



Republic of Mauritius

NATIONAL AUDIT OFFICE

**CERTIFICATE OF AUDIT &
REPORT OF THE DIRECTOR OF AUDIT**

**ON THE ACCOUNTS OF
THE RODRIGUES REGIONAL ASSEMBLY**

FOR THE FINANCIAL YEAR 2022-23

FEBRUARY 2024

NATIONAL AUDIT OFFICE

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NATIONAL AUDIT OFFICE

Making a Difference to the Lives of Citizens



NATIONAL AUDIT OFFICE

My Ref: NAO/ADM/ARA/AUD

28 February 2024

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 2022-23, 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,

DR D. PALIGADU
Director of Audit

CONTENTS

Paragraph	Description	Page
	LIST OF TABLES	v
	LIST OF FIGURES	vii
	FOREWORD BY THE DIRECTOR OF AUDIT	ix
	OVERVIEW	xi
1.0	CERTIFICATE OF AUDIT	xvii
2.0	ANNUAL STATEMENTS	1
2.1	Annual Statements for the Financial Year 2022-23	1
2.2	Statement A - Statement of Assets and Liabilities – Rs 240 million	1
2.3	Post of Head Finance not filled	3
2.4	Rodrigues Consolidated Fund (RCF) – Transfer from RCF to cater for Shortfall	4
2.5	Property Income – Amount Collected not analysed between Principal and Interest	4
2.6	Statement H – Statement of Deposits as at 30 June 2023 – Deposits retained for a Long Period of Time – Rs 2,284,345	5
2.7	Loans from Government of Mauritius – Rs 112.5 million – Fibre Glass Boats – Non-recovery of Loan of Rs 14.7 million	5
2.8	Loans Guaranteed by RRA - Not accounted for and absence of Reconciliation Statement	5
2.9	Statement F - Register of Investments not kept	7
2.10	Statement of Arrears of Revenue – Lapses in Management of Arrears	7
3.0	ACCOUNTABILITY AND OVERSIGHT MECHANISM	13
3.1	Oversight Mechanism – A dysfunctional Audit Committee - Weaknesses in Internal Control System and Absence of Follow up on Recommendations of Internal Control Unit	13
3.2	Follow Up of Findings Raised in Audit Report 2021-22	15
4.0	CHIEF COMMISSIONER'S OFFICE	17
4.1	Budgeted Funds released from Projects not implemented and those kept on hold	17

Continued

Paragraph	Description	Page
4.2	Actual Overtime paid of Rs 77 million far exceeded Budgeted Amount of Rs 22.5 million	19
4.3	No Memorandum of Understanding (MOU) for disbursement of Rs 51 million to Airport of Rodrigues Ltd	21
4.4	Lapses in Implementation and Monitoring of Fleet Management System for Vehicles of RRA	21
4.5	Setting Up of Private Companies – Objectives not attained in most Cases	24
4.6	Construction of one Additional Classroom in four Pre-primary Schools – Lapses in Contract Management	30
4.7	Construction of Gymnasium at La Ferme College – Lapses in Project Management	31
4.8	Delay in Completion of Construction Works of Gymnasium at Terre Rouge	34
4.9	Construction of Football Ground at Le Chou College – Lapses in Contract Management	35
4.10	Management of State Lands in Rodrigues – Absence of a Digital System and Poor Administration	37
4.11	Repairs to Desalination Plant at Pointe Coton and Relocation of Plant from Baie Malgache to Pointe Venus and Songes - No Improvement in Water Production	43
4.12	Follow Up of Findings Raised in Audit Report 2021-22	46
5.0	DEPUTY CHIEF COMMISSIONER'S OFFICE	51
5.1	Lapses in Management of Transport and Mechanical Workshop	51
5.2	Construction of Concrete Access Road at Pavé La Bonte – Works stopped without any justification	56
5.3	Social Housing Scheme – Lapses in Scheme Administration	58
5.4	Integrated Waste Management and Sorting System Project, and Setting Up of a Material Recovery Centre – Objectives not attained	61
5.5	Construction of an NGO Resource Centre at Mont Plaisir – Not completed after more than 10 months of Contractual Completion Date	65

Continued

Paragraph	Description	Page
5.6	Construction of New Community Centre at Bay Malgache - Infrastructure not completed more than nine months after Contractual Completion Date	67
5.7	Follow Up of Findings Raised in Audit Report 2021-22	69
6.0	COMMISSION FOR AGRICULTURE, FISHERIES, FOOD PRODUCTION, FORESTRY AND PLANT & ANIMAL QUARANTINE	77
6.1	Reafforestation – Intended Objectives not achieved	77
6.2	Setting up of a Slaughter House in Rodrigues – Still not Operational	80
6.3	Follow Up of Findings Raised in Audit Report 2021-22	82
7.0	COMMISSION FOR HEALTH, FIRE SERVICES AND SOCIAL SECURITY	85
7.1	Conversion of New Administrative Building at Mont Lubin into Health Centre – Lapses in Contract Management	85
7.2	Delay in Delivery of Medical Equipment due to Laxity in the Issue of Letters of Awards	87
7.3	Newly Acquired Water/Foam Tender for Rs 18.8 million - Broken down within four months	89
7.4	Domiciliary Medical Visits – Weaknesses in Expenditure Control	92
7.5	Setting up of a Lime and Honey Farm, and an Integrated Organic Chilli Farm – Objectives not attained	95
7.6	Follow Up of Findings Raised in Audit Report 2021-22	99
8.0	COMMISSION FOR TOURISM, EMPLOYMENT, LABOUR AND INDUSTRIAL RELATIONS, INFORMATION TECHNOLOGY & TELECOMMUNICATIONS	103
8.1	Follow Up of Findings Raised in Audit Report 2021-22	103
9.0	COMMISSION FOR YOUTH AND SPORTS, ARTS AND CULTURE, MUSEUMS, ARCHIVES, HISTORICAL SITES AND BUILDINGS AND LIBRARY SERVICES	105
9.1	Contract for the Construction of Stadium at Roche Bon Dieu – Previous Contract terminated due to Non-Performance of Contractor and New Contract still lagging behind	105
	ANNEX - ANNUAL STATEMENTS	109

LIST OF TABLES

Table	Description	Page
1	Assets and Liabilities for the Past Three Financial Years	1
2	Actions for Gradual Implementation of Accrual-based IPSAS by RRA	2
3	Amount Guaranteed by Financial Institutions not disclosed	6
4	Share Certificates of Companies not seen	7
5	Arrears of Revenue for the past three Financial Years ended 30 June 2023	7
6	Arrears of Revenue for the past four Financial Years	10
7	Examples of Budget Provisions reallocated to other Items of Expenditure	17
8	Examples of Projects Implemented for which no Budget was originally Allocated	18
9	Consultancy Fee paid on Projects put on Hold and Cancelled	19
10	Comparison of Budgeted Overtime and Actual Amount paid for past three Financial Years	20
11	Annual Reports Not Submitted and Tabled	25
12	Disbursement effected from Expenditure Items	25
13	Performance of Companies of RRA	27
14	Applicable Rental	40
15	Revenue Collection for the past three Financial Years	42
16	Arrears of Revenue for the past three Financial Years	43
17	Social Housing Schemes	59
18	Contracts Awarded	96

LIST OF FIGURES

Figure	Description	Page
1	Vehicles awaiting write-off kept at Citronelle Workshop	53
2	Vehicles awaiting write-off kept at Port Mathurin Workshop	53
3	Registration No. not visible at Citronelle Workshop	53
4	Registration No. not visible at Port Mathurin Workshop	53
5	BMW X5 Car broken down since October 2014	54
6	Natural drains along access road near retaining wall at Pavé La Bonte	58
7	Natural drains along access road far from retaining wall	58
8	Recyclable wastes stockpiled at Grenade Dumping Site	62
9	Glass bottles dumped and stockpiled at soil level	63
10	All types of wastes dumped at Montagne Plate	63
11	Yard and buildings left in abandoned state	81
12	Detached metal gates	81
13	Hydraulic Dentist chair costing Rs 1.25 million not yet commissioned	87
14	No water retained in the pond at Roche Bon Dieu for Anse Ally site	98

FOREWORD BY THE DIRECTOR OF AUDIT

I am pleased to submit my Certificate of Audit and Report on the accounts of the Rodrigues Regional Assembly (RRA) for the financial year 2022-23, the first one since my appointment as Director of Audit on 10 May 2023.

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.

Section 20 of 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 RRA for the financial year 2022-23, submitted to me in accordance with Section 19 of the Finance and Audit Act; and
- (b) A Certificate of Audit on the Annual Statements.

The 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 2022-23 are mainly in areas of financial reporting, asset management, expenditure control, compliance with legislation and project management. Various lapses which impact adversely on public finances, resources and service delivery have been noted.

My Office also carried out a follow-up of findings raised in the Audit Report for the financial year 2021-22. RRA was given the opportunity to provide comments on the findings. Where relevant, the comments have been included in the Report. The exercise to assess RRA's response to the reported shortcomings revealed that actions have, to some extent, been taken to resolve the issues raised, but there was still much room for improvement in certain sectors and further efforts were required.

Acknowledgement

I wish to express my sincere thanks to the staff of National Audit Office (NAO), in particular those involved in the audit of the accounts of 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.



DR D. PALIGADU
Director of Audit

National Audit Office

28 February 2024

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 the most significant audit findings following the audit of the accounts of RRA, which in my opinion, may have a significant impact on finances, resources and service delivery, and may adversely affect financial governance and controls, if not corrected. These findings were communicated and discussed with the respective Accounting Officer of the Commission concerned.

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.

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 RRA for the financial year 2022-23, together with a certificate of audit, within eight months of the close of the financial year ended 30 June 2023.

Scope of Audit

The scope of my audit includes determining whether:

- (a) the Annual Statements of RRA present fairly the financial transactions of RRA during the financial year 2022-23 and the financial position as at 30 June 2023; and
- (b) RRA is managing and utilising its resources economically, efficiently and effectively, and applicable laws and regulations are being complied with.

The Annual Statements of 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 under the Rodrigues Regional Assembly Act, 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.

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

Over and above the risk-based methodology, NAO adopted a ‘Root Cause Analysis’ approach aimed at providing insights and explanations for the audit findings, and at the same time formulating more meaningful and impactful audit recommendations that address the underlying causes of the reported findings and shortcomings. The ultimate goal is to ensure that management can come up with appropriate and achievable actions as well as lasting solutions to prevent the recurrence of the highlighted issues. The ‘Root Cause Analysis’ approach, through more effective and sustainable corrective actions would lead to improved quality of service, compliance and overall organisational performance.

At the conclusion of the audit, an exit meeting is held with the Accounting Officer, that is, the Island Chief Executive and the Departmental Head of each Commission to discuss audit findings. Management Letters are, thereafter, issued to the Accounting Officers who 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. They 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, where relevant.

Responsibilities of Accounting Officers

The Accounting Officers have a crucial role in setting up a proper financial management system and ensuring that value for money is obtained from expenditure of public funds as stipulated in the Rodrigues Regional Assembly Act, the Finance and Audit Act and the Financial Management (FM) Kit.

Section 35(1) of the Rodrigues Regional Assembly Act

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 upon 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.

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 is/are responsible for ensuring, amongst others, that:

- (a) funds entrusted to them are applied only to the purpose intended by the National Assembly and the 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 responsibility of RRA to maintain proper financial records.

Finance and Audit Act

An Accounting Officer is an officer designated under section 21(1) of the Finance and Audit Act by the Minister responsible for the subject of Finance and who is charged with the duty of:

- (a) controlling expenditure on any service in respect of which public funds have been appropriated; and
- (b) collecting revenue and paying that revenue into public funds.

The Accounting Officer is the officer who is answerable to the Public Accounts Committee.

Responsibilities of an Accounting Officer in relation to Financial Management as per FM Kit Volume I

An Accounting Officer has an overall responsibility for:

- (a) propriety and regularity of the public finances for which the Accounting Officer is answerable;

- (b) the performance in the delivery of outputs, taking into account the performance indicators;
- (c) economic and efficient use of resources available to the Accounting Officer;
- (d) exercising reasonable care to prevent and detect unauthorised, irregular and nugatory expenditure and must for this purpose implement effective, efficient and transparent processes of financial and risk management;
- (e) putting in place a sound system of internal control over the Department's activities, including the receipt, disbursement and accounting of public funds and ensuring that the system is working efficiently and effectively;
- (f) keeping and maintaining departmental accounts and financial records including data on outputs and performance in accordance with the regulations and procedures contained in the FM Kit;
- (g) ensuring that financial transactions pertaining to the Department are duly processed through the Treasury Accounting System (TAS) and outputs and performance are reported on time;
- (h) replying personally to the Director of Audit on Management Letters and Reference Sheets and taking remedial actions on weaknesses and shortcomings identified;
- (i) ensuring preparation of a Standard Operating Procedures Manual (SOPM) on operational procedures for the Department; and
- (j) ensuring that statutory bodies under the aegis of the Department do not enter into financial obligations in excess of their present and future financial capacity and which would lead to a Government contingent liability.

Organisations not falling under the Administrative Control of RRA

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

Summary of Audit Findings

The key issues that were highlighted in the Audit Report for the financial year 2021-22 still prevailed during the financial year 2022-23:

- (a) RRA has still not come up with a plan and a time-frame for the transition to full accrual-based IPSAS in the preparation of Annual Statements to enable their consolidation with those of the Budgetary Central Government.

- (b) There were lapses in the management of capital projects, such as inadequate project planning, wrong estimation of project costs, costs overruns, project delays and poor performance of contractors. Hence, investments in capital projects with a view to improving service delivery and the quality of life of the inhabitants have not materialised in many cases.
- (c) Non-compliance with the Public Procurement Act whereby the procurement procedures for the appointment of a Consultant and acquisition of assets were not followed. Conditions of contracts were also not complied with.
- (d) Deficiencies in revenue management were also noted. There were delays in the processing of industrial/commercial leases and residential leases, and arrears of revenue have more than doubled during the past two years.
- (e) Weaknesses in expenditure control were noted in respect of domiciliary medical visits.
- (f) Significant amounts injected by RRA into 14 companies over the past 20 years in the form of equity and financing of operational costs have not generated any return and in some companies, the investments have been or are being eroded.

Follow Up of Findings Raised in Audit Report 2021-22

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 findings raised in the Audit Report for the financial year 2021-22 was carried out to determine whether RRA has taken appropriate actions to resolve the findings reported.

Based on RRA's response as at mid-December 2023, 48.2 per cent of the 110 findings raised have been resolved, 21.9 per cent were partially resolved, 25.4 per cent were not resolved and the remaining 4.5 per cent were not relevant as they were no longer appropriate.

Concluding Remarks

RRA should take prompt action to address shortcomings highlighted in this report and in previous audit reports also. Due care and diligence must be exercised to ensure that public funds entrusted by the Central Government to RRA are spent economically, efficiently and effectively with a view to improving public service delivery for the benefits of the population.

Asset management, procurement and project management are areas that RRA should pay particular attention to, as they not only involve a huge amount of public funds but they also impact directly on the quality of public services offered to the citizens.

Revenue management from rental of State Land, especially for industrial and commercial purposes has to be significantly improved.

Moreover, with the advent of the Mauritius Rodrigues Submarine (MARS) undersea fibre optic cable, RRA should leverage on the vast opportunities offered by it to substantially improve its service delivery to its internal and external stakeholders to create significant efficiency gains in its operations for the benefits of the population.

CERTIFICATE OF AUDIT



NATIONAL AUDIT OFFICE

CERTIFICATE OF AUDIT

TO THE NATIONAL ASSEMBLY

Report on the Audit of the Annual Statements of the Rodrigues Regional Assembly

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 2023, 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 2023, 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 of the Rodrigues Regional Assembly, 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 certificate of audit.

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 required under Section 19(4) of the Finance and Audit Act, to sign and submit Annual Statements within 3 months of the close of every fiscal year, and is responsible 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 8 months of the close of every fiscal year.

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 a certificate of audit 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 certificate of audit, 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 certificate 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 mention in my Report for the financial year 2022-23, 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 mention in my Report for financial year 2022-23, 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.



DR D. PALIGADU
Director of Audit

National Audit Office
Level 14, Air Mauritius Centre
Port Louis

28 February 2024

**REPORT OF THE DIRECTOR OF AUDIT
ON THE ACCOUNTS OF
THE RODRIGUES REGIONAL ASSEMBLY**

2– ANNUAL STATEMENTS

2.1 Annual Statements for the Financial Year 2022-23

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 RRA on the last day of such fiscal year.

The Annual Statements for the financial year 2022-23 were prepared on a cash basis and comprised a Statement of Assets and Liabilities and other Statements. These were submitted to NAO on 29 September 2023.

2.2 Statement A - Statement of Assets and Liabilities – Rs 240 million

The Statement of Assets and Liabilities of RRA for the year ended 30 June 2023 was prepared on a cash basis and was made up of only five components, namely Cash and Bank balances, and Advances on the Assets side, and Rodrigues Consolidated Fund, Deposits and Loan on the Liabilities side. Refer to Table 1.

Table 1 Assets and Liabilities for the Past Three Financial Years

Details	30 June 2021	30 June 2022	30 June 2023
	Rs	Rs	Rs
Assets			
Cash and Bank balances	91,591,676	130,281,106	120,441,955
Advances	89,169,918	95,470,034	119,642,391
Total	180,761,594	225,751,140	240,084,346
Liabilities			
Rodrigues Consolidated Fund	16,822,262	16,385,364	18,698,357
Deposits	80,729,419	122,716,991	108,828,049
Loan - Government of Mauritius	83,209,913	86,198,785	112,557,940
Total	180,761,594	225,751,140	240,084,346

Source – Annual Statements of RRA

RRA did not prepare the Annual Statements in compliance with the International Public Sector Accounting Standards (IPSAS). The following components, among others, were thus not recognised in Statement A (Statement of Assets and Liabilities):

- (a) Receivables from exchange transactions
- (b) Loans and advances

- (c) Investments
- (d) Payables
- (e) Other liabilities
- (f) Inventories
- (g) Property, Plant and Equipment, including Donated Assets
- (h) Intangible Assets

The prime objective for the adoption of IPSAS is to improve transparency, accountability and decision making. However, this was not achieved as a result of not adopting accrual-based IPSAS for the preparation of Annual Statements.

2.2.1 Annual Statements – Plan for Gradual Implementation of accrual-based IPSAS not followed

Government decided to gradually adopt accrual-based IPSAS in the preparation of the financial statements of Government with effect from financial year 2016-17. A detailed road map was developed in consultation with the International Monetary Fund (IMF), which outlined the steps towards preparing fully IPSAS compliant Financial Statements by 2022-23 as follows:

- 2020-2021: IPSAS Financial Statements for the Budgetary Central Government (BCG).
- 2021-2022: IPSAS Consolidated Financial Statements for the General Government.
- 2022-2023: IPSAS Consolidated Financial Statements for the Public Sector.

Technical assistance, as highlighted in Table 2, was provided to RRA to prepare, as far as possible, accrual-based IPSAS Annual Statements for the year ended 30 June 2023.

Table 2 Actions for Gradual Implementation of Accrual-based IPSAS by RRA

Period	Description of Actions Taken
6 to 17 March 2023	IMF Consultants and Officers of MOFEPD and Treasury provided advice on the implementation of IPSAS
15 to 18 August 2023	A technical mission headed by the Accountant-General and Officers of Treasury and MOFEPD assisted RRA Officers to prepare accrual-based IPSAS financial statements
13 to 16 September 2023	Three Officers from the Accountant-General's Office were on mission to Rodrigues to review the financial statements for 2022-23.

Source: Files of Chief Commissioner's Office

In view of the challenge to move to accrual-based accounting, the IMF Consultants recommended a phased approach to RRA transition to accrual-based IPSAS and a road map was established. In this context, amendments were brought to the Finance and Audit Act by virtue of the Finance (Miscellaneous Provisions) Act 2023 to schedule the preparation of the Annual Statements, in compliance with the IPSAS issued by IFAC for the fiscal year 2024-25 and onwards.

On 29 September 2023, RRA submitted to NAO the Annual Statements for the year ended 30 June 2023 prepared on the traditional cash basis, as in previous years.

2.3 Post of Head Finance not filled

The Finance Section was not led by a Head Finance and as of October 2023, this post had not been filled although the Budget Estimates for 2021-22 and 2022-23 provided funding under the Vote 2-101 of the Central Administration.

According to the existing scheme of service for the post of Head Finance, dated 15 June 2006, the highest qualification required is a degree in Economics or Finance from a recognised institution or an equivalent qualification.

The absence of such function has been impacting on the preparation and submission of statutory Annual Statements in line with accrual-based IPSAS and in the setting up of sound accounting and financial systems.

Root Causes

The Accounting Officer has not:

- adopted a pro-active approach to attain the desired target to prepare the Annual Statements on accrual-based IPSAS;
- provided the necessary capacity building opportunities to officers of the Finance Section as part of the preparedness to embark and successfully implement the change of accounting framework; and
- considered the filling of the post of Head Finance although the estimates had made provision for the post.

Recommendations

- The Accounting Officer of the Commission should take necessary actions to prepare a road map to ensure that the Annual Statements for the financial year 2024-25 and onwards be prepared in full compliance with accrual-based IPSAS.
- A proper Capacity Building Plan should be prepared and implemented for concerned officers.
- The Scheme of Service for the post of Head Finance should be amended so that the Head Finance is a fully qualified Accountant from a recognised professional body.

RRA's Response

The technical assistance provided by the Accountant-General will enable RRA to gradually transit to accrual IPSAS and to achieve full compliance by financial year 2024-25 as required by the Finance (Miscellaneous Provisions) Act 2023.

2.4 Rodrigues Consolidated Fund (RCF) – Transfer from RCF to cater for Shortfall

RCF was established under Section 75D of the Constitution. All recurrent revenue collected by RRA, money appropriated by the National Assembly and any other money properly accruing to RCF under any other enactment, are to be credited to RCF, as per Section 42 of the Rodrigues Regional Assembly Act.

According to the legal advice tendered on 2 October 2020, the Solicitor General was of the view that the Executive Council cannot transfer money from the reserve of RCF, over and above the estimates approved by the National Assembly, to revenue to cater for any shortfall. Following the approval of the Minister of Finance, Economic Planning and Development in June 2023, an amount of Rs 55.6 million was transferred to revenue so that expenditure above the Estimates could be met. However, the excess expenditure was not subsequently included in a Supplementary Estimates to be approved by the National Assembly.

Recommendation

Supplementary Estimates should be approved by the Regional Assembly.

2.5 Property Income – Amount Collected not analysed between Principal and Interest

Property Income of Rs 29,350,362 as at 30 June 2023 included, among others, revenue from rentals of State Land pertaining to residential, commercial, industrial and agricultural leases.

The amount collected as capital and interest were lumped under the respective Lease item instead of accounting the interest received separately in Statement D - Detailed Statement of Revenue of the Rodrigues Consolidated Fund for the financial year 2022-23.

Root Cause

The Manager, Financial Operations has not requested the Chief Commissioner's Office (State Lands) to submit separate list of capital and interest pertaining to rentals of State Land.

Recommendations

- The Manager, Financial Operations should record the capital and interest collected separately under their respective item code and request the Chief Commissioner's Office to submit separate lists of capital and interest pertaining to rentals of State Land.
- The Accounting Officer should always submit reliable and complete returns to be captured in the accounting records of the Finance Section.

2.6 Statement H – Statement of Deposits as at 30 June 2023 - Deposits retained for a Long Period of Time - Rs 2,284,345

A trend analysis for all deposit accounts listed in Statement H revealed that 10 deposit accounts, for a total amount of Rs 1,121,066 had remained idle for more than 10 years. Also, six deposit accounts for a total amount of Rs 1,163,279 had remained idle for periods ranging from five to 10 years.

Deposits were retained for a longer period than were necessary and were not transferred to revenue or repaid at the first opportunity contrary to financial regulations.

Root Cause

The Officer-in-Charge of Finance Section of the Commissions concerned has not taken corrective actions in respect of deposits that remained idle for a long period of time as per financial regulations.

Recommendation

The Officer-in-Charge of the Finance Section of the Commission concerned should always comply with financial regulations.

RRA's Response

A sum of Rs 1,301,124.52 from fourteen deposit accounts has been transferred to revenue.

2.7 Loan from Government of Mauritius – Rs 112.5 million -Fibre Glass Boats – Non-recovery of Loan of Rs 14.7 million

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

Following the non-repayments of these loans, the Executive Council decided on 22 August 2022 to repossess the five fishing boats from the Cooperative Societies. As of mid-August 2023, four of these boats were repossessed and one Society refused to legally hand over its boat. All the five boats were lying idle at Pointe Monier as of mid-August 2023.

2.8 Loans Guaranteed by RRA - Not accounted for and absence of Reconciliation Statement

- Loans taken by beneficiaries from lending institutions and Credit Union under the New Social Housing Schemes were guaranteed by RRA.

As of 30 June 2022, the amount guaranteed amounted to Rs 99.28 million. During the financial year 2022-23, no further amount was guaranteed by RRA for new beneficiaries.

The loans guaranteed as at 30 June 2023 have not been accounted for since the amounts refunded by the beneficiaries during the financial year 2022-23 were not known.

The Statement O (3) “*Statement of Credit Facilities guaranteed by the RRA*” was not complete and thus, did not provide relevant information to stakeholders.

- No reconciliation has been carried out between the amounts, as confirmed by two lenders, as at 30 June 2023 of Rs 15,106,996 and Rs 7,224,547 to the respective amounts of Rs 4,713,331 and Rs 86,430,007 as accounted for in the Annual Statements as at 30 June 2022, as shown in Table 3.
- Furthermore, two financial institutions have not submitted confirmation statements. Thus, the amount guaranteed by them as at 30 June 2023 was not known.

Table 3 Amount Guaranteed by Financial Institutions not disclosed

Financial Institution (Lender)	Amount as at 30 June 2023 as confirmed from Lender	Annual Statements- Amount as at 30 June 2022	Amount guaranteed for 2022-23	Amount as at 30 June 2023
	Rs	Rs	Rs	Rs
Mauritius Commercial Bank	15,106,996	4,713,331	Nil	-
Mauritius Housing Company	7,224,547	86,430,007	Nil	-
State Bank of Mauritius	No statement submitted	6,101,663	Nil	-
Nasola Cooperative Credit Union	No statement submitted	2,041,900	Nil	-
Total		99,286,901		

Source: Statement O (3) Statement of Credit Facilities guaranteed by RRA

Root Cause

The Finance Section did not reconcile the balances with the records of the Commission for Social Security.

Recommendation

The RRA should request a list of loans guaranteed under each Scheme from the lending institutions at the end of every financial year. The sums guaranteed should be reconciled with that accounted for in Statement O (3) “*Statement of Credit Facilities guaranteed by the RRA*”.

RRA's Response

The Nasola Cooperative Credit Union has now submitted the list of loans and follow up is being made.

2.9 Statement F - Register of Investments not kept

A Register of Investments was not kept as required under the Rodrigues Regional Assembly (Investment Management) Regulations 2008. The Share Certificates showing the shareholdings of RRA in the three companies, as shown in Table 4, were not seen.

Table 4 Share Certificates of Companies not seen

Name of Company	Date Incorporated
Rodrigues Business Park Development Company	12 February 2019
Rodrigues Venture Capital and Leasing Fund	13 October 1994
Rodrigues Public Utilities Corporation	21 June 2021

Source: Statement of Investment as at 30 June 2023

2.10 Statement of Arrears of Revenue – Lapses in Management of Arrears

A comparison of arrears of revenue of RRA for the past three financial years ended 30 June 2023 is detailed in Table 5.

Table 5 Arrears of Revenue for the past three Financial Years ended 30 June 2023

Revenue Items	30 June 2021	30 June 2022	30 June 2023
	Rs million	Rs million	Rs million
Property income	40.49	85.11	95.56
Rental of kiosk	0.04	0.04	0.04
Rental of snacks	0.03	0.01	-
Sales of Goods & Services (Others)	4.40	4.48	4.62
Sales of Goods & Services (Health)	1.22	1.40	1.65
Fines, Penalties and Forfeits (Judicial)	0.79	0.52	0.87
Miscellaneous Revenue	0.59	0.59	0.59
Total	47.56	92.15	103.33

Source: Annual Statements of RRA

Findings

- It is the responsibility of the Accounting Officer to ensure that revenue receivable is properly assessed, duly collected, brought to account and that appropriate action for the recovery of arrears is taken in a timely manner. It was, however, noted that control over debt management and monitoring of new arrears were practically inexistent at different Commissions/Departments especially at the Cadastral Office.
- Revenue receivable has significantly increased from Rs 47,565,830 in 2020-21 to Rs 103,330,255 in 2022-23, that is by Rs 55,764,425, representing an increase of 117 per cent over the past three financial years as a result of inadequate control mechanism and debt recovery measures.
- The major part of the total arrears of Rs 103,330,255 as at 30 June 2023 related to property income which amounted to Rs 95,560,868, representing 92 per cent, pertaining to non-payment of rentals of State Land leased.
- The arrears of revenue, mainly that, of State Land lease, consisted of long aged debts as far back as 1990, which could be time barred and therefore be irrecoverable.
- A Debt Recovery Unit has still not been set up at the Cadastral Office to curtail the increasing trend of arrears of rental of State Land leased.
- The State Land lease agreement stipulates that yearly rental is payable in advance. In this regard, claims should be issued before the start of every financial year. As of September 2023, statements of claims for yearly lease rental for the financial year 2022-23 were not yet issued to lessees, contrary to the lease agreement.

2.10.1 Property Income – Rs 95,560,868 – Overstatement/Understatement of Arrears of Revenue for financial year 2022-23

Overstatement of Revenue

Arrears of revenue as at 30 June 2023 were wrongly accounted for in the Annual Statements 2022-23 in the cases mentioned below.

- The Cadastral Office operates a State Land Lease System, which is used to keep details of lease and financial records for each lessee. Arrears of revenue from rental of State Lands comprise the yearly rentals of residential, commercial, industrial and agricultural leases and the accumulated interest or surcharge on the rentals.

Instead of applying the legal rate of interest equivalent to the repo rate as determined by the Central Bank which ranged from 1.85 to 4 per cent, a higher rate of 8 per cent was claimed by the Cadastral Office. The arrears of revenue figure as regards to State Land rentals as at 30 June 2023 has, therefore, been overstated.

- Some Rs 5.7 million which related to rental on State Land leases prepaid for the period 1 July 2023 to 30 June 2024 was wrongly accounted for in the arrears figure of Rs 95.56 million for the year ended 30 June 2023, thus overstating it by Rs 5.7 million.

State Land Industrial - Rs 67,968,053 - Delay in finalising Lease Agreement with a Company

The arrears of revenue as at 30 June 2022 and 30 June 2023 pertaining to “*Property Income-State Land Industrial*” was Rs 57,192,534 and Rs 67,968,053, respectively. Both figures included Rs 40 million in respect of the lease of State Land (Industrial) to a Company located at Plaine Corail Airport.

As per advice tendered by the Attorney General’s Office, the validity and effectiveness of a lease is subject to a deed drawn up and signed by both the lessor and the lessee. Despite the absence of an agreement, the arrears of rent of some Rs 40 million with accrued interests have been accounted for in the Statement of Arrears of Revenue for the financial years 2021-22 and 2022-23, thereby overstating the arrears of revenue figure.

On 21 July 2022, the Ministry of Housing and Land Use Planning (MHLUP) informed the Chief Commissioner’s Office that it may proceed with the drawing up of the lease agreement over the plot of State Land of an extent of 126 Ha on behalf of the Government of Mauritius.

Understatement of Revenue

As of September 2023, after more than 14 months, the industrial lease agreement was still not signed by both parties. Delay in the finalisation and signature of the lease agreement for a plot of 126 Ha has entailed the non-collection of the annual rental of Rs 4,475,000 since June 2019.

As regards to the plot of land of 44 Ha, the lease agreement was also not yet finalised, resulting in an annual shortfall of Rs 3,125,000 since June 2007.

2.10.2 Miscellaneous Revenue – Rs 594,203

- Half-yearly return of arrears of revenue as at 31 December 2022 and 30 June 2023 were not submitted by the different Commissions to the Finance Section of the Chief Commissioner’s Office, contrary to financial regulations.
- Arrears of Rs 594,203 in respect of Miscellaneous Revenue, was being carried forward since financial year 2018-19. Details of the arrears figure including the revenue class and the related period were not submitted by the Finance Section of the Chief Commissioner’s Office to NAO.

2.10.3 Fines, Penalties and Forfeits: Judicial - Rs 870,050

The figure represented arrears relating to Fines, Penalties and Forfeits for the period 2002-03 to 2022-23. In 23 cases, the accused had passed away as far back as 2002-03 and in 14 cases, the accused were untraceable. The Judiciary (Court of Rodrigues) applied for write-off of some Rs 170,000 relating to these cases since February 2008.

As of September 2023, that is, some 20 years later, no action has been initiated by the Accounting Officer for the write-off.

2.10.4 Trade Licences – Rs 27.59 million - Not accounted for in Arrears of Revenue

Income from trade licences is regulated by the Rodrigues Regional Assembly (Licences) Regulations 2003. As from 1 January 2008, some categories of trade licences under this regulation have been reclassified under a new regulation, the Rodrigues Regional Assembly (Tourism) Regulations 2007.

According to the database kept at the Commission, arrears for Trade Licences as at 30 June 2023 totalled Rs 27.59 million. This was not accounted for as arrears of revenue in the Annual Statements.

Trade Income - Inadequate Follow Up of Arrears

The Commission sends notice of claim for arrears in October and November of each financial year to the licensees. A sample of claims returned was scrutinized. The main reasons for the non-payment of trade fees were cessation of business, business not operational, death of license holders and hardship cases, according to the Commission's records.

Apart from this exercise, no other action was taken to recover the arrears which showed an increasing trend year by year as shown in Table 6.

Table 6 Arrears of Revenue for the past four Financial Years

Financial Year	Arrears of Revenue Rs million
2019-20	21.7
2020-21	23.6
2021-22	25.4
2022-23	27.6

Source: Records of Chief Commissioner's Office

Tourism Enterprise Licence - Overstatement in Arrears

55 licence holders having total arrears of Rs 1,931,750 had ceased operation after expiry of their Tourism Enterprise licences. However, the system generated new claims every year for these former licence holders. These were wrongly accounted for as arrears in the database.

No Monitoring and Status Report of Trade Licensees

The Trade Licensing Unit did not have an enforcement team to verify and monitor the status of all registered licence holders. In the absence of a proper monitoring and status report, it was difficult to ascertain whether debts could be recovered partially, completely or should be written off after all avenues have been exploited.

No Recovery action against former Licence Holders having Arrears

The list of expired licence holders, as of June 2023, comprised companies in arrears for a total amount of some Rs 2.9 million which were still in operation in Mauritius or Rodrigues.

No recovery action has been initiated against these companies. Moreover, companies under receivership were not sent notice of claim for arrears.

Root Causes

- The Officers responsible for the preparation and submission of half-yearly returns of Arrears of Revenue did not comply with legal provisions and financial regulations.
- The Accounting Officer did not closely supervise the drawing of lease agreements for the plots of State Land of 126 Ha and 44 Ha.
- The Analyst (Trade) did not monitor the database of arrears to ensure that same were collected promptly.
- The Accounting Officer did not set key deliverable to effectively monitor the performance of the Analyst (Trade).

Recommendations

- The Accounting Officer of each Commission should ensure that the legal rate of interest is applied on the amount due as per the provisions under the Code Civil Mauricien (Rate of Interest) Regulations 2022.
- The Island Chief Executive should ensure that prompt action is taken for the drawing up of the lease agreement and that it is duly signed by both parties.
- Necessary adjustments should be made in the arrears of revenue figure.
- The Accounting Officer should ensure that the Analyst (Trade) carry out field survey to assess the status of active businesses which have not settled their arrears. Adequate resources should be provided to the Trade Licensing Unit for enforcement.
- The database of arrears for Trade Licence under the two regulations should be reviewed so that reliable reports could be generated for proper monitoring and control.

RRA's Response

The Departmental Head will be requested to implement audit recommendations.

3 – ACCOUNTABILITY AND OVERSIGHT MECHANISM

3.1 Oversight Mechanism – A dysfunctional Audit Committee - Weaknesses in Internal Control System and Absence of Follow up on Recommendations of Internal Control Unit

Internal Audit (IA) and Audit Committees (AC) are recognised as key components of good governance for effective public sector management, performance and good stewardship of public money.

The Office of Public Sector Governance (OPSG), under the purview of the Ministry of Financial Services and Good Governance (MFSGG), has been promoting and monitoring the implementation of the Code of Corporate Governance and carrying out sensitisation activities on good governance.

Findings

3.1.1 *Dysfunctional Audit Committee*

- The AC was not functioning properly. The Performance Agreement (PA) 2022-23 was submitted to OPSG in November 2022 instead of July 2022 after several reminders from MFSGG and the Prime Minister’s Office, Rodrigues, Outer Islands and Territorial Integrity Division (PMO).

RRA was unable to implement a functional AC with a view to strengthening public financial management as stated in a correspondence from PMO, the Parent Ministry.

The PA was not signed by the Chairperson and members of the AC, and by each Accounting Officer of the seven Commissions, as required at Clause 26 of the Audit Committee Charter.

- The Audit Plan for financial year 2022-23 was submitted to OPSG on 16 May 2023, nearly at the end of the financial year.
- Only three meetings were held by the AC for the financial year 2022-23 instead of six, and quarterly status reports were not prepared and submitted to OPSG as per the PA.

The Accounting Officer of the Commission concerned had not ensured that the AC was operational throughout the year as per the roles and responsibilities defined in the PA.

- The Chairperson of the AC reported to the Island Chief Executive (ICE). The present governance structure of the committee is not conducive for an effective AC.
- No training had been provided to members of the AC, including the Chairperson.
- An Administrative Officer of the Chief Commissioner’s Office was appointed as Chairperson of the AC despite being ineligible for appointment according to the Guide for the effective operation of Audit Committees issued in May 2023.

Root Causes

- The Accounting Officer of each Commission has not signed a PA in compliance with the Audit Committee Charter.
- No proper induction course and training was provided to the members of the AC.

Recommendations

- The Accounting Officers of all the Commissions and the Chairperson and members of the AC should sign the PA.
- All members of the AC should ensure that they fulfil their respective roles and responsibilities as set out in the signed PA.
- Relevant training should be provided to ensure that members of the AC have relevant expertise. The AC should have a comprehensive understanding of the risk facing RRA and its Commissions.

RRA's Response

- A new Performance Agreement and draft Action Plan have been finalised for submission to the OPSG.
- Each Commission has now set up its AC and all members of the Committees have been trained by a delegation headed by the Director OPSG who was in Rodrigues on 9 and 10 November 2023.

3.1.2 Weaknesses in Internal Control System and Absence of Follow up on Recommendations of Internal Control Unit

High Percentage of uncompleted Tasks

Despite the recruitment of two Internal Control Officers in March 2023 there was a high percentage of uncompleted tasks. The budgetary provisions of RRA have increased over the years. Total expenditure for the financial year 2022-23 amounted to some Rs 5 billion compared to Rs 4.6 billion for 2021-22.

Out of 21 planned auditable areas for the financial year 2022-23, only three were completed as of September 2023 by the Internal Control Unit (ICU), resulting in 85 per cent of the planned audit work not being covered.

Draft Internal Control Reports not finalised

As of mid-August 2023, seven internal control reports were issued, of which six were still at draft stage although some seven months had elapsed since date of issue in January 2023.

The draft reports were issued and signed by the previous Team Leader (Acting Principal Internal Control Officer) without being reviewed by the Manager, Internal Control.

Absence of follow up on Recommendations of ICU

Contrary to paragraph VI 2.20 of the Internal Audit Standard Operational Procedure Manual (IASOPM), no follow up has been made by ICU to ensure that corrective actions have been taken by Management in 29 out of the 50 recommendations made during financial year 2021-22.

Root Cause

The Manager, Internal Control has not applied the IASOPM to ensure effectiveness of the Internal Audit function.

RRA's Response

- The ICU has been instructed to ensure that internal control reports are duly finalised.
- The AC will be requested to ensure close follow up of the implementations of recommendations.

3.2 Follow Up of Findings Raised in Audit Report 2021-22

A follow up of findings raised in the Audit Report for the financial year 2021-22 was carried out. The Commission was requested to inform NAO of the actions that have been taken to address the findings and recommendations in the Report. The information along with evidence collected through review of files and documents were assessed and discussed with the Commission.

The status on actions taken on findings since the publication of the Audit Report are summarised on next page. All the five findings reported have been partially resolved.

Follow-up of Findings Raised in Audit Report 2021-22

SN	Findings	RRA's Response – Status as at Mid-December 2023	NAO Comments
Oversight Mechanism – Weaknesses in Internal Control System and Recommendations Not Implemented (Page 25, Para 3.1)			
1	The audit areas planned for the financial year 2021-22 were not all covered. <i>(Page 25)</i>	Two funded posts on the RRA establishment in the Internal Control Cadre has been filled in March 2023 to strengthen the staffing of the Internal Control Unit.	Partially Resolved
2	Out of 50 recommendations made in financial years 2020-21 and 2021-22, actions were taken for only 21 recommendations, representing 42 per cent. <i>(Page 25)</i>	A follow up was carried out in July 2023 and the report is currently being reviewed by the Manager, Internal Control.	Partially Resolved
3	No corrective actions have been taken at the level of the RRA as at September 2022 as regards weaknesses highlighted by the PPO in 2018 and a Corruption Prevention Review carried out by the ICAC in 2018. <i>(Page 26)</i>	A Performance Review Committee chaired by the Head, Public Infrastructure has been set up. The Procurement Policy Office very often proceeded to Rodrigues for guidance on procurement matters.	Partially Resolved
4	The Chairperson and one of the members were not independent of the Management of RRA. As of September 2022, only one meeting was held instead of one meeting quarterly. <i>(Page 26)</i>	Each Commission has now set up its AC. All members of the Committees have been trained by a delegation of the OPSG in November 2023.	Partially Resolved
5	No Performance Agreement of the AC and Action Plan for the financial year 2021-22 were submitted to the OPSG as of September 2022, despite requests were made on three occasions. <i>(Page 26)</i>	Performance Agreement for 2022-23 signed on 8 November 2022.	Partially Resolved

4 – CHIEF COMMISSIONER’S OFFICE

4.1 Budgeted Funds released from Projects not implemented and those kept on hold

4.1.1 Non-implementation of Projects budgeted and Implementation of Projects not budgeted in Estimates 2022-23

For the financial year 2022-23, projects for a total amount of some Rs 170 million have not been implemented and the ‘savings’ under specific unspent items were reallocated to other items of expenditure. Refer to Table 7.

Table 7 Examples of Budget Provisions reallocated to other Items of Expenditure

Sub Head	Vote/Item	Details	Estimates Rs
2-101	31113438	RRA Contribution to Water Sector Development across Rodrigues (EU Water Projects)	3,600,000
2-208	31112831	Setting up of a Technical School at Citron Donis in the context of 9-year Continuous Schooling Programme	10,000,000
2-310	31113004	Construction of 1000 m ³ reservoir at Mt Cherie	5,000,000
2-310	31113004	Setting up of new public Fountains and upgrading of existing ones around Rodrigues	4,000,000
2-310	31113005	Supply, Installation and Commissioning of containerised pressure filtration plant	8,000,000
3-111	31113015	Construction of new community centre at Grande Montagne	5,000,000
4-101	31110829	Construction of Veterinary Complex	2,500,000
4-103	31113006	Dredging Programme of Boat Passage	10,000,000
4-104	31113016	Acquisition of Equipment for Coffee Processing Unit at St Gabriel	1,000,000
5-106	31112827	Training Complex for the Disabled	1,000,000
8-102	31113013	Construction of Youth Centre at Ile Michel	1,500,000

Source: Appendix D of Budget Estimates FY 2022-23 of RRA

On the other hand, there were projects that were implemented which were not originally provided for in the budget estimates. Refer to Table 8.

Table 8 Examples of Projects Implemented for which no Budget was originally Allocated

Sub Head	Vote Item	Description	Actual Expenditure Rs
2-310	31113435	Procurement of supply, installation, testing and commissioning of reserve Osmosis for desalination plants and equipment at Baie Malgache & Pte Cotton	4,776,000
2-310	31113435	Repairs to Reverse Osmosis Plant at Pointe Coton and Relocation of Reverse Osmosis Plant from Baie Malgache to Songes & Pointe Venus	18,396,000
3-104	31113001	Extensive Patching from Songes to Anse Raffin	14,797,000
3-104	31113001	Resurfacing of Road from Junction Grand La Fouche Corail to Bridge La Ferme	11,508,000
3-104	31113001	Proposed Construction of Road and Box Culvert at Anse Raffin Near Football Ground	14,010,000
3-104	31113001	Upgrading of road from Patate Theophile to Anse Ally Road Phase 2	8,278,000
3-104	31113001	Construction of Parking and Bus lay by at La Ferme	9,024,000
3-104	31113001	Resurfacing of Road from Cardinal Pre-Primary School at Accacia to Pointe La Guele	12,981,000

Source: Annual Statement (DI) of RRA

The non-implementation of projects originally budgeted and implementation of projects not originally budgeted was due to poor budgetary planning.

4.1.2 Projects kept on hold by RRA

- As per the Status Report submitted by the Global Consultancy firm in March 2023, 59 projects as approved in the Estimates, were put on hold by RRA for the past five years. The estimated costs of these projects amounted to some Rs 2.1 billion.
- Some Rs 16.7 million had been incurred for the preparation of preliminary design and tender by the Consultant in respect of 45 out of the 59 projects put on hold.
- Three projects with project value of at least Rs 15 million had been cancelled by RRA. Consultancy fees totalling Rs 155,463 were paid to the Consultant.

Refer to Table 9.

Table 9 Consultancy Fee paid on Projects put on Hold and Cancelled

	Number of Projects	Project Value Rs	Preliminary Design Stage Rs	Tender Stage Rs	Fees paid Rs
Projects put on hold	59	2,052,297,764	5,840,052	10,899,257	16,739,309
Projects cancelled	3	15,237,700	44,418	111,045	155,463

Source: NAO Analysis of Consultancy Status Report March 2023-Commission for Public Infrastructures

Root Causes

The Accounting Officer of the Commissions concerned did not:

- set priorities and clearly define a plan for the different projects to be implemented; and
- properly estimate the resources that would be utilised during the project execution.

Recommendations

The Accounting Officer should ensure:

- that budgeted projects are properly planned and implemented; and
- that funds earmarked for specific project, once approved by the Regional Assembly, should not be reallocated to other projects not budgeted.

4.2 Actual Overtime of Rs 77 million far exceeded Budgeted Amount of Rs 22.5 million

Due consideration was not given to the general principles governing overtime payment as per the Human Resource Management Manual (HRMM). According to the Manual, overtime should not be resorted to except where it is absolutely necessary. Accounting Officers should authorise the performance of overtime in advance, and ensure that same is performed cost effectively and that records are kept of the work performed.

During financial year 2022-23, the actual amount of overtime paid by the seven Commissions totalled some Rs 77 million, representing an increase of 242 per cent over the budgeted amount of Rs 22.5 million.

Findings

- For the financial year 2022-23, out of 2,844 employees on RRA's Establishment, 1,201 were paid overtime, representing 42 per cent of the workforce. The analysis at Table 10 shows an alarming trend of excessive overtime payment over the past three financial years.

Table 10 Comparison of Budgeted Overtime and Actual Amount paid for past three Financial Years

Overtime	2020-21 Rs million	2021-22 Rs million	2022-23 Rs million
Budget	22.50	22.50	22.50
Actual	31.41	61.11	77.02
Increase	8.91	38.61	54.52
Percentage Increase	39%	171%	242%

Source: Analysis based on Budget Estimates and Report from Vote Section

- There was a lack of control over the performance of overtime on the part of the Accounting Officers of the different Commissions. This had led to the emergence of an overtime-dependent workforce which had an adverse impact over staff cost.
- An analysis of the percentage of annual overtime paid to the 1,201 employees showed that:
 - 120 employees had been paid overtime, ranging from 50 to 100 per cent of their annual salaries.
 - 59 employees had been paid overtime more than 100 per cent of their annual salaries.
- No concrete action was taken by the relevant Commission to investigate the cause for such excessive overtime payment. A correspondence was issued by the ICE to remind the Departmental Heads to exercise strict control on overtime payment on 4 July 2023.
- Cases of inaccurate recording were noted in the manual attendance at the Commission for Health. Further, the Electronic Attendance Register has not been used by the employees of the Commission.

Root Causes

The Accounting Officer of the Commissions concerned did not:

- control and monitor overtime payment; and
- identify other measures to avoid excessive overtime.

Recommendations

- The Accounting Officer should authorise overtime only where it is absolutely necessary.
- New measures such as roster system, shift system, additional staff on loan from other sections, among others, should be envisaged to counter the excessive overtime payment.

- For control purposes, the Accounting Officer should ensure that all employees use the Electronic Attendance Register.

RRA's Response

In a letter dated 4 July 2023, Accounting Officers have been instructed to maintain strict control on the performance of overtime.

4.3 No Memorandum of Understanding (MOU) for disbursement of Rs 51 million to Airport of Rodrigues Ltd

For the financial year 2022-23, a budget of Rs 51.4 million was provided in favour of Airport of Rodrigues Ltd (ARL) as subsidy to finance its operational deficit. The actual amount disbursed to the company for the financial year was Rs 51 million.

The objective of introducing the subsidy was to provide ARL an alternative to the increase in Passenger Service Charge and consequently, to nullify the effect on the price of air tickets.

No MOU was signed between RRA and ARL to outline the conditions for granting the subsidy.

Recommendation

The Accounting Officer should, henceforth, ensure that an MOU is signed between both parties before disbursement of the subsidy.

RRA's Response

In view of maintaining the current rate of the Passenger Service Charge, a provision of Rs 51.4 million was made in the Budget of RRA for the financial year 2022-23 as grant to ARL so that it could meet its operational expenses.

4.4 Lapses in Implementation and Monitoring of Fleet Management System for Vehicles of RRA

On 18 October 2021, a five-year contract for the “*Supply, Installation, Configuration and Commissioning of a Fleet Management System for Vehicles of the RRA on a rental basis*” was awarded to a private company for the amount of Rs 9,997,962. A monthly rental of Rs 151,452 was being paid as from date the system went live, that is 25 July 2022.

Findings

4.4.1 Equipment delivered and commissioned with Delay – Liquidated Damages not applied

- The equipment was delivered, installed and commissioned in June 2022 instead of December 2021 as per the conditions of the contract, that is with a delay of six months.

Liquidated damages to a maximum of Rs 999,796 was not charged to the private company, contrary to the conditions of the contract.

- As per conditions of contract, training for the operation of the system was to be provided to all Transport Officers of RRA within five days after the supply, testing and commissioning of the equipment, that is, by 13 December 2021.

Training was actually completed by end of July 2022, with a delay of six months.

Root Cause

The Accounting Officer did not enforce the conditions of contract.

Recommendations

- The ICE should ensure that all conditions of the contract are enforced by the Departmental Head.
- The Accounting Officer should envisage to recoup liquidated damages from the service provider.

RRA's Response

Action will be initiated to recoup the liquidated damages under clause 3.10.1 of the contract.

4.4.2 Global Positioning System and other Devices not fitted in all RRA's Vehicles

According to the contract, the Fleet Management System (FMS) which included the Global Positioning System (GPS) was to be implemented in all the 150 vehicles of RRA.

On 28 June 2022, a list of 130 vehicles equipped with GPS devices was submitted by the service provider. However, as per the list of vehicles extracted from the FMS in July 2023, only 106 vehicles were fitted with GPS devices. In that list, one vehicle was recorded twice and another one fitted with GPS in July 2022, was boarded in March 2023 following an accident. Thus, 104 vehicles were actually fitted with GPS devices.

The monthly rental paid to the service provider was calculated on the basis of 130 vehicles instead of 104. As of July 2023, an amount of Rs 188,760 was thus overpaid to the service provider for the period 25 July 2022 to 24 June 2023.

Root Causes

The Head, Transport did not:

- take appropriate action for the installation and configuration of GPS and any associated devices in the remaining vehicles; and
- verify the exact number of vehicles fitted with GPS before certifying the claims submitted by the service provider.

Recommendations

- The Accounting Officer should ensure that all RRA's vehicles are fitted with GPS.
- The monthly rental should be based on the actual number of vehicles fitted with GPS.
- The Accounting Officer should initiate action to recover any amount overpaid.

RRA's Response

- Technicians of the service provider were actually in Rodrigues in November 2023 to install GPS on RRA's vehicles which were not fitted with same.
- Overpayment is being recouped from future payment as from the last claim received.

4.4.3 No User Login created for FMS to be Fully Operational

As of July 2023, the FMS was not fully operational and the status was as follows:

- All requests for transport services, details of maintenance, repairs cost, fuel consumption of the vehicles, among others, were still being done manually instead of electronically through the FMS.
- No periodic reports were generated from the FMS although it can generate such reports for various purposes.
- The Transport Officer of Commissions had not sent all the names and e-mail addresses of officers using RRA's vehicles to the IT Unit to create their ID logins in the FMS.

Root Cause

The Head, Transport had not monitored the works of the Transport Officers to ensure that the FMS was being fully utilised.

Recommendations

- The ICE should issue a circular, instructing all officers to use the FMS when requesting for transport facilities.
- The Accounting Officer and the Head, Transport should ensure that the FMS is fully implemented by the Transport Officer attached to the different Commissions.

RRA's Response

All Commissions are being reminded to make optimal use of the system.

4.4.4 GPS on Vehicles not transmitting Data to Server

As per a report generated by the FMS in July 2023, GPS devices installed in 25 vehicles were not transmitting data to the application server as the devices could have been manipulated or switched off.

No investigation was carried out by the Head, Transport to ascertain the reasons as to why the GPS were not transmitting data to the server.

Root Cause

The Head, Transport did not generate FMS report concerning GPS not transmitting data prior to July 2023 and did not take appropriate remedial action.

Recommendation

The Accounting Officer of the Commission should ensure that the GPS devices are not manipulated or switched off.

RRA's Response

GPS has been reinstalled on two vehicles on which the devices were disconnected. The service provider had been requested to examine devices which appear to be defective on six other vehicles for remedial action.

4.5 Setting Up of Private Companies – Objectives not attained in most Cases

The objectives for the incorporation of private companies were to provide efficient and effective service delivery to the population in the field of solid waste management, tourism promotion and development, management of the water sector, and trade and commerce, among others.

The Chief Commissioner's Office did not comply with the relevant investment regulations. Most companies faced serious financial difficulties and relied on regular financing from the Rodrigues Consolidated Fund for their financial sustainability as they are non-profit making.

Findings

4.5.1 Non-Compliance with the Rodrigues Regional Assembly (Investment Management) Regulations 2008

The Rodrigues Regional Assembly (Investment Management) Regulations 2008, effective from 3 January 2009, were promulgated to establish control mechanisms over RRA investments in companies.

- *Non-Submission and Tabling of Annual Reports*

Section 20 of the Rodrigues Regional Assembly (Investment Management) Regulations 2008 requires the Board of Directors to publish an annual report, including the audited accounts, in relation to the company's functions, activities, affairs and financial position for the previous financial year and submit same to the Commissioner who should lay it on the table of the Regional Assembly.

As of mid-August 2023, annual reports incorporating the financial statements were not submitted by four companies. Table 11 shows details of the annual reports of companies not submitted and tabled at the Regional Assembly.

Table 11 Annual Reports Not Submitted and Tabled

SN	Companies	Years
1	Discovery Rodrigues Co. Ltd	2017 - 2022
2	Rod Clean Co. Ltd	2021 - 2022
3	Rodrigues Educational Development Co. Ltd	2017 - 2022
4	Rodrigues Trading and Marketing Co. Ltd	2017 to date

Source: Finance Section

Investment and all expenses borne by RRA in favour of these companies have thus remained outside the purview of the Regional Assembly.

During the financial year 2022-23, some Rs 75.5 million have been disbursed to companies such as Rod Clean Ltd, Discovery Rodrigues Co. Ltd and Rodrigues Trading and Marketing Co. Ltd to meet their operating costs. Moreover, some Rs 8 million, which were provided in the Budget 2022-23, were invested in the equity shareholding of two companies, namely Rodrigues Public Utilities Corporation and Rodrigues Sports Island Company Ltd.

In the absence of the Companies General Fund, these disbursements were effected from the Rodrigues Consolidated Fund without any disclosure note in the Annual Statements.

The disbursements were effected from expenditure items in RRA's budget instead from a grant item during financial year 2022-23. Refer to Table 12 for details.

Table 12 Disbursement effected from Expenditure Items

SN	Company	Vote Item	Amount Rs million
1	Rod Clean Co. Ltd	Sub Head 3-110, 22070005	58.71
2	Discovery Rodrigues Co. Ltd	Sub Head 7-102, 22900922	14.90
3	Rodrigues Trading and Marketing Co. Ltd	Various Vote Items from Commission of Agriculture and Commission of Education	1.89
Total			75.50

Source: Annual Statements

4.5.2 Poor Performance of Companies

During the past five financial years ended 30 June 2023, significant amounts have been injected into these companies in the form of equity and financing of operational costs. However, no returns from these investments have been obtained. Furthermore, accumulated losses were a recurrent feature of these companies. Out of 17 companies incorporated as of mid-August 2023:

- Three had negative net assets, indicating they had accumulated losses over the years.

- Three had already been wound up.
- One had never submitted accounts.
- Seven were dormant.
- Two were in operation.
- One was not operational (Building under construction)

Refer to Table 13 for details.

Proper mechanism was not put in place to regularly evaluate whether the rationale for investing in the respective companies was still valid and whether value for money was being obtained.

RRA's Response

Rodrigues Sports Island Co. Ltd is operational and its activities consist of the management and maintenance of sport infrastructures around the island.

Table 13 Performance of Companies of RRA

SN	Name of Companies	Equity (RRA Shareholding) Rs	Date Incorporated	Remarks
1	Rodrigues Educational Development Co. Ltd	51,000	30.12.1988	In operation
2	Rodrigues Venture Capital and Leisure Fund	2,500,000	19.10.1994	Dormant
3	Rodrigues Trading and Marketing Co. Ltd	12,960,350	30.06.2006	Negative Net Assets
4	Discovery Rodrigues Co. Ltd	2,000,000	15.11.2006	Negative Net Assets
5	Rodrigues General Fishing Co. Ltd	6,400,000	08.06.2007	Wound Up
6	Rod Clean Co. Ltd	25,188,590	19.09.2007	Negative Net Assets
7	Rodrigues Water Co. Ltd	17,000,000	29.10.2007	Wound Up
8	Rodrigues Housing and Property Development Co. Ltd	3,000,000	12.01.2010	Wound Up
9	Rodrigues Tourism Development Ltd	5,100,000	28.02.2018	No accounts submitted
10	Rodrigues Business Park Development Co. Ltd	6,500,000	11.02.2019	Building still under construction
11	ICT Development and Promotion Co. Ltd	100,000	08.04.2019	Dormant
12	Rodrigues Public Utilities Corporation	26,396,532	18.06.2021	In operation
13	Safe Rodrigues Co. Ltd	-	19.09.2021	Dormant
14	Rodrigues Sports Island Co. Ltd	1,000,000	31.12.2021	Dormant
15	Rodrigues Housing and Property Development Co. Ltd	-	25.10.2022	Dormant
16	Rodrigues Nature Co. Ltd	-	29.11.2022	Dormant
17	Rodrigues Coffee Co. Ltd	-	02.03.2023	Dormant

Source: Statement F

4.5.3 Rodrigues Venture Capital and Leasing Fund – Not operational since Year 2018

The main purpose for setting up the company was to provide loan facilities at concessionary rates to entrepreneurs from various sectors such as fishing, handicraft, agriculture and arts. However, as of mid-August 2023, the company, with a share capital of Rs 2.5 million, was still dormant as no activities and transactions have taken place since RRA became the sole shareholder of the company in the year 2018.

As at 30 June 2023, the company had some Rs 11 million in its bank account.

RRA's Response

A new Board has been set up and is negotiating with DBM Ltd to facilitate the management of the fund in view of its reactivation.

4.5.4 Companies Wound up – Loss of Investment and Contribution of Rs 67.4 million

Three companies, namely Rodrigues Housing and Property Development Co. Ltd, Rodrigues General Fishing Co. Ltd and Rodrigues Water Co. Ltd, in which RRA had invested Rs 26.4 million and contributed Rs 41 million to their operating costs, were wound up within five years of their incorporation.

Hence, RRA has made investments and has not obtained any return on its investments.

4.5.5 Cases of Mismanagement of Companies

▪ Rodrigues Trading and Marketing Company (RTMC) Ltd

The audited accounts of RTMC Ltd for the year ended December 2020 showed that the company had incurred a net loss of Rs 2.6 million and had negative equity of Rs 19 million. These indicated that a material uncertainty existed that might cast significant doubt on the company's ability to continue as a going concern. The accounts of RTMC Ltd for the financial years ended 31 December 2021 and 31 December 2022 were not made available to NAO as of mid-August 2023.

RRA's Response

The RTMC has diversified its activities with the sales of State Trading Corporation products.

▪ Rodrigues Tourism Development Company (RTDC) Limited

RTDC Ltd has as shareholders RRA and the Trianon Hotel Tourism Management Centre with a shareholding of 51 and 49 per cent, respectively. The company was incorporated on 28 February 2018.

As per agreement made with the company, the shareholders were to contribute a sum of Rs 10 million for the refurbishment of the building to house the Hotel and Tourism Business School in Rodrigues. Thus, on 20 October 2018, RRA contributed an amount of Rs 5.1 million from the Rodrigues Consolidated Fund.

As of mid-August 2023, more than three years after its creation, RTDC Ltd has not prepared any financial statements.

The Manager, Internal Control conducted a special assignment on the affairs of the company in August 2022. The report highlighted, among others, the following issues:

- A lack of due diligence by the Board to enquire into the contribution of Rs 4.9 million not injected into the company.
- Failure to file financial summaries for the past three years at the Corporate Business Registration Department.
- Inadequate and ineffective controls over expenditure incurred by Trianon Hotel Management Centre Ltd on behalf of RTDC Ltd.

No remedial action was taken by RRA in light of the findings.

RRA's Response

The company is no more operational. RRA has resumed possession of the building and same has been converted into a Centre for Sustainable and Integrated Development.

4.5.6 New Companies Incorporated by RRA but not yet approved by PMO

The PMO, by way of a Circular dated 25 May 2023, informed all Ministries/Departments that clearance of PMO should be obtained prior to the incorporation of any new Government-owned company/Special Purpose Vehicle with the Registrar of Companies.

Approval of PMO was sought for the creation of four companies in August 2023. As of November 2023, the clearance was still pending.

RRA's Response

All the companies were incorporated prior to 25 May 2023. Based on the circular dated 25 May 2023, approval of PMO was sought for the operationalisation of the companies.

Recommendations

The Accounting Officer should, henceforth, ensure that:

- the RRA (Investment Management) Regulations 2008 are always complied with.
- the RVCF is operational for the benefits of the population.
- the performance of the companies are monitored and regularly evaluated.
- in the Budget Estimates and Annual Statements, any recurrent or capital grants to companies be clearly disclosed.
- an Investment Management Committee, comprising relevant stakeholders, be set up to monitor and review the performance of all companies.

The Chief Commissioner's Office should, henceforth, comply with PMO Circular dated 25 May 2023 with regards to the creation of companies.

4.6 Construction of one Additional Classroom in four Pre-primary Schools — Lapses in Contract Management

The contract for the construction of one additional classroom in four pre-primary schools at La Ferme, Latanier, Malartic and Montagne Goyaves was awarded to a Contractor on 7 February 2022 for the amount of Rs 8.5 million.

The four sites were handed over to the Contractor on 5 May 2022, with a delay of almost three months. The project was to be completed by 19 August 2022.

As of 30 June 2023, a total amount of Rs 8.2 million was already disbursed to the Contractor.

Findings

4.6.1 Variation Works approved after Completion of Contract

On 31 August 2022, variation works for a total amount of some Rs 2 million was submitted by the Consultant to the Commission for approval and variation works of some Rs 1.3 million were approved. However, variations works of Rs 376,531 and Rs 287,500 were approved on 27 February 2023 and 13 April 2023, respectively, after the sites were taken over on 4 January 2023.

RRA's Response

The Project Manager submitted Cost Report No 3 for approval on 14 November 2022. Following query from the Commission, the Project Manager submitted additional information on 14 February 2023.

4.6.2 Taking over of Sites – Taking Over and Practical Completion Certificates and Documents not available

Although the Consultant informed the Commission that all the sites had been taken over on 4 January 2023, Taking Over Certificates and Practical Completion Certificates were not available in the relevant file. Furthermore, there was no indication that the Contractor had submitted the operational manual of the electrical appliances and as-made drawings.

4.6.3 Liquidated Damages not yet charged

On 12 June 2023, some eight months after the request for an extension of time (EOT) of 90 days made by the Contractor on 19 September 2022, the Consultant approved EOT of 65 days only, thereby revising the contractual completion date to 23 October 2022.

However, the project was completed and the four sites were taken over by the Commission on 4 January 2023, that is with a delay of 73 days. As of mid-August 2023, liquidated damages amounting to Rs 365,000 at the rate of Rs 5,000 per day up to a maximum amount of 10 per cent of the contract value, were still not charged to the Contractor.

RRA's Response

The Project Manager has been requested to submit recommendation for claim for liquidated damages and an update regarding works that were to be implemented as per snag list.

4.6.4 Insurance and Performance Security not renewed

The insurance cover and the performance bond which expired on 24 June 2023 and 15 July 2023 respectively, were not renewed to cover the defects liability period ended 3 January 2024.

4.6.5 Snag Lists not attended to by the Contractor

According to the Consultant, the Contractor would have to attend to the snag lists during the defects liability period ended 3 January 2024. However, as of mid-August 2023, there was no evidence that the snag lists were being attended to.

Root Cause

There was no dedicated Project Engineer to supervise and monitor the construction project.

Recommendation

The ICE and the Accounting Officer of the Deputy Chief Commissioner's Office should ensure that an Engineer is delegated to supervise projects undertaken by the Commission responsible for Education.

4.7 Construction of Gymnasium at La Ferme College - Lapses in Project Management

The construction of a gymnasium at La Ferme College was approved by the Executive Council on 27 February 2018 with the objective of providing facilities for college activities, training by the 'Centre de Formation' and competitions at regional, national and international levels, and to cater for the organisation of international competitions.

On 24 August 2020, contract for the construction of a gymnasium at La Ferme College was awarded to a Contractor for the sum of Rs 105.1 million. Works started on 8 October 2020 and was scheduled to be completed on 31 December 2021.

As at 30 June 2023, a total amount of some Rs 82 million, representing 78 per cent of contract value was paid to the Contractor.

The objective for the construction of the gymnasium has not been attained. The students were, therefore, deprived of the activities that would have been carried out at the gymnasium as the project was still ongoing as of mid-August 2023. There was no indication as to when those activities would be provided.

Findings

4.7.1 Feasibility Study not carried out

Although the project value for the construction of the gymnasium exceeded Rs 100 million, a feasibility study of the project was not carried out.

4.7.2 Slow Progress of Works due to insufficient Plant, Labour and Equipment on Site of Works

The Consultant effected 13 site visits and during each of these visits, it was noted that there was insufficient number of plant, labour and equipment mobilised on site since the start of the project, which led to delay in completion of works.

On 22 February 2021, the Consultant drew the attention of the Contractor that the progress of works was as low as 13 per cent instead of 20 per cent as per program of work. On 15 July 2022, 13 October 2022 and 23 November 2022, the Consultant again drew the attention of the Contractor about slow progress of works, and that the site agent and general foreman were not present on site.

4.7.3 Absence of Engineer of the Commission in Site Meetings

Site meetings were held regularly on a monthly basis. However, the Engineer of the Commission was not present in several of those meetings. Major issues which required the attention of the Commission were addressed by the Consultant through correspondences. Hence, the Commission had placed too much reliance on the Consultant.

4.7.4 Liquidated Damages of Rs 4.5 million not claimed from Contractor

On 14 October 2022, the Consultant informed the Contractor that claims for a total of 621 days of EOT submitted during period December 2021 to August 2022, had been assessed and that only 146 days were approved. Thus, the contractual completion date was revised from 31 December 2021 to 26 May 2022.

However, the project was still on-going as of mid-August 2023. Liquidated damages to a maximum of Rs 4.5 million for delay in completion of works, as per the General Conditions of Contract, were not claimed from the Contractor.

4.7.5 Dispute in respect of Rejection of Claim for Extension of Time of Completion set at large

On 13 March 2023, the Contractor issued a notice of disagreement in respect of the non-approval of the claim for EOT of 382 days. On 24 March 2023, the Contractor claimed costs associated with EOT of completion set at large amounting to Rs 35.4 million.

According to the Project Manager, the contract did not allow the Contractor to set the time for completion 'at large' and, therefore, the Commission and the Contractor have to make every effort to resolve the dispute amicably by direct informal negotiation. The Project Manager further suggested that the Commission might consider to dispute the Contractor's claim for costs or to terminate the contract.

As of mid-August 2023, the Commission had not taken any action in respect of the suggestions made by the Project Manager.

4.7.6 Non-submission of Performance Report

As per Directive 64 of the Procurement Policy Office (PPO), the Commission should set up a Performance Review Committee to assess the Contractor's performance. Poor performing Contractors should be reported to PPO.

However, a Performance Review Committee was not set up. Thus, the poor performance of the Contractor was not reported to PPO.

4.7.7 Insurance Cover not renewed

The employer's liability insurance policy was not renewed since its expiry on 31 July 2023 although the project was still ongoing as of mid-August 2023.

4.7.8 Site Visit by NAO Officers on 10 August 2023

A site visit effected on 10 August 2023 by NAO Officers showed that works outside the gymnasium was ongoing, the parking space was under construction, and the sports flooring of the gymnasium was still not completed.

Root Causes

- A proper feasibility study of the project was not carried out.
- The project was not properly monitored by the Commission as there was no Engineer posted at the Commission to oversee high value projects.

Recommendations

- The Commission should request for an Engineer from the Deputy Chief Commissioner's Office to deal with technical issues.
- The Commission should set up a Project Monitoring Committee to ensure the proper management and supervision of projects.
- A Performance Review Committee should be set up to report on non-performing Contractors to PPO.

RRA's Response

- Upon receipt of recommendation from the Project Manager, necessary action will be taken to charge the amount to be claimed as liquidated damages from the Contractor.
- A meeting with the Contractor was scheduled on 22 August 2023 and neither the Contractor nor its representative attended the meeting. The Commission has requested the Consultant to submit an assessment of materials on site and outstanding works so as to enable the Commission to take an informed decision with respect to an eventual termination of contract.

- The Project Manager submitted a Status Report on 10 November 2023 regarding the implementation of the project. Consequently, the Commission for Public Infrastructure was requested to submit technical views on the Report and advise this Office on the way forward.
- The Consultant will request the Contractor to extend the insurance policy up to the end of the contract plus maintenance period.

4.8 Delay in Completion of Construction Works of Gymnasium at Terre Rouge

At paragraph 4.8 of Audit Report 2020-21, mention was made that in July 2017, a contract for the construction of Terre Rouge Gymnasium was awarded to Contractor A for some Rs 40.9 million. Works were scheduled to be completed on 4 June 2018. However, due to the poor performance of the Contractor, the contract was terminated on 13 May 2019, when 46 per cent of works were completed.

Thereafter, a bidding exercise for the project ‘Completion Works at Terre Rouge Gymnasium’ was launched on 6 December 2019 to complete the remaining works. On 9 March 2021, the contract was ultimately awarded to Contractor B, for an amount of Rs 48.2 million. The project was supervised by the Consultant appointed by RRA and was scheduled to be completed on 23 March 2022.

The project consisted of:

- (a) Completion of works to the multipurpose hall in reinforced concrete with block walling and slopping slab of an approximate gross floor area of 789 m²; and
- (ii) Service installation.

As at 30 June 2023, a total amount of some Rs 28.2 million was already disbursed to the Contractor.

Findings

4.8.1 Delay in Completion of Project

On 27 January 2023, Contractor B submitted a revised program of works with completion date of 31 March 2023. On 15 June 2023, the Consultant informed Contractor B that there was a delay in the completion of the project and that the works were completed at only 93 per cent. The construction works which were to be completed on 23 March 2022 were still on-going as of mid-August 2023.

During a site visit effected by NAO Officers on 4 August 2023, it was noted that the works inside the gymnasium were still on-going and several works were also outstanding outside the building.

4.8.2 Liquidated Damages not yet applied

As of mid-August 2023, the Commission had not yet applied liquidated damages to the maximum amount of Rs 4.5 million to the Contractor although the construction works which were to be completed by 23 March 2022, were still on-going.

4.8.3 Insurance Cover not renewed and Documents not submitted

The insurance cover which expired on 31 March 2023 was not extended, as of mid-August 2023.

On 21 June 2023, the Consultant informed the Contractor that, as per contract, prior to final testing and commissioning by the M&E Engineer, the Contractor had to submit the following documents: as-built drawings and tests sheets for electrical and plumbing installations. However, as of mid-August 2023, the Contractor had not submitted any of these documents to the Commission.

Root Cause

There was no Project Engineer in the Chief Commissioner's Office to supervise and monitor the construction works.

Recommendation

The Accounting Officer should ensure that a Project Engineer is posted at the Commission to supervise all construction projects.

RRA's Response

- The Contractor, in a letter dated 12 October 2023, was informed that the Commission will apply liquidated damages to the maximum amount of Rs 4.5 million from the remaining monies.
- The Commission for Public Infrastructure will be requested anew to delegate a Project Engineer on a full time basis to assist the Commission to supervise and monitor high value projects.

4.9 Construction of Football Ground at Le Chou College – Lapses in Contract Management

On 6 August 2021, the contract for the construction of a football ground at Le Chou College was awarded to a Contractor for an amount of Rs 13,272,265. The site was handed over to the Contractor on 2 September 2021, almost one month after the date of award of contract, and the construction works started on 16 September 2021. The intended completion date for the project was 180 days as from start of works, that is, on 15 March 2022.

As at 30 June 2023, a total amount of some Rs 13.7 million was disbursed to the Contractor.

Findings

4.9.1 Delay in submission of Revised Bidding Documents by Consultant

On 7 September 2020, the Departmental Bid Committee requested the Consultant to submit some missing information in the bidding documents. However, the revised bidding documents were submitted by the Consultant on 9 February 2021, five months later.

4.9.2 Poor Project Design by Consultant

A proper survey of the site was not carried out by the Commission and the Consultant prior to the design of the project.

On 1 October 2021, some two months after the award of contract, the Consultant informed the Commission about a slope of some 8 metres deep on the left-hand side and a hill on the right hand side of the proposed football ground. According to the Consultant, the football ground would be of a width of 40 metres instead of the standard size of 45 metres.

4.9.3 Variation Works approved after Taking Over of Project

On 19 April 2022, the Consultant submitted a cost report of several variation works totalling Rs 1,322,909 for approval, of which only Rs 349,368 were approved by the Commission. The remaining variation works totalling Rs 973,541, which included reinforced boundary block work to fencing, construction of concrete turning bay and new drain, and chain-link fencing, were approved only on 27 February 2023, some three months after the project had been taken over by the Commission on 18 November 2022.

4.9.4 Liquidated Damages not charged for Delay in Completion of Works

Works which were to be completed by 15 March 2022, were completed and taken over with a delay of eight months. As of mid-August 2023, liquidated damages amounting to Rs 995,420 had not been charged to the Contractor for the delay.

4.9.5 Delay in effecting Payments to Contractor

As per conditions of contract, the Project Engineer had 21 days to certify a claim and, the Commission had seven days to effect payment, after which the Contractor could claim interest for late payment.

The Commission paid interest of Rs 30,403 for delays in effecting payments to the Contractor varying from 27 to 65 days. Nugatory expenditure was, thus, incurred by the Commission.

4.9.6 Site Visit by NAO Officers

During a site visit effected by NAO Officers on 11 August 2023, accompanied by a Senior Inspector of Works, the following were noted:

- The football ground was covered with rocksand instead of topsoil.
- The gate although made of galvanised mild steel sheet, was rusting.

Root Causes

- The project was not properly planned and designed by the Project Consultant.
- No Project Engineer was assigned to oversee the project.

Recommendations

- The Commission should ensure that as soon as a contract is awarded, the Project Engineer should hand over the site to the Contractor to avoid undue delay in starting the works.
- All variation works should be approved prior to start of works.

RRA's Response

- Change in standard bidding documents by PPO in October/November 2020 has necessitated the initial bid documents to be reviewed, thus resulting excessive time taken for submission of revised documents.
- Approval of variation works were delayed due to lack of technical expertise with respect to assessment and evaluation. The views of Commission for Public Infrastructure were sought to assess the variation works.
- On 8 November 2023, the contractor was informed that completion date has been extended to 25 September 2022 and the delay was hence 47 days. The contractor was notified that liquidated damages amounting to Rs 705,000 would be applied.

4.10 Management of State Lands in Rodrigues – Absence of a Digital System and Poor Administration

State Land is undeniably one of the scarce resources in Rodrigues due to the small size of the island. It has an area of some 10,000 hectares, out of which some 1,000 hectares are privately owned. The management of State Land in Rodrigues is vested in RRA.

Findings

4.10.1 Absence of Digital State Land Register

As of mid-August 2023, a Digital State Land Register was not in place to ensure the completeness of State Lands under the responsibility of the Chief Commissioner's Office. No records were available to show the total extent of State Lands actually owned by RRA, the number and extent of existing leases, classification and zoning of State Lands to be used for residential, agricultural or any other purposes.

The parcelling and extent of each and every plot of State Land leased were only available in the *Auto Cad Map* system at the Cadastral Office.

The implementation of a land information database to maintain up-to-date lease and land use records in the form of a Geographic Information System (GIS) was still being awaited.

4.10.2 Considerable Delay for the Setting up of a Land Administration Management System at the Cadastral Office

The decision to set up a Land Administration Management System (LAMS) at RRA dated back to 2013. The main objective of LAMS was to facilitate the efficient use of land and land-related resources for the advancement and well-being of the population through the efficient delivery of services to the public.

However, as of mid-August 2023, ten years later, this important project has still not materialised.

Root Cause

The Commission has not set up a Project Steering Committee (PSC) for the implementation of a modern state of the art system for better management of State Lands in Rodrigues.

Recommendation

This project should be given priority by setting up a PSC comprising appropriate stakeholders with a clear roadmap.

RRA's Response

- With a view to create, manage and analyse as well as map all types of data for sustainable management of land including Residential, Commercial, Industrial and Agricultural purposes, a GIS has been set up at the Integrated and Sustainable Development Centre at Contour Oblasse.
- A Joint Working Group has been established with the main objective to ensure the effective allocation and management of the State Land leases in Rodrigues within a sustainable and legal framework.
- The Terms of Reference for the setting up of a LAMS are being finalised. Upon finalisation, an Expression of Interest will be launched to hire Consultancy Services to establish a LAMS in Rodrigues shortly.

4.10.3 Mismatch between Demand and Supply of State Lands

As of mid-August 2023, the Cadastral Office was processing applications for leases pertaining to the year 2017 and the outstanding number of applications stood at some 9,967 cases, comprising 5,472 for residential, 1,396 for commercial, 2,645 for agricultural and 454 for industrial purposes.

The Cadastral Office had a workforce of 30 technical staff, ranging from Principal Surveyor to Survey Field Worker while the establishment position provides for 48 officers.

Root Cause

There was poor planning on the part of the Officer-in-Charge of the Cadastral Office for responding to the demands of the stakeholders on a timely basis.

Recommendations

- The Cadastral Office should be re-engineered to cater for the ever-increasing demand from the general public and for timely service delivery.
- The Commission should consider the acquisition of an Unmanned Aerial Vehicle (UAV)/Drone for topographical surveys.
- The set Key Performance Indicator of issuing an average of 1,250 leases per annum should be revised accordingly to enable the clearance of the large backlog of pending applications.

RRA's Response

- Necessary action has been taken to re-engineer the Cadastral Office in terms of provision of human resources, modern equipment and new vehicles to convey survey team so as to attend more requests for lease over a period of a year.
- This office is expecting the supply, delivery and commissioning of four GPS receivers by mid-December 2023. In addition, bids have been launched for the supply, delivery and commissioning of three drones and six tablets, among others. However, this exercise was not successful and same will have to be carried out anew.

4.10.4 Preparation and Survey of 2,000 lots of State Land in Rodrigues - Objectives not attained

On 12 June 2020, the Commission awarded the contract for the preparation and survey of 2,000 lots of State Land in Rodrigues to a Joint Venture for the sum of Rs 16.2 million. The contract was signed on 20 July 2020 and was to be executed within a period of 24 months.

- *No Provision for Penalty Clauses in the Conditions of Contract*

1,218 lots were handed over to the Service Provider representing 61 per cent of the 2,000 lots. However, as of mid-August 2023, the total number of survey plans submitted by the Joint Venture was 518, out of which boundary stones were fixed in only 192 cases.

There was no provision for liquidated damages in the bidding document as regards non-compliance with the contractual completion date. Hence, no liquidated damages could be charged on the Joint Venture for non-execution of the contract within a period of 24 months.

The project was poorly monitored and supervised by the Commission. No timely decision was taken to forfeit the performance guarantee of Rs 1,617,500.

- *Case filed by the Service Provider - Alleged Breach of Contractual Obligations*

On two occasions, that is on 18 April 2022 and 23 December 2022, '*mises en demeure*' were served by the Joint Venture, imputing that the Commission had not handed over the remaining 782 lots to be surveyed, thereby claiming from the Commission the balance due on the contract. As of mid-August 2023, some Rs 2.6 million had already been disbursed by the Commission for actual works completed.

Root Cause

Poor contract management and monitoring by the Accounting Officer have resulted in contentions and lawsuits without attaining the objectives of the project. Moreover, there were no clauses and provisions in the bidding document to safeguard the interest of the Commission.

Recommendations

- Given the importance of this project and the expected outcomes, the Accounting Officer of the Commission should resolve the matter with the Joint Venture.
- The Commission should consider whether the parcelling works could be undertaken ‘in-house’ with agreed resources and milestones.

RRA’s Response

It is more cost effective to undertake parcelling works “in-house” by the survey team and the Planning Unit of the Cadastral Department.

4.10.5 Guidelines, Policies and Procedures for allocation of State Lands - Need for review

Residential Lease

90 per cent of land in Rodrigues Island is State Land. The existing policy for processing of residential State Land lease applications is on a ‘first come, first serve’ basis.

The applicable rental is based on the family income as shown in Table 14.

Table 14 Applicable Rental

Family Income per month	Rent per annum (First ten years)
	Rs
Less than Rs 8,500	100
Above Rs 8,500	1,000

Source: Records from the Cadastral Office

- As of mid-August 2023, applications received in year 2017 were still being processed and there was a backlog of more than 9,500 applications for State Land leases.
- The threshold or family income bracket for the determination of lease rental, applicable since 2011 has not been reviewed, taking into consideration the minimum salary regulations.
- Same conditions were applied to expired leases. On renewal, it was observed that the rental started anew at the initial rate of Rs 100 or Rs 1,000, depending on the family income.

Root Cause

No State Land Administration System was put in place by the Officer-in-Charge of the Cadastral Office for effective follow-up of lease processes.

Industrial and Commercial Lease

The leases are normally granted for an initial period of twenty years with the option of renewal for four consecutive periods of ten years each. Upon renewal, the rent is re-assessed to reflect the market value.

- As of July 2023, there were 81 cases of Commercial/Industrial applications whereby letter of intent had been issued but the ‘lessee’ did not turn up for payment of relevant rentals.
- As of December 2022, there were 1,850 cases of outstanding applications for Commercial/Industrial leases for the period 2000-2022.
- Out of 32 leases allocated for Commercial/Industrial sites at Oyster Bay and Baie Lascars, 20 were ‘unbuilt’ cases. Some 50 per cent of these lessees were in arrears for a total amount of Rs 627,950. During the past ten years, RRA has not derived any economic benefits due to the non-development of allocated sites.

Root Cause

The Accounting Officer of the Commission did not put in place a reliable system to monitor allocated leases not being used for the intended purpose.

Recommendation

The Accounting Officer should ensure that all allocated leases are being used for the intended purpose. The land should be retrieved in cases of non-occupation and approval cancelled in the absence of firm commitment.

RRA’s Response

- Taking into consideration that State Land in Rodrigues is limited and that a master plan has to be designed to cater for all future development projects, a new policy and procedures for allocation of residential lease are being worked out. At a particular period of time, not all applicants would be granted a lease in Rodrigues and thus new alternatives have to be worked out to cope with increasing demand such as for housing projects.
- The Procedure for allocation of Commercial lease has been revised by the Executive Council.

4.10.6 Collectible Revenue from Rental of State Lands - Not optimised by RRA

Revenue from the rental of State Land is one of the major income generated by RRA. Revenue collected during the past three financial years from State Land leases is shown in Table 15.

Table 15 Revenue Collection for the past three Financial Years

Type of State Land Lease	2020-21 Rs	2021-22 Rs	2022-23 Rs
Residential	6,417,637	6,243,433	6,752,772
Commercial	1,742,974	1,696,388	2,670,985
Industrial	6,217,284	5,582,808	7,257,414
Agricultural	8,306	655	6,432
Total	14,386,201	13,523,284	16,687,603

Source: Detailed Statement of Revenue of the Rodrigues Consolidated Fund

No improvement was noted in revenue collected from lease rentals. The following have impacted negatively on revenue collection:

- *Delay in processing Applications for Leases*

There were delays in the processing of applications for State Land. As per records at the Cadastral Office, some 9,967 applications were still pending as of December 2022.

- *Lease Agreement not signed and Arrears of Revenue not recorded*

As of 30 June 2023, there were 772 cases whereby letters of intent were issued but the initial rentals were not yet paid by the lessees and no lease agreements signed. These rentals were, therefore, not accounted as arrears of revenue since the State Land lease system generates the outstanding rentals only when the initial payment has been made.

RRA's Response

- In a view to ensure prompt payment of Commercial/Industrial leases, this Commission is presently working on a policy decision that payment of yearly rental of lease becomes a pre-requisite requirement for renewal of Trade Licence and Tourist Enterprise Licence.
- As regards payment of residential leases, a reminder will be designed with the assistance of the Legal Adviser to be issued to all lessees who have not yet settled yearly payment as at 30 June 2023.
- The setting up of a LAMS in the near future will enable the computerisation of land information database to create and maintain up-to-date lease and land use records in the form of a GIS to facilitate rent claim collection, setting up of a debt recovery unit and the identification of available lands suitable for development for specific purposes.

4.10.7 Arrears of Revenue on Rental from State Lands - Increasing Trend

As at 30 June 2023, arrears of revenue from the rental of State Lands totalled Rs 95.6 million. An analysis of the arrears of revenue for the past three financial years is given in Table 16.

Table 16 Arrears of Revenue for the past three Financial Years

Type of State Land Lease	2020-21 Rs	2021-22 Rs	2022-23 Rs
Residential	24,185,188	23,548,520	21,100,390
Commercial	3,582,509	3,505,178	5,534,369
Industrial	11,925,797	57,192,534	67,968,053
Agricultural	799,059	864,602	958,056
Total	40,492,553	85,110,834	95,560,868

Source: Annual Statements of RRA

- Included in the arrears figure as at 30 June 2023 was an amount of Rs 5.7 million which relates to financial year 2023-24. These rentals were due on 1 July 2023 but were wrongly accounted for in the arrears figure.
- Control over debt management and monitoring of fresh arrears was practically inexistent at the Cadastral Office. There was no Debt Recovery Unit to curtail the increasing trend of arrears. Moreover, upon scrutiny of lease files, it was noted that there was no follow-up and systematic mechanism in place for the issuance and monitoring of reminders.
- There was no improvement in the recovery of arrears of rent as evidenced by the increasing trend of arrears figure, which stood at Rs 40.5 million, Rs 85.1 million and Rs 95.6 million as at 30 June 2021, 30 June 2022 and 30 June 2023, respectively.

Recommendation

The Accounting Officer should consider setting up a Debt Recovery Unit and establishing appropriate procedures for the timely follow-up, recovery and enforcement of outstanding rentals. All possible avenues to recover the debts should be explored prior to seeking authority for write-off.

RRA's Response

The possibility of writing off debts for deceased lessees and defunct company, among others, will be looked into, in line with existing procedures.

4.11 Repairs to Desalination Plant at Pointe Coton and Relocation of Plant from Baie Malgache to Pointe Venus and Songes - No Improvement in Water Production

As of mid-August 2023, the daily demand of potable water was estimated at 12,000 m³ while the daily production was actually 6,000 m³. The demand was expected to increase to 18,000 m³ due to growth of the tourist industry.

The supply, installation, testing and commissioning of a Desalination Plant and Equipment at Baie Malgache was effected in April 2018 for an amount of some Rs 60 million. The plant

was in operation for only 10 months and broke down during the warranty period ended February 2022.

With a view to alleviating the shortage of potable water, the Chief Commissioner's Office accepted, on 29 August 2022, a quotation from the supplier that commissioned the plant, for the repairs of the plant at Pointe Coton, and the dismantling of the plant at Baie Malgache and reinstallation of same at Pointe Venus and Songes for an amount of Rs 19.7 million through the Direct Procurement method.

The cost of repairs of the plant at Pointe Coton was some Rs 4.75 million whereas the cost of relocation of the plant originally at Baie Malgache and commissioning at both sites amounted to some Rs 14.95 million.

As at 30 June 2023, a total amount of some Rs 16.9 million was paid to the supplier, including Rs 8.39 million for the repairs and installation of the plant at Songes.

Findings

4.11.1 Objective of Relocating Plant installed at Baie Malgache not attained

The main objective for relocating the plant installed at Baie Malgache was to optimise the operation of the plants in other regions with a view to stabilising water production so as to ensure regular supply to the population. This was, however, not realised as water production as at mid-August 2023 from the four desalination plants was very low.

The production capacity at Songes was still at 45 per cent of its capacity of 1,000 m³ despite the transfer of the plant from Baie Malgache. The relocated plant was not operational due to the non-replacement of a non-functioning critical spare part.

4.11.2 Works not completed during Contractual Period

According to the letter of award of 29 August 2022, the work duration for the installation of the dismantled plant at Songes was ten weeks after commencement date except for the installation of a critical part, called *isobarix*, which was 16 weeks after commencement date. However, as at mid-August 2023, the critical part was still not installed and the revised completion date was not yet determined. It was also not known, if necessary actions had been taken to procure the critical part.

4.11.3 Additional Works for Repairs of Plant at Songes - Rs 3.2 million

Additional works had to be effected to the plant at Songes. On 18 April 2023, the supplier submitted a quotation for additional remaining works such as the supply and installation of a booster pump. On 25 July 2023, the Departmental Bid Committee approved the additional works for a cost of Rs 3.2 million, representing 14.3 per cent of the contract value. Following a site visit effected by NAO Officers on 10 August 2023, it was noted that works had still not been effected.

4.11.4 Additional Works for Repairs of Plant at Pointe Coton - Rs 3 million

Following the repair works by the supplier of the desalination plant at Pointe Coton, a new assessment of additional repair works for an amount of some Rs 3 million was submitted by the supplier to the Commission for approval on 25 May 2023.

The repair works, as defined in the contract, were therefore not properly assessed since additional works were needed to boost up the production capacity of the plant. The piecemeal repairs of the plant has entailed delay in the production of potable water.

4.11.5 Performance Security and Insurance Policy not submitted

Performance security was not submitted contrary to the letter of award which stipulated that the supplier should submit a performance security within 28 days of the letter of acceptance for an amount of 10 per cent of the agreed contract price.

Also, according to the conditions of contract, the Contractor should maintain a professional indemnity insurance in full force and effect until five years after completion of works. The insurance policy was not submitted.

4.11.6 Defects Liability Period not included in Contract

The Consultant advised the Commission, in a letter dated 24 August 2022, to include a defects liability period of six months in the contract. However, this was not mentioned in the conditions of contract.

4.11.7 Taking over of Part of Works not specifically defined in the Contract

No provision for the taking over of part of works was made in the contract or bidding documents, contrary to International Federation of Consulting Engineers (FIDIC) which stipulates that the taking over of parts or whole works should be specified in the conditions of contract.

In the absence of this provision, the computation of liquidated damages up to a maximum of 10 per cent of contract amount could not be determined.

Root Causes

The Accounting Officer did not ensure that the:

- Consultant issued a technical report recommending that the installation of the plant at Baie Malgache was not appropriate and had to be transferred to Songes and Pointe Venus;
- plant at Baie Malgache had been repaired by the supplier before being relocated and installed at Pointe Venus and Songes; and
- repairs of the plant at Songes and Pointe Coton had been completely assessed before awarding the contract.

Recommendation

The Accounting Officer should ensure that the plants at Pointe Venus and Songes are completely repaired and commissioned to maximise its production capacity of potable water for alleviating the problem of acute water shortage.

RRA's Response

- The plant was not functioning well at Baie Malgache due to issues with the quality of water intake, leading to regular breakdown.
- Direct procurement was applied because the plant was installed by the supplier who was fully conversant with the plant and equipment, therefore it undertook the transfer exercise. On technical side, it was decided to go with the same contractor.
- Repairs works at Songes and Pointe Coton have been carried out. There are some fine tuning being done to reach optimum production capacity. Production at the two desalination plants is currently 700 m³ each day.

4.12 Follow Up of Findings Raised in Audit Report 2021-22

A follow up of findings raised in the Audit Report for the financial year 2021-22 was carried out. The Commission was requested to inform NAO of the actions that have been taken to address the findings and recommendations in the Report. The information along with evidence collected through review of files and documents were assessed and discussed with the Commission.

The status on actions taken by the Commission on findings since the publication of the Audit Report are summarised on next page. Out of 21 findings, 12 (57.1 per cent) have been resolved, four (19.1 per cent) have been partially resolved and five (23.8 per cent) have not been resolved.

Follow up of Findings Raised in Audit Report 2021-22

SN	Findings	RRA's Response – Status as at Mid-December 2023	NAO Comments
	Transfer of Vehicles and Immovable Properties – Disparity in Registration fee/duty applicable in Mauritius and Rodrigues (Page 29, Para 4.1)		
1	During the three years 2019 to 2021, 312 deeds of immovable property valued at some Rs 361 million were transferred in Rodrigues and no registration fee was charged. (Page 29)	No action was initiated to amend the Schedule by Regulations for the levying of fees and charges as stipulated at Section 15 of the Act. Hence, no registration fee was collected.	Not Resolved
2	During period January 2019 to December 2021, no Registration duty was collected on registration/transfer of 2,786 motor vehicles and trailers in Rodrigues. (Page 30)	Advice of the Attorney-General's Office was not sought by the RRA as regards to Section 2 of the Interpretation and General Clauses Act 1974 and as to the collection of registration duty on vehicles in Rodrigues.	Not Resolved
	Airport Development – Lapses in Project Management (Page 30, Para 4.2)		
3	Procurement procedures were not followed in the selection of a Consultant for carrying out the Environmental and Social Impact Assessment (ESIA) of the project. (Page 31)	Henceforth, procurement procedures will be followed.	Resolved
4	Compensations totalling Rs 50.78 million was granted to 15 beneficiaries exceeded the total amount of Rs 8.6 million as determined by the Valuation Department. (Page 31)	Each beneficiary was awarded a house having the same floor area of the house they had to forego. Incentives had to be given to compensate the beneficiaries so that they agree to the relocation for the smooth implementation of the Airport Development Project.	Resolved
5	The beneficiaries were compensated for their plantations and animal sheds amounting to Rs 11.3 million and Rs 17.93 million as compared to Rs 1.1 million and Rs 0.4 million respectively, as determined by the Valuation Department. (Page 32)	Animal sheds and agricultural amenities were constructed as per the specifications of the Commission for Agriculture to allow the beneficiaries to practice agriculture in a professional manner.	Resolved
6	As procurement procedures were not followed in the selection of contractors, it could not be ascertained that the total amount disbursed of some Rs 29.23 million was a competitive one and value for money was obtained. (Page 32)	Future relocation projects will be made through tendering procedures.	Resolved

SN	Findings	RRA's Response – Status as at Mid-December 2023	NAO Comments
7	On 5 August 2022, the AFD signified its intention to no longer participate in the financing of the construction of the runway at Plaine Corail. (Page 3)	Project will be co-financed by the World Bank and the European Union.	Resolved
Procurement of 350 Tablets for Rs 3.46 million but not issued to students (Page 33, Para 4.3)			
8	A physical survey carried out by NAO on 16 September 2022 at the Commission revealed that the 350 tablets received and commissioned in August 2022 were still packed in boxes and were stacked one over another on the floor. (Page 33)	262 students were eligible under the Scheme and tablets were distributed to them. The remaining 88 tablets were lying in Store.	Partially Resolved
9	As a complete list of students eligible for tablets were not available, the merits for acquiring 350 tablets at the cost of Rs 3.46 million could not be ascertained. The Commission would not benefit from the full warranty period to cover potential defects. (Page 33)	The Commission has received applications from eight secondary schools and 262 students were found eligible after screening.	Partially Resolved
Asset Management - Rental of 110 Personal Computers at Twice the Acquisition Cost (Page 34, Para 4.4)			
10	Prior to the launching of the tender exercise, a cost/benefit analysis was not carried out to decide on the best option of whether to buy or rent the 110 PCs. (Page 34)	After the expiry of the five-year contract for the rental of PC's, signed in January 2022, the recommendations will be considered for future course of action.	Resolved
11	According to the contract, the warranty period for parts, labour and transport was for three years while the rental of the PCs was for a 5-year period. (Page 34)	The possibility to extend the warranty period for parts, labour and transport from three to a five-year period will be looked into.	Partially Resolved
12	During a site visit effected by NAO on 14 September 2022, in five out of twelve primary schools, the PCs were not utilised due to absence of internet connectivity. (Page 34)	In the four schools visited in July/mid-August 2023, the PCs were being utilised without any internet connectivity as no WIFI was available in the schools.	Partially Resolved
Reverse Osmosis Desalination Plant and Equipment at Baie Malgache and Pointe Cotton - Lapses in Contract Management (Page 42, Para 5.3) (Formerly under Deputy Chief Commissioner's Office)			
13	The commissioning of the plant was done on 21 December 2020 instead of 22 February 2019, extension of time with cost of Rs 3.6 million has been disbursed. (Page 43)	Based on the advice of the Consultant and after negotiation with the Contractor, it was decided to pay for EOT with costs in line with terms and conditions of the bidding documents.	Resolved

SN	Findings	RRA's Response – Status as at Mid-December 2023	NAO Comments
14	<p>Despite the request for an EOT of five months was turned down, the DCCO did not forfeit the performance security of some Rs 5.2 million which was still valid as at 9 March 2022.</p> <p>The Contractor renewed the performance security for an undervalued amount of Rs 601,889 instead of Rs 5.2 million.</p> <p><i>(Page 43)</i></p>	<p>Some parts were transferred to Pointe Coton desalination plant.</p> <p>No request was made to the Contractor to renew the performance security of Rs 5.2 million.</p>	Not Resolved
15	<p>The warranty period had already expired on 30 March 2020. The RRA did not benefit from the warranty and had to bear the cost of repairing deficient components, that hampered the proper functioning of the plant for a cost of Rs 4.6 million.</p> <p><i>(Page 43)</i></p>	<p>No action was initiated by the Commission to reinstate the warranty period as from the date of commissioning nor was the Contractor requested to refund the Rs 4.6 million, representing the cost of repairing deficient components.</p>	Not Resolved
16	<p>Though provisions of the General Conditions of Contract were not applied, resulting in the non-extension of defects notification period and non-forfeiture of performance bond, a final payment of Rs 4,776,540 was effected to the Contractor on 9 September 2022.</p> <p><i>(Page 43)</i></p>	<p>The Contractor was not reported to the PPO for not repairing the plant which broke down during the defects notification period.</p>	Not Resolved
17	<p>On 29 August 2022, a contract for an amount of Rs 19.7 million was awarded through direct procurement method to the same Contractor. Section 25(b) of the Public Procurement Act was not complied.</p> <p><i>(Page 44)</i></p>	<p>The same Contractor who installed the Reverse Osmosis Train (ROT) was selected as the latter was well versed with the equipment. The transfer and operationalisation of the ROT plant was prioritised as a strategy to improve water production and distribution.</p>	Resolved
18	<p>In the absence of a Valuation Report made by the Consultant's Mechanical and Electrical Engineer, the reasonableness of the contract amount of Rs 19.7 million could not be ascertained.</p> <p><i>(Page 44)</i></p>	<p>Negotiation meeting was held between the RPUC, the Contractor and the RRA to reach an agreement on the price. The Consultant informed that the price was fair and reasonable.</p>	Resolved
19	<p>The transfer of the desalination plant found at Baie Malgache to Pointe Venus and Songes, resulted in the non-utilisation of an intermediate reservoir together with three pumps, built in the year 2015.</p> <p><i>(Page 44)</i></p>	<p>The RPUC will take over the water pumps and associated infrastructure.</p>	Resolved

SN	Findings	RRA's Response – Status as at Mid-December 2023	NAO Comments
20	Following a site visit effected by NAO officers at Baie Malgache on 27 September 2022, chemicals were found unsafely stored. (Page 44)	Cleaning and storage of chemicals are being done by the RPUC.	Resolved
Water Distribution Network from Montagne Goyaves Reservoir to Baladirou - Delay in Design of Project (Page 45, Para 5.4) (Formerly under Deputy Chief Commissioner's Office)			
21	In April 2021, the Consultant was requested to proceed with the detailed design of the project. As of August 2022, the report on the detailed design was still being awaited. (Page 45)	The Consultant has submitted an estimated cost of Rs 118 million (VAT excl.) for the detailed design of the water distribution network to the Commission. The project will be referred to the RPUC.	Resolved

5 – DEPUTY CHIEF COMMISSIONER’S OFFICE

5.1 Lapses in Management of Transport and Mechanical Workshop

The Transport Division is manned by a Head, Transport and by a Transport Officer at the level of each of the seven Commissions. The Transport Officers are responsible for the management of vehicles allocated to the Commissions.

The Mechanical Workshop, headed by a Technical Officer (Mechanical), offers essential services, mainly repairs to RRA’s vehicles, and plant and equipment of the different Commissions as well as provides advice in the field of mechanical engineering.

Findings

5.1.1 Key Posts filled with Delay/not yet filled

Delay in the filling of key posts had a negative impact on the service delivery of the Transport Division and Mechanical Workshop.

- The post of Head, Transport, vacant since 21 January 2022, was filled after more than one year, that is on 21 February 2023.
- As of July 2023, the posts of Mechanical Engineer, Mechanical Workshop Superintendent and Foreman, vacant since July 2018, December 2018 and July 2018 respectively, were not yet filled.

Root Cause

The Accounting Officer did not explore the possibility of hiring the services of qualified officers on a tour of service from the Public Service in Mauritius or on a contractual basis.

Recommendations

- The Accounting Officer should initiate action to fill the vacant posts at the earliest possible.
- Pending the filling of the post of Mechanical Engineer, the Accounting Officer should consider hiring the services of a professional on a tour of service from the Ministry of National Infrastructure and Community Development or on a contractual basis.

RRA’s Response

The posts of Head, Transport and Mechanical Workshop Superintendent have been filled on 21 February and 22 September 2023 respectively. Selection exercise for the filling of vacant post of Foreman is ongoing. Approval to fill the post of Mechanical Engineer under the Expert Skills Scheme is being initiated.

5.1.2 Record of RRA's Fleet of Vehicles Incomplete

A complete list of RRA's vehicles and their status as at mid-August 2023 was not available. Contrary to financial regulations, the Plant Register under the responsibility of the Head, Transport, was not properly kept and updated.

- 60 vehicles included in the list of RRA's vehicles submitted to NAO, were not recorded in the Register.
- Various vehicles recorded in the Register were not found in the list submitted.
- Six vehicles transferred to the Rodrigues Public Utilities Corporation in March 2023 were not recorded in the Register.
- Particulars of 34 boarded vehicles were not recorded in the Register.

Root Causes

- Financial regulations were not fully adhered to by the Head, Transport.
- A Government Asset Register was not kept to keep track of all RRA's vehicles.
- There was lack of coordination between the Transport Officers and the Head, Transport to keep track of movement of vehicles between the Commissions.

Recommendations

- Financial regulations should always be complied with by the Head, Transport and Accounting Officer of the different Commissions.
- A Government Asset Register should be kept in parallel with a Master Plant Register. All vehicles/plant, owned by RRA and posted at the different Commissions should be recorded in their respective Plant Registers and consolidated in the Central Plant Register for control purposes.
- The Head, Transport should ensure that all vehicles are taken on charge in the Plant Register.

5.1.3 Physical Survey of Vehicles – Weaknesses in Controls

On 20 and 21 July 2023, a physical survey of vehicles awaiting write-off and under repairs was carried out by NAO Officers jointly with a Technical Officer (Mechanic).

- Contrary to financial regulations, a survey of the total fleet of vehicles has never been carried out by the Head, Transport.
- Out of 100 vehicles physically surveyed, 73 were awaiting write-off and 27 were under repairs. These vehicles represented 50 per cent of the total fleet of some 200 vehicles.
- Seventy-one vehicles awaiting write-off were kept in the open yard of the two workshops, namely at Port Mathurin and Citronelle, and two were kept at St Gabriel

Breeding Station. These were exposed to the inclemencies of extreme weather conditions, thus contributing to their accelerated deterioration and were occupying valuable space, which hampered the smooth delivery of services. Also, the risk of cannibalisation of vehicles would result in further loss of their resale value. Please refer to Figures 1 and 2.



Figure 1: Vehicles awaiting write-off kept at Citronelle Workshop



Figure 2: Vehicles awaiting write-off kept at Port Mathurin Workshop

- The registration numbers of some vehicles were not visible as these were weather-beaten and severely rusted as shown in Figures 3 and 4.



Figure 3 – Registration No. not visible at Citronelle Workshop



Figure 4 – Registration No. not visible at Port Mathurin Workshop

- Four vehicles seen during the survey were not in the list of vehicles awaiting write-off submitted to NAO Officers.
- The Registration Books (Horsepower) of 183 out of 200 vehicles were not produced to NAO Officers despite requests made to the Head, Transport.
- One BMW X5 car which broke down on 21 October 2014, could not be repaired due to the unavailability of spare parts. This luxury car was not included in the list of boarded vehicles intended for sale during the last public auction held in 2020. As of July 2023, some nine years after the breakdown of the vehicle, it was still found in the workshop and the body and engine parts have further deteriorated, thus impacting negatively on its resale value. Figure 5 refers.



Figure 5 - BMW X5 car broken down since October 2014

5.1.4 Vehicles awaiting Disposal due to Board of Survey not yet set up

As of July 2023, a Board of Survey (BOS) has not been set up by the Accounting Officer despite requests made by the Officer-in-Charge of Mechanical Workshop in May 2020 and in year 2022. Meanwhile, the number of vehicles awaiting write-off increased significantly from 38 in May 2020 to 101 in July 2023, representing an increase of some 165 per cent.

Root Cause

The Accounting Officer of the Commission did not comply with the financial regulations with respect to the disposal of condemned vehicles.

Recommendation

The ICE should ensure that the Accounting Officer complies with all financial regulations and that prompt action is initiated for the disposal of all condemned vehicles.

RRA's Response

The Ministry of National Infrastructure and Community Development has been requested to provide the service of a Mechanical Engineer to chair the BOS to examine and make recommendations as to the mode of disposal of the boarded vehicles.

5.1.5 Inadequate Follow-up for RRA's Vehicles involved in Accidents

- The Vehicle Accident Register was last updated in year 2019. RRA's vehicles involved in road accidents during the period January 2020 to July 2023 were thus not readily available.
- Financial regulations were not always complied with. For most of the accidents that occurred prior to December 2019, the Police Reports were not requested within one month from the dates of accident. As regard accidents that occurred during the period January 2020 to July 2023, the Motor Vehicle Accident Report Forms and copy of Police Reports, were not submitted by the Head, Transport to the Accounting Officer with copy to the Accountant-General and the Director of Audit.

- In several cases, as far back as year 1993, where Police Reports were received, no follow-up was made by the Head, Transport and the relevant documents were also not submitted to the Accountant-General. Hence, in such cases, no compensation was received from the Insurance Companies of the private vehicles which caused damages to RRA's vehicles. It should be highlighted that claims are time-barred after a period of ten years, thus entailing financial loss to RRA.

Root Causes

- The Head, Transport failed to update the Vehicle Accident Register and ensure proper follow-up of all vehicles involved in accidents.
- The Head, Transport and Accounting Officer did not comply with financial regulations.

Recommendations

The ICE should ensure that:

- the Vehicle Accident Register is properly kept by the Head, Transport; and
- the Head, Transport reports all cases of accidents to the Police and Accountant-General's Department in a timely manner, in accordance with financial regulations.

RRA's Response

The recommendations will be implemented.

5.1.6 Security Surveillance at Mechanical Workshop – No 24-hour Coverage

- The Mechanical Workshop was not under security surveillance from 6 a.m to 7 a.m and from 3.15 p.m to 6 p.m during weekdays as the site was unattended by the Security Guards employed by RRA. There was a high risk of malpractices, such as theft of vehicle parts and petrol, occurring on RRA's vehicles during those periods of time.
- As per reports submitted by the Foreman of the Deputy Chief Commissioner's Office, the site was left unattended at night and during the weekend whenever the Security Guards were on leave, but not replaced.

Root Cause

The roster of the Security Guards posted at the Workshop was not properly prepared by the Accounting Officer of the Commission.

Recommendations

The Accounting Officer should:

- review the roster for Security Guards to ensure 24-hour coverage; and
- ensure that Security Guards on leave are replaced.

RRA's Response

Necessary action is being initiated to ensure a 24-hour coverage of security services at the Mechanical Workshop.

5.2 Construction of Concrete Access Road at Pavé La Bonte – Works stopped without any justification

On 3 September 2021, the Executive Council approved the issue of a Works Order for the construction of a concrete access road at Pavé La Bonte for an estimated cost of Rs 5.75 million, to facilitate the life of the inhabitants living in the surroundings.

On 6 September 2021, the ICE instructed the Departmental Head of Commission for Public Infrastructure to issue a Works Order for this project as the design and preliminary works had already been finalised.

Findings

5.2.1 Poor Project Planning

Following site visits effected by the Head, Public Infrastructure in August 2021, several constraints concerning the topography of the site, namely steep slopes, space constraints, consequential earthworks and slope stabilisation were noted. According to the Head, Public Infrastructure, the project would not be safe for vehicular traffic.

After successive site visits with the Contractor in September and November 2021, the scope of works was increased as well as the cost estimates. The Contractor issued a second estimate on 21 September 2021 for an amount of Rs 9.62 million and a third estimate of Rs 19.7 million on 3 November 2021.

Works Order No 35/2021-2022 was finally issued on 22 December 2021 for Rs 20.1 million. Works started on 21 January 2022 and were to be completed by 20 May 2022.

The cost estimate was subject to a 250 per cent increase due to the modified scope of works which comprised the construction of a concrete road of length of 325 metres and width of 6 metres, masonry retaining wall structure with a single face of 765 m³, among others.

RRA's Response

The site is characterised by very steep topography and it was necessary to work out different options before deciding on the best alignment. After different proposals, the best option was chosen and Work Order was issued accordingly.

5.2.2 No Ground given for issuing Stop Order

On 14 March 2022, two months after the start of works, the Contractor was verbally instructed by the Commission to stop work until further notice. The reason for the stop order was not seen in the Commission's files.

On 9 June 2022, the Contractor informed the Commission that in the absence of any decision taken, it had demobilised from the site.

RRA's Response

In March 2022, there has been a change in policy following the installation of the new Regional Government and policy decision was taken to review the project scope. Thus, the Contractor was requested to stop the work and thereafter instructed to proceed with masonry works only in July 2022 in light of the new policy.

5.2.3 Police Complaint regarding Security and Safety Issues following Stoppage of Work

On 20 June 2022, the Divisional Commander of the Rodrigues Police informed the Commission that the inhabitants had complained about their safety and security, especially during rainy days as the construction of the road had been stopped since March 2022. However, the Commission did not take any immediate corrective action.

5.2.4 No Instruction for Construction of Double Lane Concrete Road

On 24 July 2022, the Commission instructed the Contractor to re-mobilise on site and restart works which comprised only the masonry retaining wall for a total amount of some Rs 8.8 million. A new time frame of 90 calendar days from 26 July to 24 October 2022 was given to the Contractor to complete the work.

However, no instruction was given for the construction of the double-lane concrete road included in the Works Order No 35/2021-2022.

5.2.5 Delay in Taking Over of Site

On 16 November 2022, the Contractor notified that the works for masonry retaining wall had been completed on 4 November 2022. The Contractor claimed for EOT of 11 days and same was approved by the DBC on 16 May 2023.

On 7 June 2023, the Completion/Taking over Certificate was issued, certifying that the works were completed on 4 November 2022, with defects liability period ended 4 November 2023.

The Completion Certificate was issued more than seven months after the date of completion of works, contrary to the General Conditions of Contract.

5.2.6 Site visit effected by NAO Officers on 3 August 2023

During a site visit effected by NAO Officers on 3 August 2023, it was observed that mud and rocks were carried over by water flow, thus causing a serious threat to the security and safety of the inhabitants. Given the steep slope of the access road, natural drains were observed all along the access road. Refer to Figures 6 and 7.



Figure 6 - Natural drains along access road near retaining wall at Pavé La Bonte



Figure 7- Natural drains along access road far from retaining wall

Due to inadequate planning and wrong decision taken to stop the works, leading to putting on hold the construction of the concrete access road, the lives of the inhabitants in the surrounding have been adversely impacted.

Root Causes

The Head, Public Infrastructure of the Commission had not:

- properly planned and supervised the works in view of the difficult site topography; and
- provided valid reasons for stopping and taking over of works without the construction of the concrete access road, thus bypassing the decision of the Executive Council.

Recommendations

- The Departmental Head of the Commission should ensure that the Head, Public Infrastructure properly plans and supervises works orders until their completion.
- In view of the deplorable state of the site, the construction of the double lane concrete road should be undertaken at the earliest under a new Works Order.

5.3 Social Housing Scheme – Lapses in Scheme Administration

The Social Housing Scheme provides for the construction or extension of concrete social housing units with three different options of floor areas, namely 40 m², 50 m² and 60 m², to improve the housing conditions of low-income group families with monthly household revenue of up to Rs 20,000.

The Social Housing Scheme comprised four distinct schemes as shown in Table 17.

Table 17 Social Housing Schemes

Monthly Household Revenue	Scheme	Beneficiary's Contribution %
Less than Rs 8,000	A1	10
Rs 8,001 to Rs 11,575	A2	10
Rs 11,576 to Rs 18,000	B	25
Rs 18,001 to Rs 20,000	C	40

Source: Schemes Policy files

For the financial year ended 30 June 2023, some Rs 11.3 million and Rs 20.5 million have been disbursed by RRA for the casting of roof slab grant, and for the Housing and Rehabilitation Programme respectively.

Findings

5.3.1 Inconsistent Conditions specified in Pre-selection Letter and Letter of Award

Application under the Social Housing Scheme was assessed by the Housing Unit and a pre-selection letter was issued to the eligible applicant, specifying the floor area of the housing unit selected.

Following acceptance of the specified terms and conditions by the applicant, a letter of award conveying approval of the grant with additional conditions, was issued to the beneficiary.

The conditions mentioned in the pre-selection letter and the letter of award were inconsistent. In the pre-selection letters issued to beneficiaries, mention was made that RRA would contribute a specified amount, based on the scheme selected. Moreover, it was stipulated that the beneficiaries would have to select a Contractor from a pool of approved local Contractors constituted by RRA and to pay the Contractor from their own funds or from loans raised from financial institutions.

However, in the letters of award, the beneficiaries were informed that he/she had been awarded a “material grant” whereby RRA would provide construction materials which would be delivered on site of construction in four phases, namely substructure to floor level, floor level to beam level, slab casting and finishing works including concrete water tank and septic tank.

Also, the different schemes, namely I, II, III and upgrading of Trust Fund house instead of A1, A2, B and C as per the Social Housing Scheme were mentioned in the pre-selection letters. The selected scheme was not inserted in the letters of award.

Root Cause

The Housing Development Officer, as responsible officer, had not ensured that the conditions of the different options (floor areas) as mentioned in the pre-selection letters and letters of award were consistent.

Recommendation

The Accounting Officer should ensure that the same conditions are mentioned in the pre-selection letters and letters of award.

RRA's Response

In the previous schemes, beneficiaries had to choose from a pool of registered contractors for the construction of their housing units. Following the Rodrigues Regional Assembly Election in 2022, there had been a change in policy where beneficiaries are granted construction materials and beneficiaries to remunerate a builder for their construction. Beneficiaries, pre-selected in the previous scheme, were automatically granted letter of award under the construction materials scheme since they no longer had to secure a loan from a financial institution. Same was done with the approval of the Executive Council.

The different schemes A1, A2, B and C were not included in the pre-selection letter and in the letter of award as it was not yet implemented at that time. Now that the Executive Council's approval has been obtained, same will be included in the next letter of award to be issued.

5.3.2 Conditions missing in Contract Agreement

- The pre-selection letter was not included among the documents forming part of the Contract Agreement. Hence, the clause mentioned in the pre-selection letter that the beneficiary was not allowed to sell or rent the housing unit within a period of ten years, was not a binding condition in the Contract Agreement.
- The contract did not specify the expected duration of the construction works. Thus, construction works might go on for an undetermined period.

Root Cause

The Housing Development Officer did not ensure that appropriate conditions in the best interest of RRA were included in the Contract Agreement.

Recommendations

- The Contract Agreement should include conditions specified in the pre-selection letter.
- The duration of the construction works by the beneficiaries should be included in the Contract Agreement.

RRA's Response

The Contract Agreement will be subject to amendments by adding a clause that the beneficiaries will not be able to sell or rent their housing units in the 20 years following completion of construction. The pre-selection letter will not be part of the Contract Agreement.

The completion deadline was not included in the Contract Agreement as the beneficiaries themselves will dictate the pace of works to proceed depending on their availability of funds.

5.3.3 Confirmation of Eligibility not sought from relevant Authorities

Individuals who have benefitted from financial assistance for a concrete house from the Government/National Housing Development Co. (NHDC) Ltd, the National Empowerment Foundation (NEF), already own a concrete house in Mauritius or is the owner of private land, are not eligible for the Social Housing Scheme. However, the beneficiaries must own a residential land lease in Rodrigues.

Relevant Authorities such as NHDC Ltd, NEF and the Ministry of Housing and Land Use Planning, among others, have not been contacted by the RRA to verify whether applicants of the Scheme had previously benefitted from financial assistance under any housing Scheme.

Instead, each beneficiary was required to make an Oath in the Court of Rodrigues that he/she has not benefitted from any financial assistance for a concrete house.

In the absence of confirmation from relevant Authorities, financial assistance might be allocated to non-eligible applicants.

Root Cause

The Housing Development Officer has not sought confirmation from the relevant Authorities to ensure that only applicants satisfying the eligibility criteria were benefitting from this Scheme.

Recommendation

Before an applicant is selected under the Social Housing Scheme, the Housing Unit should obtain clearance from relevant Authorities to ensure that the applicant had not previously benefitted from any housing assistance and does not possess a concrete housing unit or NHDC Unit, or own private land.

RRA's Response

- Prior to new awards, verification will be made with the NHDC as appropriate.
- The applicants run the risk to be prosecuted in case they have signed a false affidavit.

5.4 Integrated Waste Management and Sorting System Project, and Setting Up of a Material Recovery Centre – Objectives not attained

The dumping site at Roche Bon Dieu was practically full and saturated with all types of wastes. The project 'Integrated Waste Management and Sorting System' was thus initiated by the Commission (Environment) in July 2021 to implement waste segregation in all villages around the Island with the main objective to ensure that all recyclable wastes are removed from the main waste stream before they are disposed of at Roche Bon Dieu dumping site.

In order to achieve the objective of the project, it was imperative to construct a Material Recovery Centre (Centre de Tri) where recyclable wastes would be discharged, segregated and supplied to recyclers. The project value was estimated at Rs 79.5 million.

Funds were made available under the National Environment and Climate Change Fund and the timeline to complete the project was three years as from July 2021 to end by June 2024.

Findings

5.4.1 Integrated Waste Management and Sorting System – Awareness Raising Campaign not fully successful

In May 2021, 13,000 yellow and 13,000 blue-coloured bins were acquired at a cost of Rs 15.6 million. In May 2023, additional 3,500 yellow and 3,500 blue-coloured bins at a cost of Rs 4.6 million were acquired by the Commission. These were distributed to the inhabitants for segregating wastes at household level.

To carry out awareness raising campaign among the whole Rodriguan population through door-to-door canvassing over the period mid-May to mid-August 2022, 300 freelance Community Field workers were recruited. The Commission disbursed some Rs 4.8 million in respect of their salaries and travelling expenses.

However, observations made by Environment Officers of the Commission on the contents of household wastes collected and discharged at the dumping site at Roche Bon Dieu revealed that many inhabitants were still mixing all types of wastes and were not even composting their green wastes.

As of mid-August 2023, updated statistics on wastes characterisation were not available to test the rate at which recyclable wastes were being diverted from the main waste stream.

5.4.2 Material Recovery Centre - Objectives not yet attained

- In July 2021, the Commission had a budget of Rs 79.5 million for the setting up of the Material Recovery Centre. However, as of mid-August 2023, the following key activities were not yet initiated:
 - Segregation of wastes such as Polyethylene Terephthalate (PET), empty cans, plastic wrap collected from container parks, for a volume of 1,250 cubic metres which were being dumped aggregated at Grenade dumping site. Figure 8 refers.



Figure 8: Recyclable wastes stockpiled at Grenade Dumping site

- Construction of sheds for the final sorting of recyclable wastes collected throughout the Island.

- Procurement of specialised equipment, such as glass shredders, compactors and baler machines.
- Glass bottles were dumped and stockpiled at soil level instead of being kept in a container, next to the recyclable waste dumping site at Grenade as shown in Figure 9. This represented a risk hazard to persons accessing the site.



Figure 9: Glass bottles dumped and stockpiled at soil level

- On 9 June 2023, the Executive Council decided that in order to address the issue of waste volume for PET, aluminium cans and non-returnable glass bottles in Rodrigues, a private Company would be authorised to set up a Recycling Unit at Grenade under the constant monitoring of the Environment Unit.

However, details on the financial, strategic and operational arrangements between the parties concerned were not known as of mid-August 2023.

- A roadmap for the implementation of this national project in Rodrigues was not properly formulated by the Deputy Chief Commissioner's Office (Environment). This resulted in consequential delay in the achievement of desired objectives.
- In the absence of prompt actions to manage the environmental problems, the Commission had issued special permits for the disposal of inert wastes at Montagne Plate as a means of backfilling existing structures. However, wastes other than just inert wastes were also being dumped at Montagne Plate as shown in Figure 10.



Figure 10: All types of wastes dumped at Montagne Plate

Root Cause

A proper feasibility study was not carried out. The Accounting Officer of the Commission responsible for Environment had not ensured the timely initiation and completion of the project, and had not flagged the delay in the execution of the project to the Deputy Chief Commissioner for appropriate decision at the Executive Council's level.

Recommendations

- The Accounting Officer of the Commission, after consultation with relevant stakeholders, should come up with a revised roadmap with clear timeline to fully implement the project so as to achieve the objectives thereof.
- A Project Steering Committee should be set up at the level of the Deputy Chief Commissioner's Office (Environment) to supervise the implementation of the Executive Council's decision for the setting up of an 'Integrated Waste Management and Sorting System and a Material Recovery Centre'.
- The Economic Planning and Monitoring Unit should closely monitor the project.
- There should be continuous sensitisation of all stakeholders about the objectives of the project and the benefits to the population.

RRA's Response

- The Environment Unit has started anew mass sensitization campaigns to bring awareness to the population on the necessity for households' segregation of wastes.
- Waste characterisation exercise has been scheduled at end of October 2023.
- The construction of a shed for waste characteristic is being worked out with the Consultant for shredding and compacting of recyclable wastes. Specifications for equipment has been finalised for procurement exercise.
- A Steering Committee for integrated waste management has been incorporated into the Climate Change Committee.
- Illegal dumping has been noted at Montagne Plate and the Commission is in the process of securing the premises with fencing and gate control access and camera.

NAO Comments

Given the importance of this environmental related project, NAO is of the opinion that a separate Project Steering Committee should be set up for the implementation of the Integrated Waste Management and Sorting System and a Material Recovery Centre.

5.5 Construction of an NGO Resource Centre at Mont Plaisir – Not completed after more than 10 months after Contractual Completion Date

On 23 July 2021, the contract for the construction of a Non-Governmental Organization (NGO) Resource Centre at Mont Plaisir was awarded to a Contractor for the sum of Rs 25.9 million. Construction works started on 12 October 2021 and were expected to be completed on 7 October 2022.

The Contract consisted of the following works:

- construction of a Resource Centre in reinforced concrete structure with block walling, horizontal and part sloping slabs with a total built up area of approximately 600 m²;
- services comprising electrical and mechanical installation; and
- external services and drainage works.

Findings

5.5.1 Low Mobilisation of Resources on Site by Contractor

The Project Manager continually reported on insufficient labour force on the site of work. Since August 2022, the labour force mobilised on the site of work was, on average, five persons. The overall progress of works was only 69 per cent as of mid-August 2023, more than 10 months after contractual completion date.

The delay in the construction works was attributed to the Contractor's incapacity to control the time factor, the output of its labour force, and insufficient site management to remain within the contractual period.

As per relevant files, the Contractor had undertaken concurrent projects, namely construction of a Community Centre at Bay Malgache and a New Centre de Lecture et D'Animations Culturelle (CLAC) at Port Sud Est as well as upgrading of playground at Anse Quitar, among others.

5.5.2 Non-Conformance Reports not yet addressed by Contractor

The Project Manager issued several non-conformance and corrective action reports (NCRs) in May 2023 which included, among others, sub-standard rendering at several places, poor workmanship, cold joints along beam, incline beams and bulging to columns. There was no evidence in files that these NCRs have been addressed by the Contractor as of mid-August 2023.

5.5.3 Issue of Early Warnings by Contractor for Delayed Payments

The Contractor informed the Commission through 'Early Warning' letters dated 15 November 2021, 10 May 2022 and 27 May 2022 that due to delayed payments, varying from 26 to 51 days, much prejudice had been caused to the Contractor as no timely procurement could be made due to negative cash flows.

As per the General Conditions of Contract (GCC), “*if the Employer makes a late payment, the Contractor shall be paid interest on the late payment in the next payment irrespective of the date on which any interim payment is issued*”.

5.5.4 No Assessment for Extension of Time and Delay Damages

On 13 March 2023, the Contractor submitted a claim for EOT of 538 days with expected revised completion date of 31 July 2023. However, as of 20 July 2023, the Project Manager had not yet assessed the claim for EOT and the Consultant had also not yet determined whether delay damages were applicable to this long outstanding project.

The conditions of contract provided for liquidated damages at the daily rate of Rs 25,000 up to a maximum amount of Rs 2.25 million.

5.5.5 Programme of Works with Unrealistic Completion Date

A revised Programme of Works (POW) was submitted on 6 February 2023 by the Contractor with completion date of 29 May 2023. However, this was not attained. The Contractor re-submitted an updated POW in July 2023 with an intended completion date of 6 November 2023. The Consultant pointed out that the above-mentioned completion date was non-contractual and would be used only to track the Contractor’s progress.

During a site visit effected by NAO Officers on 8 August 2023, accompanied by the Commission’s representative and the Project Engineer, no mobilisation of workforce was seen on site, which implied that the Contractor had failed to take remedial actions to expedite progress of works.

Root Cause

The Accounting Officer of the Commission had not assigned a Project Engineer to oversee the work of the Consultant.

Recommendations

- The Accounting Officer should ensure that the Contractor submits updated POW with realisable deadline.
- The Contractor should submit to the Project Manager for approval, a detailed Program showing the general methods, arrangements, order, and timing for all the activities to be executed as per intended completion date.
- The Consultant should apply liquidated damages as provided in the GCC since the project has lagged behind with substantial delay.
- The Commission should effect payments to the Contractor within the due time as provided in the GCC to avoid payment of interest.

RRA’s Response

- The Consultant has been requested to submit update regarding non-conformance report issued.

- The Commission is making extensive efforts to avoid delay in payments by expediting procedures for verification and certification of claims.
- The revised programme of works will be submitted upon Contractor's re-mobilisation on site.

5.6 Construction of New Community Centre at Bay Malgache - Infrastructure not completed more than nine months after Contractual Completion Date

Contract for the Construction of a New Community Centre at Bay Malgache was awarded to a Contractor on 23 July 2021 for the sum of Rs 13.4 million. The Contractor took possession of the site on 29 September 2021 and the completion date was scheduled for 23 November 2022.

This amenity was considered important to boost up community participation.

The scope of works consisted of:

- (i) construction of a Community Centre at ground floor of an extent of 136 m²;
- (ii) services installation comprising, *inter alia*, electrical and mechanical installations;
- (iii) drainage and site works; and
- (iv) demolition of existing fencing, reinforcement of existing drains and construction of a new one-way road.

Findings

5.6.1 Basic Amenities and Facilities omitted at Design Stage

The newly constructed Community Centre did not provide amenities for disabled persons, such as access facilities, handrails, and accessible toilet facilities, among others. Further, only one toilet and one shower facility were available in this Community Centre, which would be utilised by a large number of persons, of different ages and gender, at a time.

The Commission has therefore not complied with provisions prescribed under the Building Control (Accessibility and Gender Compliance in Buildings) Regulation 2017, which stipulates that public buildings should be provided with accessibility and gender compliance features.

5.6.2 Issue of Early Warning by Contractor about delayed Payments and tardy Procedures for the Displacement of CEB Pole

On 15 November 2021 and 27 May 2022, the Contractor issued "Early Warning" about delayed payments made by the Commission which resulted in delayed procurement schedule due to cash flow problems. The delays ranged from 19 to 72 days above the prescribed allowable time of 28 days. According to the Consultant, the Contractor might claim for interest on delayed payments and also apply for EOT.

The Contractor did not attend site of work since December 2022, when the overall progress of works was 79.6 per cent, as the relocation of a Central Electricity Board (CEB) pole with transformer found in the yard was still not done as at mid-August 2023. The Consultant informed the Commission since 5 October 2021 about the necessity to initiate procedures for the displacement of the CEB pole with transformer and also sent reminders on at least six occasions.

The pole prevented the Contractor from proceeding with the outstanding works. As per the Consultant, this could be construed as a 'Compensation Event' under Sub Clause 41.1 of the conditions of contract for which the Contractor would be entitled to claim for EOT with additional costs.

5.6.3 Essential Amenities omitted in the Construction Contract

Additional works comprising the replacement of reinforced block wall with stone masonry wall, reinforced concrete track road of an approximate length of 40 metres, balustrade to masonry wall of 42 metres long, and external lightings which were considered essential amenities for the optimal use of the building, had to be undertaken subsequently.

These additional variation works totalling Rs 3.2 million represented some 24 per cent of the contract value. If proper planning had been made, these works would not have been omitted from the original contract and the Commission could have obtained a more competitive price at the bidding stage.

5.6.4 Assessment of final Extension of Time and applicable Liquidated Damages not yet done

Progress of works was very slow as evidenced by the notes of site meetings, which were held fortnightly. The overall progress of works were 43.3 per cent as at 26 January 2022, 59.7 per cent as at 18 May 2022, 75 per cent as at 10 August 2022 and 79.6 per cent as at 14 December 2022. Also, the average labour force on site were 10, 9, 6 and 5 persons respectively.

The Commission failed to seek the necessary clearances for the displacement of the CEB pole on site and this had also contributed for the extended stay of the Contractor on site.

On 19 December 2022, the Contractor submitted an application for EOT of 128 days, hence revising the completion date from 23 November 2022 to 31 March 2023.

As of mid-August 2023,

- The construction works were not yet completed. The Consultant had not yet assessed and determined the claim for EOT. According to conditions of contract, liquidated damages for a maximum amount of Rs 881,000 at the daily rate of Rs 10,000 was provided.
- Payments to the tune of Rs 9 million were already effected to the Contractor, representing some 67 per cent of the contract value.
- A revised Program of Work (POW) was neither requested by the Consultant nor submitted by the Contractor to show the effect of variations and 'Compensation Events'. Hence, the ultimate completion date for this project was not yet determined.

Root Causes

- The Consultant had not properly planned the project conception, thus additional and variation works had to be undertaken in five instances.
- The Accounting Officer of the Commission responsible for Community Development had not sought all the necessary clearances from the Authorities concerned prior to start of works by the Contractor.

Recommendations

- The Accounting Officer of the Commission should, henceforth, be pro-active in the design of projects to ensure compliance with provisions of the Building and Control Act.
- The Chief Commissioner's Office should release funds allocated to the Commission to ensure timely payment to the Contractor so as to avoid payment of interest.
- The Accounting Officer of the Commission should ensure that all necessary clearances are obtained prior to handing over of any site to a Contractor.

RRA's Response

- The relocation of CEB transformer was completed on 21 August 2023.
- Only one toilet and one shower facility was provided due to budget constraint.
- Extension of time assessment was issued on 17 October 2023 and any liquidated damages will be applied on remaining balance of Contract.

5.7 Follow Up of Findings Raised in Audit Report 2021-22

A follow up of findings raised in the Audit Report for the financial year 2021-22 was carried out. The Commission was requested to inform NAO of the actions that have been taken to address the findings and recommendations in the Report. The information along with evidence collected through review of files and documents were assessed and discussed with the Commission.

The status on actions taken on findings since the publication of the Report are summarised on next page. Out of 43 findings, 26 (60.5 per cent) have been resolved, three (7 per cent) have been partially resolved, 13 (30.2 per cent) have not been resolved and one (2.3 per cent) is no longer relevant.

Follow up of Findings Raised in Audit Report 2021-22

SN	Findings	RRA's Response - Status as at Mid-December 2023	NAO Comments
Global Consultancy Services Contract – Lapses in Contract Management (Page 37, Para 5.1)			
1	As per the Status Report submitted by the Consultancy Firm in January 2022, five projects were put on hold and four projects were cancelled by the RRA. (Page 37)	Some projects were put on hold and/or cancelled due to changes in policy. Consultancy fee has been paid in line with the conditions of the contract.	Resolved
2	Certain construction projects were assigned directly to a private Project Engineer and some Rs 10.3 million were paid to the latter as consultancy fees in respect of those projects for period July 2019 to June 2022. (Page 38)	Assignments for consultancy services and relevant consultancy fees for these projects were done at the level of the different Commissions under the responsibility of their respective Accounting Officers.	Not Resolved
3	Higher Consultancy fee at the rate of 7.23 per cent and 8.63 per cent were charged by a private Project Engineer compared to 2.95 per cent under the Global Consultancy Services contract. (Page 39)	A lump sum consultancy fee was charged by a private Project Engineer compared to that under the Global Consultancy Services contract.	Not Resolved
Construction of Roads in Rodrigues for Financial Years 2020-21 and 2021-22 - Lapses in Contract Administration (Page 39, Para 5.2)			
4	As of September 2022, delay in the completion of works were noted as four WOs totalling some Rs 51.9 million which were due to be completed by 20 May 2022, were still ongoing. The percentage of completion of the WOs was not available. (Page 40)	Henceforth, progress report is being requested from the Technical Officer on a fortnight basis.	Resolved
5	As of September 2022, the initial contract value was revised from Rs 309.3 million to Rs 379.7 million. The performance security on the revised contract value was not submitted, in compliance with bidding documents. (Page 40)	Performance security was requested and obtained to cover the value of the works done under variations.	Resolved
6	WO No. 12 of 2021-22 for the revised cost of Rs 6.2 million was already issued on 16 August 2021, prior to obtaining the financial clearance. (Page 40)	Clearance was sought and obtained for an increase in works order value in view to extend the initial scope prior to issue of Works Order.	Resolved

SN	Findings	RRA's Response – Status as at Mid-December 2023	NAO Comments
7	In several instances, Extension of time (EOT) was approved after completion of works: For WO No. 12 of 2021-22, ten weeks after completion of works, EOT of 30 days was approved on 3 March 2022. (Page 40)	EOT was approved as per the parameter of the contract.	Resolved
8	Under WO No. 11 of 2021-22, five months after the project completion date of 24 November 2021, on 19 May 2022 approval of 37 days EOT was obtained. (Page 40)	EOT was approved as per the parameter of the contract.	Resolved
9	For WO No. 17 of 2019-20, one month after completion of works, 40 days EOT was approved on 4 August 2020. As of August 2022, more than two years after completion of works, the Completion/Taking Over Certificate was not yet issued. (Page 40)	EOT was approved as per the parameter of the contract. Completion/Taking over Certificate were issued on 04 August 2020 and 09 May 2023 respectively.	Resolved
10	The Practical Completion Certificate for WO No. 12 of 2021-22 was issued on 15 March 2022. The actual taking over of the site was not yet effected. (Page 40)	Taking over of site was done on 15 March 2022.	Resolved
11	As regards WO No. 11 of 2021-22, the works were actually completed on 24 November 2021. One week after project completion date, the Contractor issued an early warning for late clearances from the Authorities and for additional works. (Page 41)	Henceforth, early warning will be accepted before completion of works as per conditions of contract.	Resolved
12	The WO No. 38 of 2019-20 was completed on 10 December 2020. The Final Completion Certificate was issued on 25 January 2022, more than seven months after the end of defect's liability period. (Page 41)	Henceforth, corrective action will be taken.	Resolved
13	Payment certificates of five WOs, namely Nos. 11, 12, 14, 15 and 17 of 2021-22 for a total amount of some Rs 23 million, were approved after 28 days from submission dates. (Page 41)	Future payments will be approved within 28 days.	Resolved
14	The WO No. 26 of 2021-22, was completed on 24 November 2021. Eight months later, the Practical Completion Certificate was still not issued. (Page 41)	Taking over certificate has been issued.	Resolved

SN	Findings	RRA's Response - Status as at Mid-December 2023	NAO Comments
15	As regards WO No. 17 of 2019-20, the Completion/Taking Over Certificate was not yet issued more than two years after completion of works on 10 July 2020. (Page 41)	Completion/Taking over certificate was still not issued.	Not Resolved
16	The Completion/Taking Over Certificate in respect of WO No. 11 of 2021-22 was issued on 20 May 2022, six months after the practical completion date of 24 November 2021. (Page 41)	Henceforth, necessary action will be taken.	Resolved
17	Approval of the Project Manager was not seen for the five WOs. (Page 41)	Approval of Project Manager will, henceforth, be sought for all WOs.	Resolved
18	None of the updated program of works under the WO No. 17 of 2021-22, were seen approved by the Project Manager. (Page 41)	Henceforth, an updated program will be required from the Contractor.	Resolved
19	The Contractor submitted two early warnings on 5 August 2022 in respect of displacement of CEB poles and additional instructions from the Project Manager, after completion of works on 27 June 2022. (Page 41)	Henceforth, early warnings submitted after completion of works will not be considered.	Resolved
20	The supply and fixing of 50 metres of handrails and eight metres of shallow drains were not carried out under WO No. 26 of 2021-22. (Page 41)	The works were not completed due to non-availability of fund.	Not Resolved
21	Works were partially completed for the WO No. 17 of 2021-22 as 420 metres of roads were not asphalted with a second layer of bituminous concrete, contrary to scope of works. (Page 42)	The second layer of bituminous concrete has already been applied	Resolved
Construction of Mont Lubin Community Centre – Lapses in Contract Management (Page 61, Para 8.3) <i>(Formerly under Commission for Social Security, Housing, Labour and Industrial Relations, Employment and Consumer Protection)</i>			
22	Approval of the Consultant was not seen for the EOT of 45 days in respect of the additional works of Rs 919,655. (Page 61)	Approval for EOT by the Consultant is henceforth kept in relevant files.	Resolved
23	Four months after completion of works, the Departmental Bid Committee approved the variations works of Rs 1,535,825. (Page 61)	Henceforth, variation works would be undertaken by the Contractor only after DTC's approval.	Resolved
24	The amount of Rs 864,960 overpaid was neither recouped nor claimed from the Contractor as of September 2022. (Page 62)	As of September 2023, the amount overpaid was recouped on another project with the same Contractor.	Resolved

SN	Findings	RRA's Response - Status as at Mid-December 2023	NAO Comments
25	As of September 2022, the Final Completion Certificate was not yet issued by the Consultant, and the As-built drawings and detailed accounts of the contract were not available. (Page 62)	As of September 2023, the Final Completion Certificate was still not issued by the Consultant.	Not Resolved
	Wastewater Treatment Plant at Grenade Not yet Operational (Page 66, Para 9.3) (Formerly under Commission for Agriculture, Environment, Fisheries, Marine Parks and Forestry)		
26	As of September 2022, the project was not yet completed and handed over to the Commission. Mechanical and Electrical works were completed at 90 per cent while testing and commissioning were still pending. (Page 67)	The Wastewater Treatment Plant was taken over by the Commission on 6 March 2023. The management of the treatment plant including its security and recording of lorry entering the premises was entrusted to Rodclean Ltd.	Resolved
27	The Commission has not taken timely corrective action against the Contractor to ensure that the project is completed on time, despite the urgency of the situation which had negatively impacted on the environment. (Page 67)	The Wastewater Treatment Plant was taken over by the Commission on 6 March 2023, some 28 months after the revised completion date of 16 March 2021.	Resolved
28	The insurance cover which was valid up to 28 February 2022 was not extended as of September 2022. (Page 67)	The renewed insurance cover was not seen in relevant file as of mid-August 2023.	Not Resolved
29	Following interim assessment for EOT, only 58 days were granted to the Contractor out of 144 days claimed. Final EOT was not yet assessed and determined. (Page 67)	As of mid-August 2023, the Consultant did not assess and determine the EOT and extended completion date.	Not Resolved
30	As of September 2022, payments totalling Rs 21,999,788 were already effected to the Contractor. However, liquidated damages were not yet assessed. (Page 67)	As of mid-August 2023, liquidated damages were still not assessed and determined by the Consultant.	Not Resolved
31	As of September 2022, the Contractor had not submitted a program of works for the completion of all outstanding works. (Page 68)	As of mid-August 2023, works were already completed.	Resolved

SN	Findings	RRA's Response – Status as at Mid-December 2023	NAO Comments
	Model Eco-Village Project at Rivière Coco - Objectives Not Attained (Page 68, Para 9.4) <i>(Formerly under Commission for Agriculture, Environment, Fisheries, Marine Parks and Forestry)</i>		
32	During a visit effected by NAO officers on 29 August 2022, the underground Biogas Digesters constructed in the villagers' premises were seen to be filled with soil due to their non-utilisation. <i>(Page 69)</i>	Three of the six Biogas Digesters are still being fed with animal wastes pending corrective measures of the technical hurdles.	Partially Resolved
33	The population was not yet sensitised about the benefits of using electric vehicles. As of September 2022, no electric vehicle was registered in Rodrigues apart from the one bought at a cost of Rs 1.43 million, to represent a model car powered solely by solar energy. <i>(Page 69)</i>	Sensitization on green energy started at Riviere Coco and is being promoted during the awareness and sensitization campaigns organized on a regular basis for the communities, and students of primary and secondary schools.	Resolved
34	A solar energy charging bay with a capacity of 7 Kwp, installed at the cost of Rs 870,762, was used only by the Deputy Chief Commissioner's Office. <i>(Page 69)</i>	The rationale behind this project was that Riviere Coco village would produce energy through the PV farm and the CEB will consume that energy against payment. Payment has been settled, thus the village can embark on procurement of electric bikes for renting activities. Accordingly, the solar energy charging bay will be in use.	Partially Resolved
35	Funds injected into the project were not judiciously used as the objective of achieving 100 per cent coverage of the island in terms of energy needs through renewable energy was remote. <i>(Page 70)</i>	A strategic roadmap for Rodrigues to be 100 per cent Renewable Energy by 2050 is presently underway, namely the Rodrigues Ile Verte project. The introduction of renewable energy from photovoltaic at Riviere Coco is a pilot phase. Valuable experiences have been gathered and corrective measures will be taken during extension phases.	Partially Resolved
36	Procurement procedures, in line with the Public Procurement Act, were not followed in the selection of a Consultant for the supervision of the Biogas Digesters project. <i>(Page 70)</i>	The Commission will, henceforth, abide by the Public Procurement Act albeit the nature of the project and its urgency.	Resolved

SN	Findings	RRA's Response – Status as at Mid-December 2023	NAO Comments
	Production of Energy from Household Organic Waste for Cooking Purposes – Project not Operational two years after Completion Date (Page 70, Para 9.5) (Formerly under Commission for Agriculture, Environment, Fisheries, Marine Parks and Forestry)		
37	Actual cost exceeded the estimated project cost by some Rs 1.6 million. As of September 2022, out of the Rs 21 million, a total amount of Rs 1.8 million was still due to several suppliers. (Page 71)	The project cost exceeded the initial budget as excavation works were not foreseen. As of mid-August 2023, the last instalment from EU was not yet received. Payment to suppliers were pending.	Not Resolved
38	As of September 2022, that is 28 months after the completion of the project, 140 out of the 141 Biogas Digesters were still not connected to the beneficiaries' kitchens. (Page 71)	In July 2023, the Commission informed that most beneficiaries need assistance in order to access the first load of 500 Litres of cow dung. They can afterwards refill smaller amount of 20/30 Litres on their own daily. As of mid-August 2023, the remaining 140 Biogas Digesters were not yet connected to the respective beneficiaries' kitchens.	Not Resolved
39	Following visits to all beneficiaries of Biogas Digesters, it was estimated that an amount of Rs 549,000 should be injected to revive the project. However, as at September 2022, no such action was initiated. (Page 71)	No improvement was noted as of mid-August 2023.	Not Resolved
40	On 22 August 2022, only one of the Biogas Digesters was connected to the beneficiary's kitchen while the three others were left in an abandoned state with mud inside. (Page 71)	During a visit made in mid-August 2023, the only Biogas Digester previously connected in 2022 was disconnected from the beneficiary's kitchen and the gas pipe was left abandoned in the yard.	Not Resolved
41	In three cases, the construction of toilets blocks were still not completed and piping works were also not completed. Rolls of pipe to be used for gas connection were left in an abandoned state by one beneficiary in his backyard. (Page 71)	Some beneficiaries had constructed their own toilets by the time the project started. In view of the increase in project cost, this item was completely dropped as it was not the main priority of the project.	Not Relevant

SN	Findings	RRA's Response - Status as at Mid-December 2023	NAO Comments
42	<p>The notes of meeting of the Project Coordinating Committee were not made available despite several requests. Hence, there was no evidence that a Project Coordinating Committee had effectively been set up and that meetings were regularly held to monitor the project.</p> <p><i>(Page 72)</i></p>	<p>The Project Monitoring Committee was not set up as planned.</p>	<p>Not Resolved</p>
43	<p>Procurement procedures were not complied with for the appointment of a Consultant for the period October 2018 to May 2020 to provide training to selected beneficiaries and to supervise the installations of the Biogas Digesters.</p> <p><i>(Page 72)</i></p>	<p>Henceforth, procurement procedures will be complied with. As of mid-August 2023, no additional payment was made to the Consultant.</p>	<p>Resolved</p>

6 – COMMISSION FOR AGRICULTURE, FISHERIES, FOOD PRODUCTION, FORESTRY AND PLANT & ANIMAL QUARANTINE

6.1 Reafforestation – Intended Objectives not achieved

One of the missions of the Commission for Agriculture was to preserve and protect forest ecosystems for the sustainability of the biodiversity of Rodrigues. Reafforestation of 100 hectares of bareland, sustainable management of forestry catchment areas and implementation of forestry biodiversity conservation programme, were key to the strategic direction of the Commission.

During the past three years ended 30 June 2023, some Rs 5 million were spent on reafforestation. Actual expenditure incurred during 2022-23 for the improvement of cultivated areas amounted to some Rs 2 million against a budgeted amount of Rs 3 million.

Findings

6.1.1 Delay in the Setting up of a Nature Reserve at Cascade Pigeon Phase II

The project for the setting up of a nature reserve at Cascade Pigeon Phase II was a continuation of Phase I which was carried out from March 2017 to September 2018.

The project was co-financed by RRA and the Indian Ocean Commission for a total sum of Euros 172,018 (some Rs 7 million). Fifty hectares of forest had been fenced within which 20 hectares were restored with endemic plants.

The Phase II project was to cater for the remaining 30 hectares of forest already fenced and to complete the setting up of a Nature Reserve. The estimated cost was Rs 9.25 million.

As per the project plan, the targeted start date of Phase II was September 2019 and the expected completion date was June 2020. It was only in July 2023, three years later, that the planting of seedlings was completed.

The targeted completion dates for the planting of seedlings could not be met. The planting of 95,000 seedlings which started in February 2020 with contractual completion date of 30 April 2020 was delayed by four to six months due to a lack of transport facility to convey the seedlings to Cascade Pigeon.

The planting of another 50,000 native and endemic seedlings on the remaining hectares actually started in May 2023 and was reported to have been completed in July 2023.

During the financial year 2022-23, the Commission spent Rs 1.5 million for land preparation. The services for the planting of the seedlings were procured through Community end-user participation at a rate of Rs 10 per plant.

6.1.2 Poor Maintenance of Cascade Pigeon Nature Reserve

A site visit was conducted on 15 August 2023 by NAO Officers in the presence of Officers of the Forestry Services at Cascade Pigeon Nature Reserve. The following were observed:

- The Reserve was poorly maintained. Part of the Reserve which was restored during Phase I was invaded by wild plants.
- The seedlings planted in May/July 2023 during Phase II, were overgrown by invasive plants and trees which were a risk for their growth.

6.1.3 No Project Evaluation

The Forestry Service did not prepare a project completion report and an evaluation report on whether the intended benefits had been achieved at the end of Phase II.

6.1.4 Targeted Area of Bare Land to be afforested/restored not achieved

The targeted area of bare land to be reafforested in the financial year 2022-23 was 100 hectares. However, the number of hectares of bare land actually reafforested during the financial year was some 50 hectares.

Even though a service agreement had been signed by the Commission with the Mare Gravier Village Committee for the planting of 5,000 seedlings at Gravieres from 12 May to 15 June 2022, none had been planted. The contract did not provide any penalty for non-delivery of the services.

6.1.5 Targeted Area of Acacia Nilotica to be eradicated and controlled not achieved

In financial year 2021-22, the area under Acacia Nilotica (Piquant Loulou) controlled by Forestry Services was 70 hectares and it was expected to increase to 200 hectares in financial year 2022-23. The key achievement for financial year 2022-23 was only 75 hectares instead of 200 hectares.

The targeted area to be eradicated and controlled could not be achieved. Fifty hectares of Acacia Nilotica were to be cleared at Pointe aux Sel during a minimum of 100 working days in the financial year 2022-23. However, these could not be carried out due to the unavailability of an excavator and crawler tractor that was involved in another land rehabilitation program.

6.1.6 Achieving additional 1,000 hectares by 2027

The total area covered by forests on the island of Rodrigues was estimated at 3,000 hectares as at July 2023 and at this pace of implementation, the Commission for Agriculture may not achieve the target of reafforesting 1,000 additional hectares by 2027.

In the financial year 2023-24, the Forestry Services intends to restore a further 50 hectares under Phase III of the project. However, in the absence of proper maintenance, it is feared

that the areas to be restored would again be overgrown by invasive plants, putting the survival of the seedlings planted at risk.

Acacia Nilotica is reported to be spreading rapidly in the island. If timely actions are not taken, the intended objectives of reforestation will not be attained.

Root Causes

- The Accounting Officer of the Commission for Agriculture did not set up a Project Steering Committee with the relevant stakeholders to monitor implementation of the project.
- The Officer in Charge of the Forestry Services did not have a Management Plan for the control of Acacia Nilotica.

Recommendations

- A Project Steering Committee should be set up to properly monitor the progress of the project.
- An integrated Management Plan for the control of Acacia Nilotica should be developed.
- Officers of the Forestry Services should ensure effective implementation and supervision of project activities/phases.

RRA's Response

- Poor maintenance of Cascade Pigeon Nature Reserve arose due to insufficient labour for maintenance of the reserve.
- The project completion report is being prepared.
- Only 50 hectares of bare lands were reforested instead of 100 hectares due to budget constraints.
- The target of 200 hectares of Acacia Nilotica to be controlled in 2022-23 was not achieved as no budget was allocated for that period.
- The Commission will ensure the setting up of a Project Steering Committee with relevant stakeholders for monitoring of future projects.
- A discussion paper on the control of Acacia Nilotica has already been prepared and will be used to devise a Terms of Reference for the recruitment of a Consultant to prepare the Integrated Management Plan accordingly.

6.2 Setting up of a Slaughter House in Rodrigues – Still not Operational

The aim for the setting up of a slaughter house of an extent of 7,688 m² in Rodrigues was to improve meat production, obtain good quality meat and ensure proper sanitation. The slaughter house was constructed for a total cost of some Rs 68 million in year 2015.

In December 2018, it was decided by a Committee chaired by the then Commissioner for Agriculture that the slaughter house would be operational and equipped with some equipment in the beef and goat sections.

As of March 2023, the costs for the operationalisation of the slaughter house, including refurbishment and purchase of equipment and vehicles were estimated at some Rs 77.1 million.

Findings

6.2.1 Slaughter House not Handed Over to the Lessee and Still Unutilised

On 6 March 2020, the Commission decided to lease the slaughter house to a private company for an annual rental of Rs 595,000.

Subsequently, on 14 March 2020, a lease agreement was signed between the Commission and the private company. Due to the COVID-19 outbreak, the handing over of the building was scheduled for April 2021.

However, the slaughter house was not handed over to the company and no explanation was available in this respect. As of mid-August 2023, the slaughter house was still unutilised by the Commission.

6.2.2 Amount provided by Ministry of Agro-Industry and Food Security not utilised

An amount of Rs 20 million was provided in the Budget 2022-23 of the Ministry of Agro-Industry and Food Security to operationalise the slaughter house.

The Commission, however, did not submit an implementation plan to the Ministry of Agriculture and Food Security for the rehabilitation of the slaughter house. Thus, the fund provided in the National Budget was not used.

6.2.3 Consultancy Services - Procurement Procedures not Followed

On 13 September 2022, the Departmental Bid Committee, approved the only offer of a Consultant for the preparation of the tender document for the rehabilitation of the existing slaughter house and supervision of works and installation of equipment. On the same date, the Commission awarded the contract to the Consultant for Rs 563,500.

No quotation was invited from other Consultancy Firms.

6.2.4 Delay in Submission of Tender Document by Consultant

On 27 January 2023, the Consultant submitted the tender document for the rehabilitation and operationalisation of the slaughter house.

Due to several errors and omissions detected in the tender document, a revised draft tender document was submitted to the Commission on 11 July 2023, with a delay of almost six months.

As of 27 July 2023, the tender document was still not reviewed by a professional from the Mauritius Meat Authority as decided by the Commission.

6.2.5 Site Visit by NAO officers on 20 July 2023

During a site visit carried out by NAO officers on 20 July 2023, the following were observed:

- Both the yard and the buildings were in an abandoned state as shown in Figure 11.
- A generator was housed in a separate building which was locked and it was not known whether the generator acquired in year 2015 was still in working condition. The fire hose and safety kits were in a deplorable state.
- The roller shutters at the Beef Unit were blocked and as they were not functioning, the Unit remained open. Two metal gates were detached and kept on the side of the adjacent wall as shown in Figure 12.



Figure 11: Yard and buildings left in abandoned state



Figure 12: Detached metal gates

Root Causes

- A feasibility study has not been done for the construction and operationalisation of the slaughter house apart from an inception report submitted by the Consultant in May 2010.
- The Accounting Officer had not prepared a long-term business plan to assess the viability of the project.

Recommendation

The Accounting Officer should always carry out a proper feasibility study before embarking on a major project.

RRA's Response

- The services of the Consultant were sought anew in year 2022 in line with the implementation of the budget measures 2022-23 due to the fact that he was the Consultant who was awarded contract for the construction of the initial building and is well versed with the project.
- The issues raised during the site visits will be addressed in a refurbishment contract.
- The Maintenance Unit of this Commission has serviced the generator and it is functional. Since the first testing, it is being put on, on a monthly basis.

6.3 Follow Up of Findings Raised in Audit Report 2021-22

A follow up of findings raised in the Audit Report for the financial year 2021-22 was carried out. The Commission was requested to inform NAO of the actions that have been taken to address the findings and recommendations in the Report. The information along with evidence collected through review of files and documents were assessed and discussed with the Commission.

The status on actions taken on findings since the publication of the Audit Report are summarised on next page. Out of seven findings, two (28.6 per cent) have been resolved, four (57.1 per cent) have not been resolved and one (14.3 per cent) is no longer relevant.

Follow up of Findings Raised in Audit Report 2021-22

SN	Findings	RRA's Response – Status as at Mid-December 2023	NAO Comments
Recruitment of Workers under the Land Rehabilitation Programme - Objectives not attained (Page 63, Para 9.1)			
1	On 18 May 2022, the contract with the workers was terminated as same was not vetted by the legal adviser of the RRA and was for an indeterminate duration. (Page 63)	The contract was already terminated.	Resolved
2	Despite the fact that the workers did not attend duty since March 2022, stipend up to May 2022 for a total amount of some Rs 4 million, was paid to them. This is considered as nugatory expenditure. (Page 63)	The Executive Council has decided to pay the workers' wages in lieu of notice, compensation as from the date of notification for termination of employment, 18 May 2022.	Resolved
3	An evaluation exercise for the assessment of the skills of the workers was not carried out by the Commission for Agriculture before recruitment. (Page 64)	For an evaluation exercise, this office has sought a list of 300 jobseekers from the Employment Office who have experience in masonry, building construction, stone mason and others related to the same field.	Not Relevant
4	Some Rs 5.17 million, incurred under the Programme, were not refunded by the NECCF due to the absence of prior approval from the MoFEPD. (Page 64)	As of mid-August 2023, the amount was not refunded. Refund from NECCF is less probable.	Not Resolved
Rainwater Harvesting (RWH) Structures at Montagne Goyaves and Baie Malgache - Unutilised for more than four years after handing over of sites (Page 64, Para 9.2)			
5	The completed structures at Montagne Goyaves and Baie Malgache were taken over by the Commission on 22 December 2017 and 15 March 2018 respectively. However, due to structural defects, the RWH structures have never been used. (Page 65)	A Technical Committee has been set up to revisit the scope of works and its implementation on a phase-wise basis. The estimated costs for the Pump House and its related accessories are being worked out with a view to proceed with procurement procedures for the phase I.	Not Resolved
6	In April 2021, the Contractor claimed losses of Rs 2.3 million and expenses of Rs 10.9 million in respect of the RWH structures. However, the Project Consultant neither approved the claims nor issued a discharge certificate. (Page 65)	As of mid-August 2023, the matter was still unresolved and no justification was provided by the Commission.	Not Resolved
7	The taking over of the site by the Project Consultant was not in accordance with the General Conditions of Contract. (Page 65)	As of mid-August 2023, no action was taken against the Consultant.	Not Resolved

7 – COMMISSION FOR HEALTH, FIRE SERVICES AND SOCIAL SECURITY

7.1 Conversion of New Administrative Building at Mont Lubin into Health Centre – Lapses in Contract Management

At paragraph 8.1 of the Audit Report for financial year 2019-20, mention was made that the objectives for the construction of a Social Security House (New Administrative Building) at Mont Lubin were to decrease the high rental costs of buildings and to provide office space to accommodate the Head Office of the Commission together with its various units.

In January 2021, following the outbreak of the COVID-19 pandemic in Rodrigues, part of the new Administrative building was occupied by the Commission for Health and it was decided that, henceforth, the building would be used for Health services. Works pertaining to the fixing of aluminium partitioning at the different blocks were thus required.

Following a bidding exercise, the contract for the partitioning works, among others, was awarded to the lowest substantially evaluated bidder, for some Rs 6 million on 16 May 2022. The contract was signed with the Contractor on 24 May 2022.

The contract value was ultimately revised to some Rs 7.6 million, as additional works were entrusted to the Contractor during the course of the project. A private Project Engineer was appointed as Consultant to supervise the project for a lump sum fee of Rs 201,250.

Findings

7.1.1 *Delay in Start of Works due to Materials not Carted Away*

- The site was handed over to the Contractor on 1 June 2022, that is 14 days instead of seven days from the acceptance date, contrary to the General Conditions of Contract.
- All the existing materials found in Blocks A, C and D were not removed by the Commission prior to handing over of the site to the Contractor to start work.
- Works started on 8 June 2022, that is 21 days instead of 14 days from the date of acceptance of the contract.

Root Causes

- The Accounting Officer had not taken appropriate measures for the carting away of all the existing materials prior to handing over the site to the Contractor.
- The Accounting Officer of the Commission has not ensured that the terms and conditions of the bidding documents were adhered to by the Contractor.

Recommendation

The Accounting Officer should ensure that the terms and conditions of the bidding documents are complied with.

7.1.2 Additional Works not identified at Project Inception Stage

During the execution phase, additional works such as ramps for patients' access, sliding counter in the Pharmacy, partitioning in patients' ward and the ground floor for the maternity unit, not identified at the inception stage of the project, had to be undertaken for a cost of some Rs 1.6 million.

Other additional works like partitioning for Dentists/waiting room in Block C and sluice in maternity, could not be entertained under this contract as the variation threshold of 25 per cent of the project value was nearly reached.

Root Cause

The Consultant did not carry out a proper assessment of the scope of the work.

Recommendation

The Commission should ensure that all essential works pertaining to the finalisation of a project are identified by the Consultant before launching tenders.

7.1.3 Appointment of a second Private Consultant – Procurement Procedures not followed

Despite the contract for “*Global Consultancy Services for selected development projects in Rodrigues*” was still valid as at mid-August 2023, another private Consultant was appointed by the Commission to supervise the project.

Moreover, procurement procedures were not followed for the appointment of the second private Consultant. An expression of interest was not launched by the Commission, contrary to the provisions of the Public Procurement Act. However, it is noted that a quotation dated 14 December 2021 from the second private Consultant for the provision of consultancy services for this project for a lump sum fee of Rs 201,250 was accepted on 20 December 2021, on a fast-track basis.

No request was made by the Commission to designate an Engineer from the Deputy Chief Commissioner's Office to supervise and manage the Project.

Root Cause

The Accounting Officer of the Commission appointed another Consultant instead of the one already appointed under the “*Global Consultancy Services for selected development projects in Rodrigues*”.

Recommendation

The services of the Consultant appointed under the contract “*Global Consultancy Services for selected development projects in Rodrigues*” should be sought for any project.

RRA's Response

The Commission will abide by the recommendations in the implementation of future capital projects.

7.1.4 Site Visit at New Administrative Building by NAO Officers on 17 August 2023

During a site visit effected by NAO Officers at the New Administrative Building on 17 August 2023, a new hydraulic dentist chair with complete accessories was found in the Dentist Unit. Refer to Figure 13.



Figure 13: Hydraulic Dentist chair costing Rs 1.25 million not yet commissioned

NAO Officers were informed that the new hydraulic dentist chair with complete accessories was purchased at a cost of Rs 1.25 million following a restricted bidding exercise on 3 May 2023. The dentist chair was delivered on 12 May 2023 but was still not commissioned three months after delivery. Payment was also not effected to the supplier as at mid-August 2023.

Root Cause

The Accounting Officer has not ensured that the water connection and drainage system for the newly procured hydraulic dentist chair were completed on time for commissioning.

Recommendation

The Accounting Officer should ensure that all the outstanding works are completed to enable the commissioning of the hydraulic dentist chair.

7.2 Delay in Delivery of Medical Equipment due to Laxity in the Issue of Letters of Awards

During the financial year 2022-23, some Rs 50 million were disbursed by the Commission for the purchase of medical equipment. Examination of five bids pertaining to the procurement of medical equipment, totalling some Rs 15.8 million, revealed that though the

medical equipment ordered were expected to be delivered in April and July 2023, most of them were not yet delivered as at mid-August 2023.

On the other hand, although some medical equipment were delivered with much delay, liquidated damages were either waived or not applied for late delivery, contrary to the conditions of the contract.

Findings

7.2.1 Delay in Evaluation of Bids

The bid evaluation reports were finalised by the Bid Evaluation Committee (BEC) and approved by the Departmental Tender Committee (DTC) with delays ranging from 50 to 90 days after the closing of the bids.

7.2.2 Letters of Award issued to Suppliers with much Delay

According to the letters of award, the medical equipment were expected to be delivered within a period of 60 days from the dates of award. In the five procurement exercises selected by NAO, the letters of award were issued to 23 suppliers, with delays ranging from 38 to 52 days from dates of award, thereby leaving them with only eight to 22 days to supply the medical equipment.

Failure in the delivery of equipment within the prescribed date limit will negatively impact on service delivery of the Health Services.

7.2.3 Liquidated Damages not applied

- As of mid-August 2023, out of the 23 letters of award issued, only two suppliers had completed their deliveries, but with delays ranging from 65 to 80 days from the expected delivery dates.

Contrary to the conditions of the contract, liquidated damages were not applied to these two suppliers, although the attention of the DTC in that respect was drawn by the Principal Procurement and Supply Officer in one case.

- No EOT was granted to the remaining 21 suppliers and no delivery of the medical equipment was effected by them as of mid-August 2023.
- Since the Commission had failed to issue the letters of award in due time, there is a high risk that the clause of liquidated damages with regard to the late delivery of the medical equipment, would not be applied by the DTC (chaired by the Departmental Head of the Commission).

Root Causes

- The BEC and DTC have delayed the award of the contracts for the procurement of medical equipment.

- The Accounting Officer of the Commission has shown laxity in the issue of letters of award.

Recommendations

- The Accounting Officer should ensure that the letters of award are despatched as soon as they are finalised.
- Liquidated damages should be applied for all delays in delivery of medical equipment.

RRA' Response

Action will be taken to avoid same in future procurement exercises.

7.3 Newly Acquired Water/Foam Tender for Rs 18.8 million - Broken down within four months

In June 2019, following an open bidding exercise, the BEC recommended the award of the contract for the supply, delivery and commissioning of a Water/Foam Tender lorry for the Rodrigues Fire and Rescue Services to the most substantially responsive bidder for the sum of Rs 18.9 million.

The DTC, at its meeting held on 13 June 2019, endorsed the recommendation of BEC. The contract was awarded to the Contractor in October 2019 with expected delivery to be made within 105 days from the date of award, that is, by 31 January 2020.

Findings

7.3.1 Inspections and Testing not done by a Mechanical Engineer as per Special Conditions of Contract

- The Special Conditions of Contract provided that the final inspections and tests should be carried out by a Mechanical Engineer at the Rodrigues Fire and Rescue Services in Camp du Roi. This option was not considered by the Accounting Officer of the Commission.

The Accounting Officer, instead, opted to carry out inspections and tests at the supplier's premises in Austria in accordance with the GCC.

- In early March 2022, some 28 months after the award, a team of three officers comprising a Technical Officer (Mechanical) and two officers of the Fire and Rescue Services travelled to Austria for the pre-delivery inspection of the Water/Foam Tender lorry at the supplier's premises. A report in that respect was submitted on 11 March 2022.
- As at mid-August 2023, the post of Mechanical Engineer, vacant since July 2018, was not filled. The Commission had not explored the possibility of hiring the services of a private Mechanical Engineer or one from the public service in Mauritius for the final inspections of the Water/Foam Tender lorry.

Root Cause

The Accounting Officer of the Commission had not enlisted the services of a Mechanical Engineer with regard to the final inspection and testing.

Recommendation

The Accounting Officer of the Commission should ensure that the conditions of the bidding documents are always complied with.

RRA's Response

The commissioning of all new vehicles is being carried out by Technical Officer/Mechanical Workshop Superintendent in Rodrigues. This forms part of his scheme of duties.

A tilting test should also be done at Rosenbauer inhouse tilting platform as this platform is not available in Mauritius. This test is concerned with the stability of the vehicle with regard to the topography of Rodrigues island.

7.3.2 Extension of Time approved without Expected Delivery Date

- On 11 August 2022, the supplier requested for an EOT due to the COVID-19 outbreak and the Ukraine/Russian war. On 13 September 2022, the DTC approved the request without mentioning the expected delivery date.

The Water/Foam Tender lorry which was expected to be delivered by 31 January 2020, was actually delivered, commissioned and tested on 19 August 2022.

- The main cause for the prolonged delay in the delivery of the lorry could be attributed to the option exercised by the Accounting Officer of the Commission to perform an inspection at the Supplier's premises in Austria instead of carrying out the inspections and tests in Rodrigues by a Mechanical Engineer.

Root Cause

The Accounting Officer of the Commission had approved EOT for an undetermined period.

Recommendation

The Accounting Officer should, henceforth, ensure that EOT is approved for a reasonable period with an end date.

7.3.3 Lorry Delivered in August 2022 – Out of Order since December 2022

- The Water/Foam Tender lorry which was commissioned on 19 August 2022, encountered a shifting gear failure in December 2022 due to a defective clutch kit, after having covered only 2,549 kilometres.

Although the lorry was still under warranty, a quotation dated 16 March 2023 from the supplier for an amount of Rs 610,121 to repair the shifting gear was approved by the DTC on 9 May 2023. An additional sum of Rs 86,000 was quoted by the supplier on 19 June 2023.

As of mid-August 2023, the lorry was still not repaired and was lying at the Camp du Roi Fire Station.

- Prior to approving the supplier's quotation for the repairs of the shifting gear due to a defective clutch kit, legal advice was not sought by the Commission, given that the lorry was still under warranty.

Root Causes

- The Accounting Officer did not investigate the cause of the shifting gear failure.
- The drivers of the Rodrigues Fire and Rescue Services were not provided with appropriate training to operate the newly acquired fire truck.

Recommendation

The Accounting Officer should investigate the cause of the shifting gear failure and take appropriate remedial action.

7.3.4 Fire and Rescue Services – One Fire Truck for two Fire Stations

The Fire and Rescue Services has two Fire Stations, one found at Camp du Roi and the other one at Mont Plaisir and had three Fire Trucks as of mid-August 2023.

The chassis of the first Fire Truck was heavily damaged due to corrosion and was out of order since 10 November 2022. During a visit effected by NAO Officers on 17 August 2023, the lorry was seen lying in the open yard at Camp du Roi Fire Station.

The second Fire Truck was reported to encounter engine overheating problems. In March 2023, the vehicle was repaired by the supplier for a cost of Rs 185,541. As of mid-August 2023, the lorry was again reported encountering engine overheating problems after covering some 20 kilometres.

The newly acquired Fire Truck had shifting gear failure since 29 December 2022 and was still awaiting repairs by the supplier as of mid-August 2023.

- Out of the three Fire Trucks, one was out of order, the second one was having engine overheating problems and the third one was idle due to gear failure.

- There was no Fire Truck posted at one of the two Fire Stations. In case of a fire outbreak or an emergency rescue, there is a high risk that service delivery would be constrained.

Root Cause

The Accounting Officer did not ensure that appropriate maintenance was regularly carried out on the Fire Trucks.

Recommendations

The Accounting Officer should:

- initiate action to fill in the post of Mechanical Engineer; and
- ensure that the defects found in all three Fire Trucks are repaired at the earliest possible to ensure continuous service delivery.

RRA's Response

- The crack in the chassis of the fire truck cannot be repaired in Rodrigues as it is heavily damaged by corrosion.
- With regard to the second fire truck, the advice of a Mechanical Engineer will be sought so that a complete survey of the vehicle is done to determine the causes of the over-heating engine problem.
- As for the newly acquired fire truck, the Commission is seeking advice from a Mechanical Engineer whether it is possible to do the necessary repairs.

7.4 Domiciliary Medical Visits – Weaknesses in Expenditure Control

At paragraph 7.1 of the Audit Report for financial year 2020-21, mention was made that monthly domiciliary medical visits were provided by 18 Medical Health Officers to 1,558 bedridden patients as of March 2022 and that weaknesses in expenditure control were noted.

During the financial year 2022-23, fees totalling some Rs 4.5 million were paid to the 19 Medical Health Officer/Senior Medical Health Officers (MHO/SMHOs). As per database submitted by the Medical Unit of the Commission, there was a population of 1,550 patients requiring domiciliary medical visits as at mid-August 2023.

Findings

7.4.1 Incomplete and Inaccurate information in the Database of Medical Unit

The database of the persons eligible for monthly domiciliary medical visits was incomplete and often inaccurate:

- Personal details such as age, date of birth and National Identity Card (NIC) number of the persons eligible for domiciliary medical visits were missing in most cases. The NIC number of beneficiaries were inaccurate and incomplete as they contained less than the 14 alphanumeric characters in various cases.
- The maiden name of female beneficiaries who had contracted marriage was not available in the database.
- Two different persons having the same NIC number were noted in the database.

Root Cause

There was no supervisor attached to the Medical Unit.

Recommendations

The Accounting Officer should:

- ensure that the Unit is headed by a Health Coordinator;
- ensure that the Medical Unit regularly updates the database;
- liaise with the Civil Status Office to recover all missing and inaccurate details of patients eligible for domiciliary visits; and
- ensure that the database of the Medical Unit and that of the Civil Status Office are interlinked.

RRA's Response

There is no Doctor to head the Medical Unit. Proposal will be made for the recruitment of a Health Coordinator to better manage the Medical Unit.

7.4.2 Medical Board comprising only one MHO/SMHO

Medical Boards comprising two MHO/SMHOs were set up by the Medical Unit where the assessments for disabilities for invalid basic pension were done at the hospital level.

- The services of MHO/SMHOs are hired to serve on the Medical Board and also to effect monthly domiciliary visits.
- As regard the assessment for disabilities done at the applicant's residence, the Medical Board consisted of only one MHO/SMHO. This practice is against the spirit of setting up a Medical Board.
- No expression of interest was launched by the Commission inviting medical practitioners to serve on the Medical Board and/or to perform domiciliary medical visits. The assistance of the Ministry of Social Integration, Social Security and National Solidarity was also not sought by the Commission.

Root Cause

The Accounting Officer did not set up domiciliary Medical Board comprising more than one MHO/SMHO.

Recommendations

- The Medical Board should comprise at least two MHO/SMHOs.
- The services of those MHO/SMHOs on contract with the Medical Unit of the Ministry of Social Integration, Social Security and National Solidarity should be sought to serve on the Medical Board in Rodrigues.
- The use of technological communication may be considered when domiciliary visits are effected by a Medical Board comprising only one MHO/SMHO.

RRA's Response

Domiciliary Medical Board is done by only one MHO, hence applying the same policy as the parent Ministry in Mauritius.

7.4.3 Complaints for Domiciliary Visits not effected – No Departmental Enquiries effected

A Complaints Register was introduced in the Medical Unit in April 2023. Two complaints were made by the relatives of two beneficiaries on 7 July 2023 and 11 July 2023, respectively.

It was alleged that no monthly domiciliary visits had been effected by the two visiting MHO/SMHOs for three consecutive months. However, claims for the three months were submitted by the two visiting MHO/SMHOs for these visits.

- No departmental enquiries were set up to investigate these two cases. Although fees were claimed, payments have not yet been effected to the two MHO/SMHOs as of mid-August 2023.
- Instead of referring the matter to the Police for an enquiry, the Commission decided to redistribute the beneficiaries' files to other MHO/SMHO for domiciliary visits.

Root Cause

The Medical Unit did not have a proper monitoring mechanism to ensure that visits have actually been effected.

Recommendation

The Accounting Officer should set up a proper mechanism to ensure that claims for domiciliary visits are submitted for visits actually made by the MHO/SMHOs.

RRA's Response

The findings and the matter will be referred to the appropriate Authorities.

7.5 Setting up of a Lime and Honey Farm, and an Integrated Organic Chilli Farm – Objectives not attained

The project for the setting up of a Lime and Honey farm at Anse Ally, and an Integrated Organic Chilli farm at Montagne Du Sable targeted 15 and 28 beneficiaries, respectively, who are smallholder farmers, beneficiaries of Unemployment Hardship Relief and 'Plan de Prestation Transitoire'.

The grant contract start date for the projects was 26 July 2018, with a duration of 36 months, ending on 25 July 2021. In December 2021, the European Union (EU) conveyed its approval for an extension of the grant contract by an additional 25 months until 26 August 2023.

During the period July 2018 to June 2023, the EU effected three grant payments totalling some Rs 38 million and RRA contributed some Rs 14.5 million. In April 2021, an amount of Rs 10.9 million was transferred to finance the projects from the Rodrigues Vote in the Prime Minister's Office.

A private Project Engineer was hired to provide consultancy services and supervision of works at both sites.

As at 30 June 2023, the total expenditure under the projects amounted to some Rs 50.23 million.

7.5.1 Lime and Honey Farm at Anse Ally still not Operational

On 7 September 2020, the Commission for Health and Others awarded the contract for the setting up of a Lime and Honey farm at Anse Ally for the sum of some Rs 25 million to Contractor A.

The scope of works comprised, amongst others:

- construction of a rainwater harvesting pond at Roche Bon Dieu;
- fencing of the Lime and Honey farm at Anse Ally; and
- procurement of lemon seedlings and melliferous plants.

Works started on 4 October 2020 and the duration of the contract was for a period of 210 days, with completion date of 1 May 2021.

The contract was completed on 22 June 2021, except for the supply and laying of polyethylene geomembrane to the rainwater harvesting pond, and the supply and fixing of solar power system for the nursery and store building. The site was handed over to the Commission on 6 July 2021.

However, as at mid-May 2023, that is, nearly two years after the taking over of the site, the Lime and Honey farm project was still not operational.

Findings

- The site at Anse Ally was not surveyed by the private Engineer before the submission of the quote of Rs 569,250 on 27 June 2019. Some two months later, on 5 September 2019, the Engineer informed the Commission that the site at Anse Ally was not appropriate for the construction of rain water pond of 1,000 m³ due to technical and financial reasons. Another site located at Roche Bon Dieu was thus selected for replacement as it was more elevated and as such no pump and water supply network were required.
- The laying of geomembrane liner to the pond and the installation of the solar panel were effected during the defects liability period which ended on 22 July 2022. However, the actual date these works were completed was not available in relevant files.
- No liquidated damages at the rate of Rs 10,000 per day up to a maximum of Rs 2.17 million was charged as at mid-August 2023, due to delay in the laying of geomembrane and the installation of solar system.
- A Commissioning Certificate was not issued by the Consultant, certifying that the pond constructed at Roche Bon Dieu was actually functioning.

7.5.2 *Integrated Organic Chilli Farm at Montagne Du Sable still not Operational*

The project comprised three main components for which separate contracts were awarded to three different contractors, as shown in Table 18.

Table 18 Contracts Awarded

SN	Components	Contract Amount Rs million	Date Awarded	Duration (Days)	Contractual Completion Date
1	Construction of track roads	4.30	07.07.20	91	06.10.20
2	Fencing and Associated Civil works	4.60	17.07.20	90	15.10.20
3	Construction of rainwater harvesting pond at Montagne du Sable	9.61	05.06.21	210	31.12.21
	Total	18.51			

Source: Relevant Files

Findings

▪ *Liquidated Damages not charged for Delay in completion of works*

The construction of track roads, fencing and associated civil works, and rainwater harvesting pond, which should have been completed on 6 October 2020, 15 October 2020 and 31 December 2021 were actually completed on 14 November 2020, 20 February 2021 and 6 October 2022, respectively.

On 7 March 2023, liquidated damages of 20 days amounting to Rs 350,000 were deducted from the payment to the contractor but were wrongly reimbursed on 4 July 2023 based on the fact that the completion date of the construction of rainwater harvesting pond at Montagne du Sable was revised to 18 November 2022.

According to Section 26 of the General Conditions of Contract, the EOT of 304 days claimed should not have been considered in assessing the revised completion date to 18 November 2022, as early warning was not issued by the contractor to the Commission.

Liquidated damages to the maximum of 10 per cent of contract value, were not charged for delay in completion of the other two components.

▪ *No Commissioning Certificate for Construction of Rainwater Harvesting Pond at Montagne du Sable*

The contract for the construction of rainwater harvesting pond was awarded on 5 June 2021 with contractual completion date of 31 December 2021. A Commissioning Certificate was, however, not issued by the Consultant certifying that the pond, powered by solar energy, was actually functioning.

▪ *Performance Guarantee not renewed*

The construction of rainwater harvesting pond was substantially completed on 6 October 2022. However, the performance guarantee which expired on 31 March 2023 was not extended, after the end of the defects liability period, to October 2023.

Overall Findings

7.5.3 Procurement Exercise for Consultancy Services not followed

No procurement exercise in compliance with the Public Procurement Act was followed for the appointment of a private Project Engineer.

On 10 June 2019, the Project Engineer submitted a quotation of Rs 569,250 to provide consultancy services for the setting up of the Chilli farm at Montagne du Sable. On 27 June 2019, another quotation of Rs 569,250 was submitted by the same Project Engineer for the Lime and Honey farm at Anse Ally.

Direct procurement method was wrongly chosen as the consultancy service for the two projects was procured on a project-wise basis.

The recourse to direct procurement as the method of procurement for the selection of the private Engineer for the two projects was not in compliance with Section 25 of the Public Procurement Act as there was no evidence that the Project Engineer has the exclusive right to perform the services to be procured, and no suitable alternative was available.

7.5.4 Projects not extended Islandwide

On 14 July 2020, the EU conveyed its approval for extending the project islandwide to target more beneficiaries. However, as of mid-August 2023, the project was not replicated to other parts of Rodrigues.

7.5.5 Projects not started although amenities completed

All the amenities for implementing both projects were completed since 6 October 2022. However, as at mid-August 2023, the agricultural and farming activities such as beekeeping, lemon and chilli plantation, and goat rearing had not started. Hence, the beneficiaries were still relying on payments of social benefits.

7.5.6 Allocation of State Land - Lease Agreements not finalised

Lease agreements for the plots of State Land allocated to 43 beneficiaries were still not finalised as at mid-August 2023.

7.5.7 Site Visit by NAO Officers on 10 August 2023

A site visit effected by NAO Officers on 10 August 2023 at Anse Ally and Montagne du Sable revealed the following:

- Although the infrastructure at Anse Ally and Montagne du Sable were completed, lemon and chilli plants were not planted.
- The pond at Roche Bon Dieu had not retained water as compared to another pond located adjacent which was almost full of water. Thus, there was a high risk that the pond might have structural defects. Refer to Figure 14.



Figure 14: No water retained in the pond at Roche Bon Dieu for Anse Ally site

- No use of the rainwater harvesting pond at Roche Bon Dieu could be made although its purpose was to supply adequate water to Anse Ally site.
- Derocking and mechanisation of land for an extent of 10 hectares at Montagne du Sable were not completed. Thus, the chili plantation could not be started. The site was seen in an abandoned state.
- Goat rearing activities were not seen in the five stalls constructed at Montagne du Sable.
- Although 30 beehives and bee colonies have been installed at Anse Ally since January 2022, no honey was produced for the benefit of the beneficiaries.

Root Cause

The Committee comprising the Accounting Officers of the Commission for Health and Commission for Agriculture was not effective in managing the project.

Recommendations

- The ICE should set up a Project Steering Committee consisting of the Commissions concerned and beneficiaries to ensure community participation at each stage.
- The Accounting Officer of the Commission should ensure that the unemployed beneficiaries use the amenities and facilities constructed for their economic and social benefits.

RRA's Response

The Office is taking necessary action for the implementation of the projects.

7.6 Follow Up of Findings Raised in Audit Report 2021-22

A follow up of findings raised in the Audit Report for the financial year 2021-22 was carried out. The Commission was requested to inform NAO of the actions that have been taken to address the findings and recommendations in the Report. The information along with evidence collected through review of files and documents were assessed and discussed with the Commission.

The status on actions taken on findings since the publication of the Audit Report are summarised on next page. Out of 26 findings, 11 (42.3 per cent) have been resolved, seven (27 per cent) have been partially resolved, five (19.2 per cent) have not been resolved and three (11.5 per cent) are no longer relevant.

Follow up of Findings Raised in Audit Report 2021-22

SN	Findings	RRA's Response – Status as at Mid-December 2023	NAO Comments
Procurement of Medical Equipment - Damages not applied for Delay in Delivery (Page 51, Para 7.1)			
1	Medical equipment for the total amount of some Rs 11.9 million were delivered with delays of up to seven months. (Page 51)	The liquidated damages for late deliveries were waived through the Departmental Bid Committee chaired by the Departmental Head.	Not Resolved
2	Medical equipment costing Rs 20.6 million were not yet delivered as of September 2022. (Page 52)	The medical equipment was delivered after September 2022.	Resolved
Setting up of a Second Dialysis Unit at La Ferme Area Health Centre – Project still pending (Page 53, Para 7.2)			
3	There was a lack of planning at the project inception stage. Additional works of Rs 889,456 had to be carried out. (Page 54)	The additional works that were approved and given to the Contractor were decided at the Commission's level.	Resolved
4	The dialysis machine and other equipment costing Rs 5.72 million were still kept in boxes as at 14 September 2022. The project was still pending as of September 2022. (Page 54)	During visit made in mid-August 2023, the medical equipment including the dialysis machine were still kept in boxes as the policy decision has changed.	Not Resolved
5	Leakages in the Pharmacy Unit were not repaired as at 14 September 2022. (Page 55)	Water leakages in Pharmacy Unit were still not repaired.	Not Resolved
Procurement of RX-C Receiver for Directional Waverider (DWR) – Equipment Still Lying Dormant (Page 55, Para 7.3)			
6	Procurement procedures were not strictly adhered to. (Page 55)	Procurement of Meteorological Equipment will, henceforth, be done by the Mauritius Meteorological Services.	Resolved
7	Only one supplier was invited to bid under Restricted Bidding exercise. (Page 55)	Procurement procedures as specified in the PPA will, henceforth, be followed.	Resolved
8	The letter of award was not signed by the Accounting Officer of the Commission. (Page 55)	The letters of award are being signed by the Accounting Officer of the Commission.	Resolved
9	The equipment was actually delivered nearly two months after the scheduled delivery date of 23 October 2020. (Page 55)	Most deliveries were late during this period due to COVID-19 pandemic.	Partially Resolved
10	The RX-C Receiver was not installed at the Meteorological Station 20 months after its delivery. (Page 56)	Directional Waverider (DWR) was deployed on 6 April 2023.	Resolved

SN	Findings	RRA's Response – Status as at Mid-December 2023	NAO Comments
	Payment of Social Benefits – Lapses in Control Mechanism (Page 57, Para 8.1) (Formerly under Commission for Social Security, Housing, Labour and Industrial Relations, Employment and Consumer Protection)		
11	Pensions: Some Rs 6.3 million were refunded by the Mauritius Post Ltd (MPL) for non-encashment of monthly pensions but detail of pensioners concerned were not forwarded to the RRA. (Page 57)	The MPL was requested to submit monthly lists of beneficiaries who did not cash their pensions.	Partially Resolved
12	Contributory beneficiaries have been paid pensions totalling Rs 48.85 million for the period October 2018 to June 2022. This amount has not been claimed back from the National Pensions Fund. (Page 57)	The amount has already been refunded by the NPF and accounted in the Annual Statements in financial year 2022-23.	Resolved
13	Pensions, other than Social Aid or Immediate Payment, totalling some Rs 1.5 million were paid by the MPL for the period December 2020 to December 2021 through Public Assistance Vouchers instead of through paysheet or by cheque. (Page 58)	The matter is being dealt with by the Finance Section.	Partially Resolved
14	Monthly reconciliation was not carried out between the net amount accounted in the Treasury Accounting System and the gross amount paid under the Benefits System. (Page 58)	Reconciliation is actually being done.	Resolved
15	Social Aid: Copies of supporting documents were not seen in beneficiaries' files at time of application. (Page 58)	Officers are scrutinising all files on a periodical basis and call for missing documents.	Partially Resolved
16	As of September 2022, a list of overpayments of Social Aid was not available at the Finance Section of the Commission, despite 25 Advance Accounts were already opened totalling some Rs 200,000. (Page 58)	All sub-offices and main office have been requested to issue the necessary prescribed form to inform the Finance Section of any refund and advance account opened.	Resolved
17	Refunds of overpayment of Social Aid of Rs 21,000 from four beneficiaries were not recorded in the Social Aid module of the Benefits System of the Commission. (Page 58)	Officers have been instructed to follow steps in the processing of refund of Social Aid. This is done in the Social Aid module in the local office system, not the benefits system.	Partially Resolved

SN	Findings	RRA's Response – Status as at Mid-December 2023	NAO Comments
18	183 beneficiaries of Social Aid had also been paid some Rs 5.8 million under the Self-Employed Assistance Scheme (SEAS). (Page 58)	The SEAS was paid by the MRA. All applications and declarations of income and payment were dealt by the MRA. This division does not have this information nor has it been shared so far.	Not Resolved
19	Unemployment Hardship Relief: Applications, dating as far back as years 1986 to 2011, were still being approved and renewed in respect of 70 beneficiaries as of 30 June 2022. (Page 59)	The number of Unemployment Hardship Relief beneficiaries has decreased from 136 in June 2022 to 62 in September 2023.	Partially Resolved
20	Copy of Employment Registration Card was not filed in the beneficiary's file. (Page 59)	Employment Registration Card will, henceforth, be included in beneficiary' file.	Resolved
21	Measures for the detection and recovery of pensions overpaid to deceased beneficiaries were ineffective. (Page 59)	The Commission has reinforced its control and access to the Information Highway Platform.	Resolved
22	The total amount of pension overpaid could not be quantified, in the absence of a detailed listing as of September 2022. (Page 59)	All requests for refunds have been done by the banks. Where there are accounts with no sufficient credit, joint account holders are called to refund.	Partially Resolved
23	There was a lack of information on the status of beneficiaries. (Page 60)	RRA is only a unit in the whole network of the Ministry's Benefits branch in Rose Hill.	Not Resolved
	Construction of Elderly Recreational Centre at Baie Lascars – Delay due to flaws in Bidding Documents (Page 60, Para 8.2) <i>(Formerly under Commission for Social Security, Housing, Labour and Industrial Relations, Employment and Consumer Protection)</i>		
24	An updated cost estimate was not yet submitted by the Project Consultant. (Page 61)	As of September 2023, the project was not undertaken and no payments were effected.	Not Relevant
25	The project which had been initiated as far back as 2013, was still at tender stage after almost nine years. (Page 61)	The project was still not initiated.	Not Relevant
26	The project did not materialise leading to the lapse of funds of Rs 8 million. (Page 61)	Despite fund to the tune of Rs 4 million was provided in FY 2022-23, the project was not undertaken.	Not Relevant

8 – COMMISSION FOR TOURISM, EMPLOYMENT, LABOUR AND INDUSTRIAL RELATIONS, INFORMATION TECHNOLOGY & TELECOMMUNICATIONS

8.1 Follow Up Findings Raised in Audit Report 2021-22

A follow up of findings raised in Audit Report for the financial year 2021-22 was carried out. The Commission was requested to inform NAO of the actions that have been taken to address the findings and recommendations in the Report. The information along with evidence collected through review of files and documents were assessed and discussed with the Commission.

The status on actions taken on findings since the publication of the Audit Report are summarised on next page. Out of eight findings, two (25 per cent) have been resolved, five (62.5 per cent) have been partially resolved and one (12.5 per cent) has not been resolved.

Follow up of Findings Raised in Audit Report 2021-22

SN	Findings	RRA's Response – Status as at Mid-December 2023	NAO Comments
	Available Bandwidth Capacity on MARS Cable not optimally Utilised (Page 47, Para 6.1) <i>(Formerly under Commission for Women's Affairs, Information and Communication Technology and Others)</i>		
1	ICT Company not yet operational as it did not hold a licence. <i>(Page 47)</i>	The setting up of the new Board of Directors has been completed and by August 2023, the company started the recruitment of key staff to start its operation.	Partially Resolved
2	The available bandwidth capacity remained as low as 14.4 Gbps of the available capacity of 100 Gbps. <i>(Page 48)</i>	With the start of operation of the ICT Company and of the Technopark, marketing strategies will be initiated. New regulation will also be put in place to encourage the use of MARS bandwidth.	Partially Resolved
3	The MBC (Rodrigues) which was granted free use of bandwidth during the testing period was still using the bandwidth free of charge. <i>(Page 48)</i>	Necessary communication has been sent to Mauritius Telecom to stop the allocation of free bandwidth to the MBC.	Partially Resolved
4	Revenue from sales of bandwidth amounting to some Rs 16 million was not accounted for in the Annual Statements. <i>(Page 48)</i>	Necessary action has been taken in the financial year 2022-23.	Resolved
	The e-Licensing System Developed but not Operational (Page 48, Para 6.2) <i>(Formerly under Commission for Women's Affairs, Information and Communication Technology and Others)</i>		
5	The objective for the computerisation of the licensing system was not achieved. <i>(Page 49)</i>	The Commission for Tourism has been dealing with the Tourism Authority to find a solution to the termination of contract.	Partially Resolved
6	User Acceptance Testing was not completed as of September 2022. <i>(Page 49)</i>	The User Acceptance Testing was still not completed as the project was suspended.	Partially Resolved
7	Absence of liquidated damages in the Project Management Plan. <i>(Page 49)</i>	Henceforth, inclusion of the clause of liquidated damages will be considered.	Resolved
8	The project was suspended and access to the system denied to the Commission for Tourism. <i>(Page 50)</i>	As of September 2023, no improvement was noted.	Not Resolved

9 - COMMISSION FOR YOUTH AND SPORTS, ARTS AND CULTURE, MUSEUMS, ARCHIVES, HISTORICAL SITES AND BUILDINGS AND LIBRARY SERVICES

9.1 Contract for the Construction of Stadium at Roche Bon Dieu – Previous Contract terminated due to Non-Performance of Contractor and New Contract still lagging behind

At paragraph 10.1 of the Audit Report for the financial year 2017-18 for RRA, mention was made about several flaws in the contract management of the project '*Construction of Roche Bon Dieu Stadium*', such as continuous absence of key personnel, slow mobilisation of resources on site resulting in negligible progress of work, and breaches of contract terms and conditions.

Bids were invited on 20 February 2017 through Open National Bidding Method and on 5 July 2017, the contract was awarded for an amount of Rs 44.3 million. The works were scheduled to start on 30 August 2017 and be completed on 25 February 2018.

On 24 August 2018, the Commission notified the contractor that the contract was terminated due to abandonment of the works, which plainly demonstrated the contractor's intention not to continue performance of its obligations. Out of the contract sum of Rs 44.3 million, the Commission paid the negotiated sum of some Rs 10 million to the contractor.

New Contract for Construction of Stadium - Rs 75.9 million

On 9 June 2021, the Commission awarded a new contract for the construction of a Stadium at Roche Bon Dieu to another Contractor for the sum of Rs 75.9 million. The site was handed over to the Contractor on 10 August 2021 and works started on 24 August 2021. The intended completion date was set to 22 August 2022.

The scope of works consisted of the following:

- Construction of boundary wall 3 metres high and 580 metres long;
- Construction of new stand with approximate gross floor area of 1,156 m²;
- Construction of football pitch;
- Services installation;
- Paving blocks at entrances; and
- External services and drainage work.

As of 28 June 2023, payments to the Contractor totalled some Rs 55.6 million, representing 73.2 per cent of the contract value.

Findings

9.1.1 Delay in Project Completion - Contractor failed to mobilise adequate Resources on Site

According to notes of site meetings, the progress of works from the very start of the project in August 2021 till mid-August 2023, was low and unsatisfactory. The Contractor failed to provide key personnel and necessary equipment on site throughout the construction period. The overall progress of works stood at 62.5 per cent as of mid-August 2023.

9.1.2 Contention on Rate for Excavation Works resulted in a 'Notice of Dispute'

On 29 September 2022, the Contractor informed the Consultant that the total volume of bulk excavation, as per the contract, was 4,478 m³ but after re-measurement, the actual volume for excavation works was 40,623 m³. The increase of 36,145 m³ represented more than 800 per cent increase in the scope of work for this item. The Contractor also stated having experienced at least 90 per cent rock content.

According to contract, the bill rate was Rs 500 per m³. However, the Consultant assessed the rate for excavation works at Rs 479.32 per m³ as compared to the rate of Rs 862.50 per m³ claimed by the Contractor. On the 29 December 2022, the Contractor issued a 'Notice of Dispute', contesting the rate for excavation works as assessed by the Consultant.

In July 2023, the Contractor emphasized that *"until and unless the dispute is not resolved satisfactorily, the economic balance of the Contract will remain materially and adversely affected thereby preventing the Contractor to perform under the Contract."* This issue also contributed to the slow mobilisation of the Contractor on site.

In February 2023, the Consultant approved the volume for excavation works as claimed by the Contractor. However, the dispute on the rate for the excavation works, was not yet resolved as of mid-August 2023.

9.1.3 Tardy Approval of Extension of Time of 340 days and Claim of Rs 18.1 million for Extended stay on Site by Contractor

On 19 September 2022, the Contractor submitted an interim application for extension of the intended completion date by 340 days for increase in earthworks. Subsequently, on 14 October 2022, the Contractor reported that *'since the project manager failed to decide on the revised intended completion date, the date for completion is therefore invalid. Consequently, there is no date for completion. In this situation the Contractor's obligation to complete the works within the specified time is lost and the time for completion is said to be at large. The obligation of the Contractor is then to complete the works within reasonable time'*.

On 7 February 2023, the Consultant approved the extension of completion date by 340 days to 28 July 2023. However, approval of the EOT by the Departmental Bid Committee was not seen contrary to Financial Instruction No 1 of 2014.

On 27 December 2022, the Contractor claimed associated costs of Rs 18.1 million for extended stay on site from 22 August 2022 to 31 July 2023. However, no decision has yet been taken by the Consultant and the Commission in respect of this claim.

As of mid-August 2023:

- There was no indication as to when the project would be completed since the ‘reasonable time’ was not yet defined by the Contractor. The Consultant expressed his disagreement with the Contractor on this issue and requested for an updated program of works in July 2023. However, the Contractor refused to provide the updated program of works.
- The Executive Council was not apprised of the prevailing ‘deadlock’ situation between the Contractor and the Consultant.
- The Commission did not take any decision as to whether to terminate the contract.

9.1.4 Non-renewal of Contractual Securities

The insurance policy and the Advance Payment Security expired on 31 July 2023. As of 17 August 2023, these securities which would safeguard the interest of the Commission were not yet renewed by the Contractor.

Root Causes

- A Project Engineer was not assigned to this project to supervise the works of the Consultant.
- The Consultant did not properly estimate the volume of excavation works at the planning stage.

Recommendations

- The ‘dispute’ pertaining to the rate for excavation works should be resolved at the earliest possible as per procedures spelt out in Section 24 of the General Conditions of Contract (GCC).
- The Consultant should abide by the provisions of the GCC.
- The Accounting Officer of the Commission should report the poor performance of the contractor to the Procurement Policy Office as per Directive 35.
- A Project Steering Committee, chaired by the Departmental Head and relevant stakeholders, should be set up to monitor the project.

RRA's Response

- In September 2023, the Consultant was requested to provide a detailed cost report on the contract.
- The Commission lacks technical and engineering know how and expertise in dealing with such major infrastructural projects.

ANNUAL STATEMENTS

STATEMENT A

Statement of Assets and Liabilities as at:

ASSETS	NOTE	30 June 2023	30 June 2022
		Rs	Rs
Cash and Bank balances	6	120,441,955	130,281,106
Advances	7	119,642,391	95,470,035
		<u>240,084,346</u>	<u>225,751,141</u>
LIABILITIES			
Rodrigues Consolidated Fund	8	18,698,357	16,835,364
Deposits	9	108,828,049	122,716,991
Loan - Government of Mauritius	10	112,557,940	86,198,786
		<u>240,084,346</u>	<u>225,751,141</u>

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

27 September 2023


Johnson ROUSSETY, GOSK
Chief Commissioner

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 2023 does not include Non-Current Assets and Investments which are reflected at Statement F .

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 2022 to 30 June 2023.

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 2023	30 June 2022
	Rs	Rs
Bank of Mauritius	107,996,653	104,048,387
State Bank of Mauritius/ICE	108,555	1,742,487
ABSA Bank (Mauritius) Limited	4,583	4,935
State Bank of Mauritius/CCRF and Others	12,332,164	24,485,297
Total	120,441,955	130,281,106

7. ADVANCES

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

Details	30 June 2023	30 June 2022
	Rs	Rs
RRA Members	5,722,159	2,165,183
RRA Officers	93,426,232	72,810,852
Fibre Glass Boat	14,694,000	14,694,000
Advance RTMC	5,800,000	5,800,000
Total	119,642,391	95,470,035

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 2023		30 June 2022	
	Rs	Rs	Rs	Rs
Balance of the Rodrigues Consolidated Fund at start		16,835,364		16,822,262
Add Transfer from National Pension Fund (Overpaid)		48,741,257		
Less Transfer to Recurrent		(55,673,417)		-
		<u>9,903,204</u>		<u>16,822,262</u>
Contribution from Government and Funds	4,673,599,485		4,332,158,478	
Additional Contribution from Government	277,000,000		263,973,627	
Total Contribution from Government and Funds	4,950,599,485		4,596,132,105	
Transfer from Rodrigues Consolidated Fund	55,673,417		-	
Revenue - RRA	58,795,131		48,311,034	
Total Revenue	5,065,068,033		4,644,443,139	
Total Expenditure	5,056,272,880		4,644,430,037	
Surplus of Revenue over Expenditure		8,795,153		13,102
Balance of the Rodrigues Consolidated Fund at end		18,698,357		16,835,364

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 2023	30 June 2022
	Rs	Rs
Office of the Clerk	693,710	-
Chief Commissioner's Office	78,400,295	84,623,396
Deputy Chief Commissioner's Office	1,128,152	2,276,487
Commission for Agriculture, Fisheries, Food Production, Forestry and Plant and Animal Quarantine	14,381,552	7,448,122
Commission for Health, Fire Services and Social Security	12,220,128	26,541,615
Commission for Women's Affairs , Family Welfare ,Child Development and Consumer Protection	1,427,385	1,427,385
Commission for Tourism, Employment, Labour and Industrial Relations, Information Technology and Telecommunications	210,115	77,996
Commission for Youth and Sports, Arts and Culture, Museum, Archives , Historical Sites and Buildings and Library Services	366,712	321,990
Total	108,828,049	122,716,991

10. LOAN – GOVERNMENT OF MAURITIUS

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

	30 June 2023	30 June 2022
	Rs	Rs
RRA Members	5,102,434	1,334,938
RRA Officers	92,761,506	70,169,848
Fibre Glass Boats	14,694,000	14,694,000
Total	112,557,940	86,198,786

Fibre Glass Boats

Interest of Rs 8,504,809.31 and Penalty Fee of (2% above applicable repo rate) of Rs 7,498,560.61 due to the Government of Mauritius as at 30 June 2023 has not been recognized in the Account.

STATEMENT B

**Abstract Account of Revenue and Expenditure of the Rodrigues Consolidated Fund
for the financial year 2022 - 2023**

REVENUE

Analysis of total revenue by Revenue Items

Code	Description of Revenue Items	Jul 22-Jun 23	Jul 22-Jun 23	Jul 21-Jun 22
		Estimates	Actual Revenue	Actual Revenue
		Rs	Rs	Rs
11	TAXES			
114	Licence Fees	3,200,000	3,549,775	2,548,086
	TOTAL - TAXES	3,200,000	3,549,775	2,548,086
12	SOCIAL CONTRIBUTIONS			
122	Other Social Contributions	-	-	-
	TOTAL - SOCIAL CONTRIBUTIONS	-	-	-
13	GRANTS			
131	Contribution from Central Government	4,630,000,000	4,906,999,057	4,507,014,985
	COVID Projects Development Fund	100,000,000	27,903,772	71,436,688
	National Environment Fund	60,000,000	15,696,656	17,680,432
	TOTAL - GRANTS	4,790,000,000	4,950,599,485	4,596,132,105
14	OTHER REVENUE			
141	Property Income	25,685,000	29,350,363	13,703,034
142	Sales of Goods and Services	12,415,000	15,632,811	11,528,619
143	Fines, Penalties and Forfeits	5,500,000	7,792,575	6,629,010
145	Miscellaneous Revenue	3,200,000	2,469,607	13,902,285
	Transfer from Rodrigues Consolidated Fund	-	55,673,417	-
	TOTAL - OTHER REVENUE	46,800,000	110,918,773	45,762,947
	TOTAL-REVENUE	4,840,000,000	5,065,068,033	4,644,443,139

27 September 2023


Johnson ROUSSEY, GOSK
 Chief Commissioner

STATEMENT B

**Abstract Account of Revenue and Expenditure of the Rodrigues Consolidated Fund for the
Period July 2022 to June 2023****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
1-1	OFFICE OF THE CLERK	23,214,000	20,866,338	20,866,338	2,347,662	-
1101	Parliamentary Affairs	23,214,000	20,866,338	20,866,338	2,347,662	-
2-1	CHIEF COMMISSIONER'S OFFICE	1,655,414,000	1,649,015,285	1,649,014,321	6,399,680	964
	CENTRAL ADMINISTRATION	334,453,000	397,127,312	397,127,312	(62,674,312)	-
2101	Central Administration	324,529,000	384,804,281	384,804,281	(60,275,281)	-
2102	Registration of Deeds and Conservation of Mortgages	2,650,000	2,754,533	2,754,533	(104,533)	-
2103	Transport	7,147,000	9,446,603	9,446,603	(2,299,603)	-
2104	Companies Division	127,000	121,895	121,895	5,105	-
	EDUCATION	1,014,273,000	967,709,356	967,708,393	46,564,607	964
2201	General	24,174,000	28,713,980	28,713,980	(4,539,980)	-
2202	Pre-Primary Education	39,405,000	44,411,957	44,411,957	(5,006,957)	-
2203	Primary Education	371,528,000	351,465,788	351,465,788	20,062,212	-
2204	Secondary Education	455,995,000	463,230,577	463,230,576	(7,235,576)	1
2205	Promotion and Development of Cooperatives	5,318,000	5,175,662	5,175,662	142,338	-
2206	Industrial Development and Handicraft	12,937,000	9,230,707	9,230,707	3,706,293	-
2207	Trade, Commerce and Licensing	1,927,000	2,134,200	2,134,200	(207,200)	-
2208	Development of Human Resources	74,868,000	36,055,209	36,054,248	38,813,752	961
2209	Management of State Land	28,121,000	27,291,275	27,291,274	829,726	1
	WATER	306,688,000	284,178,617	284,178,617	22,509,384	-
2301	General	10,235,000	14,144,839	14,144,839	(3,909,839)	-
2302	Civil Aviation	29,707,000	21,921,644	21,921,644	7,785,356	-
2303	Marine services	1,000,000	-	-	1,000,000	-
2304	Management and Maintenance of Prison	32,896,000	39,122,794	39,122,794	(6,226,794)	-
2305	Probation and Social Rehabilitation	7,873,000	6,242,546	6,242,546	1,630,454	-
2306	Civil Status	4,603,000	4,015,101	4,015,101	587,899	-
2307	Judicial Services	8,467,000	9,163,038	9,163,038	(696,038)	-
2308	Meteorological Services	14,205,000	17,268,906	17,268,906	(3,063,906)	-
2309	Marine Parks	12,068,000	11,514,015	11,514,015	553,985	-
2310	Water Production	144,923,000	133,517,956	133,517,956	11,405,044	-
2311	Water Distribution	40,711,000	27,267,778	27,267,778	13,443,222	-

STATEMENT B

**Abstract Account of Revenue and Expenditure of the Rodrigues Consolidated Fund for the
Period July 2022 to June 2023**

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
3-1	DEPUTY CHIEF COMMISSIONER'S OFFICE	642,415,000	630,149,389	540,057,875	102,357,125	90,091,514
3101	General	29,536,000	25,038,505	25,038,505	4,497,495	-
3102	Maintenance of Buildings and Other Assets	43,784,000	53,547,463	53,547,463	(9,763,463)	-
3103	Maintenance of Vehicles	20,164,000	23,805,952	23,805,952	(3,641,952)	-
3104	Construction and Rehabilitation of Roads and Bridges	123,294,000	137,136,755	137,136,755	(13,842,755)	-
3105	Maintenance of Roads and Bridges	9,929,000	9,451,759	9,451,759	477,241	-
3106	Land Transport Services	11,176,000	6,407,528	6,407,528	4,768,472	-
3107	Improvement of Public Infrastructure in Villages	161,911,000	175,174,602	103,078,374	58,832,626	72,096,228
3108	Housing	94,014,000	47,106,476	47,106,476	46,907,524	-
3109	General	6,583,000	5,222,719	5,222,719	1,360,281	-
3110	Environment Protection and conservation	107,785,000	122,515,129	104,519,843	3,265,157	17,995,286
3111	Promotion of Community Development	34,239,000	24,742,502	24,742,502	9,496,498	-
4-1	COMMISSION FOR AGRICULTURE, FISHERIES, FOOD PRODUCTION AND PLANT & ANIMAL QUARANTINE	318,334,000	404,913,061	388,913,061	(70,579,061)	16,000,000
4101	General	20,351,000	22,031,358	22,031,358	(1,680,358)	-
4102	Extension and Marketing Services	15,387,000	14,838,001	14,838,001	548,999	-
4103	Sustainable Fisheries Development	118,912,000	200,535,964	200,535,964	(81,623,964)	-
4104	Crop Production	86,765,000	86,678,215	71,678,215	15,086,785	15,000,000
4105	Reafforestation and Protection of Endangered Species	39,967,000	43,490,563	42,490,563	(2,523,563)	1,000,000
4106	Livestock Production	36,952,000	37,338,959	37,338,959	(386,959)	-
5-1	COMMISSION FOR HEALTH, FIRE SERVICES, AND SOCIAL SECURITY	1,781,059,000	2,128,890,662	2,128,890,661	(347,831,661)	-
5101	General	105,013,000	145,716,065	145,716,065	(40,703,065)	-
5102	Curative Services and Primary Health Care and Public Health	494,649,000	601,426,732	601,426,732	(106,777,732)	-
5103	Treatment and Prevention of HIV and AIDS, Non-Communicable Diseases and Proliferation of Drugs	835,000	1,136,311	1,136,311	(301,311)	-
5104	Fire Fighting, Rescue and Fire Prevention	58,262,000	64,569,118	64,569,118	(6,307,118)	-
5106	Social Protection	1,122,300,000	1,316,042,437	1,316,042,436	(193,742,436)	-

STATEMENT B

**Abstract Account of Revenue and Expenditure of the Rodrigues Consolidated Fund for the
Period July 2022 to June 2023****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
6-1	COMMISSION FOR WOMEN'S AFFAIRS, FAMILY WELFARE, CHILD DEVELOPMENT AND CONSUMER PROTECTION	37,518,000	39,495,058	39,495,058	(1,977,058)	-
6101	General	13,036,000	16,338,431	16,338,431	(3,302,431)	-
6102	Women Affairs, Family and Child Development	20,345,000	19,294,412	19,294,412	1,050,588	-
6103	Consumer Protection	4,137,000	3,862,215	3,862,215	274,785	-
7-1	COMMISSION FOR TOURISM, EMPLOYMENT, LABOUR AND INDUSTRIAL RELATIONS, INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS	165,105,000	145,106,349	134,798,290	30,306,710	10,308,059
7101	General	9,082,000	11,249,907	11,249,907	(2,167,907)	-
7102	Tourism Development	37,189,000	36,513,331	26,205,272	10,983,728	10,308,059
7103	Empowerment and Placement of Job Seekers	7,315,000	3,281,376	3,281,376	4,033,624	-
7104	Labour and Industrial Relations	5,922,000	7,040,745	7,040,745	(1,118,745)	-
7105	Information and Communication Technology	105,597,000	87,020,990	87,020,990	18,576,010	-
8-1	COMMISSION FOR YOUTH AND SPORTS, ARTS AND CULTURE, MUSEUM, ARCHIVES AND HISTORICAL SITES AND BUILDINGS AND LIBRARY SERVICES	186,941,000	154,237,276	154,237,276	32,703,724	-
8101	General	18,325,000	17,639,346	17,639,346	685,654	-
8102	Youth Empowerment, Youth Recreational and Community Based Programmes	26,250,000	19,967,241	19,967,241	6,282,759	-
8103	Promotion of Sports and Sports for All	104,803,000	84,713,143	84,713,143	20,089,857	-
8104	Promotion of Arts and Culture	16,301,000	20,470,545	20,470,545	(4,169,545)	-
8105	Museum, Archives, Historical Sites and Buildings	6,727,000	1,574,781	1,574,781	5,152,219	-
8106	Library Services	14,535,000	9,872,220	9,872,220	4,662,780	-
9-1	CONTINGENCIES AND RESERVES	30,000,000	-	-	30,000,000	-
9101	Contingencies	30,000,000	-	-	30,000,000	-
	TOTAL EXPENDITURE	4,840,000,000	5,172,673,417	5,056,272,880	(216,272,880)	116,400,537



Johnson ROUSSETY, GOSK
Chief Commissioner

27 September 2023

Date : 15 January 2024

CORRIGENDUM

The word "ACCOUNTS" or "Accounts" wherever it appears in the Annual Statements of the Rodrigues Regional Assembly for the Financial Year 2022/2023 is deleted and replaced by the words "ANNUAL STATEMENTS" or "Annual Statements" as the case maybe.



J. ROUSSEY, G.O.S.K
Chief Commissioner

National Audit Office

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