



Republic of Mauritius
NATIONAL ASSEMBLY

**Second Report
of the
Public Accounts Committee**



**Sixth National Assembly
First Session
Second Report
27 March 2018**

Chairperson's Foreword

I am pleased to present the Report of the Public Accounts Committee based on the findings of the Director of Audit for the years ending December 2012, 2013 and 2014.

The changes in the composition of the Public Accounts Committee since the last general election and a number of other factors beyond the control of the said Committee have contributed in delaying the timely submission of this Report. I am, however, satisfied that there has been genuine effort by Members of the Committee to come up with recommendations to improve the management of public accounts following the Reports of the Director of Audit for the years under consideration. I am also aware of the series of similar recommendations made by the Public Accounts Committee in the past with almost no evidence of their subsequent implementation.

The Public Accounts Committee intends to pursue discussions with Government in order to review its powers and its current functioning model. I am agreeable to the urgent need to bring relevant amendments to the Standing Orders and Rules of the National Assembly and to any other relevant pieces of legislation to ensure that the recommendations of the Committee be acted upon. I am also agreeable that the Report of the Committee be subject to debate in the Assembly, once tabled, with a view to promoting enhanced transparency in the management of public funds.

I wish to thank the Members of the Committee, the Clerk of the National Assembly and officers who served this Committee, the Director of Audit and officers who assisted this Committee and the officers of the Ministries which were examined, whose contributions have been essential for the elaboration of this Report.

A handwritten signature in black ink, appearing to read 'AP Perraud', with a long horizontal line underneath it.

Honourable Mrs Marie-Aurore Marie-Joyce Perraud, MP
Chairperson of the Public Accounts Committee

27 March 2018

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Extract of the Standing Orders and Rules of the National Assembly

1.0 ESTABLISHMENT OF THE COMMITTEE

1.1 Your Committee derives its powers under Standing Order 69(2) of the Standing Orders and Rules of the National Assembly (1995), an extract of which is set out in the Appendix to this Report.

1.2 Your Committee is comprised as follows –

1. Honourable Mrs Marie-Aurore Marie-Joyce Perraud, MP – Chairperson
2. Honourable Sharvanand Ramkaun, MP, Parliamentary Private Secretary
3. Honourable Jean Francisco Francois, MP, Parliamentary Private Secretary
4. Honourable Sayed Muhammad Aadil Ameer Meea, MP
5. Honourable Sangeet Fowdar, MP
6. Honourable Hugo Joseph Thierry Henry, MP
7. Honourable Ezra Seewoosunkur Jhuboo, MP
8. Dr the Honourable Zouberr Houssein Issa Joomaye, MP
9. Honourable Jean Patrice France Quirin, MP
10. Honourable Sudesh Rughoobur, MP

1.3 For recall, for the current session, Honourable Alan Ganoo was appointed Chairperson of Your Committee on 26 February 2015 and has held office as such until 24 April 2015 when he resigned. Thereafter, Honourable Vedasingam Vasudevachariar Baloomoody was appointed Chairperson of Your Committee on 05 May 2015 and has held office until 20 December 2016 and he had submitted the First Report of Your Committee for the current session on 13 October 2015. On 11 January 2017, Madam Speaker appointed the undersigned as Chairperson of Your Committee.

1.4 By way of letters dated 02 and 07 February and 08 March 2017, Honourable Mrs Marie Claire Jeanne Monty, Honourable Gowkaran Oree and Honourable Purmanund Jhugroo, respectively, submitted their resignations as Members of Your Committee.

1.5 On 16 March 2017, the Committee of Selection met and nominated, in replacement of the three Honourable Members, the following Honourable Members to serve Your Committee pursuant to Standing Order 69(2)(a) –

1. Honourable Maneesh Gobin, MP, Chief Government Whip
2. Dr the Honourable Zouberr Houssein Issa Joomaye, MP
3. Honourable Sudesh Rughoobur, MP

- 1.6 Your Committee met for the first time under my Chairpersonship on 13 April 2017.
- 1.7 On 21 September 2017, Honourable Maneesh Gobin resigned from Your Committee following his appointment as Attorney General, Minister of Justice, Human Rights and Institutional Reforms, and on 23 October 2017, Honourable Kalyan Tarolah resigned from Your Committee. On 05 December 2017, the Committee of Selection met and nominated Honourable Jean Francisco Francois and Honourable Sharvanand Ramkaun in replacement of the two Honourable Members who had resigned.

2.0 SECRETARIAL ASSISTANCE

- 2.1 Your Committee was served by the Clerk of the National Assembly and Clerk to the Committee and was assisted by the Deputy Clerk and the Clerk Assistants.
- 2.2 Your Committee was also assisted in its duty by the Director of Audit and her representatives, the representatives of the Ministry of Finance and Economic Development and the Accountant General and his representatives.
- 2.3 Your Committee's proceedings were taken down verbatim by officers of the Official Report (*Hansard*) Office of the National Assembly.

3.0 MEETINGS

- 3.1 The present Report is based on the work effected in the course of the meetings of Your Committee held on the following dates:-

Meeting	Date
22 nd Meeting	05 November 2015
23 rd Meeting	12 November 2015
24 th Meeting	10 December 2015
25 th Meeting	21 January 2016
26 th Meeting	28 January 2016
27 th Meeting	04 February 2016
28 th Meeting	11 February 2016
29 th Meeting	18 March 2016
30 th Meeting	24 March 2016
31 st Meeting	07 April 2016
32 nd Meeting	21 April 2016
33 rd Meeting	29 April 2016
34 th Meeting	06 May 2016

35 th Meeting	19 May 2016
36 th Meeting	02 June 2016
37 th Meeting	09 June 2016
38 th Meeting	16 June 2016
39 th Meeting	30 June 2016
40 th Meeting	29 September 2016
41 st Meeting	13 October 2016
42 nd Meeting	03 November 2016
43 rd Meeting	17 November 2016
44 th Meeting	20 April 2017
45 th Meeting	18 May 2017
46 th Meeting	25 May 2017
47 th Meeting	01 June 2017
48 th Meeting	03 August 2017
49 th Meeting	03 October 2017
50 th Meeting	17 October 2017
51 st Meeting	26 October 2017
52 nd Meeting	03 November 2017
53 rd Meeting	09 November 2017
54 th Meeting	16 November 2017
55 th Meeting	23 November 2017
56 th Meeting	30 November 2017
57 th Meeting	26 January 2018
58 th Meeting	15 February 2018
59 th Meeting	22 February 2018
60 th Meeting	01 March 2018
61 st Meeting	13 March 2018
62 nd Meeting	19 March 2018
63 rd Meeting	22 March 2018

4.0 INTRODUCTION

4.1 Your Committee unanimously agreed to work collectively to fulfill its duty as provided for under Standing Order 69(2) which is as follows–

“It shall be the duty of the Committee to examine the audited accounts showing the appropriation of the sums granted by the Assembly to meet the public expenditure and such other accounts laid before the Assembly as the Assembly may refer to the Committee together with the Director of Audit’s Report thereon.”

4.2 Your Committee reflected that its main work was to examine the Director of Audit’s Reports which are concerned with the economy, efficiency and effectiveness with which Government departments and other bodies have used their resources to further their objectives in compliance with the principle of good governance.

4.3 Your Committee invited the Accounting Officers of selected Ministries while examining the Reports of the Director of Audit on the Accounts of the Republic of Mauritius for the years ended 31 December 2012, 2013 and 2014 in relation to their respective Ministries.

4.4 The report of Your Committee contains the findings and recommendations of the following Ministries, *as then they were called* –

- (1) Ministry of Energy and Public Utilities
- (2) Ministry of Education and Human Resources
- (3) Ministry of Social Security, National Solidarity and Reforms Institutions
- (4) Ministry of Local Government and Outer Islands
- (5) Ministry of Environment and Sustainable Development
- (6) Ministry of Labour, Industrial Relations and Employment
- (7) Ministry of Information and Communication Technology
- (8) Ministry of Fisheries
- (9) Ministry of Agro-Industry and Food Security
- (10) Ministry of Youth and Sports
- (11) Ministry of Gender Equality, Child Development and Family Welfare

5.0 FINDINGS AND RECOMMENDATIONS

5.1 MINISTRY OF ENERGY AND PUBLIC UTILITIES

5.1.1 Your Committee is of the view that there has been total absence of accountability and good governance in the management of some statutory bodies falling under the aegis of the Ministry of Energy and Public Utilities (MEPU).

Wastewater Management Authority (WMA)

5.1.2 Your Committee was interested in the management of projects by the Wastewater Management Authority (WMA) and the Water Resources Unit (WRU), inasmuch as the Report of the Director of Audit for the year 2014 raised concerns about the shortcomings relating to ineffective management of public funds and unexplained waste of resources in both organisations.

5.1.3 Your Committee perused the Report of the Director of Audit and held several meetings with officers of the WMA and of the parent Ministry, including, the Senior Chief Executive of the Ministry.

Bambous Pumping Station

5.1.4 Your Committee noted with concern that the above project which had initially been awarded for a project value of Rs. 29.1 million was subsequently completed at a total cost of Rs. 48.7 million. Your Committee was not satisfied with the explanations given by officers of the WMA with regard this state of affairs.

5.1.5 The Ministry explained to Your Committee that the increase in costs was due to the realisation of the said project in another location following protests of some inhabitants of the region.

Plaine Wilhems Sewerage Project - Contract WW80F Lot 1A

5.1.6 Your Committee noted with much concern that the original contract bearing ref. WW80F Lot 1A awarded on 19 October 2009 at the cost of Rs. 2,842,498,362 and expected to be completed on 31 May 2014 was extended to 30 November 2016.

5.1.7 Your Committee was neither satisfied with the explanations provided by the officers of the parent Ministry nor with those provided by officers of the WMA as to the effective monitoring of the project.

5.1.8 The officers of the WMA concurred with Your Committee that the scope of the bid was open to abuse as the value of the works was based on a design that had to be prepared and finalised by the contractor after the award of contract.

5.1.9 Your Committee took note that the choice of the contractors for a "design and build" model contract is common practice in the construction sector but is of the view that, the design prepared and submitted at bid stage cannot be altered nor can it entail additional costs over and above the price quoted after award of contract and while works are in progress.

5.1.10 Your Committee is of the view that there was gross negligence both at the level of the parent Ministry and that of the WMA in assessing the scope and value of the works prior to inviting bids for the project.

The Chairperson of the Board

5.1.11 Your Committee noted with concern that the then Chairperson of the Board of the WMA refused to collaborate with the Senior Chief Executive and officers of the Ministry.

5.1.12 Your Committee severely condemns the conduct of the then Chairperson of the Board of the WMA inasmuch as he was paid out of public funds.

Water Resources Unit (WRU)

Bagatelle Dam Project

5.1.13 Your Committee noted that the WRU was not adequately manned with qualified experts prior to embarking on such colossal projects and that the entire reliance on the consultant appointed for the design and supervision of works had led to cost overrun exceeding the initial project value by almost 70% resulting in the final cost of the project to Rs. 5,654 million.

5.1.14 Your Committee also noted that the termination of the contract of the initial consultant and the appointment of a second one resulted in a drastic increase in consultancy charges from Rs. 169.4 million to Rs. 319 million.

5.1.15 Your Committee disapproves that, despite the claim for damages by the Ministry to the initial consultant amounting to Rs. 935.7 million which was still under dispute, the Ministry made a payment of Rs. 3.7 million to the latter.

5.1.16 Your Committee condemns the lack of transparency in the appointment of the second consultant as the procedures for the appointment thereof was outside the ambit of the Public Procurement Act.

5.1.17 Your Committee deplores the absence of adequate and effective project management at the level of both the WRU and the MEPU.

5.1.18 Your Committee also observed with much concern that there has been complete opacity on the criteria used for the selection of the main contractor and that there

has been no satisfactory explanation as to the procedures followed and the reasons for which offers were accepted from a single contractor.

- 5.1.19 Your Committee was further of the view that the MEPU was not in a position to certify the viability of the financing model of the projects.

The Riviere des Anguilles Dam

- 5.1.20 Your Committee viewed with concern that, in spite of an investment of Rs. 128 million to start the project, out of which around Rs. 107 million was paid for land acquisition, no major progress was made in the appointment of a consultant for the design, review, construction and supervision of the works by end 2014 and that, initially, funds were earmarked from *L'Agence Française de Development* at a preferential rate in 2012 and that the major delays in the implementation of the project caused those facilities to lapse.

- 5.1.21 Your Committee noted that the project dated back to 2009 and that the initial expected completion date was on or about end of 2014.

- 5.1.22 Your Committee has not been convinced by the justifications provided by officers of the Ministry as regards the major shortcomings and long delays in the implementation of the project.

RECOMMENDATIONS

- 5.1.23 Your Committee recommends the following –

- The setting up of a Project Monitoring Committee at the Ministry for effective monitoring of all projects until final completion, irrespective of the financing model used, that is, whether through loans or grants.
- The Project Monitoring Committee, besides officers involved in the implementation of projects, to be composed of adequate technical staff to enable it assess and monitor that works are carried out strictly as per the specifications laid down in the bid documents.
- The carrying out of feasibility studies to study the model of financing of projects and to ensure that Government ultimately obtains optimal returns on all investment, irrespective of the conditions of financing.
- To disallow cost overruns in excess of the threshold prescribed in the Act and to entertain variations above the prescribed threshold, strictly, in compliance with the procedures laid down in the said Act or resort to the launch of fresh bids.

- Provision of training to the CEO, the Chairperson and key personnel of the parastatal bodies and of the parent Ministry.
- Selection of consultants to be based on valid credentials and clean records.
- Trade Officers in post in our Embassies to be called to submit full briefs on foreign consultants to be appointed by the public or statutory bodies.
- The creation of a pool of Internal Auditors possessing a mix of adequate technical and financial know-how to carry out effective supervision of works.

5.2 MINISTRY OF EDUCATION AND HUMAN RESOURCES

5.2.1 Your Committee expressed deep concern on the management of public funds by the Ministry inasmuch as there has been absence of adequate and close monitoring of public contracts awarded and complete disregard of good accountability practices by officers of the Ministry.

Enhancement Program

5.2.2 The Enhancement Program was launched in February 2010 and the total amount invested therein amounted to Rs. 161,746,613 until December 2013. The budget allocated therefor during the first year amounted to Rs. 24,462,130 and by the end of the fourth academic year, the annual budget had increased to more than 100% up to Rs. 51,833,913 annually. Your Committee noted that there was a total absence of coherence and vision in the implementation of the program. The representative of the Ministry mentioned that the program was being discontinued following the implementation of the Nine-Year Basic Schooling Programme. Your Committee noted that there was neither a progress nor a performance report for the project which started with an attendance of 80% of the students and dropped to an average of 50% by the end of the fourth academic year.

5.2.3 Your Committee expressed deep concern on the amount of public funds spent on a project that ultimately was nothing less than a failure.

Procurement and contract management

5.2.4 The Ministry has been managing a series of public contracts awarded either through direct procurement or through the appointment of a consultant. In almost all construction contracts, the consultant in charge has been the Ministry of Public Infrastructure, National Development Unit, Land Transport and Shipping.

Cleaning Services

5.2.5 The contract for cleaning services was awarded by the Ministry in May 2012 and September 2013 for an initial period of three years but renewable annually upon satisfactory performance.

5.2.6 Your Committee noted that there was a total absence of adequate and effective monitoring of the services. At the request of Your Committee, the Ministry submitted copies of performance reports where the head of schools certified satisfactory performance of the contractors. The Ministry's approval for an annual renewal of the contract was based solely on these reports.

An analysis of the documents demonstrated that the following information were missing for proper evaluation of the performance of the contractors-

- (i) Availability of adequate equipment and cleaning materials as per tender specifications.
- (ii) Successful completion of monthly general cleaning and dates on which they were performed together with the respective approval of the head of schools.
- (iii) The quality and quantity of human resources posted at the site, hours of attendance and the availability of certificate of character.
- (iv) Compliance with the different labour legislations. Moreover, the cleaners complained to the contractors that they were not paid as per the Remuneration Order.

5.2.7 Your Committee strongly condemned the flexibility shown by the Ministry towards the contractor when it was made aware that Government School Caretakers were unofficially being remunerated for performing cleaning duties falling partly under the responsibility of the contractors.

Watch and Security Services

5.2.8 The above contract was awarded on 02 December 2013 to two contractors for a total amount of Rs. 136,598,058 renewable annually.

5.2.9 Your Committee expressed deep concern on the inability of the Ministry to effectively monitor the performance of the selected contractors. Your Committee noted the following shortcomings-

- (i) No provision of badge certified by the Commissioner of Police and absence of a clear certificate of character for the Security Officers.

- (ii) No proper handing over of site during weekdays.
- (iii) Absence of regular meetings between the head of school and the security contractor to monitor performance.
- (iv) Lack of control on attendance of Security Guards during weekends on a 24-hour basis as per the requirements of the contract. The representative of the Ministry confirmed to Your Committee that a squad appointed earlier by the Ministry for supervision was no longer in operation for reasons of costs.
- (v) No shelter or mess was provided by the contractor to its personnel in accordance with the legal requirements.

Construction Contracts

5.2.10 Your Committee noted the following weaknesses in the monitoring of the under mentioned projects:

The demolition and construction of the Ramlagun Moosun Government School at Bois Rouge, Goodlands

5.2.11 A contract was awarded for the demolition and reconstruction of the Ramlagun Moosun Government School in 2010 and subsequently terminated in February 2012 for poor performance, delays and absence of compliance with the clause in relation to the subcontracting of works.

5.2.12 Your Committee noted that neither the consultant nor the representatives of the Ministry could justify the quantum of liquidated damages applied in the project. Your Committee noted that representations had to be made to the Public Procurement Office (PPO) for an increase in the quantum of liquidated damages in case of termination of contracts.

5.2.13 Your Committee disagreed with the explanation provided by the Ministry on the appointment of a subcontractor by the main contractor for the whole project. The appointment of the subcontractor was in breach of the provisions of the contract and which came to the knowledge of the Ministry more than a year after the running period. Your Committee observed that there was a total absence of effective contract management both at the level of the Ministry and at the level of the consultant.

Final Phase of the construction of MGSS at Moka

- 5.2.14 The contract was awarded in August 2012 and extended to September 2014. However, as at 30 April 2015, the project was not yet completed.
- 5.2.15 Your Committee requested all documents relating to the contract together with an update on the performance of the contractor on public contracts to date indicating the delays accumulated on other contracts and any adverse report to date. Your Committee viewed with concern that limited information was made available on the contractor at the time of the preparation of this Report.
- 5.2.16 Your Committee is of the view that the poor performance of the contractor, along with accumulated delays, should have been sufficient grounds for the taking of strong measures against the latter. Your Committee noted that the maximum amount of liquidated damages had been applied on the project. Your Committee noted the undertaking of the Ministry to send a report to the Public Procurement Office on the causes of delays and quality of the works in the project after completion thereof.

Tablet computers

- 5.2.17 Your Committee noted that the first phase of the provision of tablet computers to Standard IV students was completed in January 2014. Your Committee was not satisfied with the reasons justifying the delivery of these tablets prior to the commissioning of a Wi-Fi system in all the primary schools.
- 5.2.18 The contract for the second phase of supply of tablet computers to standard IV students was awarded in May 2015 and the Ministry explained that due to delays in delivery, it was decided to terminate the contract with immediate effect after an advice from the State Law Office. Your Committee further disapproved the decision of the Ministry to make an advance payment to the contractor without any advance payment guarantee having been furnished by the contractor. The advance payment was twice the value of the performance bond.
- 5.2.19 At the time of the preparation of this Report, Your Committee did not have adequate information to evaluate the benefits of the above project. There was an absence of clear objectives and key performance indicators to meet the targets the Ministry had defined for the project.

RECOMMENDATIONS

5.2.20 Your Committee recommends the following –

- A review of the structure and functioning of the department responsible for the preparation and award of contracts. The staff should be trained on procurement and should regularly interact with the Public Procurement Office (PPO) with a view to include adequate and appropriate safeguards in the bid documents to protect the interests of the Ministry.
- The consolidation of the current Project Implementation Unit (PIU) with the recruitment of a pool of Architect and Quantity Surveyors. This would enable the Ministry to have a better monitoring and oversight on the performance of contractors on capital projects and directly supervise most of these infrastructure projects. A unit should have the responsibility for the regular maintenance of all the infrastructure belonging to the Ministry.
- The review of the current format of the bid documents by the Public Procurement Office (PPO). The quantum of the maximum liquidated damages applied following delays on realization of projects should be increased. Additionally, a termination clause should be added with relevant conditions following default by contractors.
- The Parents Teachers' Associations (PTAs) should be encouraged to play a more active part in the management of all schools. The Ministry should set up a structure at national level that will facilitate and coordinate the works of all the PTAs. It should be managed by elected members amongst the existing PTAs of all schools and include high rank officers of the Ministry.
- The scope of works of zonal directorates be properly defined. They should be accountable for all shortcomings noted in the proper and effective monitoring of works of private service providers appointed by the Ministry.

5.3 MINISTRY OF SOCIAL SECURITY, NATIONAL SOLIDARITY AND REFORMS INSTITUTIONS

National Pensions Management

5.3.1 Your Committee noted that separate files were kept for beneficiaries drawing both Basic Pensions and Social Aid. This practice leads to lack of control on total benefits being obtained by an individual. Your Committee further noted that the Public Accounts Committee had, as far back as 31 December 2011, recommended the implementation of a centralized computerized system for the management of both pensions and social aid but concrete actions on the part of the Ministry was still being awaited as at December 2014.

Immediate Payments (IP)

- 5.3.2 Your Committee is of the view that there was a series of shortcomings in the manner in which the Immediate Payments were being processed and paid. The "Immediate Payment" (IP) is a one off payment scheme that is meant for a specific category of individuals. It relates to compensation for losses due to outbreak of fire, floods and temporary incapacity, amongst other reasons. However, Your Committee was apprised of unexplained cases of several payments being effected to the same beneficiary under the above scheme during the financial year. The explanation of the representatives of the Ministry was not satisfactory as serious shortcomings were noted in both the adequacy and reliability of the information gathered.

Expenditure on Pensions, Social Aid and Immediate Payments

- 5.3.3 Your Committee noted that an amount of Rs. 12 billion had been disbursed for the above benefits for the year 2013 and the amount increased to Rs. 12.69 billion for the year ending 31 December 2014. Your Committee viewed with concern that budgetary provisions for the above benefits had increased by 50% over the last five years but there was still a lack of genuine interest to invest in modern software to upgrade the current system for an effective and efficient management of all expenditures under the above items.

Overpayments

- 5.3.4 Your Committee viewed with much concern the amount of overpayment of pensions to beneficiaries due to: undetected deaths, re-marriage of widows, prolonged absence from Mauritius and processing errors. The amount of overpayment outstanding as at 31 December 2012 amounted to Rs. 61.2 million. Your Committee resolved that there were major shortcomings in the overall management of payments to the beneficiaries as 500 cases of overpayment totaling Rs. 26.5 million had been detected for the year ending 31 December 2013. Your Committee was not comfortable with the factors adduced by the Ministry to explain the overpayments. Your Committee opined that the Memorandum of Understanding signed between the Civil Status Office, the Passport and Immigration Office and the Ministry was an effective tool to coordinate the payment of pensions but was unfortunately not effectively implemented.

Other Benefits

School Certificate / Higher School Certificate Fees (SC/HSC)

- 5.3.5 Your Committee viewed with concern that the total funds disbursed for SC/HSC fees by the Ministry in 2014 amounted to Rs. 140.5 million, excluding

administrative charges of Rs. 5.5 million. The amount of overhead incurred in the management of the above scheme is considered to be on the high side. There have been six alternative proposals by the Ministry of Social Security to the Ministry of Finance and Economic Development to review the scheme during financial year 2013/2014. However, there was no evidence of implementation of any of the proposals.

Allowances to Fishermen

- 5.3.6 Your Committee severely condemned the payment of Rs. 79.9 million during the year 2014 as allowances to Fishermen under Departmental Warrant issued by the Ministry of Social Security. Your Committee requested a departmental inquiry on this specific payment and the procedures followed for disbursement of funds.

RECOMMENDATIONS

- 5.3.7 Your Committee recommends the following –

- The setting up of a "Committee of Experts" to review and propose amendments to the structural and regulatory framework related to management of Pensions, Social Aid and all other forms of compensation paid to beneficiaries in Mauritius.
- The implementation of a modern computerized system for the management of the considerable budget allocated to the Ministry. The Ministry mentioned an amount of Rs. 500 M being earmarked for investment in a new system. Your Committee is of the view that the new system incorporates all changes that require effective management of pensions.
- The establishment of better collaboration between the Citizens Advice Bureau (CAB) and the Ministry to better monitor the applications for a particular type of Pension or Social Aid. This will facilitate the sourcing of reliable information for inclusion in the Social Register of Mauritius (SRM).
- Enhanced transparency in the constitution of the Medical and Appeal Board and enhanced accountability for cases where applications for pensions are either rejected or appeal disallowed.
- A review of the eligibility criteria for the Social Register of Mauritius.
- Training of the officers of the Ministry in collecting relevant information for all applications for Pensions.
- The definition of an appropriate set of eligibility criteria for "Immediate Payments" to prevent abuse.

- A review of the eligibility criteria for the payment of SC/HSC examination fees aiming at efficiency and targeting those really in need.

Protection and Wellbeing of the Elderly

Domiciliary Visits (DV)

- 5.3.8 Your Committee severely condemned the alleged fraudulent claims submitted for DV by some Medical Officers for patients who passed away as far back as 2003. The list circulated by the Medical Officers in 2012 did not tally with the list generated from the system and found in the hard disk of the Ministry. The matter was referred to the Police for action in 2013 but as at May 2015, there was no report of any update on the inquiry. Your Committee resolved that there was a lack of proper monitoring and control of the number of DVs effected by Medical Officers.
- 5.3.9 The procedures for the recruitment of the Medical Officers responsible for DV should be reviewed. Your Committee noted with concern that 5 out of the 48 Medical Officers were paid twice the amount of allowance than the rest between June and December 2012. The amount of allowance paid per month exceeded Rs.100,000 for each of the above 5 Medical Officers. The Ministry explained that they visited patients in several localities including the housing estates where the risk of personal injury and accident was high due to cases of drug dealings contrary to the others. Your Committee was not convinced by the explanation of the Ministry.

Centre for Severely Disabled Elderly Persons at Pointe Aux Sables

- 5.3.10 Your Committee noted that a Memorandum of Understanding signed between a Non-Governmental Organisation (NGO) and the Ministry for the management and maintenance of the above facility had never been complied with since 2010. The cost of management and maintenance amounting to Rs. 5 million annually had never been born by the NGO until December 2014. The Ministry explained that there was a need to look for CSR financing from the private sector. Your Committee noted with concern that as at 30 June 2013 and even during 2014, no CSR funds had actually been secured as promised.
- 5.3.11 An amount of Rs. 88.5 million had been invested in 2012 and onwards for the integration of persons with disabilities and strengthening of the NGOs.

Charitable Institutions

5.3.12 Your Committee noted that an amount of more than Rs. 70 million was being disbursed annually as grant to charitable institutions. There was a shortage of staff for the monitoring of the expenditure. Your Committee noted with concern that there was no proper records of management of cash allowance to inmates of charitable institutions. In spite of the regulatory framework in place governing the management of these charitable institutions, there was inadequate control to ensure that the inmates were properly taken care of and that the facilities provided were as per norms and conditions.

RECOMMENDATIONS

5.3.13 Your Committee recommends the following-

- Enhanced transparency in the recruitment of Medical Officers for Domiciliary Visits (DV).
- Establishment of appropriate procedures to monitor DV. The Ministry should not only ensure that the visits have actually been done but equally that all protocols are observed in terms of services offered to the patients.
- The creation of a Special Squad by the Ministry to conduct random checks around the island on DV prior to certification of claims and payments.
- The enlistment by the Ministry of the services of a private contractor, through bidding procedures, for the management and maintenance of the Centre for the Severely Disabled at Pointe aux Sables.
- That urgent revamping of the computerized system, launched in 2012, for the management of Basic Retirement Pension.
- The setting up of a Steering Committee to look into the whole functioning of the Charitable Institutions. The structural and regulatory framework to be reviewed with better enforcement capabilities at the level of the Ministry.

Reform Institutions

5.3.14 Your Committee noted that an amount exceeding Rs. 20 million was being spent annually on hostels and Rehabilitation Youth Centers. The accounts of these institutions had not been audited by the private auditors retained as at December 2013. At the time of the drafting of this Report, there was no evidence of any initiative undertaken to restructure the Reform Institutions as proposed by the then Government in September 2010.

RECOMMENDATIONS

- 5.3.15 Your Committee recommends that –
- A draft of the Juvenile Justice Bill, prepared and submitted to Government by the then Attorney General in 2013, be reviewed and introduced in the National Assembly in the shortest possible delay.
 - Government to seek foreign assistance and expertise in the re-engineering of our Reform Institutions to enable them meet their primary objectives. This would involve a review of the structure, the functioning model and the contents of teaching programs.
 - The accounts of the Reform Institutions to be updated and audited by the private auditors, at the earliest.

Construction of the Recreational Centre at Pointe aux Piments

- 5.3.16 Your Committee noted that the site for the construction of the above facilities was handed over on 16 February 2012 and was due to be completed on 3 July 2013. A first sectional handing over was effected on 26 October 2013 and the site was completed and fully handed over on 09 January 2014. Your Committee further noted with concern that there was a lack of transparency in as far as sectional taking-over and extension of time was approved and assessed. The quality of work was poor and recommendation to debar the contractor by the Public Procurement Office was not considered by the Ministry.

RECOMMENDATIONS

- 5.3.17 Your Committee recommends the following –
- The covering approval of the State Law Office be obtained for sectional approvals on all contracts, not provided for, prior to taking-over and commissioning.
 - A Maintenance Unit be created with adequate staff and headed by a Mechanical Engineer to manage the properties of the Ministry.
 - The criteria for the choice of contractors be reviewed and that expertise and technical capabilities overrides any other consideration, including price.

5.4 MINISTRY OF LOCAL GOVERNMENT AND OUTER ISLANDS

Grant in Aid to Local Authorities

- 5.4.1 Your Committee noted that the system of allocation of funds (Grant In Aid formula) to Local Authorities has to be reviewed taking into consideration the socio-economic realities of the day.
- 5.4.2 Your Committee took note that a report was prepared in 2012 by a Committee constituted of representatives of the Ministry and of Municipal and District Councils to improve the formula but was not adopted.

Purchase of Vehicle by the Mauritius Fire and Rescue Service (MFRS)

Articulated Turn Table ladder

- 5.4.3 Your Committee noted that the contract for the acquisition of the Turn Table Ladder was signed in October 2011 but it was only a year later that the price was renegotiated with the successful bidder. The price was subsequently reduced to Rs. 35 million from the original quoted price of Rs. 38,118,360. Your Committee expressed major concern on the procurement procedures followed. The representative of the MFRS failed to provide satisfactory explanation to Your Committee on the reasons for which such expensive equipment bought remained unutilised. Your Committee seriously condemned the degree of mismanagement that led to the exclusion of the penalty clause for late delivery of the equipment. Your Committee further noted with concern that the maintenance agreement proposed initially for the sum of Rs 2,244,432 for a period of seven years was disregarded. However, the maintenance costs subsequently increased up to Rs 900, 000 yearly. Your Committee also disagreed with the representatives of the MFRS since they failed to compel the supplier to undertake repair works on the equipment prior to the expiry of the guarantee period.

Fire Fighting Vehicle for Agalega

- 5.4.4 The Outer Islands Development Corporation acquired a fire fighting vehicle for the airstrip at Agalega on 17 June 2013 at the cost of Rs. 15.7 million which was subsequently transferred to the Mauritius Fire and Rescue Service and never shipped to Agalega.
- 5.4.5 Your Committee viewed with concern the opacity surrounding the implementation of this project and the failure of the representatives of the Ministry to justify the investment as the airstrip was hardly in use at Agalega and there was no possibility of shipping such equipment there.

- 5.4.6. Your Committee further noted with deep concern that as at December 2014, the vehicle was reported to have been lying at the garage of the supplier with no clear indication of any deadline for repair works.
- 5.4.7. Your Committee strongly condemned the amount of public funds that were wasted on such an investment without a prior feasibility study having been carried out.

WASTE MANAGEMENT

Hazardous Waste

- 5.4.8 Your Committee noted that a consultant had been appointed since 2003 for the implementation of an interim storage facility for hazardous waste.
- 5.4.9 Your Committee noted that in spite of the urgency of the project, the proposal of the consultant was approved in 2005 and that, in 2010, a call for proposal from consultants for the design, construction and supervision of the interim storage facility was received but the contract was awarded only in July 2012.
- 5.4.10 Your Committee noted that neither an inventory nor a proper assessment of the extent of hazardous waste in Mauritius was available.
- 5.4.11 Your Committee further noted with concern that construction works had started on a plot of land identified at La Chaumière but that no feasibility study had been undertaken on the extent of investments.

Solid waste

- 5.4.12 Your Committee noted with deep concern that as a regulator and an enforcement authority, the Ministry of Environment and Sustainable Development was called upon to act both as judge and party, thus finding itself in a situation of conflicting interests.
- 5.4.13 Your Committee also noted that the only Landfill Site currently situated at Mare Chicose was almost saturated and that the final plots obtained on lease for its extension in June 2012 and July 2013 would also reach its optimum by the end of 2018.
- 5.4.14 Your Committee was informed that the Ministry was still in the process of identifying a suitable alternative site and Your Committee expressed deep concerns on the serious delays that had already been accumulated in relation thereto.
- 5.4.15 Your Committee disagreed with the representatives of the Ministry who attempted to justify the amount of Rs. 2,209,892,905 spent under emergency and direct procurement at the Landfill site since 01 December 2006. The cost estimate

was Rs.1,970,000,000 and there was a drastic increase of Rs. 239,892,905 over the years.

- 5.4.16 Your Committee noted with deep concern that there was still an absence of adequate planning and no clear implementation schedule of the forthcoming projects in relation thereto.

RECOMMENDATIONS

- 5.4.17 Your Committee recommends the following –

- The procurement procedures for the supply of firefighting equipment be reviewed. The Central Procurement Board should delegate a representative to sit on the Evaluation Committee set up by the Ministry for award of contracts.
- The support of friendly countries be sought in the elaboration of a Masterplan on Fire Prevention and Safety, in the light of which an appropriate investment plan should be elaborated. Your Committee is of the view that urgent consideration should be given to this matter.
- A guarantee period and a maintenance contract should be mandatorily included in any contract for the procurement of all types of vehicles.
- The need for better consultation and collaboration between the Ministry of Local Government and Outer Islands and the Ministry of Finance and Economic Development on investments made according to the direct and emergency procurements methods.

5.5 MINISTRY OF ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

ECO VILLAGE PROJECT

- 5.5.1 Your Committee noted that the Eco Village Project clearly demonstrated that there was an absence of vision and direction at the level of the Ministry. A consultant was appointed for the project in November 2011 and an amount of Rs. 28,567,875 was earmarked. The sum of Rs. 1,081,718 was paid to the consultant and the project was subsequently scrapped because the Ministry realised that it did not have the resources to proceed with such a project.

- 5.5.2 Your Committee was not at all convinced by the reasons put forward by the representatives of the Ministry to justify the decision to implement a project for which they neither had the expertise nor the mandate. The sum of Rs. 1,081,718 paid to the consultant and the other resources devoted to the project were wasted public funds that could not be recouped.

RECOMMENDATIONS

5.5.3 Your Committee recommends the following –

- The Economic Instruments (EI) be better utilized by the Ministry not only to enforce Environmental Regulations but also, to ensure that statistics are readily available to prove that there are improvements in our system of managing the environment.
- Since the enforcement of these Economic Instruments enable the Mauritius Revenue Authority to generate revenue, a major part thereof should be devoted to the protection of the environment instead of crediting the proceeds in the Consolidated Fund for other purposes.
- The restructuring of the Solid Waste Division with a separate department for the management of hazardous waste in Mauritius.
- The Ministry should recruit adequate number of specialists in the field of environment and funds should be earmarked for overseas training on the overall issue of waste management.
- The laboratory of the Ministry should be reorganized and a research and innovation unit should be set up with a view to ensuring a close monitoring and follow up of latest trends in waste management and sustainability.
- For the whole issue of solid waste management, the Ministry of Environment and Sustainable Development should act as the regulator, the law enforcement authority, the main body responsible for research and the precursor of innovative practices on environmental protection and control.

5.6 MINISTRY OF LABOUR, INDUSTRIAL RELATIONS AND EMPLOYMENT

Grant of Recruitment Licence

5.6.1 Your Committee noted with concern the absence of clarity in relation to the procedures for the granting and renewal of a recruitment licence. The representatives of the parent Ministry failed to convince Your Committee that adequate measures were in place to monitor and manage the holders of a valid recruitment licence.

Renewal of Licence

5.6.2 Your Committee noted with concern that inadequate measures were taken by the Ministry with regards to the renewal of licences.

- 5.6.3 Your Committee considered it to be incorrect for applicants to have been allowed to operate despite the fact that the renewal of their licences were still under process.
- 5.6.4 Your Committee noted that, in some cases, the procedures were lengthy and could take up to six months. The security clearance from the Prime Minister's Office was a pre-requisite prior to renewal.
- 5.6.5 Your Committee expressed concerns on the absence of an effective monitoring system for the holders of a recruitment licence and took strong exception against the flexibility shown towards licensees who continued operations after expiry of their recruitment licence pending renewal.
- 5.6.6 Your Committee noted with concern that although an application submitted by one "Al Sourav Recruitment Co. Ltd" was turned down by the Prime Minister's Office for security reasons on 16 August 2013, same was approved by the Ministry of Labour, Industrial Relations and Employment on 18 December 2013.

RECOMMENDATIONS

- 5.6.7 Your Committee recommends the following –
- The whole system of granting and renewal of the recruitment licence should be computerized in order to have better control. Your Committee noted that at the date of this Report, some computerization process had started.
 - The functioning of the Enforcement Unit should be reviewed and the team should be reinforced by additional officers in order to ensure better control and regular visits to monitor the day to day operations of the recruitment agencies including the conditions of the dormitories.
 - The law should be revised in such a way that the Minister of Labour, Industrial Relations and Employment could be allowed to grant/renew a licence subject to security clearance from the Prime Minister's Office.
 - The submission of quarterly returns should be strictly monitored.

E-Work Permit System

- 5.6.8 Your Committee viewed with concern the procedures for the award of a contract to a private firm for the implementation of an E-Work Permit System. The contract was awarded on 03 September 2013 and the expected completion date was July 2014 and was subsequently extended up to 31 March 2015. However, as at 30 April 2015, the system was not fully operational.

- 5.6.9 Your Committee noted that no satisfactory explanation was given by the Ministry to justify the extension of the contract. The issue of wrong estimate of the completion period prior to award of contract by the client, as stated by one of the officers, to explain the delay was most irrelevant.
- 5.6.10 Your Committee noted that there was an anomaly in the award of the contract. The contract was initially awarded to a domestic company on 03 September 2013 which was then registered as a Joint Venture on 06 September 2013.
- 5.6.11 Your Committee insisted on a full disclosure of all the documents relating to the above mentioned contract.
- 5.6.12 The documents submitted to Your Committee revealed that, at the time of award of the contract, there was no Joint Venture Agreement except a letter of intent dated 28 March 2013 between the domestic company to whom the contract was awarded and a foreign company.
- 5.6.13 In the absence of sufficient information provided by the Ministry in regards to the tender, it was impossible for Your Committee to ascertain the following –
- (i) Whether Joint Venture was acceptable in the initial tender conditions?
 - (ii) Whether the company to whom the contract was awarded satisfied the specifications and other requirements with regards to experience, expertise and financial capabilities?
 - (iii) Whether copy of the performance bond was available?
- 5.6.14 Your Committee also noted that the initial performance bond submitted on the project and which expired on 30 September 2014 had not been renewed.
- 5.6.15 Your Committee insisted on the requirements of an appropriate maintenance contract post testing and commissioning. In the absence of any evidence provided to Your Committee, it was not possible to determine the existence of such an important component of the contract which was expected to take effect after the warranty period.

RECOMMENDATIONS

- 5.6.16 Your Committee recommends the following –
- The procurement department of the Ministry should be restructured and adequate training should be provided to the officers in collaboration with the Central Procurement Board and the Public Procurement Office with a view to enhance transparency.

- A Project Manager should be appointed at the level of the Ministry to oversee and monitor the whole computerization process and be the bridge between the Ministry of Labour, Industrial Relations and Employment and the Ministry of Information and Communication Technology.
- There should be a maintenance contract in order to ensure the smooth and effective functioning of the system after the guarantee period.

5.7 MINISTRY OF INFORMATION AND COMMUNICATION TECHNOLOGY

Financial monitoring and oversight of the ICT investment

5.7.1 Your Committee noted that each Ministry is autonomous in relation to ICT investment and therefore the control on ICT spending was found to be fragmented.

5.7.2 Your Committee also noted that Government has spent Rs. 1.4 billion, according to the Accountant General, in the computerisation of government services in 2013, but there is still no proper control mechanism to assess whether this money has been properly spent. Each Ministry has its own IT department and none is answerable or accountable to the Ministry of Information and Communication Technology (MICT) and the situation presently is more or less the same.

Procurement Issues

5.7.3 Your Committee noted that in the sphere of procurement little progress had been made.

5.7.4 IT products were being acquired at commercial rates, each Ministry purchased its own equipment and no centralised procurement system was in place.

5.7.5 The Public Procurement Act, as amended in July 2013, makes provision for the appointment of a lead organisation to purchase equipment for the whole civil service.

5.7.6 Your Committee noted with concern that the representative of the Ministry made reference to a contract signed between the Ministry of Finance and Economic Development and Microsoft equipment to the tune of Rs. 250 million for 7000 office products in 2008 which were not compatible and user friendly. Your Committee condemned the decision of the Ministry of Finance and Economic Development to proceed with the signature of the contract contrary to the decision of the MICT.

ICT strategies and Policies

5.7.7 Your Committee noted that there was no Masterplan for the computerisation of the public sector thereby leading to an absence of a holistic approach to ICT development.

ICT function in the Civil Service

5.7.8 Your Committee noted that IT project managers were posted at various ministries but there was no proper line of responsibility and accountability.

5.7.9 Your Committee raised concern on the lack of coordination between the 3 different departments of the Ministry, namely, the Central Information Board (CIB), Central Information Systems Division (CISD), and the IT Security Unit (ITSU) and this issue had not been addressed.

5.7.10 Your Committee noted with concern the absence of the following –

- a recovery centre;
- an assets replacement policy concerning IT equipment;
- renewal policies for computers;
- a centralised assets register; and
- IT security and risk assessment.

RECOMMENDATIONS

5.7.11 Your Committee recommends the following –

- An External appraisal of the whole computerisation program for Government.
- A Centralised agency to monitor IT strategies.
- The empowerment of the MICT as the sole directorate for computerisation of Government services for better coordination, supervision and monitoring.
- The MICT to liaise with Public Procurement Office and Central Procurement Board to redefine its procurement policy.

5.8 **MINISTRY OF FISHERIES**

Fish Auction Market

Findings

- 5.8.1 Your Committee was informed that the Government of Mauritius had received financial assistance and aid from Greece to the tune of Rs. 25 million for the construction of a Fish Auction Market in 2007.
- 5.8.2 Your Committee noted that the construction of the building and the installation and commissioning of the cold room equipment were completed in 2011.
- 5.8.3 Your Committee noted with much concern that, despite Rs. 30 million having already been spent, the Fish Auction Market was still not operational owing to the fact that no potential investor expressed any interests in the latter. Furthermore, some cracks had been noted in the building and that the false ceilings were detached and that the Ministry could not get the contractor to have same fixed.
- 5.8.4 Your Committee also took note of the remark of the Director of Audit to the effect that the equipment, which had been left idle for 3 to 4 years, might not be in good running condition.

Adviser to the Minister

- 5.8.5 Your Committee noted that the responsibility for operating the Fish Auction Market was entrusted to the Advisor of the Ministry of Fisheries and also appointed as Consultant since 2006.
- 5.8.6 Your Committee noted that despite the substantial fees paid to the tune of Rs. 20 million to the former Consultant who resigned in 2012, the latter had not honoured the terms of reference of his contract of employment, that is, the setting up and operation of the Fish Auction Market.

Leasing of the Fish Auction Market

- 5.8.7 Your Committee was informed that the Ministry had twice launched Expressions of Interest for the leasing of the Fish Auction Market, that is, in November 2011 and May 2012, respectively, but both had been unsuccessful.
- 5.8.8 Your Committee took note of the difficulties in finding a company to operate the Fish Auction Market and following the repeated remarks from the Director of Audit, the Ministry decided to lease the Fish Auction Market on an “as is where is basis” to any operator involved in the seafood sector.

5.8.9 Your Committee noted that consequently, three prospective operators had expressed their interest but that same had been frozen due to the coming of the 2014 General Election.

Expenses incurred for the Fish Auction Market

5.8.10 Your Committee noted that the total construction cost of the building amounted to Rs. 22,191,952.16, installation of the cold room facilities amounted to Rs. 6,113,421.85; annual rental amount paid to Mauritius Ports Authority amounted Rs. 187,500 and was being paid since 2011; and that Other Costs included utility charges and security services which amounted annually to Rs. 80,000 and Rs. 453,606, respectively.

5.8.11 Your Committee observed that the rental price recommended by the Valuation Department was very low. Your Committee was informed that this was due to the fact that the building had some defects.

5.8.12 Your Committee was also informed that the Ministry had sought the advice of the State Law Office to take action against the contractor but that the advice had been that the way the contract had been drafted did not allow the Ministry to initiate any action.

5.8.13 Your Committee took note that appropriate information was not submitted to the Attorney General's Office.

RECOMMENDATION

5.8.14 Your Committee recommends that the roles and responsibilities of those concerned with projects be clearly defined and that the accountability and reporting lines be clearly stated.

Patrol Boats

5.8.15 Your Committee took note that the boats were sold in auction in 2015 as follows-

- the first boat was sold for Rs. 200,000;
- the second boat was sold for Rs. 400,000; and
- the third one for Rs. 26,000, since it was heavily damaged.

5.8.16 Your Committee noted with deep concern that the Ministry could not seek compensation for the boats as the Insurance Company stated that the two boats were not in working condition and that for the third, the insurance policy had not

been renewed. Your Committee found it unacceptable the way the Ministry handled the issue in regards to claims to insurance.

Aquaculture Project

- 5.8.17 Your Committee was informed that the aquaculture project amounted to around Rs. 8.8 million and the Food and Agriculture Organisation (FAO) carried out surveys for the marine culture in Rodrigues and in Mauritius coasts.
- 5.8.18 Your Committee noted with deep concern that projects have been handled in an amateurish way and that there has been a total mismanagement of this project.
- 5.8.19 Your Committee found it unacceptable that procurement procedures for the enforcement of contract for the supply of cages were not complied with and no robust action had been taken by the authorities against the successful bidder.

RECOMMENDATIONS

- 5.8.20 Your Committee recommends the following –
- Advice be sought from the State Law Office on the possibility of taking legal action against the former Consultant.
 - The terms of reference should henceforth mention that payment should be effected upon successful completion of the project.
 - There should henceforth be proper monitoring and communication among the authorities concerned with the leasing of the Fish Auction Market: the Ministry, the Mauritius Ports Authority and the State Law Office.
 - For effective and judicious use of public funds, severe sanctions be imposed on the non-performing contractors including the application of clauses for retention money.
 - The Ministry exercise proper and rigorous monitoring in order to ensure effective service delivery in strict compliance with the terms and conditions of the contract.
 - In view of the substantial amount of public funds already incurred for the project, urgent action should be taken in order to make the Fish Auction Market operational.

- An audit should be carried out to situate the responsibility of officers directly concerned for the safeguarding of the boats and for actions to be initiated against them, as appropriate.
- Urgent actions should be taken to review the whole project in order to ensure that no additional public funds are wasted in this project.

5.9 MINISTRY OF AGRO-INDUSTRY AND FOOD SECURITY

Management of Agricultural State Land

Findings

- 5.9.1 The management of state agricultural land had been adversely commented by the National Audit Office over the past few years.
- 5.9.2 Your Committee noted that the Reports of the Director of Audit for the years 2012, 2013 and 2014 reported several shortcomings namely-
- (i) As of 31 May 2013, the project for the setting up of the land bank was still ongoing. The Ministry, in the meantime, is relying on the existing database kept at the Land Use Division (LUD) which is, however, incomplete and last updated in July 2012; and
 - (ii) 71 beneficiaries were occupying 90 arpents of land without any duly signed lease agreement. Further, in respect of 238 plots of a total extent of 524 arpents, lease agreements had not been renewed upon expiry although same were still being occupied. Lease agreements for 194 out of the 238 plots had expired prior to December 2008.
- 5.9.3 In respect of another 1,176 plots of a total extent of 2,110 arpents, rents were not being paid by occupiers although there were duly signed lease agreements with the Ministry. The estimated minimum annual rent of Rs. 2.11 million was included in the statement of arrears as at 31 December 2012.
- 5.9.4 640 plots covering a total of 1,129 arpents were left abandoned. Prompt action was not taken to retrieve the agricultural land.
- 5.9.5 Of the 3,895.21 arpents of land, for which there were signed lease agreements, nearly 1,026 arpents were reported to be abandoned.
- 5.9.6 The lease agreements of some 3,743 arpents had already expired and were not yet renewed though the plots of land were reported to be occupied.

RECOMMENDATIONS

5.9.7 Your Committee recommends the following –

- An accurate and updated Land Management Information System is a necessity for the LUD to ensure effective control over agricultural land vested in the Ministry.
- The Ministry should ascertain that there are duly signed lease agreements for all cases of occupied land so as to ensure proper rent collection.
- The Ministry should ensure that beneficiaries of State land adhere to the conditions of the lease and retrieval action should be taken promptly in cases of breach of contract.
- The need for site visit should be emphasized in order to reduce the risk of illegal occupation, abandoned and sub-let land. A wider coverage of leased land should be targeted for the site visits.
- The Ministry should follow up on long overdue arrears and take necessary actions to recover same.
- The Ministry should take prompt action for the retrieval of land in respect of beneficiaries not adhering to the condition of lease, such as abandoned land, and that there is a duly signed lease agreement for all cases of occupied land.

Illegal Construction on Agricultural State Land

5.9.8 Your Committee took cognizance of the fact that 12 lessees had illegally constructed concrete buildings between 90 m² and 1,140 m² on a total of 27.45 arpents of land leased to them at Petit Sable, Grand Sable, Pointe aux Feuilles, Elysée and Terre Rouge. The lease agreements which expired in 2002 had not been renewed.

Lease of former Agricultural Stations

5.9.9 Your Committee took note that 33 beneficiaries of land at Arsenal and Bois Marchand were paying an annual rent of Rs 120 instead of the prescribed yearly rate of Rs 1,500 for irrigation land. The Director of Audit was informed that the Ministry would consider increasing the rent. However, as of 31 May 2013, no action had yet been taken.

5.9.10 Your Committee also noted that no additional rent had been charged to nine beneficiaries though 4,700 m² of concrete buildings, previously used as offices,

had been leased together with 141 arpents of state land. Your Committee was informed by the Ministry that a decision was envisaged to claim them additional charges and amend their leases accordingly. The advice of the Valuation Office was also to be sought to determine the value of the buildings.

Compliance with State Lands Act

- 5.9.11 Section 14(4) of the State Lands Act provides that every deed of lease shall contain the stipulated conditions of the lease, and to it shall be annexed a descriptive survey. In addition, section 7(2) of the Cadastral Survey Act requires that no lease or charge relating to any plot of land or unit shall be granted or created unless a PIN (Parcel Identification Number) has been assigned to that plot of land or unit.
- 5.9.12 Your Committee noted with serious concern that the majority of the 4,310 lease files kept at the LUD does not have an individual descriptive survey in respect of the land leased prior to 2012. Only a Masterplan for a specific region was available.
- 5.9.13 Your Committee expressed deep concern on the fact that for almost 9,000 arpents, the LUD has only one Surveyor to carry out survey data. Consequently, land vested to the Ministry of Agro-Industry and Food Security was not updated on the LAVIMS system.

Grant to Irrigation Authority

- 5.9.14 Your Committee found this state of affairs unacceptable, the fact that although the Irrigation Authority (IA), a Statutory Body, had been granted funds of more than Rs. 489 million during the period 1 July 2006 to 31 December 2012, it had not submitted duly audited Annual Report/Financial Statements to the Minister, to be laid before the National Assembly.
- 5.9.15 Your Committee noted with much concern that as at June 2014, funds totaling some Rs. 592 million released by the Ministry during the period 1 July 2006 to 31 December 2013 have remained outside the framework of parliamentary accountability.

RECOMMENDATION

- 5.9.16 In view of the exorbitant amount of public funds already injected in the project, Your Committee recommends that urgent actions be taken by the Ministry so that the IA complies with statutory requirements regarding the timely submission of its Annual Report together with the audited Financial Statements.

Mauritius Sugar Producers Association (MSPA) Lands Scheme

- 5.9.17 An Agreement was signed, in April 2008, between Government and the MSPA whereby sugarcane land of an extent of 2,000 arpents would be granted to Government by Corporate Planters who are members of the MSPA. Land would be released as and when required during the period of the lease, which is valid up to 31 December 2017.
- 5.9.18 Following Government decision in March 2013, the responsibility for the acquisition of MSPA land was transferred to the Ministry. Of the 2,000 arpents of land, 1,214 arpents were to be allocated for agricultural projects and the remaining extent of land was earmarked for housing and other social infrastructural projects.
- 5.9.19 Your Committee was deeply concerned that, as at April 2015, out of the 1,214 arpents to be allocated for agricultural projects, only an extent of 460 arpents had so far been acquired.
- 5.9.20 As of 30 April 2015, some 32 months prior to the expiry of the Agreement, 62 per cent of the extent of land to be allocated for agricultural projects had yet to be finalised.
- 5.9.21 Your Committee also noted that the Ministry deplored that land already made available under the Agreement was marginal one, which required investment on its part to improve the physical soil characteristics.

RECOMMENDATION

- 5.9.22 Your Committee recommends that the Ministry should ensure that the acquisition of land as agreed between Government and the MSPA be finalised and completed prior to the due date of the Agreement. It should also discuss with the MSPA to obtain land of better quality.

Veterinary Drugs and Products

- 5.9.23 Your Committee was alarmed at the extent of inadequate control in the veterinary drugs and products for the Ambulatory Veterinary Services.
- 5.9.24 Requests for drugs/products, to be used by the Veterinary Officers (VOs) to perform their duties, are made verbally to the Stores of the Division of Veterinary Services (DVS) and without proper official authorisation.
- 5.9.25 Drugs were not stored in appropriate conditions. They were stored in the VOs vehicles and exposed to heat with all kinds of associated risks.

- 5.9.26 There was no evidence of an appropriate stock count of drugs in the custody of VOs and no evidence of verification by senior officers of the DVS; hence, defeating the purpose of keeping the Drug Book and the Clinical Sheets.
- 5.9.27 Control over Prescription Forms was not adequate. Cases were noted where the signatures of VOs were missing on the Prescription Forms, items of drugs had been added on the Prescription Forms in different handwritings. In some cases Prescription Forms were not produced although drugs were delivered.
- 5.9.28 Your Committee could only come to the conclusion that due to the absence of segregation of duties, there is a high risk of misappropriation of veterinary drugs and products.

RECOMMENDATIONS

- 5.9.29 Your Committee recommends the following -
- Procedures should be clearly spelt out for the issue of drugs. Requests for drugs should be duly authorized and receipts need to be acknowledged.
 - Proper arrangements should be made for the issue of stocks of drugs/products to Sub Offices. Adequate storage facilities need to be provided at these Sub Offices.
 - The Ministry needs to ensure that records, kept for control purposes, are complete, properly kept and independently verified.
 - Clear instructions should be given by the Ministry to ensure that Prescription Forms are used in all cases to support issues of drugs/products and that they are properly filled in.
 - In order to have better control, the duties of Officers of the DVS Stores need to be segregated.

5.10 MINISTRY OF YOUTH AND SPORTS

Overtime

- 5.10.1 Your Committee was informed by the representatives of the Ministry that there was an overall decrease in the cost of overtime by almost 30% from the year 2012 to 2014. However, Your Committee noted that for the year 2015, the overall cost of overtime for the year had again increased by almost 20% as compared to 2014.

George V Stadium

Public Address System

- 5.10.2 At the request of Your Committee, the Ministry submitted all documents in regards to the above mentioned works. The Electrical Services Division (ESD) had officially written to the Ministry to confirm that it did not have any expertise to advise on the matter.
- 5.10.3 Your Committee noted that explanation on the procedures followed for the calculation of estimates which increased from Rs. 600,000 to Rs. 3.6 million and contract allocation to the highest bidder were neither sufficient nor satisfactory.
- 5.10.4 Your Committee also noted with concern that the acceptance testing had not been done as per prescribed procedures.

Upgrading of football ground

- 5.10.5 Your Committee noted that the above contract was awarded in September 2009 and as at June 2012, the contractor had abandoned the site and there was no information as to the status of the works. The value of works uncompleted was estimated at Rs. 2 million and an amount of Rs. 3.2 million had already been paid to the contractor.
- 5.10.6 Your Committee condemned the procedures followed in the management of the contract. The performance bond had expired in June 2011. The State Law Office had advised the Ministry to take legal action against the contractor's representative for the payment of an amount of Rs. 521, 207 representing the value of the performance bond. However, there was no evidence of any action taken by the Ministry.

Mechanical and Electrical works at Pavillon Swimming Pool

- 5.10.7 The initial estimates for consultancy services for the above project amounted to Rs. 700,000.

5.10.8 Your Committee noted that the cost subsequently increased to Rs. 1,800,000 and it represented almost 30% of the value of project as opposed to the market rate of approximately 8%. The representatives of the Ministry could not enlighten Your Committee as to the reasons of the drastic increase in the consultancy charges.

Extension of St Francois Xavier stadium at Port Louis

5.10.9 Your Committee noted with concern that the contract awarded for renovation works on March 2010 and due for completion on December 2011 had still not been completed as at January 2013. The site could not be handed over because there was no water supply and electricity.

5.10.10 Your Committee disapproved the decision of the Ministry not to retain the services of the Ministry of Public Infrastructure, National Development Unit, Land Transport and Shipping and the Electrical Services Division contrary to the provisions of the Financial Management Manual.

5.10.11 Your Committee condemned the procedures adopted by the consultant appointed by the Ministry in the certification of claims, management of delays and variations works in relation to the renovation works.

5.10.12 Your Committee also noted that an amount of Rs. 3,260,760 had been disbursed for doors and openings fixed on site. The materials supplied were not as per specifications.

5.10.13 Your Committee was not adequately enlightened on the procedures followed for the payment of the Rs. 20 million grant received from the FIFA for turfing works.

Anjalay Stadium

5.10.14 Your Committee expressed its concern on the shortcomings noted in the award and management of contracts for renovation works between November 2012 and March 2013.

5.10.15 Your Committee noted the lack of consultations and involvement of the representatives of the Ministry of Public Infrastructure, National Development Unit, Land Transport and Shipping and the Electrical Services Division in the supervision of works, approval of variations and payments.

5.10.16 Your Committee again noted with concern that a contract for painting works amounting to Rs. 6,037,000 was awarded without specifications of products required. There was no evidence of adequate monitoring of the quality of materials supplied.

5.10.17 Your Committee noted with deep concern that the contract amount of Rs. 9,203,758.20 for foldable seats for the VIP lounge was well above the estimates. The cost of one unit amounted to Rs. 34,202.

RECOMMENDATIONS

5.10.18 Your Committee recommends the following –

- The Ministry retains the services of the Ministry of Public Infrastructure, National Development Unit, Land Transport and Shipping and the Electrical Services Division for all building and renovation works in line with the provisions of the Financial Management Manual.
- A review of the functioning of the Departmental Tender Committee with the appointment of a representative of the Central Procurement Board in the panel.
- A proper monitoring of the performance bonds submitted by contractors on projects, including, timely renewal and enforcement.
- The setting up of an Infrastructure Monitoring Unit to better oversee the overall conditions of the different facilities belonging to the Ministry.
- A review of the functioning of the different facilities (opening hours of youth centers, gymnasiums etc..) and a better allocation of human resources to ensure optimum use.
- Better collaboration between the Ministry, the local authorities and the National CSR Foundation for the elaboration of a strategy for the promotion of sports in Mauritius.
- An independent inquiry be initiated in the contract for the supply and fixing of foldable seats.

5.11 MINISTRY OF GENDER EQUALITY, CHILD DEVELOPMENT AND FAMILY WELFARE

Social Welfare and Community Based Activities and Welfare

5.11.1 Your Committee was apprised of the functioning of the Community Centres which were vested in the Sugar Industry Labour Welfare Fund (SILWF) and the Social Centres which were vested in the Ministry.

- 5.11.2 Your Committee made the following observations –
- The Community Centres were not fulfilling the objectives for which they had been established, that is, the promotion of community based activities.
 - Almost 92% of funds allocated to the SILWF were spent on staff costs and only the remaining 8% earmarked for community based activities.
 - Human resources management at both Community and Social Welfare Centres was very poor.
- 5.11.3 Your Committee was not agreeable with the stand of the representative of the Ministry who stated that the SILWF was an independent Statutory Body and therefore he could not intervene in their day to day management. Your Committee further observed that the Ministry had a representative sitting on the Board of the SILWF who is accountable to the parent Ministry funding its activities.

RECOMMENDATIONS

- 5.11.4 Your Committee recommends the following –
- A review of the SILWF Act to render it more responsive to the needs and requirements of the current community based social challenges.
 - The SILWF partners with the CSR Foundation to procure additional resources for the promotion of its objectives.
 - The conduct of a Human Resources Audit at all Community and Social Welfare Centres in view to optimizing on cost and performance of the personnel employed.
 - Better accountability at the level of the Ministry in regards the performance of the Community and Social Welfare Centres.
 - A proper management of all the facilities at the Community and Social Welfare Centres with the appointment of a dedicated maintenance team at the level of the Ministry.

Child Protection, Welfare and Development

- 5.11.5 Your Committee noted that the Ministry had allocated an amount of Rs. 98.6 million for child protection, welfare and development. Almost 53% of that amount, representing some Rs. 53 million, was dedicated to the protection and safety of 525 children and for their custody.

Management of Shelters

- 5.11.6 Your Committee was apprised by the Permanent Secretary of the Ministry on the functioning of the shelters. There were a total of approximately 20 shelters in operation around the island and a total of 6 were vested in the Ministry. The remaining shelters were managed by private organizations.
- 5.11.7 Your Committee expressed deep concern on the management of these shelters and made the following observations:
- Your Committee noted that there was a lack of effective monitoring and control in the management of the shelters managed by private organizations and by the Ministry.
 - Your Committee observed that there was a great variance in annual cost per child from one shelter to another. The difference in cost varied between Rs. 66,667 and Rs. 135,762 per child yearly. Your Committee was not convinced by the arguments put forward by the Permanent Secretary of the Ministry relating to difference in age groups at the different shelters and quality of service to justify the huge differences in cost.
 - Your Committee noted that the hygienic conditions of most of the shelters were in deplorable state in spite of the considerable amount of funds invested by the Ministry. A site visit effected by Your Committee at the shelter for children in distress at Cap Malheureux confirmed the urgent need for improvement in the environmental conditions and better storage of items of human consumption and consumables in order to avoid potential threat of food poisoning.
 - Your Committee expressed deep concern on the regular absence of children at school. There were cases of children not attending school at all. Your Committee severely condemns the Ministry for not taking appropriate and timely action to remedy this situation.
 - Your Committee also noted that there was no monthly report submitted by the private organizations managing the shelters and those managed by the Ministry as well.
 - Your Committee further observed that the quality of meal served to the children in some of the shelters was far from meeting the requirements of a balanced diet both in terms of quantity and quality. Except for the shelter at Floreal, there was no evidence of meals prepared under the guidance of a nutritionist as per the requirements of the Ministry.
 - Your Committee noted that the management of human resources deployed in the different shelters was very poor which led to high inefficiency and ineffectiveness in the management thereof. This condition can also be explained by the lack of

local expertise in the management of shelters for children in distress as rightly pointed out by the Permanent Secretary of the Ministry.

- Your Committee further noted that the Child Development Unit was not adequately effective in the supervision, monitoring and development of the children residing in the shelters around the island. There was almost no follow up once the children in distress were assisted initially and subsequently dropped in one of the shelters.
- Your Committee expressed deep concern on the fact that an amount of Rs. 20,484,269 was invested in a "Drop In Center" at Grand Riviere Nord West in May 2012. The center was not operational for about 22 months.
- Your Committee viewed with concern that there was no database of "Children In Distress" referred to the different shelters at the Ministry. Your Committee further noted that in 2013, children over 18 years of age were still residents in at least two shelters found at Belle Rose and Forest Side.

RECOMMENDATIONS

5.11.8 Your Committee recommends the following-

- A full inquiry be conducted on the payment of a sum of Rs. 320,000 for the rent of the building hosting the shelter for "Children In Distress" at Belle Rose as from December 2011 up to March 2013. Your Committee further recommends that disciplinary action be taken against public officers for cases of alleged negligence and fault in the allocation of the above contract.
- The appointment of a strategic partner with expertise in the management of shelters for children in distress. The support of our Embassies abroad may help in locating a reliable expert organization.
- The appointment of adequate Enforcement Officers with a clear and precise mandate to improve the management of the shelters.
- Adequate funds be earmarked in the budget for the training and empowerment of all personnel directly involved in the management and supervision of shelters.
- A full review of the structure and functioning of the Child Development Unit with the appointment of a new manager and appropriate staff with a well-defined scope of work.

Software Development and Implementation of a Web-Based Child Protection Register (CPR)

- 5.11.9 Your Committee noted that the contract for the above project was awarded in December 2012 for a sum of Rs. 2,856,472. The completion was due by December 2013. However, as at March 2015, 90% of the contract price had already been paid yet the project was still awaiting commissioning.
- 5.11.10 Your Committee disapproved the stand taken by the Permanent Secretary of the Ministry to justify the non-renewal of the performance bond and the bank guarantee for advance payment. The responsibility for the delay in the implementation of the project attributable to the Ministry is not a criterion for not applying liquidated damages for late delivery of a project by the contractor. There was no evidence of any application for extension of time by the latter and the Ministry was compelled to apply liquidated damages contrary to what was stated by the Permanent Secretary of the Ministry to Your Committee.

Special Collaborative Program (SCP)

- 5.11.11 Your Committee noted that an amount of Rs. 116.4 million was disbursed under the above program between July 2009 and December 2014. The program was aimed at providing financial support to NGOs, non-State actors and local authorities with the objective of uplifting the social conditions of women and children in distress.
- 5.11.12 An amount of Rs. 7,648,414 was approved for the Statutory Bodies falling under the aegis of the Ministry under the above program. Your Committee noted with concern that there was no evidence of any follow-up mechanism in place and the extent to which the objectives defined years earlier had been attained.
- 5.11.13 Your Committee was not agreeable with the explanation given by the Permanent Secretary to justify the signing of application forms and undertakings only by Secretaries of Statutory Boards for execution contrary to the provisions of the Act.

RECOMMENDATIONS

- 5.11.14 Your Committee recommends the following –
- All documents executed on behalf of Statutory Bodies should strictly comply with the requirements of the Act.
 - A "Project Implementation and Evaluation Unit" be created at the level of the Ministry for the evaluation of the returns on investment in projects and funds disbursed.

6.0 CONCLUSION

6.1 Your Committee took note that the current Public Accounts Committee derives its powers under 69(2) of the Standing Orders and Rules of the National Assembly.

6.2 Your Committee –

- is constituted of not more than ten Members of Parliament, both from Government and Opposition sides;
- is, by Convention, chaired by a Member of the Opposition;
- examines audited accounts showing the appropriation of the sums granted by the Assembly to meet public expenditure;
- is mandated to examine such other accounts laid before the Assembly as the Assembly may refer to the Committee together with the Director of Audit's report thereon;
- meets regularly and the Members are assisted by the Director of Audit and/or her representatives, by the representatives of the Ministry of Finance and Economic Development, by the Accountant General and/or by his representatives and by the Accounting Officers of Ministries and Departments and their representatives to give evidence;
- meetings are held in camera without any disclosure of the proceedings; and
- the Clerk of the National Assembly currently services the meetings and act as Secretary.

7.0 Acknowledgement

- 7.1 Your Committee would like to express its thanks to the former Chairperson of the PAC, Honourable Vedasingam Vasudevachariar Baloomoody, MP, who has been serving the Your Committee up to 20 December 2016.
- 7.2 Your Committee is thankful to the Director of Audit and her representatives, the Financial Secretary and his representatives and the Accountant-General and his representatives who provided assistance to Your Committee.
- 7.3 Your Committee also extends its thanks to the Clerk of the National Assembly and to the officers of the National Assembly who have serviced Your Committee.

A handwritten signature in black ink, appearing to read 'M Perraud', with a long horizontal flourish underneath.

Honourable Mrs Marie-Aurore Marie-Joyce Perraud, MP
Chairperson of the Public Accounts Committee

27 March 2018

Standing Order 69(2) of the Standing Orders and Rules of the National Assembly

(2) Public Accounts Committee

- (a) *There shall be a committee to be known as the Public Accounts Committee to consist of a Chairperson to be appointed by the Speaker and not more than nine Members to be nominated by the Committee of Selection at the beginning of each session. It shall be the duty of the Committee to examine the audited accounts showing the appropriation of the sums granted by the Assembly to meet the public expenditure and such other accounts laid before the Assembly as the Assembly may refer to the Committee together with the Director of Audit's report thereon.*
- (b) *The Committee shall have power, in the exercise of the duties mentioned at paragraph (a) of this Order, send for persons and records, to take evidence, and to report from time to time.*
- (c) *If the Chairperson is unable to be present at any meeting, the Committee shall elect another Chairperson whose tenure of office shall be for the day of his or her election only.*
- (d) *In discharging its duties under this Order, while examining accounts showing the appropriation of funds granted by the Assembly and such other accounts which the Assembly had referred to it, the Committee has to satisfy itself—*
 - (i) *that the monies shown in the accounts as having been disbursed were legally available for, and applicable to, the services or purpose to which they have been applied or charged;*
 - (ii) *that the expenditure conformed to the authority which governed it;*
 - (iii) *that every re-appropriation has been made in accordance with the provisions made in this behalf under appropriate rules; and*
 - (iv) *that cases involving negative expenditure and financial irregularities wherever they have occurred in the financial year under study, having regard to the financial report and the estimates as approved by the House, are subjected to scrutiny.*

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