted reports and cost estimates both for construction of the road and the drainage system. The Works Order for the drainage and remedial works were allocated to the same Contractor on 11 October 2019.

The works, due for completion on 28 February 2020, were completed on 11 May 2020. The total amount paid to the Contractor for the drainage works amounted to Rs 22.6 million as of November 2021.

### ***5.1.2 Contract for the Financial Years 2020-21 and 2021-22***

The contract for the maintenance, upgrading, resurfacing and construction of roads for the financial year 2020-21 was awarded in January 2021 for the sum of Rs 309.3 million. The contract was for a period of 730 calendar days as from the date of issue of the first Works Order on 1 April 2021.

39 Works Orders for a total value of Rs 320 million were issued during the period 1 April 2021 to 30 April 2022.

#### *Delay in Execution of Road Projects*

As of April 2022, out of the 39 Works Orders issued:

- construction works were completed in respect of 19 Works Orders.
- four Works Orders were completed at less than 25 per cent and in respect of 16 others, works were delayed by a period ranging from one to five months.

### *Review of Four Works Orders Issued Under the Contract*

#### *(i) Construction of Road from Montagne Malgache to Port Sud Est*

The Works Order was issued on 15 June 2021 for an amount of Rs 28.8 million with completion date of 20 December 2021.

- No proper survey was carried out by Officers of the DCCO prior to the issue of the Works Order.
- The construction of the road had to be stopped due to encroachment of private land. Negotiation had to be held with the lessee for land acquisition for the purpose of the road construction, and also for the demolition of masonry wall so as to improve visibility towards Mourouk.
- An additional sum of some Rs 5.6 million, representing 20 per cent of contract value, would have to be incurred on variation works which included cut for visibility, demolition of existing structure, construction of masonry works and drainage works towards Mourouk.
- Clearance certificate from the Commission of Environment was yet to be sought as the road would encroach the public beach and for change in scope of works.

As of 20 April 2022, the works were still ongoing and the total amount paid was Rs 16.3 million.

#### *RRA's Response*

The works identified have not been executed under the current Works Order. New Works Order will be issued after all clearances are obtained. The claim for extension of time is under assessment.

#### *(ii) Construction of Road and Box Culvert at Anse Raffin*

The works started on 22 September 2021 and were to be completed on 21 April 2022. However, as of 20 April 2022, only 50 per cent of works were completed due to the fact that the road alignment would encroach the public beach and clearance from the Commission of Environment was yet to be obtained.

#### *(iii) Construction of Road from Saponaire to Anse Femi*

The construction of the road was split into Works Order 9/2021-22 (Rs 28.4 million) and 36/2021-22 (Rs 6.5 million).

Works Order 9/2021-22 was issued in July 2021 and works were to be completed in December 2021. The amount paid as of April 2022 totalled Rs 24.8 million. Works were actually completed in December 2021. However, as of April 2022, no Practical Completion Certificate was issued.

Works Order 36/2021-22 was issued in January 2022 and works were to be completed in April 2022. As of April 2022, only 20 per cent of works were completed. Due to variation works of Rs 1.1 million, the revised completion date and delays have not yet been assessed. No liquidated damages have yet been charged.

#### *RRA's Response*

Works were completed on 28 November 2021 instead of 10 December 2021. Practical Completed Certificate was issued on 05 May 2022 after all test results have been duly submitted by the Contractor certifying compliance of works to specifications.

#### *(iv) Construction of Parking and Ancillary Facilities around Songes College*

The Works Order for the above project was issued for an amount of Rs 27.3 million in September 2021 and works were to be completed in February 2022. However, only 75 per cent works were completed as of April 2022. The delay was attributed to the fact that the electric poles were yet to be displaced.

## **5.2 Concrete Circular Reservoirs at Hauteur Accacia and Montagne Cabris – Not Yet Operational**

Two contracts were awarded to a Contractor in the last quarter of 2019 for the construction, testing and commissioning of 1,000 m<sup>3</sup> concrete circular reservoirs at Hauteur Accacia and Montagne Cabris for Rs 24.7 million and Rs 22.1 million respectively. The reservoir at Hauteur Accacia was scheduled for completion by 2 May 2020 and that of Montagne Cabris, by 11 July 2020.

As of April 2022, both reservoirs were not yet operational. Payment totalling Rs 34.5 million, representing 74 per cent of the contract amount, had been effected.

### **5.2.1 Concrete Circular Reservoir at Hauteur Accacia**

The contract for Hauteur Accacia was awarded on 22 October 2019 for the sum of Rs 24.7 million. The site was handed over to the Contractor on 28 November 2019. The expected completion date was 2 May 2020 and was subsequently revised to 13 July 2020.

- In May 2021, the Project Manager requested the Contractor to submit a revised program of works in respect of outstanding remedial works to cracks/seepages identified, fixing of air release valve, testing and commissioning of altitude control valve and electromagnetic valves and water tightness tests. However, same had not been submitted as of April 2022.
- As of April 2022,
  - a total sum of Rs 18.4 million, representing 74 per cent of contract sum was paid to the Contractor.
  - The reservoir was still not handed over to the Commission, 22 months after the rescheduled completion date.



- A final assessment of liquidated damages at the rate of Rs 20,000 per calendar day as per condition of contract, was not yet undertaken.
- The Performance Security of Rs 2.5 million, which expired on 31 January 2022, had not been renewed. The Insurance Cover which was valid up to 31 January 2021 has also not been renewed.
- Audit visit on 31 March 2022 revealed that the altitude control valve and electromagnetic valves were not yet tested and commissioned. Evidence of the water tightness test undertaken and the results thereof, were not available.

### ***5.2.2 Concrete Circular Reservoir at Montagne Cabris***

The contract was awarded to the same Contractor on 20 December 2019 for the sum of Rs 22.1 million. The site was handed over to the Contractor on 6 February 2020 and the completion date was set for 11 July 2020.

- Due to the COVID-19 pandemic, the contract completion date was extended by 72 days to 20 September 2020.
- As of April 2022,
  - Some 19 months since the revised completion date, the project was still not completed. The altitude control valve and electromagnetic valves were still not tested and commissioned.
  - A total sum of Rs 16.1 million, representing 73 per cent of the contract value was already disbursed to the Contractor and the last payment certificate dated 29 December 2020.
  - Contrary to the General Conditions of Contract, maximum liquidated damages of Rs 1,920,758 were not yet charged to the Contractor for delay in completion of works.
  - The Performance Security had not been renewed since its expiry on 28 February 2022.

#### *RRA's Response*

The program for completion of outstanding works, including testing and commissioning of altitude control valve and electromagnetic valve was requested from the Contractor on 05 April 2022 and same was still being awaited.

The final assessment for extension of time will be done by the Project manager and any resulting liquidated damages will be applied accordingly before finalising final account.

Contractor was requested to extend the performance security and insurance cover since September 2021 but same was still being awaited.



## 6 – COMMISSION FOR HEALTH, COMMUNITY DEVELOPMENT, FIRE SERVICES, METEOROLOGICAL SERVICES, JUDICIAL SERVICES AND CIVIL STATUS

### 6.1 Dual Reverse Osmosis for Haemodialysis Water Purification - Equipment Not Operational over One Year after Acquisition

On 29 May 2020, the letter of offer for the contract to supply, deliver, install and commission a Dual Reverse Osmosis for Haemodialysis Water Purification of AAMI Standard was issued to a supplier for the total sum of Rs 4.3 million. Delivery was to be effected within 45 days, that is, by 13 July 2020. As of April 2022, no payment was made to the supplier.

- The Commission approved to extend the delivery date on three occasions up to 14 January 2021, that is, by some six months and waived the applicable liquidated damages of some Rs 427,000.
- Although arrangements and facilities were offered by the Commission, the equipment was neither installed nor commissioned. As of April 2022, the old equipment of over 10 years was still being used.
- During an audit visit on 16 April 2022, the equipment was seen lying together with bags of reagents that were stacked on the floor of a shed annexed to the Haemodialysis Unit. The equipment and the chemicals were exposed to the inclemencies of weather and accelerated wear and tear. Figure 1 refers.

*Figure 1 – Haemodialysis Equipment lying idle*



## **6.2 Lack of Control Over Payment of On-Call and In-Attendance Allowances**

Some Rs 100.6 million were paid as On-Call and In-Attendance allowances to Specialists and Medical Health Officers in the financial year 2020-21

- As of March 2022, the Electronic Attendance System was still not properly used by the Specialists and Medical Health Officers of the Commission.
- Allowances totalling some Rs 2.5 million were paid to 22 Specialists during the financial year 2020-21. The allowances paid could not be verified as the Specialists had not signed in the Attendance Register.
- Some claims submitted by the Specialists for the payment of On-call and In-attendance allowances were not examined prior to payment.
- In March 2021, some Rs 167,000 were paid to a Specialist as “On-call and In-attendance” allowance for two months in 2018 but no In-attendance Register for that period was available nor any certification was seen in the claim.
- Discrepancies totalling some Rs 1.2 million were noted between the list submitted by the Commission in respect of Specialists posted on a short-term period to Rodrigues and that as per claims received for the period January 2020 to June 2021.

### *Recommendation*

The Commission should strengthen control over payment of allowances.

## **6.3 Construction of Fire Station and Disaster Risk Reduction and Management Centre at Mon Plaisir – Lapses in Contract Management**

The contract for the construction of a Fire Station and Disaster Risk Reduction and Management Centre at Mon Plaisir was awarded in July 2017 for an amount of Rs 69.6 million. Construction works started in August 2017 and were scheduled for completion by June 2018. Extension of time was granted on various occasions and the last revised completion date was 12 January 2020.

At paragraph 6.1 of the Audit Report for the financial year 2018-19, the following issues, amongst others, were reported:

- (a) Key personnel of the Contractor were working concurrently on four projects;
- (b) Progress of works was slow;
- (c) Contract was not terminated despite fundamental breach of conditions of contract; and
- (d) Repeated failures in performance by the Contractor were not reported to the Procurement Policy Office.

The following were observed:

- In January 2021, the Consultant reported the poor performance of the Contractor and that the latter had failed to comply with the set timeframe and had not mobilised adequate resources and key personnel.
- In March 2022, a total amount of Rs 61.9 million was already disbursed to the Contractor after the deduction of the maximum liquidated damages of Rs 2.3 million, that is, some 92 per cent of contractual amount.
- As of April 2022, no handing over of site had been effected although more than 46 months had elapsed since the initial scheduled completion date of June 2018.
- A Performance Review Committee was not set up by the Commission in compliance with Directive 64 of the Procurement Policy Office for onward action to be taken against the Contractor.
- The All Risk Insurance Policy which expired on 30 September 2021, was not renewed as of April 2022.



## **7 – COMMISSION FOR SOCIAL SECURITY, HOUSING, LABOUR AND INDUSTRIAL RELATIONS, EMPLOYMENT AND CONSUMER PROTECTION**

### **7.1 Domiciliary Medical Visits - Weaknesses in Expenditure Control**

As of March 2022, monthly domiciliary medical visits were effected by 18 Medical Health Officers (MHOs) to 1,558 patients. During the financial year 2020-21, fees totalling some Rs 7.4 million were paid to the MHOs.

- The Medical Board responsible for carrying out assessments of eligibility for Basic Invalid Pension at the applicants' residences consisted of only one MHO.
- In certain applications for Basic Invalid Pension, medical certificates were issued by the MHOs who also served on the Medical Board.
- The 18 MHOs not only served the Medical Board but also effected monthly domiciliary visits.
- An examination of the Domiciliary Medical Visit Books for the month of March 2022 has shown that the number of domiciliary medical visits assigned per MHO varied between 23 and 142.
- The database of the Medical Unit was not complete and accurate. Out of 1,558 cases, the age of 963 persons, date of birth of 1,487 persons and the National Identity Card (NIC) numbers of 1,053 persons, were missing.

Eight cases of incomplete NIC numbers were noted. In two cases, two different persons had the same NIC numbers. The maiden name of female beneficiaries who had contracted marriage was omitted in the database.

- Some patients were assigned more than one visiting MHO, contrary to the policy of the Ministry of Social Integration, Social Security and National Solidarity.
- No Complaint Register was kept to record complaints made by severely disabled persons regarding monthly visit not effected.
- Dates of visits effected were not always recorded in the Domiciliary Medical Visit book.
- Contrary to Ministry's policy, in some cases, two domiciliary medical visits to the same patient were effected during the same month.
- As per the records of the Civil Status Office, a patient was declared dead on 27 February 1994 but she was last visited by a MHO on 7 April 2022 as per records of the Medical Unit. As of May 2022, monthly Basic Retirement Pension and Carer's Allowance totalling some Rs 1.5 million were paid on account of the deceased during the period September 1995 to May 2022.

### *Recommendations*

- Domiciliary medical visits should be effected as per the Ministry's policy and the number of domiciliary medical visits should be fairly assigned among the pool of MHOs.
- Personal data of patients should be accurately recorded in the Commission's database.
- Necessary actions should be initiated to recover all overpayments of social aid.

### **7.2 Rehabilitation of Administrative Building at La Ferme – Defects Not Yet Remedied**

In 2017, the contract for the Rehabilitation of Administrative Building at La Ferme was awarded for the sum of Rs 5,543,000. Works started in September 2017 and were expected for completion in February 2020. As of April 2022, payments to the Contractor and the Consultant reached Rs 5,991,890 and Rs 304,750 respectively.

- It was only in March 2019, that is 16 months after award of contract, that a private Consultant was appointed to prepare drawings and tender documents.
- In February 2020, the Commission approved variation works for an amount of Rs 1,324,235, that is 24 per cent of the initial contract value.

Works were completed and the building was handed over to the Commission in March 2020. The defects liability period expired in February 2021.

- Despite issues of water leakages were reported by the User Departments since July 2020, no action has been taken by the Commission during the defects liability period.
- During audit visit on 14 April 2022, some recently fixed false ceiling tiles in the Library, located at the first floor, were severely damaged due to water leakages.



## **8 – COMMISSION FOR AGRICULTURE, ENVIRONMENT, FISHERIES, MARINE PARKS AND FORESTRY**

### **8.1 Setting up of a Honey Research Centre and Crop Gene Bank – Lapses in Project Implementation**

The contract for the setting up of a Honey Research Centre and Crop Gene Bank at Oyster Bay was awarded in June 2020 for the sum of Rs 5.5 million. The site was handed over to the Contractor on 7 July 2020, with completion date scheduled for 14 December 2020. Extension of time of 140 days was approved and the completion date was extended to 3 May 2021.

#### ***8.1.1 Project Modification and Cost Escalation***

In August 2020, the Commission requested the Project Engineer to provide a cost estimate for modification of the building. On 8 September 2020, variation works for an amount of Rs 1,378,929 were approved.

In April 2021, following a site visit, the Project Engineer and the Commission awarded additional works to the same Contractor to the tune Rs 2,209,656. Thus, the total amount payable reached some Rs 9.1 million. As of 31 March 2022, a total amount of Rs 8,876,180 had already been paid to the Contractor.

The project cost of some Rs 5.5 million has increased by 64 per cent to some Rs 9.1 million, exceeding the prescribed limit of 25 per cent as required under the Public Procurement Act.

#### ***RRA's Response***

On 30 April 2021, a separate contract for additional works was allocated to the Contractor to the tune of Rs 2,209,656 in accordance with Section 25(2)(d) of the Public Procurement Act 2006.

#### ***NAO's Comments***

According to Section 25(2)(d) of the Public Procurement Act 2006, direct procurement is permitted only within the prescribed limits and the separation of the additional works from the initial contract would be difficult for technical or economic reasons.

#### ***8.1.2 Honey Research Centre and the Crop Gene Bank Not Operational due to Lack of Equipment***

As of April 2022, the Honey Research Centre and the Crop Gene Bank which were substantially completed and taken over by the Commission on 11 May 2021, were not operational due to the non-purchase of equipment. During a site visit effected by Audit Officers on 1 April 2022, the honey extraction room, workshop, honey bank store, seed bank and seed bank store were unoccupied. Hence, 157 m<sup>2</sup> out of the surface area of 221 m<sup>2</sup> of the newly constructed building was not in use since its construction in May 2021.

## 8.2 Fisheries Protection Service – Lapses in Service Delivery

The Fisheries Protection Service (FPS) is responsible for:

- (i) the management, conservation, protection of fisheries and marine resources;
- (ii) the protection of the marine ecosystems in accordance with the Fisheries and Marine Resources Act and other Fisheries Regulations; and
- (iii) the issue of different licences as well as for the registration of boats and vessels upon payment of the prescribed fee.
  - As an enforcement agency, prosecution is of paramount importance to deter illegal activities. Out of 106 illegal activities reported at three Fisheries Posts since 2017, only five were referred to the Court for prosecution, despite training on prosecution matters had been conducted by the Police Department during November 2020.
  - Two fast inflatable boats costing some Rs 2.9 million, used for rapid intervention at sea, were awaiting repairs since 2019. Hence, the FPS has been using less rapid, conventional and smaller boats for patrolling purposes to perform its duty.
  - Three drones were acquired in May 2017 for some Rs 510,000 with the objective of strengthening surveillance and control of lagoon resources, and also to protect against illegal fishing and fraudulent practices. However, these were out of use as of April 2022.

Details and statistics on the number of hours the drones were used, offences recorded as a result of their use, last date utilised, and the reasons for breakdown were not available.

### 8.2.1 *Re-possession of Boats Without Settlement of Dues by Beneficiaries*

To boost up the off-lagoon fishery development in Rodrigues, five fibre glass boats were acquired for a total amount of Rs 54.2 million in December 2011. The fishing boats were allocated to five Cooperative Societies. The Government financed the Scheme through a loan to the RRA amounting to Rs 14.8 million. As of 30 June 2021, only an amount of Rs 153,000 was refunded by the Cooperative Societies.

In April 2021, the RRA took possession of the five vessels due to non-reimbursement of the loan, and non-utilisation of same. A Departmental Committee set up in April 2021 to assess the state of the vessels revealed that in all cases the engines were in a very bad condition, the electrical system was in a deplorable state and the pumping system was out of use, among others.

As of April 2022, the five vessels were found in the mooring bay at Pointe Monier with the risk of further deterioration

As of 29 December 2021, the principal amount of the loan due of Rs 14.7 million, together with accumulated interests and penalty of Rs 13.1 million, were unpaid by the RRA.

### *RRA's Response*

- The Fisheries Protection Service has been reorganised since April 2022 and is now operating as a full fledged Department. A Prosecution Unit has been set up to prepare all outstanding contravention cases for prosecution.
- Arrangement was made in January 2021 with the supplier to repair the two boats. Action is being re-initiated for the supplier to travel to Rodrigues.
- Arrangement is being initiated to look into the possibility of repair of the drones.
- The Commission has hired the service of a Marine Surveyor to assess the status of the 5 fibre glass boats.

### **8.3 Payment of Bad Weather Allowances Eligibility Criteria Not Verified**

During the financial year 2020-21, the Commission disbursed a total amount of Rs 84.7 million for payment of Bad Weather Allowances (BWA) to professional fishermen at a daily rate of Rs 425. As of 30 June 2021, there were 721 off-lagoon and 449 lagoon fishermen.

The FPS should ensure that fishermen have satisfied all the five criteria, mentioned below, before approving payment for BWA:

- The landing of catch at prescribed Fish Landing Station;
- Need to have a monthly attendance of 50 per cent on the number of fishing days;
- Not drawing any other Social Aid benefits;
- Proof to have continuous access to an appropriate boat for off lagoon fishing; and
- The Fisherman Registration Card to be regularly stamped.

The following were noted:

- BWA paid for the financial year 2020-21 totalling Rs 84.7 million far exceeded the budgetary provision of Rs 30 million, that is, an increase of 182 per cent. Compared to last year's expenditure totalling Rs 58.7 million, there is an increase of 44 per cent.
- Control over the payment of BWA was not satisfactory. Except for the verification of regular stamping of Registration Card, no check was carried out in respect of the four other criteria, prior to effecting payment.
- Contrary to Sections 16 and 17 of the Fisheries and Marine Resource Act 2007, no oversight was performed by the FPS at the 23 prescribed Fish Landing Stations to monitor fishermen's catch.
- There was a lack of coordination between the Commission responsible for Fisheries and the Ministry of Social Integration, Social Security and National Solidarity to control payment of BWA and other social benefits. It was noted that 16 registered

fishermen who were paid BWA during the period July to September 2020, were also benefiting from monthly payments of Basic Invalidity Pension, Carer's Allowance and Severe Handicap Allowance.

*RRA's Response*

- In 2021, there has been an increase in the number of off-lagoon fishermen by 113 and the rate of payment of bad weather by Rs 50.
- Procedure for the issue of professional fisherman card is being reviewed to put obligation on the applicant to notify the Fisheries Protection Service in case of any social benefits being derived. A meeting is being convened with the Social Security Services to devise a method of control and to prevent any recurrence.
- Control of fish catches on the Fish Landing Stations is not possible as there is an acute shortage of Fisheries Protection Officers.

## **9 – COMMISSION FOR YOUTH AND SPORTS, ARTS AND CULTURE, LIBRARY SERVICES, MUSEUM, ARCHIVES, AND HISTORICAL SITES AND BUILDINGS**

### **9.1 Relocation of Lessees at Roche Bon Dieu - Compensation Exceed Amount Assessed by Valuation Department**

Three inhabitants of Roche Bon Dieu were relocated to a different location in the same village in connection with the proposed construction of a stadium. In October 2017, the Valuation Department had assessed a total amount of Rs 3.2 million as compensation to the three inhabitants.

In July 2019, the Executive Council (EC) approved compensations totalling Rs 3.6 million. One year later, the EC further revised upward the total compensation to Rs 5.6 million, that is, an increase of 75 per cent.

A first agreement was signed in September 2020 between each of the beneficiaries and the RRA and a second one, in October 2020, between the beneficiary, the building Contractor and the RRA.

On 20 August 2021, the EC approved additional works totalling Rs 2.2 million that comprised kitchen cabinet, automatic pump, retaining walls, among others, as requested by the three beneficiaries.

The following were observed.

- The Contractor was selected by the beneficiaries themselves instead of the RRA. No tender procedures were followed for the award of the contract totalling Rs 5.6 million as well as the contract of Rs 2.2 million for the additional works.
- The three inhabitants were ultimately provided newly constructed houses which had cost the RRA some Rs 7.8 million, that was more than the compensation of Rs 3.2 million as assessed by the Valuation Department, that is an excess of 144 per cent, as shown in Table 3.

*Table 3 - Comparison between Assessed Compensation and Actual Compensation Paid*

<b>Beneficiary</b>	<b>Original Contract Value</b>	<b>Additional Works</b>	<b>Total Contract Value</b>	<b>Compensation Assessed by Valuation Dept</b>
	<b>Rs</b>	<b>Rs</b>	<b>Rs</b>	<b>Rs</b>
1	1,349,240	586,500	1,935,740	1,340,000
2	2,176,800	695,080	2,871,880	1,280,000
3	2,112,600	896,120	3,008,720	610,000
<b>Total</b>	<b>5,638,640</b>	<b>2,177,700</b>	<b>7,816,340</b>	<b>3,230,000</b>

*Source: NAO Workings*

- As per the agreement, any additional cost should have been borne by the beneficiaries. However, as of March 2022, a total amount of Rs 6.7 million, including the additional works, were paid to the Contractor by the RRA.

*RRA's Response*

- The consequential increase in the cost for the relocation of the beneficiaries arose due to slight changes in the surface areas on the plans of houses. The initial compensation costs were also reviewed to include compensation for the immovable properties of lessees.
- The Executive Council, at its meeting held on 30 August 2021, approved to meet the costs for additional works and facilities which were not included in the initial scope of the contract.

# 10 – FOLLOW UP

## 10.1 Follow Up of Matters Raised in Audit Report 2019-20

NAO has carried out a follow up of matters raised in the Audit Report for 2019-20 to report on actions taken by the RRA in response thereto.

Out of 60 issues highlighted in the Report and which required action by the RRA:

- 4 issues have been resolved (6.7%).
- Necessary action has already been taken at RRA’s level on 22 issues (36.6%).
- Action has been initiated in respect of 7 issues (11.7%).
- No action had yet been initiated in respect of 27 issues (45%).

The status by Commission is provided in Table 4.

*Table 4 - Follow Up of Audit Report 2019-20 – Status by Commissions*

	<b>RRA Audit Issues</b>	<b>No. of Issues</b>	<b>Resolved</b>	<b>Action taken by RRA</b>	<b>Action Initiated</b>	<b>No Action</b>
1	Chief Commissioner’s Office	11	-	3	2	6
2	Deputy Chief Commissioner’s Office	13	-	9	-	4
3	Commission for Women’s Affairs and Others	4	-	2	1	1
4	Commission for Health and Others	7	4	1	1	1
5	Commission for Social Security and Others	12	-	5	1	6
6	Commission for Agriculture and Others	9	-	-	1	8
7	Commission for Youth and Sports and Others	4	-	2	1	1
	<b>Total</b>	<b>60</b>	<b>4</b>	<b>22</b>	<b>7</b>	<b>27</b>
	<b>Percentage</b>		<b>6.7</b>	<b>36.6</b>	<b>11.7</b>	<b>45</b>

Further Information is provided in Appendix II.





**APPENDICES  
&  
ANNEX**



## **NATIONAL AUDIT OFFICE OVERVIEW OF MANDATE AND AUDIT PROCESS**

### **1.1 Introduction**

The National Audit Office (NAO) is an independent public body established by the Constitution of the Republic of Mauritius. The Director of Audit is the head of the NAO and his appointment, independence, security of tenure, as well as his authority are spelt out in the Constitution while his duties and powers are laid down in the Finance and Audit Act.

In the international forum, NAO is referred to as the Supreme Audit Institution (SAI) of Mauritius. SAIs around the world are affiliated to the International Organisation of Supreme Audit Institutions (INTOSAI), an autonomous, independent and non-political organisation, which operates as an umbrella organisation for the external government audit community.

NAO forms an integral part of the governance system of Mauritius, promoting accountability, transparency and contributing to the improvement in the management of public funds. Public sector entities are accountable to the National Assembly for the use of public resources and powers conferred on them. It is the responsibility of NAO to give independent assurance to the National Assembly and other oversight bodies that the public sector entities are operating and accounting for their performance in accordance with the purpose intended by the National Assembly. NAO, thus, plays a vital role in the accountability cycle.

### **1.2 NAO in the Accountability Process**

The demand for public accountability on the part of the persons or entities managing public resources has become increasingly prominent over the years, such that, there is greater need for the accountability process in place to operate effectively. In Mauritius, the key stakeholders exercising financial control over public resources are:

- National Assembly
- Government Executives (Accounting Officers)
- Accountant-General
- National Audit Office (Director of Audit)
- Public Accounts Committee

The part played by these stakeholders in the accountability process is briefly described below:

#### ***National Assembly***

The only authority for the expenditure of public funds and for the raising of revenues by public bodies is that which is given by Parliament through the National Assembly. The National Assembly approves the Government Annual Estimates and this approval is given statutory force by the passing of an Appropriation Act each year, whereby the amount

allocated for each Government service is set out under a series of “Votes”. Subsequently, the Appropriation Act is assented by the President of the Republic of Mauritius and gazetted.

### ***Accounting Officers***

The Accounting Officers of Ministries and Government Departments are mainly the Senior Chief Executives, Permanent Secretaries and Administrative Heads. They are responsible for the efficient and effective management of funds entrusted to them, the collection of revenues falling under their responsibility and the delivery of services, as well as for the maintenance of an effective accounting and internal control systems. As such, they are accountable to the National Assembly for the management of public resources and for the performance of their departments.

### ***Accountant-General***

The Accountant-General is the administrative head of the Treasury. He maintains the accounts of Government and ensures that accounting systems respond to Government’s needs for the proper processing, recording and accounting of financial transactions and for financial reporting. The Accountant-General prepares Annual Statements showing the financial transactions and financial position of the Republic of Mauritius and these are submitted to the Director of Audit. The statements give consolidated financial information on Ministries and Government Departments.

### ***National Audit Office***

NAO plays an important role in the accountability process, providing a key link between the Legislature and the Executive. NAO gives an independent assurance to the National Assembly that Government entities are operating and accounting for their performance in accordance with the National Assembly’s purpose. Statutory responsibilities and powers have thus been conferred to the Director of Audit to enable him to fulfil his obligations. NAO examines the Annual Statements of the Republic of Mauritius, as well as the underlying records. The audit function and the submission of annual Audit Reports to the National Assembly by NAO is the first step in the process of oversight. After the Audit Reports are tabled, other important mechanisms are in place to ensure proper accountability.

### ***Public Accounts Committee***

The Public Accounts Committee (PAC) represents Parliament and is one of the main stakeholders of the Report of the Director of Audit. It is a sessional Select Committee, appointed under the Standing Orders of the National Assembly, and consists of a Chairperson appointed by the Speaker and not more than nine members nominated by the Committee of Selection.

As per the Standing Orders, the function of the Committee is to examine the audited accounts showing the appropriation of the sums granted by the Assembly to meet the public expenditure and such other accounts laid before the Assembly as the Assembly may refer to the Committee together with the Director of Audit’s report thereon. The Committee has the power, in the exercise of its duties, to send for persons and records, to take evidence, and to report from time to time.

Also, the Rodrigues Regional Assembly (RRA) Standing Orders provide for the setting up of a PAC comprising a Chairperson and not more than four other members to examine the audited accounts showing the appropriation of the sums granted by the Regional Assembly to meet the public expenditure and other accounts laid before the Assembly together with the Report of the Director of Audit thereon.

### **1.3 Mandate of the NAO**

#### ***1.3.1 Audit Portfolio***

The Director of Audit has the responsibility to audit the accounts of:

- All Ministries and Government Departments
- All Commissions of the Rodrigues Regional Assembly
- All Local Authorities
- Most Statutory Bodies
- Special Funds
- Other Bodies and Donor-funded Projects
- A few State-owned Companies

#### ***1.3.2 Types of Audit***

The NAO carries out two main types of audits, namely **Regularity Audit** and **Performance Audit**, to fulfill its audit mandate and to provide assurance to the National Assembly on the proper accounting and use of public resources.

Regularity Audit involves:

- Examination and evaluation of financial records and expression of opinions on financial statements
- Audit of accounting systems and transactions including an evaluation of compliance with applicable statutes and regulations
- Audit of internal control and internal audit functions
- Reporting of any other matters arising from or relating to the audit that the Supreme Audit Institution considers should be disclosed

**Performance Audit** is an independent, objective and reliable examination of whether Government undertakings, systems, operations, programmes, activities or organisations are operating in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement. It seeks to provide new information, analysis or insights, and where appropriate, recommendations for improvement.

### **1.3.3 Legal Framework**

The legal framework within which NAO exercises its public-sector audit function is spelt out, primarily, in the following legislations:

- The Constitution
- Finance and Audit Act
- Statutory Bodies (Accounts and Audit) Act
- Local Government Act
- Public Procurement Act
- Financial Reporting Act

Agreements with several institutions/donor-funded agencies also empower the Director of Audit to audit their accounts.

#### ***Constitution***

**Section 110(2)** provides that the public accounts of Mauritius and of 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(3)** provides that the Director of Audit shall submit his reports to the Minister responsible for the subject of Finance, who shall cause them to be laid before the National Assembly.

### **1.4 Audit of Ministries and Government Departments - Finance and Audit Act**

The duties of the Director of Audit are spelt out at Section 16 (1) of the Act.

This subsection states that the Director of Audit shall satisfy himself –

- (a) that all reasonable precautions have been and are taken to safeguard the collection of public money;
- (b) that all laws, directions or instructions relating to public money have been and are duly observed;
- (c) that 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;
- (d) that 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
- (e) that satisfactory management measures have been and are taken to ensure that resources are procured economically and utilised efficiently and effectively.

**Section 16(1A)** further 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 16(2)** provides that the Director of Audit shall not be required to undertake any examination of accounts partaking of the nature of a **pre-audit** and involving acceptance by him of responsibility which would preclude him from full criticism of any accounting transactions after those transactions have been duly recorded.

**Section 19** provides that the **Accountant-General** shall within six months of the close of every fiscal year, sign and submit to the Director of Audit **statements** presenting fairly the financial transactions and financial position of Government on the last day of such fiscal year.

For the **Rodrigues Regional Assembly**, the Commissioner responsible for the subject of Finance must submit the respective statements within three months of the close of every fiscal year.

**Section 20** provides that the Director of Audit shall send to the Minister (responsible for the subject of Finance) **copies of the statements** submitted in accordance with Section 19 together with a **certificate of audit** and a **report upon his examination and audit** of all accounts relating to public money, stamps, securities, stores and other property –

- (a) of Government;
- (b) of the Regional Assembly relating to the Island of Rodrigues,

and the Minister shall as soon as possible thereafter lay those documents before the National Assembly.

## **1.5 Audit of Special Funds - Regulations under Finance and Audit Act**

The preparation of Financial Statements in respect of Special Funds and the audit thereof are regulated by the regulations (issued under the Finance and Audit Act) or such legislations under which such Special Funds are established.

## **1.6 Audit of Statutory Bodies - Statutory Bodies (Accounts and Audit) Act**

**Section 5** provides that every Board shall, every financial year, with the approval of the Minister to whom the responsibility for the statutory body concerned is assigned, appoint an **auditor to audit the financial statements** of the statutory body. This does not apply where the enactment establishing the statutory body provides that the Director of Audit shall audit its financial statements.

**Section 7** provides that after approval by the Board (of a Statutory body), the chief executive officer shall, not later than four months after the end of every financial year, submit the **annual report** to the auditor.

The Director of Audit shall, within six months of the date of receipt of the annual report, submit the **annual report** and his **audit report** to the Board.

**Section 8** prescribes matters on which the Director of Audit should report.

As per Section 8, the Director of Audit shall report to the Board whether -

- (a) he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of the audit;
- (b) in his opinion, to the best of his information and according to the explanations given to him, the financial statements give a true and fair view of the financial performance of the statutory body for the financial year and of its financial position at the end of the financial year;
- (c) this Act and any directions of the Minister, in so far as they relate to the accounts, have been complied with;
- (d) in his opinion, and, as far as could be ascertained from his examination of the financial statements submitted to him, any expenditure incurred is of an extravagant or wasteful nature, judged by normal commercial practice and prudence; and
- (e) in his opinion, the statutory body has been applying its resources and carrying out its operations fairly and economically.

**Section 9** provides that, on receipt of the annual report including the audited financial statements and the audit report, the Board shall, not later than one month from the date of receipt, furnish to the Minister to whom responsibility for the Statutory Body is assigned, such reports and financial statements. The latter shall, at the earliest available opportunity, lay a copy of the annual report and audited accounts of every statutory body before the National Assembly.

## **1.7 The Public Procurement Act**

Section 42 of the Public Procurement Act provides that the auditor of every public body (in our case the Director of Audit) shall state in his annual report whether the provisions of Part V of the Act on the Bidding Process have been complied with.

## **1.8 Audit of Local Authorities - Local Government Act**

As per **Section 136**, the Chief Executive of every Local Authority, shall, within four months of the end of every financial year submit the approved financial statements to the Director of Audit.

As per **Section 138**, the Director of Audit shall address to the Minister (to whom responsibility for the subject of Local Government is assigned) and to the Local Authority concerned, a copy of the certified financial statements and his report on every Local Authority audited by him.



**Section 138** also prescribes matters on which the Director of Audit should report:

- (1) *The Director of Audit shall make a **report to the Council** on the financial statements which have been audited.*
- (2) *The report shall state –*
  - (a) *the work done by him;*
  - (b) *the scope and limitations of the audit;*
  - (c) *whether he has obtained all information and explanations that he has required;*
  - (d) *any item of account which, in his opinion, is contrary to law;*
  - (e) *any loss or deficiency which, in his opinion, is wholly or partly due to the negligence or misconduct of any person;*
  - (f) *any sum which, in his opinion, ought to have been so brought to account but which, due to willful default or negligence, has not been brought into account;*
  - (g) *any failure to recover any rate, fee or other charge in the manner specified in section 101;*
  - (h) *whether, in his opinion, 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 with the Accounting Standards approved by the Minister to whom responsibility for the subject of finance is assigned.*
- (3) *A report under subsection (1) shall state whether the instructions of the Minister, if any, in regard to the financial statements have been complied with.*

**Sections 138 and 139:** The Local Authority shall consider the report of the Director of Audit at its next ordinary meeting or as soon as practicable thereafter and shall cause the certified financial statements and the report of the Director of Audit to be published in the Government Gazette within 14 days of their receipt by the Local Authority.

## **1.9 Audit Methodology**

NAO conducts its audits in accordance with International Standards of Supreme Audit Institutions (ISSAIs) except for the audit of State-Owned companies (assigned to the Director of Audit) which are carried out in accordance with International Standards of Auditing. The audit approach of the NAO may be summarised as follows:

- (a) NAO adopts a risk based approach by which audit resources are directed towards those areas of the financial statements that are more likely to contain material misstatements as a consequence of the risks faced by the client. We identify and assess the risks of material misstatement, 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. (*ISSAI 1315 Identifying and assessing the Risks of Material Misstatements through Understanding the Entity and Its Environment; ISSAI 1330 The Auditor's Responses to Assessed Risks*)

- (b) We do not test all transactions but use sampling methods to select transactions and balances for testing. It is not cost effective to seek absolute certainty and therefore we look for reasonable assurance. Additionally, examining all data may still not provide absolute certainty because some data may not have been recorded. Audit sampling enables us to obtain and evaluate audit evidence about some characteristics of the items selected in order to form or assist in forming a conclusion concerning the population from which the sample is drawn. *(ISSAI 1530 Audit Sampling)*
- (c) The primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. Our objective as auditors is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error. Owing to the inherent limitations of an audit (e.g. Client may provide incomplete information or falsify documents and use of sampling by audit), there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the standards. 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. Consequently, fraud might remain concealed to us even if a thorough audit is conducted. *(ISSAI 1240 The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements)*
- (d) Similarly, the primary responsibility for preventing and detecting corruption rests with the administrative or law enforcement authorities, such as the Police and the Independent Commission Against Corruption.

## 1.10 Current Reporting Practices

### 1.10.1 Audit Report on Ministries/ Government Departments

A Report is issued upon examination and audit of the accounts of **Government** (i.e. Ministries and Government Departments) and the **Rodrigues Regional Assembly** – the Report is submitted to the Minister responsible for the subject of finance in accordance with Section 20 of the Finance and Audit Act.

The NAO also issues reports on performance audits carried out in accordance with Section 16 of the Finance and Audit Act – these reports are submitted to the Minister responsible for the subject of finance.

#### *Summary of Audit Report Process*

- Audit findings discussed with officers responsible for the matters audited
- Draft management letter issued to the Accounting Officer
- Matters raised discussed at an Exit Conference
- Final management letter issued – auditee given opportunity to comment on matters raised

- Findings deemed to be of significance communicated to the Ministry through “Reference sheet”
- Ministry has the opportunity to comment on the truth and fairness of the audit findings
- A summary of comments of management is included in the report, where appropriate
- The Audit Report is submitted to the Minister responsible for the subject of Finance

### ***1.10.2 Audit Report on Statutory Bodies, Special Funds and Local Authorities.***

An audit report is issued in respect of each **Statutory Body (SB)**, **Special Fund (SF)** and **Local Authority (LA)** upon examination and audit of its annual report/financial statements. The audit report is submitted to the Board of the SB or the management committee of the SF, as the case may be, in accordance with Section 7 of the Statutory Bodies (Accounts and Audit) Act or relevant SF Regulations respectively. In the case of a LA, the audit report is submitted to the Council and the Minister responsible for the subject of local government in accordance with Section 138 of the Local Government Act.

The audit reports focus mainly on the financial statements of Statutory Bodies, Special Funds and Local Authorities. The Director of Audit expresses an opinion on whether the financial statements show a true and fair view of the financial position of the entity as at the end of the financial year and of its financial performance and its cash flows for the year then ended in accordance with the relevant accounting framework. The Director of Audit also expresses an opinion on whether the activities, financial transactions and information reflected in the financial statements are, in all material respects, in compliance with the laws and authorities which govern them.

When there are material misstatements in the financial statements, limitation on audit scope or non-compliance with laws, these are disclosed in our audit report and our opinion is then termed as “modified”. We may also state certain matters, such as fraud, abuse or losses, significant internal control deficiencies and ineffective and uneconomical use of public assets in the audit report.

Prior to the issue of the audit report, all audit findings are reported in a management letter (ML) which is addressed to management. The ML includes shortcomings relating to the financial statements as well as findings on the economy, efficiency and effectiveness of operations.

#### *Summary of Audit Report Process –Statutory Bodies and Local Authorities*

- Audit findings discussed with officers responsible for the matters audited
- Draft management letter issued to the Chief Executive Officer
- Matters raised discussed at an Exit Conference
- Final management letter issued – auditee given opportunity to comment on matters raised and, if necessary, to amend financial statements

- Following response to Management Letters and submission of amended financial statements (if applicable), the Audit Report is issued to the Board
- The Report gives an opinion on whether the financial statements show a true and fair view
- May include matters of importance that need to be brought to the attention of users

For Local Authorities, a copy of the Audit Report should be submitted to the Minister responsible for the subject of Local Government.

In accordance with Section 139 of the Local Government Act, the Chief Executive shall cause the financial statements, as certified, and the Report of the Director of Audit, in respect of those financial statements, to be published in the Gazette within 14 days of their receipt by the Local Authority.

**APPENDIX II**

**Follow up of Matters Raised in Audit Report 2019-20**

<b>Ref</b>	<b>Issues/Findings in Audit Report 2019-20</b>	<b>Description of Actions Taken or Initiated</b>	<b>Status</b>
	<b>Accountability and Oversight Mechanism</b>		
3.1	Non-Submission of Annual Report – Rodrigues Regional Assembly Act not complied with	As of 30 October 2020, the Annual Reports reviewing the activities for the years ended 30 June 2018 and 30 June 2019 were not yet finalised.	Action not yet taken
3.2	Annual Report on Performance - Finance and Audit Act not complied with	No Annual Report was prepared in respect of the past three financial years ended 30 June 2020.	Action not yet taken
3.3.3	<b>Project monitoring, contract management and procurement – Recommendations of Oversight Authorities Not Implemented</b>		
	Review by Procurement Policy Office – Poor Project Monitoring and Absence of Corrective measures.	Corrective actions were still not taken by the RRA	Action not yet taken
	Corruption prevention review – Deficient contract management and no follow up	No follow up was done at the level of the Commissions	Action not yet taken
	<b>Chief Commissioner’s Office</b>		
4.8	<b>Advisers and Interdicted Officers – Overpayments not recouped and payment effected contrary to Regulations</b>		
4.8.1	During the period 17 April 2009 to 16 April 2020, gratuity of some Rs 85,000 was overpaid to the Adviser/Coach in Judo	As of April 2022, only Rs 4,265 was refunded. In June 2021, Rs 39,270 were paid as gratuity. With the monthly deduction of Rs 500, the remaining amount of some Rs 80,000 will be refunded in 13 years.	Action initiated
4.8.2	The name and monthly fees paid to the Adviser were neither recorded in payroll system nor in the list of employees.	Details still not recorded in payroll system and list of employees.	Action not yet taken

Ref	Issues/Findings in Audit Report 2019-20	Description of Actions Taken or Initiated	Status
4.8.3	Salaries and allowances of Rs 5.7 million paid to five officers since their interdiction to October 2020 including overpayment of Rs 385,000.	<ul style="list-style-type: none"> <li>In two cases, a monthly deduction of Rs 500 was made as from April 2021. In the remaining three cases no action was initiated.</li> </ul>	Action initiated
4.9	<b>Resettlement of Sainte Marie Villagers and Surroundings – Non-compliance with Legislations</b>		
4.9.1	<b>Compulsory Land Acquisition Act not applied entailing additional expenditure of Rs 20.2 million</b>		
	Agreements were signed with the eight Contractors for the construction of 15 new houses for a total amount of Rs 28.3 million, resulting in additional expenditure of Rs 20.2 million.	Relocation process for households and fishing posts already completed.	Action taken at RRA's level
4.9.2	<b>Value Added Tax wrongly paid to Non-Registered Contractors</b>		
	Five non-registered Contractors were paid for value of works certified, including Rs 2.5 million as VAT, contrary to the Value Added Tax Act.	The VAT amount has not been refunded.	Action not yet taken
4.9.3	Rs 1.6 million not yet earmarked would not be sufficient to complete relocation of agricultural activities estimated at Rs 27 million	For Agricultural activities, works were completed at 40 per cent as of April 2022	Action taken at RRA's level
4.9.4	Loan agreement between the local implementing agency and the International Financing Organisation was not yet signed as of October 2020.	The Consultant is working on the detailed design of the Airport project. Rs 75 million have already been spent by the RRA on the project.	Action taken at RRA's level

Ref	Issues/Findings in Audit Report 2019-20	Description of Actions Taken or Initiated	Status
	<b>Deputy Chief Commissioner's Office (DCCO)</b>		
5.1	<b>Rainwater Harvesting (RWH) – Objective of Providing Subsidies not Achieved</b>		
	The DCCO did not have a complete database of beneficiaries of RWH Schemes implemented by the RRA since 2013.	According to the Chief Inspector of Works there is no database of beneficiaries of various RWH Schemes implemented by the RRA.	Action not yet taken
	The implementation of the RWH project was not effectively managed.	Beneficiaries who had not completed their water tanks were requested to refund the financial assistance granted to them. Some Rs 65,000 were refunded by 14 out of the 126 beneficiaries concerned.	Action taken at RRA's level
	The RWH project in Rodrigues was not closely monitored and evaluated at regular intervals to ensure its success.	As of January 2022, 142 beneficiaries have completed their water tanks and 14 have refunded their grants. Monitoring of the RWH project has been improved with the strengthening of the supervisory team.	Action taken at RRA's level
	The condition stipulated in the Contract has not been complied with by the remaining 311 beneficiaries. No refund was effected despite the fact that there were 39 beneficiaries who had not reached beam level.	The defaulting beneficiaries were requested to complete the water tanks or to refund the grant provided to them.	Action taken at RRA's level
	There was no sanction clause in the contract concerning non-completion of construction of water tank.	The Commission for Water Resources is working on a new RWH Scheme.	Action taken at RRA's level
5.2	<b>Investments in Desalination Projects - Action for boosting water supply not effective</b>		
	Daily production was some 700 m <sup>3</sup> instead of 2,000 m <sup>3</sup> for both desalination plant at Caverne Bouteille and Pointe Venus, despite remedial works costing some Rs 14.9 million. Plant at Baie Malgache could not be commissioned due to delay of the DCCO to sort out issues that arose in a critically dependent project.	The testing/commissioning of the desalination plant had been completed in February 2021.	Action taken at RRA's level

Ref	Issues/Findings in Audit Report 2019-20	Description of Actions Taken or Initiated	Status
5.2.1	<b>Construction of Sea Water Intake Structure and Associate Pipelines – Lapses in project implementation</b>		
	<b>Conflicting Views between DCCO and Project Consultant</b>		
	The intake jetty, which had reached 77 per cent completion, was substantially damaged during a cyclone. The DCCO was not of the same view as the Consultant in that the event that destroyed the jetty was a ‘force majeure’.  The Consultant proposed two options, either to terminate the contract or to omit the outstanding works. The DCCO chose the second option.	There was almost no progress of works and no visibility regarding completion of the contract.  There was no specific report from the Consultant justifying the omission of works to be beneficial to the RRA.	Action not yet taken
	<b>Project completion delayed but delay damages not applied</b>		
	Delay damages were not yet determined by the Consultant although it approved a Payment Certificate for some Rs 4.1 million.	No delay damages have been applied as the Consultant has not yet submitted his determination. The accumulated delays were 320 days. Determination of final EOT has not yet been submitted by the Consultant.	Action not yet taken
	<b>Jetty not re-constructed as per contract following its destruction</b>		
	As of October 2020, dispute was not yet resolved and the jetty was not yet re-constructed. This had impacted on the finalisation of the project.	There has been no further development.  The works under the sea water intake contract were handed over to the RRA on 27 August 2019.	Action not yet taken
	<b>Alternative Solution Tardily Implemented</b>		
	The installation of four bases in reinforced concrete cylinder into seabed to accommodate pumps for extracting sea water was done in-house. The views of the Consultant were not yet known. Such delay had impacted on the completion of the project at Baie Malgache	The DCCO had implemented the civil/building works to complete the alternative intake infrastructure. The Consultant and the Contractor have adapted the installation of the pumps and cables according to same. The different parties had worked in collaboration to complete the works. The commissioning of the sea water intake facilities included the intake pumps.	Action taken at RRA’s level



Ref	Issues/Findings in Audit Report 2019-20	Description of Actions Taken or Initiated	Status
	<b>Materials supplied under the contract not fully used and abandoned on site</b>		
	Materials supplied under the contract not fully used and abandoned on site	174 mm of 300 mm diameter HDPE pipe and 40 anchor concrete blocks have been used in the intake infrastructure project. Materials not used are still on the site.	Action taken at RRA's level
5.2.2	<b>Supply of Desalination Plant at Pointe Cotton and Baie Malgache – Additional works awarded without competitive bids</b>		
	The Plant at Baie Malgache was not yet commissioned, pending the completion of the contract for sea water intake structure and associated pipelines.	The testing/commissioning of the desalination plant had been completed on 24 February 2021. Total amount paid to the Contractor for the Reverse Osmosis Desalination Plant and Equipment at Baie Malgache totalled Rs 58.2 million.	Action taken at RRA's level
	The Contractor was directly awarded three other works totalling some Rs 1.9 million without any competitive bids	The additional works for the boreholes were entrusted to the contractor being given that the drilling equipment was already mobilised from Mauritius to Rodrigues. The amount quoted by the contractor was assessed by the Engineer. The execution of additional works by the existing contractor has resulted in cost and time savings.	Action taken at RRA's level
	<b>Commission for Women's Affairs, Family Welfare, Child Development, Industrial Development, Information and Communication Technology, Vocational Training, Cooperatives, Trade, Commerce and Licensing and Prisons and Reforms Institutions</b>		
6.1	<b>Contract for the Upgrading of Rehabilitation Youth Centre at Oyster Bay - New dormitory for girls still not operational</b>		
6.1.3	Several security lapses were noted concerning the new dormitory for girls. According to the Consultant, the construction was as per the Commission's approval/agreement and as per approved drawings	The consultant has informed that both parties agreed to the omission of tiles/granites on the kitchen table/sink for future fixing of stainless steel. Provision has been made to use stainless steel in the new contract for upgrading works which was awarded on 28 March 2022 for the sum of Rs 3.3 million.	Action taken at RRA's level

<b>Ref</b>	<b>Issues/Findings in Audit Report 2019-20</b>	<b>Description of Actions Taken or Initiated</b>	<b>Status</b>
6.1.4	No delay damages were yet determined, and hence, could not be recouped from the contractual amount already paid.	The Consultant has informed that the Contractor had been granted extension of time up to 14 March 2019. The question of delay damage did not arise.	Action taken at RRA's level
6.1.5	As of October 2020, the access path from the main gate post to the compound was not yet constructed. The separation between the two buildings was in galvanised fencing which could allow communication between male and female juvenile offenders.	The access path will be undertaken in the new contract.	Action initiated
6.1.6	The defects highlighted were not yet attended to, delay damages were not processed and the new dormitory for girls was still not operational.	The new dormitory for girls is not operational.	Action not yet taken
<b>Commission for Health, Community Development, Fire Services, Meteorological Services, Judicial Services and Civil Status</b>			
7.1	<b>E-Health in Rodrigues – Lapses in Contract Management</b>		
7.1.1	Duly approved notes of meeting of the Deployment Committee, held on six occasions were not submitted.	The last meeting was held on 6 August 2021 and the notes of meeting were submitted to Audit. No deployment committee held since that date.	Resolved
7.1.2	Three other contracts for accommodation of server room at QEH, procurement of hardware for the end users and networking, were awarded to other suppliers separately for a total amount of Rs 8 million.	No new contract has been awarded for the implementation of the project.	Resolved
7.1.3	As of October 2020, that is one year after the commissioning date, most of the departments and units of the hospitals, the Area Healthcare Centres and the 14 Community Healthcare Centres were still running on manual mode.	The system was fully operational and was running live at the OPD, Main Pharmacy, Record Unit, and Wards at the QEH, the Area Healthcare Centre at La Ferme. However, the Area Healthcare Centre at Mont Lubin and the 14 Community Health Care Centres, were still running on manual mode as at 31 March 2022.	Action taken at RRA's level

Ref	Issues/Findings in Audit Report 2019-20	Description of Actions Taken or Initiated	Status
7.1.4	At La Ferme Area Healthcare Centre, two computers were kept idle in the JPharmacy. Installation and connection of data cable were not yet completed.	The computers were installed and connected to the system in November 2021.	Resolved
7.2	<b>Queen Elizabeth Hospital and La Ferme Area Healthcare Centre – Inadequate drug management and expired Fire Extinguishers not renewed</b>		
7.2.1	Several expired drugs totalling some Rs 200,000, were awaiting write-off, and 18 drugs were out of stock.	These drugs were disposed of	Resolved
7.2.2	Discrepancies were noted in the four drug items physically surveyed on 21 September 2020.	Discrepancies were due to the fact that issues were not input in the System due to shortage of staff.	Action not yet taken
7.2.3	15 fire extinguishers of La Ferme AHC had already expired since 2016 and were neither renewed nor replaced.	These fire extinguishers were verified by Fire Services on 9 August 2021. The new expiry dates were not recorded therein.	Action initiated
	<b>Commission for Social Security, Housing, Labour and Industrial Relations, Employment and Consumer Protection</b>		
8.1	<b>Construction of a Social Security House (Administrative Block) at Mont Lubin still not completed</b>		
8.1.1	The initial expected completion date of 14 November 2018 was revised to 23 November 2018, in September 2020. As at October 2020, works were still not completed.	A snag list was submitted by the Contractor on 13 December 2021. As of March 2022: <ul style="list-style-type: none"> <li>▪ No further extension of time was approved by the RRA;</li> <li>▪ Works were substantially completed on 14 December 2021; and</li> <li>▪ The defective lift at block G was not replaced.</li> </ul>	Action taken at RRA's level
8.1.2	Delay damages as per conditions of contract at the maximum rate of 10 per cent of the contract price, were not yet applied.	As of March 2022, delay damages were not yet applied.	Action not yet taken

Ref	Issues/Findings in Audit Report 2019-20	Description of Actions Taken or Initiated	Status
8.1.3	Further delay in the completion of the Social Security House would entail additional disbursement of significant amount of public funds for renting of private buildings.	<p>Following the outbreak of Covid-19 pandemic in Rodrigues, part of that Administrative Block was occupied by the Commission for Health since January 2021.</p> <p>RRA informed that the Commission for Social Security and Others had not moved to the Administrative Block at Mont Lubin as there was a need to carry out partitioning works.</p> <p>Meanwhile, monthly rental of Rs 219,462 was still being disbursed by the Commission. During the period January 2021 to March 2022, some Rs 3.2 million were paid as rental of office space.</p>	Action not yet taken
<b>New Social Housing Scheme – Lapses in the Implementation of the Scheme</b>			
	<p>Penalty and termination of contract clauses were not always applied although several cases where roof slabs had been cast after four months were noted.</p> <p>Requests to release payments to the Contractors were made by the Inspectors in all cases prior to completion of beneficiaries' beams and roof slabs, contrary to terms and conditions of Agreement.</p>	<p>No control mechanism was in place to ensure that roof slabs were cast within four months after the commencement date and that the penalty clause was applied in all cases exceeding the 4-month period.</p> <p>No internal circular was issued to address this issue.</p>	Action not yet taken
8.2.2	Public Procurement Act was not complied with. No tendering procedures were initiated by the RRA to choose the lowest responsive bidder for the construction of housing units for the beneficiaries selected under the NSH Scheme. No Agreement was made between the beneficiaries/Contractors and the RRA, although some Rs 100 million were disbursed.	<p>RRA informed that the decision for the selection of contractors by beneficiaries is a Policy decision to empower local contractors where no selection through tendering procedure was necessary as the houses were constructed on the residential lease of the beneficiaries.</p> <p>As of April 2022, the Commission was working on a new agreement between the RRA and the beneficiaries which would supplement the letter of approval.</p>	Action taken at RRA's level

Ref	Issues/Findings in Audit Report 2019-20	Description of Actions Taken or Initiated	Status
8.2.3	Construction of housing units completed with much delay. From a sample of 25 housing units, eight were completed within periods ranging from 12 to 40 months and the construction of four housing units was still not completed as at October 2020, contrary to the conditions of Agreement	Cases were again noted where housing units were not completed within six months from the commencement date, contrary to the conditions of Agreement.  No penalty clause was provided to charge the contractor for delay in construction.	Action not yet taken
8.3	<b>Casting of Roof Slab Scheme – Lapses in the Implementation of the Scheme</b>		
8.3.1	New roof slab on the extension part only was cast by a beneficiary; the existing roof slab was not pulled down and re-casting of new roof slab was not done as recommended by the Engineer.  In early 2020, financial assistance was provided to another beneficiary for casting of new roof slab. The roof slab was still not cast in October 2020.	No action was initiated against the defaulting beneficiaries.	Action not yet taken
8.3.2	Misleading information given by Service Providers. The Service Providers had reported that all the roof slabs were cast by five beneficiaries. However, in October 2020, all the roof slabs were repaired instead of being demolished to cast new ones.	The Service Providers were queried by the Commission.  The services of the same Service Providers were still retained by the Commission at April 2022.	Action initiated
8.3.3	Financial Assistance was not computed as per Building Permit and only half roof slab area cast.  Only half of the total roof area was demolished and new slab was cast thereon.	No action was initiated against the defaulting beneficiaries.	Action not yet taken

<b>Ref</b>	<b>Issues/Findings in Audit Report 2019-20</b>	<b>Description of Actions Taken or Initiated</b>	<b>Status</b>
8.3.4	No condition was included to compel the defaulting beneficiaries to refund the financial assistance granted if they failed to cast their roof slabs within the six-month period and where re-casting of roof slabs were not done.	The existing Agreement was amended to provide for a defaulting beneficiary to give an undertaking to refund the sum granted without necessity of any judicial recourse.	Action taken at RRA's level
8.3.5	Casting of Roof Slab Agreement was not always signed prior to release of grant.	Agreement was signed prior to release of grant.	Action taken at RRA's level
8.3.6	No Monitoring Committee was set up to follow up cases where conditions of the Agreement have not been complied with. No action was also taken by the Commission against the defaulting beneficiaries.	A Monitoring Committee was set up under the Chairmanship of the Housing Development Officer.	Action taken at RRA's level
<b>Commission for Agriculture, Environment, Fisheries, Marine Parks and Forestry</b>			
9.1	<b>Construction of a Coffee Processing Plant at Mon Plaisir – Lapses in procurement process and start up issues for operation</b>		
9.1.2	The project was still not handed over to the Commission as of 21 October 2020, accumulating delay of 547 days. There was no indication in relevant file as to the allowable quantum of delay damages to be charged to the Contractor.	The processing plant was not in operation as at April 2022. The Contractor was still attending to the snag list as drawn by the Consultant.	Action not yet taken
9.1.5	<b>Issues regarding the operationalisation of the infrastructure not resolved</b>		
	As per information gathered, only some 70 kg of coffee beans would be available for processing by the end of December 2020. Plantation of coffee at Le Choux and L'Union has not yet started	The yield of coffee berries harvested of 350 kg in each of the year 2020 and 2021 was very far from the expected quantities of 14 tons per year. Plantation of coffee seedlings at Le Choux and L'Union has still not started as of April 2022.	Action not yet taken

Ref	Issues/Findings in Audit Report 2019-20	Description of Actions Taken or Initiated	Status
	As of October 2020, decision had still not been taken as to whether the Commission or the Cooperative Society or a Private Company, would be called upon to manage and operate the Coffee Processing Plant.	As of April 2022, the operationalization of the plant was not yet decided by the RRA.	Action not yet taken
9.2	<b>Agricultural Schemes – Objectives not attained</b>		
	The various Agricultural Schemes put in place had not attained the expected results. There was inadequate monitoring and supervision by the Commission regarding the implementation of these Schemes	The non-performing schemes have hindered the agricultural chain in Rodrigues as desired objectives had not been attained.  Legal issues had cropped up in the rescind of the existing agreement/contract between the RRA and the beneficiaries because the proportion of capital invested by the RRA and the beneficiary could not be determined.	Action initiated
9.2.1	<b>Issues Hampering the Performance of the Schemes</b>		
	<i>Model Orchard Scheme:</i> In June 2020, the overall progress was around 85 per cent regarding construction of the model shelter. As regards fruits plantations, limited number of plants was seen on sites	No progress was noted	Action not yet taken
	<i>Goat/Sheep Integrated Farm Scheme:</i> Shed construction was not yet completed in almost all cases. Pasture management was not carried out in several cases. Of the 20 animals donated to the beneficiaries for reproduction purpose, only 10 were on sites. The donated animals died due to stress.  One of the 22 beneficiaries who was granted some Rs 580,000, subsequently abandoned the Scheme.	No progress was noted	Action not yet taken

<b>Ref</b>	<b>Issues/Findings in Audit Report 2019-20</b>	<b>Description of Actions Taken or Initiated</b>	<b>Status</b>
	<i>Local Poultry Integrated Farm Scheme:</i> In most cases, construction of the henhouses were not yet completed. No progress was made by the beneficiaries in terms of number of hens on site. Sales of poultry were low.	No progress was noted	Action not yet taken
	<i>Black Pig Integrated Farm Scheme:</i> One beneficiary who was granted some Rs 385,000 had left the site in an abandoned state. Four of the 13 beneficiaries had not completed the construction of pigsty. Production rate was low and did not meet the expected results of the Commission.	No progress was noted	Action not yet taken
	<i>Chilli Farm Scheme:</i> Only seven of the 43 beneficiaries had attained the objectives set.	No progress was noted	Action not yet taken
<b>Commission for Youth and Sports, Arts and Culture, Library Services, Museum, Archives and Historical Sites and Buildings</b>			
10.1	<b>Upgrading of Camp du Roi Stadium – Lapses in Contract Management</b>		
10.1.1	The Taking over Certificate was issued for the works as per contract, with some reservations, thereby relieving the Contractor of its contractual obligation to complete the works	Defects have been remedied by the Contractor but the outstanding works have been considered under a new contract. A snag list was prepared but has not yet been cleared by the contractor.	Action initiated
10.1.2	No deduction for delay damages for 551 days was retained in interim payment made to the Contractor	Delay damages have not been applied yet. The Commission was still awaiting the determination by the Engineer on the assessment of Employer's claim.	Action not yet taken



Ref	Issues/Findings in Audit Report 2019-20	Description of Actions Taken or Initiated	Status
10.1.3	The performance security and the insurance policy which had expired were not renewed.	All remaining payments to the Contractor have been put on hold for non-compliance with its contractual obligations.  The performance security and the insurance policy have not been renewed. The Contractor has been notified that this non-compliance with sub Clause 4.2 constitutes a material breach of contract for which the Client is entitled to terminate the contract.	Action taken at RRA's level
10.1.4	The Contractor did not submit the As-built drawings and the Guarantee Certificate for anti-termite.	The Contractor has neither submitted the As-built drawings nor the Guarantee Certificate for anti-termite as at date. Despite several reminders, the contractor has failed to submit the documents. All payments due to the contractor have therefore been suspended.	Action taken at RRA's level

*Status has been determined on the basis of findings of NAO and/or replies of RRA.*

**Resolved:** *The matter has been resolved*

**Action Taken at RRA's Level:** *Necessary action taken at RRA's level but awaiting for other outcomes, advice or decisions to wholly resolve the issue*

**Action Initiated:** *Management has not yet taken all actions at its end*

**No Action Taken:** *No appropriate action has yet been taken by Management*



**AUDIT CERTIFICATE**  
**AND**  
**ANNUAL STATEMENTS**





# NATIONAL AUDIT OFFICE

## **CERTIFICATE OF THE DIRECTOR OF AUDIT ON THE ANNUAL STATEMENTS OF THE RODRIGUES REGIONAL ASSEMBLY**

### **Report on the Audit of the Annual Statements**

#### **Opinion**

I have audited the Annual Statements of the Rodrigues Regional Assembly, submitted in accordance with Section 19(4) of the Finance and Audit Act and which comprise the statement of assets and liabilities as at 30 June 2021, and the abstract account of revenue and expenditure of the Rodrigues Consolidated Fund for the year then ended, other statements as required under Section 19(6) of the Act, and notes to the accounts, including a summary of significant accounting policies.

In my opinion, the accompanying Annual Statements give a true and fair view of the financial position of the Rodrigues Regional Assembly as at 30 June 2021, and of its financial performance for the year then ended in accordance with Section 19(6) of the Finance and Audit Act, and the accounting basis as disclosed in Note 2 to the accounts.

#### **Basis for Opinion**

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Annual Statements* Section of my report. I am independent of the Rodrigues Regional Assembly in accordance with the INTOSAI Code of Ethics, together with the ethical requirements that are relevant to my audit of the Annual Statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Key Audit Matters**

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the Annual Statements of the current period. These matters were addressed in the context of my audit of the Annual Statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no Key Audit Matters to communicate in my report.

## **Responsibilities of the Commissioner responsible for the subject of finance and Those Charged with Governance for the Annual Statements**

The Commissioner responsible for the subject of finance is responsible for the preparation and fair presentation of these Annual Statements in accordance with Section 19(6) of the Finance and Audit Act, and the accounting basis as disclosed in Note 2 to the accounts, and for such internal control necessary to enable the preparation of Annual Statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the financial reporting process in the Rodrigues Regional Assembly.

## **Auditor's Responsibility for the Audit of the Annual Statements**

I am required under Section 20 of the Finance and Audit Act to issue a certificate of audit on the Annual Statements of the Rodrigues Regional Assembly, submitted in accordance with Section 19 of the Finance and Audit Act, within eight months of the close of every fiscal year. However, due to COVID-19-related restrictions, I could not carry out the audit and submit my Report on the accounts of the Rodrigues Regional Assembly for the financial year 2020-21 by the end of February 2022, as required by law. Pursuant to Section 20 (2)(b) of the Finance and Audit Act, the period for the submission of the Audit Report was extended to 30 June 2022.

My objectives are to obtain reasonable assurance about whether the Annual Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs 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 Annual Statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the Annual 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 my 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 controls.
- 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 Rodrigues Regional Assembly's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Evaluate the overall presentation, structure and content of the Annual Statements, including the disclosures, and whether the Annual Statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the Annual Statements of the current period and are therefore the Key Audit Matters. I describe these matters in my auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

### ***Management's Responsibility for Compliance***

Management is responsible for controlling expenditure on any service in respect of which public funds have been appropriated and for collecting revenue and paying that revenue into public funds, as well as putting in place a sound system of internal control designed to provide reasonable assurance regarding, amongst others, the effectiveness and efficiency of operations, the safeguarding of assets and data, the prevention of fraud and irregularities, and the compliance with applicable laws, regulations and instructions, policies and established procedures.

### ***Auditor's Responsibility***

#### ***Finance and Audit Act***

I am required under Section 16 of the Finance and Audit Act to satisfy myself that:

- (a) all reasonable precautions have been and are taken to safeguard the collection of public money;
- (b) all laws, directions or instructions relating to public money have been and are duly observed;
- (c) 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;

- (d) 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
- (e) satisfactory management measures have been and are taken to ensure that resources are procured economically and utilised efficiently and effectively.

I am also required, under Section 20 of the Finance and Audit Act, to submit a Report upon my examination and audit of the accounts of the Rodrigues Regional Assembly.


I have obtained all information and explanations I have required for the purpose of my audit.

Based on my examination of the records of the Rodrigues Regional Assembly, except for the matters mentioned in my Report for the financial year 2020-21, nothing has come to my attention that causes me to believe that the financial management principles laid down at Section 16 of the Finance and Audit Act have, in all material respects, not been adhered to.

### ***Public Procurement Act***

I am required to state whether the provisions of Part V of the Public Procurement Act regarding the bidding process have been complied with.

In my opinion, except for the matters mentioned in my Report for the financial year 2020-21, the provisions of Part V of the Public Procurement Act regarding the bidding process have been complied with as far as it could be ascertained from my examination of the relevant records.



**C. ROMOOAH**  
**Director of Audit**

National Audit Office  
Level 14, Air Mauritius Centre  
**Port Louis**

30 June 2022



STATEMENT A

Statement of Assets and Liabilities as at:

ASSETS	NOTE	30 June 2021	30 June 2020 (Restated)
		Rs	Rs
Cash and Bank balances	6	91,591,676.68	88,637,715.37
Advances	7	89,169,917.90	92,015,227.58
		180,761,594.58	180,652,942.95
<b>LIABILITIES</b>			
Rodrigues Consolidated Fund	8	16,822,262.44	18,549,245.10
Deposits	9	80,729,418.53	78,858,123.16
Loan - Government of Mauritius	10	83,209,913.61	83,245,574.69
		180,761,594.58	180,652,942.95

The accompanying notes 1 to 10 form part of these accounts.



Johnson ROUSSEY, GOSK  
Chief Commissioner

19 April 2022

## NOTES TO THE ACCOUNTS

### 1. GENERAL

The Statement of Assets and Liabilities and other Annual Statements of Rodrigues Regional Assembly (RRA) are prepared in accordance with Section 19 of the Finance and Audit Act.

### 2. ACCOUNTING POLICIES

The accounts of the RRA are Public Accounts of Mauritius for the purposes of Section 110 of the Constitution as specified at Section 48 of the RRA Act. The accounts are prepared on a cash basis. Transactions are recorded only when monies are received and are paid within the given period, whether or not the receipts and payments are in respect of goods supplied or services rendered during that period and whether they relate to expenditure or revenue. The Statement A - Assets and Liabilities as at 30 June 2021 does not include Non-Current Assets, Investments which are reflected at Statement F and "Carry over" of Capital Expenditure which represents the balance of provision earmarked for Capital Projects in the year 2020-21 payable within 3 months of the close of the Financial Year 2020-2021 as per section 3A of the Finance and Audit Act.

### 3. Reporting Entity

The accounts are for the RRA which include Office of the Clerk and Commissions.

### 4. Reporting Period

The accounts cover the financial year 01 July 2020 to 30 June 2021.

### 5. Reporting Currency

The accounts are denominated in the currency of Mauritian Rupee (Rs) which is also the functional currency.

### 6. CASH AND BANK BALANCES

These include cash in hand and cash balances with banks.

Details	30 June 2021	30 June 2020
	Rs	Rs
Bank of Mauritius	72,298,307.84	49,586,148.27
State Bank of Mauritius/ICE	2,660,499.77	360,704.35
ABSA Bank (Mauritius) Limited	8,585.81	87,223.97
State Bank of Mauritius/CCRF and Others	16,624,283.26	38,603,638.78
<b>Total</b>	<b>91,591,676.68</b>	<b>88,637,715.37</b>

## 7. ADVANCES

This represents balances outstanding as at year end in respect of:

Details	30 June 2021	30 June 2020
	Rs	Rs
RRA Members	3,968,252.75	5,869,497.19
RRA Officers	64,707,665.15	65,651,730.39
Fibre Glass Boat	14,694,000.00	14,694,000.00
Advance RTMC	5,800,000.00	5,800,000.00
<b>Total</b>	<b>89,169,917.90</b>	<b>92,015,227.58</b>

## 8. RODRIGUES CONSOLIDATED FUND

This represents the accumulated surplus of money appropriated to the Rodrigues Consolidated Fund (RCF) by the National Assembly, together with all recurrent revenue of the RRA (established by Section 42 of the Rodrigues Regional Assembly Act ) over the expenditure incurred by the RRA for the period under review.

	30 June 2021		30 June 2020 (Restated)	
	Rs	Rs	Rs	Rs
<b>Balance of the Rodrigues Consolidated Fund at start</b>		<b>18,549,245.10</b>		<b>37,624,196.93</b>
Transfer to Recurrent		* <u>(1,996,798.25)</u>		<u>(20,955,748.15)</u>
		<b>16,552,446.85</b>		<b>16,668,448.78</b>
<b>Contribution from Government</b>	3,881,375,283.00		3,681,490,778.00	
<b>Additional Contribution</b>	<u>176,247,246.00</u>		<u>216,490,000.00</u>	
<b>Total Contribution</b>	<b>4,057,622,529.00</b>		<b>3,897,980,778.00</b>	
<b>Transfer from Rodrigues Consolidated Fund</b>	1,996,798.25		20,955,748.15	
<b>Revenue - RRA</b>	<u>46,149,741.01</u>		<u>38,366,145.36</u>	
<b>Total Revenue</b>	<b>4,105,769,068.26</b>		<b>3,957,302,671.51</b>	
<b>Total Expenditure</b>	<u>(4,105,499,252.67)</u>		<u>(3,955,421,875.19)</u>	
Surplus of Revenue over Expenditure		<b>269,815.59</b>		<b>1,880,796.32</b>
<b>Balance of the Rodrigues Consolidated Fund at end</b>		<b>16,822,262.44</b>		<b>18,549,245.10</b>

\* An amount of Rs 1,996,798.25 was transferred from Rodrigues Consolidated Fund to Recurrent Revenue, being RRA Contribution for the Implementation of Matching Fund Project between RRA and the UNFPA as approved by the Executive Council for Financial Year 2020/2021 .

## 9. DEPOSITS

These are monies deposited with the Rodrigues Regional Assembly by individuals and organisations under Section 8 of the Finance and Audit Act.

Commission	30 June 2021	30 June 2020
	Rs	Rs
Chief Commissioner's Office	53,040,402.38	35,744,348.34
Deputy Chief Commissioner's Office	3,021,806.98	3,084,985.69
Commission for Women Affairs, Family Welfare, Child Development, Industrial Development, Information and Communication Technology, Vocational Training, Cooperatives, Trade, Commerce and Licensing and Prisons and Reforms Institutions	1,437,834.84	1,770,448.43
Commission for Health, Community Development, Fire Services, Meteorological Services, Judicial Services and Civil Status	6,109,693.13	13,959,635.01
Commission for Social Security, Housing, Labour and Industrial Relations, Employment and Consumer Protection	9,402,165.00	17,033,823.26
Commission for Agriculture, Environment, Fisheries, Marine Parks and Forestry	7,375,968.18	6,916,570.73
Commission for Youth and Sports, Arts and Culture, Library Services, Museum, Archives and Historical Sites and Buildings	341,548.02	348,311.70
<b>Total</b>	<b>80,729,418.53</b>	<b>78,858,123.16</b>

## 10. LOAN - GOVERNMENT OF MAURITIUS

This represents loan made to Rodrigues Regional Assembly for the issue of advances to Members and Officers of the Rodrigues Regional Assembly and to other bodies.

	30 June 2021	30 June 2020 (Restated)
	Rs	Rs
RRA Members	3,340,904.72	5,587,141.61
RRA Officers	65,175,008.89	62,964,433.08
Fibre Glass Boats	14,694,000.00	14,694,000.00
<b>Total</b>	<b>83,209,913.61</b>	<b>83,245,574.69</b>

### Fibre Glass Boats

Interest of Rs 7,018,409 and penalty fee of (2% above applicable repo rate) of Rs 5,341,191 due to the Government of Mauritius as at 30 June 2021 has not been recognised in the accounts.

## 11. Prior Year Adjustment

(i) The balance as at 30 June 2020 of the Rodrigues Consolidated Fund and the loan to the Government of Mauritius have been restated by an amount of Rs 5.8 Million representing Advance made by the Rodrigues Regional Assembly to the RTMC.

## STATEMENT B

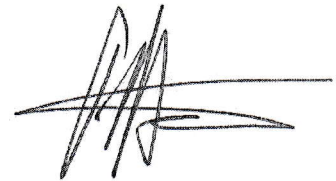
**Abstract Account of Revenue and Expenditure of the Rodrigues Consolidated Fund  
for the financial year 2020 - 2021**

## REVENUE

## Analysis of total revenue by Revenue Items

Code	Description of Revenue Items	Jul 20-Jun 21	Jul 20-Jun 21	Jul 19-Jun 20
		Estimates	Actual Revenue	Actual Revenue
		Rs	Rs	Rs
11	<b>TAXES</b>			
114	Licence Fees	3,160,000.00	2,937,807.00	3,089,083.20
	<b>TOTAL - TAXES</b>	<b>3,160,000.00</b>	<b>2,937,807.00</b>	<b>3,089,083.20</b>
12	<b>SOCIAL CONTRIBUTIONS</b>			
122	Other Social Contributions	700,000.00	636,012.00	615,152.52
	<b>TOTAL - SOCIAL CONTRIBUTIONS</b>	<b>700,000.00</b>	<b>636,012.00</b>	<b>615,152.52</b>
13	<b>GRANTS</b>			
131	Contribution from Central Government*	4,065,000,000.00	4,057,622,529.00	3,918,936,526.15
	<b>TOTAL - GRANTS</b>	<b>4,065,000,000.00</b>	<b>4,057,622,529.00</b>	<b>3,918,936,526.15</b>
14	<b>OTHER REVENUE</b>			
141	Property Income	36,494,000.00	19,580,301.35	13,196,470.79
142	Sales of Goods and Services	9,746,000.00	12,244,452.54	13,151,906.78
143	Fines, Penalties and Forfeits	4,300,000.00	6,582,000.00	4,616,841.91
145	Miscellaneous Revenue	600,000.00	4,169,168.12	3,696,690.16
	Transfer from Rodrigues Consolidated Fund	-	1,996,798.25	-
	<b>TOTAL - OTHER REVENUE</b>	<b>51,140,000.00</b>	<b>44,572,720.26</b>	<b>34,661,909.64</b>
	<b>TOTAL-REVENUE</b>	<b>4,120,000,000.00</b>	<b>4,105,769,068.26</b>	<b>3,957,302,671.51</b>

19 April 2022



**Johnson ROUSSETY, GOSK**  
Chief Commissioner

## STATEMENT B

**Abstract Account of Revenue and Expenditure of the Rodrigues Consolidated Fund for the  
Period July 2020 to June 2021****EXPENDITURE**

Analysis of Expenditure by Sub-Heads

Sub-Head	Description	Original Estimates	Total Provisions after virement	Actual Expenditure	(Over) / Under Estimates	(Over) / Under Provisions
		(a) Rs	(b) Rs	(c) Rs	(a-c) Rs	(b-c) Rs
<b>1-1</b>	<b>OFFICE OF THE CLERK</b>	<b>20,946,000.00</b>	<b>18,597,068.93</b>	<b>18,582,087.75</b>	<b>2,363,912.25</b>	<b>14,981.18</b>
1101	Parliamentary Affairs	20,946,000.00	18,597,068.93	18,582,087.75	2,363,912.25	14,981.18
<b>2-1</b>	<b>CHIEF COMMISSIONER'S OFFICE</b>	<b>1,024,086,000.00</b>	<b>1,056,165,947.33</b>	<b>1,044,048,489.15</b>	<b>(19,962,489.15)</b>	<b>12,117,458.18</b>
	<b>CENTRAL ADMINISTRATION</b>	<b>223,422,000.00</b>	<b>241,220,594.12</b>	<b>241,161,172.97</b>	<b>(17,739,172.97)</b>	<b>59,421.15</b>
2101	Central Administration	213,643,000.00	231,232,794.95	231,228,783.61	(17,585,783.61)	4,011.34
2102	Registration of Deeds and Conservation of Mortgages	2,048,000.00	2,047,969.60	2,026,354.60	21,645.40	21,615.00
2103	Transport	7,587,000.00	7,789,531.90	7,774,287.15	(187,287.15)	15,244.75
2104	Companies Division	144,000.00	150,297.67	131,747.61	12,252.39	18,550.06
	<b>STATE LAND</b>	<b>94,937,000.00</b>	<b>87,368,329.81</b>	<b>75,567,185.85</b>	<b>19,369,814.15</b>	<b>11,801,143.96</b>
2201	Management of State Land	30,432,000.00	28,065,684.59	23,054,982.60	7,377,017.40	5,010,701.99
2202	Civil Aviation	32,504,000.00	30,107,772.67	29,853,869.49	2,650,130.51	253,903.18
2203	Tourism Development	19,472,000.00	16,665,872.55	16,593,646.21	2,878,353.79	72,226.34
2204	Marine Services	12,529,000.00	12,529,000.00	6,064,687.55	6,464,312.45	6,464,312.45
	<b>EDUCATION</b>	<b>705,727,000.00</b>	<b>727,577,023.40</b>	<b>727,320,130.33</b>	<b>(21,593,130.33)</b>	<b>256,893.07</b>
2301	General	20,956,000.00	24,807,429.01	24,790,487.90	(3,834,487.90)	16,941.11
2302	Pre-Primary Education	42,222,000.00	32,781,542.90	32,670,441.54	9,551,558.46	111,101.36
2303	Primary Education	300,369,000.00	295,702,666.94	295,595,321.84	4,773,678.16	107,345.10
2304	Secondary Education	342,180,000.00	374,285,384.55	374,263,879.05	(32,083,879.05)	21,505.50
<b>3-1</b>	<b>DEPUTY CHIEF COMMISSIONER'S OFFICE</b>	<b>476,277,000.00</b>	<b>455,555,492.95</b>	<b>450,601,212.42</b>	<b>25,675,787.58</b>	<b>4,954,280.53</b>
3101	General	39,630,000.00	24,718,073.99	24,718,063.99	14,911,936.01	10.00
3102	Maintenance of Buildings and Other Assets	49,451,000.00	44,929,815.69	44,929,788.69	4,521,211.31	27.00
3103	Maintenance of Vehicles	21,899,000.00	22,207,061.20	22,206,553.69	(307,553.69)	507.51
3104	Construction and Rehabilitation of Roads and Bridges	106,608,000.00	105,377,782.61	100,494,870.68	6,113,129.32	4,882,911.93
3105	Maintenance of Roads and Bridges	13,660,000.00	12,312,157.96	12,312,057.96	1,347,942.04	100.00
3106	Land Transport Services	10,753,000.00	6,969,695.19	6,968,239.48	3,784,760.52	1,455.71
3107	Improvement of Public Infrastructure	99,356,000.00	86,090,708.13	86,090,208.13	13,265,791.87	500.00
3108	Water Production	92,496,000.00	113,752,406.59	113,751,406.59	(21,255,406.59)	1,000.00
3109	Water Distribution	42,424,000.00	39,197,791.59	39,130,023.21	3,293,976.79	67,768.38

## STATEMENT B

**Abstract Account of Revenue and Expenditure of the Rodrigues Consolidated Fund for the  
Period July 2020 to June 2021****EXPENDITURE**

Analysis of Expenditure by Sub-Heads

Sub-Head	Description	Original Estimates	Total Provisions after virement	Actual Expenditure	(Over) / Under Estimates	(Over) / Under Provisions
		(a) Rs	(b) Rs	(c) Rs	(a-c) Rs	(b-c) Rs
<b>4-1</b>	<b>COMMISSION FOR WOMEN'S AFFAIRS, FAMILY WELFARE, CHILD DEVELOPMENT, INDUSTRIAL DEVELOPMENT, INFORMATION AND COMMUNICATION TECHNOLOGY, VOCATIONAL TRAINING, COOPERATIVES, TRADE, COMMERCE AND LICENCING AND PRISONS AND REFORMS INSTITUTIONS</b>	<b>240,278,000.00</b>	<b>254,042,783.22</b>	<b>251,441,903.63</b>	<b>(11,163,903.63)</b>	<b>2,600,879.59</b>
4101	Women's Affairs, Family Welfare and Child Development	32,767,000.00	31,835,860.50	31,796,247.58	970,752.42	39,612.92
4102	Industrial Development and Handicraft	13,734,000.00	6,778,428.25	6,725,522.14	7,008,477.86	52,906.11
4103	Information and Communication Technology	94,330,000.00	128,599,908.67	128,519,414.63	(34,189,414.63)	80,494.04
4104	Development of Human	58,162,000.00	43,298,676.46	42,434,300.43	15,727,699.57	864,376.03
4105	Promotion and Development of Cooperatives	4,618,000.00	4,690,000.00	4,461,859.05	156,140.95	228,140.95
4106	Trade, Commerce and Licensing	1,874,000.00	1,934,000.00	1,822,342.56	51,657.44	111,657.44
4107	Management and Maintenance of Prison	30,943,000.00	33,007,909.34	32,757,997.96	(1,814,997.96)	249,911.38
4108	Probation and Social Rehabilitation	3,850,000.00	3,898,000.00	2,924,219.28	925,780.72	973,780.72
<b>5-1</b>	<b>COMMISSION FOR HEALTH, COMMUNITY DEVELOPMENT, FIRE SERVICES, METEOROLOGICAL SERVICES, JUDICIAL SERVICES AND CIVIL STATUS</b>	<b>585,306,000.00</b>	<b>604,176,759.81</b>	<b>603,122,098.84</b>	<b>(17,816,098.84)</b>	<b>1,054,660.97</b>
5101	General	81,644,000.00	76,927,228.35	76,847,122.76	4,796,877.24	80,105.59
5102	Curative Services and Primary Health Care and Public Health	410,553,000.00	459,165,258.51	458,770,241.54	(48,217,241.54)	395,016.97
5103	Treatment and Prevention of HIV and AIDS, Non-Communicable Diseases and Proliferation of	782,000.00	794,000.00	716,135.84	65,864.16	77,864.16
5104	Promotion of Community Development	8,257,000.00	3,724,509.17	3,536,000.43	4,720,999.57	188,508.74
5105	Firefighting, Rescue and Fire Prevention	63,385,000.00	42,314,364.47	42,291,172.94	21,093,827.06	23,191.53
5106	Meteorological Services	9,914,000.00	10,557,052.00	10,449,477.87	(535,477.87)	107,574.13
5107	Judicial Services	6,621,000.00	6,899,508.53	6,872,602.22	(251,602.22)	26,906.31
5108	Civil Status	4,150,000.00	3,794,838.78	3,639,345.24	510,654.76	155,493.54
<b>6-1</b>	<b>COMMISSION FOR SOCIAL SECURITY, HOUSING, LABOUR AND INDUSTRIAL RELATIONS, EMPLOYMENT AND CONSUMER PROTECTION</b>	<b>1,243,355,000.00</b>	<b>1,210,035,528.80</b>	<b>1,207,468,124.52</b>	<b>35,886,875.48</b>	<b>2,567,404.28</b>
6101	General	48,556,000.00	25,168,189.69	25,008,157.87	23,547,842.13	160,031.82
6102	Social Protection	1,052,968,000.00	1,074,224,120.08	1,073,171,199.01	(20,203,199.01)	1,052,921.07
6103	Housing	121,769,000.00	90,717,458.87	90,646,458.79	31,122,541.21	71,000.08
6104	Labour and Industrial Relations	4,991,000.00	4,734,760.16	4,392,337.01	598,662.99	342,423.15
6105	Empowerment and Placement of Job Seekers	10,743,000.00	10,803,000.00	10,554,398.12	188,601.88	248,601.88
6106	Consumer Protection	4,328,000.00	4,388,000.00	3,695,573.72	632,426.28	692,426.28

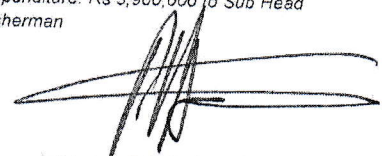
## STATEMENT B

**Abstract Account of Revenue and Expenditure of the Rodrigues Consolidated Fund for the Period July 2020 to June 2021****EXPENDITURE**

## Analysis of Expenditure by Sub-Heads

Sub-Head	Description	Original Estimates (a) Rs	Total Provisions after virement (b) Rs	Actual Expenditure (c) Rs	(Over) / Under Estimates (a-c) Rs	(Over) / Under Provisions (b-c) Rs
7-1	<b>COMMISSION FOR AGRICULTURE, ENVIRONMENT, FISHERIES, MARINE PARKS AND FORESTRY</b>	<b>380,679,000.00</b>	<b>426,554,267.62</b>	<b>418,195,237.24</b>	<b>(37,516,237.24)</b>	<b>8,359,030.38</b>
7-1	<b>AGRICULTURE</b>	<b>159,436,000.00</b>	<b>158,940,044.77</b>	<b>156,419,741.06</b>	<b>3,016,258.94</b>	<b>2,520,303.71</b>
7101	General	16,668,000.00	19,718,898.49	19,626,742.92	(2,958,742.92)	92,155.57
7102	Crop Production	76,145,000.00	66,881,254.00	66,234,533.52	9,910,466.48	646,720.48
7103	Livestock Production	46,412,000.00	57,140,727.46	55,422,377.85	(9,010,377.85)	1,718,349.61
7104	Extension and Marketing Services	20,211,000.00	15,199,164.82	15,136,086.77	5,074,913.23	63,078.05
7-2	<b>ENVIRONMENT</b>	<b>221,243,000.00</b>	<b>267,614,222.85</b>	<b>261,775,496.18</b>	<b>(40,532,496.18)</b>	<b>5,838,726.67</b>
7201	General	11,476,000.00	9,138,313.10	9,093,889.87	2,382,110.13	44,423.23
7202	Environment Protection and Conservation	67,260,000.00	70,614,556.60	70,520,025.15	(3,260,025.15)	94,531.45
7203	Sustainable Fisheries Development	87,910,000.00	136,603,388.79	135,061,915.63	(47,151,915.63)	1,541,473.16
7204	Marine Parks	8,610,000.00	7,213,507.00	7,101,298.15	1,508,701.85	112,208.85
7205	Reafforestation and Protection of Endangered Species	45,987,000.00	44,044,457.36	39,998,367.38	5,988,632.62	4,046,089.98
8-1	<b>COMMISSION FOR YOUTH AND SPORTS, ARTS AND CULTURE, LIBRARY SERVICES, MUSEUM, ARCHIVES AND HISTORICAL SITES AND BUILDINGS</b>	<b>119,073,000.00</b>	<b>113,608,195.59</b>	<b>112,040,099.12</b>	<b>7,032,900.88</b>	<b>1,568,096.47</b>
8101	General	15,407,000.00	15,669,767.36	15,653,763.99	(246,763.99)	16,003.37
8102	Youth Empowerment, Youth Recreational and Community Based Programmes	22,728,000.00	22,824,656.68	22,797,250.31	(69,250.31)	27,406.37
8103	Promotion of Sports and Sports for All	53,554,000.00	46,727,731.45	45,599,898.10	7,954,101.90	1,127,833.35
8104	Promotion of Arts and Culture	18,007,000.00	20,107,103.70	19,883,398.72	(1,876,398.72)	223,704.98
8105	Library Services	7,399,000.00	6,971,103.99	6,945,948.99	453,051.01	25,155.00
8106	Museum, Archives, Historical Sites and Buildings	1,978,000.00	1,307,832.41	1,159,839.01	818,160.99	147,993.40
9-1	<b>CONTINGENCIES AND RESERVES</b>	<b>30,000,000.00</b>	<b>26,052,754.00</b>	<b>-</b>	<b>30,000,000.00</b>	<b>26,052,754.00</b>
9101	Contingencies *	30,000,000.00	26,052,754.00	-	30,000,000.00	26,052,754.00
	<b>TOTAL EXPENDITURE</b>	<b>4,120,000,000.00</b>	<b>4,164,788,798.25</b>	<b>4,105,499,252.67</b>	<b>14,500,747.33</b>	<b>59,289,545.58</b>

\* The amount appropriated under 'Contingencies' has been reallocated to expenditure items under different Sub Head of expenditure. Rs 3,900,000 to Sub Head 6103 - 28212012 Casting of Roof Slab and Rs 47,246.00 to Sub Head 7203 Item 25210005 - Assistance to Professional Fisherman



Johnson ROUSSETY, GOSK  
Chief Commissioner

19 April 2022





**National Audit Office**

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