



# NATIONAL AUDIT OFFICE

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## Report on Performance For Financial Year 2023-2024

**AUGUST 2024**



# **NATIONAL AUDIT OFFICE**

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**MAKING A DIFFERENCE TO THE LIVES OF CITIZENS**

[www.nao.govmu.org](http://www.nao.govmu.org)



**NATIONAL AUDIT OFFICE**  
REPUBLIC OF MAURITIUS

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**01**

# **INTRODUCTION**



**NATIONAL AUDIT OFFICE**  
**REPUBLIC OF MAURITIUS**

# FOREWORD BY DIRECTOR OF AUDIT

I am pleased to present the Annual Report on Performance of the National Audit Office (NAO) for the financial year 2023-2024.

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

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

This report portrays the persevering endeavors of our devoted staff who have worked unflinchingly to conduct audits across multiple entities, meticulously scrutinizing public expenditures, assessing performance, and recognizing areas for improvements. Our commitment to excellence has been the propulsion behind our efforts, as we strive to create a contrast in the quality of public sector governance and service delivery for the value and benefit of citizens.

The current portfolio of NAO consists of 166 Ministries and Government Departments accounts (including the Rodrigues Regional Assembly), 113 Statutory Bodies, 12 Local Authorities (and 130 Village Councils), 18 Special Funds and some 36 other accounts.

Despite severe resource and time constraints, NAO fulfilled its statutory obligations and submitted its Report on the accounts of the Government and the Rodrigues Regional Assembly for the financial year 2022-2023 to the Minister of Finance, Economic Planning and Development in February 2024, as required under the Finance and Audit Act. The NAO also issued two Performance Audit Reports.

These reports were laid in the National Assembly and made available to our stakeholders and the public at large through our website.

Amendments to The Local Government Act and the Statutory Bodies (Accounts and Audit) Act, have made provisions for NAO to issue consolidated audit reports on the accounts of Local Authorities and Statutory Bodies and NAO has started to discuss with relevant stakeholders for the presentation of consolidated report for local authorities.



DR D. PALIGADU  
Director of Audit  
National Audit Office



# NATIONAL AUDIT OFFICE

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## VISION

### OUR VISION

To be recognized as a highly respected Supreme Audit Institution.



## MISSION

### OUR MISSION

- Promoting Good Governance in the Public Sector.
- Making a Difference to the Lives of Citizens.



## VALUES

### OUR CORE VALUES

- Independence
- Integrity
- Trust
- Transparency
- Professionalism



# CUSTOMER CHARTER

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## Our Commitments

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

## What We Expect from Our Customers

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



**02**

# **OVERVIEW OF THE NATIONAL AUDIT OFFICE**



**NATIONAL AUDIT OFFICE**  
REPUBLIC OF MAURITIUS

# OVERVIEW OF THE NATIONAL AUDIT OFFICE

**ESTABLISHED UNDER THE CONSTITUTION**

**SUPREME AUDIT INSTITUTION OF MAURITIUS**

**MEMBER OF THE INTERNATIONAL ORGANISATION  
OF SUPREME AUDIT INSTITUTIONS**

## WHO WE ARE

The Republic of Mauritius's Constitution established the NAO. The Director of Audit, whose nomination, independence, tenure security and power are laid down in the Constitution leads the NAO. The Finance and Audit Act, together with a number of other laws, specify the responsibilities of NAO.

NAO is known as the Supreme Audit Institution (SAI) of Mauritius among other international audit institutions.

NAO plays an important role in the accountability framework in the governance system of Mauritius. The National Assembly is the only authority for allocating public funds to public sector bodies which are held accountable to the National Assembly for how those funds are spent.

In addition, the NAO helps to improve the effective administration of public finances and plays an important role in promoting accountability and transparency in the use of public fund.

NAO reports on the Annual Statements of the Republic of Mauritius, the underlying records of all Ministries, Governmental Departments, and the accounts of a large number of other public sector bodies.

NAO is a member of the International Organisation of Supreme Audit Institution (INTOSAI), which serves as a coordinating body for the external government audit community worldwide.

NAO follows the International Standard of Supreme Audit Institutions (ISSAIs), which are issued, authorized and endorsed by INTOSAI.



## **INTERNATIONAL FRAMEWORK**

### **INTOSAI**

Principles are issued by the INTOSAI, as part of the INTOSAI Framework of Professional Pronouncements. There are eight fundamental principles that guide SAI.

*(Refer to Annex I)*

### **The Lima Declaration**

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

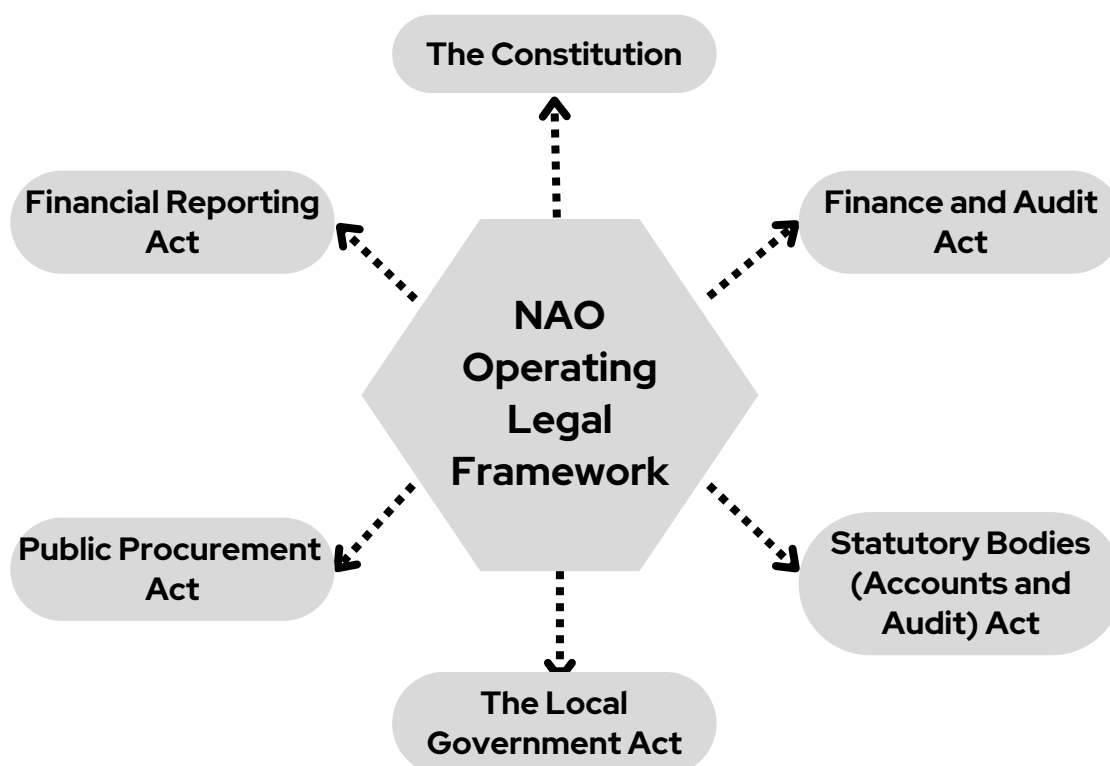
### **The Mexico Declaration**

The Mexico Declaration (year 2007) on SAI independence also elaborates on the topic of SAI independence as laid out in the Lima Declaration. It presents eight core principles, or pillars, of SAI independence.

However, currently, NAO does not meet all the provisions of the Lima and Mexico Declarations on SAIs independence. *(Refer to Annex I)*

## **OPERATING LEGAL FRAMEWORK**

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



## **INDEPENDENCE**

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

## **THE CONSTITUTION**

Section 110 of the Constitution outlines the appointment of Director of Audit, appointed by the Public Service Commission after conferring with the Prime Minister and the Leader of the Opposition. Accordingly, Section 93 states that the Director of Audit cannot be removed from its post before retirement age, except when a tribunal recommends removal due to misconduct or being unable to perform the duties of his office as per Section 93 (4).

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

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

## **FINANCE AND AUDIT ACT**

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

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

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



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

## **FINANCE AND AUDIT ACT**

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

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

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

## **THE LOCAL GOVERNMENT ACT**

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

Section 137 of the Local Government Act provides that:

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

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

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

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

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

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

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

**Section 138 (2)** -The report shall state:

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

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

- any item of account is contrary to law;
- any loss or deficiency is wholly or partly due to the negligence or misconduct of any person;
- any sum which ought to have been so brought to account but which, due to willful default or negligence, has not been brought into account;
- any failure to recover any rate, fee or other charge in the manner specified in Section 101 of the Act; and
- the local authority has applied its resources and carried out its operations economically, efficiently and effectively.



- the financial statements give a true and fair view of the matters to which they relate, and where they do not, the aspects in which they fail to do so, and whether the financial statements have been prepared in accordance followed by section (117); and
- the instructions of the Minister, if any, in regard to the financial statements have been complied with.

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

## **LOCAL AUTHORITIES**

**Section 134A** provides that:

- 1) Every local authority shall cause to be prepared an annual report.
- 2) The Annual Report shall consist of:
  - the financial statements in respect of the financial year to which the report relates;
  - a report on the performance of the local authority in respect of the previous financial year;
  - a corporate governance report in accordance with the National Code of Corporate Governance; and
  - the strategic direction of the local authority in respect of the next 3 financial years.

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

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

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

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

## **STATUTORY BODIES (ACCOUNTS AND AUDIT) ACT**

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

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

## **PUBLIC PROCUREMENT ACT**

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

## **PUBLIC PROCUREMENT REGULATIONS**

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



## **REGIONAL AND INTERNATIONAL COOPERATION**

NAO is affiliated to the INTOSAI and to its regional working groups such as, African Organisation of the Supreme Audit Institution-English Speaking (AFROSAI), the English - Speaking sub group of AFROSAI (AFROSAI-E) and the Asian Organisation of Supreme Audit Institutions (ASOSAI). The INTOSAI which has over 200 members globally, serves as an umbrella organization for the external government audit community. It stipulates an institutional framework for SAIs to promote knowledge growth, improve government audits, strengthen professional capacities, standing, and influence in their home countries.

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

A Memorandum of Understanding (MOU) was signed between NAO and AFROSAI-E to encourage and promote co-operation in the field of public sector auditing.

NAO had discussions with African Professional Initiative (API) on how to strengthen the capacity and knowledge base of accounting and auditing professionals in the public sector.

A consultant from AFROSAI-E had conducted an HR support exercise at the NAO.



**03**

# **HUMAN CAPITAL**



**NATIONAL AUDIT OFFICE**  
REPUBLIC OF MAURITIUS

# NAO SENIOR MANAGEMENT TEAM



**DR D. PALIGADU**  
DIRECTOR OF AUDIT

**MR A.GAFFOOR**  
DEPUTY DIRECTOR OF AUDIT

**MR K. REETUN**  
DEPUTY DIRECTOR OF AUDIT



**MR D.RAMKISHORE**  
DEPUTY DIRECTOR OF AUDIT

**MR L. APPASAMY**  
ASSISTANT DIRECTOR OF AUDIT



**MR T.DODAH**  
ASSISTANT DIRECTOR OF AUDIT

**MR Y.MAMODE ALLY**  
ASSISTANT DIRECTOR OF AUDIT



**MRS N. DULLOO**  
ASSISTANT DIRECTOR OF AUDIT

**MR J.DODAH**  
ASSISTANT DIRECTOR OF AUDIT



**MRS M.HOOBAYEKHAN**  
ASSISTANT DIRECTOR OF AUDIT

**MR G. MADHOW**  
ASSISTANT DIRECTOR OF AUDIT



**MISS B.GHOORAH**  
ASSISTANT DIRECTOR OF AUDIT

**MRS H.KURREEMUN**  
ASSISTANT DIRECTOR OF AUDIT



**MR S.RAMPERSAD**  
HEAD, EXAMINER OF ACCOUNTS  
CADRE

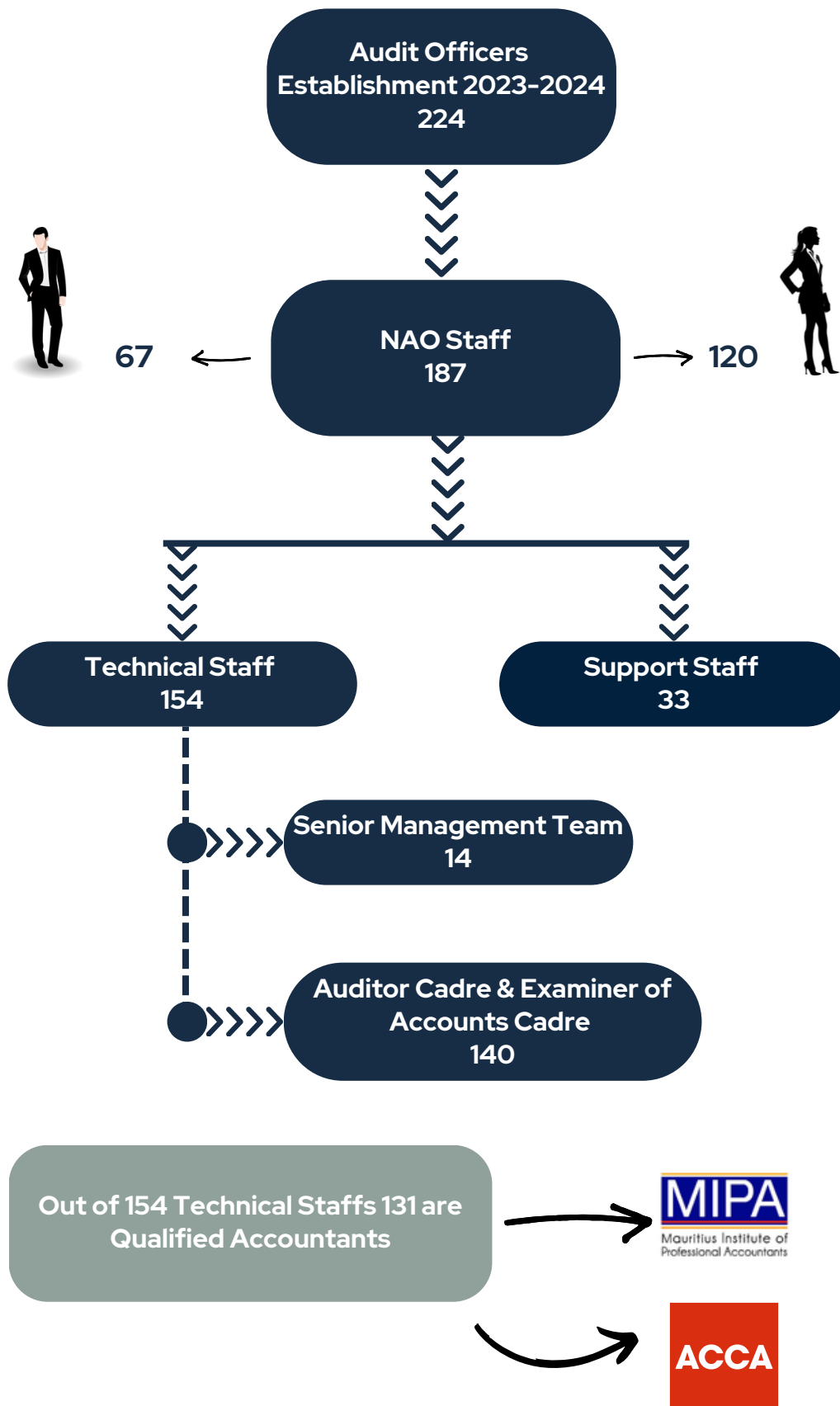
**MRS D. ARMOOGUM**  
Ag. ASSISTANT DIRECTOR OF AUDIT



**MR P. MOOTOOCURPEN**  
Ag. ASSISTANT DIRECTOR OF AUDIT



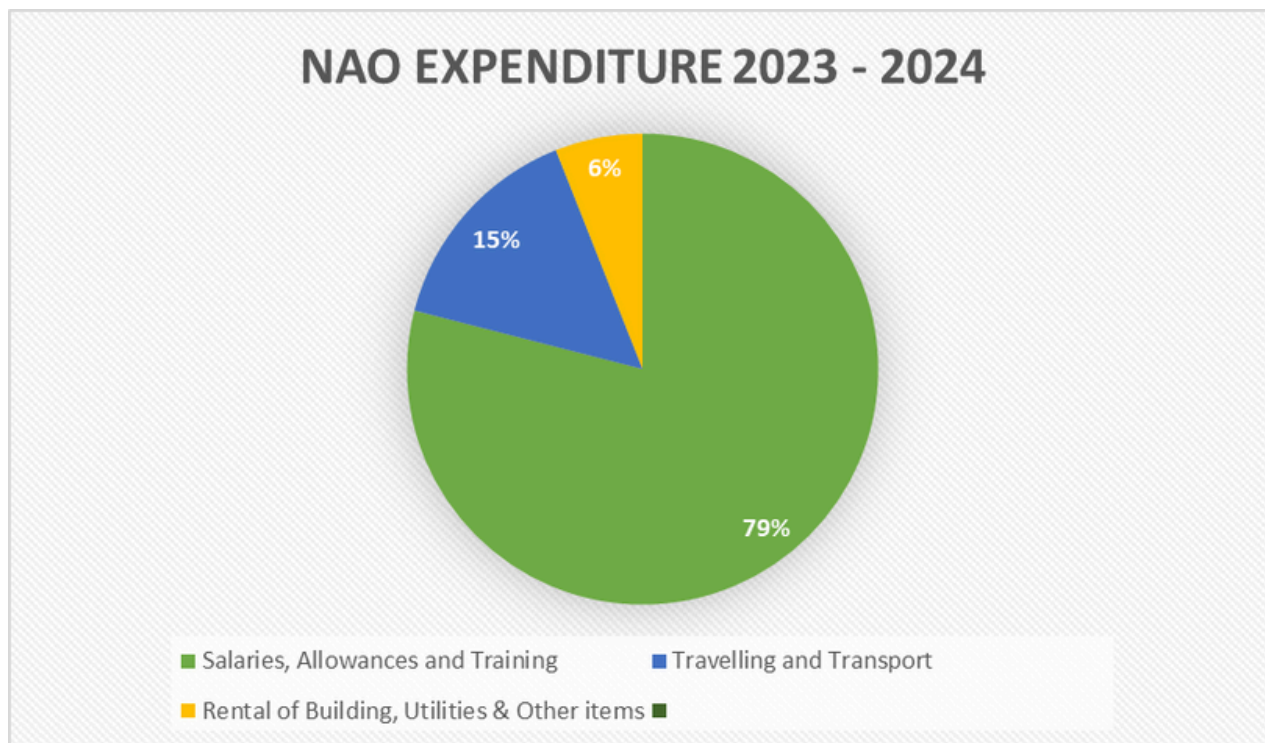
# HUMAN RESOURCES



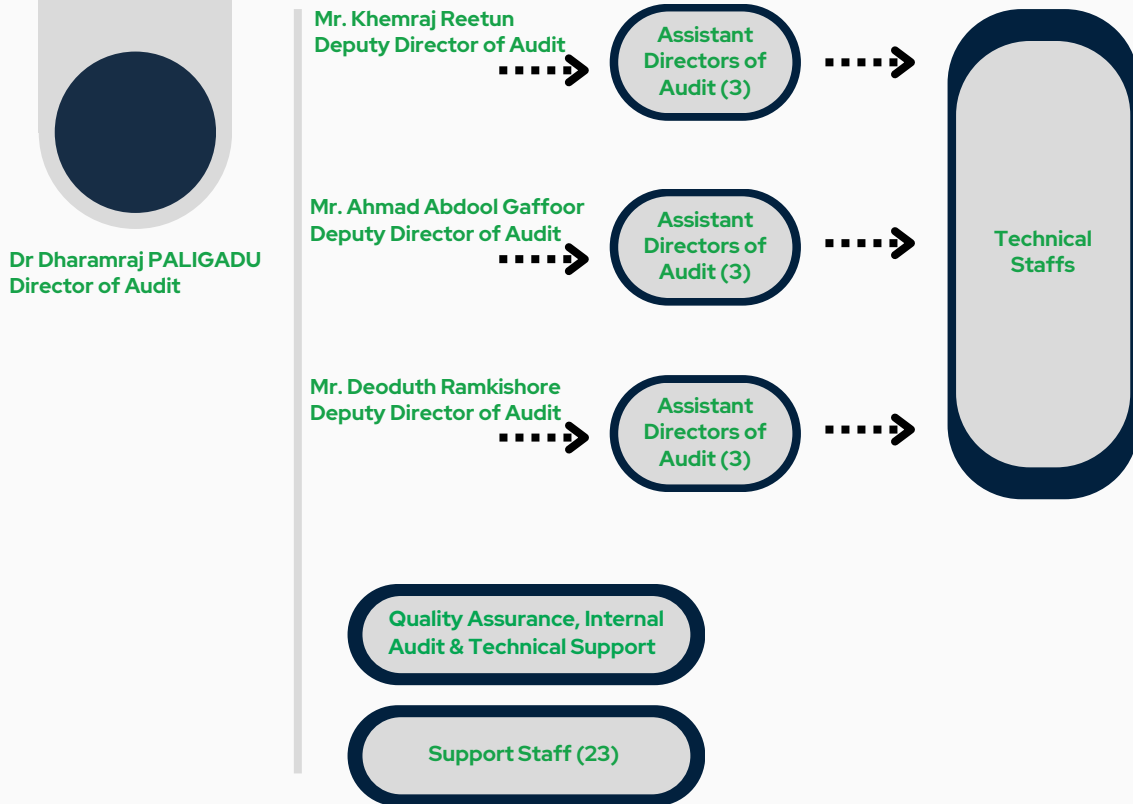
## STAFF-RELATED EXPENSES

Our organisation's most valuable resource is our staff, who contribute to effectively carry out NAO mandate and functions. During the financial year 2023-24, 94% of NAO total expenditure were incurred on staff-related items, of which 79% were on 'Salaries, Allowances and Training', and 15% on 'Travelling and Transport'. The remaining expenditure (6%) was incurred on Rental of building, Utilities and Other Items.

Training expenses during financial year 2023-24 represented only 0.2 per cent of NAO total expenditure.



## NAO STRUCTURE



Support staff include Officers of the HR Cadre, Finance Cadre, Office Management Assistants, Management Support Officers, CISD Officers, Driver and Auxiliary Officers. For staff details, (refer to Annex II).

### **APPOINTMENT, PROMOTION & RETIREMENT OF STAFF**

During the financial year 2023-24, six new staff members joined NAO comprising five Management Support Officers and one office auxiliary.

**Twenty-two staff of the technical cadres were promoted during the year.**

Nine senior officers of NAO retired on ground of age, including a Deputy-Director of Audit and five Chief Examiners of Accounts, after making valuable contributions to the activities and performance of NAO.

## **WELFARE ACTIVITIES**

NAO strives to maintain a balance between operational effectiveness and employee social wellbeing, which includes health, safety, training, and involvement in community and environmental activities. NAO'S diverse, ethnic, and skilled workforce have formed core beliefs that inspire them to be good citizens and social assets. Since the early 1980s, NAO has supported the growth of its auditors and personnel.



***End of year at Coral Azur Beach Resort***

NAO organised its annual end-of-year lunch at Coral Azur at Trou Aux Biches on 13 December 2023 to celebrate the hard work and achievements of its dedicated staff. Held in a festive atmosphere, the event provided an opportunity for colleagues to come together, reflect on the year's accomplishments, and enjoy a well-deserved break.



***AR Lunch at Tamil league***

The AR Lunch was organised on 29 May 2024 at Tamil League, Reduit, for the annual report followed by the submission of audit certificates for local authorities & statutory bodies. The Director of Audit has expressed his appreciation for each staff for their valuable contribution to the Audit Report. Furthermore he highlighted that National Audit Office's success is built upon dedication, diligence and unwavering commitment to excellence by the officers of the NAO.

## **OCCUPATIONAL SAFETY AND HEALTH**

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

## SADCOPAC CONFERENCE

**DR D. PALIGADU** (DIRECTOR OF AUDIT) AND **MR ABDOOL GAFFOOR** (DEPUTY DIRECTOR) PARTICIPATING IN THE ANNUAL CONFERENCE OF SADCOPAC IN KWAZULU - NATAL DURBAN, SOUTH AFRICA.



## TRAINING



Training on ISSAIs to NAO Staffs at Rajiv Gandhi Science Centre, Port Louis in August 2023.



Meeting with members of the API team in June 2024.





**04**

**CAPITAL BUILDING**

**&**

**PERFORMANCE**



**NATIONAL AUDIT OFFICE**  
**REPUBLIC OF MAURITIUS**

## **CAPACITY DEVELOPMENT**

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

	Capacity Development during 2023-2024				
	Overseas Training		Local Training		Total
	Face-to-Face	Online	Face-to-Face	Online	
<b>Courses</b>	14	1	17	2	34
<b>Participants</b>	16	1	229	133	379

Details of some of the main training courses followed by NAO staff during the financial year 2023-2024 are given at **Annex III**.

## KEY DELIVERABLES & PERFORMANCE INDICATORS 2023-24

Main Service	Key Performance Indicator (KPI)	Target 2023 -2024	Achievements as at 30 June 2024
Audit of the Accounts of the Government and other public bodies to provide independent assurance to the National Assembly on the proper accounting and use of public resources.	Annual Audit Reports on the accounts of the Government and the Rodrigues Regional Assembly (RRA) are submitted before end of February	End of February 2024	Audit Report on the Accounts of Government and RRA submitted in February 2024 and tabled before the National Assembly in March 2024
	Percentage of financial statements of Statutory Bodies (SBs) & Local Authorities (LA's) certified within 6 months	90%	91% <b>(N1)</b>
Conduct of Performance Audits to evaluate whether audited entity is carrying out its operations and making use of its resources in an economical, efficient and effective manner.	Number of Performance Audit Reports issued	3	2

**N1** – Figure relates to SB's and LA's financial statements 2022-2023 submitted within statutory date limit and certified within 6 months of receipt.

### NAO KEY OUTPUTS 2023-2024)

#### NAO Key Outputs 2023-2024

Audit Reports on Government and RRA Accounts 2022-2023 issued and laid before the National Assembly

One Performance Audit Report issued and laid before the National Assembly

191 Audit Reports issued to Local Authorities, Statutory Bodies and Other Bodies

143 Reference Sheets issued to Ministries and Government Departments

312 Management Letters issued to Audited Entities



**05**

# **FINANCIAL STATEMENTS**



**NATIONAL AUDIT OFFICE**  
REPUBLIC OF MAURITIUS



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

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements of NATIONAL AUDIT OFFICE (NAO), which comprise the statements of financial position as at 30 June 2024, and the statement of financial performance, the statement of changes in net assets/equity, the cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 23-40.

In our Opinion, these financial statements give a true and fair view of the financial position of the National Audit Office as at 30 June 2024, its financial performance, its changes in net asset/equity and cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

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

***Basis for Opinion***

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

***Other information***

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

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

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

***Auditors' responsibilities for the audit of the financial statements***

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

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



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

**Report on the Audit of the Financial Statements (continued)**

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

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

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

***Director's Responsibilities for the Financial Statements***

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

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**INDEPENDENT AUDITORS' REPORT TO THE DIRECTOR OF AUDIT  
NATIONAL AUDIT OFFICE  
Report on the Audit of the Financial Statements (continued)**

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

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

**Auditax Associates LLP**

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

Date: 19.08.2024



**IPPILI APPIAH Dharmaraj**

Licensed Auditor



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## National Audit Office Financial Statements

*For the financial year ended 30 June 2024*

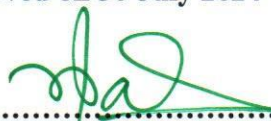
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**National Audit Office**  
**Statement of Financial Position**  
*as at 30 June 2024*

	Notes	30 June 2024 Rs	30 June 2023 Rs
<b>ASSETS</b>			
<b>Current Assets</b>			
Trade Receivables	16	7,430,025	4,385,000
Other Receivables	17	200,084	214,099
Prepayment	17(a)	242,505	292,948
Employee Benefits-Short Term Receivables	19	5,961,930	8,499,643
Inventories	18	277,400	258,260
		<b>14,111,944</b>	<b>13,649,950</b>
<b>Non-Current Assets</b>			
Employee Benefits-Long Term Receivables	19	112,939,153	118,431,373
Property, Plant & Equipment	15	6,907,974	6,094,552
Intangible Assets	15	675,729	750,700
		<b>120,522,856</b>	<b>125,276,625</b>
<b>Total Assets</b>		<b>134,634,800</b>	<b>138,926,575</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Other Payables	20	200,084	214,099
Short Term Employee Benefits	19	5,961,930	8,499,643
		<b>6,162,014</b>	<b>8,713,742</b>
<b>Non-Current Liabilities</b>			
Long Term Employee Benefits	19	112,939,153	118,431,373
		<b>112,939,153</b>	<b>118,431,373</b>
<b>Total Liabilities</b>		<b>119,101,167</b>	<b>127,145,115</b>
<b>NET ASSETS</b>		<b>15,533,633</b>	<b>11,781,460</b>
<b>NET ASSETS / EQUITY</b>			
Contributed Capital	21	<b>15,533,633</b>	<b>11,781,460</b>

Approved on 30 July 2024

  
 .....  
**DR D. PALIGADU**  
**Director of Audit**

*The notes on pages 29 to 40 form an integral part of these financial statements.*



**National Audit Office**  
**Statement of Financial Performance**  
*for the financial year ended 30 June 2024*

	Notes	30 June 2024 Rs	30 June 2023 Rs
<b>Revenue</b>			
<i>Revenue from Non-Exchange Transactions</i>			
Appropriation from Consolidated Fund	6	186,091,265	188,108,793
Amount Refundable by Government	6(a)	13,568,823	10,605,491
<i>Revenue from Exchange Transactions</i>			
Audit Fees	7	27,547,500	28,802,065
Profit on disposal of assets	7(a)	7,128	8,899
<b>Total Revenue</b>		<b>227,214,716</b>	<b>227,525,248</b>
<b>Expenses</b>			
Employee costs	8	186,762,368	186,109,962
Rental of space	9	6,630,722	6,523,911
Utilities cost	10	1,084,413	1,094,415
Repairs & maintenance	11	528,226	385,319
Printing, stationery & others	12	1,309,043	1,033,773
Membership fee	13	523,378	545,902
Professional fee	14	145,364	250,000
Loss on disposal of assets	7(a)	44,325	14,292
Depreciation and Amortisation	15	1,903,793	1,584,917
<b>Total Expenses</b>		<b>198,931,632</b>	<b>197,542,491</b>
<b>Operating Surplus for the year</b>		<b>28,283,084</b>	<b>29,982,757</b>
Fees remittable to Consolidated Fund		(27,547,500)	(28,802,065)
<b>Surplus for the year</b>		<b>735,584</b>	<b>1,180,692</b>

*The notes on pages 29 to 40 form an integral part of these financial statements.*



**National Audit Office**  
**Statement of Changes in Net Assets/Equity**  
*for the financial year ended 30 June 2024*

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	<b>Contributed Capital</b>
	<b>Rs</b>
Balance at 1 <sup>st</sup> July 2022	9,590,056
Surplus for the year	1,180,692
Movement in Contributed Capital	1,010,712
<b>Balance at 30<sup>th</sup> June 2023</b>	<b>11,781,460</b>
Balance at 1 <sup>st</sup> July 2023	11,781,460
Surplus for the year	735,584
Movement in Contributed Capital	3,016,589
<b>Balance at 30<sup>th</sup> June 2024</b>	<b>15,533,633</b>

*The notes on pages 29 to 40 form an integral part of these financial statements*



**National Audit Office****Cash flow Statement***for the financial year ended 30 June 2024*

	<b>Year ended 30 June 2024 Rs</b>	<b>Year ended 30 June 2023 Rs</b>
<b>Operating Activities</b>		
Surplus for the year	735,584	1,180,692
<b>Non-Cash Movements:</b>		
(Profit)/Loss on Disposal of Assets	37,197	5,393
Refund to Consolidated Fund	7,953,010	4,909,299
Depreciation and Amortisation	1,903,793	1,584,917
Adjustments icw inventories/prepayments and audit fees receivable	3,117,839	1,031,058
Increase in Trade and Other Receivables and prepayments	(3,031,010)	(1,031,109)
Increase in Inventories	(19,140)	(24,865)
Decrease in Payables	(14,015)	24,916
Increase in Employee Benefits - Receivable	8,029,933	(2,763,445)
Increase in Employee Benefits - Payable	(8,029,933)	2,763,445
<b>Net Cash Flows from Operating Activities</b>	<b>10,683,258</b>	<b>7,680,301</b>
<b>Investing Activities</b>		
Purchase of Property, Plant and Equipment	(2,730,248)	(2,771,002)
Unutilised Appropriation	(7,953,010)	(4,909,299)
Audit Fees to Consolidated Fund	(24,502,475)	(27,822,065)
Proceeds from Disposal payable to Consolidated Fund	(50,843)	(20,334)
<b>Net Cash Flows from Investing Activities</b>	<b>(35,236,576)</b>	<b>(35,522,700)</b>
<b>Financing Activities</b>		
Proceeds from Disposal	50,843	20,334
Audit Fees Received	24,502,475	27,822,065
<b>Net Cash flows from Financing Activities</b>	<b>24,553,318</b>	<b>27,842,399</b>
<b>Change in Cash and Cash Equivalents</b>		
Cash and Cash Equivalents at beginning of year	-	-
Cash and Cash Equivalents at end of year	-	-

**Note: Cash and Cash Equivalents**

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

*The notes on pages 29 to 40 form an integral part of these financial statements*



**National Audit Office**  
**Statement of Comparison of Budget and Actual Amounts**  
*for the year ended 30 June 2024*

	Original Budget	Revised Budget	Actual Received/ Paid	Variance Actual vs Revised	Financial Statements	Notes
	Rs	Rs	Rs	Rs	Rs	
<b>Income</b>						
Appropriation from Consolidated Fund	194,000,000	194,000,000	186,046,990	(7,953,010)	186,091,265	A
Other Receivables	-	-	-	-	13,568,823	B
Audit fees	30,000,000	30,000,000	24,502,475	(5,497,525)	27,547,500	C
Profit on disposal	-	-	-	-	7,128	D
	<b>224,000,000</b>	<b>224,000,000</b>	<b>210,549,465</b>	<b>(13,450,535)</b>	<b>227,214,716</b>	
<b>Expenditure</b>						
Employee and related Costs	181,980,000	180,088,600	173,131,984	(6,956,616)	186,762,368	E
Cost of utilities	1,290,000	1,290,000	1,098,428	(191,572)	1,084,413	F
Rental of spaces	6,575,000	6,631,400	6,630,723	(677)	6,630,722	G
Repairs and maintenance	635,000	635,000	540,301	(94,699)	528,226	H
Printing and stationery	970,000	1,402,500	1,309,043	(93,457)	1,309,043	I
Professional fee	350,000	160,500	145,364	(15,136)	145,364	J
Membership fee	600,000	600,000	460,860	(139,140)	523,378	K
<b>Total Recurrent Expenditure</b>	<b>192,400,000</b>	<b>190,808,000</b>	<b>183,316,703</b>	<b>(7,491,297)</b>	<b>196,983,514</b>	
Depreciation and amortisation	-	-	-	-	1,903,793	
Loss on disposal of assets	-	-	-	-	44,325	D
<b>Total Expenditure as per FS</b>	<b>192,400,000</b>	<b>190,808,000</b>	<b>183,316,703</b>	<b>(7,491,297)</b>	<b>198,931,632</b>	
<b>Expenditure Capitalised</b>						
PPE & Intangible assets	1,600,000	3,192,000	2,730,284	(461,716)	2,730,284	
<b>Total Expenditure Budget</b>	<b>194,000,000</b>	<b>194,000,000</b>	<b>186,046,987</b>	<b>(7,953,010)</b>	<b>201,661,916</b>	

**Note A:**

The original and revised budget allocation stood at Rs 194,000,000. At the end of the financial year, the actual amount spent was Rs 186,046,987. This means that the actual amount received was less by Rs 7,953,010, which lapsed at the close of the financial year.

**Note B:**

The sum of Rs 13,568,823 mainly comprise of the monetary value of sick leave, vacation leave and passage benefits earned during the year 2023-24, payable by Government.

**Note C:**

The original and revised budgets for the audit fees were Rs 30,000,000 each. However, the actual amount received was Rs 24,502,475, falling short by Rs 5,497,525 compared to the budget disclosed in the financial statements. This is due to the fact that claims were issued in the financial year but payments by auditees were made in the next financial year.



**National Audit Office**  
**Statement of Comparison of Budget and Actual**  
*for the year ended 30 June 2024*

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**Note D:**

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

**Note E:**

The original budget for employee and related costs was Rs 181,980,000 revised to Rs 180,088,600. The actual amount spent was Rs 173,131,984. The accrued amount of Rs 186,762,368 include a sum of some Rs 13.6 million for passage benefits, vacation leave and sick leave earned during 2023-24

**Note F:**

The original and revised budgets for utilities costs were Rs 1,290,000. The actual amount spent was Rs 1,098,428 lower than budgeted due to energy-saving measures implemented by the office.

**Note G:**

The original and revised rental budgets were Rs 6,575,000 and 6,631,400 respectively. Actual spending was Rs 6,630,723 aligning with the contract.

**Note H:**

Original and revised budget for repairs & maintenance cost was Rs 635,000. Actual spending was Rs 540,301 due to established control procedures. The financial statements figure was adjusted by some Rs 12,000 in respect of prepayment.

**Note I:**

Original budget for printing and stationery was Rs 970,000, revised to Rs 1,402,500. Actual spending was Rs 1,309,043 due to increase in purchase of stock items and printing cost.

**Note J:**

The original budget for fees to consultant and external audit costs was Rs 350,000, revised down to Rs 160,500. The actual amount spent was Rs 145,364 and the financial statements figure was arrived at after adjusting for accrual.

**Note K:**

Original budget and revised budget for membership fee were Rs 600,000. Actual spending was Rs 460,860 lower than disclosed in financial statements. This is crucial for maintaining international standards in operations.

### **Note 1. Reporting Entity**

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

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

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

### **Note 2. Basis of Preparation**

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

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

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

### **Note 3. Adoption of IPSAS**

New accounting standards, revisions, and interpretations that are obligatory for accounting periods starting after 1 January 2023, have been released. However, these updates are either not applicable to the NAO's activities or are not anticipated to significantly impact its accounting practices and disclosures.

**Note 4. Measurement Base**

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

**Note 5. Significant Accounting Policies**

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

**(a) Revenue Recognition**

In compliance with IPSAS 9 and IPSAS 23, the entity recognizes revenue from both exchange and non-exchange transactions. For exchange transactions, revenue is measured at the fair value of the consideration received or receivable. For non-exchange transactions, revenue is measured at the amount of the increase in net assets recognized by the entity. Revenue is recognized when it is probable that future economic benefits or service potential associated with the transaction will flow to the entity and the amount of revenue can be measured reliably. This policy ensures accurate and transparent reporting of all income streams, including taxes, transfers, and fees for services, in accordance with public sector accounting standards.

**(b) Trade and Other Receivables**

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

**(c) Leased Assets**

NAO does not have any assets held under finance lease.

**(d) Employee Entitlements**

Employee remuneration and associated benefits are recognized when earned. As of 30 June 2024, employees can roll over unused sick leave into a Sick Leave bank, up to a maximum of 110 days. The bank balance of this sick leave is assessed at the close of the financial year and categorized under Long-Term Payables in the Statement of Financial Position. Any unused sick leave days that exceed the 110-day limit are partially reimbursed to employees at year-end and this expenditure is recognized in the Statement of Financial Performance. Due to Covid-19 pandemic, unused sick leave earned in 2020 was not reimbursed to Officers and has been accrued.



**Note 5. Significant Accounting Policies (continued)**

A maximum of 16 days from such unutilised leave was added to the sick leave banks of qualifying Officers. The monetary worth corresponding to these days has been evaluated using the officers' salary levels at the end of the financial year in June 2024.

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

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

*Other Post-Employment Benefits Provision for accrued Vacation Leaves*

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

*Retirement benefits*

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

*Civil Service Family Protection Scheme*

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

**Note 5. Significant Accounting Policies (continued)**

**(e) Property, Plant and Equipment**

*Recognition and measurement*

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

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

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

*Depreciation*

Depreciation is calculated on a straight-line basis to recognise the consumption of economic benefits of an asset over its useful life. Depreciation methods, useful lives and residual values are reviewed at each reporting date. Full depreciation is provided for assets purchased during the financial period except for the last semester.

The estimated useful lives of PPE are as follows:

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

Cost of software for operating system and office tools when acquired with computers are included in the hardware costs and depreciated as for any computer equipment.

**(f) Intangible Assets**

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

**Note 5. Significant Accounting Policies (continued)**

*Amortisation*

Amortisation is calculated on a straight-line basis to recognise the consumption of economic benefits of an asset over its useful life. The estimated useful lives of software licenses are eight years.

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

**(g) Financial Instruments**

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

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

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

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

**(h) Inventories**

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

**(i) Contributed Capital**

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

**(j) Cash Flow Statement**

The Cash Flow Statement is prepared using the indirect method.

**Note 5. Significant Accounting Policies (continued)**

**(k) Operating Lease – Rental of Buildings**

In accordance with IPSAS 13 - Leases, the entity classifies leases where substantially all risks and rewards of ownership remain with the lessor as operating leases. Lease payments under operating leases are recognized as an expense in the Statement of Financial Performance on a straight-line basis over the lease term. The entity currently occupies office space at the Air Mauritius Centre under a lease agreement with Mauritius Estate Development Corporation (MEDCOR) Limited, with an all-inclusive monthly rental of Rs 433,147 for the financial year 2023-24. Additionally, since January 2021, the entity has been renting additional office space at an all-inclusive monthly rental of Rs 70,000. The total amount of lease payments recognized as an expense during the reporting period is disclosed in the notes to the financial statements, along with a general description of significant leasing arrangements, including any renewal options, escalation clauses, or restrictions imposed by the lease agreements.

**(l) Taxation**

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

**(m) Provisions and Contingent Liabilities**

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

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

**(n) Risk Management Policies**

***Financial risks***

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

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

***Credit risk***

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

***Currency risk***

NAO is not exposed to any currency risk.

**Note 5. Significant Accounting Policies (continued)**

*Interest rate risk*

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

**(o) Events after the Reporting Period**

There were no major events after the reporting period which may have a material effect on the financial statements as at 30 June 2024.

**(p) Employee Disclosure**

As at 30 June 2024, NAO had 187 full-time employees, out of which 33 were non-technical staff.

**(q) Key Management Personnel**

The key management team of the NAO comprises the Director of Audit, Deputy Directors, Assistant Directors, and the Head of Examiner of Accounts Cadre, who collectively oversee the organisation's diverse functions. Their remuneration totalled Rs 27.3 million for the financial year ending on 30 June 2024.

As of 30 June 2024 the total obligations for vacation leave and passage benefits accrued for key management team were Rs 9.3 million and Rs 2.6 million, respectively. During the financial year ending 30 June 2024 passage benefits disbursed to key management team amounted to Rs 1.1 million.

**(r) Related Parties**

Within the context of these financial statements, entities deemed to be related parties to the NAO include other Government Ministries, Departments, and Parastatal Bodies capable of exerting direct or indirect control over the NAO, or significantly influencing its financial and operational decisions, and vice versa. Such related parties could be either individuals or other organisational entities. Transactions with related parties were executed under market-based terms and conditions.

All qualifying Officers of NAO are entitled to duty-free facilities and car loans as specified in the PRB reports. The outstanding car loan balance was Rs 23.6 million as of 30 June 2024, compared to Rs 21.9 million on 30 June 2023.

**Note 6. Appropriation from Consolidated Fund**

	<b>Year ended 30 June 2024</b>	Year ended 30 June 2023
	<b>Rs</b>	Rs
Budgeted Amount	<b>194,000,000</b>	193,000,000
Appropriation lapsed	<b>(7,953,010)</b>	(4,909,297)
Departmental Warrant	<b>44,275</b>	18,090
Appropriation received from Consolidated Fund	<b>186,091,265</b>	188,108,793

**National Audit Office**  
**Notes to the Financial Statements**  
*for the year ended 30 June 2024*

Funding for NAO is appropriated by the National Assembly to cover its operating expenses, which include salaries, utilities, office supplies, and equipment, etc.

<b>Note 6(a). Amount Refundable by Government</b>	<b>Year ended 30 June 2024</b>	Year ended 30 June 2023
	<b>Rs</b>	Rs
Receivable – Sick/Vacation Leave and Passage Benefits	13,630,384	10,506,633
Fees for audit services	125,000	125,000
Adjustments icw prepayments/accruals and inventories	(186,561)	(26,142)
	<b>13,568,823</b>	10,605,491

<b>Note 7. Audit Fee</b>	<b>Year ended 30 June 2024</b>	Year ended 30 June 2023
	<b>Rs</b>	Rs
Invoices issued to clients	<b>27,547,500</b>	28,802,065

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

**Note 7(a). Profit/ (Loss) on Disposal of Assets**

This represents gain/loss on the sale of assets to staff at the time of their retirement.

<b>Note 8. Employee Costs</b>	<b>Year ended 30 June 2024</b>	Year ended 30 June 2023
	<b>Rs</b>	Rs
Basic Pay	<b>156,407,687</b>	156,087,985
Payroll related allowances	<b>30,354,681</b>	30,021,977
	<b>186,762,368</b>	186,109,962

Employee costs include basic pay of Rs 156,407,687 and related costs of Rs 30,354,681 which in total represents an increase of only 0.4% compared to 2023 figures. This increase could be attributed to various factors, such as annual salary increments, promotion and retirement of staff, amongst others.

<b>Note 9. Rental of Space</b>	<b>Year ended 30 June 2024</b>	Year ended 30 June 2023
	<b>Rs</b>	Rs
Rental of Building spaces	<b>6,070,372</b>	6,037,770
Rental of Parking slots	<b>560,350</b>	486,141
	<b>6,630,722</b>	6,523,911



**National Audit Office**  
**Notes to the Financial Statements**  
*for the year ended 30 June 2024*

The NAO rents spaces for its operations, with expenditures recorded as per the terms outlined in signed contracts.

<b>Note 10. Utilities Cost</b>	<b>Year ended 30 June 2024</b>	<b>Year ended 30 June 2023</b>
	<b>Rs</b>	<b>Rs</b>
Cost for the year	<b>1,084,413</b>	1,094,415

Utilities cost encompasses electricity and telephone expenses.

<b>Note 11. Repairs &amp; Maintenance</b>	<b>Year ended 30 June 2024</b>	<b>Year ended 30 June 2023</b>
	<b>Rs</b>	<b>Rs</b>
Maintenance Cost	<b>485,335</b>	358,797
Fuel and oil cost	<b>42,891</b>	26,522
	<b>528,226</b>	385,319

<b>Note 12. Printing &amp; Stationery</b>	<b>Year ended 30 June 2024</b>	<b>Year ended 30 June 2023</b>
	<b>Rs</b>	<b>Rs</b>
Office Supplies	<b>542,369</b>	313,050
Printing cost	<b>510,471</b>	521,163
Books and Publications	<b>256,203</b>	199,560
	<b>1,309,043</b>	1,033,773

<b>Note 13. Membership Fees</b>	<b>Year ended 30 June 2024</b>	<b>Year ended 30 June 2023</b>
	<b>Rs</b>	<b>Rs</b>
Affiliations to International institutions	<b>523,378</b>	545,902

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

<b>Note 14. Professional Fees</b>	<b>Year ended 30 June 2024</b>	<b>Year ended 30 June 2023</b>
	<b>Rs</b>	<b>Rs</b>
Audit fees	<b>115,000</b>	250,000
Fees to Consultants	<b>30,364</b>	-
	<b>145,364</b>	250,000

Professional fees refer to audit services for the audit of the financial statements of NAO by an independent audit firm. It includes an accrued amount of Rs 125,000.



**National Audit Office**  
**Notes to the Financial Statements**  
*for the year ended 30 June 2024*

**Note 15. Property, Plant and Equipment**

<b>Cost / Valuation</b>	<b>Computer Equipment Rs</b>	<b>Motor Vehicles Rs</b>	<b>Furniture &amp; Fittings Rs</b>	<b>Office Equipment Rs</b>	<b>Total Rs</b>
As at 1 July 2023	16,877,068	720,000	2,109,541	1,846,270	21,552,879
Additions	586,901	1,526,000	229,375	354,439	2,696,715
Disposal	(212,352)	(720,000)	-	(46,050)	(978,402)
<b>As at 30 June 2024</b>	<b>17,251,617</b>	<b>1,526,000</b>	<b>2,338,916</b>	<b>2,154,659</b>	<b>23,271,192</b>

**Depreciation**

As at 1 July 2023	12,155,962	720,000	1,040,809	1,541,556	15,458,327
Charge for the year	1,466,048	-	187,799	141,406	1,795,253
Disposal	(142,732)	(720,000)	-	(27,630)	(890,362)
<b>As at 30 June 2024</b>	<b>13,479,278</b>	<b>-</b>	<b>1,228,608</b>	<b>1,655,332</b>	<b>16,363,218</b>

**Net Book Value**

<b>As at 30 June 2024</b>	<b>3,772,339</b>	<b>1,526,000</b>	<b>1,110,308</b>	<b>499,327</b>	<b>6,907,974</b>
As at 30 June 2023	4,721,106	-	1,068,732	304,714	6,094,552

**Intangible Assets**

	<b>Year ended 30 June 2024 Rs</b>	<b>Year ended 30 June 2023 Rs</b>
<b>Balance at 1 July</b>	<b>750,700</b>	379,778
Additions	33,569	426,190
Amortisation	(108,540)	(55,267)
<b>Net Book Value</b>	<b>675,729</b>	750,700
<b>Cost at 1 July</b>	<b>5,479,623</b>	5,446,054
<b>Accumulated Amortisation</b>	<b>(4,803,894)</b>	(4,695,354)
	<b>675,729</b>	750,700

**Note 16. Trade Receivables**

	<b>Year ended 30 June 2024 Rs</b>	<b>Year ended 30 June 2023 Rs</b>
Balance as at 1 <sup>st</sup> July	4,385,000	3,405,000
Invoices Issued during the year	27,602,600	29,072,115
Remitted to Consolidated Fund	(24,502,475)	(27,822,065)
Adjustments – Prior year Sales Invoice	(55,100)	(270,050)
<b>Balance as at 30 June</b>	<b>7,430,025</b>	4,385,000

The trade receivables in the NAO's Statement of Financial Position represent the unpaid fees for audit services.



**National Audit Office**  
**Notes to the Financial Statements**  
*for the year ended 30 June 2024*

**Note 17. Other Receivables**

	<b>Year ended 30 June 2024</b>	Year ended 30 June 2023
	<b>Rs</b>	Rs
Fees-External Auditor	<b>125,000</b>	125,000
Utilities	<b>75,084</b>	89,099
	<b>200,084</b>	214,099

**Note 17(a).** Prepayments refers to deferred payments for membership fees and annual Maintenance & Support Contract for period 01 May 2024 to 30 April 2025 that relate to the financial year 2024-25.

**Note 18. Inventories**

	<b>Year ended 30 June 2024</b>	Year ended 30 June 2023
	<b>Rs</b>	Rs
Value of inventories	<b>277,400</b>	258,260

The “Inventories” line item on the Statement of Financial Position reflects the stock on hand as of 30 June 2024, valued at cost price.

**Note 19. Employee Benefits – Assets/Liabilities**

	<b>Year ended 30 June 2024</b>	Year ended 30 June 2023
	<b>Rs</b>	Rs
Bank Sick Leaves	<b>49,814,139</b>	53,853,601
Sick Leaves 2020 Entitlement	<b>5,814,611</b>	6,159,209
Vacation Leaves	<b>47,519,887</b>	48,877,736
Passage Benefits	<b>15,752,451</b>	18,040,470
<b>Balance at 30 June</b>	<b>118,901,088</b>	126,931,016

**Short Term**

Sick Leaves	<b>3,461,930</b>	5,999,643
Passage Benefits	<b>2,500,000</b>	2,500,000
	<b>5,961,930</b>	8,499,643

**Long Term**

Bank Sick Leaves	<b>46,352,204</b>	47,853,958
Sick Leave 2020 Entitlement	<b>5,814,611</b>	6,159,209
Vacation Leaves	<b>47,519,887</b>	48,877,736
Passage Benefits	<b>13,252,451</b>	15,540,470
	<b>112,939,153</b>	118,431,373



**National Audit Office**  
**Notes to the Financial Statements**  
*for the year ended 30 June 2024*

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

<b>Note 20. Other Payables</b> <i>(Accruals)</i>	<b>Year ended</b> <b>30 June 2024</b> Rs	Year ended 30 June 2023 Rs
Fees – External Auditor	<b>125,000</b>	125,000
Utilities	<b>75,084</b>	89,099
	<b>200,084</b>	214,099

The "Other Payables" line item on the Statement of Financial Position typically reflects accruals related to invoices received during the year that have yet to be paid. These accrued liabilities are financial obligations that arise in the course of business but have not been settled by the end of the accounting period.

<b>Note 21. Contributed Capital</b>	<b>Year ended</b> <b>30 June 2024</b> Rs	Year ended 30 June 2023 Rs
Balance as at 1 July	<b>11,781,460</b>	9,590,056
Surplus/(Deficit) for the year	<b>735,584</b>	1,180,692
Movement in Contributed Capital*	<b>3,016,589</b>	1,010,712
Balance as at 30 June	<b>15,533,633</b>	11,781,460

**\*Movement in Contributed Capital**

Inventories	<b>(19,140)</b>	24,866
Prepayments	<b>(50,443)</b>	26,191
Audit Fees Receivable	<b>3,045,025</b>	980,000
Adjustment	<b>41,147</b>	(20,345)
	<b>3,016,589</b>	1,010,712

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

**Note 22. Car Loans**

As of 30 June 2024, the outstanding balance of car loan provided to Officers of the NAO amounted to Rs 23,595,272. Since the responsibility and benefits associated with the loan rest solely with the employees, and NAO holds no accountability for any defaults, the loan is not reflected in the financial statements.

**06**

**ANNEXES**



**NATIONAL AUDIT OFFICE**  
**REPUBLIC OF MAURITIUS**

## INTOSAI-P 1 – The Lima Declaration

### II. Independence

#### **Section 5. Independence of Supreme Audit Institutions**

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

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

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

## **Section 7. Financial Independence of Supreme Audit Institutions**

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

### **INTOSAI-P 10 - Mexico Declaration on SAI Independence**

#### **Principle 1**

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

#### **Principle 2**

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

#### **Principle 3**

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

#### **Principle 4**

Unrestricted access to information

#### **Principle 5**

The right and obligation to report on their work

#### **Principle 6**

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

#### **Principle 7**

The existence of effective follow-up mechanisms on SAI recommendations

#### **Principle 8**

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



## STAFF DETAILS

Grade Position	Est. Posts	Funded Posts	Officers in Post		
	2023 - 2024	2024 - 2025	Male	Female	Total
<b>SENIOR MANAGEMENT</b>					
Director of Audit	1	1	1	-	1
Deputy Director of Audit	3	3	3	-	3
Assistant Director of Audit	10	10	5	4	9
Head, Examiner of Accounts Cadre	1	1	1	0	1
<b>AUDITING CADRES</b>					
<b>Auditor Cadre</b>					
Principal Auditor	14	14	10	3	13
Senior Auditor	21	21	10	10	20
Auditor	48	48	11	36	47
<b>Examiner of Accounts Cadre</b>					
Deputy Head, Examiner of Accounts Cadre	1	1	-	1	1
Chief Examiner of Accounts	18	18	8	8	16
Deputy Chief Examiner of Accounts	17	17	5	10	15
Principal Examiner of Accounts	22	22	1	4	5
Examiner/Senior Examiner of Accounts	42	42	2	21	23
<b>SUPPORT STAFF</b>					
Assistant Manager, Human Resources	1	1	1	-	1
Principal Financial Operations Officer	1	1	-	1	1
Other Supporting Staff	26	31	9	22	31

## STAFF BY AGE GROUP

Age Group	No. of Officers	%
< 25 years	2	1.1
25 - 34 years	41	21.8
35 - 44 years	45	24.5
45 - 54 years	55	29.3
55 - 64 years	44	23.4
<b>TOTAL</b>	187	100

## MAIN TRAINING COURSES DURING 2023 -2024

Course Title	Organising	No. of Participants	Period	
	Body			
<b>LOCAL COURSES</b>				
1	IPSAS 41	In-House, Pr. Hentie Van Wyk	73	17-Jul-23
2	Training Session on ISSAI and its Relevance to Modified RAM	In-House, NAO	142	7 – 8 Aug 2023
3	The Future of Auditing: Unveiling Emerging Tech Tools	INTOSAI-WGISTA	60	19-Jul-23
4	Training in Procurement	In-House, PPO Team	62	14 & 21 Aug 2023
5	Operation & Processes Management Training Programme	Civil Service College / MPSAIR	10	11 ~ 29 Sep & 10 ~ 16 Oct 2023
<b>INTERNATIONAL COURSES</b>				
1	Coordinated Audit on SDG 2.3, 4.5 & Coastal Environment Workshop	AFROSAI-E, PRETORA, SA	2	24 – 28 Jul 2023
2	Consolidation of Coordinated Audit Reports Workshop	AFROSAI-E, PRETORA, SA	1	11 – 15 Mar 2024
3	Regional Workshop on Monitoring, Evaluation, Reporting and Learning (South Africa, Pretoria)	AFROSAI-E	1	16 – 20 Oct 2023
4	ASOSAI Capacity Development Program Workshop on "Audit of Infectious Disease Prevention Programs in post COVID-19 situation" Hanoi, Vietnam	ASOSAI, Vietnam	1	16 – 27 Oct 2023
5	Audit on E-Governance (ITEC INDIA)	ITEC - INDIA	2	09 Oct – 03 Nov 2023
6	Receipt and Compliance Audit (ITEC India)	ITEC - INDIA	2	20 Nov – 15 Dec 2023
7	MOVE 2023 - 18th AFROSAI-E Technical Conference	AFROSAI-E, PRETORA, SA	1	7 – 9 Nov 2023
8	Audit of State Owned Enterprises	ITEC - INDIA	1	8 Jan – 2 Feb 2024
9	AFROSAI-E DAG Leadership Workshop (South Africa, Pretoria)	AFROSAI-E, PRETORA, SA	1	26 Feb – 1 Mar 2024
10	Performance Audit	ITEC - INDIA	1	11 Mar – 5 Apr 2024

**NATIONAL AUDIT OFFICE**

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