

Republic of Mauritius

NATIONAL AUDIT OFFICE

CERTIFICATE OF AUDIT & REPORT OF THE DIRECTOR OF AUDIT

ON THE ACCOUNTS OF THE GOVERNMENT FOR THE FINANCIAL YEAR 2024-25

FEBRUARY 2026



Republic of Mauritius

NATIONAL AUDIT OFFICE

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NATIONAL AUDIT OFFICE

Making a Difference to the Lives of Citizens

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FOREWORD BY THE DIRECTOR OF AUDIT

As Director of Audit of the Republic of Mauritius, I am pleased to present the Annual Audit Report for the financial year 2024-25 to the National Assembly. During the year, the National Audit Office (NAO) continued to fulfil its mandate under the Constitution with the highest level of professionalism, independence, and integrity, ensuring that every rupee of public resources is managed responsibly for the benefit of all citizens.

This year's Report highlights the most significant observations from the audits undertaken in Ministries and Departments. This exercise gives assurance to the National Assembly on the sound stewardship and transparent use of public funds. It helps to strengthen financial governance in the public service and enhances the accountability of Ministries and Departments in their roles as custodians of public resources.

Audit Mandate

It is my responsibility under Section 110 of the Constitution of the Republic of Mauritius to audit and report on public accounts of Mauritius and of all courts of law and all authorities and officers of Government. The Finance and Audit Act further requires me to submit a certificate of audit and a report upon my examination and audit of all accounts relating to public money, stamps, securities, stores and other property of Government. NAO has adopted good practices that are in line with international norms. My audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) issued by International Organisation of Supreme Audit Institutions (INTOSAI) ensuring global-standard audit quality and transparency.

Good Governance and Accountability

Good governance and accountability remain the cornerstones of public trust. The observations and recommendations in this Report aim not only to strengthen governance and reinforce financial integrity but also to embed a culture of compliance and responsible stewardship across the public sector. While acknowledging the efforts of some Ministries and Departments in improving financial management and effective use of resources, I have identified room for improvement in the areas such as internal controls, control over expenditure, budget execution, revenue management and procurement practices.

Lapses included procurement inefficiencies; weak revenue controls; inadequate expenditure monitoring; deficiencies in project and contract management; and insufficient follow-up of recommendations by audit committees. These shortcomings undermine the efficiency service delivery and the value delivered to the citizens.

The recent amendments to the Finance and Audit Act, clarifying the responsibilities of Accounting Officers, represent a significant milestone in strengthening national governance and accountability.

Implementation of the Recommendations

The effective implementation of audit recommendations remains critical to ensuring transparency, efficiency, and independence in public administration. The report includes a comprehensive range of practicable recommendations that aim to strengthen control, enhance efficiency, ensure compliance and drive continuous improvement. More than 720 recommendations have been made this year, compared to 363 in the previous year.

In line with Principle 7 of the *INTOSAI-P10 - Mexico Declaration on SAI Independence* a follow-up of matters raised in the Audit Report for the financial year 2023-24 was carried out. Out of 363 recommendations, 150 (41 per cent) have been implemented, 143 (40 per cent) have been partially implemented, and 70 (19 per cent) have not been implemented as of February 2026.

I make an appeal to all Accounting Officers to give due consideration to the observations and to act decisively on the recommendations, ensuring that actions translate into measurable improvements in service delivery and value for money for citizens.

Emerging Role of Public Sector Auditing

Public Sector Auditing is undergoing a profound transformation, shifting from a traditional focus on financial audits to a broader mandate encompassing performance, compliance, sustainability, forensic, use of data analytics and emerging technologies such as AI. As a forward-looking institution, the NAO is adapting to this broader mandate while navigating complex challenges, ensuring its continuing relevance and value to the citizens and the National Assembly.

Challenges

Despite its critical role in safeguarding public funds and ensuring accountability, the National Audit Office faces ongoing challenges, including limited human resources, evolving regulations and standards, technological disruption and increasing stakeholder expectations.

The rapidly changing audit environment demands continuous capacity building. Strengthening human capital, leveraging smarter technologies, and protecting institutional independence are essential for maintaining audit relevance and impact.

The National Audit Office is currently preparing a Public Audit Bill designed to reinforce its financial autonomy and organizational independence, by updating existing frameworks to align with best practices used by Supreme Audit Institutions globally.

Acknowledgement

I wish to express my sincere thanks to all the staff of NAO, who sincerely carried out their duties with dedication and devotion, the Heads of Divisions and the Deputy Directors for their continuous support. Without their contribution and commitment, the submission of this Report would not have been possible.

I would also like to thank the Secretary to Cabinet and Head of Civil Service, the Financial Secretary, the Secretary of Public Service, all the Senior Chief Executives, Permanent Secretaries and other Accounting Officers, the Accountant General, the Government Printer, the Clerk of the National Assembly and all their staff for their cooperation and collaboration.



DR D. PALIGADU
Director of Audit

27 February 2026

DEVELOPING AND SUSTAINING THE BLUE ECONOMY IN MAURITIUS

Introduction

The Republic of Mauritius has an Exclusive Economic Zone (EEZ) of 1.96 million km² (excluding 396 km² of Continental Shelf co-managed with the Republic of Seychelles) which provides opportunities to develop an ocean economy related activities. These include a fisheries sector that provides an important source of income and nutrition and attracts investment in areas of fishing, seafood hub and aquaculture.

This Review is highlighting specific performance gaps and recommendations to address the effective promotion of Blue Economy in Mauritius, with focus on key aspects of governance. The areas covered comprise the setting up of a Blue Economy Department, coastal and bank fisheries, aquaculture, blue finance, and other ocean related activities under the purview of the Ministry of Agro-Industry, Food Security, Blue Economy and Fisheries. Detailed assessments of the three Divisions (Fisheries, Fisheries Protection Service and Shipping) and the three parastatal bodies (Mauritius Oceanography Institute, Fishermen Welfare Fund and Seafarers' Welfare Fund) operating under the aegis of the Ministry were excluded.

Non-implementation of development plans of the fisheries sector

In the Performance Audit Report titled '*Implementation of the different plans for the development of the fisheries sector*' dated June 2012, the National Audit Office highlighted that the then Ministry of Fisheries (MOF) took initiatives to formulate different development and strategic plans for the fisheries sector. However, owing to weaknesses in these plans, particularly in terms of resources and prioritisation as well as inadequate monitoring and evaluation at higher level, the strategic objective of developing the fisheries sector and eventually making it an economic pillar was not achieved.

The MOF was operating on a "crisis management" basis as projects associated with the long-awaited Seafood Hub remained unsuccessful.

Transition from an Ocean Economy to a Blue Economy Model

An Ocean Economy Roadmap which was developed in 2013, identified 7 priority areas for sustainable development: fishing, seafood processing, aquaculture; marine services; seaport-related activities; marine renewable energies; seabed exploration for hydrocarbons and minerals; deep ocean water applications; and ocean knowledge. The Roadmap aimed to increase the Ocean Economy's contribution to Gross Domestic Product (GDP) and create jobs by developing a holistic policy for ocean-related activities, including traditional sectors and emerging industries like marine biotechnology.

The contribution of the Ocean Economy in 2013 to GDP was around 10.8 per cent and the stated aim was to increase it to 20 per cent by 2025.

A dedicated ministry, the Ministry of Blue Economy, Marine Resources, Fisheries and Shipping (MBEMRFS), was created in December 2014.

This represented a transition from the traditional Ocean Economy to a Blue Economy model. According to World Bank¹ this transition entails moving beyond isolated sector development toward a holistic model that integrates marine economic activities with environmental sustainability, climate adaptation, and poverty alleviation, supported by governance and financing tools such as marine spatial planning, natural capital accounting, and blue bonds.

Issues in Implementation encountered by the Ministry assigned with Ocean Economy and Blue Economy Mandates

- *Plan on Plan Syndrome:* Both the MOF and MBEMRFS had been subject to a ‘*plan on plan syndrome*’, whereby over the past decades there has been no lack of plans, strategies, roadmap, action plans, setting of councils and working groups, all of which were formulated and set up with good intent and excitement. These were not ends to themselves. At that time, it was noted that what was lacking was the sustained commitment among stakeholders, adequate capacity and translation of intentions into tangible outcomes.
- *Efficiency and effectiveness gaps:* Past annual reports of NAO continuously highlighted efficiency and effectiveness gaps in the interventions of MBEMRFS. In the 2017 World Bank Report² titled ‘*The Ocean economy in Mauritius: making it happen, making it last*’ on the Ocean Economy in Mauritius, the findings of NAO on poor performance on the fishery sector plans of the Ministry was partly attributable to a lack of outcome tasking, public service inertia, and neglect of detailed costing of and responsibility for activities and results.

All of which, according to the Report, could be addressed through a public expenditure review and associated redirection of human, institutional, and financial resources to time-bound targets and outcomes, a breakup of silos and assignment of responsibilities for outcomes, combined with an improved response to private sector demand for services.

- In its December 2018 Performance Audit Report titled ‘*Moving towards Sustainable Artisanal Fishery in Mauritius*’ NAO found that MBEMRFS had the resources, mechanism, legal framework, and exercised either control or strong influence on key factors required to develop this fishery effectively. However, due to shortcomings in design, implementation, monitoring and follow up in its interventions, the expected results were not achieved.
- *Transition from Ocean Economy to Blue Economy:* There were actions taken by the Ministry to move from the Ocean Economy model to the Blue Economy model, but was insufficient to ensure a successful transition. For example, marine renewable energy pilot projects (less than 200 kW) technologies remained at pre-feasibility study

¹ Bank (2021). Riding the Blue Wave: Applying the Blue Economy Approach to World Bank Operations. World Bank. Accessible at: <https://openknowledge.worldbank.org/handle/10986/37212?locale-attribute=en>

² Alfstad, Thomas; Beejadhur, Yuvan A.; Emanuel, Kerry Andrew; Farrell, Sheila; Howells, Mark Idwal; Kelleher, Kieran; Kelly Ph.D, Tim; Neumann, James E.; Smith, Joanna; Strzepek, Kenneth M.; Willwerth, Jacqueline. The Ocean economy in Mauritius: making it happen, making it last (Vol. 1 of 2) (English) Page 133. Washington, D.C.: World Bank Group. <http://documents.worldbank.org/curated/en/193931508851670744>

stage. Though there were several promoters for the Deep Ocean Water Applications (DOWA), but none of the related projects materialised. Guidelines were formulated in the year 2021 to attract investments in the Blue Economy, but necessary regulatory frameworks and policies were not in place.

- *Long-standing structural issues:* As of December 2025, the Ministry had not yet addressed effectively structural long-standing issues (highlighted in previous NAO reports) like administration of Bad Weather Allowance, re-engineering of the Fisheries Protection Service, designing and implementing incentive schemes, maintaining an appropriate Fisheries Information System, improving the stagnating coastal fisheries and enhancing the exploitation of the Bank Fishery.

There was a lack of performance-driven accountability, necessary to resolve these longstanding issues.

Current set up and capacity

Several consultancy reports commissioned by the Ministry reiterated underlying institutional and human capacity gaps. These gaps included: lack of scientific capacity to assess and monitor marine resources, competencies in objective setting and meeting timely milestones, ability to deliver on Ministry's mandate and building competence beyond fisheries management.

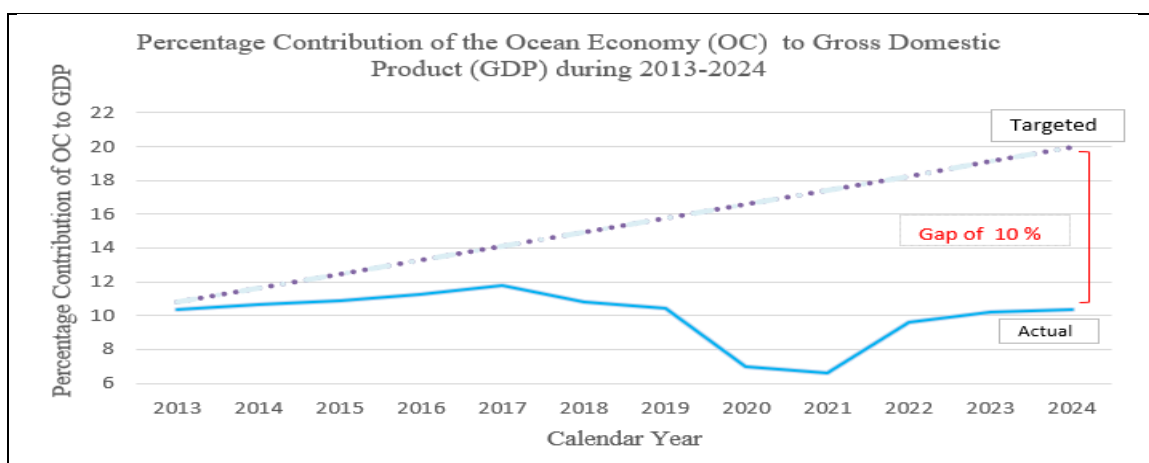
In December 2024, a Blue Economy and Fisheries Division was set up at the Ministry of Agro-Industry, Food Security, Blue Economy and Fisheries. A Permanent Secretary is at the Head of the Division. The Director of Fisheries and the Director of Shipping are responsible for the management of the Fisheries and Shipping Divisions respectively. The creation of a Blue Economy Department under its Blue Economy and Fisheries Division was envisaged.

In December 2025, a consultant had been selected to formulate a draft National Blue Economy Strategy, Sector Action Plans and Governance Framework during a six-month contract for the sum of Rs 3.7 million.

Concluding Remarks of the Review

(i) Target not achieved

As of December 2025, the Blue Economy's contribution to GDP remained unchanged since the year 2013. Despite having this vast EEZ, Mauritius produced only some one third of its annual fish consumption and relies heavily on imports for the remaining two-third portion. The bank fisheries were still not fully exploited. Figure 1 shows the trend in the percentage contribution of the Ocean Economy to the GDP during period 2013-2024.

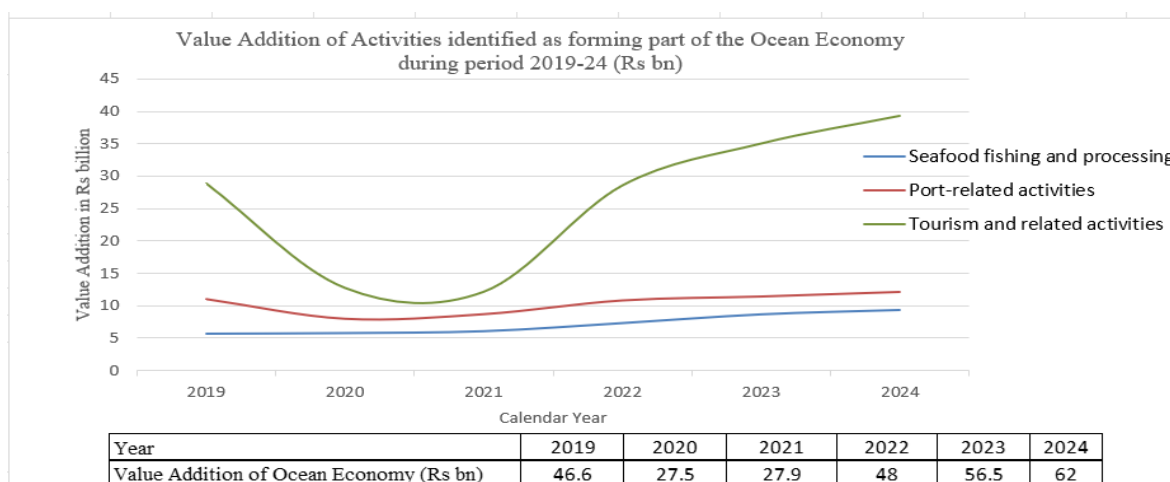


Source: NAO Analysis of Statistics Mauritius Data

Figure 1: Percentage contribution of the Ocean Economy to GDP during period 2013 to 2024

Lagging behind in developing the Blue Economy

The transition from Ocean Economy to Blue Economy did not materialise. Figure 2 shows the Value Added for Activities forming part of the Ocean Economy during period 2019-2024.



Source: NAO Analysis as per Statistics Mauritius Data, (2025).

Figure 2: Value Addition of Activities in the Ocean Economy during 2019-2024

Mauritius was lagging behind in developing its Blue Economy despite this was recognised as a core pillar of development since the past decade. Except for Tourism and related activities, there was no marked increase in the value addition in respect of other activities.

Benchmarking with Small Island Developing States (SIDS)

Seychelles and Cabo Verde, Small Island Developing States similar to Mauritius, are globally recognised as pioneers in implementing innovative blue economy strategies, including marine spatial planning, blue bonds, sustainable fisheries, eco-tourism and ocean governance. For example, Seychelles has introduced innovative financial instruments to support its ocean economy. The 2016 Debt-for-Nature Swap allowed a portion of its foreign debt to be repurposed into marine conservation funding.

The issue of its 2018 Sovereign Blue Bond enabled it to raise funds for promoting ocean conservation and sustainable marine industries such as fisheries and aquaculture.

Lessons learnt from SIDS in developing their Blue Economy

SIDSs had encountered governance challenges³ whilst developing their Blue Economy. These challenges include:

- Loss of political momentum and high-level strategic involvement over time;
- Barriers to effective coordination across governments (including a lack of clarity regarding the mandate of the blue economy department following successive government restructures);
- Lack of formalised collaborative mechanisms across government and between blue economy institutions; and
- Communicating the concept of blue economy and sustainability across government and blue economy stakeholders. This required a change in local mindsets toward sustainability, and skills and capacity to improve uptake of blue economy opportunities.

Key drivers of Blue Economy

The key drivers of blue economy development comprised: high-level leadership, strong international partnerships, dedicated blue economy institutions for blue economy implementation, attractive development and livelihood opportunities, access to private capital through innovative finance, and availability of new marine knowledge and expertise for integrated ocean planning.

Inappropriate Governance Structure

Based on NAO's observations and previous reports commissioned, the Ministry does not have the requisite human capacity and governance mechanism to drive this sector. Blue Economy spans multiple sectors requiring coordinated data sharing to avoid fragmentation, inefficiency and duplication. A Department within the Ministry will not necessarily have the mandate and resources to oversee and coordinate The Action Plans of different sectors and integration of cross-cutting issues.

The governance structure whereby the Department of Blue Economy would operate under the aegis of the Blue Economy and Fisheries Division (of the Ministry of Agro-Industry, Food Security, Blue Economy and Fisheries) is inappropriate to drive the Blue Economy sector.

³ Good governance for sustainable blue economy in small islands: Lessons learned from the Seychelles experience. <https://www.frontiersin.org/journals/political-science/articles/10.3389/fpos.2022.1040318/full>
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KEY RECOMMENDATION

Setting up of an appropriate Governance Structure

Given the national importance of this sector, the Blue Economy Department to establish a strategic reporting line to a standing Inter-Ministerial Committee.

The responsibilities of the standing Inter-Ministerial Committee would be primarily to ensure governance mechanisms are in place and cross sectoral issues are addressed effectively to ensure sustain development of the Blue Economy sector.

There should be active participation through an appropriate mechanism of different stakeholders such as private sector representatives, technical experts and other relevant stakeholders.

Setting up of Key Performance Indicators for the Blue Economy Sector

Key Performance Indicators (KPIs) need to be set followed by close monitoring and taking corrective actions in case of deviation from targets set.

This KPI approach would contribute to sustain a continued growth in the sector.

DETAILED FINDINGS

1. Challenges encountered in setting up of the Blue Economy Department

As per the Government Programme 2025-2029, the Ministry would embark on an ocean economy project which will help Mauritius to transit from a Small Island State to a Large Ocean State. In that respect, the setting of a Blue Economy Unit (BEU) was initiated by the Ministry in July 2025. As part of its mandate, the BEU would have to formulate a Blue Economy Strategic Framework to advance the blue economy sector and draft a Blue Economy Bill with the support of a consultant.

As of December 2025, the BEU was operational with only one full-time Ministry's Technical staff acting as Head BEU pending recruitment of a Head on contract basis, two part time technical staff, and an administrative staff. The post of Head BEU was not yet established on the Civil Establishment Order and no Scheme of Service was finalised. Three Ministries officially informed that they could not release their technical staff to depute to the BEU, due to existing workload at the respective ministries.

The availability of adequate officers with appropriate technical skills is critical for proper functioning of the BEU, which was not the case as of December 2025. This gap was more likely to impact negatively on the achievement of the KPIs and delay progress towards setting up the Blue Economy Department.

NAO previously reported that changes in posting of administrative staff, particularly those at Accounting Officer level, at the Ministry impacted negatively its strategic planning process. Over the past 5 years, there has been 5 instances where there was rotation at Accounting Officers level in the Ministry. There were risks in case of any future rotation, the momentum to consolidate capacity building of the BEU might be impacted.

Root Cause

The Ministry did not set milestones to achieve its objective of setting the BEU and was unable to seek alternative arrangements to staff the BEU.

Recommendation

To maintain the current momentum towards setting up the Blue Economy Department, the Ministry should prepare a plan with specific milestones within a timeframe to provide more clarity on courses of actions to address future challenges. This can be used a tool to provide consistency in approach towards achieving the objectives even if there are rotations at administrative level.

2. Re-engineering of the Fisheries Protection Service still outstanding

The Fisheries Protection Service (FPS), with some 200 personnel, is the Ministry's enforcement arm under the Fisheries Act 2023. It oversees fishing activities for resource protection, issues licences and fishermen cards, administers the Bad Weather Allowance, and conducts joint patrols with the National Coast Guard to ensure monitoring, control, and surveillance within the EEZ and territorial waters.

(i) Inadequate oversight over performance of personnel deployed in Fisheries Posts

In 2018, NAO reported that Fisheries Protection Officers (FPOs) in the Fisheries Posts were mobilised for administrative works and less resources were available for enforcement activities. There was no guidance from management for a specific number or type of patrols to be carried out. The 'Weekly Outcome' on activities in the Fisheries Posts, submitted to the FPS's management did not include details, such as time spent and number of personnel involved during patrols.

The existing reporting mechanism did not provide effective oversight of the performance of the Fisheries Posts. The Ministry was recommended to reorganise their operations so as to allocate more man-hours to enforcement and protection duties.

(ii) Human Resource Planning Exercise on the Fisheries Protection Service not carried out

In July 2021, the Ministry commissioned an assessment of the FPS in order to revamp its services so that it could keep pace with the public expectations, cope with post COVID environment and make use of Information Technology (IT) to achieve its objectives. A report on the 'Re-engineering of the FPS' was submitted in May 2022.

Key weaknesses identified included acute staffing shortages and absence of succession planning within the FPS, inadequate monitoring and control at Fisheries Posts resulting in variances between planned and actual patrols, and poor communication with the Administrative Cadre coupled with insufficient support from the Ministry.

Key recommendations included a review of the Scheme of Service of FPS Officers, filling of vacant posts, a manpower assessment of FPS and adoption of IT to increase efficiency and effectiveness of operations.

Despite repeated recommendations in the 2016 and 2021 PRB Reports, the Ministry had not completed the Human Resources planning exercise for the FPS. Although guidance was provided in the year 2023 and a Technical Committee was proposed in 2024 with an estimated cost of Rs 176,400, the assessment remained outstanding as of December 2025. The 2026 PRB Report again recommended to Management to conduct a Human Resources Planning exercise to address manpower needs of the FPS.

(iii) Manpower shortages and lack of innovation at the Fisheries Protection Service

There was significant lack of personnel both at senior management and operational levels. The the senior management positions (Controller and Deputy Controllers) were vacant over the past 3 years. One Assistant Controller FPS acting as Deputy Controller FPS was in charge of operations of the FPS and was reporting to the Accounting Officer of the Ministry.

Chronic staffing gaps with limited innovation to address them, undermined service delivery, weakened the FPS's image, hindered recruitment at operational levels, and prevented succession planning at managerial levels.

Root Cause

The Ministry was not effective in reorganising the FPS due to limited oversight and inadequate monitoring.

Recommendations

- The Ministry should expedite the manpower assessment by setting up a technical committee for carrying out this exercise and should consist of members with proven expertise in conducting such assessments.
- The Ministry could mitigate staffing constraints for patrol and surveillance at fisheries posts by exploring the use of Unmanned Aerial Vehicles (UAVs)/drone technology, as currently deployed by the other entities in their operations.

In India, drones had been deployed in 7 coastal districts of Maharashtra where they provide real-time surveillance to help enforce regulations, protecting both marine resources and traditional fishing communities. In Sommerset (United Kingdom), drones provide “extra eyes” in areas that are difficult to access on foot, helping spot illegal netting and out of season fishing. The Ministry may draw on the good practices in India and UK and adapt them to the local context.

Ministry's Response

Many of the recommendations on the re-engineering of the FPS have been implemented. This Ministry is in the process of implementing the remaining recommendations.

3. Stagnating Coastal Artisanal Fishery

Mauritius' coastal artisanal fishery, concentrated in lagoon and outer reef areas, is the primary source of fresh fish for the local market. It supports employment in coastal regions,

provides protein to thousands of households, and contributes significantly to poverty alleviation and food security.

Mauritius' coastal fisheries operate as an open-access system, involving registered and non-registered artisanal, sports, and amateur fishermen, and are considered severely depleted. Registered fishermen, who depend solely on fishing for their livelihood, receive government support through a fisherman card, which provides access to allowances, financial aid, preferential loans, insurance, welfare grants, scholarships, and other social benefits.

3.1 Inefficiency and Ineffectiveness in the Administration of Bad Weather Allowance

Despite these measures, the artisanal fish production was on the decrease over the past years, while total local fish consumption kept on increasing.

Bad Weather Allowance was being administered and fisherman card allocated in a manner that did not match the objective of the scheme which was initially designed to sustain livelihood of genuine artisanal fishermen.

Past reports of NAO highlighted inefficiencies in the allocation of BWA, which unduly increased the total amount payable. Other reports commissioned by the Ministry indicated that BWA had counterproductive effect in reducing pressure on lagoon fishery, though it was supporting financially the livelihood of artisanal fishermen.

(i) Payment of Bad Weather Allowance not supported by evidence of engagement in fishing activities

During the financial years 2024-25, BWA amounting to some Rs 384 million was paid to 2,524 registered artisanal fishers. Previous eligibility for BWA required registered fishermen to demonstrate fishing activity through catch records at designated landing stations. Currently, eligibility was based solely on stamping the fisherman card at fisheries posts between the 16th and 23rd of each month, with no requirement to provide evidence of actual fishing activity.

The Ministry was unable to ascertain what proportion was paid to active fishermen, who were contributing to provide fresh fish on the market.

(ii) Bad Weather Allowance Paid without requirement of being engaged in solely fishing activities

Registered artisanal fishermen had become increasingly dependent on the Bad Weather Allowance, which also attracted non-genuine beneficiaries who could otherwise be employed in other sectors. A screening exercise in early 2025 identified at least 100 fishermen engaged in gainful employment elsewhere, based on National Savings Fund contributions. Further verification was constrained by confidentiality provisions preventing disclosure of income data. One case even revealed a fisherman receiving a card in July 2024 while drawing an invalid pension since March 2024, and having already collected Rs 71,000 in BWA.

(iii) New Fisherman cards allocated not based on catch data of beneficiaries

Following anomalies in catch records, the Ministry decided in February 2023 that FPS officers would no longer record fishermen's catches, meaning cards issued thereafter were not linked to catch data collectible at fish landing stations. Although the last formal issue of fisherman cards was in 2011, in March 2018 the Ministry, without Government approval, allocated new cards, including to individuals fishing less than 10 per cent of the time, contrary to the 2007 policy. By December 2025, 2,524 fishermen were registered, of whom 1,299 (52 per cent) were newly registered between May 2018 and December 2024.

(iv) Benefits of Computerisation of BWA processing still not realised

The computerisation of the processing of BWA was long overdue. The project was completed in September 2024 and had already gone live and on parallel run since January 2025. Only 42 officers have been trained since June 2025. The Ministry did not ensure that the training of the 100 officers, requiring only a half -day training session, was completed to reap the efficiency gains from a computerised BWA processing.

Root Cause

The Ministry did not take corrective actions to ensure that new fisherman cards were allocated to genuine fishermen and BWA were paid to those in compliance with the set criteria.

Recommendations

The Ministry should comply with the criteria set for the payment of BWA and allocation of new fisherman cards and monitor catch data. It should also expedite training of FPS officers on the computerised BWA system to free resources for enforcement.

Ministry's Response

A new policy has been implemented to ascertain that only genuine fishers (without double employment) are being paid BWA. New fisher cards are not being issued.

3.2 Deficiency in Catch Data affecting Management of Coastal Fisheries

NAO's past reports have continuously highlighted that the Ministry had not implemented its fisheries management plans, policies and strategies as intended. One major challenge had been the lack of an appropriate Fisheries Information System (FIS).

Coastal Fishery Statistics not based on catch data

The figures of 'Production of fish (in net weight -Tonnes)' published as official statistics for Coastal Fisheries by the Ministry were based on guess-estimates as per records of the Ministry. Table 1 is an extract of official statistics published by Statistics Mauritius based on input from the Ministry.

Table 1: Production of fish (in net weight -Tonnes) during period 2019-2024

	2019	2020	2021	2022	2023	2024 ¹
Coastal Fishing	1,722	1,133	1,140	1,442	1,524	1,501
Lagoon and off lagoon	1,072	820	852	892	974	951
Sport fishing	350	88	88	350	350	350
Amateur fishing	300	225	200	200	200	200
¹ Provisional						

Source: Ministry of Agro-Industry, Food Security, Blue Economy and Fisheries (Blue Economy and Fisheries Division)

(i) Outcome of Marine Ranching Project not assessed

Under the Marine Ranching Project fingerlings were released in lagoon areas in view of replenishing the lagoon for their eventual capture at marketable size by local fishermen. In 2018, NAO reported that some 2.1 million fingerlings, costing some Rs 4.2 million, were released during period 2012 to 2017, without the Ministry keeping records of catch data following their release. During period 2020-21 to 2024-25, some 84,000 fingerlings were annually captured from the lagoons, reared in the hatchery of Albion Fisheries Research Centre and then released in fishing reserves, marine parks and different lagoon areas across Mauritius.

Despite NAO's recommendations, the Ministry still did not keep catch data to analyse and validate the effectiveness of this project.

(ii) Outcome of 'Canotte' Scheme not assessed

As of January 2025, 158 fishers had benefitted from the grant amounting to some Rs 31.5 million. In December 2018, NAO reported that the Ministry did not evaluate the effectiveness of the Scheme. As of December 2025, the Ministry was not collecting information on whether beneficiaries were really fishing off lagoon with increased catch per fisherman day, and making beneficial use of grant provided.

(iii) Outcome of investment in FAD Fishery not assessed

A FAD is a set of buoys deployed in the off lagoon (several kilometres from the coastline) to attract migratory fish, like tuna and tuna like species. As of December 2025, there were 28 dedicated sites where such FADs had been set up around Mauritius. FADs were maintained at a cost of some Rs 14.2 million during the last 3 financial years ending 30 June 2025. However, the number of beneficiaries who was effectively engaged in that fishery was not ascertained, and the benefits achieved were not assessed by the Ministry.

Root Cause

Delay in reorganization of the FPS following a manpower assessment and digitalization of the BWA administration and new introduction of new patrolling and surveillance technologies.

Recommendations

The Ministry should reintroduce a comprehensive catch data system to generate evidence-based information on the actual state of coastal fisheries, thereby strengthening policy making and development interventions. To support this, priority should be given to re-organising the Fisheries Protection Service (FPS) and digitalising BWA administration, enabling manpower to be redeployed for data enumeration tasks.

4. Aquaculture Potential not adequately exploited

The 2007 Aquaculture Master Plan projected sustainable aquaculture development in Mauritius, identifying over 20 sites with an estimated annual production potential of 29,000 tonnes. As of year 2023, 29 inshore and off-lagoon sites were designated as Fish Farming Zones. However, aquaculture has not developed as intended: pilot floating cage projects failed, Ministry-managed barachois remained underutilised, and only one industrial-scale fish farm became operational.

(i) Less than 10 per cent of Planned Aquaculture Production was realised

Despite the expansion of aquaculture sites, production in Mauritius remained far below projections, achieving less than 10 per cent of the planned 29,000 tonnes annually. Official statistics show output reached only 1,875 tonnes in 2024.

(ii) Pilot Floating Cage Culture Not Successful

The Floating Cage Project costing some Rs 11 million was implemented, and it was expected that with the success of this Project, more fishermen would, in the longer term, be involved in a profitable and sustainable aquaculture business project. Cages which were expected to sustain harsh sea conditions were damaged leading to loss of fish, and subsequently, left in an abandoned state. Monitoring and follow up on cage maintenance and fish growth were not adequate as evidenced by records kept.

A report commissioned by the Ministry, indicated that beneficiaries of the project did not manage the project with a business approach since they were not trained to handle a business that required long-term planning and focus.

Since August 2024, the Ministry had to take a policy decision on the abandoned cages: whether they could be used for other aquaculture projects (such as oysters, mussels and seaweeds) or continue with fish production with new parties.

(iii) Only 2 out of the 9 Barachois vested with the Ministry were operational

Although a Barachois Policy was approved in December 2023, it remained inoperative by December 2025 due to unresolved legal issues concerning rent claims and arrears recovery. An Expression of Interest launched in May 2025 attracted applications for aquaculture projects. As of December 2025, no Selection Committee had been established to evaluate submissions.

(iv) Aquaculture Framework to Boost Investment in Aquaculture still Outstanding

In the 2023 Report titled ‘Policy for the Blue Economy in Mauritius’ commissioned by the Ministry, a lack of proper institutional framework and enabling economic environment to attract private investment was identified. Further, there was a lack of scientific expertise and technical capacity for aquaculture development. Also, inadequate consultation among stakeholders had led to resistance and conflict and subsequent negative influence on developing further aquaculture.

In 2019, aquaculture projects amounting to some Rs 200 million requiring lagoon space was put abeyance following concerns raised by several stakeholders in respect of the negative impacts of fish farming projects. In 2021, Government approved the drafting of an aquaculture framework to support the implementation of aquaculture projects with the aim of minimising potential conflicts with other economic activities in the lagoon. However, as of December 2025, government approval was still outstanding.

Root Causes

- The Ministry has not been able to create a proper investment climate for aquaculture and also lacked modern hatchery and nursery facilities and adequate staff with the appropriate technical and managerial expertise.

Recommendations

- The finalisation of the Aquaculture Framework is a priority so as to reduce conflicts among stakeholders and provide visibility and guidance on size, scale, farming methods, locations and mitigating measures related to aquaculture projects.
- The Ministry should invest in modern hatchery and nursery and appropriate ponds to support small-scale aquaculture projects,
- Build continuously in-house capacity in research and development through consultancy services.
- Produce model farms to demonstrate to small scale entrepreneurs how to implement aquaculture projects covering technical, managerial and financial aspects.

Ministry’s Response

The recommendation will be examined to assess whether this is feasible, subject to availability of land and funds.

5. Potential of Demersal Fishery on the Banks not adequately tapped

The Offshore Demersal Bank Fishery resources are a source of fish for the local market, providing employment opportunities and with long -term sustainability to the local economy. It consists of the Industrial Bank Fishery, Semi-Industrial Chilled Fish Fishery, St Brandon Inshore Fishery and Deepwater Demersal Fishery.

The potential of the Off Shore Demersal Fishery on the Banks was not being exploited fully, leading to insufficient supply of fish for the local market and export.

In February 2025, NAO reported that there was continued reliance on fish imports from 113,462 tonnes in financial year 2021-22 to 130,008 tonnes in financial year 2023-24. Local fish production was insufficient to meet domestic demand and export, leading to heavy reliance on imports. The trend increased over the past years.

(i) Catch landings from each fishery was below the Allocated Quotas

The Bank Fishery was under exploited. Annually, the catch landings were well below the Allocated Quotas in each fishery. The average catch in each fishery as proportion of Allocated Quotas was as follows: 69 per cent for Semi-Industrial, 32 per cent for St Brandon and 21 per cent for Deep Water Demersal. Except for the Industrial Fishery, which was discontinued in 2023, the number of fishing vessels in each fishery did not decrease.

(ii) No Plan to Revive the Industrial Bank Fishery

The Industrial Bank fishing vessels, employed the mother-dori system which was outdated and abolished in many countries. A Consultant was hired by the Ministry to study the problem related to the transport of gasoline by bank fishing vessel, and amongst others the use of diesel propelled outboard engines and collapsible traps were recommended. As of December 2025, the Ministry had not initiated any plan on how to revive this fishery with a total allowable catch of more than 3,000 tonnes.

(iii) Semi-Industrial Fishery Scheme (Grant up to Rs 4 m) not yielding expected outcome

To support the Semi-Industrial Fishery, the Ministry operated a scheme since financial year 2016-17 for co-operative fishermen societies. Under the Scheme, 50 per cent of the cost of a semi-industrial vessel was met by Government by way of grant up to a maximum of Rs 4 million. Five co-operative societies benefited from the scheme; 4 acquired their vessels with the exception of one, out of which only 3 was operational. The cost of a semi-industrial vessel was between Rs 10-15 million, measuring 12-24 metres in length, employing some 12 persons and expected to catch some 42 tonnes during a total of 12 fishing trips annually.

None of the co-operative societies satisfied the allocated quotas and the expected annual catch of 42 tonnes. One of the cooperative societies was inactive in this Fishery Scheme as from 2023. It sold the vessel and refunded the Rs 4 million grant.

(iv) Inadequate assessment criteria for Semi-Industrial Fishery Scheme (Grant up to Rs 6 m)

In 2022-23, the Ministry introduced a similar scheme granting Fishermen Co-operative Societies up to 50 per cent of the cost of semi-industrial vessels, maximum Rs 6 million, with 40 per cent financed by banks and 10 per cent by the societies. By December 2025, Rs 52 million had been disbursed to 12 cooperatives through an Expression of Interest, with vessel construction underway. Eligibility required was at least 3 registered artisanal fishermen as members and proof of 10 per cent funding. However, no assessment was undertaken to determine whether these cooperatives possessed the financial, marketing, and management capacity to operate such vessels, given their members' background in small-scale lagoon fishing.

Root Causes

The Ministry did not:

- effectively address the chronic challenges in the semi-industrial fishery scheme through regular consultative meetings with the operators.
- carry out a systematic analysis of the causes of persistent shortfall in annual catch against allocated quotas.

Recommendations

- The Ministry should carry out consultative meetings with all the stakeholders in this fishery, to identify and implement potential solutions. Due consideration should be given to the recommendations of the consultant so as to recover potential catch of more than 1,000 tonnes in the Industrial Fishery.
- The whole ecosystem for designing a semi-industrial grant scheme and linking it to output / outcome, taking economic viability and past performance into consideration should be devised by the Ministry.
- Future beneficiaries of the current and future schemes should be provided basic financial and managerial training by the Fisheries Training and Extension Centre and should be supported by relevant expert to assist them in their operations.
- The Ministry should devise short, medium and long term strategy on how to realise the potential of Demersal Fishery on the Banks.

Ministry's Response

A Sub-Committee on “Development of a Seafood Sustainable Programme at Regional Level has been set up. The Sub-Committee has set up a Fisheries Working Group FWG for the development of a comprehensive strategy to develop the sector. In this regard, thematic areas have been identified among which is the demersal fishery.

6. Delays in the Development of Blue Finance

In line with 2020/2021 Budget, the Bank of Mauritius (BOM) issued a guide for the ‘Issue of Sustainable Bonds in Mauritius’ in June 2021. Subsequently, the Financial Services Commission formulated guidelines for the ‘Issue of Corporate and Green Bonds in Mauritius’. These guidelines were intended to serve as a supplement to the BOM guide in assisting potential issuers to understand the legal and regulatory requirements for the issue of corporate and sustainable bonds and the listing of these bonds on exchanges licensed in Mauritius.

Given the current state of the economy and high national debt level, it is unlikely that public funds would be adequate to fund Blue Economy projects. Consequently, funding Blue Economy projects will require innovating financing and support from multinational institutions and private sector. So long, the Ministry does not develop a pipeline of bankable projects and then look for financing mechanisms, no tangible progress will be realised.

Since 2021, the unlocking of the Blue Economy did not happen through issue of sustainable blue bonds. As of December 2025, and as per records of the Ministry, there was no list of identifiable projects that were bankable⁴ to attract investors. That list of investable projects related to blue economy should have been preferably prepared prior to any attempt of securing funds.

The necessary regulatory frameworks and policies following the formulation of the guidelines to attract green investors was still outstanding.

Root Cause

The Ministry did not have the technical expertise to develop a list of bankable projects and on how to integrate environmental issues into local policies, and how to secure different funding sources, including private investment.

Recommendations

- Mauritius has launched a Carbon Sink Enhancement Programme⁵ with the objective to carry out inventories on seagrass and mangrove in the whole EEZ of Mauritius by 2035, operationalise blue carbon accounting in national climate reporting and restore degraded ecosystems, supported by a Blue Carbon Innovation Hub by 2028. Thirty-three priority sites will be rehabilitated by 2035. Under this Programme, there are several potential bankable projects which the Ministry can consider for Blue Financing.
- The Ministry needs to revisit its past Fisheries and Marine Conservation Plans to identify which projects can be considered bankable for Blue Financing, as a quick win strategy.
- As a priority, the Ministry needs to hire the requisite expertise and develop its in-house capacity to design and implement such bankable projects.
- The necessary regulatory frameworks, policies and documentation should be prepared to attract investors.

Ministry's Response

A legal consultant has been appointed to draft the Blue Economy Bill. Another consultant has been recruited to draft a Blue Economy Strategy. This issue has not yet been considered by the temporary Blue Economy Unit or the two consultants.

During an official visit of a Mauritian delegation in Cabo Verde in December 2025, a peer-to-peer exchange was carried out where the process of developing bankable projects for blue bond was discussed.

⁴ A bankable project is one that is structured to be attractive to investors and lenders, meaning it has a high probability of generating sufficient financial returns and meeting its obligations, making it eligible for financing.

⁵ The Third Nationally Determined Contribution (NDC 3.0) of the Republic of Mauritius September 2025. <https://unfccc.int/sites/default/files/2025-09/NDC%203.0%20%20Mauritius.pdf>

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CERTIFICATE OF AUDIT

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Republic of Mauritius

NATIONAL AUDIT OFFICE

CERTIFICATE OF AUDIT

TO THE NATIONAL ASSEMBLY

Report on the Audit of the Financial Statements of the Budgetary Central Government of the Republic of Mauritius

Qualified Opinion

I have audited the Financial Statements of the Budgetary Central Government of the Republic of Mauritius, submitted in accordance with Section 19(1) of the Finance and Audit Act, which comprise the statement of financial position as at 30 June 2025, and the statement of financial performance, the statement of changes in net assets or equity, the cash flow statement and the statement of comparison of budget estimates and actual amounts for the year then ended, notes to the Financial Statements, including a summary of significant accounting policies and additional financial information as annexures to the Financial Statements.

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of my report, the accompanying Financial Statements give a true and fair view of the financial position of the Budgetary Central Government of the Republic of Mauritius as at 30 June 2025, and of its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs) and comply with Section 19 (3) and 19 (3A) (b) of the Finance and Audit Act.

Basis for Qualified Opinion

Third Transitional IPSAS Financial Statements

The third and last transitional IPSAS financial statements have been prepared for the financial year 2024-25. Government has taken advantage of transitional exemptions under IPSAS 33-*First-time Adoption of Accrual Basis IPSASs*, which affected the fair presentation of the financial statements, as disclosed in Note 2.1(B) to the financial statements. As a result, it is unable to make an explicit and unreserved statement of compliance with the accrual basis IPSASs.

The following, among others, affected the fair presentation of the financial statements:

Property, Plant and Equipment

- Existence of assets cannot be ascertained as the Government Assets Register was still not complete

- 15 dams, reservoirs and associated structures, and 17 feeder canals, other canals and pipelines, as identified in the Water Resources Act 2024, were not valued and accounted for in the financial statements.
- The lists of state lands, roads and bridges as at 30 June 2025 were not up to date. Government Buildings accounted for were not supported by a list.

Disclosure Requirements and Financial Recognition

Transitional exemptions and provisions that affect the fair presentation of financial statements have been adopted for eight IPSASs as at 30 June 2025, comprising IPSAS 17-*Property, Plant and Equipment*, IPSAS 20-*Related Party Disclosures*, IPSAS 21-*Impairment of Non-Cash Generating Assets*, IPSAS 23-*Revenue from Non-Exchange Transactions (Taxes and Transfers)*, IPSAS 31-*Intangible Assets*, IPSAS 39-*Employee Benefits*, IPSAS 41-*Financial Instruments* and IPSAS 43-*Leases*.

In relation to these standards, disclosure requirements and financial recognition have not been fully complied with.

Contingent Liabilities

As at 30 June 2025, legal cases instituted against the Government for the sum of Rs 76.6 billion were disclosed as contingent liability in the notes to the financial statements. IPSAS 19-*Provisions, Contingent Liabilities and Contingent Assets* was not complied with as an assessment was not made of each obligation to determine whether an outflow of resources is probable, possible, or remote for accounting purposes. A provision is recognised where an outflow is probable.

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

Emphasis of Matter

I draw attention to the following:

- The deficit for the financial year ended 30 June 2025 amounted to Rs 51.4 billion as per the statement of financial performance prepared on an accrual basis.
- The liabilities in respect of the pension defined benefit plan totalled Rs 178 billion as at 30 June 2025 as disclosed in Note 22 to the Financial Statements.

My opinion is not modified in respect of the above matters.

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the Financial Statements of the current period. These matters were addressed in the context of my audit of the Financial Statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Except for the matters described in the Basis for Qualified Opinion section of my report, I have determined that there are no other key audit matters to communicate in my report.

Responsibilities of the Accountant General and Those Charged with Governance for the Financial Statements

The Accountant-General is required, under Section 19 of the Finance and Audit Act, to sign and submit financial statements within 6 months of the close of every fiscal year, and is responsible for such internal control as is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance in Ministries and Government Departments are responsible for maintaining proper accounting records and providing to the Accountant-General, for the purpose of the Financial Statements, information that are accurate.

Auditor's Responsibility for the Audit of the Financial Statements

I am required under Section 20 of the Finance and Audit Act to issue a certificate of audit on the Financial Statements of the Budgetary Central Government of the Republic of Mauritius, submitted in accordance with Section 19 of the Finance and Audit Act, within 8 months of the close of every fiscal year.

My objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate of audit that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministries' and Departments' internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

Management's Responsibility for Compliance

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

Auditor's Responsibility

Finance and Audit Act

In addition to my responsibility to express an opinion on the Financial Statements described above, I am required under Section 16 of the Finance and Audit Act to satisfy myself 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;

- (d) adequate directions or instructions exist for the guidance of public officers entrusted with duties and functions connected with finance or storekeeping and that such directions or instructions have been and are duly observed; and
- (e) satisfactory management measures have been and are taken to ensure that resources are procured economically and utilised efficiently and effectively.

I am also required, under Section 20 of the Finance and Audit Act, to submit a Report upon my examination and audit of the Financial Statements of the Budgetary Central Government.

In my opinion, except for the matters mentioned in my Report for the financial year 2024-25, nothing has come to my attention that causes me to believe that the financial management principles laid down at Section 16 of the Finance and Audit Act have, in all material respects, not been adhered to.

Public Procurement Act

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

In my opinion, except for the matters mentioned in my Report for the financial year 2024-25, the provisions of Part V of the Act have been complied with as far as it could be ascertained from my examination of the relevant records.



DR D. PALIGADU
Director of Audit

National Audit Office
Level 14,
Air Mauritius Centre
PORT LOUIS

27 February 2026

PART I

REPORT OF THE DIRECTOR OF AUDIT ON THE ACCOUNTS OF THE GOVERNMENT

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2 - ANNUAL STATEMENTS - TREASURY

2.1 Submission of Annual Statements-Final Year of Transition to full IPSAS

Background Information

The Finance and Audit Act requires that the Accountant General shall, within 6 months of the close of every fiscal year, sign and submit to the Director of Audit financial statements for the budgetary central Government presenting fairly, in all material respects, the financial position of the budgetary central Government as at the last date of the financial year and the financial performance and cash flows of the budgetary central Government for the year then ended.

The accounts of Government were closed on 8 August 2025, and the Financial Statements of Government for the year ended 30 June 2025 were submitted by the Accountant General on 22 December 2025. The Financial Statements comprised the Statement of Financial Position, the Statement of Financial Performance, the Statement of Changes in Net Assets or Equity, the Cash Flow Statement, the Statement of Comparison of Budget Estimates and Actual Amounts, and notes comprising a summary of significant accounting policies and other explanatory notes.

Other additional financial information as prescribed under Section 19(3)(b) of the Finance and Audit Act, not mentioned above, was submitted to my Office on 24 November, 4 and 16 December 2025.

Third Transitional IPSAS Financial Statements

In order to improve transparency and accountability, the Finance and Audit Act was amended in July 2017. Section 19(3A) (a) of the Act provided that the financial statements shall, as far as possible, be prepared in compliance with International Public Sector Accounting Standards (IPSASs) and Section 19(3A) (b) of the Act, provided that the financial statements shall, for financial year 2022-23 and onwards, be prepared in compliance with IPSASs.

The Finance and Audit Act was again amended in 2025, and Section 19(3A) (b) of the Act provides that the financial statements of the Budgetary Central Government (BCG) shall be prepared in compliance with IPSASs except for consolidation and segment reporting.

The Government has adopted accrual basis IPSAS on 1 July 2022 and has prepared its first, second, and third transitional IPSAS financial statements for the financial years 2022-2023, 2023-24, and 2024-25, respectively.

According to paragraph 9 of IPSAS 33 - *First-Time Adoption of Accrual Basis IPSAS*, Transitional IPSAS financial statements are the financial statements prepared in accordance with IPSAS 33 where a first-time adopter cannot make an explicit and unreserved statement of compliance with other IPSASs because it adopted one or more of the transitional exemptions that affect the fair presentation of the financial statements and its ability to assert compliance with accrual basis IPSASs. According to paragraph 135 of IPSAS 33, the first-time adopter should include a statement that the financial statements do not fully comply with the accrual basis IPSASs.

State of Preparedness for Full Accrual-Based IPSAS-Compliant Financial Statements for the Financial Year 2025-26

The financial statements for the financial year 2025-26, ending 30 June 2026, should be fully compliant with accrual-based IPSAS.

Prompt measures must be taken on the following issues to achieve full compliance with IPSASs.

Findings

▪ Transitional Provisions

According to paragraph 136 of IPSAS 33, where a first-time adopter takes advantage of the transitional exemptions, the first-time adopter shall disclose:

- (i) The extent to which it has taken advantage of the transitional exemptions that affect the fair presentation of the financial statements and its ability to assert compliance with accrual basis IPSAS; and/or
- (ii) The extent to which it has taken advantage of the transitional exemptions that do not affect the fair presentation of the financial statements and its ability to assert compliance with accrual basis IPSAS.

The Government has taken advantage of the transitional provisions that affect the fair presentation in respect of the following IPSASs in the first, second, and third transitional financial statements for 2022-23, 2023-24, and 2024-25, respectively:

- IPSAS 17: *Property, Plant, and Equipment*
- IPSAS 20: *Related Party Disclosures*
- IPSAS 21: *Impairment of Non-Cash Generating Assets*
- IPSAS 23: *Revenue from Non-Exchange Transactions*
- IPSAS 31: *Intangible Assets*
- IPSAS 39: *Employee Benefits*
- IPSAS 41: *Financial Instruments*
- IPSAS 43: *Leases*

Hence, major progress has not been made to fully comply with the above-mentioned IPSASs since July 2022.

Recommendation

Appropriate remedial measures must be taken to ensure that all these IPSASs are fully complied with as at 30 June 2026, when the full accrual-based IPSASs financial statements will be prepared.

▪ Preparation of Financial Statements

Trial Balance on an Accrual Basis was not prepared

The financial statements were prepared on an accrual basis. Cash transactions for accounting items were channeled to the Treasury by Ministries and Departments through the Treasury Accounting System (TAS). The secondary ledger of the TAS supposed to produce accruals information, was not being used. At the time the financial statements were prepared, the figures were not supported by an accrual-based General Ledger. In addition, a Trial Balance on an accrual basis was not prepared by the Treasury.

Key accrual figures for Receivables, Inventories, Payables, Prepayments, and Employee Benefits, were compiled from manual Accounting Returns submitted by Ministries and Departments.

For the financial year 2024-25, Ministries and Departments were required to submit the completed “Accounting Returns” by 14 August 2025, in accordance with Treasury Circular No. 6 of 2025.

Numerous accounting issues were noted relating to the manual Accounting Returns.

Recommendation

The Treasury should prepare a Trial Balance on accrual basis.

Treasury’s Response

- In view of the statutory deadline for the signing and submission of the financial statements and, taking into account existing resource constraints, priority has been given to the preparation of the financial statements. Subsequently, the necessary accounting adjustments will be made on TAS to ensure that the Trial Balance generated from TAS accurately reflects accrual-based reporting.
- The strategy of the Treasury is to leverage on IT systems to generate its financial statements. However, the effective operation of the Secondary Ledger (SL) necessitates dedicated resources with appropriate technical expertise, particularly qualified Professional Accountants at Ministry level. It is envisaged that once the resource constraints, both at the level of Treasury and Ministries/Departments, are addressed, processing of accrual information will be timely and financial statements will be generated from the system.

Excessive number of Journal Adjustments to account for accrual information

At the time the financial statements were prepared, the Trial Balance was on cash-basis, and numerous journal adjustments were made to record accrual information.

For instance, for the financial years 2022-23 and 2023-24, 7,837 and 9,012 journal adjustments were made, respectively, with adjustments totalling Rs 540.1 billion and Rs 617.4 billion respectively. This might not be acceptable when preparing full accrual-based IPSAS financial statements for the financial year 2025-26. There is high risk of errors in making so many adjustments, and it is resource-intensive and time-consuming.

Treasury's Response

Given the basis difference between Budget and Accounting, Journal to convert cash transactions into accrual information remains an essential feature of the whole process. However, following the amendments in the Finance and Audit Act in 2025, where the Statement of Performance by function is no longer required, it is expected that there will be a considerable decrease in the number of journal entries in Secondary Ledger (SL).

Errors in the Accounting Returns submitted by Ministries and Departments

A sample of Accounting Returns submitted to Treasury was verified by NAO Officers at the level of Ministries and Departments after the submission deadline of 14 August 2025, and several errors were noted as at November 2025, including the following:

- (i) Accrual figures submitted by the Ministry of Health and Wellness were understated by Rs 168 million for payment of goods and services, overtime, and retention monies as at 30 June 2025.
- (ii) Return of inventories was not submitted by 148 health institutions of the Ministry of Health and Wellness.
- (iii) Receivables in respect of financial assistance schemes amounting to Rs 98.8 million, representing mainly overpayments as at 30 June 2025, as compiled by the Mauritius Revenue Authority, were not accounted for.

Similarly, payables as at 30 June 2025, amounting to Rs 250.4 million in respect of the financial schemes, were also not accounted for.

- (iv) At the Mauritius Police Force, inventories for 15 stores were valued at Rs 537.8 million as at 30 June 2025. The figure represented ledger balances instead of physical stock take figures.

The estimated replacement cost/net realisable values for 13 stores were not included in the returns.

The Passage Benefits figure (accounted as Employee Benefits) of Rs 3.3 billion was calculated on an incremental basis and was not supported by a detailed computation.

There were also errors in the returns of other Ministries/Departments. The NAO found errors in a sample of returns and does not preclude the existence of other material errors in other returns. This may impact the truth and fairness of the financial statements.

Recommendation

The Treasury should put in place a proper system to ensure the accounting returns submitted are reliable.

Treasury's Response

The onus rests with Accounting Officers of Ministries/Departments to maintain proper accounting records to ensure that correct information is submitted for the preparation of the financial statements or for any other purpose as may be required.

At the Treasury level, opening balances are reconciled, (Accounting Returns) ACRs are reviewed for arithmetical accuracy, and to the extent practicable, checks are performed on the proper recording and classification of items reported therein.

▪ **Accounting for Government Assets**

There are still several pending issues that need to be addressed to ensure the Property, Plant, and Equipment (PPE) figure in the financial statements is complete and accurate.

- (i) Figures in the financial statements in respect of state lands, roads, and bridges were not supported by an update list of assets. The latest list of state land compiled in June 2022 and the list of Roads and Bridges in June 2020 were not complete, impacting the financial figures.
- (ii) Dams, reservoirs, and feeder canals reported in the financial statements were based on additions from June 1991 to June 2025. Those that were constructed before June 1991 have not yet been valued. According to the Water Resources Act, 2024, there are 15 Dams and Reservoirs and 17 Feeder Canals and pipelines (Water Resources) and that have not been valued for accounting purpose.
- (iii) An up-to-date list of Government buildings and their valuation is yet to be finalised.
- (iv) The Government Asset Register is not complete and up-to-date, and cannot support the PPE figures in the financial statements. As such, the existence of assets cannot be ascertained.
- (v) State lands in Rodrigues valued at Rs 55.4 billion in the year 2018 are accounted in the financial statements of the Government of Mauritius, whereas economic benefit is derived by the Rodrigues Regional Assembly, and prepares its own set of financial statements.

Recommendation

The Treasury should ensure that GAR is up-to-date so as to support PPE figures in the financial statements.

▪ **Improving Governance for Approval of Financial Statements**

The Finance and Audit Act requires that the Accountant General shall, within 6 months of the close of every fiscal year, sign and submit to the Director of Audit financial statements for the budgetary central Government.

Presently, the Statutory Bodies (Accounts and Audit) Act and Local Government Act require the signing of financial statements by 2 persons. This requirement ensures that the financial information is scrutinised by more than one authorised person, reducing the risk of error and enhancing credibility.

Recommendation

To improve governance, it is suggested that the financial statements be signed by the Accountant General and the Accounting Officer of the Ministry of Finance for the budgetary central Government.

▪ **Posting of Qualified Accountants in Ministries and Departments**

With a view to improving accountability, the NAO, in the Audit Report 2022-23, proposed the professionalisation of the finance section in Ministries and Government Departments.

In this context, NAO proposed that professional accountants be posted in each Ministry and Department and prepares its own set of financial statements. The benefits would include accurate recording of accounting information, increasing the effectiveness of financial management, and improving transparency, accountability, and integrity of public finance information.

▪ **Enhancement and Upgrading of Accounting System to Produce Accrual Based Financial Statements**

The Treasury is responsible for the preparation of the Financial Statements. It has the responsibility to ensure that timely and accurate data are used to prepare financial statements.

Given the high number of journal entries required under the SL, the Treasury needs to assess whether continued investment in the current SL set up will be cost-effective or whether alternative accrual accounting solutions, that is, a new, fully integrated Financial Management Information System (IFMIS), would better meet long-term financial reporting needs.

Any enhancement to the system should enable real-time accrual recording. This will reduce manual interventions and support the timely production of the accruals General Ledger, Trial Balance, and Financial Statements.

Pending the operationalisation of the SL or any enhancement to the system, the Treasury should require Ministries and Departments to implement appropriate validation controls and to perform documented review sign-offs of all returns before submitting them to the Treasury.

2.1.1 Receivables from Non-Exchange Transactions – Rs 46.1 billion and Receivables from Exchange Transactions – Rs 2.4 billion

Background Information

Total receivables before loss allowance amounted to Rs 48.5 billion as of 30 June 2025, comprising Receivables from Non-Exchange Transactions and from Exchange Transactions of Rs 46.1 billion and Rs 2.4 billion, respectively, as shown in Table 2-1.

Exchange Transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity in exchange. Examples include licences, finance income, rent, royalties, and sales of goods and services.

A Non-Exchange Transaction occurs when an entity receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange. Examples include taxes, fines, penalties, forfeits, and social contributions.

Table 2-1 *Receivables from Non-Exchange Transactions and Exchange Transactions*

	30 June 2025	30 June 2024
Ministries and Departments	Rs	Rs
<i>Receivables from Non-Exchange Transactions</i>		
Mauritius Revenue Authority (MRA)	45,634,492,007	46,017,594,429
Registrar- General's Department	302,769,988	301,856,339
The Judiciary	63,661,255	47,728,499
Corporate and Business Registration Department	43,020,998	47,057,213
National Land Transport Authority	40,810,000	38,064,000
Ministry of Commerce and Consumer Protection	1,244,000	1,067,000
<i>Subtotal for Non-Exchange Transactions</i>	46,085,998,248	46,453,367,480
<i>Receivables from Exchange Transactions</i>		
Ministry of Housing and Land Use Planning	1,463,344,079	1,327,530,432
Treasury	761,208,843	507,668,402
Corporate and Business Registration Department	87,844,690	94,680,037
Mauritius Police Force	40,760,379	33,806,575
Ministry of Health and Wellness	25,053,401	25,723,438
Ministry of Agro-Industry and Food Security	15,042,714	12,974,883
Ministry of Labour and Industrial Relations	12,376,815	12,765
Civil Aviation	11,742,380	17,460,900
Others	30,924,921	34,465,884
Mauritius Revenue Authority	2,168,336	-
<i>Subtotal for Exchange Transactions</i>	2,450,466,558	2,054,323,316
Total Receivables	48,536,464,806	48,507,690,796

Source: Returns from Ministries and Departments

Receivables from Non-Exchange Transactions have decreased by 0.8 per cent, and Receivables from Exchange Transactions have increased by 19.3 per cent for the financial year 2024-25 as compared to the financial year 2023-24.

Findings

■ Recognition and Disclosure for Tax Assessment Under Dispute

Recognition of 40 per cent of Tax Assessment Under Dispute as Revenue and Receivables
Receivables recognised for the MRA were Rs 45.6 billion as at 30 June 2025. The total of tax assessments under dispute amounted to Rs 33.5 billion, of which Rs 13.4 billion (representing 40 per cent) has been recognised as receivables.

Collectible debts primarily consisted of taxes, penalties, and interest due for payment at year-end. Assessment Under Dispute mainly included tax claims pending objections at the MRA, cases under Alternative Tax Dispute Resolution and Expeditious Dispute Resolution schemes, cases lodged with the Assessment Review Committee, and assessments still open for objection within the 28-day statutory period.

▪ **Tax Assessment Under Dispute Not Disclosed as Contingent Asset.**

According to paragraph 40 of IPSAS 19 - *Provisions, Contingent Liabilities and Contingent Assets*, contingent assets usually arise from unplanned or other unexpected events that (i) are not within the control of the entity, and (ii) give rise to the possibility of an inflow of economic benefits or service potential to the entity.

In compliance with paragraph 42 of IPSAS 19, a contingent asset was disclosed in respect of tax assessment under dispute where an inflow of economic benefits may be probable.

Recommendation

Sixty per cent of tax assessments were under dispute, amounting to Rs 20.1 billion. The Accountant General should discuss with the MRA, and a reasonable amount should be agreed for disclosure as a contingent asset, given that an inflow of economic benefit is still probable in some disputed cases.

Treasury's Response

The matter will be discussed with the MRA to determine whether the amounts meet the criteria for recognition as a contingent asset, taking into account the likelihood of realisation. Any amount assessed will be appropriately disclosed in the Financial Statements for the financial year 2025-26.

▪ **Age Analysis of Receivables – 35 per cent overdue for more than one year**

Table 2-2 below shows an age analysis of receivables for Non-Exchange and Exchange Transactions after accounting for the loss allowance. The Non-Exchange Transaction receivables excluded Rs 13.4 billion for tax assessments under dispute, for which no ageing analysis was available.

Table 2-2 Age analysis of Receivables for the Financial Year 2024-25

	Non-exchange Transactions Rs billion	Exchange Transactions Rs billion	Total Rs billion	Percentage of Total Receivables (%)
Less than 1 year*	21.46	0.11	21.57	65
Between 1 year to 5 years	5.76	0.05	5.81	18
Between 5 years to 10 years	2.90	0.99	3.89	12
Over 10 years	1.68	0.03	1.71	5
Total	31.80	1.18	32.98	100

Source: Notes 5 and 6 to the Financial Statements

** Receivables less than one year include current due as per disclosure Notes 5 and 6.*

Receivables overdue for more than one year accounted for 35 per cent, of which 5 per cent exceeding 10 years, which suggested challenges in collection efforts and an increased risk of defaults.

▪ **Receivables written off - Rs 45.9 million**

An amount of Rs 45.9 million from total receivables was written off for the financial year 2024-25, of which Rs 26.6 million and Rs 19.3 million related to Non-Exchange Transactions and Exchange Transactions respectively.

Approximately 75 per cent (Rs 34.4 million) of the write-offs figures related to receivables of 5 Ministries and Departments. The 2 largest write-offs were Rs 22.3 million from the Corporate Business Registration Department and Rs 7.2 million from the Registrar-General's Department.

Moreover, no Debt Recovery Unit had been established to monitor long-outstanding debts.

Implications

- Non-compliance with IPSAS 1, IPSAS 23 and IPSAS 19.
- Users of the financial statements may not fully understand the extent of uncertainty associated with disputed tax assessments.

Recommendations

- The Ministry of Finance should establish an effective debt recovery system within Ministries and Departments for tracking and managing all receivables, enabling better monitoring and timely actions.
- The significant judgments and estimation uncertainty involved in assessing the recognised portion of disputed tax assessments should be disclosed in accordance with IPSAS 1.
- A reasonable amount of unrecognised portion of disputed tax assessments should be disclosed as a contingent asset, where applicable, in accordance with IPSAS 19.
- A Debt Recovery Unit should be established to systematically monitor, follow up, and recover long-outstanding debts, with clear responsibilities to strengthen revenue collection and accountability.

Treasury's Response

- The responsibility for ensuring that all amounts due are appropriately collected and accurately recorded rests with Ministries/Departments. The Central Arrears Monitoring Unit has yet to be set up.
- Appropriate disclosure will be made in the financial statements for the financial year 2025-26 following consultations with the Mauritius Revenue Authority to determine the amounts considered probable of recovery in respect of tax assessments under dispute.

2.1.2 Investments – Rs 169.6 billion

Fair Value was based on Old Net Asset Value, not reflecting current market conditions.

Background Information

The fair values of Unquoted Shares and Equity Participation in Companies/Government Bodies were based on Net Asset Figures from the latest audited Financial Statements of investees.

IPSAS 41-*Financial Instruments* (Implementation Guidance) recommends that the net asset value from the last audited Financial Statements be adjusted to reflect current market conditions, or another appropriate valuation technique should be used to calculate the fair value of unquoted equity investments.

Findings

- In 46 cases out of 50, investments costing Rs 85.5 billion had a total fair value of Rs 111.1 billion based on Net Assets Values in Financial Statements, dating back from 2017 to 2024. Furthermore, in 3 other cases, investments totalling Rs 6 billion were valued at cost, as audited financial statements was not available since these companies' incorporation.
- Hence, these 49 investments were not measured in line with IPSAS 41 guidance, and their fair value may have been misstated as it may not reflect the fair value as of 30 June 2025.

Recommendation

Investment should be valued in compliance with IPSAS 41, '*Financial Instruments*'.

Treasury's Response

The policy of the Treasury is to use the latest audited financial statements to value investments, as management accounts are not reliable. Once the entities are up to date with their financial statements, the investment will be properly reflected in the financial statements.

2.1.3 Disclosure of Government Investment in Mauritius Housing Holdings Ltd not in Compliance with IPSAS Requirements

Background Information

An amount of Rs 6 billion was recognised as Investment in the Government's Statement of Financial Position in respect of funds provided to Mauritius Housing Holdings Ltd (MHHL) for the implementation of the 8,000 social housing units' projects. No formal repayment agreement existed, and the equity funding was intended to be returned to the Consolidated Fund upon completion of the project.

IPSAS 1 – *Presentation of Financial Statements*, paragraphs 15, 27, and 47, require that financial statements present fairly the financial position of the Government and that material items recognised in the Statement of Financial Position be supported by adequate disclosures.

IPSAS 20 – *Related Party Disclosures*, paragraph 24-26, requires disclosure of related party relationships, transactions, and outstanding balances between the Government and government-controlled entities.

IPSAS 30 – *Financial Instruments: Disclosures*, paragraphs 38, require disclosure of the nature and information that enables users to assess the associated risks of financial instruments to which the Government is exposed.

Findings

The disclosure requirements of IPSAS were not complied with. The Notes to the Financial Statements did not disclose:

- the nature and purpose of the investment;
- the terms and conditions attached to the funding;
- Government’s intention to recover the funds upon completion of the project;
- the absence of a formal repayment agreement; and
- the relationship between the Government and MHHL.

Recommendations

- Comprehensive disclosures should be made regarding the nature, purpose, and terms of funding provided to MHHL.
- The related party relationship between the Government and MHHL should be disclosed.

Treasury’s Response

- Investments are held in support of the Government’s broader social and economic development objectives.
- Compliance with IPSAS 20- Related Party Disclosures is envisaged for the financial year 2025-26.

2.1.4 Expected Credit Losses - Measurement and Disclosure Requirements

Background Information

According to paragraph 73 of IPSAS 41, *Financial Instruments*, an entity shall recognise a loss allowance for expected credit losses on a financial asset.

Paragraph 76 of IPSAS 41 states: *“The objective of the impairment requirements is to recognize lifetime expected credit losses for all financial instruments for which there have been significant increases in credit risk since initial recognition – whether assessed on an individual or collective basis - considering all reasonable and supportable information, including that which is forward looking.”*

Paragraph 81 requires that at each reporting date, an entity shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition.

According to Paragraph 83, there is a rebuttable presumption that the credit risk on a financial asset has increased significantly when contractual payments are more than 30 days due.

Findings

▪ Loss Allowance not provided for Investment

Note 8 of the financial statements discloses “Other Investments” of Rs 1.5 billion. This balance included a fixed deposit of Rs 500 million with a financial institution, which matured on 9 September 2024. The financial institution had been placed under conservatorship in February 2024.

As at January 2026, neither the principal amount nor the accrued interest had been refunded to the Government. The deposit is therefore overdue for more than 16 months and no loss allowance for expected credit losses has been recognised in the financial statements.

Additionally, there was no evidence that the Treasury had assessed whether the credit risk on this fixed deposit had increased significantly since initial recognition, as required by IPSAS 41. Given the maturity default period and the financial institution’s conservatorship status, the fixed deposit clearly meets the rebuttable presumption under paragraph 83 that credit risk has increased significantly.

Implication

Non-compliance with IPSAS 41 results in the carrying amount of “Other Investments” being overstated, as the fixed deposit is unlikely to be fully recoverable.

Recommendation

The Accountant General should assess the credit risk associated with the Rs 500 million fixed deposit and recognise an appropriate loss allowance for expected credit losses in the financial statements in accordance with IPSAS 41.

▪ 100 per cent Expected Credit Loss Allowance of Rs 8.3 billion on ‘Outstanding Loans financed from Revenue’

At paragraph 2.1.4 of the Audit Report for the financial year 2023-24, it was recommended that the Accountant General reassess the Expected Credit Losses (ECL), set at 5 per cent, recognised on the outstanding loan balances of the Wastewater Management Authority (WMA), the Central Water Authority (CWA) and the Rodrigues Regional Assembly (RRA) as the loss allowances were insufficient to appropriately reflect the past, current and future financial situations of these Bodies.

In financial year 2024-25, 100 per cent of Lifetime ECL were recognised in the financial statements on the 3 outstanding loans as shown in Table 2-3.

Table 2-3 Expected Credit Loss Allowance

Statutory/Other Bodies	Amortised Cost as at 30 June 2025 (Rs)	Expected Credit Loss Allowance (Rs)
Wastewater Management Authority	4,261,998,468	4,261,998,468
Central Water Authority	4,046,846,770	4,046,846,770
Rodrigues Regional Assembly	23,942,442	23,942,442
Total	8,332,787,680	8,332,787,680

Source: Treasury workings and Note 7(i) to the financial statement

The justification provided for the recognition of 100 per cent Lifetime ECL as disclosed in Note 7(i) to the financial statements was as follows: “*The recoverability of the loans has been assessed, and based on their non-performing status, a 100 % allowance for expected credit losses has been recognised during the financial year 2024-2025*”.

There was insufficient appropriate audit evidence in line with paragraph 76 of IPSAS 41, to confirm that all reasonable and supportable information, including that which is forward-looking, had been considered in assessing the 100 per cent ECL for the WMA and the CWA. Hence, the 100 per cent ECL for these 2 statutory bodies may be overstated.

Recommendation

The ECL for the WMA and CWA should be reviewed.

Treasury’s Response

It is noted that no repayment have been received from the Wastewater Management Authority and the Central Water Authority over the past ten years. In light of the prolonged non-payment and the very low likelihood of recovery, a lifetime ECL of 100 per cent has been recognised in accordance with IPSAS 41.

The ECL is subject to annual review and any necessary adjustments will be effected as from the financial year 2025-26, following consultation with the Ministry of Finance.

2.1.5 Disclosure Note for Biological Assets not in Compliance with IPSAS Requirements

Background Information

Paragraphs 39 and 41 of IPSAS 27, *Agriculture*, require an entity to provide a narrative and quantified description of biological assets, distinguishing between consumable and bearer biological assets, and between assets held for sale and those held for distribution at no charge or for a nominal charge.

In addition, Paragraph 44 requires disclosure of the nature of activities involving each group of biological assets, together with non-financial measures or estimates of the physical quantities of each group of biological assets at the end of the reporting period and the output of agricultural produce during the period.

Finding

Although a narrative and quantified description was provided in Paragraph 2.11 and Notes 9 and 11 of the “Notes to the Financial Statements”, no disclosure was made in respect of non-financial measures or estimates of the physical quantities of each group of biological assets at the end of the reporting period and the output of agricultural produce during the period. As a result, the disclosure requirements of IPSAS 27 were not fully complied with.

Recommendation

Disclosure requirement of IPSAS 27 should be complied with.

Treasury’s Response

Consideration will be given for disclosure of relevant information in the financial statements of 2025-26.

2.1.6 Property, Plant and Equipment - Rs 543.8 billion and Intangible Assets - Rs 1.2 billion

Background Information

As at 30 June 2025, the carrying amounts of Property, Plant and Equipment (PPE) and Intangible Assets (IA) reported in the financial statements amounted to Rs 543.8 billion and Rs 1.2 billion, respectively.

Findings

The completeness, accuracy, and existence of PPE cannot be ascertained due to the following:

- **Valuation of the Outer Islands – Rs 58.8 billion**

The valuation of the outer islands, amounting to Rs 58.8 billion comprising Rodrigues (Rs 55.4 billion), Agalega (Rs 3.3 billion), and St Brandon (Rs 61.6 million), was based on valuations dating back to September 2018. Although the Rodrigues Regional Assembly (RRA) prepares separate financial statements, the land valuation of Rodrigues, amounting to Rs 55.4 billion, was included in the Government’s financial statements instead of that of RRA.

The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities (Paragraph 8.29 - IPSAS Handbook volume I), states: “*All material transactions, events and other items reported are presented in a manner that conveys their substance rather than their legal or other form so that the qualitative characteristics of relevance and representational faithfulness are achieved.*”

Recommendation

To ensure that the financial statements faithfully represent the economic reality and provide relevant information to users, the valuation of land in Rodrigues, from which the RRA derives economic benefits, should be recognised in its financial statements in accordance with the Conceptual Framework.

▪ **Water infrastructures - Dams, Reservoirs, and Feeder Canals vested in the Water Resources Commission, not fully reported**

As of 30 June 2025, the carrying amount of “Dams and Feeder Canals” classified under “Infrastructure Assets” amounted to Rs 6.3 billion, was based on the additions figures from 30 June 1991 to 30 June 2025.

In accordance with Section 6(1) of the Water Resources Act 2024, all publicly owned water resources infrastructure specified in the Schedule and listed below shall be vested in the Water Resources Commission, a department within the Ministry of Energy and Public Utilities. However, as of 30 June 2025, the fair value of the following assets has not yet been ascertained by the Treasury for inclusion in the financial statements.

(i) Dams, Reservoirs, and Associated Structures

Dams, Reservoirs, and Associated Structures consist of Arnaud Dam, Bagatelle, Bois Clair, Cascade Diversion Dam, Dagotière, La Ferme, La Nicolière, La Pipe, Magenta, Mare Aux Vacoas, Mare Longue, Midlands, Municipal Dyke, Piton Du Milieu, and Valetta. (*Source: Water Resources Act 2024*)

(ii) Feeder Canals, Other Canals and Pipelines (water infrastructures)

Feeder Canals, Other Canals and Pipelines consist of Arnaud Diversion Channel, Headworks Pierrefonds Pipeline to Port Louis, Feeder Canal from Cascade Diversion Dam to Bagatelle Dam, La Fenetre Feeder Canal from Rivière du Rempart at Bassin to La Ferme Reservoir, La Ferme Canal, La Nicolière Feeder Canal, Magenta Canal, Parc-aux-Cerfs Canal, Pierrefonds Tunnel, Pradier Feeder to Arnaud Dam, River Chevrettes Diversion Canal, River Francoise Diversion Pipeline, River Papayes Diversion Canal to Rivière du Rempart, River Vacoas Diversion Canal, River Vacoas Syphon at Bois Clair, Tatamaka Feeder to Mare aux Vacoas Reservoir, The Trianon-Grosses Roches Feeder to La Ferme Reservoir. (*Source: Water Resources Act 2024*)

For all the above structures, additions made since June 1991 may have been accounted for and most of them already existed at that date.

Recommendation

The financial statements for the financial year 2025-26, should be fully compliant with accrual-based IPSAs. Moreover, the new IPSAS 45 *Property, Plant and Equipment* will be applicable with major changes, including the calculation of current operational value. Infrastructures as laid down in the Schedule of the Water Resources Act 2024 should be valued to ensure fair presentation in the financial statements.

Treasury's Response

Action has been initiated to compile a comprehensive list of all such assets. The Treasury will shortly engage with relevant stakeholders for the valuation of Dams, Reservoirs and Feeder Canals in accordance with IPSAS 45 *Property, Plant and Equipment* and IPSAS 46 *Measurements*.

Government Asset Register still not complete

The Government Asset Register (GAR) has been implemented since July 2017. However, as at 30 June 2025, the GAR was not completed, as most Ministries and Departments were still not updating the register regularly.

Updating of GAR

Ministries and Departments are required to update the GAR monthly and submit a GAR Asset Book Reconciliation Form (GABRF) to the Treasury for reconciliation with the Treasury Abstract and verification of GAR records. Only after this process is completed can the GAR for that month be closed, allowing records for the following month to be entered.

For the financial year 2024-25, out of 74 GABRF expected to be submitted monthly, only 18 Ministries/Departments submitted the GABRF up to 30 June 2025.

GAR does not support financial statement figures

The GAR did not represent a comprehensive and reliable record of government assets, undermining its purpose as a centralised register. Significant discrepancies were observed between the amounts recorded in the GAR and those reported in the financial statements. As at 30 June 2025:

- (i) The costs of PPE (excluding Furniture, Fixtures, and Fittings) recorded in GAR stood at Rs 491.2 billion, compared to Rs 594.9 billion recognised in the Statement of Financial Position representing 82.6 per cent of the reported value.
- (ii) The costs of Intangible Assets (IA) recorded in the GAR stood at Rs 308.4 million, compared to Rs 4.2 billion recognised in the Statement of Financial Position representing 7.3 per cent of the reported value.

These discrepancies indicated that the GAR does not currently provide a complete or accurate figure of government assets, limiting its usefulness for asset management, reconciliation, and informed decision-making.

Recommendation

In view of the fully compliant IPSAS financial statements in financial year 2025-26, the Accountant General should take necessary measures to ensure that all the Government assets are recorded in GAR.

Treasury's Response

The onus to update GAR rests with Ministries/ Departments. Treasury has been providing continuous training to address capacity / knowledge gap.

Requests for dedicated resources/ central team at the Treasury to maintain GAR has yet to be favourably considered.

▪ State Land – Rs 383.8 billion

The state land amounting to Rs 383.8 billion was recognised at cost in the financial statements as at 30 June 2025 consisted of state land valued at Rs 325 billion and the outer islands valued at Rs 58.8 billion.

As at 30 June 2025, an updated list of land from the Ministry of Housing and Lands was still not available to substantiate the figures reported for land in the financial statements.

The latest list of state land was compiled as at 30 June 2022. However, the list was incomplete as it excluded land acquisitions during the financial years 2018-19 to 2020-21, as well as part of the acquisitions for the financial year 2021-22, totalling Rs 3.3 billion.

For instance, as per a survey carried out by the then Ministry of Housing and Land Use Planning (MHLUP) in 2023, the State House compounds at Le Reduit, under the control of the Office of the President covering an area of 235 acres and 95 perches of state land, were not included in the original list of state land.

There were also several duplicate records in the list as at 30 June 2022.

Accordingly, the valuation of Land as at 30 June 2025 may not be fairly stated in the financial statements.

▪ Roads and Bridges – Rs 91.7 billion

As at 30 June 2025, the carrying amounts of roads and bridges reported in the statement of financial position under “Infrastructure Assets” amounted to Rs 91.7 billion (cost Rs 103.1 billion) and Rs 11.0 billion (cost Rs 12.4 billion), respectively. However, an updated and complete list of roads and bridges from the Road Development Authority (RDA) was not available to substantiate these figures. The latest list showed the position as at 30 June 2020.

▪ List of Government Buildings not yet finalised

As at 30 June 2025, the carrying amount of ‘Buildings’ reported in the statement of financial position stood at Rs 30.7 billion. This figure included additions from 30 June 1970 to 30 June 2025 and excluded fully depreciated buildings. In December 2025, the Ministry of Finance submitted an updated list of Government buildings, however, this list has not yet been finalised by the Valuation Department for inclusion in the financial statements.

Recommendation

The list of State Lands, Roads, and Bridges and Government Buildings should be finalised to enable accurate figures to be reported in the financial statements.

Treasury's Response

- A list of State Lands was submitted by the Ministry of Housing and Lands in November 2025. However, the information could not be utilised due to the absence of key details, including the cost of the State Lands. It was also noted that the list covered only lands acquired through compulsory acquisition and did not include unconceded State Lands. The matter remains outstanding and is yet to be resolved with the Ministry of Housing and Lands.
- The RDA has provided a list of Roads and Bridges as at 30 June 2025. However the rates used is based on the valuation as at 30 June 2020. A meeting was held with the RDA to discuss the requirements in regards to Roads and Bridges and in the context of adoption of IPSAS 45 and 46.
- On 30 December 2025, the Ministry of Finance has submitted a list of buildings with the relevant costs. Certain discrepancies have been identified and are currently being addressed by the Ministry.

▪ **Valuation of Other Assets Misstated – Rs 425.7 million**

As at 30 June 2025, the value of 'Other Assets' as shown in the financial statements totalling Rs 425.7 million comprised Sniffer Dogs (Rs 6.0 million), Bearer Plants (Rs 3.3 million), and Plants to Maintain the Ecosystem (Rs 416.4 million).

'Plant to Maintain Ecosystem' was understated as no valuation was submitted by the National Parks and Conservation Service in respect of mangroves. These mangroves along the coastline of Mauritius constituted an important natural resource providing coastal protection, supporting biodiversity, fisheries, and climate resilience.

Treasury's Response

No valuation has been conducted by the National Parks and Conservation Service for mangroves. The matter will be addressed in the financial year 2025-26.

▪ **Useful economic lives of Fully Depreciated/Amortised Assets still in use not reviewed**

As at 30 June 2025, the fully depreciated assets under PPE and Intangible Assets reported at zero carrying amount in the financial statements totalled Rs 11.6 billion and Rs 2.5 billion, respectively. These fully depreciated assets can include assets that are still in use or assets that have already been retired from active use and were still included in total costs and accumulated depreciation/amortisation charges.

As reported in paragraph 2.1.6 of the Audit Report for the financial year 2023-24, the requirements of paragraph 67 of IPSAS 17, *Property, Plant and Equipment*, which stipulates that the residual value and useful life of an asset shall be reviewed at least at each annual reporting date, were not complied with. Similarly, the provisions of paragraph 103 of IPSAS 31, *Intangible Assets*, were also not complied with.

Recommendation

The useful lives of fully depreciated assets that are still in use should be reviewed and their carrying values adjusted accordingly in line with Paragraph 67 of IPSAS 17, *Property, Plant and Equipment*, and Paragraph 103 of IPSAS 31, *Intangible Assets*.

Treasury's Response

Action will be initiated to engage appropriate technical expertise to assess and review the useful economic life of assets.

2.1.7 Employee Benefit Obligations – Rs 208.7 billion

Deficit of Rs 178 billion in the Defined Benefit Plan

Background Information

According to IPSAS 39 - *Employee Benefits*, an entity shall recognise the net defined benefit liability/(asset) in the statement of financial position. The net defined benefit liability/(asset) is the deficit or surplus calculated by deducting the fair value of plan assets from the present value of the defined benefit obligations.

Finding

The Employee Benefit Obligations figure of Rs 208.7 billion includes an amount of Rs 178 billion representing a deficit in the Defined Benefit Plan of the Government as per actuarial valuation carried out in 2024-25. The previous actuarial valuation showed a deficit of Rs 149.9 billion as at 30 June 2022.

The plan is a Defined Benefit arrangement for the employees/members of the National Assembly, and is unfunded. The fair value of plan assets is nil, as employees' contributions in the plan were credited to the Consolidated Fund.

Effect on Future cash flows not disclosed in Compliance with IPSAS Requirements

Background Information

Paragraph 149 of IPSAS 39, *Employee Benefits*, requires disclosure of an indication of the effect of the defined benefit plan on the entity's cash flow. In particular, information about the maturity profile of the defined benefit obligation. This will include the weighted average duration of the defined benefit obligation and may include other information about the distribution of the timing of benefit payments, such as a maturity analysis of the benefit payments.

Finding

Information on the maturity profile of the defined benefit obligation was not disclosed.

Treasury's Response

The relevant information will be sought from the actuary and appropriately disclosed in the financial statements for the financial year 2025-26.

2.1.8 Social Benefits liabilities - Rs 164.4 million

Background Information

Social benefits are cash transfers to specific individuals and/or households who meet eligibility criteria, aimed at mitigating the effects of social risks and addresses the needs of society as a whole.

For the financial year 2024-25, social benefits expenses amounting to Rs 88.2 billion were recognised in the Statement of Financial Performance, while social benefits liabilities of Rs 164.4 million were recorded in the Statement of Financial Position.

Findings

■ Measurement of Social Benefits Liabilities Not in Compliance with IPSAS Requirements

Paragraph AG 11 of IPSAS 42 *Social Benefits* provides that “the past event that gives rise to a liability for a social benefit scheme is the satisfaction by each beneficiary of all eligibility criteria to receive a social benefit payment”.

Paragraph AG 15 of IPSAS 42, *Social Benefits* requires that “an entity shall measure the liability for a social benefit scheme at the best estimate of the costs (i.e., the social benefit payments) that the entity expects to make in fulfilling the present obligation represented by the liability. Satisfaction of the eligibility criteria for each social benefit payment is a separate past event, and the liability for each payment is measured separately. The maximum amount to be recognised as a liability is the costs the entity expects to incur in making the next social benefit payment”.

However, the amount of Rs 164.4 million recognised under current liabilities as social benefits represented accruals for social benefit payments that were due as at 30 June 2025 under the 17 social benefit schemes, and were determined using a general accrual basis. Although eligibility for these payments had been assessed, the measurement of the liability did not consider the requirement under IPSAS 42 to measure the obligation with reference to the next social benefit payment.

As a result, the social benefits liability as at 30 June 2025 may have been inaccurately reported.

Treasury's Response

Necessary guidance has been provided to the relevant Ministries/ Departments for the measurement of the above. Treasury places reliance on Accounting Returns provided.

▪ Misstatements of Social Benefits Expenses

Social benefits disbursed through the National Resilience Fund were not accounted for in the Government's financial statements. These include, for example, the *Refund of Registration Duty under the Home Loan / Home Ownership Schemes*, amounting to some Rs 1.8 billion, which represented a transfer to eligible first-time home buyers, aimed at enhancing housing affordability.

The Treasury had not maintained a comprehensive listing of all social benefits schemes paid by the Government, along with their eligibility criteria. Only a listing supporting the figures reported in the financial statements is maintained by Treasury. Consequently, the completeness of social benefits liabilities and social benefits expenses could not be ascertained.

Recommendations

The Accountant General should ensure:

- That social benefit liability is measured in accordance with IPSAS 42 and appropriate disclosures are made.
- That an updated listing of all social benefits schemes provided by the Government, which fall under IPSAS 42, be readily available.

Treasury's Response

Consideration will be given to include the related revenue and expenditure in the financial year 2025-26 budgetary central Government financial statements.

2.1.9 Accounting and Disclosures for Provisions (Rs 1 billion) not in Compliance with IPSAS 19 Requirements

Background Information

As at the reporting date, a total amount of Rs 1 billion was recognised as provisions in the financial statements. This balance comprised:

- (i) Rs 991.8 million recognised in respect of a contractual liability relating to the supply of COVID-19 vaccines; and
- (ii) Rs 38.0 million recognised as a general provision for compensations payable by the Government arising from medical negligence, road accidents, breach of contract, among others.

These provisions were required to be accounted for and disclosed in accordance with IPSAS 19 – *Provisions, Contingent Liabilities and Contingent Assets*.

Findings

- The utilisation of provisions was not in compliance with paragraph 71 of IPSAS 19, which stipulates that a provision shall be used only for expenditures for which the provision was originally recognised. During the financial year 2024-25, payments amounting to Rs 90.6 million relating to medical negligence, road accidents, and breach of contract were offset against the provision, whereas only Rs 36.8 million had been provided for these specific items. This resulted in the use of provisions in excess of, and inconsistent with, the amounts originally recognised for those obligations.
- In addition, the disclosure requirements prescribed under paragraphs 97 and 98 of IPSAS 19 were not complied with. The financial statements did not adequately disclose for each class of provision, information such as the nature of the provision, movements during the year, uncertainties relating to the amount or timing of outflows, and expected reimbursements, where applicable.
- The sum of Rs 991.8 million represents contractual commitment as at 30 June 2025 in respect of Pfizer, Johnson and Johnson, and Sputnik vaccines.
- The misuse of provisions may result in misstatement of liabilities and expenses, thereby affecting the reliability and the faithful representation of the financial statements.

Recommendations

- Management should ensure that provisions are utilised strictly for the purposes for which they were originally recognised, in full compliance with paragraph 71 of IPSAS 19. Any excess payments should be recognised as expenses in the period in which they are incurred rather than offset against unrelated provisions.
- Complete and accurate disclosures should be made in the financial statements in accordance with paragraphs 97 and 98 of IPSAS 19, including detailed movements of provisions, descriptions of their nature, and key assumptions and uncertainties.

2.1.10 Contingent Liabilities

Background Information

Note 47 to the Financial Statements disclosed contingent liabilities amounting to Rs 76.6 billion in respect of 295 legal cases instituted against the Government. The note states that it has not been possible to reliably assess the likelihood of an outflow of economic benefits and, accordingly, all cases were disclosed as contingent liabilities.

IPSAS 19 - *Provisions, Contingent Liabilities and Contingent Assets* requires an entity to assess each obligation to determine whether an outflow of resources is probable, possible, or remote, and to recognise a provision where an outflow is probable and a reliable estimate can be made. Contingent liabilities are to be disclosed only where an outflow is possible but not probable.

Findings

- Estimates were available for each of the 295 legal cases. However, there was no evidence regarding the assessment carried out to determine the probability of an outflow of economic benefits for each cases.
- The disclosure of the aggregate amount of Rs 76.6 billion, without classification was on the probability of an outflow or disclosure of significant individual cases, including their nature, uncertainties involved, and potential financial effects, was not in line with the requirements of IPSAS 19.
- Liabilities that meet the criteria for recognition as provisions may have been omitted, resulting in a potential understatement of liabilities and expenses in the Financial Statements.

Recommendations

The Accountant General should:

- Carry out an assessment of each legal case, in consultation with the Attorney General's Office, to determine the likelihood of an outflow of resources.
- Recognise provisions for legal cases where an outflow is probable and a reliable estimate is available, in accordance with IPSAS 19. Disclose as contingent liabilities of only those legal cases where an outflow is possible but not probable.

Treasury's Response

Discussions and meetings were held with the Attorney General's Office during which it was clarified that neither the probability of judgement nor the amounts involved can be reliably assessed, as outcomes remain subject to the sole discretion of the courts.

2.1.11 Contingent Asset not Disclosed for Probable Receipts in Connection with the Chagos Archipelago

Background Information

According to paragraph 40 of IPSAS 19, *Provisions, Contingent Liabilities and Contingent Assets*, contingent assets usually arise from unplanned or other unexpected events that (i) are not within the control of the entity, and (ii) give rise to the possibility of an inflow of economic benefits or service potential to the entity.

According to paragraph 42, a contingent asset is disclosed where an inflow of economic benefits is probable.

Findings

The Estimates 2025-2026 provides for the following in connection with the Chagos Archipelago:

- Recurrent Revenue of Rs 10 billion in the financial year 2025-26.
- Capital Revenue of Rs 2.4 billion in the financial year 2026-27.

The expected revenue in connection with Chagos Archipelago was not disclosed as contingent asset in the financial statements.

Recommendation

The financial statements should include a disclosure note as a contingent asset, in respect of the probable receipts of revenue in connection with the Chagos Archipelago.

Treasury's Response

The legislation to ratify the Chagos Islands agreement has not yet been finalised.

2.1.12 Accounting Treatment of Special Funds

Background Information

Cash and Bank balances of 7 Special Funds totalling Rs 4.9 billion, represented 35.5 per cent of the Government's Cash and Cash Equivalents of Rs 13.8 billion as at 30 June 2025. In addition, Investments of Rs 903.6 million (amortised cost) relating to 4 Special Funds were recognised. Accordingly, total assets of Rs 5.8 billion relating to the Special Funds, with corresponding Net Assets/Equity, were included in the Statement of Financial Position.

During the financial year 2024-25, the Government disbursed Rs 10.3 billion to 2 Special Funds, which were recognised as expenditure under "Grants" in the Statement of Financial Performance.

Findings

- Funds disbursed to Special Funds were included in expenditure under "Grants" in the Statement of Financial Performance. Unspent funds were accounted as Cash and Cash Equivalents and Investments of the Government in the Statement of Financial Position as at 30 June 2025.
- This issue was previously reported in the Audit Report for the financial years 2022-23 and 2023-24. Although, the Treasury indicated that the accounting treatment would be reviewed in its reply dated 30 January 2025 (Reference: TREA/CF/3079 Vol V), the matter remains unresolved.
- Furthermore, amendments to the Finance and Audit Act in August 2025 provide that, with effect from the financial year 2024-25, the Financial Statements represent those of the BCG exclusively. As Special Funds are separate legal entities, they do not form part of the BCG reporting entity.
- As it stands, Special Funds prepare their own set of financial statements, which are then included in the financial statements of the BCG.

Recommendations

- The accounting treatment of Special Funds should be reviewed and aligned with the amended Finance and Audit Act. Assets and Net Assets/Equity of Special Funds should be excluded from the BCG's Financial Statements.
- Clear accounting policies and guidelines should be established and consistently applied for the accounting treatment of Special Funds to prevent recurrence of this issue in future financial periods.

Treasury's Response

This matter will be taken up again with the Ministry of Finance for further discussion and agreement.

2.1.13 Inventories – Rs 1.5 billion

Background Information

The inventories figure amounting to Rs 1.5 billion as at 30 June 2025 was based on Accounting Returns of inventory submitted by Ministries and Departments and were not complete and accurate.

Findings

An examination of the Accounting Returns of inventory were carried out at Ministries and Departments and showed the following as at November 2025.

- **Ministry of Health and Wellness - Rs 723,303,244**
 - (i) Returns on inventories were not submitted by 148 health institutions.
 - (ii) Returns on inventories did not include the closing stock figure of pharmaceutical products.
 - (iii) In most cases, the returns were not supported by a listing showing inventory items and values.
- **Mauritius Police Force - Rs 537,785,137**
 - (i) The Mauritius Police Force had 15 stores with a stock value of Rs 537.8 million. The figures were obtained from ledger balances instead of a physical stock take.
 - (ii) The inventories figure in the financial statements is valued at the lower of cost and replacement cost/net realisable value. In respect of the 13 stores, the replacement cost/net realisable value figures were not worked out.

Recommendation

All Accounting Returns on inventories should be verified by the Treasury in order to ensure accurate figures were presented in the financial statements.

Treasury's Response

As regards to discrepancies noted and quality of information submitted to the Treasury through ACR of inventories, the onus rests with Accounting Officers of Ministries/Departments to maintain proper accounting records to ensure that correct information is submitted for the preparation of the financial statements or for any other purpose as may be required.

At Treasury level, opening balances are reconciled, ACR are reviewed for arithmetical accuracy and to the extent practicable, checks are performed on the proper recording and classification of items reported therein.

2.1.14 Loans and Advances - Non-Compliance with IPSAS Disclosure Requirements

Background

Paragraph 37(c) of IPSAS 30 – *Financial Instruments: Disclosures*, states that for concessionary loans granted and measured at amortised cost in accordance with Paragraph 40 of IPSAS 41 - *Financial Instruments*, an entity shall disclose the purpose and terms of the various types of loans.

Note 7 - (Loans and Advances) to the financial statements stated: “Details of the total loans granted by the Government are provided in Statement of all Outstanding Loans financed from Revenue as at 30 June 2025.”

Finding

The Financial Statements did not provide disclosure on the purpose and terms of the various types of loans as required by Paragraph 37(c) of IPSAS 30.

Recommendation

Necessary disclosure should be made in compliance with IPSAS 30 and IPSAS 41.

2.1.15 Financial Guarantee Liabilities - Non-Compliance with IPSAS Disclosure Requirements

Background Information

Paragraph 42 M of IPSAS 30 - *Financial Instruments: Disclosures*, states that an entity shall disclose the exposure to credit risk on financial guarantee contracts.

Paragraph 42 K(a) and 43(a) require disclosure of the amount that best represents the entity's maximum exposure to credit risk. For a financial guarantee, the maximum exposure to credit risk is the maximum amount the entity would have to pay if the guarantee is called on, which may be significantly greater than the amount recognised as a liability.

Paragraph 46 (a) of IPSAS 30 states that an entity shall disclose a maturity analysis for non-derivative financial liabilities (including issued financial guarantee contracts) that shows the remaining contractual maturities. Paragraph 46 (c) states that it should disclose a description of how it manages the liquidity risk inherent in (a).

Findings

- In line with the disclosure requirements of Paragraph 42M, 42K(a) and 43(a) of IPSAS 30, the disclosures relating to Financial Guarantee Liabilities provided in Notes 2.15(iv) and 21 to the financial statements were not adequate.
- Although the maturity analysis of Financial Guarantees has been disclosed at Note 21 to the financial statements, a description of how the government manages the liquidity risk as required by Paragraph 46 (c) was not provided.

Recommendation

Necessary disclosures should be made in compliance with IPSAS 30.

Treasury's Response

Necessary disclosures in accordance with IPSAS 30 will be made in the Financial Statements for the financial year 2025-26.

2.1.16 Statement of Financial Performance - Deficit for the Year – Rs 51.4 billion

According to the Statement of Financial Performance, prepared on an accrual basis, the deficit for the financial year ended 30 June 2025 amounted to Rs 51.4 billion, compared to a deficit of Rs 21.4 billion for the financial year ended 30 June 2024. This represents a significant increase in the annual deficit of Rs 30 billion, 140 per cent over the previous year.

2.2 Public Sector Debt

Background Information

Government Debt Management is the process of establishing and executing a strategy for managing the Government's debt to meet the borrowing needs of the Government in a manner that avoids market disruption, minimises the cost of the debt portfolio within an acceptable level of risk, and supports the development of a well-functioning market for Government securities.

2.2.1 Public Sector Debt as at 30 June 2025

As per the Public Debt Management Act, Public Sector Debt consists of debts of the Central Government, Extra Budgetary Units, Public Corporations, Rodrigues Regional Assembly, and Local Authorities.

Findings

▪ Public Sector Debt Stock Increased by 47.9 per cent Over the Past 5 Financial Years

Total Public Sector Debt (PSD) Stock increased by Rs 200.8 billion, representing a 47.9 per cent rise, from Rs 419.4 billion as at 30 June 2021 to Rs 620.2 billion as at 30 June 2025. Details are given in Table 2-4.

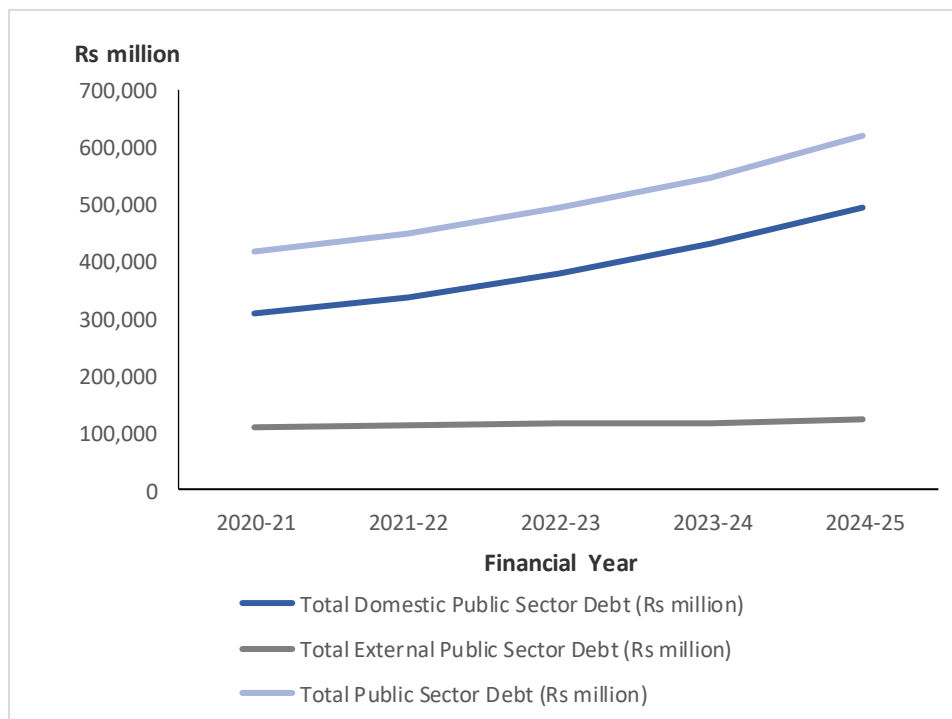
Table 2-4 Public Sector Debt Stock as at 30 June 2021 to 30 June 2025

Debt Category	30-Jun-25 Rs million	30-Jun-24 Rs million	30-Jun-23 Rs million	30-Jun-22 Rs million	30-Jun-21 Rs million	% increase/ (Decrease) over the five years
Budgetary Central Government (BCG) Debt						
BCG – Domestic	474,075	406,861	365,214	326,979	307,559	54.1
BCG – External	97,127	85,460	83,873	84,459	85,106	14.1
	571,202	492,321	449,087	411,438	392,665	
Guaranteed by Government						
Extra Budgetary Units	24	24	24	24	24	-
Public Corporations	32,784	38,628	39,027	36,463	32,986	(0.6)
	32,808	38,652	39,051	36,487	33,010	
Non- Guaranteed by Government						
Extra Budgetary Units	91	96	101	106	112	(18.8)
Public Corporations	31,464	28,473	25,597	16,776	6,519	382.7
	31,555	28,569	25,698	16,882	6,631	
Sub Total	635,565	559,542	513,836	464,807	432,306	
Less Consolidation Adjustments	(15,358)	(13,394)	(18,270)	(15,512)	(12,948)	18.6
Total Public Sector Debt Comprising:	620,207	546,148	495,566	449,295	419,358	47.9
Total Domestic Public Sector Debt	495,653	429,961	380,299	336,124	308,560	60.6
Total External Public Sector Debt	124,554	116,187	115,267	113,171	110,798	12.4

Source: Statement of Public Sector Debt as at 30 June 2021 to 30 June 2025

Note: Public Corporations consist of Financial and Non-Financial Corporations. Financial Corporations include DBM, MauBank Holdings Ltd, SIC amongst others, and Non-Financial Corporations include Airport Terminal Operations Ltd, CEB, CWA, Mauritius Telecom Ltd, SBM (Mauritius) Infrastructure Development Company Ltd, STC, SIT amongst others. Extra Budgetary Units consist of the University of Mauritius and Small Entrepreneurs.

Figure 1 depicts the progression of the Public Sector Debt over the past 5 years.



Source: Statement of Public Sector Debt as at 30 June 2021 to 30 June 2025

Figure 1 Total Public Sector Debt Stock over the past 5 years

▪ **Consolidation Adjustment Rs 15.4 billion.**

The PSD before and after the deduction of consolidation adjustments for the financial years 2020-21 to 2024-25 is shown in Table 2-5.

Table 2-5 Public Sector Debt before and after consolidation adjustment

Financial Year	Public Sector Debt (before adjustment) Rs million	Consolidation Adjustment Rs million	Public Sector Debt (after adjustment) Rs million
2020-21	432,306	(12,948)	419,358
2021-22	464,807	(15,512)	449,295
2022-23	513,836	(18,270)	495,566
2023-24	559,542	(13,394)	546,148
2024-25	635,565	(15,358)	620,207

Source: Statements of Public Sector Debt as at 30 June 2021 to 30 June 2025

The consolidation adjustment represented investments held by Non-Financial Public Corporations, Statutory Bodies, and Local Authorities in Treasury Bills, Government of Mauritius Bonds, Treasury Notes, Treasury Certificates, and domestic loans from SIC Development Co Ltd.

The PSD figure of Rs 635.6 billion was adjusted to Rs 620.2 billion as a result of a consolidation adjustment of Rs 15.4 billion made in line with the IMF Government Finance Statistics Manual, which requires that inter-sectoral and intra-sectoral transactions be netted.

The consolidation adjustments are made to eliminate reciprocal debt liabilities and assets of different entities in order to present information about the public sector as a single entity.

▪ **Public Sector Domestic Debt Increased by 60.6 per cent Over the Past 5 Financial Years**

As at 30 June 2025, the total Public Sector Domestic Debt commitments stood at Rs 495.7 billion, represented 79.9 per cent of the total PSD of Rs 620.2 billion. This represents an increase of 15.3 per cent over PSD stock of Rs 430 billion as at 30 June 2024.

Over the past 5 years, the Public Sector Domestic Debt stock has increased by 60.6 per cent, that is by Rs 187.1 billion, from Rs 308.6 billion as at 30 June 2021 to Rs 495.7 billion as at 30 June 2025.

▪ **Public Sector External Debt Stock Increased by 12.4 per cent Over the Past 5 Financial Years**

Public Sector External Debt stock comprises BCG External Debt and External Guaranteed debts of Public Corporations.

As at 30 June 2025, the Public Sector External Debt stock of Rs 124.5 billion constituted 20.1 per cent of total Public Sector Debt stock of Rs 620.2 billion, which is in line with the Government objective to keep the share of Government foreign debt below 24 per cent (Estimates 2024-2025 - Debt Management Strategy).

The Public Sector External Debt stock has maintained an upward trend over the past 5 years, increased by 12.4 per cent from Rs 110.8 billion as at 30 June 2021 to Rs 124.5 billion as at 30 June 2025, with a marked increase in the financial year 2024-25.

This rise was mainly driven by an increase in BCG External Debt of Rs 11.6 billion from Rs 85.5 billion as at 30 June 2024 to Rs 97.1 billion as at 30 June 2025, highlighting continued dependence on external financing to finance budget deficits and major infrastructure projects.

New Loans Contracted during Financial Year 2024-25 – Rs 13.5 billion

During the financial year 2024-25, additional loans of Rs 13.5 billion, at nominal value, were contracted by the Government from external financial institutions as compared to Rs 3.6 billion, at nominal value, during the financial year 2023-24. These include:

- (i) An amount of Rs 11 billion (USD 240 million) for a new loan and the agreement was signed in August 2024 with the African Development Bank. The objective of the loan was to provide assistance in financing the economic competitiveness and resilience support program of the Government.
- (ii) In October 2024, an amount of Rs 21.1 million (USD 460,000) was withdrawn to finance the Front-end Fee for a new loan agreement signed in July 2024 with the International Bank for Reconstruction and Development, for the Rodrigues Airport Project. As at 30 June 2025, no further withdrawal has been made.

The first disbursement occurred in November 2025, 16 months after the agreement was signed, indicating inefficiencies in project execution. As a result, a total amount of Rs 21.2 million (Rs 10.8 million in March and Rs 10.4 million in September 2025), was paid as Commitment Fees on the undrawn balance.

▪ **Significant Commitment Fees totalling Rs 30.1 million paid on Undrawn Loan Balances**

During the financial year 2024-25, commitment fees paid on undrawn loan balances totalled Rs 30.1 million, comprising Rs 17.6 million for the water sector budget support loan, Rs 10.8 million for the Rodrigues Airport Project, Rs 1.6 million for the Grand Baie Sewerage Project and Rs 100,000 for the Procurement of Defence Equipment, resulting in unnecessary expenditure.

Recommendation

The Government should strengthen project planning and align implementation schedules to ensure that loan agreements are signed and become effective only when project activities are ready to start.

Ministry's Response

Financing has to be mobilised and loan agreement signed before the start of the actual process for procurement, as the tender documents should provide that the financing has been secured for implementation of the project. Delays in loan drawdowns are due to various issues rather than weaknesses in project planning only.

▪ **Unrealised Exchange Losses on External Debt Stock**

Table 2-6 provides a breakdown of the BCG External Debt stock by currency over the past 5 financial years.

Table 2-6 Currency Composition of BCG External Debt

	2020-21	2021-22	2022-23	2023-24	2024-25
	million	million	million	million	million
United State Dollar (USD)	120.1	116.3	353.4	345.0	575.5
Japanese Yen (JPY)	31,022.7	31,055.4	31,098.7	30,182.9	28,767.1
European Union (EUR)	808.1	763.6	724.7	753.0	768.4
Great Britain Pound (GBP)	27.7	24.3	21.0	17.6	14.3
Chinese Yuan (CNY)	607.9	505.9	399.0	314.0	246.0
Special Drawing Rights (SDR)	97.0	233.3	233.2	233.2	233.2
Saudi Riyal (SAR)	104.9	127.5	186.2	198.1	189.3
Kuwati Dinar (KWD)			1.8	2.9	3.6
Gain/(Loss) on Foreign Exchange (Rs million)	(6,546.7)	3,984.6	(2,093.2)	(1,146.2)	(1,455.9)

Source: Statement of Public Sector Debt as at 30 June 2021 to 30 June 2025 and Notes to Financial Statements for financial years 2020-21 to 2024-25

The exchange rate fluctuations had a significant impact on BCG's external debt, including debt servicing, with unrealised exchange losses ranging from Rs 1.1 billion to Rs 6.5 billion occurring in 4 out of the past 5 financial years.

Recommendation

The Ministry of Finance should consider adopting effective measures to reduce exposure to exchange losses.

Ministry's Response

The rupee's exchange rate is determined by market forces and is influenced by a range of factors, including movements in corresponding currencies on international markets. Government does not have any control on the exchange rate.

However, with a view to minimising exchange losses, the Ministry of Finance has taken a number of measures, including:

- Financing the borrowing requirements of the Government mainly from domestic sources, which has helped to contain the ratio of foreign debt to the total Government Debt to around 17 per cent at the end June 2025;
- Diversifying the currency composition of the foreign debt, that is, contracting foreign debt in other currencies other than relying on USD and Euro denominated debt; and
- Servicing the foreign loans by using FX receipts of the Government so that there is no further loss due to the exchange rate.

2.2.2 Public Sector Debt to Gross Domestic Product

PSD as a percentage of Gross Domestic Product (GDP) is an important debt indicator for assessing a country's debt's financial health and sustainability. It provides a clear picture of the relationship between the total debt owed by the Public Sector and GDP. The Public Debt Management (PDM) Act of 2008 was amended through section 67 of the Finance (Miscellaneous Provisions) Act 2023 to reintroduce a public sector debt ceiling set at 80 per cent of GDP.

With effect from 23 March 2020, the COVID-19 (Miscellaneous Provisions) Act 2020 revised Section 6(1A) of the PDM Act required that the public sector debt be calculated on a "net basis".

However, in August 2025, Section 6(1A) of the PDM Act was repealed through the Finance Act 2025. As a result, with effect from September 2025, Cash and cash equivalents and equity investments will no longer be deducted from the gross PSD and will henceforth be reported on a gross basis.

Findings

▪ Variance Analysis of Public Sector Debt

PSD as a percentage of GDP as outlined in the Estimates 2024-2025 and the actual results are shown in Table 2-7.

Table 2-7 Variance Analysis of Public Sector Debt as a Percentage of GDP

	Estimates 2024-2025	Actual 2024-2025	Variance Over/ (Under)
BCG Debt (Rs billion)	502.8	571.2	68.4
PSD Gross (Rs billion)	567.5	620.2	52.7
PSD Net (Rs billion)	534.8	563.8	29.0
Gross Domestic Product (GDP) (Rs billion)	798.5	716.7	(81.8)
BCG Debt/GDP (per cent)	63.0	79.7	16.7
PSD Gross/GDP (per cent)	71.1	86.5	15.4
PSD Net/GDP (per cent)	67.0	78.7	11.7

Source: Estimates 2024-2025, Statement of Public Sector Debt and Statistics Mauritius, Quarterly National Accounts, 3rd Quarter 2025

Note – PSD Net = PSD Gross MINUS Cash & Cash Equivalent and Equity Investments

The percentage of Budgetary Central Government (BCG) Debt and PSD (Gross) to GDP amounted to 79.7 per cent and 86.5 per cent exceeded the target set in the Estimates 2024-2025 by 16.7 and 15.4 percentage points respectively.

Furthermore, both BCG debt and PSD (Gross) have exceeded the estimated amounts by Rs 68.4 billion and Rs 52.7 billion respectively.

▪ ***Debt-to-GDP Trend During the Last 5 Financial Years***

The Debt-to-GDP ratio during the past 5 years is shown in Table 2-8 and Figure 2.

Table 2-8 - Public Sector Debt as at the end of Financial Years 2021 to 2025

	2020-21	2021-22	2022-23	2023-24	2024-25
Total PSD (Rs billion)	419.4	449.3	495.6	546.1	620.2
GDP (Rs billion)	458.9	525.3	605.6	664.7	716.7
PSD (Gross)/GDP (per cent)	91.4	85.5	81.8	82.2	86.5
PSD Net (Rs billion)	345.0	385.5	427.7	494.2	563.8
PSD Net/GDP (per cent)	75.2	73.4	70.6	74.3	78.7

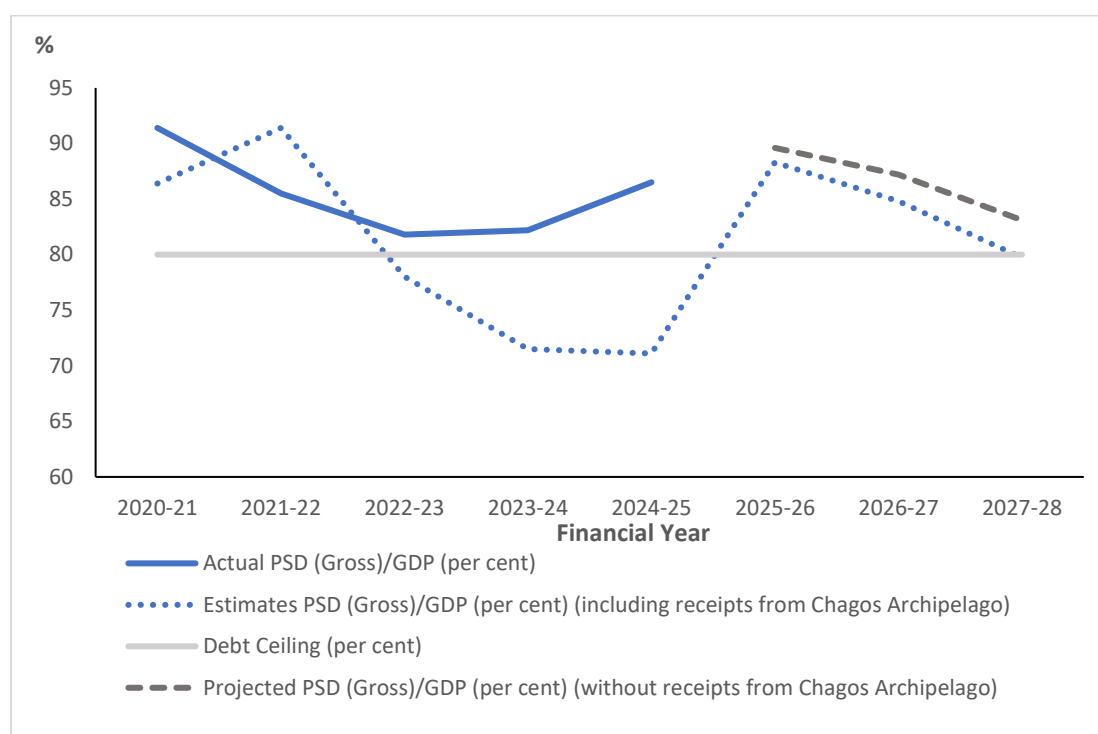
Source: Statement of Public Sector Debt for financial years 2020-21 to 2024-25, Statistics Mauritius and Ministry of Finance Website

The gross PSD-to-GDP ratio increased by 4.3 percentage points from 82.2 per cent as at 30 June 2024 to 86.5 per cent as at 30 June 2025, exceeding the 80 per cent debt ceiling reinstated in the PDM Act.

As at 30 June 2025, cash and cash equivalents and equity investments totalling Rs 56.4 billion were deducted from the PSD (Gross) figure of Rs 620.2 billion to reach a net PSD figure of Rs 563.8 billion. The net PSD-to-GDP ratio increased from 74.3 per cent as at 30 June 2024 to 78.7 per cent as at 30 June 2025.

The net PSD increased sharply from Rs 345 billion to Rs 563.8 billion over the past 5 years, indicating that the net debt burden remained high even after offsetting cash and cash equivalents and equity investments.

Figure 2 compares Actual PSD (Gross) as a percentage of GDP, Estimated/Projected PSD, and the statutory debt ceiling of 80 per cent of GDP over the financial years 2020-21 to 2027-28.



Source: Statement of Public Sector Debt as at 30 June 2021 to 30 June 2025, Estimates 2020-2021 to 2025-2026 and GDP- Statistics Mauritius Website

Figure 2 PSD as a percentage of GDP: Actuals, Estimates & Projections

Finding

The actual debt levels were significantly higher compared to the forecast for the financial year 2023-24 and 2024-25. Significant and recurring variances between estimated and actual debt ratios represented shortcomings in fiscal forecasting.

When debt remains high, public finances are more exposed to shocks from higher borrowing costs, refinancing challenges, and slower economic growth.

Recommendation

Appropriate fiscal policies should be developed and implemented by the Ministry of Finance to restore the Public Sector Debt-to-GDP ratio to below the statutory threshold of 80 per cent.

Ministry's Response

An economic reform and fiscal consolidation programme are being implemented as from the financial year 2025-26 as announced in the 2025-2026 Budget Speech. The objective is to boost economic growth and reduce the budget deficit and public sector debt to GDP ratio.

2.2.3 Debt of the Budgetary Central Government

As at 30 June 2025, BCG's Debt with a nominal value of Rs 571.2 billion was accounted for at an amortised cost of Rs 566.9 billion, consisting of Rs 475.1 billion of BCG Domestic Debt and Rs 91.8 billion of BCG External Debt.

Amortised cost represents the present value of a debt's future cash flows, calculated using the effective interest rate method. This method allocates the interest expense over the relevant period and adjusts the debt's carrying amount to reflect these changes.

Findings

▪ BCG Debt Servicing over the past 5 Financial Years

The BCG debt servicing included capital repayments, interest payments on both Domestic and External Debts, and management service charges associated with these debts.

Government debt servicing as per 'Detailed Statement of Expenditure of the Consolidated Fund' for the past 5 financial years is shown in Table 2-9.

Table 2-9 Government Debt Servicing for Financial Years 2020-21 to 2024-25

	2020-21	2021-22	2022-23	2023-24	2024-25
Particulars	Rs million	Rs million	Rs million	Rs million	Rs million
Interests*					
External Debt	577.4	552.0	1,265.3	1,505.8	2,245.3
Domestic Debt	11,837.3	12,698.1	14,343.8	16,331.5	19,568.0
Management Service Charges	70.4	12.6	33.2	38.1	85.2
Sub Total	12,485.1	13,262.7	15,642.3	17,875.4	21,898.5
Capital Repayments					
External Debt	4,949.4	5,153.6	15,543.6	3,597.8	3,457.1
Domestic Debt	92,979.1	109,829.5	96,741.5	104,182.8	148,593.3
Sub Total	97,928.5	114,983.1	112,285.1	107,780.6	152,050.4
Total Government Debt Servicing	110,413.6	128,245.8	127,927.4	125,656.0	173,948.9

Source: Treasury Accounting Systems

* Interest is computed on an accrual basis

Total debt servicing increased from Rs 110.4 billion in the financial year 2020-21 to Rs 173.9 billion in the financial year 2024-25, reflecting an overall increase of 57.5 per cent.

Domestic debt servicing accounted for the major share of both interest payments and capital repayments throughout the period. Domestic debt capital repayments increased significantly from Rs 93 billion in the financial year 2020-21 to Rs 148.6 billion in the financial year 2024-25, indicating heavy reliance on domestic borrowing and refinancing on the domestic market.

Interest payments also showed a rising trend. Domestic debt interest increased by 65.3 per cent, while interest on external debt rose sharply from Rs 577.4 million to Rs 2.2 billion, reflecting increased external borrowings and exposure to interest rate and exchange rate risks.

▪ Ratios of Interest Payments to Revenue, Expenditure, and GDP

The ratios of interest payments to revenue, expenditure, and GDP are shown in Table 2-10.

Table 2-10 Interest Payments on BCG Debt for financial years 2020-21 to 2024-25

	2020-21	2021-22	2022-23	2023-24	2024-25
Recurrent Revenue (Rs million)	129,494	131,196	146,481	159,852	184,444
Interest Payments* (Rs million)	12,485	13,263	15,642	17,875	21,899
Total Government Debt Servicing	110,414	128,246	127,927	125,656	173,949
Total Recurrent Expenditure (Rs million)	138,797	139,494	158,110	182,478	226,933
Total Expenditure (Rs million)	297,278	283,660	292,848	311,519	416,675
GDP (Rs million)	458,897	525,348	605,571	664,741	716,656
Interest Payments/GDP (per cent)	2.7	2.5	2.6	2.7	3.1
Interest Payments/Recurrent Revenue (per cent)	9.6	10.1	10.7	11.2	11.9
Interest Payments/Total Recurrent Expenditure (per cent)	9.0	9.5	9.9	9.8	9.6
Total Government Debt Servicing/Total Expenditure (per cent)	37.1	45.2	43.7	40.3	41.7

Source: Statement of Comparison of Budget Estimates and Actual Amounts (Classification of Expenses by Nature), Detailed Statement of Expenditure of the Consolidated Fund, Statistics Mauritius and NAO workings

**Interest Payments include management service charges.*

Ratio of Interest payments to GDP – Increase from 2.7 per cent to 3.1 per cent

The ratio of interest payments to GDP increased from 2.7 per cent in the financial year 2020-21 to 3.1 per cent in the financial year 2024-25, representing an increase of 15 per cent over the past 5 years.

Additionally, it is to be highlighted that the Estimates 2024-2025 specified a target of 2.4 per cent to be reached by the end of June 2027.

Government Debt Servicing represented 41.7 per cent of Total Government Expenditure

The share of Government debt servicing to total Government expenditure (Detailed Statement of Expenditure of the Consolidated Fund) was high between the financial year 2020-21 and 2024-25, ranging from 37.1 per cent to 45.2 per cent, as shown in Table 2-10.

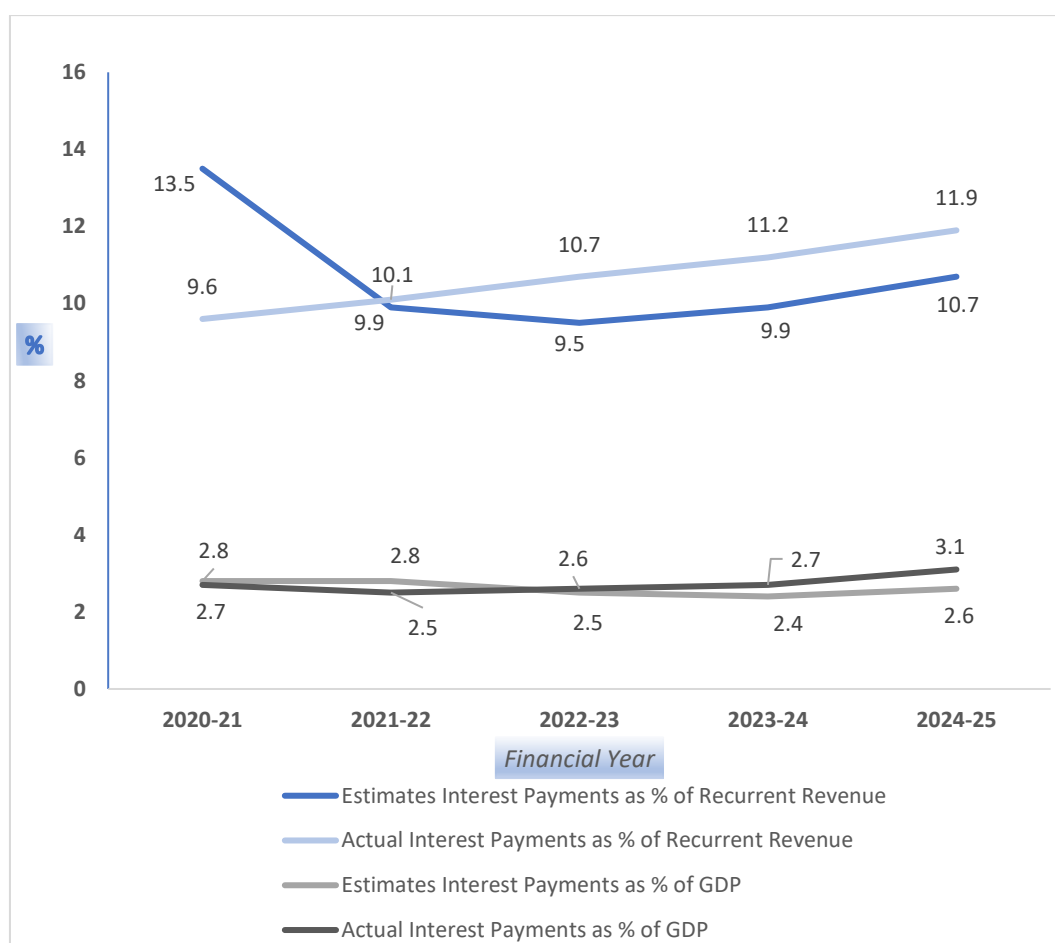
This implies that a large part of the Government's spending was used to repay debt and pay interest.

Interest payments to recurrent revenue – Increase from 9.6 per cent to 11.9 per cent

Total interest payments out of recurrent revenue increased significantly from the financial year 2020-21 to 2024-25, rising from 9.6 per cent to 11.9 per cent (Figure 3).

It is to be noted that the Estimates 2024-2025 set a target of 9.6 per cent to be achieved by the end of June 2027.

This ratio reflects the share of total recurrent revenue that is spent on interest payments. A high ratio indicates that interest payments are taking up a large portion of the government's recurrent budget.



Source: Detailed Statement of Expenditure of the Consolidated Fund, Estimates 2020-2021 to 2024-2025 and Statistics Mauritius

Figure 3 Government Interest Payment Burden: Actuals and Estimates

▪ **Maturity Structure of Government Securities**

The maturity profile of the outstanding Government Securities as at 30 June 2025 is shown in Table 2-11.

Table 2-11 Maturity Structure of Government Securities

Maturity Period	Treasury Bills	Treasury Certificates	Treasury Notes	Savings Bonds	GOM Bonds	Silver Bonds	Total	%
	Rs million	Rs million	Rs million	Rs million	Rs million	Rs million	Rs million	
2025-26	85,200	11,772	18,600	-	32,612	-	148,184	31
2026-27	-	-	26,820	-	27,443	-	54,263	11
2027-28	-	-	26,600	-	21,824	-	48,424	10
2028-29	-	-	-	234	21,696	-	21,930	5
2029-30	-	-	-	-	37,332	-	37,332	8
2030-31	-	-	-	-	157,840	5,850	163,690	35
Onwards								
Total	85,200	11,772	72,020	234	298,747	5,850	473,823	100

Source: Ledger of Respective Securities

Domestic Debt - Holdings of Government Securities by Creditor Type

Table 2-12 outlines the composition of PSD by creditor type.

Table 2-12 Holdings of Government Securities by Creditor Type as at 30 June 2025

Investors	Rs million	% Holdings
Banking Sector	272,120	57.4
Non-Bank Sector	201,703	42.6
Total Government Securities	473,823	100.0
Public Corporations	120,999	25.5
<i>Of which</i>		
National Pensions Fund	48,943	10.3
National Savings Fund	22,614	4.8
Insurance Sector	31,463	6.6
O/W Financial Public Corporations	3,458	0.7
Non-Financial Public Corporations	14,521	3.1
Private Sector Entities	62,244	13.1
<i>Of which</i>		
Pensions Fund	10,738	2.3
Insurance Companies	24,922	5.3
Others	26,585	5.6
Individual Residents	17,876	3.8
Non-Residents	584	0.1
Banking Sector	272,120	57.4
Total	473,823	100.0

Source: Ministry of Finance Website

Findings

The banking sector's share of government securities was 57.4 per cent of total holdings, while the non-bank sector accounted for the remaining 42.6 per cent.

Of the total government securities, 25.5 per cent were held by public sector entities, 10.3 per cent by the National Pensions Fund and 4.8 per cent with the National Savings Funds, indicating significant intra-government financing, whereby public institutions indirectly finance government debt.

Individual residents held 3.8 per cent (Rs 17.9 billion) of the government securities as at 30 June 2025.

Annual Issue of Government Securities exceeded Redemption

The Government raised funds for public expenditure by issuing financial instruments, such as bonds, securities, and other debt instruments.

Table 2-13 shows the issues and redemptions of the main financial instruments, namely Treasury Bills, Treasury Certificates, Treasury Notes, Savings Bonds and Government Bonds for the past 5 financial years.

*Table 2-13 Issues and Redemptions of Government Securities –
Past 5 Financial Years*

	30 June 2021 Actual Rs billion	30 June 2022 Actual Rs billion	30 June 2023 Actual Rs billion	30 June 2024 Actual Rs billion	30 June 2025 Estimates Rs billion	Actual Rs billion
Issues	107.4	127.9	122.9	144.4	160.0	213.9
Redemption	92.9	109.7	96.5	104.0	139.1	148.4
Excess Issues Over Redemption	14.5	18.2	26.4	40.4	20.9	65.5

Source- Treasury Accounting System

Over the past 5 financial years, there has been an excess of issues of Government securities over redemptions, resulting in a continuous increase in outstanding domestic debt. Issues nearly doubled from Rs 107.4 billion in the financial year 2020-21 to Rs 213.9 billion in the financial year 2024-25, while redemptions increased at a slower pace. Consequently, excess issues rose significantly from Rs 14.5 billion to Rs 65.5 billion, indicating growing reliance on net domestic borrowing. This trend has increased future debt servicing obligations and refinancing risks.

Recommendation

The Ministry of Finance should align its borrowing practices with sound fiscal policies and robust debt management strategies to ensure the sustainability of public debt. In addition, it should develop and implement economic strategies to promote higher economic growth, that will positively impact the debt-to-GDP ratio.

2.2.4 Increase in Domestic Non-Guaranteed debt contracted by Public Corporations

Domestic-Non-Guaranteed Debt of Public Corporations, comprising loans and overdraft facilities from local banks, are included in Total Public Sector Debt.

Findings

- As at 30 June 2025, the outstanding balance of those debts stood at Rs 31.5 billion compared to Rs 28.5 billion as at 30 June 2024, representing an increase of 10.5 per cent.
- During the financial year 2024-25, new loans totalling Rs 6.3 billion were contracted by 4 Public Corporations (State Trading Corporation, Mauritius Civil Service Mutual Aid Association Ltd, Central Electricity Board (CEB), and Central Water Authority (CWA). The new Loans contracted by the CEB and CWA pertained to overdraft facilities reflecting short-term liquidity pressures.
- During the financial year 2024-25, 4 new public corporations, namely Cyber Properties Investment Ltd, Landscape Solar Ltd, Manufacturing Ltd and Jet Prime Ltd have been added to the debt portfolio. As of 30 June 2025, the outstanding balance of these loans totalled Rs 495.7 million.
- Outstanding debts of the State Trading Corporation increased from Rs 2.6 billion as at 30 June 2024 to Rs 4 billion as at 30 June 2025, representing an increase of 53.8 per cent.

Recommendation

Public corporations and their respective Parent Ministries should strengthen financial planning, project appraisal, and internal controls mechanisms within public corporations to ensure that borrowings are used efficiently and for economically viable projects.

Ministry's Response

All loans contracted by public corporations are subject to approvals by their respective Board of Directors and Parent Ministry, which should ensure that the projects are economically viable and that borrowings are contracted on a need basis, taking into account repayment capacity.

Moreover, as per the Financial Instructions No.1 of 2018, all borrowings by public corporations to finance projects, whether such borrowings require Government guarantee or not, shall need the written prior approval of the Ministry of Finance.

The dedicated unit set up at the level of the Ministry of Finance is continuously monitoring the performance of public corporations.

2.3 Statement of Comparison of Budget Estimates and Actual Amounts

Background Information

The approved budget for the financial year 2024-25 included estimates of revenue as well as estimates of recurrent and capital expenditure of the Government appropriated by votes. The original estimate of revenue was Rs 210.5 billion.

The National Assembly approved the original expenditure estimates of Rs 216.8 billion on 26 June 2024 and supplementary estimates of Rs 21 billion on 24 April 2025.

Findings

▪ Increase in borrowing requirements from an estimated figure of Rs 38 billion to Rs 76.3 billion

Due to lower actual revenue collections and higher actual expenditure compared to the estimates, resulted in a higher deficit in the financial year 2024-25, the Government's actual borrowing requirements to finance the deficit amounted to Rs 76.3 billion, significantly exceeding the estimated figure of Rs 38 billion. This represented 10.6 per cent of GDP, well above the 4.8 per cent projected in the Estimates 2024-2025, representing more than twice the projected level of 4.8 per cent.

A summary of the comparison of Budget Estimates and Actual Amounts for the financial year 2024-25 is provided in Table 2-14.

Table 2-14 Comparison of Budget Estimates and Actual Amounts for the Financial Year 2024-25

	Original Estimates Rs million	Total Provisions Rs million	Actual Amount Rs million	Variance** Rs million
Revenue Budget				
Recurrent Revenue	206,820	206,820	184,444	(22,376)
Capital Revenue	3,680	3,680	1,177	(2,503)
Total Revenue	210,500	210,500	185,621	(24,879)
Expenditure Budget				
Recurrent Expenditure	210,100	228,581	226,933	(16,833)
Capital Expenditure	27,218	29,084	25,466	1,752
Total Expenditure	237,318	257,665	252,399	(15,081)
Difference between Total Revenue and Total Expenditure (Budget/Actual Balance)	(26,818)	(47,165)	(66,778)	(39,960)
Budget/Actual Balance (as % of GDP)	(3.4)	(5.9)	(9.3)	
Net Acquisition of Financial Assets	(11,510)	(12,156)	(11,365)	145
Adjustment for difference in cash and accrual interest	300	300	1,835	(1,535)
Government Borrowing Requirements	(38,028)	(59,021)	(76,308)	(38,280)
Government Borrowing Requirements as % of GDP	(4.8)	(7.4)	(10.6)	
Domestic Financing	24,028	45,074	66,010	41,982
Foreign Financing	14,000	13,947	10,298	(3,702)

Source: Statement of Comparison of Budget Estimates and Actual Amounts for the financial year 2024-25 (Classification of Expenses by Nature) and NAO workings

Note: Estimated GDP 2024-25 – Rs 798.5 billion (Source- Estimates 2024-2025) and GDP 2024-25 – Rs 716.7 billion (Source: Website – Statistic Mauritius, Quarterly National Accounts 3rd Quarter 2025)

** Estimate Total Expenditure – Rs 237,318 million comprised Original Estimates of Expenditure - Rs 216,800 million PLUS Expenditure Charged Statutorily (Public Service Pension PLUS Government Debt Servicing – Management Service Charges and Interests) – Rs 33,000 million LESS Acquisition of Financial Assets - Rs 12,480 million*

*** Variance-Difference between Actual Amount and Original Estimates*

Ministry's Response

The estimates for revenue is based on estimated GDP figure and other economic variables. For the financial year 2024-25, at the time of budget preparation, GDP at current market prices was estimated to be Rs 798.5 billion. However, actual GDP for the financial year 2024-25 turned out to be Rs 716.7 billion (i.e lower by 10 per cent compared to the estimates). This reduction in GDP had a direct impact on revenue collection.

▪ Increase in Budget Deficit – Rs 40 billion

(i) Total Expenditure (Recurrent and Capital) exceeding Total Revenue (Recurrent and Capital)

In the financial year 2024-25, the Government's total revenue amounted to Rs 185.6 billion, falling short of the estimated amount of Rs 210.5 billion by Rs 24.9 billion. This shortfall was mainly due to decrease in tax receipts below the estimates by 10.5 per cent, and the actual collections being Rs 163.5 billion as compared to the estimated Rs 182.6 billion.

Moreover, total Government expenditure reached Rs 252.4 billion, exceeding the approved estimate of Rs 237.3 billion by Rs 15.1 billion. This increase was mainly attributable to higher spending on Social Security and National Solidarity (actual Rs 73.1 billion against budgeted Rs 67.3 billion), the Ministry of Health and Wellness (actual Rs 18.6 billion against budgeted Rs 17.2 billion), and Centrally Managed Initiatives of Government (actual Rs 48.3 billion against budgeted Rs 36.9 billion), among other spending items.

As a result, the budget deficit, initially projected at Rs 26.8 billion, escalated to Rs 66.8 billion, that is an increase of Rs 40 billion. Consequently, the budget deficit as a percentage of GDP increased from the estimated 3.4 per cent to an actual 9.3 per cent. This significant deviation of 2.7 times from the budgeted deficit indicated that the Government's objective to reduce the budget deficit as a percentage of GDP, as outlined in the Estimates 2024-2025, was not achieved.

(ii) Continuous Recurrent Revenue Shortfalls and Recurrent Expenditure Overruns Over the Past 5 Years

The estimates and actual, recurrent revenue and expenditure for the financial year 2024-25 is given in Table 2-15.

Table 2-15 Recurrent Revenue and Expenditure for Financial Years 2020-21 to 2024-25

	2020-21	2021-22	2022-23	2023-24	2024-25
	Rs billion	Rs billion	Rs billion	Rs billion	Rs billion
ESTIMATES					
Revenue	132.9	133.8	148.3	176.8	206.8
Expenditure	132.9	135.3	154.5	178.4	210.1
Recurrent Balance	-	(1.5)	(6.2)	(1.6)	(3.3)
GDP	452.3	499.8	576.1	722.9	798.5
Recurrent Balance as a % of GDP	-	(0.3)	(1.1)	(0.2)	(0.4)
ACTUAL					
Revenue	129.5	131.2	146.5	159.9	184.4
Expenditure	138.8	139.5	158.1	182.5	226.9
Recurrent Balance	(9.3)	(8.3)	(11.6)	(22.6)	(42.5)
GDP	458.9	525.3	605.6	664.7	716.7
Recurrent Balance as a % of GDP	(2)	(1.6)	(1.9)	(3.4)	(5.9)

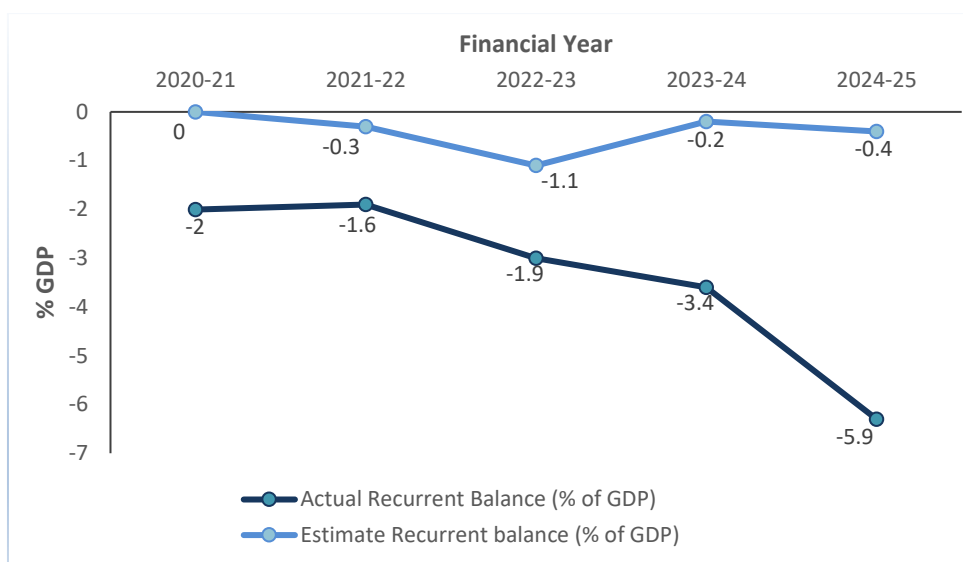
Source: Estimates 2020-2021 to 2024-2025, Statement of Comparison of Budget Estimates and Actual Amounts for the financial years 2020-21 to 2024-25, and GDP – Statistics Mauritius Website

Actual recurrent revenue fell short of budget estimates from 2020-21 to 2024-25. The variance between estimated and actual revenue increased from Rs 3.4 billion in 2020-21 to Rs 22.4 billion in 2024-25. This trend indicates weaknesses in revenue forecasting.

In contrast, actual recurrent expenditure exceeded approved estimates during the past 5 years, reflecting inadequate expenditure control and weaknesses in expenditure forecasting. The level of overspending increased progressively from Rs 5.9 billion in the financial year 2020-21 to Rs 16.8 billion in the financial year 2024-25, placing additional pressure on public finances.

As a result of lower-than-estimated revenue and higher-than-estimated expenditure, the actual recurrent deficits balance increased significantly over the past 4 financial years from Rs 8.3 billion in the financial year 2021-22 to Rs 42.5 billion in the financial year 2024-25.

In addition, recurrent deficits exceeded the estimates in past 5 financial years, with the gap increasing over time as shown in figure 4. By the end of the financial year 2024-25, the recurrent deficit have reached 5.9 per cent of GDP, that is, almost 15 times more than the estimated 0.4 per cent, indicating growing fiscal pressure and weakened budget forecast credibility.



Source: Estimates 2020-2021 to 2024-2025, Statement of Comparison of Budget Estimates and Actual Amounts for the financial years 2020-21 to 2024-25, and GDP – Statistics Mauritius Website

Figure 4 Estimate and Actual Recurrent Balance (% of GDP)

(c) Continuous Capital Revenue Shortfall and Significant Variances in Capital Expenditure

The estimates and the actual capital revenue and expenditure for the financial year 2024-25 are given in Table 2-16.

Table 2-16 Capital Revenue and Expenditure for Financial Years 2020-21 to 2024-25

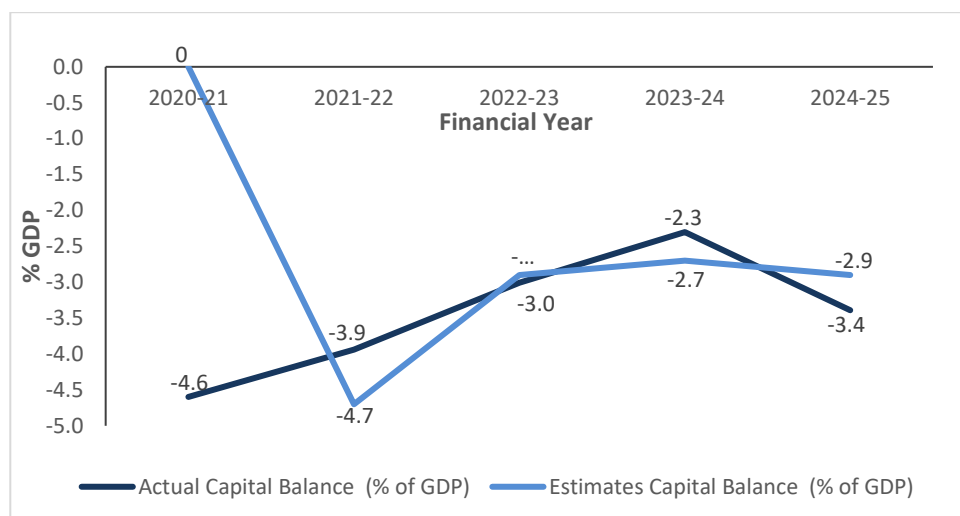
	2020-21	2021-22	2022-23	2023-24	2024-25
	Rs billion	Rs billion	Rs billion	Rs billion	Rs billion
ESTIMATES					
Revenue	30.0	3.9	1.7	2.4	3.7
Expenditure	30.0	27.3	18.4	21.8	27.2
Capital Balance	-	(23.4)	(16.7)	(19.4)	(23.5)
GDP	452.3	499.8	576.1	722.9	798.5
Capital Balance as a % of GDP	-	(4.7)	(2.9)	(2.7)	(2.9)
ACTUAL					
Revenue	24.2	2.0	1.9	1.2	1.2
Expenditure	45.3	22.7	20.1	16.5	25.5
Capital Balance	(21.1)	(20.7)	(18.2)	(15.3)	(24.3)
GDP	458.9	525.3	605.6	664.7	716.7
Capital Balance as a % of GDP	(4.6)	(3.9)	(3.0)	(2.3)	(3.4)

Source: Estimates 2020-2021 to 2024-2025, Statement of Comparison of Budget Estimates and Actual Amounts for the financial years 2020-21 to 2024-25, and GDP – Statistics Mauritius Website

The capital revenue consistently fell short of estimates in financial year 2020-21 to 2024-25 except for 2022-23 where there was a surplus, indicating persistent weaknesses in revenue forecasting. In contrast, capital expenditure showed significant variances, with over-expenditure in the financial years 2020-21 and 2022-23 and under-utilisation of budgeted allocations in financial years 2021-22, 2023-24 and 2024-25, suggesting challenges in project expenditure planning and project execution.

The capital balance was in deficit across the 5 financial years, ranging from Rs 15.3 billion to Rs 24.3 billion.

The capital deficit as a percentage of GDP improved from 4.6 per cent in the financial year 2020-21 to 2.3 per cent in the financial year 2023-24, and worsened to 3.4 per cent in the financial year 2024-25, as shown in Figure 5.



Source: Estimates 2020-2021 to 2024-2025, Statement of Comparison of Budget Estimates and Actual Amounts for the financial years 2020-21 to 2024-25, and GDP – Statistics Mauritius Website

Figure 5 Estimate and Actual Capital Balance (% of GDP)

(d) Variances between Original Estimates and Actual Amounts - Disclosure in Financial Statements

The reasons for material differences between original estimates and actual amounts as disclosed at Note 41 to the financial statements were as follows:

(i) Recurrent Revenue – Decreased by Rs 22.4 billion (10.8 per cent)

The shortfall in recurrent revenue was mainly due to:

- lower receipts from corporate tax, personal income tax, VAT, excise duty on petroleum products, land transfer tax, registration duty on immovable property, special levy on banks, and betting tax on horse racing activities'
- the non-payment of dividends by Airport Holdings Ltd and lower receipts from the Financial Services Commission;
- delays in the implementation of some grant-funded programmes/projects.

(ii) Recurrent Expenditure – Increased by Rs 16.8 billion (8 per cent)

The increase in recurrent expenditure was mainly due to:

- increase in staff cost following payment of the interim allowance in connection with the salary relativity adjustment as from July 2024 as well as the 14th-Month Bonus in December 2024;

- increase in outlays on medicines, vaccines and medical disposables to support new health facilities and cater for rising prices;
- increased interest costs due to higher debt stock and higher interest rates on Government securities;
- higher subsidies reflecting increased allowances to bus operators under the Free Travel Scheme and financial support to bus companies for the wage relativity adjustment;
- additional grants to some public bodies, such as, Rodrigues Regional Assembly, Local Authorities, Higher Education Commission to enable them to meet their operating costs, along with financial support to the National Property Fund Ltd to settle part of the outstanding line of credit from the Bank of Mauritius;
- increased social benefits following payment of the 14th-Month Bonus to recipients of basic pensions and civil service pension; and
- increase in expenditure on the CSG Income Allowance and CSG Child Allowance due to a higher than estimated number of beneficiaries.

These were partly offset by funds appropriated under contingencies and reserves.

(iii) Capital Revenue – Decreased by Rs 2.5 billion. (68 per cent)

Capital revenue was lower due to:

- the non-transfer of funds from the Projects Development Fund and the National Environment Fund to the Consolidated Fund; and
- delays in the implementation of some grant-funded projects.

(iv) Capital Expenditure – Decreased by Rs 1.8 billion (6.4 per cent)

Capital expenditure was lower mainly due to the following:

- delays in the implementation of several projects, including the Rivière des Anguilles Dam, the Mauritius Disciplined Forces Academy, the Forensic Science Laboratory, construction and upgrading of roads and hospitals, and the acquisition of an Offshore Patrol Vessel; and
- lower disbursement of capital grants to Rodrigues Regional Assembly, Local Authorities and Mauritius Revenue Authority owing to delays in the implementation of some projects.

These lower spendings were partly offset by additional transfers to the National Resilience Fund and the National Environment Fund for the implementation of various projects and schemes under those Funds.

(v) *Net Acquisition of Financial Assets- Decreased by Rs 145.1 million (1.3%)*

Lower net acquisition of financial assets was mainly due to lower disbursement of loans to Airport Holdings Ltd, Central Water Authority and the IMF Resilience and Sustainability Trust.

Root Causes

- Inadequate expenditure control and monitoring mechanisms; and
- Weaknesses in revenue and expenditure forecasting.

Recommendations

- Appropriate policy decisions have to be taken to set fiscal rules or guidelines so as to remain within an acceptable corridor of deviation from the baseline.
- An explicit anchor has been set for debt at 80 per cent of GDP. There is a need to formulate rules and guidelines for budget balance, revenue and expenditure also.
- Consideration can be given to the setting up of a Fiscal Council. In my recommendation to improve budget management, a proposal has been made to set up a Parliamentary Budget Committee which can act as a Fiscal Council as is the case in Australia, Canada, Italy and Kenya.
- **Estimated BCG Debt to GDP not achieved**

Details of the borrowing requirements for the financial year 2024-25 are provided in Table 2-17.

Table 2-17 Government's Borrowing Requirements for the Financial Year 2024-25

Domestic Financing	Original Estimates Rs million	Actual Amount Rs million
<i>Government Securities</i>		
Issues	160,038	213,679
Redemptions	(139,080)	(148,593)
<i>Financing from SIC Development Co. Ltd</i>		
Drawdown	1,070	275
<i>Financing from cash and cash equivalents</i>	2,000	649
<i>Sub-Total</i>	24,028	66,010
Foreign Financing		
<i>Government Securities held by Non-Residents</i>		
Issues	-	221
Redemptions	-	(53)
<i>Foreign Loans</i>		
New Loans	17,500	13,534
less Repayments	(3,500)	(3,404)
<i>Sub-Total</i>	14,000	10,298
<i>Budget/Actual Deficit and Total Government Borrowing Requirements</i>	38,028	76,308
BCG Debt	502,832	571,202
GDP	798,500	716,656
BCG Debt to GDP	63.0%	79.7%

Source: Estimates 2024-2025, Statement of Comparison of Budget Estimates and Actual Amounts for the financial year ended 30 June 2025 and Statement of Public Sector Debt as at 30 June 2025

The higher borrowings required to finance the budget deficit has increased the BCG Debt from Rs 492.3 billion as at 30 June 2024 to Rs 571.2 billion as at 30 June 2025, exceeding the BCG Debt target of Rs 502.8 billion in the Estimates 2024-2025.

The actual BCG Debt to GDP ratio of 79.7 per cent was 16.7 percentage points higher than the estimated percentage of 63 per cent due to the higher BCG Debt as at 30 June 2025. The Government's aim to reduce the BCG Debt Ratio, as stated in the Estimates 2024-25, have not been achieved.

Recommendations

The Ministry of Finance should improve the budget preparation process so as to minimise budget variances.

Ministry's Response

The deviation between the estimated and actual revenue has been relatively low, except for some years due to unforeseen circumstances. On the other hand, deviation in expenditure, although at an acceptable level, is mainly due to policy decisions taken during the course of the year or due to some unforeseen events such as floods and cyclones.

Nevertheless, the Ministry of Finance is working with the MRA to improve revenue forecasts by using updated data such as GDP and consumption expenditure estimates by Statistics Mauritius. Deeper analysis in terms of trends and behaviour of economic operators are also being considered. In addition, best practices in other countries are being adopted.

As regards expenditure, provisions are being made taking into account information on contractual obligations and commitments taken.

2.4 Investments

Background Information

The statement of investments gives details of all investments made out of monies standing to the credit of the Consolidated Fund and Special Funds. As at 30 June 2025, investments comprised equity investments in 64 companies (14 quoted companies, 40 unquoted companies, and equity participation in 10 public bodies/companies), redeemable preference shares in one company, and other investments, including fixed deposits in Local Financial Institutions.

2.4.1 Investments as at 30 June 2025

As at 30 June 2025, total investments costing Rs 106.2 billion were measured at fair value of Rs 169.6 billion. The movement of investments during the financial year 2024-25 is shown in Table 2-18.

Table 2-18 Investments as at 30 June 2025

	Quoted Shares	Unquoted Shares	Equity Participation/ Contributed Capital	Redeemable Preference Shares	Other Investments	Total
Fair Value/ Amortised Cost	Rs	Rs	Rs	Rs	Rs	Rs
1 July 2024 (Restated)	702,851,190	*96,730,941,180	32,968,746,862	200,000,000	9,401,801,339	140,004,340,571
New Investments	-	6,270,963,513	3,770,575,111	-	186,838,876	10,228,377,500
Exchange Difference	(477)	(65,158,910)	-	-	(212,716)	(65,372,103)
Redemption Of Fixed Deposit	-	-	-	-	(8,069,370,000)	(8,069,370,000)
Fair Value Gain/(Loss)	137,580,727	(1,712,651,192)	29,079,324,624	-	-	27,504,254,159
Movement in Interest Receivable	-	-	-	-	(6,806,619)	(6,806,619)
30 June 2025	840,431,440	101,224,094,591	65,818,646,597	200,000,000	1,512,250,880	169,595,423,508
Net Increase/ (Decrease) during the year	137,580,250	4,493,153,411	32,849,899,735	-	(7,889,550,459)	29,591,082,937
COST						
1 July 2024 (Restated)	41,083,500	78,718,270,724	15,831,500,358	200,000,000	9,359,095,000	104,149,949,582
30 June 2025	41,083,022	84,924,075,325	19,602,075,469	200,000,000	1,476,351,160	106,243,584,976

Source – Detailed Statement of Investments as at 30 June 2025 and NAO workings

*The balances as at 30 June 2024 for unquoted shares (Cost – Rs 78,682,867,348 and Fair Value – Rs 96,705,786,054) have been restated to include investments held in Africa50 – Project Development and Africa50 – Project Finance acquired in previous years and not recognised in the accounts.

Findings

Investments in Quoted Shares – Rs 840.4 million

The fair value of quoted shares has increased from Rs 702.8 million as at 30 June 2024 to Rs 840.4 million as at 30 June 2025. This was mainly due to an increase in the market price of a company's shares from Rs 4.70 to Rs 5.62, in which the Government held 149,526,150 shares, resulting in a fair value gain of Rs 137.6 million from the investment in that company.

Investments in Unquoted Shares – Rs 101.2 billion

As at 30 June 2024, the fair value of investments in unquoted shares which stood at Rs 96.7 billion increased by Rs 4.5 billion to Rs 101.2 billion as at 30 June 2025, that is an increase of 4.6 per cent. The increase was due to new investments totalling Rs 6.3 billion in 2 companies, including Rs 6 billion in Mauritius Housing Holdings Ltd and Rs 251 million in the African Development Bank, a net exchange gain of Rs 65.2 million for shares held in foreign companies, total fair value gain of Rs 1.2 billion for investments in 17 companies and a total fair value loss of Rs 2.9 billion for investments in 9 companies.

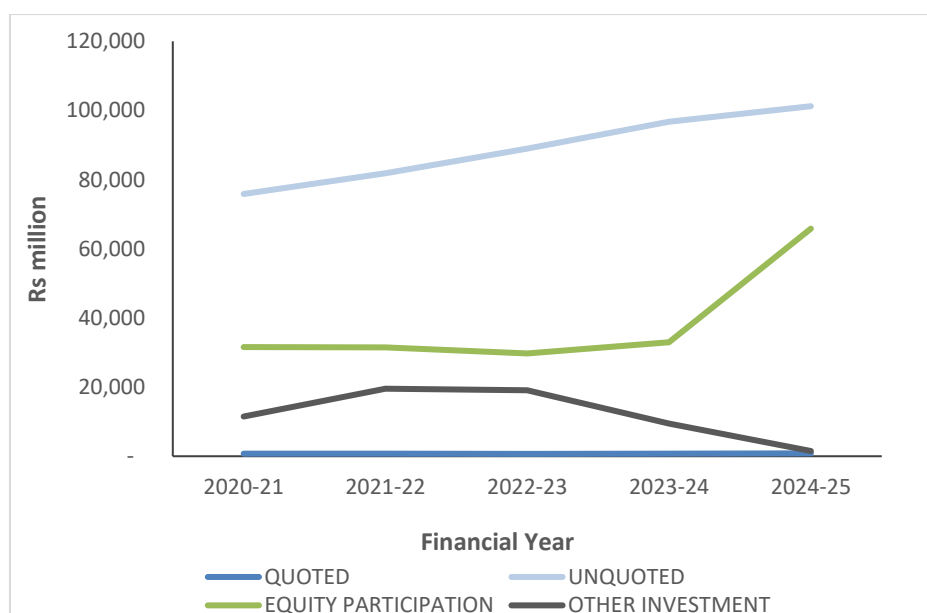
▪ Equity Participation – Rs 65.8 billion

The equity participation of Government increased from Rs 33 billion as at 30 June 2024 to Rs 65.8 billion as at 30 June 2025. During the financial year 2024-25, new investment of Rs 3.8 billion was made in 2 Government Bodies. Investments in 3 Government Bodies recorded a fair value gain totalling Rs 30.6 billion, while investments in 4 Government Bodies recorded a fair value loss totalling Rs 1.5 billion.

▪ Other Investments – Rs 1.5 billion

Other investments totalled Rs 9.4 billion as at 30 June 2024 has decreased to Rs 1.5 billion as at 30 June 2025. The decrease was mainly due to the maturity of the Government's fixed deposits of Rs 4.4 million, the redemption of 2 Special Fund's fixed deposits totalling Rs 8.1 billion and partly offset by new fixed deposits of Rs 186.8 million during the financial year. An exchange loss of Rs 200,000 was also incurred on 1 of the Special Fund's foreign currency deposits.

The government's investments in Quoted shares, Unquoted shares, Equity Participation, and Other investments for the financial years 2020-21 to 2024-25 are shown in Figure 6 below. It provides a clear overview of changes in investment allocation over the 5 years, highlighting the significant growth in Equity Participation and the sharp decline in other investments.



Source – Detailed Statement of Investments as at 30 June 2025

Figure 6 Investments for financial years 2020-21 to 2024-25

2.4.2 New Investments

Findings

▪ Significant Public Funds Disbursed Annually with Limited Oversight

During the financial year 2024-25, the Government's new investments in shares and equity participation, totalled Rs 10 billion, comprising investments in:

- Mauritius Housing Holdings Ltd (MHHL) – Rs 6 billion (unquoted shares);
- African Development Bank – Rs 251 million (unquoted shares);
- Bank of Mauritius – Rs 3 billion (equity participation); and
- Wastewater Management Authority (WMA) – Rs 770.6 million (equity participation).

The Government invested Rs 11 million and Rs 6,020 million in the financial years 2023-24 and 2024-25 respectively in MHHL. The value of the investment as at 30 June 2025 could not be assessed and was shown at cost of Rs 6 billion due to the absence of audited financial statements.

The Government disbursed a significant amount of funds annually to WMA for financing of various capital projects, and these disbursements were recognised as Investments - Equity Participation. During the financial year 2024-25, the Government invested Rs 770.6 million in WMA and the whole amount was accounted as fair value loss, due to the absence of updated financial statements, the fair value as at 30 June 2024 and 2025 have remained at Rs 831 million, which was based on Net Asset Value as at 30 June 2023. In addition, despite continuous injections of funds over the years, the total investment of Rs 3.4 billion has declined to Rs 831 million as at 30 June 2025, indicating significant fair value loss.

▪ **Absence of Share Certificates**

As at 30 June 2025, the following investments held by the Government were not supported by appropriate share certificates, as detailed in Table 2-19.

Table 2-19 Investments not supported by Share Certificates

Date of Investment	Entity	Amount USD
6 August 2018	Africa50 - Project Development	25,000
	Africa50 - Project Finance	225,000
7 October 2019	Africa50 - Project Development	50,000
	Africa50 - Project Finance	450,000

Source: Investment Register

2.4.3 Valuation - Fair Value of Total Investments - Rs 169.6 billion

(i) Net Gain in Fair Value of Investments of Rs 27.5 billion

During the financial year 2024-25, investments, costing Rs 104.6 billion in quoted shares, unquoted shares and equity participation, recorded a net gain in fair value of Rs 27.5 billion, representing an overall increase of 26.3 per cent. The breakdown is as follows:

- Out of 64 companies, only 29 recorded fair value gains totalling Rs 31.9 billion, while 18 companies registered fair value losses amounting to Rs 4.4 billion;
- Of the Rs 31.9 billion gain, Rs 30.4 billion (95.3 per cent) related to 2 entities, namely the Bank of Mauritius (Rs 28.5 billion) and State Trading Corporation (Rs 1.9 billion). The remaining 27 companies accounted for Rs 1.5 billion total gain;

- Three companies showed neither gain nor loss in fair value as they had negative net asset values;
- The fair value changes for 12 companies could not be determined because their latest financial statements were not available, and
- Investments totalling Rs 5.1 million in 2 companies incorporated in 2020 and investment of Rs 6 billion in another company incorporated in 2024 were recognised at cost. Fair value changes could not be determined, as financial statements have not been prepared since their incorporation. The government holds 100 per cent shares in these 3 companies.

Recommendation

Government should closely monitor the performance of government-owned companies, particularly those incurring recurrent losses, by setting clear performance indicators and public service obligation targets, and an Asset Management Unit.

Ministry's Response

The dedicated unit set up at the level of the MOF is continuously monitoring the performance of public corporations.

(ii) Fair Value based on old Net Asset Values

The fair values of Unquoted Shares and Equity Participation in Companies/Government Bodies were based on Net Asset Values from the audited Financial Statements of Investees.

An analysis of the fair value of investments by the year-end date of financial statements was carried out. The outcome is shown in Table 2-20.

Table 2-20 Fair Value of Investments based on Latest Available Financial Statements

Financial Statement Year End	No. of Companies/ Government Bodies	Cost of Investment Rs	Fair Value of Investment Rs
30 June 2025	1	13,000,000,000	49,927,953,000
31 December 2024	11	4,511,916,045	12,378,955,488
30 June 2024	19	34,962,435,749	75,480,559,766
31 December 2023	1	500,000,000	511,365,538
30 June 2023	10	29,496,604,274	6,008,346,184
30 June 2022	2	474,673,000	1,501,100,710
30 June 2021	1	15,177,690,306	11,658,753,370
31 December 2018	1	98,844,217	3,539,607,133
30 June 2017	1	267,887,202	-
Based on Cost	3	6,036,100,000	6,036,100,000
Total	50	104,526,150,793	167,042,741,189

Source: Treasury's NAV workings

In 46 out of 50 cases, investments costing Rs 85.5 billion were measured at a total fair value of Rs 111.1 billion based on Net Assets Values stated in Financial Statements, which dated back to years 2017 to 2024.

Furthermore, in another 3 cases, investments totalling Rs 6 billion were valued at cost, since audited financial statements were not prepared. Two of these companies were incorporated in 2020 while the third one in 2024.

When the latest audited Financial Statements are not available, IPSAS 41-Financial Instruments (Implementation Guidance) recommends that the net asset value from the last audited Financial Statements to be adjusted to reflect current market conditions or another appropriate valuation technique should be used to calculate the fair value of unquoted equity investments.

As a result, the fair value of investments totalling Rs 167 billion as at year-end were partly derived from information that did not reflect prevailing market conditions or economic realities. This increases the risk of material misstatement in the valuation of the Government's investments.

Root Cause

No proper follow-up on the submission of financial statements was done by parastatal bodies falling under the aegis of different Ministries.

Recommendations

- There must be a new governance framework for the Boards of government-owned companies and parastatal bodies that ensures timely preparation and submission of financial statements.
- For calculation of the fair value of unquoted equity investments, the net asset value from the last audited financial statements should be adjusted to reflect current market conditions in line with IPSAS 41.

(iii) Significant Decline in Value of Investments

The Government's investment in 16 companies, originally costing Rs 71.9 billion, experienced significant decline in value since their acquisition. As at 30 June 2025, their fair value stood at Rs 42.1 billion, reflecting an unrealised capital loss of 41 per cent, amounting to Rs 29.8 billion.

(iv) Investment Measured at Zero Fair Value as at 30 June 2025

Investments, costing Rs 21.4 billion, were disclosed at zero fair value as at 30 June 2025. Details of these investments are shown in Table 2-21.

Table 2-21 Investments stated at zero Fair Value as at 30 June 2025

Unquoted Shares	Year of Investment	Cost Price Rs	% Shareholding	Net Asset Value Rs	Net Asset Value as at
MauBank Holdings	2001-2005, 2015-2016, 2019 and 2024	5,696,266,400	100	(1,744,737,805)	30 June 2023
National Property Fund Ltd	2020-2022	14,780,000,003	100	(37,032,128)	30 June 2023
The Mauritius Post Ltd	2001-2016	626,111,200	100	(1,497,005,834)	30 June 2024
Equity Participation					
National Transport Corporation	Prior 1.07.01-2018	267,887,202	100	(1,009,699,308)	30 June 2017
Total		21,370,264,805			

Source: Treasury Investment Register and Treasury Workings

The Government's entire investment in the above Government-owned companies, totalling Rs 21.4 billion has been wiped out by accumulated losses and was accounted for at zero fair value in the Government's Statement of Financial Position.

Furthermore, according to their latest financial statements, MauBank Holdings Ltd, Mauritius Post Ltd, and National Transport Corporation made losses, while the National Property Fund Ltd recorded surpluses.

Ministry's Response

The dedicated unit set up at the level of the MOF is continuously monitoring the performance of public corporations.

2.4.4 Return on Investments

The total cost of investments in Quoted and Unquoted Shares in Companies amounted to Rs 85 billion as at 30 June 2025 (30 June 2024 – Rs 78.8 billion).

Dividends received decreased by Rs 586.3 million (58 per cent), from Rs 1 billion for the financial year 2023–24 to Rs 417 million for the financial year 2024–25.

The overall return on investments has decreased from 1.27 per cent in the financial year 2023–24 to 0.5 per cent in the financial year 2024–25. Details are given in Table 2-22.

*Table 2-22 Dividends received during the Financial Years
ended 30 June 2024 and 30 June 2025*

Details	2024-25			2023-24	
	Investment at Cost Rs	Number of Shares	Dividend Received Rs	Dividend per Share Rs	Dividend Received Rs
<i>Quoted Shares</i>					
1 Alteo Limited	1,140	462	291	0.63	111
2 BlueLife Limited	1,976	504	10	0.02	-
3 Excelsior United Development Companies Ltd	37	37	44	1.19	42
4 IBL Ltd	125	4	3	0.75	3
5 Lux Island Resorts Ltd	401	7	17	2.43	32
6 Medine Limited	300	30	161	5.37	80
7 New Mauritius Hotels Limited	240	72	72	1.00	14
8 SBM Holdings Ltd	41,058,573	149,526,150	74,763,075	0.50	59,810,460
9 The Bee Equity Partners Ltd				-	233
10 The Mauritius Development Investment Trust Co Ltd	2	21	2	0.10	1
11 The United Basalt Products Limited	415	5	9	1.80	-
12 United Docks Ltd	9,600	960	3,840	4.00	2,880
<i>Unquoted Shares</i>					
13 AfrAsia Bank Limited	197	3	64	21.33	75
14 Africa50 – Project Finance	30,348,000	675	134,159	198.75	-
15 African Export-Import Bank	37,198,626	163	8,788,631	53,917.98	5,374,497
16 African Reinsurance Corporation	41,363,200	9,200	7,898,582	858.54	3,638,456
17 Airports Holdings Ltd	26,000,100,000	26,000,100	-	-	509,861,961
18 Eastern & Southern African Trade & Development Bank	1,021,796,181	3,976	-	-	123,250,270
19 Mauritius Housing Company Ltd	59,161,634	12,000,005	6,222,712	0.52	-
20 Mauritius Telecom Ltd	63,625,174	63,625,174	309,218,346	4.86	295,220,807
21 National Real Estate Ltd	500,000,000	5,000,000	10,000,000	2.00	-
22 PTA Reinsurance Company (ZEP- RE)	6,657,812	272,844	-	-	148,078
23 State Informatics Ltd	32,800,000	328,000	-	-	4,753,465
24 Sugar Investment Trust	19,999,980	25,464,426	-	-	1,273,221
25 The Lux Collective	14	7	1	0.14	1
Total	27,854,123,627		417,030,019		1,003,334,687

Source: Treasury Abstract– Item Code 1412: Dividends and Treasury Records

Findings

▪ Investments yielding no Returns

Investments at cost totalling Rs 103.8 billion did not yield any return during the financial year 2024-25. This comprised investments of Rs 41.9 billion, as shown in Table 2-23, with irregular payment of dividend and investments totalling Rs 61.9 billion as shown in Table 2-24 which did not yield any return since the date of investments.

Table 2-23 Investments yielding no Returns during financial year 2024-25

	Year of Investment	Cost Price Rs
Unquoted Shares		
Airports Holdings Ltd	2021	26,000,100,000
Cargo Handling Corporation Limited	1983-2019	943,600,000
Development Bank of Mauritius Ltd	Prior 2001, 2005- 2009 and 2018	496,150,000
Eastern & Southern African Trade & Development Bank	1991, 2007, 2015 to 2024	1,021,796,181
Mauritius Shipping Corporation Ltd	Prior 2001, 2011 and 2019	290,693,000
Shelter- Afrique	2013	5,170,400
State Informatics Ltd	Prior 2001	32,800,000
State Investment Corporation Ltd	2001 and 2012	85,000,000
Sugar Investment Trust	2007 and 2011	19,999,980
ZEP-RE (PTA Reinsurance Company)	Prior 2018	6,657,812
Equity Participation		
Bank of Mauritius	2005, 2011 and 2020	13,000,000,000
State Trading Corporation	Prior 2001	400,000
Total		41,902,367,373

Source: Detailed Statement of Investments as at 30 June 2025 and Investment Register

Table 2-24 Investments not yielding any Return since Acquisition

	Quoted Shares	Number of years of Investment*	Cost of Investment Rs	Fair Value of Investment Rs	% Shareholding
1	United Investment Ltd	25	48	-	Insignificant
2	Semaris Ltd	7	472	49	Insignificant
3	Miwa Sugar Limited	2	9,693	8,309	Insignificant
	Unquoted Shares				
4	African Development Bank	34	3,286,355,653	4,849,287,505	0.64
5	Mauritius Educational Development Co. Ltd	26	16,000,000	19,469,682	99.94
6	Multi Carrier Mauritius Ltd	25	219,000,000	143,844,823	100.00
7	MauBank Holdings Ltd	25	5,696,266,400	-	100.00
8	Rodrigues Educational Development Co.Ltd	25	29,000	15,237,246	29.00
9	The Mauritius Post Ltd	25	626,111,200	-	100.00
10	Industrial Finance Corporation of Mauritius (Equity) Ltd	20	355,317,588	302,188,843	39.49
11	National Housing Development Company Ltd	19	200,000,000	207,691,765	99.50
12	Landscape (Mauritius) Ltd	17	3,040,370,633	22,112,840,644	98.92
13	Polytechnics Mauritius Ltd	13	299,937,111	1,179,566,227	100.00
14	National Property Fund Ltd	11	14,780,000,003	-	100.00
15	Mauritius Africa Fund Ltd	10	183,980,000	184,144,810	100.00
16	SME Mauritius Ltd	9	25,000	5,987,276	100.00
17	Mauritius Multisports Infrastructure Ltd	8	5,238,856,213	4,653,585,610	97.05
18	Metro Express Limited	8	15,177,690,306	11,658,753,370	100.00
19	Africa50- Project Development	7	3,372,000	802,440	0.10
20	Industrial Finance Corporation of Mauritius (IFCM) Ltd	6	1,000,000	694,475	0.06
21	ISM Ltd	5	5,000,000	5,000,000	100.00
22	The National Fishing Company Ltd	5	100,000	100,000	100.00
23	Mauritius Institute of Biotechnology Ltd	4	100,000,000	87,974,946	100.00
24	Cote d'Or International Racecourse and Entertainment Complex Ltd	3	30,000,000	28,073,873	100.00
25	Mauritius Housing Holdings Ltd	1	6,031,000,000	6,031,000,000	100.00
	Equity Participation (Contributed Capital **)				
26	Rose Belle Sugar Estate Board	39	98,844,218	3,539,607,133	
27	Mauritius Livestock Marketing Cooperative Federation Limited	34	450,000	440,017	
28	Central Water Authority	33	2,562,250,913	9,091,274,981	
29	Economic Development Board	22	79,782,747	281,287,932	
30	Civil Service College	14	15,000,000	44,317,655	
31	The Mauritius Cane Industry Authority	13	173,803,732	210,282,636	
32	The National Transport Corporation	10	267,887,202	-	
33	Wastewater Management Authority	9	3,403,656,657	831,033,767	
	Total		61,892,096,789	65,484,496,014	

Source: Detailed Statement of Investments as at 30 June 2025 and Investment Register

*The number of years of investments has been determined from initial investments in the company.

** Contributed Capital does not involve the issue of shares. As per IPSAS, Contributed Capital means future economic benefits or service potential that has been contributed to the entity by the Government.

Significant Government Investments in Unquoted Companies with Limited Returns

The Government had more than 90 per cent shareholdings in 17 unquoted companies with total investments costing Rs 51.6 billion which did not yield any return. A review of the latest available information of these 17 companies showed the following:

- Five of these companies, with a total cost of Rs 20.8 billion, experienced a decline in fair value, and their fair value totalled Rs 16.6 billion as at 30 June 2025. Three companies with a total investment costing Rs 21.1 billion had a zero fair value as at 30 June 2025.
- Six companies had accumulated profits, whilst 8 had accumulated losses based on their latest financial statements. The audited financial statements of the 3 remaining companies were not available.
- One of the companies had accumulated surpluses of Rs 12.7 billion as at 30 June 2024. The Government's investment of Rs 3 billion in the company was recorded at a fair value of Rs 22.1 billion as at 30 June 2025. Despite significant capital appreciation and accumulated surpluses, no returns were remitted to the Government.

Root Cause

Currently, no dedicated body exists to actively monitor and manage the financial performance of government-owned entities.

Implications

- Absence of a monitoring framework weakens oversight and reduces transparency in the management of public funds.
- Reliance on outdated financial information increases the risk that reported fair values do not reflect current financial conditions and may be materially misstated.
- Loss-making companies have eroded Government capital entirely, negatively affecting the Government's overall financial position.

Recommendations

Setting up of an Asset Management Unit

An Asset Management Unit should be established to ensure effective oversight and management of Government investments. Its responsibilities should include:

- Formulating and updating policies to strengthen investment management.
- Developing standardised tools and methodologies for appraising investments.
- Evaluating all proposed investments to ensure financial soundness and strategic alignment.

- Monitoring and managing the investment portfolio to achieve performance targets and optimise returns.
- Implementing a dividend policy to secure reasonable returns from profit-making entities.
- Closely monitoring Government-owned companies, particularly those receiving substantial public funding.
- Reviewing all loss-making or financially distressed companies, including those with fully eroded net worth, and taking corrective action or making recommendations on their future operations.
- The Asset Management Unit will need to recruit corporate finance expertise to manage shareholdings and handle residual liabilities, including, among others:
 - (i) managing the sale of Government assets where no policy justifications exist for continued ownership, ensuring the realisation of maximum value; and
 - (ii) preparing an Annual Report, based on professional valuations, to ensure transparency regarding the performance and risks associated with the financial assets worth Rs 169.6 billion as at 30 June 2025.

Ministry's Response

Dividends are dependent upon the financial position of the institutions/enterprises concerned. A large part of the investments was made in public bodies that were facing financial difficulties in order to allow them to continue their operations and meet their financial commitments. It is thus not expected to receive major returns on these investments in the immediate years. The operations of Government companies differ from those of the private sector, and the establishment of an Investment Committee may therefore not be appropriate.

2.5 Outstanding Loans Financed from Revenue

Background Information

Government advances loans to Statutory Bodies, Private Bodies, Other Bodies, and Private Individuals, mainly to finance capital projects.

Findings

▪ Rising trend in Outstanding Loans - Rs 12.4 billion (at amortised cost)

The total balance of outstanding loans financed from revenue at amortised cost increased from Rs 11.3 billion as at 30 June 2024 to Rs 12.4 billion as at 30 June 2025, representing an increase of 10 per cent as shown in Table 2-25.

Amortised cost reflects the present value of the future cash flows of the debt, using the effective interest rate method.

Table 2-25 Balance of Outstanding Loans at Amortised Cost

Name of Borrowers	30 June 2024	30 June 2025	Percentage Increase/ (Decrease)
	Rs	Rs	
1 Wastewater Management Authority	3,976,520,315	4,261,998,468	7
2 Central Water Authority	3,872,608,812	4,046,846,770	4
3 Metro Express Limited	1,086,769,520	1,939,206,185	78
4 Cargo Handling Corporation Ltd	607,891,803	524,628,777	(14)
5 Airport Terminal Operations Ltd	590,481,738	654,661,523	11
6 Development Bank of Mauritius Ltd	353,519,241	331,684,372	(6)
7 National Housing Development Co. Ltd	314,801,825	288,897,210	(8)
8 Rodrigues Business Park Development Co. Ltd	159,502,407	162,867,137	2
9 Airports of Mauritius Co. Ltd	102,466,094	46,356,857	(55)
10 National Transport Corporation	94,865,822	101,767,808	7
11 Others (Note 1)	107,966,426	70,738,605	(34)
TOTAL	11,267,394,003	12,429,653,712	10

Source: Statement of all Outstanding Loans financed from Revenue as at 30 June 2024 and 30 June 2025
Note1: Others include: Rodrigues Regional Assembly, Mauritius Cane Industry Authority, The Municipal Council of Beau Bassin-Rose Hill, Pamplemousses District Council, Rivière du Rempart District Council, Landscope (Mauritius) Ltd and Repatriation Expenses.

The increase was mainly driven by higher outstanding loan balances of the Wastewater Management Authority, the Central Water Authority, and the Metro Express Limited (MEL), indicating rising borrowing needs. In particular, MEL recorded a substantial increase in borrowing of 78 per cent, from Rs 1.1 billion in the financial year 2023-24 to Rs 1.9 billion in the financial year 2024-25, reflecting continued reliance on Government funding to finance its operations.

The increase in the outstanding balances of the Airport Terminal Operations Ltd and the National Transport Corporation by 11 and 7 per cent respectively, was due to currency revaluation adjustments and the capitalisation of interests.

2.5.1 New Loans of Rs 1.1 billion advanced during the financial year 2024-25

Background Information

During the financial year 2024-25, new loans totalling Rs 1.1 billion were advanced to a Private Body and 2 Statutory Bodies, as shown in Table 2.26.

Table 2-26 Movement in Loans as at 30 June 2025 (at cost)

Organisations	Loan Stock as at 30 June 2024 Rs	New Loans 2024-25 Rs	Adjustments*	Loan Stock as at 30 June 2025 Rs
Metro Express Limited (MEL)	1,136,770,385	892,964,470	11,527,232	2,041,262,087
Wastewater Management Authority (WMA)	3,455,869,450	183,593,320	6,047,212	3,645,509,982
Central Water Authority (CWA)	3,427,751,548	17,582,014	12,674,634	3,458,008,196
Total	8,020,391,383	1,094,139,804	30,249,078	9,144,780,265

Source: Statement of All Outstanding Loans financed from Revenue as at 30 June 2025

*Adjustments include interest capitalised and other adjustments during the year

Findings

- Out of the total disbursement of Rs 1.1 billion, Rs 893 million was advanced to the MEL to facilitate repayment of its loans and other liabilities related to the light rail project, as well as to partially fund its operating activities.
- A total sum of Rs 183.6 million was advanced to WMA to finance the implementation of ongoing sewerage projects.
- In November 2024, a new loan agreement for a project value of Rs 500 million was signed between the Government and the CWA for the implementation of 8 capital projects. Clause 2.3(b) of the loan agreement stated that the closing date for withdrawal of funds was 30 June 2025. However, as at that date, out of the Rs 500 million earmarked, a sum of only Rs 17.6 million had been disbursed in respect of 3 projects by the CWA, representing 4 per cent of the amount earmarked.

Impact

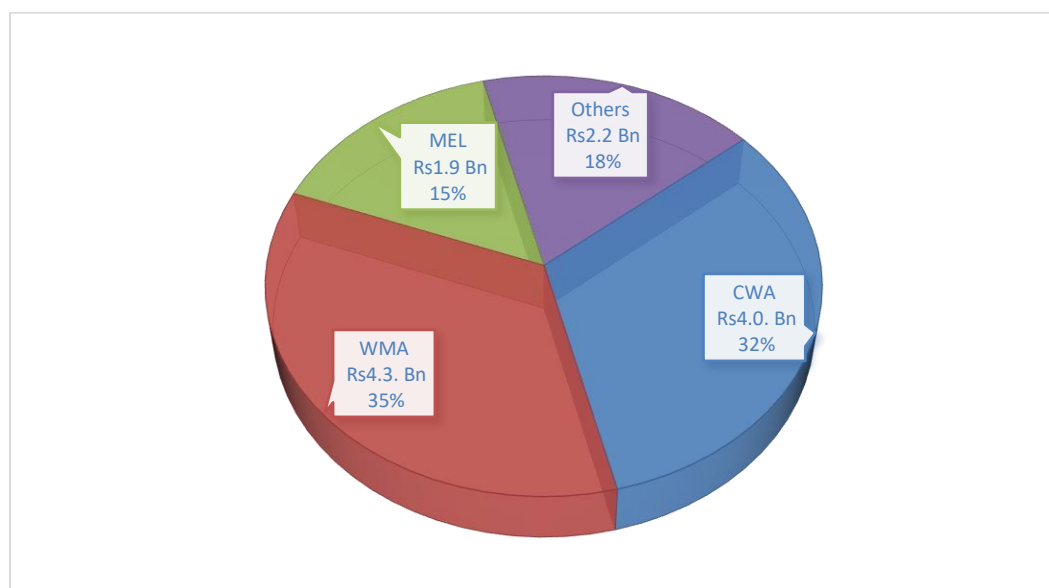
- Loans provided by the Government for debt repayment and operating expenses without a clear turnaround plan and appropriate policy decisions will end up worsening the financial dependency of these bodies on the Consolidated Fund.
- Overprovision results in funds being tied up unnecessarily, diverting resources away from more critical areas.

Ministry's Response

- The dedicated unit set up at the level of the MOF is continuously monitoring the performance of public corporations.
- In addition, the Ministry is promoting the implementation of capital projects on a Public-Private Partnership basis. Other innovative financing mechanisms are also being explored.

2.5.2 Significant Loans Due as at 30 June 2025

Figure 7 provides information on the proportion of debts held by the different bodies.



Source: Statement of all Outstanding Loans financed from Revenue as at 30 June 2025

Figure 7 Debt Distribution

Findings

- Out of the total loans of Rs 12.4 billion, the largest share, that is 35 per cent, was held by the WMA with loans totalling Rs 4.3 billion, followed by the CWA with loan of Rs 4 billion, that is 32 per cent, hence representing 67 per cent of the total outstanding loan balance.
- The total loans for other borrowers amounted to Rs 2.2 billion, representing 18 per cent of the overall loan balance, and MEL owed an amount of Rs 1.9 billion, accounting for 15 per cent of the overall outstanding loan balance.
- **Wastewater Management Authority**

Since January 2013, the Wastewater Management Authority (WMA) has been obtaining government loans to support the implementation of ongoing sewerage projects.

Arrears of Loan Capital, Interests, and Penalties at cost

As at 30 June 2025, the total amount due for repayment, comprising principal, interest, and penalties, stood at Rs 2.8 billion. As at date, no reimbursement has been made by the WMA due to its prevailing financial difficulties.

Expected Credit Loss Allowance

As at 30 June 2025, Rs 4.3 billion was recognised as expected credit loss allowance, representing 100 per cent of the total outstanding loan balance of Rs 4.3 billion.

According to Note 7 to the Financial Statements for the year ended 30 June 2025, it is stated that the recoverability of the loans has been assessed and based on their non-performing status, a 100 per cent allowance for expected credit losses has been recognised during the financial year 2024-25.

▪ **Central Water Authority**

Arrears of Loan Capital, Interests and Penalties at cost

As per claims issued as at 30 June 2025, an amount of Rs 2.6 billion, comprising principal, interests, and penalties, was due for repayment.

Expected Credit Loss Allowance

As at 30 June 2025, Rs 4 billion was recognised as expected credit loss allowance, representing 100 per cent of the total outstanding loan balance of Rs 4 billion.

According to Note 7 to the Financial Statements for the year ended 30 June 2025, it is stated that the recoverability of the loans has been assessed and based on their non-performing status, a 100 per cent allowance for expected credit losses has been recognised during the financial year 2024-25.

▪ **Rodrigues Regional Assembly**

Included in the outstanding loan balance for 'Others' of Rs 2.2 billion (Figure 1) was an amount of Rs 23.9 million (at amortised cost) for the Rodrigues Regional Assembly (RRA) in respect of a loan contracted in 2011 to finance development projects in the fisheries sector. Part of the loan was reimbursed in the financial year 2015-16.

Arrears of Loan Capital, Interests and Penalties at cost

As at 30 June 2025, total arrears due for repayment stood at Rs 35.2 million (at cost), comprising principal of Rs 14.7 million and interest and penalties of Rs 20.5 million.

Expected Credit Loss Allowance

As at 30 June 2025, Rs 23.9 million was recognised as expected credit loss allowance, representing 100 per cent of the total outstanding loan balance of Rs 23.9 million.

In January 2024, the RRA reported that the outstanding loan balance could not be recovered despite repossession of the fishing vessels. In October 2025, the RRA informed that the Accounting Officer of the Commission for Agriculture and Fisheries was in the process of carrying out the write-off procedures.

▪ **Metro Express Limited**

Since the financial year 2019-20, MEL has taken loans from Government to finance its operations. As at 30 June 2025, MEL owed a total amount of Rs 1.9 billion (amortised cost) inclusive of interest capitalised.

Arrears of Loan capital, Interests and Penalties at Costs

As at 30 June 2025, as per claims issued to MEL the total arrears outstanding, comprising principal, interest and penalties due for repayment amounted to Rs 313.3 million. The MEL has not made repayments on its loans, which became due as from June 2023.

Expected Credit Loss Allowance

As at 30 June 2025, an amount of Rs 484.8 million has been provided as Expected Credit Loss Allowance against the gross carrying amount of the loan of Rs 1.9 billion (amortised cost).

Recommendation

The Ministry of Finance together with the respective Ministries should ensure that these bodies prepare a turnaround plan based on realistic assumptions, and high-level policy approval should be sought for the implementation of the turnaround plan that includes clear key performance indicators.

2.6 Revenue and Expenditure of the Consolidated Fund

Background Information

Section 3 of the Finance and Audit Act mandates that the Consolidated Fund be:

- (a) Credited with all revenues of the Government and any other money properly accruing to it; and
- (b) Charged only with expenses on the authority of a warrant issued by the Minister responsible for the subject of Finance.

The sources of the Government's revenue include taxes, social contributions, grants, property income, sales of goods and services, fines, penalties and forfeits, transfers, reimbursements of loans, International Monetary Fund Special Drawing Rights sales, issue of Government securities and loans from foreign Governments and International Organisations.

Expenditure covers costs incurred for the functioning of Government ministries and departments, grants to public institutions, acquisition of property, plant and equipment for the Government, investments in shares, loans advanced to State-owned enterprises, debt servicing and public service pensions.

The revenue and expenditure of the Government for the financial years 2020-21 to 2024-25 are shown in Table 2-27.

*Table 2-27 Total Revenue and Expenditure of the Consolidated Fund
for Financial Years 2020-21 to 2024-25*

	2020-21	2021-22	2022-23	2023-24	2024-25
	Rs billion	Rs billion	Rs billion	Rs billion	Rs billion
Revenue					
Taxes	86.0	107.7	129.8	141.1	163.5
Borrowings	135.3	129.5	147.0	148.2	227.7
Others	67.8	38.7	19.6	20.7	23.0
Total Revenue	289.1	275.9	296.4	310.0	414.2
Expenditure					
Ministries/Departments	176.6	144.1	153.5	173.8	229.5
Debt Servicing	110.4	128.3	128.0	125.7	174.0
Public Service Pensions	10.3	11.3	11.4	12.0	13.2
Total Expenditure	297.3	283.7	292.9	311.5	416.7
Surplus/(Deficit)	(8.2)	(7.8)	3.5	(1.5)	(2.5)

Source: Abstract Account of Revenue and Expenditure of the Consolidated Fund

Findings

▪ **Deficit in the Consolidated Fund**

The Consolidated Fund reported deficits ranging from Rs 8.2 billion to Rs 1.5 billion in 4 of the past 5 financial years and a surplus of Rs 3.5 billion in the financial year 2022-23.

▪ **High Dependence of Government on Borrowings to Finance its Expenditure**

Revenue increased from Rs 310 billion in the financial year 2023-24 to Rs 414.2 billion in the financial year 2024-25, with a net increase of Rs 104.2 billion, that is by 34 per cent. This was mainly due to increased tax receipts and borrowings.

Taxes represented 39 per cent of total revenue in the financial year 2024-25 and borrowings accounted for 55 per cent, indicating high dependency on borrowings to finance expenditure.

In the financial year 2024-25, borrowings amounted to Rs 227.7 billion, consisting of Rs 213.9 billion from Government Securities issued, Rs 275.3 million from SIC Development Company Ltd, and Rs 13.5 billion being loans from Foreign Governments and International Organisations.

▪ **Increase in Expenditure of the Consolidated Fund over the past 5 Financial Years**

The Government's expenditure increased by 40 per cent from Rs 297.3 billion in the financial year 2020-21 to Rs 416.7 billion in the financial year 2024-25.

The Government's expenditure increased from Rs 311.5 billion in the financial year 2023-24, to Rs 416.7 billion in the financial year 2024-25, showing a net increase of Rs 105.2 billion.

Significant increases in expenditure over the previous financial year were noted in the following areas:

- Government Debt Servicing: Rs 48.3 billion - 38 per cent.
- Centrally managed initiatives of Government: Rs 27.6 billion - 133 per cent.
- Ministry of Social Security and National Solidarity: Rs 19.3 billion - 36 per cent.
- Ministry of Education, Tertiary Education, Science and Technology: Rs 2.3 billion - 12 per cent.
- Ministry of Land Transport and Light Rail: Rs 1.8 billion - 64 per cent.
- Ministry of Health and Wellness: Rs 1.7 billion - 10 per cent.
- Mauritius Police Force: Rs 1.1 billion -10 per cent.

▪ **Significant Share of Government Expenditure in Debt Servicing**

Over the past 5 financial years, a significant share of Government expenditure was channelled towards Debt Servicing, which ranged between 37 to 45 per cent of total expenditure.

In the financial year 2024-25, Rs 174.0 billion was spent on Debt Servicing, including capital repayments of Rs 152.1 billion, interest payments of Rs 21.8 billion, and management/service charges of Rs 85.2 million. This accounted for 42 per cent of total Government expenditure, compared to 40 per cent in the financial year 2023-24.

Implications

- Heavy dependence on borrowings contributes to rising debt servicing obligations and an increasing level of public debt.
- High debt servicing reduces funds available for essential social and economic development programs.

Recommendation

The Ministry of Finance should devise appropriate effective strategies for more stringent expenditure controls.

Ministry's Response

- Expenditure controls are already in place. Ministries and Departments cannot spend more than what has been voted by the National Assembly. In addition, strict control is exercised when Ministries/Departments request for additional funds.

- Furthermore, a committee has been set up at the level of the Ministry of Finance to identify areas for expenditure reduction. There is close collaboration with Sector Ministry Support Teams (SMSTs) and the Ministries/Departments to reduce such expenditures.

2.7 Compensation arising out of Government Liability – Rs 90.6 million

Background Information

The State Proceedings Act establishes the legal framework for bringing claims, allowing individuals to seek redress and compensation for harm or loss arising from actions or omissions by government departments or public officials.

Details of expenditure on compensation arising from Government liability for the past 5 financial years are provided in Table 2-28.

Table 2-28 Compensation arising out of Government Liability

Financial Year	Original Estimates* Rs	Total Provisions** Rs	Actual Amount Rs
2020-21	20,000,000	15,000,000	13,948,495
2021-22	20,000,000	20,000,000	19,513,050
2022-23	20,000,000	30,000,000	28,842,334
2023-24	25,000,000	40,000,000	33,423,243
2024-25	30,000,000	96,000,000	90,589,351

Source: Statement D1 for financial years ended 2020-21 to 2024-25

*Original Estimates represent the approved estimates for the financial year.

** Total provisions refer to the final Estimates approved after virements.

A breakdown of the compensation arising from Government liability for the financial year ending 30 June 2025 is shown in Table 2-29.

Table 2-29 Analysis of Government Liability incurred for the financial year 2024-25

Reason for Payments incurred	Actual Expenditure (Rs)	Percentage
Termination of contracts	58,697,516	64.8
Medical negligence cases	17,048,348	18.8
Road accidents	11,707,592	12.9
Others	3,135,895	3.5
Total	90,589,350	100.0

Source: Abstract 2024-25

Findings

▪ **Significant increase in payments of compensation arising out of Government Liability**

Over the 5 years, the actual expenditure increased by Rs 76.7 million, from Rs 13.9 million in the financial year 2020–21 to Rs 90.6 million in the financial year 2024-25 representing an increase of 552 per cent. The significant increase was mainly due to adverse court judgments against the Government.

▪ **Termination of Contract – Rs 58,697,516**

(i) Total payments, including Compensation, exceeding the Contract Value

Following the grounding of the Taiwanese fishing vessel YU Feng No.67 near St Brandon in December 2022, the then Ministry of Blue Economy, Marine Resources, Fisheries, and Shipping contracted a salvage company for the oil removal, re-floating, and scuttling operations at USD 1,292,368.

According to records of the Ministry of Finance:

- Due to adverse weather conditions, the operations were incomplete, and the contract was terminated with a partial payment of USD 471,761.
- In December 2023, the Contractor initiated ad-hoc arbitration proceedings, submitting an additional claim of USD 955,496.
- Following arbitration proceedings, both parties had in December 2024, reached a mutual agreement for a full and final settlement amounting to USD 850,000.

The final payment was made on 6 January 2025 for a sum of Rs 39,355,000 (USD 850,000 at Rs 46.30).

Government ultimately paid USD 1,321,761 (USD 471,761 + USD 850,000), exceeding the original contract value of USD 1,292,368, despite the contractor having executed limited work.

(ii) Compensation of Rs 19,342,515 for Preliminary Works

In February 2014, the Ministry of Youth and Sports (MYS) invited bids for the construction of a new international Multi-Purpose Sports Complex at Triolet. The contract was awarded in October 2014 for the sum of Rs 172.4 million.

The Contractor performed preliminary work, including Consultants' appointments, confirming site boundaries, submission of drawings, and manpower reports. A claim was submitted for Rs 13,122,193. In May 2015, MYS informed the Contractor that, in view of changed circumstances, it was not proceeding with the implementation of the project.

The Contractor initiated legal proceedings. On 3 March 2025, the Supreme Court ruled in favour of the Contractor, awarding compensation of Rs 19,231,080 due to contract termination, with interest at the legal rate payable from the date of judgment until the date of final payment. The compensation with interest of Rs 19,342,515 (Rs 19,231,080 + Rs 111,435) was paid on 18 April 2025.

(iii) Medical Negligence Cases – Rs 17,048,348

A total of Rs 17,048,348 was disbursed in settlement of 4 medical negligence cases, representing 18.8 per cent of total “Compensation arising out of Government Liability” for the financial year 2024-25. Details of each of the cases are given in Table 2-30.

Table 2-30 Medical Negligence Cases Settled During Financial Year 2024–2025

Nature of Incident	Date of Incident	Court Decision	Compensation Paid Rs
Leg fracture surgery – retained foreign material and inappropriate surgical hardware, leading to infection and overseas treatment.	23 March 2019	September 2024	10,000,000
Post-operative complications following nasal surgery.	15 May 2017	September 2024	3,022,250
Retained surgical pack inside the abdomen following childbirth.	16 December 2019	November 2024	2,500,000
Retained foreign body following treatment for stab injury, resulting in prolonged pain.	7 November 2017	March 2025	1,526,098
Total			17,048,348

Source: Treasury files

The above medical cases involved avoidable errors, notably retained surgical materials and improper medical procedures.

(iv) Road Accident cases – Rs 11,707,592

During the financial year 2024-25, a total of Rs 11,707,592 was paid for road accident claims. Two cases accounted for 88 per cent of total payments. Details of these 2 cases are as follows:

Case 1 – Rs 9,246,454

A fatal road accident occurred in 2018 involving a Government vehicle from the Mauritius Police Force, resulting in the deaths of 2 pedestrians at a pedestrian crossing.

Legal proceedings were initiated by the victims' families, claiming moral and material damages. Compensation for the sum of Rs 9,246,454 was paid in September 2024.

Case 2 – Rs 1,026,900

A road accident occurred on 26 November 2019, involving a police van, which resulted in one fatality and serious injury to another person. After legal proceedings lasting over 4 years, the case was settled in March 2024, with payment of Rs 1,026,900 covering compensation and legal costs.

▪ **Contingent Liabilities- Rs 76.6 billion**

As per Note 47 to the financial statements for the financial year 2024-25, there were 295 cases lodged against the State amounting to Rs 76.6 billion as at 30 June 2025.

Recommendations

- The Government should strengthen oversight to minimise losses arising from actions or omissions by public officials.
- A State Litigation Management Committee should be set up at the level of the Attorney General's Office, including relevant stakeholders, to monitor the cases and to devise an appropriate system to mitigate the financial impact of litigations on public finances.
- Reports should be prepared on pending litigations and contingent liabilities and provided to the State Litigation Management Committee and to other relevant stakeholders, such as the Ministry of Finance, on a quarterly basis to monitor fiscal risks.

2.8.1 Follow-up of Recommendations raised in the Audit Report 2023-24

The status on actions taken on findings and recommendations since the publication of the Audit Report 2023-24 are summarised below. Out of 29 recommendations, 6 (21 per cent) have been implemented, 13 (45 per cent) have been partly implemented, 10 (34 per cent) have not been implemented.

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Submission of Annual Statements (Page 1-15)				
1	The Secondary Ledger was still not operational. Excessive number of journal entries. Returns submitted may not be complete and accurate. (Pg 2-3, Para 2.1.1)	Necessary measures should be taken to ensure that the Secondary Ledger is operational and all the Government assets are duly recorded in GAR. (Pg 3, Para 2.1.2)	Under the current financial framework, where budgeting is undertaken on a cash basis while accounting and reporting are on an accrual basis, the conversion of cash-basis transactions into accrual-based information will continue to be a fundamental requirement. Consequently, year-end manual accounting journal adjustments will remain necessary. ▪ The effective operation of the Secondary ledger will necessitate dedicated resources with appropriate technical expertise, particularly qualified Professional Accountants. Treasury will revisit the implementation of the Secondary Ledger at Ministry/Department level once the requisite staffing capacity is in place. ▪ As regards to GAR, the onus to update the GAR rests with Ministries/ Departments. Treasury has been providing continuous training to address capacity/knowledge gap.	Not Implemented
	Government Asset Register still not complete. (Pg 3, Para 2.1.2)			
2	Inability to identify pending litigations. (Pg 4, Para 2.1.3)	The Accountant General must have a comprehensive list of pending litigations with status of expected outcome and any penalties to comply with IPSAS 19 – 'Provisions, Contingent Liabilities and Contingent Assets'. (Pg 4, Para 2.1.3)	The State Law Office has submitted the list of ongoing litigations, which has subsequently been reflected as contingent liabilities in 2024-25 Financial Statements of the Budgetary Central Government consistent with IPSAS 19 disclosure requirements.	Partly Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
3	Loss allowance on Investment not provided. (Pg 4, Para 2.1.3)	The Accountant General should assess the risk of default and recognise any possible loss allowance in the Financial Statements. (Pg 5, Para 2.1.3)	Investments are subject to a systematic assessment on an annual basis, or earlier where indicators arise. Where objective evidence of impairment exists, an appropriate loss allowance is recognised.	Not Implemented
4	Expected Credit Loss Allowance of Rs 199.5 million on 'Outstanding Loans financed from Revenue' understated. (Pg 5-6, Para 2.1.4)	The Accountant General should review the expected credit loss allowance to reflect the past, current and future financial situations of the Wastewater Management Authority, Central Water Authority and Rodrigues Regional Assembly. (Pg 6, Para 2.1.4)	▪ The loss allowance is reviewed annually on the basis of past years repayment and discussions with the Ministry of Finance. ▪ For the year 2024-25, Expected Credit Loss has been reviewed and an amount of Rs 8.8 billion has been recognised.	Implemented
5	Liability in respect of Defined Benefit Plan of Rs 149.8 billion may be materially understated. (Pg 6-7, Para 2.1.5)	The actuarial valuation should be carried out at each reporting date to ensure compliance with IPSAS 39. (Pg 7, Para 2.1.5)	The Liability has been remeasured and going forward actuarial valuation will be carried out annually in compliance with IPSAS 39.	Implemented
6	List of State Land not updated. (Pg 8, Para 2.1.6)	An updated list of state lands should be kept to substantiate the total cost of land disclosed in the financial statements. (Pg 8, Para 2.1.6)	The list is being finalized in consultation with the Ministry of Finance and Ministry of Housing and Land Use Planning.	Not Implemented
7	Useful economic lives of fully depreciated/ amortised assets still in use not reviewed in line with IPSAS 17 and IPSAS 31. (Pg 7-8, Para 2.1.6)	The useful economic lives of fully depreciated assets still in use should be reviewed on a regular basis and their carrying values adjusted accordingly as per Paragraph 67 of IPSAS 17, 'Property, Plant and Equipment' and Paragraph 103 of IPSAS 31, 'Intangible Assets'. (Pg 8, Para 2.1.6)	This issue has been discussed and will be addressed once GAR becomes fully operational and proper asset tagging has been completed.	Not Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
8	Age Analysis of Receivables - 33 per cent overdue for more than one year. Receivables of Rs 218.6 million written off. (Pg 9-11, Para 2.1.7)	The Ministry of Finance should establish an effective debt recovery system within Ministries and Departments for tracking and managing all receivables, enabling better monitoring and timely actions. (Pg 11, Para 2.1.7)	The responsibility for ensuring that all amounts due are appropriately collected and accurately recorded rests with Ministries/Departments. The Central Arrears Monitoring Unit has yet to be set up. The Ministry of Finance has coordinated with the main institutions concerned to review the different actions taken and their outcomes with respect to the collection of receivables.	Partly Implemented
9	Fair value of Investments is based on old net asset value, not reflecting current market conditions. (Pg 12, Para 2.1.8)	The Accountant General should ensure that investment is valued in compliance with IPSAS 41 'Financial Instruments'. (Pg 12, Para 2.1.8)	The policy of the Treasury is to use latest audited financial statements to value investments as management accounts are not reliable. Once the entities are up to date with their financial statements, the investment will be properly reflected in the Financial Statements.	Not Implemented
10	The amount of Rs 141,078,120 recognised as social benefits did not represent the next social benefit payment in accordance with IPSAS 42. (Pg 12, Para 2.1.9)	Social benefit liability should be measured in accordance with IPSAS 42. (Pg 13, Para 2.1.9)	The Treasury has applied a detailed assessment methodology to determine the amounts outstanding as at the reporting date, recognising that subsequent-month disbursements may cover current-month obligations and are therefore not payable at the reporting date. This treatment is in accordance with IPSAS 42. (Illustrative example No. 37).	Not Implemented Social benefit liability should represent the next social benefit payment.

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
11	The amount for Social Benefits Expenses has been overstated by an amount of Rs 370,262,082.	The amount of social benefits recognised as paid should be the actual amount paid to beneficiaries, rather than the amount transferred to the entity responsible for making the payments. (Pg 13, Para 2.1.9)	Action taken. Only the amount paid to beneficiaries are now recognised.	Implemented
12	Social benefits paid through Special Funds were not accounted. The Treasury had not maintained a comprehensive listing of all social benefits schemes paid by the Government, along with their eligibility criteria. (Pg 12-13, Para 2.1.9)	An updated listing of all social benefits schemes provided by the Government which fall under IPSAS 42 should be readily available. (Pg 13, Para 2.1.9)	The Listing is available and substantiates the workings for Social Benefits. The disclosure also includes the framework within which such payments are made.	Partly Implemented
13	Funds disbursed to the Special Funds at year end were accounted as expenditure in the Statement of Financial Performance. The unspent funds were accounted as Cash and Cash Equivalents and Investments of Government as at 30 June 2024. (Pg 14, Para 2.1.10)	The Accountant General needs to review the accounting treatment for Special Funds in Government's financial statements. (Pg 14, Para 2.1.10)	Following discussions with the Ministry of Finance, it was recommended that the existing practice of disclosing Special Funds deposited with the Accountant-General within the Financial Statements of Budgetary Central Government (BCG) should be maintained, in view of its relevance to Parliamentary oversight. Consequently, the annex pertaining to Special Funds continues to be included in line with the provisions of the amended Finance and Audit Act	Not Implemented Special Funds are separate legal entities and do not form part of BCG reporting entity.
Provision for Contractual Liability for COVID-19 Vaccines (Page 14-15)				
14	The government had a contractual liability of Rs 494 million for "Pfizer and Johnson and Johnson Vaccines" that are no longer required, some of which have already expired.	The provisions for contractual liability may have to be increased to Rs 1.1 billion taking into account liability for sputnik vaccines of Rs 549 million. (Pg 15, Para 2.2)	For the financial year 2024-25, a provision in respect of the contractual liability for sputnik vaccines has been recognised and accordingly presented as provision in the Statement of Financial Position.	Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
	No provision was made in the financial statements for contractual liability for "Sputnik Vaccines" amounting to Rs 549 million. (Pg14-15, Para 2.2)			
Public Sector Debt (Page 15- 26)				
15	The exchange rate fluctuations had a significant impact on BCG's external debt including debt servicing, with exchange losses ranging from Rs 1.1 billion to Rs 6.5 billion occurring in 4 out of the past 5 financial years. (Pg18-19, Para 2.3.1)	The Ministry of Finance should develop strategies to minimise exchange losses. (Pg 19, Para 2.3.1)	The Ministry of Finance has taken a number of measures, including: • Financing the borrowings requirements of Government mainly from domestic sources; • Diversifying the currency composition of the foreign debt; • Servicing the foreign loans by using FX receipts of Government.	Implemented
16	The gross PSD-to-GDP ratio registered a decrease of 0.4 per cent from Rs 81.8 per cent as of 30 June 2023 to 81.4 per cent as of 30 June 2024. (Pg19-20, Para 2.3.2)	The Ministry of Finance should formulate appropriate fiscal policies to reduce the public sector debt to GDP ratio below the 80 per cent ceiling. (Pg 20, Para 2.3.2)	An economic reform and fiscal consolidation programme are being implemented as from FY 2025-2026 as announced in the 2025-2026 Budget Speech. The objective is to boost economic growth and reduce the budget deficit and public sector debt to GDP ratio.	Partly Implemented
17	Annual issue of Government Securities exceeded redemption, resulting in an increase in BCG Domestic Debt in financial year 2023-24. (Pg 24, Para 2.3.3)	The Ministry of Finance needs to balance its borrowing practices, with effective fiscal policies and debt management strategies, to ensure that the debt remains manageable and does not become a strain on the financial market and economic growth. (Pg 24, Para 2.3.3)	The Government has taken fiscal measures to reduce the debt to GDP ratio to a more sustainable level. As announced in the 2025-2026 Budget Speech, an economic reform and fiscal consolidation programme is being implemented as from FY 2025-2026.	Partly Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
			Given that there is currently excess liquidity in the banking system, the issuance of government securities on the local market is not a strain on the financial market.	
18	Increase in Non-Guaranteed Domestic debt contracted by Public Corporations. (Pg 25, Para 2.3.4)	The Ministry of Finance should continuously evaluate and monitor the financial performance of Public Corporations to ensure that these bodies can repay the non-guaranteed loan contracted. (Pg 25, Para 2.3.4)	All loans contracted by public corporations are subject to approvals by their respective Boards of Directors and Parent Ministry. Moreover, as per the Financial Instructions No.1 of 2018, all borrowings by public corporations need written prior approval of the Ministry of Finance. The Ministry of Finance has also set up a dedicated unit for monitoring the performance of public corporations.	Implemented
19	The total contingent liabilities fluctuated over the years, with a noticeable increase from Rs 33 billion as at 30 June 2021 to Rs 39.1 billion as at 30 June 2023, before slightly decreasing to Rs 38.6 billion as at 30 June 2024. These liabilities may significantly impact debt sustainability. (Pg 25-26, Para 2.3.5)	The Ministry of Finance should continuously monitor the financial health of public corporations to ensure that they maintain and sustain repayment capacity. (Pg 26, Para 2.3.5)	The Ministry of Finance continues to monitor the performance of public corporations with a view to minimising the risk of public finance.	Partly Implemented
Statement of Investment (Page 27 – 35)				
20	Additional investments in three entities, Metro Express Ltd, Wastewater Management Authority and MauBank Holdings Ltd, which have not provided any returns to Government since acquisition. (Pg 28-29, Para 2.4.1)	The Ministry of Finance should monitor the financial health and performance of these companies. (Pg 29, Para 2.4.1)	The dedicated unit set up at the level of the Ministry of Finance is continuously monitoring the performance of public corporations.	Partly Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
21	(i) Out of 62 companies, only 27 recorded fair value gains totalling Rs 13.9 billion, while 23 companies registered fair value losses amounting to Rs 6.4 billion. (ii) Three companies showed neither gain nor loss in fair value as they had negative net asset values in both the financial years 2022-23 and 2023-24. (iii) The fair value changes in 6 companies could not be determined because their latest financial statements were unavailable. (iv) Two companies, fully owned by the Government with a total investment of Rs 5,100,000 was incorporated in 2020, had not prepared financial statements, making it impossible to ascertain their fair value changes. <i>(Pg 29, Para 2.4.2)</i>	The Ministry of Finance should closely monitor the performance of government-owned companies since large amounts of public funds are being invested in these entities. <i>(Pg 29, Para 2.4.1)</i>	The dedicated unit set up at the level of the Ministry of Finance is continuously monitoring the performance of public corporations.	Partly Implemented
22	The valuation of 15 investments, in Government owned companies, might have been misstated as they may not reflect their fair value as at 30 June 2024. <i>(Pg 29-30, Para 2.4.2)</i>	The Ministry of Finance should closely monitor the submission of financial statements by these bodies. <i>(Pg 30, Para 2.4.2)</i>	The dedicated unit set up at the level of the Ministry of Finance is following up with these bodies to submit their financial statements in a timely manner.	Partly Implemented
23		The Accountant General should ensure that the requirements of IPSAS 41 are followed. <i>(Pg 30, Para 2.4.2)</i>		Not Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
24	Investments, costing Rs 21.4 billion, were disclosed at zero fair value as at 30 June 2024. (Pg 31, Para 2.4.3)	The Ministry of Finance should devise a system for continuous monitoring of all Government -owned companies, including those whose net worth had been completely eroded, and take necessary steps to improve their financial performance. (Pg 31, Para 2.4.3)	The dedicated unit is working with these companies to ensure that they work out turn-around plans to restructure their business and improve their financial performance.	Partly Implemented
25	Investments at cost totalling Rs 67.2 billion did not yield any return during the financial year 2023-24. Investments at cost totaling Rs 54.8 billion, representing 58 per cent of the total cost of investments in Shares and Equity Participation did not yield any return since they were acquired. (Pg 31-35, Para 2.4.4)	The Ministry of Finance should implement the recommendations already made at paragraph 2.3 of the Audit Report for financial year 2022-23: - Formulation and review of policies to improve investment management; - Formulation of dividend policy; and	A large part of the investments was made in public bodies that were facing financial difficulties in order to allow them to continue their operations and meet their financial commitments. It is thus not expected to receive major returns on these investments in the immediate years.	Not Implemented
26		Establishment of an Investment Committee. (Pg 35, Para 2.4.4)	The operations of government companies differ from those of the private sector, and the establishment of an Investment Committee may therefore not be appropriate.	Not Implemented
Outstanding Loans financed from Revenue as at 30 June 2024 (Page 35-40)				
27	Arrears of Loan Capital, Interests and Penalties at cost for the Wastewater Management Authority, Central Water Authority, Metro Express Limited and Rodrigues Regional Assembly outstanding as at 30 June 2024. (Pg37-40, Para 2.5.1-2.5.2)	The Ministry of Finance should strengthen oversight mechanisms to improve the financial performance of those Bodies and should explore alternative mechanism for financing the capital projects of these institutions. (Pg 40, Para 2.5.2)	The dedicated unit set up at the level of the Ministry of Finance is continuously monitoring the performance of public corporations.	Partly Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Statement AE and Statement AF – Statement of Comparison of Budget Estimates and Actual Amounts for the Financial Year 2023-24 (page 40 -42)				
28	Increase in Budget Deficit Recurrent Expenditure and Capital Expenditure exceeding Recurrent Revenue and Capital Revenue. (Pg 40-42, Para 2.6)	The Ministry of Finance should improve the revenue and expenditure forecasting system. (Pg 42, Para 2.6)	The Ministry of Finance is working with the MRA to improve revenue forecasts by using updated data such as GDP and consumption expenditure estimates by Statistics Mauritius. As regards expenditure, provisions are being made taking into account information on contractual obligations and commitments taken.	Partly Implemented
Statement B – Revenue and Expenditure of the Consolidated Fund (Page 43-45)				
29	Deficit in the Consolidated Fund in four of the past five financial years from 2019-20 to 2023-24. High Dependence of Government on borrowings to Finance its Expenditure. Increase in Expenditure of the Consolidated Fund. Significant proportion of Government Expenditure towards Debt Servicing. (Pg 43-45, Para 2.7)	The Ministry of Finance should devise strategies for stringent expenditure control. (Pg 45, Para 2.7)	A committee has been set up at the level of the Ministry of Finance to identify area for expenditure reduction. There is close collaboration with SMSTs and the Ministries/Departments to reduce such expenditures.	Partly Implemented

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3 – THE JUDICIARY

3.1 Outstanding Cases at The Judiciary

Background Information

The Judiciary is one of the three pillars of our sovereign democratic state is vested with power to administer justice in the Republic of Mauritius. In the Annual Report 2024, the stated strategic directions, amongst others, were to reduce the number of pending cases, accumulated following the emergence of Covid-19 pandemic; to review procedures to expedite the disposal of cases and to further modernise the administration of justice by the introduction of a new computerised system and making available technology tools and making full use of them to expedite the disposal of cases.

Findings

There were 66,919 outstanding cases as at December 2024, with 53,239 cases (80 per cent) at the District Courts (DCs), 7,415 cases (11 per cent) at the Supreme Court, 2,981 cases (4 per cent) at Intermediate Courts and 3,284 cases (5 per cent) at the other Subordinate Courts. Details are in Table 3-1.

Table 3-1 Details of pending cases at the Supreme, Intermediate and Subordinate Courts for year 2024

Courts	Pending Cases at start of year	New cases lodged	New cases disposed of	Pending Cases at end of year
Supreme Court	7,834	7,668	8,087	7,415
Intermediate Court including the Financial Crimes Division	3,169	1,266	1,454	2,981
Children's Court	650	220	727	143
Industrial Court	1,784	943	1,104	1,623
District Courts	57,239	76,135	80,135	53,239
Court of Rodrigues	1,178	2,354	2,484	1,048
Total	71,854	88,586	93,521	66,919

Source: The Judiciary's Annual Report 2024

It can be noted that there has been an overall reduction of 4,935 cases as the number of cases disposed (93,521) is higher than the new cases (88,586) with a positive impact on the total number of outstanding cases.

The number of outstanding cases decreased from 71,854 to 66,919 for the calendar year 2024. However, at this pace, it will take a long time to settle all the outstanding cases.

▪ Age analysis of cases at Family and Commercial Courts

The age analysis of 3,551 cases under the Supreme Court, comprising 2,481 cases at the Family Court and 1,070 cases at the Commercial Court, are as shown in Table 3-2.

Table 3-2 Age Analysis at Family and Commercial Courts

Years	Number of years cases were outstanding	Number of Cases	Percentage of Cases outstanding
2025	≤ 1 year	233	6.5
2021-2024	1 to 4	3,044	85.8
2017-2020	5 to 8	224	6.3
2013- 2016	9 to 12	50	1.4
Total		3,551	100.0

Source: The Judiciary's Annual Report 2024

It can be noted that 92 per cent of cases at the Family and Commercial Courts are settled within a period of 4 years.

▪ **Impact of Adjournments of cases on their Settlement**

The percentage of cases adjourned along with the corresponding reasons for postponements are listed in Table 3-3.

Table 3-3 Percentage of Cases Adjourned

Reasons for postponements	Percentage of cases adjourned (%)
Motion by Counsel	27.2
Absence of witnesses (only)	33.0
Absence of parties (only)	25.7
Absence of both accused parties and witness	7.2
Unavailability of bench	0.3
Others	6.6
Total	100.0

Source: The Judiciary's Annual Report 2024

The percentage of cases adjourned due to absence of witnesses and parties on the day of trial was 33 and 25.7 per cent respectively, and in respect of 'motion by Counsel' was 27.2 per cent and absence of both accused parties and witness was 7.2 per cent.

Absences and motions by Counsels are the main cause for adjournment of cases.

Recommendations

The Judiciary should:

- Explore best international practices and strategies to reduce adjournments;
- Make effective use of latest technology to reduce throughput time of cases; and
- Carry out age analysis of outstanding cases at different Courts.

Judiciary's Response

- There are valid reasons assessed by the Judge and Magistrate to postpone cases.
- The Judiciary has caused modern technology to be implemented and is in constant process of modernising by way of more advanced technology.

3.2 Revenue Collection and Case Management System

Background Information

A private firm was awarded a contract of Rs 12.7 million to implement a 'Revenue Collection and Case Management System (RCCMS)' in June 2018 and was to be completed on:

(i) October 2018 - Phase 1: the Point of Sale (PoS) module; and

(ii) February 2019 - Phase 2: Case Management System.

However, the project had not been fully implemented after a delay of 6 years. In January 2026, the Judiciary initiated the process to terminate the project.

The objective of the project was to develop and implement a web-based RCCMS application to improve the efficiency and effectiveness of the case and cash management system. The RCCMS was to cater for the proper control and monitoring of collection of revenue and generation of all outstanding arrears, and also comprised a case management system for:

- Lodging of cases;
- Scheduling of cases;
- Processing of Suitor's Monies;
- Recording of judgement;
- Issue of summons to parties, witnesses, warrants etc;
- Generation of Cause Book, Cause Lists, Arrears of Revenue, Collection of Revenue, statistical reports etc; and
- Online payment module.

The initial project timelines were as follows:

Details	Dates
Submission of Technical specifications	2 February 2018
Tender launched	28 February 2018
Closing of Tender	10 April 2018
Kick off of the project after the procurement exercise	25 June 2018
Expected completion date of:	
Phase 1-The Point of Sale (PoS) module	October 2018
Phase 2 Case Management System	February 2019

Source: The Judiciary Records

Findings

▪ Delays in completion of RCCMS

A Project Steering Committee comprising representatives of the Judiciary and the technical unit (IT) and the supplier was set up at the level of the Judiciary to monitor the implementation of the project.

Live items completed with delays

There was an average of 3 years delay in the completion of the different modules implemented as follows:

- (i) The POS/Cashier system was live since October 2020 and was deployed in all cashiers' offices of all Courts of Mauritius in June/July 2021;
- (ii) The input of Fixed Penalty Notices (FPNs) by the Mauritius Police Force and the payment at the Cashier was live since January 2022;
- (iii) The case management system at the Family Division was live since February 2021;
- (iv) The Registry System was live since January 2022;
- (v) The case management system at Master's Court and Week-end Court became live since January 2022 and July 2022 respectively; and
- (vi) The Ushers Module System was live in January 2023 but following requests for change by Ushers, the full system was live in January 2025.

▪ Non-implementation of other items of the system, leading to their non-deployment at the Subordinate Courts

As of August 2025, the status of component in the RCCMS that were in progress and/or yet to be completed are as per Table 3-4.

Table 3-4 Status of Items in the RCCMS

SN	Types of Court/ Component Items	Status
1.	District Court (of Rose-Hill	• Pilot run done at Rose Hill from April 2023 to October 2024 but halted thereafter. • Delay of nearly 6 years noted to implement the system.
2.	Case Management System for:- • Intermediate Court • Industrial Court • District Courts	Not rolled out as the pilot run was halted at DC Rose-Hill.
3.	Arrears of revenue	Has not been fully tested at the pilot District Court as the pilot run was halted at DC Rose-Hill.
4.	Suitors monies	Has not been fully tested at the pilot District Court as the pilot run was halted at DC Rose-Hill.
5.	Online Payment of fixed penalties (FPN) and fees	Awaiting testing and proclamation of laws.
6.	Mobile App for online payment of FPN and fees	Only tested but not yet operational.

Source: The Judiciary Records

The RCCMS was meant to be implemented on a pilot basis at the Rose-Hill District Court (DC) and was expected to be rolled out to the other Subordinate Courts after the completion of the successful completion of the pilot run at Rose Hill DC.

▪ **Pilot run halted, leading to the non-deployment of the system to other courts**

The operational testing and usage were halted after 6 months at the Rose Hill DC since the start of the pilot run owing to a shortage of judicial personnel and delays caused by supplier. Consequently, full deployment across all the and the Intermediate and Industrial courts could not be undertaken. This resulted in:

- continued reliance on previously established computerised system in those subordinate courts; and
- certain items such as the arrears of revenue and suitors' monies, though completed, were being placed on hold pending deployment of the system across the DCs.

The component 'Online Payment of Fixed Penalties and Fees' was awaiting testing and proclamation of the law to be functional.

▪ **Some Components not implemented**

The intended objectives of implementing the RCCMS was not fully realised and some components were also not implemented as detailed in Table 3-5.

Table 3-5 Items not Implemented

Components	Contract Amount Rs (incl VAT)
Interfacing with Crime Occurrence Tracking System	552,000
Uploading of judgment from web portal for the Computerised Library Information System	230,000
E-Service for payers to check any outstanding payment	322,000
Synchronisation of each personal computer with production database	202,400
Soft version of the application to have access to Query screens	165,600
Total	1,472,000

Source: The Judiciary Records

Full Implementation of the RCMS not achieved after 6 years

As of July 2025, some components of the system, as per technical advice, were partially completed (70 per cent). Table 3-6 refers.

Table 3-6 Components that have been partially completed

Items Description
▪ Application Software for case & revenue management (inclusive of installation and configuration). ▪ Dynamic configuration of screen, screen layout, fields, and reports for the case and revenue management system. ▪ E-service for filling of cases online. ▪ Mobile App for the online payment module. ▪ Pre-User Acceptance Testing Training. ▪ Application Software Training. ▪ Training for users. ▪ Migration of records. ▪ An interface for public users to make online payment.

Source: The Judiciary's Record

The supplier requested the closure of the user acceptance testing exercise for several modules that are already live and for items partly completed.

▪ ***Non-application of Liquidated Damages***

It is stipulated in the contract that the Liquidated Damages (LD) to be applied shall be one per cent of the contract value per week, and the maximum amount of LD shall be 10 per cent of contract value. However, the quantum for LD was not yet determined as at mid-September 2025.

Root Cause

The Project Steering Committee did not take appropriate timely remedial action to address the issues when they arose.

Recommendations

The Judiciary should:

- Fully implement the web-based RCCMS application in all courts of Mauritius so that the objectives to be derived through the case management system could be achieved; and
- Assess the relevance of the remaining modules in light of latest IT developments and take appropriate action accordingly so as to improve service delivery to relevant stakeholders.

Judiciary's Response

- The Judiciary is in the process of ending the project. The Attorney-General's Office is assisting the Judiciary to finalise the discounted price remaining to be paid.
- A Steering Committee has been set up and is monitoring the matter to ensure the execution of the agreement.

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4 – OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS

4.1 Annual Report on Performance for Financial Year 2023-24 – Partial Compliance

Background Information

Pursuant to Section 48 of the Finance and Audit Act, and in accordance with the Ministry of Finance guidelines issued through Circulars No. 10 of 2016 and No. 7 of 2018, the Attorney General's Office, which comprised the Office of the Solicitor General, the Office of the Parliamentary Counsel and the Office of the Director of Public Prosecution (ODPP), submitted its Annual Report on Performance for the financial year 2023-24 by the end of October 2024.

Finding

Partial Compliance with MOF Revised Guidelines - Annual Report on Performance

The Annual Report on Performance of the ODPP did not include the following:

- (i) Under Part II - Ministry/Department Achievements and Challenges, "Status on Implementation of Key Actions".
- (ii) Under Part III - Financial Performance, the Financial Highlights did not include statistics and figures for the previous year.

As per the Strategic Direction 2024-2027, the ODPP is required to ensure the provision of efficient prosecution services.

Recommendation

The Office of the Director of Public Prosecution (ODPP) would need to comply fully with Part II and Part III of the Ministry of Finance guidelines.

ODPP's Response

With regard to the preparation of future Annual Report on Performance, the ODPP will fully comply with the revised guidelines of the Ministry of Finance.

4.2 Prosecuting Counsels hired on a month-to-month Basis

Background Information

The Office of the Director of Public Prosecutions has been authorised by the Public Service Commission (PSC) since 2004 to recruit Prosecuting Counsels on an ad-hoc basis.

Following this delegated power from the PSC, the ODPP drafted the agreement with terms and conditions for retaining the services of Prosecuting Counsels on a month-to-month basis. The terms and conditions, among others, include the following:

- Conduct criminal prosecutions before District and Intermediate Courts upon instructions from the Director of Public Prosecutions.
- Prosecuting Counsels are expected to:
 - (a) Appear in court thrice weekly; and
 - (b) Deal with a minimum of 15 cases per week.

The ODPP had a total of 9 Prosecuting Counsels, 7 of whom were recruited on a month-to-month basis during the financial year 2024-25. A total amount of Rs 2,099,913 was paid as retainer fees to them.

Findings

▪ Workload Condition in new agreements

Initially, the agreement required Prosecuting Counsels to handle a minimum of 15 cases per week. This clause was removed in the new agreements issued in the year 2024 and onwards.

However, no supporting document was available to confirm that this amendment was formally approved.

▪ Court appearance requirement not fulfilled

The monthly attendance returns of a sample of 3 Prosecuting Counsels retained on contract during the financial year 2024-25 was reviewed.

The analysis showed that on several occasions, the minimum requirement to appear in court thrice weekly was not fulfilled.

▪ Full instead of pro-rata retainer fee payment effected during leave

As per clause 4 of the agreement, *“prosecuting counsels will be paid a retainer fee and travelling allowance in arrears. In instances where on leave, the monthly retainer fee will be calculated on a pro-rata basis.”*

However, it was observed that for one Prosecuting Counsel, full retainer fee was paid during the leave period, contrary to the contractual provision.

▪ Lack of transparency in recruitment process for monthly contracted Prosecuting Counsels

The ODPP did not formally advertise Prosecuting Counsel vacancies on its website or in public press for the financial year 2024-25. Instead, when the need arises, the ODPP select candidates for interview from the list of practicing barristers who have already submitted their expression of interest along with curriculum vitae.

However, this approach lacks transparency and may limit access to other qualified candidates who are unaware of this recruitment opportunity.

▪ **Non-compliance with mandatory requirement of delegated power from PSC**

The PSC delegated the authority to recruit Prosecuting Counsels on an ad-hoc basis, subject to the condition that the Commission be informed of the outcome of the recruitment exercises.

However, as of 15 October 2025, the Commission was not informed on the outcome of the recruitment exercises carried out at the ODPP, contrary to the stated requirement.

Root Cause

The HR section of the ODPP did not exercise effective control over the recruitment process and did not ensure compliance with contractual terms, PSC regulations and HR regulations.

Recommendations

The ODPP needs to:

- Implement a proper monitoring mechanism to ensure full compliance with all contractual terms and conditions.
- Enhance transparency in the recruitment process of prosecuting counsels on a month-to-month basis.

ODPP's Response

- Given that there is no record or formal approval on file for amendments in the conditions of employment, remedial action is being taken by this Office to seek the covering approval of the Accounting Officer.
- The HR Section retrieved all the files of Prosecuting Counsels from the Trial Team, and the leaves taken by them are being monitored by the HR Section.
- For the sake of transparency, the ODPP will henceforth consider advertising vacancies for the post of Prosecuting Counsel on the social media every 2 years. In the event of any vacancy which may arise, candidates from the Merit List will be considered. However, should there be no candidate on the Merit List, the post will be re-advertised, even though, the two-year period has not lapsed.

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5 – PRIME MINISTER’S OFFICE, MINISTRY OF DEFENCE, HOME AFFAIRS AND EXTERNAL COMMUNICATIONS, MINISTRY OF FINANCE AND MINISTRY FOR RODRIGUES AND OUTER ISLANDS

5.1 Defence and Home Affairs Division

5.1.1 Mauritius National Identity Card System

5.1.1.1 Weaknesses in Monitoring and Enforcing Contract Terms

Background Information

In 2021, Government agreed to revamp the existing Mauritius National Identity Card (MNIC) System, which had been implemented in 2013.

In November 2022, Government approved the award of the project “Procurement of a Turnkey Solution for the Supply, Implementation, Operation and Maintenance of a National Smart Card Based Identity System and a Smart App Based Mobile ID Solution” to a Consortium for USD8.2 million, inclusive of VAT, with Fingerprint Option.

On 29 November 2022, the Defence and Home Affairs (DHA) Division issued a Letter of Acceptance (LoA) and an agreement between the Government of Mauritius and the Consortium was signed on 15 February 2023.

As of December 2025, the Prime Minister’s Office (PMO) effected payments totalling USD8.2 million, inclusive of VAT.

Findings

▪ Delay in Finalising the Contract Agreement

Section I of the Bid Document – Instructions to Bidders (Section 36 - Signing of Contract) stipulates that “*the PMO will send the successful bidder the Contract Agreement provided in the Bidding Documents at the same time it notifies the latter that its bid has been accepted. As soon as practicable, but no more than 28 days following receipt of the Contract Agreement, the successful bidder shall sign and date it, and return it to PMO*”. However, non-compliance with the above provisions was noted.

- (i) The then Manager, Procurement and Supply of DHA Division issued a first draft of the Contract to the Consortium on 10 January 2023, that is, 40 days after the award of the Contract.
- (ii) The Contract was finalised on 15 February 2023, that is, two and a half months after the award of the Contract and 38 days after the receipt of the Contract by the Consortium.

The initially approved completion date of December 2023 was consequently reset to 15 February 2024.

▪ **Performance Security - Non-Compliance and Delay in Submission**

Section I of the Bid Document – Instructions to Bidders (Section 37: Performance Security) stipulates that “*the successful bidder shall furnish a Performance Security in accordance with the General Conditions of Contract (GCC), as soon as practicable but no later than 28 days following receipt of notification of award from the PMO*”.

- (i) The Consortium submitted a first Performance Security on 18 January 2023, followed by an amended one on 30 January 2023. Both documents were submitted more than 50 days after the award of the Contract and exceeded the timeframe prescribed in the Bid Document.
- (ii) The Performance Security did not comply with the Special Conditions of Contract (SCC) – GCC 13.3.1, which stipulates that “*the Performance Security shall be denominated in Mauritian Rupees for an amount equal to 10 per cent of the Contract Price*.” Instead, the Performance Security was denominated in foreign currency for an amount not exceeding USD 856,221.

Root Cause

The Technical Committee mandated to ensure compliance with the procurement procedures did not adequately adhere to the conditions of the contract and ensure the successful and timely completion of the project.

Recommendations

The Technical Committee should ensure:

- Strict adherence to contractual conditions throughout contract implementation; and
- That realistic and achievable timeframes are stipulated for the submission of performance security, execution of contracts, and other key contractual obligations.

Division’s Response

- The delay in finalising the Contract was attributable to clarifications sought by the Consortium on payment terms and VAT treatment which required consultations with relevant stakeholders. It was administrative in nature and did not adversely affect the scope, cost or implementation of the project.
- Although the SCC required the Performance Security to be 10 per cent of the Contract Price in Mauritian Rupees, the amount submitted, USD 856,221, was accepted by the Contracting Authority. While not strictly in the required currency, the Performance Security was administratively cleared and ensured adequate financial security for the project.

▪ Delay in Achieving Operational Acceptance for Some Project Components

According to Paragraph 2 of the Letter of Agreement (LOA), the project was to be implemented within 12 months from the date of signature of the Contract and liquidated damages were to be assessed only with respect to failure in achieving Operational Acceptance.

- (i) The core MNIC 3.0 System, comprising registration, verification, payment, investigation, personalisation and printing, was operational on 19 February 2024, while other components/applications, namely the Mobile ID, Card Reading Solution, including Card Application Programming Interface and Software Development Kits, MNIC Portal (Citizen, Agency and Government) and Post Issuance Application, including Kiosks became operational on 12 August 2024, 6 months beyond the contractual timeframe.
- (ii) The PMO did not apply liquidated damages at the stipulated rate of one per cent per week, up to a maximum of 10 per cent of the Contract price or the relevant portion thereof, despite some components/applications did not achieve operational acceptance within the contractual timeframe.

Root Cause

The Ministry of Information Technology, Communication and Information (MITCI) as the Government's technical arm and a key stakeholder involved since the inception of the project, did not adequately foresee system integration complexities at the planning and design stages, resulting in delays in project completion.

Recommendation

The DHA Division, in close collaboration with MITCI, should ensure that system integration for forthcoming ICT projects, is adequately assessed at the planning stage to avoid delays.

Division's Response

- These delays were primarily attributable to system integration complexities involving multiple existing platforms, which required additional coordination and testing operational compatibility.
- During a project management meeting, it was decided to set a revised internal deadline of 31 July 2024 for the completion of the outstanding components. Liquidated damages remained applicable in the event of non-compliance with the revised deadline.

5.1.1.2 Weak Enforcement of Contractual Obligations for Post-Implementation Activities

The Operation and Support (O&S) Services and the Maintenance of Hardware and Software form part of the MNIC project's post-implementation activities.

The total costs associated with the O&S Services and Maintenance of Hardware and Software for a period of 10 years amount to USD 338,000 and USD 12.9 million inclusive of VAT, respectively.

Operation & Support Services - USD338,000

Background Information

The LoA stipulates that the O&S contract shall be subject to the annual confirmation by the PMO of its intention to avail of these services after the Go Live of the System. The detailed cost breakdown for the O&S contract is illustrated in Table 5-1.

Table 5-1 Operation and Support Cost after the Go-Live

Year	Cost (USD) inclusive of VAT
1	22,589
2	27,107
3	28,462
4	29,887
5	31,380
6	33,890
7	36,602
8	39,530
9	42,692
10	46,107
Total	338,246

Source: Letter of Acceptance dated 29 November 2022

On 5 December 2023, the PMO issued a Letter of Confirmation to the Consortium for providing the O&S services for Year 1, for an amount of USD 22,589, inclusive of VAT and in August 2025, the PMO approved the renewal of the O&S services for Year 2, covering the period 19 February 2025 to 18 February 2026, for an amount of USD 27,104 inclusive of VAT.

Following the completion of knowledge transfer to officers of the National Identity Card Unit, the DHA Division decided not to continue with the O&S Services as from 19 February 2026 (Year 3) resulting in potential savings of some USD288,550, inclusive of VAT.

Findings

▪ Delay in Submission of the Operations and Support Plan – Year 1

Clause 26.4 of the Bid Document required the successful bidder to submit an O&S Plan during the implementation phase. However, the Consortium submitted an O&S Plan (Version 2.0) on 29 November 2024, some 9 months after the MNIC 3.0 System went live.

▪ **Absence of Signed Operations and Support Contracts – Year 1 and Year 2**

- (i) The Central Informatics Bureau and the Consortium worked out the O&S Contract for Year 1, covering the period from 19 February 2024 to 18 February 2025, but as of January 2025, the DHA Division had not validated the draft O&S Contract.
- (ii) Despite the absence of a duly signed O&S Contract for Year 1, the DHA Division effected the payments of USD 22,589 in March 2025.
- (iii) A Letter of Renewal for O&S services was issued on 5 September 2025, that is, some 8 months after the start of Year 2 on 19 February 2025.

Root Cause

The DHA Division did not enforce the contractual requirement for a duly signed O&S Contract before authorising and effecting payments to the Consortium.

Recommendation

The DHA Division should ensure that all payments are authorised and paid only after Contracts are duly signed.

Division's Response

Management acknowledges that the Contractual requirement for a duly signed O&S Contract prior to effecting payments was not fully enforced. However, the Consortium continued to provide essential services at the request of the National Identity Card Unit and ensured uninterrupted support and operations of the MNIC System.

Maintenance of Hardware and Software- USD 12.9 Million

Background Information

According to Letter of Agreement,

- The maintenance of the MNIC System's hardware and software starts after one-year warranty period from 19 February 2024 to 18 February 2025 and is subject to the PMO's confirmation, every year, of its intention to enter into such maintenance contract;
- The maintenance costs are inclusive of all travel and accommodation, Local Support for the MNIC System – Levels 1 and 2, and Local Support on Hardware such as servers, card readers, firewall, screen displays, cameras; and
- The detailed costs breakdown for the Maintenance Contract is illustrated in Table 5-2.

Table 5-2 Maintenance of Hardware and Software Cost Post-Warranty Period

Year	Cost (USD) inclusive of VAT
1	384,048
2	1,180,399
3	1,116,783
4	1,121,638
5	1,141,912
6	1,316,331
7	1,448,564
8	1,544,874
9	1,847,764
10	1,760,683
Total	12,862,996

Source: Letter of Acceptance dated 29 November 2022

Findings

▪ Inconsistencies in Contractual Provisions Governing Maintenance of the System

The GCC (A. Contract and Interpretation) defined the post-warranty services period as the number of years specified in the SCC, namely, 9 years starting after the completion of the warranty period.

However, Clauses 26.2 and 26.3 (Post Implementation Support – Warranty and Maintenance) of the Bid Document were inconsistent with the mentioned interpretation of Post-Warranty Services Period by stating that the maintenance for all proposed hardware and software should be provided for a period of 10 years, inclusive of the warranty period.

This inconsistency created uncertainty regarding the intended duration of the Consortium's maintenance obligations and resulted in differing interpretations of the contractual requirements.

▪ Maintenance Services Provided During the Warranty Period

- (i) The warranty period expired on 18 February 2025 for the core module of the MNIC 3.0 System, and on 12 August 2025 for the Mobile ID and Related Components. However, in March 2025, the DHA Division effected payments amounting to USD339,202 for maintenance services in the absence of a duly executed written maintenance contract with the Consortium.
- (ii) Poor record-keeping of approvals and correspondences prevented audit verification of PMO's authorisation for maintenance services during the warranty period.
- (iii) In November 2025, PMO finalised both Software and Hardware Maintenance Agreements with the Consortium for Year 2. The duly signed agreements covered the Core Module of the MNIC 3.0 System for the period 19 February 2025 to 18 February 2026 and the Mobile ID and Related Components from 12 August 2025 to 11 August 2026.

Root Causes

- The Technical Committee did not adequately review and coordinate the preparation of the bidding documents, resulting in contradictory clauses regarding the duration of the post-warranty period.
- The Committees set up at the level of DHA Division, namely, the Technical Committee, Bid Evaluation Committee (BEC) and Departmental Bid Committee (DBC) did not adequately review and address the inclusion of Local Support for MNIC System - Levels 1 and 2 and Local Support on Hardware in the Maintenance Cost.

Recommendations

- The Technical Committee, DBC and BEC should address any inconsistencies and contractual interpretations before making recommendations for awarding the Contract.
- Project files should contain all correspondence and key contractual documents, including approvals, to support transparency, accountability and effective audit verification.

Division's Response

At the time of evaluation, the bidder added two items, namely the Local Support for the MNIC System Level 1 and 2 and Local Support on Hardware in the price schedule which covered the entire duration of 10 years. They relate to in-country labour and critical spare parts provided in addition to vendor warranty. However, the payment of USD 339,202 made in respect to local support in March 2025 was inadvertently included in the Maintenance cost in the LoA.

5.1.2 Follow-up of Recommendations Raised in the Audit Report 2023-24

The status on actions taken on key findings and recommendations since the publication of the Audit Report 2023-24 is summarised below. The 8 recommendations (100 per cent) have been implemented.

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Grants to a Private Company – Non-Compliance with Financial Instructions and Grant Memorandum (Page 47)				
1	In February and June 2024, the company submitted applications for the disbursements of current and capital grants. However, as required by Section 7 of the Grant Memorandum, these applications were not supported by relevant documents such as cash flow statements for the last 12 months and revised estimates of revenue and expenditure for the financial year. <i>(Pg 47, Para 3.1.1)</i>	The Accounting Officer should ascertain that the grant recipients fully comply with Financial Instructions No. 2 of 2014 and the terms and conditions of the Grant Memorandum. <i>(Pg 48, Para 3.1.1)</i>	The Division will adhere strictly to the provisions of the Grant Memorandum.	Implemented
2	The Finance Section did not adequately analyse, amongst others, the entity's financial position and cash flows for the financial year 2023-24 while determining the quantum of grants to be released and frequency of grant disbursements, as outlined in Paragraphs 13 and 14 of Financial Instructions No. 2 of 2014. <i>(Pg 47, Para 3.1.1)</i>	The Manager, Financial Operations should:	The company would not be granted any capital fund in the subsequent financial years 2024-25, 2025-26, and 2026-27.	Implemented
3		- thoroughly assess the financial position of the grant recipient before determining the quantum of grants to be released and the frequency of disbursements; - implement a monitoring mechanism to ensure the timely and effective utilisation of grants released; and		Implemented
4		request and analyse periodic progress reports to track milestones and achievements as stipulated in the Financial Instructions. <i>(Pg 48, Para 3.1.1)</i>		Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Provision for Cleaning Services – Delay in Awarding New Contract (Page 48)				
5	In May 2022, DHAD initiated actions for a fresh bidding exercise but the bid invitation was launched in April 2023, almost one year later.	The Accounting Officer should ensure that:	Bids are prepared with due diligence, and contracts will be expedited on time.	Implemented
6	The BEC report, submitted in July 2023, was completed after 2 months, considerably exceeding the 16 hours authorised by the Accounting Officer and the 15-day indicative timeframe outlined in PPO Directive No. 13 of 2013.	- the Accommodation and Procurement and Supply Sections prepare bids with due diligence. - each stage of the procurement process complies with the relevant Acts, Regulations, and established procedures set by the Procurement Policy Office.		
7	In October 2023, the DBC endorsed BEC's recommendations to award the contract to Bidder B for Rs 6.4 million, inclusive of VAT, being the lowest evaluated substantially responsive bidder. On 6 November 2023, the bid validity expired and DBC recommended the cancellation of the bid exercise of April 2023. On 19 April 2024, DHAD re-launched an invitation for bid and offered the new contract to Service Provider A on 26 July 2024 for Rs 9.8 million. This represents a substantial increase of 53.1 per cent over Bidder B's bid price of Rs 6.4 million, which was the lowest evaluated bid in the previous bid exercise. <i>(Pg 49, Para 3.1.2)</i>	contract awards are expedited to minimise unnecessary costs and maximize value for money. <i>(Pg 49, Para 3.1.2)</i>		

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Upgrading and Renovation of Main Lobby – Shortcomings in Contract Management (Page 50)				
8	Delay in the Awarding and Executing Contract - In March 2021, the Ministry of National Infrastructure and Community Development (MNICD) submitted a detailed scope of works for the estimated cost of Rs 4.3 million, inclusive of VAT. However, MNICD, the Procurement and Supply Section and DBC took 6 months to prepare and vet the bid documents. - In January 2023, DHAD awarded the contract to a private Contractor with works commencing in May 2023. The late submission of relevant documents by the Contractor delayed the handing over of the sites by four months. Non-Compliance with Conditions of Contract - The Contract Agreement was signed on 15 May 2023, with a three-month delay. This was not in accordance with Paragraph 17 of the Instruction to Bidders, which required the Agreement to be signed within 28 days of receiving the Letter of Acceptance.	MNICD should exercise close monitoring of contractors and ensure the timely submission of documents as required by the Contract. (Pg 52, Para 3.1.3)	The Upgrading and Renovation works of the main lobby have been completed.	Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
	On 30 March 2023, two and a half months from date of issue of the Letter of Acceptance, the Contractor submitted the sample of tiles to be approved by the Lead Architect of MNICD. This further delayed the handing over of the site as DHAD took cognisance of MNICD's approval on 2 May 2023. (Pg 50-51, Para 3.1.3)			

5.1.3 Follow up on Findings and Recommendations in Performance Audit Report 2023

Title of Report: ‘Enhancing the Effectiveness of Interventions relating to Drug Demand and Harm Reduction.’

Date Issued: April 2023

A follow up of recommendations raised in the abovementioned Performance Audit Report was carried out. The Prime Minister’s Office (Defence and Home Affairs Division) and the Ministry of Health and Wellness were requested to inform the National Audit Office of the actions that have been taken to address the findings and recommendations in the Audit Report.

The status of actions taken as of November 2025 on key findings and recommendations since the publication of the Report are summarised below. Out of 18 recommendations, 3 (17 per cent) have been implemented, 7 (39 per cent) have been partly implemented and 8 (44 per cent) have not been implemented.

The Defence and Home Affairs Division has informed NAO that:

- The issues raised in the Report pertain to the former National Drug Secretariat (NDS), which acted as a coordinating body without a mandate to directly implement programmes. As such, the gaps/ shortcomings raised in the report fall under the purview of the respective implementing stakeholders such as the Ministry of Health and Wellness (MHW), the Ministry of Education and Human Resource, formerly Ministry of Education, Tertiary Education, Science and Technology (MoETEST), the National Social Inclusion Foundation (NSIF), the Mauritius Prison Service (MPS) and Non-Governmental Organisations (NGOs);
- Since May 2025, the framework has been strengthened with the establishment of the National Agency for Drug Control (NADC) under the National Agency for Drug Control Act. In fact, in view of the complex and evolving challenges posed by drugs, there was a need for a more coordinated national response;
- To this end, the NADC has been created to coordinate the national drug response through prevention, enforcement, treatment, rehabilitation and harm reduction; and
- The NADC will work in close collaboration with all stakeholders while maintaining its role as a non-implementing coordinating agency.

Also, in view of the abovementioned restructuring exercise and the fact that the coordinating mandate of the former NDS has now been absorbed by the newly created NADC, it is considered that the gaps identified by NAO will be effectively addressed.

Sn	Findings	Recommendations	Ministry's Response
Implementation of Drug Use Prevention Activities			
1	As of April 2022, the drug prevention programmes and activities carried over the past years by the Harm Reduction Unit were not accompanied by any monitoring and evaluation component. <i>Paragraph A.2-page 42</i>	The Ministry of Health and Wellness should incorporate a monitoring and evaluation component in its drug prevention activities in order to be aligned with international good practices. <i>Paragraph 5.2(i)-page 97</i>	Partly Implemented Feedback Forms have been introduced evaluation and remedial actions. Proper coordination, monitoring and evaluation of components will be carried out with the establishment of NADC.
2	As of April 2022, the evaluation of the pilot project to confirm the expected results was not completed, due to the non-availability of the requisite expertise. MoETEST and NDS could not confirm when the evaluation would be completed and when the programme could be fully deployed to the remaining schools. <i>Paragraph A.4.1-page 48</i>	The results of the pilot project 'Get Connected Programme', when available, should be discussed at the level of NDS and necessary adjustments to the programme be made. <i>Paragraph 5.2(ii)-page 97</i>	Not Implemented The Prevention and Public Awareness Division which will set under NADC will be responsible for such activities.
3	One year later, as of September 2021, no progress was realised on this responsibility allocated to MoETEST. The latter informed NDS that it would no longer lead the development of programme, but rather, NDS should act as the lead agency, as it was in a better position to coordinate the undertakings of all its partners and it had the vital expertise in developing the Standardised Programme. <i>Paragraph A.4.2-page 48</i>	NDS needs to determine which entity should lead and develop the Standardised Drug Use Prevention Programme at the earliest. This will ensure that the related prevention activities are carried out among a larger population of students before the completion of their secondary schooling. <i>Paragraph 5.2(iii)-page 97</i>	Not Implemented With the setting up of NADC, a national standard for Drug Use Prevention Programme on international evidence and best practices will be formulated and will be used as the national guideline for prevention at different levels including schools, in the country.
4	The first phase was already completed in 13 regions by end of December 2021. As of May 2022, NDS had neither initiated an assessment of the training already provided nor ascertained what communication the Prevention Team maintained with the trained members of the cohort in each region.	The status of the Youth Empowerment Programme Against Drugs should be ascertained by NDS and actions initiated to implement the second phase, which was considered as crucial. <i>Paragraph 5.2(iv)-page 98</i>	Not Implemented With the setting up of NADC, a national standard for Drug Use Prevention Programme on international evidence and best practices targeting youth will be formulated and widely disseminated in collaboration with the Ministry of Youth and Sports.

Sn	Findings	Recommendations	Ministry's Response
	The second phase was considered as crucial, whereby activities had to be sustained against drugs in each region. <i>Paragraph A.5-page 50</i>		
5	As at December 2020, the Ministry did not assess what proportion of the 6,600 active drug-injecting persons avail themselves of treatment being offered, and whether the current treatment coverage was adequate and matched the recommended target of UNODC. <i>Paragraph B.3.1-page 53</i>	A survey should be carried out to identify what proportion of People Who Inject Drugs, estimated at 6,600 in December 2020, are currently on Methadone Substitution Therapy Programme. Also, information on those 4,600 People Who Inject Drugs and who were inducted on the programme since 2006 but were lost to follow-up, has to be compiled. <i>Paragraph 5.3(i)-page 98</i>	Partly Implemented Such information is already available. Tracking Lost to follow-up patients is ongoing. This kind of survey requires specific expertise and logistic. With the setting up of NADC, better monitoring and evaluation in collaboration with the MHW will be carried out.
6	The Ministry had attempted to reduce the waiting time for induction. However, the measurement of timeliness of providing Methadone Substitution Therapy (MST) and setting of related targets to monitor this key performance indicator was not considered. <i>Paragraph B.3.2.1(iii)-page 58</i>	The Ministry should set targets for maximum waiting time for methadone induction, and consider reallocating clients in between the Methadone Day Care Centres to reduce waiting time. <i>Paragraph 5.3(ii)-page 98</i>	Implemented Currently there is no waiting time regarding methadone induction based on the protocol designed in 2023.
7	This monitoring is important to ensure that waiting time is kept within reasonable limits and to provide inputs for capacity planning to accommodate additional clients. The overall effect would be to decrease the likelihood of People Who Use Drugs (PWUD) losing resolve to start treatment or resuming substance misuse due to long waiting lists for induction. <i>Paragraph B.3.2.1(iii)-page 58</i>	Capacity planning needs to be carried out by the Ministry to cater for prospective clients for treatment as some 55,000 People Who Use Drugs(PWID), in addition to the estimated 6,600 People Who Inject Drugs, have already been estimated in December 2021. <i>Paragraph 5.3(iii)-page 98</i>	Implemented Initiated and ongoing, Two additional One Stop Shops have been opened since 2023. Harm Reduction Unit has been expanded at two hospitals.

Sn	Findings	Recommendations	Ministry's Response
8	In June 2021 a 'Take-home-dose' pilot project was conceived for patients stable on MST for at least one year. As of May 2022, the results of the pilot project were still outstanding and no update was provided by the Ministry in its reply of August 2022. <i>Paragraph B.3.3.3-page 62</i>	The 'Take Home Dose' is an appropriate initiative which will reduce the amount of resources required daily for dispensing methadone on sites, overcrowding and loitering around these sites, and diversion of methadone. However, the initiative was still in pilot stage since October 2021 and needs more attention from the Ministry in order to roll it out for a larger segment of methadone clients. <i>Paragraph 5.3(iv)-page 98</i>	Partly Implemented Initiated and ongoing. Around a dozen patients are already on Take Home Dose System. With the setting of NADC, a Joint Technical Working Group (JTWG) has already been established to look into these issues.
9	As of May 2022, the multi-disciplinary staff at the Detoxification Centre could not produce to NAO a formalised protocol comprising all the components of the draft guidelines to administer the detoxification treatment, as opposed to the official protocol for MST. were not made available for confirmation. <i>Paragraph B.4.1-page 70</i>	The Ministry should develop a prescribed Treatment Protocol for detoxification, similar to the Methadone Substitution Therapy Protocol, comprising guidelines on treatment plans, pre-admission and post-discharge follow-up to minimise the risk of interruption of treatment and relapse. <i>Paragraph 5.3(v)-page 98</i>	Implemented "Protocoles de Prise en Charge de L'Usage de Drogues a Maurice" has become official since March 2023. This protocol will be revisited and be strengthened.
10	NGOs were required to submit a mid-term progress report and a closure report with details of activities implemented, beneficiaries reached and outputs /outcomes. NSIF had put much emphasis on financial monitoring instead of assessing whether the intended benefits were realised out of the funding provided. <i>Paragraph B.3.4.2 (iii)-page 67</i>	NGOs should be engaged to a larger extent, in the follow-up of methadone, detoxification and rehabilitation of patients, and this should be one of the key requirements for them to obtain finance from the National Social Inclusion Foundation. <i>Paragraph 5.3(vi)-page 98</i>	Not Implemented With the setting of the NADC, both NSIF and NGOs are represented at the level of the Drug Control Board which will provide a platform for such interaction and engagement. This will be guided by activities under the National Drug Control Masterplan 2025-29 which soon will be finalised.

Sn	Findings	Recommendations	Ministry's Response
11	A Pilot Project was designed to address three core strategic interventions alongside medically assisted therapy and were namely psychological therapy, occupational therapy and socio-economic empowerment. The Project with a duration of two years was proposed to start in July 2020. As of May 2022, its implementation was still outstanding. <i>Paragraph C.2 (iii)-page 75</i>	The Ministry should reconsider the implementation of the Pilot Project for 'Psycho-socio-rehabilitation' for PWUD as a first step towards developing a more comprehensive rehabilitation programme. <i>Paragraph 5.4(i)-page 99</i>	Partly Implemented This is already on board in the National Drug Control Masterplan 2025-29. The NADC in consultation with NSIF will devise a technical assessment process in respect of the "Psycho-socio-rehabilitation" for PWUD which will be submitted to the Drug Control Board for approval and implementation.
12	In August 2021, it was reported that an MOU had already been signed and a coordination committee had been set up in respect of same. Through the MOU, the Project 'Collaborative Training and Social Integration of Detainees' could be implemented to pursue the economic empowerment and reinsertion of detainees with a view of facilitating their social integration. As of May 2022, the Project had not started at the Prison Service. <i>Paragraph C.3.2 -page 78</i>	The Project 'Collaborative Training and Social Integration of Detainees' should be given prompt attention by NDS with collaboration from the Ministry and NGOs. Activities related to the social reinsertion and rehabilitation of ex-detainees should be re-examined and expanded to provide a larger coverage. <i>Paragraph 5.4(ii)-page 99</i>	Not Implemented With the setting of NADC, a representative from the MPS forms part of the Drug Control Board which also includes representative from NGOs. Therefore, such discussions will form part of the Agenda of the Board Meetings. Appropriate recommendations emanating from such discussions will be approved and implemented by MPS.
13	Though the Ministry invested significantly in harm reduction treatment through the MST, it did not ensure that those uptaking the treatment were adequately followed up to remain in treatment. Some 4,600 clients who were inducted to methadone were lost to follow-up. The Ministry did not devise an appropriate strategy to identify those who could be potentially reinstated to treatment.	In order to confirm the effectiveness of its harm reduction interventions, the Ministry should carry out a survey among those clients on Methadone Substitution Therapy and benefiting from the Needle Exchange Programme. This would help to ascertain the proportion of clients still on the therapy and the programme. Relevant information would be obtained in respect of those who were still consuming	Partly Implemented With the setting of NADC, a Joint Technical Working Group (JTWG) between Treatment and Rehabilitation Services Division and MHW has been established to look into these issues. A well-defined Terms of Reference for the JTWG has been validated.

Sn	Findings	Recommendations	Ministry's Response
	Also, the Ministry could have monitored its performance over time by setting targets for its drug dependence treatment in relation to harm reduction for PWID. <i>Paragraph D.2 -page 82</i>	illicit drugs, still involved in crimes, and those in employment, with improved health and independent living. This information would provide feedback to enhance treatment, social integration and rehabilitation interventions. <i>Paragraph 5.5-page 99</i>	
14	As per its mandate, NDS had to ensure evaluation of all drug control related policies, programmes and interventions to achieve greater coherence, results and impact. In areas of harm reduction and treatment, NDS did not ensure that the Ministry carried out evaluations to ensure that the outcome of its activities maximised the intended benefits. <i>Paragraph E.4 -page 93</i>	The terms of reference of NDS specifies that the latter should advise on the adoption of evidence-based drug policies, strategies and programmes. NDS should ensure that policies required in specific sectors of substance abuse are appropriately formulated and implemented. For example, policy decision is required on whether methadone clients are expected to be on methadone for an indeterminate duration that could be lifelong, or move towards gradual detoxification in the long term. <i>Paragraph 5.6(i)-page 99</i>	Partly Implemented The mandate of NADC is to ensure evaluation of all drug control related policies, programmes and interventions to achieve greater coherence, results and impact. The respective Sub-Committees will come up with recommendations and thereafter approved by the Drug Control Board to be implemented by relevant stakeholders.
15	As of May 2022, there was no clarity on the precise amount of resources being mobilised to finance drug demand and harm reduction interventions compared to expenditures on control over drug supply. <i>Paragraph E.3 -page 91</i>	The costs associated with harm and drug demand reduction should be easily identifiable to support policy decisions. Accordingly, a programme budget should be developed and expenditure on the various services should be tracked against budgets. In order to provide accountability for performance, the outturns should be published and subject to scrutiny by relevant stakeholders. <i>Paragraph 5.6(ii)-page 99</i>	Not Implemented The National Drug Control Masterplan 2025-29 is a costed plan specifying the budget required with respect to the activities to be implemented by respective stakeholders.

Sn	Findings	Recommendations	Ministry's Response
16	The absence of clarity on expenditures relating to drug demand and harm reduction did not ensure that the right balance was realised in the allocation of resources among drug control interventions. <i>Paragraph E.3 -page 91</i>	NDS should initiate a cost-benefit analysis to be carried out to enable policy and program managers to make informed decisions. <i>Paragraph 5.6(iii)-page 99</i>	Partly Implemented Deliberations / recommendations made by respective Sub-Committees under the Drug Control Board
17	NDS considered that it was not mandated to assess the performance of the stakeholders and lacked the legal authority to enforce compliance for the execution of activities recommended in the Master Plan. <i>Paragraph E.4 -page 92</i>	To enhance its oversight role, NDS should identify all activities, as recommended in the Master Plan, which are behind schedule or not performed. These performance gaps should be reported to the High-Level Drug and HIV Council for necessary corrective actions. <i>Paragraph 5.6(iv)-page 99</i>	Not Implemented A National Drug Control Commission (NDCC) under NADC Act 2025 will monitor progress through setting of performance indicators.
18	In the case of NGOs, NDS did not ensure that evaluations were carried out by NSIF before the allocation of grants in respect of prevention and rehabilitation activities. <i>Paragraph E.4 -page 93</i>	NDS should ensure that the activities of NGOs are assessed by the National Social Inclusion Foundation pre and post-funding stages. It also needs to ensure that the resources allocated match the expected level of support required from them. <i>Paragraph 5.6(iv)-page 99</i>	Not Implemented The NDCC under NADC Act 2025 will be set up with clear performance indicators to assess implementation by respective NGOs.

5.2 Government Printing Department

5.2.1 Government Asset Register

Background Information

In July 2017, the Accountant General (AG) issued a Treasury Circular regarding the introduction of a Government Assets Register (GAR), which would be a central database of assets owned by the Government for their efficient and effective management and for accounting of same in the financial statements prepared by the Accountant General.

Findings

- The GAR was updated up to October 2024 and 378 items valued at Rs 122.7 million were recorded. However, other records showed that 98 printing machines and equipment worth Rs 147.5 million were insured in 2024. Hence, the GAR and the other records did not reconcile.
- Several press machines currently in use at the Government Printing Department (GPD) were not recorded in GAR, such as the Single Colour offset press Heidelberg purchased in July 1999, costing Rs 4.8 million, Press Machine SM74 Heidelberg purchased in March 2001 costing Rs 20.5 million, and Press Machine PM74 purchased in June 2008 costing Rs 29.2 million.
- The GAR still showed 5 disposed-of machines and 2 non-functioning machines and included one Toyota Hiace Microbus, although the latter had been transferred to the Ministry of National Infrastructure and Community Development in June 2024.
- The GAR lacked essential details for many assets, such as the description, make/model, serial number, and supplier's name for many assets.
- The GAR included a heavy-duty industrial cutting machine, purchased in April 2024 for over Rs 5.4 million which was not insured.

Root Causes

- The Officer responsible for input in the GAR did not make regular, validated input in the GAR system and did not reconcile the other records with the GAR.
- Lack of supervision of the GAR by a responsible officer.
- Lack of regular reconciliation between the GAR and physical assets by management.

Recommendations

The GPD should:

- Carry out a complete physical verification of all assets and reconcile these findings with the GAR, insurance records, and any other relevant asset lists.
- Conduct periodic internal audits to ensure the accuracy and completeness of the GAR.

GPD's Response

- It is to be noted that a list of all existing assets was tendered to the Accountant General's Office for input in the GAR system. However, seemingly, not all have been input in the GAR system.
- Regarding the Missing Asset Details, Omission of Assets and Disposed Assets, needful will be done at the level of the OME section and the Accountant General's Office. A yearly internal audit shall also be conducted for reconciliation with the GAR.

5.2.2 Risk Management Framework

Background Information

In December 2021, the Ministry of Finance (MOF) issued a circular for the establishment of a Risk Management Framework (RMF) in each Ministry and Department. A guideline was developed by MOF to facilitate the establishment of a RMF.

Findings

▪ Absence of a Risk Register

The GPD did not have a Risk Register and only 2 out of the 12 sections have prepared their registers. However, none of these have been formally approved by Management. Without a complete register, potential threats that could affect business continuity could be overlooked.

Root Cause

The Accounting Officer did not comply with the MOF Circular and did not set up a Risk Management Committee to oversee the implementation.

Recommendations

The GPD should:

- Set up a Risk Management Committee and develop a risk management framework and policy and set up a consolidated Risk Register.
- Ensure that all the 12 sections of the GPD complete their risk assessments and regularly update same.

GPD's Response

The Risk Register for 2 sections have been completed. Risk Register for the other 6 production sections have been worked out and same will be tendered to the Internal Control Officers for vetting. The GPD is gradually working on same for the remaining sections.

5.2.3 Audit Committee

Background Information

The setting up of Audit Committees (ACs) in Ministries/Departments was approved by Government in July 2012. The rationale behind the institutionalisation of AC was to assist the Accounting Officer (AO) in monitoring and reviewing of risk controls and governance processes. A Charter was formulated to outline their structure and operations, including the requirement for a performance agreement for meetings and the development of an action plan. The AC comprised of the Deputy Government Printer as Chairperson and 2 Office Management Executives as members.

Findings

- **Absence of Performance Agreement**

There was no signed performance agreement between the AO and the AC members, therefore their responsibilities were not formally defined.

- **Annual Action Plan not prepared**

An annual action plan, which would have outlined the AC's priorities for the financial year, was not prepared.

- **Notes of Meeting not prepared**

The notes of AC meetings were not prepared.

Root Cause

The GPD did not comply with the Circular issued with respect to the establishment of Audit Committee and the parent Ministry did not ensure that same was being complied with.

Recommendations

The GPD should:

- Ensure that a Performance Agreement is formally signed between the Chairperson, Members, and Secretary of the AC and the AO; and
- Ensure that notes of meetings are properly prepared.

GPD's Response

Advice of the Prime Minister's Office shall be sought whether there is need for an Audit Committee at the level of the GPD.

5.2.4 Management of Equipment

Background Information

The GPD faced significant challenges in the procurement and asset management which impacted its operational efficiency. Several deficiencies were found, such as:

(1) the use of outdated and old equipment, (2) absence of maintenance programme, (3) non-involvement of persons with the appropriate technical know-how in the acquisition of machines, (4) incompatible equipment, (5) delayed deliveries, (6) faulty machinery, and (7) imprudent asset acquisition, amongst others.

Findings

▪ Outdated Technology

A significant number of the GPD machines was old, 11 machines were over 30 years old and 12 machines were between 15 and 30 years old. This resulted in frequent machine breakdowns and increased maintenance expenses.

▪ Existing Machines

As of June 2025, the GPD owned 3 heavy-duty industrial colour digital press machines, whose typical lifespan was 10 years and one sewing machine, as detailed in Table 5-3.

Table 5-3 Colour Digital Press Machine and Sewing Machine

Date Acquired	Details	Amount Rs (Exclusive VAT)	Insured For (Rs)
June 2018	Digital Press Machine Xerox 1000i	10,230,000	5,864,687
May 2019	Digital Press Machine Xerox V3100	3,990,350	2,764,814
May 2023	Digital Press Machine Riso Colour	1,876,000	2,060,317
June 1993	Book Sewing Machine KRISC	2,189,600	2,189,600

Source: Draft asset renewal strategy report

At time of audit in September 2025, the above machines were not functional.

- (i) The Xerox 1000i was unserviceable and was out of use for more than a year.
- (ii) The Xerox V3100, has been out of use since August 2024 and had incurred a total accumulated repair cost of nearly Rs 2 million.
- (iii) The Riso Colour press machine was, commissioned in May 2023 and was repaired in June 2025.

Despite that the Xerox 1000i and V3100 machines were out of use for more than a year, insurance was paid during the year 2025.

As these machines were not operational, the GPD had to rent 2 printers, Canon V-700 and a Ricoh Pro C5300S at a total cost of Rs 1.3 million as of 2 July 2025.

- (iv) Regarding the Sewing Machine, due to its poor performance and lack of parts, sewing work was manually done which was time-consuming. No records were available on the recent use of the machine.

▪ **Acquisition of a Light Duty Stitching Machine Acquisition**

Company A was awarded the contract for the supply of a Light Duty Stitching Machine on 24 February 2025, for Rs 825,000 (excluding VAT). The machine was commissioned on 25 March 2025.

The newly acquired Light Duty Stitching Machine was having problems shortly after it was commissioned. It broke down on 9 April 2025 and was not repaired until 30 May 2025. The machine broke down again on 17 June 2025, causing significant work delays.

Unavailability of the stitching machine created processing problems, particularly during the November 2024 General Elections, when the GPD had to rent a machine from the University of Mauritius at a cost of Rs 39,000.

▪ **Hot Glue Machine**

The supply, installation, and commissioning of a Heavy-duty Industrial Automatic Hot Glueing Machine, together with the conveyor, was awarded for Rs 9.99 million on 18 December 2024, and the essential accompanying trimmer, costing Rs 9.3 million, was not acquired.

The machine was commissioned on 30 June 2025, and there was no record indicating the purchase the trimmer. Lack of a trimmer increased the need for manual labour and negatively impacted output time and costs.

Key technical experts, such as the Supervisor of Industrial Binding and Maintenance Technician, were absent from the Bid Evaluation Committee (BEC).

Root Causes

- There are no Asset Management, Maintenance and Replacement Policies.
- There is no Service Level Agreement with suppliers to ensure proper maintenance and prompt repairs.
- Absence of technical expertise in the BEC.
- Deficient procurement planning and assessment of interconnected equipment needs.

Recommendations

The GPD should:

- Prepare an asset replacement strategy for the different machines based on expert advice.
- To review the insurance coverage for unserviceable or idle assets.
- Prepare a detailed maintenance schedule based on manufacturer maintenance requirements and equipment usage.
- Ensure that all BEC include relevant technical and experienced officers to make recommendations on acquisition of equipment.
- Conduct comprehensive assessments for interdependent equipment to ensure effective use.

GPD's Response

- This office is currently conducting a Board of Survey to identify unserviceable machines for disposal, including non-operational Color Digital Press machines. Closer follow-up will be maintained on insurance coverage to avoid unnecessary costs.
- This office is already working on the gradual replacement of the old machinery through its Asset Renewal Plan, updated on a yearly basis. However, the same is subject to the funds being made available by the Ministry of Finance.
- The GPD recognises the need for a centralised and computerised tracking system to enhance maintenance management. The GPD plans to computerise the entire departmental workflow, including maintenance tracking and scheduling.
- The post-commissioning issues that arose with the Light Duty Stitching Machine were unexpected and occurred during the warranty period. The supplier carried out the necessary repairs at no additional cost to the department. Close monitoring is ongoing, and given that the machine is continuing to experience recurring issues, Management has requested the supplier to replace the machine under warranty terms.
- Regarding the Hot Glue Machine, at the launching of the bid, a total of Rs 9 million had been earmarked for this procurement. The GPD proceeded with the acquisition of the main equipment (Rs 6.09 million) and the conveyor trimmer (Rs 3.8 million), remaining within budget limits.
- It is to be noted that if the conveyor trimmer had not been purchased at this stage, both the conveyor and trimmer would have to be bought in future financial year, possibly at a higher cost. The trimmer is still planned for future financial year, subject to budget availability.
- Due to budgetary constraints, it is not feasible to service all machines annually.
- The inclusion of a Head Machine Maintenance Unit will henceforth be considered during the drafting of technical specifications and in the bid evaluation, and the commissioning exercises.

5.2.5 Value for Money not obtained for Maintenance Services and Cleaning/Gardening Services

Maintenance Services

Background Information

The new GPD building, completed in August 2021 at a cost of Rs 521.8 million, had a defect liability period which ended in February 2023. A 12-month contract was awarded to a company for the management and maintenance services for the sum of Rs 3,643,494 as from 28 March 2023, to be renewed for an additional period of one year, subject to satisfactory performance as assessed by the GPD on the same terms and conditions.

Findings

▪ Lack of Performance Oversight

As at the date of audit in June 2025, that is more than 12 months after the expiry of the management and maintenance services contract, the services of the company were still being hired. However, no satisfactory performance report was seen to have been prepared and prior to the renewal of the contract. Payments effected during the financial year 2024-25 totalled Rs 2,428,996.

▪ Missing Work Program

The GPD did not have a detailed work program for maintenance of services from the company for the financial year 2024-25.

▪ No Monitoring of Services

There were no records as evidence to show that the GPD had monitored the services provided by the company.

▪ Inadequate Payment Controls

Payments made to the company were based on the invoice and certification from an Office Management Executive, with no checks being done to verify whether services were delivered as per contract.

Cleaning and Gardening Services

The Cleaning and Gardening Services contract was awarded to Contractor A for Rs 3,540,000 (exclusive of VAT) for a 12-month period starting 1 August 2024. Payment made to the Contractor during the financial year 2024-25 totalled Rs 4,044,567 (exclusive of VAT).

Findings

▪ Evidence for Experience and Medical Fitness of Gardeners not produced

Documentary evidence of the experience and medical fitness of the gardeners were not seen despite these were requirements in the bidding documents. Consequently, the GPD did not ascertain whether the gardeners have the necessary skills and physical capability to perform their work safely and effectively.

▪ Absence of Performance Review Meetings

Regular meetings were not held, despite that bidding document's required for quarterly top-management-level review of service performance and the establishment of a management committee. Absence of such meetings undermined effective communication, and limits the GPD's ability to ensure the contractor met its obligations and delivered the expected quality of service.

▪ Inadequate Monitoring of Attendance

Attendance monitoring for cleaners and gardeners was not carried out and compliance with stipulated hours of work could not be ascertained. Staff failed to fully record their time in and out in the attendance register.

▪ Non-Compliance with Certificate of Character Requirements

The contractor was required to submit Certificates of Character of the 11 cleaners and gardeners prior to work commencement. However, Certificates of Character were available for only 2 cleaners. One of the Certificate of Character submitted to the GPD in July 2024 showed that the cleaner was sentenced in years 1996 and 2007 for 2 crimes.

▪ Non-compliance with Gender Requirements

The bidding documents required male cleaners for male toilets, but the attendance registers showed all cleaners were female. Furthermore, the stipulated age criterion of 18-60 years was not met, as 2 cleaners and one gardener were above 60.

Root Cause

A Contract management system has not been put in place by the Accounting Officer to ensure compliance with the terms and conditions of the contract.

Recommendations

The GPD should:

- Set up a Contract Management Committee that would ensure compliance with the Scope of services and terms and conditions and monitor the implementation of the contract; and
- Improve payment process by verifying that services have been rendered as per the contract.

GPD's Response

A new award has started as from 1 September 2025. A closer follow-up in respect to contract management is being carried out.

5.2.6 Paper Stock Management

Background Information

The GPD had a substantial stock of paper, valued at over Rs 84 million as at July 2025, which was equivalent to more than 2 years' worth of purchases of paper. The stock included over Rs 8 million in slow-moving and dormant paper.

Findings

▪ Tenders exceeding Estimates

For the financial year 2024-25, 26 letters of award/store forms were issued totalling Rs 42 million for the procurement of paper, while an amount of Rs 28 million was provided in the Budget Estimates.

▪ Absence of insurance cover and poor storage conditions

The department's substantial stock of paper was not insured, leaving it exposed to significant financial risk from loss/damage. This risk was compounded by poor storage conditions, including a severe termite infestation that damaged 27,000 sheets of paper. Moreover, the extractor fan was broken resulting in a dusty environment.

▪ Inventory Management

There was no established stock management to ensure the maximum level for paper stock, that could be held to avoid excess stock and associated costs.

▪ Uncollected printing works

Several printing works were ordered but were not collected and were thus occupying valuable storage space. These included documents for the Ministry of Health and Wellness and the Police Department, some dating as far as back to 2023.

▪ Decrease in revenue from publications

The GPD revenue from publications decreased substantially from Rs 27.4 million in 2019 to Rs 14.8 million in 2025, that is, a decrease of 46 per cent.

- (i) Rates for printing works and publications in the Government Gazette have not been updated since 2013 and 2015, respectively. The GPD lacked the expertise and resources to accurately estimate the cost of printing jobs.
- (ii) Twenty per cent of the 4,000 annual printing jobs were charged to clients. There were no established criteria for Ministries regarding the printing jobs that should be charged.

- (iii) The GPD's target for delivery time is 11 weeks. However, as of 6 June 2025, there were 207 pending printing requests, with one job dating back since December 2023.

Root Causes

- Weak internal controls over the procurement of paper.
- Poor inventory management practices.
- Lack of control on uncollected printing stock.
- Lack of expertise and human resources to calculate cost estimates for printing jobs.

Recommendations

The Department should:

- Determine and implement a maximum stock level for paper based on historical usage data and projected needs;
- Conduct an inventory exercise to identify obsolete or unusable paper that should be written off;
- Obtain comprehensive insurance coverage for the paper stock;
- Review and update its rates for printing and publication services to reflect current production costs; and
- Get the necessary expertise and resources to develop accurate cost estimates for all printing jobs.

GPD's Response

- Regarding the projected needs for Paper, a committee works out the Annual Paper Requirement based on annual consumption. Certain types of paper should always have a reasonable stock level for any unexpected and confidential assignments that may crop up.
- Insurance coverage will be considered subject to the provision of funds.
- The GPD is already working on the E-Inventory Management System for the management levels of stock.
- A policy will be designed, and a process will be implemented for the collection of jobs.
- The infested papers were stored separately from others pending disposal process. A committee will be set up to work out on the unusable paper.
- A report with proposed printing rates and costing for all jobs has been prepared and submitted to the Ministry of Finance and the PMO for approval.

- The GPD is intending to implement the Manufacturing Enterprise Resource Planning system, for the tracking and costing of all printing jobs after the completion of the e-gazette project, subject to appropriate funding.
- A request for the creation of a costing unit, with additional staff has already been submitted to the PMO and the Ministry of Finance. However, funding has not been approved in the previous budget proposal.
- The backlog has mainly been caused by machine breakdowns and increased workload from recent general and municipal elections. Efforts are, however, being made to reduce the backlog and improve delivery time for printing requests.

5.2.7 E-gazette-Not Yet Implemented

According to the Estimates for Financial Year 2024-25, an amount of Rs 6 million was provided for the project of making government gazettes and legislation online by December 2024. The project has not yet been implemented.

Recommendation

The Accounting Officer should set up a Project Steering Committee comprising of different relevant stakeholders to initiate the implementation of the project.

GPD's Response

The Government measure announced in June 2024 for the e-gazette to go live by December 2024 was not considered feasible by the Central Informatics Bureau.

5.3 RODRIGUES AND OUTER ISLANDS DIVISION

5.3.1 Governance Issues – Non-compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of statutory bodies with the objective of strengthening accountability and transparency in the public sector.

Finding

Non-Submission of Financial Statements for Audit

The Statutory Bodies (Accounts and Audit) Act requires the Chief Executive Officer of a statutory body to submit the annual report, including the financial statements, to the auditor not later than 4 months after the end of every financial year.

As of 31 December 2025, the following Statutory Bodies falling under the purview of the Prime Minister's Office (Rodrigues, Outer Islands & Territorial Integrity), had not submitted their financial statements for audit as shown in the Table 5-4.

Table 5-4 Financial Statements not submitted to NAO for Audit

SN	Statutory Body	Financial Year	No. of Financial Statements
1	Chagossian Welfare Fund	2024-25	1
2	Outer Islands Development Corporation	2022-23 to 2024-25	3

Source: NAO records

Recommendations

The Ministry should:

- Exercise control over statutory bodies and other entities operating under its aegis to ensure that they comply with their statutory responsibilities regarding the preparation of financial statements and their submission for audit; and
- Lay a copy of the annual report and audited financial statements before the National Assembly.

Division's Response

- The new Accountant of the Chagossian Welfare Fund has been requested to work on the financial statements for the Financial Year 2024-25, which will be submitted within three months' time.
- The Outer Islands Development Corporation has been requested to take necessary action to submit financial statements in time.

5.4 MAURITIUS METEOROLOGICAL SERVICES

5.4.1 Follow-up of Recommendations raised in the Audit Report 2023-24

The status on actions taken on key findings and recommendations since the publication of the Audit Report 2023-24 are summarised below. The 2 recommendations (100 per cent) were partly implemented.

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Shortcomings in the Project for Enhancing Meteorological Observation Weather Forecasting and Warning Capabilities (Page 151-152)				
	<i>Inadequate Records</i>			
1	▪ No proper handing over between the former and new Accounting Officer in respect of documents relating to the project. ▪ The agreement on the budget between Government of Mauritius and Japan International Co-operation Agency (JICA) for the Technical Cooperation Project was not produced to NAO. ▪ Details of discussions held between representatives of JICA and then Ministry of Finance, Economic Planning and Development were not available. ▪ Transfers of Rs 73 million to JICA were not supported by documentary evidence. ▪ Limitations in Service Delivery due to non-revamping of new website: No improvements in service delivery was noted. (Pg 152, Para 6.3.1)	The Committee should ensure that remedial actions are taken promptly to resolve the issues highlighted. (Pg 152, Para 6.3.1)	(i) MMS is keeping records of all reports that were submitted by JICA Consultants. (ii) The budget was maintained at the level of JICA. MMS was involved on the technical implementation. (iii) JICA did not provide details despite several requests from MMS. The budget was maintained by JICA Headquarters in Japan. No details were provided despite emails from MMS. (i) Being given that no improvements were observed in performance of the service provider, the MMS is terminating the contract with guidance from parent Ministry (Ministry of Local Government) CISD, CIB and SLO.	Partly Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Incomplete Government Asset Register (Page 153)				
2	- Non-Financial Assets amounting to Rs 8.8 million, acquired by MMS during financial year 2023-24, were not recorded in GAR. The last transaction captured in GAR dated August 2022. - Prior to 30 June 2024, 12 equipment/instruments handed over by JICA worth Rs 1.7 million and 24 others, were not recorded in GAR. (Pg 153, Para 6.3.1)	The Accounting Officer should exercise proper control to ensure GAR is up to date. (Pg 153, Para 6.3.1)	A Management Support Officer and a Deputy Director have been trained to operate the System. All inputs to GAR are being re-keyed as from August 2022.	Partly Implemented

5.5 MAURITIUS POLICE FORCE

5.5.1 Reward Money - Lapses in Disbursement Process

Background Information

Reward Money represents payments made to informers who contribute towards detection of serious offences as stipulated in the provisions of the Police Standing Order 122. The scheme was extended to Police Officers as from December 2021. However, on 2 September 2025, the Standing Order 122A concerning reward to Police Officers was revoked.

Payments were effected from Sub-Heads 2-502: Crime Control and Investigation and 2-505: Combating Drugs under the Sub-Item 22900008-Medals, Prizes and Rewards.

NAO's Observations Made in Year 2018

On 3 December 2018, the National Audit Office (NAO) issued a Management Letter on Reward to Informers highlighting that, contrary to Standing Order 122, no secret receipt was being drawn once payment was effected to an informer and no other form of controls were seen to ensure that money due to informers were being paid to them.

As such, NAO recommended that the Standing Order 122 be adhered to and control be maintained on payment of reward money made to informers.

As of September 2025, it could not be ascertained that the recommendations were implemented, as necessary documentations were not made available to that effect.

Reward to Informers and Police Officers

As per the Finance Section of the Mauritius Police Force (MPF), the amount disbursed as Reward Money in the financial years 2022-23 to 2024-25 consisted mainly of reward to informers.

The total amount disbursed during the financial year 2024-25 totalled Rs 57.5 million, of which Rs 56 million was related to rewards to informers.

Provisions of Police Standing Order 122

The processing of reward money was prescribed by the Standing Order 122 which was subject to subsequent amendments in the years 2020 to 2025 as follows:

- (i) On 1 October 2020, the provisions of Standing Order 122 - Reward to Informers was repealed and replaced by the Amendment Slip No. 1.
- (ii) On 5 November 2021, the Commissioner of Police issued a letter to the Deputy Commissioner of Police (DCP) of the Anti-Drug and Smuggling Unit (ADSU) requesting the latter to stand guided by the indicative list when claiming for reward money.

The Application Form for Reward Money as mentioned at paragraph 1 of Standing Order 122 was amended by adding a new Part E to be filed at Police Headquarters (PHQ) mentioning the sum received by the applicant.

- (iii) On 31 December 2021, Amendment Slip No. 2 of 2021 was issued where paragraph 2 of the Standing Order 122 was amended, requiring Divisional Commanders and Branch Officers to obtain a report from the Forensic Science Laboratory certifying that the exhibits secured were dangerous drugs. The Standing Order 122A relating to Reward to Police Officers was also introduced in December 2021.
- (iv) On 2 September 2025, Amendment Slip No. 1 of 2025 was issued where the Standing Order 122A relating to Reward to Police Officers was revoked.

Findings

- **Significant Increase in Actual Amount Disbursed Compared to Original Amount Budgeted during the Last 4 Financial Years**
 - (i) The actual amount spent on the item ‘Medals, Prizes and Rewards’ included in ‘Other Goods and Services’ increased significantly during the last 4 financial years, that is, from Rs 14.6 million in the financial year 2021-22 to Rs 75.2 million in the financial year 2022-23, Rs 85.5 million in the financial year 2023-24 and Rs 57.5 million in the financial year 2024-25. This represents an increase in the range of 294 per cent to 486 per cent compared to the financial year 2021-22 figure.
 - (ii) The actual amount paid exceeded the budgeted amount. In the financial year 2022-23, the actual amount paid exceeded the original budgeted amount by 1150 per cent and in the financial years 2023-24 and 2024-25, the actual percentage increase was 434 per cent and 259 per cent respectively. Refer to Table 5-5.

Table 5-5 Medals, Prizes and Rewards - Budget v/s Actual Expenditure

Financial Year	Original Budget Rs	Actual Expenditure Rs	Percentage Overspent %
2021-22	13,320,000	14,611,556	10
2022-23	6,020,000	75,230,315	1150
2023-24	16,020,000	85,496,759	434
2024-25	16,020,000	57,461,192	259

Source: TAS

- In the financial year 2024-25, an additional amount of Rs 41.5 million had to be provided through virement to pay rewards to the Police Informers. Table 5-6 refers.

Table 5-6 Rewards to Informers – Actual Expenditure and Virement

Month	Actual Payment Rs	Virement Rs
Jul-24	4,413,900	-
Aug-24	541,450	-
Sep-24	11,242,900	1,300,000
Oct-24	38,932,450	40,000,000
Feb-25	150,000	-
Mar-25	173,600	-
Apr-25	515,000	-
Jun-25	45,000	200,000
Total	56,014,300	41,500,000

Source: TAS

Department's Response

- To prevent any further misuse or abuse, related to this matter, a Circular from the Financial Secretary dated 25 August 2025, “Financial instruction No. 2 of 2025 – Virement”, was issued providing clear guidelines to Accounting Officers regarding the application and management of virements.
- The Commissioner of Police has expressed a personal commitment to addressing and redressing this specific issue and is treating the matter with the seriousness it warrants.

Non-compliance with FMM relating to Payment Vouchers and Standing Orders

The Financial Management Manual (FMM) requires that the officer authorising payment is responsible for ensuring that the following requirements have been fulfilled either by personal verification or on the basis of appropriate certificates given in the voucher:

- (a) the services specified have been duly performed;
- (b) the prices charged are according to the contract or approved departmental quotation;
- (c) the computations and castings have been verified and are arithmetically correct; and
- (d) the persons named in the vouchers are those entitled to receive payment. In the case of payments to a third party, the authority under which it is made should be filed with the Accountant General, or with the Accounting Officer in case of Self-Accounting Departments, and reference thereto given on the voucher.

Findings

The following weaknesses were noted when processing payments of reward money to informers:

- There was no evidence of verification of amount disbursed by the Finance Section of MPF.

- Occurrence Book Reports (PF 75) were not attached to the payment vouchers to ensure that the reward money claimed was actually for cases indicated in the application form.
- Reports from the Forensic Science Laboratory certifying that the exhibits secured were dangerous drugs were not attached to the Payment Vouchers.
- In the absence of the workings attached to the Payment Vouchers, the basis on which the amounts were calculated as reward money was not known.
- The payment vouchers and cheques bear the name of the Divisional Commander/Branch Officer who was not entitled to receive payment. However, reference of the authority for receiving the cheque on behalf of informer was not inserted on the payment vouchers.

Department's Response

- All documents are sent to the Assistant Manager, Financial Operations, Examination Section whereby he cross checks and passes for payment.
- The payment voucher is prepared by the Police Officers or the Chief Clerk of concerned Department.
- The amount is not calculated by Finance Section of MPF and it is determined by the Commissioner of Police.
- Payment vouchers and cheque bear the name of the Divisional Commander as CP sent a covering approval through a letter where it is mentioned that “arrange for payment of the sum by way of a Government cheque drawn in the name of the Officer concern of the Division”
- At ADSU, the PF 75 is attached to the application for reward money when claiming the reward money and same is vetted and ascertained that the claim being made, correspond to the relative Occurrence Book (OB) number.
- At ADSU, the FSL reports when available are attached to the application for reward money when claiming the reward money. At time when the claim is urgent, same is made without obtention of the FSL report with the approval of the Commissioner of Police.
- PF 75 and the FSL report is never attached to the payment voucher and it is not mentioned in Standing Order 122.
- All payments of reward money claimed at ADSU were strictly made in respect of the quantum based on the approximate street value and amount to be considered as per the correspondence dated 5 November 2021 from the then Commissioner of Police.

NAO's Comment

- Verification/examination of payment vouchers for disbursement of reward money by the finance section of MPF was limited only to the approval obtained by the then Commissioner of Police.

- According to the Standing Order 122A relating to reward money to Police Officers introduced in December 2021, the Manager, Financial Operations (MFO) will have to keep a copy of the relevant documents for record purposes. Although not specifically mentioned in the Standing Order 122, it is good financial governance practice that before effecting payments the PF 75 and the FSL report would need to be attached to the application for reward money.

Absence of Internal Audit Verification

The Standing Order 122A required that the Officer-in-Charge, Internal Control Unit (ICU) of MPF to check relevant documents submitted for claims of reward money to informers and Police Officers on a quarterly basis, that is every 3 months and submit regular reports to DCP (Administration). The latter was required to maintain a database on payment of reward money to informers and Police Officers.

There was no evidence that the Officer-in-Charge of the ICU checked the relevant documents for claims of reward money to informers and Police Officers on a quarterly basis and that regular reports were sent to DCP (Administration) highlighting discrepancies for remedial actions.

As of September 2025, documents for claims of reward money to informers and Police Officers were not checked nor any report was available regarding reward money.

Department's Response

This issue is currently under investigation by the Financial Crimes Commission (FCC) and the Manager Internal Control has already provided a statement and relevant evidences pertaining to the matter.

Loopholes in Standing Orders

The Standing Orders on reward to informers and Police Officers did not provide clear guidance on the following:

- The Units or Branches, other than ADSU and Central Crime and Investigation Division which were eligible for Reward Money;
- Handling of Cheques provided by MFO;
- Authority to manage bank accounts for money in transit; and
- The Standing Order did not provide procedures in cases where the reward money exceeded the prescribed limit of Rs 4 million.

Recommendation

Standing Orders should include clear instructions for handling of reward money in conformity with existing regulations and guidance in cases where the money exceeds the prescribed limit of Rs 4 million and the concerned officers should comply with the instructions/regulations.

Inconsistencies in the Calculation of Reward Money

It was noted that payments made were not as per guidelines prepared by the previous Commissioner of Police. In November 2021, the Commissioner of Police worked out an indicative list of the amount (reward money) that may be considered for the approximate street value of drugs seized. The amount to be considered ranged from Rs 400 to Rs 4 million for an approximate street value of Rs 1,000 to above Rs 1 billion. ADSU were to stand guided by the indicative list when claiming for reward money.

Findings

The following inconsistencies were noted when claiming for reward money:

- In the absence of workings or criteria used for the computations, the accuracy of reward money disbursed could not be ascertained. In some instances, payment for reward money exceeded Rs 4 million, that is, the maximum amount to be considered for an approximate street value exceeding Rs 1 billion. Table 5-7 refers.

Table 5-7 Reward Money exceeding Rs 4 million Limit of the Indicative List

Date	Voucher No.	Amount (Rs)	Remarks
29/2/2024	201021629	39,570,000	Included a payment of Rs 30 million for one case
4/10/2024	201100288	33,000,000	Payment for one case
25/9/2024	201091044	6,314,000	Included one payment of Rs 6 million for one case
24/10/2024	201101313	5,875,000	Included an amount of Rs 5.5 million for one case
11/9/2024	201090444	4,465,000	Included an amount of Rs 4.2 million for one case

Source: Payment Vouchers

- *Amount Overpaid* – The reward money paid was compared with the street value of drugs and it did not agree with the indicative list worked out by the previous Commissioner of Police. Reward money was substantially overpaid. It was also noted that, in some cases for a lower street value, a larger amount were paid for as reward money than in cases where the street values were higher. The amount overpaid compared to the indicative list ranged from Rs 26,000 to Rs 32 million. Table 5-8 refers.

Table 5-8 Probable Amount of Reward Money Overpaid

Date	Voucher No.	OB No.	Street Value (Rs)	Amount to be paid as per Indicative list (Rs) (A)	Reward - Actual Amount Paid (Rs) (B)	Amount overpaid compared to Indicative list (Rs) (B-A)
29/2/2024	201021629	4747/2023	24,060,000	35,000 -45,000	2,200,000	2,165,000 -2,155,000
29/2/2024	201021629	3828/2023	1,920,000	10,000 - 13,000	110,000	97,000- 100,000
26/7/2024	201071102	2585/2024	10,268,000	25,000 - 30,000	3,500,000	3,475,000 - 3,470,000
4/10/2024	201100288	3579/2024	332,250,000	1 M - 1.2 M	33,000,000	32,000,000-31,800,000

Source: Payment Vouchers and Indicative List

- The approximate street value of dangerous drugs used to calculate the reward money did not agree with the amount prescribed in the indicative list. Substantial differences were noted between the reward money calculated by audit when using the rate as per the indicative list.

Department's Response

- Since the introduction of the payment quantum on 5 November 2021, the least amount claimed at ADSU for reward money is Rs 400 and the maximum is Rs 70,000.
- All claims for reward money were meticulously vetted before sending to the ex-Commissioner of Police for approval as per his quantum imposed. At ADSU, there has never been overpayment of reward money to Police Informers.

NAO's Comment

- We have received response from ADSU only though reward money were disbursed to other units, such as the Special Striking Team, Divisional Crime Intelligence Unit and Special Intelligence Cell.
- The amounts overpaid compared to the indicative list in Table 5-7 relate to ADSU cases.

In order to assess the completeness and accuracy of the payments of reward money to Police informers, a request was made to the Commissioner of Police on 1 September 2025 for documents, such as Occurrence Book, Secret Receipts, FSL reports and database on payment of reward money to Police Officers and informers but same were not produced to audit.

Recommendations

- Standing Orders should be reviewed to provide clear instructions for handling reward money, in conformity with financial instructions and legal requirements.
- The MPF should adopt international best practices with regard to eligibility criteria, independent oversight mechanism and verification procedures which ensure transparency, accountability and confidentiality.

- Clear procedures should be established for awarding and disbursing rewards money, maintaining proper documentation, and ensuring that funds are not misused.
- Standing Orders should include guidance in cases where payment of reward money to Police Informers exceeds the prescribed limit of Rs 4 million.
- The MPF should provide access to all supporting documents and workings to ICU to allow verification of the accuracy of the amount claimed as reward money.

Department's Response

- To summarise the above recommendations, ADSU is in favour of a more transparent procedure in respect of payment of reward money to Police Informers.
- ADSU and FCC are collaborating to find the best procedure for awarding and disbursing reward money to Police Informers which will ensure both transparency, accountability and confidentiality.
- The recommendation that will be tendered by the FCC will have to be agreed upon by both parties with the approval of the Prime Minister's Office.
- The new system of payment for reward money will have force of law under Section 141(5)(a)(b) of the FCC Act which stipulates that any person who fails to:
 - (a) Adopt and enforce a code of conduct or guidelines issued by the Commission; or
 - (b) Implement the recommendation following examination and review the practices and procedures of any public body, shall commit an offence and shall on conviction, be liable to a fine of not less than 50,000 rupees and not exceeding 500,000 rupees.

5.5.2 Nugatory Expenditure of Rs 21 million for the purchase of a Specialised Equipment still not operational

Background Information

The report of the Commission of Inquiry on Drug Trafficking issued in July 2018 stated in unequivocal terms the urgent necessity to equip the Mauritius Police Force (MPF) with technological tools and equipment.

To meet the operational requirements of MPF in the field of advanced equipment, Rs 25 million was budgeted under Vote Item No. 31122805 in the financial year 2018-19 for the acquisition of modern specialised technological tools and equipment.

In April 2019, a foreign company was awarded the contract for the supply of 2 items of specialised Equipment with a training component as shown in Table 5-9.

Table 5-9 Bid Price

Description	Unit Price (US \$)	Quantity (Unit)	Delivery (As per Letter of Acceptance)
Equipment A	325,550	1	3-4 months
Training- 5 working days	10,000	1	
Equipment B	225,000	1	3-4 months
Total	560,550		

Source: File PDO 39 of 2018/2019

As per the letter of acceptance dated 24 April 2019, an amount of Rs 21.6 million, representing 90 per cent of the total payment, that is, USD560,550, inclusive of all commission, charges, and VAT, had to be paid for the acquisition of the specialised equipment in 2019. The remaining balance of 10 per cent was payable not later than 7 days after completion of the project and training.

The Supplier was requested to personally travel to Mauritius to ensure proper delivery, testing, and commissioning of the equipment, and upon the satisfaction of both parties, the 10 per cent payment would have been effected.

Findings

▪ Equipment installed after 5 years

Equipment A was received by MPF on 30 August 2019, while Equipment B was not shipped and it was 5 years later, that is, in August 2024, that the installation of the equipment A and B was conducted remotely with the assistance of the supplier, and training was dispensed to officers in August and September 2024.

▪ Equipment became obsolete by the time it was fully installed

On 20 October 2024, the supplier informed MPF that the commitment to fix the equipment was fulfilled as delivery of all components and training were already done. The equipment was designed to intercept calls on 4G. Although remote training had been conducted, the current system had limitations such as interceptions of calls on 4G and non-detection of 5G mobile phones. The supplier strongly recommended that MPF consider purchasing a new system that would include greater capabilities in terms of the number of intercepted calls and supported cellular technologies.

▪ Absence of Support on the Current System

The supplier had also informed MPF in October 2024 that it would stop support on the system pending the payment of the remaining balance of 10 per cent. Upon settlement of the outstanding balance, the customer support and remote assistance would be restored for the duration of the one-year warranty period.

- **Use of equipment was blocked since December 2024 by the Supplier**

On 4 December 2024, the use of the specialised equipment was blocked by the supplier and who requested the payment of the remaining amount of 10 per cent to release the licence for use of the equipment.

- **Status as of September 2025**

The MPF had a meeting with the Honorary Consul of the supplier's country on 15 August 2025. The aim of the meeting was both to explore avenues for a mutual agreement with the supplier and to explore the option for upgrade.

As of September 2025, the specialised equipment was still unusable.

Implications

- A significant amount of Government funds was tied up in the procurement of the specialised equipment while MPF was deprived of the use of the equipment for 6 years, which could have enhanced the operational efficiency of MPF.
- In the event the equipment is activated by the supplier for use, the technological advances like 5G would highly impact on its performance, functionality and capabilities and regular upgrade would be needed to keep pace with the technological progress at additional costs.

Root Cause

There was no proper contract management by MPF with respect to the acquisition of this specialised equipment and there was no valid contract agreement with the supplier containing penalty clauses for late delivery and liquidated damages.

Recommendation

In the future, there should be proper market survey by the user department to determine the technical specifications, scope of work and terms of reference for the procurement of the specialised equipment and there should be effective contract management for the acquisition of equipment.

Department's Response

- A Technical Evaluation Committee under the chairmanship of a Superintendent of Police was set up by the Commissioner of Police to:
 - Assess the viability of the equipment based on the request made by the supplier to complete the payment of the remaining 10 per cent for licences and support to be activated for the apparatus.
 - Review possible alternatives for using and repurposing the equipment of 4G and 5G.

- Carry out a cost-benefit analysis for finalising the licence update.
- On 9 July 2025, the Committee submitted its report together with its findings and recommendations as follows:
 - Taking into consideration the fact that Mobile networks were now operating on upgraded network, the equipment technology was considered obsolete in current mobile networks.
 - Completing the payment of the remaining 10 per cent to the supplier for activation of licences would provide MPF with an obsolete equipment. As such, the payment would not be released.
 - Request was to be made to the supplier to look into possibilities of upgrading the existing solution to operate in upgraded networks, and financial implications shall thereafter be evaluated. Otherwise, MPF would return the obsolete equipment to the Supplier with full refund.
- As of November 2025, MPF was still awaiting a report from the Honorary Consul of the Supplier's country in respect of this issue.

5.5.3 Nugatory Expenditure of Rs 12.8 million for the purchase of a Defective Remotely Operated Vehicle in June 2014

Background Information

The MPF acquired a Remotely Operated Vehicle (ROV) in the financial year 2014-15 costing Rs 14.3 million from a company in replacement of the old one procured in October 1993. The ROV is considered as an essential equipment for use in bomb threat situations.

It was acquired with the aim of enhancing the operational capabilities of the Explosive Handling Unit (EHU) for counter terrorism operations while at the same time limiting human intervention on suspected parcels so as to protect human life against any bomb disposal.

The ROV was due for delivery on 11 June 2014 and delivery was eventually made on 28 July 2014 and the commissioning was done on 6 August 2014. In September 2014, an amount of Rs 12.8 million was paid to the supplier and liquidated damages of Rs 1.4 million (exclusive of VAT) was retained for late delivery.

Appointment of Arbitrator following Disputes with the Supplier

- On 29 September 2014, the supplier denied that there was late delivery and since then requested through several reminders for payment of Rs 1,546,647 which was deducted as liquidated damages.
- On 7 November 2014, the replacement of the ROV was requested due to the various technical problems encountered. On 12 January 2015, the supplier agreed to replace the ROV, subject to release of the amount retained as liquidated damages.

The MPF was not agreeable to the conditions of the supplier. The request was reiterated on 31 March 2016 as the two-year warranty was due for expiry in August 2016.

- On 14 April 2016, the supplier served a Mise-en-Demeure for the refund of the liquidated damages within one month from the date of the notice and also proposed the appointment of an Arbitrator in case of non-settlement of the sum claimed.
- On 28 April 2016, MPF sought legal advice from the Attorney-General's Office (AGO).
- On 18 May 2016, the supplier swore an affidavit claiming that MPF was indebted for an amount of Rs 1,546,647 comprising Rs 1,434,391 as liquidated damages and Rs 112,256 as tax deducted at source. The affidavit also spelled out the need to appoint an Arbitrator.
- A Negotiating Meeting for an amicable settlement was held on 24 June 2016 at AGO. It was decided that MPF would request the service of an Electrical and Mechanical Engineer of the Government to test the ROV anew, in the presence of representatives of the supplier.
- On 8 September 2016, during an inspection and demonstration of the ROV carried out by the supplier, the vehicle toppled sideways to the left side.
- On 2 December 2016, MPF swore a counter affidavit, maintaining the breach of contractual obligations under clause 14 of the General Conditions of Contract.
- On 6 March 2017, a second affidavit was sworn by the supplier, denying the statements raised in the counter affidavit of MPF and maintaining that there was no breach in terms of contract and liquidated damages had been unlawfully retained.
- On 17 April 2017, MPF swore a second counter affidavit, reiterating that the Supplier was in breach of contract.
- On 4 January 2018, MPF requested the service of an Electrical and Mechanical Engineer from the then Ministry of Public Infrastructure and Land transport (MPI) to examine the ROV for submission of an up-to-date status report thereon. The request was not entertained as the Engineers of both MPI and Energy Services Division did not have the necessary expertise in the ROVs. Also, they were not involved in the preparation of specifications, in the procurement and commissioning exercises.
- In June 2018, AGO notified MPF of the appointment of an Arbitrator. According to MPF, the Supplier had provided a defective ROV and hence was either bound to supply another ROV or pay damages as a result of such breach of contract.

Findings

▪ Equipment ROV not used for more than 11 years

The equipment had not been used since its acquisition in June 2014. As of September 2025, that is more than 11 years after, it was lying idle at the Special Mobile Force (SMF) as shown in Figure 1.



Figure 1 Remotely Operated Vehicle in SMF in September 2025

- **Arbitration not yet finalised after more than 7 years**

Since the appointment of the arbitrator in June 2018, the arbitration case had not yet been finalised, that is, after more than 7 years.

- **No hearings of the arbitration were held since 23 May 2024**

The case was last fixed for argument on 23 May 2024 but was postponed *sine die*.

- (i) On 22 May 2025, AGO stated that his office had an offer to settle the matter which was being considered and that the Commissioner of Police would be informed accordingly.
- (ii) The absence of an operational ROV posed a risk to the lives of Officers of the EHU who carried out 103 manual interventions whereby human lives were put at risk for 11 years.

Root Cause

The MPF did not exercise due diligence upon commissioning of the equipment.

Recommendations

- The MPF should, in the future, exercise due diligence and ensure that there is a product certificate from the manufacturer for specialised equipment.
- The MPF should liaise with AGO to expedite the conclusion of the arbitration case.

Department's Response

- On 23 May 2025, following the arbitration of ROV, the case was fixed for arguments respecting the production of “A brief for the Judge in Chambers proceedings” by the Barrister of the supplier to which the Attorney General’s Office (AGO) objected.
- The EHU is constantly monitoring the issue and seeking for regular updates with AGO. An email was also sent to AGO on 18 September 2025 regarding the status into the ROV matter.

5.5.4 Lapses in Processing Extra Duty Allowances

Background Information

Police Standing Order 125 lays down the procedures to be followed for processing extra duty allowances.

Extra Duty fees are collected at the Cash Office of each Divisional Headquarters and credited in a deposit account. Extra duty allowance is paid out of the deposit account to Police Officers performing extra duty.

During the financial year 2024-25, a total sum of Rs 152,313,684 was collected and Rs 146,973,410 was paid to Police Officers. As of 30 June 2025, the balance of the deposit account was Rs 42.2 million. Table 5-10 refers.

Table 5-10 Extra Duty as at 30 June 2025

Particulars	Amount (Rs)
Balance of Deposit as of 1 July 2024	36,897,458
Add Collections	152,313,684
Less Payment	(146,973,410)
Balance as at 30 June 2024	42,237,732

Source: Abstract Deposit -Extra Duty

Non-compliance with Police Standing Order 125

Extra Duty Allowances Paid to Police Officers exceeded 100 per cent of their Basic Salaries

As per the Police Standing Order 125, the Divisional Commander/Branch Officer concerned was required to ensure that all members of his Division/Branch were offered the possibility of performing extra duty in turn and when the occasion arose.

Findings

The amount of Extra Duty allowances paid during the financial year 2024-25 to Police Officers exceeded their basic salaries drawn. Seventeen Police Officers had drawn extra duty allowances in the range of 75 to 99 per cent of their Basic Salaries.

This indicated that all members of a Division/Branch were not offered the possibility of performing extra duty. Cases of Police Officers drawing Extra Duty allowances exceeding 100 per cent of the amount of basic salaries is shown in Table 5-11.

Table 5-11 Extra Duty Allowances Paid Exceeding Annual Basic Salary Drawn

Officer	Basic Salary Drawn	Extra Duty Allowances Paid	Percentage of Extra Duty Allowances over Salaries
	Financial Year 2024-25 Rs	Financial Year 2024-25 Rs	%
A	451,230	757,098	168
B	377,130	635,150	168
C	515,580	585,067	113
D	515,580	526,380	102
E	377,130	499,020	132

Source: Payroll

Department's Response

- Differences in extra-duty earnings may result due to factors such as individual availability, operation deployment, willingness to volunteer, restrictions related to leave, training and medical conditions or the number of extra-duty hours performed.
- Back-dated extra duty payments may arise and, in some cases, may exceed the Police Officers' basic salaries.
- When Police Officers are requested to perform extra hours of duty, authorisation is sought from DCP (Administration).
- It is further envisaged to keep a diary of events for every parade and to document attendance. However, this does not exempt officers from making the necessary station entries for extra duties including bank duties, weddings and related engagement.

Absence of Registers Prescribed by Standing Orders

The Standing Order 125 requires that:

- each Police Station has to keep a register of personnel who perform extra duty; and
- the Divisional Commander/Branch Officer receiving requests for extra duty to cause such applications to be entered into a register to provide full details of action taken for each application.

Finding

Register of personnel who attended extra duty and for applications of extra duty were not maintained at Police Stations and Revenue Clerk's Office. This rendered monitoring of attendance of Officers carrying out extra duty and follow up of applications for extra duty difficult.

Department's Response

- It is worth mentioning that Divisional Commanders provide their formal assent under signature for each instance of extra duty to be undertaken.
- The signed assent not only evidences supervisory control but also forms part of the official record, thereby reinforcing transparency, accountability and compliance with departmental protocols.
- It is further envisaged to keep a diary of events for every parade and to document attendance.

Notice not displayed

The Standing Order 125 requires a notice to be conspicuously affixed at all Police Stations and Revenue Clerks' Offices on established procedures regarding application for extra duty and chargeable fees. Such notice will also be displayed on the Police Website.

Finding

Notice regarding the procedures for application of extra duty and fees chargeable were not displayed at Police Stations, Revenue Clerk's Office and the website of the MPF.

Department's Response

It is acknowledged that additional steps will be taken to enhance public accessibility by updating and clarifying the relevant information on the Official Police website. This measure will further strengthen transparency and facilitate easier reference for all stakeholders.

Absence of Evidence of Attendance of Officers Performing Extra Duty at Events

Findings

Police Officers who attended extra duty during events such as concerts, festivals and weddings did not record their attendance. At the end of each month, the Revenue Clerk computed the amount of extra duty allowances to be paid to these Police Officers and sought confirmation of attendance from the Clerk posted at Police Stations/Divisions or Units.

- The attendance was confirmed by telephone.
- Return of Attendance was not submitted to the Revenue Clerk for computation of extra duty allowances.

Department's Response

All instances of extra-duty performed should be systematically recorded in the Crime Occurrence Tracking System (COTS) system ensuring a secure, verifiable and time stamped record of personnel deployment. The COTS system being an official digital platform, supplements physical registers and forms an additional layer of accountability.

Root Cause

The MPF did not have a proper system in place to process extra duty allowance in line with Police Standing Order 125.

Recommendations

- The MPF should ensure compliance with Police Standing Order 125.
- The MPF should devise a proper system for processing extra duty allowances with enhanced transparency and accountability.

Limited Verification at Extra Duty Unit

The Extra Duty Unit received Return of Extra Duty Fees collected and Extra Duty Allowances payable to Police Officers. The application form, workings and evidence of attendance were retained at the Revenue Clerk's Office. Hence, the verification of return of extra duty payable was limited to the return submitted by the Revenue Clerk.

Root Cause

The supporting documents and return of attendance were not forwarded by the Revenue Clerk to the Extra Duty Unit to facilitate verification before making payments.

Recommendations

- An Administrative Order should be issued directing the Revenue Clerk to forward the application forms, computation of extra duty allowances payable and approved return of attendance to the Extra Duty Unit in order to allow verifications prior to uploading the payroll system, pending the implementation of an appropriate system.
- There should be a proper system of internal checks to ensure that only eligible Police Officers are paid the correct amount.

Department's Response

- Instructions for procedures to be followed for the services of Police Officers for Extra Duty has already been circulated to all Police Officers through official mail.
- An Administrative Order has been prepared and same would be circulated to Divisional Commanders and Branch Officers after approval of Commissioner of Police.

5.5.5 Ineffective Management of Cases of Interdicted Police Officers

Background Information

Police Officers can be interdicted from duty under Regulation 28 of the Disciplined Forces Service Commission Regulations, which has established a procedure to suspend officers while investigations into their conduct are pending.

According to section 5.12.1 of the Human Resource Management Manual of the Ministry of Public Service and Administrative Reforms, an officer who has been interdicted from the exercise and functions of his office shall, pending the determination of his case, continue to be paid his salary. Payment of his salary shall be stopped with immediate effect where an officer is sentenced to a term of imprisonment, even if the officer has lodged an appeal.

Issues Highlighted in NAO Annual Audit Reports 2020-21, 2021-22 and 2023-24

- The number of interdicted officers and salaries paid were on the increasing trend.
- Interdicted officers were subject to inquiry mainly for alleged serious offences.
- The alleged offences of more than 50 per cent of the interdicted officers were still under police inquiry.
- MPF incurred nugatory expenditure on officers who were dismissed after a long period of interdiction and were remunerated while not providing any service.
- Fast Track Measures to speed up enquiry were not applied.
- Fast track measures envisaged as per Department Instructions issued in 2007, 2015, 2020 and 2024 by MPF were not effectively implemented.
- An Inter-Ministerial Committee was set up on 4 September 2020, but meetings were not held on a regular basis.

The Mauritius Police Force had informed NAO that:

- The MPF was not solely responsible for the failure of Fast Track Mechanism as many departments were involved from interdiction to determination of the case.
- The Commissioner of Police chaired regular meetings to streamline matters.
- The duration of interdiction was determined by a chain of authorities.
- The MPF was making all efforts to keep the members of the Police Force in a disciplined order.

- Any action by MPF related to the dismissal or otherwise can only be initiated upon determination of the cases.
- Possible delay was monitored by the Commissioner of Police through the respective Divisional Commanders. It cannot account for delays in the handling of files at the level of the Office of the Director of Public Prosecutions (DPP).
- The provision for a Departmental Orderly Room has already been made in all Divisions/Branches of MPF to look into disciplinary proceedings that should be instituted against Police Officers at departmental level.

Status as at October 2025

There had been no significant improvement in the management of cases of interdicted Police Officers despite actions being taken by MPF. The findings reported in our previous annual audit reports were still prevailing in the financial year 2024-25.

Findings

▪ Increasing Number of Interdicted Police Officers

During the financial year 2024-25, 198 Police Officers were under interdiction with salaries paid totalling Rs 63.8 million. A total amount of Rs 287.9 million were disbursed as salaries to interdicted Police Officers during the past 8 financial years as shown in Table 5-12.

Table 5-12 Number of Interdicted Police Officers and Salaries Paid

Financial Year	Number of Interdicted Police Officers	Salaries Paid (Rs)
2017-18	52	10,562,309
2018-19	69	13,683,876
2019-20	86	16,426,295
2020-21	101	24,304,140
2021-22	147	49,596,089
2022-23	162	49,298,009
2023-24	180	60,809,100
2024-25	198	63,814,810
	Total	287,863,628

Source: Human Resource - Discipline

Department's Response

Out of the 198 Police Officers who were interdicted since 2009, only 22 have been conditionally reinstated as at 30 June 2025. However, despite being allowed to resume duty, they are technically considered to be under interdiction.

▪ **Increased in Salaries paid to Interdicted Officers**

The number of interdicted Police Officers and salaries paid to them as at 30 June 2025, have increased significantly by 280 per cent and 504 per cent respectively compared to the financial year 2017-18.

Department's Response

Interdicted Police Officers have to be paid their salaries pending determination of their respective cases. Cases for interdicted Officers take a very long time to be resolved due to lengthy investigations carried out based on the nature of the offence committed. There are also cases where police officers have lodged appeals and were awaiting final determination.

▪ **Payments of Rs 10.6 million paid to Interdicted Police Officers who were consequently dismissed from service**

Four Police Officers who were interdicted during the period 2008 and 2021 had been dismissed in the financial year 2024-25. A total amount of Rs 10.6 million was disbursed as salaries during their period of interdiction.

Department's Response

According to section 5.12.1 of the Human Resource Management Manual, an officer who has been interdicted from the exercise and functions of his office shall, pending the determination of his case, continue to be paid his salary.

▪ ***Delay in Finalisation of Police Enquiry***

- (i) As of June 2025, out of 247 offences committed by 198 Police Officers, 111 offences, that is, 45 per cent of total offences were still under police enquiry. More than 80 per cent of offences committed were related to crimes such as drug dealing/possession, theft, bribery, causing child to be sexually abused and murder.
- (ii) No investigation was carried out to determine the causes of delay in finalisation of enquiries.
- (iii) The case of 25 interdicted Police Officers on conditional reinstatement were still ongoing as at 30 June 2025. The interdiction of these Police Officers dated back to year 2008.

Department's Response

There is no standard time for a police enquiry involving a Police Officer and there are also no two similar criminal cases. If there are more than one accused party in a case, it takes more time to complete the enquiry. The DPP usually advises prosecution against the Police Officer only after the cases of other accused party/parties are determined.

The case file usually moves between the Office of DPP and Enquiry Officer or Police Prosecutions Office to address further queries/clarifications (if any) which unfortunately result in more delays.

▪ **Fast Track Measures to speed up Enquiry not Implemented**

Fast track measures envisaged since October 2008 were not yet implemented and other Instructions, namely CP Orders of 2015, 2020 and 2024 to expedite matters were not applied.

Department's Response

Any case of Interdicted Police Officer has a three-prolonged approach. The first step is the Police enquiry, then there is the advice from the DPP and finally the lodging of the case in Court and the prosecution and determination.

The MPF endeavours to complete all enquiries within the shortest possible delay. When the case file reaches the Office of the DPP and subsequently the Court, the Commissioner of Police has no control on any delay caused by those 2 independent bodies.

Root Cause

Absence of full time Police Officers to carry out enquiries on interdicted cases led to delays.

Recommendations

- The MPF should consider setting up a dedicated team of Police Officers to carry out enquiries on a full-time basis.
- The MPF should provide comprehensive training on ethics, human rights, de-escalation techniques and ethical awareness.
- The MPF should consider training of Immediate Supervisors to recognise early warning signs of problematic behavior in Police Officers and intervene before issues escalate.
- The MPF may consider carrying out psychology studies aiming at understanding the unique psychological toll of policing and develop strategies to support Police Officers' mental health and performance.
- The MPF should consider implementing rigorous screening processes during hiring and at regular intervals throughout a Police Officer's career.

Department's Response

- Investigations involving Police Officers are monitored during fortnightly meetings chaired by the Deputy Commissioner of Police (Administration).
- The Mauritius Police Force has adopted a preventive, structured and continuous approach aimed at early detection, intervention and correction of behavioural, ethical and psychological risks.
- Training for Sergeants, Inspectors and Senior Officers emphasises police ethics, human rights, use of force, leadership, accountability and stress management, hence enabling timely supervisory intervention before issues escalate into disciplinary or criminal matters.

- The MPF mitigates psychological risks through comprehensive psychological support mechanisms under the guidance of the Chief Medical Officer and his team. The services of Police Psychologists are available throughout an Officer's career.
- Rigorous and continuous screening process is enforced throughout an Officer's career. Beyond pre-recruitment vetting, Officers are monitored through drug screening, medical oversight, behavioural assessments, refresher training and promotion-linked evaluations.

5.5.6 Lapses in Procurement of Vehicles

Background Information

Following a request made by the Transport Branch in July 2024, an amount of Rs 104.8 million was disbursed for the acquisition of vehicles for the financial year 2024-25. Included in this amount was the acquisition of a high-floor Omnibus for MPF and a Rotary Telescopic Handler for the Special Mobile Force, costing Rs 4.9 million and Rs 11.4 million, respectively.

5.5.6.1 Supply and Commissioning of High Floor Omnibus

The contract for the supply and commissioning of a high-floor Omnibus (56-60 seater) was awarded in November 2024 to the sole bidder for Rs 4.5 million (excluding VAT), and maintenance costs for the first 75,000 km for Rs 243,235 (excluding VAT). The estimated cost of the vehicle was Rs 4 million, and the maintenance cost for the first 300,000 km was Rs 500,000.

According to the bidding documents, the Bidder should cater for a pre-delivery inspection at the manufacturer's premises to ascertain compliance with specifications. In this context, 2 Police Officers posted at the Police Vehicle Technical Unit and a Mechanical Engineer of the then Ministry of National Infrastructure and Community Development (MNICD), who were among the members of Bid Evaluation Committee (BEC) proceeded to India to carry out the pre-delivery inspection of the new Omnibus which was under construction at a firm based in India.

An amount of Rs 4,873,500, inclusive of VAT, was paid for the Omnibus, which was commissioned and delivered on 13 June 2025.

Findings

▪ Amendments made to Bidding Documents

- (i) The initial procurement title as per the first draft submitted by MPF, "Supply and Commissioning of Omnibus (60-seater)" was modified to 'Supply and Commissioning of High Floor Omnibus (56-60)' seater by MNICD in August 2024.
- (ii) The liquidated damages clause, which was 0.5 per cent of the contract price per week and the maximum deduction of 10 per cent in the original draft bidding documents, was amended to 0.25 per cent and 5 per cent, respectively.

- (iii) The pre-delivery inspection clause for the visit abroad was not inserted in the original draft bidding document prepared by MPF. This clause was inserted during the vetting of the document by MNICD.
- (iv) Following queries from the Supplier, 2 addenda were issued on 19 September 2024 and 8 October 2024 by MPF, which catered for amendment in engine capacity and number of cylinders.

Department's Response

- During the vetting exercise conducted by MNICD, it was determined that the High Floor Omnibus would be the most appropriate technical term, and the amendment was made.
- Draft bidding documents were prepared based on the templates provided under Procurement Policy Office (PPO) e-Portal Index and were subject to corrections/amendments during the vetting process.
- During the vetting process, MNICD deemed it appropriate to include a Pre-Delivery Inspection clause to ensure compliance and to avoid non-conformities at the time of delivery.
- The amendments were made to the engine capacity and number of cylinders with the intent to broaden competition in as much as the original specifications would have restricted participation to a limited number of suppliers.

▪ Omnibus costing Rs 4.9 Million not Officially used since Acquisition

The scrutiny of the vehicle log book for period 16 June 2025 up to 19 September 2025 revealed that most of the trips effected were for test drives, refueling, vehicle checks, 'running in', and were at the agent's premises for repairs. Details of trips are listed below.

- (i) Four trips were effected in June 2025, out of which 3 were in respect of test drive and one for refueling.
- (ii) On 17 June 2025, that is, 4 days after delivery of the Omnibus, the latter broke down and towed to the agent premises.
- (iii) In July 2025, a total of 3 trips were undertaken, out of which 2 were in respect of a duty test drive, and on 23 July 2025, the vehicle was driven to the agent premises anew for repairs.
- (iv) As per the note in the vehicle log book, the Omnibus was at the agent's premises until 5 August 2025 when it was retrieved by the Police Officers.
- (v) In August 2025, only 4 trips were effected, namely for fetching the Omnibus from the agent, for road test by the agent after repairs, for refueling, and for 'running in'.
- (vi) As per the itinerary inserted in the vehicle log book for September 2025, only 5 trips undertaken were in respect of vehicle check in Line Barracks compound.

Department's Response

- Omnibuses are vehicles used for the conveyance of Police Officers when being deployed on a larger number and during the training of recruits.
- These vehicles, though not being used on a daily basis, must always be kept operational in case of Police Emergency Operations/Situations, for instance, evacuating people during cyclones, flooding and other calamities.

5.5.6.2 Contract Awarded for a High Maintenance Cost Compared to the Estimated Cost

The maintenance cost of Rs 1,390,210 for 300,000 km quoted by the sole bidder was significantly higher than the original estimate. The BEC was of the view that it would be unlikely for the bus to reach the 300,000 km threshold. It recommended a three-year maintenance contract capped at 75,000 kms, and the same was approved by the Departmental Bid Committee. Since the estimated maintenance cost over a 300,000 kms service life was Rs 500,000, thus for 75,000 kms, the estimated cost would normally be assessed at Rs 125,000 (excluding VAT). Consequently, the maintenance cost of Rs 243,235 (excluding VAT) is deemed to be 94 per cent higher than the estimated cost.

Implications

- The omnibus was not being optimally utilised, which indicated a misallocation of resources. It could be attributed to poor planning and failure to assess needs properly. The funds spent on the vehicle could have instead been used to address a more pressing need in terms of infrastructure for MPF.
- Although a pre-inspection process was carried out at the factory, the newly acquired vehicle had broken down twice.

Root Cause

No proper study was carried out to justify the needs of a new Omnibus as there were already 3 buses of 50-60-seater capacity that served the same purpose.

Recommendations

- For its future acquisition of vehicles, MPF should emphasise defining the required outcomes and functionalities of vehicles earmarked to be procured rather than focusing on a specific design.
- The MPF should ensure that only qualified persons are engaged in the preparation, vetting and evaluating of bid documents.

5.5.6.3 Supply, Testing and Commissioning of a Rotary Telescopic Handler

The contract for the supply, testing, and commissioning of a Rotary Telescopic Handler for the SMF was awarded to a bidder on 19 December 2023 for Rs 11 million (VAT exclusive) and maintenance cost for the first 2,500 hours amounted to Rs 338,346 (VAT exclusive). The delivery was to be effected within 30 weeks from 18 December 2023 and commissioning within 2 weeks after delivery at SMF Headquarters, Vacoas.

The purpose of the Rotary Telescopic Handler was to meet SMF's requirements in terms of logistics, complex handling jobs, working efficiently, safely and comfortably at height and construction and maintenance activities, among others. It would be customised and built to optimise the work of SMF in terms of loading, cutting of trees/branches, transporting, and/or distributing loads on all types of worksites, including the most rugged terrain, ensuring optimal conditions of safety and comfort.

The telescopic handler was commissioned and delivered on 11 September 2024 at SMF. An amount of Rs 11,286,000 was paid to the supplier after deducting liquidated damages of Rs 1,100,000, that is, a maximum of 10 per cent. The estimated cost of the machine was Rs 15 million, and the maintenance cost was Rs 500,000.

Findings

▪ No Report on On-site/Factory Pre-delivery Inspection

An online pre-construction meeting was held on 31 January 2024 between the manufacturer of the rotary handle, one representative from the SMF, and an Acting Lead Mechanical Engineer.

As per clause 130, a pre-delivery inspection was scheduled from 27 April to 3 May 2024 at the manufacturer's premises in Italy with one representative from SMF and the Acting Lead Mechanical Engineer of the MNICD for validation and testing of the MRT-X 2545 machine. All costs associated with the inspection visit were to be borne by the manufacturer.

There was no correspondence in the relevant files to ascertain that the pre-delivery inspection was carried out. Moreover, no report of the pre-delivery inspection against technical specifications was available.

Department's Response

No report of pre-delivery inspection against technical specification was available; instead, there has been an official note of meeting which was done in Italy and agreed by all parties after the pre-delivery inspection and type approval of the 'rotary telescopic handler' (complete with accessories and attachment) of make and model MRT 25645 was completed.

▪ Rotary Telescopic Handler Not Optimally Used Since Acquisition

A scrutiny of the log book from 24 September 2024 to 25 September 2025, as per Table 5-13, revealed the following:

Table 5-13 Scrutiny of Log Book

Month	No. of trips recorded	Tree felling/trimming of branches	Lifting of personnel	Refuelling	Running In/ Plant Cadre	Lifting of Material	Fetching of equipment / shifting of equipment	Percentage usage per month on a 28 days monthly basis
Sept 24-As from 24.09.24	1	-	-	1	-	-	-	-
24-Oct	5	-	-	1	4	-	-	17.86
24-Nov	2	-	-	-	2	-	-	7.14
24-Dec	1	-	1	-	-	-	-	3.57
25-Jan	11	7	1	2	1	-	-	39.28
25-Feb	2	1	-	1	-	-	-	7.14
25-Mar	4	2	-	1	-	-	1	14.29
25-Apr	4	2	1	1	-	-	-	14.29
25-May	4	2	2	-	-	-	-	14.29
25-Jun	3	2	-	1	-	-	-	10.71
25-Jul	13	10	-	1	-	-	2	46.43
25-Aug	5	2	-	1	2	-	-	17.86
Sept 25-up to 25.09.25	2	1	-	-	-	1	-	7.14
Total	57	29	5	10	9	1	3	

Source: Log Book

- (i) The Rotary Handler had not been used from 24 September 2024 to 17 December 2024 except for refueling and ‘running in’.
- (ii) Taking into consideration a 7-day week, it was noted that the monthly utilisation of the Rotary Handler for 12 months ranged from 3.57 per cent to 46.43 per cent. Hence, the machine was deemed to have been significantly underutilised.
- (iii) The machine was purported to meet the requirements of SMF in terms of logistics, complex handling of jobs, construction, and maintenance activities amongst others. However, no complex duties were carried out by the equipment as from the date of delivery till September 2025. The machine was used mainly for tree cutting, tree felling and trimming of branches.

Root Cause

No proper analysis was carried out by MPF to determine whether to buy or lease the equipment.

Recommendation

The MPF should, in the future, carry out a Cost Benefit Analysis to determine the most cost-effective option of either to acquire or lease specialised equipment from a supplier, with clear terms and conditions.

Department's Response

- This is a specialised plant used for specialised duties such as disaster/calamities or special rescue operations like tall building rescue or tree cutting for tall tree of eminent danger.
- There is only one such equipment in MPF, and as we are in disaster season, same has to remain fully operational.
- Regular use of this equipment for other tasks may render same unoperational and as such defy its purpose when required for essential operations.
- It was kept in stand-by mode position for the abovementioned reason at SMF, Vacoas to cover the whole of Mauritius in case of an emergency.
- This rotary telescopic telehandler allows the operator to work/intervene without moving the plant every time, as was the case with the old loader. Moreso, it is unique and very helpful in the safe felling down of dangerous trees above 17 metres, which is the height limit for other available plant/equipment.
- It's induction into service has rendered such tree-felling operations safer, also enhancing the safety of road users and the public in general.
- Every time the services of this rotary telescopic telehandler are required, MPF has to pay an amount of Rs 13,500 (VAT inclusive) per trip for transportation of same on a low bed trailer lorry. (Up and down Rs 27,000).
- Due to its special capability, request for same was made on several occasions since years, but due to its high cost, same was being postponed.

5.5.7 Construction of a New Police Station at Vallee des Prêtres

Background Information

The contract for the construction of a New Police Station at Vallee des Prêtres was awarded on 30 January 2023 to a local company for the sum of Rs 10,775,500, inclusive of VAT and a contingency sum of Rs 350,000, excluding VAT. Works started on 16 February 2023, and the due date of completion was 14 August 2023.

During the financial years 2023-24 and 2024-25, Rs 11.6 million and Rs 612,164 respectively were paid to the Contractor. The project consisted of the construction of a reinforced concrete building comprising both ground floor and first floor of 276 square metres.

Findings

▪ Non-compliance with Financial Instructions No. 1 of 2023

Financial Instructions No. 1 dated 20 June 2023 issued by the Ministry of Finance states that Ministries/Departments should seek the approval of the Building Plans Committee (BPC) for the construction of new Government buildings with a cost estimate of

Rs 5 million and above, exclusive of VAT, replacing the corresponding provisions contained in the Financial Management Manual. Moreover, as per the Circular, the Committee also clarifies that approval for these constructions is given on the cost estimate based on the approved preliminary drawings of BPC.

Change in Scope or Cost Estimate: The Ministry of National Infrastructure (MNI) or the client Ministry/Department should not accept or make any major technical modifications to the requirements after it has been approved by BPC.

The approval of BPC for the construction of the project, the preliminary drawings, and the change in scope of works were not made available to the National Audit Office.

Construction works had been effected without prior approval of BPC. Therefore, there was no assurance that:

- the project proposal was compliant with the Building Control Act and any other relevant legislation and guidelines;
- the scope of works was adequate, and the project met the client's requirements; and
- the proposed architectural design was economical, functional, green, climate resilient, rainwater harvesting, energy efficiency and disability-friendly, taking into consideration the aesthetic aspect.

Root Cause

The Officer-in-Charge of the Police Drawing Office did not comply with the Financial Instructions No. 1 of 2023.

Recommendation

The Police Drawing Office should always ensure compliance with the all laws, rules and regulations with respect to drawings relating to the construction projects.

Department's Response

- Due to the pressing demand from the inhabitants of Vallée des Prêtres and Cité La Cure localities, actions for the construction of a new building for the setting up of a Police Station on the available plot of land were taken.
- Given the urgency and the time it would take to go through BPC, MPF did not consider to seek the clearance of this Committee and the construction of the new building was implemented on a priority basis.
- **Construction of Building in a Flood-prone Area**

The MPF did not consider the appropriateness of the site before starting the construction of the New Police Station at Vallée des Prêtres.

In February 2020, the then Ministry of Housing and Land Use Planning (MHLUP) requested MPF to seek all necessary clearances including from the then Ministry of Local Government, Disaster and Risk Management (MLGDRM) regarding the suitability of the site prior to implementation of the project. Clearance from MLGDRM was not seen.

In April 2021, MPF was informed by MHLUP that, before the vesting of the site to the Prime Minister's Office, the said Ministry had in fact consulted MLGDRM and the Ministry was informed that the site was found unsuitable for the project as it was within a flood-prone area.

Moreover, in February 2025, the Land Drainage Authority had declared 62 regions as high-risk flood prone areas which included the site located at Vallée des Prêtres.

Flooding poses a significant risk to property and infrastructure.

Root Cause

The MPF did not comply with the request of MHLUP to seek clearance from MLGDRM.

Recommendation

The MPF should conduct geotechnical site investigations and surveys for project sites before the planning and design stage of any construction project.

Department's Response

To mitigate the risk of flooding, the reconstruction of the bridge and construction of drains at Marjorin Road, Vallée des Prêtres were implemented by the National Development Unit, Prime Minister's Office. Due to the urgency to set up the Police Station, the site was finalised following a site visit carried out by Parliamentary members of the Constituency whereby they pointed out that the location was suitable as it is located along the boundary of Vallée des Prêtres and Cité La Cure therefore satisfying the demands of the inhabitant of both localities.

▪ Significant Delay in Project Completion

The construction works, which had started on 16 February 2023, were due for completion on 14 August 2023. However, the works were completed on 20 May 2024, which was more than 9 months after the scheduled completion date. The delay in the completion of the project was mainly due to extensions of time granted to the Contractor for additional works.

Extensions of Time Granted to the Contractor

Three Extensions of Time (EOT) had been granted to the Contractor mainly due to changes and additions brought in the scope of works. The contract, initially set for 180 days, was extended by 279 days, due to variations brought in the scope of works.

Additional Works

The Project Manager gave his approval to carry out additional works costing Rs 1.2 million.

The additional works were identified after the award of the contract and upon the requests of MPF. These works were not foreseen at the initial planning phase of the project.

The additional works exceeded the contingency sum of Rs 350,000, by Rs 1 million inclusive of VAT to cover unforeseen expenses.

- The modifications in the scope of works had increased the initial estimated cost of the project.
- The initial contract amount of Rs 10.5 million increased to Rs 12.2 million, inclusive of VAT.

Root Cause

The MPF did not adequately manage the project planning and compliance with the requirements of the MHLUP.

Recommendation

The MPF should, in the future, properly design and define clearly the scope of works at the beginning of a project and carry out all necessary geotechnical tests before starting construction.

Department's Response

The construction was delayed due to the following:

- **Additional works**

During the stage of excavation, it was reported that the site was a backfilled land and even after 2 metres of excavation, firm soil was not reached. The foundation design was then modified by the Contractor's Engineer and approved by the Project Manager.

- **Site Visit and Recommendations of the Human Rights Commission**

The site was visited by Officers from the National Preventive Mechanism Division of the National Human Rights Commission on 1 December 2023 in the presence of the Contractor and Officer-in-Charge of the Police Drawings Office. In compliance with Minimum Human Rights Standards, they submitted their recommendations, which required additional works not found in the initial program of works.

- **Bad Weather Conditions**

During the period January to March 2024 the weather conditions were not favourable for outside works. Cyclone Belall on 15 January 2024 followed by several heavy rainfall delayed outside works such as plastering, painting works and other associated site works, as a result of which, the Contractor had been granted extensions of time.

▪ **Site visit effected at the New Police Station at Vallee de Prêtres**

During the site visit effected by NAO Officers on 5 September 2025 at the New Police Station, it was noted that:

- (a) some construction works had not been performed as per the scope of works, specifications, and requirements of the bidding documents. For instance, the aluminium kitchen cabinet was not equipped with shelves and drawers.
- (b) all approvals for the amendments made in the scope of works were not documented or recorded in the notes of meetings.
- (c) the Changing Room for Male was converted into an Office; and

Root Cause

There were poor planning and management of the project.

Recommendation

All amendments made to the scope of works should be documented or recorded in notes of meetings.

Department's Response

- For the aluminium kitchen cabinet, the design submitted by the Contractor was accepted and approved by the Project Manager.
- For the changing room which was converted into an office, remedial action has been taken and the barracks of male Police Officer has been converted to that of Woman Police Officers.

5.5.7.1 Contract for Construction of New Perimeter Fence

Background Information

Following site meeting held on 17 October 2023 by the Project Manager, it was observed that the proposed chain-link fencing boundary as specified in the original contract for the construction of the New Police Station was inappropriate. The inclusion of the land reserve on the riverside to the plot of land facilitating parking spaces increased the perimeter fence by 30 per cent and a culvert was located on one side of the site where water accumulated during rainy season.

It was then decided to construct a new perimeter fence of approximately 136 metres length which included excavation, reinforced concrete bases and columns, construction of block wall and fixing of security fencing.

Award of Contract

After a restricted bidding exercise, the contract was awarded for an amount of Rs 1,782,500 inclusive of VAT to the same Contractor.

Additional Works

On 22 March 2024, the Contractor submitted a quotation for additional works amounting to Rs 132,500 for the supply and placement of boulders and additional paint on the boundary façade. This amount was paid to the Contractor on 17 May 2024.

Findings

- The Bid Evaluation Committee for the project did not consist of a Quantity Surveyor from MNI but only Officers from the SSU Technical Unit, Police Drawing Office and Tender Unit for the construction of the new perimeter fence.
- Site visit effected by the NAO Officers found that the fixing of security fencing works was not done by the Contractor as specified in the scope of works.

Root Causes

- There was lack of supervision by MPF during the construction phase of the new perimeter fence.
- Amendments to scope of works were not documented or recorded in the notes of meetings.

Recommendation

The MPF should, in the future, properly design and define clearly the scope of works at the beginning of a project.

Department's Response

The fixing of fence was in fact found in the scope of works, but during cyclone Belall on 16 January 2024, as there was damage caused to some structure and rise of water level, it was decided that a consolidated boundary wall with boulders be placed outside the wall to minimise impact, and this was considered as more appropriate than security fencing. The design was amended, and the security fencing was replaced by the Contractor without any variation.

5.5.8 Site Visit Effected at Police Stations and District Headquarters

5.5.8.1 Inadequate Control over Assets at Plaine Verte Police Station

Background Information

Police Standing Orders require Station Managers to ensure proper upkeep of all Police inventories and control over all assets and in particular, firearms, ammunition, vehicles, and communication and IT equipment.

Finding

The Police van with registration number 263 RM 14 was found lying idle in the yard of the Plaine Verte Police Station on 10 September 2025. The front registration plate of the vehicle was missing. NAO Officers were informed that the Police vehicle was involved in a theft case. However, no report and Occurrence Book record was provided to NAO. Figure 2 refers.



Figure 2 Van at Plaine Verte Station

Root Cause

The Station Managers did not comply with Standing Order 45 in relation to control over the vehicle.

Recommendation

Station Managers should ensure that adequate control is exercised over all assets under the custody of Police Stations as per Standing Order 45.

Department's Response

A case of larceny was reported and enquiry is still in progress. The following actions were initiated by the Divisional Commander:

- Station Managers have been regularly briefed to ensure proper control over assets including vehicles as required by Police Standing Order 77.
- A Gazetted Officer (Assistant Superintendent of Police and above) was detailed to carry out a quarterly inspection as per Police Standing Order 28 and during the last visit on 4 September 2025, nothing irregular was reported.
- Vehicle inspection was carried out on 3 January 2026 under the supervision of a Gazetted Officer in the presence of a vehicle examiner.

5.5.8.2 Poor Infrastructure of Police Stations

The following were noted during audit site visits at Police Stations:

Baie du Tombeau Police Station

Significant cracks were seen at the building housing the Baie du Tombeau Police Station. Due to inadequate space, the Mess Room was used as Investigation Room and there was no prisoner's cell. Poor wiring and cable works were also noted. Figures 3 and 4 refer.



Figure 3 Cracks at Baie du Tombeau Police Station



Figure 4 Poor Wiring and Cabling works at Baie du Tombeau Police Station

Department's Response

- The contract for renovation works of the ex-Police Quarters earmarked to relocate the station has been awarded on 3 December 2025.
- The handing over of the site was carried out on 7 January 2026.

- The works was due to start on 14 January 2026.
- Contract Period is for a duration of 90 days and the intended completion date is 13 April 2026.
- Defects liability period was 180 days.
- Liquidated damages will apply if required.

Inadequate Maintenance at Roche Bois Police Stations

At the Roche Bois Police Station, 8 air extractors annexed to the toilets were not operational.

Root Causes

- There was no maintenance/renovation policy with regards to Police Stations.
- There were no short, medium and long-term maintenance/renovation plans of Police Stations.
- There was no specialised unit to carry out major maintenance works.

Recommendations

The Mauritius Police Force should:

- Devise a maintenance/renovation policy for Police Stations.
- Prepare short, medium, and long-term maintenance/renovation plans for Police Stations.
- Consider setting up a specialised unit to carry out major maintenance works.

Department's Response

- The Police have a maintenance/renovation plan which is in order of priority based on availability of adequate funding. On submission of budget proposal, adequate funding is requested to cater for maximum maintenance to be carried out. However, approximately 40 per cent of the fund requested is obtained which hinder the aforesaid plan to be implemented.
- As regards consideration for setting up a specialised unit to carry out major maintenance works, the Police does not have sufficient qualified skilled personnel for these types of work as well as machine and other apparatus operators. There is a lack of personnel at Stations/Units /Branches.

5.5.8.3 Common Issues noted at Goodlands, Grand Baie, Triolet, Long Mountain, Terre Rouge, Brisée Verdière, Lallmatie and Quartier Militaire Police Stations

Inappropriate Working Environment

A good working environment including safety standards fosters physical safety and comfort to its officers. However, the working environment was not appropriate due to the following:

- Officers posted at Police Stations complained of discomfort due to absence of air conditioners during peak summer time. In some cases, air conditioners were broken down and not yet repaired. Officers posted at these Police Stations, claimed that they had to procure their own fans and air conditioners.
- Mess Room was not available in some Police Stations.
- There were no Changing Rooms for both male and female Officers. In some cases, kitchen space was converted into Changing Room.
- The existing cells at most Police Stations visited, were not being used. This was because of their non-compliance with the norms as prescribed by the National Human Rights Commission.

Department's Response

Divisional Commanders have been directed to look into the matter and submit their respective reports together with their findings.

Absence of Cleaning Services

Cleaning services were not available at Goodlands, Grand Baie, Triolet, Long Mountain, Terre Rouge, Brisée Verdière, Lallmatie and Quartier Militaire Police Stations. At the Goodlands Police Station, the Officers claimed that they were paying for the services of a cleaner.

Department's Response

- Police Attendants are attached to every station for cleaning services and they are provided with sufficient items to complete their tasks at the Northern Division.
- For Eastern Division, the Station Managers of Lallmatie, Brisee Verdiere and Quartier Militaire Police Stations have been directed to make optimum use of the Police Attendants for the cleaning of toilets and Police Cells on a daily basis.

5.5.8.3 Lift at Abercrombie District Headquarters not serviceable

The lift at Abercrombie District Headquarters was not serviceable due to absence of maintenance and servicing since more than one year. A bid exercise was launched in April 2025 but no responsive bid was received. The Abercrombie District Headquarters relaunched the bid on 12 July 2025. As of October 2025, the lift was still not serviceable.

Department's Response

Tender procedures were initiated and same were under evaluation stage.

Overall Recommendations

- The working environment of Police Officers should be improved significantly so that they work in a healthy environment to enable them to operate more effectively.
- The scope of the SSU Technical Unit has to be revisited.
- The MPF may consider setting up a Central or Divisional Facilities Management Unit with the objective of ensuring that Police Stations and assets are regular maintained.

Fixed Penalty Notices

Inadequate Control over Fixed Penalty Notices Control Forms

During site visits at Poudre D'Or, Goodlands, Grand Baie, Triolet, Long Mountain, Terre Rouge, Brisée Verdière, Lallmatie and Quartier Militaire Police Stations the following were noted:

- The stock book recording Fixed Penalty Notices (FPNs) control forms was not up to date. FPN booklets received from the District Headquarters were not recorded in the stock book. However, these booklets were recorded only upon issue to Police Officers.
- Exhausted/completed FPNs control forms were not returned to stores.
- FPNs issued to Police Officers were not done sequentially done.

Root Cause

There were no clear instructions for handling Fixed Penalty Notices.

Recommendations

The Station Clerk should ensure that:

- All receipts, issues and exhausted FPNs control forms are properly recorded in the stock book;
- Issue of new FPNs control forms should be done solely upon the exhaustion of the current one;
- FPNs control forms are issued sequentially to Police Officers; and
- Police Officers should use their own FPNs control forms issued to them instead of using those of their colleagues.

Department's Response

- Station Managers were instructed to monitor this issue on a daily basis.
- A register has been kept for the proper the manning of FPN.
- The Station Clerks have been designated to maintain the Register of Fixed Penalty Notices.
- The practice of sharing FPN among colleagues has ceased.
- Regular inspections are carried out and personnel regularly lectured.

No Monitoring over FPNs

The Register of FPNs which is used to record all FPNs raised in each Police Station was not properly kept. Information pertaining to payment of fines were not recorded. Hence, monitoring of FPNs on the basis of the Register could not be effected.

Root Cause

No Officer was designated to maintain the Register of FPNs.

Recommendation

The Register of FPNs should be maintained by a designated Officer.

Department's Response

Divisional Commanders have been briefed accordingly for remedial actions to be initiated at once and monitoring to be carried out on a daily basis.

5.5.8.4 Weaknesses in Crime Occurrence Tracking System at Police Stations

The following weaknesses in the Crime Occurrence Tracking System still prevailed at time of site visits carried out by audit.

- The system was slow, network signals were often poor. At times when COTS was not operational, officers had to record statements manually.
- Printers and scanners used for the processing of case files on the system were frequently out of order and were not being replaced by new ones.
- Toners/ink were not available for printing of statements for uploading on the system at all Police Stations visited.
- At Grand Baie Police Station, COTS was not being used as intended. No attachments were being uploaded on COTS and submission of cases were not being done.

Root Causes

- There was inadequate monitoring on usage of COTS.
- Absence of regular servicing and replacement of hardware.

Recommendations

- The Police IT Unit should ensure that all users properly use COTS, that is, from file creation up to filing/settlement of the case.
- The supplier should effect regular hardware servicing for proper usage of COTS.
- The MPF should provide the necessary items of toners/papers on time and also to assess the right quantity and supply on time for proper service delivery.

Department's Response

- The COTS network was upgraded to enhance connectivity.
- According to the current procedure, whenever COTS is not available users have to insert records manually and when the system is restored, all manual records should be inserted in COTS as backlogs.
- All equipment including printers and scanners are covered by a maintenance agreement and faulty equipment are attended or replaced within the prescribed delay as per the terms and conditions of the agreement. For the period 1 January 2025 to 31 December 2025, the supplier has carried out 923 interventions on COTS equipment including servers, peripherals and software in all Police Divisions and Branches and all the issues reported were resolved accordingly.
- The contract for the supply of toners was awarded in September 2025 and the delivery was due in October 2025. The bidder was unable to supply same due to delays in shipment. As of December 2025, the required toners are available to meet the demands of the users.
- Officers are being provided with refresher courses and briefed on the correct usage of COTS. Station Managers have been briefed accordingly and actions are being taken.
- The system is actually compatible only with PC's operating with Windows XP and 7 and cannot be replaced by other latest Windows Operating versions.
- The revamping of the actual COTS system is under process in order to cater for new technologies and features, compatibility with new software and hardware to maintain the system.

5.5.9 Maintenance of Helicopters

Background Information

The Police Helicopter Squadron (PHS) is involved in search and rescue operations; casualty evacuation, fight against the drug scourge, coastal surveillance, monitoring and controlling maritime pollution and environmental disaster-related contingencies. To perform its mission, the PHS is equipped with 8 helicopters comprising 4 Chetak helicopters, one Fennec helicopter and 3 Dhruv helicopters one being on free lease from Government of India.

In the financial year 2024-25, Rs 56.2 million were spent on maintenance of helicopters. For the last 9 financial years, a total amount of Rs 443.7 million was disbursed for maintenance and overhaul of helicopters by the Mauritius Police Force (MPF). Refer to Table 5-14.

Table 5-14 Maintenance and Overhaul of Helicopters for the Years 2016-17 to 2024-25

Year	Four Chetak Rs	Fennec Rs	Dhruv Rs	Overhaul Rs	Total Cost Rs
2016-17	6,984,382	12,637,048	3,937,901	33,477,018	57,036,349
2017-18	3,625,855	6,753,455	12,638,944	28,493,322	51,511,576
2018-19	6,058,700	7,636,940	26,798,203	-	40,493,843
2019-20	4,399,448	4,825,331	3,740,796	-	12,965,575
2020-21	22,467,312	3,490,780	11,803,658	-	37,761,750
2021-22	9,676,147	19,736,329	13,484,307	-	42,896,783
2022-23	18,874,194	4,176,423	29,203,708	-	52,254,325
2023-24	28,409,198	261,666	4,310,417	59,601,863	92,583,144
2024-25	36,828,188	133,659	3,760,130	15,508,160	56,230,137
Total	137,323,424	59,651,631	109,678,064	137,080,363	443,733,482

Source: TAS

The Original Equipment Manufacturer (OEM) had stopped production of the Fennec helicopter in 2016 and would also stop the production line of Chetak helicopter by 2031.

In the NAO Annual Audit Report 2023-24, the following audit findings were noted:

- As of September 2024, 6 out of 8 helicopters were serviceable.
- As of November 2024, only 2 twin-engine helicopters, namely MPH-10 and MPH-11, were operational out of 4 in the fleet.
- The overhaul of the Dhruv helicopter (MPH-07) scheduled for 31 December 2023 was grounded since 1 January 2024 due to administrative procedures. The procedures were initiated in May 2023 but finalised in June 2024, nearly one year later.
- Lapses in procurement management in the overhaul of Fennec Helicopter (MPH-05) were noted as follows:

- The Helicopter was handed over to the Contractor for repairs on 7 July 2022, that is, 2 months after signature of the agreement.
- The initial contract amount of € 867,000 was exceeded by € 604,033 due to additional works required to address identified defects during repairs.
- MPH-05 has remained in South Africa for more than 2 years. The Helicopter was initially scheduled for delivery in February 2023, but due to additional defects identified, the delivery date was extended by more than 18 months.
- There was no Liquidated Damage Clause in the contract signed between MPF and the OEM.
- The additional works for repair of defects detected, totalling € 604,032 represented an increase of 70 per cent over the initial contract sum, thus exceeding the prescribed limit of 50 per cent as stipulated in Section 25(2) (c) of the Public Procurement Act and Regulations 44 (3) of the Public Procurement Regulations.

The Mauritius Police Force had informed NAO that:

- The lease period of Helicopter MPH 10 was extended to make it available to MPF, mainly to handle operational tasks efficiently.
- Overhaul of MPH 07 was delayed mainly due to the financial and administrative procedures, such as clearance from the Ministry of Finance.
- On 5 June 2022, an Engineer from OEM arrived in Mauritius for the dismantling and the shipment of the helicopter MPH-05. The helicopter was partially dismantled and loaded in a container on 16 June 2022 and was shipped on 21 June 2022 to reach South Africa on 7 July 2022.

Status as of the fleet of Helicopters

- As of June 2025, only the 4 Chetak helicopters were serviceable compared to 6 as at September 2024. The operational status of the fleet of helicopters during financial year 2024-25 is detailed in Table 5-15.

Table 5-15 Operational Status of the Fleet of Helicopters during Financial Year 2024-25

Type	Reference	Acquired in Year	Service Life (Years)	Origin	Remarks
Chetak	MPH-03	1987	38	Gifted by India	Serviceable
Chetak	MPH-04	1987	38	Gifted by France	Serviceable
Fennec	MPH-05	1997	28	Purchased from France	Sent for Overhaul to Airbus South Africa in June 2022. Delivery delayed by 18 months.
Dhruv	MPH-07	2009	16	Grant from India	Sent for Overhaul to India in June 2024. Delivery delayed by 7 months
Chetak	MPH-08	2016	9	Gifted by India	Serviceable
Chetak	MPH-09	2016	9	Gifted by India	Serviceable
Dhruv	MPH 10	2023	2	Free lease from India	On lease-Flying suspended since 5 January 2025
Dhruv	MPH 11	2023	2	Purchased from India	Flying suspended since 5 January 2025

Source: PHS

- During the financial year 2024-25, no twin-engine helicopters were available for use at some point as the Advanced Light Helicopter (ALH) fleet was suspended from flying since 5 January 2025 after the accident of an Indian Coast Guard Helicopter.
- The estimated delivery of the Dhruv Helicopter MPH 07 was between December 2024 and February 2025. As of August 2025, the helicopter has not yet been delivered.
- The new estimated delivery date for Fennec helicopter MPH 05 was in November 2025 and has not yet been received as of February 2026.

Findings

▪ Fennec and all Dhruv Helicopters Grounded

As of June 2025, 50 per cent of the fleet was grounded. For the financial year 2024-25, the helicopters were grounded for the following reasons:

- (i) Servicing and snag rectifications were being carried out.
- (ii) Helicopter MPH 05 and MPH 07 were on overhaul at OEM facility since June 2022 and June 2024, respectively.

- (iii) The MPH 10 and 11 flying was suspended on 5 January 2025 following the accident of an Indian Coast Guard Helicopter.

The number of days that the fleet of the 4 helicopters (MPH 05,07,10,11) was grounded ranging 177 to 912 days, while the other 4 helicopters (MPH 03, 04, 08, 09) which were undergoing routine servicing/rectifications during the financial year 2024-25, were unserviceable for 40 to 68 days. Refer to Table 5-16.

Table 5-16 Number of Days Helicopters were Unserviceable/Grounded

Helicopter	No of Days Grounded	No of Days Unserviceable	Remarks
MPH 03	0	68	Servicing and snag rectifications
MPH 04	0	40	Servicing and snag rectifications
MPH 05	912	0	Helicopter on overhaul at OEM facility since June 2022
MPH 07	547	0	Grounded since January 2024 and helicopter on overhaul at OEM facility since June 2024
MPH 08	0	62	Servicing and snag rectifications
MPH 09	0	46	Servicing
MPH 10	177	1	Grounded since 5 January 2025 post-accident of an Indian Coast Guard Helicopter
MPH 11	177	23	Grounded since 5 January 2025 post-accident of an Indian Coast Guard Helicopter

Source: PHS

Root Cause

The PHS lacked up to date technical knowhow on identifying problems before they arose and also due to delay in the administrative procedures.

Recommendation

The MPF should set up a Helicopter Management Committee comprising relevant stakeholders to ensure that the Helicopter Unit adopts a proactive approach by adhering to an approved maintenance schedule instead of waiting for issues to arise and to continuously improve the skills set of maintenance officers through advanced training.

Department's Response

- The overhaul of MPH 07 was completed on time and was undergoing flight tests by the end of December 2024. However, the grounding of the ALH fleet following the Indian Coast Guard accident resulted in a delay in delivery to Mauritius.

- The flying for the Dhruv helicopters was cleared by the OEM in May 2025 and the MPH 07 was cleared by the OEM for acceptance by customers on 16 June 2025. The Helicopter MPH 07 arrived in Mauritius on 12 November 2025, that is, almost four months after mainly due to administrative delays.
- The total number of days the helicopters were grounded to be 1813 days is arithmetically correct and alarming. However, delays due to approval and administrative procedures need to be considered.
- The delay in delivery of the Fennec Helicopter is solely the fault of the OEM.

Findings

▪ OEM Requirement for Chetak Helicopters

As per the PHS, the OEM would stop the production line of Chetak helicopter by 2031. However, the OEM stated that it would continue maintenance and service support of Chetak helicopters in Mauritius up to year 2035.

- Of the 4 Chetak helicopters, 2 had attained 38 years' service and the remaining 2 has reached 9 years' service life.
- There was no guarantee that continued support would be available beyond 2035. Extension for continued support up to 2035 for the 4 Chetak helicopters as well as the spare parts/components, was sought from the OEM as overhauling of the Chetak helicopters would be due between 2028 and 2031 as shown in Table 5-17.

Table 5-17 Overhaul Due Dates

Chetak Aircraft No.	Next Overhaul due	Basic Estimated Overhaul Cost (Rs million)	Yearly requirement for repair critical components (Rs million)	Estimated Total Cost overhaul/repairs of critical components till 2035 (Rs million)
MPH 03	15 August 2028	100		
MPH 08	25 March 2030	100	15	550
MPH 09	31 March 2030	100		
MPH 04	27 September 2031	100		

Source: PHS

- Estimated Cost of overhaul and repairs of the 4 Chetak helicopters would exceed Rs 550 million by 2035. As per PHS, the basic estimated cost of the overhaul of fleet of Chetak helicopters by 2031 would amount to Rs 400 million (Rs 100 million per helicopter) and the yearly requirement for repair of critical components based on previous repair might amount to approximately Rs 15 million. The MPF informed that Chetak will be replaced by Light Utility Helicopter.

The turnaround time for these components to be overhauled/repaired was often more than 6 months. The spare parts components required were the minimum critical items to ensure the operational availability of the Chetak helicopters until the helicopters reached its next major overhaul period.

The Chetak fleet of helicopters had several limitations as detailed below:

- (i) The helicopters were equipped with a single engine.
- (ii) They were not equipped with floats and had limited load-carrying capacity.
- (iii) The helicopters were not recommended to fly over sea beyond reefs.
- (iv) The helicopters could not undertake night sorties.

Recommendation

The MPF should carry out a study to determine the fleet size of helicopters that will be needed for effective surveillance and rescue operations.

Department's Response

- It is essential to maintain the current Chetak fleet in full operational condition until each helicopter reaches its Time Between Overhaul (TBO) life. The annual maintenance expenditure is justified, considering the significant operational role these helicopters continue to play in national life-saving and public safety missions.
- According to the Chetak helicopter replacement policy, each aircraft will be decommissioned upon reaching its TBO life. The first helicopter is planned for decommissioning in August 2028, the second and third in March 2030, and the fourth in September 2031.
- The estimated overhaul cost of Rs 100 million per Chetak helicopter will not be required as the replacement policy for inducting the Light Utility Helicopter (LUH) has already been submitted to the Government of Mauritius (GOM). Induction of 4 LUH from HAL as a replacement to Chetak helicopter has already been announced by GOM, under Special Economic Package 2025 announced by Government of India.
- In line with the approved replacement policy, the Chetak helicopters will be decommissioned upon reaching their TBO, and therefore there is no requirement to seek alternative support beyond 2036. Additionally, no agency other than HAL is capable or authorised to provide such support.

5.5.9.1 Delivery of Helicopter MPH 05 Exceeded the Scheduled Delivery Date

Background Information

The contract for the major overhaul of Helicopter MPH 05, which was awarded to a foreign company on 1 April 2022, was signed on 4 May 2022 for a total amount of € 867,000 (Rs 42 million). The MPF approved additional works totalling € 604,033 (Rs 30 million) for defects identified during the major overhaul. The completion of the overhaul and the delivery of the Fennec helicopter by the Contractor was initially scheduled for February 2023.

Expenditure as at 30 June 2025

Out of the total contract sum of € 1,471,033, a total amount of € 1,216,364 (Rs 59.6 million), representing 80 per cent of the total contract sum, was paid as at 30 June 2025.

An amount of Rs 15 million was accrued via Carry Over, Warrant No. 1 of 2025, for the outstanding payment under the contract for the Major Inspection of the MPH 05. As of September 2025, no payments were made to the Contractor.

Findings

- Due to additional defects identified, the lead time of some spare parts and dynamic components emerging from the defects, the delivery date was revised on several occasions. The new estimated delivery date was in November 2025 and MPH 05 had not yet been received as of February 2026 and had remained in South Africa for more than two and a half years.
- The Contractor had on several occasions raised issues, namely, with regard to the age of the aircraft, worldwide shortage of certain spare parts and other critical flight spare parts, obsolescence, corrosion, and long lead time for critical spare parts. These issues resulted in the delay in delivery of the helicopter.
- As of April 2025, one altimeter and tail anti-collision light were still being awaited to be fitted and module 1 of Engine serial 2074 needed to be replaced.
- OEM had stopped production of the Fennec helicopter in 2016, and it was unsure whether it would be able to provide technical support till the year 2033. The MPH 05 after the overhaul would serve MPF for another 12 years of calendar life, that is, till 2037. Following the issues raised by the OEM, the long-term availability and support for essential helicopter spare parts till 2037 were unclear.
- The delay in delivery of the MPH 05 resulted in one of the engine's useful economic life being exceeded.

Implications

- Unavailability of spare parts further delayed the delivery schedule.
- The operational capacity of the PHS was further reduced especially for the twin-engine helicopters which were all out of service.

Root Cause

- Liquidated damage clause was not included in the contract.
- There was an absence of a maintenance strategy and non-adherence to OEM maintenance schedule.

Recommendation

An appropriate policy decision has to be taken after performing a cost-benefit or cost-effectiveness analysis.

Department's Response

- The inaccurate assessment and inadequate obsolescence-mitigation planning on the part of the OEM have been the primary reasons for the undue delay in the delivery of the helicopter, which has now exceeded 34 months.
- The absence of a liquidated damage clause has proven costly for the GOM, as the OEM does not appear to be assuming moral responsibility for its improper planning and continues to demand additional costs for components now failing- failures.
- The reliability and operational availability of the helicopter can only be accurately assessed after its delivery. The MPF has strongly raised this concern with OEM on multiple occasions.

5.5.10 Lapses in Maintenance of Ships

Background Information

During the financial year ended 30 June 2025, the National Coast Guard (NCG) operated a fleet of 5 ships and 109 boats for patrol, surveillance, and search and rescue missions in Mauritius and Outer Islands. The maintenance costs incurred on ships and boats for the last 3 financial years amounted to some Rs 195.3 million. Table 5-18 refers.

Table 5-18 Maintenance costs incurred on ships for the last 3 financial years

Ships	30-Jun-23 Amount (Rs)	30-Jun-24 Amount (Rs)	30-Jun-25 Amount (Rs)	Total Amount (Rs)
CGS Observer	29,528,145	267,049	2,172,500	31,967,694
CGS Guardian	867,880	379,800	224,950	1,472,630
CGS Valiant	5,511,637	1,956,958	15,376,294	22,844,889
CGS Victory	8,087,919	18,317,538	2,043,452	28,448,909
CGS Barracuda	3,156,715	4,539,711	3,968,711	11,665,137
Others	42,577,937	24,893,901	31,502,596	98,974,434
Total	89,730,233	50,354,957	55,288,503	195,373,693

Source: TAS

The associated costs which included flight tickets, subsistence allowance, fuel and oil, other expenses, contingency fund and insurance for the crew for refit of Barracuda, Victory and Valiant ships undertaken on a gratis basis in Dockyard in India totalled Rs 84 million.

In the NAO Annual Audit Report 2020-21 to 2022-23, the following observations were made:

- The NCG had a fleet of 5 ships, namely CGS Barracuda, CGS Victory, CGS Vaillant, CGS Guardian, and CGS Observer. The number of ships available for the surveillance of the Exclusive Economic Zone (EEZ) was found to be inadequate.
- The CGS Guardian ship effected limited operations because of the unavailability of Radar for Navigation and was due for decommissioning in April 2023.
- The contract for refit of CGS Observer was awarded on 7 September 2021, and the completion date for the works was rescheduled for February 2023. Since July 2023, the ship had been undergoing Guarantee Defect Tests at a local shipyard company.
- The refit of the CGS Barracuda ship was effected from 8 February to 6 October 2021. The ship was thus not available for 8 months.
- The refit of the CGS Victory was being carried out free of charge in India as from September 2023. Refit for CGS Valiant and CGS Barracuda was due for May 2020 and October 2023 respectively. As of November 2023, refit was not yet undertaken.
- Lapses in procurement procedures for the refit of CGS Observer were noted as follows:
 - The ship was defective since January 2020, but the contract for refit was awarded only in September 2021, that is 19 months later.
 - The ship was not available for use for more than 3 years.
 - The additional repair works for Rs 14.2 million (inclusive of VAT) representing an increase of 85 per cent over the initial contract sum, exceeded the prescribed limit of 50 per cent as stipulated in the Public Procurement Act and Public Procurement Regulations.
 - A proper due diligence exercise was not carried out for additional repair works to determine whether the price was fair and reasonable.

The Mauritius Police Force had informed NAO that:

- The NCG had sufficient means for surveillance, such as Satellite-based Automatic Identification System, ships, and aircraft.
- The CGS Guardian was deployed for short-duration sorties to ensure optimal exploitation pending acquisition of a new platform for surveillance.
- The NCG had been using various means such as other ships in the fleet, Coastal Surveillance Radar System, Sea Vision Automatic Identification System, Air surveillance, and various small crafts to monitor the activities in the EEZ of Mauritius.
- The tender for the refit of CGS Victory and CGS Valiant to be undertaken in Mauritius was launched, but due to non-responsive bids, the refit could not be undertaken locally and in time.

- Due to a lack of infrastructure facilities, the scheduled maintenance requiring external assistance was delayed, resulting in an increased operational cycle of the ship that has often been prolonged beyond recommended maintenance schedules.
- With the upcoming Trident Project, the issue of delay in the maintenance of ships and equipment was likely to be resolved.
- The delay in the refit of the CGS Observer commencement was primarily because of non-responsive bids, the unavailability of spare parts in the local market, and the absence of a Repair Facility with NCG for undertaking refits of ships.

Status as at November 2025

- The NCG was operating with only 3 ships, namely CSG Observer, CGS Victory, and CGS Valiant.
- The CGS Barracuda had been undergoing refit in India since July 2025. The estimated associated cost for refit would amount to Rs 72.6 million. It had to be highlighted that the ship underwent refit in India on a gratis basis in February 2021, and that the associated costs involved in the refit were Rs 42.9 million.
- The GCS Guardian could not be decommissioned due to unforeseen procedural delays in the acquisition of a new vessel.
- There was a delay in the procurement of the Multipurpose Offshore Patrol Vessel due to a lack of expertise in MPF to carry out the tendering exercise for the procurement of the vessel.
- The Trident Project was not yet implemented (since the financial year 2016-17).

Department's Response

- CGS Barracuda is undergoing a major refit for the first time since its commissioning. The scope of work is very extensive with regard to the hull engineering and electrical, which includes a major overhaul of all machinery and electrical equipment fitted onboard.
- CGS Guardian had undergone post Service Life Extension Refit at the naval dockyard (Mumbai) in the year 2017-18 which extended its service life up to June 2023.
- A reply from the prime Minister's Office is being awaited for the decommissioning of CGS Guardian from the Prime Minister's Office.
- After several meetings with EXIM Bank. It has been agreed by the Government of Mauritius and the EXIM Bank of India to launch a fresh tender for the Design, Construction and Delivery of one Offshore Patrol Vessel (OPV) to the Government of Mauritius.

The EXIM Bank will carry out the Request for Qualification (RFQ) and Evaluation and the Government of Mauritius/MPF will launch the Request for Proposal.

The EXIM Bank will carry out the Technical Evaluation, whereas the Government of Mauritius will proceed with the evaluation of the financial part.

The RFQ was launched by EXIM Bank on 4 December 2025 and the date of submission was scheduled for 5 January 2026. The OPV project was at the evaluation stage at the EXIM Bank.

Operational Capabilities of Ships

As of 30 June 2025, the NCG held 5 ships and 109 boats, as shown in Table 5-19.

Table 5-19 Ships/Boats held by NCG as of June 2025

Ships/Boats	Number
NCG Ships	5
Fast Interceptor Boat	10
Heavy Duty Boat	11
High Speed Boat	2
Fast Boat	4
Defender	3
Speedboat	1
Utility Boat	2
Rhib	25
Pirogue	11
Inflatable Craft Avon	38
Glass Bottom	2
	114

Source: NCG

- Out of 109 boats, only 86 were operational.
- The associated costs for refit of ships undertaken on a gratis basis in the Dockyard in India over the years totalled some Rs 84.4 million. Table 5-20 refers. Moreover, the estimated associated cost of the CGS Barracuda, which was actually in India for refit, would amount to Rs 72.6 million.

Table 5-20 Associated costs for refit of ships

Ships	Date of Refit	Cost of Refit (Rs)	Associated Cost (Rs million)
CGS Barracuda	February 2021	On a Gratis Basis	42 .9
CGS Victory	September 2023	On a Gratis Basis	20.7
CGS Valiant	November 2024	On a Gratis Basis	20.8
Total			84.4

Source: NCG

Department's Response

The remaining 23 boats were under maintenance.

Decommissioning of the Guardian Ship not yet finalised since 2023

Background Information

The Guardian Ship was commissioned by MPF on 22 April 1993. The ship has clocked 11,800 hours at sea since commissioning and has served for 32 years of service in MPF. The Service Life Extension Refit (SLER) of the CGS Guardian was undertaken from December 2017 to June 2018 and has extended the life of the ship by 5 years, that is, till June 2023.

Findings

- The CGS Guardian was undertaking only day sailing within 12 nautical miles due to numerous defects occurring, which could impact the safety of the crew members. Hence, no overnight sailing was undertaken.
- During the financial year 2024-25, the CGS Guardian had effected 7 sorties totalling 39 sailing hours and was operating with limitations. As per NCG, the ship could not be decommissioned due to unforeseen procedural delays in acquiring a new vessel.
- During the last SLER, OEM did not perform any refit exercise on the 2 engines of the ship due to the absence of spare parts for the ship, which was aged over 30 years.
- The following issues previously reported still prevailed as of November 2025:
 - The port rudder stock was defective, and the same was still being used under close monitoring.
 - Issues of water ingress were still arising and about 20 litres per hour during sea was noticed when the rudder was being used.
 - The ship was not equipped with alarm system regarding water ingress.
 - The steering system was found to be sluggish and same was being purged continuously whilst being operated. This was attributed to the ageing of equipment.
 - The Automatic Radar Plotting Aids and Electronic Chart Display System were not operational since 9 January 2020 and 15 June 2023, respectively. The ship was using basic radar for navigation. The Radar was installed in 2013 and were having recurrent issues since then.

Hence, the CGS Guardian was operating beyond the extended life for a period of 2 years with several limitations as outlined above.

Implication

Equipment failure from lack of maintenance and spare parts increased risk of accident.

Root Cause

There was delay in decision making by the management of MPF and the authorities for decommissioning of the vessel.

Recommendation

MPF should set up a Vessel Management Committee comprising of relevant stakeholders to manage the fleet of vessels.

Department's Response

The NCG has already recommended for the decommissioning of the CGS Guardian.

5.5.11 Serviceability and Maintenance of the Fleet of Aircraft

Background Information

During the financial year 2024-25, the Maritime Air Squadron (MAS) was serviced by a fleet of 3 Dornier Aircrafts, namely MPCG 03, MPCG 04 and MPCG 05. These aircrafts acquired for a total sum of Rs 1,068 million, were used for undertaking surveillance and Outer Island support missions. Refer to Table 5-21.

Table 5-21 Fleet of Aircraft Held by MAS

Dornier Aircraft	Date of Acquisition	Cost Rs million
MPCG 03	April 2004	211.7
MPCG 04	July 2016	349.7
MPCG 05	September 2021	507.0

Source: MAS

Maintenance Charges and Engineering Support Fees

The Agreement between the Government of Mauritius represented by the Commissioner of Police and Air Mauritius Ltd on the Technical Support for the Aircrafts was renewed for the period 1 May 2024 to 30 April 2027. A monthly maintenance charge of USD10,700 and engineering support fees of USD3,275 were being charged for each Dornier Aircraft till the expiry of agreement on 30 April 2027. An annual amount of USD503,100, (excluding VAT) for the 3 aircrafts was payable.

Maintenance and upgrading of Dornier Aircraft

During the financial year 2024-25, a sum of Rs 96 million and Rs 42.7 million were disbursed for the maintenance and upgrading of the aircrafts respectively. The amount of Rs 96 million was paid to Air Mauritius Ltd for spare parts, fees for maintenance, engineering support, and storage. For the last 5 years, a total amount of Rs 416.7 million was spent on maintenance and upgrading of the aircrafts. Table 5-22 refers.

Table 5-22 Maintenance and Upgrading of Dornier Aircrafts

Financial Year	Maintenance Rs million	Upgrading Rs million	Total Rs million
2020-21	71.3	30.7	102.0
2021-22	56.4	-	56.4
2022-23	36.4	3.2	39.6
2023-24	68.3	11.7	80.0
2024-25	96.0	42.7	138.7
Total	328.4	88.3	416.7

Source: TAS

Operational Status of the Fleet of Aircraft

Two out of the 3 aircrafts, namely MPCG 03 and MPCG 04 were surveillance aircrafts. MPCG 05 was a passenger variant aircraft.

Findings

- The Dornier Aircraft MPCG 03 and MPCG 04 were grounded for 197 and 211 days, respectively during the financial year 2024-25.
- MPCG 03 was the only surveillance aircraft equipped with radar for exploitation.

Root Causes

- The Dornier aircraft MPCG 03 did not have spare engine available when it was sent for overhauling.
- The Maritime Air Squadron did not adhere to the OEM's Maintenance Plan.

Recommendation

The Maritime Air Squadron must adhere to the OEM's Maintenance Plan.

Department's Response

- The causes for the MPCG 03 primary groundings were mainly due to :
 - Limited Engine hours which required overhaul;
 - Swapping of Main Landing Gear from MPCG 05 to MPCG 03 in order to maximise fleet readiness;
 - Return of Main Landing Gear to MPCG 05 and overseas repair of Main Landing Gear of MPCG 03.
- The grounding of MPCG 04 was mainly due to:
 - The mandatory 12-monthly inspection, including engine removal for overhaul.
 - The prolonged duration was primarily due to the unavailability of a spare engine.

- MPCG 04 installed with ELTA Radar and FLIR Compass, provided essential detection and visual confirmation for critical missions.

Operational Status of the Dornier Engines - Fifty per cent of Engines Unserviceable

The Maritime Air Squadron held 10 engines, including spare engines that would be fitted in the Dornier aircrafts. Five of the engines, that is 50 per cent, were unserviceable during the financial year ended 30 June 2025. Refer to Table 5-23.

Table 5-23 Status of Dornier Engines

Engine serial No	Total Flying Hours as of June 2025	Status	Remarks	Department's Response
H58180	5,186	Unserviceable	Overhaul at Turbine Standard	Approval for overhaul was sent on 25 April 2025. The engine was received in Mauritius on 29 August 2025. Presently fitted on MPCG 03 on LH side. Serviceable
H58303	2,099	Serviceable	Installed in RH MPCG 04	
H58302	2,118	Unserviceable	Under Repair at Turbine Standard	Approval for overhaul was sent on 8 April 2025. The engine was received in Mauritius on 8 October 2025. Presently kept at MK store. Serviceable
H58285	1,342	Serviceable	Installed in LH MPCG 04	
H58046	9,473	Unserviceable	Due for Overhaul/Under repair since 02 April 2024	At Air Mauritius, will be sent for overhaul at HAL, India. Unserviceable.
H58179	5,430	Unserviceable	Overhaul at Turbine Standard	Approval for overhaul was sent on 25 April 2025. The engine was received in Mauritius on 29 August 2025. Presently fitted on MPCG 03 on RH side. Serviceable.
H58017	10,248	Unserviceable	Overhaul at Turbine Standard	Reached Turbine Standard, USA on 15 July 2025. Overhaul in progress. Unserviceable.
P100550	1,473	Serviceable	Installed in LH MPCG 05	Serviceable
P100540	1	Serviceable	Installed in RH MPCG 05	Serviceable
P100551	1,471	Serviceable	Spare at MK	Serviceable

Source: MAS

Findings

- No spare engines were available for fitment on the aircrafts MPCG 03 and MPCG 04.
- The Dornier Engines were required to be overhauled after 5,400 flying hours in accordance with the Maintenance Manual issued by the OEM. The Engine H58046, having clocked 9,473 hours, was due for overhaul but was still in Mauritius as of September 2025.

Root Cause

The Maritime Air Squadron did not comply with the maintenance schedule of the OEM.

Recommendations

- The Maritime Air Squadron should adhere to the OEM's maintenance schedule.
- Continuous upgrading the skills of the Maritime Air Squadron is needed to enable them to use advanced software to analyse data, predict potential part failures, and proactively schedule maintenance before a part fails, reducing unscheduled downtime.

Department's Response

- There was a delay in processing of engine overhauls due to a paucity of funds.
- Delay in the overhaul of Engine H58046 was due to the decision to retrieve the engine from Australia because of the excessive revised cost of overhaul.
- After receipt of the engine at Mauritius in April 2025, Air Mauritius Limited re-floated the tender for overhaul, which was awarded to Original Equipment Manufacturer, on 25 September 2025 and was presently awaiting shipment to India for overhaul.

Procurement of New Engine for Dornier Aircraft MPCG 05

A sum of Rs 53 million was budgeted for the upgrading of Aircraft in the financial year 2024-25 out of which Rs 46 million was earmarked for the supply of a new engine for Dornier Aircraft MPCG 05. Both engines of the Dornier Aircraft MPCG 05 would fall due for major maintenance simultaneously, and only one spare engine was available for replacement. The engine fitted in the aircraft was a new generation of turboprop engine different from the engine of Dornier Aircraft MPCG 03 and MPCG 04.

Findings

- At the closure of the bidding process conducted by Air Mauritius Ltd for the procurement of a new engine for Dornier Aircraft MPCG 05, no bid was received. The relaunching of bids was not carried out.
- The amount earmarked for the new engine was reallocated for the overhaul of the 3 spare engines, namely, H58179, H58180, and H58017, for which approval was obtained on 29 November 2024 and 16 June 2025.

Recommendation

Spare engines should always be available as per the OEM's recommendations to reduce prolonged grounding of aircraft and disruptions in operations.

Department's Response

- The decision to forgo the relaunching of bids was a deliberate part of the revised financial strategy, as the project for securing an additional spare engine for MPCG 05 had been strategically rescheduled for execution within the financial year 2025-26.
- The postponement was directly linked to the reallocation of the originally earmarked funds towards a more immediate operational priority, that is, the mandatory overhaul of these 3 existing spare engines.

5.5.12 Obsolete Coastal Surveillance Radar System

Background Information

The existing Coastal Surveillance Radar System (CSRS) was implemented and commissioned in March 2011 with a view to achieving Maritime Domain Awareness in the Exclusive Economic Zone of Mauritius. The CSRS comprised 8 Radars model Bridge Master including 8 Automatic Identification System (AIS) on coastal zones (Grand Gaube, Albion, Le Morne, Gris-Gris, Pointe du Diable, Agalega, St Brandon and Rodrigues), a Control Centre at Les Salines, and 5 Standalone AIS stations at Signal Mountain, Mount Bar le Duc, Mount Simonet, Mount Jurancon and Mount Pointe du Diable.

The existing CSRS had exceeded its useful economic life, and had become less effective and required upgrading of hardware and software with new technology to remain relevant in the field of Coastal Surveillance.

Issues Raised in NAO Annual Audit Reports 2019-20 to 2023-24

- The National Coast Guard (NCG) reported that 3 radars were not operational since January, May and July 2020, namely those found at Gris Gris, St Brandon, and Agalega respectively.
- The CSRS at St Brandon was declared beyond economic repair since May 2020. The radar station at Agalega was not operational since December 2023, as spare parts were awaited for rectification. The radar tower at Rodrigues was heavily corroded, and that of Gris Gris was reported as damaged.
- The existing CSRS, in use for the past 10 years, had become obsolete. The equipment and associated components were outdated, and the OEM was unable to support the system.
- Obsolete CSRS entailed risks associated with potential environmental disasters, illegal fishing, drug trafficking, and maritime safety.

- The 2 Common Operational Picture Displays (COPDs) at the Command Centre were not operational. The entire data of all the 8 radar stations was not available in a single display at the Command Centre.

The Mauritius Police Force informed NAO that:

- The CSRS was about 10 years old and had completed its electronic life. Spare parts were not readily available, and there was a long lead time for delivery. The MPF envisaged its replacement since 2019.
- The NCG had sufficient means for surveillance, such as a Satellite-based Automatic Identification System for ships.
- In view of the obsolescence of the existing CSRS, non-availability of spare parts, and subsequent grant by the Government of Japan for the upgradating of the system, further annual maintenance contract for CSRS was not considered.
- A case for repairs of COPD was duly undertaken but the costs involved for replacement of the COPDs were considered exorbitant vis-à-vis left-over useful time of COPDs and pending replacement of existing system.
- The radar station at Agalega was reported defective in March 2024 and required a trigger Board PCB for rectification. The NCG Technicians were deputed with the requisite spares. However, new defects were observed during checks. The procurement of the requisite spares was being taken up by NCG.
- The radar tower at Rodrigues would be replaced under the new CSRS Project.
- NCG would proceed with the replacement of the Tower at Gris Gris and Rodrigues CSRS stations and all solar panels under the new CSRS project.

Findings

- The CSRS at St Brandon and Agalega were still non-operational. The contract for the replacement/upgradation of the existing CSRS by the Government of Japan under a grant was signed on 13 December 2024, and the estimated time for the implementation of the project was 24 months from the date of signing of the contract.
- The 2 COPDs installed in the NCG Operation Room were still defective.
- The defects previously reported in the NAO Audit report were still prevailing. The NCG was not considering further repairs as these would not be cost-effective.
- Defects were observed in several radar printed circuit boards (PCB) of the existing CSRS. The PCB enabled radar systems to detect objects by processing and transmitting high-frequency radio signals. Due to the unavailability of a PCB repair facility within the NCG and in the local market, these were sent to the Supplier Country's Dockyard for repair in November 2024.

- The NCG used Very High Frequency (VHF) repeaters to extend the range of the radio signals. The NCG informed, in a letter dated 28 November 2024 that the 2 VHF repeaters located at Plaine Champagne and Mount Bar le Duc had exceeded their lifespan and were operating erratically, rendering radio communication within NCG distorted. The existing repeaters were insufficient to cover the entire land of Mauritius.
- Quotes were sought for the procurement of spare parts to maintain the existing system. However, same was not obtained due to non-availability of spare parts. The OEM was facing difficulty in supporting the existing system due to unavailability of spare parts.

Implication

The NCG had to maintain the existing obsolete system of limited capacity for operation of maritime coastal surveillance regarding environmental disaster, illegal fishing, drug trafficking, and maritime safety pending the implementation of the new CSRS.

Root Cause

There were poor planning policies and maintenance.

Recommendation

A CSRS Committee, comprising relevant stakeholders should be set up to ensure maintenance, monitoring and implementation of the new CSRS project and should also ensure that the new project will be implemented within the proposed time schedule.

Department's Response

- The defective PCBs have been repaired and are being used to maintain the current CSRS radars till the time the new CSRS gets commissioned.
- The communication issues due to the ageing system have been mitigated through the installation of high-powered repeaters until commissioning of the new CSRS.
- The existing system is being maintained through extensive maintenance by the CSRS team. All obsolete and locally unrepairable cards and modules were sent to the Supplier Country's Dockyard PCB repair facility for repairs on a gratis basis. It is not recommended to inject additional funds as the system will be replaced in due course.

Procurement of the Design, Supply and Installation of a Coastal Surveillance Radar System

Background Information

The Government of Japan had made available a Japanese Grant in Aid under the Economics and Social Development Programme to the Government of Mauritius for an amount of Japanese Yen (JPY) 1.5 billion for the acquisition of a new CSRS.

The contract for the procurement of the new CSRS was signed between Crown Agents Japan Limited and a Japanese Company, on 13 December 2024 for an amount of JPY 1,168,683,000, and also for additional supervision works for the Shipbuilding Research Centre of Japan for Remote Islands, amounting to JPY 16,522,990.

Delivery Schedule

As per the contract, the duration for the implementation of the project was 2 years from date of signature of the contract. The estimated completion date of the project is December 2026. The new project will monitor coastal water bodies around Mauritius Island, St Brandon Island, and Rodrigues Island.

Findings

- Old operational radars and associated equipment removed/replaced at other sites, with the new system, would be used to rectify defects at Agalega.
- There was no clarity on whether the coast of Agalega would also be monitored by the control centre of Port Louis, and on the impact of the coexistence of the 2 radar systems.

Implication

NCG had to maintain the existing obsolete system of limited capacity for the operation of maritime coastal surveillance for approximately one and half years or even more as the new CSRS project was behind the scheduled completion date.

Root Causes

- The OEM could not support the existing system due to unavailability of spare parts.
- There was an oversight from NCG in not including the coastal surveillance of Agalega under the new CSRS project.

Recommendation

A Project Steering Committee should be set up for monitoring the implementation of the new CSRS project and should ensure high-level supervision of the project so that it is delivered as planned and prompt remedial actions are taken in case of deviations from the planned schedule.

Department's Response

The coast of Agalega will be monitored from the NCG Operational Room once the new system has been integrated with the Radar at Agalega post commissioning of the new system.

5.5.13 Service Delivery at the Licencing Offices of the Traffic Branch

Background Information

The Traffic Branch of MPF is responsible, through its Licencing Offices, to issue and control of Driving Licences in Mauritius and Rodrigues. The main activities of the Licencing Offices include processing of applications, conducting oral and practical tests, collection of prescribed fees, and delivery of licences.

During the period January 2024 to June 2025, 60,671 oral tests and 79,988 practical tests were conducted at the Traffic Branches. Revenue from Driving Licences amounted to Rs 86.5 million during the financial year 2024-25.

Findings

▪ E-Business Plan for the Traffic Branch not fully Implemented

In the financial year 2017-18, MPF initiated an e-business plan to modernise its level of operations and service delivery through the use of information technology under the project “Implementation of E-Business Plan at Traffic Branch”. The project consisted of 4 stages of implementation, and each stage was further divided into phases. The status of the project implementation is shown in Table 5-24.

Table 5-24 Status of e-Business Plan as of September 2025

Stages	Phases	Status of Implementation
Stage 1 Integrated Driving Licence Management System (IDLMS)	Phase 1: Develop and implement IDLMS, including cumulative road traffic offences management system	Implemented
	Phase 2: Implement new Audio/Visual Test System (AVTS)	Partly Implemented
	Phase 3: Implement new Practical Test System	Partly Implemented
	Phase 4: New License Card Production System	Action Initiated
STAGE 2 Implement Document Management System	Scanning and Archiving of existing driving licence manual records	Implemented
STAGE 3 Decentralise Services of Traffic Branch	1. Install new equipment at Divisional Headquarters (DHQs)	Partly Implemented
	2. Integrate application at DHQs	Partly Implemented
STAGE 4 Convert Existing Licenses to New Licenses	Conversion of Licenses from existing blue card to new smart card	Not Implemented

Source: Traffic Branch

Department's Response

- *Stage 1 – Integrated Driving Licence Management System - Partly Implemented*

Phase 2 – After the completion of scanning and archiving project in December 2021, the Traffic Branch embarked in the implementation of a new Audio/Visual Testing System. Specifications have been prepared by CIB, Traffic Branch and Police IT Unit. Tender procedures have been launched on 22 December 2025 and the closing date has been scheduled for 27 January 2026. As of February 2026 the tender was at the evaluation stage.

Phase 3 – Implement new Practical Test System. The remaining parts depend on new Legislation.

- *Stage 3 – Decentralise Services of Traffic Branch*

Install New Equipment at Divisional Headquarters (DHQs) and Integrate Application at DHQs. The services have been implemented at Argy (Flacq) and Les Casernes (Curepipe) instead of DHQs as the cost of implementation was on the high side.

- *Stage 4 – Conversion of Existing Licenses to New Licenses*

A policy decision is being awaited for the conversion of licenses from existing blue card to new smart card.

Findings

▪ Oral Tests not yet Decentralised

The Police Headquarters at Line Barracks is responsible for the administration, planning, and management of MPF. It is a strategic place that requires 24-hour security and limited access by the public.

It intended to implement a new AVTS at Argy, Line Barracks, and Les Casernes driving test centres. However, oral tests had not yet been decentralised. All oral tests were being performed solely at Line Barracks.

The NAO was informed that a new office space had been identified in Line Barracks to increase the number of oral tests being performed. However, all oral test would be conducted in Port Louis.

Department's Response

- The new AVTS will be installed at Line Barracks centre only with a capacity of 40 candidates to undergo oral test in lieu of 20.
- Renovation works at the new AVTS centre is in progress.
- The tender for the new AVTS has already been launched.

▪ Amendments to the Road Traffic Act not yet Proclaimed after 6 Years

The Road Traffic (Amendment 3) Act 2019 was passed in October 2019 to introduce digital driving licences and allow electronic payment of Fixed Penalty Notices (FPN). The MPF had notified the Ministry of Land Transport about the proclamations of the Act. However, as of September 2025, that is, after 6 years, the Act had not yet been proclaimed and the licence conversion not yet implemented.

Department's Response

Provision for online payment for FPN is under process at the Judiciary and same can be implemented once the process thereat has been completed and the relevant law proclaimed accordingly.

▪ Long Waiting Time at Licencing Office

The Licensing Office at Line Barracks provides several services, namely, (i) the processing of applications, (ii) the issue of licences, (iii) the collection of prescribed fees, (iv) the processing of international driving licences and (v) conducting oral and practical tests.

The waiting time noted on 6 and 14 October 2025 for fixing appointments for practical tests and processing international driving licences varied between 31 minutes to one hour 19 minutes. Refer to the Waiting Area at Line Barracks in Figure 5 and Waiting Time at Table 5-25.



Figure 5 Waiting Area at Line Barracks on 6 October 2025

Table 5-25 Waiting Time at Line Barracks

Date	Ticket Number	Purpose	Time In	Time Called at Counter	Waiting Time
6 October 2025	4032	International Driving Licence	11:41	13.00	1 hour 19 minutes
6 October 2025	7191	Appointment-Practical Test	11:27	12.35	1 hour 8 minutes
6 October 2025	7212	Appointment Practical Test	11:47	12:50	1 hour 3 minutes
14 October 2025	7050	Appointment Practical Test	09:14	10:05	51 minutes
14 October 2025	4003	International Driving Licence	09:14	09:45	31 minutes

Source: Survey at Traffic Branch

Department's Response

The waiting time has considerably reduced and is now considered reasonable. The Traffic Branch is working in consultation with the Central Informatics Bureau (CIB) and other stakeholders for online appointment including payment of fees.

▪ Screen Display and Counter Displays Were Not Operational

The following were noted during a survey of display screens on 14 October 2025 at the Line Barracks.

- (a) The 4 screen displays in the Waiting Area at Line Barracks were not operational.
- (b) One out of the 4 counter displays at the Online Appointment Counter was not operational.
- (c) One out of the 4 counter displays at Counter 9 (Duplicate or Loss of Licence) was not operational.
- (d) The 2 counter displays at the Cashier Unit were also not operational.

Department's Response

The equipment required has already been provided by the supplier. The Police Communications Branch is proceeding with their installation with a view to reducing cost and it is expected to be fully operational by the end of January 2026. As at February 2026, these equipments were being installed.

▪ Digitalisation Incomplete

- (a) Application for Learner's Licence could be made online or through Police Stations. However, in both cases, the applicants had to call in persons at Line Barracks, Port Louis to complete the processing of their applications.

- (b) Appointments for practical driving tests were still made at the examination centres. There was no option for an Online appointment. This resulted in an increase in waiting time for appointments.
- (c) Collection of revenue at the Traffic Branch was still being done manually. This impacted on the waiting time of each applicant.

Department's Response

- The project is being worked on with CIB and the Government Online Centre for the digitalisation of all systems at the Traffic Branch.
- A computerised program has already been undertaken and is being tested by various Cash Offices including Rodrigues and amendments made where necessary. The implementation will be done in Phase 2 after consultation with all stakeholders concerned and upon the final approval from the Commissioner of Police.

▪ Road Eye Project Halted due to Non-functional Audio Video Recording Device

The Road Eye Project was implemented in the year 2014 for recording of practical driving tests using audio/video recorders (AVRs). The project aimed to prevent and detect malpractices and increase transparency in driving tests. In 2017, 50 AVRs were procured for Rs 824,000 and used during driving tests. Refer to Audio Video Recording Device at Figure 6.



Figure 6 Audio Video Recording Device previously used during driving tests.

Findings

- As of October 2025, all AVRs were not operational. Hence, the mechanism for preventing and detecting malpractices was non-existent.
- As per correspondences at the Traffic Branch, 2 tenders were launched for acquisition of new AVRs but none was responsive.

Root Cause

The following were identified:

- Absence of a Project Steering Committee for the implementation of the E-Business Plan.
- Delay in proclamation of the different sections of the Road Traffic (Amendment 3) Act 2019 by the Ministry of Land Transport.
- Delay in the digitalisation of the Appointments System and revenue collection.
- Absence of maintenance/replacement policy for screen and counter displays.
- Delay in procurement of Audio Video Recording Devices.

Recommendations

A Project Steering Committee comprising representatives of MPF, the Ministry of Information Technology, Communication and Innovation, and any other relevant stakeholder should be set up to expedite:

- The implementation of the E-Business Plan to ensure effective service delivery of the Traffic Branch.
- The decentralisation of oral tests.
- The proclamations of the amendments to the Road Traffic Act.
- The digitalisation of various processes of the Traffic Branch, including revenue collection.
- The replacement of the screen and counter displays.
- The procurement of Audio Video Recording devices for the Road Eye Project.

Department's Response

Tenders with new specifications will have to be relaunched due to non-responsive bids received in the past.

5.5.14 Irregularity in Revenue Collection at the Northern Division – Rs 31.8 Million

Background Information

On 27 April 2015, the NAO reported that there was no documentary evidence as to whether a sum of Rs 14.9 million collected at the Cash Office, Northern Division for the period January 2014 to March 2015 was banked. Further investigation was carried out by the Mauritius Police Force (MPF) on the revenue collections made during the period 2009 to 2013.

Discrepancies were noted between revenue collections as per cash book and amount banked as per Combined Remittance and Receipt Voucher for the period 2009 to 2013 and a total unexplained difference of Rs 44.5 million was noted, of which an amount of Rs 12.7 million was recovered as of 30 June 2021.

In April 2015, the Central Crime Investigation Division (CCID) initiated an enquiry, and a Police Officer, acting as Revenue Clerk, was interdicted from duty. On 11 April 2016, an advance account was opened in the interdicted officer's name. As of 30 June 2021, the balance of the advance account amounted to Rs 31.8 million.

Findings

Status of cases

- As of 30 June 2025, that is 4 years after the recovery of Rs 12.7 million, there had been no payment and the balance of the advance account showed Rs 31.8 million. The interdicted officer had drawn salaries and rent allowances of Rs 3.2 million for the interdicted period of April 2015 to June 2025, that is, for a period of around 10 years.
- As of October 2025, that is more than 10 years, the enquiry was still ongoing. Following the submission of the latest report of the Manager, Internal Control Unit, to the Commissioner of Police, the case was forwarded to the Director of Public Prosecution Office (DPP) on 20 June 2025 for further advice.
- The Financial Crime Commission (FCC) was also carrying out an investigation on the properties of the interdicted officer. The outcome of the investigation was still being awaited by the DPP.

Root Cause

The significant delay in the investigation may be due to lack of financial expertise to finalise the investigation on financial.

Recommendation

The MPF may consider building capacity of investigators or create a specialised unit to deal with irregular financial matters and suspected financial irregularities.

Department's Response

On 29 October 2025, FCC submitted its reply together with the corresponding findings, which are presently being reviewed by MPF before submission to the DPP for the final advice.

5.5.15 Lapses and Delay in Procurement of the New Automatic Fingerprint Identification System

Background Information

In the NAO Annual Audit Reports for the financial years 2019-20 to 2022-23, the issues of obsolescence of the existing Automatic Fingerprint Identification System (AFIS), its non-compatibility with Microsoft Software and MPF inability to implement the new system were reported.

The AFIS is essential for the effective and efficient handling of Police investigations and can assist in prompt resolving of cases of crimes. The procurement of an updated version of AFIS is critical for the delivery of services of the Crime Records Office (CRO).

Consequently, MPF included Biometrics features and Criminal Attribute Database in the proposed new AFIS project.

The procurement procedures for a new AFIS had not yet been finalised after 8 years since its first tender exercise, dated as far back as 17 October 2017.

Prior Year Audit Findings

- ***Obsolescence of the existing system*** - The existing AFIS, which was implemented at CRO in 1999, was reported as being obsolete since 2016 and had reached the end of its useful economic life, and was no longer compatible with the latest version of Windows.
- ***Revised Specifications of Bidding Documents and Revised Cost Estimates*** - The specifications of the project were revised many times, and the cost estimate had escalated from Rs 23 million to Rs 101.2 million in March 2022.
- ***Significant Delay in the Project Implementation*** was noted since procurement procedures had been initiated in October 2017.

The MPF had informed NAO that:

- The existing system was only compatible with Microsoft Windows XP and the system support was no more provided by Microsoft. However, necessary action was initiated to implement the latest version of AFIS.
- The delay was attributed to the request for revision of the estimated project value and additional funds prior to the launch of tender.
- The MPF envisaged the inclusion of Biometrics in the New AFIS project, and the matter had been referred to the CIB for scrutiny and revision of specifications as applicable.

Status as of September 2025

- The new bidding documents for the project have not yet been finalised as it was still at the Central Procurement Board (CPB) for vetting.
- There had been a further increase in the estimated cost of the new AFIS project, amounting to Rs 146.3 million. This represents an increase of 536 per cent compared to the original cost estimate of Rs 23 million as of February 2018.

Implication

Due to the absence of maintenance of the obsolete AFIS and Criminal Attribute Database System, there was the risk of a crash of the system. Moreover, support services were no longer available due to the closure of the Company.

Root Cause

The Project Monitoring Committee, set up to monitor and implement the project, was not effective as it did not have the required expertise for defining the required specifications resulting in frequent changes in specifications and cost estimates.

Recommendation

The MPF should consider inviting an expression of interest for consultancy services, where there is no in-house expertise, to prepare bidding documents with the appropriate technical specifications and cost estimates.

Department's Response

- On 14 November 2025, an updated version of the draft bidding document incorporated with the latest revisions and clarifications were sent to the CRO for examination after consultation with all stakeholders concerned.
- On 19 November and 25 November 2025, the bidding documents were perused in the presence of the Database Administrator and the observations forwarded to the Police Tender Unit.
- On 12 December 2025, the Police Tender Unit Submitted the Bidding Documents to the CPB for consideration.
- The project initially catered only for AFIS, and after several consultations with stakeholders concerned, MPF envisaged the inclusion of Biometrics features and Crime Attribute Database in the project. These features increased the estimated cost due to inflation-related price fluctuations and freight charges.
- All projects related to IT are normally supervised by CIB in MPF as they have the necessary expertise. This project is complex in its nature and cannot be procured off the shelf. Every aspect has to be taken into consideration before finalisation with a view to ensuring that it caters to our needs and specifically responds to our requirements.

NAO's Comment

There was no timeframe set for when all the amendments would be finalised, and when the project was expected to start and to be completed.

5.5.16 Unserviceable Firearms and Ammunition at the Police Central Armoury

Background Information

The Police Central Armoury (PCA) is responsible for the safe custody of all firearms and ammunition on issue to the Police Officer as well as other firearms from civilians in respect of surrender, safekeeping, seizure, forfeiture and pyrotechnics. The PCA also maintains large quantities of ammunition for duty use and training.

It has under its purview the Northern, Southern, Western, Central, and Rodrigues Divisions. The Special Mobile Force, National Coast Guard (NCG) Marcos, and Very Important Persons Security Unit armouries do not fall under the purview of PCA.

As of August 2025, PCA comprised the following items under its custody. Table 5-26 refers.

Table 5-26 Firearms, ammunitions and pyrotechnics stored at PCA

Description	Quantity
Firearms	1,435
Ammunitions	292,672
Pyrotechnics	7,602

Source: PCA

Findings

▪ Proper Records not maintained

The PCA was managing its inventory manually. All receipts and issues of firearms, ammunition and pyrotechnics were recorded in ledgers. Retrieving real-time data regarding types of firearms, ammunition, and pyrotechnics held and ageing lists of these items were not readily available.

Department's Response

The digitalisation of records in excel format has already started at the level of the Police Central Armoury and same is expected to be completed within one year at no cost. Henceforth, the retrieval of real-time data will become easier and readily accessible.

▪ Lack of Local Expertise for Technical Inspection of Ammunition

In November 2022, following a physical inspection survey carried out at PCA, some 131,000 ammunitions of various types and caliber procured along with ships and aircrafts from India were found.

These ammunitions had crossed their 10 years of shelf life and contained a significant number of explosives, which were considered to be of high risk to fire/explosion, in particular, those of higher calibers. Some of these ammunitions had been stored at PCA since the year 2001, that is, for nearly 24 years.

The MPF and the local agencies did not have the expertise to carry out an in-depth technical inspection to test and evaluate the serviceability, safety, and expected life of the ammunition.

On 8 November 2022, the Commissioner of Police sought the approval of relevant authorities for the assistance from the Indian Navy for the technical inspection. As at November 2025, that is some 3 years after, no inspection had yet been carried out in order to determine their suitability for continuous storage and safety.

Department's Response

- Following the decommissioning of 2 NCG patrol vessels, these ammunitions were removed from both patrol vessels and transferred to PCA with a view to facilitating their temporary safekeeping. No handing over exercise of these ammunitions has been done, and they are still the property of NCG.

- Actions have been initiated at the level of the NCG in order to have the assistance from the Indian Authorities for the inspection/disposal of certain ammunition.
- As regards their inspection, it is carried out randomly by Police Officers deputed by NCG Headquarters.

▪ **Non-compliance with Police Standing Order Number 94 – Police Armoury**

The Police Standing Order 94 requires the setting up of a Board of Survey by the Commissioner of Police in conjunction with the Ministry of Finance whenever firearms and ammunition have been found unserviceable and the Board of Survey shall make recommendations of the disposal thereof.

As of September 2025, 48 unserviceable firearms were held at PCA. Some of the firearms were reported unserviceable since April 2014, which was more than 11 years back.

Implication

Accidental explosions causing damage to property and/or life could occur if the ammunition are not properly secured or destroyed.

Root Causes

- No proper action had ever been taken to address the lack of local expertise for inspection of the ammunition.
- The Police Standing Order 94 was not complied with for the 48 unserviceable firearms.

Recommendations

The Accounting Officer:

- Should make necessary arrangements for the setting up a Board of Survey as required by the Police Standing Order 64 and to follow the recommendations made thereof for the unserviceable firearms.
- Should closely follow up with the appropriate authorities to expedite a response for the assistance of the Indian Navy for the in-depth technical inspection of the ammunition considered to be high-risk.
- Should develop a building capacity programme by training qualified technical staff for inspection of ammunition.

Department's Response

- Due to the non-availability of the spare parts on the local market, these firearms cannot be repaired.

- On receipt of a sufficient quantity of unserviceable firearms, the Ministry of Finance would be apprised for the setting up of a Board of Survey in order to examine them and make appropriate recommendations for their disposal.
- The PCA is actually in the process of upgrading security measures to reduce the risk of potential diversion of unserviceable firearms and accidental fire.
- The installation of security cameras at PCA has already started and is expected to be completed by the end of February 2026.
- The project for a complete fire suppression system at PCA is at design stage at the level of the Ministry of National Infrastructure in consultation with the MPF.

5.5.17 Non-compliance with Directive 13 - Key Performance Indicators for Procurement Lead Time

Background Information

Directive No. 13 of 2013 of the Procurement Policy Office (PPO) stipulates the Key Performance Indicators for Procurement Lead Time (PLT). The PLT is defined ‘as the interval in calendar days between the preparation of bidding documents and the issue of the award of contract’.

An appropriate procurement lead time, inter alia, takes into account the bid submission period, allowing sufficient time for bidders to prepare and submit their bids and a reasonable time for examination, evaluation, approval, and award of contracts.

Public bodies are required to submit a brief report for those procurements that have exceeded the set lead time when submitting their return of procurement activities.

In its Annual Audit Reports of 2019-20 to 2022-23, NAO continuously reported excess PLT between the launching of bidding documents and the awarding of contracts. The PLT cases exceeded the prescribed lead time set by more than 50 per cent.

The Mauritius Police Force had informed NAO that:

- The evaluation exercise was delayed as most of the evaluators were Police Officers, who were often taken up by their police duties and were not available for the bid evaluation.
- A proper procurement planning would be carried out, and remedial actions would be initiated where applicable.
- User departments would be urged to submit proper and precise specifications, updated cost estimates after an actual market survey had been undertaken.

Findings

- A scrutiny of the return of procurement activities for the financial year 2024-25 revealed that out of 29 Open Advertised Biddings/Open National Biddings,

21 representing 72 per cent exceeded the prescribed PLT. In 8 instances, the procurement lead time was exceeded by more than 50 days.

- No report was submitted for those procurements that exceeded the lead time as required by the PPO Directive.

Implications

- Due to rapid change in technology, delays can mean that requirements in the original bidding documents are no longer relevant by the time the contract is awarded. This may result in the final product or service being outdated.
- Delays can lead to cost escalations, especially with lengthy projects where market prices for materials and labour can fluctuate significantly over time.

Root Causes

- Non-responsive bids arose from incomplete and unclear.
- Request for clarification resulted in amendments to the bidding documents, which required extension of the submission period.
- There was lack of expertise for preparing specifications and bid documents for complex projects and specialised goods and services.
- Qualified resource persons for bid evaluation were unavailable.

Recommendations

Appropriate measures should be adopted to shorten the lead time for procurement of goods and services for MPF as follows:

- A thorough, upfront analysis of requirements should be done to prevent vague or incomplete requests that lead to time-consuming clarifications sent to bidders.
- To consider establishing long-term framework agreements with pre-approved suppliers for items frequently purchased by MPF such as uniforms, office supplies, and ammunition.
- To ensure that Bid Evaluation Committee (BEC) members have the necessary technical expertise for bid assessment.
- To consider civilianising the procurement functions with the appropriate expertise of the Procurement and Supply cadre.

Department's Response

- The procurement of specialised and highly technical items in MPF requires the development of detailed specifications, technical evaluations, consultations with experts, or original equipment manufacturers. These steps extend the procurement timeline beyond the prescribed PLT.

- During the tendering process, queries are sometimes received from suppliers seeking clarification on bid documents that require issuing addenda or extension of bid closing dates.
- During the evaluation stage, BEC may need to seek clarifications from suppliers and advice from PPO, resulting in delays in submitting the final evaluation report.
- The Directive No. 13 does not fully take into account unforeseen circumstances that may arise during the procurement process, such as delays in approval processes, limited supplier availability, or administrative constraints.
- The MPF recognises the importance of timely procurement and is committed to improving compliance with prescribed timelines. Measures implemented include enhanced procurement planning, closer coordination with user divisions, and early engagement with suppliers to minimise potential delays.
- The MPF remains committed to strengthening its procurement processes to ensure efficiency, transparency, and full adherence to regulatory requirements wherever required.
- The MPF has sought the advice of the PPO on the issue of PLT.

5.5.18 Follow-up of Recommendations raised in the Audit Report 2023-24

The status on actions taken on key findings and recommendations since the publication of the Audit Report 2023-24 is summarised. Out of 40 recommendations, 21 (53 per cent) have been implemented, 12 (30 per cent) have been partly implemented and 7 (17 per cent) have not been implemented.

SN	Findings	Recommendations	Department's Response as of January 2026	NAO's Comments
Deficiencies in Management of VIP Car Pool (Page 57)				
1	Low Usage of VIP Cars - 65 per cent of vehicles of the VIP Car Pool were not Being Used (Pg 57, Para 3.3.1)	A proper policy has to be devised based on a Cost Benefit Analysis to assess whether it is more cost effective to have recourse to leasing or purchasing. (Pg 57, Para 3.3.1)	As of 21 November 2025, VIP Car Pool composed of 37 (58 per cent) vehicles. Presently there are only 33 vehicles in the car pool. While Periodic fluctuations in the vehicle usage occur, it remains necessary, for practical and security reasons to maintain a minimum number of approximately 45 VIP vehicles to be available on a permanent basis within the car pool. This ensures the immediate replacement capacity in situations of breakdowns, servicing of vehicles or when vehicles become unavailable at short notices. Leasing vehicles option was used during International Conferences/Meeting held in Mauritius where larger number of vehicles are required during a temporary period.	Implemented
2		A clear disposal policy should be devised by adopting modern auction methods so that value for money is obtained from the sale of the vehicles. (Pg 57, Para 3.3.1)	Twenty VIP cars have been disposed through auction sale carried out on 17 April 2025. Twenty-four vehicles have been boarded and earmarked to be disposed through auction sales shortly.	Partly Implemented
3	Two VIP cars were allocated to the then Accounting Officer (AO) of the Mauritius Police Force (MPF), instead of one, which was contrary to the provisions of the PRB Report 2021. The approval of the Secretary to the Cabinet and Head of Civil Service was not seen for these allocations. (Pg 58, Para 3.3.1)	Accounting Officers should always abide with existing rules and regulations. (Pg 58, Para 3.3.1)	VIP cars are being allocated as per directives and with the approval of the Secretary of Cabinet and Head of Civil Service, the Secretary for Home Affairs and the Commissioner of Police. Compliance with PRB 2021 is being ensured.	Implemented

SN	Findings	Recommendations	Department's Response as of January 2026	NAO's Comments
Safe City Project - Lapses in Project Management (Page 58)				
4	The benefits of the Safe City Project were not fully realised as Intelligent Traffic Surveillance (ITS) cameras capable of detecting traffic offences through their in-built Automatic Licence Plate Recognition were not being used for issuing tickets for traffic violations. (Pg 60, Para 3.3.2)	Consideration be given for traffic offences to be captured through ITS cameras forming part of the project in order to increase road safety. (Pg 60, Para 3.3.2)	The system was designed to have an inbuilt Traffic Offence Detection but could capture vehicle license plates only.	Not Implemented
5	During financial years 2021-22 to 2023-24, the percentage of elucidated cases over the total number of outstanding criminal cases ranged from 3.1 to 4 per cent. (Pg 60, Para 3.3.2)	Consideration to be given for the setting up of a high-level Committee to optimize the use of the Safe City Project (SCP). (Pg 61, Para 3.3.2)	Regular technical meetings are held at the Police Communication Branch to follow up on project status, snag lists and other technical issues.	Implemented
6	Footages for events exceeding 30 days were not available. (Page 60, Para 3.3.2)	Consideration be given for extension of the validity period of the back up so as to facilitate enquiry of cases reported to Police after 30 days. (Pg 61, Para 3.3.2)	The storage time of 30 days is in line with the requirement of MPF and the licence granted by the Data Protection Office.	Not Implemented
7	Lapses in Contract Management – The project was expected to be fully operational in June 2019. However, as of November 2024, the SCP was not yet commissioned. (Pg 61, Para 3.3.2)	Proper project monitoring should be carried out by the MPF to ensure that all the intended services are available at the required time. (Pg 61, Para 3.3.2)	At initial stage of the project, all cameras were meant to be installed along the motorway but in view of new exigencies same had to be reviewed. Regular technical meetings are held to follow up project status.	Partly Implemented
8	Overpayment of lease charges totalling Rs 10.7 million made for the period January 2021 to December 2021 was not yet recovered. (Pg 62, Para 3.3.2)	MPF should expedite the recovery of Rs 10.7 million and the quantum overpaid for annual service fee. (Pg 62, Para 3.3.2)	The overpayment has already been recovered during the first quarterly payment of 2025.	Implemented

SN	Findings	Recommendations	Department's Response as of January 2026	NAO's Comments
9	As from January 2020, an annual service fee of USD1.5 million was being paid in full to the telecommunication company, though the SCP was not yet completed. This was contrary to the advice of Attorney General's Office (AGO) tendered to MPF on 9 October 2020 for resorting to part payment for services satisfactorily performed. (Pg 62, Para 3.3.2)	The MPF should comply with the AGO's advice. (Pg 62, Para 3.3.2)	Police is complying with AGO's advice. The MPF is effecting payment for services received only.	Implemented
Crime Occurrence Tracking System Not Being Used Efficiently and Effectively (Page 62)				
10	The Crime Occurrence Tracking System (COTS) was not being used efficiently and effectively.	The MPF should devise a proper change management strategy with a defined realistic timeframe to enable smooth adoption of the COTS considering the constraints and the practical problems faced by Police Officers. (Pg 64, Para 3.3.3)	During the implementation of the project, relevant orders were issued to all users of COTS instructing them on the modules and functionalities and registers to be used on COTS. Training was also dispensed to them based on their responsibilities.	Partly Implemented
11	Movement of case files was not recorded in COTS which was mainly used for opening entries when a case was reported. Information required for active, closed case files and updated status of files was not available on COTS. (Pg 63, Para 3.3.3)	To set up a dedicated team for implementation of COTS. (Pg 64, Para 3.3.3)	Designated Officers have been trained as COTS Officers to assist users in all shifts at the Police Stations and Branches/Units for using the required modules and functionalities.	Implemented
12		To set clear responsibilities for Station Managers, Divisional Commanders and users in connection with the use of COTS. (Pg 64, Para 3.3.3)	A policy procedure Guidelines for COTS has been issued on 2 August 2016 for the proper use of COTS.	Implemented

SN	Findings	Recommendations	Department's Response as of January 2026	NAO's Comments
13		Connectivity issues should be properly addressed. (Pg 64, Para 3.3.3)	Relevant tests were carried out on the line connection and based on the test results same was upgraded to 1Mbps.	Implemented
14	Complaints were received from User Department due to old hardware which was still in use. (Pg 64, Para 3.3.3)	A comprehensive survey of computer hardware related to COTS operations should be done and appropriate decisions taken accordingly. (Pg 64, Para 3.3.3)	Appropriate tests have been done by MPF and the COTS Supplier. Based on the test result, it was found that Computers with Windows 10 Operating System and later versions were not compatible.	Partly Implemented
15	No provision was made for essential components in COTS such as digitalisation of signatures and the archiving of past records. A dashboard to enable tracking of cases was also not available in COTS. (Pg 65, Para 3.3.3)	The Accounting Officer should take necessary action to implement the proposals of the Police IT Unit. (Pg 65, Para 3.3.3)	Appropriate tests have been done by MPF and the COTS Supplier. Results revealed that the components could not be implemented due to compatibility issues. These components can be implemented after an upgrade of the system.	Not Implemented
16	Deficiencies in IT Governance of COTS: Disaster Recovery Phase (DRP) was not done after nine years of Implementation of COTS in 2015. (Pg 66, Para 3.3.3)	The MPF should implement a DRP for the COTS project. (Pg 66, Para 3.3.3)	Based on discussions and meetings held, it was concurred that it would be more appropriate to replace/revamp the system which would include the Disaster Recovery.	Not Implemented
National Coast Guard operating an Obsolete Coastal Surveillance Radar System (CSRS) (Page 66)				
17	On 28 January 2020, MPF informed the Prime Minister's Office that the existing CSRS has completed its economic life and it has become less effective. No Maintenance agreement was available since the last inspection by the Original Equipment Manufacturer (OEM) in April 2022. This entailed the risks associated to potential environment disaster, illegal fishing, drug trafficking and threats to maritime safety. (Pg 67, Para 3.3.4)	The MPF should expedite the proposed implementation of a new CSRS. (Pg 67, Para 3.3.4)	The process for implementation of the project has already commenced. The project is expected to be fully operational by October/November 2026.	Partly Implemented

SN	Findings	Recommendations	Department's Response as of January 2026	NAO's Comments
18	The two Common Operational Picture Displays (COPD) were defective. As of October 2024, both COPDs at the Command Centre were not operational. Hence, the entire data of all the 8 radar stations was not available in a single display. (Pg 68, Para 3.3.4)	The COPDs should be repaired pending the availability of new CSRS scheduled for August 2026. (Pg 68, Para 3.3.4)	A case for repairs of COPD was duly taken, however, the cost involved and lead time taken for replacing the COPD's post signing of contract is considered exorbitant vis a vis the left over useful time of the COPD and pending replacement of existing system.	Not Implemented
19	The CSRS at St Brandon, which was not operational since September 2020, was declared beyond economical repairs by OEM in April 2022. No preventive maintenance contract was signed after April 2022. ▪ The Radar station at Agalega was not operational since December 2023 as spare parts were awaited for rectification. ▪ The radar tower at Rodrigues was heavily corroded up to a height of 20 metres. (Pg 69, Para 3.3.4)	A Proper Steering Committee should be set up to closely follow the implementation of the new CSRS project, so that it is delivered as scheduled. (Pg 69, Para 3.3.4)	▪ In view of the obsolescence of the existing CSRS, non-availability of spare parts and subsequent grant by the Government of Japan for upgradation of the system, further Annual Maintenance Contract for CSRS was not considered. ▪ The radar station at Agalega faced a power supply issue in December 2023 which was supplied by Outer Islands Development Corporation in February 2024. The Radar was reported defective in March 2024. NCG Technicians were deputed with requisite spares, however, new defects were observed during checks. The procurement of the requisite spares is being taken up by NCG. The radar tower at Rodrigues will be replaced under the new CSRS Project.	Partly Implemented

SN	Findings	Recommendations	Department's Response as of January 2026	NAO's Comments
20	Defects were noted during site visit at Gris-Gris CSRS Station. ▪ Sensor Data Acquisition Unit (SDAU) used to transmit data to Command Centre was defective. ▪ The main door of the Container House was blocked due to rusted handle. ▪ The radar tower was rusted due to salty water. As per survey effected by the Consultant in June 2022, the radar tower was reported as damaged. (Pg 70, Para 3.3.4)	The NCG should initiate action for the repair of the defective components. (Pg 70, Para 3.3.4)	SDAU is responsible with COPD at Control Centre. A case for repairs has been taken up and same is under deliberation at the level of the Prime Minister's Office. NCG will proceed with the replacement of: ▪ The main door handle of Container House at Gris-Gris; and The Tower at Gris-Gris and Rodrigues CSRS stations and all solar panels under the new CSRS project.	Partly Implemented
Police Helicopter Squadron - Lapses in Maintenance of Helicopters (Page 71)				
21	As of November 2024, only 2 twin-engine helicopters, namely MPH-10 and MPH-11, were operational out of 4 in the fleet. The overhaul of Dhruv helicopter (MPH-07) was scheduled for 31 December 2023 but the helicopter was grounded since 1 January 2024, awaiting administrative procedures for overhaul. The procedures were initiated in May 2023 but finalised in June 2024, that is, nearly one year after. (Pg 72, Para 3.3.5)	Administrative procedures for overhauling should be planned and finalised within reasonable time frame to ensure timely maintenance of helicopters. (Pg 72, Para 3.3.5)	The lease period of Helicopter MPH-10 was extended to make it available to the MPF mainly to handle operational tasks efficiently. The case of overhaul of MHP-07 was well anticipated and projected and the time delays were mainly due to the financial and administrative procedures such as clearance from the Ministry of Finance and the Finance Section.	Partly Implemented
22		Consideration be given for adopting a Maintenance Framework Agreement. (Pg 72, Para 3.3.5)	The helicopters have maintenance agreement with the OEM and overhaul is undertaken at specific time frames.	Implemented

SN	Findings	Recommendations	Department's Response as of January 2026	NAO's Comments
23	Overhaul of Fennec Helicopter - Lapses in Procurement Management.	MPF should properly monitor terms and conditions of the contract. (Pg 74, Para 3.3.5)	The contract is formulated by the Procurement Division of the MPF, and it would be advised to do so. The delay is solely the fault of Airbus and the possibility of legal actions needs to be contemplated.	Not Implemented
24	- The Helicopter was handed over to a Company for overhaul on 7 July 2022. However, delivery of the Helicopter exceeded the scheduled delivery date by more than 18 months. - There was no Liquidated Damage Clause in the contract. - The initial contract amount of € 867,000 was exceeded by € 604,033 due to additional works on identified defects during repair, representing an increase of 70 per cent over the initial contract sum. (Pg 74, Para 3.3.5)	Consideration be given for the formulation and adoption of a replacement policy. (Pg 74, Para 3.3.5) The MPF should carry out a study to determine the requirements of the Police Helicopter Squadron. (Pg 74, Para 3.3.5)	Replacement Policy has already been formulated in the Year 2021. The requirements were formulated in the replacement policy.	Implemented Implemented
26		Consideration be given for capacity building of local staff for maintenance and repairs of helicopters. (Pg 74, Para 3.3.5)	Police Helicopter Squadron is the only organization in the African continent which has the capability to undertake second line servicing. Any other activity above this level can be undertaken only by the OEM.	Implemented
Deficiencies in Management of Outstanding Cases of Police Enquiries (Page 75)				
27	Lapses in Monitoring of Outstanding Cases: There was an increase of 20 per cent in the number of outstanding cases over the last 5 years. (Pg 76, Para 3.3.6)	The MPF should put in place a proper system of follow-up/monitoring of outstanding cases. (Pg 77, Para 3.3.6)	The Commissioner of Police has established the Divisional Enquiry and Prosecution Supervisor in each division to reduce the backlog of outstanding cases.	Partly Implemented
28		The MPF should review its strategies to reduce crime and misdemeanour. (Pg 77, Para 3.3.6)	A Committee under the Chairmanship of a Deputy Commissioner of Police has been set up to work out a more efficient follow-up/monitoring process of outstanding cases.	Implemented

SN	Findings	Recommendations	Department's Response as of January 2026	NAO's Comments
Lapses in Management of Cases of Interdicted Police Officers (Page 77)				
29	During the financial year 2023-24, salaries totalling Rs 60.5 million were paid to 175 interdicted Police Officers. Salaries disbursed to interdicted Officers during the last 7 financial years totalled Rs 224 million. (Pg 78, Para 3.3.7) Fast track measures envisaged by the MPF to speed up enquiry were not effectively implemented; An Inter-Ministerial Committee was set up on 4 September 2020, but meetings were not held on a regular basis. (Pg 79, Para 3.3.7)	The MPF should review the present system in place so as to expedite the final decision-making process with respect to interdicted officers. (Pg 79, Para 3.3.7)	The provision for a Departmental Orderly Room has already been made in all Divisions/Branches of the Police Force to look into disciplinary proceedings that should be instituted against Police Officers at departmental level. Most cases involving interdicted Officers related to drug - related and financial crimes, which by nature require in-depth and time - consuming investigations. All enquiries involving police officers are conducted under the guidance of the Director of Public Prosecutions to ensure the due process, impartiality and compliance with prosecutorial standards. On 25.06.25 a letter was addressed to the Secretary for Public Service regarding the status thereon for an update regarding the Inter-Ministerial Committee and reply still awaited.	Partly Implemented
Manual Fixed Penalty Notice - Lapses in Revenue Management (Page 79)				
30	Monitoring of unpaid FPNs was rendered cumbersome and time consuming as a manual Master Contravention Register was kept to record all FPNs issued. A sample verification revealed nine cases where the Statement of Issuing Officer were missing in the contravention case files, which delayed the processing of unpaid FPNs.	Consideration should be given to modernise the payment of fine by the MPF by adopting latest techniques and technologies that are available.	Almost all unpaid FPNs are sent for enquiry to Police Stations within a reasonable delay. Around 2 per cent of FPNs contain discrepancies and payment cannot be confirmed due to irregularities in electronic records, requiring in-depth verification.	Implemented

SN	Findings	Recommendations	Department's Response as of January 2026	NAO's Comments
Manual Fixed Penalty Notice- Lapses in Revenue Management (Page 79)				
30	Monitoring of unpaid FPNs was rendered cumbersome and time consuming as a manual Master Contravention Register was kept to record all FPNs issued. A sample verification revealed nine cases where the Statement of Issuing Officer were missing in the contravention case files, which delayed the processing of unpaid FPNs.	Consideration should be given to modernise the payment of fine by the MPF by adopting latest techniques and technologies that are available.	Almost all unpaid FPNs are sent for enquiry to Police Stations within a reasonable delay. Around 2 per cent of FPNs contain discrepancies and payment cannot be confirmed due to irregularities in electronic records, requiring in-depth verification.	Implemented
31	An examination of a sample of unpaid FPNs showed many cases which were not yet referred by the Road Safety Unit to Police Stations for enquiry after more than one year.	Unpaid FPNs should be referred to Police Stations for enquiry within reasonable delay.	The issue, processing verification of payment and referral of FPNs for enquiry in case of non-payment are being carried out as per instructions laid down in CP letters, CP Circulars, Administrative Orders and Order from DCP - Traffic. The IT Unit of MPF and that of Judiciary are regularly involved to identify issues in the RCCMS and COTS for remedial actions.	Implemented
32	The time taken to record unpaid FPNs under COTS at Team B - Metropolitan South ranged from 145 to 202 days after the expiry of delay of 28 days for payment. Referral of such cases to Police Stations for enquiry were also delayed. (Pg 80, Para 3.3.8)	A Standard Operating Procedures Manual should be prepared for processing FPNs till payment. (Pg 80, Para 3.3.8)		Not Implemented
33	▪ Inconsistencies were noted in 7 cases where the RCCMS generated erroneous reports. The follow-up of unpaid FPNs could not be effected from the RCCMS as the reports generated were not reliable.	MPF should ensure that FPN booklets are not ordered bearing the same serial numbers already used in the past.	New batch of FPNs with alpha numerical serial number has already been procured. The proclamation of the abovementioned section of law is being awaited for use.	Implemented

SN	Findings	Recommendations	Department's Response as of January 2026	NAO's Comments
33	▪ The list provided to NAO contained many inaccuracies for both fine paid and fine outstanding such as repeated rows for the same FPN served. ▪ An age analysis of outstanding FPNs was not available.			
34	7 cases were noted where FPNs raised were not recorded in RCCMS.	All FPNs raised should be recorded in the RCCMS. (Pg 81, Para 3.3.8)	Details of all FPNs served are being recorded in the RCCMS in a timely manner.	Implemented
35	Arrears for unpaid FPNs at year end were not accounted for in the Statement of Arrears of Revenue submitted to the Treasury.	A return of unpaid FPNs should be submitted to Treasury.	A Return to the Treasury is being considered.	Partly Implemented
36	Revenue from FPNs served by Police Officers was collected at District Courts and credited as fines under the control of the Judiciary instead of a revenue item for the Mauritius Police Force. (Pg 81, Para 3.3.8)	To digitalise the whole process of raising fines and the payments of same by MPF. (Pg 81 & 82, Para 3.3.8)	The Road Traffic Act was amended in 2019, making provision for online payment of FPNs. The relevant section of law pertaining to this issue has not yet been proclaimed. Needful has already been done by the MPF to comply with the requirements in case that section of law is proclaimed.	Partly Implemented
Fire Outbreak at Line Barracks - Renovation of Heritage Building not yet started after more than two years (Page 82)				
37	Bidding Exercise for removal of debris and renovation works not yet finalised after more than two years. (Pg 83, Para 3.3.9)	Measures should be taken to expedite the reinstatement of the building. (Pg 84, Para 3.3.9)	On 09.10.2025, the contractor started the removal of debris on the site. The intended completion of work has been scheduled on 08.12.2025. The work is actually in progress and 25 per cent of the removal of debris has been completed.	Implemented

SN	Findings	Recommendations	Department's Response as of January 2026	NAO's Comments
38	There were potential hazards on site, namely the risks of partial collapse of the gable walls, the deformed roof structures with damaged corrugated sheeting, heavily cracked stone at the eave level and collapsed timber flooring and columns inside the building. (Pg 83, Para 3.3.9)	Welded barriers should be reinstated along the restricted zone to avoid potential threat to public safety.	The perimeter has been secured with metal barriers. The removal of debris on the outer layer has already been carried out.	Implemented
39		A Reinstatement Steering Committee be set up to monitor the implementation of the reinstatement project. (Pg 84, Para 3.3.9)	Meetings were held in the presence of representatives from the MPF, MNICD - Architect Section and the National Heritage Fund to monitor the project.	Implemented
40	Day to day operations were affected by the temporary relocation of Units for more than two years. ▪ SSU Catering Stores have been procuring provisions and foodstuffs in small quantities due to limited space. ▪ During a site visit effected at the relocated SSU by NAO Officers on 20 November 2024, it was noted that the sleeping area was crowded and mattresses were used instead of beds. (Pg 85, Para 3.3.9)	MPF should expedite the reinstatement of the building or explore alternative solutions. (Pg 85, Para 3.3.9)	On 22 December 2025, the Special Response Group operating under the Special Support Unit (SSU) were permanently relocated to the Ex-National Disaster Risk Management Centre Building situated at Line Barracks with all amenities. A new catering store was erected at the space adjacent to the SSU kitchen where all foodstuffs were being stored.	Implemented

5.6 PRISON SERVICE

5.6.1 Faulty Scanning Equipment

Background Information

The Prison Service makes use of luggage scanners, body scanners and Body Orifice Security Scanner (BOSS) Chair and Signal Jammers particularly at the main entrance and exit points of each prison so as to ensure security at the prisons. The BOSS chair is a scanning equipment that enables the detection of objects hidden within the body.

The status of security equipment as of 31 July 2025, available at the different institutions, is given in Table 5-27.

Table 5-27 Status of Security Equipment as at 31 July 2025

Prisons	Luggage Scanner	Body Scanner	Signal Jammers	BOSS Chair
Beau Bassin	1	1	22	Beyond Repair
New Wing	1	Nil	4	1
Women	1	Nil	Nil	1
GRNW	1	1	3	Nil
Petit Verger	Nil	Nil	4	Nil
Melrose Eastern High Security Prison	1	1	Defective	1
Phoenix	Nil	Nil	2	1

Source: Electronic Unit

Findings

- The BOSS Chair at the Beau Bassin Prison was beyond repair since 15 April 2025.
- The Defective signal jammers at Melrose Eastern High Security Prison (MEHSP) had not been replaced since 2017.
- The Prison Service had no maintenance policy and plan for its security infrastructure.

Root Cause

The Commissioner of Prisons did not take appropriate action to replace the BOSS chair and the defective signal jammers in a timely manner.

Recommendations

- The BOSS chair and the signal jammers should be replaced at the earliest to avoid security vulnerability.
- A maintenance policy and plan should be worked out and implemented accordingly and the Prison Service should consider the setting up of a Maintenance Committee.

Prison Service's Response

- The process for issuing the letter of award for the procurement of BOSS chairs for Central Prison, Beau Bassin, has been initiated.
- Necessary action is underway for the upgrading of the system to 5G technology, along with maintenance agreement.

5.6.2 Shortcomings in Security at the Melrose Eastern High Security Prison

Background Information

The Melrose Eastern High Security Prison (MEHSP) has sophisticated security infrastructure.

Findings

Security Gaps at MEHSP

- During surveys conducted by the Prison Service in the financial year 2023-24, significant blind spots were identified within the buffer zones where cameras were not installed. Given the high-riskiness of these zones and recurring pelting incidents, recommendation was made by the IT Unit for the installation of 20 additional cameras.

However, as of 20 June 2024, no camera was installed. According to the Officer in Charge, for a buffer zone dimension of approximately 64,417 square meters with a 1,500 meters perimeter, Pan-Tilt-Zoom (PTZ) cameras would be more effective as they offer 360-degree pan, a 150-meter range, and infra-red capability. As of August 2025, the buffer zone designated as highly sensitive areas remained without any surveillance coverage.

- During the financial year 2024-25, vehicles used for conveying detainees were not equipped with Close Circuit Television (CCTV) cameras, hence, entailing high security risks during transit.
- A site visit conducted on 2 September 2025 by NAO Officers noted that mobile and ground detectors, and binoculars with night vision, which were essential tools for detecting hidden contraband, underground smuggling, and nighttime perimeter monitoring were not seen.
- Reliance was placed on 30 radios, which were prone to poor audio, interference risks, and dead zones inside the reinforced units.
- At MEHSP there were no biometric systems for staff and visitors. Manual registers presently in use increased the risk of impersonation, collusion, and manipulation of records.
- Officers were not equipped with body-worn cameras during search operations, escorts, or yard supervision.

- The existing Power Fence was corroded and switched off since 2017 due to repeated tripping. The request for new installation submitted on 26 March 2025 was still pending.
- During the financial year 2024-25, seizures of contraband inflows reported during 386 search operations were due to the ineffective existing surveillance system.

Recommendations

- The Prison Service should install PTZ cameras in buffer zones to provide a 360-degree coverage and electric fencing around the perimeter of the prison to enhance Prison Security.
- The vehicles used to convey detainees should be equipped with CCTV surveillance cameras and Global Positioning System (GPS) enhanced security.
- Management should acquire adequate mobile detectors, ground sensors, and night-vision binoculars to reinforce tower surveillance and perimeter patrols.
- Management should initiate action to render the signal jammer operational and replace the existing two-way radios with encrypted, interference-free, GPS-enabled devices.
- Biometric attendance and access control systems should be introduced to enhance security.
- Body-worn cameras should be used during high-risk operations, with footage securely stored on servers and integrated in the central CCTV system for real-time monitoring and supervision.

Prison Service's Response

A survey was carried out and the estimated cost quoted by a supplier was Rs 1,245,891. As the cost was considered a bit high, on 17 October 2024 the supplier was requested to review the price. The revised estimated cost received on 18 November 2025 will be considered by a Committee during January 2026 following which tender procedures will be initiated.

5.6.3 Custody of Remand Detainees

Detainees on remand refer to those awaiting trial or sentence, who may be released on bail. As such these persons have not been condemned by a Court of Law. The budgeted recurrent expenditure for the Prison Service for the financial year 2024-25 was for Rs 1,025 billion.

Findings

- As at August 2025, out of 2,842 detainees, 1,223, that is 43 per cent, were on remand.
- The high number of remand prisoners is due to a combination of factors, including the legal system's reliance on provisional charges, the financial barriers to bail, and the judiciary process.

- The total cost of maintaining prisoners on remand has been estimated at Rs 444 million per year representing 43 per cent of the budgeted figure. The cost of maintaining the prisoners on remand would be around Rs 4 billion over a period of 10 years.
- Additional manpower and space were required to manage and accommodate these detainees.

Implications

- National Expenditure savings of some Rs 440 million could be made if remand prisoners issues were addressed.
- Additional Prison Officer/Senior Prison Officer would not be required for surveillance and the minimum security ratio of one PO/SPO to 10 detainees could be adhered to.

Recommendation

A Committee should be set up comprising of the Secretary for Home Affairs Office, Attorney General's Office, the Mauritius Police Force and the Prison Service and any other relevant stakeholders to expedite finalisation of cases of remand prisoners with a view to reduce the related financial and social issues.

Prison Service's Response

- Individuals are remanded to Prison by the court and the PS as the receiving end, should abide to Court's decision and keep the individual in custody until required by the Court. The decision to remand a person or to release a remand detainee from Prison rests with the Judiciary.
- The Disciplined Forces Service Commission is carrying out the recruitment exercise for the post of PO/PSOs which was advertised on 3 November 2025.

5.6.3.1 Insufficient Personnel for Maintaining Safety and Security

During the financial year 2024-25, the Prison Service had 1,027 posts of Prison Officer/Senior Prison Officer (PO/SPO) on its establishment of which only 969 posts were filled and 58 were vacant. However, as of September 2025, 60 additional posts were required mainly for MEHSP.

Findings

- The ratio of inmates to PO/SPO was not observed due to vacant posts not filled.
- The MEHSP was understaffed as an additional 60 officers were required to meet operational, security, and supervision needs, ensuring institutional stability, safety, and compliance.
- Out of 33 officers who were scheduled for night duty, on average 2 officers were absent each night, posing additional responsibilities on the remaining staff.

Root Causes

- The recruitment of PO/SPO was delayed.
- Failure to have recourse to “Bank Scheme” of in-service and/or retired officers.

Recommendations

- The Accounting Officer should take action to maintain a minimum-security ratio.
- Management should resort to the Bank Officer scheme for night shifts.
- The Accounting Officer should closely follow up on the recruitment of PO/SPO with the appropriate authorities.

Prison Service’s Response

Following the completion of recruitment exercise by the Discipline Forces Service Commission, necessary deployment would be carried out among penal institutions.

5.6.4 Delay in the implementation of One (No Saw Tooth) Hydroponic Greenhouse

Background Information

The Prison Service embarked on the implementation of a no-saw tooth hydroponic greenhouse. The project was initiated to minimise detainee idleness and provide a structured rehabilitation activity. The estimated cost was Rs 1.5 million.

Findings

- The first bidding exercise was launched on 28 October 2024 through open national bidding. However, the tender was cancelled as the 2 responsive bids were significantly higher than the estimated cost by 65 and 207 per cent.
- Following the revision of the dimension of the hydroponic greenhouse, a second tender was launched on 18 February 2025 through restricted bidding, the estimated cost and specifications remaining the same. As the sole bid received for Rs 1.9 million exceeded the cost estimate by 15 per cent, it was also cancelled.
- On 25 June 2025 a third tender was launched through restricted bidding. The cost estimate was revised to Rs 1.7 million as the scope of work was increased to include 2 additional tasks. Only one bid was received for Rs 1.5 million.
- No project manager was appointed.
- Specifications were worked out by the Officers of the Prison Service instead of those who have expertise in the field.
- The project was not properly planned as all requirements were not identified initially.
- For the 3 tender exercises, bids were requested from the same 9 suppliers.

Root Causes

- A knowledgeable person in the field of hydroponics was not involved.
- The procurement methods applied for this project were not appropriate.
- Lack of procurement planning led to inappropriate procurement methods.

Recommendations

- The Food and Agricultural Research and Extension Institute which has expertise in the field should be consulted for such projects.
- For future projects, due consideration should be given in the selection of the appropriate procurement method to avoid delays.

Prison Service's Response

- The tenders were cancelled as the bids received were substantially higher than the estimated cost. The relaunching of tenders was necessary to obtain procurement best practices.
- No dedicated Project Manager was formally appointed for this Project. The implementation and coordination of the project were undertaken by Prison Staff.

5.6.5 Lapses in the Rental of 295 IP-based CCTV Cameras at Beau Bassin Prison

Background Information

The contract for rental of 295 IP-based CCTV cameras, complete with a monitoring system inclusive of installation and civil works was awarded to a company on 13 December 2023 at a monthly rental of Rs 220,995 over a period of 60 months, that is for Rs 13.3 million. The duration of the installation works was 180 days starting July 2024. The contract was signed on 19 April 2024.

Findings

- As of September 2025, the contract for the rental of CCTV cameras, which expired on 31 July 2023 was extended on a month-to-month basis pending the completion of works awarded to the new contractor.
- The new Contractor stopped working since 28 May 2025 and failed to respond to the Prison Service's requests.
- As of September 2025, 195 CCTV cameras and the additional equipment as per the scope of work were not installed.

After more than 2 years, the existing contract was still being renewed due to work stoppage.

- No legal advice was sought for non-compliance with the contract.

Root Causes

- There was no Project Monitoring Committee to monitor the supplier's performance during work execution.
- There was lack of oversight on seeking advices of the Attorney General's Office.

Recommendations

- A Project Monitoring Committee should be set up to ensure timely monitoring and completion of the project.
- Necessary actions should be taken against the supplier for non-compliance.

Prison Service's Response

- Despite an extension of time being granted to complete the outstanding works by 1 September 2025, as of 15 January 2026 only 128 CCTV cameras were installed.
- Liquidated Damage for non-compliance with the contractual terms would be applied against the supplier upon completion.

5.6.6 Follow-up of Recommendation raised in the Audit Report 2023-24

The status on actions taken on key findings and recommendations since the publication of the Audit Report 2023-24 is summarised. The recommendation (100 per cent) has been implemented.

SN	Findings	Recommendation	Ministry's Response as of January 2026	NAO's Comments
	Baggage X-Ray Inspection System unit at the Women's Prison Not Utilised (Pages 89 - 90)			
1	As of September 2024, the Baggage X-Ray Inspection System unit at the Women's prison was not operational since its delivery on 13 November 2023 due to: (a) non-identification of a suitable location for the deployment of the equipment. Hence, the equipment was kept in the mess room; and (b) training was not provided by the supplier. ▪ As of September 2024, 9 months of the warranty period had already lapsed as the equipment was still not operational. ▪ Liquidated damages were not claimed for the 4 weeks delay in the delivery of the equipment as per conditions of the contract. (Pg 89, Para 3.5.1)	The equipment should be installed, at the earliest to prevent the entry of illegal and prohibited items. (Pg 90, Para 3.5.1)	The Baggage X-Ray Inspection system was operational since 23 July 2025.	Implemented

5.7 MINISTRY OF FINANCE

5.7.1 Improving Oversight on Budget Management

Background Information

Estimates 2024-2025

The approved budget for the financial year 2024-25 included estimates of revenue as well as estimates of recurrent and capital expenditure of the Government, appropriated by votes.

The original estimates of revenue were Rs 210.5 billion, while the original estimates of expenditure were Rs 216.8 billion. The estimates were approved by the National Assembly on 26 June 2024.

Constitution of Mauritius – Article 105, Authorisation of Expenditure

Article 105(3) of the Constitution of Mauritius requires that if, during any financial year, it is found that:

- (a) The amount appropriated by law for the purposes included in any head of expenditure is insufficient, or a need has arisen for expenditure on a purpose for which no amount has been appropriated; or
- (b) Money has been expended in excess of the amount appropriated by law, for the purposes in that head of expenditure, or for a purpose for which no amount has been appropriated,

a supplementary estimate shall be presented to the Assembly, and a supplementary Appropriation Bill shall be introduced to approve these expenditures.

Supplementary Estimates 2024-2025

The Supplementary Appropriation Act authorises payment from the Consolidated Fund additional to the original Appropriation Act.

The Supplementary Appropriation (2024-2025) Act 2025 was passed by the National Assembly on 22 April 2025 and approved on 24 April 2025. It provided for a Supplementary Estimate of expenditure (2024-2025) amounting to Rs 21 billion, which included an amount of Rs 11.8 billion allocated under Vote 26-1 – Centrally Managed Initiatives of Government for the Ministry of Finance (MOF).

Section 2, subsection (2) of the Supplementary Appropriation (2024-2025) Act 2025, provides that the total sum of Rs 21 billion shall be appropriated by votes of expenditure, in conformity with the Schedule and the Estimates of Supplementary Expenditure (2024-2025) of 2025 laid before the Assembly.

Details of the Estimates of Supplementary Expenditure included in the Schedule (Section 2) to the Supplementary Appropriation (2024-2025) Act 2025, are given in Table 5-28.

Table 5-28 Schedule of Estimates of Supplementary Expenditure

Vote of Expenditure	Recurrent Rs million	Capital Rs million	Total Rs million
Housing and Land Use Planning	315	985	1,300
Ministry of Land Transport and Light Rail (Now Ministry of Land Transport)	600	-	600
Social Security and National Solidarity	5,800	-	5,800
Ministry of Health and Wellness	1,500	-	1,500
Centrally Managed Initiatives of Government	5,585	6,215	11,800
Total	13,800	7,200	21,000

Source: The Supplementary Appropriation (2024-2025) Act 2025

The main details of the Estimates of Supplementary Expenditure, which were laid before the National Assembly is provided in Table 5-29.

Table 5-29 Estimates of Supplementary Expenditure 2024-2025

Vote and Details	2024-2025 Appropriation Rs million	2024-2025 Supplementary Appropriation Rs million
3-1 – Housing and Land Use Planning		1,300
Compensation icw Neotown Project	-	315
Construction of Social Housing Units	675	435
Acquisition of Land	400	550
6-1- Ministry of Land Transport and Light Rail		600
Free Travel Scheme	1,370	325
Support to Bus Industry	1,095	275
9-2- Social Security and National Solidarity		5,800
Social Aid	1,002	115
Basic Retirement Pension	51,300	4,200
Basic Widows Pension	3,165	200
Basic Invalidity Pension	5,060	700
Child Allowance	300	235
CSG Benefits (Social Benefits)	3,575	350
18-1-Ministry of Health and Wellness		1,500
Overtime	368	500
Medicine, Drugs, and Vaccines	1,385	450
Medical Disposables and Minor Equipment	815	350
Laboratory Apparatuses and Supplies	375	200
26-1- Centrally Managed Initiatives of Government		11,800
Salary Compensation	-	335
Interim Allowance icw Salary Relativity Adjustment	-	1,500
14th Month Bonus	-	2,300
National Environment Fund	-	1,100
National Resilience Fund	4,600	3,900
Poverty Reduction Fund	2,500	900
CSG Income Allowance	9,950	1,150
CSG Child Allowance	2,883	300
IMF SDR Transactions	-	315

Source: The Supplementary Appropriation (2024-2025) Act 2025 – Estimates of Supplementary Expenditure (2024-2025) of 2025

Findings

▪ **Reallocation of Unspent Funds Approved under Supplementary Estimates**

Of the Rs 11.8 billion approved under Supplementary Estimates for Vote 26-1- Centrally Managed Initiatives of Government, an amount of Rs 2 billion remained unspent at the close of the financial year.

Out of the unspent balance of Rs 2 billion, a sum of Rs 1.7 billion was reallocated to other expenditure items.

▪ **Supplementary Estimates Appropriated for Projects Despite Original Estimates Remaining Unutilised**

- A provision of Rs 3.2 billion was included in the approved Estimates 2024-25 for the newly established Climate and Sustainability Fund (CSF). However, due to delays in operationalising the CSF, the projects earmarked under this fund were instead implemented through the National Environment Fund (NEF).

A Supplementary Estimate of Rs 1.1 billion was approved on 24 April 2025 to fund CSF-related projects through the NEF, despite the original CSF budget of Rs 3.2 billion was unspent as at that date.

As provision was already made for CSF projects in the Estimates 2024-2025, the need for a supplementary estimate did not arise as there could have been a reallocation from CSF (Vote 26-1, Item 26323169) to NEF (Vote 26-1, Item 26323058).

- On 30 June 2025, an amount of Rs 2.5 billion, out of the Rs 3.2 billion originally budgeted to the CSF, was reallocated to a new expenditure item: Current Grant-National Property Fund Ltd (NPFL), which had not been included in the original Estimates 2024-25.

It was observed that the approved funds for CSF projects were redirected to an entirely new item – Grant, NPF Ltd, and the CSF's intended projects were financed primarily through supplementary appropriations from NEF.

▪ **Funds Appropriated to the National Resilience Fund under Supplementary Estimates 2024-2025 not Fully Utilised**

For the financial year 2024-25, a total of Rs 8.5 billion was appropriated to the National Resilience Fund. This included Rs 3.9 billion under Supplementary Estimates to provide financial assistance to eligible employers facing difficulties to payment the 14th Month Bonus and the 2025 Salary Compensation, and to meet expenditure under the Home Ownership and Home Loan Schemes.

However, as at 30 June 2025, Rs 1.2 billion remained unutilised, comprising savings of Rs 500 million under the Original Estimates and Rs 700 million of the Rs 3.9 billion approved under the Estimates of Supplementary Expenditure.

Transfer to the National Property Fund Ltd - Rs 87.5 million

On 29 June 2025, NPFL requested financial support of Rs 87.5 million to meet its 2025 interest payment due to the BOM on a credit facility of Rs 3.5 billion and to discuss options for longer-term assistance concerning the repayment of the credit facility.

On 30 June 2025, the Government transferred Rs 2,587,500,000 as a current grant to the NPFL. This includes:

- Rs 87.5 million for the payment of annual interest due to BOM. This was funded from the “Salary Compensation” allocated under Supplementary Estimates; and
- Rs 2.5 billion for a partial capital repayment of the BOM credit facility of Rs 3.5 billion. This was funded from the “Climate and Sustainability Fund” allocation in the Estimates 2024-2025.

Ministry’s Reply

All reallocations were executed in full compliance with the limitations and conditions set out in the financial instructions on virement. In addition, all excess expenditures except those in the financial year 2022-23 have been duly regulated through the relevant supplementary Appropriation Act.

Contingencies

Laws and Regulations Governing the Use of Provisions for Contingencies and Reserves

Background Information

Legal provisions governing the use of contingencies include:

(a) Contingencies Fund as per Article 107 of the Constitution of Mauritius

- (i) Article 107 of the Constitution on ‘Contingencies Fund’ provides for the establishment of a Contingencies Fund and permits the Minister of Finance to make advances from the Contingencies Fund to meet urgent and unforeseen expenditure for which no other provision exists. These advances must be regularised through a Supplementary Estimate laid before the National Assembly.
- (ii) Financial Management Manual (FMM), Chapter 10.3, Paragraph 24, on ‘Provision on Account of Contingencies’, reiterates that the Minister of Finance may authorise “advance” additional provision on account of Contingencies which must be cleared by means of a Supplementary Estimate.

(b) Provision for Contingencies as per Section 5 of the Finance and Audit Act

- (i) The Finance and Audit Act was amended in 2008, and Section 5 - ‘Provision for Contingencies’, provides that the annual estimates of expenditure shall include a provision for contingencies to meet urgent and unforeseen expenditure. Such provision may be used, with ministerial approval, to finance expenditure on new services, excess expenditure over approved estimates, or exceptional expenditure arising from natural disasters or other emergencies, where the expenditure cannot be deferred without detriment to the public service.

- (ii) Financial Instructions No. 2 of 2025 – Virement, paragraph C on ‘Virement (Contingencies), authorises virement from Vote “Contingencies and Reserves” to meet urgent and unforeseen needs.

Findings

- During the financial year 2024-25, a total amount of Rs 1.1 billion (Recurrent Expenditure - Rs 600 million and Capital Expenditure Rs 500 million) was provided under Vote 27-Contingencies and Reserves, to meet urgent and unforeseen needs. The MOF executed virements totalling Rs 770.1 million from the Contingencies and Reserves provisions.

Recommendations

- Government should consider the setting up of a Parliamentary Budget Committee as a Standing Committee of the National Assembly to scrutinise and manage the budget to ensure economic, effective and efficient use of public funds as appropriated by the National Assembly.

At the international level, it is a common practice for Parliament to set up a budget committee or equivalent, as illustrated below:

- The UK Parliament has a Treasury Committee which scrutinises the government’s budget and financial policies.
 - The Australian Parliament uses a system of committees to scrutinise and manage the budget, including the Parliamentary Budget Office.
 - South Africa’s parliament has several committees that deal with budgets, most notably the Standing Committee on Appropriations and the Finance Standing Committee. The Parliament Budget Office provides independent analysis to support these committees.
 - The Tanzania Parliament Budget Committee is an internal parliament body responsible for reviewing budget guidelines and estimates. Its primary functions include scrutinising government expenditures and financial accounts, and monitoring the implementation of the national budget to ensure accountability.
 - The Budget Committee is a standing committee in the Ugandan Parliament, established by an Act of Parliament, that scrutinises the national budget.
- Government could consider realigning the use of contingencies under both the Constitution and the Finance and Audit Act to ensure consistency.

Ministry’s Reply

- As with the annual Budget Estimates, the Supplementary Estimates are based on forecasts and underlying assumptions. Consequently, precise expenditure requirements cannot always be determined at the time the Supplementary Appropriation Bills are introduced in the National Assembly.
- All reallocations and related expenditures were carried out strictly in accordance with the established legal and financial management framework.

- The Finance and Audit Act expressly provides for the reallocation of funds from one expenditure item to another, subject to compliance with prescribed conditions.

Construction and Financing Mechanism for Social Housing Units

Background Information

From the financial years 2020-21 to 2024-25, a total amount of Rs 35 billion has been disbursed under the Vote Centrally Managed Initiatives of the Government as a grant to the Projects Development Fund (PDF) (formerly Covid-19 Projects Development Fund) for the implementation of several infrastructural projects. Out of the Rs 35 billion, as of 30 June 2025, a total amount of Rs 18.9 billion has been transferred to the New Social Living Development Ltd (NSLD) as a government contribution to meet expenditure in connection with construction works of the social housing project.

Moreover, in the financial year 2024-25, an amount of Rs 6 billion has been disbursed under the Vote 26-1 - Centrally Managed Initiatives of Government, Item Unquoted Shares – Mauritius Housing Holdings Ltd (MHHL) through the Building Society Fund Ltd (BSFL) for onward transfer to NSLD to effect payment to contractors.

Findings

▪ Termination of Contracts of Project Management Consultants involving Payments of Rs 496.8 million

Following the decision of the Government to construct 12,000 housing units as outlined in the budget speech 2020-2021, the services of 8 Project Management Consultants (PMCs) in construction were enlisted by the NSLD for a total contract value of Rs 919.4 million in November 2021 and March 2022. The PMCs were responsible for the appointment of geotechnical contractors, development of project design, preparation of tender documents for works contracts, and overseeing construction works.

In September 2022, following a first tender exercise launched by NSLD based on the design and specifications submitted by the PMCs, the average unit cost for a housing unit quoted by bidders was found to be on the high side, ranging from Rs 3.93 million to Rs 6.80 million.

Following a second tender exercise in November 2022 based on a new specification, it was found that the price quoted per residential unit was still on the high side.

In February/March 2023, in an attempt to deliver as many cost-effective social housing units within the set timeframe, the Government approved the construction of 8,000 housing units under Phase 1 of the project. This was to be implemented through a design-and-build concept using National Housing Development Company Ltd's (NHDCs) specifications, at an estimated unit cost of Rs 2.74 million.

Government approved the termination of the contracts of the PMCs due to change to the design-and-build concept. One PMC contract was terminated in December 2022, followed by the 7 others in April 2023, since the bids received based on the designs submitted by the PMCs were on the high side. A total of Rs 496.8 million was disbursed to these contractors by the NSLD.

However, the Ministry informed that out of the Rs 496.8 million disbursed, a total amount of Rs 296.96 million had been used for topographical surveys, geotechnical investigations, feasibility studies on sites, preliminary clearances from authorities, masterplan of sites, and assessment of offsite works.

▪ **Termination of contract of a Fund Administrator involving payments of Rs 18.4 million**

On 23 September 2022, the Mauritius Housing Holdings Ltd (MHHL) was incorporated as a private company wholly owned by the Government. Shortly thereafter, on 29 September 2022, MHHL created BSFL as its wholly owned subsidiary.

The principal activity of the BSFL was to raise bridging finance of Rs 7.2 billion from private investors to finance one-third of the construction costs for the residential units.

In August 2023, a Memorandum of Understanding was signed between NSLD and BSFL to partially finance the construction of 8,000 residential housing units. On 15 April 2024, BSFL appointed a Fund Administrator to manage this process. However, as the process of raising finance from private investors was deemed to be time-consuming, the contract of the Fund Administrator was terminated in December 2024. In September and October 2024, a total amount of Rs 18.4 million has been paid to the Fund Administrator by BSFL, resulting in unnecessary expenditure.

▪ **Existence of two State-Owned Companies to be re-assessed**

Disbursement of Funds by the Government as investment in MHHL under Vote Centrally Managed Initiatives of Government is as follows:

- (i) In the financial year 2023-24, an amount of Rs 11 million was transferred to MHLL, being Rs 10 million as seed capital to acquire shares in BSFL, and Rs 1 million as seed capital of MHHL.
- (ii) In July 2024, a total amount of Rs 6 billion was transferred as equity injection to the MHHL.
- (iii) In June 2025, a sum of Rs 20 million was transferred to meet the operating expenses of the MHHL and the BSFL.

Findings

- The BSFL had not been able to meet its objective of raising finance from private investors, and ultimately led to reliance on contributions from the government to pay contractors.
- The creation of MHHL, for transferring of funds to its subsidiary BSFL for onward transfer to the NSLD to pay contractors, involved huge administrative costs, especially in terms of board member fees and legal/professional fees, which could have been avoided had the fund been transferred directly to NSLD.

Recommendation

The Ministry of Finance should assess whether the current multi-entity structure involving MHHL, BSFL, and NSLD is currently serving its initial purpose and to take appropriate decisions accordingly.

5.7.1.1 Pension Funds – Deficit of Rs 238.9 billion

Background Information

According to IPSAS 39 ‘*Employee Benefits*’, an entity shall recognise the net defined benefit liability/(asset) in the statement of financial position. The net defined benefit liability/(asset) is the deficit or surplus calculated by deducting the fair value of plan assets from the present value of the defined benefit obligations.

The Net Defined Benefit Liability of Government and Statutory Bodies and Local Authorities amounting to Rs 238.9 billion is shown in Table 5-30 and which represented 33.3 per cent of Gross Domestic Product (GDP).

Table 5-30 Net Defined Benefit Liability

	Financial Year	Rs (billion)
Government	30 June 2025	178.0
Local Authorities	30 June 2024	9.8
Statutory Bodies	30 June 2024	51.1
Total		238.9

Source: Financial Statements of Budgetary Central Government, Statutory Bodies and Local Authorities

Findings

- **Defined Benefit Plan deficits – Net Defined Benefit Liability for Government of Mauritius Rs 178 billion**

The defined benefit plan deficit for the Government of Mauritius as at 30 June 2025 amounted to Rs 178 billion compared to Rs 149.9 billion as at 30 June 2022.

Thus, the Net liability increased by Rs 28.1 billion representing 18.7 per cent over the 3 years.

It is to be noted that the deficit represented the present value of the defined benefit obligations. Fair value of plan assets was nil as all contributions were credited to the Consolidated Fund. The pension plan was unfunded.

- **Defined Benefit Plan deficits – Local Authorities and Statutory Bodies Rs 60.8 billion**

The defined benefit plan deficits of Statutory Bodies and Local Authorities increased from Rs 46.0 billion as of 30 June 2022 to Rs 60.8 billion as of 30 June 2024, that is an increase of Rs 14.8 billion representing 32.5 per cent.

Based on the Financial Statements submitted for the financial year ended 30 June 2024, the following were noted as shown in Table 5-31.

*Table 5-31 Pension Fund Deficits of Statutory Bodies and Local Authorities
as of 30 June 2022 to 30 June 2024*

SN	Statutory Bodies and Local Authorities	30 June 2024 Rs	30 June 2023 Rs	30 June 2022 Rs	% Increase / (Decrease) June 2022 to June 2024
Statutory Bodies					
1	Private Secondary Education Authority (PSEA)*	14,533,180,440	12,704,202,720	10,754,395,586	35
2	Central Electricity Board	6,921,808,000	5,727,480,000	5,628,042,000	23
3	Mauritius Revenue Authority	7,385,805,971	5,124,840,087	4,223,281,212	75
4	Central Water Authority	2,843,130,503	2,586,827,712	2,480,036,073	15
5	University of Mauritius	2,622,246,334	2,077,277,071	1,851,267,164	42
6	Mauritius Cane Industry Authority	1,829,078,101	1,521,575,727	1,522,273,929	20
7	Mauritius Broadcasting Corporation	1,811,731,632	1,583,447,412	1,407,928,967	29
8	Mahatma Gandhi Institute	1,916,051,993	1,586,843,449	1,343,661,001	43
9	Mauritius Institute of Education	1,354,650,195	1,288,825,317	1,269,573,662	7
		41,217,683,169	34,201,319,495	30,480,459,594	35
10	58 Other Statutory Bodies	9,783,880,051	-	-	-
11	56 Other Statutory Bodies	-	-	6,772,852,317	-
12	53 Other Statutory Bodies	-	7,818,962,846	-	-
	Total for Statutory Bodies	51,001,563,220	42,020,282,341	37,253,311,911	37
Local Authorities					
1	The City Council of Port Louis	2,320,880,206	2,126,138,973	2,104,586,895	10
2	Municipal Council of Curepipe	1,079,983,997	1,134,893,940	1,129,000,798	(4)
3	Municipal Council of Vacoas /Phoenix	1,263,453,788	1,234,395,269	1,183,186,514	7
4	Municipal Council of Beau Bassin /Rose Hill	1,275,161,002	1,147,920,319	1,085,824,818	17
5	Municipal Council of Quatre Bornes	991,912,061	900,577,500	830,801,692	19
	Total of City and Municipal Councils	6,931,391,054	6,543,926,001	6,333,400,717	9
6	District Councils	2,901,747,757	2,852,801,796	2,402,126,104	21
	Total for Local Authorities	9,833,138,811	9,396,727,797	8,735,526,821	13
	Gross Total	60,834,702,031	51,417,010,138	45,988,838,732	32

Source: NAO Analysis of Statutory Bodies and Local Authorities Financial Statements

*Figures for PSEA as of 30 June 2024 were based on the SICOM Statement, as Financial Statements for 2023-24 were not yet submitted to NAO.

- (a) The aggregate pension deficit of 67 Statutory Bodies amounted to Rs 51 billion as of 30 June 2024.
- (b) The aggregate pension deficit for the 12 Local Authorities increased from Rs 8.7 billion as of 30 June 2022 to Rs 9.8 billion as of 30 June 2024.
- (c) Nine of the Statutory Bodies had aggregate deficits of Rs 41.2 billion and 5 of the Local Authorities had aggregate deficits of Rs 6.9 billion as of 30 June 2024.

Recommendation

The Ministry of Finance must conduct a fiscal risk assessment of the long-term net defined pension liability and deficit implications on public finances and take appropriate corrective measures to ensure that future pension obligations are met.

5.7.1.2 Follow-up of Recommendations raised in the Audit Report 2023-24

The status on actions taken on key findings and recommendations since the publication of the Audit Report 2023-24 is summarised below. Out of 7 recommendations, 3 (43 per cent) have been implemented, 1 (14 per cent) has been partly implemented, 3 (43 per cent) have not been implemented including 1 case where Court decision is being awaited.

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Non-compliance with the Finance and Audit Act – (Page 183)				
1	From a sample of 40 Reports on Performance for the financial year 2022-23 examined, 10 reports did not include an implementation plan for remedial actions to prevent the recurrence of the shortcomings referred to in the Report of the Director of Audit. <i>(Pg 183, Para 8.1.1)</i>	The Ministry of Finance should draw the attention of the Ministries to comply with Section 4B of the Finance and Audit Act and to take appropriate remedial actions. <i>(Pg 183, Para 8.1.1)</i>	Several meetings and consultations were held with several Ministries/Departments to assist them in preparing their Annual Reports in line with Guidelines issued by the Ministry where Annual Reports should include Implementation Plan to address shortcomings identified in the Audit Report. The Ministry has issued a Budget Monitoring Circular Letter to all Supervising/Accounting Officers, whereby their attention was drawn to the shortcomings identified by the Director of Audit.	Implemented
Investment in Maubank Holdings Ltd – Rs 5.7 billion (Page 183)				
2	As of 5 September 2024, the disposal process was still ongoing. During the financial year 2023-24, the Government injected an additional amount of Rs 500 million as equity into the bank through MauBank Holdings Limited (MHL) to strengthen the bank's capital base and support its growth strategies. Since 2015, the Government has invested Rs 4.1 billion in equity in MauBank Ltd through MHL to meet regulatory capital requirements and expand its operations.	The Steering Committee of the Ministry of Finance should expedite the disposal of shares as per the Government's decision. <i>(Pg 184, Para 8.1.1)</i>	In view of the interim injunction before the Supreme Court, the disposal of MauBank Ltd cannot be undertaken at this stage.	Not Implemented (Court Case awaited)

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
	The government has not received any returns from these investments. (Pg 183-184, Para 8.1.1)			
Projects under Preparation: Financial Clearance not sought before award of contract (Page 184)				
3	In the following cases, the financial instruction was not complied with. Financial clearance was not sought before the contracts were awarded and payments had to be met under Vote Centrally Managed Initiatives of Government, Item 31113999 "Other Structures: projects under preparation". ▪ Upgrading of the Trou Chenilles Trail – Le Morne. ▪ Revamping of Professional Drivers Training Centre. (Pg 184-185, Para 8.1.1)	The Ministry of Finance should re-issue reminders to Ministries/Departments to request compliance with Financial Instruction No. 1 of 2019 and to exercise better financial control over the use of public funds. (Pg 185, Para 8.1.1)	The attention of the concerned Ministries/Bodies was drawn to strictly comply with relevant financial instructions and to seek financial clearance of this Ministry before taking any financial commitments, and to ensure that such a situation does not recur. The Finance and Audit Act was amended in the Finance Act 2025 to include the following provisions: "An accounting officer shall have the overall responsibility to ensure that (a) Effective and appropriate steps are taken to prevent unauthorised, irregular and wasteful expenditure. An adequate system is in place for the preparation, project management and contract administration of capital projects.	Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Disbursement of Funds to Rodrigues Business Park Development (RBPd) Co Ltd not supported by appropriate documentary evidence (Page 185)				
4	Disbursement of Rs 75 million in the financial year 2023-24 was effected in the absence of appropriate documentary evidence such as payment certificates duly certified by the Consultant. (Pg 185, Para 8.1.1)	The Ministry of Finance should ensure that the terms of the Loan Agreements regarding disbursement are complied with when releasing funds. (Pg 186, Para 8.1.1)	Consultations were held with relevant stakeholders to ensure that RBPd provide a copy of payment certificates duly certified by Project Engineer prior to any disbursement of funds.	Implemented
Key Performance Indicators not correctly set (Page 186)				
5	MoFEPD's KPI - "Percentage of Key Budget measures implemented" did not include infrastructure and non-infrastructure projects implemented by other Ministries/Departments even though MoFEPD's key function is to ensure effective budget execution and monitoring for the whole government. (Pg 186, Para 8.1.1)	The KPI of the Ministry of Finance should be reviewed, taking into consideration both infrastructure and non-infrastructure measures implemented by all Ministries/Department. (Pg 186, Para 8.1.1)	MOF is not directly accountable for the implementation of Infra and Non-Infra measures under other Ministries/Departments. While MOF can assist and closely monitor the implementation of the measures, the onus is on the Ministries/Departments.	Not Implemented
6	The KPI for the Mauritius Revenue Authority (MRA), which was "Arrears collected as a percentage of total collectible arrears at the start of the year," does not reflect the main service of the MRA. (Pg 187, Para 8.1.1)	The Ministry of Finance should ensure that the KPI for MRA also includes the "Percentage increase in revenue collection" as an indicator of performance, over and above debt collection. (Pg 187, Para 8.1.1)	The percentage increase in revenue collection depends on a number of factors including any tax measures taken and the economic situation. One major issue is the arrears of revenue. Thus, this KPI has been included to ensure that MRA makes every effort to collect these arrears.	Not Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Pension Funds – 74 Public Sector Bodies reported Deficits totalling Rs 51.4 billion as at 30 June 2023 (Page 187-189)				
7	The aggregate pension deficit of 62 Statutory Bodies amounted to Rs 42 billion. The aggregate pension deficit for 12 Local Authorities increased from Rs 7.1 billion as of 30 June 2021 to Rs 9.4 billion as at 30 June 2023. As at 30 June 2023, 9 of the Statutory Bodies and 5 Local Authorities had aggregate deficits of Rs 34.2 billion and Rs 6.5 billion, respectively. (Pg 188, Para 8.1.2)	Necessary measures should be taken to ensure that the public sector bodies meet their future pension obligations. (Pg 189, Para 8.1.2)	The Ministry has taken a number of measures to improve the financial position of the pension funds. These include: ▪ Following consultations with SICOM, funds amounting to Rs 400 million were injected in both financial years 2023-24 and 2024-25. ▪ For financial year 2025-26, an amount of Rs 1.5 billion has been provided, of which Rs 370 million has already been injected into 59 pension funds. (September 2025). Government has set up a Committee of Experts to review the whole pension fund system in Mauritius, including pension funds for Statutory Bodies and Local Authorities.	Partly Implemented

5.7.2 PROCUREMENT POLICY OFFICE

5.7.2.1 Follow-up of Recommendations raised in the Audit Report 2023-24

The status on actions taken on key findings and recommendations since the publication of the Audit Report 2023-24 is summarised below. The 2 recommendations (100 per cent) have been partly implemented.

SN	Findings	Recommendations	Procurement Policy Office's Response as of January 2026	NAO's Comments
Non-Compliance with Procurement Rules/Regulations/Directives (Page 189)				
1	<i>Non-compliance with Directive No. 47 – Mandatory use of e-Procurement System.</i>	▪ PPO should ensure enforcement of Section 60 of the PPA 2006.	• Section 60 of the PPA concerns offences applicable for contravention with the provisions of Public Procurement Act only. It does not apply to Directives issued by PPO.	Partly Implemented
2	As at 30 June 2024, out of 273 public bodies, only 112 were accessing the e-PS, representing 41 per cent. (Pg 189, Para 8.1.3) <i>All Stages of Procurement Process not conducted in e-PS.</i> For the financial year 2022-23, 98 per cent of the bid reached the opening of the bid stage and only 2 per cent up to the evaluation stage. For the financial year 2023-24, Bids reaching the evaluation stage declined further to 1.5 per cent. Directive No. 47 requires public bodies to maintain a register of non-e-PS procurements and submit quarterly returns to the PPO; however, no public body submitted such returns. (Pg 190, Para 8.1.3)	▪ Effective use of e-PS by Ministries and Departments to improve transparency and accountability and facilitate the flow of information to stakeholders. (Pg 193, Para 8.1.3)	• Most public bodies that have not yet used the e-PS are small organisations not having the required number of staff to perform the different roles assigned by the e-PS. • PPO is working on a more efficient e-Government Procurement System, which would resolve the issue of role assignment. Public Bodies, including the CPB have been trained in a phased manner to extend the use of e-PS up to at least the evaluation stage.	Partly Implemented

SN	Findings	Recommendations	Procurement Policy Office's Response as of January 2026	NAO's Comments
	<i>Non-submission of Return on Procurement Activities</i> For the financial year 2023-24, out of 273 public bodies, 61 and 132 have not yet submitted ROPA for the period July to December 2023 and January to June 2024 respectively. (Pg 190-191, Para 8.1.3) Information on the Performance of Suppliers, Contractors, and Consultants rated as a poor performer was not being posted by Ministries/Departments on the portal designated by the Policy Office in line with Circular No. 3 of 2024. (Pg 191, Para 8.1.3) When submitting their returns on procurement activities, public bodies did not submit a brief report in respect of procurement that have exceeded the lead time in line with Directive No. 13. (Pg 191, Para 8.1.3) There was no evidence that Progress reports of works and that of the Performance Review Committee in relation to projects exceeding Rs 300 million were submitted by public bodies on a quarterly basis in line with Directive No.62. (Pg 192, Para 8.1.3)		Feedback from several public bodies has highlighted that the current online bid evaluation process is excessively time-consuming. To address these concerns, this office has initiated steps to acquire a more modern, efficient and user-friendly system. • This Office has issued reminders to defaulting public bodies that non-provision of information may constitute an offence. Public bodies have started complying. • Public Bodies are using the portal to post the performance ratings of suppliers rated as poor performers. • PPO has reiterated to Accounting Officers on two occasions through issue of Circular 7 of 2025 and Circular 9 of 2025 that they should comply with their ROPA submission. • Public Bodies have reported an acute shortage of procurement staff which hinders the manual compilation of data. To address this issue, the new e-procurement System (e-PS) will be designed to facilitate and streamline data capture.	

SN	Findings	Recommendations	Procurement Policy Office's Response as of January 2026	NAO's Comments
			Circular 2 of 2026 has been issued informing Public Bodies that henceforth all progress report shall be submitted to Project Management and Contract Administration Unit.	

5.7.3 MAURITIUS REVENUE AUTHORITY

5.7.3.1 Revenue Collection

Background Information

The Mauritius Revenue Authority (MRA) is responsible for collecting revenue, administering tax laws, and ensuring tax compliance in Mauritius. It collects around 90 per cent of all government tax revenues. For the financial year 2024-25, the MRA collected approximately Rs 162 billion as compared to Rs 142 billion in the financial year 2023-24, with a rise of 10 per cent in the number of registered taxpayers.

As of 30 June 2025, the total outstanding tax debt stood at Rs 56 billion. The MRA disbursed some Rs 21 billion under various financial assistance schemes.

Total tax collections have shown consistent growth from financial years 2020-21 to 2024-25, as shown in Table 5-32.

Table 5-32 Details of Tax Collection from Financial Year 2020-21 to 2024-25

Tax Types	FY 2020-21 Rs Billion	FY 2021-22 Rs Billion	FY 2022-23 Rs Billion	FY 2023-24 Rs Billion	FY 2024-25 Rs Billion
Income Tax- Individuals	11.45	13.94	15.63	13.38	14.30
Income Tax- Companies & Bodies	11.76	16.45	22.54	28.42	29.81
Tax Deduction at Source	1.81	2.17	2.95	3.77	4.19
Value Added Tax	10.79	13.56	20.05	25.62	26.98
Contribution Sociale Generalisee(CSG)	5.25	8.35	9.51	10.90	12.65
Taxes on National Lottery, Horse Racing and Casinos	1.77	1.93	2.71	2.66	2.83
Others	2.77	3.44	3.90	4.07	5.69
Corporate Climate Responsibility					4.91
Revenue –Other Taxes	45.60	59.84	77.29	88.82	101.36
Revenue -Customs	37.75	46.56	50.80	50.70	60.22
Total Revenue	83.35	106.40	128.09	139.52	161.58

Source: MRA Database

Findings

- Total collections increased from Rs 83.35 billion in 2020-21 to Rs 161.58 billion by financial year 2024-25, a rise of 94 per cent with significant increases noted for Income Tax from Companies and Bodies and Value Added Tax collections. Besides, the Contribution Sociale Généralisée (CSG) had reached Rs 12.65 billion in the financial year 2024-25.
- For the financial year 2024-25, the revenue collection budget was set at Rs 179 billion, while actual collections amounted to Rs 162 billion, resulting in an estimated shortfall of about Rs 17 billion for key tax categories.

Financial Assistance Schemes

The MRA was also mandated to implement income support schemes. An amount totalling some Rs 20,781 million as at 30 June 2025 was disbursed for the financing of 24 distinct schemes.

Over the past 3 years, total expenditure on the Financial Assistance Scheme (FAS) had increased significantly from Rs 5.65 billion in financial year 2022-23 to Rs 20.8 billion in financial year 2024-25. This indicated a rapid expansion of the MRA's role as a disbursement agency.

In financial year 2024-25, several major new schemes were introduced, including the School Allowance Rs 2,087 million, the 14th Month Bonus Rs 1,375 million, and the Child Allowance Rs 1,213 million. The CSG Income Allowance remained the largest scheme, amounting Rs 10,777 million. It accounted for 52 per cent of total disbursements during financial year 2024-25 as shown in Figure 7.

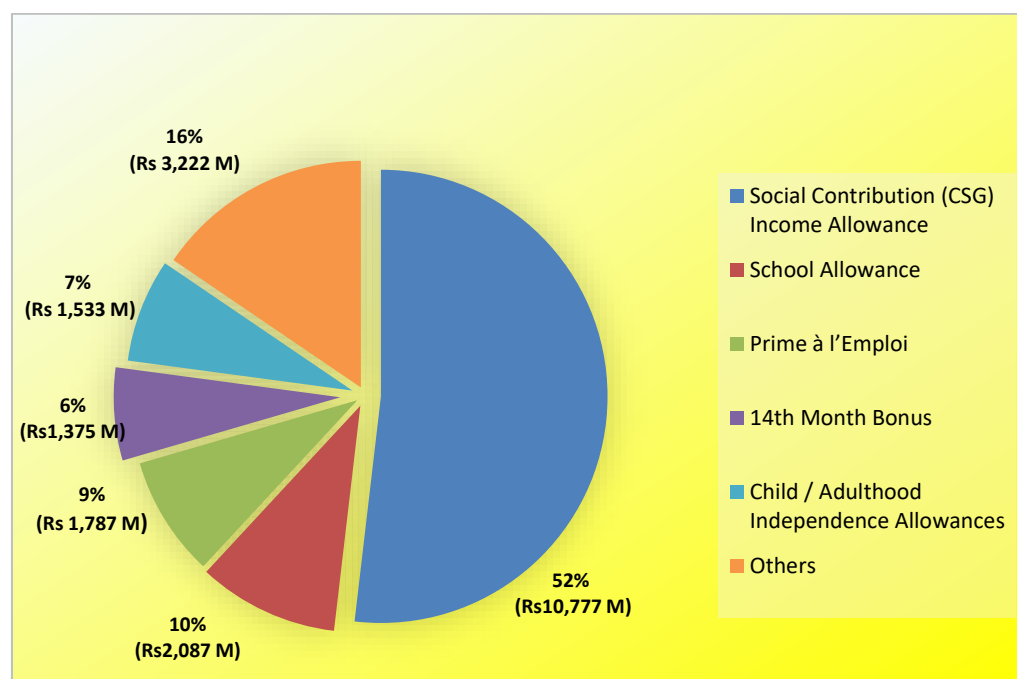


Figure 7 Financial Assistance Schemes

Findings

Oversight and Monitoring of Financial Assistance Schemes

- The MRA prepared monthly management reports, and monitoring of the schemes was performed on a quarterly basis. However, these activities were largely limited to data analysis.
- Payment eligibility was mainly based on beneficiaries' self-declarations and employer returns, CSG, PAYE and other returns, with little independent verification before funds were disbursed. Hence, MRA was unable to identify beneficiaries who were not eligible for the schemes.
- Post-payment monitoring and performance evaluation systems were limited. Investigations were initiated through public complaints to detect and address potential fraud or abuse. Hence, the risk that payments were made to ineligible beneficiaries exists.

Root Cause

Weak oversight had restricted the organisation's ability to perform systematic verification.

Recommendations

- The MRA should strengthen oversight on the disbursement of income support schemes to minimise the risk of potential fraudulent practices.
- The MRA, in coordination with the Ministry of Education and Human Resource, the Ministry of Finance and other stakeholders, should implement a verification mechanism before payment processing to strengthen accountability and ensure that the scheme's objectives are effectively achieved.

MRA's Response

- Eligibility criteria are specified in the applicable legislations and are verified through in-built automated validation rules before disbursement.
- Public complaints are used primarily to identify non-compliant employers being the reason for which eligible beneficiaries are not paid their allowances.
- The legislation has not included school attendance as an eligibility criterion nor given the powers to the MRA to introduce such a criterion, and it would be ultra vires for the MRA to implement such criteria under the current legislation.

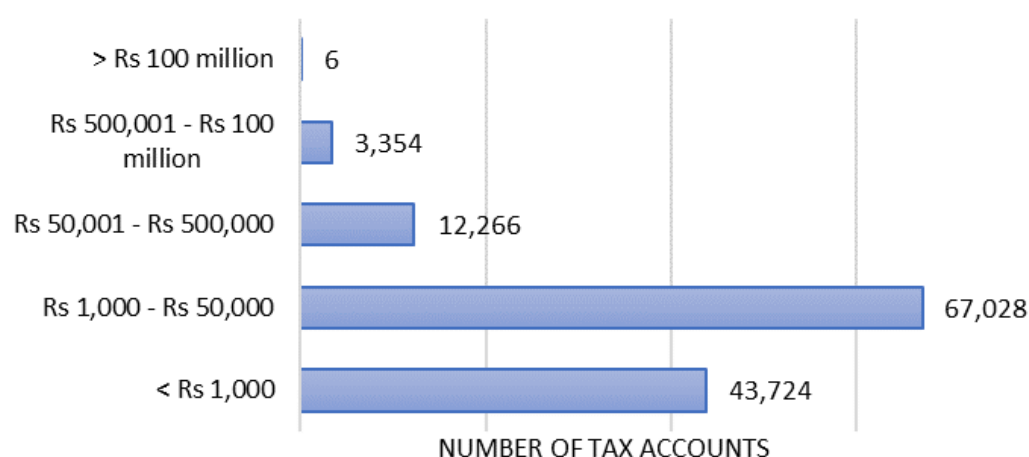
Arrears of Revenue – Rs 55.8 billion

As of 30 June 2025, the total arrears of revenue amounted to Rs 55.8 billion, compared to Rs 49.5 billion as of 30 June 2024, representing a 13 per cent increase. Some 60 per cent of these arrears consisted of unsettled/pending debts.

Collectible debts refer to amounts that remain recoverable through enforcement and follow-up actions, or payment arrangements with taxpayers. The unsettled/pending debts include tax claims under objection at the MRA, cases at the Assessment Review Committee (now known as the Revenue Tribunal) and tax assessments where objections can still be filed within 28 days, known as ‘sum otherwise not due’.

▪ Collectible Debts

The Debt Management Unit (DMU) is responsible for the collection of tax revenue through the appropriate enforcement actions such as Agreements, Attachment Orders, Distress Warrants, Inscription, Contrainte, Objection to Departure and Prosecution. An analysis of the collectible debts is illustrated in Figure 8, categorised by the range of amounts, which shows that the most significant number of cases relates to debt below Rs 50,000.



Source: Debt Management Unit (DMU)

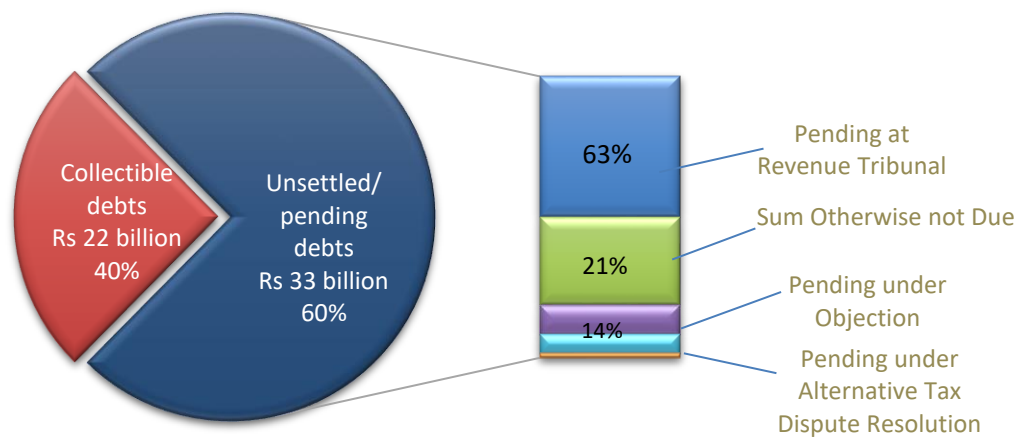
Figure 8 Total Collectible debts as at 30 June 2025 by debt amount

▪ Enforcement Actions

During the financial year 2024-25, a total of 46,120 enforcement actions were taken, compared to 29,927 in the previous financial year. However, a decrease of 13.5 per cent in collections was noted compared to the previous year’s collections.

▪ Unsettled/Pending Debts

The unsettled/pending debts have always been a larger part of total arrears of revenue mainly due to a high percentage of cases being examined at the Revenue Tribunal as illustrated in Figure 9.



Source: Statement of Arrears of Revenue 30 June 2025

Figure 9 Arrears of revenue and composition of unsettled/pending debts 30 June 2025

Root Cause

The increase in the number of new collectible debts and limited staff capacity within the DMU are factors that can ultimately affect the overall efficiency and timeliness of debt recovery efforts.

Recommendation

The MRA should consider increasing staff resources and restructuring the Debt Management Unit to improve its capacity to manage and recover the growing volume of collectible debts.

MRA's Reply

The significant increase in collectible debts and decrease in unsettled/pending debts is mostly related to specific cases shifting from unsettled/pending debts to collectible debts.

The Objections, Appeals and Dispute Resolution Department

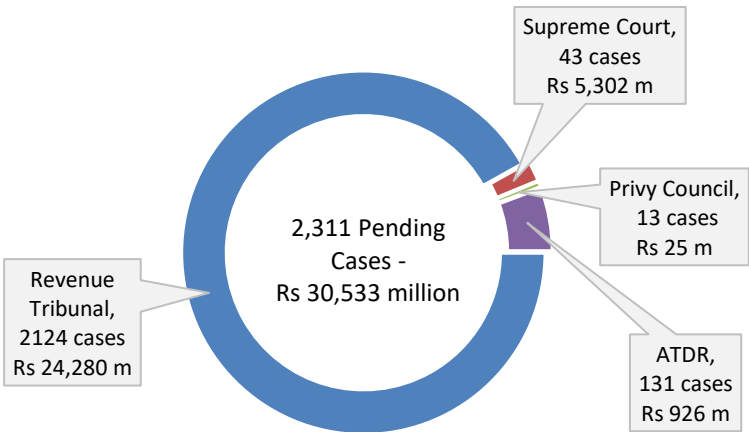
The Objections, Appeals and Dispute Resolution Department (OADRD) is responsible for handling all tax litigation cases arising from objections lodged by taxpayers who are not satisfied with the assessments raised by other compliance departments.

▪ Status of Cases at Objection Level

For the financial year 2024-25, a total of 3,349 new objection cases amounting to Rs 14.2 billion were lodged with the OADRD as compared to 3,179 cases for an amount of Rs 11.5 billion for the financial year 2023-24, reflecting a high level of disputes regarding tax assessments.

The assessed amounts for these cases increased significantly, which showed the complexity of the cases. Additionally, refunds from taxpayers dropped sharply from Rs 63.5 million in financial year 2023-24 to Rs 19.0 million in financial year 2024-25.

Cases pending before the Revenue Tribunal, Supreme Court, Privy Council and Alternative Tax Dispute Resolution (ATDR) as at 30 June 2025 are shown in Figure 10.



Source: Database provided by OADR

Figure 10 Cases pending as of 30 June 2025

The highest number of cases with a significant amount of pending/unsettled debts was at the Revenue Tribunal for final determination.

An ageing analysis of cases pending at Revenue Tribunal is illustrated in Figure 11.

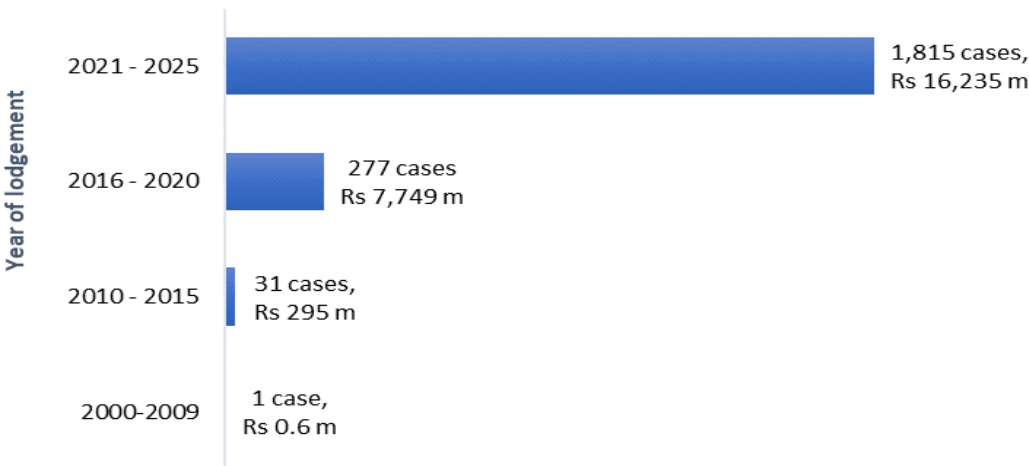


Figure 11 Age Analysis of Cases Pending at the Revenue Tribunal

- As at 30 June 2025, 15 per cent of the pending cases, amounting to Rs 8 billion, were lodged before the Revenue Tribunal between the year 2000 and 2020.

- Out of the 43 cases at the Supreme Court, 12 cases representing 28 per cent were filed during the period 2000 to 2020, reflecting that a substantial share of long-standing disputes originated in earlier years and continued through multiple stages of appeal.

Recommendation

The other compliance sections should, as far as practicable, address and resolve assessments at their own level.

MRA's Response

There is indeed an increasing trend in the number of objection and appeal cases over the years, it is therefore necessary for OADR to be adequately staffed to meet the increasing workload.

Fiscal Investigations Department (FID)

One of the FID's mandates is to combat tax evasion, tax fraud, tax crimes, and other financial offences under revenue laws. This is done through tax investigations, intelligence gathering, and collaboration with other law enforcement agencies.

Findings

- During the financial year 2024-25, 767 fiscal investigation cases were completed, resulting in an expected tax yield of Rs 2.6 billion. Out of this figure, 103 were VAT- Corporates cases amounting to Rs 1.1 billion.
- Out of the 314 cases completed for Income Tax (Individual) 115 cases were assessed with no yield while 84 out of the 206 cases completed for Income Tax (Corporates) did not have any tax liability. Cases with no tax liability represented about 38 per cent for the financial year 2024-25 compared to 24 per cent for financial year 2023-24.
- One of the objectives of the FID is to investigate and complete cases of tax fraud and tax evasion within a period of 6 months. However, some 200 cases were still not completed for more than a year.

Cases Completed During the Last Three Financial Years

Figure 12 and 13 show investigations that were completed during the last 3 financial years and shows a decreasing trend.

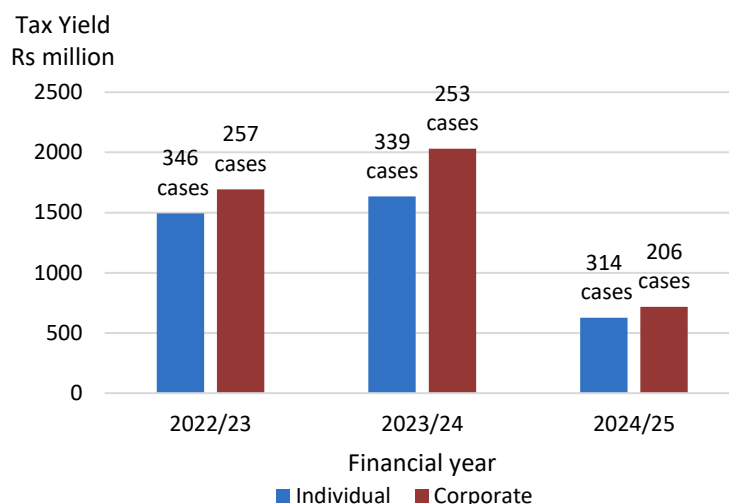


Figure 12 Number of Income Tax cases completed with total tax yield for the last 3 financial years

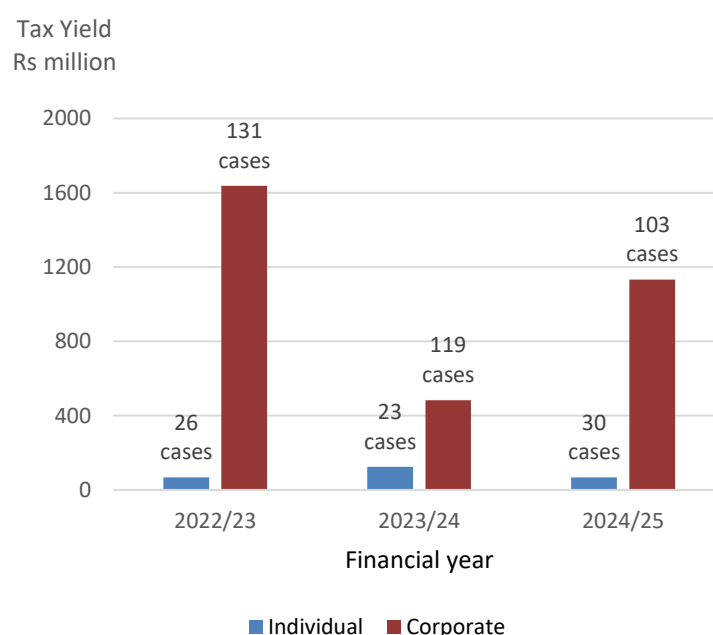


Figure 13 Number of VAT cases completed with total tax yield for the last 3 financial years

Findings

- The number of completed cases for income tax individuals and corporate tax decreased by some 9 per cent and 20 per cent, respectively.
- Tax revenue from income tax dropped by over 2 times for the financial year 2024-25 compared to financial year 2022-23. This reflected a decline of Rs 1.84 billion in income tax revenue. Meanwhile, the revenue from VAT-Corporate decreased by 1.4 times for fiscal investigations cases.

MRA's Response

- Fiscal investigations are intelligence-led and extend beyond a single taxpayer to related parties. These parallel or related investigations are conducted, whether or not immediate indicators of tax evasion are present.
- Investigation timelines are inherently affected by external, legal, procedural and administrative requirements beyond the Fiscal Investigations Department's control.

5.7.3.2 Amendments to the Income Tax Act and VAT Act

In the Finance Miscellaneous Provisions Act 2025, amendments were made to Section 130 (1) of the Income Tax Act and Section 37 (3) of the VAT Act. According to Section 130 (1) of the Income Tax Act, "the Director-General shall not assess for any period beyond two years of assessment prior to the year in which a return is filed." Similarly, Section 37 (3) of the VAT Act stipulates that "an assessment shall not be conducted for any period beyond two years following the last day of the taxable period in which a return is submitted."

Before these amendments, the Director-General had the authority to assess for a period not exceeding 3 years prior to the year in which a return was made for income tax and 4 years for VAT.

Finding

As of 30 June 2025, there were 512 outstanding income tax cases and 20 VAT cases. The recent changes in the laws would affect these outstanding cases, as investigations for certain years would now be time-barred. Furthermore, some complex cases may require more than 2 years to investigate.

Recommendation

Proper planning and monitoring of cases for investigations should be done to prevent cases from being time-barred and resulting in potential loss of revenue.

5.7.4 CUSTOMS DEPARTMENT

5.7.4.1 Arrears of Revenue

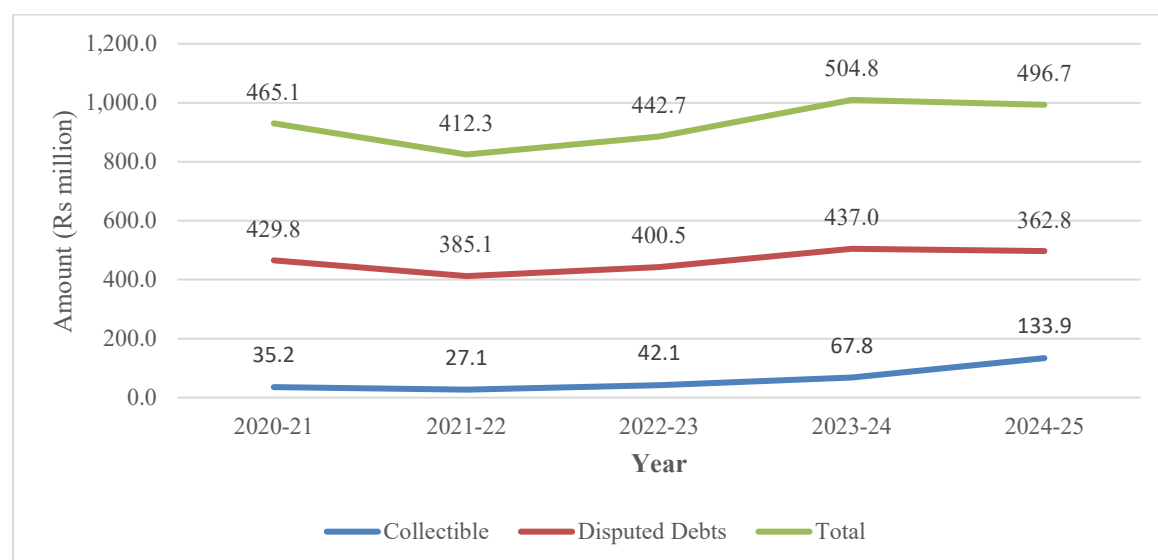
Background information

The Return of Arrears of Revenue for the Customs Department as at 30 June 2025 showed a total arrears figure of Rs 1,120 million, arising from 1,064 cases, out of which Rs 757.2 million were collectible debts and the remaining Rs 362.8 million were disputed debts. The collectible debts comprised an amount of some Rs 623.3 million representing duty and taxes owed by an importer in respect of petroleum products already discharged.

Findings

▪ Low Level of Collectible Debts over the Past Five Years

Collectible debts as a percentage of total arrears for the past 5 financial years are shown in Figure 14. The collectible debts for the financial year 2024-25 exclude the amount of Rs 623.3 million due by the importer of petroleum products.



**Excluding duty and taxes due on petroleum products*

Figure 14 Trend Analysis of Arrears of Revenue for the past 5 financial years

The percentage of collectible debts to total arrears increased to 27 per cent in financial year 2024-25, compared to 13 per cent in financial year 2023-24. The percentage increase was still low and was mainly attributed to lengthy enquiry and processing time in recovering the debts.

From the analysis of outstanding debts for the financial year 2023-24 and the collection of revenue in financial year 2024-25, NAO noted that:

- A total of Rs 3.5 million was collected representing less than one per cent of the disputed debts of Rs 437.0 million; and

- Some Rs 21.5 million out of Rs 67.8 million of collectible debts, representing 32 per cent, was collected.

MRA's Response

- The low level of collectible debts is mainly due to high level of disputed debts which is beyond the control of MRA Customs.
- The law provides that any person dissatisfied with a notice or assessment of claim has the right to dispute. The debts remain non-collectible until the cases are determined either at the Objection Appeal and Dispute Resolution Department (OADRD) or Assessment Review Committee (ARC).
- **Cases of Arrears Outstanding at MRA Departments and other Government Entities**

(a) Objection Appeal and Dispute Resolution Department

From a reconciliation and follow-up of outstanding cases as at 30 June 2024 and new cases referred to the Objection Appeal and Dispute Resolution Department (OADRD) during financial year 2024-25, the following were noted.

- Out of 51 cases referred to the OADRD involving Rs 60,731,492, an amount of Rs 20,271,963 was collected.
- 14 cases out of the 51 cases, amounting to Rs 26,912,261, were further referred to the ARC for determination which resulted in lengthier enquiry.
- 4 cases amounting to Rs 2,204,824 were adjusted and another 3 cases amounting to Rs 388,964 were either waived, under process or being paid by instalments.
- As of 30 June 2025, 19 cases amounting to Rs 11,958,075 were outstanding at the OADRD and were classified as disputed debts. As of November 2025, 7 cases out of the 19 cases, having arrears amounting to Rs 9,759,443 were referred to the ARC for determination.

(b) Assessment Review Committee

The total number of cases classified as non-collectible debts and referred to the ARC decreased from 306 as at 30 June 2024 to 191 as at 30 June 2025. An age analysis of debts is shown at Table 5-33.

Table 5-33 Age Analysis of Cases Outstanding at ARC

Details	No. of cases	Amount (Rs)
Less than 5 years	153	86,278,673
5 years or more	38	16,357,403
Total	191	102,636,076

Source: Return of Arrears of Revenue

A further analysis of cases referred to the ARC revealed the following:

As at 30 June 2025, out of the 306 outstanding cases as at 30 June 2024 amounting to Rs 171,570,680, only 12 cases, amounting to Rs 2,158,985, were settled, 13 cases amounting to Rs 85,400,592 were adjusted and another 8 cases amounting to Rs 26,812,320 were under recovery.

However, 162 cases involving a total amount of Rs 55,179,016 were still unresolved at the ARC as at 30 June 2025. The remaining 111 cases totalling Rs 2,109,767 were either waived, cancelled or were under process at Customs Department.

During the financial year 2024-25, 30 new cases amounting to Rs 44,618,465 (excluding interest and penalties) were referred to ARC and one case amounting to Rs 6,931 was settled.

Out of 191 outstanding cases at the ARC as at 30 June 2025, 118 involving arrears totalling Rs 61.2 million, representing 60 per cent of the total outstanding amount at the ARC, were from 8 debtors.

Two cases from one importer with arrears amounting to Rs 1.5 million were still under consideration at the ARC since the year 2012, more than 12 years.

MRA's Response

MRA informed that the decrease in the number of cases is mainly due to rulings given by the ARC in relation to different cases.

(c) Adjusted Cases

Thirty-six cases amounting to Rs 95.5 million were adjusted during the financial year 2024-25.

- (i) One importer owed Rs 85 million since the year 2018. The case which was initially disallowed by OADRD was referred to ARC. In September 2024, 6 years after, ARC ruled in favour of the importer due to lack of evidence.

The debt was adjusted to nil as at 31 December 2024 despite MRA appealed against the decision of the ARC in October 2024 at the Supreme Court. The amount disclosed as disputed debts in the return of arrears of revenue was, therefore, understated by Rs 85 million.

- (ii) Following the retrospective application of HS Code of solar water heaters equipped with electric boosters, an amount Rs 2.1 million was refunded to 2 companies.

(d) Court Cases

As at 30 June 2025, 4 cases involving total debts amounting to Rs 12.4 million, was unresolved and decisions of the Court was still being awaited for more than 10 years.

(e) Cases under Receivership

As of 30 June 2025, the total amount owed to Customs Department by entities under receivership amounted to Rs 30.9 million.

- (i) As of January 2025, an amount of Rs 157.7 million due from a company under receivership was reclassified to ‘Pending Review’ during the financial year 2024-25.

A memorandum of inscription was drawn up on 24 June 2025 for an amount of Rs 161.3 million, inclusive of interest and penalties.

- (ii) As at 30 June 2025, an amount of Rs 25.1 million owed by a company for which delays were noted in reviewing bills and raising Customs Offence Report. As at 9 June 2025, the joint receivers and the managers of the company stated that the receivership was ongoing. As at 30 June 2025, the amount was still due by the company.

Despite previous recommendations to strengthen its recoverability mechanism, significant amounts owed by the 2 companies remained largely uncollected, with legal and administrative hurdles complicating the process.

MRA’s Response

MRA informed that an update on cases under receivership has been requested on 9 December 2025. MRA has no effective control over the receivership procedures.

Root Causes

- OADRD was not effective enough in dispute resolution and in maximising revenue collection.
- Customs Department did not initiate appropriate timely actions to maximise collection from arrears. Hence, the recoverability mechanism remained ineffective

Recommendations

Customs Department should:

- Engage with key external stakeholders to address the bottlenecks in the process for recovery of arrears;
- Review the policies, procedures and operations of OADRD for it to be more effective in dispute resolution. This will enhance the efficiency of the recoverability of collection from arrears; and
- Proactively review and propose amendments to the legal framework to ensure that it has the necessary powers to act swiftly and effectively in recovering outstanding debts.

MRA's Response

- MRA is rigorously applying Part IVc (Collection and Recovery of Tax) of the MRA Act and other measures such as 'objection to departure' under Regulation 14(c) of the Passport Regulation to maximise collection of arrears.
- The following Sections of the MRA Act were amended by the Finance Act 2025:
 - (i) Section 28, where tax, penalty and interest due under an assessment issued, in respect of which proceedings before the ARC, Supreme Court or Privy Council, were pending as at 5 June 2025, the Director General shall waive 100 per cent of such penalty and Interest (Tax Dispute Settlement Scheme) under certain conditions.
 - (ii) Section 35 (b) in so far as it relates to payment of 5 per cent of the amount determined at the time of lodging a written representation to the ARC.
- Amendments were brought to the Customs Act as per Section 11(h)(iii) and (iv) of the Finance Act 2025 in so far as it relates to payment of 5 per cent of the amount of duty, excise duty and taxes specified in the written notice or 5 million rupees, whichever is the lower before lodging an objection to prevent frivolous objections.
- The dispute resolution process is lengthy and beyond MRA's control, resulting in delay for clearing of debts.

5.7.4.2 Excise Unit

Sugar Sweetened Products – Actual Excise Revenue Rs 1,065,941,602

Administration of Excise Duty on Sugar Sweetened Products – Monitoring and Control

Background Information

Mauritius introduced a tax on Sugar Sweetened Products (SSPs) in the form of excise duty in year 2013 to address challenges posed by Non-Communicable Diseases (NCDs) such as Diabetes. The tax was equally applied to imported products and local productions.

In the year 2016, excise duty on SSPs was extended to milk-based beverages, juices and other sugar sweetened beverages. Since its introduction, the rate of excise duty and the range of sugar sweetened products (SSPs) covered by the tax have been progressively increasing in subsequent budgets.

In the Excise Act, SSPs are defined as non-alcoholic beverages containing sugar, including juices, milk-based beverages, soft drinks and non-staple sugar sweetened food products.

Findings

▪ Lapses in Monitoring and Control of Excise Duty on Sugar Sweetened Products

- (i) For a sample of outlets selected, manufacturing and selling SSPs (such as coffees, juices, milkshakes, and smoothies), the Excise Unit could not verify whether they were paying the required excise duty, either upon import or as a local manufacturer. The company's name for 3 of the outlets could not be identified.
- (ii) The Excise Unit could not confirm if the sampled outlets procured the raw materials or ingredients on which, excise duty had already been paid by their suppliers. The names of the suppliers were not readily available as the Customs Department did not maintain appropriate records.
- (iii) The list of registered local manufacturers of SSPs was incomplete as the Excise Unit registered operators by company name, while the Excise Act defines a manufacturer as "*any person who manufactures excisable goods.*"

The sample of outlet for manufacturing and selling SSPs, selected for review, were not registered on the list of manufacturers and importers. The list of registered manufacturers of SSPs might not be complete.

Implications

- Compliance with the tax requirements under the Excise Act by the outlets and their suppliers could not be ascertained.
- The effectiveness of control mechanism may be affected as the Excise Unit may not be capturing details of all SSPs' manufacturers and sellers. This may impact revenue collection.

Root Causes

- There was inadequate control over the registration of manufacturers and sellers of SSPs.
- Customs Department did not have a proper mechanism to ascertain that excise duty has been paid on sugar content for SSPs manufactured and sold by outlets.

Recommendations

- Customs Department should maintain a comprehensive and updated register of manufacturers and sellers of SSPs, including trade names, outlet names and other associated company's names.
- The Excise Unit should request outlets/sellers of SSPs to submit details of their suppliers to enable verifications of tax payment at source and ensure excise duty has been levied.

MRA's Response

All companies are registered at MRA based on their registration with the Companies Division. The comments concerning the trade names and registered names have been noted and provisions will be made to ensure that trade name is captured at time of registration.

NAO's Comments

The Excise Unit should ensure that all manufacturers and sellers of SSPs are registered as excise operators and keep records of their suppliers for better control in ensuring that excise duty have been paid directly or indirectly on their SSPs.

Non-Compliance with Section 40 of the Excise Act - Unlawful Dealings

Enforcement of Excise Regulations - Section 33A and Excise Act Section 40 (1) (i)(j)

Background Information

Section 40 (1) (i)(j) of the Excise Act - Unlawful Dealings under Part VI – Offences and Penalties stipulates that:

“Any person who –

(i) being a licensee, without lawful authority, alters excisable goods by the addition of any substance or by the extraction of any of their constituents;

(j) has in his possession excisable goods which contain a substance which is or which renders or is likely to render the excisable goods injurious to health;

.... shall commit an offence and shall, on conviction, be liable to a fine not exceeding 100,000 rupees and to imprisonment for a term of not less than 18 months and not more than 3 years”

These provisions ensured that excisable goods are not altered without lawful authority and that no substances harmful to health are introduced during the manufacturing process.

In line with public health objectives and recommendations from the World Health Organisation, an excise duty was introduced to discourage the consumption of Sugar-Sweetened Products (SSPs). As such, SSPs have become excisable goods under the Excise Act. To comply with this tax policy and reduce sugar content in their beverages, several soft drink manufacturers have reformulated their products by substituting sugar with Non-Sugar Sweeteners (NSS).

However, international studies by the World Health Organisation and United Nations International Children's Emergency Fund have raised concerns about the potential adverse health impacts of excessive consumption of NSS and have recommended that artificially sweetened beverages also be monitored under taxation and regulatory frameworks to prevent unhealthy product substitution.

Findings

- NAO noted that manufacturers of certain SSPs such as soft drinks, used NSS as a sugar substitute. They submitted only a certificate of analysis of sugar content when there was any change in sugar content as per Section 33A (2) of Excise Regulations.
- However, it could not be ascertained if the required lawful authority for these alterations was obtained, as stipulated by Excise Act section 40(1)(i) and (j). There was non-compliance with Section 40(1)(i)(j) of the Excise Act with regards to alteration of SSPs.
- There was also no mechanism in place to verify whether the use of such substances was lawfully authorised, within safe limits and not injurious to health.
- There is a high risk that manufacturers would switch to NSS which is currently not subject to excise duty.
- Inadequate control as regards the quantity of NSS used in excisable goods could cause harmful health effects.

Root Cause

The Excise Unit did not take appropriate action in accordance with Section 40(1)(i)(j) of the Excise Act to ensure compliance by manufacturers altering SSPs.

Recommendations

- The Excise Unit should enforce Section 40(1)(i)(j)-Unlawful Dealings under Part VI – Offences and Penalties of the Excise Act.
- Customs Department should put in place a mechanism to engage with relevant authorities as regards the use of NSS in SSPs by taking into consideration the health issues involved.
- Customs Department could consider proposing to the authorities the introduction of excise duty on NSS as it is the practice in France, in order to mitigate the risks of adverse impact on the health and excise duty on SSPs.

MRA's Response

- Any change in the process of manufacture by the addition of NSS to a product does not, in any way, constitute alteration since it may or may not form part of the list of constituent ingredients of a finished product. The Parent Ministry will be informed of the use of artificial sweeteners in beverages.
- The MRA is awaiting legal advice to confirm whether addition of any substance to SSPs constitutes alteration.

Excise Duty on Motor Cars – Rs 1,729 million

Background Information

One of the responsibilities of the Customs Department is the collection of excise duties on motor vehicles. In the financial year 2024-25, the Customs Department collected Rs 2,184 million of excise duties on imported motor vehicles and motor cycles.

Section 76 (1)(c) of the Customs Act stipulates that “goods may be warehoused for a period of 24 months from the date of their entry for warehousing, in respect of goods entered as from 1 November 2017.” The Bond Unit is responsible for the implementation of trade facilitation measures relating to warehousing and ex-warehousing transaction for economic operators.

On 5 June 2025, Government in its Budget Estimate 2025-2026, reintroduced excise duty on hybrid and electric vehicles effective as from 6 June 2025. For conventional vehicles, the increase in the rates of excise duty was between 45 per cent to 100 per cent.

A transitional period was provided whereby the previous rates of excise duty would continue to be applied on a vehicle which, as at 5 June 2025, was already in a bonded warehouse, has already been shipped or for which an import permit has already been issued. However, the vehicle had to be cleared from the Customs Department on or before 30 June 2025.

From an analysis of records relating to motor cars cleared from bonded warehouse by the 6 operators in June 2025, the following shortcomings were noted.

Findings

▪ Abnormal Clearance of Vehicles from Bonded Warehouse

- (i) In the month of June 2025, 6 operators cleared a total of 3,191 vehicles from Customs Department which was higher compared to the average number of vehicles cleared during the other months of the financial year.

These operators were both the importer and consignee in these cases. In financial years 2022-23 and 2023-24, these operators had cleared only 535 and 751 vehicles respectively.

- (ii) From 6 to 30 June 2025, the 6 operators have cleared 2,845 vehicles to benefit from the transitional provision, despite the 24 months of warehousing period had not yet lapsed for most of these vehicles.
- (iii) One operator cleared 1,073 vehicles in June 2025 compared to an average of 355 during the other months of the year. From 6 June to 30 June 2025, the operator cleared 854 vehicles.
- (iv) Section 74 of the Customs Act stipulates that warehoused goods may be entered for home consumption, and according to Excise Regulations, “home consumption” is defined as “for use on the local market.” However, the Customs Department could not confirm whether the clearance of these vehicles was prompted by valid customers’ requests/orders.

- (v) The abnormal number of vehicles cleared from 6 to 30 June 2025 resulted in significant revenue foregone by the Customs Department.

Root Cause

- There was no effective coordination between the Customs Department and the authorities prior to the implementation of such measures.

Recommendations

- There should be effective coordination between the Customs Department and the authorities prior to policy formulation and implementation. This would help in identifying possible unintended effects which would impact on Government's revenue.
- Customs Department, through the MRA, should ensure that there are adequate safeguards to protect the interest of Government in securing revenue.

MRA's Response

- MRA acts as an agent of the State and is mandated to implement policy decisions in accordance with Customs laws.
- Implementation of the policy decision has been made in strict application of the Revenue (Temporary Protection) Act 1999 and the Excise Act as amended by the Finance Act 2025.

NAO's Comment

As per Section 4 of the MRA Act, one of the functions of the MRA is to advise the Minister and other relevant organs of the State on any matter relating to taxation or revenue law or administration. In this respect, the MRA should take appropriate actions to highlight issues to the relevant authorities whenever weaknesses in the implementation of the law are identified.

Delay in the Implementation of Cargo Village Project

Background Information

The Cargo Village Project is part of a larger airport master plan aimed at transforming the airport area into a world-class logistics and freeport zone. The Integrated Customs Clearance Centre (ICCC) is an integral part of the Cargo Village projects and it is the primary administrative and enforcement facility housing the Mauritius Revenue Authority, Customs Department and other key stakeholders. The ICCC serves as a centralised hub that brings together various government agencies and advanced technology under one roof to streamline the clearance of air cargo.

The MRA was the implementing agency for the construction of the ICCC on leased land at a total cost of Rs 564,832,557 and its primary objectives are to facilitate trade by streamlining and simplifying clearance procedures, reduce cargo dwell time to improve efficiency in the supply chain, enhance customs control to mitigate the risks of smuggling,

drug trafficking, and money laundering, amongst others. It is also designed to accommodate future operational growth and serve as a primary Business Recovery Centre during unforeseen events, ensuring continuity of critical customs operations.

All key stakeholders, including the MRA, were expected to operate their own facilities in the Cargo Village. The Customs Department started to occupy the Centre as from April 2022.

Findings

- As of October 2025, 3 years after ICCC started its operations, the Cargo Village project objectives remained unrealised despite an investment of Rs 564,832,557 in the construction of the building. In addition, annual costs for lease of land and maintenance of the building are incurred by MRA. For the financial year 2024-25, amounts paid for lease of land and for maintenance, cleaning and security services were Rs 1,833,451 and Rs 8,489,894 respectively.
- Only 4 of the 8 offices allocated to Other Government Agencies (OGAs) were intermittently occupied as at 25 October 2025. The other OGAs continued to operate from their original location.
- As of October 2025, the other key stakeholders, critical for the realisation of the Cargo Village project, had not yet moved to the new zone.
- Customs Department informed that the Cargo Village project falls under the purview of a State-owned company. The status of the project was unknown to Customs Department.
- As of October 2025, Customs Department informed that a decision has been taken in a high-level committee held on 21 August 2025 to optimise the utilisation of the ICCC building by relocating a pool of some 90 officers from several departments of the MRA.
- Customs Department informed on 9 December 2025, that a committee chaired by a State-owned company and including representatives from the Ministry of Finance and MRA was set up. It met regularly to review progress made and determine the way forward.
- The ICCC was not used for the intended purpose for which it was constructed. Hence, the objectives of the project was not achieved.

Root Cause

The Customs Department through the MRA, being the major stakeholder in the Cargo Village project, did not effectively engage with key stakeholders to ensure that the primary objectives of the project were met.

Recommendations

The Customs Department should:

- Assess the impact of the non-completion of the Cargo Village project on its operations and take appropriate remedial measures to address the gaps identified during the assessment to obtain maximum value for money from the investment made in the ICCC; and
- Engage with key stakeholders to ensure the completion of the project and achieve the primary objectives of the ICCC.

MRA's Response

- Some 75 Customs Officers have already been relocated to ICCC and some 20 additional officers will move by January 2026.
- The primary objectives of the ICCC can only be fully realised upon completion of the project.

NAO's Comment

The MRA, as the main stakeholder, should take appropriate actions to enable the project to materialise and improve administrative and enforcement facilities.

5.7.4.3 Follow-up of Recommendations for the Financial Year 2023-24

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2023-24 are summarised below. Out of 14 recommendations, 6 (42 per cent) have been implemented, 4 (29 per cent) have been partly implemented and 4 (29 per cent) have not been implemented.

SN	Findings	Recommendations	MRA's Response as at January 2026	NAO's Comments
Arrears of Revenue (Page 212)				
Low Level of Collectible debts over the past five years				
1	The percentage of collectible debts to total arrears increased from 3.8 per cent to 13 per cent over the financial years 2019-20 to 2023-24. Owing to lengthy enquiry and processing time in recovering the debts at the different departments of the MRA and other Government entities, Customs Department did not maximise its collection from arrears.	Customs Department should review its current recoverability mechanism and have a robust system for managing arrears effectively by: ▪ Strengthening its policies and procedures for revenue collection to minimise the occurrence of arrears;	Amendments were brought to: • The MRA Act as per Section 35 (b) of the Finance Act 2025, in so far as it relates to payment of 5 per cent of the amount determined at the time of lodging a written representation to the ARC; and • The Customs Act as per Section 11(h)(iii) and (iv) of the Finance Act 2025 in so far as it relates to payment of 5 per cent of the amount of duty, excise duty and taxes specified in the written notice or 5 million rupees, whichever is the lower before lodging an objection to prevent frivolous objections.'	Partly Implemented
2	From an analysis of debts for the financial year 2022-23 and collection in financial year 2023-24, NAO noted that: ▪ Only Rs 10.8 million was collected, representing 3 per cent of the disputed debts of Rs 400.5 million; and	▪ Implementing a system to detect cases of arrears early, and allowing for timely intervention; and		Not Implemented
3	▪ Some Rs 19 million was collected out of Rs 42.1 million classified as collectible (Pg. 212, Para 8.2.2) (a) Objection Appeal and Dispute Resolution Department As at 30 June 2024, although the number of cases at the Objection Appeal and Dispute Resolution Department (OADRD) decreased from 26 to 17, the total amount due increased from Rs 21.6 million in the financial year 2022-23 to Rs 27 million in financial year 2023-24. (Pg. 213, Para 8.2.2)	▪ Engaging with the policy makers to effectively address the loopholes. (Pg 214, Para 8.2.2)	These amendments would discourage frivolous objections and appeals with a view to delaying the payment of taxes due.	Implemented

SN	Findings	Recommendations	MRA's Response as at January 2026	NAO's Comments
	(a) Assessment Review Committee The total number of cases referred to the Assessment Review Committee (ARC) increased from 267 to 306 with total debts amounting to Rs 146.2 million and Rs 171.5 million in financial years 2022-23 and 2023-24, respectively. ➤ For 212 cases out of a total of 306, the arrears totalling Rs 124.5 million, representing 73 per cent of the total amount outstanding at ARC, were from four debtors. ➤ Two cases having arrears amounting to Rs 1.5 million were under consideration at the ARC since the year 2012. ➤ Eight cases involving one importer with debts totalling Rs 26 million were referred to ARC since the year 2015. In October 2024, that is after 9 years, the ARC ruled in favour of the Customs Department and the importer had to settle the debt by mid November 2024. However, the latter appealed against the decision of the ARC at the Supreme Court.		• Follow-up is being done on a regular basis by MRA Customs. • The two cases were still at ARC. Out of the 210 cases, the ARC ruled in favour of the Customs Department in 95 cases. • Recovery actions (attachment order on 07 January 2025 and Distress Warrant on 02 July 2025) were initiated on the company.	

SN	Findings	Recommendations	MRA's Response as at January 2026	NAO's Comments
	➤ Another importer owed Rs 85 million since the year 2018. The case which was initially disallowed by OADR was referred to ARC. In September 2024, 6 years after, ARC ruled in favour of the importer due to lack of evidence.		The case has been adjusted in the Statement of Arrears of Revenue (SAR) of December 2024.	
	In October 2024, MRA appealed against the decision of the ARC at the Supreme Court. (Pg. 213, Para 8.2.2) (b) Court Cases As of November 2024, in 4 cases out of 14 with total debts amounting to Rs 12.4 million, the decisions of the Court were still being awaited for more than 10 years. (Pg. 213, Para 8.2.2) (c) Receivership Cases As of 30 June 2024, the total amount owed by entities under receivership amounted to Rs 184.4 million, of which, two companies owed Rs 174.4 million. The Customs Department detained a final receivership report in November 2023 for a company which was under receivership since the year 2019 and owed an amount of Rs 153.5 million as at 30 June 2024. As of December 2024, the report was still under consideration by the Customs Department for appropriate actions. (Pg. 213, Para 8.2.2)		Out of the 14 cases, one case has been settled at court. The remaining cases are still at Court. Letter dated 30.07.2025 sent to request status from Court. As per draft SAR of June 2025, 17 cases are at Court. ▪ As per letter dated 09 June 2025 from the Receiver Manager, receivership was still ongoing. ▪ The case was referred to the Legal Services Department (LSD) for the way forward. On 14 May 2025, LSD advised that a monitoring exercise be carried out until the company is wound up or struck off from register. An Inscribed Privilege on the future assets of the company has been initiated on 24 June 2025.	

SN	Findings	Recommendations	MRA's Response as at January 2026	NAO's Comments
Petroleum Products – Arrears in Excise Duty (Page 214)				
4	An amount of some Rs 924 million due by a major importer as at 30 June 2024 was disclosed in the Return of Arrears of Revenue. The importer confirmed to NAO that an amount of Rs 1, 125 million in respect of Petroleum Products and Liquified Petroleum Gas was due to Customs Department as at 30 June 2024. A discrepancy of Rs 201 million was noted. The Statement of Arrears of Revenue was, thus, understated. (Pg 214, Para 8.2.2)	The Debt Management Unit (DMU) should reconcile the figure with Bonded Tanks Unit prior to the preparation of the Statement of Arrears of Revenue. (Pg 215, Para 8.2.2)	Mechanism has been put in place for Customs Department and the major importer to reconcile figures prior to report same in the Statement of Arrears of Revenue.	Implemented
Excise Duty collected on Beer (Page 215)				
5	(a)No Independent Check on Volume of Production Excise duty from local manufacturers was based on self-assessed returns, calculated on production volume based on raw materials used, to determine the volume of production of beer. The Excise Unit did not carry out an analysis of raw materials used with the reported volume of beer produced to ascertain the accuracy of excise duty collected. There is a risk that revenue may be forgone as discrepancies in the volume of beer produced may not be detected. (Pg. 215, Para 8.2.3)	The Customs Department should establish a protocol for independent and random verifications of declared production volumes with raw materials used for monitoring and control purposes. (Pg 215, Para 8.2.3)	Such approach has been implemented for the year 2024-25, tracking the total raw materials used on a monthly basis in relation to total production.	Implemented

SN	Findings	Recommendations	MRA's Response as at January 2026	NAO's Comments
6	(b)No Online Access to Manufacturers' Computerised Records The Excise Unit did not have online access at all times to the computer records of the 4 manufacturers as per Section 71A (3) of the Customs Act. There is limited assurance as regards to the accounting of goods in the warehouse of the manufacturers for monitoring purposes. As a result, the completeness and accuracy of the goods declared could not be ascertained. (Pg. 216, Para 8.2.3)	The Customs Department should ensure that the manufacturers comply with Section 71A (3) of the Customs Act by allowing access at all times to the computerised records to a proper officer of the Excise Unit. (Pg 216, Para 8.2.3)	Implementation of Warehouse Management System (WMS) at excise stations is not feasible due to the nature of activities which also involves change in HS codes at pre and post manufacturing.	Not Implemented
7	(c)No Post Clearance Audit carried out on Excise Duty collected on Beer The Post Clearance Audit (PCA) Unit did not conduct post clearance audit in the financial year 2023-24 and in past years, to examine the books and records relating to declarations on beer produced by a major manufacturer. There is a risk that any infringement relating to Excise duty may not be detected. (Pg. 216, Para 8.2.3)	Customs Department should ensure that the books and records of the major manufacturer of beer are subject to PCA to ascertain that the correct amount of excise duty on beer is declared and any infringement is timely detected. (Pg 216, Para 8.2.3)	PCA Excise Audit Team will carry out an audit of the major manufacturer during FY 2025-26.	Not Implemented
Excise Duty on Petroleum Products (Page 217)				
8	(a) No Independent Check on Volume of Petroleum Products Customs Department did not carry out an independent random check on the reading and measurement provided by the importer, through the surveyor.	As the excise duty collected on petroleum products is significant, Customs Department should carry out independent random checks on the reading and measurement provided by the importer. (Pg 217, para 8.2.4)	All readings and measurements conducted by the importer are carried out in the presence of Customs officers. In addition, Customs Department performs documentary checks using information from various sources, including the exporter, shipping line, importer,	Implemented

SN	Findings	Recommendations	MRA's Response as at January 2026	NAO's Comments
	This practice did not ensure proper segregation of duties between the taxpayer and the MRA, and could lead to revenue foregone. (Pg. 217, Para 8.2.4)		and surveyor, to ensure compliance. Customs officers are also physically present during dip-taking operations to verify accuracy and enforce compliance with the provisions of the Excise Act.	
9	(b)No Post Clearance Audit carried out on Excise Duty collected on Petroleum Products The PCA Unit did not carry an audit exercise on excise duty collected on petroleum products. There may be a risk of possible infringement that could not be timely detected. (Pg 218, Para 8.2.4)	The PCA Unit should carry out post-completion audit exercise on excise duty collected on petroleum products. (Pg 218, Para 8.2.4)	PCA for operators in the sector has been planned for FY 2025-26.	Not Implemented
10	Risk of the use of non-calibrated equipment The BTU did not ensure that equipment used by one surveyor for taking measurement of petroleum products discharged were duly calibrated at regular intervals prior to November 2023. The calibration certificates of equipment used by another surveyor appointed since November 2023 were received on 18 September 2024, some 10 months after. The BTU Unit did not keep a database with relevant details of the equipment used by the surveyors. (Pg. 218, Para 8.2.4)	The BTU should ensure that all equipment used by the surveyor for taking reading and measurement of petroleum products is duly calibrated at regular intervals. (Pg 219, Para 8.2.4)	The calibration of equipment used by surveyors is closely monitored by the BTU, and copies of the relevant calibration certificates are retained at the office. BTU cross-verifies the equipment used during dip measurements against the list of calibrated instruments. This list, submitted to Customs Department by the major importer is regularly reviewed to ensure that all equipment remains within its valid calibration period.	Implemented

SN	Findings	Recommendations	MRA's Response as at January 2026	NAO's Comments
			Copies of all calibration certificates, including details such as calibration dates and validity periods, are kept at the Bonded Tanks Unit and are closely monitored to ensure continued compliance.	
Port Surveillance (Page 219)				
11	In September 2024, the 5 patrol boats were damaged during an incident at Quay E. Following the incident, independent sea patrols operations of Port Surveillance and Enforcement Unit (PSEU) were impaired. Joint sea patrols were maintained with the National Coast Guard (NCG). However, the operations of PSEU were reduced by 60 per cent, with only 5 joint patrols per week compared to thirteen carried out independently and jointly each week prior to the incident. PSEU could not continue its independent sea patrols following the incident. <i>(Pg 219, Para 8.2.5)</i>	Customs Department should have a business continuity plan with respect to carrying out independent sea patrols and to effectively respond to unforeseen circumstances. <i>(Pg 219, Para 8.2.5)</i>	• Joint sea patrols with the National Coast Guard are being maintained 7 times a week. • Moreover, there is close monitoring of CCTV footages on a 24/7 basis. • In addition to joint sea patrols exercised by MRA Customs and NCG, there are land patrols that are conducted by various units of MRA Customs. • Acquisition of patrol boats is in progress	Partly Implemented
Prohibited Goods Detained at the Postal Traffic Unit (Page 220)				
<i>Long outstanding cases awaiting Forensic Science Laboratory Reports (Page 220)</i>				
12	There was no Memorandum of Cooperation between the Customs Department and the Forensic Scientific Laboratory (FSL). <i>(Pg 220, Para 8.2.5)</i>	Customs Department should have a Memorandum of Cooperation on its working arrangement with the FSL with clear timelines and expectations for prioritising and processing cases of illicit or prohibited goods amongst others.	• An MoU between MRA Customs and the FSL has been drafted and duly submitted to the FSL for onward transmission to the PMO. Consultation has already been initiated by the PMO.	Partly Implemented

SN	Findings	Recommendations	MRA's Response as at January 2026	NAO's Comments
13	▪ During the financial year 2023-24, the Postal Traffic Unit (PTU) sent 35 cases to the FSL for analysis. Out of the 35 cases, reports for 13 were received from the FSL. ▪ Moreover, there are 15 cases of detained goods sent to FSL for analysis since 2015 and as at November 2024, the reports were still being awaited. These cases were not properly followed up by PTU. Delayed reports from FSL could hinder timely appropriate actions. (Pg 220, Para 8.2.5)	Customs Department should follow up the long outstanding cases for appropriate actions. (Page 220, Para 8.2.5)	Customs has already liaised with the FSL for the long outstanding cases. A follow-up letter was sent to the FSL on 29 April 2025 requesting the status of the MoU.	Partly Implemented
Detained Currency (Page 221)				
<i>Delay in Placing Detained Currencies in an Escrow Account (Page 221)</i>				
14	As of September 2024, Customs Anti-Narcotics Section (CANS) detained foreign currencies of Rs 8.6 million relating to 11 cases for the period ending 30 June 2024. ▪ CANS informed that an amount of Rs 2.7 million relating to three cases were released in October 2024. Two of them totalling Rs 1.6 million dated since February 2024 and were kept at the detained room for more than 8 months. ▪ In another case, foreign currencies detained and amounting to Rs 728,000 were kept at the detained room for 7 months. It was detained since February 2024 and was released in September 2024.	The Anti Money Laundering Unit (AMLU) should ensure that procedures relating to detained currencies are initiated and are placed in an escrow account as per Customs procedures. (Pg 222, Para 8.2.6)	Accordingly, an additional trolley has been provided to MRA Customs, and the necessary arrangements are being made to gradually transfer the detained currencies from the airport to BOM.	Implemented

SN	Findings	Recommendations	MRA's Response as at January 2026	NAO's Comments
	As of October 2024, foreign currencies detained for period January to June 2024 and amounting to Rs 5.9 million were still kept at the detained room. AMLU did not initiate procedures for placement of these detained currencies with the Bank of mauritius (BOM) within 5 working days as per Customs procedures. Customs Department informed that these cases were under investigation since long. Keeping significant amount of detained currency beyond the required timeframe at the Customs detained room is risky. (Pg 221, Para 8.2.6)			

5.7.5 REGISTRAR-GENERAL'S DEPARTMENT

5.7.5.1 Follow-up of Recommendations raised in the Audit Report 2023-24

The status on actions taken on key findings and recommendations since the publication of the Audit Report 2023-2024 is summarised below. The 3 recommendations (100 per cent) have been implemented.

SN	Findings	Recommendations	Department's Response as of January 2026	NAO's Comments
Analysis of Arrears of Revenue between Pre and Post Computerisation 2015 (Page 232)				
1	At 30 June 2024, the Registrar-General's Department (RGD) had arrears of Rs 302 million, of which Rs 205 million related to periods before the coming of the Mauritius e-Registrar System (MeRS) system in 2014. The arrears also included an amount of Rs 17.4 million that could not be verified. (Pg 232, Para 8.4.1)	RGD should investigate long outstanding debts to ensure that only recoverable debts are accounted as arrears. (Pg 233, Para 8.4.1)	Write off procedures have been initiated for outstanding amounts of Capital Gains Tax, which has now been repealed. New measures have been initiated such as informing debtors within five days of inscription of privileges, and administrative facilities to allow settlement of debts by instalment. Rs 111 million of debts were forwarded to the Mauritius Revenue Authority pursuant to Section 42(B) of Land (Duties and Taxes) Act. No positive response has however been received. Other measures under consideration are: (a) the use of attachment orders; and setting up of a committee that will meet on a monthly basis to discuss issues regarding arrears.	Implemented

SN	Findings	Recommendations	Department's Response as of January 2026	NAO's Comments
2		Reconciliation should be carried out on a monthly basis by the Finance Section and appropriate action taken. <i>(Pg 233, Para 8.4.1)</i>	A reconciliation framework has been initiated for arrears of revenue in MeRS. Discrepancies were detected during the reconciliation exercise and have been reported to the System developer.	Implemented
3		RGD should set up a Debt Recovery Unit. <i>(Pg 233, Para 8.4.1)</i>	An Arrears Recovery Unit headed by an in-house Attorney has been set up in January 2025.	Implemented

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6- MINISTRY OF HOUSING AND LANDS

6.1 Significant Delays in Completing and Delivering of Social Housing Units

Background Information

The Ministry, together with the National Housing Development Company Ltd (NHDC) and its subsidiary, the New Social Living Development Ltd (NSLD) are mandated to deliver housing units to needy families.

Eligibility Criteria to benefit a Social Housing unit

The eligibility criteria to benefit from a social housing unit for both NHDC and NSLD were as follows:

- The applicant and spouse must not already own or co-own a house or land.
- The applicant and spouse must not already be beneficiaries of leased plot of land or of assistance for casting of slab or the purchase of building materials.
- The basic monthly income of the couple or applicant must not exceed Rs 48,000.

The income threshold was revised from Rs 40,000 to Rs 48,000 following the Budget Estimates 2025-2026 and the Government subsidy was revised to 67 per cent of the cost of a social housing units.

The social housing units were sold to beneficiaries by the NHDC.

Financing Costs - NHDC and NSLD Social Housing Units

NHDC Social Housing Units

For the financial years 2022-23 to 2024-25, Rs 1.7 billion was transferred by the Ministry to NHDC for the construction of 1,481 housing units.

NSLD Social Housing Units

For financial years 2021-22 to 2024-25, grants totalling Rs 433.8 million were released by the Ministry to NSLD to meet its operating and administrative expenses.

The NSLD was the implementing agency for the construction of 12,000 social housing units. The construction and offsite works were financed through the Projects Development Fund (PDF) of the Ministry of Finance. As of 30 June 2025, Rs 18.9 billion was transferred to the NSLD from the PDF to meet the costs of construction and the offsite works for 8,000 social housing units.

The estimated cost of one social housing unit, excluding offsite works, consultancy and land acquisition, was capped at Rs 2.74 million. In December 2024, the total costs of 8,000 social housing units, inclusive of all costs, was estimated at Rs 29.54 billion. The cost per unit worked out at Rs 3.69 million. Table 6-1 refers.

Table 6-1 Estimated Costs of 8,000 Social Housing Units

Details	Amount Rs million
Construction cost (Rs 2.74 million x 8,000 units)	21,920
Offsite works (electricity, water, drainage, etc)	5,524
Acquisition of land	994
Consultancy (including Project Management Consultants in Construction)	502
Sub Total	28,940
Price Adjustments	438
Additional Costs	158
Total Cost	29,536

Source: Housing Division

During the year 2023, contracts to the tune of Rs 21.9 billion were awarded to 13 contractors on 36 sites for the construction of 7,990 units. As of 11 September 2025, Rs 18 billion, that is, 82 per cent of the contract value, was paid to the contractors.

An amount of Rs 858.9 million was spent on acquisition of 163.26 arpents of land for 15 sites as per Table 6-2. The remaining social housing units were constructed on state lands.

Table 6-2 Costs of Land Acquisition

SN	Site	Area (Arpents)	Cost (Rs)
1	Pointe Aux Sables	19.10	60,044,626
2	Valetta	7.41	21,223,716
3	Notre Dame	3.52	10,558,772
4	Goodlands	12.35	55,586,200
5	Palma- La Source 1	18.15	169,570,231
6	Palma- La Source 2	4.67	41,806,500
7	Riambel/Surinam	6.13	65,650,299
8	Hermitage 1	5.53	25,745,597
9	Hermitage 2	15.47	47,276,194
10	Cote D'or	17.78	89,485,003
11	Arsenal	17.28	95,061,887
12	Balisson 1	18.52	98,079,138
13	Balisson 2	7.04	37,281,550
14	Reunion Maurel	9.88	34,777,232
15	Souillac	0.43	6,784,675
Total		163.26	858,931,620

Source: Ministry of Housing and Lands

As at September 2025, actual costs incurred on the project are as shown in Table 6-3.

Table 6-3 Actual Costs Incurred - Social Housing Project

Costs Item	Amount spent Rs million
Construction of Housing Units	18,017.6
Offsite Works	2,269.1
Land Acquisition	858.9
Project Management Consultants including Geotechnical Survey	496.8
Total	21,642.4

➤ ***Audit Report 2023-24***

At paragraph 4.1.1 of the NAO Audit Report 2023-24, NAO recommended the Ministry to:

- (i) Develop a mechanism to oversee and monitor the entire process of developing a comprehensive Strategic Plan for social housing.
- (ii) Assess the effectiveness of having 2 separate entities, NHDC and NSLD, for achieving the same objective, that is, construction of social housing units and take appropriate decision.

Ministry's Response

- It has initiated actions for the drafting of the Terms of Reference to seek expert technical assistance for the development of the National Housing Strategy in view of meeting its medium and long-term objectives.
- The contracts for the construction of NSLD housing units were awarded from April 2023 to August 2023 with contract duration from 335 to 802 days. Thus, the first housing units were scheduled to be delivered from August 2024.
- The construction of 7,652 housing units (7,204 units by the NSLD and 448 units by the NHDC) are ongoing across 40 sites. Some 5,000 housing units are expected to be completed during the financial year 2024-25.

Findings

▪ **National Housing Strategy not Developed**

In financial year 2024-25, Rs 500,000 had been budgeted for consultancy services to develop a National Housing Strategy, but no action was initiated. For the financial year 2025-26, an amount of Rs 10 million was budgeted for consultancy services for a Housing Policy Roadmap.

As of November 2025, a National Housing Strategy was not yet developed.

Ministry's Response

- The Terms of Reference for the appointment of a consultant to develop a sustainable and inclusive policy roadmap are being finalised prior to launching of the procurement exercise.
- The Ministry is also exploring the possibility of obtaining technical assistance from international organisations, such as UN-Habitat, to carry the exercise.

▪ Government Subsidy on Social Housing

Housing units are sold to beneficiaries with a subsidy of 67 per cent from the Government. The estimated cost of one housing unit excluding offsite works, consultancy and land acquisition was capped at Rs 2.74 million for NSLD social housing units. Government approved the selling price of each unit at Rs 975,000 and contributed the remaining balance of Rs 1.765 million.

The total cost of 8,000 units, inclusive of all other costs, was estimated at Rs 29.5 billion, with one unit costing Rs 3.69 million. The beneficiary is required to contribute Rs 975,000 and the remaining costs of Rs 2.72 million, that is, 73 per cent to be borne by Government.

▪ Increasing demand for Social Housing

As at 30 June 2025, the demand for housing units was 51,875 compared to 40,937 in July 2024. There has been an increase of 10,938, that is, 27 per cent over one year.

Ministry's Response

- The database of applicants at the level of the NHDC does not necessarily represent the actual number of eligible and interested applicants for social housing. The database includes individuals who are no longer eligible-for example, due to changes in income or who are no longer interested in a social housing unit.
- The database is now being updated by removing applicants who are no longer interested following eligibility assessments.
- The NHDC is exploring the possibility of developing a mobile application through which all applicants would be invited to update their information and reconfirm their interest. This initiative will provide a more accurate representation of the actual demand for social housing.

▪ Targets not met

(i) National Housing Development Company

For the financial year 2024-25, the Ministry targeted to construct 420 housing units over 8 sites as shown in Table 6-4.

Table 6-4 Targeted Housing Units-NHDC

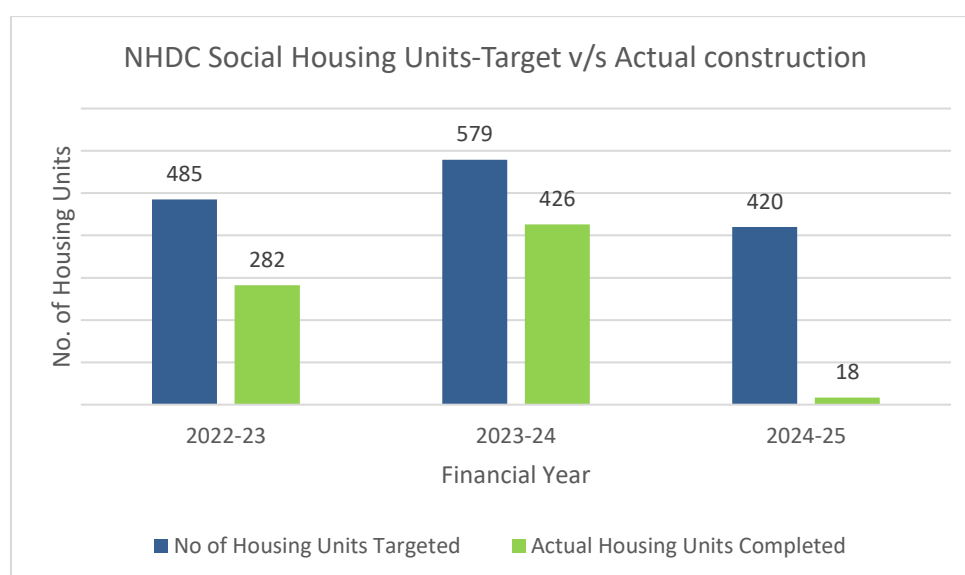
SN	Sites	Targeted Housing Units Financial Year 2024-25	Contractual Completion Date	Actual/New Expected Completion Date
1	Camp Ithier	72	28 March 2025	31 March 2026
2	Henrietta	47	4 May 2025	Completed
3	Melrose	49	23 January 2025	31 January 2026
4	Quatre Cocos	52	14 October 2024	31 March 2026
5	Sebastopol	30	24 December 2024	28 February 2026
6	Solitude I	18	5 August 2024	Completed
7	Solitude II	72	13 March 2025	31 October 2026
8	Souillac	80	Cancelled	Cancelled
Total		420		

Source: Housing Division and NHDC

Target was met for only one site, which was Solitude I, where construction of 18 social housing units were completed and 17 units delivered.

The reasons for NHDC's inability to meet the financial year 2024-25 target were attributed to adverse weather conditions, variation works and to change in the design arising from new requirements imposed by the relevant authorities.

For the past 3 financial years, 2022-23 to 2024-25, the actual number of housing units constructed was below the target as shown in Figure 1.



Source-Housing Division

Figure 1 NHDC Social Housing Units v/s Actual Constructed

Ministry's Response

- Solitude 1 and Henrietta were completed in August 2024 and September 2024 respectively.
- The projects at Melrose, Sebastopol and Solitude II are expected to be completed by January, February and October 2026 respectively. Two Projects, namely Quatre Cocos and Camp Ithier, are expected to be completed by March 2026.
- The number of housing units being constructed at Sebastopol has been revised from 30 to 26 as the site, has been declared flood prone by the Land Drainage Authority.
- Seven housing units have been omitted at Quatre Cocos due to high rock content.

(ii) New Social Living Development Ltd

From financial years 2021-22 to 2023-24, no housing units were completed. During the financial year 2024-25, 3,562 housing units were targeted to be completed and 2,778 units were actually completed. As at 7 August 2025, 3,086 units were completed and 41 units delivered. The delays in construction were due to delay in obtaining clearances from authorities, securing wayleaves and acquisition of additional plots of land for offsite works among others.

(iii) NSLD Constructed Housing units not delivered

As of 7 August 2025, 3,086 units were completed at 15 sites by the NSLD. Of the 15 sites, 8 sites were allocated to the NHDC for delivery whereas offsite works on 7 sites remained to be completed. Details are as follows:

- 1,264 housing units for 8 sites were allocated to NHDC for necessary actions to deliver to eligible applicants. As at August 2025, 797 cases were approved by the Housing Allocation Committee and 394 Letters of Offer were issued. Only 41 units were delivered at Olivia (Batch 1) where deeds were signed and keys delivered.
- The reasons for non-delivery of the remaining 1,822 units on 7 sites, among others, were that off-site roadworks and drain works and construction of lifting station for sewerage disposal were not yet completed. The expected completion dates for offsite varied between August 2025 to March 2026.
- On 2 sites, at Pointe aux Sables and Beaux Songes, additional land was to be acquired for the implementation of offsite works.

Ministry's Response

As at 12 November 2025, the NHDC had approved 1,104 applications for a housing unit, following which, 1,053 Letters of Offer had been issued.

▪ **Expiry of Defect Liability Period**

- (i) The 3,045 units not yet handed over to beneficiaries would result in completed units remaining unoccupied throughout the Defects Liability Period (DLP).
- (ii) DLP had expired in October 2025 for 368 housing units on 3 sites and on the remaining sites DLP would expire between November 2025 to May 2026.
- (iii) On 3 sites, Riche Terre 2, Camp Levieux and Beau Songes, where offsite works were required to be completed, the new expected completion date of offsite works was after DLP.

▪ **NSLD Housing Units – Significant Delay in Constructions**

All the works on the remaining 4,904 social housing units on 21 sites started in 2023. Except for 290 units, at Arsenal 2, which was expected to be completed in October 2025, all the remaining sites were contractually expected to be completed by latest July 2025.

As at September 2025:

- Construction had not yet been completed on the 20 sites and the Arsenal 2 site was 87.5 per cent completed. The delays in construction were due to delay in obtaining clearances from authorities, securing wayleaves and acquisition of additional plots of land for offsite works among others.
- No work started at Riambel for the construction of 70 social housing units, while initial payment of 25 per cent of contract amount, that is some Rs 56.2 million, had already been effected.
- At Balisson 1, Balisson 2 and Tyack for the 600 housing units, works were not yet completed. As at September 2025, 24 per cent were completed at Balisson 1 and 9 per cent at Balisson 2 and Tyack.

Ministry's Response

- As at 8 January 2026, the construction of 5,258 housing units had been completed. However, offsite infrastructure works, which are essential for the safe and functional occupation of the units, have been completed on only 3 sites namely at Valetta for 76 units, Reunion Maurel for 216 units and Malherbes for 68 units.
- The allocation of the housing units on these sites is ongoing and delivery of the units to eligible beneficiaries is being effected upon signature of the deed.
- The 3,698 housing units, inclusive of onsite and offsite works, are expected to be completed by 30 June 2026.
- The 3,062 housing units, inclusive of onsite and offsite works, are expected to be completed by 30 June 2027.

- The construction works for a total of 870 housing units at Balisson, Tyack, Souillac and Riambel are on hold as the contract with the contractor was terminated on 31 December 2025.

▪ **Effectiveness of NSLD not yet Assessed**

At paragraph 4.1.1 of the Audit Report 2023-24, NAO recommended the Ministry to assess the effectiveness of having 2 separate entities, NHDC and NSLD, for achieving the same objective, that is, construction of social housing units and to take appropriate decision.

To this end, the Ministry had requested the Office of Public Sector Governance (OPSG) to conduct an independent audit on the projects and activities of the NSLD since its creation. The exercise started in April 2025, and as of September 2025, a report was being awaited.

Ministry's Response

- On 6 November 2025, the Office of Public Sector Governance (OPSG) submitted to this Ministry the draft independent audit report on the projects and activities of the NSLD for views and comments. This Ministry submitted clarifications to the OPSG on 11 January 2026.
- The Shareholders of the NHDC, at their Annual General Meeting on 11 December 2025, decided to amalgamate the NSLD with the NHDC. The NHDC is working out on the modalities.

▪ **Site Visits**

Site visits were effected by NAO Officers on 12 sites in the presence of officers of the Ministry and NSLD on 13, 14, 15, 16, 29 and 30 October 2025.

The observations made during the visits and the percentage completion as reported in September 2025 are described below.

(i) Henrietta 3

92 Units were completed on an extent of 4.63 arpent. Figure 2 refers.



Source: NAO

Figure 2 Henrietta 3

- Works were completed but housing units not yet delivered.
- Weeds and bushes were seen at the entrance and backside of the housing units.
- In many housing blocks nesting of birds were seen and walls and ceiling were stained with dirt.

Ministry's Response

- General Housekeeping is ongoing by the contractor up to January 2026.
- All houses have been reinstated.
- 70 deeds are at the level of the Notary and are expected to be signed by mid-February 2026.

(ii) Balisson 1

290 units were expected to be completed on an extent of 18.52 arpents. Figure 3 refers.



Source: NAO

Figure 3 Balisson 1

- The construction site was deserted. No work was being carried out by the contractor.
- Construction works were 24 per cent completed.
- Rusted iron bars were seen in the open air.

Ministry's Response

- Delay is due to the poor performance of the contractor.
- The contract with the contractor was terminated on 31 December 2025.

(iii) Balisson Site 2

110 units were expected to be completed on an extent of 7.04 arpents. Figure 4 refers.



Source: NAO

Figure 4 Balisson 2

- The construction site was deserted. No work was being carried out by the contractor.
- Construction works were 9 per cent completed.
- Construction carried out until basement level only.
- Casted iron bars at the basement level were stained and rusted.

Ministry's Response

- Delay is due to the poor performance of the contractor.
- The contract with the contractor was terminated on 31 December 2025.

(iv) Tyack

200 units were expected to be completed on an extent of 12.65 arpents. Figure 5 refers.



Source: NAO

Figure 5 Tyack

- The construction site was deserted. No work was being carried out by the contractor.
- Construction works were 9 per cent completed.
- Construction reached up to the basement level only.
- Casted iron bars at the basement level were stained and rusted.
- Rusted iron bars were seen in the open air.

Ministry's Response

- Delay is due to the poor performance of the contractor.
- The contract with the contractor was terminated on 31 December 2025.

(v) Goodlands TC

184 units completed on an extent of 12.35 arpents. Figure 6 refers.



Source: NAO

Figure 6 Goodlands TC

- Works were completed. Minor repairs were being undertaken as per snag list.
- Housing Units were not yet delivered.

Ministry's Response

Minor repairs are expected to be completed by 29 June 2026, that is, the end of Defects Liability Period.

(vi) Reunion Maurel

216 units completed on an extent of 9.88 arpents. Figure 7 refers.



Source: NAO

Figure 7 Reunion Maurel

- Works were completed. Minor repairs were being undertaken as per snag list.
- Housing Units were not yet delivered.

Ministry's Response

- Minor repairs have been completed.
- 29 deeds are at level of Notary and are expected to be signed by mid-February 2026.

(vii) Riambel

70 units were expected to be completed on an extent of 6.13 arpents. Figure 8 refers.



Source: NAO

Figure 8 Riambel

- No works had started. The site was in a state of bare land.
- Land was acquired for Rs 65.7 million.

Ministry's Response

- Delay is due to the poor performance of the contractor.
- The contract with the contractor was terminated on 31 December 2025.

(viii) Souillac

200 units were expected to be completed on an extent of 10 arpents. Figure 9 refers.



Source: NAO

Figure 9 Souillac

- Works were completed at 93 per cent.
- The expected completion date is 30 June 2026.

Ministry's Response

The contract with the contractor was terminated on 31 December 2025.

(ix) La Source- Lot 1

300 units were expected to be completed on an extent of 18.15 arpents. Figure 10 refers.



Source: NAO

Figure 10 La Source- Lot

- Works were still in progress, 38 per cent was completed.

Ministry's Response

The expected completion date of project, inclusive of offsite works is 30 June 2026.

(x) Valetta

76 units completed on an extent of 7.41 arpents. Figure 11 refers.



Source: NAO

Figure 11 Valetta

- Works were completed, but Housing Units not yet delivered.

Ministry's Response

- 99 Letters of Offer were issued to eligible applicants.
- 63 deeds were at the level of the Notary and expected to be signed by December 2025.

(xi) Mare D'Albert

200 units completed on an extent of 14 arpents. Figure 12 refers.



Source: NAO

Figure 12 Mare D'Albert

- Works were completed but Housing Units were not yet delivered.
- The site was not properly maintained. Weeds and bushes were seen to the entrance of the housing units.

Ministry's Response

- General housekeeping is ongoing by the Contractor.
- Site is not yet provided with water supply. A pumping station/booster tank has to be constructed for the supply of water to the site. The NSLD is working on the bidding documents in consultation with the CWA.

(xii) Malherbes

68 units completed on an extent of 10.94 arpents. Figure 13 refers.



Source: NAO

Figure 13 Malherbes

- Works were completed, but Housing Units were not yet delivered.

Ministry's Response

- 71 Letters of Offer were issued to eligible applicants.
- 35 deeds are at the level of the Notary and expected to be signed by mid-February 2026.

Root Causes

- The absence of a Social Housing Strategy undermines the Ministry's ability to meet its mandate.
- Insufficient oversight from the Ministry resulted in project implementation delays by the NSLD.

Recommendations

- To ensure that the Social Housing Strategy is prepared, the Ministry should put in place a monitoring system to track progress for the development of the Strategy.
- Given the size and complexity of the NSLD Project, the Ministry needs to put in place a formal oversight and monitoring process such as a Committee, to oversee the operation of NSLD.

Ministry's Response

- The Terms of Reference for the appointment of a consultant to develop a new Housing Policy Roadmap have been finalised.

Taking into consideration the high risk of not receiving any responsive bid through normal procurement process, this Ministry has, through the Ministry of Finance, approached the World Bank to undertake the exercise.

- The NSLD is a private company and is managed by a Board of Directors. This Ministry can only monitor progress of the housing projects to ensure that the Key Performance Indicators are duly met.

6.2 Constant Increase of Arrears of Revenue over the Years

Background Information

The arrears of revenue as at 30 June 2025, as per statements of arrears of revenue submitted by Ministry of Housing and Lands to the Accountant General are presented in Table 6-5.

Table 6-5 Arrears of Revenue as at 30 June 2025

Leases	Rs
Campement Site	47,966,268
Premium for Campement	30,908,628
Other Land	1,360,658,179
Ex- CHA	23,811,002
Total	1,463,344,077

Source: Ministry of Housing and Lands

In previous Audit Reports, the attention of the Ministry was drawn to inadequate and ineffective debt management.

The Ministry informed the National Audit Office that the shortcomings would be resolved with the setting up of a Central Debt Management Unit (CDMU) at the Accountant General Department and the coming into operation of the finance module of the Digital State Land Register (DSLRL). In the Audit Report 2023-24, it was observed that as at September 2024, the CDMU and the Finance Module of the DSLRL were not operational.

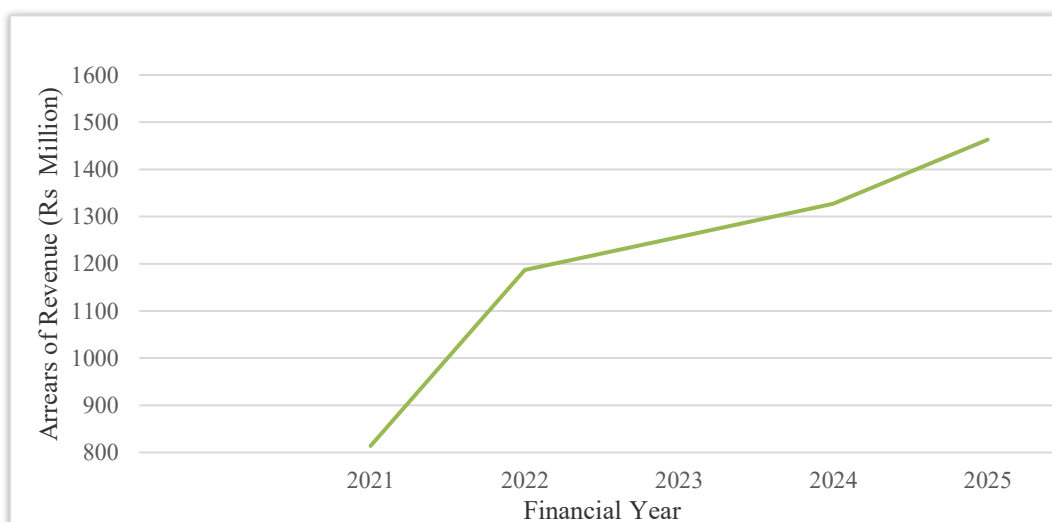
In response to the Audit Report 2023-24, the Ministry informed that:

- It stood guided by the directives provided by the CDMU, but in order not to forgo rental, the different sections of the Ministry were working relentlessly despite the unavailability of requested resources for recoupment of rental for lessees with huge arrears.
- Necessary actions had been initiated for the data migration and weekly meetings were being held to monitor proper implementation of the project.

Findings

- As at September 2025, the Finance Module of the DSLRL was not yet finalised.
- A Debt Monitoring Committee, chaired by the Chief Surveyor was set up in September 2025 at the level of the Ministry to look into cases relating to arrears in rental payments. The Committee met on 9 September 2025, where it was proposed to set up a fully manned Debt Recovery Unit which would be assigned the entire responsibility for monitoring and management of all aspects related to debt recovery. As at October 2025, the Unit was not operational.
- The arrears of revenue as at 30 June 2024 was Rs 1.3 billion. From 30 June 2024 to 30 June 2025, the arrears of revenue increased by Rs 135 million, that is, by some 10 per cent.
- Arrears of Other Land Leases as at 30 June 2025, amounted to Rs 1.4 billion, which represented 92 per cent of the total outstanding amount. Out of which, some Rs 371 million including interest, that is, 32 per cent were for financial year 2020-21 and prior years.

- The practice of the Ministry, particularly the Finance Division, was to issue 2 reminders to each default lessee, prior to requesting the Attorney General’s Office to initiate action for recovery of rental arrears. During the financial year 2024-25, reminders were issued to 6 lessees only.
- Figure 14 shows an increasing trend in arrears of revenue from financial years 2020-21 to 2024-25.



Source: Ministry of Housing and Lands

Figure 14 Increasing Trend in arrears of Revenue

Root Cause

The Ministry lacked a dedicated debt recovery unit which significantly weakened its ability to monitor outstanding debts effectively.

Recommendations

The Ministry should:

- Operationalise the Debt Recovering Unit and define its terms of reference.
- Ensure adherence to established debt recovery procedures by sending timely reminders to defaulters.

Ministry’s Response

- The operationalisation of the Debt Recovery Unit is subject to consultation with the Ministry of Finance, which is currently ongoing.
- Request for staff to man a Debt Management Unit had also been made with the Ministry of Finance in May 2025 to no avail. Request made in December 2025 is awaiting a response from the Ministry.

- The Ministry has actively pursued recovery actions, including undertaking a comprehensive survey of existing debtors, issuing notices for payment to defaulting lessees, referring persistent cases of default to the Attorney General's Office for recovery of rental and premium or for cancellation of lease, as the case may require and examining requests for payment facilities in accordance with prevailing legislative and contractual provisions, with a view to formalising such arrangements through binding agreements.
- The Ministry follows the established practice of issuing reminders prior to referral for legal action. However, in cases involving long-standing arrears or repeated default, files are escalated directly for legal recovery so as to avoid further accumulation of arrears.
- Pending the full operationalisation of the State Land Registry (SLR), an interim Excel-based database is being maintained to monitor arrears, notices issued, referrals to the Attorney General's Office and cases under consideration for lease cancellation.

6.3 Slow Progress in Developing Master Plans

Background Information

The objectives of developing master plans for Balaclava, Les Salines, and Palmar were to boost urban development, tourism, job creation, and improve living conditions in these key areas.

Findings

▪ Palmar

The Palmar Master Plan was a large-scale, mixed-use tourism development project in Mauritius. It covered 238 acres of state-owned land on the coast of Palmar.

It was initially prepared in 2008 and revised in 2017. Four promoters were selected. As of September 2025, only one promoter who was allocated with an area of 1 arpent 30, completed his project. In one case the Ministry resumed possession of the land and in 2 cases, the land remained undeveloped.

A call for Expression of Interest was launched in October 2023, where 12 applications were received, out of which 10 promoters were selected. No lease agreement was signed. As of September 2025, the development project was put on hold by the Ministry.

▪ Les Salines – Black River

In 2003, the Government approved an integrated plan for Tourism and Leisure Development at Les Salines Peninsula, Black River, intending to attract significant investment to the region. It covered some 179 acres of land.

Land was allocated to 9 promoters. As of June 2025, out of the 9 promoters, only 2 have already completed their projects. Two other projects were under construction and the remaining 5 promoters had not yet started development.

▪ **Balacava**

In 2007, the Balacava Development Plan provided for the setting up of hotel and bungalow sites. It covered 44 arpents of land. As of September 2025, out of 7 promoters to whom land was allocated, only one promoter developed his project and the other 6 had not yet developed their project.

Root Cause

The Ministry did not adequately monitor and supervise whether allocated lands were being developed.

Recommendation

The Ministry should exercise close monitoring of lands that have been allocated to ensure that they are developed for their specific purposes.

Ministry's Response

Development has been delayed due to:

- Lessees backing down or failing to proceed with projects after allocation;
- High infrastructural costs, lack of funding and the absence of on-site infrastructure;
- Delays in the execution of lease agreements owing to non-attendance of prospective lessees;
- Requests from lessees' for extensions to commence construction, which are governed by lease conditions;
- Ongoing court cases and environmental issues raised by adjoining lessees;
- Companies being in liquidation or restructuring; and
- Statutory planning and environmental clearances required prior to commencement of works.

The Ministry has actively monitored compliance with the lease conditions through site inspections and regular follow-ups. Where warranted, corrective actions have been taken including:

- Cancellation of lease agreements for non-compliance;
- Reallocation of sites following cancellation;
- Granting of extensions strictly in accordance with approved conditions;
- Referral of cases involving litigation or liquidation to the appropriate legal authorities; and

- Continued coordination with relevant authorities to facilitate implementation where lessees are compliant.

While development timelines may vary from site to site, the Ministry has discharged its responsibilities in accordance with existing legal and contractual frameworks, and delays observed are predominantly attributable to factors outside its direct control.

6.4 Infrastructure Works at Les Salines, Black River - Inability to Enforce Reimbursement

Background Information

Regarding the infrastructural development at Les Salines, Black River, the Government, in May 2017, agreed upon a cost-sharing mechanism for the works to be carried out, whereby each beneficiary would contribute a percentage of the total cost of infrastructure works, based on the extent of land allocated to each of them. The cost of infrastructure amounted to Rs 485 million. The works were completed in September 2018.

Findings

As of May 2025, as per Ministry's record, 3 promoters still owed an amount of Rs 122,628,380 out of their share of contribution of Rs 126,865,339.

▪ Lease 1-Amount Due Rs 38,132,630

As per the agreement signed in June 2021, the contribution of Rs 42,369,589 is payable in 4 instalments. The first instalment of Rs 4,236,958 was paid on signature of the lease agreement.

On 31 January 2025, the Attorney General's Office (AGO) emphasised on the need for the Ministry, prior to outright cancellation of the Lease Agreement, to comply with the procedure set out in Article 13(d) of the Lease Agreement by giving the lessee the opportunity to remedy the breach within a period to be specified in a written notice to be sent by registered post.

As of September 2025, same had not yet been issued.

As of September 2025, the second, third and fourth instalments totalling Rs 38,132,628 were outstanding.

▪ Lease 2-Amount due Rs 27,750,000

As of September 2025, the lease agreement was still under preparation.

▪ Lease 3-Amount due Rs 56,745,750

The promoter was offered a new 60-year lease in February 2020. However, no lease agreement was drawn with the company. In June 2024, the Ministry was informed that the company went into liquidation.

Root Causes

- The absence of legally binding agreements led to failure on the part of the Ministry to enforce payment.
- The Ministry did not comply with the advice of the Attorney General's Office (AGO).

Recommendation

The Ministry should take appropriate actions to get the leases signed and enforce the conditions of the agreements.

Ministry's Response

- Lease 1- The Ministry is considering, in consultation with AGO, the cancellation of the lease "de plein droit". The matter is, in parallel, under investigation by the Financial Crimes Commission.
- Lease 2 – The lease agreement was signed on 3 December 2025. The lessee has requested payment facilities for the infrastructural contribution, by the way of 4 equal quarterly instalments.
- Lease 3 – The ministry is considering seeking advice from the AGO in view of the company being in liquidation.

6.5 - Delay in settling payments for Compulsory Land Acquisition

Background Information

When the Ministry cannot buy land directly through a private agreement, it can take possession of the land through compulsory acquisition. The owner receives an interim payment based on the Valuation Department's assessment. If the landowner disagrees with the amount of compensation, the case is referred to the Board of Assessment (BOA).

The BOA is established as per Section 15 of the Land Acquisition Act. The Board shall consist of:

- (a) a Chairman, who shall be a person who holds or has held judicial office in Mauritius, to be designated by the Chief Justice; and
- (b) 2 members appointed by the Minister.

For the financial year 2024-25, an amount of Rs 400 million was budgeted for the item Acquisition of land. As of 30 June 2025, Rs 1.37 billion was disbursed. The difference was financed through virement, departmental warrant and supplementary estimates for financial year 2024-25.

Findings

▪ Budget and shortage of funds for payment

- The actual disbursement exceeded the authorised budget by Rs 970 million, representing 242.5 per cent of the original budget.
- As of 31 December 2024, 43 claims totalling Rs 439 million remained unpaid, while available funds were only around Rs 648,000.
- The Ministry requested an additional Rs 300 million in August 2024 to cover land acquisition costs, but only Rs 100.6 million was received in January 2025 and Rs 126 million in March 2025, causing a funding shortfall.
- As at 30 June 2025, Rs 115 million was outstanding. An amount of Rs 108 million was paid in July 2025.

▪ Lengthy process to settle disagreements

- As per listings submitted by the Ministry in September 2025, 110 cases were still in process and were referred to the Board of Assessment. A complete record showing the date cases were referred to BOA was not kept.
- 15 cases were examined and the following observations were made:
 - (i) In 2 cases, the award was settled after 12 and 16 years. Delays in compensation resolution through the BOA resulted in the government incurring interest payments due to late settlements. Total interest payment amounting to Rs 40.9 million was effected. Table 6-6 refers.

Table 6-6 Interest Paid

Beneficiaries/ File Ref	Date of Transcription	Date Case Referred to the BOA	Date Awarded by the BOA	Time Taken (years)	Interest Paid (Rs million)
Case 1	04.07.2008	11.10.2012	05.09.2024	16	31.5
Case 2	07.06.2012	12.07.2022	24.07.2024	12	9.4

Source: Ministry of Housing and Lands

- (ii) In the 2 cases, complaints were received from the owners and the followings were observed:

Case 1

- The Ministry of National Infrastructure and Community Development expressed, in March 2021, that there was gross negligence by officers as the compulsory acquisition from 2008 had not been fully processed, with access roads completed but payment delayed. The delay affected the start of an emergency drain construction project, with the owner not cooperating due to unpaid compensation.

- The owner noted that Rs 65 million was awarded by BOA in September 2024, but payment following the award was finally effected in May 2025.

Case 2

- The award by BOA was effected on 24 July 2024.
- The owner, in December 2024, mentioned that the matter took nearly 15 years to be resolved. The payment was finally effected in January 2025.

The time taken to refer a case to BOA depends on the cases. An analysis of another 10 cases was carried out and it was observed that the time taken from the date of transcription up to the case referred to BOA varied between 1 and 27 years as shown in Table 6-7. The delays were due to some owners being unreachable or failed to submit the required documentation on time.

Table 6-7 Cases referred to BOA

Case	Date of Transcription	Date case Referred to BOA	Time Taken (no. of years) as of 30 September 2025
A	01.10.1997	26.08.2025	27
B	11.04.2011	02.12.2024	13
C	10.04.2014	17.10.2024	10
D	10.04.2014	28.05.2025	11
E	09.05.2014	01.07.2025	11
F	09.05.2014	26.02.2024	9
G	10.04.2014	04.06.2024	10
H	28.11.2014	06.10.2025	10
I	10.01.2017	09.09.2025	8
J	24.06.2024	02.09.2025	1

Source: Ministry of Housing and Lands

Root Causes

- Acquisition procedures were substantially slowed down as the Ministry did not set defined time limits for completion of the compulsory acquisition cycle.
- In the absence of complete records, the Ministry was unable to monitor long outstanding cases.

Recommendations

The Ministry should:

- Ensure that all measures are taken to effect timely payment to the land owners.
- Monitor long outstanding cases so that landowners are paid in a timely manner.

Ministry's Response

Delays in the payment of compensation in cases of compulsory land acquisition arise from external, procedural and statutory factors which fall outside the Ministry's direct control.

Delays commonly occur due to:

- The non-availability of funds at the material time, which is subject to budgetary provisions and cash flow management at Government level;
- Difficulties in tracing landowners or heirs, or cases where owners are unwilling or unavailable to attend before a Notary for the execution of deeds;
- Delays in the submission of rulings and awards by the Board of Assessment and in the determination of cost issues, which are dependent on the Chairpersons of the Boards; and
- Post-award formalities involving Notaries, the Curatelle, and other institutions, which are governed by statutory procedures.

The Board of Assessment (BoA) Unit, has taken proactive measures to minimise delays and to expedite processing within its sphere of responsibility. These include, inter alia:

- Streamlining internal procedures by removing the requirement for Minister's approval for referral of cases to the Board of Assessment and for the nomination of Board Members;
- Adopting electronic communication to replace postal correspondence, thereby significantly reducing processing time;
- Introducing standardised fact sheets to ensure completeness of files and avoid omissions;
- Implementing a centralised monitoring system to track cases in real time; and
- Maintaining continuous liaison with the Valuation Department, Registrar Department, Finance Section, Supreme Court and the Secretary of the Boards to promptly address bottlenecks.

The Ministry remains fully committed to facilitating timely payment of compensation, the delays observed are largely attributable to factors beyond its operational control, and every reasonable effort is made by the Ministry to mitigate such delays and limit the accrual of interest whenever possible.

6.6 Governance Issues – Non-compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of statutory bodies with the objective of strengthening accountability and transparency in the public sector.

Findings

Non-Submission of Report on Performance

As of 31 December 2025, the Report on Performance of the Ministry of Housing and Lands for the financial year 2024-25 had not yet been submitted to the Ministry of Finance, despite the statutory deadline being 31 October.

Ministry's Response

The Report of Performance of the Ministry of Housing and Lands for the financial year 2024-25 has already been prepared and is awaiting approval for the submission of same to the Ministry of Finance.

Non-Submission of Financial Statements for Audit

The Statutory Bodies (Accounts and Audit) Act requires the Chief Executive Officer of a statutory body to submit the annual report, including the financial statements, to the auditor not later than 4 months after the end of every financial year.

As of 31 December 2025, the Real Estate Agent Authority falling under the purview of Ministry of Housing and Lands, have not submitted its financial statements for the period November 2020-June 2021 and financial years 2021-22 to 2024-25 for audit.

Ministry's Response

- The Real Estate Agent Authority (REAA) was established in November 2020 under the aegis of the Ministry. The first Director was appointed in August 2024. The Bank account of the Authority was opened in May 2025.
- For the period 2020 to April 2025, all expenses related to the activities of the Authority were met from the Ministry's vote.
- The first grant, amounting to Rs 1.54 million, was transferred to the Authority in May 2025.
- The financial statements for the period 2024-25 are currently under preparation and will be submitted shortly. The REAA, will henceforth, ensure that the financial statements are submitted within the statutory timeline.

Recommendations

The Ministry should:

- Comply with its statutory obligation regarding submission of its Report on Performance;
- Exercise control over statutory bodies and other entities operating under its aegis to ensure that they comply with their statutory responsibilities regarding the preparation of financial statements and their submission for audit; and
- Lay a copy of the annual report and audited financial statements before the National Assembly.

6.7 Follow-up of Recommendations raised in the Audit Report 2023-24

The status on actions taken on key findings and recommendations since the publication of the Audit Report 2023-24 is summarised. Out of 12 recommendations, 12 (100 per cent) have been partly implemented.

SN	Findings	Recommendations	Ministry's Response as of February 2026	NAO's Comments
High Demand and Inadequate Supply of Housing Units (Page 91)				
1	As of September 2024, the procurement process for consultancy services for the preparation of a National Housing Strategy had not yet started.	The Ministry should develop a mechanism to oversee and monitor the entire process of developing a comprehensive Strategic Plan for social housing. <i>(Pg 92, Para 4.1.1)</i>	Provision has been made in Budget 2025-2026 for the enlistment of the services of a consultant to devise a Housing Policy Roadmap. The Terms of Reference for the appointment of a consultant to develop a new Housing Policy Roadmap were finalised in December 2025.	Partly Implemented
2	There was a significant gap between the demand and supply for social housing units. <i>(Pg 91, Para 4.1.1)</i>	The Ministry should assess the effectiveness of having 2 separate entities, National Housing Development Company Ltd and New Social Living Development Ltd (NSLD), for achieving the same objective, that is, construction of social housing units and should take appropriate decision. <i>(Pg 92, Para 4.1.1)</i>	• In view of the high risk of not receiving any responsive bid through normal procurement process, this Ministry has, through the Ministry of Finance, approached the World Bank to undertake the exercise. • A first meeting with the World Bank was held on 26 January 2026 whereby the Bank informed that it has no objection to undertake the exercise, through Reimbursable Advisory Services, subject to some fine-tuning of the Terms of Reference. This Ministry has requested the Office of Public Sector Governance to conduct an independent audit on the projects and activities of the NSLD since its creation. The exercise started in April 2025.	Partly Implemented

	Findings	Recommendations	Ministry's Response as of February 2026	NAO's Comments
			- On 6 November 2025, the Office of Public Sector Governance (OPSG) submitted to this Ministry the draft independent audit report on the projects and activities of the NSLD for views and comments. - This Ministry submitted clarifications to the OPSG in January 2026. The final report is awaited.	
Potential Loss of Revenue Due to Delays in Signing Lease Agreements (Page 92)				
3	In 12 cases applicants failed to sign a lease agreement within the stipulated four-month period and did not respond to the 14-day notice.	The Ministry should establish a formal transparent process with clear timelines for lease agreement signing. (Pg 93, Para 4.1.1)	A list of signatories for specific deeds has been worked out at the Ministry to address the signing of lease agreement in a timely manner.	Partly Implemented
4	Out of the 12 cases, 6 cases resulted in a potential loss of revenue of Rs 95.6 million. (Pg 92, Para 4.1.1)	The Ministry should consistently follow-up after the four-month and 14-day notice periods. (Pg 93, Para 4.1.1)	In September 2025, a Debt Monitoring Committee was set up at Ministry's level to review arrears and propose corrective actions.	Partly Implemented
5		The Ministry should consider enforcing penalties for non-compliance and ensure rent due are collected with applicable penalties. (Pg 93, Para 4.1.1)	Following its deliberations, the Committee recommended the establishment of a fully manned Debt Recovery Unit to centralise monitoring and follow-up of arrears. The operationalisation of the Unit is subject to consultation with the Ministry of Finance, which is ongoing.	Partly Implemented

SN	Findings	Recommendations	Ministry's Response as of February 2026	NAO's Comments
Inadequate Monitoring of Vested State Land (Page 93)				
6	The Ministry did not ensure that lands acquired for projects of national interest were utilised as intended. <i>(Pg 93, Para 4.1.1)</i>	The Ministry should establish a formal monitoring system to track project implementation on State Lands. <i>(Pg 94, Para 4.1.1)</i>	A committee has been set up chaired by the Ag. DPS of survey to come up with a comprehensive State Land Database. The Ministry has initiated actions to request	Partly Implemented
7		The Ministry should implement mechanisms to retrieve the lands from Ministries and Departments that failed to use the land and reallocate them to other Ministries and Departments with active projects. <i>(Pg 94, Para 4.1.1)</i>	parastatal bodies to provide a list of their land assets. A State Land Register is kept at the level of the Ministry which is the central repository for State Land vested in different Ministries. This includes data for both developed and undeveloped State Land. Moreover, another database is kept at the level of the Ministry regrading undeveloped State Land and same is periodically reviewed and updated. This is an exercise which will continue in perpetuity, unutilised and undeveloped land is being reallocated to other Ministries and Departments as and when needed.	Partly Implemented
Ineffective Management of Arrears of Revenue (Page 94)				
8	As of September 2024, the Centralised Debt Management Unit was not operational. <i>(Pg 95, Para 4.1.1)</i>	In the absence of the Centralised Debt Management Unit, the Ministry should establish a debt management mechanism for debt recovery and monitoring. <i>(Pg 95, Para 4.1.1)</i>	A committee has been set up at the level of this Ministry comprising the Ag. DPS of Survey Section, Chief Surveyor and Manager Financial Operations. Relevant action has been taken, and is being pursued as regard	Partly Implemented

SN	Findings	Recommendations	Ministry’s Response as of February 2026	NAO’s Comments
9			to issuing Notices to debtors and relaying cases of non-compliance and requiring debt recovery to the State Law Office.	
10		The Ministry should strengthen debt recovery strategies, including legal actions to recover outstanding amounts promptly. <i>(Pg 95, Para 4.1.1)</i>	A list of debtors has been prepared and notices has been issued accordingly. Another list of debtors for Campement Site lease and Other Land leases has been prepared and actions are being taken accordingly.	Partly Implemented
		The Ministry should consider the cancellation of leases as per the conditions of the lease agreement. <i>(Pg 95, Para 4.1.1)</i>	Each case is being examined on its merits, and the Attorney General’s Office is being consulted to mitigate the risk of compensation claims. This is a lengthy process and is subject to other external factors	Partly Implemented
State Land Register Software Solution – Finance Module Not Operational (Page 96)				
11	As of September 2024, the Finance Module was not operational. <i>(Pg 96, Para 4.1.1)</i>	The Ministry should prioritise the completion of the Finance Module and ensure that data migration is completed within a set timeframe. <i>(Pg 96, Para 4.1.1)</i>	Progress has been made on the Finance Module; however, the validation stages are taking longer than initially planned to ensure the accuracy of the data. Upon completion of the validation stage, the finance Module will become operational	Partly Implemented
12		The Ministry should set clear timelines with the contractor to resolve all pending issues. <i>(Pg 96, Para 4.1.1)</i>	Clear timelines were initially established. However, due to the involvement of various stakeholders and this Ministry’s reliance on third-party suppliers for the data from the legacy system, the timelines are being extended.	Partly Implemented

7 – MINISTRY OF ENVIRONMENT, SOLID WASTE MANAGEMENT AND CLIMATE CHANGE

7.1 ENVIRONMENT AND CLIMATE CHANGE

7.1.1 Key Deliverables and Key Performance Indicators -Target Not Achieved

Background Information

Mauritius aims to become a climate resilient and low-emission country and therefore intends to reduce overall Greenhouse Gas (GHG) emissions by 40 per cent in 2030 and postponed to 2035, which, under a business-as-usual scenario, is projected to be around 6,900 Gg of carbon dioxide equivalent.

For the financial year 2024-25, the target for the total GHG emissions reduction, through mitigation measures, was set at 4,840 Gg as compared to some 6,000 Gg of carbon dioxide equivalent under a business-as-usual scenario. Hence, a reduction of some 1,200 Gg was expected.

Finding

The actual reduction for the financial year 2024-25 was some 184 Gg of carbon dioxide as compared to an expected reduction of 1,200 Gg, that is, 15 per cent of the target was achieved for that financial year.

Root Cause

There were no timely monitoring and follow-up by the Climate Change Committee to ensure the achievement of the set target, and proper remedial measures were not taken.

Recommendations

- The Climate Change Committee should exercise close monitoring and follow-up to ensure that the target is achieved.
- The working of the Climate Change Committee should be reviewed and a climate change monitoring platform devised to ensure timely monitoring and follow-up.

Division's Response

- A Climate Change Committee has been set up under the chair of the Accounting Officer of the Ministry. The Committee had its meetings on a monthly basis to coordinate and monitor national climate strategies, including the monitoring of progress with regard to the implementation of targets set in the Nationally Determined Contributions (NDC) by line Ministries.
- The accountability for sectoral targets to reduce greenhouse gas emissions lies with the line Ministries who must exercise full ownership of their policy, strategy and financial frameworks. They are responsible for translating national strategies into measurable sectoral results in order to achieve the targets set over a period of 10 years.

- This Ministry only coordinates and monitors the implementation of strategies/policies as contained in the NDC of the Republic of Mauritius.

7.1.2 Plastic Management - Ineffective Measures

Introduction

The Plastic Management Division was created in January 2021 to implement measures and initiate actions to make Mauritius a plastic pollution-free country. The main service was to coordinate actions for plastic management and enforcement of Regulations.

7.1.2.1 Delay in the Finalisation of the Extended Producer Responsibility Regulations

Background Information

The Solid Waste Management Division (SWMD), in collaboration with the Department of Environment, drafted the Extended Producer Responsibility Regulations for the management of post-consumer beverage containers (including PET bottles) in 2021.

Findings

- As of November 2025, the Extended Producer Responsibility Regulations, together with a deposit refund scheme to boost the recycling rate, were still being worked out by the SWMD.
- In the monitoring matrix for the Key Deliverables and Key Performance Indicators, as submitted to the Ministry of Finance in August 2025, no mention was made of whether the recycling rate of post-consumer PET from 41 to 45 per cent had been achieved.

Root Cause

No timeline set by the SWMD and the absence of stakeholder consultations delayed the finalisation of the Extended Producer Responsibility Regulations.

Recommendation

SWMD, in consultation with other stakeholders, should ensure that the Extended Producer Responsibility Regulations are finalised within a set timeline.

Division's Response

A meeting was held with the Attorney General's Office (AGO) on 5 December 2025 in connection with the finalisation of the Extended Producer Responsibility Regulations for E-wastes. The SWMD is looking into the issues relating to data purification and data sharing and will submit the updated Regulations to the Attorney General's Office.

7.1.2.2 Delays in the Development of a National Roadmap for Effective Plastic Management

Background Information

As reported in the financial year 2023-24, the project for the development of a National Roadmap for making Mauritius plastic-free by the year 2030 was announced in the Government Programme 2020-24.

As per the Strategic Direction 2024-27 of the Budget Estimates 2024-25, the project was proposed anew to address plastic mismanagement and pollution. In August 2024, a Consultant was awarded the contract for consultancy services for developing the Roadmap for some Rs 4 million, and the 6 deliverables have to be submitted from 30 August 2024 to 31 March 2025.

A Project Steering Committee (PSC) was set up under the Chairmanship of the Deputy Permanent Secretary to provide overall guidance and to ensure the timely implementation of the project activities.

Findings

- The National Roadmap and Strategy plan, which was initially scheduled to be submitted by 28 February 2025, was still not completed as of 6 October 2025.

Moreover, the Consultant had not submitted all the deliverables within the agreed timeline as per the Small-Scale Funding Agreement (SSFA), signed with the United Nations Environment Programme (UNEP). The Final National Source Inventory and the Final Legislation and Policy Analysis Reports, which had to be submitted by end of October 2024, were still pending as of 10 June 2025.

- During the PSC meeting held on 10 June 2025, the Consultant pointed out that the submission of the deliverables timeline was too tight, taking into consideration the lengthy consultative process. Hence, on the same date, the PSC agreed to set up a Technical Committee to monitor work progress and deliverables.
- In the Technical Committee meeting held on 11 September 2025, the Consultant informed that the timeline for submission of the deliverables would be revised as consultations with stakeholders were still ongoing and comments awaited.
- The timeframe for completing the project was revised for the third time on 25 September 2025 at the request of the consultant. As per the revised timeframe, the Consultant had to submit the National Roadmap and the Final Legislation and Policy Analysis Report on 14 and 28 November 2025, respectively. The revised timeframe had to be included in the amended contract between the Ministry and the Consultant. As of 30 September 2025, the Departmental Bid Committee was still in the process of amending the contract.

Root Cause

The Divisional Environment Officer did not properly plan and monitor the project to ensure its timely completion.

Recommendation

The Divisional Environment Officer should ensure that all projects are completed within the set timeframes.

Division's Response

- The amended Final Report was submitted by the Consultants on 24 December 2025 and circulated to the members of the Technical Committee on 29 December 2025 for their comments.
- Approval of Government would thereafter be sought on the National Strategy Plan/Road Map Report.

7.1.2.3 Funding Arrangements not optimised

Background Information

On 19 March 2024, the Environment and Climate Change Division (ECCD) signed a Small Scale Financing Agreement (SSFA) with the UNEP for an amount of USD150,000 for implementing the National Roadmap project. Under the SSFA, an amount of USD 135,000 was received in 2 tranches as per the disbursement plan.

Findings

- Due to delays encountered by the Consultant for the submission of deliverables within the agreed timeframe, an unspent amount of Rs 2,466,192 (USD 53,309) was returned on 10 September 2025 to UNEP following the issue of a termination notice on 7 May 2025.
- Given the national importance of the project and the engagement already taken with the Consultant, the PSC members did not object to continuing with the project with other sources of funding from the Ministry of Finance and the International Union for Conservation of Nature. Working sessions were held on 9 October 2025 with the 2 possible donor agencies, but the modalities were not yet finalised.

Root Cause

There was no proper follow-up and timely corrective actions by the Divisional Environment Officer and no effective supervision by the PSC.

Recommendation

The Divisional Environment Officer should ensure proper budget planning and execution for the timely implementation of projects and the Project Steering Committee should be effective in the supervision of the project.

Division's Response

- The Ministry of Finance has agreed to finance the remaining deliverables to the tune of Rs 667,425.
- The International Union for Conservation of Nature will finance the Validation Workshop to the tune of USD 11,300.
- The Indian Ocean Commission will provide financial support for sensitisation and part implementation of the Roadmap.

7.1.2.4 Revision of the Existing Regulations Still Pending

Background Information

Mauritius has banned numerous single-use plastic products through the Environment Protection (Control of Single Use Plastic Products) Regulations and the Environment Protection (Banning of Plastic Bags) Regulations, which were promulgated in 2020.

A Consultant was appointed for the development of the National Roadmap, who had to carry out a legal and policy analysis of all legislation concerning plastic, including the 2 regulations.

Findings

- In the Technical Committee held on 26 June 2025, members agreed to wait for the finalization of the National Roadmap before finalizing the legal and policy analysis report. However, as of November 2025, the Roadmap was still in the process of being finalised.
- The Internationally Legally Binding Treaty was still under negotiation at the international level. Domestication of its provisions would be done after the Treaty had been agreed upon and Mauritius had signed and ratified the same. At the Intergovernmental Negotiating Committee (INC) 5.2 held from 5 to 14 August 2025 in Geneva, there had been no consensus on the treaty text.
- The moratorium for Environment Protection (Banning of Plastic Bags) Regulations was extended to 31 August 2025, to align the definition of biodegradable plastic bag with the Internationally Legally Binding Instrument. There had been no consensus on the treaty text. As of October 2025, the moratorium period had not been further extended.

Recommendation

The Plastic Management Division should ensure that extension of moratorium periods is addressed on a timely basis.

Division's Response

At its meeting of 19 September 2025, based on the recommendations of the Ministry, the Government decided not to extend any moratorium but instead approved new definitions

for plastic, plastic bags, biodegradable plastic bags and compostable plastic bags in the Environment (Banning of Plastic Bags) Regulations 2020.

7.1.2.5 Management of Plastic Pellets

Background Information

Consultancy services were commissioned to carry out a comprehensive supply chain analysis for plastic pellets for their reduced use in order to provide Mauritius with a clearer understanding of the flow, usage, and impacts thereof within the economy.

On 22 January 2025, a Consultancy firm was awarded a contract to carry out a study under the Global Environmental Facility – Islands Project, for an amount of USD27,750 exclusive of VAT for a duration of 6 months.

One of the main findings of the study was that 63 different types of plastic pellets were imported for the manufacture of durable goods. Under a Business as Usual scenario, virgin pellet demand was projected to grow from 32.6 million kg in 2025 to 46.2 million kg by 2030.

Finding

The Consultant recommended Strengthening Stakeholder Engagement and Data Collection to make the importation of pellets a controllable item, with a mandatory registration process, and also recommended improving Customs Data Access and Reporting through collaboration with the Mauritius Revenue Authority for granting controlled access to importer identities and product descriptions, within the Data Protection Act boundaries.

As of October 2025, the recommendations had not yet been implemented.

Root Cause

A strategic plan with clearly defined milestones to achieve clear deliverables and targets for the plastic pellets was lacking.

Recommendation

The Plastic Management Division should address plastic pollution and plastic pellets by implementing the recommendations of the Consultancy Firm.

Division's Response

The final amended version report was submitted by the Consultants on 25 November 2025. The Government will be apprised prior to the implementation of the recommendations made.

7.1.3 Lapses at the National Environmental Laboratory

Introduction

The National Environmental Laboratory (NEL) monitors environmental quality to ensure compliance with prescribed environmental standards. One of its functions is to assess the quality of air, water, and other environmental media to track the impact of pollution and evaluate pollution trends.

7.1.3.1 High Level of Persistent Organic Pollutants in Ambient Air

Background Information

A project was initiated by the Ministry on monitoring of Persistent Organic Pollutants (POPs) and Polyaromatics Hydrocarbons (PAHs) in Ambient Air near Mare Chicose Landfill and Transfer Stations. This will establish baseline data over a period of one year regarding the background level of Dioxins and Furans (PCBs) and PAHs in residential areas near Mare Chicose and other major transfer stations around the island.

Findings

On 20 September 2024, ECCD awarded the Contract to a foreign accredited laboratory for the supply of consumables and analysis of POPs and PAHs for a total amount of US\$ 16,533 VAT inclusive, and as of October 2025, USD16,114 had been paid.

The consumables were delivered to NEL on 5 November 2024, and monitoring activities were conducted at Mare Chicose Landfill, La Chaumiere, Roche Bois Transfer Stations and nearby areas between 8 November 2024 and 5 May 2025.

A significant air-borne contamination with POPs, PCBs, and PAHs was detected in 3 areas and their surroundings.

Mare Chicose Landfill and nearby areas (Rose Belle, Deux Bras, and Cluny)

- (i) The results during the first active monitoring activities from 8 to 11 November 2024 revealed the following:-
 - The PAHs level at the landfill site was 12.739 ng/m³ which was 4 times the Global Background Levels (GBL), that is, 0.369 – 3 ng/m³.
 - Brominated flame retardants, namely PBDE 209, were 21 pg/m³, which was 4 times GBL of 0.1 – 5 pg/m³ at the landfill site.
 - Dioxins and Furans up to 0.14 pg/m³. were also detected at Cluny, which was about 1.5 times GBL, that is, 0.0002 - 0.09 pg/m³.
 - The Elevated values of Dioxins and Furans (PCBs) were also detected at Deux Bras and Rose Belle during the first passive sampling, which were 0.076 and 0.054 pg/m³ as compared to GBL - 0.0002 – 0.09 pg/ m³.

(ii) The results for the second passive monitoring exercise from 14 to 17 April 2025 revealed the following:-

- The level of PAHs was still significantly high, reaching a maximum of 49 ng/m³, which was 16 times higher than the GBL, that is, 0.369-3 ng/m³ at the landfill.
- In the region of Rose Belle, the levels of PAHs and POPs were elevated up to 13.57 ng/m³ compared to the GBL of 0.369 ng/m³.
- Brominated flame retardants, namely PBDE 209, were at 7.27 pg/m³ at Rose Belle compared to the GBL, which should be within the range of 0.1-5 pg/m³.

Roche Bois Transfer Stations and Terre Rouge Bird Sanctuary

The Roche Bois Transfer Station (RBTS) was monitored from 14 November 2024 to 6 May 2025, through Passive sampling.

- PAHs were significantly elevated at the RBTS, reaching up to 41.06ng/m³, which was 14 times higher than the upper GBL, that is, 0.369-3 ng/m³.
- The Brominated flame retardants showed up to 474 pg/m³, which was 90 times more than the upper GBL of 0.1-5 pg/m³.
- Dioxins and Furans (PCBs) up to 0.502 pg/m³, which was 6 times higher than the GBL, which should be in the range of 0.0002-0.091pg/m³.
- PAHs were significantly elevated up to 36.85ng/ m³ at the Terre Rouge Bird Sanctuary, which was 12 times higher than the upper GBL, that is, 0.369-3 ng/m³.

La Chaumiere Transfer Station

La Chaumière Transfer Station was monitored from 14 November 2024 to 6 May 2025, through Passive sampling.

- The Brominated flame retardants were 34.82 pg/m³, which was 7 times higher than the GBL.
- Elevated PAHs were 8.41ng/ m³, which was nearly 3 times higher than the GBL.
- Polychlorinated Biphenyls levels were 0.008 pg/m³, being 2 times higher than the GBL.

Root Cause

ECCD did not take appropriate actions to ascertain that stakeholders took preventive and corrective actions to maintain Persistent Pollutants in Ambient Air at an acceptable level.

Recommendation

The ECCD should monitor the preventive and corrective actions of the stakeholders for mitigating the health risks on the population and the environmental impacts.

Division's Response

- In addition to the regular inspections, monitoring and follow-up of issues associated with the project are taken up at different Statutory Committees established under the Environment Act 2024.
- The Department of Environment has acted proactively by requesting for an updated Fire Safety Plan to the proponent.
- Landfills are subjected to an Environmental Impact Assessment prior to the implementation of the project. Health risk assessment is outside the mandate of this Ministry.

7.1.3.2 Delay in the Implementation of Surface and Ground Water Monitoring System Project

Background Information

Following “*Les Assises de L’Environnement*” in December 2019 and December 2020, the ECCD envisaged the implementation of the project “Surface and Ground Water Quality Monitoring”, which would make use of Internet of Things (IoT) technology to develop an efficient and cost-effective online monitoring system for water quality.

In 2021, the Division would initiate a Surface and Ground Water Monitoring System (SGWMS) Project, which enabled sustainable management of vital surface and groundwater resources by ensuring real-time monitoring, early detection of contamination and/or abnormality, and timely remedial action taken thereof.

The project included the procurement of 27 real-time online water monitoring devices, which would have been installed in 27 rivers around the island up to the end of financial year 2023-24.

This would have been implemented in a phased manner and funded during the financial years 2021-22 to 2024-25 for a total amount of Rs 103.5 million by the National Environment and Climate Change Fund and the National Environment Fund.

Findings

▪ Unutilised Fund

- (i) During the financial years 2021-22 to 2023-24, the budgeted amount of Rs 25 million was not utilised.
- (ii) For the financial year 2024-25, Rs 20 million was earmarked for the acquisition of six IoT-based Water Monitoring Devices for La Nicoliere Feeder Canal, Riviere du Poste, Riviere La Chaux, Riviere des Anguilles, Grande River South East, and Flacq.

As of 30 June 2025, only Rs 4.9 million was disbursed for the acquisition of one device for a pilot project at Pailles Municipal Dyke.

▪ **Lapses in Technical Specifications**

In April 2022, a first bidding exercise was launched, and only one responsive bidder was received for the quoted price of some Rs 22.4 million. However, this exceeded the estimated costs of Rs 10 million.

In July 2022, ECCD recommended NEL to rework the technical specifications. In September 2022, the revised specifications were submitted, approved by Management, and sent to the Procurement section for the preparation of bidding documents in October 2022.

Four months later, in February 2023, a second bid was launched on the E-Procurement System, but again, no bid was received at the closing date in March 2023.

Six months later, a third revised technical specifications were submitted by NEL and approved by Management on 17 October 2023. The bid was re-launched in January 2024, and in August 2024, after 7 months the contract was awarded for Rs 4.9 million exclusive of VAT for the supply, installation, and commissioning of the IoT-based Water Monitoring Device.

▪ **Reallocation of Device**

During a Project Steering Committee meeting held on 15 November 2024, on the issue of the safeguard of the device from being stolen, the supplier was requested to remove the device which was already commissioned at Pailles Municipal Dyke.

On 13 January 2025, PSC proposed to reinstall the device at Rioux River situated in La Flora.

Root Cause

Key stakeholders and relevant experts were not consulted in preparing the specifications for the water monitoring devices.

Recommendation

The NEL should carry out a proper risk assessment and feasibility study before implementation of the SGWMS in the remaining 25 rivers.

Division's Response

- The implementation of the project had necessitated a sequence of consultations and site visits with key stakeholders for the preparation of the technical specifications and 21 consultative meetings were held with stakeholders.
- Implementation of the SGWMS for the remaining 25 rivers may be undertaken subject to site-specific feasibility and risk assessments, preparation of a consolidated tender document and securing financial resources. Risk assessment is ongoing for all sites that have been identified for the project.

7.1.3.3 Non-compliance with Fire Safety Measures

Background Information

The National Laboratories Complex (NLC) is a two-storey building situated at Le Reduit under the purview of the Ministry of Environment, Solid Waste Management and Climate Change. As of 30 June 2025, the complex housed 4 laboratories.

Finding

As of September 2025, the NLC did not hold a Fire Certificate as required under Section 19 (5) of the Mauritius Fire and Rescue Service (MFRS) Act 2013 which stipulates that *“the owner of such premises shall apply to the Chief Fire Officer for a fire certificate that certifies that all safety requirements have been met about those premises and no premises shall be occupied or used unless the owner has been issued with a fire certificate”*.

Root Cause

The Accounting Officer and the Office Supervisor did not ensure that NLC had a valid Fire Certificate in compliance with Section 19 (5) of the MFRS Act 2013.

Recommendation

The Accounting Officer and the Office Supervisor should ensure compliance with Section 19 (5) of the MFRS Act 2013.

Division’s Response

- The Ministry of National Infrastructure (MNI) submitted the preliminary architectural drawings for the staircase and required works on 5 December 2025.
- On 22 December 2025, following consultations with all the concerned laboratories, approval was conveyed to MNI in respect to the proposed preliminary designs for the construction of one emergency staircase and 6 exit/fire doors.

7.1.4 Lapses in the Cleaning Activities

Background Information

The cleaning, upgrading, rehabilitation, and embellishment works are undertaken by the Living Environment Unit (LEU) of the Ministry. Cleaning activities are also carried out by the Mauri-Facilities Management Co Ltd (MFMCL), National Environment Cleaning Authority (NECA), Local Authorities and the Road Development Authority.

On 11 April 2025, the Government agreed to the transfer of MFMCL from Landscape (Mauritius) Ltd to the Ministry of Environment, Solid Waste Management and Climate Change, and a new board was constituted with effect from 6 August 2025. The NECA which was under the aegis of the Prime Minister’s Office till November 2024, now operates under the auspices of the Solid Waste Management Division and is administered by the National Environment Cleaning Board (NECB).

Findings

▪ High Financing Impacts

- (i) For the financial year 2024-25, the activities carried out by MFMCL were funded under the National Clean Up Programme of the Ministry of Finance, for which a provision of Rs 630 million was made. For the financial year 2025-26, Rs 950 million was earmarked.
- (ii) NECA received 9 Grants to the tune of Rs 17 million and Rs 16.2 million for the financial years 2023-24 and 2024-25, respectively, for financing its activities.
- (iii) In financial year 2024-25, the NECA received some Rs 105 million from the National Environment Climate Change Fund for the procurement of Vacuum Road Sweeper Trucks.

▪ Work Force not Recruited

In June 2023, a Memorandum of Understanding was signed between MFMCL and NECA to carry out cleaning across the island over a period of 5 years. Under the National Clean-Up Programme, some 1,400 cleaning technicians were engaged in cleaning services at the community level.

Since March 2024, NECA initiated the recruitment process of some 2,000 employees. However, the recruitment process was frozen during the financial year 2024-25.

▪ Duplication of Roles and Responsibilities

In a meeting held on 18 February 2025 at the Ministry of Finance, it was mentioned that the role of NECA would be reviewed to avoid duplication of duties and the mushrooming of too many institutions, more so since the duties executed by the staff of the LEU and the MFMCL were similar in nature.

Thus, a comprehensive approach would be taken to decide whether the staff of the MFMCL would be merged with the LEU or be under the responsibility of the NECA.

As of November 2025, no decision was taken for that purpose.

7.1.4.1 Unutilised Vacuum Road Sweeper Trucks

In July 2023, NECB approved the procurement of modern specialized equipment for the cleaning of the roads, paved surfaces, and parking spaces by making use of suction-powered brushes to collect dirt, dust, leaves, grit, and other debris into an onboard collection hopper around the Island in an efficient, effective, and timely manner.

In April 2025, NECA took possession of 6 units of Vacuum Road Sweeper Trucks and expected them to be operational in September 2025. However, in the absence of clear visibility on the future existence of the NECA, the trucks, which had already been charged with one-year depreciation in the NECA financial statements, were being kept idle in the premises of the MFMCL.

7.1.4.2 Recruitment of Drivers and Transfer of Sweeper Trucks still Pending

In September 2024, approval was obtained for the recruitment of drivers for NECA to operate the Vacuum Road Sweeper Trucks and other vehicles. This approval was immediately followed by the publication of the Notice of Vacancy for the filling up of the posts. Interviews were held and a list of selected drivers was drawn.

In a meeting held on 13 August 2025 at the ECCD, it was informed that the trucks would now be operated at the level of the MFMCL, and a special Board Meeting would be held for the appointment of drivers to operate the trucks before the transfer to MFMCL.

As of November 2025, no further developments were noted either for the appointment of drivers or the transfer of trucks to MFMCL.

Root Cause

The Ministry lacked a consolidated plan on how to merge the different organisations into a single unit for the delivery of cleaning activities.

Recommendation

A policy decision should be taken to clearly define the responsibilities of different parties and to make proper utilisation of the road sweeper trucks.

Division's Response

- The Ministry is considering the possibility of winding up the NECA in the future.
- The Ministry has already reviewed their roles and responsibilities and there is no overlapping of responsibilities between the three institutions.
- A policy decision has been taken for the transfer of the 6 Vacuum Road Sweeper Trucks procured by NECA and the 11 lorry drivers recruited to MFMCL. The drivers are already under the supervision of MFMCL for operational purposes since 11 November 2025.

7.1.5 Coastal Protection Works – Delays in Projects Implementation

Background information

The Integrated Coastal Zone Management (ICZM) Division was established for the sustainable management of the coastal zone and its resources. The Strategic Direction 2024-27 in the Budget Estimates 2024-25 focused on pursuing coastal protection, landscaping and infrastructural works to address accelerating beach erosion.

Findings

7.1.5.1 Key Deliverables and Key Performance Indicators not achieved

The monitoring matrix for the Key Deliverables and Key Performance Indicators, as submitted to the Ministry of Finance in August 2025, revealed that the achievements as at 30 June 2025 in relation to the rehabilitation of eroded beaches were nil as compared to the 2 targeted sites. Coastal rehabilitation works at Bois des Amourettes and Grand Baie were still not completed as at that date.

(a) Bois des Amourettes Project

After reaching a completion rate of 93 per cent, the contract for works at Bois des Amourettes was terminated on 18 April 2025 due to continuous delays in the completion of the project. As such, arrangements were being made for the completion of the outstanding works either in-house or by a new contractor.

In August 2025, an assessment was undertaken by the Ministry of National Infrastructure to determine the quantum of works undertaken by the previous contractor for which the latter was entitled to payment.

As of November 2025, a Project Coordinator from the MNI had been seconded to the Ministry on a part-time basis for the preparation of the required documents.

(b) Grand Baie Project

The contract was awarded in October 2024 and due to delays in the finalization of bidding documents and drain works envisaged by the National Development Unit on the same site, works started in March 2025 and were scheduled to be completed by November 2025.

However, as at 29 August 2025, works completed were estimated at 32.4 per cent. Thus, the budgeted amount of Rs 2 million for the financial year 2024-25 had remained unspent.

The contract was awarded in October 2024, and works started in March 2025, which were scheduled to be completed by November 2025.

As of mid-November 2025, only 75 per cent of works were completed.

Division's Response

- In respect of outstanding works and based on the assessment carried out for Bois des Amourettes Project, the Project Coordinator of MNI has submitted the draft bid document on 19 December 2025 and the bidding document is being finalised.
- The Grand Baie Project was scheduled to be completed by the end of December 2025 and as of 29 December 2025, the progress of works was 80 per cent.

7.1.5.2 Implementation of Other Projects Still Pending

Some projects were still not implemented as of November 2025.

(a) Deux Freres Waterfront Project - Consultancy Services Extended

A Consultant was awarded the contract for consultancy services for some Rs 23.4 million, inclusive of VAT, with an initial end date of May 2023. However, the contract was extended for an interim period of 19 months, ending December 2024 at no additional cost.

Arrangement was made on 29 October 2024, for further extending the contract to cater for the supervision during construction works and for the defect liability period. On 22 January 2025, the Consultant was informed that financial clearance had not been secured from the Ministry of Finance for that purpose.

On 29 August 2025, following legal advice from Attorney General's Office (AGO), the Consultant was informed that the extension of the contract cannot be entertained. As of November 2025, the Departmental Bid Committee was still evaluating 2 options: either continuation of services with the Consultant or initiation of a fresh tender for the supervision of works.

Division's Response

- A policy decision has been taken at the level of the Ministry for the contract to expire on 18 December 2025, following advice obtained from the Attorney General's Office.
- Financial clearance has been sought anew on 17 December 2025 for the works and for the recruitment of a Consultant for supervision.

(b) Deux Freres Waterfront Project - Bid Document for Works not Finalised

In September 2024, the Consultant submitted an updated budgetary cost estimate of some Rs 533 million, inclusive of VAT. As the cost estimate exceeded Rs 100 million and the increase in cost was greater than Rs 50 million, financial clearance from the Ministry of Finance was sought on 8 October 2024 in accordance with Financial Instructions No. 1 of 2019 - Capital Project Process Manual.

On 23 July 2025, the Ministry of Finance requested the ECCD to convene a meeting together with the Project Investment Management Unit and the Contract Administration Unit.

As of 23 October 2025, the meeting had still not been held to discuss the way forward.

Division's Response

- A policy decision will be taken concerning the extension of the contract.
- Tenders could not be relaunched as funds had not been provided in the budget for financial year 2025-26.

(c) Pointe aux Feuilles to Grand Sables

The Ministry awarded the contract for the implementation of Coastal Protection, Landscaping and Infrastructural Works to the tune of some Rs 64 million, exclusive of VAT, to a Contractor in the financial year 2021-22. The works were completed on 22 September 2022 and a Performance Certificate was accordingly issued on 24 February 2024.

On the same date, the Contractor submitted a final statement requesting payment of an additional amount of Rs 58.9 million, VAT exclusive, representing costs incurred resulting from delays on behalf of the Consultant. However, the Contractor also proposed to the Ministry to waive the additional claim provided that there was no delay in the payment of damages amounting to some Rs 6.4 million, exclusive of VAT.

Following consultations with the AGO, the Ministry was envisaging the setting up of an Independent Third-party Committee to assess the validity and the quantum of the claim.

As of October 2025, no further developments were observed.

Division's Response

On 18 November 2025, an Independent Third-Party Committee was set up under the chair of the part-time Project Coordinator.

(d) Coastal Protection Works for 16 Beaches

The contract for consultancy services was awarded for Rs 82.3 million, exclusive of VAT in May 2022. As of 30 June 2024, ECCD had disbursed some Rs 19 million, exclusive of VAT, to the Consultant following the submission of Inception, Preliminary, and Detailed Design Reports (DDR).

As of September 2025, the Ministry, through an email to the Consultant, highlighted that the contract would expire in December 2025, excluding the Defects Liability Period (DLP), and intended to proceed with the implementation of only 2 sites for the time being, that is, at Albion and Trou aux Biches. The bidding documents were under preparation and were expected by the end of October 2025.

A request was made to DBC to extend the contract to cover the supervision of both sites. On 15 October 2025, the Consultant quoted an amount of Rs 24.5 million for the Supervision of Works during construction and DLP Stages at the 2 aforementioned sites.

On 3 November 2025, ECCD replied that the proposed fee of Rs 24.5 million for the 2 sites was significantly higher than the average per site amounting to some Rs 3.43 million under the initial contract. No further developments were noted.

Division's Response

- The tender for Trou aux Biches site is expected to be launched in December 2025 and the bidding documents for the Albion site are in the process of being finalised.

- With respect to the remaining 14 sites, a priority list has been submitted to the Ministry of Finance on 7 October 2025 for consideration in the financial year 2026-27.

(e) Souillac Cemetery

The estimated cost for Coastal Protection, Landscaping, and Infrastructural Works was Rs 181 million. In June 2023, a contract for Consultancy Services was awarded for an amount of Rs 14.95 million, exclusive of VAT, and spanned over a period of 36 months.

As of November 2025, the bidding documents were still under preparation by the Consultant. ECCD intended to award the contract for works in April 2026, with an expected completion date of June 2027.

Division's Response

This Ministry will launch a new tender in February 2026 for the appointment of a Consultant to complete the remaining deliverables.

(f) Flic en Flac to Wolmar

The contract for Consultancy Services to mitigate coastal erosion was awarded in August 2022 for an amount of Rs 24.85 million, inclusive of VAT. The contractual commencement date was 5 September 2022, and the duration of contractual services spanned over 18 months.

As of October 2025, the Inception and the Preliminary Reports, were all submitted and finalised, except the Detailed Design Reports. The EIA report as well as the tender documents were expected by the end of December 2025 and March 2026, respectively.

(g) Riviere des Creoles and Vieux Grand Port

The objective of the project was to provide sustainable and robust solutions to prevent coastal erosion, mainly due to climate change and sea-level rise. The contract for consultancy services was awarded in July 2022 for an amount of Rs 22.6 million and was expected to end in August 2027. During the financial year 2024-25, some Rs 2.3 million was disbursed.

The Preliminary Design Reports for the 5 sites had been submitted and approved in September and December 2024, respectively, except for Riviere des Creoles, which was approved in May 2025. As of 1 December 2025, the Detailed Design Report (DDR) statuses were as follows:

Site No.1 – Submitted on 31 October and was being assessed.

Site No.2 – Initially submitted on 4 June 2025, and a revised version was submitted on 15 August 2025 and approved on 2 October 2025.

Site No.3 – Submitted on 21 August 2025, and the Consultant was informed of the shortcomings on 3 October 2025 and a revised version of the DDR was awaited.

Site No.4 – Submitted on 29 September 2025, and the same was being assessed for approval. A revised version of DDR was awaited.

Site No.5 -Riviere des Creoles – Submission made on 26 November 2025 and was being assessed.

(h) Belle Mare Coastal Works

The contract for consultancy services was awarded in September 2024 and was expected to end in October 2027 for a contract amount of Rs 18.4 million. During the financial year 2024-25, some Rs 1.8 million had been disbursed.

The Inception Report was submitted in November 2024 and approved in January 2025, while the Preliminary Design Report was submitted in April 2025 and approved in July 2025.

Division's Response

The Detailed Design Report is expected to be submitted by the Consultant to the Ministry in February 2026.

Root Causes

- Significant time was taken for retrieving, consolidating and submitting essential data such as technical surveys, bathymetric information, and land use data from Ministries and Agencies.
- The Consultants failed to submit deliverables on time as there was no effective monitoring.

Recommendation

The Division should reconsider the constitution of a Project Management Unit to ensure that all possible constraints for the implementation of the projects that are of national interest are addressed in a timely basis.

7.1.6 Follow-up of Recommendations raised in the Audit Report 2023-24

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2023-24 is summarised. Out of 32 recommendations, 22 (69 per cent) have been implemented, 8 (25 per cent) have been partly implemented, and 2 (6 per cent) have not been implemented.

SN	Findings	Recommendations	Division's Response as of January 2026	NAO's Comments
Environmental Impact Assessment and Preliminary Environment Report-Lapses in Recording and Monitoring (Page 275)				
1	Database Not Comprehensive: - As of June 2024, 30 out of 47 approved licences issued during the financial year 2023-24 were not updated in the database. - In 98 instances, the date of issue of the licences was not inserted in the database. <i>(Pg 275, Para 12.1.1)</i>	The Environment Impact Assessment (EIA) and Preliminary Environment Report (PER) Monitoring Division and the Monitoring Committee should ensure that the database is regularly updated for all approved EIA/PER licences. <i>(Pg 275, Para 12.1.1)</i>	The National E-licensing System for processing Environment Monitoring Plan and Completion Certificate is on the agenda of the PER/EIA/SEA Monitoring Committee and progress is being monitored on a monthly basis.	Partly Implemented
Lack of Monitoring and Non-compliances of EIA Licences (Page 276)				
2	- From January to June 2024, only 107 EIA and 11 PER had been monitored by the EIA/PER Monitoring Division. - Following a post-monitoring exercise carried out on 118 undertakings, 35 non-compliance cases were detected. <i>(Pg 276, Para 12.1.1)</i>	The EIA/PER Monitoring Division and the Monitoring Committee should regularly monitor the approved EIA/PER licences. <i>(Pg 276, Para 12.1.1)</i>	Some 200 active projects are being monitored by the EIA/PER Monitoring Division. Monitoring of projects is conducted based on the sensitivity of projects and the likelihood that issues be encountered.	Implemented
National Adaptation Plan - Not Finalised (Page 277)				
3	As of 30 September 2024, the National Adaptation Plan had not been finalised after almost seven years. <i>(Pg 277, Para 12.1.2)</i>	The National Adaptation Plan should be finalised as early as possible. <i>(Pg 275, Para 12.1.2)</i>	The Green Climate Fund has informed the Ministry of Finance and the Department of Climate Change on 17 April 2025 that the National Adaptation Plan has been approved by its Board for the amount of USD1,885,105. A meeting was held on 29 January 2026 with the Indian Ocean Commission and the Ministry of Finance to discuss the preparation	Partly Implemented

SN	Findings	Recommendations	Division's Response as of January 2026	NAO's Comments
			of the TORs for the recruitment of a Project Coordinator and a Project Assistant for the preparation of the National Adaptation Plan.	
MauNDC Registry - Incomplete Information (Page 278)				
4	▪ As of October 2024, the MauNDC Registry was still not populated with projects in terms of outcomes, interventions, indicators and targets.	▪ The Accounting Officer should put in place a system involving all stakeholders and the Division in the implementation of the adaption measures.	The Initiative for Climate Action for Transparency project is providing capacity building to support stakeholders under the MauNDC registry in identifying outcomes, interventions, intervention and indicators for the relevant sectors.	Partly Implemented
5	▪ As of 30 September 2024, after 5 months, the collaboration of all relevant Ministries and Departments was not yet sought for implementing the project, scheduled to be completed by end of 2025. (Pg 278, Para 12.1.2)	▪ The MauNDC Registry is to be populated with the appropriate information and measured in terms of outcomes, interventions, indicators for all projects. (Pg 279, Para 12.1.2)	The final outcome, intervention and indicators are presently being used by the Consultants to update the MauNDC Registry for eventual data entry by stakeholders. The platform is expected to be populated at 25% by June 2026. The Climate Change Committee serves as the platform through which the collaboration of all stakeholders is requested for the provision of relevant information	
Lapses in Plastic Management-Revised Environment Regulations not yet Finalised (Page 279)				
6	As of September 2024, Amendments relating to the <i>Environment Protection (Control of Single-Use Plastic Products)</i> and <i>Environment</i>	The Accounting Officer should hire a legal expert to speed up the finalization of the amendments to the existing regulations. (Pg 279, Para 12.1.3)	The agreement of the Government will be sought on recommendations made by the Legal Expert under the Roadmap Project after the no objection of relevant stakeholders securing.	Partly Implemented

SN	Findings	Recommendations	Division's Response as of January 2026	NAO's Comments
	<i>Protection (Banning of Plastic Bags) Regulations 2020</i> have not finalized. (Pg 279, Para 12.1.3)			
Inadequate Crackdown Operations (Page 280)				
7	The crackdown team issued 88 contraventions against defaulters for selling non-biodegradable plastic bags. (Pg 280, Para 12.1.3)	The Plastic Management Division in collaboration with the Police de l'Environnement, and Local Authorities' Health Inspectors should prepare an annual plan based on risk factors and increase the number of visits. (Pg 280, Para 12.1.3)	With the amendment of the definition of plastic and plastic bags effective as from 1 October 2025, crackdown operations have been resumed. A Key Performance Indicator (KPI) has been set in the Budget 2025-2026 under Programme 0502: 'Protection and Conservation of Environment' with respect to conducting crackdown operations, namely, 10 crackdowns for 2025/2026. As of January 2026, 7 crackdown operations have been conducted. For the year 2026, the annual enforcement plan has already been prepared and approved on 21 January 2026. Crackdown operations are ongoing to achieve the established KPI target by June 2026.	Implemented
Seized Imported Plastic Products - Not Yet Destroyed (Page 281)				
8	- As of June 2024, 250 m³ of imported banned plastic products have been lying at the Customs Warehouse since January 2021. - As of August 2024, 67 statements were yet to be recorded	The Plastic Management Division should ensure that the Police de l'Environnement records no objection statements from importers. (Pg 281, Para 12.1.3)	Plastic items detained by Customs from 2021 to 2023 are being classified as abandoned goods as per the Customs Act of 1998 and will be disposed of through recycling.	Implemented

SN	Findings	Recommendations	Division's Response as of January 2026	NAO's Comments
	by the Police de L'Environnement out of 102. (Pg 281, Para 12.1.3)		The entirety of the 250m ³ of overlying space, which has already been cleared at the level of the Customs Warehouse.	
Fines Not Imposed (Page 282)				
9	As of October 2024, the provisions of Sections 14 (c) and 16(c) of the Environment Protection Regulations were not applied against defaulting importers of non-biodegradable plastic bag. (Pg 282, Para 12.1.3)	The relevant provisions of the Environment Protection Regulations 2020 should be applied in all cases of non-compliance. (Pg 282, Para 12.1.3)	A <i>modus operandi</i> was developed and agreed between the MRA Customs and this Ministry in 2023. Advice was sought from the Attorney General's Office on 26 January 2026 as to whether this Ministry should continue adopting the existing <i>modus operandi</i> at level of importation, in view of the logistical challenges associated with the storage of seized plastic products. A reply is awaited from the Office of the Attorney General.	Not Implemented
Expired Registration Certificates of Importers and Manufacturers (Page 282)				
10	As of August 2024, 78 registration certificates for biodegradable single-use products and 101 for exempt plastic bags had already expired after their validity period of 3 years and were not renewed. (Pg 282, Para 12.1.3)	All undertakings should operate with valid registration certificates.	All the 14 site inspections were already conducted by end of December 2025 at level of manufacturers. The annual enforcement plan targets monthly visit at manufacturer's premises around the island. On a regular basis, an updated list of manufacturers whose certificate of registration has	Implemented

SN	Findings	Recommendations	Division's Response as of January 2026	NAO's Comments
11		The loopholes in the existing regulations have to be addressed for the renewal of registration certificates. (Pg 283, Para 12.1.3)	expired is prepared and same are targeted during crackdown operations. As at date, all active manufacturers are operating with a valid certificate of registration.	Implemented
Delay in Award of Contract for Consultancy Services to Develop a Roadmap for a Plastic Free Mauritius (Page 283)				
12	The contract for the consultancy services was awarded on 30 August 2024, that is, 2 months after the date set in the planned schedule, while the Inception Report has not yet been submitted by the end of September 2024. (Pg 283, Para 12.1.3)	The Division should ensure that the inception report is submitted within a reasonable time for the development of the Roadmap due to its urgency. (Pg 283, Para 12.1.3)	The report was approved at the First Project Steering Committee held on 30 September 2024 and payment to the tune of Rs 404,500 was released on 10 December 2024.	Implemented
Pesticide Residue Testing Equipment for Water Resources- Non-Compliance with Public Procurement Regulations (Page 284)				
13	A Letter of Acceptance was issued on 16 June 2023 despite the validity period had already expired since 16 April 2023. (Pg 284, Para 12.1.4)	DBC should fully comply with Section 30 of the Public Procurement Regulations. (Pg 284, Para 12.1.4)	The DBC has strengthened its internal processes and introduced tracking mechanisms to ensure that bid validity periods are monitored and strictly adhered to.	Implemented
Oil Spill Combat Equipment – Shortcomings in Procurement Procedures (Page 284)				
14	The purchase was behind schedule by more than one year as the expected completion date was scheduled to be June 2023 as per the Project Request Form.	DBC should closely follow up with CPB for the vetting and the approval of the bidding documents.	Arrangement is being made for payment to be effected to the foreign supplier in accordance with GCC 16.1 of the Special Conditions of Contract.	Implemented

SN	Findings	Recommendations	Division's Response as of January 2026	NAO's Comments
15	As of 20 September 2024, Supplier C had not submitted performance security of EUR 10,485. (Pg 285, Para 12.1.4)	Take appropriate actions against suppliers who did not submit their performance security as per the conditions of the contract. (Pg 285, Para 12.1.4)	Pursuant to advice tendered by the AGO, the contract was annulled on 6 March 2025. Tenders for the Oil Spill Combat Equipment is expected to be re-launched by end of July 2025.	Implemented
Non-Adherence to Contractual Terms and Conditions (Page 286)				
16	- As per the contract agreement, the Consultant had to submit 8 deliverables. - As of 30 June 2024, only 3 deliverables were completed and approved by the Project Steering Committee (PSC). (Pg 287, Para 12.1.4)	The Manager, Procurement, and Supply should consider including a penalty clause in the Contract Agreements to encourage adherence to contractual obligations. (Pg 287, Para 12.1.4)	On 2 April 2025, the Procurement Policy Office informed that consultancy services refer to intellectual services and as such no penalty is applicable.	Implemented
Delay in Submitting the Deliverables (Page 287)				
17	- In May 2024, the PSC approved an amended implementation plan and granted an extension of time for the submission of deliverables 5 to 8 by 28 June 2024. - The Consultant did not submit any reports as of August 2024. (Pg 287, Para 12.1.4)	The PSC should closely monitor the performance of the Consultant and ensure that the latter complies with the Division's requirements. (Pg 288, Para 12.1.4)	All Deliverables have been submitted, finalized and validated by the Project Steering Committee.	Implemented
Coastal Protection Works at Bois des Amourettes Delayed by more than 25 Months (Page 288)				
18	As of 10 September 2024, work completed was estimated at 85 per cent and the works have been further delayed by 15 months. (Pg 288, Para 12.1.5)	The Accounting Officer should ensure proper supervision of implementation of projects. (Pg 289, Para 12.1.5)	As from 01 November 2025, a Project Coordinator has been seconded to the Ministry on a part-time basis, who is assisting in the day-to-day monitoring and implementation of	Implemented

SN	Findings	Recommendations	Division's Response as of January 2026	NAO's Comments
			coastal protection works, and has prepared a new tender document for the outstanding works. Regular coordination meetings to monitor progress of coastal protection works are being held. In the second quarter of the current Financial year, two (2) meetings were held on 27 November and 12 December 2025.	
Deux Frères Waterfront Project -Bids Documents Not Finalised (Page 289)				
19	As of September 2024, the revised bid documents were not yet finalized as the cost estimate had not been revised. (Pg 290, Para 12.1.5)	The Division should ensure the finalisation of the bidding documents and award of contracts within a reasonable time and monitor the performance of the Consultant. (Pg 290, Para 12.1.5)	It is to be noted that: (i) the contract with the Consultant expired on 18 December 2025; (ii) financial clearance has been sought anew on 17 December 2025 and the same is awaited. (iii) tender for works and supervision is expected to be launched anew in July 2026; and funds for the implementation of works were not provided in this Ministry's budget for FY 2025/26, but funds to the tune of Rs 5M have earmarked for FY 2026/27.	Not Implemented

SN	Findings	Recommendations	Division's Response as of January 2026	NAO's Comments
Coastal Protection Works at Grand Baie – Delay in Awarding the Contract (Page 290)				
20	Tenders were launched in July 2024 with a closing date of 27 August 2024. As of September 2024, the project was still at the bid evaluation stage. <i>(Pg 291, Para 12.1.5)</i>	▪ The Ministry has to develop a national plan and obtain the collaboration of all key stakeholders to ensure the timely execution of projects.	All proposed coastal protection works are discussed at the level of the ICZM Committee. Furthermore, regular Technical Committees, site visits and public consultations are conducted at different stages of the project.	Implemented
21	Tenders were launched in July 2024 with a closing date of 27 August 2024. As of September 2024, the project was still at the bid evaluation stage. <i>(Pg 291, Para 12.1.5)</i>	▪ The Ministry should expedite completion of the Coastal Protection Works at Grand Baie. <i>(Pg 291, Para 12.1.5)</i>	The contract for works was eventually awarded to a Contractor on 24 October 2024. Works started in March 2025 and are expected to be completed in February 2026.	Partly Implemented
Coastal Protection Works for 16 Sites and Around the Island – Delay in Providing Bathymetric Data and No Objection Letters by the Ministry of Housing and Land Use Planning (Page 291)				
22	As of September 2024, no objection letter had been obtained from the MHLUP for land ownership for 6 sites, while for the remaining 10 sites, they were still awaited. <i>(Pg 292, Para 12.1.5)</i>	The Division should set up a dedicated Project Management Unit to ensure the cooperation and collaboration of relevant stakeholders for the timely execution of coastal protection projects. <i>(Pg 292, Para 12.1.5)</i>	The request for a Project Management Unit was not retained in the budgetary exercises for FY 2024/25 and FY 2025/26. As from 01 November 2025, a Project Coordinator has been seconded to the Ministry on a part-time basis, who is assisting in the day-to-day monitoring and implementation of coastal protection works.	Partly Implemented

SN	Findings	Recommendations	Division's Response as of January 2026	NAO's Comments
Earmarked Coastal Protection Works Projects- Draft Tender Documents Not Finalised (Page 292)				
23	<i>Coastal Stretch from Flic en Flac to Wolmar</i> ▪ Consultation meetings were held on 11 June and 1 August 2024 with hotels located in the regions regarding the protection measures proposed by the Consultant. However, as of September 2024, the matter was still not resolved. ▪ As of September 2024, 2 years after the commencement date of the contract the draft Tender Documents were still outstanding from the Consultant. <i>Coastal Protection Works at Souillac Cemetery Seafront Edge</i> The draft Tender Documents were submitted on 16 July 2024. However, as of September 2024, the tender documents were still not finalised as the recommendation of the EIA Committee on the EIA Report was still awaited. (Pg 293, Para 12.1.5)	A PSC should be set up by the Division to ensure that the Consultant abide by the key deliverables date. (Pg 294, Para 12.1.5)	This Ministry has initiated action in view of recruiting a Consultant to complete the deliverables and supervise the works.	Partly Implemented

SN	Findings	Recommendations	Division's Response as of January 2026	NAO's Comments
Cleaning and Embellishment Works at Places of Worship and Other Public Sites- Lapses in Project Management (Page 294)				
24	<i>Absence of an Annual Plan</i> LEU prioritised the upgrading and embellishment of places of worship, rather than focusing on public spaces. The basis of selection, extent of scope and cost of upgrading works were not determined systematically as per approved annual plan. (Pg 294, Para 12.1.6)	ECCD should devise a policy and develop an annual plan for implementation of upgrading and embellishment project. (Pg 295, Para 12.1.6)	With regards to the prioritization of places of worship instead of focusing of public spaces, LEU prioritizes these projects as the vast majority of public places are vested in other authorities.	Implemented
25	<i>Overlapping Responsibilities</i> In December 2022 and October 2023, MoFEPD directed the Division not to implement projects falling under the purview of other Public Bodies as funds for such projects had already been earmarked under their respective votes. (Pg 295, Para 12.1.6)	To prevent potential duplication of funding, the Division should strictly adhere to the instructions of MoFEPD. (Pg 295, Para 12.1.6)	MoFEPD issued a letter mentioning that it disregarded its previous letter and issued financial clearance for the implementation of these projects by ECCD.	Implemented
26	<i>Non-Adherence with Financial Procedures</i> LEU failed to follow the financial procedures outlined in 9 of the CAPM as it did not seek authorisation from MoFEPD for estimated costs exceeding 15 per cent before launching bids for 58 upgrading and embellishment works. (Pg 296, Para 12.1.6)	The Accounting Officer should strengthen the oversight mechanism to deter any possibility of non-compliance with financial procedures established by MoFEPD. (Pg 296, Para 12.1.6)	The Division will ensure adherence to financial and procurement procedures to avoid similar occurrences for future projects	Implemented

SN	Findings	Recommendations	Division's Response as of January 2026	NAO's Comments
Shortcomings in Projects Implementation – Batch M- Upgrading and Embellishment Works at Four Places of Workshop (Page 297)				
27	Delay in awarding and completing the contract. (Pg 297, Para 12.1.6)	The Division should consider hiring a Quantity Surveyor or seek assistance from MNICD to measure quantities, calculate cost estimates, and prepare bills of quantities, amongst others.	The recruitment of a Quantity Surveyor has been included in the HR Budget Proposal 2025-2026 and the HR section is liaising with MNICD for the secondment of a Quantity Surveyor.	Implemented
28		Ensure that contracts are awarded and implemented in due time after receiving financial clearances from the MoFEPD. (Pg 297 Para 12.1.6)	The recruitment of a Quantity Surveyor has been included in the HR Budget Proposal 2025-2026 and the HR section is liaising with MNICD for the secondment of a Quantity Surveyor.	Implemented
Series 8- Upgrading and Embellishment works at 13 Public Sites and 9 Places of Worship: Non-Compliance with the Conditions of Contract (Page 298)				
29	- Despite the Contractor submitting performance security and insurance cover that did not align with the contractual requirements, on 24 April 2024, the Division handed over the sites to the Contractor, despite the submission of the Performance Security and Insurance Covers did not fully align with Section 1.1 of the Contract. - During the period June to August 2024, the Accounting Officer gave approval to carry out additional works of Rs 2.3 million, inclusive of VAT at Curepipe and La Marie, financed from the contingency fund of Rs 2.9 million. (Pg 298, Para 12.1.6)	The Accounting Officer and the Project Manager, LEU should strengthen their oversight capabilities and ensure rigorous enforcement of the contractual obligations.	The Contractor is instructed vide official letters not to start works before the acceptance of the Performance Security and Insurance Covers.	Implemented

SN	Findings	Recommendations	Division's Response as of January 2026	NAO's Comments
30	During the period June to August 2024, the Accounting Officer gave approval to carry out additional works of Rs 2.3 million, inclusive of VAT at Curepipe and La Marie, financed from the contingency fund of Rs 2.9 million. (Pg 298, Para 12.1.6)	LEU should secure the agreement of relevant stakeholders on the scope of work. (Pg 298, Para 12.1.6)	It was agreed that a survey form would be designed to clearly define the scope of work at the beginning of the project. The survey form has already been devised and is already being used by our inspectorate during site visits.	Implemented
Series 9: Upgrading and Embellishment works at 9 Public Sites and 22 Places of Worship-Non-Compliance with the Conditions of Contract (Page 299)				
31	- As of 29 July 2024, out of 31 sites, upgrading works at 12 sites had not yet started. - In August 2024, LEU noted that the projects were significantly behind schedule as the progress achieved was 15 per cent instead of 85 per cent. - As of 9 September 2024, LEU had not evaluated the progress of works to verify the Contractor's adherence to the project timeline. (Pg 299, Para 12.1.6)	The Division should enhance its ability to effectively manage the implementation of projects by ensuring that resources are used in a timely and effective manner. (Pg 300, Para 12.1.6)	The contractor had been notified on several occasions to expedite with the completion of the Contract, failing which, the matter would be reported to the Performance Review Committee and liquidated damages as provided under the Contract would be applied in case of delay.	Implemented
Delay in the Implementation of Projects approved by the National Task Force Committee (Page 300)				
32	The objective set by the National Task Force Committee for the timely upgrading of the cemeteries for the religious festival was not achieved. (Pg 300, Para 12.1.6)	The Division should enhance its ability to effectively manage the implementation of projects by ensuring that resources are used in a timely and effective manner. (Pg 300, Para 12.1.6)	The National Task Force Committee does not specifically provide a strict timeline for large upgrading projects as their implementation depends on other factors.	Implemented

7.2 SOLID & HAZARDOUS WASTE AND BEACH MANAGEMENT

7.2.1 Actual Expenditure of Rs 711 Million

The approved budget of the Solid & Hazardous Waste and Beach Management for Cleaning Services for Public Beaches, Operation of Landfill Sites and the cost of the Operation and Maintenance of Transfer Stations amounted to Rs 693 million, and an additional amount of Rs 17.7 million was reallocated to that item during the financial year 2024-25.

As at 30 June 2025, the actual expenditure was some Rs 711 million.

7.2.2 Cleaning of Public Beaches and Maintenance of Toilet Blocks - Lapses in Management of Cleaning Services Contracts

Background Information

For the financial year 2024-25, an amount of Rs 180 million was budgeted for the cleaning of beaches and maintenance of toilet blocks at 93 public beaches under 17 contracts. These contracts were awarded for a period of 36 months, that is for calendar years 2021, 2023 and 2024 and were renewable annually based on satisfactory performance of the Contractor.

An amount of some Rs 128 million and Rs 200 million was also earmarked under the National Environment Fund and the Climate and Sustainability Fund, respectively.

As of 30 June 2025, a total amount of Rs 315.8 million was disbursed for the 17 contracts.

Findings

Expired Contracts

- (i) Three contracts for a total amount of Rs 113.8 million under Lots No 3 and 4 had already expired since February and July 2024, respectively. They were extended on several occasions for another period of 3 to 8.5 months for an additional cost of Rs 113 million.
- (ii) As of September 2025, the award for a new contract was unduly delayed by more than one year due to the time taken in finalising the bidding documents by the Procurement Unit and the Central Procurement Board (CPB).

Root Cause

The Officer in Charge of the Procurement Unit did not properly plan to prepare and finalise the bidding documents with the amendments.

Recommendations

- The Solid Waste Management Division (SWMD) should develop and maintain a comprehensive contract management system, including monitoring of expiry dates and timely initiation of procurement processes.

- The Procurement Unit and CPB should ensure the timely finalisation of bidding documents and work according to a timetable.

Division's Response

- Necessary action has been initiated at the level of the SWMD to develop an Intranet system to maintain a comprehensive procurement and contract management system, including monitoring of expiry dates and timely initiation of procurement processes.
- CPB has been approached to have a single exercise of reviewing the Bidding Document with the procurement section and user documents.
- A meeting was scheduled on 8 January 2026 with the Ministry of Information Technology, Communication and Innovation, the Central Information Systems Division and the Government online Centre to discuss the specifications and cost estimate of the Integrated Management System.

7.2.2.1 Delays in Preparation and Signing of Contract Agreements

Background Information

Contract agreements should be signed within the prescribed time limit of 21 days from the issuance of the Letter of Acceptance, as stipulated at Clause 33.3 of Instruction to Bidders (ITB).

Findings

- As of October 2025, letter of awards for 9 contracts were issued in September 2023, January, March, and June 2024, for a total amount of Rs 196.2 million. However, the contract agreements were not signed by the Permanent Secretary within the prescribed time limit of 21 days from the issuance of the Letter of Acceptance.

The contract period for 5 of the 9 contracts, amounting to some Rs 42.4 million, had already lapsed since August and September 2024.

- The Procurement Unit had not yet prepared the contract agreements for 15 contracts, awarded during the period from January 2023 to August 2025 for Beach Cleaning, Refuse Collection, Cleaning and Maintenance of Toilet Blocks, amounting to some Rs 580.8 million as of October 2025.

The contract period for 5 of the 15 contracts not yet signed, amounting to some Rs 50 million, were already terminated in October 2024, March, July, and August 2025, and one contract for Beach Cleaning and Refuse Collection of Secondary Beaches for Lot 5 for Rs 41 million would terminate in January 2026.

Root Cause

- The Accounting Officer did not exercise adequate supervision over the Procurement Unit for the preparation of contract agreements with successful bidders.

- The Accounting Officer did not comply with the 21-day timeframe to sign the contract.

Recommendation

The Procurement Unit should prepare Contract agreements for all successful bidders and all parties should sign the agreement within the prescribed time frame.

Division's Response

It is agreed that the Contract Agreements have to be signed to complete the procurement process. The Procurement Section has initiated action to prepare the pending Contract Agreements that need to be signed.

7.2.2.2 Delay in Processing Payments

Background Information

- General Conditions of Contract (GCC) Clause 6.4 – Terms and Conditions of Payment: Payment for the works undertaken was to be effected monthly upon receipt of an invoice and a monthly report from the Service Provider.
- SWMD was required to make payment within 21 working days from the date of receipt of an invoice.
- To ensure timely processing, the monthly report prepared by the Beach Authority must be submitted by the 5th of each month to certify that the works were carried out by the Contractor in accordance with the Scope of Works.

Findings

- Delays were noted in the processing and effecting of payments to contractors, varying from 26 to 83 days.
- Monthly reports from Beach Authority were frequently prepared and submitted to the SWMD after the 5th of the month, which further delayed the initiation of the payment process.
- On several instances, payments were processed and recommended for approval more than one month after receipt of the Beach Authority 's monthly report.
- Neither the Beach Authority's monthly report nor the officers of the SWMD recommendations was seen in the file before the processing payment of around Rs 2.5 million for the cleaning of Lot No. 4, main beach, for May 2025.
- Cases were noted where Contractors had received their payments over 2 months after the submission of their invoices. This was well beyond the 21 working days as stipulated under GCC 6.4.
- Despite the non-submission of monthly reports by the contractors, a total payment of some Rs 64 million were made to the 9 contractors from January to June 2025, which was not in line with *GCC Clause 6.4 Terms and Conditions of Payment*.

Root Cause

There was poor planning and supervision by the Director of SWMD for the processing of payments.

Recommendation

There should be compliance with the contractual terms and obligations in terms of payment processing by all concerned parties.

Division's Response

Payments are expeditiously processed to comply with the contractual timeframe. However, there are some exceptions where there is a lack of funds or when the expense is funded under the Climate and Sustainability Fund. The Ministry has to await the release of funds from the Ministry of Finance.

7.2.2.3 Irregular Cleaning of Proclaimed Beaches

Background Information

As of 30 June 2025, there was 145 proclaimed public beaches around the island, covering a total area of some 348 hectares. Of the 145 proclaimed public beaches, 93 were cleaned by scavenging contractors, while 48 beaches were cleaned by Beach Authority's General workers, and the remaining 4 beaches by manual workers.

During the financial year 2024-25, 442 site inspections were carried out by Beach Enforcement Officers.

Findings

- There were no formal agreements/arrangements between SWMD and Beach Authority regarding the frequency of inspections per contract and site visits to be carried out. Only a copy of the letter of award was sent to notify Beach Authority of the new contract, but with no details of the sites under each lot.
- Supervision was solely carried out by the 9 Beach Enforcement Officers and 2 Senior Beach Enforcement Officers for the 93 scavenging contracts, which was not in line with Clause 7.1- Special Conditions of Contract.

For April and May 2025, Beach Enforcement Officers carried out supervision at least once per week and one weekend per month per site, but not twice weekly as scheduled.

- Instruction sheets were issued to the Contractors for shortcomings noted, but the time period for remedial action was not specified, and follow-up site visits were not often conducted by Beach Authority due to a shortage of staff.
- According to Beach Authority staffing requirements, a total of 115 refuse collectors were required to ensure regular cleaning of all 52 beaches. The current staffing was short of this requirement, comprising only about 16.5 per cent of the planned workforce.

Root Causes

- There were poor coordination framework and delegation procedures between SWMD and Beach Authority.
- There was an absence of joint inspections and the shortage of staff at both levels of SWMD and Beach Authority.

Recommendations

- A formal Memorandum of Understanding or Standard Operating Procedure should be established to define the frequency of inspections, reporting requirements per lot/site, and the roles and responsibilities of both entities.
- Implement joint inspection schedules with Beach Authority to ensure adequate coverage.
- Implement an inspection roster ensuring each site is inspected at least once weekly.
- Revise the Instruction Sheet Template to include the deadline date for the necessary corrective action.

Division's Response

- A Memorandum of Understanding would be drafted to define the responsibilities of the Ministry and the Beach Authority, which will include frequency of inspections, reporting requirements per lot/site, and the roles and responsibilities of both entities.
- Random checks will be effected by the Technical Enforcement Officers of the Ministry as and when required.

7.2.2.5 Shortcomings noted during Site Visits

Background Information

As per Section V – Scope of Service and Performance Specifications, Part 1.2 (Cleaning), *“All areas within each beach site and the amenities therein must be cleaned before 8:00 a.m., and cleaning operations must continue throughout the day to the satisfaction of the Employer.”*

According to Section 1.2.2 of the Scope of Services relating to the cleaning of toilet facilities, *“All cleaning works should be completed before 8:00 a.m., and the toilet blocks should be maintained in a clean and hygienic condition throughout the day.”*

A site visit was carried out at 9 public beaches in October 2025.

Findings

- No cleaning staff was on site.

- Beach areas were found uncleaned.
- Carting away of waste had not been carried out.
- Mowing and cutting of grassed areas were not done.
- Felling of dry trees was not carried out.
- Cleaning materials and carton boxes were stored inside the toilets.

These are shown in the Figures 1 to 8.

Part of unproclaimed Pomponette Beaches - Figures 1 and 2 showed that carting away of waste was not carried out regularly.



Figure 1 No Carting away of waste



Figure 2 No waste removal

P.G Le Morne (near Dinarobin) - Figures 3 and 4 – Pointed to the Poor State of Toilet Blocks

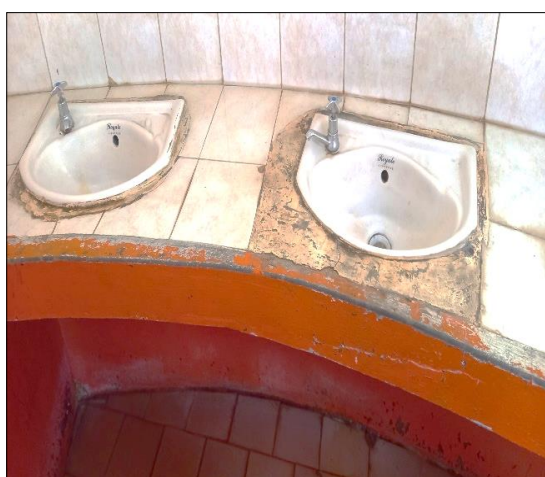


Figure 3 Poor State of Toilet Block



Figure 4 Cleaning Materials stored inside toilets

Maconde View Point (Popular Beach) - Figures 5 and 6 highlighted the unclean state of beach



Figure 5 Uncleaned Beach



Figure 6 Poorly maintained beach

Baie du Cap Public Beach and Toilet Block



Figure 7 No Cleaning



Figure 8 Cleaning Materials Stored inside toilet block

Root Cause

There were lack of monitoring and ineffective supervision on the cleaning of the beach and toilet block by the SWMD technical officers and the BA Beach Enforcement Officers on the contractual cleaning requirements.

Recommendations

- The SWMD technical officers and Beach Enforcement Officer should reinforce daily monitoring and supervision of beaches.
- Cleaning should be completed before 8:00 a.m. as per the service scope and apply penalties for non-compliance.
- The SWMD should provide proper storage facilities for cleaning materials and other equipment.

Division's Response

- A meeting was held in the first week of December 2025 and all the observations and shortcomings noted have been communicated to the Beach Authority for necessary remedial actions.
- Old toilet blocks handed over by Local Authorities do not provide storage facilities. Arrangements are being made in the construction of new toilet blocks for a proper storage area, subject to funds made available by the Ministry of Finance.
- Beach Authority will be requested to put additional bins on beaches.

7.2.3 Lapses in the Operation and Maintenance of Transfer Stations

During the financial year 2024-25, some Rs 270.40 million was spent on the management of the 5 transfer stations including Rs 2.6 million for the operation and management of the Civic Amenities Centers.

7.2.3.1 La Chaumiere Transfer Station

Background Information

The contract for the Operation and Maintenance of the Station and Transportation of Waste to Mare Chicose Landfill was awarded on 13 September 2022 for the sum of Rs 224.9 million (exclusive of VAT). The contract duration was for 3 years, that is, from 1 October 2022 to 30 September 2025.

Findings

- From January 2024 to March 2025, on several occasions, waste accumulation had exceeded 500 tonnes, varying from 626 to 12,845 tonnes which were not in line with Clause 7.20 (Transportation of Waste) of Section V of the Scope of Service and Performance Specifications for the Activity Schedule which stipulated that all daily incoming wastes (500 tonnes) from the Transfer Station would have to be transported to the Mare Chicose Landfill.

Figures 9 and 10 showed the accumulation of wastes.



Figure 9 Operation on Soil



Figure 10 Near Concrete Platform

- As of 31 March 2025, a cumulative penalty amount of Rs 13.2 million (excluding VAT) had already been deducted for the accumulation of wastes exceeding 500 tonnes, in line with Clause 3.10.3 of the special conditions of the contract for a penalty deduction of up to 5 per cent of the final contract price for lack of performance.
- Due to the Contractor's Poor Performance, the Performance Review Committee at its meeting on 19th February 2025, recommended applying daily liquidated damages of Rs 40,000 for non-compliance, not to effect any payment for Civic Amenity Center, and also excluding the Contractor from participating in any procurement exercise launched by the Ministry.

SWMD issued a letter of exclusion to the service provider on 21 June 2025 for 6 months.

- As of November 2025, the service provider had not yet contacted recyclers for the carting away of recyclable wastes from the Civic Amenity Center and since March 2025, no payment was effected for the operation of the Civic Amenity Center for more than 9 months after the issue of the letter of exclusion in June 2025.

Root Cause

The Accounting Officer did not exercise proper supervision on the implementation of the contract resulting in poor contract management.

Recommendations

- Management and the Technical staff should closely monitor the performance of the contractor's daily operational activities.
- The percentage of penalty and the maximum ceiling should be increased for excessive accumulation of waste in future bid documents.
- Recyclable waste should be carted away to the selected recyclers.
- Contract management should be substantially improved and a Contract Management Committee should be set up.

Division's Response

- Site visits are effected twice weekly and reports are prepared by the Technical Enforcement unit based on which necessary actions are taken.
- An amount of Rs 3,211,000 has been deducted for the non-compliance with the shortcomings.
- A total amount of Rs 14.1 million is envisaged to be deducted for the cost of the contractor appointed for carting away 7,000 tonnes of waste and the cost of carting away 6,300 tonnes of waste left by the Contractor at the end of the Contract. Advice is being sought from the Attorney General's Office for the deduction of this amount.

- Consideration is being given to increase the limit of aggregated penalties, currently at 5 per cent of the contract price.

7.2.3.2 La Laura Transfer Station

Background Information

The Contract for Operation and Maintenance of La Laura Transfer Station and Transportation of Wastes to Mare Chicose Landfill was awarded to a private contractor on 26 December 2023 for the negotiated amount of Rs 196.6 million exclusive of VAT for a 36-month contract.

Findings

- In October 2024, after 9 months, the contract was sent to the successful bidder for signature. As of September 2025, it had not yet been signed, which was not in line with Clause 36.2 of the ITB which stipulated *that the successful bidder shall sign the contract and return it to the employer, together with the required performance security, within 21 days of receipt.*
- As of September 2025, after 20 months, the private contractor had not yet implemented the firefighting system for which an amount of Rs 13.3 million was quoted and approved in Bill No.4 for the Supply, Implementation, Testing, and Commissioning of Fire Fighting System.
- As of January 2018, wrecked vehicles collected by the Mauritius Police Force were kept at the Transfer Station, although storage of wrecked vehicles did not form part of the activity schedule of the transfer station, as shown in Figure 11.



Figure 11 Wrecked Vehicles

Root Causes

- The Accounting Officer did not ensure that the contract was signed by the bidder within the 21 days timeframe given.
- There were poor monitoring and supervision by the Technical Staff on the daily operational activities of the service provider.

Recommendations

- The contract agreement should be signed.
- The firefighting system should be implemented in line with the scope of service and specifications.
- The Director of SWMD and the Technical staff should ensure that projects are carried out as per bid specifications.

Division's Response

- The contract agreement has been signed.
- Concerning the firefighting system, around 80 per cent of the work has been completed. The pump has been purchased and the pump room has been constructed. The SWMD is expediting matters with the pending issues to complete the project.
- As regards the wrecked vehicles, in the absence of a facility to store same, the Mauritius Police Force is keeping these vehicles temporarily at the station for the time being.
- The Commissioner of Police has already been requested to do the needful to dispose of these wrecked vehicles

7.2.3.3 Contract Out Relief Contractor

Background Information

The Contract for carting away of some 7,000 tonnes of waste from La Chaumiere Transfer Station to Mare Chicose Landfill was awarded to a private contractor on 13 December 2024, for a total amount of Rs 10,703,308, inclusive of VAT. The contract was for a duration of 24 days, commencing as from 16 December 2024.

The Contract for carting away of about 7,000 tonnes of waste from La Brasserie Transfer Station to Mare Chicose Landfill was awarded to a private contractor on 30 December 2024 for an amount of Rs 10,250,000, inclusive of VAT. The contract was for a duration period of 28 days with a commencement date of 3 January 2025.

Findings

- As of February 2025, no contract agreements were signed with the relief contractor for the carting away of accumulated waste for both La Chaumiere and La Brasserie Transfer Stations.
- The carting away of 7,012 tonnes and 7,101 tonnes were completed on 24 January 2025 and 5 February 2025 for La Chaumiere and La Brasserie Transfer Stations, respectively. This was beyond the duration period allocated.

- As of September 2025, after 6 months, SWMD had not effected the outstanding payment of Rs 10,703,308 and Rs 10,250,000 for La Chaumiere and La Brasserie Transfer Station, respectively.

This was not in line with section 6.4 of the Special Conditions of Contract, which stipulates that *the Public Body undertakes to effect payment within 45 working days from receipt of invoice.*

- SWMD had not yet claimed back Rs 21 million from the service provider for the carting away of some 14,000 tonnes by the relief contractor as of September 2025.

Root Cause

There was a lack of monitoring at the level of SWMD for the payments of invoices and claiming back of Rs 21 million from the service provider.

Recommendations

- The SWMD should abide by the payment terms and conditions specified within the conditions of the contract.
- The SWMD should claim back the Rs 21 million from the service provider.

Division's Response

- The SWMD should claim back from the service provider the amount paid to the relief contractor; the advice of the Attorney General's Office is being sought accordingly.
- For some payments, the SWMD has to request funding from the Climate and Sustainability Fund, which is managed centrally at the Ministry of Finance. There is a procedure to be followed prior to the release of funds from the Ministry of Finance.

7.2.4 Lapses in the Vertical Expansion and Operation of Landfill

Background Information

On 28 June 2024, SWMD awarded the Contract for the "Vertical Expansion of the Mare Chicose Landfill, and Operation and Post Closure Management of Cells" to a private contractor for some Rs 4.2 billion, inclusive of discounts and VAT, with a commencement date of 1 July 2024.

Findings

- It was in June 2025, after one year that SWMD requested the contractor to register with the Construction Industry Authority as its provisional Construction Industry Development Board certificate had lapsed since June 2024.

As of October 2025, the temporary registration certificate was not yet received.

- A total Advance Payment of some Rs 164.2 million was made to the contractor in line with Sub Section 14.2: Conditions of Contract Clause of Section IV of Bidding Forms of Bid Document, but the payment was neither recorded in an advance ledger nor accounted in the SWMD advance return as of 30 June 2025.
- Only 38 weeks of leachate were carted away instead of 57 weeks representing only 67 per cent.
- In an interim report dated 3 June 2025 from NEL to SWMD, a higher chloride level was detected in the stormwater drains (75.5 mg/L) and in a nearby river (60.8mg/L).

In its final report dated 3 September 2025, NEL reported that the chloride level was in the range of (9.9-194.8 mg/L) for the 9 surfaces for the water samples collected on 6 August 2025.

- As of August 2025, the appointment of the Dispute Adjudication Board (DAB) was not yet effected within 56 days of the commencement date. As of November 2025, there were 5 pending dispute matters between the employer and contractor.
- As of 30 June 2025, after one year of award of contract, the construction of the Gas Utilisation Plant had not yet started.
- The site engineer expressed his dissatisfaction with the progress of work as of August 2025, the contractor reported on the progress of site clearance for Cell W10: 90 per cent Cell W11: 40 per cent and Cell W12: 90 per cent.

At the time of the audit in October 2025, the construction of Cell W10, W11 and W12 had not yet started.

- The contractor did not comply with the provision as per Section 3.2.7: Daily Cover/Temporary Cover of Volume 2 of Bid Documents for open area exceeding 10,000 m² at the end of the daily operation with a biodegradable layer to prevent rainwater from seeping into waste.

For the period August 2024 to June 2025, a total amount of Rs 940,000 was deducted from the contractor's claims for non-coverage with a biodegradable layer for open areas exceeding 10,000 m².

- The contractor was not keeping the fencing and stormwater drain clean as specified in *Section 3.1.3 of Cleaning of fences and surface water in Volume 2 of the Bid Document*, as shown in Figures 12 and 13.



Figure 12 Stormwater drains uncleaned



Figure 13 Stormwater drains uncleaned

Root Causes

- There were poor monitoring and supervision by the SWMD Technical Enforcement Unit on the daily activities of the Landfill.
- There was an inadequate follow-up by the site Engineer on the construction of the cells as per the time framework.

Recommendations

- Regular monitoring and supervision should be carried out by the SWMD Technical Enforcement Officer of the daily activities of the Landfill.
- The site Engineer should ensure that the construction of the cells is completed as per the time framework.
- A Management Committee should be set up under the chairmanship of the Accounting Officer to meet at least on quarterly basis to follow the progress of construction as per the scope of work.

Division's Response

- The Rs 164 million is an Advance Payment as per Contractual terms and is covered by a Bank Guarantee. This amount will be recouped from the IPCs as per the terms of the contract.

- Technical Enforcement Officer is present the whole day at the landfill and the Consultant is present on site to supervise all the operations and the construction works at the landfill site.
- The Consultant has issued several instructions due to the poor performance of the contractor and action taken on all the shortcomings has been reported. Necessary warning letters have been issued to the contractor.
- The Dispute Adjudication Agreement was signed on 27 November 2025.
- Regular meetings are held at the Management Level to monitor the situation at the Landfill in view of the poor performance of the contractor.

7.2.5 Expired Weighbridge Calibration Certificate at Transfer Stations

Findings

- Only La Laura and Roche Bois Transfer Stations had a valid Weighbridge Calibration Certificate (WCC).
- The La Laura Transfer Station Weighbridge Out was non-operational due to a software malfunction.
- The WCC had expired at Mare Chicose Landfill and for La Brasserie, La Chaumiere, and Poudre D'or transfer stations for both weighbridges, In and Out.

Root Cause

The Accounting Officer and the Technical Enforcement Unit did not exercise adequate monitoring and follow up on the maintenance and the repair of the weighbridge.

Recommendation

The Accounting Officer and the Technical Enforcement Unit should ascertain that the Contractor schedules regular calibration and verification of the weighbridge to maintain weight accuracy.

Division's Response

- The Ministry will follow up with the Contractors regarding the calibration of weighbridges.
- All the weighbridges are operational except one at La Brasserie Transfer Station, where the load cells are in the process of being replaced.

7.2.6 Fire Certificate not renewed

Background Information

According to Section 19 (5) of the Mauritius Fire and Rescue Service (MFRS) Act 2013, *“the owner of such premises as may be prescribed shall apply to the Chief Fire Officer for a fire certificate in relation to the premises, which certifies that all safety requirements have been met in relation to those premises”* and *“no premises shall be occupied or used unless the owner has been issued with a fire certificate”*.

Findings

- Only 2 Transfer Stations, La Laura and Poudre D’or Transfer Stations, had a valid Fire Certificate up to 5 January 2026 and 30 January 2026, respectively.
- The Roche Bois Transfer Station was operating without a valid Fire Certificate following the fire outbreak in July 2024, as the Division was informed by MFRS to reapply for a new fire certificate.
- La Chaumiere and La Brasserie Transfer Stations had been operating without a valid Fire Certificate since 2022, and applications were made to MFRS in June 2025, more than 3 years later.
- The Mare Chicose Landfill did not have a Fire Certificate as required under Section 19 (5) of the MFRS Act 2013.

Root Cause

The Accounting Officer and the Director of SWMD did not ensure that the Mare Chicose Landfill and the 3 other Transfer Stations had a valid Fire Certificate in compliance with Section 19 (5) of the MFRS Act 2013.

Recommendation

The Accounting Officer and the Director of SWMD should ensure compliance with Section 19 (5) of the MFRS Act 2013.

Division’s Response

- All applications made are presently being verified by MFRS. A meeting was held with the responsible officer in the first week of January 2026 to look into the discrepancies.
- Concerning the Fire Certificate for the landfill, the MFRS has requested to apply for 2 Fire Certificates, one for the buildings and one for the landfill site. Necessary actions have been initiated accordingly.
- The Consultant has already designed the firefighting system for the whole landfill site and necessary Bidding documents are under preparation for the construction and commissioning of the fire system.

7.2.7 Lapses in the Integrated Waste Processing Facility

Background Information

The Integrated Waste Processing Facility (IWPF) consisted of sorting, composting and recycling of household waste. The objectives were to divert a sizable portion of the recyclable waste component from Mare Chicose Landfill to the 2 regional IWPF located at Laventure and La Chaumiere; and promote the circular economy through the use of recovered materials from waste.

The project would be on a Design-Build-Own-Operate Model and would be developed following the implementation of a segregated 3 bin waste collection system.

The Concession Period for each regional IWPF would be for a period of 27 years, that is, 6 months as Pre-development period, 18 months as construction period, and 25 years as Operation and Maintenance.

In November 2022, the Request for Proposal documents for the development of 2 IWPF in Mauritius were launched through the International Competitive Bidding Process with the closing date extended up to 20 April 2023.

In August 2024, SWMD issued 2 letters of award to 2 companies, and in October 2024, a concession agreement was signed.

The project would be in 3 phases and the IWPF would be operational by March 2027.

Findings

- The milestone for conditions precedent was not met by the concessionaire.
- The land where the IWPF would be constructed was not yet secured as of October 2025.
- The appointment of an independent engineer was not effected by the SWMD.
- The works on upgrading existing transfer stations to cater for the receipt of waste sorted for onward transportation to the IWPF site did not start as of October 2025.

Root Cause

- Land acquisition was not yet finalised by the concessionaire.
- There were poor monitoring and follow-up by the Accounting Officer and the Director of SWMD for the implementation of the IWPF.

Recommendations

- The Ministry should ensure that the Concessionaire secure the land as soon as possible.

- The Accounting Officer and the Director of SWMD should properly monitor and follow up the IWPF project.

Division's Response

- For the project under Region A, a Letter of Commitment was submitted on 18 August 2025 for some 22.8 Arpents of Land at Laventure - Petite Retraite on the main road, adjacent to Eastern Crushing Plant.
- For the Project under Region B, the Concessionaire met with some difficulties in relation to its original proposal in the Bid, that is, the MIC Land. The Concessionaire is exploring the option of securing a land of 18 Arpents owned by Medine Ltee, close to the first land.
- The Contracts for the services of the Independent Engineer are expected to cost a total of Rs 40 million, excluding VAT.

7.2.8 Inadequate Contracts Monitoring by the Performance Review Committee

Background Information

Public Bodies are mandated to establish a Performance Review Committee (PRC) in line with Section 35 of the Public Procurement Act (PPA) and Regulation 9A of the Public Procurement Regulations (PPR). This requirement was further reinforced by Directive 75 of the Public Procurement Office, issued on 15 January 2025.

As per Directive 75, the responsibilities of the PRC include:

- Reviewing the performance of suppliers and contractors on both ongoing and upcoming contracts.
- Handling cases of poor performance by suppliers/contractors and recommending appropriate actions to the Chief Executive of the public body.
- Monitoring the progress of ongoing works contracts above Rs 300 million monthly, in compliance with Regulation 9A, and submitting monthly reports to the Chief Executive.

On 14 December 2023, a Performance Review Committee was established at SWMD, chaired by the Deputy Permanent Secretary and comprising the Deputy Director of SWMD, the Manager of Procurement and Supply, and an Office Management Assistant acting as Secretary.

Findings

- Only 4 PRC meetings were held during the financial year 2023-24. The meetings had focused mainly on issues of non-performance related to the Contractor for La Brasserie and La Chaumiere Transfer Stations.
- No evidence was seen in file that the PRC reviewed the performance of all suppliers and contractors who were awarded contracts by SWMD.

- The Performance reports on projects were not frequently submitted by the Project Officers to the PRC as per the project's amount ceiling.
 - (i) Quarterly for projects above Rs 10 million;
 - (ii) Monthly for projects above Rs 300 million;
 - (iii) At project completion or termination;
 - (iv) Where critical performance issues were identified, and
 - (v) When contractors failed to rectify defects during the liability period.

Root Cause

The Accounting Officer did not adequately monitor the functions and meetings of the PRC.

Recommendations

- The Performance Review Committee should meet at the prescribed intervals and fulfill its responsibilities as per Directive 75.
- Performance reports on projects should be submitted by the Project Officers to PRC as per the project's amount ceiling.

Division's Response

The PRC meetings are held where there are serious issues to be resolved and recommendations for remedial actions are made to the Accounting Officer for approval.

7.2.9 Evaluation Report Not Published

Background Information

The Circular 15 of 2009, "*Performance of Evaluation Report*" of the Procurement Policy Office stipulates "*that public bodies falling under the purview of the Public Procurement Act will publish, on their respective website, an Executive Summary of the evaluation report after award of a contract*". The measure described above are applicable to all contracts of Rs 15 million and above.

Finding

Since 2017, the Executive Summary of the evaluation reports was not published on the SWMD website for contracts awarded above Rs 15 million. For instance, during the financial year 2024-25, a total amount of some Rs 625 million was awarded for contracts valued above Rs 15 million as per the procurement activities report.

Root Cause

The Manager, Procurement and Supply did not follow instructions and directives from the Procurement Policy Office.

Recommendation

The Manager, Procurement and Supply should comply with the instructions and directives of the Public Procurement Office by publishing the Executive Summary of the evaluation report for contracts awarded above Rs 15 million.

Division's Response

- The Procurement Section has already been instructed to comply with the instructions and directives of the Procurement Policy Office by publishing the Executive summary of the evaluation report for contracts awarded above Rs 15 million. An Internal Memorandum has been issued on 26 November 2025.
- The Annual Procurement Plan is being finalised by the Procurement Section of the Ministry.

7.2.10 Governance Issues – Non-compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of statutory bodies with the objective of strengthening accountability and transparency in the public sector.

Finding

Annual Reports not laid before the National Assembly

The Statutory Bodies (Accounts and Audit) Act requires a copy of the annual report and audited accounts of every statutory body to be laid before the National Assembly at the earliest opportunity.

As of 31 December 2025, the annual report of the Beach Authority for the financial year 2023-24, whose financial statement was certified on 5 May 2025, had not yet been laid before the National Assembly.

Recommendation

The Ministry should lay a copy of the annual report and audited financial statements before the National Assembly at the earliest.

7.2.11 Follow-up of Recommendations raised in the Audit Report 2023-24

The status of actions taken on findings and recommendations since the publication of the Audit Report is summarised. Out of 19 recommendations, 11 (58 per cent) have been implemented, 6 (32 per cent) have been partly implemented, and 2 (10 per cent) have not been implemented.

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Landfill and Transfer Stations – Not complying with Fire Safety Measures (Page 309)				
1	- As of November 2024, the Mare Chicose Landfill did not hold a Fire Certificate as required under Section 19(5) of the Mauritius Fire and Rescue Act 2013. - The Bidder and the Negotiation Panel agreed to remove additional charges for firefighting measures of Rs5 million under Bill 1, Preliminaries and General Item 1.4.3 during negotiations for the Operation and Maintenance of Mare Chicose Landfill, Works for Creation of Void Space for the period July to December 2023 under Emergency Procurement. The bid was accepted by SWMD for the total price of Rs 181.2 million, inclusive of Provisional Sums and VAT. - The operation of the landfill was disrupted and ceased following a fire outbreak on 6 November 2024. (Pg 309, Para 12.2.1)	The Accounting Officer and Director of SWMD should ensure compliance with Section 19(5) of the Mauritius Fire and Rescue Act 2013. (Pg 309, Para 12.2.1)	The Consultant has been requested to submit bidding documents to construct the new firefighting system. The expected date for the launching of bids will be in March 2026. In the meantime, the Contractor has deployed a team of people, water tanker and an excavator on daily basis to ensure rapid intervention in case of fire outbreak.	Partly Implemented
Transfer Stations – No Valid Fire Certificate (Page 310)				
2	The Roche Bois Transfer Station did not have a valid Fire Certificate as from February 2023. The previous one expired in January 2023.	The Director of SWMD should ensure that: All Transfer Stations have a valid Fire Certificate and comply with Section 19(5) of the Mauritius Fire and Rescue Act 2013.	The Division was informed by MFRS to reapply for a new fire certificate.	Partly Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
3	- On 14 June 2023, SWMD applied for a fire certificate for the Roche Bois Transfer Station which was issued on 26 January 2024 and is valid up to 25 January 2027. - As of September 2024, both La Brasserie and La Chaumiere Transfer Stations had been operating without a valid Fire Certificate since 2022 as improvement works as recommended by MFRS was not yet completed. (Pg 310, Para 12.2.1)	Improvement works as required by MFRS are completed without delay. (Pg 310, Para 12.2.1)	The visits of MFRS are awaited at the stations for the processing of the Fire Certificates, following queries received. Improvement works at La Brasserie are completed.	Partly Implemented
Installation of Firefighting Systems Not Yet Implemented (Page 311)				
4	- No expenditure had been incurred despite an amount of Rs 12 million and Rs 13 million were quoted for the firefighting and allied works at La Chaumière and La Brasserie Transfer Station. - An amount of Rs 27 million was included under additional services for the contract awarded, including the installation of a firefighting system for the “Vertical Expansion of the Mare Chicose Landfill, and Operation and Post Closure Management of Cells” to a private Contractor for Rs 4.2 billion, inclusive of VAT in June 2024.	SWMD should ensure that Contractors strictly adhere to the terms and conditions of the contract as well as the provisions of the Mauritius Fire and Rescue Act. (Pg 311, Para 12.2.1)	The existing firefighting system at La Chaumiere and La Brasserie Transfer Stations will be upgraded in new contract expected to be awarded in June 2026. The Ministry holds a Fire No-objection from the MFRS on the Mare Chicose Landfill Facility. The Ministry will be entitled to a proper Fire Certificate once a Fire Fighting Pipe with strategic positioning of hydrants will be under implementation. The expected date for the launching of bids will be in March 2026.	Not Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
	The location and design of systems for the firefighting system using water have not yet been decided by SWMD as of October 2024. (Pg 311, Para 12.2.1)			
Lapses in Procurement Procedures and Operational Activities of Roche Bois Transfer Station (Page 311)				
5	<i>Bidding documents not finalized after 1 year of operations and Maintenance</i> As of September 2024, which is one year after, the amended bid document was not yet finalised. Meanwhile, the contract was renewed on a month-to-month basis on same terms and conditions. (Pg 312, Para 12.2.1)	The Manager, Procurement and Supply, along with the SWMD Project Officers should have a joint meeting with the CPB to finalise the bid document. (Pg 312, Para 12.2.1)	There were 2 bridging contracts which were awarded, and the contract for 36 months was awarded on 31.10.25.	Implemented
6	<i>Non-Compliance with Contract Agreement for the Disposal of Inflammable Products</i> On 27 July 2024, the Contractor gave its approval to a private company to dispose of 6,000 units of a multipurpose disinfectant in a 250 ml pressurised container. This contravened Section 6.4 of the Contract Agreement and the Multipurpose Disinfectants "Safety Data Sheet". (Pg 312, Para 12.2.1)	SWMD should ensure that the Contractor: ▪ strictly complies with the conditions of the Contract Agreement regarding the safety measures. ▪ Makes necessary arrangements for the proper disposal of hazardous chemicals under the relevant sections of the "Safety Data Sheet" to avoid any risk of fire incidents. (Pg 313 para 12.2.1)	According to the Contract, the Contractor shall conduct inspections on a random sampling system. Evidently, suspicious consignments shall be subject to inspections. The Contractor's sampling exercises are conducted to prevent an undue inflow of substantial amount of inflammable products.	Implemented
7				Not Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
8	Weighbridge – Out of Order SWMD did not take appropriate and timely action against the Contractor, to ensure the calibration of the Weighbridge “IN” and to expedite the repair of the Weighbridge 'OUT' in line with Section 7.21 of the Contract Agreement and comply with Section 8 of the amended Legal Metrology Act 1985.	▪ The Accounting Officer should consider including a penalty clause in the Contract Agreement to encourage the Contractor to adhere to contractual obligations. ▪ The Technical Enforcement Unit should ascertain that the Contractor schedules regular calibration and verification of the weighbridge to maintain weight accuracy. (Pg 314, Para 12.2.1)	The weighbridge is working and has a valid calibration certificate.	Implemented
9	▪ As of April 2024, the calibration certificate for the Weighbridge 'IN' has expired since December 2023. The Weighbridge 'OUT' has not been operational since November 2022 and was out of order for more than 17 months. (Pg 313, Para 12.2.1)			Implemented
Lapses in the Operation and Maintenance of Mare Chicose Landfill (Page 314)				
10	Extension of Contract and Emergency Procurement on Several Occasions to Same Contractor The same Contractor has been repeatedly allocated contracts either through extension or emergency procurement for the operations and maintenance of the Mare Chicose Landfill. (Pg 314, Para 12.2.1)	The Division should set: ▪ a timeline for signing the Contract Agreement which should be included in the Letter of Acceptance.	A new contract for 10 years for vertical expansion has been awarded on 28 June 2024.	Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
11	<i>Emergency Contract Agreement Signed after Completion Date</i> The fourth and the sixth Emergency Contracts were signed after their completion period of December 2023 and June 2024 respectively while the fifth Emergency Contract was signed two weeks before the contractual completion date, which was on 30 April 2024. (Pg 315, Para 12.2.1) <i>Taking Over Certificate-Not Issued</i> As of 19 October 2024, the Taking Over Certificate for the contract which ended on 30 June 2024, had not yet been issued by the Contractor. (Pg 315, Para 12.2.1)	ensure contract terms and conditions are strictly enforced, and apply penalties for non-compliance. (Pg 315, Para 12.2.1)		Implemented
12	<i>Operational Activities-Appropriate and Prompt Actions Not Taken</i> SWMD did not take appropriate and prompt action against the Landfill Contractor and the Consultant for several shortcomings noted by the Technical Enforcement Unit. (Pg 315, Para 12.2.1)	SWMD should set up a Monitoring Committee to oversee Landfill operations and ascertain that: The Consultant exercises close supervision over the Contractor for the efficient operation and maintenance of the Landfill site.	The Deputy Director and a Principal Project Officer are monitoring the works of the Consultant services. Penalties are applied in accordance with Terms and Conditions of the Contract.	Implemented
13		Appropriate and prompt actions are taken to address the shortcomings highlighted (Pg 316, Para 12.2.1)		Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Lapses in Landfill Vertical Expansion Project (Page 316)				
14	Delay in awarding a New Contract Due to the delay in awarding a new contract, SWMD had to engage the same Contractor for the Operation and Maintenance of the Landfill through Emergency Procurements during the period July 2022 to June 2024, for which Rs 771 million were paid.	- SWMD should take appropriate actions to ensure; - The Landfill is granted an Environmental clearance based on a valid EIA.	Appropriate actions according to the Contract and more than 75 letters have been issued and Notices to Correct as well.	Implemented
15	Particular Conditions of the Contract Not Complied With As of October 2024, the signed Contract Agreement with the Contractor was not yet finalised 4 months after the issue of the Letter of Acceptance. (Pg 316, Para 12.2.1)	The Contract Agreement is signed within a reasonable delay. (Pg 316, Para 12.2.1)	Warning letters have been issued as well. Cabinet has been apprised of the poor performance of the Contractor. The Contract Document has been compiled and will shortly be signed.	
16	Absence of an Amended Environmental Impact Assessment Licence	the Contractor complies with the terms and conditions of the contract.	Contracts not yet signed.	Implemented
17	In July 2023, Government proposed to acquire two plots of land totalling an area of 183A69 from a private company. As of October 2024, the land acquisition procedures were still in progress after more than one year. (Pg 317, Para 12.2.1)	the Consultant carries out effective monitoring.	An amended Environmental Impact Assessment Licence was received on 20th January 2025 and 11th March 2025.	
18		the Ministry of Housing and Lands Use Planning expedites the land acquisition process. (Pg 318, Para 12.2.1)	Land has been transcribed to the Ministry of Housing on 24.04.25 and leasing is not being paid as from this date.	Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Delay in Distribution of Compost Bins (Page 318)				
19	2,835 Bins out of 5000 bins procured, not yet distributed. <i>(Pg 318, Para 12.2.1)</i>	The Ministry should expedite the distribution of the remaining bins. <i>(Pg 319, Para 12.2.1)</i>	A policy decision has been taken regarding a project proposal for the distribution of the bins in four regions around the island where there are planters. 250 bins have been handed over to the District Council of Black River for an event on 29 November 2025 at Chamarel and the process is ongoing. Additionally, some 800 bins are being distributed to applicants.	Partly Implemented

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8 – MINISTRY OF AGRO-INDUSTRY, FOOD SECURITY, BLUE ECONOMY AND FISHERIES

8.1 AGRO-INDUSTRY AND FOOD SECURITY

8.1.1 Absence of Quarantine Unit

8.1.1.1 Importation of New Breeding Stock of Cattle and Sheep not done

Background Information

The Melrose Cattle and the Salazie Sheep Reproduction Farms, operating with imported animals since 2019, support livestock development through the Animal Production Division's (APD) breeding programme, which produces weaners for farmers. To maintain the animal quality and to avoid inbreeding, a new breeding stock should be introduced at least every 2 years.

Findings

- New breeding stock has not been imported since September 2020. Although procurement was initiated in 2022 and a contract was awarded in June 2023 for Rs 5.67 million, the delivery was repeatedly delayed due to issues with the quarantine site and the supplier postponements. The contract was terminated in June 2024 for non-performance. Additionally, there was non-compliance with Directive 64 and subsequently Directive 75, as no evidence was found that the Performance Review Committee had reviewed the supplier's poor performance or made recommendations to management.
- Further action had not been taken by the Ministry as of August 2025, resulting in shortages of new breeding stock that affected both breeding programmes.

Root Cause

Government Quarantine Unit was not available to isolate the imported live animals, both for reproduction and consumption purposes.

Recommendations

- The APD should ensure that the new breeding stocks are imported every 2 years, to prevent inbreeding and the consequential degeneration of animal quality.
- The Ministry should consider the setting up of a Quarantine Unit at the earliest so that imported animals can be kept under the direct supervision of the Division of Veterinary Services.

Ministry's Response

- With regard to the procurement exercise, the supplier had issues to provide the mandatory pedigree certificates to APD of this Ministry that had to be apostilled. The supplier was given enough time to ensure that all mandatory documents were provided but the latter failed to do so.

- A Circular letter has been issued on 16 September 2025 to all Heads of Units/Departments to report poor performance of Contractors in accordance with Directives 64 and 75 of the Performance Review Committee.
- A meeting was held at the level of the Ministry with APD, Mauritius Meat Authority (MMA) and DVS, and it was agreed that the MMA would look into the possibilities for the import of breeding animals. The Ministry is also in the process to launch Restricted Bidding to local importers to import breeding animals.
- With regard to no quarantine facility, as per bidding exercise, it is the supplier that has the onus of quarantining the animals as per the import permit issued by DVS with all the mandatory conditions.
- Alternatives to import of breeding animals are also being investigated such as laparoscopic artificial insemination in sheep and embryo transfer in cattle.

8.1.1.2 Melrose Cattle Reproduction Farm Operating below capacity

Background Information

The primary objective of the Cattle Reproduction Farm is to supply calves at affordable prices to the farming community. The farm, established at Melrose at an estimated cost of Rs 95 million, commenced operations in December 2019.

Findings

- Following the merger of the Heifer Farm with the Livestock Zone in October 2020, the Cattle Reproduction Farm's capacity increased to accommodate 250-300 animals. However, only 61 animals were held as at 30 June 2025, resulting in an underutilisation of about 80 per cent of the full capacity.
- No bull was available since the death of the only bull in March 2023, preventing natural mating. As an alternative, artificial insemination was used. During the financial year 2024-25, artificial insemination was practised on 44 animals, but the success rate was that only 9 calves were borne which was very low as compared to natural mating. Up to 7 attempts of artificial insemination were done on one animal and none were successful.
- The objective of the Cattle Reproduction Farm for the production of weaners for sale to the farming community was not achieved. For the year ended 30 June 2025, livestock sales were limited to 3 animals only, consisting of one heifer, 1 male weaner and 1 cull cattle for a total amount of Rs 114,150.
- A register was kept by APD to record farmers requests for cattle. As at 20 June 2025, 420 requests for 539 cattle were still outstanding, and farmers who were not registered with APD were not considered.
- During a site visit effected by NAO Officers at the Melrose Cattle Reproduction Farm on 24 September 2025, several deficiencies were noted.

- (i) The access track and surrounding areas of the ex-Heifer Farm were heavily covered with sticky mud, posing risks to tractors and vehicles as shown in Figure 1.
- (ii) The site lacked a proper wastewater drainage system, resulting in wastewater being discharged directly onto the soil and causing stagnant water, which represented environmental and health risks as shown in Figure 2.
- (iii) The ex-Livestock Zone had no connection to the electrical grid and relied solely on poorly maintained solar panels, thus limiting visibility and hindering night inspections of animals.
- (iv) Additionally, there was rat infestation due to structural gaps that allowed rodent entry, compounded by animal feeds being stored on the floor, which further attracted pests.



Figure 1 Premises Extremely covered with Mud Figure 2 Wastewater from the Buildings discharged Directly to Surrounding Environment

Root Cause

The Ministry did not import new breeding stock since September 2020, leading to a substantial decline in reproduction rate and hindering the objective of the Ministry to supply weaners to the farming community.

Recommendations

- The Ministry should procure new breeding animals, including bulls and cows, to expand the herd and ensure regular supply of weaners.
- Artificial Insemination practices should be improved through staff training and proven techniques.
- The register for request of cattle should be properly kept in a database for better control purposes.
- The Cattle Reproduction Farm should be properly maintained.

Ministry's Response

- As there is a lack of electricity for the Livestock Zone buildings, the space cannot be used to accommodate animals.
- Artificial Insemination using sexed semen is being presently carried out by officers of DVS.
- As regards sales of weaner, the intended capacity is about 250 heads and will be reached, over a five-year period, provided that the import of breeding animals is successful. Only the excess males are being sold.
- As from November 2025, all inputs will be written to ensure proper filling of the register.
- Tractors or other vehicles are not used during such conditions; otherwise, they would be stuck in mud but not damaged. With limited funds, priority projects are being addressed first, such as electrical installations and waste disposal system.
- There is a pest control programme in all APD outstations.

8.1.1.3 Pig Farming Phase II - Improper Sanitation and Illegal Occupation of Land

Background Information

Pig farming is a traditional but relatively small-scale activity in Mauritius, mostly carried out by small and medium farmers. Due to environmental concerns, it is restricted to designated zones, with local production partly supplemented by imports.

The Ministry supports the sector through veterinary services, training, and infrastructure upgrades. The Livestock Sector Strategic Plan 2024-2030 aims to boost output, improves waste management, and promotes sustainable practices. Pig rearing was mainly concentrated at the St Martin Pig Farm, the implementation of which consist of 2 phases: Phase I and Phase II.

Findings

- No solid or liquid waste management system was in place for the 205 active farming plots, leading to effluent overflow, biosecurity risks, and health hazards.
- Dead pigs were disposed of improperly, with no standard procedures.
- Food and waste were kept along roadsides, and some farms operated open septic systems as shown in Figures 3 and 4.



Figures 3 and 4 Open Septic System

- The Environmental Impact Assessment of 24 February 1998 granted in the name of the then Ministry of Agriculture, Fisheries and Cooperatives, mentioned only 88 prototype pig houses, each containing a pig capacity of 60 to 100 pigs over a portion of State Land of 25 Arpents for St Martin Phase II.

However, as at September 2025, a total of 205 plots were available to farmers. Of these, 56 had active leases and 58 had expired leases. In addition, 23 squatters, comprising ex-lessees whose leases had been cancelled for non-compliance with lease conditions, were still occupying the land illegally. The remaining 68 plots was vacant. Refer to Table 8-1 for details.

Table 8-1 Status of Lease as of September 2025

Description	No. of Lots
Unallocated	68
Expired Leases	58
Squatters	23
Active leases	56
Total	205

Source: Horticulture Division

Root Cause

The Accounting Officer had not ensured proper sanitation of the Phase II site and had also not ensured that all plots of land were legally occupied.

Recommendations

- The Ministry should enforce compliance with the Environmental Conditions of Lease Agreements.
- The Ministry should consider regularising the lease conditions of the 23 squatters and renewing all the expired leases.

Ministry's Response

- The construction/installation of individual waste collection system is on the high side. A proposal for conversion of pig waste is being considered by the Ministry.

- Arrangements are made by the DVS for incineration of carcasses of animals at Bassin Requin Incinerator.
- No lease agreement is being drawn including new lease or renewal as from 11 April 2025. A Policy decision is being worked out at the level of the Ministry to review the rental rates applied to allocation of State Land.
- A committee has been set up at the level of the Ministry comprising the Land use Division, Animal Production Division, Division of Veterinary Services, Food and Agricultural Research and Extension Institute and the Ministry of Environment to work out an assessment plan and framework on pig breeding and allocation of State Land with a view to regularising the lease conditions.

8.1.1.4 Refurbishment of Quarantine Centre at Richelieu not yet started

Background Information

The Richelieu Quarantine Centre, built on an area of an extent of some 33 acres, existed since 1999, prior to the enforcement of the Environment Protection Act 2002 where about 1,500 cattle were quarantined at any point in time. The Ministry took the decision to cease operation in 2019 and the site was handed over to a company for the construction of a fully integrated light rail-based Urban Transit System in connection with the Metro Express project.

Findings

- Since 2019, the country did not have a National Quarantine Centre for animals. All the imported animals were kept in private quarantine. Hence, it was difficult to ensure that the quarantine activities and procedures as stated in the World Organisation for Animal Health, formerly the *Office International des Epizooties (OIE)* guidelines, have been followed by the private sector.
- The construction company vacated the site in October 2024, and the site was left in an abandoned state as shown in Figures 5 and 6.



Figures 5 and 6 Richelieu Quarantine Centre left in an abandoned state

Decision to use the Quarantine Centre

During a meeting held in April 2025 at the Ministry of Agro-Industry, Food Security, Blue Economy and Fisheries, a decision was taken to the effect that the Quarantine Centre would be used to keep animals/livestock (cattle/goat/sheep/pig) in quarantine for a period of 14 days in order to prevent the spread of any disease or infection. The Quarantine Centre would include an incinerator and waste treatment plant for its smooth running.

Policy Decision of the Ministry

On 19 June 2025, however, a policy decision was taken at the level of the Ministry not to go ahead with the refurbishment of the Quarantine Centre due to the existence of a dormitory near the Centre and that Cité Richelieu is situated less than 100 metres from the site.

Root Cause

The Ministry did not seek alternative sites for the setting up of a Quarantine Centre.

Recommendations

- The conditions, procedures, and activities to be followed in a quarantine facility should be applied in line with the OIE Guidelines recommended by the World Organisation for Animal Health.
- The Division of Veterinary Services, being a regulator, should ensure that the Ministry has a National Quarantine Centre.
- The Ministry should consider alternative sites for the setting up of a Quarantine Centre since it is imperative for the country to have such a facility to encourage the importation of animals and ensuring disease prevention and control by safely separating new animals from the existing population of animals.

Ministry's Response

Livestock, horses, poultry and exotic animals are quarantined at sites owned by private sector. However, these are under the supervision of DVS and they operate under strict biosecurity protocol, Standard Operating Procedures as approved by DVS.

8.1.1.5 Rehabilitation works to Isolation Unit at Albion Farm not done

Background Information

The APD has implemented a breeding programme since 2019 at the Melrose and Salazie Reproduction Farms for the production of weaners for sale to the farming community. In 2020, the Division of Veterinary Services approved the setting up of an Isolation Unit at Albion Farm for the breeding programme to be successful. New breeding stock should be introduced at least once every 2 years so as to prevent inbreeding and consequential degeneration of the stock.

Findings

▪ Unsuccessful Bidding Exercises

The bidding exercise for the rehabilitation works to the Isolation Unit at Albion Farm was launched on 3 occasions but was not successful due to the bid price exceeding the cost estimate. On 3 December 2024, the Ministry of National Infrastructure submitted a revised cost estimate of Rs 3.15 million. However, the project could not go ahead again as funds were not made available and provision was also not made in the financial year 2024-25. Consequently, the project was kept in abeyance.

▪ Absence of Strategic Decision

As at September 2025, that is 9 months after the decision of the Ministry to keep in abeyance the rehabilitation of the Albion Isolation Unit, no strategic decision has been taken regarding the quarantine of imported animals, which had impacted negatively on the activities of the APD.

Root Cause

The Agricultural Engineer had not prepared the 3 cost estimates for the rehabilitation of the Albion Isolation Unit based on past experience and market value, resulting in the costs quoted by the bidders being above the cost estimates.

Recommendation

The Ministry should rehabilitate the Albion Isolation Unit at the earliest to enable APD to implement the breeding programme successfully.

The Ministry should hire the services of appropriate professionals from the Ministry of National Infrastructure to have a realistic cost estimate.

Ministry's Response

- The expertise of a quantity surveyor from the Ministry of National Infrastructure was sought and the cost estimate was provided. A request will be made in the forthcoming budgetary exercise.
- The Land Use Division and the Ministry of Housing and Lands have been requested to identify appropriate land for the setting up of a quarantine unit.

8.1.2 Underutilisation of Cultivable Lands Leading to Significant Decrease in Seed Production

8.1.2.1 Significant decrease in Operational Activities of Experiment Stations

Background Information

The Agronomy and Horticulture Divisions provide seeds and planting materials to the farming community by means of cultivating the same at the 6 Experiment Stations, namely at Richelieu, Barkly, Curepipe, Plaisance, Albion and Bambous.

Findings

▪ Under-utilisation of Cultivable Land

There was a significant decrease in the occupancy rate of land under cultivation at the 6 Experiment Stations. As of June 2025, out of a total of 32.9 hectares of cultivable land, only 19.1 hectares, representing 58 per cent, were under cultivation. Table 8-2 refers.

Table 8-2 Cultivated lands

Experiment Stations	Cultivable Land available (Ha.)	Cultivated Land utilised (Ha.)	% Utilised
Barkly	10.00	10.00	100
Richelieu	4.50	0.52	11.5
Curepipe	5.26	1.64	31.2
Plaisance	3.75	3.75	100
Albion	1.82	1.71	94
Bambous	7.60	1.49	19.6
Total	32.93	19.11	58

Source: Horticulture Division

The under-cultivation of available lands implied that available resources were not optimally utilised by the Ministry.

▪ Reduction in Production of Seeds and Planting Materials

The under-utilisation of cultivable lands negatively impacted the production of vegetable seeds and propagating materials of fruit and ornamental plants.

At Richelieu Experiment Station, the total production of vegetables dropped from 896.7 kg and 543 units in 2017 to 603.19 kg and 337 units at 31 October 2025, representing a reduction of 33 per cent and 38 per cent, respectively.

The main reason attributed to the under-cultivation of available land was an acute shortage of workers on sites. Statistics showed that in 2015, the general workers' position at the stations was 123, while in 2025, it was 60, representing a decrease of 51 per cent.

The Ministry has, therefore, not fully contributed in agricultural food production by providing quality seeds of vegetables, fruits, planting materials and ornamental plants to the population.

Root Cause

The Ministry did not ensure that sufficient general workers were recruited against funded vacancies and that agricultural equipment were provided to enable effective production of vegetables and seeds.

Recommendations

- The Ministry should ensure that necessary labour and equipment are made available so as to make efficient use of the available lands.
- The Ministry should carry out a business process re-engineering and ensure that maximum areas of land are utilised for the production of vegetables and seeds to satisfy the growing demand from the farming community and the general public.
- The Ministry should prepare a Strategic Plan for the next 5 years on how to optimise the land available and setting clear Key Performance Indicators for each Experiment Station.
- The Ministry may also consider that the Experiment Stations enter into joint venture activities with the private sector or explore the possibility that the private sector manages the Experiment Stations with clear terms and conditions.

Ministry's Response

- Requests were made for the recruitment of General Workers and other grades in budget proposal 2025-2026, together with filling of funded post. However, these posts were not filled as funds were not available in the Budget 2025-2026. The unavailability of functional machinery and equipment due to budget constraint has also resulted in a decrease in production.
- The Ministry agrees with the need for re-engineering and rationalisation, including closure of inefficient stations and centralisation of activities at major stations such as Barkly and Curepipe. A Strategic Plan for the coming years would be prepared as recommended.
- The Ministry does not concur with the recommendation to transfer seed production and plant propagation to the private sector, as no feasibility study has been conducted and such a move could increase costs to farmers, erode biodiversity, weaken seed security, and compromise national food security.

8.1.2.2 Tractors not in working condition

Background Information

The age of most of the tractors available at the different Experiment Stations (ES) was in the range of 20 to 30 years old.

Findings

During site visits effected by NAO Officers in August 2025, the following were observed:

- Several tractors were broken down and were in a deplorable state. According to the responsible officer posted at the different stations, these could not be used and consequently affecting the cultivation of seed crops. Refer to Figures 7 to 11.

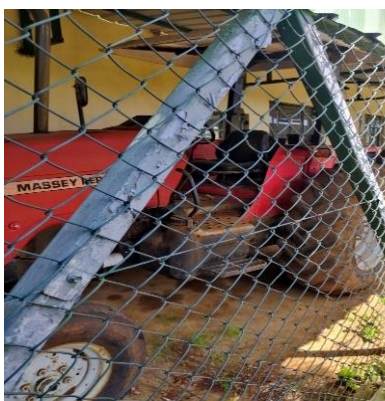


Figure 7 Plaisance ES



Figure 8 Bambous ES



Figure 9 Albion ES

- Lack of fully functional tractors at these Experiment Stations had negatively impacted seed production activities, and the fields were left in an abandoned state. Refer to Figures 4 and 5 for abandoned field at Bambous and Richelieu Experiment Stations. No evidence was seen in files that the Officers in Charge of the different Experiment Stations had reported those issues to the Ministry for necessary actions.



Figure 10 Abandoned fields at Bambous ES



Figure 11 Abandoned fields at Richelieu ES

Root Cause

The Officer in Charge of the different Experiment Stations had not reported the issue of broken-down tractors to the Ministry on a timely basis for necessary repairs or replacement. There was a lack of supervision on the operations of the Experiment Stations by the Ministry and the respective Officer in Charge of the Experiment Stations.

Recommendations

- The Accounting Officer should ensure that vehicles, equipment and tractors posted at the different Experiment Stations are regularly maintained and renewed.
- There should be a proper maintenance plan for all tractors.
- The Experiment Stations should submit monthly progress report to the Ministry on the state of affairs of the different Experiment Stations.

Ministry's Response

- Some tractors are beyond economic repair, while the high cost of replacement remains a major challenge.
- A yearly maintenance plan is already established.
- Monthly progress report detailing the state of affairs at each station is being requested from Experiment Stations. This will help maintain oversight, track developments, and address any challenges in a timely manner.

8.1.2.3 Insufficient Production of Seeds at Barkly Experiment Station

Background Information

One of the main objectives of the Ministry is to enhance food security through adequate and timely supply of quality seeds. The Barkly Experiment Station has a key role in the production of seeds and planting materials.

Findings

- Seeds production has dropped significantly in all the 6 Experiment Stations, from 3,541 kg in financial year 2014-15 to 1,175 kg in financial year 2024-25, representing a decrease of 66.8 per cent. The production of 9 varieties of seeds has declined significantly from 759.21 kg in financial year 2014-15 to 96.19 kg in financial year 2024-25, representing a decrease of 87.3 per cent. Some seeds production, such as bottlegourd, broad bean, okra, and onion, among others, were not produced in financial year 2024-25.
- In the absence of sufficient seeds and planting materials, the farming community and the general public had to rely on private suppliers for their importations.

Statistics showed that over the past 3 financial years ended 30 June 2025, the quantity of imported seeds constituted 98 per cent of the local requirements.

- Water storage system was in place at the Experiment Station to support the production of seeds during the period of drought.

Root Cause

Lack of proper supervision of the Experiment Stations by the parent Ministry.

Recommendations

- The Ministry should carry out a proper assessment of the activities of each Experiment Station and take appropriate decision to rationalise the number of stations in light of the findings.
- The Ministry should consider closing down Experiment Stations where land utilisation has dropped significantly or where seeds production has gone down drastically in recent years.

- A Seed Committee, comprising representatives of the Ministry of Agro-Industry, FAREI, Mauritius Chamber of Agriculture and concerned local stakeholders, should be set up to chart a roadmap on policies that are needed to ensure local seeds self-sufficiency.

Ministry's Response

The Ministry concurs with the recommendations. A survey would be carried out early January 2026.

8.1.2.4 Inefficient Management of Stock of Processed Seeds at Barkly Experiment Station

Background Information

During the past 6 financial years ended 30 June 2025, a total of 10,081 kg of seeds was produced, of which 9,936 kg were kept in the store at Barkly Experiment Station.

Findings

- There was no proper seed management system as per the Food and Agriculture Organisation (FAO) "Seed Production Protocols".
- Several packs of seeds found in the chillers at the Station were produced before the year 2011 and were thus, likely to be damaged over the years.
- The Accounting Officer adopted a Last In First Out (LIFO) stock management system for seeds, which was questionable since seeds are biological materials with limited shelf lives:
 - Older seeds stayed in the store for a longer period, which increased the risk of reduced germination rates. Thus, farmers might lose trust in the seeds purchased at the Station.
 - Some 1,359 kg of expired seeds having a saleable value of some Rs 1.1 million had to be destroyed in previous years.
 - LIFO makes it harder to manage expiration dates and seed batch traceability.

Root Cause

- The Accounting Officer had not implemented a "First In First Out" stock management system.
- A proper seed management system as per the FAO "Seed Production Protocols" was not in place.

Recommendations

- The Ministry should ensure that there is no over-stocking of seeds over the years at the Barkly Experiment Station and should adopt a "First In First Out" stock management system.

- The Ministry should ensure that the Experiment Stations comply with the FAO “Seed Production Protocols”.

Ministry’s Response

- Barkly Experiment Station applies the First In First Out system. The presence of older seed lots is due to poor germination resulting from adverse climatic conditions, pest infestations, and reduced viability during storage, not overstocking.
- Seeds failing to meet minimum germination standards are unsuitable for sale and accumulate pending disposal. Barkly Experiment Station does not overstock saleable seeds and maintains only limited strategic reserves.

8.1.2.5 Propagation of Other Plants

Background Information

The Barkly Experiment Station is also engaged in the propagation of other plants such as litchis, avocados and mangoes.

Finding

The production of some plantlets remained constant while for others, it fell drastically during the past 4 years ended December 2024. This has resulted in a cumulative waiting list of demand of 53,705 plantlets since the year 2022.

A long waiting period for planting materials has significant implications on the country's food security as fruits are an important part of the national diet.

Root Cause

There was no Strategic Plan for the production of planting materials such as litchis, avocados and mangoes.

Recommendation

A Strategic Plan for the production of planting materials should be prepared and a monitoring mechanism be implemented.

Ministry’s Response

- The primary constraint lies in the limited availability of skilled nursery attendants who perform specialised tasks, such as grafting, layering and other propagation techniques.
- Measures have been taken to increase fruit plant production through contracting out of litchies production to private sector, importation of 1,500 grafted avocado plants and 20,000 banana plantlets.

8.1.3 Food Technology Laboratory – Lapses in Operational Activities and Infrastructural Defects

Background Information

The Food Technology Laboratory (FTL) is an ISO/IEC 17025 accredited laboratory and is certified by the National Accreditation Board for Testing and Calibration Laboratories of India, and recognised by the International Laboratory Accreditation Cooperation.

8.1.3.1 Bio-Molecular Laboratory

The Bio-Molecular Laboratory (BML), established under FTL in 2006, is the only public laboratory involved in molecular food diagnostics. The Laboratory was also assigned as the official laboratory to carry out Genetically Modified Organism (GMO) testing in Mauritius. The BML was seeking accreditation for GMO testing, species identification, and pathogen detection.

The current infrastructural layout of the BML does not meet the ISO standards requirements and is highly prone to cross-contamination. A Technical Cooperation Programme, between the then Ministry of Agro-Industry and Food Security and the Food and Agriculture Organisation (FAO), was signed on 30 May 2023, to set up the appropriate structure and to support BML to be fully operational.

The FAO Consultants recommended remedial measures based on their site visit to BML in July 2024, to ensure that the laboratory maintains a unidirectional flow and complies with the minimum infrastructural requirements.

Findings

- The BML was equipped with only one Real-Time PCR machine for rapid molecular testing, which was acquired in 2008. However, the equipment was unserviceable since July 2022. Procurement for a new PCR machine was not initiated.
- Analytical activities, specifically the validation of quantitative Genetically Modified Organism testing, were suspended since July 2022. It was only on 22 October 2025, after almost 39 months, that a new Real-Time PCR machine was made available to the BML under the FAO's Technical Cooperation Programme.
- Procurement procedures for remedial works could not be initiated since the Ministry of National Infrastructure (MNI) did not submit the required scope of works to the BML.

Genetically Modified Organism Unit - Legal Framework

The Genetically Modified Organism Act 2004 was proclaimed in January 2005, and the Genetically Modified Organism Unit started its activities in 2006. However, only 7 of the 25 Sections of the Act were in force; 18 Sections were not proclaimed, of which 16 had to be amended and reworked, and 2 existing Sections had to be repealed.

Due to the shortcomings observed by the Attorney General's Office (AGO), the authority's approval was sought and obtained in April 2018 to repeal the existing Act and to replace it with a new Act. The AGO was directed to draft the Genetically Modified Organism Bill in May 2018. A draft working of the new Genetically Modified Organism Bill, dated 9 June 2023, was submitted to the then Ministry of Agro-Industry and Food Security.

Findings

- As of October 2025, the Genetically Modified Organism Unit was still not fully operational, more than 19 years since its setting-up in 2006. The absence of a legal framework, organisational structure, and shortage of staff were among the major constraints reported.
- The new Genetically Modified Organism Act was still not proclaimed as of October 2025, more than 7 years since AGO was directed to draft the bill. Hence, the initial Genetically Modified Organism Act 2004 was still in force but not fully proclaimed.
- The accreditation process of BML was delayed pending the completion of the remedial works in the laboratory and finalisation of the new Genetically Modified Organism Bill. Without a legal framework, the Genetically Modified Organism Unit could not function properly.

Root Causes

The Accounting Officer did not ensure that:

- The infrastructure of BML complies with best laboratory practices, despite the accredited status of FTL.
- The Genetically Modified Organism Unit did not have the required legal framework and proper mandate to be fully operational.

Recommendations

The Accounting Officer should:

- Expedite the validation of the draft Genetically Modified Organism Bill.
- Expedite procedures with MNI to carry out the remedial works in the laboratory to meet the infrastructural layout as per the ISO standards requirements.
- Acquire additional Real-Time PCR machine to perform the required number of tests.

Ministry's Response

- A legal review has already been conducted by an FAO Consultant and a draft legal instrument has been prepared and needs to be validated by the National Biosafety Committee, which is expected to be set up by February 2026.

- A new Real-Time PCR machine has been commissioned. Acquisition of an additional unit is being pursued through alternative funding mechanisms.

8.1.3.2 Non-functioning Air Conditioning System

The FTL needs to operate under specific environmental conditions of 18 to 27 degrees Celsius, as stipulated in the International Standard ISO/IEC 17025. Some equipment need to operate under strict laboratory conditions to function optimally. The central air conditioning and ventilation systems were installed at FTL as far back as 2006.

In March 2023, the Energy Services Division proposed a new technology for the air conditioning system, namely Variable Refrigerant Volumes (VRV) system, at an estimated cost of Rs 17.7 million.

Findings

- Since March 2019, MNI had recommended the replacement of the whole air conditioning system, since the existing system had reached the end of its lifespan. It was only in the budget for financial year 2023-24 that an amount of Rs 2.5 million was allocated to start upgrading works at FTL. However, the allocated budget was insufficient to initiate the procurement exercise for the new air conditioning system.
- In March 2025, tender for the supply, installation, testing and commissioning of a new VRV system at FTL was launched. The Bid Evaluation Committee, on 31 July 2025, recommended to relaunch the tender as the 2 bids received were non-responsive. As of October 2025, the tender was still not launched.
- In the absence of an effective air conditioning system at FTL, split ACs were installed in selected analytical rooms at the Microbiology, Bio-Molecular and Chemistry laboratories to meet the required minimum environmental laboratory conditions. However, FTL could not install enough split ACs to sustain the specific conditions across all the units due to limited electrical capacity.
- Furthermore, failing to maintain the ideal temperature of 25 degrees Celsius had affected the volatility of solvents, leading to evaporation under high-temperature conditions.

Root Cause

The Accounting Officer did not ensure that prompt actions were taken for the replacement of the condemned air conditioning system.

Recommendation

The Accounting Officer should re-launch the tender for the supply, installation, testing and commissioning of the new VRV system and the upgrading of the electrical system at FTL to ensure the specific environmental conditions necessary for the laboratory to function optimally.

Ministry's Response

Bids for VRVs were launched on 10 December 2025 with closing date of 12 January 2026. Opening of bids was carried out on 22 January 2026 and were currently at evaluation stage.

8.1.3.3 Impact of Metro Express Project Phase 3 on the Operational Activities of the Laboratory

With the implementation of the Metro Express Project Phase 3 from Rose-Hill to Reduit, several concerns were raised by the representative of FTL on the impact of the railway system on the results of tests performed at the Laboratory, as the light rail trail would be adjacent to it. Also, it was emphasised that the Laboratory be equipped with several high-technology equipment used for food testing, including pesticide residue testing.

Findings

▪ Survey conducted by Engineering Division on 1 August 2023

The following rehabilitation works, after construction of the light rail system, were still pending as at the date of survey:

- The new gate post, which was to be executed in January 2023 after completion of the Metro Express project in December 2022, was not yet constructed.
- The colour used for the Painting of the porch was not as per the Ministry's approved colour, and no remedial action was taken.
- A sump pump was not provided inside the bund wall for the supply and installation of the new diesel tank.
- The new entrance gate was not yet supplied and installed.

In October 2023, FTL informed MNI (Energy Services Division) that all the lights of its outdoor compound were damaged due to the works performed for the Metro Express project.

As of October 2025, that is after nearly 27 months, the above works were still outstanding except for the provision of the sump pump, which was operational in September 2025.

▪ Cracks in Laboratory Infrastructure not remedied

A survey conducted by the Engineering Division on 18 January 2024 to investigate water leakages and damage to false ceilings at FTL revealed long cracks in the office as a result of the rehabilitation works for the Metro Express project. No remedial actions was taken by the Ministry as of November 2025.

▪ Laboratory Equipment not operational

The Gel Documentation System in the Bio Molecular Laboratory was damaged since August 2022, following the Metro Express works. Hence, Molecular Pathogen detection could not be performed as from that date, and the analysis of electrophoresis gels was halted as PCR products could not be visualised.

Tender for the supply, installation, testing and commissioning of a new Gel Documentation System was launched on 3 January 2024, but was not successful. Another tender exercise was not subsequently done, due to unavailability of funds during the financial year 2024-25.

Root Cause

The Accounting Officer did not ensure proper planning and execution of the rehabilitation works following the Metro Express project.

Recommendations

The Accounting Officer should take appropriate measures to:

- Repair the cracks in the building to prevent moisture penetration and water ingress inside.
- Launch the tender for the supply, installation, testing and commissioning of a new Gel Documentation System promptly to avoid further delay in the test of Molecular Pathogen detection.
- Repair the lights at the outside compound.
- Complete the construction of the gate post and installation of a gate at the new entrance.

Ministry's Response

- Part of the rehabilitation works has been carried out by the Ministry of Land Transport, and the remaining pending works (gate-post, painting, lighting, among others) will be executed by MNI once the district contractor is recruited.
- Procurement exercise of gel documentation system has been initiated on 1 December 2025. E-bidding document was prepared and submitted for vetting to DBC on 5 December 2025. The file was returned to Procurement and Supply Division for minor amendments to e-bidding document on 16 January 2026. The file was sent to DBC for publishing on 20 January 2026.

8.1.3.4 Structural defects of FTL Building

(a) On-site inspection by MNI (Engineering Section) on 13 February 2024

On 13 February 2024, MNI (Engineering Section) carried out an on-site inspection at the FTL. Several defects were noted such as diagonal cracks at the soffit of the first floor, deformed false ceiling panels with significant traces of moisture, significant water leakages at the expansion joint of the building, and structural cracks in several block wall partitioning, waterproofing membrane on the roof in deplorable condition, among others.

In its report dated March 2024, MNI (Engineering Section) recommended several remedial works which had not been carried out by the Ministry as of October 2025.

(b) Site inspection effected by the Safety and Health Officer on 24 June 2025

Following a site inspection of the building by the Safety and Health Officer on 24 June 2025, the Acting Director, Agricultural Services, was directed to seek advice from the Engineering Division of the Ministry or MNI regarding the safe occupancy of the building and the necessity for temporary vacating the building, pending remedial works. As of October 2025, no information was available regarding the safety of FTL building for occupancy or whether it required temporary vacating.

(c) Site Visit of FTL Building by NAO Officers in September and October 2025

A site visit of the building was conducted by NAO Officers jointly with a representative of the FTL in September and October 2025.

Findings

- Long cracks were found at several block wall partitions and on the roof inside the building and some were visible near electrical works, as shown in Figures 12 and 13, which could pose safety hazards to the officers. These cracks provided pathways for water to enter the roof, causing corrosion and dampness.

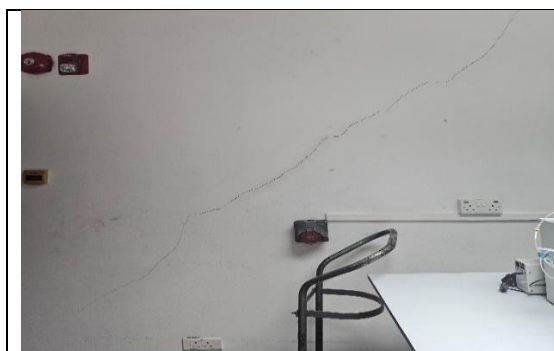


Figure 12 Chemistry Laboratory



Figure 13 Office on first floor

- Water ingress had led to concrete spalling and damage to false ceilings, which might be dangerous for officers working in such an environment and also could cause short circuits if electrical wires and devices came into contact with water. The supply of electricity was suppressed in the Conference Room and Room No.11 due to water infiltration at the air conditioner and electrical outlets. Figure 14 refers.



Figure 14 Office on First Floor (Room No.11)

- The waterproofing of the building was completely damaged and caused structural damage to the building, such as peeling of paint, damp, and discoloured walls due to water seeping at various locations, as shown in Figures 15 and 16.



Figure 15 Bio Molecular Laboratory



Figure 16 Room No.11

- The flooring of the Laboratory was damaged due to wear and tear, causing safety hazards to the officers. Since FTL is an ISO/IEC 17025 accredited laboratory, the flooring should have been repaired to comply with the conditions of the Laboratory certification. Further damage, such as mould growth, was caused due to water leakages at the Bio Molecular Laboratory, Conference Room, and the corridor on the first floor, as shown in Figures 17 and 18.

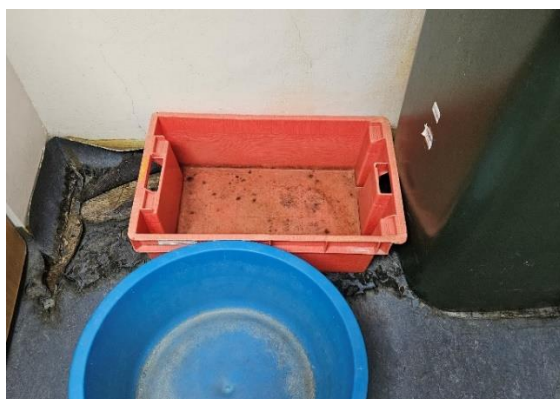


Figure 17 Bio Molecular Laboratory



Figure 18 Conference Room

The Engineering Division of the Ministry, on 15 February 2023, had recommended for the replacement of the damaged flooring at FTL at an estimated cost of Rs 2.7 million. However, as of October 2025, the tender for the replacement of the damaged flooring was still not launched.

- Pigeon droppings and nests were seen on the ductwork and balcony of the Chemistry Laboratory, as shown in Figures 19 and 20. Pigeons and their droppings represented serious health hazards, primarily due to the presence of bacteria, fungi and parasites they carry. The droppings and nests could also cause significant damage to the building infrastructure.



Figure 19 Droppings and nests of pigeons on ductwork



Figure 20 Droppings of pigeons at balcony of Chemistry Laboratory

Ministry's Response

- Management concurs that structural defects have been aggravated with the Metro Express works. The MNI has already been requested to conduct a thorough assessment of the soundness of the building for a decision to be taken by the Ministry regarding the building.
- Bird deterrent works have been completed in December 2025.

8.1.3.5 Waterproofing Works and replacement of damaged flooring not effected

On 5 July 2023, the Food Science and Technology Division requested the Ministry to carry out waterproofing works due to water leakages at several locations.

Finding

As the waterproofing works required the removal of existing defective air extraction system, including the lighting protection system, the Ministry launched 2 separate tenders in October 2024, one for waterproofing works and the other one for the removal and handing over of mechanical and electrical equipment and the supply, installation, testing and commissioning of lighting system.

On 7 April 2025, the Departmental Bid Committee recommended to relaunch both tenders with revised specifications, in one bidding exercise. However, as of October 2025, the tender for the waterproofing works and new lighting system was not yet launched.

Root Cause

The Accounting Officer and Officer in Charge of FTL did not take appropriate remedial actions to address the structural defects of the building on time to prevent further damage.

Recommendations

The Accounting Officer should:

- Immediately address the structural defects identified and implement the remedial works as recommended by MNI (Engineering Section), that is:
 - to repair the long structural cracks found at several block wall partitions inside the building, especially those near electrical works, to mitigate safety hazards and the risk of moisture penetration, mould and corrosion;
 - to undertake the waterproofing works and repair cracks on the roof slabs and soffits to prevent water entry, corrosion, concrete spalling, and further damage to false ceilings; and
 - to replace the damaged false ceilings that collapsed, for instance, in Room No.11 and the Registry Section, to eliminate serious threats such as injury from collapse, mould growth, and short circuits.
- Replace the damaged floor and to comply with the conditions of the Laboratory accreditation certification, and also to mitigate the risk of injury.

Ministry's Response

- Structural defects predate recent events and were exacerbated by the Metro Express works.
- Waterproofing and crack repairs are under procurement process.
- False ceiling repairs and flooring replacement will follow after waterproofing work, provided the soundness of the building is confirmed by MNI.

8.1.4 Inadequate Control over the Use of Pesticides

Background Information

The Use of Pesticides Act 2018 makes provision for the control of pesticides in Mauritius and establishes the Pesticides Regulatory Office (PRO) within the Ministry of Agro-Industry, Food Security, Blue Economy and Fisheries.

Fruits and vegetables samples collected from planters all over the island by officers of PRO, are sent to the Food Technology Laboratory (FTL) for testing, to ensure alignment with international food safety standards. A detailed report is sent by FTL to the PRO for interpretation and for any further action.

Findings

▪ Insufficient Samples of Agricultural Produce collected

On average, for the period January 2024 to August 2025, some 700 kg of vegetables were collected for analysis. As the sample size collected was low, there was a risk that the pesticide residue exceeding the Maximum Residue Level (MRL) and non-recommended pesticides had not been detected in most of the agricultural produce.

As of October 2025, the PRO did not have a proper database of planters, such as locations and extent of land occupied by them, and details of vegetables and fruits produced. Thus, it could not be ascertained on what basis the PRO a sample of planters were selected for the exercise.

▪ **Non-Compliance with the Use of Pesticides Act**

(a) Agricultural products with results of pesticides exceeding the Maximum Residue Level

The PRO is required to regulate, control and monitor the use of pesticides in or on any agricultural produce. The number of samples collected, the number of samples with pesticide residues exceeding MRL and the percentage exceeding MRL to total sample collected for the period January 2023 to August 2025, are shown in Table 8-3.

Table 8-3 Results of Pesticides Exceeding MRL

Period	2023	2024	2025 (Up to August)
Total samples collected	826	947	714
No. of samples with pesticide residues exceeding MRL	40	38	41
Percentage exceeding MRL to total sample collected	4.8	4	5.7

Source: Pesticide Residue Reports

The agricultural products that had exceeded MRL during the period January 2023 to August 2025 ranged between 4 to 5.7 per cent, in breach of Section 13(1) of the Use of Pesticides Act.

According to PRO, some users of pesticides were not properly trained in the use of pesticides and were unaware of the type and actual dosage of pesticides to be used.

(b) Import of Agricultural Produce not supported by a Certificate of Compliance

According to Section 10(2)(a) of the Use of Pesticide Act 2018, *"Every importer shall submit to the Office a certificate emanating from a competent authority certifying the residue level of pesticides in the agricultural produce imported."*

However, a Certificate emanating from a competent authority certifying the residue level was not requested from the suppliers.

(c) Agricultural Produce with Non-Recommended Pesticides

Section 4(a) of the Act specifies that *"No person shall, in respect of an agricultural produce specified in the first column of the First Schedule – use, in or on that agricultural produce, a pesticide other than the pesticide specified in the corresponding second column of that Schedule."*

Details relating to the use of pesticides not recommended in samples collected during the period January 2024 to August 2025 are shown in Table 8-4.

Table 8-4 Use of Pesticides not recommended

Activities	2024	2025 (Up to August)
No. of samples collected.	997	714
No. of cases with pesticides not recommended.	106	123
Percentage of samples with pesticides not recommended of samples collected.	10.6	17.2

Source: Pesticide Residue Reports

The percentage of samples with pesticides not recommended as per the Use of Pesticides Act increased from 10.6 per cent in 2024 to 17.2 per cent as at August 2025. The planters were aware that even when using non-recommended pesticides, would receive only an Improvement Notice, without any penalty being charged to them.

(d) Issue of Improvement Notice and Follow-up

Improvement Notices were issued to planters for non-compliance with the Act.

The number of samples collected, the number of samples that exceeded MRL that contained non-recommended pesticides, and the number of Improvement Notices issued are shown in Table 8-5.

Table 8-5 Improvement Notice Issued for Samples that Exceeded MRL and Contained Non-Recommended Pesticides

Year	2024	2025 (Up to August)
Number of samples collected	997	714
Number of samples exceeded MRL that contained non-recommended pesticides	144	164
Number of Improvement Notices issued	115	76

Source: Pesticide Residue Reports

For the period January 2024 to August 2025, a total of 1,711 samples were collected from planters' farms, markets, auction markets and supermarkets for analysis of pesticide residue.

There were 308 non-compliant samples exceeding MRL and containing non-recommended pesticides.

Improvement Notices was issued to 191 planters. The planters had a delay of 14 days to take corrective action; failing which, legal action could be initiated against them as per the Third Schedule of the Act.

However, in most cases, no follow-up was carried out after the 14-day delay, thus, no legal action was taken against the defaulting planters. Furthermore, no fines were imposed, regardless of repeated violations.

This approach lacks the necessary deterrence to prevent abuse on the use of pesticides by the planters.

The NAO was informed that the Officers of PRO were not adequately trained to prosecute planters who had not complied with the Act.

▪ **Resource Constraints at Food Technology Laboratory**

- The FTL had 3 equipment to test for pesticides residue in agricultural produce. 2 of them were received as donations in 2010 and 2011, prior to the introduction of the Use of Pesticides Act, and another one was acquired in 2017 at a cost of Rs 26.5 million.

As of October 2025, all 3 equipment were not in good running conditions as shown in Table 8-6.

Table 8-6 Status of Equipment at FTL

Equipment	Status
Gas Chromatography Mass Spectrometer (Received on donation from EU in 2010).	Out of order. No maintenance contract.
3200 Q Trap (Received on donation from COMESA in 2011).	Out of order.
Liquid Chromatography-Tandem Mass Spectrometry (Acquired in 2017).	No maintenance since February 2025.

Source: FTL Records

The Liquid Chromatography-Tandem Mass Spectrometry is the only equipment in use. However, the equipment could not be operated at its full capacity due to absence of maintenance since February 2025.

- Officers of FTL were given training on the detection of a few polar pesticides by the Technical Assistance and Information Exchange, an EU Institution, in June 2024 to carry out method development for pesticides such as Fosetyl, Ethephon and Glufosinate.

However, the method development, that is, the systematic process of creating and refining analytical methods for the evaluation and quantification of chemical substances, were not carried out due to a shortage of trained officers at FTL.

▪ **Pesticides Control Committee not convened**

The Pesticides Control Committee was set up in 2023 to address matters related to the use of pesticides. The Committee was chaired by the Assistant Director, Agricultural Services and consisted of 18 members from different Ministries and Departments. However, from January 2025 to October 2025, no meeting was held to address matters related to the use of pesticides.

▪ **Shifting towards Organic Agriculture not prioritised**

In its Strategic Plan 2016-2020, the Ministry had set the objective to switch to a more sustainable agriculture with a view to limiting the use of pesticides. In that context, the National Organic Office was set up at the Agronomy Division in December 2023 with the main activities to register Organic Certification Body(ies), conduct market surveillance, take enforcement measures as needed, among others.

The Ministry initiated the preparation of an Organic Agriculture Bill to promote the production of quality organic products. The Bill would also set the minimum requirements for the production, handling, processing and labelling of organic products.

However, as of October 2025, the Bill was not yet finalised thus, the benefit of organic agriculture was deferred and the use of pesticides remained as it was. 2 years had lapsed since the creation of the National Organic Office and any delay in the proclamation of the Organic Agriculture Act would further delay the start of activities of the Office.

Root Causes

- Regulations were not responsibly enforced by PRO.
- The Accounting Officer did not ensure the compilation of a comprehensive database of planters.
- The Ministry did not take timely decision to introduce the Organic Agriculture Bill to the Parliament.

Recommendations

- The Ministry should put more emphasis on awareness and training to encourage a healthier farming culture among planters.
- The Ministry should enforce fines and penalties as provided under Section 13 of the Act to discourage repeated breaches by planters.
- The Ministry should request information about planters from the Food and Agricultural Research and Extension Institute (FAREI) and the Small Farmers Welfare Fund, and compile a comprehensive database that would enable better planning for sample collections by PRO.
- The Ministry should increase the number of samples collected for analysis to provide a fair representation of the crop produced in Mauritius and their safe consumption.
- The equipment used to test for pesticides residue in agricultural produce at the FTL should be regularly maintained so that maximum tests can be done and follow-up actions taken by PRO based on the results of the tests.
- The Organic Agriculture Bill should be finalised at the earliest so that benefits could be derived by shifting towards Organic Agriculture.

- The Ministry should devise a proper Strategic Plan on how to manage the Use of Pesticide Act.

Ministry's Response

- An awareness workshop on judicious use of pesticides targeting some 100 users of pesticides was carried out on 24 October 2025. Awareness and sensitisation campaigns in collaboration with FAREI are carried out on a monthly basis throughout the island. These campaigns will be reinforced to sensitise the planters on the safe use of pesticides.
- Amendments are underway to the regulations under the Use of Pesticides Act.
- An updated database as at December 2025 for planters has been compiled and is available.
- A yearly maintenance plan for equipment at FTL is being elaborated with the Engineering Division and service providers by March 2026.
- Consultation on the Bill is ongoing with the Attorney General's Office.
- Developing a comprehensive Strategic Plan for managing the Use of Pesticides Act is essential. The Ministry is considering outlining clear objectives, regulatory frameworks, monitoring and enforcement mechanisms, stakeholder engagement strategies, and timelines for implementation. This will ensure better compliance, reduce risks to health and the environment, and provide a structured approach to pesticides management.

8.1.5 Inadequate Control of Stray Dogs

Background Information

The existence of stray dogs in Mauritius represents a high risk to public health and safety, and environmental hygiene, among others. The Mauritius Society for Animal Welfare (MSAW), a statutory body falling under the purview of the Ministry, has the responsibility to look after the welfare of animals in Mauritius and is responsible for the control of animals, including stray dogs as per Section 13(2)(a) of the Animal Welfare Act.

Findings

▪ Strategic Plan not available

The Ministry and the MSAW did not have an approved Strategic Plan to reduce or control the population of stray dogs in the foreseeable future.

▪ Incomplete database of micro-chipped dogs

The MSAW had recorded the microchipping code in its database for the period July 2024 to September 2024. The codes for the periods June 2022 to June 2024 and October 2024 to September 2025 were not recorded in the MSAW database. In the absence of microchipping codes, it would be difficult to trace the owners of dogs captured on the streets, hence defeating the purpose of the whole exercise.

▪ **Survey of stray dogs not done since 2013**

According to data provided by the Ministry, it was estimated that in 2013, on the basis of several surveys on street and owned dog population, the total owned dog population accounted to some 246,000, with a roaming street dog population of some 57,000.

Neither the Ministry nor MSAW had carried out a proper survey of stray dogs since 2013 to determine their actual population.

▪ **Mass Sterilisation Campaign not successful**

A mass sterilisation campaign was launched in June 2022 to reduce the number of stray dogs in the future. For the financial year 2024-25, a budgeted amount of Rs 25 million was provided, of which a total amount of Rs 24.2 million was disbursed to MSAW for the sustainable project of dog population control in Mauritius.

- As of September 2025, Rs 42 million had been spent for the sterilisation of a total of 24,202 dogs since 2022 under the mass sterilisation project. This represented only 10 per cent of the dog population of 246,000 set by the MSAW for this campaign, despite free sterilization was being carried out around the island.
- According to MSAW, as of May 2025, 90 per cent of owned dogs remained unregistered and were roaming freely on the streets.
- The number of stray dogs sterilised during the period January 2023 to September 2025 was 2,292, which represented 4 per cent of the estimated stray dog population surveyed in 2013.

▪ **Delay in the Construction of Dog Shelters**

There has been significant delay in the construction of dog shelters, which aimed at reducing the number of stray dogs on the streets.

As of September 2025, the construction project was not yet started, although approval was obtained from the Government on 23 September 2024. Moreover, the amount of Rs 5 million provided in the budget for financial year 2024-25 for the project was been reallocated to the Mauritius Cane Industry Authority.

▪ **Catch-Neuter-Return method not successful**

Since June 2022, MSAW has adopted the Catch-Neuter-Return method instead of Catch and Kill method to avoid an increase in the population of stray dogs and free roaming of dogs. The method involved capturing stray dogs, sterilising them and releasing them to their original locations. This method enables a dog to stay in a kennel for a period of 3 to 5 days.

- Due to inadequate space, MSAW had no alternative but to wait for release of the stray dogs to their original locations and to carry out the same process for another batch of stray dogs.

- The number of dogs captured was as low as 1,610 during the period November 2024 to September 2025, as compared to some 246,000 street dogs based on the 2013 survey. Capturing street dogs at this pace would take several years for their neutering.

Root Cause

- The Accounting Officer did not ensure that MSAW has been carrying out surveys of stray dogs regularly and taking timely remedial actions to control their population.

Recommendations

- There should be a clear strategy devised to take on board the views and suggestions of different stakeholders. The strategy should include short-term, medium-term and long-term targets, that is, a reduction in the number of stray dogs by a realistic percentage yearly.
- The Ministry, in collaboration with MSAW, should conduct survey of stray dogs and take appropriate remedial measures to control their population.
- The MSAW should encourage dog owners to sterilise their dogs under the mass sterilisation campaign to decrease the proliferation of stray dogs.
- The Ministry should request the Ministry of Housing and Lands to identify proper sites at the earliest for the construction of dog shelters, as this would reduce the number of stray dogs on streets, thus reducing the risk of harm to inhabitants and tourists visiting the country.
- The Ministry should ensure that the Catch-Neuter-Return method is carried out rigorously and successfully by MSAW to control the population of stray dogs.

Ministry's Response

- The database was not kept up to date due to a lack of Registration Officers. The latter are being recruited and MSAW will ensure that the data are updated regularly.
- With regard to the dog population survey, MSAW is looking at the possibility for drone survey, which will be more accurate/innovative. Clearance from the Prime Minister's Office is awaited.
- The MSAW is continuously effecting Catch-Neuter-Release activities to sterilise stray dogs. The MSAW is in the process of recruiting a Human Education and Communication Officer to strengthen its awareness initiatives and intensify campaigns aimed at encouraging dog owners to sterilise their pets.
- The MSAW is already initiating necessary action to address the loopholes to ensure that the Catch-Neuter-Return method is being done regularly.
- The Land Use Division of the Ministry had already identified several plots for the dog shelter. However, due to unavailability of utilities, such as water and electricity, same were not considered. A correspondence has been addressed to the Ministry of Housing and Lands to identify new plots of land for the dog shelter.

8.1.6 Governance Issues – Non-compliance with Legislations

Provisions have been made in various legislations to impose statutory responsibility on Accounting Officers and Boards of statutory bodies with the objective of strengthening accountability and transparency in the public sector.

Findings

Late submission of Report on Performance

The Report on Performance of the Ministry of Agro-Industry, Food Security, Blue Economy and Fisheries (Agro-Industry and Food Security Division) for the financial year 2024-25 was submitted to the Ministry of Finance on 14 January 2026, that is 2 months after the statutory deadline of 31 October 2025.

Ministry's Response

There were delays in the submission of inputs by several stakeholders. The Ministry endeavours to have a closer monitoring of submissions this financial year to ensure timely submission of the Annual Report.

Recommendation

The Ministry should, henceforth, submit its Report on Performance to the Ministry of Finance by 31 October every year, in compliance with the Finance and Audit Act.

Non-submission of Financial Statements for Audit

The Statutory Bodies (Accounts and Audit) Act requires the Chief Executive Officer of a Statutory Body to submit the annual report, including the financial statements, to the auditor not later than 4 months after the end of every financial year.

As of mid-November 2025, the following statutory bodies falling under the purview of the Ministry of Agro-Industry, Food Security, Blue Economy and Fisheries, have not submitted their financial statements for audit as shown in Table 8-7.

Table 8-7 Financial Statements not Submitted for Audit

SN	Statutory Bodies	Financial Year/Period	Number of Financial Statements	Remarks
1	Mauritius Meat Authority (MMA)	2022-23, 2023-24 and 2024-25	3	
2	Mauritius Society for Animal Welfare (MSAW)	1.01.2016-30.06.2017 to 2024-25	9	
3	Small Farmers Welfare Fund (SFWF)	2022-23, 2023-24 and 2024-25	3	
4	Sir Seewoosagur Ramgoolam Botanical Garden Trust (SSRBGT)	2023-24 and 2024-25	2	Financial statements for 2020-21 to 2022-23 were submitted on 18 June 2025.
5	Sugar Cane Planters Trust (SCPT)	2007-08 to 01.07.2009 to 24.07.2010	3	
6	Vallée D'Osterlog Endemic Garden Foundation (VOEGF)	2020-21 to 11.04.2025	5	The Act was repealed on 12 April 2025.
7	National Parks and Conservation Fund (NPCF)	2023-24 and 2024-25	2	

Source: NAO records and Irrigation Authority records

Ministry's Response

- *MMA*: The MMA is currently working on the preparation of accounts for financial year 2022-23, 2023-24 and 2024-25. All 3 financial statements will be submitted to NAO by mid-February 2026.
- *MSAW*: FY 2016-17 - Is being prepared. FY 2017-2023-Information are being compiled. FY 2024-25 - Accountant General has been requested to provide assistance for preparation of financial statements.
- *SFWF*: Financial statements for FY 2022-23 is currently being prepared and that for FY 2023-24 will be prepared soon.
- *SSRBGT*: Preparation of financial statements for 2023-24 is in progress.
- *SCPT*: Advice of the AGO has been sought with regard to this matter.

- *VOEGF*: Following the enactment of the VOEGF (Repeal) Act 2025 on 4 April 2025, all assets and activities of the VOEGF were transferred to the National Parks and Conservation Service. The advice of the Attorney General's Office (AGO) has been sought following Government approval regarding the authority which can approve the financial statements. Given that the AGO has indicated that it would not be in order for the Ministry to approve the financial statements in lieu of the VOEGF Board which was existent at the time of the preparation of same, a policy decision would be required on the way forward.
- *NPCF*: Financial statements for 2023-24 will be prepared and submitted to the NAO.
- *IA*: Following the appointment of a new Board in August 2025 and the appointment of a new General Manager in September 2025, steps are being taken so as to ensure that the IA complies with its statutory financial reporting obligations. Management will soon engage external consultancy services to expedite the preparation of the outstanding accounts for 2023-24 and 2024-25.

Annual Reports not laid before the National Assembly

The Statutory Bodies (Accounts and Audit) Act requires a copy of the annual report and audited accounts of every Statutory Body to be laid before the National Assembly at the earliest opportunity.

As of end November 2025, the annual reports of 5 statutory bodies were not yet laid before the National Assembly as shown in Table 8-8.

Table 8.8 - Annual Reports Including Audited Financial Statements not Laid Before the National Assembly

SN	Statutory Body	Financial Year	Date Certified	No. of Financial Statements
1	Agricultural Marketing Board	2023-24	14.11.2025	1
2	Mauritius Meat Authority	2020-21 2021-22	4.07.2025 21.08.2025	2
3	Mauritius Society for Animal Welfare	30.10.13 – 31.12.14 2015	1.10.2025 1.10.2025	2
4	Vallee D'Osterlog Endemic Garden Foundation	2017-18 2018-19 2019-20	26.06.2024 26.06.2024 4.09.2025	3

Source: National Assembly Records

Ministry's Response

- *AMB*: Annual Report will be laid down before the National Assembly before end of January 2026.

- *MMA*: Annual Reports for financial years ended June 2021 and June 2022 are in the process of printing and same will be tabled in the National Assembly.
- *MSAW*: The Annual Reports for years 2014 and 2015 were not prepared by former Directors.
- *VOEGF*: Following the enactment of the VOEGF (Repeal) Act, the board of the VOEGF is no longer existent. Therefore, audited financial statements have yet to be approved. The Attorney General's Office has been consulted on the way forward in the absence of the board.

Recommendations

- The Ministry should exercise control over the statutory bodies and other entities operating under its aegis to ensure that they comply with their statutory responsibilities regarding the preparation of financial statements and their submission for audit.
- The Ministry should lay a copy of the annual report and audited financial statements before the National Assembly.

8.1.7 Follow-up of Recommendations raised in Audit Report 2023-24

The status on actions taken on key findings and recommendations since the publication of the Audit Report 2023-24 is summarised. Out of 12 recommendations, 10 (84 per cent) have been implemented, 1 (8 per cent) have been partly implemented, 1 (8 per cent) has not been implemented.

SN	Findings	Recommendations	Ministry's Response - as of January 2026	NAO's Comments
Project financed by European Union not implemented according to Grant Contract (Page 327)				
<i>Delay in completion of the project "Supporting Climate Smart Agriculture for Small Holders"</i>				
1	- Due to several reasons the project was completed on 10 November 2023, more than 5 years after the initial signature of the Grant Contract. - A Project Steering Committee set up at the level of the Ministry concluded that the Irrigation Authority (IA) has enough in-house capacity, experience and expertise. Hence, a National Consultancy Firm was not recruited. - The component 'Building a resilient Irrigation Infrastructure' was completed on 21 December 2023, with a delay of 41 days. - As at Sept 2024, the Contractor had not yet submitted the cable to download data from flowmeter.	The Accounting Officer should ensure that future projects are implemented as per the Grant Contract and funds provided under the contract are used as per the estimated schedule. (Pg 329, Para 13.1.1)	- The project was completed successfully despite the fact that during the implementation, major 'force majeures' were encountered, including the outbreak of COVID-19 pandemic. - The decision to hire the in-house service from IA was endorsed by the EU. - The reason for the delay was completely outside the control of the IA. The works of 'Building a resilient Irrigation Infrastructure' were delayed because of non-responsiveness of bidders during the first 2 bidding exercises. This unforeseen circumstance necessitated further procurement processes, contributing to the project's timeline. - The cable has been supplied by the contractor in December 2024.	Implemented

SN	Findings	Recommendations	Ministry's Response - as of January 2026	NAO's Comments
	▪ No further tender exercise was launched due to limited time frame as the project would be delayed and as such, the objectives of the project to produce crops with reduced pesticide and helped collect rain water for ulterior use, did not materialise. ▪ The training was not provided to all the small holders of land. ▪ Out of the total grant of € 568,870.40, the sum of € 335,600.56, representing 59 per cent of the total grant has not been utilised. (Pg 327-329, Para 13.1.1)		• Since this component of the project could not be carried out due to 4 unsuccessful bidding exercises, the remaining funds have been reimbursed to the EU. • A group of 61 small planters were trained. They are now expected to train their peers. Close consultation and communication between the IA and planters is maintained so as to ensure that climate resilient irrigation practices are encouraged. • Unutilised funds were reimbursed to the EU, as the latter was not agreeable for an extension of time for completion of unaccomplished components of the project.	

Plant Tissue Culture – Decrease in production of Banana Plantlets (Page 330)

	Absence of a Strategic Plan			
2	The Barkly Experiment Station (BES) and the Food and Agricultural Research and Extension Institute (FAREI) were both involved in the propagation of tissue culture banana plantlets. (Pg 330, Para 13.1.2)	There should be effective co-ordination between the 2 institutions involved in plant tissue culture so as to make efficient use of available facilities and resources. (Pg 331, Para 13.1.2)	Cooperation already exists between BES and FAREI. FAREI provides mother plants, of banana accessions to Barkly ES for <i>in vitro</i> propagation. FAREI involves the staff of BES in any training programs related to micropropagation. FAREI also supplied <i>in vitro</i> multiplying cultures of various banana accessions to Barkly ES for further multiplication.	Implemented

SN	Findings	Recommendations	Ministry's Response - Status as at January 2026	NAO's Comments
Acclimatisation Units not operational				
3	At September 2024, Acclimatisation Unit 3 was damaged for more than 2 years. The automatic irrigation system of the Acclimatisation Unit was not functioning for more than 5 years and has not been repaired.	The defects of the Acclimatisation Units should be repaired at the earliest so as to increase the production of banana plantlets.	Although the structure of the acclimatisation unit has been partially damaged, the acclimatisation unit is being fully utilised for hardening of tissue culture plantlets until the construction of a new one to the tune of Rs 3.0 million in next financial year.	Implemented
4	The aeration system of the shed was also not functioning since several years back. (Pg 331, Para 13.1.2)	A proper preventive maintenance plan should be prepared for the Acclimatisation Units. (Pg 331, Para 13.1.2)	The electrical panel controlling the automatic irrigation system has been repaired and irrigation is now being carried out automatically.	Implemented
Decrease in Production of Banana Plantlets				
5	Delay in carrying out sub-culture in due time has resulted in wastage of economic resources. Banana plantlets from the sub-culture have been decreasing from 39,281 since the year 2019 to 3,883 plantlets in 2024. As at 31 August 2024, there was a cumulative demand of 64,625 plantlets to be delivered to planters. Due to lengthy waiting time, some of the applicants were no more interested for the purchase of plantlets and have consequently cancelled their orders. (Pg 332, Para 13.1.2)	There should be a proper production plan to increase the level of production of banana plantlets so as to minimise the waiting list and to have a time frame from application to delivery. (Pg 332, Para 13.1.2)	With a waiting list of 64,000, the Agricultural Services has implemented 2 immediate measures: - An additional technical staff member has been assigned to the Tissue Culture Laboratory to enhance production capacity. - Banana plantlets are being imported from South Africa and Honduras. These imported plantlets are significantly more affordable and of superior quality compared to those produced locally. As of December 2025, a total of 29,570 plantlets has already been imported, with an additional 20,000 scheduled for importation by the end of the current financial year.	Implemented

SN	Findings	Recommendations	Ministry's Response - as of January 2026	NAO's Comments
Breakdown of Autoclave Device				
6	A new autoclave device, acquired at a cost of Rs 1,759,500, was delivered on 12 August 2024. However, it was still awaiting commissioning as at 20 September 2024. (Pg 332-333, Para 13.1.2)	The newly acquired autoclave device should be commissioned so that it can be put to use. (Pg 333, Para 13.1.2)	The new autoclave has been commissioned on 25 September 2024.	Implemented
National Wholesale Market – Post Implementation Issues (Page 333)				
Lease agreement for the NWM not yet finalised				
7	As of September 2024, the title deed was still not formalised. The contract for additional works at the National Wholesale Market (NWM) was consequently kept pending. (Pg 334, Para 13.1.3)	The Ministry should finalise the lease agreement of the State land occupied by the NWM. (Pg 335, Para 13.1.3)	The Ministry of Housing and Lands has informed, in a correspondence dated 12 January 2026, that approval has been obtained to retrieve from this Ministry, the portion of State Land at National Wholesale Market to be leased to AMB subject to the Authority approval.	Implemented
Unutilised Sewer Treatment Plant				
8	As at September 2024, the tender for the supply, installation and commissioning of a power feeder cable to the Sewer Treatment Plant (STP) and miscellaneous works at the NWM was not yet launched. Meanwhile, the STP was left unutilised. (Pg 334, Para 13.1.3)	The supply, installation and commissioning of a power feeder cable to the STP should be completed as soon as possible for the operationalisation of the STP. (Pg 335, Para 13.1.3)	STP is in operation since July 2025.	Implemented
Inadequate space for handling of fruits and vegetables				
9	During peak hours, the parking space of 200 slots was inadequate. Tarpaulin tents had been erected on the parking areas, since several months, for the auction of fruits, hence, worsening the problem of parking space during peak hours.	The Ministry should take appropriate action to remedy the problem of space for parking and auction sale of fruits. Extension of the NWM could be a solution to the problem. (Pg 335, Para 13.1.3)	Extension of NWM could be a solution to the problem. However, funds are not available at the level of AMB although requests have been made in the past to the Ministry of Finance for the provision of funds to remedy the problem of parking.	Not Implemented

SN	Findings	Recommendations	Ministry's Response - as of January 2026	NAO's Comments
	- There was no proper waste disposal system. Rotten vegetables were stacked in a corner of the compound which caused foul smells. (Pg 334-335, Para 13.1.3)			
Increase in the production of chicks not attained (Page 336)				
<i>Decrease in the production of chicks/Breakdown of the Chick Incubator</i>				
10	- Eggs collected for settings had decreased from 312,452 in financial year 2022-23 to 169,021 in financial year 2023-24. - Due to breakdown of the incubator in the financial year 2023-24, the level of production of chicks decreased to 145,152. - On 15 February 2024, the setter broke down, as a result of which new orders of chicks from the farming community could not be met by the PBC. - The Animal Production Division submitted a project proposal concerning the chick incubator in 2022 and 2023 to the Ministry. However, approval was still being awaited. (Pg 336-337, Para 13.1.4)	The Officer in Charge of the Poultry Breeding Centre (PBC) should acquire incubators to increase the production of chicks to satisfy the demand of the farming community. (Pg 338, Para 13.1.4)	Following the Early Market Engagement, the scope of work was finalised in December 2025 by the Engineering Division and the Animal Production Division. Currently the bidding documents for the procurement of the chick incubator is under preparation and is expected to be launched by mid-February 2026.	Partly Implemented
<i>Outbreak of Salmonella Bacteria</i>				
11	- On 2 August 2024, the Livestock and Veterinary Division (LVD) reported the presence of salmonella bacteria in Deep Litter House 4 at the PBC. - On 13 August 2024, salmonella bacteria was also detected in Deep Litter House 5.	The Officer in Charge of the PBC should devise an updated biosecurity and maintenance plan to prevent the spread of shigella and salmonella bacteria in all the units of the PBC. (Pg 338, Para 13.1.4)	Biosecurity and Maintenance Plan have already been prepared in December 2025 and is being implemented.	Implemented

SN	Findings	Recommendations	Ministry's Response - as of January 2026	NAO's Comments
	- On 30 August 2024, the Principal Veterinary Officer informed that salmonella had also been detected from hatching eggs and advised to destroy all those eggs. - As at 19 Sept 2024, 902 broilers had been culled and incinerated, and 58,422 eggs had been discarded due to the presence of the disease. Therefore, demand for eggs and chicks from the farmers could not be met. (Pg 337, Para 13.1.4)			
Site Visit				
12	- There was a serious threat of feed and water contamination when birds entered the pens and shared the same living spaces with the broilers. - Birds dropping in water or animal feeds could lead to harmful bacteria causing serious health risks to the broilers. - It was reported by the officer that rats were seen in the pens from the nearby drains which were harmful for the broilers. (Pg 337, Para 13.1.4)	The old pens should be upgraded. (Pg 338, Para 13.1.4)	Replacement of openings and bird nettings in the six Deep Litter Houses at Poultry Breeding Centre have been completed by the Engineering Division on 14 November 2025.	Implemented

8.2 BLUE ECONOMY AND FISHERIES

8.2.1 Marine Protected Areas-Challenges in the Operational Management

8.2.1.1 Marine Areas under the National Biodiversity Strategy and Action Plan

Background Information

The National Biodiversity Strategy and Action Plan (NBSAP) 2017-2025, prepared in 2017, outlines the long-term strategy for biodiversity conservation and sustainable use of natural resources. National Target 11 of the NBSAP specifically states that:

“By 2025, at least 16 per cent of terrestrial and inland water, and 10 per cent of coastal and marine areas, especially areas of particular importance for biodiversity and ecosystem services, are conserved through effectively and equitably managed, ecologically representative and well-connected systems of protected areas and other effective area-based conservation measures, and integrated into the wider landscapes.”

Findings

- Less than 1 per cent of the country’s vast Exclusive Economic Zone (EEZ), which spans over 2.3 million km² is currently designated as Marine Protected Areas (MPAs).

This falls substantially short of the 10 per cent marine protection target set in the NBSAP, which was due by 2025.

- No concrete roadmap, timeline or resource allocation plan was in place to expand the coverage of protected marine areas.

Root Cause

The Ministry did not have a strategy and an implementation plan to achieve the target of 10 per cent for marine protected areas.

Recommendations

The Ministry should:

- Prepare a national strategy and a comprehensive roadmap to identify, prioritise, and designate new marine protected areas within the EEZ to meet the 10 per cent coverage target.
- Develop measurable performance indicators and conduct annual progress reviews to track achievements against the NBSAP 2025 targets.

Ministry’s Response

- Marine Conservation Division (Fisheries) is conducting surveys to identify sites with vulnerable ecosystems, such as seagrass meadows and rare corals for designation as temporary Marine Protected Areas.

- The Fisheries Division intends to increase the surface areas of the MPAs by extending the boundary of the 6 Fishing Reserves proclaimed in the year 2000. The Fisheries Division has already drafted the regulation for the extension of the existing Fishing Reserves.

8.2.1.2 Inadequate Management and Monitoring of Marine Protected Areas

Background Information

Under Section 7 of the Fisheries and Marine Resources Act, 8 Marine Protected Areas (MPAs) have been proclaimed in Mauritius with 2 designated as Marine Parks and 6 as Fishing Reserves. The Marine Parks are the Blue Bay Marine Park (BBMP) and the Balaclava Marine Park (BMP) while the Fishing Reserves are at Port Louis, Black River, Trou D'Eau Douce, Poste Lafayette, Poudre D'Or and Grand Port.

Findings

▪ **Fishing Reserves**

The reserves lack adequate conservation and protection for marine biodiversity as they are not specifically patrolled. No separate records of patrol were carried out at the Fishing Reserve at the Ministry.

▪ **Marine Parks**

A five-year Management Plan was prepared for both Marine Parks for the period 2012 to 2016. However, these plans have not been reviewed or updated.

- The Management Plan for the BBMP was partly reviewed by a Committee under the Mainstreaming Biodiversity Project.

However, the implementation cost could not be determined as the Committee lacked the necessary expertise to prepare a budget.

- The Management Plan for BMP has not been reviewed due to the unavailability of a consultant.

Root Causes

- The Ministry did not have a specific plan to patrol the Fishing Reserves.
- The Ministry did not hire the necessary expertise for updating and implementing the Management Plan for Marine Parks.

Recommendations

The Ministry should:

- Review and update the Management Plan for both Marine Parks to reflect current environmental conditions and emerging threats; and

- Establish and maintain separate patrol and monitoring records to track conservation efforts.

Ministry's Response

- Management Plans for fishing reserves and marine parks will be reviewed and updated.
- Patrol and surveillance of fishing reserves are being carried out by the Fisheries Protection Service, in the course of the other patrol and surveillance.
- Henceforth, the FPS is being requested to keep separate records for patrol and surveillance in fishing reserves.
- An inventory will be carried out at the Balaclava Marine Park, subject to availability of funds. Consequently, a Management Plan would be worked out, which will include the zoning part.

8.2.1.3 Marine Protected Area Fund Not Established

Background Information

Section 19 of the Fisheries Act provides that a Marine Protected Area Fund shall be established for the following purposes, amongst others:

- The Fund shall receive money appropriated by the National Assembly, grants, donations, fees, rents, or other charges arising from authorised use of Fishing Reserves, Marine Parks, or Marine Reserves.
- All expenses incurred in the management of MPAs shall be paid out of this Fund.
- The Fund shall be managed and administered by a committee established by the supervising officer.

Findings

- The Marine Protected Area Fund as mandated by the Fisheries Act has not yet been established.
- For the period January 2022 to September 2025, an average of some Rs 900,000 was collected from issue of permits and was remitted to the Consolidated Fund.

Root Cause

The Supervising Officer failed to comply with the Fisheries Act by not setting up a Marine Protected Area Fund and a committee to manage and administer the Fund.

Recommendation

The Ministry should comply with the provisions of the Fisheries Act by setting up the Marine Protected Area Fund and a committee to administer the Fund.

Ministry's Response

- Several requests have been made to the Ministry of Finance for the establishment of the MPA Fund. However, as at date, the requests have not been entertained.
- A proposal will again be made to the Ministry of Finance for the establishment and operation of the MPA Fund.

8.2.1.4 Delay and Ineffective Implementation of Infrastructure and Zoning for Marine Parks

Background Information

The 2 Marine Parks were proclaimed as National Parks in October 1997 under the National and Wildlife Parks Act 1993. They were promulgated as Marine Parks in June 2000 under the Marine Protected Areas (MPAs), Fisheries and Marine Resources Act of 1998.

To enforce MPAs regulations and ensure effective control and surveillance, it was essential to construct marine park centres. These centres were intended to serve as operational bases for the control of information, education and visitors park interpretation.

A tender was awarded in October 1995 for Project Management Consultancy Services for the construction of both Marine Parks Centres. The project plans were approved and all necessary clearances were obtained. The estimated project costs were Rs 20.6 million and Rs 22.7 million for BBMP and for BMP respectively.

Findings

■ Construction of Blue Bay Marine Park Centre

The Construction was completed in June 2016, approximately 16 years after the proclamation, at a cost of Rs 33 million. The delay was attributed to land issues and insufficient funding.

■ Balaclava Marine Park Centre not Constructed

As of September 2025, 25 years after the proclamation, no structure had been constructed. In July 2007, Government approved the allocation of 1,133 m² of land (out of a total of 3,530 m²) vested to the then Ministry of Agro Industry and Fisheries to a private company. One of the conditions of the lease agreement was that the company should construct a Marine Park Centre and related facilities at its own cost, in exchange for using the land to build 2 tennis courts. This special condition was included in the amendment to the deed of lease that was transcribed on 22 November 2007.

The Company built the tennis courts but did not build the Marine Park Centre.

Despite several correspondences with Ministry of Housing and Lands (MOHL), the Ministry of Blue Economy was informed that the Company did not sign the new 60-year industrial lease, preventing the MOHL from enforcing the conditions required for the project's implementation. The existing lease agreement covers the period 24 August 2006 to 13 June 2026. After 13 June 2026, the lease will expire, releasing the Company from its obligation to construct the marine park.

Zoning not implemented at Balaclava Marine Park

While BBMP has successfully implemented its zoning regulations with physical markers of coloured buoys, the BMP did not implement its zoning. Consequently, the permit system, which relied on these zones, operated only partially. Only interference permits were issued, limiting BMP's ability to protect critical habitats and manage its biodiversity effectively.

During a site visit at the Albion Fisheries Research Centre (AFRC) on 15 September 2025, 10 pillar-type boundary buoys intended for the demarcation of BMP were stored and unused at AFRC. The Ministry could not provide details on the date of acquisition, cost and the reasons for non-deployment of these buoys.

Root Causes

- The MOHL did not ensure that the conditions of the contract for the construction of the Balaclava Marine Park Centre were being adhered to.
- The Ministry of Agro-Industry, Food Securities, Blue Economy and Fisheries (Blue Economy and Fisheries Division) lacked an implementation plan for zoning of the BMP.

Recommendations

The Ministry should:

- Consult with the MOHL so as to ensure that the company fulfills its obligation or a policy decision to be taken on this matter.
- Establish a comprehensive implementation and monitoring plan for all MPAs infrastructure projects, with defined timelines, responsibilities, and accountability mechanisms.

Ministry's Response

- The Balaclava Marine Park was divided into different specific zones in the year 2000, but no demarcation buoys could be placed at that material time, as fishers were not agreeable to the placement of these buoys.
- A Management Plan would be worked out which will include a zoning and permit system.
- A portion of land has been vested into this Ministry by the Ministry of Housing and Lands for the construction of the Balaclava Marine Park Centre.

- The Ministry is liaising with the Ministry of National Infrastructure for the finalisation of the plan for the construction of the Balaclava Marine Park Centre.

8.2.1.5 Insufficient Enforcement and Inadequate Surveillance in Marine Parks

Background Information

Enforcement in the Marine Parks is a key component of effective management, aimed at protecting marine biodiversity and ensuring the sustainable use of resources. Although the legal and regulatory framework for MPAs is well established, its implementation and enforcement remain inadequate.

Findings

▪ **Inadequate Resources**

BBMP, covering an area of 353 hectares, lacked adequate staffing and financial resources for effective patrolling and enforcement.

- Enforcement and protection services were initially carried out by 9 Fisheries Protection Officers (FPOs) working on a shift system (3 officers per shift).
- Since 17 August 2023, night patrols were not conducted, resulting in no surveillance at night.
- During a site visit by NAO Officer on 1 October 2025, it was noted that only one Fisheries Protection Officers was posted to BBMP since September 2025, rendering enforcement ineffective.

▪ **Decreased Patrols**

Patrol activity significantly declined over the past 5 years

- Despite the availability of 2 patrol boats, only 218 coastal patrols and 129 afloat patrols were carried out in BBMP in financial year 2024-25 as compared to 900 coastal patrols and 550 afloat patrols in financial year 2022-23.
- At BMP, there was no Marine Park Centre and patrols were carried out from Trou Aux Biches Fisheries post. Patrols declined from 12 afloat patrols in financial year 2022-23 to 3 in financial year 2024-25, Coastal patrol decreased from 252 in financial year 2022-23 to 235 in financial year 2024-25. Initially, 3 FPOs were assigned for day patrols. However, during a site visit by NAO Officer on 8 October 2025, it was observed that only one officer was posted for day patrol.
- The number of sea patrols at BMP dropped drastically from 22 patrols in financial year 2023-24 to only 3 in financial year 2024-25, even though a speed patrol boat was allocated to the park.

These reduced patrols limited the Ministry's ability to detect, deter, and address illegal activities within the Marine Parks.

▪ **Idle Speed Camera**

Paragraph 19, Section 4(b) of the Marine Protected Area Regulations 2001 restricts boats operating in the marine parks to a maximum speed of 3 knots to prevent disturbance or damage to the underwater flora and fauna. However, it was noted that:

- No contraventions have ever been issued for speeding within the marine parks.
- During a site visit to the BBMP by NAO Officer on 1 October 2025, a speed detection camera was stored in a filing cabinet. The camera was not operationalised, as there is no regulation authorising the use of camera footage.
- The equipment was also not recorded in the Government Asset Register, and no information was available regarding its acquisition and cost.

Root Causes

- The Ministry did not have a proper mechanism to ensure continuity and adequacy of enforcement operations.
- Poor asset management and accountability, resulted in the Ministry's inability to make use of the enforcement equipment.

Recommendations

The Ministry should:

- Assess staffing needs for each Marine Park and ensure adequate human resource allocation.
- Reinstate night patrol and surveillance, particularly in high-risk zones.
- Amend the Marine Protected Area Regulations to authorise the use of speed detection cameras.

Ministry's Response

- With a view to complying with EU strict requirement in the Port, FPS officers have been deployed from the Fisheries Posts to the Port State Control Unit and Import/Export Unit as there was a dire need for higher enforcement.
- Action will be initiated to amend the Marine Protected Area Regulations to allow use of camera evidence.
- Action will be initiated to activate the speed detection camera.
- With the recruitment of more Fisheries Protection Officers, surveillance of Marine Parks will be enhanced. The Scheme of Service for the post of Fisheries Protection Officer is being amended, due to low response following public advertisement on 2 occasions.

8.2.1.6 Non-Operational Unified Enforcement Unit for Marine Park Surveillance

Background Information

To strengthen enforcement and ensure effective management of BBMP, a Unified Enforcement Unit (UEU) was established in June 2004 under the leadership of a Principal Fisheries Protection Officer (PFPO). The UEU was intended to enforce the MPAs Regulations and provide 24-hour surveillance to control permissible activities within the park, such as glass-bottom boating, snorkelling, diving, water skiing, swimming and fishing.

The UEU comprised officers from:

- The Fisheries Protection Service (FPS);
- The National Coast Guard (NCG);
- The Police de l'Environnement; and
- The Police du Tourisme.

A total of 10 fisheries officers (1 Principal Fisheries Protection Officers, 3 Senior Fisheries Protection Officers, and 6 Fisheries Protection Officers) were posted to BBMP to support the initiative.

Findings

The UEU was hardly functional for more than one year following its establishment. The stakeholder's collaboration did not materialise due to:

- The absence of a Memorandum of Understanding (MoU) or formal framework defining roles, responsibilities, and coordination mechanisms among the participating agencies; and
- The staff of the different departments worked on different shift systems. This rendered coordination among the different parties difficult.

This significantly weakened the overall surveillance and regulatory control of activities within BBMP.

Root Causes

- The lack of coordination among the different stakeholders resulted in the UEU not being functional.
- The Ministry did not adequately planned the setting up of the UEU.

Recommendations

The Ministry should:

- Reintroduce the Unify Enforcement Unit with proper planning, resources, and management support to enhance MPA enforcement and compliance;
- Develop and sign a MoU among the FPS, NCG, Police de l'Environnement, and Police du Tourisme, clearly defining roles, responsibilities, and communication channels;
- Establish standard operating procedures for coordinated patrols and reporting;
- Establish a shift system to ensure 24-hour coverage without duplication; and
- Designate a Coordination Committee, chaired by the Ministry, to monitor enforcement performance and cooperation among the stakeholders involved.

Ministry's Response

- The Ministry will review the policy including the operationalisation of the surveillance and enforcement in the BBMP.
- Consideration will be given to set up a committee comprising concerned stakeholders to discuss the reintroduction of the Unified Enforcement Unit.

8.2.1.7 Inadequate Coral Monitoring and Rehabilitation in Marine Parks

Background Information

Coral monitoring is the systematic observation and data collection of coral reefs over time. It serves as a crucial management tool for assessing reef health, identifying threats, and guiding conservation and rehabilitation measures.

The importance of coral monitoring and rehabilitation lies in the urgent need to preserve and maintain marine ecosystem against escalating threats.

Findings

Local environmentalists raised serious concerns regarding the deteriorating health of coral reefs and the decline in marine life within the Marine Parks. Irreversible coral bleaching may be occurring due to the combined effects of:

- Climate change; and
- Local pressures including unregulated human activities within the parks.

The percentage of live coral relative to the total substrate cover at BBMP and BMP from financial years 2020-21 to 2024-25 are shown in Tables 8-9 and 8-10.

Table 8-9 Percentage of Live Coral Cover - Blue Bay Marine Park

Station	Financial Year				
	2020-21	2021-22	2022-23	2023-24	2024-25
1	66	48	52	61	50
2	30	3	5	6	1
3	2	0.13	1	3	1
4	77	65	65	84	80
5	0	0	0	0	0

Source: AFRC Conservation Division

Table 8-10 Percentage of Live Coral Cover - Balaclava Marine Park

Station	Financial Year				
	2020-21	2021-22	2022-23	2023-24	2024-25
1	66	48	42	57	47
2	30	3	55	61	65
3	2	0	54	69	48
4	77	65	30	39	38
5	0	0	32	34	31

Source: AFRC Conservation Division

- The trend in the percentage of live corals relative to the total substrate cover from financial years 2020-21 to 2024-25 are described below:
 - (i) At Station 2 at BBMP, the percentage of live corals drastically declined from 30 to one per cent whereas at Station 4 the increase was not significant. At Station 5 the percentage of live corals remained at zero over the years.
 - (ii) At Station 4, the percentage of live corals decreased from 77 to 38 per cent. At BMP, the result at Station 5 was positive as the percentage increased from zero to 31 per cent.
- Control and enforcement efforts were inconsistent, with limited daytime patrols and no night surveillance in the Marine Parks. Destructive activities like anchoring, poling, and trampling remained unchecked.

Root Causes

- Lack of enforcement and patrol activity contributed to unregulated human activities causing physical damage from those activities to persist.
- Absence of a monitoring and evaluation mechanism to oversee trips of private operators and assess the impact of boat activities on live corals.

Recommendation

The Ministry should:

- increase patrol frequency and reinstate night surveillance to deter destructive human activities; and
- develop and implement a monitoring and evaluation framework for private operators trips and assess their impact on corals.

Ministry's Response

- Long-term monitoring of the coral reef ecosystem is being carried out at the 5 established permanent stations in Blue Bay and Balaclava Marine Parks.
- This Ministry is implementing a regional coral farming project entitled “Restoring Marine Ecosystem Services by Rehabilitating Coral Reefs to Meet a Changing Climate Future” funded by the UNDP. Under the project, a total of 2.5 Ha of degraded coral reefs would be rehabilitated in the Blue Bay Marine Park.

8.2.1.8 Inadequate Maintenance and Replacement of Buoys at Blue Bay Marine Park

Background Information

The BBMP has implemented zoning regulations supported by physical markers such as coloured buoys. These buoys are a vital management tool that facilitate the coexistence of tourism and marine conservation. They serve multiple functions, including:

- Protecting delicate coral reefs from damage caused by boats and anchors;
- Ensuring the safety of visitors through clear navigation boundaries; and
- Organising boat traffic to maintain ecological balance within the park.

Proper buoy maintenance and replacement are therefore essential to uphold the integrity and effectiveness of the park's zoning system.

Findings

- The buoys at BBMP were not being adequately maintained. Of the 142 buoys initially deployed, only 74 (52 per cent) were still at sea and functional. The Ministry's most recent buoy purchase was in 2017 and 39 buoys were defective and had not been replaced and an additional 49 buoys were required for proper demarcation.
- Of the 165 small yellow buoys installed, 160 were still at sea, out of which 60 were defective and 15 additional defective buoys were lying idle in the yard. There was a need for 75 new buoys.

Root Cause

The Ministry did not have a maintenance and replacement plan for marine park buoys.

Recommendations

The Ministry should:

- Develop and implement a buoy maintenance and replacement plan;
- Establish a routine inspection and maintenance schedule for all buoys and enhance monitoring through periodic inspections;
- Maintain a logbook and a digital tracking system for buoy condition, repair, and replacement needs; and
- Procure the required 75 buoys and replace defective units to ensure full demarcation of zones.

Ministry's Response

- Monthly maintenance of buoys is conducted by the Fisheries Protection Officers posted at BBMP and reports are regularly submitted.
- Appropriate actions have already been initiated for the procurement of the required buoys and associated accessories.

8.2.2 Outdated Marine Resources Stock Assessment

Background Information

The Exclusive Economic Zone (EEZ) of Mauritius with an area of 2.2 million km² and the Extended Continental Shelf with an area of 400,000 km² under joint jurisdiction with Seychelles, remain largely unexplored in terms of fisheries potential.

A comprehensive stock assessment is essential to evaluate fish health and population. Such assessment is critical for developing evidence-based fisheries management plans that ensure the long-term sustainability of marine resources.

During the past 4 financial years 2018-19 to 2021-22, Rs 14.8 million were allocated for marine stock assessment under the item “*Studies & Surveys - Marine Resources Assessment (EU Funded)*”.

Findings

- The last stock assessment of marine resources in the Republic of Mauritius for lagoon and off-lagoon was conducted 38 years ago, in 1987 and banks fishery was last assessed 20 years ago, that is in 2005.
- Marine stock assessment was not implemented despite budgetary provisions of Rs 14.8 million.
- In the absence of current and reliable data, fisheries management decisions are being made on outdated information.

Root Cause

The Ministry was unable to mobilise financial and technical resources to carry out marine stock assessment and did not have in-house expertise.

Recommendation

The Ministry should prepare a strategy and an implementation plan to execute a comprehensive, up-to-date marine stock assessment for lagoon, off-lagoon and banks fisheries and also consider developing in-house capacity.

Ministry's Response

- At present, the stock assessment of the bank fisheries is being carried out based on scientific evidence/ catch data collected from the semi-industrial fisheries.
- Lagoon and Off-lagoon Stock assessment (small-scale fisheries) relies mainly on fisheries dependent data (fish catch data). Thus, the need for the recruitment of Enumerators and fish data collection by FPS at each Fisheries Post is instrumental.
- Currently, there is no island-wide fish catch data collection.
- Several Expressions of Interest were launched by this Ministry for Consultancy Services for the stock assessment of the bank fisheries, none of the projects was realised due to high costs associated with exploratory research vessels and the services (over Rs 75 million).

8.2.2.1 Exploration of Untapped Fisheries Resources- Measures not Implemented

Background Information

The Ocean Economy Roadmap for Mauritius of 2013 identified the mapping and stocktaking of living and non-living marine resources as a long-term national objective, highlighting “*mapping and stock taking of our seabed for a better understanding of living organisms in our waters was a priority. The rich untapped living organisms in our EEZ can also bring high returns to our nascent marine biotechnology industry should we find new molecules that can be commercially exploited.*”

A collaborative exploratory expedition was conducted on board the Research Vessel RV operated by the Norwegian Institute of Marine Research from 19 May to 10 June 2025.

The expedition focused on fisheries resources mapping (commercially important stocks), benthic habitat assessment and collecting biological and physico-chemical oceanographic data including seafloor mapping of the of the uncharted Northern Plateau and the Southern region of Mauritius along with the western Ridge of Rodrigues of the vast EEZ.

The study revealed high biodiversity, including over 10 potentially undescribed and 30 newly recorded fish species.

Findings

- To promote the sustainable exploitation of offshore fisheries, the Budget Speech 2021-2022 explanatory notes included measures to explore untapped resources through exploratory fishing within the EEZ of Mauritius.
- In October 2022, the authorities agreed that Exploratory Licences be issued through an Expression of Interest (EOI) process.
- The Fisheries and Marine Resources (Exploratory Fishing) Regulations were promulgated on 10 November 2022.
- Further, the Budget Speech 2023-2024 indicated that interested companies would be granted Exploratory Licences to conduct resource assessments and increase seafood production.

Despite the above initiatives, the Ministry failed to finalise and issue EOI resulting in untapped fisheries resources and forgone economic opportunities.

Root Cause

The Ministry did not have the required expertise to put the initiatives into practice and did not have a detailed operational plan.

Recommendations

The Ministry should:

- Use the findings of the exploratory expedition 2025 to develop a strategic plan for targeted, sustainable exploitation of identified fisheries resources.
- Conduct a comprehensive Stock Assessment without which, the new discoveries and potential commercial stocks may be at high risk of over or under exploitation.

Ministry's Response

- Further in-depth fisheries research is required to better understand the stock of the fisheries resources to set a baseline following which fisheries dependent data will be assessed to establish the Maximum Sustainable Yield.
- Further research on untapped resources is being carried out through collaboration with the Ecosystem Approach to Fisheries (EAF) Nansen Programme. The collaboration of other countries (Japan/India) is being solicited for the use of research vessel (ship time) for exploration of untapped resources in our Exclusive Economic Zone (EEZ).

8.2.2.2 *Non-Availability of a Fisheries Information System*

Background Information

A Fisheries Information System (FIS) is crucial to achieve sustainable fisheries management, transparency in data collected for better decision making and have more meaningful fisheries data for further analysis.

Findings

- The Ministry was operating without a FIS since 2016. The FIS known as Mauritius Catch Assessment Survey (MAUCAS), developed by Food and Agriculture Organisation (FAO) and used for artisanal fish catch estimation collapsed, in 2016 due to Windows 2000 compatibility.
- Since 2022, the Ministry has been negotiating with the FAO to develop a new FIS which was an adapted version of FAO product "Calipseo".

The FIS proposed by FAO would cover fisheries statistics estimation, artisanal, advanced coastal fisheries and fish aggregated device, maps, stock assessment of a selection of fish species, bank fisheries and fishing boats per sites. The FIS would be funded by FAO.

On 27 July 2023, FAO required an official letter of commitment from the Ministry on the recruitment of enumerators for the collection of fish data methodically for the implementation of the FIS for Mauritius.

On 19 January 2024, the Ministry informed FAO its decision not to proceed with the signing of the letter of commitment as there was no post of enumerators in the Ministry for collection of catch data.

As at October 2025, the Ministry did not have an updated FIS.

Root Cause

The Ministry was unable to mobilise the appropriate human resources for the collection of catch data.

Recommendation

The Ministry should prioritise the development of a FIS and ensure the appropriate software is available for accurate data collection, analysis and reporting.

Ministry's Response

- Following the recommendation of the EU Illegal, Unreported and Unregulated Informal Dialogue Mission, the Ministry is in the process of setting up a Fisheries Information System. The FIS will be implemented in a phased manner, emphasising on Monitoring, Control and Surveillance (MCS) for information sharing among MCS actors.
- Need to re-establish negotiation with FAO for the deployment of the Software Calipseo.
- More Fisheries Protection Officers (FPO) need to be recruited for fish catch data collection at the 61 Fish landing Station around Mauritius.
- A request has been put forth to the Ministry of Public Service and Administrative Reforms for more Technical Officers to be recruited for carrying out data collection on coastal artisanal fisheries.

8.2.2.3 Absence of an updated Fisheries Management Plan

Background Information

In 2012, the Ministry prepared a Fisheries Management Plan for the shallow water demersal fish species of the Saya de Malha and Nazareth Banks. The plan recommended:

- Transforming the Fisheries Management Consultative Committee into a Banks Fisheries Management Advisory Committee (BFMAC) supported by a Banks Fisheries Scientific Committee.
- Conducting an annual review of the Management Plan under the responsibility of the Ministry in consultation with BFMAC and other stakeholders for consideration and endorsement.

Section 15 of the Fisheries Act 2023 stipulates that a fisheries management plan must be prepared to ensure the conservation, management, and sustainable use of a specific fishery.

Findings

- The report, "Fisheries Management Plans, Policies and Legal Framework in The Republic of Mauritius," published as part of the ECOFISH Programme in 2021, highlighted that the Fisheries Management Plan 2012 had been partly implemented, with limited fisheries development in bank fisheries mainly due to long distance fishing grounds (300 -2000 km) and the lack of incentives to the operators.
- The Ministry did not prepare a new or updated management plan as required under Section 15 of the Fisheries Act 2023. This led to a gap in strategic planning in fisheries management.

Root Cause

The Ministry did not have the technical knowhow and expertise to update or replace the 2012 plan in line with the Fisheries Act 2023.

Recommendation

The Ministry should prepare and approve a comprehensive Fisheries Management Plan as per Section 15 of the Fisheries Act 2023, and establish a Fisheries Management Plan Committee.

Ministry's Response

- The bank fisheries are adequately managed, with fully established licensing and reporting mechanisms that are being implemented. A quota system-based on performance of fishing operators is also in place.
- Since section 15 of the Fisheries Act 2023 has provision for updating of existing Fisheries Management Plan, this Ministry may constitute a Fisheries Management Plan Committee.

- The best practice is to undertake the Fisheries Management Plan to include stock assessment as a core component.

8.2.2.4 Outdated Maximum Sustainable Yield

Background Information

A Maximum Sustainable Yield (MSY) is defined as the largest average annual catch that can be harvested from a fish stock indefinitely without impairing its ability to replenish itself.

The MSY for the lagoon and off-lagoon fisheries in Mauritius was determined in 1987, and for the banks fisheries in 2005, following the respective stock assessments conducted during these years.

Findings

A review of the available data on MSY and actual catches for the period January 2022 to June 2025 revealed that the actual catch for the banks fisheries for period 2022 to June 2025 has continuously been below the MSY. The percentage of actual catch to the MSY was continuously below 50 per cent. Table 8-11 refers.

Table 8-11 MSY and Catches for period 2022 to June 2025

Shallow water demersal fishery	Estimated MSY (T)	2022		2023		2024		2025 (as at June 2025)	
		Catch (T)	% of MSY used	Catch (T)	% of MSY used	Catch (T)	% of MSY used	Catch (T)	% of MSY used
Saya de Malha	2400	105.8	4.4	192.9	8.0	101.7	4.2	7.1	0.3
Nazareth	1800	545.6	30.3	819.3	45.5	883.1	49.1	474.8	26.4
St Brandon	600	156.0	26.0	220.7	36.8	178.6	29.8	93.7	15.6
Albatross	650	78.6	12.1	98.6	15.2	62.4	9.6	46.5	7.2
Soudan	300	0	0	0.3	0.1	1.4	0.5	0	0.0
Hawkins	250	0	0	0	0	0	0	0	0
Deepwater snapper/grouper fishery	Estimated MSY (T)	2022		2023		2024		2025 (as at June 2025)	
		Catch (T)	% of MSY used	Catch (T)	% of MSY used	Catch (T)	% of MSY used	Catch (T)	% of MSY used
Nazareth/St Brandon slopes	1000	93.2	9.3	70.9	7.1	35.8	3.6	19.3	1.9

Source: Marine Resources Division

The low catch in the banks fisheries for period 2022 to 2025 could indicate that:

- The effort to exploit the area was not enough.
- There had been an overexploitation of marine resources in the past and the fish quantity available in the banks drastically decreased.

Root Cause

The Ministry was unable to update the MSY figures in the absence of a latest stock assessment.

Recommendations

The Ministry should:

- Undertake a comprehensive and updated stock assessment to establish the current MSY;
- Investigate the reasons for the low catch; and
- Ensure that any future increases in fishing are sustainable and does not harm the long-term health of the marine ecosystem.

Ministry's Reply

- Regarding the stock assessment on the fishing banks, approval has been obtained to start the project entitled: 'Overview of the St Brandon Inshore Fishery and Appraisal of Stock Status', which will span over a tentative period of 12 months.
- It is to be noted that the decrease in catch may be attributed to the fact that industrial vessels (mother vessel-dory type) have ceased to operate in the fishing banks.
- The data from the bank fisheries are dependent on the number of vessels (industrial /semi-industrial) operating during the year.
- There is only a fleet of 43 semi-industrial fishing vessels that are bringing about 1,200 Tons of demersal fish per year, which is half the MSY.
- The MSY needs to be reviewed only when there is an overexploitation of the stocks, which can be seen from the fish catch.
- The incentive scheme for purchase of semi-industrial fishing vessels is in place and the aim of this Ministry is to increase the semi-industrial fleet of vessels fishing on the bank.

8.2.2.5 Combating Illegal, Unreported, and Unregulated Fishing-Challenges

Background Information

When Illegal, Unreported, and Unregulated (IUU) fishing is rampant, it leads to overfishing, where fish are caught faster than they can reproduce. This unsustainable practice causes fish stocks to decrease, making fishing less profitable and, in some cases, commercially unviable.

In 2010, a National Plan of Action to deter, prevent and eliminate IUU fishing (NPOA-IUU) was published. This plan served as a comprehensive tool to combat IUU fishing by outlining a range of measures and was aligned with the FAO International Plan of Action against IUU fishing.

Furthermore, the Fisheries Act 2023 provided a legal foundation for effective fisheries governance. It includes specific provisions to address IUU fishing, aligning with international standards.

Findings

▪ Vessel Observation not Effective

- (i) Since 2020, Mauritius had no active vessel observers. The National Observer Programme which was in place since 2015, lapsed in 2020 due to COVID-19. Under this programme, Mauritius had the responsibility to place officers of the technical cadre and Fisheries Protection Service as observers onboard fishing vessels.

The role of the observers amongst others, was to:

- Record and report fishing activities, verify fishing positions of vessels;
 - Observe and estimate catches as far as possible with a view to identify catch composition.
 - Collect information to enable cross-checking of entries made in logbooks.
- (ii) The Vessel Monitoring System (VMS) is a satellite-based reporting system to monitor the position and activities of fishing or fishing related activities. In August 2023, the Fisheries Monitoring Centre migrated to a web-based maritime information portal, Big Ocean Data at a cost of USD 263,850 and an annual fee of USD 58,770. At date of audit in October 2025, out of the USD 263,850 an amount of USD 114,540 or Rs 5.2 million was already paid to the supplier. During audit site visit on 15 September 2025, at the Fisheries Monitoring Centre, it was observed that vessels can only be detected by the VMS if their transponders are on.

▪ Missing IUU Fishing Clauses

On 23 June 2025, the Acting Secretary of Foreign Affairs informed the Ministry that a comparative overview of the EU Fisheries Agreements with Mauritius, Seychelles and Madagascar was conducted. This overview revealed that unlike the Seychelles and Malagasy agreements, the Mauritian protocol lacked explicit references to environmental and governance provisions such as IUU fishing clauses, amongst others.

▪ Weaknesses in Combating IUU Fishing

The European Union (EU) and Mauritius have a long-standing informal dialogue on fighting IUU fishing under the umbrella of the EU IUU Regulation, which requires the European Commission to safeguard the EU market from products stemming from IUU fishing. The EU IUU Team carried out a mission in Mauritius in July 2025 and submitted its report on 30 September 2025, in which the following points, amongst others, were emphasised:

- (i) The Electronic Reporting System (ERS) regulations were not aligned with the Fisheries Act 2023 and several amendments were proposed.

- (ii) For the VMS regulations, several amendments were required for the regulations concerning the monitoring of vessel movement and fishing activities, the notifications related to the mobile transceiver units on fishing vessels, and the alignment of fines with the Fisheries Act 2023.
- (iii) The NPOA-IUU had become obsolete and needed to be updated to contribute to strengthen interagency cooperation.
- (iv) The Licensing Unit lacked a Consolidated Electronic Database. There was no real-time, consolidated electronic database for all registered, licensed, and authorised fishing vessels.

Root Cause

The Ministry did not mobilise the necessary resources to combat IUU fishing.

Recommendations

The Ministry should:

- Increase monitoring, control and surveillance activities;
- Finalise the ERS Regulations and the National Plan of Action for IUU fishing; and
- Monitor the progress of the implementation of the EU recommendations on a regular basis.

Ministry's Response

- If a vessel intentionally turns off its transponder, it cannot be detected. This is a significant challenge in the fight against IUU fishing.
- The Ministry only carries out monitoring and control of fishing vessels and does not have the necessary assets to undertake at sea or aerial surveillance of the EEZ. This is under the purview of the National Coast Guard (NCG). This Ministry through the Competent Authority (IUU) is joining patrols with the NCG.
- The Vessel Monitoring System (VMS) and the Electronic Reporting System (ERS) Regulations have been promulgated and aligned to the Fisheries Act 2023.
- The National Plan of Action published in 2010 is being reviewed and updated.
- The EU Directorate General for Maritime Affairs and Fisheries (DG-MARE) recommendations and its implementation on the Irregular, Unreported and Unregulated (IUU) informal dialogue are monitored on a regular basis along with external stakeholders and through internal meetings. A matrix has been developed and is updated at regular intervals. All recommendations are being dealt with judiciously for best results.

8.2.2.6 *Inefficient Marine Ranching Programme*

Background Information

Marine ranching is a method of aquaculture where fish and other marine organisms are cultured in a controlled environment before being released into the sea to enhance the wild stock, replenish declining fish stocks, support commercial fisheries, and maintain ecological balance in marine ecosystems.

The Ministry embarked on a marine ranching for lagoon fishing project in 1997 and it was reinitiated in 2012, with the following objectives:

- Ensure the sustainable use of marine resources;
- Increase fish stock in the lagoon as demand for fish and fish products are rising,;
- Re-introduce depleted stocks;
- Gear toward national food security;
- Reduce overfishing;
- Allow depleted fish stocks to recover; and
- Compensate for climate change related decline in fish populations.

Findings

▪ **Silver Sea Bream and Cordonnier**

- (i) For the past 5 years the marine ranching programme was involved in the cultivation of only 2 types of fish which are Silver Sea Bream and Cordonnier.
- (ii) The production capacity of the Aquaculture Division responsible for the marine ranching programme is a maximum of 200,000 units of fingerlings and other marine species per annum. For the past 5 years an average of 86,000 Silver Sea Bream and Cordonnier were released by the Aquaculture Unit.
- (iii) In 2013, more than 1 million Cordonnier fingerlings were released around the island. However, for the past 9 financial years, only 946,000 Cordonnier fingerlings were released.
- (iv) For the past 3 financial years 2022-23 to 2024-25, a total of Rs 2 million was budgeted for the Marine Ranching Project. However, only Rs 515,277 was utilised.

▪ **Sea Cucumber**

- (i) An amount of Rs 13 million was budgeted for the past 3 financial years 2022-23 to 2024-25 for sea cucumber project, but only Rs 3.7 million were spent.
- (ii) As at October 2025, no sea cucumber or sea urchin were released in the lagoon by the Aquaculture Division.

Root Causes

The Ministry did not:

- Mobilise the necessary resources in terms of manpower, expertise and infrastructure; and
- Have any strategic plan for marine ranching.

Recommendations

The Ministry should:

- Revitalise the Aquaculture Division to enhance its production capacity; and
- Develop a strategic plan for marine ranching.

Ministry's Reply

- The main issue is the hatchery capacity for seasonal production/culture of the marine ranching species.
- In order to increase the species to be cultured, this Ministry has been provided the budget for the construction of 2 additional hatcheries.
- The culture of species in hatchery phase requires capacity building. The Ministry is collaborating with experts from other countries (Japan/Australia) to acquire the relevant training.
- Research is still being undertaken for seed production techniques for sea urchins with JICA which has not yielded positive results.
- As for seed production techniques of sea cucumber, though the first trial has been successful, the number of baby sea cucumbers produced is relatively low to be released in the wild.

8.2.2.7 Over Exploitation of Sea Cucumber and Sea Urchin

Background Information

A stock assessment within our territorial sea, specifically in our lagoon was conducted for sea cucumber and sea urchins in August 2023 and October 2023 respectively by the Marine Resources Division of the Ministry.

Findings

▪ Depleting Sea Cucumber Stock

- (i) Sea cucumber was targeted for commercial exploitation in late 2005 and after 3 years of commercial exploitation, the stock was considered depleted.

- (ii) The sea cucumber stock assessment report concluded that after 15 years (2008 to 2023) of several moratoriums on fishing of sea cucumbers and bans, sea cucumbers could not sustainably reproduce themselves.
- (iii) The stock assessment for sea cucumber showed that out of 17 regions surveyed around the island, only 10 sites had a maximum of 3 individuals sea cucumber per 100 m² and some sea cucumber species were found solitaire (isolated and therefore cannot reproduce itself) across an area of 900 m² and beyond.
- (iv) The stock assessment highlighted that such species of sea cucumbers would be unable to reproduce sexually and eventually leading to complete loss of those species. Thus, the stock of sea cucumbers were far from reaching a stage where they can be exploited.

▪ **Depleting Sea Urchin Stock**

- (i) Sea urchins are important marine invertebrates as they are essentially grazers that feed on algae thus controlling the algae expansion and have been exploited for human consumption in recent years.
- (ii) A stock assessment exercise on sea urchin revealed that out of 17 sites surveyed, 2 sites were voided of sea urchins and only one site had 39 sea urchins per 100 M² and 2 other sites having 5 sea urchins per 100 M² and the remaining has less than 5 sea urchins per 100 M².
- (iii) Only 7 species of sea urchins were found compared to 13 species. Past studies conducted indicated that some species may have become locally extinct.

▪ **Non-Enforcement of Section 33(2) of the Fisheries Act 2023**

Section 33(2) of the Fisheries Act 2023 prohibits to fish, store, land, sell, possess sea cucumbers and sea urchins without a valid and applicable authorisation. As at October 2025, no licence for fishing of sea cucumbers and sea urchins had been issued by the Ministry.

However, sea urchins were being commercially exploited by local businesses despite no licence to possess, to fish or to sell sea urchins was issued by the Ministry. This practice was illegal as well as harming the sustainable growth of sea urchins. No action was taken by the Ministry.

The overexploitation of sea cucumbers and sea urchins would result in their local extinction in our EEZ.

Root Cause

The Ministry did not carry out a close monitoring exercise to enforce Section 33 (2) of the Fisheries Act 2023.

Recommendations

The Ministry should:

- Enforced Section 33(2) of the Fisheries Act 2023 to stop exploitation of sea cucumbers and sea urchins.
- Monitor the outcome of proposed measures to determine their effectiveness and efficiencies.

Ministry's Response

- The Ministry has a moratorium already in place for sea cucumber till 2029 under the Fisheries (Fishing of Sea Cucumbers) Regulations 2023.
- The Ministry is drafting Regulations for the banning of the collection of sea urchins from our waters to maintain their existing stocks.

8.2.2.8 High Reliance on Imports for Domestic Consumption

Background Information

Total catch, imports and exports of fish and fish products for the last 3 financial years 2022-23 to 2024-25 are shown in Table 8-12.

Table 8-12 Total Catch, Imports and Exports Figures

Types of Fishing	Quantity (Tons)		
	FY 2024-25	FY 2023-24	FY 2022-23
Total catch	38,173	31,631	36,434
Import of fish and fish products	143,000	131,000	134,000
Total fish available	181,173	162,631	170,431
Percentage of total catch	21.1	19.5	21.4
Export of fish and fish products	102,454	89,104	90,546

Source: Marine Resources Division and Statistics Mauritius

Findings

▪ Incomplete/Unreliable Data

The total catch figure did not include catch from coastal fishery and the figure provided by the statistics unit was based on estimates.

Monitoring was not being done in all the 61 fish landing stations since February 2023, catch recording had not been conducted.

- **High Reliance on Imports**

Local fish production was insufficient to meet domestic consumption, leading to heavy reliance on imports. During the last 3 years, total catch represented an average of only 20.7 per cent of total fish and fish products available.

- **Demand and Fish Consumption Pattern**

Under the FAO-Smartfish Programme of the Indian Ocean Commission, a fish consumption survey for Mauritians was conducted in 2013 and revealed that Mauritians consume some 40 kg of fish and fish products annually.

No assessment of domestic demand for fish and fish products had ever been done, making it impossible to accurately plan for local consumption requirements.

Root Cause

The Ministry's efforts to update data was inadequate.

Recommendations

To enable policy makers to take appropriate decisions on ways to become self-sufficient, the Ministry should carry:

- A comprehensive catch monitoring assessment;
- An update of fish consumption requirements; and
- A survey on demand requirement for fish and fish products.

Ministry's Response

- More Fisheries Protection Service (FPS) officers to be recruited so that the data may be collected from the fish landing stations for appropriate catch assessments (artisanal).
- Mauritius Fisheries include a small industrial, banks (semi-industrial) fleet and artisanal fishery. Aquaculture is slowly progressing due to lack of investors. Thus, the fish production is not enough to provide for the population and thus, our imports of fish and fish products are high.
- Policy decisions are under consideration to find ways and means to increase fish production from our existing resources and through investment in aquaculture projects.

8.2.2.9 Fisherman Cards - Need Analysis not Conducted

Background Information

As per section 120 of the Fisheries Act 2023, a fisherman needs to be registered to be able to fish as artisanal fisher. Artisanal fishery involves small scale fishing using motorised boats and fishing through hooks, nets and basket traps both within lagoon and off-lagoon areas.

As at 30 August 2025, there were 2,555 artisanal fishers registered with the Ministry and 1,176 new artisanal fishers were registered during the past 3 years.

The Ministry offers financial assistance including bad weather allowance to the registered artisanal fishers and for the financial year 2024-25, Rs 384 million was paid.

Findings

- No assessment was done to evaluate whether the registration of fishermen during the last years has added value to our economy.
- No need analysis or stock assessment was carried prior to the allocation of fisherman cards to fishers.

Root Cause

The Ministry's efforts to update lagoon data was inadequate.

Recommendation

The Ministry should assess the state of our lagoon prior to issuing additional fishermen cards.

Ministry's Response

- Policy decision needs to be taken regarding catch data collection as it is critical for appropriate management of fisheries resources which is considerably lacking in the small-scale fisheries/coastal fisheries (artisanal) due to lack of Enumerators (FPS assigned for island-wide fish catch data collection).
- Monitoring of the activities of the fishers, with new fishermen cards, is required by the FPS to ensure that there are more fishing and data on landings of fish are being collected.
- The data will provide information on the fish species, stocks available and the actual number of active fishermen in our waters.

8.2.3 Governance Issues – Non-compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of statutory bodies with the objective of strengthening accountability and transparency in the public sector.

Findings

Non-Submission of Report on Performance

As of 31 December 2025, the Report on Performance of the Blue Economy and Fisheries Division of the Ministry of Agro-Industry, Food Security, Blue Economy and Fisheries for the financial year 2024-25 had not yet been submitted to the Ministry of Finance, despite the statutory deadline being 31 October 2025.

Non-Submission of Financial Statements for Audit

The Statutory Bodies (Accounts and Audit) Act requires the Chief Executive Officer of a statutory body to submit the annual report, including the financial statements, to the auditor not later than 4 months after the end of every financial year.

As of 31 December 2025, the following Statutory Bodies falling under the purview the Blue Economy and Fisheries Division of the Ministry of Agro-Industry, Food Security, Blue Economy and Fisheries, have not submitted their financial statements for audit as shown in the Table 8-13.

Table 8-13 Financial Statements not submitted to NAO for Audit

Statutory Body	Financial Year	No of Financial Statements
Fishermen Welfare Fund	2024-25	1
Seafarer's Welfare Fund	2024-25	1
Mauritius Oceanography Institute	2021-22 to 2024-25	4

Source: NAO records

Annual Reports not laid before the National Assembly

The Statutory Bodies (Accounts and Audit) Act requires a copy of the annual report and audited accounts of every statutory body to be laid before the National Assembly at the earliest opportunity.

As of 31 December 2025, annual reports of 2 statutory bodies was not yet laid before the National Assembly as shown in the Table 8-14.

Table 8-14 - Annual Reports including audited Financial Statements not laid before the National Assembly

SN	Statutory Body	Financial Year/ Period	Date Certified	No of Financial Statements
1	Fishermen Investment Trust	2014 2015 1.1 2016 to 30.06.2017 2017-18 to 2020-21	16.05.2025	7
2	Seafarers' Welfare Fund	2023-24	27.08.2025	1

Source: National Assembly records

Recommendations

The Ministry should:

- Comply with its statutory obligation regarding submission of its Report on Performance;
- Exercise control over statutory bodies and other entities operating under its aegis to ensure that they comply with their statutory responsibilities regarding the preparation of financial statements and their submission for audit; and
- Lay a copy of the annual report and audited financial statements before the National Assembly.

8.2.4 Follow-up of Recommendations raised in the Audit Report 2023-24

The status on actions taken on key findings and recommendations since the publication of the Audit Report 2023-24 is summarised. Out of 18 recommendations, 4 (22 per cent) have been implemented, 10 (56 per cent) have been partly implemented and 4 (22 per cent) have not been implemented.

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Low Fish Production and High Reliance on Import (Page 455)				
1	The Ministry did not develop a comprehensive strategic plan to boost local fish production. (Pg 455, Para 20.1)	The Ministry should set up a Blue Economy Unit with the required financial, technical and human resources to develop strategies for the fisheries sector. (Pg 456, Para 20.1)	•A legal consultant has been appointed to draft the Blue Economy Bill, wherein the structure including the proposed staffing of the interim Blue Economy Department, would be properly defined. •The current set-up comprising technical/scientific officers from the Fisheries and Shipping Division and Mauritius Oceanography Institute form part of Phase 1 of the setting up of the Blue Economy Unit.	Partly Implemented
2	Targets for fish production was misleading, as they were based on previous achievements rather than real market demands. (Pg 456, Para 20.1)		The Ministry should formulate a methodology for estimating the current market demands. (Pg 456, Para 20.1)	Not Implemented
Non-assessment of Untapped Resources in the Exclusive Economic Zone (Page 456)				
3	As of October 2024, the Ministry had not issued any Expression of Interest. (Pg 457, Para 20.1)	The Ministry should ensure that the exploration of the Exclusive Economic Zone is not further delayed by expediting the decision on the conditions. (Pg 457, Para 20.1)	The exploratory research expedition with the assistance of the FAO/EAF Nansen Programme was successfully carried out from 19 May to 25 June 2025. Moreover, a new mechanism has been formulated whereby fishing licence would be issued to local and foreign vessels to fish for new untapped species such as crustaceans. The appropriate legal framework (draft regulations) is being vetted by the AGO.	Partly Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Underperformance of Key Entities (Page 457)				
4	As of October 2024, the National Ocean Council was not operational. (Pg 457, Para 20.1)	A strategic plan for the sector has to be prepared. (Pg 458, Para 20.1)	An interim Blue Economy Unit, comprising officers of the technical cadre from the Shipping and Fisheries Divisions of the Ministry, has been set-up on 1st July 2025. The Unit is already working on a strategic plan for the development of the blue economy in Mauritius. A legal Consultant has been appointed to draft the Blue Economy Bill, including to advise on the appropriate structure/mechanism to be set up.	Partly Implemented
Inaction for Development of a Semi-Industrial Demersal Species Fishing (Page 458)				
5	The Expression of Interest launched in December 2022 to attract investment did not yield positive results. (Pg 458, Para 20.1)	The Ministry should take necessary steps to develop demersal fishing. (Pg 459, Para 20.1)	2 vessels have been registered under the Bareboat Charter Registry since January 2025, to operate in the demersal fishery; and one Letter of Intent has been issued to one Company for the Bareboat Charter of 6 vessels to operate in the semi-industrial fishery for year 2025. Additionally, 3 new fully Mauritian vessels have been registered and licensed to operate in the demersal fishery. The Fishing licences are aligned with the revised licence conditions. Even if no new Expression of Interest was launched, yet the number of fishing vessels increased from 32 in financial year 2023-24 to 45 vessels at present.	Partly Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
			Moreover, 12 vessels under the semi-industrial off-lagoon fishing scheme will shortly join the fishery.	
6	No further action, such as relaunching the EOI or revising the project specifications, was taken by the Ministry. <i>(Pg 459, Para 20.1)</i>	The Ministry should relaunch the Expression of Interest with revised and clearer project specifications that are more aligned with investor's needs.	2 Letters of Intent have been issued to 2 Mauritian companies for the acquisition of 2 semi-industrial fishing vessels respectively. No new EOI has been launched, as applications for new licenses in demersal fisheries are already being received at the Ministry.	Implemented
7		The Ministry should develop a long-term strategic plan that includes clear timelines, targets and milestones for the development of the demersal fishing industry. <i>(Pg 459, Para 20.1)</i>		Not Implemented
Aquaculture Sector (Page 459)				
8	The medium-term target set in the Aquaculture Master Plan 2006 was not achieved. <i>(Pg 459, Para 20.1)</i> As of October 2024, legal framework for the aquaculture sector was not finalised. <i>(Pg 460, Para 20.1)</i>	The Ministry should not delay the finalisation of the legal and regulatory framework for aquaculture development. <i>(Pg 460, Para 20.1)</i>	• The Attorney General's Office (AGO) submitted a draft copy of the Fish farming (licence and fees) regulations to this Ministry for views in June 2025. • The draft regulations were reviewed by this Ministry and instructions were sent to AGO for finalising the draft regulations on 3 June 2025. • Despite the non-proclamation of the Aquaculture Framework, Fish Farming projects are being considered by this Ministry as provisions are already made under the FA 2023.	Partly Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
			Government approval will be sought on the implementation of the draft Aquaculture Framework.	
9	Plans for 2 additional hatcheries, initiated in 2022, have been hindered due to delays in tender exercise. (Pg 461, Para 20.1)	The Ministry should expedite the construction of additional hatcheries to improve hatchery output. (Pg 461, Para 20.1)	- Approval has been obtained for the launching of bids. The file and the soft copies of the document have been routed to the Procurement Section for launching of the bidding exercise. 2 new hatcheries would be constructed at AFRC. Letter of award was issued to a company on 7 January 2026. Works will be completed within 8 months after handing over of site.	Partly Implemented
Challenges in Monitoring and Evaluating Sea Bream Stocking Initiatives (Page 461)				
10	Catch reporting data for Artisanal fishers was based on estimates and actual data was unavailable. (Pg 461, Para 20.1)	The Ministry should establish systems by using latest technology for ongoing monitoring of aquaculture practices to ensure sustainability and adapt to emerging challenges. (Pg 462, Para 20.1)	- Monitoring of fishers at fish landing stations around the island is an ongoing process. However, no monitoring is effected during bad weather days. - Monitoring is being done through site visits to aquaculture sites, analysis of sea water quality and impact on the environment, among others.	Partly Implemented
11	The Electronic Reporting System, contracted in 2019 to collect reliable catch licensed fishing vessels was not operational. (Pg 461, Para 20.1)	The Ministry should deploy the Electronic Reporting System to enable real time accurate data collection to support decision making. (Pg 462, Para 20.1)	The ERS is already being implemented by semi-industrial fishing operators.	Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
12	Insufficient supervision by Fisheries Protection Officers to prevent illegal fishing made it difficult to determine if the released sea bream fingerlings were being illegally harvested. (Pg 461, Para 20.1)	The Ministry should provide the necessary resources to improve Fisheries Protection Service's coastal monitoring efforts to combat illegal fishing. (Pg 462, Para 20.1)	With the prescription of the new scheme of service and recruitment of new FPOs, supervision by FPS will be reinforced	Partly Implemented
Inadequate Management and Maintenance of In-Lagoon Floating Cage (Page 462)				
13	No formal written agreement was made between the Ministry and the beneficiaries. (Pg 463 Para 20.1) There was no monitoring framework for the project. (Pg 463, Para 20.1)	The Ministry should devise an Aquaculture Framework to provide clear guidelines for small-scale and commercial aquaculture operations, so as to encourage investment and transform aquaculture into a major revenue source. (Pg 463, Para 20.1)	- The Attorney General's Office (AGO) submitted a draft copy of the Fish farming (licence and fees) regulations to this Ministry for views in June 2025. The draft regulations were reviewed by this Ministry and instructions were sent to AGO for finalising the draft regulations on 03 June 2025. - Government approval will be sought on the implementation of the draft Aquaculture Framework.	Partly Implemented
14		The Ministry should establish formal written agreements between all stakeholders that outline roles, responsibilities and liability in case of damage or losses.	The Fisheries (Amendment of Schedule) Regulations 2026 and Fisheries (Fish Farming Licence and Fees) Regulations are being vetted by AGO and will be promulgated. Subsequently,	Not Implemented
15		The Ministry should create a structured monitoring framework that includes regular inspections of cage conditions and maintenance protocols. (Pg 463, Para 20.1)	Government approval will be sought on the implementation of the draft Aquaculture Framework.	Not Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Inadequate Management of Barachois (Page 464)				
16	10 out of 21 State-owned barachois are under the Ministry's control. However, only 2 of these were actively used for aquaculture or fish farming. (Pg 464, Para 20.1) As of October 2024, the State Debt Recovery Act was not amended. (Pg 464, Para 20.1)	The uncommitted barachois should be allocated for productive use. (Pg 464, Para 20.1)	▪ As at date, there are 9 Barachois vested in this Ministry, out of which 3 have been allocated for fish farming projects. ▪ An EOI was launched on 13 May 2025 to occupy the 6 remaining unallocated barachois. • The Evaluation Committee has submitted its report in January 2026 and same is being examined by the Ministry. • Follow-up on amendment required to be made to the State Debt Recovery Act by the Ministry of Finance and the Office of the Accountant General is ongoing. • A meeting was held in November 2025 with the Accountant General and the Ministry was informed that the proposed amendments and the present Act would most likely be amended through the Finance Bill 2026.	Partly Implemented
17		The Ministry should prepare a plan to monitor the activities conducted in the vested barachois to determine the efficiency and effectiveness of the barachois-based aquaculture projects. (Pg 464, Para 20.1)	A monitoring plan has been prepared by the Aquaculture Division. The promoters are required to submit monthly production data which is used for assessment of the efficiency and effectiveness of the aquaculture projects.	Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
18		The Ministry has to put in place a monitoring mechanism to ensure that the promoter complies with all the terms and conditions attached to the Letter of Authorisation. <i>(Pg 464, Para 20.1)</i>	Regular monitoring is conducted at aquaculture project sites, including vested barachois, to ensure that promoters comply with all the terms and conditions attached to the Letter of Authorisation.	Implemented

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9 - MINISTRY OF NATIONAL INFRASTRUCTURE

9.1 NATIONAL INFRASTRUCTURE DIVISION

9.1.1 Inadequate Governance Structure in the Provision of Technical Assistance to Parastatal Bodies, Local Authorities and State-Owned Enterprises

Background Information

The Ministry of National Infrastructure is mandated to provide technical assistance to Ministries and Departments in the design, execution, monitoring, and supervision of Government infrastructure projects.

The Ministry receives requests for technical assistance from Statutory Bodies, Other Bodies, Local Authorities and State-Owned Enterprises and the assistance is provided on a fast-track or private basis, after office hours, by officers of Ministry of National Infrastructure. These services do not fall within the Ministry's mandate.

Status of Projects for Ministries/Departments and Request for Technical Assistance

The Technical Section of the Ministry is staffed by 175 professional and technical personnel. As of 30 June 2025, the Technical Division was overseeing a total of 211 projects for Ministries and Departments, of which 104 were at the design stage.

During the financial year 2024-25, 21 requests for technical assistance from Other Bodies were received, as compared to 33 in the financial year 2023-24. The Ministry agreed to only 10 of the 21 requests received.

Technical Assistance to Other Bodies

The NAO examined 3 cases of technical assistance provided to Other Bodies, namely the State Trading Corporation (STC), the National Youth Council (NYC) and the Municipality of Beau Bassin-Rose Hill (MBBRH)), as shown in Table 9-1.

Table 9-1 Technical Assistance provided to Other Bodies

SN	Organisation	Project	No. of Staff Involved	Remuneration Paid (Rs)
1	State Trading Corporation	Construction of Warehouse	22	8,930,000
2	National Youth Council	Revamping of Youth Centres	1	2,400,000
3	Municipality of Beau Bassin-Rose Hill	Construction of drain and retaining wall	5	434,787

Source: Respective Parastatal Bodies, Local Authorities, State-Owned Enterprises and MNI's file

Findings

▪ **Non-compliance with Ministry's Guidelines and Conflicts with Official Duties**

- Technical officers undertook some requests for assistance from Other Bodies as private work without Ministry's approval, receiving remunerations which were not in compliance with the Ministry's instruction as per Circular Letter 16 issued on 30 May 2025.
- According to the Ministry's records, a technical officer was appointed as Project Manager of a statutory body (SB) and concurrently as Project Coordinator of its Parent Ministry. Besides, in the three cases examined, site visits, meetings and correspondence were held during office hours.

▪ **Resource Misallocation and Oversight Deficiencies in Project Management**

The Ministry manages a substantial portfolio of projects. As at 30 June 2025 delays were noted in 25 projects of the Ministry of Health and Wellness, with 17 still at the design stage and some dating back to 2017 and 2021.

▪ **Absence of a Framework and Policy Guidelines for Requests for Technical Assistance from Other Bodies**

On 28 April 2025, 11 cases of malpractice within the Ministry of National Infrastructure were referred to the Financial Crimes Commission.

Subsequently, a High-Level Committee recommended that, to strengthen governance and transparency, assistance requests should be channelled through the Parent Ministry, officers be selected by a Committee through an expression-of-interest process, fees be centralised, and work be undertaken outside normal office hours.

However, as of September 2025, no framework and policy guidelines were developed by the Ministry.

Root Cause

The Accounting Officer did not ensure compliance with the recommendation of the High-Level Committee.

Recommendations

The Ministry's operations must be governed by sound principles of good governance. It should also ensure that clear rules and systems are in place for handling private projects to minimise the risks of malpractice, conflicts of interest and frustration.

The Accounting Officer should ensure compliance with the recommendation of the High-Level Committee.

Ministry's Response

- A Standing Committee has been set up under the Chairpersonship of the Permanent Secretary for the designation of officers to provide technical assistance and examine requests from Parastatal Bodies/ State-owned Enterprises/ Local Authorities.
- On 1 October 2025, the approval of the Secretary for Public Service has been sought on the fees to be paid on an hourly rate, and a reply is being awaited.
- The procedural frameworks and administrative protocols for private work after working hours were not formally documented, thereby creating an administrative gap.

9.1.1.2 Non-Compliance of the Material Testing with International Standard

Background Information

The Material Testing Laboratory (MTL) conducts tests on construction materials such as soil, aggregate, bitumen, and concrete. Material testing is essential to ensure compliance with specifications and standards, safeguarding the structural integrity, durability, and safety of public infrastructure. Requests for testing are received from Ministries/Departments and private construction companies, with services provided against payment of fees.

In 2009, a consultant was appointed to assist the MTL to obtain its accreditation to ISO 17025:2025.

An amount of Rs 4.5 million was invested in upgrading the old MTL building, and a new building was constructed to cater for the evolving needs of the laboratory. The MTL is staffed with 9 officers of the Material Testing Officer (MTO) cadre.

Findings

- Non-conformity of Equipment, Laboratory and Test Results with the International Standards was observed. Figure 1 refers.



Figure 1 Non-conformity of Equipment, Laboratory and Process

- The test results provided lacked essential information, including the method used, the date of issue, a statement regarding the applicability of the results to the tested items, any deviations and confirmation that the results pertained to the samples provided by the customer.
- As of October 2025, the accreditation process was still not finalised representing a delay around 15 years.
- **Significant Decrease in Revenue due to a Reduction in MTL Operations**

Since 8 January 2025, the operations of the Material Testing Laboratory (MTL) significantly slowed down. There was no Standard Operating Procedures Manual (SOPMs), which could result in tests not being conducted according to international standards.

A structured system for processing and issuing test reports was not in place. There was a substantial revenue decline from Rs 4 million in the financial year 2023-24 to Rs 2 million in financial year 2024-25. Appropriate actions were not taken to address these issues.

Implication

Material testing that does not meet international standards may not detect substandard materials, thus compromising the full reliability of test results.

Root Causes

- There was no Standard Operating Procedures Manual as a guide for the testing process.
- Maintenance policy was significantly delayed.

Recommendations

- All tests should be conducted in strict accordance with international standards.
- There should be Standard Operating Procedures Manual to ensure that results align with international standards.
- The Material Testing Laboratory should be accredited for the test results to be valid.

Ministry's Response

- A preliminary meeting was held on 10 December 2025 to discuss on the proposed schemes of service for the different posts in the Laboratory Cadre.
- The procurement process for the Consultancy Service to implement the Laboratory Management system in line with the requirements of ISO 17025 for the accreditation of the Geotechnical and Material Testing Laboratory will be initiated in the financial year 2025-26.

9.1.1.3 Vehicle Management System - Lack of Planning and Oversight resulted in the Cancellation of the Project

Background Information

In the financial year 2021-2022, the Ministry initiated a digital transformation to enhance vehicle management, in collaboration with the Ministry of Public Service and Administrative Reforms to implement the Vehicle Management System using the Sandbox framework.

Government investments in vehicles are crucial, and managing these vehicles effectively is essential. It was decided to introduce the Vehicle Management System (VMS) on a pilot basis in 4 Ministries.

Financing of the Project

In June 2023, the system went live. As of June 2025, Rs 1,122,400 was disbursed for the project. The estimated cost for its full implementation in 41 Ministries/Departments was Rs 20 million. No provision for funds was allocated in the budget estimate 2025-2026.

Cancellation of Project

In May 2025, according to the Director of the Mechanical Engineering Section (MES) a larger-scale implementation of the pilot VMS was not feasible due to manpower shortages and challenges faced during the pilot project with only 4 Ministries.

Findings

- In August 2025, NAO Officers visited the MES and found that only one officer was using the system.
- Data for only 25 out of 365 VIP vehicles were input into the system, and existing vehicle details were not complete and expected reports, including mechanical and accident forms, were not generated.
- The VMS project was cancelled after two years of operation which is a case of wastage of public funds.
- No software maintenance agreement with the supplier was established after the one-year warranty, leaving unresolved issues unattended after the warranty period.

Root Cause

The project's failure can be attributed to a lack of comprehensive and indepth assessment of the project at planning stage coupled with ineffective monitoring during the implementation phase of the project.

Recommendation

Future initiatives should be properly assessed and monitored to prevent wastage of public funds.

Ministry's Response

Numerous flaws were identified after the warranty period. Since the project was implemented on a pilot basis, it was not possible to have a maintenance contract with the supplier. Also, there was a lack of dedicated personnel for the pilot project.

9.1.2 Framework Agreement for Road Maintenance and Minor Works (2020–2023)

Background Information

The Ministry of National Infrastructure provided some Rs 600 million annually in its budget estimates for the rehabilitation of roads and bridges. Contractors for road maintenance and minor projects were chosen through a Framework Agreement by the Road Development Authority (RDA) and other organisations.

These projects involve regular maintenance, resurfacing of roads, building footpaths and drains, upgrading roads, repairing bridges, and enhancing road safety over 3 years.

Complex projects that require feasibility studies, preliminary design, environmental impact assessments (EIA), and geotechnical investigations are not included in the scope of the Framework Agreement (FA).

9.1.2.1 Works Orders issued not within the scope of the Framework Agreement

Two work orders issued under the FA 2020-23 in the financial year 2024-25 to be completed before the expiry of the existing FA, 4 December 2023, were reviewed, namely;

- Upgrading of Engineer Street and ancillary works for Victoria Urban Terminal issued on 3 August 2022; and
- Reconstruction of Bernardin de St Pierre Bridge along B143 road at Vallée des Prêtres, issued on 28 September 2022.

The RDA awarded the contracts on a fast-track basis under the Framework Agreement. However, during implementation, the project's complexities required preliminary designs and geotechnical investigations, leading to significant cost increases and delays. Ultimately, it was determined that the work orders did not fall within the scope of the Framework Agreement. As of September 2025, both projects remained on hold.

Findings

- Delays and cost overruns resulted primarily from the inappropriate use of a Framework Agreement intended for minor works to fast-track a complex infrastructure project.

- As of September 2025, the Rs 40 million earmarked in the Budget 2024-2025 for the Road Asset Management System was not utilised.

Root Cause

RDA did not have an effective ward asset management system and thus could not prioritise projects to be attended.

Recommendation

The Ministry should expedite the consultancy services for the development and implementation of a Road Assets Management System (RAMS).

Ministry's Response

- The Framework Agreement is part of the Public Procurement Act. The guiding principle for choosing FA is not whether the project is simple or complex; RDA ensures the best value for money.
- RDA has initiated discussions with SCE Singapore on a possible G-to-G agreement to implement the RAMS.

9.1.2.2 Upgrading of Engineer Street and Other Ancillary Works for Victoria Urban Terminal - Rs 43.42 million

Unstable Soil Conditions Causing Delay in Box Culvert Works

The project aimed to improve the bus access to the Victoria Urban Terminal. More than 3 years later, works to the value of Rs 43.42 million were not completed as per the scheduled date of 29 May 2023. As of August 2025, only 60 per cent of the work was completed.

Works were stopped due to unstable soil conditions affecting the box culvert's construction. The initial design options involving deep excavation and micropiles were found unfeasible due to safety issues regarding the 10-year 'Decaen Flyover' guarantee. Following the geotechnical tests conducted in October 2023, the project cost was revised to Rs 59.06 million, exceeding the Framework Agreement limit of Rs 50 million. Works stopped since October 2023 due to the increased risk associated with the project.

Root Cause

There were no feasibility study and geotechnical investigations for the bus lane construction despite the topographical risks.

Recommendation

Proper feasibility study and geotechnical investigations should be carried out for future projects.

Ministry's Response

Several meetings have been carried out with different stakeholders to find out a most plausible solution for the construction of the drain. Consequently, the option of constructing an open drain of 4200mm wide and 1100 mm deep adjacent to the lane from VUT to Deschatres has been approved by Land Drainage Authority.

9.1.2.3 Upgrading of Bernardin de St Pierre Bridge at Vallée des Prêtres (Road B143)- Rs 43.42 million

Failure to assess Project Complexities led to Delays and Increased Costs

The Bernardin de St Pierre Bridge at Vallée des Prêtres (Road B143) was proposed for upgrading by the Land Drainage Authority (LDA) after severe flooding in March 2022. The aim was to replace the inadequate structure with a new reinforced concrete bridge, measuring 18 meters wide and 3 meters deep, to enhance flood management and road safety. Figure 2 refers. A Works Order of Rs 24.14 million was issued to a Contractor in September 2022, scheduled for completion by April 2023.

Findings

- The delays in geotechnical investigations that revealed weak soil conditions resulted in unplanned piling works for the bridge foundation. Coordination for rerouting utilities began in September 2022 and concluded in June 2024.
- Land acquisition processes were initiated after the preliminary design was submitted in December 2022. Land access was secured in March 2024.
- RDA's traffic diversion plans, submitted in November 2022, were completed in September 2023 after extensive coordination. Government approval was granted in August 2024. However, public opposition to the long detours caused by the closure of Bernardin de St Pierre Road led to protests and a work suspension in September 2024.
- In March 2025, the project's complexities led to a revised scope, resulting in a significant increase in costs to Rs 43.42 million.
- As of September 2025, financial clearance was still pending, the project was on hold, significantly behind schedule, with the Contractor currently demobilised pending approval of the revised design.



Figure 2 Audit Site Inspection on 17 September 2025

Root Causes

- Failure to conduct proper risk assessments and bypassing standard procurement procedures for a "Design and Build" project by the RDA.
- Lack of oversight by the parent Ministry.

Recommendations

- The Ministry should enforce strict compliance with the Public Procurement Act, ensuring that Framework Agreements are properly used.
- Proper planning, risk assessment, feasibility studies, and geotechnical investigations should be carried out at the initial stage of projects to ensure timely completion and value for money.

Ministry's Response

- Due to the high costs associated with the piling works and the risk it poses to nearby houses during drilling operations, RDA advised the Consultant to proceed with conventional foundation design.
- RDA has worked to coordinate with statutory bodies to ensure compliance with regulations regarding traffic diversions, environmental issues, and utilities relocation. Delays in traffic diversion approval occurred, which were beyond RDA's control.

9.1.3 Inadequate Oversight of Road and Bridge Infrastructure Projects

Background Information

Government implemented several road capital projects to alleviate traffic congestion, improve connectivity, and support economic growth. These initiatives include the construction of flyovers, bypasses, grade-separated junctions, and key road upgrades. As of June 2025, Mauritius's strategic road network comprised 1,317 km of classified roads, of which 104 km of motorways fell under the jurisdiction of the Road Development Authority.

9.1.3.1 Project Status for the past 3 financial years 2022-23 to 2024-25

Over the past 3 financial years, the Ministry of National Infrastructure (MNI) was allocated a sum of Rs 8.60 billion for road capital projects, out of which Rs 7.76 billion was disbursed, as shown in Table 9-2.

*Table 9-2 Number of Projects, Estimates-and Actual Expenditure
for financial years 2022-23 to 2024-2025*

Financial Years	No. of Projects	Estimates Rs Million	Actual Rs Million
2022-23	43	3,153	2,545
2023-24	52	2,665	2,898
2024-25	48	2,782	2,321
Total		8,600	7,764

Source: Estimates and PSIP documents, Treasury Abstracts

Of the 48 road enhancement projects:

- 12 were major infrastructure projects;
- 4 projects did not receive funding; and
- 29 projects were completed.

Additional cost of Rs 1.31 billion was incurred for 19 projects with initial total projects value of Rs 10.03 billion.

Several issues were noted regarding non-compliance with the Public Procurement Act, the Environmental Act, and financial regulations, including approval for cost increases and significant scope and design changes.

Projects put on hold due to Budget Constraints

The Ministry of Finance (MOF) did not grant financial clearance to proceed to the next stage of the project life cycle for 4 projects after the initial stage. These projects include the Motorway M5, the new link road from Britannia to Rivière des Anguilles, the flyover on Motorway M2 at Labourdonnais, and the Cavendish Bridge at Ville Noire. Consequently, these projects were put on hold after having spent some Rs 1.5 billion for consultancy services, of which Rs 990 million relates to the new link road, indicating poor project planning.

Significant Increases in Project Value

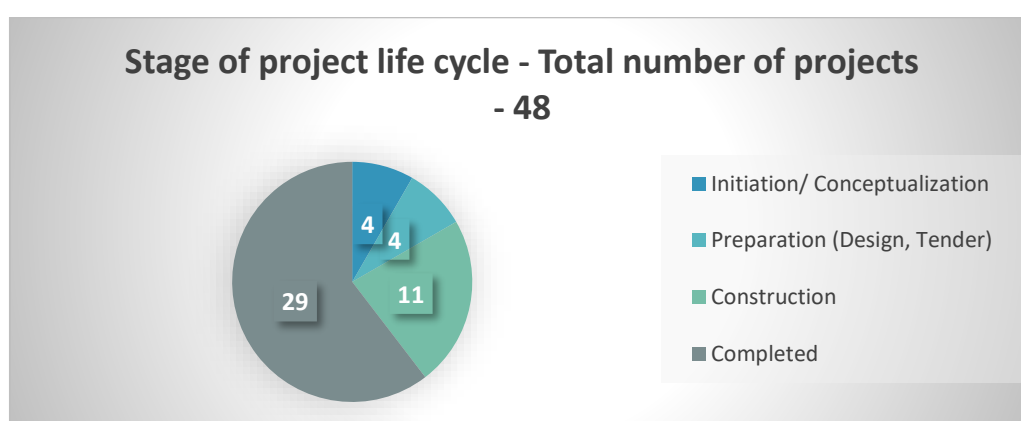
Over the past 3 financial years, the costs of 19 projects increased significantly by Rs 1.31 billion, with variations up to 97 per cent. Major increases were seen in B28 Road (Lot 3) Beau Champs–Bel Air Phase 2 (81 per cent), Motorway M5 Consultancy (97 per cent), and Julius Nyerere Avenue (B1) with the B1–M1 Link Road (43 per cent) due to scope changes including the incorporation of cycle lanes, adjustments for changes in cost, delays, and unforeseen factors for which in some cases the required approval was not sought contrary to financial regulations.

No evidence of performance monitoring for cycle lanes

The cycle lanes were designed to improve road safety. As of September 2025, they were incorporated into 13 road projects, covering a total of 31.4 km, for Rs 546 million. This included 9.2 km of the La Vigie–La Brasserie–Beaux Songes Link Road (Phase 2), valued at Rs 199.1 million. However, there was no evidence that any assessment or monitoring was conducted to evaluate usage, accident reduction, or user satisfaction, making it difficult to confirm the safety and environmental benefits of these initiatives.

Stages of Projects

As of 30 June 2025, road and bridge capital projects at different stages of the project life cycle are illustrated in Figure 3.



Source: Information obtained from the RDA

Figure 3 Stage of project life cycles

9.1.3.2 Sample of Projects Examined

A sample of 8 major projects for the construction and upgrading of national roads and bridges, with total value of Rs 3,255 million, was examined.

Findings

Time and Cost Overrun

Cost control was compromised due to delays, time extensions, and labour-related price adjustments. Projected adjustments, which increased costs up to 11 per cent, were not included in the approved budgets, resulting in an underestimation of total expenses. One consultancy contract rose by over 50 per cent without evidence of all necessary approvals.

Projects not completed within the contractual timeframe

Five major road infrastructure projects were not completed within their contractual timeframe, with delays ranging from 4 to 11 months. Out of these, 2 were still ongoing, as shown in Figure 4.

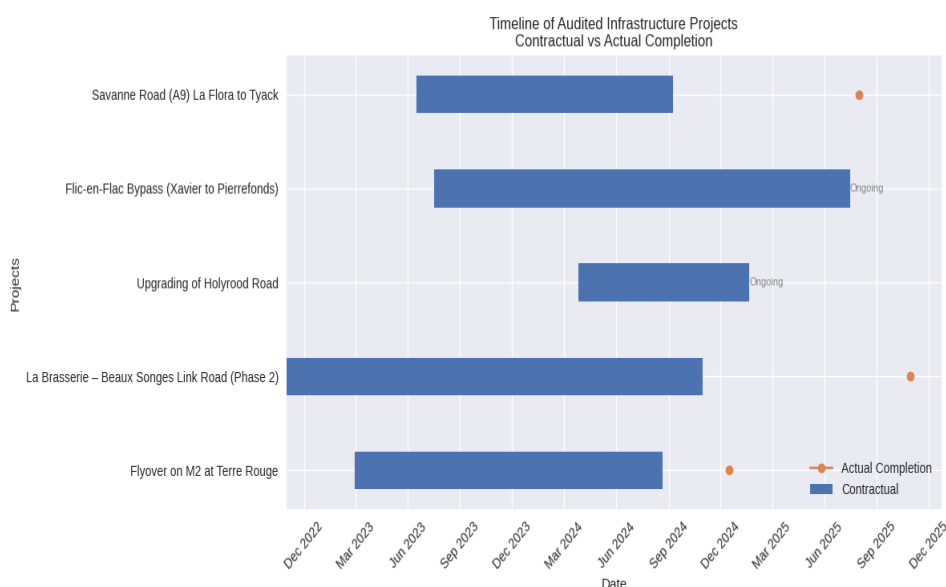


Figure 4 Projects with Delays

▪ Non-compliance with Requirements of Capital Project Process Manual for seeking the Approval

Extensions of Time

Several extensions of time were granted with or without additional costs during the financial year 2024-25. As of September 2025, there was no evidence of approval from the Ministry of National Infrastructure (MNI) or financial clearance from the Ministry of Finance (MOF) on the following cases:

- (i) *La Brasserie–Beaux Songes Link Road (Phase 2)*: The Consultancy contract, initially valued at Rs 21.7 million, was scheduled for completion in November 2024. The contract was extended twice by 11 months, up to October 2025, resulting in additional costs of Rs 12.39 million with an increase of more than 50 per cent. In addition, the related works contract, valued at Rs 1.16 billion, was granted 2 extensions of time at no cost in April and September 2025.
- (ii) *Flic-en-Flac Bypass (Xavier to Pierrefonds)*: The contract value for the consultancy services of Rs 13.38 million had remained unchanged despite a 6-month extension of the works contract to December 2025. The works contract valued at Rs 1.05 billion was extended by 5 months without additional cost, but approval from the RDA Board was not sought.
- (iii) *Flyover on the M2 motorway at Terre Rouge roundabout*: The Contractors' claims for extensions of time and associated costs amounting to Rs 23.8 million had remained unresolved as of August 2025.

Contract Price Adjustment following Proclamation of the Workers' Rights Act 2019

Following the enactment of the Workers' Rights Act in 2019, 2 of the 5 contracts examined were subject to price adjustments amounting to Rs 222.6 million, for which financial clearance from MOF had not yet been obtained. The project values had also not been adjusted.

▪ Delays due to Land Acquisition and Utility Relocations

Projects were frequently initiated before full site possession was secured, causing work to stop and resulting in delays as described in the following cases:

Upgrading of part of Holyrood Road project

- (i) As of August 2025, 26 per cent of the Upgrading of part of Holyrood Road project remained incomplete due to legal disputes and delays in land acquisition, which made part of the site inaccessible and led to the Contractor's demobilisation. Although MNI modified the road alignment and removed the cycle track in February 2025, the expected project completion date was not yet determined as of September 2025. Figure 9-5 refers.



Figure 5 Land acquisition pending

Upgrading of Savanne Road (A9) from La Flora to Tyack

- (i) The contract for the Upgrading of Savanne Road (A9) from La Flora to Tyack was awarded on 16 June 2023, with only 78 per cent site access. Full site possession was obtained only on 9 September 2024, more than a year after the project commenced.
- (ii) Utility relocation, especially for electricity works, was delayed by almost a year on for both the Construction of La Brasserie – Beaux Songes Link Road (Phase 2) and the Upgrading of Savanne Road (A9) from La Flora to Tyack resulting in significant impact on the completion timelines.

▪ Design Changes and Scope Modifications resulting in Governance Issues

According to the Ministry's instructions issued in April 2025, RDA is required to obtain prior approval before making any major changes to the scope of work of ongoing or upcoming projects, irrespective of any impact on the contract value, to ensure better coordination. This requirement was not complied with by the RDA.

During the implementation of the 3 major contracts, frequent design and scope changes were made without proper surveys, approvals, or amendments.

However, there was no post-implementation mechanism in place to assess whether completed projects achieve their intended benefits. Besides, governance issues were also noted as follows:

- (i) *Selection of Consultant without MNI's approval:* For the La Brasserie-Beaux Songes Link Road (Phase 2), RDA re-engaged the existing consultant in March 2023 through direct procurement to revise the design and supervise works, without prior approval from the MNI. This decision was taken following legal advice and due diligence, but without informing the Ministry.
- (ii) *Optimisation of Bridge No. 3:* During implementation, the design of Bridge No. 3 was significantly altered, replacing an approved bridge in April 2023 with a box culvert. In February 2024, the Land Drainage Authority (LDA) approved the change, provided that the consultant and the RDA assume all associated risks. Figure 6 refers.



Figure 6 Phase 2 Optimisation of Bridge No. 3

- (iii) *Inadequate surveys led to the implementation of the revised scope of works without prior approval from MNI:* In respect of the upgrading of Savanne Road (A9) from La Flora to Tyack, the project was executed on a fast-track basis. Inadequate surveys and an incomplete Bill of Quantities led to major scope revisions during construction, including the addition of a traffic management plan at La Flora junction and the construction of a new bridge and road realignment at Rivière Dragon. Figure 7 refers.



Figure 7 Construction of new Bridge and Road Alignment at Riviere Dragon

Moreover, the approval MNI and the Central Procurement Board was not obtained before the implementation of these revisions. Government approval was granted only 10 months later, in March 2025. The project, initially valued at Rs 340 million and scheduled for completion in September 2024, was extended by 325 days to July 2025, at no additional cost.

- (iv) *Change from a Bridge to a Hydraulic Tunnel implemented with LDA late approval without any amendment to the Contract*

As regards the Flic-en-Flac Bypass from Xavier to Pierrefonds, a major change was made during implementation. The project, jointly implemented on a cost-sharing basis by RDA and Medine Ltd, was initially approved by the LDA in August 2022 with a bridge across the Rivière du Rempart. The Contractor replaced it with a hydraulic tunnel during construction which LDA approved in December 2024. But, 6 months later, LDA highlighted that the modification could affect downstream flood safety and resilience.

As of September 2025, the contract had not been amended, and approval from MNI had not been obtained to reflect the change or clearly assign responsibility to the Contractor.

- (v) *No approvals and Non-compliance with the Public Procurement Act for the Extension of the Flic-en-Flac Bypass to the Coastal Road via the Crescerelle Road*

The initial contract, valued at Rs 1.05 billion, was awarded in May 2023. However, in May 2025, the Consultant proposed a significant variation for the extension to Coastal Road at the request of the RDA. The Contractor was then instructed to proceed without obtaining prior approval from the RDA Board and MNI. As of September 2025, the design and associated costs for this variation had not been finalised, contrary to Section 46(4A) of the Public Procurement Act.

▪ **Non-compliance with the Environment Act 2024**

Two projects had commenced without the approved Environmental Impact Assessments (EIA), contrary to the Environment Act 2024. EIA reports were submitted after construction had started or even after completion, exposing the works to environmental, flood and regulatory risks.

- (i) *EIA not obtained prior to commencement of work:* Concerning the flyover on Motorway M1 at La Vigie, the project scope was expanded beyond the initially approved roundabout works under Phase 1 of the La Vigie–La Brasserie–Beaux Songes Link Road in 2018 to include the conversion of forest land. This change required environmental approval under Part B of the Sixth Schedule of the Environment Act 2024. However, the EIA report was submitted only after the works were completed in April 2025. The Ministry of Environment, Solid Waste Management and Climate Change could not grant retroactive approval and highlighted concerns relating to environmental and flood risks. Figure 8 refers.



Figure 8 Flyover La Vigie

- (ii) *Late submission of EIA:* The construction works for the Flic-en-Flac Bypass from Xavier to Pierrefonds commenced in July 2023, but the EIA report was submitted to the Ministry of Environment only in July 2025, two years later. As of September 2025, the Contractor was unable to appoint an environmentalist to carry out environmental monitoring due to the absence of EIA approval.
- (iii) *EIA not obtained after completion of the project.* In November 2023, the contractor submitted the EIA report for the flyover of Motorway M2 Terre Rouge roundabout. The project was completed on 16 December 2024. However, as of September 2025, approval from the Ministry of Environment, Solid Waste Management and Climate Change had not been obtained.

▪ **Road Safety - Mobile Weighbridge not in operation**

A mobile weighbridge was procured in October 2024 for Rs 485,000 to improve road safety by enforcing axle load limits to prevent road damage on Savanne Road (A9) from La Flora to Tyack. It carries a 2-year factory warranty valid until 2026 and includes 3 years of calibration services certified by the Legal Metrology Services.

Root Cause

As of September 2025, it had not yet been gazetted, rendering it non-operational and limiting its intended benefits.

▪ **Completed Projects not formally handed over to MNI**

Classified roads (motorways) and bridges are recognised as infrastructure assets in the Government of Mauritius' financial statements, with the MNI (Infrastructure Division) designated as the asset-controlling Ministry.

The road and bridge construction projects, although fully completed and commissioned for public use, have not been formally handed over by the RDA to the MNI as the accountable custodian. Hence, the completeness of the Government Asset Register was understated.

Root Causes

- Inadequate project planning and risk assessment. The absence of a Standard Operating Procedure to clearly define the responsibilities for road and bridge projects at MNI.
- Ineffective coordination between stakeholders involved in land acquisition, utilities relocation and approvals from Authorities.
- Inadequate survey and risk assessment resulted in significant scope and design changes resulting in cost and time overrun and bypassing the necessary approval.
- The absence of a post-implementation mechanism to assess and evaluate the benefits derived from the completed projects.

Recommendations

- To improve future infrastructure projects, MNI should secure approvals, land access, and permits before starting work. It must strengthen contract management to control costs and prevent delays, and regularly monitor traffic, safety, and environmental impacts.
- The New Strategic Road Network Masterplan should be implemented to support long-term planning and informed decision-making on significant road infrastructure investments. Hence, unnecessary costs could be avoided for those projects which are unfunded.

Ministry's Response

- For major infrastructure projects, RDA has adopted a risk-based approach once land acquisition and key approvals are substantially completed, enabling earlier delivery and better value despite possible minor delays.
- RDA fully supports the implementation of the New Strategic Road Network Masterplan and is of the view that necessary funding should be allocated to enable its completion.
- On 5 December 2025, the RDA Board approved the variation for the extension of the Coastal Road to the same contract. Medine granted site access on 16 January 2026. RDA sought financial clearance from the MNI on 19 January 2026.
- The Terre Rouge roundabout flyover project on Motorway M2 involves upgrading an existing intersection. The EIA report prepared by the Contractor concluded that the project has no environmentally sensitive issues and approval from the Ministry of Environment was not required.
- Due to the late approval granted by the Land Drainage Authority for the Flic-en-Flac Bypass from Xavier to Pierrefonds, the finalisation of the EIA Report was consequently delayed. Henceforth, RDA will comply with provisions of the EIA Act prior to commencement of the works.
- RDA views the mobile weighbridge as essential for enforcing axle load limits. The proposed changes in Budget 2025-26 to the Roads Act to enable the Highway Authority to manage the weighbridge did not materialise. Following MNI discussions, the Police will gazette it for enforcement, and the Ministry of Land Transport will amend the Road Traffic Act to provide a clear legal framework.

9.1.4 Consultancy Services for the Design, Supervision, and Project Management for the construction of grade-separated junctions at Pont Fer/Jumbo/Dowlut roundabouts and A1 M1 Link Road and Bridges

At paragraph 16.1.5 of my Audit Report for the financial year 2023-24, I highlighted that on 20 June 2024, RDA proposed a 13-month extension of the consultancy supervision contract, costing USD 526,500, following delays in completing the A1-M1 (SAJ) Bridge in February 2024. This raised the total contract value to USD 13.5 million representing 25 per cent increase over the initial contract value of USD10.8 million.

The MNI established a Due Diligence Committee to review the variation, and its report was submitted to the High-Powered Committee on 24 September 2024 for approval.

Finding

The High-Powered Committee advised that the G-to-G Agreement between Mauritius and Korea, which lapsed in June 2021, should be renewed. On 9 July 2025, MNI referred the matter to the Solicitor-General, whose legal advice was still being awaited.

However, the Consultant had already delivered services for period January 2023 to January 2024 (USD526,500), and as of September 2025, payment was still outstanding.

9.1.4.1 Construction of Grade Separated Junctions at Pont Fer/Jumbo/Dowlut Flyovers and A1-M1 Link Road

At paragraph 16.1.5 of my Audit Report for the financial year 2023-24, I highlighted that the Bridge (SAJ Bridge) was taken over on 24 February 2024 and became operational on 10 March 2024. The RDA and MNI agreed to strengthen road safety measures regarding the use of the Bridge, which requires an amendment to the Road Traffic Act, as recommended by the Consultant, Korea Expressway Corporation (KEC). The Report on the mitigating measures/laws which other countries have adopted for similar bridges was being awaited from RDA, and on submission of the same, a decision would have to be taken.

Findings

▪ Safety and Quality of the Work of the SAJ Bridge

As of September 2025, the necessary legislative amendment was not yet been enacted. The decision was pending on the RDA's submission of a report on mitigating measures and laws adopted in other countries for similar bridges.

Recommendation

The Ministry should liaise with RDA to expedite the submission of the required Report.

Ministry's Response

The Project Consultant, Korean Expressway Corporation, has finalised a technical report on 12 September 2025 regarding the potential risks associated with the passage of vehicles carrying fuel or other flammable substances across the A1-M1 (SAJ) Bridge. The RDA is preparing a comprehensive report for submission to the MNI.

▪ Review of Final Documents - Issuance of the Performance Certificate

As of September 2025, Performance Certificates had been issued for only 3 of the 6 sections, although full retention money has been released to the Contractor.

The B63 section performance certificate remained overdue, despite that the final retention payment was made and the Defect Notification Period expired on 1 June 2024.

Recommendation

The Ministry should ensure that Performance Certificates are duly submitted.

Ministry's Response

The Engineer will issue the Performance Certificate only when the work is complete and meets the Contract terms. The Performance Security protects the Employer. The Performance Certificate for the B63 section has not yet been issued because the Contractor/Consultant has outstanding administrative obligations to complete.

▪ Statement at Completion – Interim Payment Certificate Rs 78.43 million

On 28 May 2025, the Contractor submitted a Statement at Completion amounting to Rs 78.43 million, exclusive of VAT, which was already included in the assessed interim payment claims of Rs 953 million. However, the Contractor disagreed with the Consultant's assessment.

As of September 2025, the matter remained unresolved, with both parties awaiting an amicable settlement.

Ministry's Response

The amicable settlement process commenced on 14 November 2025 and is currently ongoing.

9.1.4.2 Consultancy Services for the Implementation of a Structural Health Monitoring (SHM) Project for A1–M1 Bridge

The A1-M1 Bridge Defect Liability Period will expire in February 2026. The RDA plans a 10-year Structural Health Monitoring system to track its condition in real time, detect defects early, and train local teams in bridge maintenance to safeguard the bridge's long-term performance and public safety.

However, bidding documents are under preparation, and no budgetary provision was made in the budget estimates 2025-2026.

9.1.5 Follow-up of Recommendations raised in the Audit Report 2023-24

The status on actions taken on key findings and recommendations since the publication of the Audit Report 2023-24 is summarised in the table below. Out of 12 recommendations, one (8 per cent) has been implemented, 7 (58 per cent) have been partly implemented, 4 (34 per cent) have not been implemented.

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Public Sector Investment for Road Network Enhancement (Page 367)				
1	- Change in Budget Estimates. - Delays in Project Execution; - Utility Relocation Challenges. - Scope Changes and Design Modifications.	Land acquisition and utility relocation processes should be initiated at early stage to minimise delays.	Appropriate reforms should be brought to the overall land acquisition procedures at the level of the Ministry of Housing and Land Use Planning as from survey of land until payment of compensation to owners with a view to streamlining the procedures.	Not Implemented
2	Strategic Road Network Master plan not yet implemented. (Pg 367-369, Para 16.1.1)	A risk management approach should be adopted and necessary geotechnical investigations should be carried before finalising the design of the project.	Full site accessibility is not always available at the design stage, and ground conditions in Mauritius are highly heterogeneous from one location to another. As such, more accurate and comprehensive investigations can only be carried out after site clearance by the contractor.	Implemented
3		Monitoring and evaluation process should be introduced for project closure and post implementation to assess performance and ensure accountability.	The post opening of new roads/ bridges/ flyovers are monitored at the level of the RDA, Traffic Management and Road Safety Unit.	Partly Implemented
4		Necessary funds should be provided for the Strategic Road Network Master plan. (Pg 369-370, Para 16.1.1)	Funds will be sought for the implementation of the new Strategic Road Network Masterplan after relevant consultations have been held, and approval of the Government is obtained to review the existing pre-feasibility study in light of the National Development Strategy 2025-2040.	Not Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
5	Construction of La Vigie-La Brasserie-Beaux Songes Link Road – Lapses in implementation of the project.	To ensure efficient and cost-effective implementation of future infrastructure projects the Ministry: ▪ should start the land acquisition processes in advance of project commencement;	According to studies carried out on different projects, it has been demonstrated that completing 100 per cent land acquisition prior to the start of the project leads to a significant increase in project cost as compared to costs associated with delays in land acquisition. RDA ensures that all project designs are aligned with Government policies and directives, which are duly considered throughout the planning and implementation stages.	Partly Implemented
6 7	The cumulative costs of the project, including the Flyover and Phase 1 adjustments, reached Rs 915 million, a significant increase from the original budget of Rs 570 million. This includes Rs 680 million for Phase 1 and Rs 235 million for the flyover and related works. (Pg 370-371, Para 16.1.2)	▪ Project designs should be aligned with current Government policies; and ▪ Ensure proper coordination with other stakeholders. (Pg 371, Para 16.1.2)	• Appropriate reforms may be brought to the overall land acquisition procedures at the level of the Ministry of Housing and Land Use Planning and Tourism as from the survey of land until payment of compensation to owners. • Utility relocation and stakeholder liaison are undertaken from the early stages, but delays frequently occur due to recurrent non-compliance with agreed commitments by stakeholders. Besides, the Service Providers are often not aware of their networks.	Not Implemented Partly Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
8	Construction of a New Bridge and Associated Works at Holyrood, Vacoas – Significant delays in implementation of the project.	The Ministry should ensure that:	As of August 2025, 74 per cent of the site has been handed over and construction completed, while the remaining.	Partly Implemented
9	- Change in Scope of Consultancy Services. - Inadequate Project Details. - Absence of Geotechnical Investigations. - Additional Costs in Works Order Value. - Delays in Project Completion. (Pg 372-373, Para 16.1.3)	- Geotechnical investigations are conducted during the design stage for design accuracy, to ensure timely completion of projects and to minimise additional costs; and - Proper coordination among stakeholders should exist to avoid delays in design approvals and project implementation. (Pg 373, Para 16.1.3)	26 per cent, comprising Portion No. 2 (pending a corrigendum) and Portion No. 4 (under legal challenge), remains inaccessible, delaying the upgrading of 250 metres of road until land acquisition is finalised and a revised completion date set. - Preliminary geotechnical investigations are carried out at the early design stage to finalise the project design. Prior to construction, further detailed geotechnical investigations are undertaken to confirm the design.	Partly Implemented
10	Project Management Information System (PROMIS) not fully optimised: Incomplete Handing over of PROMIS -key documentation, including backup file locations, patch updates, technical documentation, user guides, and cloud account credentials, were not made available. (Pg 375, Para 16.1.4)	To realise the full potential of PROMIS and enhance governance, accountability, and the effectiveness of project management operations: The Ministry should ensure that all pending documentation is provided and a responsible team should be assigned to validate and archive the information. Project information on PROMIS should be regularly updated and reconciled. (Pg 374, Para 16.1.4)	Pending the completion of migration of data, the credentials in respect of all users have been disabled from the system with the exception of the Directors/ Deputy Directors of the Ministry and support officers posted at the Head Office. The migration has been done successfully on the server that has been set up at the Ministry, and PROMIS can be accessed only at the MNI Technical Section Phoenix through the local server.	Partly Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
11	▪ Hosting and Support Challenges - the support team has not yet been established. However, the Central Information Systems Division and Central Informatics Bureau could not carry out the necessary	▪ The Ministry should expedite the establishment of a dedicated support team responsible for system maintenance, regular updates, and comprehensive user training.	The relevant units/departments of the Ministry of Information Technology, Communication and Innovation have been consulted with regard to the migration exercise.	Partly Implemented
12	enhancements due to resource constraints. (Pg 373-374, Para 16.1.4)	▪ The Ministry should request the involvement of the Ministry of Information Technology, Communication and Innovation for all in-house developed IT projects. (Pg 374, Para 16.1.4)	The migration exercise in the presence of the Consultant/and/or his representative and representatives of the relevant units/departments of the Ministry of Information Technology, Communication is scheduled shortly.	Not Implemented

9.2 NATIONAL DEVELOPMENT UNIT

9.2.1 Delays in implementation of Drain Projects

Background Information

Over the past 15 years, Mauritius experienced flash floods from intense rainfall, causing fatalities and widespread damage. Major incidents include the deadly Port Louis flood in 2013, heavy rainfall affecting multiple districts in February 2019, severe rains affecting Bambous Virieux in 2021, Cyclone Belal in 2024, and structural collapses in Tranquebar later that year. These incidents highlighted the country's vulnerability to intense rainfall.

Measures Initiated

In 2020, the Land Drainage Authority (LDA) started developing the Land Drainage Master Plan (LDMP) to enhance flood resilience and ensure the safety of citizens. The LDMP was completed in December 2022 costing Rs 70 million. However, implementing agencies did not have access to the LDMP, which resulted in delays in implementing urgent drainage projects.

In the Budget 2021-2022, the Government initiated the National Flood Management Programme (NFMP) with a funding allocation of Rs 11.7 billion. The programme aimed to implement approximately 1,700 drain projects over 3 years in high-risk zones to address escalating flood risks. Drains Infrastructure Construction Ltd (DICL), a Government-owned Special Purpose Vehicle, was set up in November 2021 to expedite the implementation of high-risk areas drain projects.

Constraints in the Implementation of Flood Projects

Significant operational, procurement, and coordination deficiencies contributed to the slow project implementation at both the National Development Unit (NDU) and DICL, which were highlighted in previous Annual Audit Reports. The recurring issues raised include poor contractor performance, bidding challenges, land acquisition difficulties, design delays, service relocations, contract management problems, and cost and time overruns. As of 30 June 2025, these same issues continued to arise in the execution of drain projects.

9.2.1.1 Status of Projects allocated to NDU

988 projects were entrusted to the NDU for implementation over 3 years timeframe as from the financial year 2021-22.

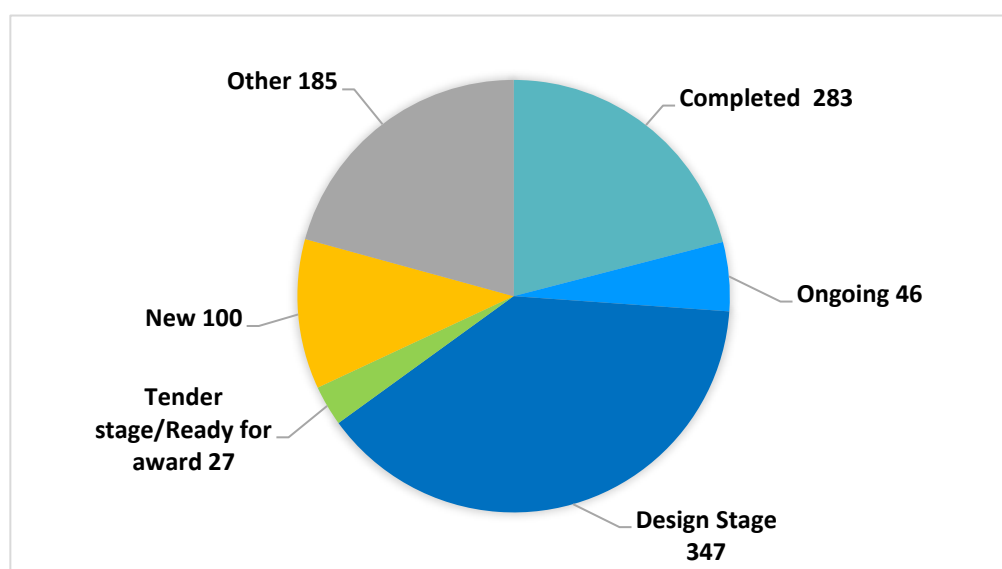
Findings

- As of 30 June 2025, a total of 187 projects, which were split into 283 contracts, were completed, resulting in an overall completion rate of 19 per cent, compared to 5 per cent as of 30 June 2024. The total amount spent for the projects was Rs 2.9 billion out of the budgeted provision of Rs 7.4 billion as shown in Table 9-3.

Table 9-3 Drain Projects Awarded During Financial Years 2021-22 to 2024-25

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
No. of Projects Awarded	84	34	42	27	187
Contract Value (Rs Million)	1,800	457	1,100	487	3,844
Amount Budgeted (Rs Million)	3,600	2,200	1,200	472	7,472
Amount Paid (Rs Million)	648	1,090	718	481	2,937

- 347 projects of the 988 projects were still at the design stage, while only 46 projects were ongoing, as shown in Figure 9. Several projects, such as Drains at Camp Firinga, Pointe aux Sables, drainworks in the region of Mgr Leen, La Butte and Les Salines and drain network at La Tourelle and La Tour Koenig initiated in 2017, 2018 and 2022 respectively were still ongoing as of 30 June 2025.



Source: Administrative & Engineering Unit

Figure 9 Status of NDU's 988 projects financed under NFMP

9.2.1.2 Projects in Flood-Prone Areas

In 2019, LDA identified 62 regions as flood-prone-risk areas. Of these, 24 regions were entrusted to the NDU for implementation across 8 districts, as illustrated in Figure 10.

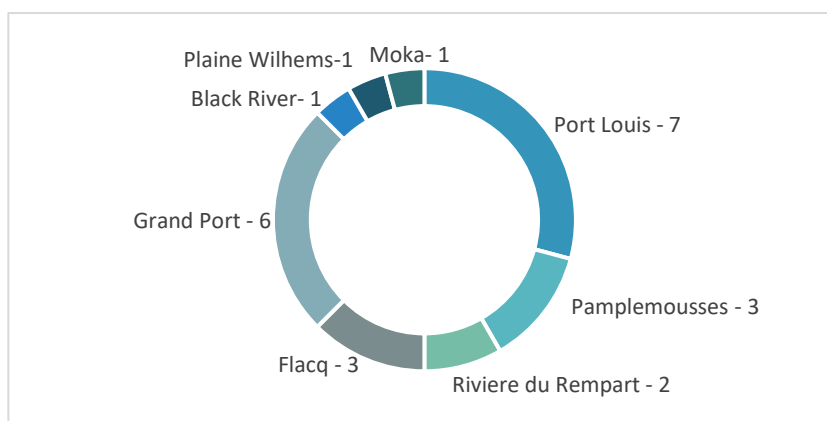


Figure 10 No. of Flood Prone Regions per District

The stages of projects for the 8 Districts are shown in Figure 11 for the past 3 financial years 2022-23 to 2024-25.

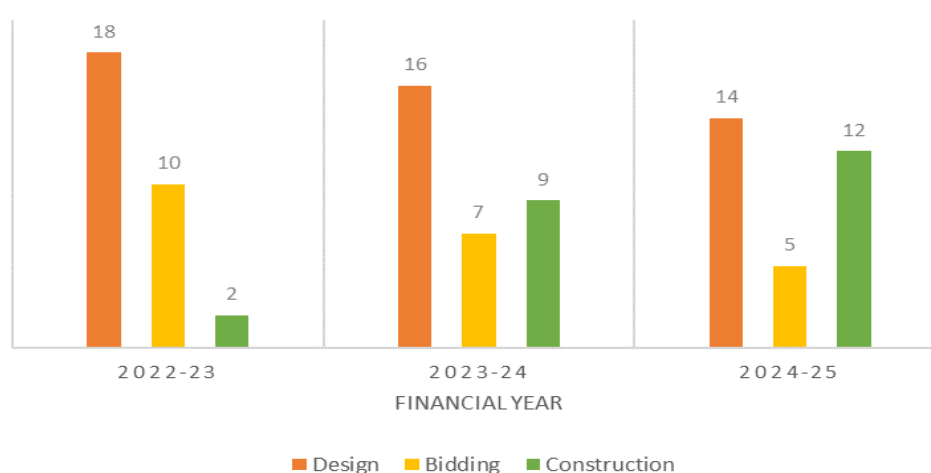


Figure 11 Number of Projects Per Stage Over 3 Financial Years

The implementation of 15 projects for the Port Louis and Pamplemousses regions faced significant delays. As of 30 June 2025, out of the 14 projects currently at the design stage, 10 pertain to these regions. These regions were identified as high-risk flood-prone areas which should have been given priority in the completion of the projects.

However, major bottlenecks included land acquisition issues, redesigns and approvals, financial clearances from the Ministry of Finance, contract terminations and inaccurate cost estimates.

9.2.1.3 Drain Projects allocated to Drains Infrastructure Construction Ltd

Since its creation in 2021, only 5 projects were completed as of 30 June 2025 out of the 63 drain projects allocated to Drains Infrastructure Construction Ltd. The total contract value stood at Rs 8.7 billion, with an approved revised project value of Rs 10.4 billion. The status of the projects is shown in Figure 12.

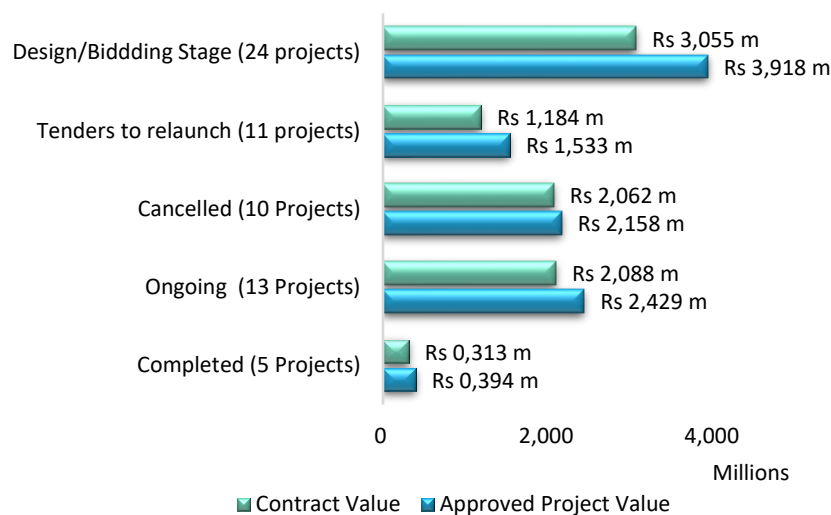


Figure 12 Status of Projects at DICL

Findings

• Completed Projects – Significant Cost Overruns

Five projects experienced costs overrun, with increases ranging from 16 per cent to 31 per cent. The cumulative costs overrun for the 5 projects amounted to some Rs 81 million, with the most significant deviation of Rs 46 million noted in the La Flora Drainage Network Project.

• Cancelled Projects

In June 2025, the Ministry of Finance did not approve the award of 10 contracts, which had a total approved project value of Rs 2.1 billion. Among these, 7 projects were located in high-risk flood-prone areas. These projects were initiated by the NDU some 5 years ago, and a total of Rs 22 million had already been incurred at the design stage for consultancy services and land acquisition.

Recommendation

The Ministry should ensure the establishment of an appropriate monitoring mechanism for an effective project management.

NDU's Response

- To enhance DICL's institutional, financial, and technical capacity for more effective project delivery, the NDU, as the Parent Ministry, is collaborating closely with the Ministry of Finance to reorganise its governance and reporting framework.
- LDA has approved the design for these projects, which will be implemented once funds are available.

9.2.1.4 Drain Project at Saint Jean - Delay in Construction and Increase in Project Value

Following flooding in January and March 2022, LDA recommended that NDU fast-track the project's design and implementation to mitigate future risks. However, action was delayed until heavy rainfall on 8 November 2023 caused part of the St Jean Cemetery boundary wall to collapse. Subsequently, 4 work orders totalling Rs 65.9 million (VAT inclusive) were issued to the Contractor on 29 November 2023 under the RDA Framework Agreement, which expired on 30 November 2023. The revised contract value was Rs 170 million.

Findings

- The NDU took nearly one year, until March 2023, to appoint a consultant. The contract exceeding Rs 65 million was split into 4 lots under the Framework Agreement, each below Rs 25 million, bypassing the required mini-competition for work orders between Rs 25 million and Rs 50 million.
- Project costs escalated from Rs 65.9 million to Rs 170 million due to underground utility relocation and additional works. Despite exceeding Rs 70 million, the revised contract was not referred to the Central Procurement Board in compliance with the Public Procurement Act. Works scheduled for completion by 30 May 2024 were delayed by nearly one year.

Root Cause

Lack of planning and monitoring on the part of NDU, LDA and the Consultant, resulting in delays in the appointment of the Consultant and the Contractor.

Recommendation

The Ministry should ensure proper planning and monitoring of projects.

NDU's Response

- Consultant D and A Ltd refused to undertake the services after appointment. Not all service lines were visible. Extensive services were noted during excavation works which required relocation/realignment.
- The project had to be implemented urgently before the rainy season in view of potential risk to life and infrastructure. NDU therefore resorted to the Framework Agreement of the Road Development Authority. The Ministry of Finance, which was consulted for financial clearance, and Cabinet approval was obtained for the adjustment of funding provisions for the project.

9.2.1.5 Demolition of Collapsed Residence at Tranquebar Affected by Flooding in year 2024

On 21 April 2024, heavy rainfall in Tranquebar caused flooding that led to the collapse of one residence and damage to 3 others. On June 2024, the contractor was instructed to demolish the collapsed house, stabilise the damaged house, secure nearby residences, carry out remedial work, and complete the reinforced concrete retaining wall before the next rainy season.

Findings

- The Contractor claimed that the site was outside the designated boundary, not covered by insurance, and beyond his expertise and available equipment. Additionally, no expert report on the damages and demolition was submitted by the scheduled deadline of 24 September 2024.
- Procurement procedures for selecting a consultant began in February 2025. As a result, more than 15 months after the incident, the demolition had still not been addressed.
- A site visit carried out by NAO Officers on 14 August 2025, revealed that
 - Not all entrances were blocked; one access point allowed entry.
 - No warning signage was present.
 - A temporary wall was built to prevent further collapse, but part of the building leaned against it, creating a risk of sudden failure that could cause severe injuries or fatalities, as illustrated in Figure 13.



Figure 13 Damaged House at Tranquebar

Root Cause

Delay in the appointment of the Consultant and no proper follow up was carried out to ensure the safety and security of the inhabitants.

Recommendation

The Ministry should expedite the appointment of a Consultant.

NDU's Response

The Police Force was requested to secure the site to prevent anyone from entering the private premises, including the owners. The NDU was not informed when the Police had ceased to be present on site.

9.2.1.6 Delay in Flood Mitigation Measures in the Region of Port Louis

The delay in implementing necessary flood mitigation measures in the Port Louis region, which is a high-risk flood-prone area, resulted in significant damage due to recurring flash floods. Following Cyclone Belal in January 2024, severe damage occurred to vehicles and infrastructure. Heavy rainfall submerged cars, washed away vehicles, and rendered roads impracticable.

As at 30 June 2025, out of the 11 projects identified as high-risk prone areas since the financial year 2021-22, 6 were still at the design stage. The 3 projects at the construction stage at Ruisseau Du Pouce and drain at Raoul Rivet were significantly delayed, and 2 were still at the bidding stage.

Implications

- The delays in completing the drainage projects led to increased costs.
- The cancellation of projects increased the risk of flooding during rainy seasons.

Root Causes

- Long time taken for approval at the design stage by LDA due to several amendments of the design.
- Lack of stakeholders' coordination as regards relocation of utilities, land acquisition issues and access to way leaves.
- Inadequate monitoring and follow-up mechanism at the level of NDU.

Recommendations

- Given that the allocated budget has been significantly underspent in recent years, priority should have been granted to the implementation of projects in high-risk areas, to safeguard public interest and ensure the efficient utilisation of public funds.
- LDA should confirm project readiness before assigning them to implementing agencies. A Coordination Mechanism should be established among stakeholders to ensure projects are completed on time and within budget.
- Effective coordination among authorities and stakeholders is crucial to expedite the demolition works.
- To address underground utility conflicts in drainage projects, coordination among utility owners is crucial. NDU should obtain updated maps of all underground utilities in the area and collaborate with utility owners for site investigations.

9.2.2 Construction and Upgrading of Amenities

Background Information

The National Development Unit is committed to enhancing the quality of life for all citizens. One of its primary activities is the development of community-based infrastructure and amenities to support local needs. Amenity projects are financed from the National Development Unit's budget. Small development projects, and small community projects were funded by Indian Grants introduced in the financial year 2024-25. Projects are implemented based on an approved list.

Completed Amenities Projects

For the past 5 years, 121 amenities contracts were awarded for the sum of Rs 284.8 million. Of these, 90 projects totalling Rs 255.6 million were completed and handed over to Local Authorities for management and maintenance.

The completed amenities comprise mainly the construction and enhancement of children's playgrounds and sports facilities. Figure 14 shows the number and types of amenities projects completed over the last 5 financial years ended 2024-25.

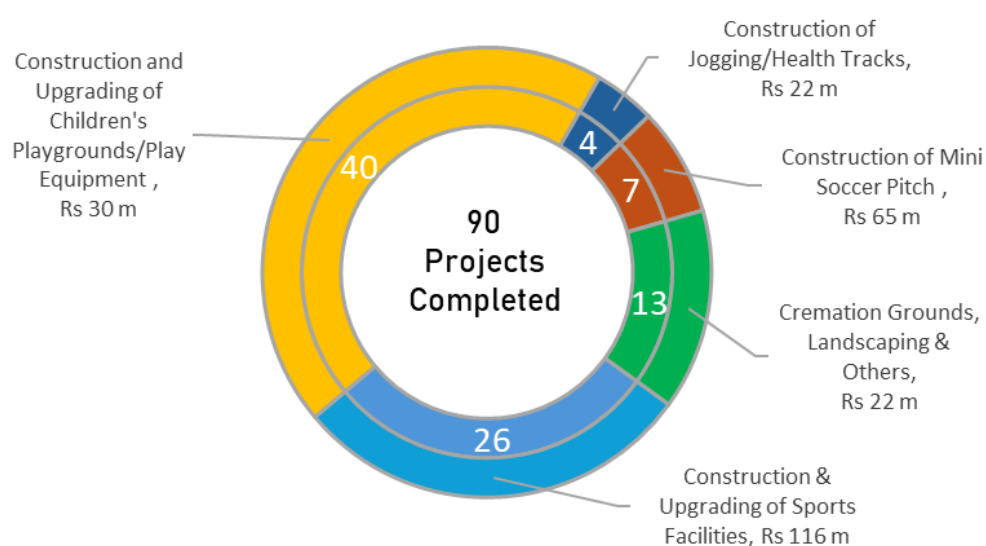


Figure 14 - Types of Completed Amenities

Projects Financed by Indian Grants

Over the past 5 years ended 2024-25, a total of Rs 149.3 million was allocated under the Indian Grant, of which Rs 86.6 million was earmarked for 14 projects. As of 30 June 2025, Rs 92.2 million remained unutilised, representing 62 per cent of the budgeted amount.

A review of the earmarked projects revealed that 11 contracts were awarded to Contractor A for Rs 78 million. As at 30 June 2025, payments totalling Rs 50.5 million were made. Three contracts worth Rs 20.6 million were terminated due to poor performance.

Findings

- 8 projects faced delays ranging from one month to more than a year. There was no evidence that the poor performance of the contractor was reported to the Procurement Policy Office, and progress reports were also not submitted.
- The Clauses of Memorandum of Understanding signed for the India Grants were not fully adhered to, with projects not completed on time.

Site visits by NAO Officers

In August 2025, NAO Officers conducted site visits at 43 locations in 5 regions to assess the overall conditions of the sites, the functionality of the amenities, and the usage of these facilities. Figure 15 presents the regional distribution of the 90 completed projects.

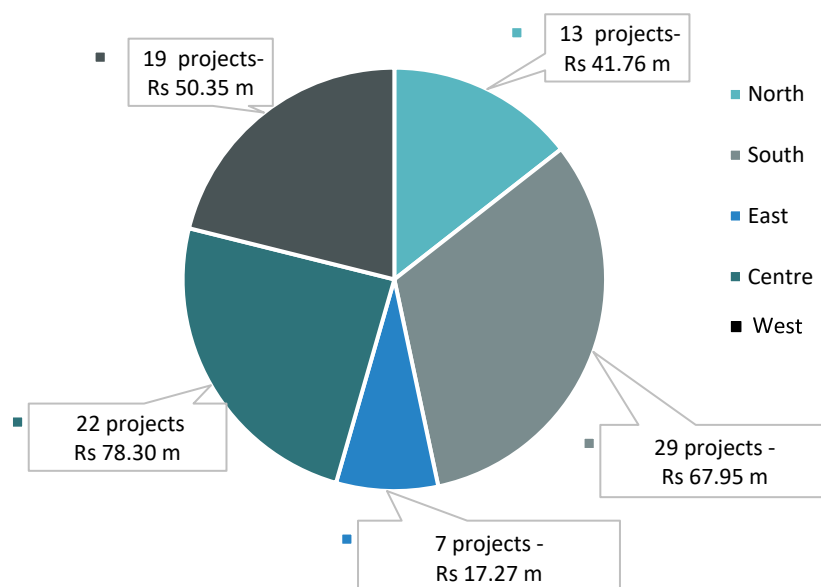


Figure 15 Completed Projects per Region

Findings

- 22 out of the 43 sites visited had serious maintenance shortcomings, for instance:
 - (i) *Jogging Track at Triolet Bypass* - The track surface was covered with macadam instead of the appropriate crusher run.
 - (ii) *Health Track at Morcellement Providencia* - crusher run was washed away by rain. Additionally, broken benches and overgrown weeds were noted along the track.
 - (iii) *Riviere du Rempart Mini Soccer Pitch* - uneven surfaces and torn turf were noted.
 - (iv) *Morcellement Illois, Baie du Tombeau* - The newly constructed mini soccer pitch was not utilised.

- In several cases, children's playgrounds had been overtaken by weeds and long grass, and rusty, broken equipment was also observed.
- In all cases, no safety sign or labels board were found to provide information and instructions for the safety and security of the users. Hence, all these issues highlighted the urgent need for attention and care to these recreational facilities. Figure 16 illustrates a few cases.



Washed Off crusher run and weeds at Morcellement Providencia, Providence



Uneven turfing at Riviere du Rempart Mini Soccer Pitch



Overgrown grass and weeds encroaching onto the slide at Balisson Children's Playground

Figure 16 Status of Amenities at Providence, Balisson, Riviere du Rempart

Implications

- The potential risk of incidents existed due to the absence of signs and label on sites and inadequate maintenance of the amenities.
- The significant amount of funds invested for the provision of these facilities might result in wasteful expenditure if not fully utilised.

Root Cause

The lack of defined terms outlining stakeholders' roles resulted in inadequate maintenance of amenities.

Recommendations

- A survey should be carried out to determine users' needs and amenities should be constructed accordingly. Hence, public funds would be judiciously used.
- A Memorandum of Understanding between the Ministry and Local Authorities/Stakeholders outlining the cooperation and agreed-upon terms for managing shared responsibilities should be established. Hence, proper maintenance, safety and security would be ensured.
- In respect of forthcoming similar projects, sufficient resources should be allocated for the maintenance of amenities.

NDU's Response

- The NDU is only an implementing agency. Once a project is completed, it is handed over to the Local Authorities (LA) for maintenance and management. The onus for maintenance and management rests with LA.
- Roles and responsibilities of different Government bodies are already well defined and established.
- Delays were attributed to the contractor's heavy workload, labour shortages, cashflow issues, and other external factors like market shortages and inclement weather. No new project was awarded to poor-performing Contractors.

9.2.3 Governance Issues – Non-compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of Statutory Bodies with the objective of strengthening accountability and transparency in the public sector.

Findings

Non-Submission of Financial Statements for Audit

The Statutory Bodies (Accounts and Audit) Act requires the Chief Executive Officer of a statutory body to submit the annual report, including the financial statements, to the auditor not later than four months after the end of every financial year.

As at 31 December 2025, the financial statements of the Land Drainage Authority for the financial year ended 30 June 2025 falling under the purview of the Ministry of National Infrastructure, were not submitted for audit.

Ministry's Response

The financial statements of the Land Drainage Authority (LDA) for the financial year ended 30 June 2025 have been approved by LDA's Board on 10 November 2025. Same has been submitted to the NDU on 22 January 2026.

Recommendation

The Ministry should exercise control over statutory bodies and other entities operating under its aegis to ensure that they comply with their statutory responsibilities regarding the preparation of financial statements and their submission for audit.

9.2.4 Follow-up of Recommendations raised in the Audit Report 2023-24

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2023-24 is summarised. Out of 10 recommendations, 2 (20 per cent) has been implemented and 8 (80 per cent) have been partly implemented.

SN	Findings	Recommendations	NDU's Response as of January 2026	NAO's Comments
Financing of Projects- Under-Utilisation of Funds (Page 379-380)				
1	The roads sector had low project completion rate of 17 per cent despite spending Rs 133 million. Amenities showed significant delays, with only 9 per cent of projects completed despite Rs 51 million spent.	■ A proper planning system should be in place to determine how many projects could be completed with the available funds. The objectives should be clear. They must be specific, measurable, achievable, realistic, and time-bound.	A list of pools of projects (Road and Amenities) has already been prepared, and all required clearances will be sought. The number of projects to be implemented during subsequent financial years will depend on the amount of funds available.	Partly Implemented
2	Only 5.9 per cent of the 988 planned drain projects were completed as per NDU's records indicating significant delays and inefficiency in the construction of drains. (Pg 380, Para 16.2.1)	■ Necessary procurement procedures should be initiated within defined timeframe to ensure their successful implementation. (Pg 380, Para 16.2.1)	The initial approved list is revised during the year and this adversely impact on the procurement procedures for award of these projects. Procurement procedures are initiated within the appropriate time frame. However, there are several factors that lead to delays in implementation such as late approval from LDA, Presence of existing services which warrant relocation and major land acquisition issues; tardy financial clearances.	Partly Implemented
Low Execution of High-Risk Flood-Prone Areas Projects (Pg 381-383)				
3	<i>Slow completion rate of projects in High-Risk Areas</i> Out of the 62 emergency projects allocated to NDU, 25 were completed and the remaining 37 were in various stages of design, bidding or under construction.	■ Improved Planning and Coordination-Management should define clear timelines for all project stages and ensure stakeholder coordination to resolve wayleave and land acquisition issues promptly.	Complex projects have been broken into workable components for implementation in phases. Meetings are systematically held with stakeholders. Delays if any, are usually imputed to protracted internal procedures at the level of the stakeholders.	Implemented

SN	Findings	Recommendations	NDU's Response as of January 2026	NAO's Comments
4	Twelve emergency projects were initiated in Port Louis since 2019. Only 2 were completed by August 2024.	▪ <i>Streamline Land Acquisition Procedures</i> Delays should be addressed through the review of the land acquisition procedures/framework at higher levels involving all stakeholders depending on the urgency of the projects.		Partly Implemented
5	The remaining projects are still at other stages due to delays in appointment of the Consultant and the submission of design reports. Twenty-one projects allocated to the DICL were high risk drain projects only 3 projects with total contract value of Rs 265 million were completed.	▪ <i>Review Procurement Practices</i> NDU may consider to discontinue emergency procurement for these projects. The Public Procurement Act should be strictly followed and Central Procurement Board be involved for projects exceeding Rs 70 million to ensure transparency and accountability.	All projects exceeding Rs 70 million go through the Central Procurement Board in line with the Public Procurement Act.	Partly Implemented
6	<i>Recurring Issues Leading to Delays</i> Poor performance of contractors, bidding issues, land acquisition issues, services relocation, Contract Management and Cost and time overruns. (Pg 381-383, Para 16.2.1)	▪ <i>Monitoring and Accountability</i> Past performance of contractors should be assessed before allocating emergency projects for the high risk flooding projects. Close monitoring of projects allocated to other implementing agencies should be assessed including their manpower capacity to ensure safety environment for citizens. (Pg 384, Para 16.2.1))		Partly Implemented
Flooding at Tranquebar (Page 383-386)				
7	<i>Non-Compliance with Consultant Recommendations</i> Consultant G Ltd strongly recommended to conduct geotechnical investigations and implement the project in phases, but these	▪ <i>Improved Planning and Design</i> The NDU should conduct mandatory geotechnical investigations for flood-prone projects before implementation.	The NDU as employer of the project, stand guided by the recommendation of the Project Manager and the Consultant. It is the responsibility of the contractor to take	Partly Implemented

SN	Findings	Recommendations	NDU's Response as of January 2026	NAO's Comments
	suggestions were not taken into account by LDA and NDU. LDA approved the wall-raising works without carrying out geotechnical investigations.	Consideration be given for implementation of projects during dry season to minimise weather-related risks.	appropriate health and safety measures during construction.	
8	<i>Insufficient Temporary Works and Safety Measures resulting in contractual breaches by contractor.</i> The contractor did not implement temporary measures to stabilise the exposed banks and protect them from water flow which was against the contractual obligations. The unprotected excavations during the heavy rainfall had caused erosion, site destabilisation, and weakened structural integrity of the surrounding area.	■ <i>Strengthened Supervision and Monitoring</i> Oversight should be enhanced by ensuring compliance with contractual obligations and a dedicated project management team to monitor resources, risks, and deliverables should be assigned. The Standard Operating Procedures (SOPs) should be developed and include projects in high-risk areas.	The Project Manager and Consultant have been sensitised with regards to site conditions.	Partly Implemented
9	<i>Inadequate Supervision and Oversight</i> The NDU and the Consultant did not adequately supervise the work to ensure compliance with the contractual conditions. A third-party expert for assessment of damages caused to all the buildings and infrastructures as required by NDU has not yet been appointed.	■ <i>Implementation of Safety and Contingency Measures</i> Contingency plans and emergency response protocols for high-risk projects should be developed. Besides, compliance with safety requirements, including proper temporary works should be enforced.		Partly Implemented
10	<i>Impact on Affected Residents</i> Four residences were severely affected including one which has collapsed due to erosion caused by colluvial soil foundation. (Pg 383-386, Para 16.2.1)	■ <i>Accountability and Damage Mitigation</i> – Third-party experts should be appointed to evaluate the damages and appropriate actions taken accordingly. (Pg 385-386, Para 16.2.1)		Implemented

10 – MINISTRY OF HEALTH AND WELLNESS

10.1 Geriatric Care Services at the Ministry of Health and Wellness

Background Information

Mauritius is experiencing a rapid demographic shift with a growing elderly population. The number of persons aged 60 years and above rose from 236,452 in representing 19 per cent of total population to 251,795 persons in 2024 representing 21 per cent of total population.

In the year 2044, the projected elderly population is expected to reach some 293,000 representing nearly 28 per cent of the total population.

This trend highlights the need to enhance geriatric health services, which encompass physical, cognitive, psychological, and social care through comprehensive assessments, chronic disease management, medication reviews, fall-prevention, mental health support, nutrition, and multidisciplinary coordination.

The Ministry of Health and Wellness (MOHW) oversees these services and efforts to expand geriatric care have been hampered by inconsistent implementation, poor planning and coordination, and chronic underfunding, limiting the development of a sustainable geriatric system.

Findings

10.1.1 Delays and Non-Implementation of Key Geriatric Initiatives

▪ National Geriatric Hospital: Project Abandoned

In the year 2010, the Government acquired Medpoint Hospital for Rs 144.7 million to establish a National Geriatric Hospital, but the project was never implemented. The site was later repurposed as a cancer hospital in 2020. In the absence of the official project file, the reason for abandonment of the project was not known.

▪ The SAGE Project: Implemented as a Pilot but Never Resumed

In the year 2019, the Sub-Acute Geriatric Evaluation (SAGE) initiative was proposed by the Specialists/Senior Specialists (Geriatrics) to establish specialised wards for rehabilitation, supportive care, and palliative care in 5 regional hospitals, with the possibility of a national facility. The project included benefits such as:

- Specialised rehabilitation for stroke or fracture patients;
- Supportive care for dementia and severely disabled elderly patients awaiting placement;
- Palliative care for advanced organ failure;
- Reducing overcrowding in acute wards; and
- Strengthening national geriatric expertise.

Although the project was launched at the Jawaharlal Nehru Hospital, it was suspended during COVID-19 and did not resume, leaving a gap in specialised geriatric care.

▪ **Geriatric Medicine Quality Committee not constituted**

In June 2021, the Specialist (Geriatrics) made a proposal to MOHW for the setting up of a Geriatric Medicine Quality Committee to:

- Expand Geriatric Units in regional hospitals;
- Introduce e-Health tools;
- Establish national “well-ageing” guidelines; and
- Provide structured staff training.

However, the Committee was never operationalised, leaving gaps in oversight and standardisation of geriatric services.

▪ **Limited Specialised Geriatric Care Services**

The only specialised geriatric service currently available was dementia care, offered through clinics at the 5 regional hospitals. No dedicated clinics existed for frailty, falls prevention, osteoporosis, sensory impairment, or polypharmacy management, leaving elderly patients dependent on general outpatient departments and without access to tailored multidisciplinary care. In surgical services, elderly patients shared common waiting lists, with age considered only in urgent cases. This lack of prioritisation exposed them to heightened risks of rapid deterioration.

▪ **No dedicated Geriatric Care Budget for 15 Years**

Between 2011 and 2025, no funds were allocated for geriatric care, stalling key initiatives. It was only in the financial year 2025-26 that an amount of Rs 5 million was earmarked for a Geriatric Health Care Unit.

Root Cause

The weaknesses observed in geriatric care services were due primarily from inadequate strategic planning by the MOHW, particularly the lack of coherent national strategy and sustained budgetary support aligned with demographic ageing trends and medical needs.

Recommendations

The Ministry should:

- Commission a feasibility study for a new, dedicated National Geriatric Hospital.
- Operationalise the Geriatric Medicine Quality Committee.
- Ensure that adequate financial and human resources are allocated annually to support the unit’s operations and the implementation of geriatric initiatives.

- Expand geriatric services beyond dementia care to include multidisciplinary health issues, clinics, and chronic disease management tailored to elderly patients at all regional hospitals.
- Foster partnerships with academic institutions and international bodies to support ongoing education and capacity building in geriatrics.
- Review and revise the surgical waiting list triage protocol to include age (60+) as a factor for risk stratification.
- Develop a sectoral strategy for elderly care/ geriatric services for a longer planning horizon ending the year 2044.

Ministry's Response

In accordance with the priorities of the Financial Management Manual, records are kept for a maximum period of 7 years. Hence, the Ministry cannot, at this stage, comment on decisions taken in 2010, as no records are available.

- ACE (Acute Care of Elderly) Wards national project across the 5 regional hospitals have been started, in a step-wise manner implementation process, in lieu of the SAGE (Sub-Acute Geriatric Evaluation) pilot project which had started at Jawaharlal Nehru Hospital in the pre-Covid-19 period then paused due to urgent restructuring in the context of Covid-19. As at December 2025, Geriatric Medicine consultations are already being offered at SAJ Hospital and SSRN Hospital.
- Geriatric Medicine consultations have now been introduced by the Geriatric Medicine Unit with the assistance of General Practitioners.
- There is a severe lack of specialists in the field of Internal Medicine with sub-specialty training and registration with the Medical Council of Mauritius in Geriatric Medicine.

10.1.2 Implementation problems regarding the Integrated Care for Older People Framework

▪ Poor Governance

The MOHW adopted the WHO Integrated Care for Older People (ICOPE) framework as part of its 2022–2026 Strategic and Action Plan which was launched in March 2023. The plan outlines 55 activities across 7 objectives to promote early detection of functional decline and build a coordinated system of elderly care. An ICOPE Steering Committee was set to oversee and provide directions in the implementation of the National ICOPE Strategic and Action Plan 2022-26. The Technical Committee shall provide support on the implementation of strategic priorities included in the National ICOPE Strategic Planning 2022-26.

The ICOPE Steering Committee was scheduled to meet quarterly, while technical sub committees should meet monthly to guide implementation and address operational challenges. However, during the period 2023 to 2025, only 6 Steering Committee meetings

and 4 Technical Sub Committee meetings were held, highlighting weakened oversight, poor operational follow-up, and stalled progress.

Furthermore, although approved in October 2023, the Regional ICOPE Facilitation committees, responsible for local monitoring, data compilation, doctor training, and routine screening, were never activated.

Root Cause

The Ministry's weak governance and lack of oversight led to irregular committee meetings and failure to activate Regional Facilitation Committees.

▪ Screening Activities: Limited Outreach and Operational Weakness

Delayed Distribution of ICOPE Screening Forms

Although the WHO-approved screening form was finalised in December 2023, printing was delayed due to machine breakdowns at the Government Printing Department and competing printing priorities. As a result, the forms only reached health institutions in May 2025, that is, with a 17-month delay, thus, significantly slowing the nationwide rollout.

Limited Coverage and Low Attendance

Between January 2023 and June 2025, only 3,076 screenings were carried out in 4 MOHW facilities, while the Ministry of Social Integration, Social Security and National Solidarity (MSISSNS) conducted over 30,000 screenings.

In May 2025, the exercise was expanded to target individuals aged between 60 to 65 years.

However, between July and September 2025, only 3,634 people in this age group were screened across 40 public institutions, with 9 facilities recording zero or near-zero participation.

Critically, only 4 out of 109 Community Health Centres (representing only 4 per cent), despite their high patient volumes, were utilised, reflecting a major missed opportunity for large-scale screening.

Root Cause

The limited reach and effectiveness of the ICOPE screening activities were due to inadequate planning, weak coordination with health facilities and inadequate staffing.

▪ Weak Data Management and Monitoring

Screening forms were stored in individual patient records, but the extent to which it could be used could not be determined due to the absence of a centralised digital system which prevented data consolidation and analysis.

Consequently, the Ministry of Health and Wellness was unable to monitor nationwide elderly health trends and to assess the prevalence of geriatric health risks and track operational performance information.

Root Cause

The Ministry did not create a digital platform for data entry and analysis.

▪ Limited Scope of the Geriatric Healthcare Unit

The Geriatric Healthcare Unit was created in December 2022 to facilitate the day-to-day implementation, management and monitoring of the National ICOPE Strategic and Action Plan 2022-26. However, its role remained limited to day-to-day management of the Unit.

▪ Human Resource Planning Limitations

The implementation of the ICOPE Strategic and Action Plan and the expansion of specialised geriatric care had been postponed by the Ministry due to limited human resource capacity. However, no Human Resource (HR) plan was formulated by the Ministry regarding the HR needs/staffing levels to run its geriatric services.

As of September 2025, only 3 geriatric specialists were registered with the Medical Council of Mauritius. Of these, one specialist practices solely in the private sector, while another, dual-qualified in geriatrics and internal medicine was seconded to the MSISSNS between September 2023 and September 2025, leaving the public health service critically short of expertise.

Root Cause

The MOHW did not adequately plan or implement measures to train, recruit, or deploy the number of geriatric specialists needed for the public health service, leaving the system critically short of expertise.

▪ Unprinted Carnet de Santé

As part of the ICOPE Strategic and Action Plan (2022–2026), MOHW developed the *Carnet de Santé* for citizens aged 60+, intended as a health booklet consolidating key medical information.

Despite the procurement of printing paper worth Rs 2.58 million and readiness for production in 2024, the booklets were never printed.

However, in January 2025, the project was abandoned in favour of the upcoming e-Health system, with its initial content integrated into the MoBienet Mobile Application.

▪ Limited Use of the MoBienet Mobile Application

Launched in May 2024, MoBienet included 19 elderly care articles on topics such as chronic disease management and fracture prevention. However, contents were not user-friendly resulting in a low usage rate: materials were only in English, text-heavy, and lacked user-friendly features like audio or visuals.

User engagement was extremely low, with only 550–600 views between May 2024 and July 2025-less than 0.24 per cent of the elderly population-indicating the failure of the digital platform to reach its intended audience.

Root Cause

The development of the application was carried out in an unstructured manner and did not take into account the specific literacy needs of the elderly population as well as being user-friendly.

Recommendations

The Ministry should:

- Strengthen governance structures by ensuring that the Steering Committee and Technical Committees meet as per established timelines and maintain formal records of deliberations and actions taken.
- Operationalise the regional ICOPE facilitation committees.
- Accelerate the nationwide rollout of ICOPE screening, with full utilisation of Community Health Centres, Mediclinics and Area Health Centres.
- Issue a formal directive prescribing the use of the ICOPE screening form until the e-Health system becomes fully operational.
- Assess the possibility of repurposing the paper stock for other official printing needs to avoid financial loss.
- Strengthen human resource planning mechanisms regarding recruitment and training needs to run geriatric services in an effective manner.
- Promote the MoBienet Mobile application through healthcare providers and community centers to increase awareness and encourage usage among the elderly.
- Reformat the existing word-based educational materials into multimedia formats that will enable elderly users to facilitate access and use of the application through, for instance, audio in local languages, animations, and illustrations.

Ministry's Response

The ICOPE Strategic and Action Plan (2022 – 2026) will be reviewed with the assistance of World Health Organisation (WHO).

- Limitations that emerged from 2023 onwards at the level of Government Printing demonstrated that printing of the Carnet de Santé would finally take several years for 270,000 elderly citizens, instead of a few months as initially intended. This defeated the purpose and would cause duplication as e-Health is also being implemented in parallel.

The printing paper procured has been re-purposed by MOHW for printing other healthcare documents for other projects.

- Among other results, over 30,000 patients received ICOPE screening, with the assistance of WHO. ICOPE screening has been introduced under MOHW in mid-2025, in all the 5 healthcare regions, for early detections of the 6 common geriatric conditions – dementia, depression, vision loss, hearing loss, mobility loss, malnutrition with referral and follow up pathways for each type of illness detected.
- With the introduction of e-Health, systems will help address the severe shortage of Records staff under MOHW.
- The Geriatric Healthcare Unit, was not fully operational since September 2023 due to lack of specialist in the field. However, the Geriatric Medicine Unit has been setup in replacement, in November 2025 which will be progressively expanded through posting of additional General Practitioners.
- The MOHW will explore avenues of attracting specialisation in the same field for doctors, e.g. through scholarships or partnerships with foreign institutions.
- The MoBienet Mobile application has been used for disseminating of healthcare information. The content will be revised and made more user friendly.

NAO's Comments

Screening activities under the ICOPE framework have been limited by operational weaknesses, underutilisation of primary healthcare facilities, and delays in distributing screening forms. Data management remains fragmented, and the MoBienet mobile application has low engagement among the elderly population.

NAO emphasises the need for strengthened strategic planning, including HR planning and governance. Accessible service delivery supplemented by outreach tools are essential to develop an integrated and dedicated geriatric care health system for the MOHW.

10.2 Management of Traditional Medicine (Ayurvedic Services) in the Public Health System

Background Information

Since 1975, the World Health Organisation (WHO) encouraged the integration of Traditional, Complementary, and Integrative Medicine (TCIM) into national health systems. The purpose was to ensure safe, effective, and people-centred care by combining Traditional practices with biomedicine.

Today, more than 88 per cent of WHO Member States use TCIM, often alongside modern medical care. TCIM encompasses a wide range of systems, including Ayurveda, homeopathy, naturopathy, aromatherapy, acupuncture, chiropractic care, Unani, Siddha, and Traditional Chinese Medicine (TCM).

In Mauritius, the Ayurvedic and Traditional Medicines Act of 1989 originally covered Ayurveda, homeopathy, and TCM. In 2024, it was amended into the Traditional Medicines Act. As of January 2025, 22 practitioners were registered in public and private practice, including 8 in MOHW's Ayurvedic Unit. The specialisations of the remaining 14 practitioners in private practice were not available. Despite public interest noted in a 2008 report, there was limited evidence that Mauritius was among the 88 per cent of WHO Member States that had integrated traditional medicine in line with WHO's expectations.

Not all files were available for review including the file relating to the setting up of the Ayush Centre of Excellence.

Findings

▪ Delayed and Ad-hoc implementation of Traditional Medicine in Mauritius

A patient satisfaction survey carried out in 2006 revealed that 95 per cent of patients attending Ayurvedic clinics reported improvements in their ailments. Despite this positive feedback, Ayurvedic Services operated without strategic objectives, plans, or policies, leading to a lack of vision and accountability.

Currently, Ayurveda is the only traditional medicine available through the public health system, with no evidence that the MOHW has attempted to integrate other traditional medicine systems. Although an agreement was signed in 2017 with International acupuncture and Chinese medicine bodies, the MOHW had not been able to introduce Traditional Chinese Medicine due to the absence of legal provisions, guidelines, and protocols.

Ayurvedic clinics were first established in 1990, closed in 1998, and reopened in 2004. However, no new Ayurvedic treatments had been added since 2006. While MOHW's overall budget rose by 47 per cent between 2020–21 and 2024–25, funding for Ayurvedic and other traditional medicine services fell sharply from Rs 10 million to Rs 2.5 million, with funds often reallocated to other health expenditures.

Panchkarma Therapy was introduced in 2006, and by October 2025, 7 clinics were in operation. Panchkarma Therapy, though clinically validated, had been underutilised due to limited application of the therapy, staffing shortages, and delays in implementing a long-planned training program. These constraints had led to suspensions, delays, and long waiting times, undermining patient care.

Clinic attendance had remained stagnant at around 43,000 visits annually over the past 5 years. Most patients sought treatment following encouragement from relatives or peers, but the absence of structured awareness campaigns limited wider public knowledge of available services.

Finally, there was no evidence that MOHW had engaged with WHO (Mauritius) to discuss or advance the implementation of traditional medicine in the country.

Root Causes

- The Ministry did not have a strategic planning mechanism to formulate policies, operational strategies and plans for the Ayurvedic Services.

- There were no legal provisions, guidelines, and protocols to support integration of other traditional medicine systems (e.g., Traditional Chinese Medicine).

Recommendations

The Ministry should:

- Develop a National Traditional Medicine Strategy with clear objectives, timelines, and accountability mechanisms.
- Establish legal provisions, guidelines, and protocols to integrate other traditional medicine systems (e.g., Traditional Chinese Medicine).

Ministry's Response

The Health Sector Strategic Plan 2025-30 would work on the Strategic Action Plan for Ayurvedic sector as per the WHO recommendation for Traditional Medicine. The Strategic Plan would formulate policies, operational strategies and plans for Ayurvedic services for the forthcoming years to serve the Mauritian population.

- **No follow-up on the Recommendations of the Report of the University of Mauritius**

Between March and May 2024, the Ayurveda Chair at the University of Mauritius assessed Ayurvedic clinics and identified systemic weaknesses. The review highlighted inadequate infrastructure, limited manpower autonomy, lack of regulation for Ayurvedic medicines and pharmacists, weak malpractice controls, poor storage conditions, and the need for digitalisation of pharmacy management.

Recommendations included stronger regulatory frameworks, collaboration with the WHO Global Centre for Traditional Medicine, periodic medicine reviews, and extending services to Rodrigues.

As of October 2025, no remedial measures had been implemented by the MOHW. Site visits carried out by NAO Officers confirmed persistent problems:

- Space constraints in 3 clinics;
- Continuous leakages at one clinic since February 2023;
- Pest damage to drugs and patient records in January 2025; and
- Non-functional air-conditioning in a pharmacy storing Ayurvedic medicines.

These above unresolved issues continue to compromise service delivery and patient care.

Root Cause

The Ministry did not make a proper follow-up on the recommendations of the Ayurveda Chair of the University of Mauritius.

Recommendations

The Ministry should:

- Establish a dedicated Implementation and Monitoring Committee, mandated to revisit the Report of the Chair of the University of Mauritius and review recommendations within clearly defined timelines.
- Formalise collaboration with the WHO Global Centre for Traditional Medicine to adopt international best practices.

Ministry's Response

A Report with findings and recommendations was submitted after site visits at all the Ayurvedic outlets for the upgrading and development of the Ayurvedic services provided by the Ministry in October 2024.

▪ **Low Diabetes Progression with Ayurvedic Treatment Ignored**

Diabetes Mellitus (DM) is the second leading cause of death in Mauritius and a major non-communicable disease burden. Although national figures on diabetes progression among Pre-DM patients under allopathic care are not available, evidence from the Flacq health region suggests significantly lower progression rates, at only 4.06 per cent (60 of 1,479), for patients undergoing Ayurvedic treatment. However, the Ministry did not carry out clinical trials and large-scale studies to validate Ayurvedic therapies in the Mauritian context beyond the results obtained at the Flacq health region.

Root Cause

The MOHW did not have a long-term plan to establish the role of Ayurveda in lowering diabetes progression.

Recommendation

The Ministry should consider conducting large-scale clinical trials to validate the Flacq region's findings and expand Ayurveda's role in diabetes treatment.

Ministry's Response

Proposals to develop a Protocol to look into the Pre-Diabetes cases have already been worked out. Accordingly survey/research modalities have to be established to look into the increasing number of cases of Pre-Diabetes which can be easily monitored and assist in the delaying and prevention of the progression of diabetic conditions among patients.

▪ **Regulatory Gaps in the Importation of Ayurvedic Medicines**

Ayurvedic medicines in Mauritius remained largely unregulated, as current legislation does not provide for their importation, unlike modern medicines which are governed by the Pharmacy Act (1983) and the Dangerous Drugs Act (2000).

To address this gap, MOHW created an Ayurvedic Committee and a Health Supplement Committee, but both committees did not have Ayurvedic pharmacists, applicable regulatory frameworks, and mechanisms for monitoring imports.

In the financial year 2025-26, 3 consignments of Ayurvedic medicines imported by the MOHW were classified by the Mauritius Revenue Authority as taxable goods rather than Ayurvedic medicines. In the private sector, Ayurvedic products were typically imported as food supplements under the Food Act (2022), bypassing permit requirements.

This regulatory gap exposed the population to health and safety risks from potentially substandard, adulterated, or mislabelled herbal products.

Root Causes

- There was no legislation governing the importation, regulation, or classification of Ayurvedic medicines.
- The Committees set by the MOHW lacked operational capacity in terms of technical expertise, relevant standards and monitoring mechanism.

Recommendations

The Ministry should:

- Draft legislation to regulate the import of Ayurvedic and herbal medicines and establish national standards.
- Reinforce the Committees established.

Ministry's Response

An initial draft Regulation has been prepared on the import, sale and manufacture of Ayurvedic medicines. A Committee of Experts would be set up along with relevant stakeholders to review the draft regulation.

With regard to standards, the Ayurvedic Committee is looking after the importation of Ayurvedic medicines and other herbal products in accordance with guidelines which have been prepared and approved by the Ministry.

▪ Ineffective Planning and Inventory Management of Ayurvedic Medicines

Under-Procurement of Medicines

The Ayurvedic Department's main service is the provision of medicines in outpatient clinics. For the financial year 2024-25, only Rs 2.5 million was allocated for procurement, far below the actual annual requirement of Rs 27.3 million for 163 medicines.

By August 2025, only 28 medicines worth Rs 3.2 million were available at the Central Supplies Division (CSD). Procurement was excluded from the Committee of Needs, leading to poor planning and repeated shortages, with no tender exercise launched

in financial year 2023-24 despite widespread stockouts. A tender was eventually initiated in November 2024, but awards were delayed until June 2025.

Ineffective Stock Management

The Ministry had not implemented an effective stock management system, and the Electronic Inventory Management System lacked functions such as minimum/maximum stock levels and reorder alerts.

As a result, Ayurvedic services had been severely disrupted since 2024, affecting treatment for multiple non-communicable diseases including diabetes, hypertension, kidney disease, and arthritis. Patients were often referred to casualty departments for allopathic treatment, while Ayurvedic Medical Officers reported that persistent shortages undermined patient recovery, especially for those dependent on Ayurvedic care.

Recommendations

The Ministry should:

- Include Ayurvedic medicines in the Committee of Needs to ensure proper procurement planning.
- Align budget allocations with actual procurement needs.
- Strengthen the Electronic Inventory Management System.

Ministry's Response

Overhauling of the CSD reorganisation regarding stock control of Ayurvedic products has been carried out with a plan of work. The new working schedule will look into the appropriate estimate preparation, budget allocation with actual procurement needs, management of stock level by means of appropriate EIMS and inventory through a robust chain supply.

Poor Warehouse Management of Ayurvedic Medicines

The Ministry had not exercised proper warehouse management over its stock of ayurvedic medicines. Expired medicines had resulted in financial losses for the MOHW while storage conditions were deplorable and exacerbates risks for medicines safety.

Financial Losses Due to Expired Ayurvedic Medicines

Between 2023 and 2025, MOHW incurred financial losses due to the expiry of Ayurvedic medicines, amounting to Rs 14.3 million. In June 2023, 51 items worth Rs 8.1 million were disposed of at the Central Supplies Division, while in August 2025, 87 expired items valued at Rs 6.2 million were still being stored there. Records did not clearly indicate whether expired medicines from outpatient clinics were included, as some returned items were missing from the CSD list.

The Ministry had not analysed the causes for the recurring expiries, resulting in recurring wastage of public funds. Expired medicines disrupted the availability of the medicines and forced patients to rely on allopathic alternatives. Storage of expired medicines at the CSD increased unnecessary storage costs and risks of accidental distribution.

Sub-optimal Storage Conditions for the Ayurvedic Medicines

Ayurvedic medicines had been exposed to significant risks due to poor storage conditions. Stocks valued at an average of Rs 13 million over the past 2 years were kept at the premises of the former Government Printing Department (GPD) and several clinics without complying with the WHO Good Storage and Distribution Practices. Basic requirements such as temperature, humidity, ventilation, and sanitation were not maintained, and no risk assessment was conducted.

The storage building lacked essential safety and operational features, including a fire certificate, fire extinguishers, water supply, and adequate lighting. In January 2022, the Officer-in-Charge of the Ayurvedic Unit formally reported shortcomings such as absence of air-conditioning, poor ventilation, no electricity, and unsanitary surroundings.

Site visit effected by NAO confirmed that medicines continued to be stored in deplorable conditions, with broken or open windowpanes allowing water infiltration and pest intrusion. No remedial actions had been taken, leaving Ayurvedic stocks vulnerable to hazards associated with their compromised quality and safety.

Degraded storage accelerates expiry, compromises medicine safety and exposes the Ministry to legal risks.

Root Cause

Poor warehouse management of Ayurvedic medicines had resulted in wastage of public funds.

Recommendations

The Ministry should:

- Exercise proper warehouse management for ayurvedic medicines to prevent wastage of public funds.
- Conduct a risk assessment to evaluate the storage conditions of Ayurvedic medicines at the former Government Department.
- Relocate stocks according to WHO Good Storage and Distribution Practices-compliant facilities.

Ministry's Response

New location of storage for Ayurvedic medicines has been proposed by the Manager at CSD as the solution of the existing poor storage of Ayurvedic medicines.

▪ **AYUSH Centre of Excellence Project not yet Implemented**

On 15 May 2023, MOHW appointed an Indian company as Project Management Consultant to prepare a Detailed Project Report (DPR) for a two-phase construction project estimated at Rs 1.75 billion, with consultancy fees set at 5.5 per cent of project cost.

The DPR was submitted in October 2023. MOHW subsequently requested the Ministry of Foreign Affairs, Regional Integration and International Trade to seek financial assistance and support from the High Commission of India in October 2023 and March 2024. As of December 2025, the project had not yet started, and no information on its status, funding, or implementation timeline was made available to NAO.

Root Cause

The Ministry did not have a strategic plan setting out the objectives, goals, and policies, targets, performance indicators and expected outcomes of the Centre.

Recommendation

The Ministry should formulate a clear strategic plan for the project outlining its long term objectives, phase development approach, infrastructure development, Human Resource development, financial sustainability, performance targets, risks and sustainability considerations.

▪ **Human Resources Constraints**

The Ayurvedic Unit in Mauritius operates under a flat structure with 8 Ayurvedic Medical Officers (AMO)/Senior Ayurvedic Medical Officers (SAMO), all appointed before June 2019, managing 7 clinics for a population of 1.2 million. One officer serves as Officer-in-Charge, but no action had been taken following the Pay Research Bureau's Report (PRB) 2021 recommendations to create Head and Specialist positions.

Out of the 10 funded posts, 2 posts had remained vacant, leading to cancelled appointments and service disruptions, while the absence of contingency or succession planning increased risks if officers leave the service. There was no clear plan regarding the expansion of the clinics.

Practitioners faced restrictions in prescribing diagnostic tests, requiring specialist authorisation. The lack of leadership positions undermined governance and accountability, while vacancies and absenteeism compromised service continuity and patient satisfaction.

Root Causes

- The Ministry did not comply with the recommendations of the PRB Report 2021 to create Head and Specialist positions.
- The Ministry had not developed a succession or contingency plan to address resignation/retirement from the service.

Recommendations

The Ministry should:

- Implement the recommendations set out in the PRB Report 2021 and establish the posts of Head of Department and Specialist positions as approved by the authorities to provide strategic leadership and accountability.
- Develop a succession plan to ensure health service continuity if officers retire, resign, or are absent.

Ministry's Response

The HR department is working on the post of Head of Ayurvedic and a sub-committee has already been set up and has also submitted its recommendation for the registration of Ayurvedic Specialists. Advertisement for the 2 post of AMO/SAMO had already been issued in December 2025.

10.3 Weak Governance over the Prehospital Emergency Care System

Background Information

The prehospital emergency care system forms a vital pillar of national healthcare, ensuring rapid assessment, immediate treatment, and safe patient transport to public health institutions.

As of September 2025, the Ministry of Health and Wellness (MOHW) managed a fleet of 76 specialised vehicles, comprising 11 Advanced Cardiac Resuscitation Life Support (ACRLS) SAMU units and 59 routine ambulances. To mitigate frequent breakdowns, the Ministry also maintained a spare fleet of 6 ageing vehicles that exceeded their operational lifespan. SAMU vehicles, staffed by emergency physicians and paramedical teams, provided advanced medical interventions directly at incident sites.

Routine ambulances primarily served non-emergency functions such as patient discharges and outpatient transfers, while also supporting SAMU operations when frontline vehicles were unavailable.

In 2024, some 43,000 emergency interventions were carried out by both the SAMU (14,600 interventions) and routine ambulance services/other transport means (28,400 interventions).

Despite its life-saving role, the system continued to face serious challenges. Governance gaps, structural limitations and operational inefficiencies undermined its reliability and restricted its ability to adequately meet emergency demands of the population.

Findings

▪ Absence of Assessment/Review for the Pre-hospital Emergency Care System

The Ministry supervised a complex national emergency care system but did not conduct a comprehensive assessment of prehospital emergency care capacity, utilization, risks, or performance.

The Ministry did not engage external consultants, carry out internal reviews, nor apply the WHO Prehospital Emergency Care Assessment Toolkit (PEAT), despite global expectations set by the 2019 World Health Assembly resolution.

This lack of evaluation prevented alignment with international standards and created significant risks: resources might be misallocated; the workforce and vehicle deployment might not match actual needs.

The absence of performance measurement systems/patient satisfaction surveys further restricted the assessment of the effectiveness of the pre-hospital emergency services.

Root Cause

The Ministry did not set up appropriate mechanisms for policy formulation and strategic planning to align its prehospital emergency care system with the best practices of WHO.

Recommendation

The MOHW should conduct a review of its pre-hospital emergency care system to assess issues regarding capacity gaps, performance benchmarks, and priority areas requiring reforms and devise a prehospital emergency care system aligned with the best practices of WHO.

▪ SAMU Capacity Gaps

The SAMU service operated round the clock and coordinated island-wide emergency responses. However, an analysis of SAMU statistics revealed its inability to attend rising emergency requests. Table 10-1 refers.

Table 10-1 Emergency Interventions in the year 2024

Emergency Intervention Details	Number of Interventions	Percentage of Total Interventions
Interventions through SAMU	14,673	34
Interventions through normal Ambulances/Police vehicle & Own means of patients*	28,450	66
Total number of Interventions	43,123	

**When SAMU is unavailable/busy*

Source: Statistics from SAMU department

Capacity limitations for SAMU to attend to emergency requests

For the year 2024, a total of some 765,000 calls for health emergencies were registered at SAMU. Only 43,123 calls which were deemed as emergency cases were attended by SAMU. However, SAMU carried out only 14,673 interventions, that is, 34 per cent of total requests.

The remaining 66 per cent of emergency interventions were carried out by normal ambulances/police vehicles and through the own arrangements of the calling patients.

The high degree of dependency of patients on non-medicalised transfers underscored a critical dependence on unsuitable prehospital transfer options for emergency cases.

There were the risks that patients might not benefit from proper clinical stabilisation in non-medicalised SAMU vehicles and may attend hospitals in more critical condition.

Unattended Emergencies During Peak Hours

The SAMU had 2 shifts modes to operate its emergency services: during peak hours (between 08 00 hrs to 16 00 hrs) and after-hours service (16 00 hrs to 0800 hrs) where only one SAMU vehicle was operational as compared to 2 vehicles during the day mode.

For both shifts, it was observed that many emergency requests were not attended. Intervention data compiled for the 08 00 hrs to 16 00 hrs shift for period October to December 2024 revealed that 888 interventions requiring SAMU support went unattended as the vehicles were fully engaged, as shown in the Table 10-2.

Table 10-2 Unattended Interventions from October - December 2024

Month 2024	JNH Hospital	Victoria Hospital	A.G. Jeetoo Hospital	SSRN Hospital	SAJ Hospital	Souillac Hospital	Total
Oct	38	71	113	56	32	5	315
Nov	33	89	85	43	24	7	281
Dec	31	88	102	41	28	2	292
Total	102	248	300	140	84	14	888

Source: Statistics from SAMU department

Hospitals with higher demand, particularly A.G. Jeetoo and Victoria, accounted for most of these missed cases. Nevertheless, the Ministry did not reallocate the SAMU vehicles based on emergency loads. Two vehicles continued to operate for each of the 5 regional hospitals.

After-Hours Service Limitations

After-hours service was even more constrained, with only one SAMU ACRLS vehicle per region operating between 16 00 hrs and 08 00 hrs.

In July 2025, out of 2,198 emergency cases requiring SAMU intervention, 523 cases, that is 24 per cent, occurring after 16 00 hrs were unattended as only one SAMU vehicle was operating per region and was already attending another case.

An average of 16 emergency cases per day were not attended by the SAMU during the after-hours period in July 2025.

Root Cause

- The Ministry did not have a structured planning mechanism to address emergency care resources requirements to meet rising demand for prehospital emergency healthcare.
- No analytical review of intervention data had been carried out by the Ministry.

Recommendations

- The Ministry should review its prehospital emergency care services and address SAMU capacity gaps in order to meet population demands for emergency care.
- The Ministry can consider increasing the number of SAMU ACRLS vehicles for the high demand regions in the After-Hours service.

Ministry's Response

For the financial year 2025-26, the Ministry has invited bids for the procurement of 4 SAMU vehicles to support the fleet.

10.4 Poor Vehicles Management

Background Information

The Ministry of Health and Wellness manages a fleet of 396 vehicles as of September 2025, comprising of 11 SAMU vehicles, 54 ambulances, and 331 other vehicles. These assets are vital for emergency response, medical supply distribution, waste disposal, civil works, outreach, and institutional logistics amongst others.

Fleet operations and maintenance are overseen by the Division of Support Services (DOSS) at the Vagrant Depot, which coordinates transport, repairs, waste compactors, and regional support.

A review by the Office of Public Sector Governance (OPSG) in June 2025, highlighted key weaknesses such as shortage of qualified staff, ageing fleet, high maintenance costs, under-utilisation of NAVEO tracking system, and delays in private garage servicing. This Office also identified deficiencies, underscoring systemic challenges in the management of the Ministry's fleet of vehicles.

Findings

▪ Fleet Management Practices not carried out in a Planned and Structured Manner

The MOHW was not managing its fleet of some 400 vehicles as a strategic resource for effective support to the healthcare service delivery. Fleet management practices were not carried out in a structured and planned manner.

Gaps were observed for the strategic planning and policy formulation mechanisms regarding fleet management elements such as fleet information, fleet renewal and acquisition planning, structural organisation and oversight, vehicle maintenance arrangements, control over trips and overtime paid to drivers amongst others.

In the absence of a professional approach towards managing the fleet of vehicles, risks existed for uneconomical and ineffective transport services impairing health service delivery.

Root Cause

Absence of a strategic planning framework for the professionalisation of fleet management.

Recommendation

The MOHW should come up with a strategic plan addressing all aspects of fleet management.

Ministry's Response

Due to a lack of staff at strategic level such as Senior Manager, OSS and administrative officers, a proper planning framework could not be implemented. Nevertheless, an OSS has been posted to some hospitals to carry out the daily planning of the requirements of the hospitals.

All stakeholders including the Ministry of the National Infrastructure will be roped in to look into the formulation of a mechanism for fleet management. However, same would depend on the availability of human resources and funding.

▪ No dedicated Fleet/Vehicles Information System

The Ministry did not have a dedicated fleet/vehicle information system as the vehicle records were incomplete and kept in a fragmented manner. Information deficiencies identified refer to:

- A repertory of vehicles controlled by MOHW was not available despite being mandated to maintain Plant Register and Vehicle Register according to the provisions of the Financial Management Manual- paragraphs 2 and 53 (f) of chapter 30.10.
- The Vagrant Depot did not maintain an accurate and up-to-date fleet inventory, including essential and updated vehicle information such as the acquisition date and cost for each vehicle.

- The DOSS did not provide reliable records for vehicles stationed at the depot and those sent to garages for repairs.
- Financial information such as the cumulative vehicle life cycle costs for each vehicle was not compiled.
- No ageing analysis was performed by the Vagrant Depot to ascertain the extent to which the vehicles had reached their useful economic life and would need replacement.
- Vehicle maintenance records and servicing records/schedules of maintenance were not generated.
- GPS systems were not used by the Vagrant Depot to capture vehicle use and control information.

These shortcomings create significant gaps for planning, control and decision-making purposes. The Ministry might incur unnecessary expenditure on unserviceable/inactive vehicles with increased vulnerability to theft and loss, unauthorised use, irregular maintenance increasing breakdown frequency thereby impairing resource allocation and vehicle replacement decisions.

Root Cause

The Ministry did not plan to develop a vehicle information system as a strategic tool generating baseline information to manage its fleet of vehicles professionally.

Recommendation

The Ministry should develop a computerised vehicle management information system to support its planning, control and decision-making functions with respect to vehicle management.

Ministry's Response

The Ministry already has a fleet management system, namely the NAVEO software. Maintenance, servicing and other details could be included so as to enhance monitoring of vehicles through the system. However, due to inadequate staffing, the NAVEO system is not operational at optimum level. The updating of information on the system is being looked into.

▪ Absence of a Fleet Renewal Policy and a Long-Term Replacement Plan

MOHW operated without a formal fleet renewal framework for its vehicles, including SAMU and ambulance vehicles. Although the then Ministry of Finance and Economic Development requested a fleet replacement strategy in January 2024, MOHW only submitted a master list in August 2024. The priority list of 54 medical and general support vehicles was determined solely on age and past maintenance costs, disregarding essential operational criteria such as fleet sufficiency across facilities, usage patterns, and the criticality of SAMU and ambulances.

This approach exposes MOHW to a high risk of mechanical failures in ageing vehicles, particularly ambulances, potentially delaying emergency responses and directly endangering public safety.

Root Cause

The Ministry did not have a structured approach for planning, renewing, and retiring vehicles.

Recommendation

The MOHW should develop a formal policy including clear triggers for replacement and retirement of vehicles.

Ministry's Response

The Ministry does not have the expertise regarding the structured renewal fleet policy and is therefore seeking the assistance of the MNI for systematic replacement of its fleet.

10.4.1 Poor SAMU Vehicles Management

Vehicles management of life saving SAMU vehicles was poor. In addition to the inadequate number of medicalised SAMU vehicles, the existing fleet was old and subject to frequent breakdowns. Replacement of old vehicles was done in an ad-hoc manner.

No Renewal Policy to replace ageing Fleet of Vehicles

The Ministry did not have a fleet renewal policy for the SAMU vehicles. Most of the fleet was between 7 and 15 years old. Fleet renewal had been minimal: between 2019 and 2025, only 2 SAMU vehicles and one specialised ambulance were added to the fleet.

These 3 newer vehicles (40 RM 24, 41 RM 24, 42 RM 24) had not compensated for the systemic unreliability of ageing vehicles.

Poor Operational Reliability

According to the World Health Organisation (WHO) guidelines for prehospital quality improvement, the recommended Ambulance Uptime (percentage of functional vehicles available for service) should be at least 90 per cent. During a site visit conducted on 22 September 2025, it was noted that 7 out of the 11 active SAMU vehicles, that is only 63 per cent were available for service.

Significant Vehicle Downtime

File reviews revealed many cases of operational failure. Operational data from January 2022 to September 2025 highlighted significant downtime issues:

- (i) Vehicle 265 RM 18 was grounded for 505 days and experienced 23 breakdowns.
- (ii) Vehicle 98 RM 10, now 15 years old, was grounded for 300 days.

(iii) Across the fleet, downtime totaled 2,491 days, averaging 227 days per vehicle.

Breakdown during Emergency Intervention

Between May 2024 and September 2025, at least 7 SAMU vehicles broke down while in active service and required towing. A critical incident occurred on 22 July 2025 when a SAMU unit malfunctioned mid-transfer while carrying an intubated, ventilated patient. A high-risk, mid-journey patient transfer was required, compromising safety and continuity of care.

The continued reliance on a spare/reserve fleet of 6 outdated vehicles highlighted the chronic unreliability of the existing fleet. Reduced fleet availability posed severe risks to SAMU's operational readiness.

Frequent breakdowns interrupted critical services, increased response times, and limited the number of operational vehicles during peak demand or emergencies.

The persistent mechanical failures called for an urgent need for fleet modernisation to restore reliability and ensure continuity of life-saving emergency services.

Root Causes

- The Ministry did not develop a long-term fleet modernisation/renewal strategy.
- The Ministry did not have a contingency plan for unreliable vehicles.
- There was inadequate maintenance planning and poor asset management.

Recommendations

- The MOHW should develop a long-term renewal/acquisition/maintenance plan for prehospital emergency care vehicles following a risk assessment exercise of the existing pool of vehicles and the future needs of the population for emergency care.
- The MOHW can consider:
 - Accelerating the procurement of new ACRLS vehicles.
 - Implementing a strict preventive maintenance program based on time/mileage criteria.
 - Institutionalising a 90 per cent ambulance uptime as a key Performance Indicator.

Ministry's Response

The Ministry has invited bids for the procurement of four SAMUs to support the fleet which will bring the figures to 76 per cent by the end of this financial year.

Ministry of National Infrastructure - Mechanical Engineering will be requested to provide support for the preventive maintenance.

It is the policy of the Ministry to procure ACRLS vehicles annually, as such two additional SAMU vehicles will be procured in the financial year 2026-27 subject to availability of funds.

▪ **Costs Implications for Rising Repairs and Maintenance**

The total financial implications for repairs and maintenance of SAMU vehicles was not known as same was not readily available. Cumulative maintenance costs data for all its SAMU vehicles was not maintained by the Ministry.

The MOHW compiled repairs and maintenance costs regarding 4 vehicles for 3 financial years, which amounted to some Rs 9.2 million. The figures showed that repair and maintenance expenditures remained consistently high, as shown in Table 10-3. Cumulative life cycle repair costs were not known.

Table 10-3 Repairs and Maintenance Costs

SN	Vehicle No.	Model	FY 21/22 Rs	FY 22/23 Rs	FY 23/24 Rs	Total Rs
1	266 RM 18	Iveco	871,286	756,958	739,818	2,368,062
2	98 RM 10	Mercedes	507,360	745,940	828,303	2,081,603
3	110 RM 14	Mercedes	964,759	749,131	695,531	2,409,421
4	269 RM 18	Iveco	823,380	690,884	888,799	2,403,063
Total						9,262,149

Source: MOHW Records

These figures highlighted uneconomical fleet management practices, with high maintenance costs that might exceed the original acquisition value of the vehicles.

Root Cause

There was no vehicle renewal policy that allowed the Ministry to continue operating an ageing fleet with frequent breakdowns/ high maintenance costs.

Recommendations

The Ministry should:

- Formulate a renewal policy and replace vehicles that are beyond economic repairs.
- Compute the cost effectiveness of replacement of vehicles and thereafter adopt a “repair vs replace” criteria whereby, for example, when cumulative repairs exceed 50–60 per cent of acquisition cost, replacement becomes more cost-effective.
- Seek the advice of a Mechanical Engineer when devising vehicle management policy.

Ministry’s Response

The recommendations of the NAO will be considered and the MNI-Mechanical section will be requested to assist the Ministry for the renewal policy.

▪ **Wear and Tear Due to Driving Practices**

New vehicles were already showing signs of premature wear and tear, highlighting operational issues unrelated to fleet age. Supplier assessments confirmed that poor driving practices directly caused early clutch system failures in two 2024 vehicles, resulting in repair expenses of some Rs 460,000 within the first year.

This situation demonstrated that even new vehicles were quickly falling into the same high-maintenance cycle that burdened the older fleet. Unsafe and unskilled driving not only accelerated mechanical deterioration but also increased operational and maintenance costs, while undermining the reliability and safety of the emergency transport services.

Root Cause

The Ministry did not devise a driver performance monitoring system and a formal accountability mechanism to ensure that drivers adhere to standardised driving and vehicle-handling protocols.

Recommendation

The Ministry needs to introduce specialised training programmes focused on safe vehicle handling and driving techniques. This should be paired with monitoring systems that reinforce accountability and ensure adherence to required driving standards.

Ministry's Response

The possibility of providing training programs will be considered. It is to be noted that a handbook for drivers is being finalised at the level of the Ministry of Public Service and Administrative Reforms. Same will be disseminated among drivers upon publication.

10.4.2 Procurement Delays and Sub-optimal Use of Budget for Vehicle Acquisition

▪ **Delayed Acquisition of SAMU and High-Roof Ambulances**

An allocation of Rs 20 million was made in the financial year 2022-23 for vehicle acquisition, with Rs 17 million earmarked on 19 August 2022 for 2 SAMU Advanced Cardiac Life Support ambulances and one high-roof ambulance.

Approval was conveyed by the Senior Chief Executive on 30 August 2022, but the tender process was delayed until March 2023 due to repeated amendments in the specifications. The contract was awarded on 22 June 2023 for Rs 12.89 million (excluding VAT). Since the financial year 2022–23 funds had lapsed, financing was shifted to the Budget Estimates 2023-24. Delivery, initially scheduled for 15 January 2024, was postponed because vehicle registration clearances were only issued on 12 February 2024. The ambulances were finally delivered and commissioned on 28 February 2024. Final payment of Rs 14 million, inclusive of all costs, was processed on 17 April 2025, more than a year after commissioning.

Overall, the procurement cycle from initial approval to final payment took more than 2 years. The supplier provided Mercedes ambulances, despite earlier management concerns that these vehicles were expensive to maintain and had proven inefficient in past operations.

▪ **Failure to replace Microbuses**

Approval was obtained on 14 April 2023 to replace 10 microbuses at an estimated cost of Rs 16 million. Because funds for the financial year 2022–23 had lapsed, the procurement scope was reduced to 4 units in financial year 2023-24. A tender was launched in July 2023, but the process failed as no bids were received due to unrealistic delivery requirements and incorrect specifications. As a result, the funds earmarked for the project in financial year 2023-24 also lapsed, and no microbuses were acquired.

▪ **Vehicle Acquisition Programme for Financial Year 2024-25**

In the financial year 2024-25, an amount of Rs 50 million was allocated for vehicle acquisition. Of this, Rs 14 million was used to settle outstanding payments for 3 vehicles procured in 2022, leaving Rs 36 million available. The MOHW procured four 16-seater microbuses at Rs 6.325 million and 5 high-roof ambulances at Rs 13.38 million. However, the planned procurement of one SAMU ambulance and one executive car did not materialise, as no bids were received. The Bid Evaluation Committee noted that the 12-week delivery requirement for the SAMU ambulance was unrealistic, with a standard timeframe of 20 to 24 weeks.

Root Causes

- Proper coordination was not carried out by the Ministry between procurement planning and budget cycles resulting in funds repeatedly lapsing.
- The Ministry failed to factor lessons learned regarding operational cost inefficiencies of Mercedes ambulances in its procurement decisions.

Recommendations

The Ministry should:

- Develop a long-term fleet replacement plan for proper procurement planning.
- Introduce standardised vehicle specifications for common vehicles to reduce the time spent on defining requirements.

Ministry's Response

- Regarding the delayed acquisition of SAMU and High-Roof Ambulances, during a procurement exercise, in the event a bid complies with the bid requirements and is the lowest substantially responsive one, the Ministry has the obligation to accept the offer. It would not be in order to refuse a vehicle based on its brand.

No bid was received following the bid exercise for the procurement of a SAMU Vehicle during the financial year 2024-25. However, bids have been launched for procurement of 4 SAMU Vehicles in financial year 2025-26.

- As for the failure to replace 10 minibuses, the WHO donated 6 micro buses which supplemented the fleet of the Vehicles. Regarding the 4 minibuses, the specifications and delivery period were provided by the MNI mechanical section and not by the Ministry.

10.4.3 Shortcomings in the Organisational set up of the Division of Supply Services

▪ Lack of Professional and Technical Staff to manage Complex Fleet Management Operations

Presently, the Division of Supply Services (DOSS) did not have key managerial and technical staff to manage the fleet of vehicles. Vacancies existed for the posts of Manager and Coordinator. Since 19 May 2025, a Supervisor was granted ad-hoc allowance for performing the duties of the Manager of the DOSS despite not possessing specialist qualifications of a Mechanical Engineer. The allowance was paid on the post of Manager, Operations Support Services, which was unfunded in the Ministry's budget.

The monitoring and supervision of the maintenance and repairs of a fleet of nearly 400 vehicles was not professionally and effectively carried out. Diagnostic of mechanical/electrical problems of vehicles did not emanate from a Mechanical Engineer. Similarly, for repair works carried out and spares replaced, no engineering expert views were available.

Moreover, MOHW did not have a vehicle management committee chaired by a Mechanical Engineer to exercise adequate supervision of major fleet management operations/issues.

▪ Staff Deployment and Segregation of Duties Issues

Segregation of duties was inadequate within the Workshop and Procurement Sections of the DOSS. General Workers assisted the Principal Procurement and Supply Officer to update store ledgers, while the Management Support Officer entered data into the Electronic Inventory Management System (EIMS).

Due to staff shortages, General Workers were occasionally assigned driving duties when ambulance drivers were unavailable.

The Ministry could be exposed to legal and liability risk in the event of an accident if General Workers lack the defensive driving training or medical clearance for official driving duties.

Root Causes

- The Ministry did not recruit an Engineer to head the DOSS.
- The Ministry did not exercise adequate oversight and planning over Human Resource issues to professionalise its fleet management.

Recommendations

The Ministry should:

- Fill vacancies at the managerial and technical positions at DOSS urgently.
- Exercise adequate overall supervision over the functioning of the DOSS.

Ministry's Response

- The organisational structure is being reviewed.
- The MNI would be requested to post 2 Mechanical Engineers for the better management of the fleet of vehicles at DOSS in the next budgetary exercise. There is a high turnover of staff at the level of the DOSS.

10.4.4 Ineffective Fleet Maintenance Arrangements

▪ Escalating spending on Maintenance-Related Repairs, Fuel and Oil Expenses

Repair and Maintenance (R&M) expenditure had consistently exceeded budgetary allocations, rising from Rs 58.94 million in the financial year 2020-21 to Rs 108.59 million in financial year 2024-25. In the financial year 2024-25 solely, R&M spending exceeded the approved allocation of Rs 37.70 million by Rs 70.89 million, representing a 188 per cent overrun.

Similarly, fuel and oil expenditure increased sharply from Rs 44.46 million in the financial year 2022-23 to Rs 100.30 million in financial year 2024-25. During the financial year 2024-25, the actual expenditure exceeded the budgeted amount of Rs 44.75 million by Rs 55.55 million, representing an over-expenditure of 124 per cent.

These costs overruns were correlated with the Ministry's continued reliance on an ageing fleet rather than prioritising renewal. Failure to compile fuel indent data (through NAVEO) further hindered monitoring and performance analysis.

Root Cause

The Ministry continued to operate an ageing fleet instead of planning systematic replacement, causing R&M costs and fuel expenditure to escalate far beyond budgeted levels.

Recommendation

The Ministry should formulate a vehicle replacement policy.

Ministry's Response

A replacement policy will be formulated with the assistance of MNI-Mechanical Engineering Division. The increase in costs is associated with the increase in costs of spare parts, labour and the extensive use of vehicles for larviciding, mist-blowing and fogging exercises during Dengue resurgence in financial year 2024-25.

▪ **Absence of formalised Agreements with Garages/Workshop**

During the financial year 2024-25, payments totaling Rs 14,796,572 were made to several garages solely for labour charges relating to fixing of spare parts and servicing. A history of maintenance arrangements in place was not available and it was not known if a formal expression of interest exercise was launched previously.

The Ministry did not have an approved list of garages to which vehicles could be sent for servicing/fixing of spare parts. A list of garages traditionally working with the Ministry, was instead, submitted by DOSS for audit purposes. However, no formal maintenance agreements were signed with these garages.

The absence of formalised agreements creates risks of a lack of standardisation for the tariff rates prices being claimed, weak accountability over payments that might be inflated unreasonably. Service levels such as throughput time for SAMU repairs and normal ambulances were not defined.

Root Causes

- The Ministry did not have a structured process for selecting the garages providing the best fit maintenance arrangements/services for its fleet.
- The MOHW did not keep proper records for the maintenance of its vehicles.

Recommendations

The Ministry should:

- Launch an expression of interest exercise to enlist the services of competent and fully equipped garages to maintain its fleet of vehicles.
- Establish formal maintenance agreements defining pricing, responsibilities, and service level expectations especially for the repairs of life saving SAMU vehicles.

Ministry's Response

An Expression of Interest will be launched to enlist garages interested to provide maintenance services to the Ministry. Thereafter, formalised agreements will be introduced.

▪ **Absence of Controls over Issue of Spare Parts**

Spare-parts expenses were not met under a dedicated vote item, although MOHW estimated that some Rs 92 million was spent on servicing and spare parts. Prior to March 2025, spare parts procured were not recorded in the Store Ledger or EIMS, and no documentation system existed to link spare parts to specific vehicles.

An audit of indents for 30 spare-parts further revealed missing signatures from authorised mechanics or garage representatives, with drivers who were neither designated nor authorised recipients often signing for the spare parts. These weaknesses exposed the MOHW to risks of diversion or misuse of spare parts and payments for repairs that might not have been carried out.

Root Cause

The Ministry did not have a professional Engineer to exercise control over the actual use of spare parts especially certifying that the spare parts were installed.

Recommendation

The Ministry should strengthen authorisation and verification controls over procurement and installation of spare parts.

Ministry's Response

Two Mechanical Engineers will be requested in the financial year 2026-27 to exercise control over actual use of spare parts. Instructions have been given to DOSS for all Indent Forms to be signed and processed in a timely manner.

▪ Non-compliance with Scheduled Servicing Requirements

Service schedule records were not maintained, and mandatory servicing at 5,000 km intervals was consistently breached due to drivers failing to report vehicles for maintenance. This was in contravention with paragraph 53(b), chapter 20.10 of the FMM requirements, resulting in increased risk of mechanical failure, compromised safety, and a reduced operational lifespan of the vehicles.

Root Cause

The Officer responsible for transport did not ensure compliance with requirements of the Financial Management Manual.

Recommendation

The Ministry should introduce a formal policy requiring drivers and the Officer responsible for transport to comply with servicing schedules.

Ministry's Response

Lack of a Supervisor Operations Support Services is considerably affecting the supervision of drivers. Some appointments for servicing are delayed due to emergencies where drivers are required to attend. A circular would be issued requesting all drivers to ensure that servicing is done in a timely manner.

▪ Lapses in the use of the NAVEO Fleet Management System

Staff members responsible for transport management lacked familiarity with the NAVEO system, resulting in the system under-utilisation, poor trip monitoring, and increased risks of misuse and fuel wastage.

The system required drivers to use tokens to link vehicle activity to specific drivers, but at the time of audit only 3 tokens were operational for 55 vehicles. As a result, drivers often operated without tokens, making GPS tracking ineffective.

During the financial year ending 30 June 2025, the system flagged 90 suspicious usage cases, linked to faulty or tampered devices and other technical issues.

▪ **NAVEO records not used to validate Overtime claims/payments aid to drivers**

Overtime was paid to 54 DOSS drivers from June 2025 to August 2025 representing a total of Rs 18,374,679 relating to the period from December 2023 to December 2024. The Human Resource and Finance Sections processed all driver overtime claims without systematic reconciliation against the NAVEO GPS data, regardless of whether a token was used or not.

Root Causes

- The Ministry had not developed a policy to compel drivers to operate with tokens and did not enforce the systematic use of the NAVEO GPS system.
- The Ministry did not cross check overtime claims with NAVEO information so as to ascertain the genuineness of the overtime claims.

Recommendations

The Ministry should:

- Ensure hands-on NAVEO training for transport staff and enforce mandatory token usage for all trips.
- Introduce mandatory reconciliation of overtime with NAVEO data.

Ministry's Response

A circular was issued to instruct that overtime be paid after reconciliation with the NAVEO system. Only same will be fully implemented after registration of all drivers on the system. The NAVEO system was not fully utilised due to a lack of trained staff following changes in postings and transfers. A last training session was held by NAVEO on 12 November 2025.

▪ **Inadequate Security at the DOSS**

A site visit at the DOSS revealed that only 3 surveillance cameras out of the 8 were operational.

Root Cause

Action had not been taken by the Ministry to replace defective surveillance cameras.

Recommendation

The Ministry should repair/replace all cameras.

Ministry's Response

Defective cameras will be replaced accordingly.

10.5 Planning and Control of Training and Development Activities

Background Information

The Ministry of Health and Wellness employs about 13,000 staff across 375 grades, with 85 per cent in technical roles and 15 per cent in support roles. Training and continuous professional development (CPD) are mandatory and legally required for medical professionals, overseen by regulatory councils.

A wide range of training methods are used, including on-the-job training, pre-registration programmes, study leave, short courses, CPD lectures, and observerships (an educational experience that allows to shadow a member of the medical staff or workforce and learn about the field) with foreign experts. Training is mainly delivered by the Mauritius Institute of Health (MIH) and the Central School of Nursing, with the Training and Capacity Building Unit (TCBU) established in 2022 to centralise management.

The Pay Research Bureau (PRB) 2021 Report emphasised the importance of training, recommending a regulatory framework and incentives, and aligning with the World Health Organisation's agenda to strengthen health workforce capacity under World Health Assembly (WHA) Resolution 64.6 (2011).

Findings

10.5.1 Deficiencies in the Regulatory Management of MOHW Training

The legal framework governing training for MOHW personnel was indeed multi-layered, involving several professional councils (Medical, Dental, Pharmacy, Nursing) and internal training institutions. However, instead of functioning as a cohesive system, the framework had been weakened by fragmented implementation.

▪ Mauritius Institute of Health Act Implementation Deficiencies

The revision of the Mauritius Institute of Health (MIH) Act in 2017 designated MIH as the focal point for training in the healthcare sector.

(i) Non-Constitution of the Board

The governing MIH Board, essential for proper management and decision-making under Section 5 of MIH Act, was not constituted for a significant period (November 2024 to end of October 2025). Only the Acting Chairperson and an Acting Executive Director were in post. This restricted MIH's ability to execute its revised mandate fully and effectively.

(ii) Lack of Harmonisation and Overlapping Responsibilities

Although several legal provisions (e.g., MIH Act, Medical Council Act 2000) existed to govern training, MOHW did not harmonise or clearly define responsibilities. As a result, functions legally assigned to MIH, such as pre-registration of medical officers and CPD activities, were mainly being carried out by the Medical Council. This created potential for confusion, inefficiency, and lack of accountability.

(iii) Mauritius Institute of Health Not Functioning as the Designated Focal Point

The MIH was not fulfilling its mandated role as the focal point for training, with MOHW managing training matters directly and often on an ad-hoc basis. File reviews showed that MOHW frequently undertook activities legally assigned to MIH without involving the latter, thereby preventing the Institute from fully carrying out its mandate, as shown in Table 10-4.

Table 10-4 Objects of the MIH not met

MIH Act (Section)	Objects of the MIH	Objects potentially not met with MOHW involvement /non-involvement of MIH
4(1) (a)	The focal point for training in the healthcare sector and be the awarding body in respect of training provided by it.	Role as focal point not mentioned in the performance report 2024-25 of MOHW. Many training issues were handled by MOHW only.
4(1) (b)	Organise the training of local health personnel, as well as overseas participants.	MIH organised courses for non-health personnel- Fire and Rescue Services (as per Performance Report of MOHW 2024-25).
4(1) (c)	Run refresher for continuous professional development for, inter alia, medical and dental professionals.	CPD run for 124 doctors out of 1700 doctors of MOHW. CPD for other 1600 doctors run by other CPD providers.
4(1) (d)	Coordinate, oversee and evaluate training of pre-registration medical officers.	No MIH evidence seen in the performance report 2024-25 of the MOHW. Medical Council mainly involved in all pre-registration.
4(1) (g)	Undertake research on health policies and framework.	3 research projects mentioned in the performance report 2024-25 of MOHW.

Source: Annual Report on Performance 2024-25

There was no coordination between MOHW's TCBU and the MIH, leaving the Institute unaware of training opportunities from MoUs and international agreements.

▪ **Non-Compliance of the Central School of Nursing**

The Central School of Nursing (CSN) was found to be operating outside its established regulatory framework as a training institution.

(i) Non-Adherence to Legal Framework

The CSN started conducting Diploma programmes in 2012 without documented evidence that the required legal authority had been obtained.

In the year 2013, CSN signed an affiliation agreement with the MIH to run its diploma courses. The collaborative agreement had not yet been finalised by CSN/MOHW and MIH after more than 12 years.

(ii) Mauritius Qualifications Authority Registration and Accreditation Gaps

For years, CSN operated without registration under the Mauritius Qualifications Authority (MQA) Act, and its nursing and midwifery courses lacked accreditation. This major non-compliance was only rectified in November 2025, when CSN obtained recognised status and accredited its programs.

Root Causes

- The MIH Board was not constituted.
- The Ministry did not harmonise overlapping roles in different legislation resulting in Siloed Operations.
- The Ministry and CSN did not seek accreditation with the Mauritius Qualifications Authority for the courses which it was delivering.

Recommendations

The Ministry should:

- Constitute and empower the MIH Board.
- Develop and implement a formal Memorandum of Understanding delineating the roles between MIH, the Medical Council, and other Councils regarding CPD and pre-registration responsibilities.
- Seek accreditation with the Mauritius Qualifications Authority for the nursing and midwifery courses.

Ministry's Response

- Capacity building in the health sector is not the sole responsibility of the MIH. It is carried out within an institutional framework consisting of the Ministry of Health and Wellness, the MIH, Professional Councils, and other public and international institutions.

Although the MIH Board was not fully constituted during the period under review, the continuity in the organisation and delivery of training was maintained through the appointment of an Acting Chairperson and an Acting Executive Director.

- Pre-registration processes and registration decisions fall fully within the remit of the Medical Council, whereas MIH's role is supportive and educational, rather than regulatory. MIH's involvement in pre-registration is limited to training exposure, induction programmes, and professional readiness activities preceding formal registration.

The Act does not empower MIH to register, license, accredit medical officers, or to duplicate the Medical Council's statutory functions.

Therefore, the conduct of registration-related activities by the Medical Council does not amount to an encroachment on the mandate of the MIH, nor can it be viewed as non-performance by MIH.

- CPD is a sector-wide professional obligation, in which various institutions including professional councils, hospitals, universities, and training centre are also involved. While Section 4(1)(d) and 4(1)(e) empower MIH to organise and promote CPD activities, the Act does not grant exclusive power to MIH in this area. The Medical Council's role in setting CPD requirements, recognising CPD credits, or organising profession-specific CPD activities is consistent with its regulatory oversight function.
- Although the revised MIH Act identifies MIH as a focal institution for training, it does not vest MIH with exclusive authority over all health-sector training activities nor does it deprive the MOHW of its policy, administrative, and international cooperation functions. Training are also dispensed by other training institutions such as UOM, CSCM, CSN. In the context of Government decision to increase capacity building in the area of nursing, health care assisting, paramedical and related specialisation areas, a collaborative agreement between the Ministry of Health and Wellness, CSN and MIH was signed on 10 December 2025.
- The introduction of diploma-level programmes in 2012 was undertaken in response to national service delivery needs and evolving professional standards. Although, there is no documented legal advice, actions were taken within the existing public service framework and under the oversight of the Ministry.
- The collaborative agreement between the CSN (MOHW) and MIH has been signed on 10 December 2025.

10.5.2 Absence of Strategic Planning and Policy in Training Management

The MOHW lacked structured planning, causing training to function reactively and on an ad hoc rather than as a strategic, goal-aligned basis for national healthcare.

▪ Failure to Engage Strategic Partners and Conduct Needs Assessment

Despite Mauritius' WHO membership and commitments under WHA Resolution 64.6 (2011), MOHW did not engage WHO as a strategic partner or utilise its technical expertise to review training legislation and structures. As a result, it remained unclear whether current training systems were effectively designed or integrated.

Furthermore, no comprehensive training needs analysis or professional survey were carried out, leaving gaps in understanding workforce requirements and uncertainty about whether existing training was aligned with the population's needs.

▪ Uncertainty Regarding the Teaching Hospital Project

The construction of the long-envisaged Flacq teaching hospital project (Phase II) had not been implemented. No budget provisions were included in the Public Sector Investment Programme for 2026-2029 to set up the facility.

The MOHW did not seek expert opinion regarding the continued relevance and feasibility of the teaching hospital as a sustainable training and learning environment for the future health workforce.

Root Cause

Poor strategic planning by the Ministry on long-term capacity building of health professionals.

Recommendations

The Ministry should:

- Develop a formal Long-Term Training Strategy and corresponding Annual Action Plans that align workforce needs with MOHW strategic goals.
- Conduct a Comprehensive Training Needs Assessment (TNA) by enlisting WHO or specialised consultants to conduct a sector-wide TNA and professional survey.
- Take appropriate policy decision with regard to the construction of the Flacq teaching hospital

Ministry's Response

- Training interventions are planned through existing mechanisms such as Programme-Based Budgeting, workforce planning and operational requirements while allowing flexibility to respond to emerging public health and clinical needs.
- The funding of WHO is limited. As such WHO prioritises its assistance according to the needs of the Ministry. The assistance of WHO would be enlisted for the identification of training gaps.
- The non-implementation of Phase II of the Flacq Teaching Hospital project and the absence of budget provision in the PSIP 2026–2029 reflect Government's prioritisation and fiscal considerations and do not imply that the teaching hospital concept is no longer relevant. This is a policy decision which depends on appropriate funding. Any future decision on the project will be considered in line with national health priorities and availability of resources. The MOHW continues to rely on existing public hospitals as approved training and learning sites for the health workforce.

10.5.3 Absence of a Training Information Database

Training and financial planning were not supported by a robust information system. This prevented decisions from being judicious, evidence-based and cost-effective.

The MOHW lacked a centralised training information system. No records were available of personnel training histories, including course details, costs, certification outcomes, and the posting or retention status of trained staff.

▪ **Missing Link Between Disease Burden and Training Decisions**

The MOHW had no documented assessment of staff training needs and no mechanism to align training with national diseases, raising the risk that the workforce might lack the skills to address the population's most prevalent health issues.

▪ **Absence of Memorandum of Understanding/Technical Assistance Repertory**

The MOHW did not maintain a centralised and comprehensive database of all Memoranda of Understanding (MoUs), Technical Assistance agreements, and other training-related partnerships signed with local and international health institutions. A review of MOHW records showed that as of June 2025, the Ministry had created some 1,400 registry files relating to Memoranda of Understanding (MoU), technical assistance, and training. However, in the absence of a proper database to manage these agreements, the extent of missed training opportunities could not be determined.

▪ **Financial Implications of Training**

The MOHW was unable to determine the full cost of professional development due to fragmented budgeting. Only Rs 66 million was directly recorded for training fees and MIH expenses in the financial year 2025-26. However, numerous training activities with financial implications that amounted to a minimum of approximately Rs 275 million annually and which included PRB allowances and pre-registration training allowances to 300 trainee doctors totalling Rs 55 million. Over and above, costs incurred to palliate the absence on study leave without pay for 118 Medical Health Officer, totalled Rs 95 million.

Root Cause

The Ministry lacked of a comprehensive training database with respect to medical and paramedical cadre and also lacked a database for MoUs.

Recommendations

The Ministry should establish a:

- Training Information System tracking key metrics such as cost, training type, outcome, posting, and retention status for every staff member.
- Database for compiling all direct and indirect training costs across all fragmented budget lines.

Ministry's Response

- Training-related data are presently maintained in the files of the Training and Capacity Building Unit, certification records held by professional councils and external training providers and actual posting in the Human Resource Division files. The implementation of a centralized training information system depends on the availability of financial and human resources and may be considered on a phased basis subject to the availability of funds.

- Training needs are always guided by prevailing and emerging health challenges, regulatory requirements, and operational exigencies.
- Although there is no comprehensive database of MoUs and training agreements, same are adequately maintained through files for consistent follow up and implementation of training opportunities.
- Training-related expenditures are distributed across multiple budget items in accordance with public sector budgeting principles, programme-based costing, and accrual of costs to the relevant service outputs, rather than being consolidated under a single training vote.

▪ **Non-Implementation of Pay Research Bureau Report 2021 Recommendations**

(i) *Recommendation regarding Training*

The PRB Report 2021 highlighted training as vital for organisational transformation, but its key recommendations were not implemented, as shown in the Table 10-5.

Table 10-5 PRB Recommendations not implemented

PRB 2021 Recommendations	Implementation Status 31 October 2025
Appointment of a Training Manager.	No Training Manager at time of audit.
Establishment of a Training Committee.	No Committee held in 2024-25.
Frequency of the meetings to be at least once every quarterly.	Frequency not known for 2024-25.
Conduct of periodic training needs assessment.	Not known if conducted for period 2024-25.
Elaboration of a short-term training action plan.	Not elaborated according to recommendations of the PRB.
Elaboration of a long-term specific training needs of the Ministry.	No long-term training needs seen for MOHW.
Set up a Training Implementation Committee (TIC) to monitor effective use of the training budget.	Not known if set up.
Reports issued by TIC to the National Planning and Results Committee of MPSAR.	Not known if reports were issued.

Source: PRB Report 2021 and files at the Ministry

The MOHW had no formal training strategy, policies, or guidelines to align activities with strategic goals. Instead, TCBU, created in 2022, handled training requests reactively on an ad-hoc basis rather than proactively managing and optimising opportunities.

(ii) Non-Implementation of the 3-Tier Shift System

The PRB Report 2021 recommended the introduction of a three-tier shift system for Medical /Senior Medical Health Officers (MHO/SMHO) to reduce overtime expenses and alleviate the burden of excessively long working hours. However, MOHW did not implement this measure, citing a shortage of doctors. Despite this justification, official records indicate that 144 MHO/SMHOs were granted study leave during the financial year 2024-25 without any prior cost-benefit analysis. This has resulted in increased overtime costs, night duty allowances, and payments to bank doctors.

(iii) Allowances/Smartphones for Medical Cadres

The PRB Report 2021 recommended that MOHW should, at the earliest, make necessary arrangements for the provision of a smartphone of equivalent value to the allowance payable for the purchase of books and other items to every member of the Medical and Dental Professions who are appointed in a substantive capacity. The concerned officers should continue to be paid an allowance of Rs 13,500 for the purchase of medical books, e-materials, journals and other publications until such time that they are provided with the smart phone.

By November 2025, the allowance was still being paid, leading to an extra cost of Rs 90 million over 4 years compared to the recommended smartphone purchase.

Root Cause

The Ministry did not plan the implementation of the PRB Report 2021 recommendations.

Recommendation

The Ministry should implement the PRB Report 2021 recommendations.

Ministry's Response

- The PRB Report 2021 recommendations are subject to phased implementation, taking into account institutional capacity, staffing constraints, and evolving service delivery priorities.
- The non-implementation of the three-tier shift system was due to existing manpower constraints, service delivery requirements, and the need to ensure continuity of patient care, which did not permit immediate restructuring of duty rosters. The associated overtime and allowance payments were necessary to meet operational needs.

PRB Report 2021 could not be implemented due to an acute shortage of qualified doctors in Mauritius willing to serve as MHO/SMHO in Regional Hospitals as the salary offered by the Ministry and fringe benefits attached to the post are not considered attractive taking into account the heavy investments made by individuals during their medical training.

With regard to the study leave of 144 MHO/SMHOs to pursue post graduate studies forms part of the strategy of the Ministry to have a significant number of specialists in different fields to serve in our hospitals in the near future instead of relying on foreign expertise. There is currently an acute shortage of doctors in specialised areas such as Oncology, Pathology, Interventional Radiology, Anaesthesia.

- The recommendation of the PRB Report 2021 was not implemented as the purchase price of modern phones was quite high and the life span of these phones was 3 to 4 years thus requiring frequent replacement.

Doctors already have their personal phones and are quite reluctant to use a second phone for the purpose of reading e-medical books and e-journals. Access/subscription to e-medical books and e-journals often requires a huge subscription fee which exceeds Rs 13,500 per year.

10.5.4 Control Weaknesses in Training and Development Activities

Training and development at MOHW, including study leaves for MHO/SMHOs, had been undermined by weak controls in leave approval, compliance with Public Service Commission (PSC) and PRB recommendations, recognition of foreign qualifications, documentation and bonding, and oversight of outside work and CPD. These shortcomings threatened service delivery, financial management, and staff retention and promotion.

▪ Study Leaves Without Pay

A total of 144 study leaves were granted to MHO/SMHOs: 118 without pay and 26 with pay for postgraduate courses in anesthesiology and medical imagery under an Accord Cadre with the Universities of Mauritius, Bordeaux, and Reunion. The Accord Cadre was estimated at Rs 95 million over 4 years.

(i) Non-Recognised Institutions

Of the 118 MHO/SMHOs on study leave, 54 studied at foreign institutions not recognised by the Medical Council under the Medical Council (Medical Institutions) Regulations 2016. The MOHW failed to conduct due diligence checks before approving or recommending these leaves.

(ii) Service Disruption

The absence of 118 MHO/SMHOs disrupted service delivery. Despite stating staff shortages to justify not implementing the three-tier shift system, MOHW granted extensive study leaves, overlooking service needs. Palliative measures like overtime and night duty allowances increased costs but the financial impact could not be verified due to missing costing data.

(iii) Missing documentation

For the 118 MHO/SMHOs on study leave without pay, key details-such as institution recognition, course duration, offer terms, and return dates-were often missing, contrary to PRB Report 2021 (para. 16.4.94 G). This made it difficult to ascertain whether study leaves were approved in line with PRB recommendations.

Root Cause

The Ministry did not carry out due diligence regarding those officers proceeding on leave without pay.

Recommendations

The Ministry should:

- Verify the recognition status of foreign medical institutions by the Medical Council *before* approving or recommending study leave without pay.
- Review the policy for granting study leaves to better align with the exigencies of service.
- Enforce compliance with PRB requirements by ensuring all essential information is provided and filed for every study leave.

Ministry's Response

- Recognition of medical qualifications at the point of registration or specialist recognition is the responsibility of the Medical Council in accordance with the Medical Council Act. Officers need to ensure compliance with Medical Council requirements. However, with professional bodies and universities of international repute now accepting the doctors for post graduates training would obviously require an update of the Medical Council list of recognised institutions in 2026. As such, new draft Regulations have already been vetted by the Attorney General's Office and would be submitted for Government approval early next year to enable the 54 Mauritian doctors who studied in foreign institutions to be recognised by the Medical Council.
- As a strategic planning, the Ministry is extending the study leaves to avoid shortage of specialists and doctors in various fields especially as a time when there is new emerging diseases, cutting edge modern technologies and updated procedures are being used for treatment of patients. The study leaves are being approved on the premises that the country would benefit from knowledge transfer in the medical field which is fast and dynamic with ongoing research and technology advancement in major countries.
- While study leaves temporarily reduced staff availability, mitigation measures were implemented through internal redeployment, overtime, and night duty arrangements to maintain continuity of services. MHO/SMHOs were recruited on contract basis on a month to month and yearly contract basis to palliate the shortage of doctors in hospitals.
- Approval for release were based in line with PSC procedures and PRB recommendations. However, Management acknowledges the need to strengthen record-keeping practices and corrective action will be taken accordingly.

10.5.5 Study Leaves with Pay (*Accord Cadre* with the Universities of Mauritius, Bordeaux, and Reunion)

▪ Absence of Public Service Commission approval

As of mid-October 2025, no evidence of PSC approval was found for the training scheme or the nomination of trainees.

(i) Bond Agreement not signed

As of mid-October 2025, the required Bond agreements had not been prepared or signed by the trainees, in breach of Circular No.1 of 2022-Bonding Policy issued by the Ministry of Public Service and Administrative Reforms and paragraph 16.4.81 (iv) of PRB Report 2021.

(ii) Non-Priority Fields of Study

In line with paragraph 16.4.81 (iii) of PRB Report 2021, training courses should be related to the updated list of priority fields of study of the Higher Education Commission (HEC). However, both Anesthesiology and Medical Imaging were absent from HEC's List of Indicative Priority Fields of Study (LIPFS) for 2021-2023 and 2025-2027.

(iii) Lack of Stakeholder Involvement

The LIPFS Working Group did not include MOHW despite the latter being the lead Ministry for healthcare training.

The MIH was not involved in the MOHW's university agreements, even though it already had an existing accord with the University of Bordeaux.

Root Cause

The Ministry did not comply with prescribed Rules and Regulations with respect to leave with pay under the *Accord Cadre*.

Recommendations

The Ministry should:

- Request trainees to sign the Bond agreement to secure staff retention.
- Ensure its inclusion in the HEC's Working Group for the LIPFS to align training with national priorities.

Ministry's Response

- Bond Agreements were signed by four trainees in October 2025 and the bond for the other trainees would be signed once the cost for the practical clinical placement in the Hospitals of University of Bordeaux and University of La Reunion is determined.

- The indicative List of Priority Fields of Study (LIPFS) issued by the Higher Education Commission is a planning guide and not exhaustive. Training in Anaesthesiology and Medical Imaging was approved based on critical service needs in public hospitals, including operating theatres, emergency services, and diagnostic care.
- The composition of the LIPFS Working Group is determined by the Higher Education Commission. The non-inclusion of MOHW was outside the Ministry's control and does not affect the validity of internal workforce planning decisions by the MOHW.

Similarly, the agreement entered into by MOHW with partner universities was an operational arrangement within its mandate and is independent of any existing agreement between MIH and the University of Bordeaux.

The Ministry of Tertiary Education, Science and Research would be consulted for the inclusion of the MOHW representative in the LIPFS.

10.5.6 Control Over Outside Employment and Non-Core Duties

Public officers must obtain prior approval from their Responsible Officer for any outside employment as per Section 10 of the Code of Ethics, while Specialists/Senior Specialists may engage in private practice with the Minister of Health's authorisation under the Public Health Act.

▪ Lack of Database

The MOHW failed to maintain a comprehensive database covering all staff grades engaged in non-core duties or outside employment. Numerous cases were noted where paramedical and medical staff acted as CPD providers or speakers, delivering lectures in medical colleges, universities, and private nursing schools.

▪ Lack of Documentation

No documentary evidence was kept by MOHW regarding CPD activities conducted by approved providers. Although numerous MOHW doctors and public health institutions were accredited as CPD providers by the Medical and Nursing Councils, the details of courses delivered, resource persons involved, and related financial implications were unavailable at MOHW.

Root Causes

- The Ministry did not put in place a system that would ensure compliance with Section 10 of the Code of Ethics.
- The Ministry did not have a database of CPD activities conducted by its officers.

Recommendation

The MOHW should establish and maintain a comprehensive database of all grades of staff involved in non-core duties/outside employment and develop internal guidelines for CPD activities conducted by internal institutions.

Ministry's Response

- CPD activities are coordinated by the MIH, but many courses are run directly by Medical and Nursing Councils, universities, or approved professional bodies.
- Documentary evidence is most probably maintained by the respective providers.

10.6 Non-compliance issues and Operational Gaps at the Government Analyst Division

Background Information

The Government Analyst Division (GAD), which functions as the Chemistry Laboratory of the MOHW, provides essential analytical chemistry services for food and health products.

Analytical chemistry is vital for:

- Measuring the performance and safety of medical products.
- Testing various samples to improve individual health and safety.

In the last 3 years, the GAD had analysed a significant number of samples, corresponding to approximately 30,000 parameters, as detailed in Table 10-6.

Table 10-6 Number of Samples analysed

Financial Year	Samples Analysed
2022-2023	3,080
2023-2024	2,961
2024-2025	3,022

Source: Annual Report MOHW

Total expenditure for GAD activities during the financial year 2024-25 amounted to some Rs 28.5 million. No procurement of high-tech equipment had been made in the last 2 financial years.

Findings

10.6.1 Lack of Preparedness in Enforcement of Legislation

The GAD was not prepared to meet the enhanced testing requirements of the Food Regulations 2024, which included but not limited to:

- (i) Detection of Genetically Modified Organisms (GMOs).
- (ii) Identification of Irradiated Food Products.

- (iii) A broader scope for Pesticide and Veterinary Drug Residue analysis as established by the Codex Alimentarius Commission.

As of October 2025, the broader scope for pesticide and veterinary drug residue testing could not be conducted due to a lack of appropriate equipment (specifications were only sent in January 2025). Genetically Modified Organisms and irradiated food detection were entirely new analytical areas that required both specialised equipment and trained staff.

▪ **Equipment Deficiencies**

Significant weaknesses were noted due to non-functional and missing analytical equipment at the GAD. Out of the 310 items listed in the Master Equipment List, several critical instruments, ranging from high-tech to minor equipment, had been out of service for extended periods.

These deficiencies had severely impacted GAD's ability to perform essential testing and regulatory functions as mandated by the Food Regulations 2024 and the Environmental Protection Act.

▪ **Drinking Water Testing Deficiencies**

Under Regulation 3 of the Environment Protection (Drinking Water Standards) Regulations 1996 and Regulation 145(1)(a) of the Food Regulation 2024, testing for mercury and Colour (Pt-Co) respectively is mandatory. However, it was observed that since November 2024, Colour (Pt-Co) testing in drinking water had been suspended due to a breakdown of the Spectro colorimeter. As of 8 August 2025, 84 drinking water samples remained untested.

▪ **Food Safety Testing Gaps**

The Food Regulations 2024 mandates several analytical tests, which GAD was currently unable to perform due to equipment issues:

- (i) Dietary fibre analysis, required under Regulations 4, 98, 100 and 103 of the Food Regulations 2024, was not being done due to the absence of necessary equipment.
- (ii) Pesticide residue analysis required under Regulation 63c, was not being done due to the long-standing failure of the MS Detector module in the High-Tech Liquid Chromatograph Mass Spectrometer (LC-MS) equipment. This module had been non-functional since May 2018, that is for more than 7 years. The current Gas Chromatograph Mass Spectrometer that was being used cannot detect key pesticides as listed in the Codex Pesticide Residues Online Database, such as, 2,4-Dichlorophenoxy acetic acid (2,4D), Glufosinate, Paraquat, Imidacloprid and Glyphosate

GAD submitted specifications for a new Liquid Chromatograph Triple Quadrupole Mass Spectrometer on 21 January 2025, but procurement exercise had not yet started.

▪ **Clinical and Technical Support Limitations**

GAD also supports clinical diagnostics and technical services for the MOHW. The following disruptions were noted:

- (i) Since June 2022, testing for carbon monoxide poisoning (% HbCO in whole blood) had been suspended due to a broken UV-Vis Spectrophotometer. From November 2024 to December 2024, 5 cases of poisoning screening from Mare Chicose were received, however, the carbon monoxide parameter could not be analysed.
- (ii) Bioavailability testing in medicines had been halted since April 2011, that is for more than 14 years, due to a non-functional dissolution tester.

Root Cause

Delays in the procurement at the level of the Chief Government Analyst led to operational disruptions.

10.6.2 Unavailability of Reagents, Reference Standards, and Testing Materials

Mauritius is a member of the World Health Organization (WHO) Programme for International Drug Monitoring since 2014. The National Pharmacovigilance Committee, established in 2011, plays a key role in ensuring the safety of health products. However, the following limitations in GAD's testing capabilities presented a significant constraint to effective pharmacovigilance and post-market surveillance activities.

In January 2024, the National Pharmacovigilance Unit of the MOHW submitted a list of 97 medicines for post-market surveillance. This was followed by an additional 10 antibiotic products in March 2024. However, as of September 2025:

- (i) None of the 107 listed products had been tested (Physico-Chemical: Uniformity of weight, Size, Friability, Disintegration, Hardness, Identification, Assay, and Bioavailability).
- (ii) GAD lacked the necessary certified reference materials, standards, and reagents.

10.6.3 Hazardous Waste Management

Non-compliance with Environment Protection (Standards for hazardous wastes) Regulations 2001

As of August 2025, the GAD was holding significant quantities of hazardous waste pending disposal:

- (i) Equipment-Generated Waste: 852 kg
- (ii) Expired Chemical Waste (Liquid): 34 kg and 101 litres
- (iii) Expired Chemical Waste (Bottled): 302 bottles (not all full)

The most recent assessment visit by the designated contractor for the hazardous equipment-generated waste collection was conducted on 22 August 2023, with the corresponding waste collection completed in October 2024. No online application had been made by GAD for collection of the waste since June 2023.

Regulation 8 of the Environment Protection (Standards for Hazardous Wastes) Regulations 2001, requires a waste generator to:

- (i) Draw up a quarterly inventory of hazardous waste generated, stored, and disposed of.
- (ii) Forward a copy of this inventory to the enforcing agency.

As of October 2025, the GAD had never submitted any such quarterly return.

10.6.4 Government Assets Register not updated

The Government Assets Register (GAR) was introduced in the year 2017 to facilitate the efficient and effective management of all Government assets. The obligation for Ministries and Departments to utilise the GAR was formally communicated through Treasury Circular No. 16 of 2017 and Circular No. 3 of 2019.

Contrary to the directives, no information had ever been captured or recorded in the GAR by the GAD. This systemic failure applied to the entire inventory of equipment held by the GAD, which, according to the Master List of Equipment, comprised 310 pieces of equipment, encompassing both High-Tech and minor equipment.

Root Cause

The Chief Government Analyst did not ensure compliance with Treasury Circulars on GAR implementation.

10.6.5 Other Matters

Confidentiality and Impartiality Agreement

At the time of accreditation in 2021, all staff members signed the Confidentiality and Impartiality Agreement Form. However, this was a one-time exercise.

It is recommended that the form be signed annually by all staff to reinforce awareness of current expectations and to ensure alignment with any updated policies or procedures.

Emergency Preparedness Plan

During the Laboratory Management Steering Committee meeting held on 21 August 2024, it was proposed that the Emergency Preparedness Plan (EPP) be finalised.

As of September 2025, the EPP was still in draft form.

Inventory Management

According to paragraph 17(a) of Chapter 30.7 of the Financial Management Manual, inventory sheets must be checked annually against furniture on charge and master records.

The last update to GAD's inventory sheet was made in November 2019. No checks were made in the last 6 years.

Recommendations

- The Ministry and GAD should expedite procurement of critical equipment and certified reference materials, standards, and reagents.
- The GAD should engage the designated contractor to start the disposal process for all existing hazardous waste and procure and install appropriate, separate safety cabinets/compartments for hazardous chemical waste.
- A dedicated team should be assigned to input all assets into GAR within a defined timeline.
- All identified non-compliances should be thoroughly reviewed and appropriate corrective and preventive actions should be implemented within specified timelines by the Chief Government Analyst.

Ministry's Response

- *Lack of preparedness in enforcement of legislation*

Genetic testing is not within our mandate. The responsible authority is the Food Technology Laboratory of the Ministry of Agro Industry.

Radiation testing falls under the mandate of the Radiation Safety and Nuclear Security Authority.

GAD had planned, since 2021 to extend pesticide testing to polar pesticides using Liquid Chromatography Mass Spectrometer Triple Quadrupole (LCMSMS) and use the equipment to carry out Veterinary Drug Residues testing. Acquisition of equipment is estimated at Rs 18 million.

This will allow to enhance pesticides testing coverage as per CODEX.

- *Equipment Deficiencies*

As of August 2025, 84 drinking water samples remained untested for colour-testing. GAD tests around 35 different parameters per water sample. The other test parameters are being tested successfully. Colour testing is a low-priority parameter as it can also be screened visually.

Normally, repairs to equipment are carried out within 6-8 weeks if parts have to be shipped from abroad. The equipment supplier, after preliminary diagnostics, stated that it could not carry out repairs locally and the equipment had to be shipped to the manufacturer for advanced diagnostics as approved by the Biomedical Engineer. This led to a longer-than-normal delay in repair.

- *Food Safety and Testing Gaps*

Food Regulations 2024 does not give the authority to the Government Analyst Division to perform all tests in the regulations.

GAD has requested funding for dietary fibre analysis equipment in the budget requirement to the MOHW for financial year 2025-26.

MOHW is currently engaging with UNDP for the provision of Liquid Chromatography/ High Resolution Mass Spectrometry Instrument Under the GEF funded Islands Project.

- *Clinical and Technical Support Limitations*

Specifications for a new instrument as minor equipment were submitted for procurement. However, same could not be procured due to budget constraints.

It is important to note that there have not been any requests for such tests from the pharmaceutical services or samples submitted since many years. However, GAD has proposed to procure a new dissolution tester as part of its project for post-market surveillance of medicines see letter submitted to MOHW with specifications dated 25 September 2025. Provisions for the procurement of dissolution tester will be made in Budget 2026-27.

- *Unavailability of Reagents, Reference Standards and Testing Materials*

The GAD tested 10 medicines present in the list of compiled by the Ministry. The GAD submitted its requirements for certified reference materials, standards and reagents following the compilation of the list from the pharmacovigilance unit in May 2024.

- *Hazardous Waste Management*

The GAD has already submitted the online application for the waste collection.

The GAD was unaware of the Environment Protection (standard for hazardous waste) regulation 2001, where there is a requirement for quarterly reporting on the inventory of hazardous waste generated and forwarding this inventory to the enforcing agency. The GAD has taken note of this and will be adhering to the regulations.

- *Government Assets Register not updated*

It is true that circular No.16 from 2017 and circular No.3 from 2019 were distributed and not implemented at GAD. No staff of the division were aware of the GAR.

- *Confidentiality and Impartiality Agreement*

The GAD agrees to the recommendations for confidentiality impartiality agreement to be renewed on an annual basis.

The GAD agrees to have the emergency preparedness plan be finalized and vetted by the Ministry of Civil Service's Occupational Health and Safety section.

10.7 Food Safety in Mauritius

Background Information

The Public Health and Food Safety (PHFS) Inspectorate Unit is responsible for protecting public health to promote a healthy living environment. It enforces, *inter alia*, the Public Health Act 1925, the Food Act 2022, the Food Regulations 2024, the Quarantine Act 2020 and its Regulations, the Dangerous Chemicals Control Act as subsequently amended, and other related Regulations. There are 13 public health offices manned by some 156 public health and food safety cadre officers.

The Food Safety Control encompasses food hygiene, food seizures, food sampling, food handlers' training, food poisoning, Pre-Market Approval Permit (PMAP), Food Import Unit, Squad Operations, and school canteen inspections.

Findings

10.7.1 Failure in Enforcement of Legislation

- **Poor Implementation of New Legislation**

The implementation of the Food Act 2022 and the Food Regulations 2024 were characterised by shortcomings in planning and operational procedures.

- (i) Lack of Preparedness*

As of October 2025, MOHW did not prepare a clear, structured roadmap for the full implementation of the Food Act 2022, 3 years after it was gazetted.

- (ii) Failure in Food Business Operator Registration*

The MOHW did not have access to the Central Business Registration Database (CBRD) of the Ministry of Finance to ensure compliance with Section 4 of the Food Act 2022.

The local public health offices did not maintain formal, consolidated lists of FBOs operating in their regions. Consequently, the Ministry did not know the extent of food businesses operating, that is completeness of FBOs in the country.

- (iii) Deficiencies in the Food Handler Certificate System*

The Food Handler's Certificate system was not in compliance with Regulation 48 of the Food Regulations 2024.

- ✓ As of October 2025, the old format of the Food Handler Certificate was still being issued, and the required fees of Rs 300 for renewal and Rs 100 for a duplicate were not being collected.
- ✓ Section 14 of the Food Act 2022, which makes FBO liable for the costs of storing or destroying seized articles, was not being implemented because the cost calculation mechanism was still at the draft stage.

▪ **Dismantling of the Mauritius Food Standards Agency**

The Mauritius Food Standards Agency (MFSA), a statutory body established by the MFSA Act 2022 in April 2023, was designed to be a crucial strategic body for food control.

- (i) After nearly 2 years of operation, the Agency was dismantled, while the MFSA Act had not yet been repealed.
- (ii) The Agency incurred expenses of some Rs 1,992,890 from the financial year 2023-24 to 2024-25.
- (iii) The Ministry stated that the functions of the MFSA overlapped with those of the Mauritius Standards Bureau, resulting in a duplication of roles.

Root Cause

There were weak governance, unclear policy direction and poor oversight structures within the MOHW regarding the management of the implementation of the PHFS.

Recommendation

The MOHW should prepare a clear, structured roadmap for the full implementation of the Food Act 2022.

10.7.2 Decreasing Food Safety Inspections and Increasing Foodborne Illness

Data from the last 4 financial years showed a dramatic reduction in core food safety inspection efforts and Improvement Notices Served/Prohibition Orders issued by the PHFSIs, as shown in Table 10-7.

Table 10-7 Food Control Inspections, Improvement Notices served and Prohibition Orders issued

Financial Year	Food Control Inspections			Improvement Notices served and Prohibition Orders issued		
	Food Premises Inspection	School Canteens Inspection	Squad Operation	No of Improvement Notices	No of Prohibition Orders	No of Contraventions established
2021-22	21,394	1,105	3,156	2,849	51	414
2022-23	21,618	1,153	418	3,243	61	549
2023-24	16,143	746	1,681	15,098	36	404
2024-25	11,331	628	685	279	6	54

Source: Annual Report on Performance/Office of the Director Public Health

Food Premises Inspections declined by approximately 47 per cent (from 21,394 to 11,331), and School Canteen Inspections decreased by nearly 43 per cent from 2021-22 to 2024-25.

The reduction in food safety oversight coincided directly with a worrying upward trend in foodborne illness reports, the most common being one being Gastroenteritis. Between 2021 and 2024, the number of gastroenteritis cases increased by some 152 per cent, as shown in Table 10-8.

Table 10-8 Cases of Gastroenteritis treated over 4 years

Year	Attendance of Gastroenteritis cases at Public Hospitals	Attendance at Community Hospitals, Mediclinics, Area Health & Community Health Centres	Total number of cases	Percentage Increase (%)
2021	53,949	55,475	109,424	-
2022	92,430	72,430	164,860	50
2023	122,411	90,582	212,993	29
2024	160,073	115,740	275,813	29

Source: Health Records & Health Statistics Unit

Root Cause

More environmental sanitation inspections were carried out compared to Food Hygiene.

External Review of Food Safety: Assessment and Implementation Gap

The Food and Agriculture Organisation (FAO), funded by the European Union (EU), conducted a major review under the project "Strengthening of Capacities and Governance in Food and Phytosanitary Control." The MOHW served as the lead authority for the Food Control Component and nominated a project coordinator and facilitator in February 2023, whereby a report was prepared by the FAO consultant in January 2024.

While the FAO/World Health Organisation (WHO) report offered a clear roadmap for modernising food control under the new Food Act, there was currently no structured follow-up, monitoring, or progress reporting to prove that implementation was underway. The Ministry had not yet developed a plan to implement the recommendations detailed in the report.

Root Cause

There was no clear strategic direction/plan devised for the implementation of the Report.

Absence of Key Performance Indicators on Food Safety Inspections

The MOHW did not have any clear Key Performance Indicator (KPI) to measure and evaluate the effectiveness, coverage, or frequency of inspections carried out by Public Health and Food Safety Inspectors with regard to food safety and hygiene.

Root Cause

The Ministry did not have an inspection programme detailing the number of visits to be carried.

Recommendation

The Ministry should devise a proper inspection programme on a region-wise basis.

Ministry's Response

- Each District Health Office, the Food Import Unit, the Airport and Port Health Office already has a list of all main food business operators which were previously sought from Local Authorities. But with the advent of the Business Facilitation Act, an update of the list is being awaited from Registrar of Businesses and other stakeholders.
- New Food Handlers Certificate (FHC) as per the Food Regulations 2024 have already been issued to all District Health Offices as from 28 October 2025
- Waiving of the fees prescribed for new Food Handler's Certificate, Renewals and Duplicate Issuance is being looked into. Draft regulations have been transmitted to AGO for vetting.
- A Committee has been set up to look into a calculation mechanism for the costs of storing or destroying seized articles. Section 14 (2) and (3) shall be reviewed consequently as the said provisions constitute enforcement constraints.
- Policy decision on the existence of Mauritius Food Standard Agency Act is being looked into. Establishment of the MFSA did not respond to prevailing national challenges in food control but constituted a source of conflict and duplication of the roles of the Office of Director and that of the MFSA.
- Gastroenteritis is most commonly caused by viral infections from viruses like norovirus and rotavirus. It can also be caused by bacteria such as Escherichia Coli or Salmonella and other parasites, often through contaminated food or water.

An outbreak in Dengue epidemic as from December 2023 to October 2024 with 6,973 cases and outbreak of Chikungunya and Dengue epidemics simultaneously as from March 2025 with 68 cases of Dengue and 1,621 cases of Chikungunya, required the inspectorate to lay more emphasis on vector control.

During those epidemics outbreaks, more time was dedicated to the Control of these Vector Borne Diseases, in the implementation of environmental health control strategies, conduct of field vector control operation, community sensitisation/education, conduct of fever surveys, compilation of data and submission of returns.

- A sudden decrease in the number of Improvement Notices served was observed in financial year 2024-25, this was due to the promulgation of the new Food Act 2022 and Food Regulations 2024. As stated above, printing of new Improvement Notice booklets are underway at the Government Printing. Printing and issue of Certificate of Authorisation to Authorised Officers under the Food Act 2022 was completed only in November 2025. The absence of which prevented Authorised Officers to enforce the law.

The root cause is not due to more environmental sanitation inspections but due to inefficient notification practice by private and Government Medical Officers though required by law under the Public Health Act.

- Regarding the FAO report, an Expression of Interest was launched in the Press with closing date of 29 December 2025 for the Rapid Food Testing so as to conduct screening of food contaminants during inspection and surveillance of food products. The Ministry is looking into proposals of a Modern National Food Control System.
- Regarding KPIs, National food inspection and sampling plans shall be defined once all relevant documents are perused and data collected. A plan of action on the setting up of a dedicated National Food Control Service shall be developed by the end of January 2026.

10.8 Linen and Laundry Management

Background Information

The Ministry of Health and Wellness is responsible for ensuring that hospitals are adequately supplied with clean linen and bedding, and that the laundry operations run smoothly. These activities are financed under the expenditure heads *Cleaning – Laundry Services* and *Clothing and Bedding*.

Findings

10.8.1 Non-compliance with Public Procurement Rules

Under the Public Procurement Act, MOHW was required to prepare an Annual Procurement Plan (APP), establish a Committee of Needs, and ensure inspection of items received. However, the following were noted:

- No APP was prepared for clothing and bedding items for Financial Year 2024-25, and the annual requirement exercise was not carried out.
- No Committee of Needs was constituted. Instead, NAO Officers were informed that informal consultations with hospital users were being carried out.
- Inspection reports for linen items were unavailable, preventing verification of compliance with specifications.

10.8.2 Discrepancies in Pricing and Specifications

The Department Orders Nos. 58, 59, and 60 for linen supplies to Jawaharlal Nehru Hospital (JNH), Brown Sequard Mental Health Care Centre (BSMHCC), Sir Anerood Jugnauth Hospital (SAJH), and Victoria Hospital (VH) were issued in October 2024.

Despite bulk procurement by the Ministry, the expected benefits of centralisation were not realised, as hospitals continued to procure linen items independently. Expenditure at the hospital level totalled some Rs 2.13 million for 3 items, that is, white bedsheets, foam mattresses and blankets.

Significant discrepancies in pricing and specifications were noted regarding purchases of the above items by MOHW and individual hospitals, namely:

Bedsheets: Procured by the Ministry from Company X Ltd at Rs 262.20 per unit were up to 18 per cent higher than similar items purchased regionally from Company B Ltd at Rs 214.76 per unit.

Blankets: Regional purchases ranged between Rs 385.25 and Rs 425 per unit, while those acquired through the Ministry's Departmental Order cost Rs 400.20 per unit and did not conform to the same specifications.

Foam Mattresses: Bought under the Ministry's Department Order from Company C Ltd at Rs 4,255 per unit-up to 50 per cent more expensive than regionally sourced equivalents priced between Rs 2,750.80 and Rs 3,282.10, despite the Ministry procuring in larger quantities.

Root Causes

- The Procurement Officer did not comply with the Public Procurement Act; and
- The MOHW did not coordinate Linen and Laundry Management with the Procurement Unit, User departments and Hospitals.

Recommendations

The Ministry should always abide by the Public Procurement Act by:

- Preparing an Annual Procurement Plan;
- Constituting a Committee of Needs; and
- Considering a centralised procurement for common-use items to leverage on the potential bulk economies of scale.

Ministry's Response

- Henceforth the Procurement section will prepare an Annual Procurement Plan. Committee of Needs for this financial year has already been constituted for the procurement of linen items as well.
- Procurement of bedsheets and similar items at hospital level is done on an adhoc basis due to a non-stock situation. Given that the item is urgently required no mention is made of sample/quality standards/ MSB certificate etc.

- Bulk purchase gets more expensive as bidders factor in the following additional associated costs: -
 - (i) Preparation of the bid submission.
 - (ii) Payment of MSB Test and MSB Certificate.
 - (iii) Insurance cost and transportation cost for onsite delivery.
 - (iv) Provision of non-refundable samples.
 - (v) Provision of Performance Security representing 10% of contract value to be valid 28 days beyond delivery period. In case of non- fulfillment of contract, same is forfeited.
 - (vi) Liquidated Damage may be applicable in case of late delivery.
 - (vii) Contractor has to commit himself for the contractual period.
 - (viii) Contractor has to arrange with manufacturer to supply the customized items as per specifications.

10.8.3 Weaknesses in Contract Monitoring

According to the letter of acceptance for ‘Supply of Bedding and Clothing Items for all Hospitals for a period of one year’, of 16 October 2024, items should be delivered within 12 weeks from the date of the letter of acceptance. Liquidated damages for delays, if any, would be charged at the rate of 0.5 per cent per day of delay.

▪ Tracking of Delivery Dates

The actual delivery dates of procured hospital items could not be verified as the Electronic Inventory Management System (EIMS) recorded only the posting dates of Goods Received Notes (GRNs), which did not necessarily match the actual delivery dates. Since postings were sometimes delayed and delivery notes were unavailable, it was not possible to confirm whether linen items were delivered within the contractual timelines at Jawaharlal Nehru Hospital (JNH) and Brown Sequard Mental Healthcare Centre (BSMHCC).

▪ Late Delivery of Linen Items

Deliveries under DOs 58, 59, and 60 at Sir Aneerood Jugnauth Hospital (SAJH) and Victoria Hospital (VH) were made well beyond the contractual delivery period of 12 weeks, contrary to Clauses 3 and 4 of the Letter of Acceptance. Delays ranged from 7 to 11 weeks across different suppliers and items.

Despite delays and breach of contract terms, neither the Ministry nor the hospitals applied liquidated damages. No evidence of systematic follow-up or enforcement action was found. Failure to apply penalties deprived the Ministry of potential financial recoveries.

Root Cause

There were poor monitoring and management of Department Orders issued.

Recommendations

The Ministry should:

- Enforce Contractual Delivery Timeline by establishing a monitoring framework to track supplier performance against delivery schedules; and
- Apply liquidated damages consistently by enforcing contractual provisions for late deliveries.

Ministry's Response

BSMHCC: In spite of a shortage of Officers (1 APSO and 1 PSO), presently delivery dates are being recorded with an additional Officer (Ag AMPS) who has been recently assigned since one month.

JNH: According to the Manager, Procurement Unit, the Officer in Charge of the General Store is not well versed with the EIMS system. However, henceforth, strict compliance to the system would be observed.

NAO's Comment

Late delivery is considered as from the date the letter of acceptance is issued and not from the date the orders were placed.

10.8.4 Linen and Laundry Management not properly done

Effective linen management across public health institutions requires a clear policy framework, standard operating procedures (SOPs), and regular oversight by the Ministry. These will ensure that stock control, condemnation, replacement, and service quality will be applied consistently across hospitals.

▪ **Absence of a Comprehensive Linen and Laundry Management Policy**

The Ministry did not have a comprehensive Linen and Laundry Management Policy or formal SOPs governing general linen operations. Only a specific SOP addressing linen contaminated with SARS-CoV-2 or other infectious agents was approved in year 2023.

▪ **Absence of a Policy over Linen Write-Offs and Disposal**

Hospitals lacked clear guidance and formal processes for managing linen, resulting in inconsistent practices. Ward Managers often classified items differently, handled write-offs at their own discretion, and discarded linen without authorisation, verification, or involvement of the Linen Officer. Key audit findings showed:

- (i) No structured mechanism for condemnation or disposal of damaged linen.
- (ii) Independent discarding by Ward Managers without proper approval.
- (iii) Absence of condemnation registers or verification certificates in some wards.

- (iv) Linen Section unable to provide supporting records of condemned items.
- (v) Overall, linen management was informal, poorly documented, and not aligned with prescribed responsibilities.

▪ **Absence of Complaint Register and Inadequate Inspection of Returned Linen**

The Ward Managers faced recurring linen management issues, including old items being returned instead of new, exchanges of linen between hospitals, and supply of undersized bedsheets and towels. Complaints were communicated verbally without a formal register, leaving no documentation. As a result, service quality, tracking of recurring problems, or assessment of corrective actions could not be verified.

Root Causes

The weaknesses occurred were due to the following:

- Absence of strategic direction and policy framework at Ministry level;
- Lack of technical guidelines and planning standards for linen management;
- Absence of Ministry-level SOPs for condemnation and disposal;
- Absence of structured reporting requirements; and
- Lack of structured complaint-handling mechanism.

Recommendations

The Ministry should:

- Establish a policy covering procurement, stock control, condemnation, replacement, and service quality for linen and laundry management;
- Implement structured authorisation and documentation processes for condemnation; and
- Introduce a formal linen complaint register at hospital level.

10.8.5 Deficiencies in Linen Handling at Victoria Hospital

Laundry Attendants at Victoria Hospital reported unsafe working conditions due to inadequate Personal Protective Equipment (PPE). Staff lacked proper protective gear (gloves, gowns, face shields), while the supplied gloves were of poor quality and were porous. Additionally, long-sleeved fluid-resistant gowns required under Infection Prevention and Control (IPC) guidelines were not provided.

Root Cause

The Senior Linen Officer did not ensure that Laundry Attendants were provided with proper equipment.

Recommendation

The Ministry should supply staff with IPC-compliant PPE, including long-sleeved fluid-resistant gowns, high-quality gloves, and face shields.

Ministry's Response

- The Ministry will consider working out a comprehensive Linen and Laundry Management Policy. The policy will include clear SOPs for linen classification, usage, storage, and disposal.
- A formal policy on linen write-offs and disposal may be established by the Ministry which will include:
 - (i) Clear authorisation and documentation procedures.
 - (ii) Defined roles for Ward Managers and Linen Health Officers in respect to condemnation and disposal of linen items.
 - (iii) A formal condemnation register to be put in place for physical verification process.
- Exchange of linen items is from the service provider side. However, the Ministry has already taken the initiative to tag all linen being procured centrally with the initials of the respective hospitals. Regional Health Directors will be requested to set up a formal, documented and structured complaint register and an inspection process to track all complaints.
- All PPEs such as gloves, face shields, fluid resistant aprons, cap as recommended for use by IPC are available in the Linen Department and are issued to the Laundry Attendants for use. However, action has been taken for the purchase of Long-sleeved rubber gloves for the Attendants.

10.8.6 Improper Use and Shortages of Javel (Sodium Hypochlorite) in Linen Pre-Wash Operations

It was noted that there was a major non-compliance with IPC guidelines for the use of Javel solution during pre-wash operations across hospitals:

- Incorrect dilution: At VH, staff used quantity of Javel without measuring basin volume. The staff reported using approximately 500 ml of Javel per sink without knowing the basin volume. IPC guidelines required a dilution of 20 ml per litre of water for a 2.7 per cent hypochlorite concentration. Actual practice observed ranged from one to 2 litres of Javel in 3 basins.
- Non-standard soaking times: At JNH, linen was soaked overnight; at VH, soaking exceeded one hour.

- Supply shortages: At VH (Main Linen and Burns Unit), Javel was unavailable for the period February to May and October 2025, leading to pre-wash done without disinfectant and undermining infection control.

Root Cause

The Officer responsible for linen and laundry management did not ensure consistent implementation of IPC Guideline.

Recommendation

The Ministry should conduct periodic refresher training for laundry staff on IPC guidelines, correct dilution ratios, and safe handling of disinfectants.

Ministry's Response

- **JNH:** The Hospital Administration is reviewing the current soaking practices along with the IPC Team to determine the most appropriate and effective soaking times. The possibility of adopting standardised soaking times in line with IPC recommendations is being assessed.

VH: Regular IPC visit done at the Linen Department to monitor the quantity of Javel used by Laundry Attendants. On 5 December 2025, IPC has submitted the number of Javel that Laundry Attendant has to use for each basin as follows: - Basin No. 1: 15 Litres of Javel for 780 Litres of water. Basin No 2: 9 Litres Javel for 453 Litres of water and Bassin No. 3: 7 Litres of Javel for 347 Litres of water

The SOP for Javel Dilution has been affixed in the Linen Department for information of all Laundry Attendants and same has already been implemented.

- Adequate javel is now available at General Store and as such there is no shortage in supply.

10.8.7 Substandard Infrastructure and Linen Storage Conditions in Hospital Departments

Site visits carried out by NAO Officers in October 2025 revealed substandard infrastructure and storage conditions in linen departments and warehouses across hospitals:

- **VH & BSMHCC:** Rodent infestations.
- **SAJH:** Rodent droppings on new linen.
- **BSMHCC:** Roof leakages, peeling paint, and dust contamination affecting clean linen.
- **JNH:** Linen items such as blankets and pillows stored in five containers at the back of the hospital, exposed to dust and moisture.
- **VH:** Clean linen kept in open cupboards, vulnerable to dust and vermin.

Overall, poor storage and maintenance practices compromised hygiene and infection control standards.

Root Cause

The Ministry did not carry out proper supervision on the state of facilities.

Recommendations

The Ministry should:

- Strengthen rodent eradication programs and routine pest management across all linen departments.
- Fix roof leakages, repaint storerooms, and ensure hygienic conditions in storage areas.
- Provide enclosed, dust-proof cupboards and indoor storage areas to protect clean linen.
- Consider setting up a Unit to carry out hospital facilities management.

Ministry's Response

SAJH: Rodent Control effects regular visits and as per the PSO/SPSO General Stores, no such incident has occurred again.

BSMHCC: Cost estimates are being awaited from the Ministry of National Infrastructure for the treatment of the roof leakage problem.

VH: Daily visit is carried out by the Rodent Control team at VH including at the Linen Department.

JNH: Henceforth, the Administration and the General Stores will ensure that all linen items are stored in a safe, secure, and hygienic manner, with better protection from environmental factors such as dust and moisture.

10.8.8 Bedbug Infestation and Pest Control Measures at Brown Sequard Mental Health Care Centre

A report issued in January 2025 by the Vector Biology and Control Division (VBCD) identified severe bedbug infestation in multiple wards of BSMHCC (C1, C2, High Security, and Chronic). The problem was worsened by the discontinuation of regular annual pest control, with services conducted only twice in 2024 and covering a limited number of wards due to budget constraints.

Inadequate Pest Control Measures

Under VBCD guidance, BSMHCC introduced control measures against bedbug infestation, but procurement and budget delays limited full implementation, particularly in relation to vacuum cleaners, insecticides, and new beds. This has resulted in 199 foam mattresses that were procured at a cost of Rs 556,025 during financial year 2024-25 and, followed by an additional 250 mattresses valued at Rs 925,000 in July 2025 to replace those infested by bedbugs.

Part-implementation of the Pest Control and Cleaning Plan

The VBCD recommended that, *“The hospital administration must develop a comprehensive cleaning and insecticide pest control plan. The plan should include a calendar and a ward-by-ward schedule, ensuring coverage of the entire hospital, including offices, records, and consultation rooms, within a three-month timeframe.”*

Although a Transition Ward was set up in April 2025 to support debugging operations, by 27 October 2025, only 7 of 27 wards and some offices had been treated. The comprehensive pest control plan recommended by VBCD was therefore not fully implemented.

Root Cause

The BSMHCC administration did not implement the recommendations of the VBCD Report of January 2025.

Recommendations

The Ministry should ensure that the:

- The comprehensive pest control plan is effectively implemented and monitored by preparing a detailed calendar and ward-by-ward schedule within the prescribed timeframe.
- Periodic inspections should be maintained by VBCD to verify the long-term effectiveness of pest control measures.

Ministry’s Response

In order to control bedbugs at the hospital, since April 2025, one Ward has been Converted into a Transit Ward to accommodate patients from another ward which is isolated for a period of weeks where debugging exercise would be being carried out, as per an already established work programme. This programme has been worked out along with Public Health and Food Safety Unit. So far 9 wards have already been debugged.’

10.8.9 Human Resources Shortages in Linen Departments

A review of staffing levels in the Linen Departments at SAJH, JNH, VH, and BSMHCC revealed serious staff shortages, particularly among Linen Health Officers and Laundry Attendants as follows:

- **SAJH:** Severe shortages (80 per cent for Linen Health Officers, 89 per cent for Laundry Attendants).
- **JNH:** Full staffing for Senior Officers, but 39 per cent shortage of Linen Health Officers and complete absence of Laundry Attendants (100 per cent shortage).
- **VH:** Senior Officers fully staffed, but 33 per cent shortage of Linen Health Officers and 100 per cent shortage of Laundry Attendants (covered by general workers).

- **BSMHCC:** Minor gaps (25 per cent shortage of Linen Health Officers, 50 per cent shortage of Laundry Attendants).

Overall, staffing gaps were most acute in operational roles, with some hospitals facing critical shortages that compromised service delivery.

Root Cause

The Ministry faced difficulty in attracting and retaining qualified Linen Health Officers and attendants.

Recommendation

The Ministry should fill critical gaps, prioritising Laundry Attendants and Linen Health Officers in consultation with the Ministry of Labour and Industrial Relations.

Ministry's Response

Vacancies will be filled in due course.

Non-Functional Laundry Equipment

It was found that essential laundry equipment was not fully functional at several hospitals, undermining efficiency.

- **VH:** One washing machine was out of service since May 2025 and declared beyond repair.
- **SAJH:** One washing machine had remained non-functional since January 2025, despite being under warranty.

Overall, equipment breakdowns across hospitals compromised laundry operations and service delivery.

Root Cause

The Ministry did not develop a structured monitoring system for laundry equipment functionality and repair schedules to address issues in a minimum time delay.

Recommendation

The Ministry should:

- Develop a proper monitoring system and consider setting up a Facilities Management Unit;
- Expedite repair of SAJH's machine under warranty and replace VH's irreparable machine;

- Ensure warranty claims are actively pursued and monitored to avoid financial losses; and
- Establish routine servicing schedules to minimize breakdowns.

Ministry's Response

VH: Request for purchase of an Industrial washing machine at VH was sent to the Ministry on 5 September 2025. Bids were launched at Ministry's level, however, there was no responsive bid. Fresh procurement procedures are being carried to re-launch bids with revised specifications.

SAJH - Spare part for the washing machine is expected within 3 weeks. Repairs will be undertaken free of cost by Larsen and Toubro.

10.8.10 Poor Management of Laundry Services for Hospital Clothing

A three-year laundry services contract worth Rs 233.2 million was awarded to Company A Ltd in April 2020. From 2023 to 2025, 3 new procurement exercises failed due to non-responsive bids:

- (i) Company A Ltd bid 56.9 per cent above cost estimate (2023).
- (ii) Company B Ltd bid without required security (2024).
- (iii) Company A Ltd bid without bank certificate (2024).

To maintain services, the Ministry issued a six-month bridging contract to Company A Ltd in October 2023 for Rs 50.3 million, effective from November 2023 to May 2024. This contract had since been repeatedly extended, most recently up to November 2025 under the same terms.

▪ Limited Competition in the Procurement of Laundry Services

There was a limited number of service providers operating in this sector, and most procurement exercises attracted only one bidder, Company A Ltd. Consequently, the Ministry was relying predominantly on a single supplier for the provision of laundry services.

▪ Lack of Long-Term Strategic Planning

The Ministry lacked a comprehensive long-term strategy for hospital laundry services. Although the Ministry indicated that a cost-benefit analysis had been carried out several years ago and issued an expression of interest in 2021 for consultancy on a National Laundry Service, no documentation or follow-up was provided.

Without updated feasibility studies or strategic planning, the Ministry could not ensure that outsourcing remained the most cost-effective or sustainable option.

This gap was notable since several hospitals (New ENT Hospital, National Cancer Centre, New Eye Hospital and SAJ Hospital) already operated their own laundry services, which could have served as benchmarks for future decisions.

Lack of Verification of Possible Subcontracting by Company A Ltd

In June 2025, the Central Procurement Board advised the Ministry to verify whether Company A Ltd was subcontracting any part of its contract. According to the General Conditions of Contract, the contractor shall not assign or subcontract any portion of the contract without the prior written approval of the client.

The Ministry reported that Company A Ltd had not submitted evidence of subcontracting during the latest procurement exercise. However, the Ministry did not provide documentation showing that it had independently verified or monitored compliance with this contractual requirement.

Scope of Service Not Aligned with Standard Operating Procedures

In March 2023, the Ministry introduced an SOP for handling linen contaminated with SARS-CoV-2 and other infectious agents, later extended to cover all contaminated linen. However, it was found that the bidding documents for laundry services issued in October 2023, after approval of the SOP, did not include the SOP's requirements.

Monitoring of Contractor Performance not done

The bidding documents authorised the Ministry to conduct surprise inspections to assess contractor performance and compliance. No evidence of such inspections or performance assessments were carried out.

Root Causes

The following were noted:

- Lack of long-term strategic planning.
- Poor strategic vision and forward planning by the Ministry.
- Weak contract enforcement.

Recommendations

The Ministry should:

- Carry out a cost-benefit analysis of whether to establish in-house laundry facilities or out-source the activities; and
- Ensure that the conditions of contract are fulfilled.

Ministry's Response

- To ensure continuity of laundry services, the Ministry initiated a six-month bridging exercise in October 2023 through Open National Bidding. SME Mauritius was requested to provide a list of companies operating in the laundry services sector, including their names and contact details. These companies were then informed of the exercise and invited to submit quotations. However, by the bid submission deadline, only one proposal was received, from X Co. Ltd. Contract was awarded to X Co. Ltd for the 6-month period.
- The Ministry may consider carrying out a cost benefit analysis for the establishment of an in-house laundry facilities at health regions or continue outsourcing laundry services.
- Hospital Administrators may be requested to conduct surprise inspection to assess the service provider performance and compliance.

10.9 Rental of Nexsky Building

Background Information

In February 2022, the Occupational Safety and Health Unit (OSU) reported serious non-compliance issues with Section 36 of the Occupational Safety and Health Act at the MOHW offices in the Emmanuel Anquetil Building (EAB). These included (i) overcrowding, (ii) poor ventilation, (iii) shortage of workspace, and unsafe electrical wiring. OSU advised relocating MOHW offices to a safer, more spacious building compliant with OSHA.

In February 2024, an Expression of Interest (EOI) was launched to rent a building with an area of 95,000 sq. ft. with parking facilities to house MOHW offices from EAB and other rented premises.

During the Bid Process, only one bidder, Nexteracom Ltd, submitted 2 proposals:

- Nexsky Building (completed)
- Nexera Technology Park Ltd (under construction)

On 28 February 2024, the Evaluation Committee visited the sites and recommended that the Nexteracom Ltd (Nexsky Building) was the responsive bidder.

Nexteracom Ltd submitted its financial proposal on 24 April 2024 and the contract was awarded on 10 June 2024. In October 2024, MOHW officially relocated from EAB in Port Louis to the Nexsky Building in Ebene.

Findings

10.9.1 Procedural and Financial Irregularities in the Nexsky Building Lease Agreement

▪ Absence of a Signed Lease Agreement

As of October 2025, no lease agreement had been signed between Nexteracom Ltd and MOHW.

▪ Payments Effected Without a Signed Contract

Rental payments were being made solely on the basis of a Letter of Intent and negotiated bid conditions. The Letter of Intent, issued on 10 June 2024, stipulated that the contract would run for an initial period of one year from the signature of the lease agreement, renewable annually for 2 additional years, with a fixed monthly rent of Rs 5,468,332.

Payments disbursed to Nexteracom Ltd since 10 June 2024 to June 2025 totalled Rs 45,325,629. It was further noted that the advice of the Attorney General's Office was not sought regarding effecting payments solely on the basis of the Letter of Intent.

▪ Discrepancy Between Lease Payments and Letter of Intent

The lease payments made to Nexteracom Ltd were not aligned with the terms set out in the Letter of Intent. The Letter of Intent had fixed the monthly rental at Rs 5,468,332 for 85,880 sq ft of office space and 80 parking bays. In December 2024, the rent was revised to Rs 5,519,506 following the allocation of an additional 17 parking bays by Nexteracom Ltd. However, the Letter of Intent was never formally amended to reflect these revised rental terms, creating an inconsistency between the agreed framework and actual payments.

Root Cause

There was poor lease agreement management by the Ministry.

Recommendations

The MOHW should:

- Sign the lease agreement after it has been vetted by the Attorney General's Office.
- Seek legal advice as to whether the rental payments made solely on the basis of a letter of intent are legally in order.

Ministry's Response

- At the time when the letter of intent was issued, the Ministry required 80 parking spaces. After the relocation, additional parking spaces were required to cater for the staff. As such, 17 additional parking spaces were provided, upon the Ministry's request, by the lessor at the same rate as per the letter of intent. As a result, the renting of 17 additional parking spaces were included in the lease agreement which explains the discrepancy in the monthly rental.

- Legal advice has been sought on 11 November 2025 and a reply is still awaited.

▪ **Increase in Rental Expenditure**

Prior to the relocation, MOHW spent Rs 11,414,556 annually on office rentals across several buildings in Port Louis. Following the move to the Nexsky Building in October 2024, annual rental expenditure rose sharply to Rs 56,439,205, representing a six-fold increase on the rent item in the recurrent budget.

While the Nexsky Building alone accounted for Rs 45,325,629 in rental payments from October 2024 to June 2025, most of the previously occupied offices, including Atchia Building, Bacha Building, Mutual Aid, Volcy Pougnet AIDS Unit, and the Health Promotion Shop, continued to be rented, with only Fooks House vacated in February 2025. Multiple leases remained active despite the relocation, further contributing to the substantial rise in rental costs.

Root Cause

There were no proper planning and an absence of a well-coordinated exit strategy for all previously rented premises by the Ministry.

Recommendation

The Ministry should progressively phase out the remaining rented premises by reallocating officers to Nexsky building, subject to space optimisation.

Ministry's Response

The Ministry will cease to rent the building at Volcy Pougnet as the services are being transferred to the Jeetoo Hospital. Similarly, the Ministry will cease the renting of Bacha Building.

As regards the Mutual Aid building, the Ministry has ceased renting the 3rd floor and consideration will be given to shift the services to Level 5 of the EAB after the removal of Asbestos by the PMO.

The Health Promotion Shop cannot be relocated to the EAB as the premises should be easily accessible to the public and is therefore required on the ground floor to carry out health screening for people in Port Louis.

▪ **Operational Deficiencies and IT Infrastructure Failure**

When MOHW relocated to the Nexsky Building in October 2024, key infrastructure such as internet connectivity and telephony systems were not operational, severely disrupting daily work. To provide temporary internet access, the Ministry borrowed outdated network switches from the Ministry of Public Service and Administrative Reforms, which compromised performance and reliability. Telephony services were also delayed, with UPS units rented from Mauritius Telecom in February 2025 for Rs 95,550 to support the PABX system. As a result, telephone services only became functional 4 months after relocation.

Additional deficiencies such as absence of window blinds and fax lines/fax machines, were noted.

Root Cause

There was no proper planning by MOHW before relocation.

Ministry's Response

It was a tedious task to move some 650 officers from various places in Port Louis to NexSky, Ebene.

Pending the installation of permanent IT infrastructure, temporary measures such as provision of business boost lines was made to provide communication to officers. It is to be noted that the Ministry took all measures and was able to provide telecommunication services. As such, there was no disruption in communication.

10.9.2 Deficiencies in Asset Management and Store Procedures

▪ Non-compliance with Store Procedures and Improper Disposal

Damaged furniture that could not be reassembled was improperly dumped at the Old Government Printing building, as shown in Figure 1.



Figure 1 Damaged Furniture

This was not in accordance with requirements of the Financial Management Manual (FMM) regarding the recording and storage of these items.

▪ Absence of a Board of Survey

As of October 2025, the Accounting Officer had not yet convened a Board of Survey to formally assess, recommend, and authorise the write-off of the damaged and lost furniture contrary to the requirements of the FMM.

▪ Idle Serviceable Fans at Emmanuel Anquetil Building

A large number of pedestal fans in good working condition were stored in a locked room at the former EAB premises, as shown in Figure 2.



Figure 2 Idle Pedestal Fans

The rationale provided for leaving these assets behind was that the new Nexsky premises were fully air-conditioned. These were not taken on charge in Store Ledgers contrary to the requirements of the FMM.

▪ **Government Asset Register Not updated**

The MOHW had not updated its records for furniture and equipment in the Government Asset Register (GAR) since 2018. This prolonged failure rendered the GAR unreliable, preventing the accurate ascertainment of the value of assets transferred, damaged, or lost during the relocation.

Root Cause

This situation resulted from poor planning by the Officer responsible for assets management and for the surplus item.

Recommendations

The Ministry should:

- Make a proper assessment of the furniture requirements and take appropriate actions to dispose of surplus/unserviceable items.
- Appoint a Board of Survey for the disposal of obsolete and unserviceable items.
- Carry out a survey and redistribute the serviceable fans where they would be needed.
- Update the Government Asset Register for furniture.

Ministry's Response

- The recommendations of NAO will be taken into consideration.
- Preliminary survey of unserviceable items has been completed. Board of Survey will be set up by end of January 2026.

- The distribution list for the fans to regional hospitals have been finalised.
- A training session on the GAR was held on 26 September 2025 with all regional hospitals. Necessary actions are being taken to update the GAR.

10.10 Non-compliance with Legislation

10.10.1 Non-compliance with Public Procurement Act

- Directive 47 of 21 August 2020, issued by the Procurement Policy Office (PPO) requires public bodies to use the e-procurement system, and for exceptions such as repairs and maintenance, to maintain a register of deviations and submit quarterly returns to the PPO.
- Section 25D (5) of the Public Procurement Act (PPA) also requires records of all quotations invited, received, and approved.
- At the DOSS, these requirements were not met: no quarterly returns of non-e-procurement exercises were submitted, and no official records of quotations were maintained, in breach of both Directive 47 and Section 25D (5) of the PPA.

Root Cause

The Supervisor in charge of DOSS did not comply with the requirements of Directive issued by the PPO.

Recommendation

The DOSS should maintain required registers and submit quarterly returns.

Ministry's Response

The DOSS carries out low value procurements for which paper-based can be carried out.

NAO's Comments

Directive 47 of 21 August 2020 issued by the PPO and Section 25 D(5) of the PPA does not make any exception for low value procurements for which paper-based can be carried out.

10.11 Governance Issues

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of Statutory Bodies with the objective of strengthening accountability and transparency in the public sector.

Risk Management Framework

Background Information

A Risk Management Framework (RMF), which clearly defines the responsibility for risk identification, assessment, and monitoring, has been introduced for public bodies as per Circular No. 8 of 2021 issued by the Ministry of Finance, Economic Planning and Development (MOFEPD). The circular provides detailed guidance on the setting up and monitoring of the RMF at the level of Ministries/Departments, Circular No 8 of 2021.

Findings

- The establishment of the Risk Management Framework (RMF) within MOHW had faced major delays and weaknesses. Although the Accountant General appointed a temporary accountant in December 2024 to assist MOHW. The latter only followed up in July 2025, leaving the RMF process stalled for months.
- The Risk Management Committee was reconstituted in September 2025 but lacked formal approval from the Accounting Officer, and no meetings were held during the financial year 2024-25.
- By November 2025, most hospitals had not submitted full risk assessments. Only the Sir Seewoosagur Ramgoolam North Hospital provided a comprehensive report, while other hospitals submitted partial departmental registers. The Sir Aneerood Jugnauth Hospital had not held any brainstorming sessions.
- The RMF policy and list of risk owners remained in draft form, reflecting continued gaps in governance, planning, and implementation.

Root Cause

Lengthy process in the preparation of the RMF can expose the Ministry to unmanaged risks.

Recommendation

The Accounting Officer should expedite the process for the preparation of the RMF.

Ministry's Response

A meeting was held with the Deputy Director of the Internal Control cadre on 17 September 2025, following which the risk register has been prepared based on inputs received from different Units of the Ministry. The Risk Management Framework applies across the Ministry of Health and Wellness, encompassing all divisions, units, sections, and functions.

The Risk Register has been developed and is currently at validation stage.

Government Asset Register

Background Information

The Government Assets Register (GAR) was introduced in the year 2017 to facilitate the efficient and effective management of all Government assets. Its successful implementation across all Ministries and Departments is a prerequisite for the preparation of Government financial statements in compliance with International Public Sector Accounting Standards (IPSAS). The obligation for Ministries and Departments to utilise the GAR was formally communicated through Treasury Circular No. 16 of 2017 and Circular No. 3 of 2019.

Findings

- MOHW did not comprehensively fill the GAR for the financial year 2024-25, breaching statutory reporting obligations.
- No list of assets purchased during the financial year 2024-25 was provided to Audit, preventing assessment of possible undervaluation.
- No signed GAR Asset book reconciliation form was sent to the Treasury, meaning assets acquired in the financial year 2024-25 were not recorded.
- As of 30 June 2025, the GAR was last updated in June 2022, showing Rs 489.5 million in assets, with no entries for acquisitions over the past three financial years.
- Damaged assets from the Ministry's relocation to Ebene were not accounted for.

Root Cause

Due to inadequate training and shortage of human resources, GAR was not updated.

Recommendation

The Ministry should ensure the validity of assets already recorded in GAR till June 2022 and should assign a dedicated team to input all assets into the GAR within a defined timeline.

Ministry's Response

The GAR has not been updated due to

- (a) Lack of trained officers who were transferred;
- (b) IT equipment at level of hospital; and
- (c) Issues with the platform.

A training session on the GAR was held on 26 September 2025 with all regional hospitals. Necessary actions are being taken to update the GAR. However necessary human resource and equipment would be needed.

Key Performance Indicators and Outcome Indicators

Findings

▪ Mortality Rate due to Non-Communicable Diseases

Mortality from Non-Communicable Diseases (NCDs) was 664 per 100,000 persons in the financial year 2024-25, exceeding the target of less than 575. Deaths due to NCD increased from 7,798 to 7,970 during the same period. This was significantly higher than WHO figures from 2013–2019, which ranged between 577 and 597 per 100,000, showing a worsening trend.

▪ Reduce Prevalence of Non-Communicable Diseases

Implementation of the National NCD Plan reached only 30 per cent against a target of 45 per cent as of June 2025. This represented a modest 10 per cent increase compared to the previous year, highlighting slow progress in reducing NCD prevalence despite the growing burden.

▪ Improve Neonatal Services

The Ministry aimed to procure 60 neonatal ICU ventilators in the financial year 2024-25 but procured only 32, as per the Annual Performance Report 2024-25. Procurement records were unavailable, discrepancies in reported numbers were unexplained, and the Medical Equipment Department was unaware of figures published in the Annual Performance Report. There was no evidence of action taken to procure the remaining 28 ventilators, leaving neonatal services under-resourced.

Root Causes

The shortcomings were due to:

- Insufficient implementation of preventive and early-detection interventions;
- Delayed operationalisation of the National NCD Plan;
- Weak internal communication and information management; and
- Lack of accountability mechanisms for capital-equipment procurement.

Recommendation

The Ministry should set up a Monitoring Committee to ensure that targets are achieved.

Ministry's Response

- The increase is influenced by demographic shifts, notably a declining total population and a progressively ageing population. Overall, this underscores the importance of using age-standardised mortality indicators for monitoring trends in non-communicable diseases (NCDs). In the context of population ageing and demographic change, crude

mortality rates are not optimal indicators for assessing temporal trends, as they are highly influenced by shifts in population age structure. The use of age-standardised mortality rates is therefore more appropriate, as they adjust for these demographic effects and provide a more accurate measure of underlying mortality risk.

- The implementation of National NCD Plan is supported by a combination of health promotion activities, regulatory measures, and ongoing public health interventions implemented nationwide.
- The Superintendent Healthcare Technology Workshop has reported that there are 42 functional NICU Ventilators in the 5 regional hospitals. The discrepancy may be due to some faulty ICU ventilators which were under repair at the workshop. Procurement for the remaining units will be initiated subject to availability of funds in the forthcoming financial year.

10.12 Follow-up of Recommendations raised in the Audit Report 2023-24

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2023-24 is summarised. Out of 26 recommendations, 17 (66 per cent) have been implemented, 4 (15 per cent) have been partly implemented and 5 (19 per cent) have not been implemented.

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Post-Completion Audit for the renovation and construction of the National Cancer Centre Hospital (Page 407)				
1	Absence of Architects, Quantity Surveyors, Electrical /Mechanical Engineers or Accountants in the Project Implementation Unit. (Pg 409, Para 19.1)	The MOHW could set up a Project Implementation Unit with qualified personnel to oversee capital projects. (Pg 415, Para 19.1)	The Ministry of Health and Wellness has a small Project Implementation Unit (PIU) of 3 Civil Engineers and 2 Technical Officers, while all specialised technical and professional services are provided by the Ministry of National Infrastructure.	Implemented
2	<i>The National Cancer Centre was not operationalised as a Centre of Excellence.</i> Constructed facilities as of November 2024 were mainly idle or used for non-clinical purposes. (Pg 413, Para 19.1)	The MOHW could prepare Operational Strategy and Plan that would ensure when construction is completed, services are delivered to the satisfaction of patients. (Pg 415, Para 19.1)	The NCC is fully functional as a Centre of Cancer as from 8 May 2024.	Implemented
Effectiveness of the National Cancer Centre (Page 415)				
3	<i>Inadequate monitoring of the National Cancer Control Programme (NCCP).</i> The NCCP was not carried out in a sustained and effective manner by the Ministry. (Pg 415, Para 19.2)	The Ministry could elaborate a comprehensive NCCP with well-defined targets, time frames and allocation of responsibilities. (Pg 420, Para 19.2)	Five subcommittees were set up for monitoring of the NCCP. However, the subcommittees did not meet regularly. In addition, only three steering committees were held chaired by the then SCE of MOHW. An evaluation of the NCCP would be carried out to identify gaps and recommendations would be made to improve the next NCCP.	Partly Implemented
4	Absence of a human resource plan for recruitment of health professionals. (Pg 418, Para 19.2)	The Ministry could consider recruitment of health professionals to enable the National Cancer Centre to operate as a centre of excellence. (Pg 420, Para 19.2)	A human resource plan has been worked out for the New Cancer Centre (Now National Cancer Centre).	Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
5	Structural set-up of cancer-related services provided by Regional Hospitals not reviewed. (Pg 417, Para 19.2)	The Ministry could set up a Monitoring Committee at the Ministry to coordinate the activities and operations of health institutions dispensing cancer care services and to ensure the implementation of the NCCP. (Pg 420, Para 19.2)	Cancer care has been decentralised to regional hospitals to improve access, reduce travel, and provide more convenient and timely chemotherapy and follow-up services for patients. In addition Cancer related services is being provided at SAJ Hospital since 2024'	Partly Implemented
Digitalisation of health services through an effective e-Health system (Page 421)				
6	Absence of feasibility study and cost comparison not carried out prior to signature of portfolio agreement. (Pg 421, Para 19.3)	The Ministry could consider establishing a team of full-time professionals dedicated to the implementation of the project with clearly defined realistic milestones factoring in potential contingencies. (Pg 424, Para 19.3)	The Project Monitoring Unit comprising CIB and CISD staff has been set up to oversee the eHealth project.	Implemented
7		The Ministry could set up of a HighLevel Project Steering Committee comprising of the Ministry of Health and Wellness, Ministry of Information and communication Technology and Innovation and Ministry of Finance and any other stakeholder the Ministry deem fit. (Pg 424, Para 19.3)	An Inter-Ministerial Committee has been set up to oversee the eHealth project, and a soft launch has already been conducted at SAJ Hospital for training using live data.	Implemented
8		The Ministry could consider tracking the project with an appropriate project management software. (Pg 424, Para 19.3)	As tracking mechanism for the project, regular meetings are held with UNDP, the consortium and the Project Management Unit to address issues and resolve project bottlenecks.	Not Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
9	Training of staff in office applications, information security and basic PC skills not carried out. (Pg 423, Para 19.3)	The Ministry could consider preparing an Awareness and Training Plan so as to mitigate resistance to the changeover to the new system. (Pg 424, Para 19.3)	Staff training was conducted with the Civil Service College, a programme is underway at SAJ Hospital, and it will be rolled out to other hospitals.	Implemented
10	The Digital Health Agency (DHA) incorporated in September 2024 to drive the digital transformation of health care, was not yet operational. (Pg 424, Para 19.3)	The Ministry could consider setting up the DHA to drive the digital transformation of healthcare. (Pg 424, Para 19.3)	Digital Health Co Ltd was incorporated on 19 September 2024, and two meetings were held in June and July 2025.	Implemented
Effectiveness and Efficiency of Angiography/ Angioplasty Services in Public Hospitals (Page 425)				
11	Absence of Guideline regarding minimum waiting time for an angiography/angioplasty (Pg 425, Para 19.4)	A defined waiting timeframe should be devised to give appointments to the patients or an alternative mechanism be explored to clear the existing backlog of cases and reduce the timeframe for appointments. (Pg 428, Para 19.4)	Due to patients being admitted with Acute Coronary Syndromes and Acute MI, they get priority on a waiting list. Those patients who are stable with stress test positive are given dates as per their position on the waiting list. The waiting list at Dr A. G. Jeetoo Hospital is the shortest with 135 patients as at August 2025 and 5-6 cases are done on a daily basis.	Implemented
12	Absence of a Maintenance Schedule for Angiography Machines. (Pg 426, Para 19.4)	The Ministry should devise a policy on the acquisition, maintenance and replacement of the angiography machines. (Pg 427, Para 19.3)	A replacement policy for medical equipment has been set up. However, acquisition of new medical equipment is subject to availability of funds.	Implemented
Mauritius Health System Resilience to face a resurgence of infectious diseases (Page 428)				
13	Public Health Act 1925 outdated. In January 2021, the WHO Regional Office offered the services of a consultant to review the Public Health Act. However, the Ministry did not avail itself of these services. (Pg 429, Para 19.5)	The Ministry should make necessary amendments to the Public Health Act. (Pg 433, Para 19.5)	WHO's assistance was sought to support the Ministry in reviewing the Public Health Act 1925. WHO has appointed a Consultant since November 2025 and the latter has submitted the draft Inception Report in December 2025.	Partly Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
			The final inception report was received in January 2026. The Consultant will submit a draft bill by April 2026. Thereafter, the Bill will be submitted for inter-ministerial consultation by June 2026.	
Mauritius Health System Resilience to face a resurgence of infectious diseases (Page 428)				
14	Public Health Act 1925 outdated. In January 2021, the WHO Regional Office offered the services of a consultant to review the Public Health Act. However, the Ministry did not avail itself of these services. (Pg 429, Para 19.5)	The Ministry should make necessary amendments to the Public Health Act. (Pg 433, Para 19.5)	WHO's assistance was sought to support the Ministry in reviewing the Public Health Act 1925. WHO has appointed a Consultant since November 2025 and the latter has submitted the draft Inception Report in December 2025. The final inception report was received in January 2026. The Consultant will submit a draft bill by April 2026. Thereafter, the Bill will be submitted for inter-ministerial consultation by June 2026.	Partly Implemented
15	Potential health hazards A State Party Self-Assessment Annual Reporting Tool was carried out by MoHW in 2022 and revealed the absence of procedures, mechanism, guidelines, plans, quality standards to detect, assess, notify and respond to any public health event. (Pg 429, Para 19.5)	The Ministry should prepare the National Infectious Disease Prevention Plan. (Pg 433, Para 19.5)	National Action Plan for Public Health Security (NAPHS) and a plan on drug-resistant infections was developed. Due to lack of funding, the NAPHS was not approved. However, a National Health Emergency Response Operations Plan (NHEROP) is currently being developed, and given financial constraints, creating new plans may not be feasible.'	Not Implemented
Procurement of Drugs (Page 436)				
16	As of November 2024, the Hospital Hygiene and Infection Control Unit had not been set up due to the non-creation of posts. (Pg 430, Para 19.5)	The Ministry should set up the Hospital Hygiene and Infection Control Unit. (Pg 433, Para 19.5)	Due to financial constraints, the Hygiene and Infection Control Unit cannot be considered at this stage. However, IPC teams at the level of hospitals have been set up.	Not Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
17	Shortage of resources at the Communicable Diseases Control Unit for effective performance of its roles and responsibilities (Pg 430, Para 19.5)	The Ministry should address human resource management issues at the Communicable Diseases Control Unit. (Pg 433, Para 19.5)	Two additional Community Physicians have been posted at CDCU to reinforce the Unit. There are presently no human resource management issues.	Implemented
18	Electronic Inventory Management System not optimally used. Information such as maximum/minimum stock and reorder levels were still not fed into the system to improve stock management. (Pg 437, Para 19.7)	The Pharmacy Unit of the MOHW should work out the Stock Control Levels and feed them into the EIMS to avoid stock-out issues. (Pg 439, Para 19.7)	In July 2025, the Ministry of Finance trained hospital pharmacy staff to manage minimum and maximum reorder levels. Bridging purchases are made to prevent stockouts. Due to staff shortages, EIMS data entry was delayed but is now assisted by Pharmacy Technicians. Challenges include untimely EIMS updates and stock kept in multiple locations, complicating inventory control.	Implemented
19	<i>Expired Pharmaceutical Items</i> During the financial year 2023-24, 157 pharmaceutical items totalling Rs 31.2 million had expired at the Central Supplies Division (CSD) and 4 Regional Hospitals excluding Sir Anerood Jugnauth Hospital. (Pg 437, Para 19.7)	Actual usage should be taken into consideration by health institutions when compiling figures of Annual Requirements to minimise the risk of expired items. (Pg 439, Para 19.7)	Annual drug requirements are determined using consumption trends, outstanding orders, and procurement activities, with Regional Pharmacy Technicians and clinical experts reviewing figures before final approval. Wastage due to expiry is managed through redistribution of near-expiry drugs, strict application of the FEFO rule, timely EIMS updates, delivery of products with sufficient shelf life, and phased deliveries for large-volume items. Wastage under 2% of annual consumption is considered acceptable.	Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
20		MOHW may consider seeking technical assistance in putting in place a more robust annual procurement planning system. (Pg 439, Para 19.7)	Due to staff shortages, Pharmacy Cadres now handle EIMS inputs to improve stock management. With this measure it is expected that procurement planning will improve with better stock management.	Not Implemented
21	<i>Local Purchases due to out-of-stock at Central Supplies Division</i> The Ministry had recourse to local purchases totalling Rs 13,243,571 during the financial year 2023-24 for the purchase of listed drugs which were out-of-stock at the CSD. (Pg 437, Para 19.7)	Proper oversight should be done by the Ministry to avoid stock-out. (Pg 439, Para 19.7)	A Pharmacist/Senior Pharmacist assists the Procurement Unit in monitoring low-stock drugs and activating deliveries to prevent shortages. Urgent action is needed to address staff shortages in the Procurement and Supply cadre for effective stock management.	Implemented
22		The MOHW could consider the setting up of a Hospital Management Committee at the Regional Hospital level. (Pg 439, Para 19.7)	Monthly CSD meetings review out-of-stock drugs with hospital pharmacists, and RDTCs are encouraged to monitor both listed and non-listed drugs. While stockouts can occur due to overseas supply issues, corrective actions—including limiting temporary local purchases—have reduced reliance on local procurement over time.	Implemented
Excessive Overtime (Page 439)				
23	<i>Absence of monitoring by the MOHW resulted in Overtime payments above Estimates.</i> Since 2021-21, actual overtime paid by MOHW exceeded the voted provisions by more than 4 times. (Pg 441, Para 19.8)	The Ministry should carry out a comprehensive human resource audit to identify the reasons for persistent increases in yearly overtime payments. (Pg 441, Para 19.8)	In 2023/2024, Rs 150M was initially allocated for hospital overtime but was exhausted by September, requiring Rs 338.6M from basic salary funds. A further Rs 621M requested from Contingencies and Reserves was not approved. Overtime exceeded estimates due to unpaid prior-year claims, unfilled vacancies, insufficient approved positions, staff absences, disease outbreaks, and expanded services. Measures to control overtime include prior approval with justification, six-month	Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
24		A Human Resource Plan should be prepared based on the long-term needs of the Ministry. (Pg 442, Para 19.8)	limits, monitoring circulars, fast-tracking recruitment, and improving operational efficiency. An annual HR Plan is prepared for budget submissions, but requests for staffing levels needed to meet operational needs are rarely approved.	Implemented
Governance Issues (Page 442)				
25	<i>Risk Management Framework</i> As of November 2024, a signed Risk Management Policy approved by the Accounting Officer and a Risk Management Register as per the guideline were still pending. (Pg 442, Para 19.9.1)	The Accounting Officer should expedite the process for the preparation of the Risk Management Framework. (Pg 443, Para 19.9.1)	With a view to comply with the R.M.F Circular No. 8 U.F 2021 issued by Ministry of Finance, the Risk Management Committee was reconstituted in September 2025 with the guidance of the Internal Control Unit at the Ministry. Several meetings were held with all stakeholders including Regional Health Directors of Hospitals. In view of the complexity of the Framework related to hospital environment, it is deemed reasonable that the process of risk identification and finding mitigated solutions in an array of risk areas that exist in hospital set up operating on a 24/7 basis would rest on a time span of significant duration. In spite of the latent advancement during the past few months, the process has now gained momentum and is now at validation stage. This would ensure that the Risk Register is robust and fully aligned with the Ministry's governance and risk management objectives.	Not Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
26	<i>Key Performance Indicators and Outcome Indicators not achieved.</i> The mortality rate due to Non-Communicable Diseases, target to implement 45 percent of the National NCD Plan 2023-2028 in financial year 2023-24, improvement of Neonatal Services and Digitalisation of health services through an effective e-Health system were not achieved. <i>(Pg 444, Para 19.9.4)</i>	The MOHW should set up a Monitoring Committee to ensure that KPI and outcome indicators are achieved. <i>(Pg 445, Para 19.9.4)</i>	A quarterly Monitoring Committee, chaired by the Ag. SCE and including Administration, Finance, HR, and Technical officers, has been established to oversee all budget-related matters.	Implemented

11 – MINISTRY OF TOURISM

11.1 Key Performance Indicators not achieved

Background Information

Key Performance Indicators (KPIs) are measurable tools used to track progress towards strategic goals. For Ministries and Government Departments, they play a vital role in ensuring accountability and effective performance management.

Finding

Four of the 7 targets set by the Ministry of Tourism (MoT) in the Estimates 2024-2025 were not achieved. These included 2 for the Ministry and 2 for the Tourism Authority as shown in Table 11-1.

Table 11-1 Targets set for KPIs not achieved for the Financial Year 2024-25

Main Service	Key Performance Indicators	Target 2024-25	Actual 2024-25
Improve and diversify tourism produces-(MoT)	Number of Tourism Signage Panels	50	NIL
Improve safety and security at sea-(MoT)	New Zoning systems	2	NIL
Sustainable Tourism Unit-Tourism Authority	Number of engaged operators on the Horizon. Eco platform	500	NIL
	Number of Certified Global Sustainable Tourism Council Operators	50	NIL

Source: Ministry's Records

Root Cause

There were inadequate monitoring and follow-up by the Accounting Officer to ensure that the targets set were achieved.

Recommendations

- The Accounting Officer should devise a proper framework and methodology for setting KPIs following the introduction of the Performance-Based Budgeting.
- The Ministry should take into account the resources available and set realistic and achievable KPIs accordingly.

Ministry's Response

- The contract for the maintenance of tourism signage panels was awarded on 19 February 2025. Works started on 30 June 2025, and as of 13 September 2025, 52 tourism signage panels were installed.
- The award of the tender for the enlistment of a Contractor for the zoning of the lagoon project, launched on 5 November 2025, is still ongoing.
- As the Horizon.Eco platform is dormant since July 2024, the target could not be achieved.
- The Tourism Authority did not provide the number of GSTC3 Green Certified Operators in Mauritius. Both the Tourism Authority and the MoT were not aware of the rationale behind it.

11.1.1 Delay in implementation of the Ten-Year Tourism Blueprint

Background Information

In line with the Budget Speech 2022-23, the services of the World Bank were enlisted on 1 February 2023 to develop and implement the Tourism Blueprint for the years 2024 to 2033. The scope of the Blueprint was to cater for the future of the tourism sector with the main objective to provide a framework and strategic direction for tourism stakeholders and to ensure sustainable growth in the tourism sector.

The key recommendations, among others, were:

- Prioritise and operationalise new Tourism Development Law.
- Prioritise Short-Term Rental (STR) registration and licensing process.
- Develop licenses to formalise in-demand services such as hiking guides by June 2025.
- Prioritise development of investment and improvement plans for public assets; National Trails Strategy and action plan to survey, identify and promote an investment strategy.
- Adopt green-building certification for all tourism-related buildings.

As of 30 June 2024, payments totalling USD 375,000 equivalent to Rs 16.8 million were effected.

Finding

As of September 2025, that is, 16 months after submission of the Tourism Blueprint on 22 May 2024, same was not yet approved for implementation.

Implication

A clear and actionable roadmap for the long term transformation of the tourism sector was delayed. It might harm growth of the tourism sector and revenue generation.

Recommendation

The Ministry should ensure that the approval of the Tourism Blueprint is obtained at the earliest so as to enhance tourism growth, address new challenges, and take advantage of emerging opportunities to increase the number of tourist arrivals which has remained nearly stagnant over the years and enhance the revenue generated by the Tourism Industry.

Ministry's Response

An updated version of the first draft received was expected by the third week of January 2026.

11.1.2 Slow Growth in Tourist Arrivals

A review of grant disbursed for the promotion of tourism by the Mauritius Tourism Promotion Authority (MTPA), tourist arrivals and gross earnings for the past 7 financial years are shown in Table 11-2.

Table 11-2 Grants Disbursed to MTPA, Tourist Arrivals and Gross Earnings

Financial Years	Grant Rs Million	No of Tourist Arrivals	% Increase /(Decrease) of Tourist Arrival	Gross Earnings Rs Billion	% Increase/ (Decrease) of Gross Earnings
2016-17	837.2	1,901,086	65.0	58.0	9.0
2017-18	585.3	1,362,866	(28.3)	64.4	11.0
2018-19	573.9	1,402,625	2.9	61.6	(4.34)
2019-20	630.3	1,038,287	(25.9)	48.4	(21.4)
2022-23	726.2	1,217,200	120.0	81.3	105.0
2023-24	820.9	1,344,493	10.4	88.7	9.1
2024-25	575.0	1,395,537	3.79	96.6	8.9
Total	4,748.8				
Average		1,380,300			

Source: Annual Report of MTPA and Handbook of Statistical Data

The financial years 2020-21 and 2021-22 are excluded as they would have distorted the average number of tourist arrivals which was significantly low during the COVID-19 period due to travel restrictions and health concerns.

Findings

- There was no significant increase in tourist arrivals, for the period 2016-17 to 2024-25, despite the disbursement of grant totaling some Rs 4.7 billion, with the primary aim to promote Mauritius as a competitive and attractive tourist destination. An average of 1.38 million tourists visited Mauritius during these periods.
- For the same period gross earnings ranged from some Rs 58 billion to Rs 96.6 billion, representing a 66.5 per cent increase.
- The KPI targets for tourist arrivals was projected at some 1.4 million for the next 3 financial years 2025-26, 2026-27 and 2027-28 with a total grant forecast of Rs 1.1 billion.

Root Cause

An approved framework and a clearly articulated strategic direction for the tourism sector were not yet approved, thus hindering the tourism industry to become an engine of sustainable growth.

Recommendations

- The Tourism Blueprint should be finalised and approved at the earliest to address long-term planning issues and to ensure markets development which are essential to restore growth and competitiveness in the industry.
- The targets set for the number of tourist arrivals should be realistic and growth oriented.
- The forecast for Mauritius should be aligned to a long-term vision and direction to boost the tourism sector.

Ministry's Response

- The KPI for the number of tourist arrivals was based on the trend of past years.
- Consultations were held with the World Bank and a new strategic plan is being worked out.

11.1.3 Inadequate Investment Monitoring of the Liverpool Football Club Project

Background Information

The aim of the Liverpool Football Club Project (LFC) was to provide promotional rights to market Mauritius as a tourist destination across key markets in Europe, Africa, and Asia over a 3-year period, that is from financial years 2017-18 to 2024-25 excluding the COVID-19 pandemic period.

An amount of GBP 7.5 million, equivalent to some Rs 417 million was paid to LFC through MTPA over a period of 3 years and the third and last instalment of Rs 205 million was paid on 25 August 2023.

Finding

There was no evidence that any post-campaign assessment was conducted.

Root Cause

No follow-up of the LFC project was done.

Recommendation

Follow-up of the outcome for forthcoming projects should be done to ensure that value for money is obtained.

Ministry's Response

The Ministry took note of certain exaggerated expenses, including the LFC project. The Office of the Public Sector Governance was mandated to carry out a “Financial, Operations and Governance Review” at the MTPA. The exercise is ongoing since June 2025.

11.1.4 Lapses in Management of La Citadelle

Background Information

Since April 2012, La Citadelle, a National Heritage Site, falls under the aegis of MoT. All major development decisions and maintenance were made and funded by the MoT while the Tourism Authority was responsible for cleaning and security.

As of 30 June 2025, some Rs 43 million was spent on construction and infrastructure works to transform La Citadelle into a cultural and commercial hub for both tourists and locals.

Findings

- Health and Safety inspections were carried out at La Citadelle on 24 April 2024, 6 May 2024, and in January 2025 by the Tourism Authority Safety and Health Officer. However, no action was taken with respect of the following issues highlighted:

- (i) The site operated without a valid Fire Certificate and fire evacuation plan.
- (ii) Fire safety signage was missing and there was inadequate lighting on emergency routes and yard.
- (iii) There was no fire/emergency warden team for evacuation.

- **Site Visit**

During a joint site visit conducted on 17 September 2025 by NAO Officers and the Supervisor from the Tourism Authority Cleaning and Embellishment Unit, it was noted that the health and safety concerns were partially attended by the Ministry. Other shortcomings noted were as follows:

- (i) A valid Fire Certificate or fire evacuation plan was still missing.
- (ii) All 14 commercial slots were vacant.
- (iii) Lack of adequate fire safety and exit signage was noted.
- (iv) Access to the Emergency exit routes was under key and was obstructed with potted plants, plastic barrels, decorative items and bags.
- (v) Only 3 of the 4 tube lights in the right wing of the yard were lighted.
- (vi) Fog lights and CCTV cameras in the yard were not operational.

▪ **Maintenance Policy and Plan**

Maintenance activities were mostly reactive rather than preventive. As of September 2025, the Ministry had no site maintenance plan. Projects were being implemented in a piecemeal basis without a long-term, integrated tourism development approach in consultation with all stakeholders.

▪ **Rental of commercial slots**

In September 2016, the Valuation Department advised that repairs were needed before leasing. Significant investment amounting to Rs 37 million was made prior to the financial year 2019. Nine years later, the 14 commercial units were still not in a rentable condition. Hence, the aim of attracting tourists to the site through the rental of commercial spaces was not achieved.

▪ **No Fire Certificate**

La Citadelle, a national heritage site was operating without a valid Fire Certificate, which was in contravention of legal requirement.

Implications

- The substantial investment in the renovation of commercial units did not yield value for money.
- The absence of a fire certificate represented risks to visitors which might harm its touristic image.

Recommendations

- The Ministry should implement a proper maintenance plan in collaboration with stakeholders to enhance the attractiveness of the site.
- A feasibility study should be conducted to address the issues of renting commercial slots.
- The Ministry should ensure full compliance with fire safety standards.

Ministry's Response

- A structural inspection report was submitted by the Ministry of National Infrastructure on 12 September 2025. Necessary approval should be obtained from the National Heritage Fund regarding the scope and methodology of the remedial works. The restoration works and their estimated costs will be submitted in due course.
- A decision will be taken based on the scope and methodology of remedial works, the rentability of the commercial slots and their preventive maintenance.
- The contract for the placement of signage is expected to be awarded by the end of January 2026 for obtaining fire certificate from the Mauritius Fire and Rescue Services.

11.2 Governance Issues – Non-compliance with Legislation

Background Information

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of statutory bodies with the objective of strengthening accountability and transparency in the public sector.

Findings

Non-Submission of Financial Statements for Audit

The Statutory Bodies (Accounts and Audit) Act requires the Chief Executive Officer of a statutory body to submit the annual report, including the financial statements, to the auditor not later than 4 months after the end of every financial year.

As of 31 December 2025, the Tourism Employees Welfare Fund (TEWF) falling under the purview of the MoT had not submitted its financial statements for financial year 2024-25 for audit.

Annual Reports not laid before the National Assembly

The Statutory Bodies (Accounts and Audit) Act requires a copy of the annual report and audited financial statements of every statutory body to be laid before the National Assembly at the earliest opportunity.

As of 31 December 2025, the annual report of the Tourism Authority for the financial year 2023-24, whose financial statements were certified on 12 November 2025 had not yet been laid before the National Assembly.

Recommendations

The Ministry should:

- Exercise control over statutory bodies and other entities operating under its aegis to ensure that they comply with their statutory responsibilities regarding the preparation of financial statements and their submission for audit; and

- Lay a copy of the annual report and audited financial statements before the National Assembly.

Ministry's Response

The Board of the TEWF was reconstituted on 15 December 2025. The approved annual report and financial statements for the year ended 30 June 2025 were submitted to NAO on 29 January 2026.

12 - MINISTRY OF SOCIAL INTEGRATION, SOCIAL SECURITY AND NATIONAL SOLIDARITY

12.1 SOCIAL INTEGRATION DIVISION

12.1.1 Empowerment Support Scheme

Background Information

The Marshall Plan Against Poverty (MPAP), effective from 1 December 2016, aimed to eradicate absolute poverty by providing a monthly subsistence allowance (SA) to all eligible households registered on the Social Register of Mauritius (SRM) after signing a Marshall Plan Social Contract (MPSC).

In addition to the monthly subsistence allowance, assistance was also provided across 4 key areas; namely, economic empowerment, healthcare, education of children, and family empowerment, to eligible households.

The Ministry incurred a total expenditure of some Rs 3.4 billion for the empowerment and educational support schemes provided to eligible households registered on the SRM for the period December 2016 to June 2025.

During the financial year 2024-25, subsistence allowance totalling some Rs 479.3 million was disbursed to 8,761 households across Mauritius and Rodrigues. The minimum monthly subsistence allowance was Rs 1,500 while the maximum household income threshold was Rs 14,650 during the financial year 2024-25.

Table 12-1 shows the monthly disbursement to households by subsistence allowance range during the year under review.

Table 12-1 Disbursement by Subsistence Allowance range during financial year 2024-25

Monthly SA Range (Rs)	Number of Households
1,000 – 3,000	1,736
3,001 – 6,000	3,588
6,001 – 9,000	2,730
9,001 – 12,492	707
Total	8,761

Source: Paysheets and Social Integration Management Information System (SIMIS) reports

Findings

A review of the Empowerment Support Scheme identified 2 major issues:

- (i) The eligibility of households registered on the Social Register of Mauritius; and
- (ii) The scheme did not fulfill its objectives.

Inadequate assessment of the eligibility of households registered on the Social Register of Mauritius

Despite observations made in previous Audit Reports, there were no major improvements as explained in the paragraphs below.

▪ Proxy Means Test still based on Household Budget Survey 2012 since 2016

Proxy Means Test (PMT) was used by the Social Security Division to assess the living standard of each household registered on the SRM in order to determine its eligibility to benefit from the monthly subsistence allowance.

It considered the household's income or consumption levels based on various characteristics such as household composition, housing quality, and access to basic services.

In my previous Reports, I emphasised that the Proxy Means Test (PMT2) was based on the Household Budget Survey (HBS) 2012 since the implementation of the scheme in December 2016.

Despite last year's Ministry's response that PMT would be reviewed following the final findings of the HBS 2023 data, which were available from Statistics Mauritius in March 2025, the PMT was not yet reviewed as at January 2026.

Consequently, there was a risk that several households might not be eligible for the monthly subsistence allowance following the review of the PMT.

Root Cause

The Ministry did not expedite and finalise consultations with all the relevant stakeholders, including the Social Security Division, the Ministry of Finance and National Empowerment Foundation (NEF).

Recommendation

The Ministry should expedite and finalise consultations with all the relevant stakeholders to use the HBS 2023 data.

Ministry's Response

The Ministry is looking into the possibility of moving towards a more holistic approach, including the integration of a Multidimensional Poverty Index.

▪ SRM not yet integrated with other Government Registers and Systems

After PMT processing, the eligible and non-eligible cases are pushed to the Social Integration Division database for processing and awarding of benefits.

In my previous Reports, I also highlighted that the SRM was not integrated with other government registers and systems to enable the capture, cross-verification, and updating of information for household members.

- Information on Negative Income Tax, Contribution Sociale Généralisée (CSG) allowance, and Special Allowance was not provided by the Mauritius Revenue Authority due to the confidentiality provisions under Section 13 of the MRA Act, as stated in the correspondence dated 15 October 2024 to the Ministry.
- As from September 2025, the National Land Transport Authority (NLTA) started to share information with the Social Security Division on vehicle ownership from 2018, and a work request was sent to State Informatics Ltd to integrate the web service in the SRM system for online verification of vehicle ownership on 23 July 2025.

As the SRM was not integrated with other government registers and systems as at 30 June 2025, there was a risk of providing the benefits to non-eligible families.

Root Causes

- The Ministry did not hold further discussions with MRA, subject to the latter's refusal to provide the requested information so as to find a consensus on the way forward.
- The Ministry did not take timely action to coordinate with NLTA for the sharing of information.

Recommendation

The Ministry should hold further discussions with MRA and NLTA.

Ministry's Response

- The SSD would in the future use information through the upcoming e-Social Security Project and Info Highway.
- The integration of the SRM with other Government systems depends on the readiness, system compatibility and statutory obligations of the respective institutions and is therefore not fully within the control of the Ministry.
- **Eligibility of households still not reviewed following the revision of “Revenu Minimum Garanti” and National Minimum Wage during the financial year 2024-25**
 - (i) The Ministry had not evaluated several government measures, such as the National Minimum Wage, Special Allowance, CSG Allowance, and “Revenu Minimum Garanti” payable to full-time employees in the formal sector between January 2020 and January 2024 against the prescribed eligibility threshold. Consequently, there was a risk of benefits being allocated to households that were not eligible for subsistence allowance.
 - (ii) As of the end of September 2025, a re-assessment exercise had not been conducted to verify the eligibility of the households benefiting from subsistence allowance despite the revision of the “Revenu Minimum Garanti” to Rs 20,000 and National Minimum Wage to Rs 17,110 as from 1 July 2024 and 1 January 2025, respectively.

- (iii) During the financial year 2024-25, the Ministry paid subsistence allowance totalling some Rs 3.5 million to 104 households, each of which included at least one household member employed on a full-time basis in the formal sector.
- (iv) Approval was obtained on 23 September 2025 to discontinue subsistence allowance to household members who had been engaged in formal employment continuously starting in January 2025 for a period of 12 months with the same employer, without considering the date of employment of the household members.
- (v) On 19 August 2025, a list of 625 employment cases, comprising the salaries of household members for January to March 2025, was compiled. However, no information was provided on the types of employment.
- (vi) The majority of the households had already exceeded their respective income thresholds in the first quarter of 2025, while subsistence allowance was still being paid.

Root Cause

The Ministry did not reassess the eligibility of households registered under SRM.

Recommendation

The Ministry should take appropriate corrective measures to reassess the eligibility of households registered on the SRM.

Ministry's Response

- The Ministry is looking into the possibility of adopting a policy decision to suspend the payment of the subsistence allowance to households where a member has been employed in the formal sector with the same employer for a continuous period of 12 months.
- A monitoring system has been established to track the employment status of beneficiaries working in the formal sector. The Ministry is cross-referencing employment data from the MRA received by SSD.
- Due consideration would be given to monitor households' employment in the formal sector.

Ineffectiveness of the Empowerment Support Scheme Not Fulfilling Its Objectives

- **Approval of the Attorney General's Office not sought for amendments of Marshall Plan Social Contract**

From December 2016 to March 2022, the MPSC was valid for a period of 12 months and another 12 months if a household was found compliant with the conditions of the contract.

Each eligible household registered on the SRM was required to sign a Marshall Plan Social Contract (MPSC) with the NEF to receive the monthly subsistence allowance.

In March 2022, the Ministry amended the contract by extending its initial duration from 12 months to 24 months as per clauses 5.1 and 6.2 of the MPSC.

However, the Ministry did not seek the approval of the Attorney General's Office (AGO) before implementing the amendments, which became effective on 1 April 2022.

Root Cause

Due diligence was not carried out when revising the terms of the MPSC.

Recommendation

The approval of AGO should have been sought before making any changes to the MPSC.

Ministry's Response

The approval of AGO would henceforth be sought for any change that might be brought to the Social Contract.

▪ Low Graduation Rate of Households from Poverty

Despite the significant expenditure of some Rs 3.4 billion incurred over nearly 9 years, only 2,853 households successfully graduated from poverty, as illustrated in Table 12-2.

*Table 12-2 Graduation from Poverty and Expenditures
between December 2016 and June 2025*

Financial Year	No. of eligible households at end of each Financial Year	No. of households graduated from poverty	As a percentage of eligible households	Empowerment Support Scheme (Rs)	Educational Support (Rs)
2016-17	8,600*	8	0.09	111,038,152	48,027,955
2017-18	9,500*	49	0.52	221,835,202	138,112,811
2018-19	10,300*	656	6.37	237,569,193	152,366,357
2019-20	10,000*	411	4.11	239,384,823	181,318,298
2020-21	4,992	400	8.01	231,876,917	102,092,886
2021-22	5,780	87	1.51	218,843,381	43,503,472
2022-23	5,472	102	1.86	202,736,919	112,058,794
2023-24	7,461	197	2.64	452,687,306	116,927,757
2024-25	6,851	943	13.76	479,281,987	149,955,849
Number of Households		2,853			
Total Expenditures				2,395,253,880	1,044,364,179
Grand Total of Expenditures					3,439,618,059

Source: Accountant General's Annual reports, Ministry's records and SIMIS reports

**Records of eligible households were not available at the level of Ministry; recomputed figures may vary slightly from the actual totals.*

- **Several households remained registered on the Social Register of Mauritius for more than five years**

Despite the aim of the MPSC to empower the households within a 2 to 3 year contract period, it was noted that 847 households, representing 12 per cent of the 6,851 eligible households as at 30 June 2025, remained registered on the SRM to benefit from the monthly subsistence allowance for nearly 9 years, between the financial years 2016-17 and 2024-25.

The households were recertified twice, following the exercises carried out by the Social Security Division during the financial years 2020-21 and 2022-23.

As illustrated in Table 12-3, 1,603 households continued to remain eligible on the SRM for more than 5 years:

Table 12-3 Eligible households registered for more than five years on SRM

Eligibility period		No. of Households	As a percentage of total eligible households (6,851) as at 30.06.2025
From (End of FY)	To		
2016 – 17	30 June 2025	847	12
2017 – 18	30 June 2025	1,069	16
2018 – 19	30 June 2025	1,393	20
2019 – 20	30 June 2025	1,603	23

Source: SIMIS reports from Ministry

- **Low achievement of the Economic Empowerment Programme**

The Economic Empowerment Programme aimed to enhance the livelihoods, self-sufficiency, and employability of eligible household members registered on the SRM through registration at the Employment Exchange Office, referrals to potential employers, provision of training courses and start-up kits, and others.

- During the financial year 2023-24, out of 3,310 household members referred to potential employers and registered at the Employment Exchange Office and Back-to-Work programme, only 19 members graduated from poverty, and 142 secured employment as of 24 February 2025.
- Additionally, as of mid-September 2025, only 3 out of 65 members registered at the Employment Exchange Office during the financial year 2024-25 secured employment, despite 445 members being referred. Regarding referrals made to potential employers, only 9 members out of 929 referred members had secured employment.
- Between July 2017 to June 2025, a total of Rs 34.7 million was incurred on training-related expenses, including training fees, stipends, start-up kits, and toolkits for 3,347 household members. However, as at 30 June 2024, only 12 household members moved out of poverty after having followed training courses between July 2017 and June 2023, according to the Ministry's records.

- 1,236 household members, representing 37 per cent of the total number of trainees, remained eligible on the SRM as at 30 June 2024, 1 to 7 years after completing the training courses, namely hairdressing, basic pastry preparation, housekeeping operations, vegetable production, organic gardening, and others.
- Although several household members were able to secure employment or start small businesses, they were not financially independent to graduate from poverty and had to continue to rely on social assistance as at 30 June 2024.
- Outcomes of the Economic Empowerment programme for the financial year 2022-23 and Outcomes of the training programme as at June 2025, covering the financial years 2017-18 to 2023-24 were not submitted to NAO officers.

Root Causes

- The Ministry did not exercise adequate oversight and follow-up on households, resulting in several households remaining on the SRM for extended periods.
- The Ministry did not provide advanced training opportunities and additional support to household members after the completion of training courses.
- The Ministry did not adequately consider the employment preferences of the household members during the referral process.

Recommendations

The Ministry should revise its current strategies and programmes to empower households, enabling a greater number to successfully graduate from poverty.

Ministry's Response

- Empowerment is a gradual and a deeply human process with vulnerable households facing relapse risks. Schemes play a crucial role in shielding them from severe deprivation and giving them a chance to rebuild their lives with dignity. Unstable employment is linked to the low graduation rate.
- The newly appointed Board of NEF had initiated action for the assessment of the schemes in place with a view to improve and revise same.
- Sustainable graduation from poverty requires time, patience and ongoing assistance and the Ministry remains committed to supporting families through this process. Survey findings highlight that unstable employment is a key barrier to graduation, compounded by the absence of institutions providing reliable and consistent job opportunities.
- Prior to initiating any arrangement with training institutions, a Training Needs Assessment is carried out by NEF to capture the training needs of beneficiaries and same is considered in the planning of training courses. NEF is reinforcing post-training support, mentorship and market-relevant curricula to improve outcomes. For the financial year 2025-26, consultation is being held with the Constance Training Academy for training opportunities followed by placement to increase referral to employment conversion rate.

(vii) Non-compliance with Case Management Visit requirements under MPSC

At Paragraph 10.1.1 of the Audit Report for the financial year 2023-24, I highlighted that Case Management visits were not conducted in accordance with section 2.5 (iii) of the MPSC.

Case Management Officers from NEF were required to conduct monthly visits during the first 6 months following the signature of the contract and every 2 months thereafter, totaling 15 visits over the 2-year contract period.

- A review of the monthly compliance reports submitted at the end of the 2-year contract period revealed that 2,578 households, representing 87 per cent of the 2,958 households that were eligible for renewal for an additional year during the financial year 2024-25, did not receive the required minimum 15 visits.
- The number of visits conducted to households registered in Rodrigues was significantly lower than the number of visits conducted to households registered in Mauritius. In Mauritius, 953 households received fewer than 15 visits, while in Rodrigues, 1,625 households received fewer than 15 visits.

Root Cause

The number of case management visits was not conducted as per the requirements of the MPSC due to a shortage of staff at the level of NEF.

Recommendation

The visits of households should be carried out regularly, in accordance with the MPSC, so as to assist beneficiaries in accessing services and empowerment programmes.

Ministry's Response

Recruitment of 7 Community Project Officers has been initiated to address these gaps. In addition to case management visits, NEF implements complementary initiatives which are time-intensive but critical for holistic household empowerment.

(viii) No comprehensive Monitoring and Evaluation Framework

In 2020, the Government engaged the Agence Française de Développement (AFD) to collaborate with the Ministry to develop a Monitoring and Evaluation (M&E) Framework for the MPSC.

In October 2022, AFD submitted a report on '*Challenges and Solutions for the Implementation of a Monitoring and Evaluation Framework for the MPSC*', including a list of 234 indicators to monitor and evaluate schemes under the MPSC.

- Despite the early identification of indicators, the Ministry, in collaboration with NEF, finalised a list of 171 indicators for the Empowerment Support Scheme and related programmes only in July 2025.

- By the end of September 2025, no comprehensive assessment had been conducted to develop a monitoring and evaluation framework for the Empowerment Programmes since the implementation of the Scheme in December 2016.

Root Cause

The Ministry did not take timely action to operate the M&E framework despite identified M&E indicators being available since 2022.

Recommendation

The Ministry should undertake a comprehensive evaluation of the scheme to assess its effectiveness and to identify areas for improvement.

Ministry's Response

- The new Administrative and Technical Teams have initiated actions to operationalise KPIs for monitoring and evaluation, including forwarding a list of 171 indicators to NEF for data collection.
- NEF also completed a self-assessment for the financial year 2023-24 across the 4 pillars: Education, Health, Family Empowerment and Economic Empowerment
- The newly appointed Board of NEF has initiated an assessment of existing Schemes with a view to improving and revising them.

12.1.2 Follow-up of Recommendations raised in the Audit Report 2023-24

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2023-24 is summarised. Out of 9 recommendations, 5 (56 per cent) have been implemented and 4 (44 per cent) have been partly implemented.

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Grants to the National Empowerment Foundation (Pg 239)				
1	- National Empowerment Foundation (NEF) did not comply with several articles of the Memorandum of Understanding (MOU). - The Ministry did not adequately monitor the budget of NEF. <i>(Pg 239-240, Para 10.1.1)</i>	The Ministry should monitor at regular intervals the affairs of NEF so as to ensure compliance with the MOU. <i>(Pg 240, Para 10.1.1)</i>	- The Ministry has instructed NEF to comply with the MOU. - The financial position of NEF and requests for funds are closely monitored on a monthly basis.	Implemented
Lapses in the Implementation of the Empowerment Support Scheme (Pg 241)				
2	Report from NEF was not submitted at the end of the 12 months. <i>(Pg 241, Para 10.1.1)</i>	The Ministry should ensure that NEF submits its reports in line with Marshall Plan Social Contract requirements. <i>(Pg 241, Para 10.1.1)</i>	As from April 2025, NEF submits compliance reports for six months and one year after signature of contracts.	Implemented
3	Incomes declared by Households were not verified. <i>(Pg 243, Para 10.1.1)</i>	Appropriate measures should be taken to verify the income declared by household members. <i>(Pg 243, Para 10.1.1)</i>	The assessment of income is undertaken by the Social Security and National Solidarity Division, following the verification of salary and employer details obtained from data provided by the Mauritius Revenue Authority.	Partly Implemented
4	Advance Account was not opened for overpayment of Subsistence Allowance (SA) after expiry of contracts. <i>(Pg 244, Para 10.1.1)</i>	The Accounting Officer should ensure that Financial Instructions No. 2 are duly complied with. <i>(Pg 244, Para 10.1.1)</i>	Corrective action has been initiated to recover the funds disbursed. Around 70 per cent of the amount overpaid has been recovered.	Partly Implemented
5	Processing household applications on the Social Register of Mauritius (SRM) was delayed. <i>(Pg 244, Para 10.1.1)</i>	Appropriate measures should be taken to ensure that applications are processed within prescribed time. <i>(Pg 245, Para 10.1.1)</i>	The process for determining eligibility of households is effected within 30 days as from date of registration on the SRM.	Implemented
6	Late submission of beneficiaries receiving Basic Retirement Pension (BRP) resulted in overpayment of SA. <i>(Pg 245, Para 10.1.1)</i>	The Accounting Officer should ensure that corrective actions are taken to recover the overpayments. <i>(Pg 245, Para 10.1.1)</i>	Corrective action has been taken to remove persons receiving BRP from the SRM on a monthly basis.	Partly Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
7	Effectiveness of training provided to unemployed household members was not assessed. (Pg 247, Para 10.1.1)	The effectiveness of the Scheme should be assessed and adequate controls should be implemented over fund disbursed to NEF. (Pg 248, Para 10.1.1)	To enhance the effectiveness of training programmes and provide improved pathways to employment or entrepreneurship, NEF is aligning courses with labour market needs and reinforcing partnerships with training providers and potential employers.	Partly Implemented
Child Allowance (Pg 248)				
8	Child Allowance was not paid to households due to non-submission of attendance sheets by educational institutions. (Pg 248, Para 10.1.1)	A meeting should be held with the Ministry of Education and Human Resource to find a workable solution. (Pg 249, Para 10.1.1)	The Web-Based Attendance System is operational with attendance being submitted monthly.	Implemented
Non-compliance with the Public Procurement Act 2006 (Pg 250)				
9	- Section 40(1A) of the Public Procurement Act 2006 was not complied with. - Bid opening reports were not published on the website. (Pg 250, Para 10.1.1)	The Accounting Officer should ensure compliance with provisions of Public Procurement Act 2006 and related regulations. (Pg 250, Para 10.1.1)	Provisions of Public Procurement Act 2006 and related regulations are being complied by the Ministry.	Implemented

12.2 SOCIAL SECURITY AND NATIONAL SOLIDARITY DIVISION

12.2.1 Infrastructural Facilities for the benefits of Senior Citizens

Background Information

The Ministry of Social Integration, Social Security and National Solidarity is responsible for the empowerment, protection and promotion of the well-being of all senior citizens. The Elderly Sector comprises mainly Departments of the Ministry and other specialised organisations falling under the aegis of the Ministry.

The following infrastructural facilities are available to senior citizens:

- Recreational Centres
- Residential Care Homes
- Elderly Day Care Centres
- Centre for Severely Disabled Elderly Persons

The cost of these facilities, excluding Elderly Day Care Centres, as at 30 June 2025, was Rs 493,990,000. The Ministry spent some Rs 76 million during the financial year 2024-25 for the operations and maintenance, as well as the upgrading of these facilities.

NAO Officers carried out site visits at these various infrastructural facilities.

Recreational Centres

Recreation Centres (RCs) were set up to host residential holiday camps for senior citizens as well as persons with disabilities and as such provided accommodation in double bedrooms, food and beverages, indoor entertainment, swimming pool activities, outdoor tours in a coach, and targeted empowerment talk sessions.

The aim was to ensure a comfortable, safe, recreational, and hospitable retreat for our elderly people and disabled residents, and thus giving them opportunities to cut off from their daily routine life.

NAO carried out site visits at 3 Recreational Centres, namely, James Burty David (JBD) RC, Sir Seewoosagur Ramgoolam (SSR) RC, and Lady Sushil Ramgoolam (LSR) RC.

Findings

▪ CCTV Surveillance System not Operational

CCTV cameras and accessories were not operational in all visited RCs, as shown in Table 12-4.

Table 12-4 CCTV Cameras not Operational

RCs	No of Cameras	Remarks
JBD	21	Installed in the year 2014
SSR	20	Installed in year the 2014. Not operational since the year 2021
LSR	80	80 out of 124, installed in the year 2019, were damaged since April 2025

Source: RC Managers

▪ **Swimming Pools not Operational**

The Swimming pools with pumps and electrical systems in all 3 RCs were not operational as at the date of site visits in October 2025. At JBD RC, flooding from heavy rainfalls and cyclones from previous years had caused considerable damage to the swimming pool and its infrastructure.

▪ **Solar Panel out of use**

The 7 solar panels installed in 2016 were not operating properly since 2021. Despite a correspondence from the Electrical Services Division (ESD) and the scope of works which was submitted in February 2025 by the latter, the defective solar panels remained unreplaced as of October 2025.

▪ **Unused Vehicles**

Two vehicles, a 30-seater adapted minibus with a wheelchair lift, procured in 2017 for Rs 2.2 million for the Training and Employment of Disabled Persons Board (TEDPB) and an omnibus previously used for participant transport until July 2024, were idle at JBD RC. The Ministry of Social Integration, Social Security and National Solidarity and Ministry of National Infrastructure (MNI) correspondences in May and August 2025, confirmed both vehicles were roadworthy and economical to repair. MNI recommended general servicing and repairs, but no action had been taken at time of site visit by NAO Officers.

Ministry's Response

Funds have not been made available for refurbishment of CCTV system in the financial year 2025-26. Due to lack of funds refurbishment of swimming pools is being made in a phase wise manner, starting with Lady Sushil Ramgoolam Recreational Centre. The survey has been completed and scope of works are expected to be completed by end of January 2026.

Residence Bois Savon

Residence Bois Savon (RBS) began its operations in April 2001 and currently consists of 24 residential units, along with a recreational hall. Each unit includes one bedroom, a kitchen, a toilet, and a bathroom. It provides accommodation to widows over 60 years living alone and previously occupying rented premises and who are eligible for social aid.

Findings

▪ Unoccupied Units

As of September 2025, out of the 24 residential units of RBS only 3 were occupied. In July 2024, the Welfare of Elderly Person Protection Unit listed 19 potential beneficiaries and by February 2025, a final report confirmed that 10 potential beneficiaries were willing to take up residence. However, no progress followed and all 19 units were still unoccupied, highlighting a significant gap between expressed interest and actual occupancy as of September 2025.

▪ Site Visit

NAO Officers carried out a site visit on 14 October 2025 in the presence of the Elderly Welfare Assistant (EWA). The following were observed:

- (i) No CCTV cameras were installed on the premises despite elderly widows living alone.
- (ii) The backyard boundary comprised of concrete wall and metal fencing. However, the metal fences were found to be leaning. Security Guards reported that on many occasions, burglars entered the Residence.
- (iii) Branches from 5 mango trees were leaning on residential units. One mango tree in the backyard was partially uprooted, causing cracks in nearby flooring and the lavatory. Additionally, a Tecoma tree and a Banyan tree in the neighbour's backyard were leaning dangerously against the boundary wall.
- (iv) The recently renovated recreational hall was found in an untidy state, with used solar water heater tubes stored in boxes inside.
- (v) The walking path, made up of slabs, was found broken in several places, posing a safety hazard to residents.
- (vi) Residents reported no continuous water supply due to water pipe leakages following recent renovation.

Root Cause

Inadequate upkeep and monitoring of the Residence by the Social Security Division (SSD).

Recommendations

- SSD should consider installing CCTV cameras at strategic points to monitor entryways, common areas, and the perimeter.
- The Ministry should investigate the reasons for unoccupied units and take appropriate actions accordingly.

Ministry's Response

- The residence is safeguarded by security services contracted by the Ministry. Consideration will be given to install CCTV camera, subject to availability of funds. Metal fencing where required will be installed on the backyard boundary wall subject to availability of funds.
- The Social Aid Division was instructed to provide an updated list of beneficiaries who are living alone and are in receipt of rent allowance who wish to be relocated to Bois Savon. A list of 6 beneficiaries has been identified. Upon completion of the refurbishment works, the beneficiaries will be placed thereat.

Operation and Maintenance of Foyer Trochetia

Foyer Trochetia (*Centre for Severely Disabled Elderly Persons*) provides medico-social care to elderly persons with severe disabilities, and fosters a homely environment so that the residents may enjoy a decent life.

A person should be 40 years old and above, and medically assessed to be severely disabled and recommended by the Medical Director to reside at the foyer.

Findings

▪ Memorandum of Understanding

Clause 2.1 (a) of the MOU states that the building comprises 3 Living Units with a capacity to accommodate 48 residents. However, the Centre had 5 Living Units with a total capacity of 80 residents. However, the MOU had not been amended accordingly to reflect the actual number of living units and resident capacity.

Further, Clause 4.1 of the MOU stipulates that “*the Centre shall be managed by a Board of Management set up by the Ministry*”. The last Board meeting was held on 23 July 2025, no new Board had been reconstituted as of the end of September 2025.

▪ Medical Staff

As per the MOU, medical and paramedical staff was put at the disposal of the Centre under the supervision of the Director, Medical Unit of SSD. Currently, 15 Nursing Officers were posted to the Centre on a sessional basis. Their duties were organised through a monthly roster to ensure continuous coverage during both day and night shifts. The following were noted:

- (i) A review of the duty roster indicated that one Nursing Officer was assigned to each of the 4 units for both day and night shifts. However, several Nursing Officers failed to adhere to it, as it was noted from the Manual Attendance Register that they did not often attend for duty as approved in the roster.
- (ii) Attendance records also revealed inconsistencies in reporting times, with some Nursing Officers arriving at 7:00 am, 8:00 am, or even 10:00 am in the morning, thereby leaving the night-duty Nursing Officer to continue caring for residents beyond

their scheduled hours, leading to increased workload, particularly in the Foyer, which accommodates severely disabled residents.

- (iii) Some of the nurses were found to be working continuously for more than 48 hours, covering both day and night duties.
- (iv) Despite various emails addressed to SSD by the administration of the Foyer on the issue of inadequate staffing of nursing officers, as of September 2025, the matter was still unresolved.

▪ **Site Visit**

A site visit was carried out by NAO Officers on 10 October 2025 in the presence of the Administrator and the Manager of the Centre. The following were observed:

- (i) The CCTV cameras installed in some units and administrative blocks were found to be non-functional.
- (ii) A PABX networking system was not put in place to facilitate communication among staff posted in different units/sections.
- (iii) Stray cats were seen roaming freely within the compound and inside the Living Units. MSAW was contacted for this problem, and the last correspondence was dated 22 October 2025.
- (iv) Several obsolete and unserviceable items were found in the yard and in the veranda of Unit 2, which were occupying a lot of space. A list of the same could not be produced to NAO Officers.
- (v) Alert bells were not installed near the residents' beds in case of urgent assistance requirement by them.
- (vi) The industrial kitchen appliances were never put to use since installation in 2008. Instead, small gas stoves were utilised to prepare meals for residents, which was unsuitable for a 3-meals/day requirement for all 64 actual residents.
- (vii) Out of the 4 domestic washing machines in the laundry facility, only 2 were functional. The Laundry Attendants reported that the machines were in constant use throughout the day and must cater for all soiled clothes, bed sheets, and towels for all 64 residents daily and that the existing domestic washing machines were inapt for such tasks.
- (viii) Staff also complained about the presence of bed bugs on residents' blankets and clothing despite weekly pest control interventions by the Service Provider.

Root Cause

SSD did not exercise adequate supervision and monitoring over the Foyer operations to ensure smooth running of the Centre.

Recommendations

SSD could consider:

- Reconstitute the Board of Management to ensure compliance with the MOU.
- Review and update the MOU to reflect current operational activities, including the number of Living Units and resident capacity.
- Monitor Nursing Officer deployment and workload to ensure optimal coverage across all units and that service delivery is not affected.

Ministry's Response

• Memorandum of Understanding

The amended MOU has been kept in abeyance given that an NGO had on 29 June 2025 written to the Ministry apprising of their intention to withdraw from the Memorandum of Understanding due to losses being incurred by them in the running of Foyer Trochetia. Accordingly, an Expression of Interest will be launched.

• Unoccupied Living Unit

The Board of management has been reconstituted. Needful is being done for admission of eligible applicants.

• Medical Staff

The day-to-day supervision of the medical staff lies upon the manager and administrator, who are there most of the time.

The Nursing Council has informed that there is a shortage of nurses and allied health staff on the labour market. In view thereof, procedures are being initiated to recruit nursing officers on a part- time basis as recommended in the PRB Report 2026.

• CCTV Cameras

Due to unavailability of funds, the project was not prioritised in the financial year 2025-26. The project will be considered upon availability of funds.

12.2.1.4 Elderly Day Care Centres

The primary purpose of the Elderly Day Care Centres (EDCCs) is to carry out activities for the welfare and well-being of elderly people. Each Centre was supervised by a Higher Social Security Officer (HSSO) and monitored by an Elderly Welfare Assistant who organised various activities depending on the interests of the elderly people of the region and the availability of resource persons.

The active members of the EDCCs varied from 25 to 250 persons.

Findings

▪ Location of the EDCC Buildings

Currently, there were 22 EDCCs managed by the Welfare and Elderly Persons Protection Unit (WEPPU) of SSD, out of which 16 were located in a separate building adjacent to the Social Welfare Centres. Due to the limited space available within the EDCC, most major activities were often conducted in the Social Welfare Centre.

▪ Site Visits

NAO Officers conducted site visits at 11 EDCCs from 13 to 16 October 2025. The following were observed:

- Several EDCCs had obsolete and unserviceable items occupying space (examples were treadmill, magnetic bicycle, crazy fit machine found at St Pierre, Nouvelle Decouverte and Floreal EDCCs); stores at Bois Savon and Poste de Flacq were in poor condition.
- Rainwater leakage was observed at Bois Savon, Petit Raffray, and Poste de Flacq, requiring urgent repairs.
- The EDCCs at Mare La Chaux and Camp Fouquereaux were closed for renovation since March 2024 and September 2024, but works had not yet started.
 - (i) Activities for EDCC Mare La Chaux moved to the adjacent Social Welfare Centre.
 - (ii) No alternative arrangements were made for EDCC Camp Fouquereaux, thus disrupting the services for elderly members. The Elderly Welfare Assistant and the Attendant have been temporarily posted to the EDCC Floreal.
- Despite the advice of the Ministry of National Infrastructure to vacate EDCC Poste de Flacq due to potential hazards, during the site it was observed that the centre remained operational as no suitable alternative location had yet been identified for the relocation of the EDCC. The centre currently serves some 200 active members.
- Brisée Verdière EDCC had no electricity since May 2024.
- The EDCC of Petit Raffray which accommodated 40 active members, exceeded the 20 persons limit recommended as per the fire certificate. The Centre was also facing multiple issues such as broken toilet fixtures since March 2025, unused donated equipment such as a treadmill received from Mauritius Telecom in 2014, microwave unused due to insufficient electricity supply, TV received in December 2020, lack of proper flooring, and a missing telephone apparatus.
- Imprest of Rs 2,500, allocated to each EDCC was under the custody of HSSO and often the Elderly Welfare Assistant could not use the imprest for petty expenses. No replenishment was made for any EDCC between July 2024 and June 2025. Events organised at EDCCs were often funded through contributions from attending members and staff.

Root Cause

Insufficient operational oversight by the Welfare and Elderly Persons Protection Unit over the EDCCs.

Recommendations

- All obsolete and unserviceable items should be surveyed and disposed of in accordance with established procedures.
- An alternate site should be found for Camp Fouquereaux and Poste de Flacq EDCCs so as not to disrupt the daily activities of the elderly.
- Close monitoring of the EDCCs should be done by SSD.
- Explore alternative mechanism to achieve the objective of having a healthy environment in the EDCCs.

Ministry's Response

- Funds available under the imprest system are now being utilised in accordance with established procedures.
- A list of unserviceable equipment has been drawn and necessary procedures have been initiated for their disposal.
- As regards proper and regular maintenance of gym equipment, HSSOs have been briefed to inform on maintenance and repair and the MNI has also been informed.

12.2.2 Project Management – Capital Projects still not implemented

12.2.2.1 La Marie Elderly Day Care Centre – Building still not in use

Background Information

La Marie Elderly Day Care Centre was handed over by the Municipal Council of Vacoas/Phoenix to the SSD in 2015 for use as an elderly and disabled care centre. However, it was never used due to a lack of amenities such as a security post, boundary wall, access road, and parking area.

Findings

- After more than 5 years, the building remained unoccupied. No funds were provided in financial year 2024-25 for renovation works estimated at Rs 11 million by the Ministry of National Infrastructure, which resulted in the building being in an abandoned state. The interior was in a poor condition with broken and unfinished laying of tiles.
- Elderly people of the region were deprived of a place for their recreational activities as there was no other Elderly Day Care Centre in the vicinity.

Root Causes

- The absence of an adequate asset utilization plan by SSD resulted in the building remaining idle for years.
- Unavailability of funds for necessary works.

Recommendation

The Accounting Officer should ensure that follow-up be made on the use of building under its aegis.

Ministry's Response

There is a proposal for the land and building at La Marie EDCC to be vested into the Ministry of Agro-Industry, Food Security, Blue Economy and Fisheries through the Ministry of Housing and Lands subject to approval.

12.2.2.2 Construction of Homes - Project still not yet started

Background Information

The project consisted of the construction of 2 homes at Palmar and Flic-en-Flac for elderly persons with low income, living alone and paying rent of Rs 3,500 monthly. For the financial year 2024-25, Rs 36 million was paid as rent to 605 eligible beneficiaries.

Findings

▪ Budgeted Funds not spent

- (i) Rs 50 million was allocated in financial year 2017-18 to set up 2 Homes for elderly individuals living alone. The projects remained unimplemented over a period of 6 years.
- (ii) Some Rs 63 million were budgeted for the last 3 financial years 2021-22 to 2023-24 but remained unspent. No funds were allocated for the project in the 2024-25 budget.

▪ Architectural Drawings Delays

As of September 2025, amended drawings for Palmar Home were still pending from MNI despite various reminders sent. Further, no architectural drawings were submitted for the Flic-en-Flac Home.

Root Cause

Poor project planning and monitoring between MSS and MNI.

Recommendation

SSD should ensure that the Ministry of National Infrastructure submits the final drawings for the proper implementation of the project.

Ministry's Response

Funds have not been made available for the same in financial year 2025-26 and the project has been listed as "Projects under Preparation". The Project Coordinator posted at this Ministry as from October 2025 will liaise with the Ministry of National Infrastructure to expedite the design phase.

12.2.2.3 Construction of Social Security Office at Bambous - Project not implemented

The Social Security Office in Bambous moved from a derelict government building to a rented private building in 2016 with a monthly rent of Rs 46,000. The rented space was small and lacked accessibility for persons with disabilities, prompting plans for a new building.

Findings

- Rs 10 million earmarked in the financial year 2023–24 was not spent, and Rs 3 million in the financial year 2024–25 budgeted for the construction were re-allocated. Some Rs 1.2 million were paid in June 2022 to a consultancy firm for their services for the construction of 3 Social Security Offices. However, the contract was terminated in June 2024 due to a dispute over fees.
- In March 2025, the project was shelved as a non-priority one by the Accounting Officer and the budgeted amount of Rs 3 million for financial year 2024-25 was reallocated to maintenance in March 2025 with SSD with the clearance of the Ministry of Finance.

Implications

- Nugatory expenditure of Rs 1,179,000 on consultancy.
- Non-utilisation of Rs 13 million budgeted funds for the intended purpose.

Root Cause

Poor project planning and prioritisation.

Recommendations

SSD should:

- Ensure that funds are used for intended purposes; and
- Conduct a proper feasibility study before starting capital projects.

Ministry's Response

The Ministry does not intend to proceed with the construction of a new Social Security Office in Bambous.

12.2.3 E-Social Security System

Background Information

At Paragraph 10.2.1 of Audit Report 2023-24, I highlighted significant delays in the implementation of the E-Social Security System (ESS) Project. The current social security system, which dates back more than 30 years, is no longer sustainable. In the event the system failed, SSD would be unable to access data for over 400,000 beneficiaries, and therefore payment of pensions, social aid, and other benefits would not be possible. It is to be noted that the ESS project was initiated in 2013.

Findings

▪ Budgetary Provision

In the Budget Estimates 2024-25, no budgetary provision was made for the ESS project. Following the request of SSD, the Ministry of Finance (MOF) approved a virement of Rs 30 million from expenditure item 27210002- Social Aid to capital expenditure item 31132116 for the purchase of computers and IT equipment, data quality assessment and scanning of beneficiaries' files.

As at 30 June 2025, out of the Rs 30 million, Rs 23 million was spent for the purchase of computers and IT equipment. However, as of the end of September 2025, the procurement of data quality assessment software and scanning of beneficiaries' files was still not finalised.

▪ Significant delays still noted in the implementation of ESS Project

Following advice from the Procurement Policy Office and the Central Informatics Bureau, SSD shifted to a paper-based procurement method, and the draft Request for Proposal (RFP) was prepared using the standard bidding document.

A first paper-based bidding document was submitted to the Central Procurement Board (CPB) for vetting on 17 June 2025, followed by revised versions on 23 July and 5 August 2025.

However, by the end of September 2025, the Request for Proposal (RFP) was still not finalised.

▪ Extension of Consultant contract

The consultancy contract initially awarded to a service provider for the review and supervision of the ESS project expired on 14 June 2024. As at 30 June 2024, Rs 4.5 million had already been disbursed to the service provider.

Since no new service provider had yet been appointed, the contract was extended for a period of 18 months, until the appointment of a solution provider on the same terms and conditions as the previous contract.

Root Cause

Poor project planning by the Ministry as there was no Project Steering Committee to pilot the project implementation.

Recommendation

SSD needs to take prompt action to avoid further delay in the implementation of the project, as the ESS project would provide efficient and effective service delivery to citizens and stakeholders.

Ministry's Response

- The delay in the implementation of the ESS project was due to the bidding document being reviewed and validated by different stakeholders and circumstances beyond the Ministry's control such as, the General Elections in November 2024 and change in the composition of Central Procurement Board in August 2025.
- The contract of the Consultant was extended in view of the need for close monitoring and supervision for the successful implementation of the project.
- Approval of CPB for the launching of international quotations was conveyed on 17 October 2025 and were launched on October 2025 with closing date for submission of bids scheduled for 10 December 2025. The closing date has been extended to 27 January 2026 upon request from potential bidders. However, the closing date has further been extended to 3 March 2026.

12.2.4 Overpayment of Pensions – Rs 212 million

Background Information

The Social Security Division disbursed some Rs 70.8 billion for the payment of pensions during the financial year 2024-25, including basic retirement pension (BRP), widows' pension, invalid pension, orphans' pension, child allowance and other benefits to about 320,000 beneficiaries.

Findings

▪ Increase in Overpayment of Pension

As of 30 June 2025, cumulative pension overpayments reached Rs 212 million, representing a 13 per cent increase from Rs 187 million in the previous year. This was partly due to two factors, such as increases in pension rate during the financial year 2024-25 and 'Departure Cases'.

Overpayment on 'Departure Cases' represented about 64 per cent of total overpayments and arose from continued pension disbursement to beneficiaries residing abroad for over 6 months, therefore ineligible. From the Return of Overpayment of Pensions as of 30 June 2025, Rs 135.2 million were overpaid in 481 live 'Departure Cases' out of which some Rs 34.7 million related to new cases detected during the financial year 2024-25.

The detection of overpayments from departure cases relied on matching SSD data with the data of the Passport Immigration Office (PIO) system through the Info Highway platform. The SSD encountered difficulties in tracking the movement of beneficiaries due to the:

- (i) Use of dual passports whilst arriving in and departing from Mauritius;
- (ii) Different names of beneficiaries on the dual passports;
- (iii) Different National Identity Card numbers (NIC) of beneficiaries as per SSD database and Info Highway platform; and
- (iv) Difficulty in tracing deaths abroad.

▪ **Slow Recovery of Overpayments**

The overall recovery rate was about 21 per cent as of 30 June 2025, below the 35 per cent target in SSD's 2023–2026 Strategic Plan. Some Rs 167.1 million and Rs 44.9 million pension overpayments, relating to old and new cases remained unrecovered, representing 90 per cent and 54 per cent, respectively.

No policy decision was implemented to increase the amount to be recouped for overpayment of pensions from each beneficiary as proposed by the Ministry in its Reply to the Audit Report 2023-24

▪ **Inadequate Monitoring of Overpayment Cases**

A breakdown of the total amount of some Rs 212 million overpaid as of 30 June 2025 is shown in the Table 12-5.

Table 12-5 Pensions Overpaid

Period			No. of Cases	Outstanding Amount as at 30 June 2025 (Rs)	Cases with no refund in FY 2024-25	
					Number	Amount (Rs)
2024 – 25			584	44,673,692	58	5,983,319
2021-22 to 2023-24			565	102,197,923	252	55,204,470
2014-15 to 2020-21			401	54,759,062	250	34,959,852
Before June 2015 (>10 years)			107	10,170,617	60	7,785,873
Total			1,657	211,801,294	620	103,933,514

Source: Return of Overpayment of Pensions as at 30 June 2025

During the financial year 2024-25, no refunds were made in respect of 620 cases totaling some Rs 104 million. Under the Code Civil Mauricien, action in respect of an amount due should be initiated within three years, and if no recovery is made after 10 years, it becomes time-barred. Hence, there is the risk that:

- 60 cases before June 2015, amounting to Rs 7.8 million might have become time-barred.
- 250 cases from July 2015 to June 2021, amounting to Rs 35 million becoming time-barred without appropriate recovery mechanisms.

As for the 252 cases from July 2021 to June 2024 amounting to Rs 55 million, timely action should have been taken so as to be able to recover the amount due.

No standard operating procedures (SOPs) existed at the SSD for the recovery of overpayment of pension, leaving decisions to Technical Officers. As of September 2025, the proposed Prosecution Unit had not yet been established. The absence of proper monitoring of overpayment cases might lead to subsequent write-offs and loss of revenue.

Root Causes

- Some beneficiaries were unaware of the 6-month residency requirement in Mauritius.
- Dual passport holders were not submitting both passports to PIO at time of travel.
- Inaccurate information about death and marriage submitted by the Civil Status Division (CSD).
- Absence of SOPs for overpayment recovery.
- No regular assessments of follow-up actions and outcomes thereof.
- Absence of a Prosecution Unit.

Recommendations

- The eligibility criterion for pension benefit entitlement should be included in the application forms. Such an undertaking should be expressly signed by the applicants.
- The Ministry should liaise with the Passport Immigration Office to ensure that both passports are systematically requested and verified at time of travel.
- SSD should conduct regular assessments of recovery actions and outcomes and expedite the establishment of the Prosecution Unit.
- SSD should ensure that CSD submit accurate and timely data to allow effective monitoring.

Ministry's Response

- Upon issuance of each award notice, in the last paragraph of the letter of award, it is clearly mentioned that in case of departure, the beneficiary should inform the Ministry.
- Follow-up is being done every 2 months in all cases where the beneficiary is in Mauritius.

- Existing staff have been briefed on the steps to be taken according to the existing National Pensions Fund Act.
- A proper prosecution unit will be set up, provided the appropriate resources, human and financial, are obtained.

12.2.5 Social Aid - Surviving Partner Allowance - Inadequacy of control Mechanism over assessment of Eligibility

The Surviving Partner Allowance (SPA), introduced in October 2014, is payable to women who had contracted a Muslim religious marriage between 13 November 1987 and 22 December 1990 and whose partner subsequently passed away. The SPA is payable provided the women were still living with their partner till the latter's demise and that they had not contracted any civil or religious marriage since then.

During the financial year 2024-25, the Social Security Division disbursed some Rs 9.3 million to 44 beneficiaries.

Findings

▪ SPA disbursed though criteria for payment not complied with

Eight new cases awarded during the financial year 2024-25 were verified. Some Rs 1.3 million were paid as SPA, though criteria as set out in the Social Aid (Amendment) Regulation 2014 Sections 3 (d) (r) and 17 (1) (2) have not been complied with.

- (i) Although one beneficiary was not eligible for SPA as she started to live in a union as wife after the prescribed period ending 22 December 1990, yet SSD approved an amount of Rs 191,000.
- (ii) Late application for SPA was submitted in three cases, varying from 6 months to nearly 2 years after the partner's demise. No evidence was seen whether these cases were considered for approval under Section 17 (2)(c) which provided for possible departure from the 6-month delay on the grounds of illness or other reasonable cause.

▪ Inconsistencies noted in affidavits sworn by witnesses

As per Section 17 (1), a SPA application shall be supported by an affidavit sworn or solemnly affirmed by 2 witnesses in the form set out in the Third Schedule. The following inconsistencies were noted:

- (i) In one case, one witness, even though born on 18 October 1989, solemnly affirmed that he was aware that the beneficiary had started to live in a union as wife on 25 December 1988.
- (ii) Both witnesses in one case were born in the years 1993 and 1997, and yet stated that they were aware that the said beneficiary was religiously married since on or about 1 October 1989.

- (iii) In two cases, both witnesses affirmed that the beneficiaries started to live in a union on 6 June 1990 and 18 August 1990 respectively, although they solemnly stated in August 2024 that they have known the said beneficiaries and their respective partners for 3 years.

▪ **Follow-up on prior year audit issues**

In the Audit Report 2023-24, the Ministry informed that all cases of SPA would be awarded for a maximum period of 3 months. However, during the financial year 2024-25, renewal was still being done for a period of 12 months. Table 12.6 refers.

Table 12-6 Renewal of SPA Cases exceeding 3 months

Beneficiary	Local Office	Renewal Period	No of Months
1	Beau Bassin	Aug 2025-July 2026	12
2	Beau Bassin	May 2025-Apr 2026	12
3	Rose Hill	May 2025- Apr 2026	12
4	Rose Hill	Jan 2025- Dec 2025	12
5	Rose Hill	Jan 2025- Dec 2025	12
6	Rose Hill 1	Jan 2025- Dec 2025	12
7	Rose Hill 3	Feb 2025- Dec 2025	11
8	Riviere des Anguilles	Sep 2025- Aug 2026	12
9	Quartier Militaire	Jan 2025- Dec 2025	12
10	Mt Blanche	July 2025 –June 2026	12
11	Vacoas	Jan 2025- Dec 2025	12
12	Vacoas	Jan 2025- Dec 2025	12
13	Vacoas	Jan 2025- Dec 2025	12
14	Vacoas	Jan 2025- Dec 2025	12
15	Triolet	Jan 2025- Dec 2025	12
16	Astor Court	Jan 2025- Dec 2025	12

Source: SPA File kept at Examination Section

- No evidence was seen whether any verification was done with the Civil Status Division (CSD) to ensure that SPA beneficiaries were not civilly married at the time of renewal.
- No evidence was provided on whether all cases of SPA have been reassessed.

Root Cause

Insufficient controls over eligibility verification and payment processing related to SPA by the SSD.

Recommendation

The SSD should review the Surviving Partner Allowance to identify any possible overpayments.

Ministry's Response

All 44 cases of SPA have been reviewed. Necessary and prompt action is being taken to regularize the cases.

12.2.6 Overpayment of Social Aid - Rs 14.5 million

As of 30 June 2025, Rs 14.5 million in social aid overpayments remained outstanding, including Rs 12.5 million unrelated to the Self-Employed Assistance Scheme (SEAS). The balance comprised of Rs 9.9 million from cases prior to July 2024 and Rs 2.6 million from newly detected cases during the financial year 2024-25.

Findings

▪ Weaknesses in timely recovery of Overpayments

During the financial year 2024–25, only 27 per cent of arrears were recovered. By 30 June 2025, 88 per cent of old arrears and 58 per cent of new arrears detected during the year were still unpaid.

▪ New cases of overpayment identified during the year

- (i) Some Rs 1.8 million were overpaid in 119 new cases due to employment status changes, representing 40 per cent of the Rs 4.5 million total overpayments in 301 new cases in financial year 2024–25. Overpayments mainly resulted from unreported employment changes of the beneficiaries, delayed record updates by MRA, and 6-month awards by SSD.
- (ii) During the financial year 2024–25, 15 new cases of overpayments totaling Rs 558,000 were detected, arising from marital status changes and identified through SSD's remarriage matching exercise. Recovery stood at just 9 per cent, with some cases involving civil marriages dating back before the year 2024. Table 12-7 refers.

Table 12-7 Marriages prior 2024

Claimant	Amount Overpaid (Rs)	Reason for overpayment
A	230,100	Married in December 2018. Overpaid for period December 18 to May 2024, that is, 66 months
B	119,336	Married in July 2021. Overpaid for period July 2021 to May 2024, ie 35 months
C	52,612	Married in August 22. Overpaid for period August 2022 to May 2024, ie 22 months
D	31,646	Married in July 2023. Overpaid for period August 2023 to May 2024, ie 10 months

Source: Return of Overpayment Social Aids

- (iii) A total of Rs 266,000 was overpaid to 64 beneficiaries under the monthly CSG School Allowance. This figure could not be ascertained due to the unavailability of data sharing from the MRA. Detection occurred in only 12 of the 44 local offices after case re-assessments.

Root Causes

- Absence of Standard Operating Procedures regarding the whole process for payment of various social aids and recovery of overpayments.
- Beneficiaries not aware of their statutory responsibility to inform SSD of any changes status and of the consequences of not doing so.
- Sharing of data through the Info highway platform with stakeholders, namely, the MRA, NLTA not yet implemented.

Recommendations

- SSD should enforce its recovery of social aids through the Overpayment Recovery Unit (Benefits branch) to ensure timely settlement of outstanding overpayments.
- SSD should ensure that the beneficiaries are aware of the statutory provisions which constitute an offence under Section 8 of the Social Aid Act 1983.
- SSD should lead the consultation for sharing of data through the Info Highway platform with regards to its informational requirement

12.2.7 Inadequate Control over Payment of Social Assistance through Immediate Payment (IP)

Background Information

One type of social assistance in cash is payment through Immediate Payment (IP) vouchers to beneficiaries. IP details were input in the Social Aid Module, and IP vouchers were then issued manually in 3 copies by the Higher Social Security Officers (HSSOs). Payments were then being effected through the Mauritius Post Ltd (MPL) to beneficiaries upon presentation of the original and duplicate copies. Thereafter, the MPL remitted the duplicate copies to SSD local offices, which are then approved by the Senior Social Security Officers (SSSOs) on the Social Aid Module and filed in the respective claimant files.

During the financial year 2024-25, IP totalling Rs 82,915,055, as per the Treasury Accounting System (TAS), was paid by the Mauritius Post Ltd (MPL).

Findings

■ Use of IP to pay pensions to regular beneficiaries for more than one month

The main purpose of IP was to pay one-off payments such as allowances to flood/cyclone/fire victims, funeral grants, and dentures. Other regular social aid pensions were also paid through IP for one month, pending payment through paysheets in the following month.

A sample of 12 cases examined revealed that beneficiaries had drawn IP for long periods, dating back to 2013, and the reasons were not stated in 5 out of 12 cases. This had cost implications, as the SSD disbursed approximately Rs 480,000 annually to the MPL (based on an average of 2,000 IPs issued monthly at Rs 20 per IP). Furthermore, the issuance of manual IPs had the risk of making invalid payments. Table 12-8 refers.

Table 12-8 Long Period of Payment through Immediate Payment

Claimant	Local office	Category of Social Aids	IP paid since	Reason
1	Vacoas 4	Medical & Travelling allowance	Year 2020	Not stated
2	Vacoas 1	Medical (HIV)& Travelling allowance	Year 2013	Not stated
3	Vacoas 4	Medical (Fracture)	Year 2016	Not stated
4	Quatre Bornes 2	Medical (HIV)	Year 2014	Not stated
5	Quatre Bornes 3	Medical (Fracture)	Year 2020	Not stated

Source: Database of IP and Claimant file

▪ **Non-utilisation of computerised IP vouchers due to defective printers**

Immediate Payment details were input, processed, and approved on the Social Aid Module. However, computerised IPs were not being generated. Instead, manual IPs were prepared and issued by HSSO without prior check by a Senior Officer. The reason stated for the use of manual IPs was due to the defective printers at the local offices. There was the risk that the name of the applicant/ beneficiary(proxy) appearing on the Social Aid Module differed from that on manual IPs.

▪ **Cases where the Beneficiary ID differed from that of the Applicant ID**

IPs were issued to the Applicant (except for a funeral grant) or an appointed proxy (beneficiary) specified on the application form.

A review of the database of IPs revealed cases where an applicant had more than 1 beneficiary. Hence, the risk of fictitious beneficiaries drawing IPs on behalf of the Applicant might arise due to multiple proxies. Table 12-9 refers.

Table 12-9 Applicants having more than 1 proxy (some examples)

Applicant ID	Local Office	No of IP issued	Issued to more than 1 proxy/beneficiary
1	Beau Bassin 2	6	5
2	Pointe aux Sables 1	5	4
3	Phoenix 1	11	3
4	Pointe aux Sables 1	3	3
5	Quatres Bornes 2	3	3
6	Rose Hill 3	4	3
7	Chemin Grenier 2	3	2
8	Quatres Bornes 3	10	2

Source: Database of IP financial year 2024-25

▪ **Password Access granted according to the role of the Officer of the Technical Cadre**

According to the IT unit of the SSD, access was given to the Higher Social Security Officer (HSSO) for the processing of IP while the Senior Social Security Officers were granted access for the approval of IP.

An analysis of the database revealed cases where IPs were processed and approved by the same HSSO. Therefore, there was no segregation of duties, which might give rise to invalid payments. Table 12-10 refers.

Table 12-10 IP processed and approved by the same HSSO

Processed by Officer	Approved by Officer	No of Cases
A	A	33
B	B	23
C	C	23
D	D	17

Source: Database of IP (funeral grant)

▪ **No Listing drawn for cases not input on Social Aid Module**

Following the reconciliation exercise carried out by the Finance Section (Head Office) between the original IPs vouchers submitted by the MPL and the listing of IPs received from SSD Local Officers, no listing was drawn in respect of those IPs (excluding Flood and Cyclone) paid by MPL and not recorded on the Social Aid Module. As such, the difference of Rs 722,694 pertaining to social aid pensions could not be explained.

Hence, there was a lack of control over the issue of IP vouchers, which could have resulted in fictitious payments.

▪ **Monthly Listing of IP and Original IP remitted by the Mauritius Post Ltd**

Presently, a listing of persons who received payment at the different post offices, together with their respective NID number and those of the proxies where applicable were not being submitted to the SSD. Hence, a matching exercise could not be performed between Social Aid Module database with that of the Mauritius Post Limited to detect cases where the names appeared on the latter differed from that of the Module.

Root Causes

- No Standard Operating Procedure was in place for the purpose of issuing IP vouchers.
- Lack of control and supervision by the Ministry over manual IP vouchers.
- No reconciliation by the Ministry on IP submitted by MPL and IP received from local offices SSD.

Recommendations

- SSD should ensure that IP vouchers are checked by responsible officers before issuing to beneficiaries, and evidence of same should appeared on the IP vouchers.
- The Social Aid Module should include a mandatory field to ensure the RePayee is either the Applicant or the proxy named on SA1, preventing multiple proxies.
- A Standard Operating Procedures Manual should be prepared on the issue of IP vouchers.

- Reconciliation exercise of IP vouchers submitted by MPL and SSD Local Offices should be carried out on a regular basis.

Ministry's Response

- The non-utilisation of computerised IP vouchers arising from defective printers is presently under review. Local offices have been directed to provide a list of offices where printers are incompatible.
- The Finance Section has been requested to submit a list of IPs paid but not input on Social Aid Module.
- Some Claimants do not have bank accounts for reasons such as frozen accounts following conviction.

12.2.8 Governance Issues – Non-compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of statutory bodies with the objective of strengthening accountability and transparency in the public sector.

Findings

Non-submission of Report on Performance

As of 31 December 2025, the Report on Performance of the Ministry of Social Integration, Social Security and National Solidarity (Social Security and National Solidarity Division) for the financial year 2024-25 had not yet been submitted to the Ministry of Finance, despite the statutory deadline being 31 October.

Ministry's Response

Report on performance of this Ministry is being finalised.

Non-submission of Financial Statements for Audit

The Statutory Bodies (Accounts and Audit) Act requires the Chief Executive Officer of a statutory body to submit the annual report, including the financial statements, to the auditor not later than four months after the end of every financial year.

As of 31 December 2025, the following Statutory Bodies falling under the purview of the Ministry of Social Integration, Social Security and National Solidarity (Social Security and National Solidarity Division), had not submitted their financial statements for audit as shown in the Table 12-11.

Table 12-11 - Financial Statements not submitted to NAO for Audit

Statutory Body	Financial Year	No of Financial Statements
National Council for the Rehabilitation of Disabled Persons	2020-21 to 2024-25	5
Senior Citizens Council	2024-25	1
Training and Employment of Disabled Persons Board	2018-19 to 2024-25	7

Source: NAO records

Recommendations

The Ministry should:

- Comply with its statutory obligation regarding submission of its Report on Performance; and
- Exercise control over statutory bodies and other entities operating under its aegis to ensure that they comply with their statutory responsibilities regarding the preparation of financial statements and their submission for audit.

Ministry's Response

- *National Council for the Rehabilitation of Disabled Persons (NCRDP)*

The financial statements of the NCRDP for 4 financial years 2020-2021 to 2023-2024 have already been prepared. The financial statements for 2024-25 are currently in progress. The Last Board meeting was held on January 2024. The Board has not yet been reconstituted.

- *Senior Citizen Council*

The Executive committee has been reconstituted in August 2025. The financial statements are currently being finalised and will be submitted by 30 April 2026.

- *Training and Employment of Disabled Persons Board*

The financial statements for period 2018-19 to 2023-24 have already been prepared. Only figures for pension obligation from SICOM are being awaited. However, Board has not yet been reconstituted for approval of financial statements.

12.2.9 Follow-up on Recommendations raised in the Audit Report 2023-24

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2023-24 is summarised. Out of 16 recommendations, 6 (38 per cent) have been implemented, 8 (50 per cent) have been partly implemented and 2 (12 per cent) have not been implemented.

SN	Findings	Recommendations	Ministry's Response- as of January 2026	NAO's Comments
E-Social Security System -Delay in Project (Page 251-252)				
1	<i>Significant delays in implementation of the E-Social Security (ESS) project.</i> The project started in 2013 with a cost estimate of Rs 240 million. <i>Escalation in estimated project costs.</i> The cost estimate escalated by Rs 38 million. <i>Funds budgeted for not disbursed as intended.</i> Of the Rs 50 million provided for the ESS project in the 2023-24 Budget, Rs 46.3 million was reallocated for construction of the Recreation Centre at Riambel and for the payment of Pension. <i>Delayed implementation of ESS.</i> After 11 years, SSD has still not implemented the ESS project. (Pg 251, Para 10.2.1)	The Social Security and National Solidarity Division (SSD) needs to take proper and prompt actions to avoid further delay in the implementation of the project. Proper planning would be critical in ensuring the successful implementation of the ESS project. (Pg 252, Para 10.2.1)	Approval of CPB for the launching of International bids was conveyed on 17 October 2025. Tenders were launched on 22 October 2025. The closing date has been extended to 27 January 2026 upon request from potential bidders. Closing date further extended to 3 March 2026.	Partly Implemented
Overpayment of Pensions – Rs 187 million (Page 252-257)				
2	<i>Overpayment of Pension on Departure Cases.</i> Overpayment arose due to disbursement of monthly pension to beneficiaries residing abroad for more than 6 months. (Pg 253, Para 10.2.1)	The Civil Status Division (CSD) should ensure accurate and up to-date information are submitted to SSD as such information would be critical, in the prevention of cases of pension overpayment/ fraudulent encashment. (Pg 254, Para 10.2.1)	2 officers posted at the Passport and Immigration Office are providing movement details of beneficiaries on a daily basis. Legal advice is being sought as to whether recoupment could be done in accordance with the Code Civil.	Implemented

SN	Findings	Recommendations	Ministry's Response- as of January 2026	NAO's Comments
3	<i>Slow Recovery of Overpayments.</i> The recovery rate of overall pension overpayments was about 20 per cent compared to the 35 per cent targeted in the three-year Strategic Plan for 2023-2026. (Pg 253, Para 10.2.1)	SSD should review and enhance the operation structure of the Overpayment Recovery Unit, particularly given the likely future increases in the quantum of pension payable. (Pg 254, Para 10.2.1)	List of remarriage and dead cases are uploaded from CSD. Correspondences are sent to CSD to obtain information.	Partly Implemented
4		SOPs should be detailed out to provide guidance on steps to be taken upon detection of cases of overpayments. (Pg 254, Para 10.2.1)	SOPs updated in context of e-Social Security System (eSS).	Implemented
5	<i>Inadequate follow-up of Overpayment cases.</i> In 566 (some Rs 79.5 million overpaid) of 1,411 cases, no refunds have been made during the financial year under review. (Pg 254, Para 10.2.1)	Regular assessments of follow-up actions taken need to be made to ensure that overpayments are recouped. (Pg 254, Para 10.2.1)	Depending on a case-to-case basis, all files are reviewed every 2 months. The financial vulnerability of the beneficiaries is the main reason for delay in recovery of overpayment as the beneficiaries do not have the repayment capacity.	Partly Implemented
Processing of Applications for Basic Invalid Pension and Additional Basic Invalid Pension (Page 256)				
6	<i>Significant delays in processing Applications.</i> Delays ranging from 153 to 428 days were observed in the processing of beneficiaries' applications. (Pg 256, Para 10.2.1)	An automated tracking system should be introduced to monitor the processing of each application and flag any delays. (Pg 256, Para 10.2.1)	This recommendation will be fully implemented with the ESS.	Partly Implemented
7	<i>No time frame set for Processing of Applications.</i> A database review revealed that applications were processed randomly from the date of approval by the Medical Board (MB) rather than on a first-in, first-out basis. (Pg 256, Para 10.2.1)	SSD should develop and implement formal SOP manual. (Pg 256, Para 10.2.1)	New SOP worked out in context of ESS. - If the applications are complete, the awards are done within 2 months. - However, when there are missing documents, the time frame cannot be predetermined. A time frame flow chart has been set up.	Partly Implemented

SN	Findings	Recommendations	Ministry's Response- as of January 2026	NAO's Comments
Medical Unit (Page 257-259)				
8	<i>Inadequate time allocation for proper medical assessment of applicants.</i> 30 to 35 applicants were scheduled for each three-hour MB session, conducted by two medical officers. Only 5 to 6 minutes per beneficiary were allocated to perform medical assessment <i>Determinations of benefit eligibility by Medical Boards quashed by Medical Appeal Tribunal (MAT).</i> Of the 5,122 applications for appeal against MB decisions received during the year 2023-24, 2,017 representing some 40 percent of same, have been allowed/approved by MAT. Carer's Allowance/ Additional Basic Invalid Pension of Rs 3,500 monthly granted to ineligible persons. (Pg 257, Para 10.2.1)	The Ministry should consider restructuring the existing pool of medical officers into 2 separate pools for the purpose of conducting Medical Boards/ Domiciliary Visits Medical Examinations (DVME) and Domiciliary Visits (Pg 259, Para 10.2.1)	The Ministry is currently working on a reform process which will address these issues. Two separate pools of medical officers already exist. Doctors doing medical board assessment are not allocated the same patient for monthly DVs' before par 'overruling of medical board Overruling of MB's determinations is due to - deterioration of cases at time of assessment by MAT. - medical certificates containing insufficient details and applicants not presenting sufficient symptoms whilst appearing on MBs. The Ministry of Health and Wellness has been approached so that medical certificates issued by its Medical Practitioners contain all relevant details to enable the Medical Practitioners of this Ministry to take the right decision. According to the second schedule of the National Pensions Act, a person is eligible for Carer's Allowance if he or she needs constant care and attention of another person. It is not specified whether the person should be bedridden. Persons with disabilities are also encouraged to join gainful employment.	Partly Implemented

SN	Findings	Recommendations	Ministry's Response-as of January 2026	NAO's Comments
			A work request has already been made to SIL to redesign the benefits system in such a way that doctors conducting the DVME do not have their own patients for assessment and vice versa.	
9	<i>Inadequate control pertaining to Domiciliary Visits (DV's).</i> No proper control mechanism was in place which would allow for the verification of the medical history forms filled in during the DVs to ensure the quality of service being provided during the DVs. (Pg 258, Para 10.2.1)	A monitoring mechanism would need to be put in place to ensure provision of consistent and high-quality services during DVs. (Pg 259, Para 10.2.1)	Since September 2025, a new DV Assessment Form has been introduced. A Safe Prescribing Guidelines and a Safe Prescribing Monitoring Mechanism, besides Quality-Control sampling of prescriptions, have been implemented since July 2024. A system of DV counter checks by phone is also being done. Records of complaints, responses obtained and measures applied are also filed for each doctor.	Partly Implemented
10	<i>Manual processing of information and poor filing system.</i> Most of the processes and reporting were still being carried out manually, which was time consuming. Retrieval of information was also tedious. (Pg 258, Para 10.2.1)	The Ministry should introduce a computerised system for information processing and recording and for proper reporting purposes. (Pg 259, Para 10.2.1)	To address this issue, the ESS is being implemented. As an interim measure, weeding of files is being carried out and additional racks have been procured	Not Implemented
11	<i>Inadequate effort for recovery of over-payment of social aid other than SEAS related cases.</i> The overall arrears recovery rate during 2023-24 was only 23 per cent.	Enhanced communication and follow-up between SSD and MRA would ensure timely updating of Employer/Employee records and prompt notification about the payment of CSG child allowances by the latter. (Pg 261, Para 10.2.1)	The information captured at the Mauritius Revenue Authority (MRA) regarding employer/employee records is received at the Ministry after 2-3 months. No list is being submitted for CSG child allowance payment as they classify it as confidential.	Not Implemented

SN	Findings	Recommendations	Ministry's Response- as of January 2026	NAO's Comments
Overpayment of Social Aid – Rs 13.4 Million (Page 260 - 264)				
12	<i>Non-communication of changes in status by beneficiaries.</i> Overpayments arose mainly as a result of non-notification of changes in employment, marital status and in departure cases by beneficiaries. <i>New cases detected during the year.</i> Some Rs 2.2 million was found to have been overpaid in about 141 newly-detected cases, as a result of changes in employment status. (Pg 260, Para 10.2.1)		In process – Meantime statement is being recorded in file. A meeting has been scheduled with the MRA to thrash out the matter.	
		SOPs need to be developed to facilitate the whole process for payment of various social aids. (Pg 261, Para 10.2.1)	New SOPs have already been worked out. Files of overpayment are being followed at all regional Social Security Offices'	Partly Implemented
		Prompt reassessment of cases and proper follow-up should be effected at the level of all local offices. (Pg 261, Para 10.2.1)	All cases are being followed up every 3 months.	Implemented
14	<i>Inadequate Control over payment of Social Assistance through Immediate Payment.</i> Immediate Payments (IPs) were not being input on Social Aid Module in a prompt manner. (Pg 261, Para 10.2.1)	Local offices to ensure that input on Social Aid Module in respect of IP forms issued to flood and cyclone victims be done within a reasonable delay. (Pg 262, Para 10.2.1)	As from August 2025, the Ministry has started capturing the IP forms issued to flood and cyclone victims on the Information System. As at 28 January 2026, 3,401 cases have been input.	Implemented
15		The Ministry should ensure that proper follow-up is effected for submission of monthly IP listings by all local offices. (Pg 262, Para 10.2.1)		Implemented

SN	Findings	Recommendations	Ministry's Response- as of January 2026	NAO's Comments
16	<i>Surviving Partner Allowance (SPA) disbursed though criteria for payment not complied with.</i> The SPA, equivalent to Basic Widows' Pension, is payable provided the women were living with their partner till the latter's demise and that they have not remarried since then (Pg 262, Para 10.2.1) <i>Renewal of SPA.</i> Renewal in respect of SPA was being done annually upon confirming that the surviving partner was still alive and securing a statement from the latter that she had not conducted any religious or civil marriage after the death of her partner. (Pg 263, Para 10.2.1)	SSD should investigate into the cases mentioned for any overpayment that might have occurred. Also, reassessment of all other cases would need to be effected by SSD. (Pg 264, Para 10.2.1)	All 44 cases have been reviewed and assessed. As at date, only 39 live cases are on paysheet. Overpayment is being followed up. Henceforth, renewal is being done every three months.	Implemented

13 – MINISTRY OF FINANCIAL SERVICES AND ECONOMIC PLANNING

13.1 Office of Public Sector Governance

Background Information

The Office of Public Sector Governance (OPSG) is the technical arm of the Ministry of Financial Services and Economic Planning (MFSEP) for good governance and institutional reforms. It is mandated to carry out several activities that aim to enhance and promote good governance in Ministries and Departments and public sector organisations.

The responsibilities of the OPSG primarily include conducting reviews and the establishment and monitoring of Audit Committees in Ministries and Departments.

Findings

▪ Shortcomings in the Establishment and Operations of Audit Committees

(i) Independence of Audit Committees not ensured

The Audit Committees were not independent of the management of Ministries and Departments. As of December 2025, the Accounting Officer of Ministries or the Heads of Departments continued to appoint members of Audit Committees from within their respective organisations, with most of them drawn from the management team.

(ii) No Database maintained

The Ministry considered the establishment and maintenance a database of individuals willing to serve as Audit Committee members. However, as of December 2025, the Ministry did not initiate action to call for an expression of interest for the establishment of a database.

(iii) Slow Progress in revamping the functioning of Audit Committees

The Ministry informed NAO that the approval of higher authorities was sought for a policy decision for the implementation of the recommended measures in the NAO Performance Audit Report Issued in 2019 and titled “Effectiveness of Internal Audit Functions and Audit Committees in Ministries and Government Departments.”

In mid-2024, higher authorities proposed the setting up of a technical committee to examine the shortcomings identified by the NAO, with the objective of revamping the functioning of Audit Committees. The committee held its first meeting in July 2025, more than a year after the proposal.

Two other meetings were held on 27 November 2025 and 11 February 2026. As of mid-February 2026, the Ministry worked on several proposals to revamp the functioning and enhance the independence of Audit Committees. However, the proposals had yet to be endorsed by higher authorities.

(iv) Delay in assessing Effectiveness of Audit Committees

The OPSG assessment report for financial year 2022-23 Audit Committees was issued in July 2024 that is, more than a year after the year-end. Assessment of financial year 2023-24 Audit Committees extended well into 2025. Evaluation for those of financial 2024-2025 was still ongoing.

Late submissions of documents by Audit Committees, Accounting Officers, and Heads of Departments limited OPSG's capacity to review and rate the performance of Audit Committees effectively.

Root Cause

The limited progress in enhancing the independence of Audit Committees was mainly attributed to the slow-pace of follow-up with higher authorities.

Recommendations

The Ministry should:

- Initiate action to call for an expression of interest for the establishment of a database.
- Formulate defined timelines and relevant key performance indicators with reporting on progress and act promptly on revamping the Audit Committees.

Ministry's Response

Pending a policy decision on the modalities for the implementation of the independence of Audit Committees, the Ministry cannot, at this stage, initiate action to call for an expression of interest for the establishment of a database.

(v) Incomplete Action Plans of Audit Committees

Although Section 21 of the Audit Committee Charter requires consideration of reports from management and other institutions, Audit Committees did not integrate NAO performance audit findings and recommendations or other commissioned reports into their action plans, limiting the comprehensiveness of oversight across Ministries and Departments.

Root Cause

OPSG did not ensure a systematic review of NAO, Public Accounts Committee (PAC) and Internal Audit findings by Audit Committees and an effective monitoring and follow-up mechanisms to ensure inclusion of all key elements in different reports.

Recommendation

Audit Committees should provide oversight on matters contained in Performance Audit Reports and other reports commissioned and accepted by the organisation. This will pave the way for value to be derived for money invested in such works.

Ministry's Response

OPSG ensures that NAO's recommendations are appropriately captured in the Action Plans of the respective Audit Committees. OPSG holds individual meetings with each Audit Committee to review the contents of the Action Plans and ensure its completeness and accuracy.

NAO's Comment

Only 2 Performance Audit reports are given as examples. The NAO has issued 49 Performance Audit reports over the years.

(vi) Deferral of Audit Committees

The establishment of Audit Committees is a statutory requirement. However, during the financial year 2024-25, the setting up of 9 Audit Committees was deferred. Such deferrals constituted a breach of financial instructions.

Recommendation

The OPSG should promptly constitute the committee as mandated, ensuring compliance with financial instructions and preventing future breaches.

Ministry's Response

OPSG concurs that the establishment of an Audit Committee is a legal obligation and will ensure that the Technical Committee gives due consideration to cases where Action Plans contain fewer than 10 significant issues.

▪ Shortcomings in Reviews Conducted

(i) Delays in initiating Review Assignments

Reviews were subject to substantial delays, including one initiated in November 2024, some 37 months late, after the original request made in October 2021. There were, also, instances when ongoing assignments had to be put on hold so as to carry other more pressing requests.

Delays in conducting reviews resulted in deferred corrective actions, allowing deficiencies in processes and controls to persist.

Root Cause

There were limited staff capacity and time allocated to carry out review assignments.

Recommendations

The Ministry should take the following measures to help OPSG to shoulder its responsibilities better:

- Improve workload management;
- Strengthen staffing capacity; and
- Improve planning and prioritisation.

Ministry's Response

The Ministry will look into strengthening staffing capacity, depending on budget allocation, to enable OPSG to shoulder its responsibilities.

(ii) Absence of a Regulatory Framework for Governance Reviews

The OPSG's governance reviews were ad hoc and request-driven, lacking a structured regulatory framework. In contrast, Australia mandates annual performance and accountability reviews under the the Public Governance, Performance and Accountability Act.

The OPSG, operating under the aegis of the MFSEP, restricted its independence in carrying out governance reviews within the ministry itself, as it was likely to compromise its autonomy and objectivity.

There was weak enforcement and implementation of recommendations was not systematically tracked. By contrast the United Kingdom (UK) and Australia had established strong enforcement mechanism with mandatory reporting. Sanctions were imposed for non-compliance thereby ensuring effective implementation of recommendations.

Root Cause

There was an absence of a formal regulatory framework mandating systematic governance reviews in Ministries and Departments and Statutory Bodies.

Recommendation

To strengthen the effectiveness of governance reviews conducted by OPSG, the Ministry, in consultation with higher authorities, should consider establishing a Public Governance Review Framework under an appropriate regulatory framework.

The Ministry may draw on the UK and Australian models as examples of good practice and adapt them to the local context.

Ministry's Response

A formal regulatory framework mandating systematic governance reviews in Ministries and Departments as well as Statutory Bodies, will be considered by the Ministry.

▪ Initiative to enhance Good Governance

The Ministry inform NAO that OPSG was developing a draft comprehensive Code/Framework of Good Governance for the Public Sector. The Framework aimed to establish guiding principles to enhance transparency, accountability, efficiency, and financial integrity across government institutions. The Code was being finalised and the views of different stakeholders would be sought on the draft.

Delay to finalise the Code meant that different public entities might adopt varying approaches, leading to fragmented governance and inefficiencies.

Recommendation

The Ministry should expedite the finalisation of the Code for Public Sector Governance to ensure timely implementation and strengthen governance practices across Government's institutions.

Ministry's Response

The modalities and legal framework for implementation are being discussed at the level of the Ministry.

▪ Remuneration of Audit Committee Members

Audit Committee members are paid annual fees, as follows: Chairperson Rs 18,000, Members Rs 9,000 and Secretary Rs 5,400. These fees were set since the year 2013 by the Standing Committee for the Categorisation of Boards and Committees. The Ministry considered the existing fees to be relatively low. Inadequate remuneration could undermine the effectiveness of Audit Committees, as the level of fees was a key factor in supporting their proper functioning.

During the financial year 2024-25 the Ministry worked on several proposals to revise the remuneration of Audit Committee members. In November 2025, the OPSG submitted a revised proposal to the Technical Committee proposing remuneration on a per meeting and per member basis.

However, as of January 2026, no decision had been taken by the Technical Committee.

Recommendations

- An effective scheme needs to be developed with a view to attracting high calibre persons to form part of Audit Committees so that significant improvement is made in the implementation of good governance in Ministries and Departments.
- The quantum of fees should commensurate with the level of responsibilities and competencies.

Ministry's Response

At its 3rd Technical Committee meeting of 11 February 2026, it was decided that:

- (i) Number of members will be based on the size of the Audit Committee: large, medium or small;
- (ii) Chairperson to be appointment from private sector and retired public officers;
- (iii) One third of the members to be appointed from the concerned Ministry or Department and the remaining from outside; and
- (iv) An enhanced fee will be paid to Chairperson and members.

However, these decisions are subject to the approval by higher authorities.

13.2 Governance Issues – Non-compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of statutory bodies with the objective of strengthening accountability and transparency in the public sector.

Finding

Annual Reports not Laid before the National Assembly

The Statutory Bodies (Accounts and Audit) Act requires a copy of the annual report and audited accounts of every statutory body to be laid before the National Assembly at the earliest opportunity.

As of 31 December 2025, Annual Reports of 2 Statutory Bodies had not yet been laid before the National Assembly as shown in Table 13-1.

*Table 13-1 Annual Reports including audited Financial Statements
not Laid before the National Assembly*

Statutory Body	Financial Year/ Period	Date Certified	No of Financial Statements
Financial Services Commission	2024-25	28 Nov 2025	1
Insurance Industry Compensation Fund	2023-24	5 Nov 2025	1

Source: National Assembly Records

Recommendation

The Ministry should lay a copy of the annual report and audited financial statements before the National Assembly.

Ministry's Reponse

The Annual report 2024-25 of the Financial Services Commission has been transmitted to the National Assembly for tabling on 20 January 2026, whilst needful is being done for tabling of the Annual Report 2023-24 of the Insurance Industry Compensation Fund.

13.3 Follow-up of Recommendations raised in the Audit Report 2023-24

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2023-24 is summarised. The 3 recommendations (100 per cent) have been implemented.

Sn	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Acquisition of a Double Cab 4x4 Vehicle (Page 269)				
1	The Ministry purchased a Double Cab 4x4 for Rs 1.8 million in April 2024. However, it did not comply with Paragraph 8 of Financial Instructions No.1 of 2015. <i>(Pg 269, Para 11.1)</i>	■The Accounting Officer should, henceforth, comply with relevant financial instructions.	The Ministry has already embarked on a proper system of monitoring and control system.	Implemented
2	Lack of Control and Monitoring on the Use of Government Vehicles: ■ Senior Officers entitled to travelling benefits/car allowance and duty exemption were allowed to use Government vehicles. ■ The double 4x4 vehicle purchased in April 2024 defeated the real purpose for which the vehicle was purchased. <i>(Pg 269, Para 11.1)</i>	■The Ministry should strengthen its monitoring and control system on the use of its vehicles. <i>(Pg 270, Para 11.1)</i>	My GPS Ltd was awarded the contract for the installation of GPS equipment on three Government Vehicles, which was completed on 12 September 2025.	
Lapses in Office Accommodation (Page 270)				
3	(i) No Lease Agreement for office spaces at SICOM Tower: As of 30 June 2024, the Ministry, being one occupant of SICOM Tower since 2015, did not enter into a lease agreement with the company.	The Ministry should ensure that it has a lease agreement with SICOM Ltd and should expeditiously resolve the disagreement between the company and Valuation Department. <i>(Pg 271, Para 11.1)</i>	Lease agreement with SICOM Ltd has been signed on 20 March 2025 for levels 8 (part), 9, 14 and 14+.	Implemented

Sn	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
	(ii)The Ministry continued to pay the rental on the rate and floor area claimed by the company for the period January 2022 to June 2024. This resulted in the payment of some Rs 3 million over the rate assessed by the Valuation Department. (Pg. 270-271, Para 11.1)			

14 – MINISTRY OF ENERGY AND PUBLIC UTILITIES

14.1 Transition to Renewable Energy

Background Information

The global transition to renewable energy is vital for reducing greenhouse gas emissions, improving air quality, strengthening energy security, and supporting sustainable economic development.

Momentum to renewable energy has increased following COP26 in November 2021, where countries reaffirmed their commitments to accelerate renewable energy deployment and progress toward net-zero emissions in line with Sustainable Development Goal 7 (SDG 7), which calls for a significant rise in the share of renewables by 2030.

The electricity generation in Mauritius has remained highly dependent on fossil fuels. During the financial year 2024-25, the total electricity generation was 3,468 GWh, with a peak demand reaching 567 MW. The Independent Power Producers produced 50.6 per cent of electricity, and the Central Electricity Board (CEB) generated the remaining 49.4 per cent. The energy mix comprised 16.2 per cent renewable energy, 37.1 per cent coal, and 46.7 per cent fuel and kerosene.

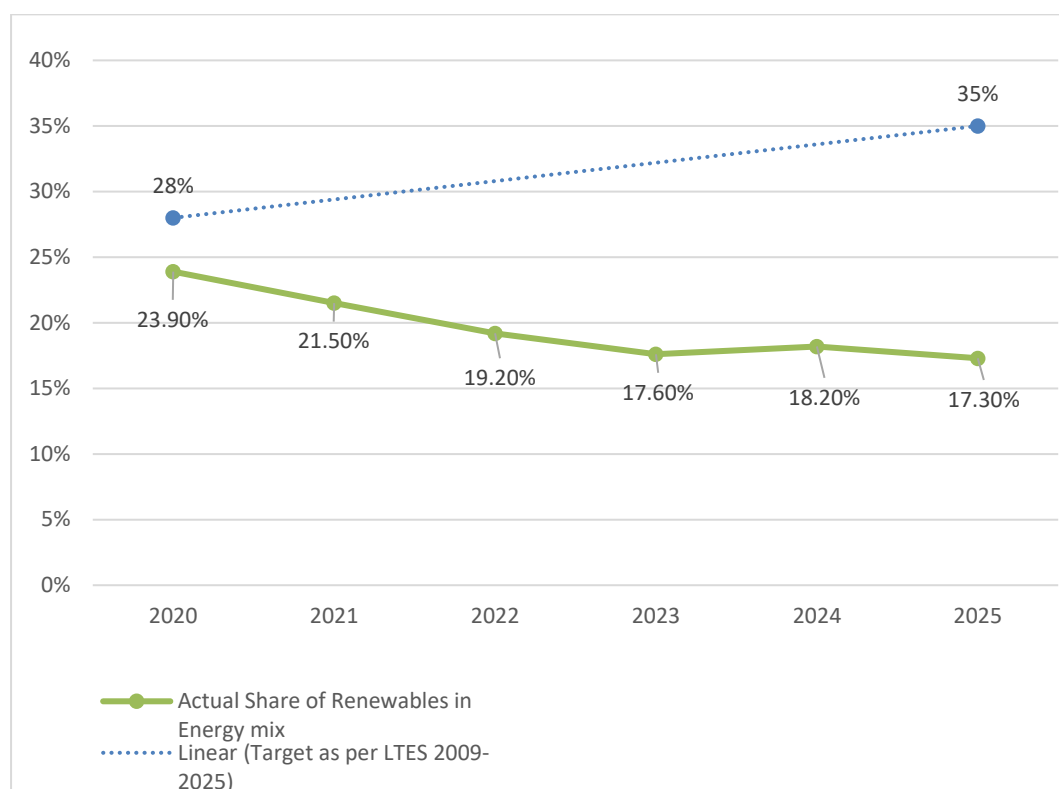
To drive this transition, the Ministry of Energy and Public Utilities (MEPU) provides overall policy direction and ensures energy security. It is supported by key agencies, such as the Mauritius Renewable Energy Agency (MARENA), which promotes renewable energy adoption, strategic planning, and project assessment, and the CEB, which is responsible for electricity generation, transmission, and distribution.

The Ministry developed a Long-Term Energy Strategy (LTES) 2009–2025 and a Renewable Energy Roadmap 2030 for the electricity sector to give direction for the management and the expansion of renewable energy, setting clear targets to increase the share of renewables in the national energy mix. The Renewable Energy Roadmap 2030, aligned with the LTES 2009-2025, aimed to achieve 28 per cent of renewable energy by year 2020 and 35 per cent by year 2025, with initial pathways to reach 60 per cent by year 2030, revised to 60 per cent by year 2035.

Key Findings

▪ Renewable Energy Mix Targets not met within Planned Timelines

The share of Renewables in the energy mix had been declining continuously since year 2020, as shown in Figure 1, and reached 17.3 per cent as of December 2025, far below the targeted 35 per cent share for year 2025.



Source: NAO Analysis based on figures provided by CEB

Figure 1 Actual share of Renewable Energy mix

In the year 2020, the target set was 28 per cent, but the actual renewable energy mix was 23.9 per cent. As of December 2025, the actual energy mix was 17.3 per cent when the target set was at 35 per cent. A widening gap between target and actual performance of 4.1 per cent from the year 2020 to 17.7 per cent as of December 2025 was observed.

Except for hydro energy, the development and deployment of other renewable energy sources did not progress at the required level to meet the established targets in the Renewable Energy Roadmap 2030, as illustrated in Table 14-1.

Table 14-1 Renewable Energy Targets in Roadmap 2030

SN.	Renewable Energy Source	Targeted installed power for year 2025	Power installed as at December 2025	Targeted Share in Electricity mix for 2025	Actual Share in Electricity mix for 2025
		MW	MW	%	%
1.	On-shore wind energy	38.8	9.4	1.9	0.3
2.	Solar energy	232.2	192.6	10.2	6.5
3.	Biomass	164.2	131.5	15.2	7.7
4.	Landfill gas	23	3	4.9	0.2
5.	Hydro Energy	61	56.5	2.8	2.6
	Total	519.2	393	35%	17.3%

Sources: Renewable Energy Roadmap 2018-2030 and Ministry's Production Facts and Figures

The data shows that, as of December 2025, Mauritius was significantly behind its renewable energy targets for both installed capacity and contribution to the electricity mix.

Total installed renewable capacity reached 393 MW, representing 76 per cent of the 2025 target of 519.2 MW, yet the actual share of renewables in the electricity mix was only 17.3 per cent, far below the targeted 35 per cent.

All major renewable sources, except hydro, remained substantially underperforming: wind energy achieved only 24 per cent of its targeted capacity and contributed just 0.3 per cent to the mix against a target of 1.9 per cent; solar energy reached 83 per cent of its targeted capacity and contributed 6.5 per cent instead of the expected 10.2 per cent; biomass energy was at 80 per cent of planned capacity but contributed only 7.7 per cent of the mix versus 15.2 per cent; and landfill gas output was very low, reaching only 13 per cent of planned capacity.

▪ **Strategic Objectives not achieved within the Scheduled Timeframe**

Several strategic objectives were outlined in the LTES 2009–2025 and the Roadmap 2030 to support the attainment of a 60 per cent share of renewable energy in the national energy mix by 2030. However, the strategic objectives listed were not implemented within the scheduled timeframe.

- (i) A Renewable Energy Management Master Plan and Action Plan were targeted to be completed by the end of 2010. It was prepared and finalised in 2016 by an International Consultant, but was not formally endorsed by the Government, as it did not meet the requirements of the then Ministry of Renewable Energy and Public Utilities.

Instead, several policies and strategy documents, including the Maurice Île Durable (MID) Policy and Action Plan 2013, the Renewable Energy Strategic Plan (RESP) 2018-2023, and the Renewable Energy Roadmap 2030 (2019, revised 2022), were developed separately by different agencies over time.

- (ii) Wind energy projects targeted to be completed by 2013 were not implemented:

- The wind farm planned for Curepipe Point/Plaine Sophie had not been implemented.
- The wind farm planned for Britannia in Mauritius was shelved.
- A wind Atlas (with wind-resource potential zones at different hub heights for site selection) had not yet been developed to facilitate the implementation of wind power projects.

- (iii) The target to increase the Bagasse-based energy from 350 to 600 GWh annually was not achieved. The actual energy capacity was 309.2 GWh in 2023, 298.8 GWh in year 2024 and 267.9 GWh in year 2025 were well below the intended level.

- (iv) The project for the construction of a 20 MW waste-to-energy plant at La Chaumière scheduled to be completed by the year 2013, was not realised due to environmental issues.

▪ **Delays in the Implementation of Renewable Energy Projects and Schemes**

The implementation of renewable energy projects and schemes experienced significant delays over recent years, affecting the timely achievement and effectiveness of national renewable energy targets. The intended outcome, such as increased renewable capacity, reduced dependence on fossil fuels, and improved energy security, was not achieved as planned.

To achieve the target for renewable energy share of 35 per cent in 2025, the following projects and investments were earmarked:

- (i) 29.4 MW Plaine Sophie Wind Farm at US \$ 62 million.
- (ii) 11 MW Petite Retraite PV Farm expansion at US \$ 16 million.
- (iii) 22 MW Biomass power plant in 2022 at US \$ 200 million.
- (iv) 3 MW Landfill Gas to Electricity project from the Ministry of Environment, Solid Waste Management and Climate Change estimated at US \$ 1 million per MW as from 2020.
- (v) 20 MW Waste to Energy estimated at US \$ 130 million from proposal following a bidding process launched by the CEB.

Out of these 5 projects, only 2 were completed, that is, Landfill gas to electricity project (3 MW) in 2011 and Petite Retraite PV Farm (10 MW), commissioned in March 2025. Consequently, over more than a decade, the remaining projects were not realised, and the 2 projects contributed only 13 MW out of a total targeted installed capacity of 85.4 MW, achieving only 15 per cent of the intended capacity.

Main recurrent issues such as lengthy procurement processes, land acquisition challenges, limited grid-integration readiness, delays in regulatory approvals, lack of expertise and funding have collectively slowed project commissioning, increased costs, and hindered progress toward the national target for renewable energy penetration.

These constraints had affected several major initiatives, including:

- The Floating Solar PV Farm at Tamarind Falls, where both pilot phases experienced around 5-month delays and the full 17.5-30 MW project remained uncommissioned despite the 2023 target.
- The Petite Retraite PV Farm took nearly 2-3 years from its announcement in the budget 2022 to its commissioning in March 2025. This project was earmarked in the LTES since 2009.
- Long-standing commitments such as the installation of 10 MW solar systems every 3 years had only been partially materialised, one solar system was completed in year 2018, 2024, and 2025 respectively.

- Large-scale initiatives, including the 60 MW Stor'Sun hybrid solar-plus-storage plants, the Airport of Mauritius Ltd 14 MW solar project, and the Amaury Battery Energy Storage System (BESS), progressed slowly, still in planning stage or only recently commissioned.
- Additional projects, such as the pilot Ocean Thermal Energy Conversion (OTEC) plant, the 10 GIS substations, the proposed pump-storage hydro power plant, and the target to deliver 33 MW of solar PV by June 2024, had seen setbacks ranging from stalled feasibility studies to partial or delayed implementation.

Collectively, these delays had slowed progress towards the achievement of national renewable energy goals and targets.

- **Inadequate Regulatory and Institutional Arrangements for Renewable Energy Governance**

MARENA was established as a centralised mechanism under the aegis of the Ministry to act as the lead agency for coordinating and driving the national renewable energy agenda. However, it was unable to operate as intended.

- (i) Section 7 of the MARENA Act provides that the Agency shall be administered by a Board comprising the MEPU, Ministry with the environment and finance portfolios, the Joint Economic Council, the University of Mauritius, non-governmental organisations, Members of the National Assembly, and representatives of the Rodrigues Regional Assembly. The CEB, which was a key implementing agency for renewable energy projects, was not specifically represented on the Board.

Although Section 9 of the Act empowered the Board to establish committees as necessary to assist in the discharge of its functions, no committee involving key stakeholders was established for the coordination and management of renewable energy projects.

Consequently, CEB was neither formally mandated to report to MARENA nor accountable for the implementation of renewable energy initiatives. The CEB continued to report directly to the Ministry on renewable energy matters, effectively bypassing MARENA. This reporting arrangement undermined MARENA's coordinating role and hampered its ability to deliver its mandate. It also limited the Agency's capacity to monitor progress, exercise effective oversight over renewable energy projects, and provide informed advice on the overall management of the renewable energy sector.

Overall, the regulatory framework did not adopt a holistic approach to renewable energy governance. The absence of clear legal authority for MARENA to convene, guide, and consolidate inputs from all key sector stakeholders resulted in fragmented responsibilities, weak institutional coordination, and reduced effectiveness in the planning and oversight of renewable energy development.

- (ii) The post of Chief Executive Officer (CEO) had remained vacant since November 2024. In accordance with Section 10 of the MARENA Act, the CEO is responsible for executing the policy of the Board and for the control and management of the Agency's day-to-day business.

The absence of a CEO for an extended period represented a governance gap and posed a risk to effective decision-making and operational continuity.

- **Absence of Monitoring and Evaluation mechanisms**

A Technical Committee was established to oversee progress. Its role, functions, and reporting obligations were neither clearly defined nor systematically operationalised.

In the absence of measurable indicators, timelines, and a formal mechanism for follow-up, no regular assessments were carried out to determine whether planned actions were being implemented, targets were being met, or corrective measures were required.

This gap significantly weakened accountability, limited evidence-based decision-making, and reduced the effectiveness of LTES and Roadmap 2030 as strategic tools for the green energy transition.

- **Absence of Comprehensive Annual Action plans**

An action plan was prepared for the LTES and was updated in 2014.

However, it did not include a detailed breakdown of tasks, assigned responsibilities, specific timelines and deadlines, a list of necessary resources (sources of funding, personnel, tools) or a system for tracking progress and evaluating outcomes.

As a result, several projects were put on hold (Plaine Sophie wind farm, 40 MW wind farm) despite having been initiated, as funding was still being sought for their implementation.

Furthermore, the Renewable Energy Roadmap 2030 was not broken down into annual action plans to guide and monitor its execution.

- **Absence of an appropriate Financing Strategy for Renewable Energy**

The Renewable Energy Roadmap 2030 estimates that an investment of approximately US \$ 1.35 billion will be required to install an additional 695 MW of renewable energy capacity in order to achieve the national target of 60 per cent renewable electricity by 2030. Achieving this scale of investment necessitates the existence of a well-defined, coordinated, and sustainable financing framework.

The renewable energy projects are generally implemented either through public procurement processes initiated by the Government and the CEB, or under specific schemes administered by the CEB, such as small-scale distributed generation programmes.

These mechanisms provide a pathway for project implementation and were not supported by a dedicated national financing mechanism capable of mobilising and channelling the level of capital required for large-scale deployment.

Given the magnitude of the required investments, project developers had relied largely on ad hoc financing arrangements, including proposals involving international and regional financing institutions such as the EU Community Shareholder Fund, Sustainable Use of Natural Resources and Energy Finance, Exim Bank, and the African Development Bank.

In addition, both the CEB and MARENA had benefited from the support of development partners such as the United Nations Development Programme (UNDP), the Green Climate Fund (GCF), and the Clinton Climate Initiative (South Africa Development Community).

However, these sources of financing had been project-specific, fragmented, and largely externally driven, rather than embedded within a coherent national financing strategy for renewable energy.

As a result, the implementation of renewable energy projects had remained highly dependent on the availability and conditionalities of external funding, leading to delays, limited project pipelines, and uncertainty for private investors.

The absence of a structured financing mechanism had therefore constrained the Government's ability to translate strategic targets set out in the Renewable Energy Roadmap 2030 into timely and bankable projects, thereby slowing progress towards national renewable energy objectives.

Although the Ministry and its Agencies initiated relevant measures; however, deficiencies in the execution due to persistent implementation challenges undermined effective delivery, thereby slowing progress towards the achievement of national renewable energy goals.

Recommendations

- The Government can consider establishing a High-level Inter-Ministerial Committee to facilitate timely decision-making on cross-cutting issues, such as delays in regulatory approvals.

The Committee would provide a formal platform for resolving bottlenecks at the appropriate level of authority and ensuring policy coherence across sectors. It would also enable the coordinated introduction of fiscal and policy incentives, such as subsidies, tax credits, and grants, to accelerate the adoption of renewable energy technologies and strengthen national progress toward energy transition objectives.

- The Ministry needs to clearly define the roles, responsibilities, and accountability of each player involved in the management of Renewable Energy.
- Governance and institutional gaps need to be addressed to ensure a well-defined and effective pathway towards achieving the 60 per cent renewable energy target by 2035 and securing the nation's energy security. Timely and coordinated action is essential to mitigate risks and strengthen the country's energy resilience.
- MARENA must be strengthened as a priority by being adequately resourced with the necessary administrative and project coordination personnel to ensure the efficient delivery of renewable energy projects
- The Board of MARENA needs to set up a committee comprising all relevant stakeholders to manage renewable energy projects. The objective to bring together the combined expertise of all stakeholders and civil society to facilitate the timely implementation of renewable energy projects.

Stakeholders will then be mandated to report regularly to the committee, thereby ensuring clarity of roles, improving coordination, and enhancing stakeholder accountability in the implementation of renewable energy initiatives.

The Ministry needs to ensure that CEB complies with MARENA Act with respect to renewable energy.

- The Ministry, as an oversight body, needs to establish a monitoring mechanism to continuously evaluate the implementation of recommendations of strategies and plans, such as the LTES and Renewable Energy Roadmap.
- The Ministry needs to ensure that a comprehensive annual action plan follows each strategy, including the availability and sources of funding.
- The Ministry needs to ensure that measurable targets, timelines, and performance indicators to monitor the progress of each renewable energy project are established.
- A National Renewable Energy Financing strategy aligned with the Renewable Energy Roadmap 2030 and Policy Instruments, such as the Sustainable Finance Framework (Ministry of Finance, Economic Planning and Development, August 2023) and Sustainable Bond Guideline (Bank of Mauritius, June 2021) needs to be prepared to systematically leverage public funds and attract private capital.

Many countries, like Sri Lanka, Ecuador, Nepal, Germany, and UK are adopting Integrated National Financing Frameworks for Renewable Energy (INFFs) that include a financing strategy component designed to align national development goals (including climate and renewable energy) with financing actions.

This Strategy will:

- (1) improve investor confidence and financing predictability;
- (2) accelerate execution of renewable energy projects;
- (3) reduce reliance on ad-hoc funding arrangements; and
- (4) enhance Mauritius' ability to meet its renewable energy and climate commitments in a timely and cost-effective manner.

Ministry's Response

- The decline in the share of renewable energy in the national mix is attributed primarily to the pick-up in economic activity following the COVID-19 pandemic during 2020 and 2021 with total energy consumption increasing by a greater proportion than renewable energy generation.
- The strategic objectives were not achieved within the scheduled timeline and there were delays in the implementation of Renewable Energy projects and schemes.
- The following measures were adopted:

- (i) A fast-track and facilitation committee was set up at the Ministry to facilitate the processing of the multiple permits;
 - (ii) Amendments were made to the legislation in consultation with the Economic Development Board, through the Finance Bill;
 - (iii) The technical assistance of the World Bank was sought to review Power Purchase Agreements for Renewable Energy projects; and
 - (iv) MARENA has been tasked to come up with a Renewable Energy Portal to enable developers to liaise with relevant ministries and agencies.
- MARENA has faced persistent challenges in recruiting and retaining staff, primarily due to the contractual nature of its appointments. The Pay Research Bureau, in its 2026 Report, recommended an enhanced salary scale for the position of Chief Executive Officer with a view to attracting suitably qualified candidates and addressing the shortcomings observed in previous unsuccessful recruitment exercises.
 - The presence of CEB is not deemed pertinent on the Board of MARENA since a representative of the Ministry is already represented.
 - Monitoring mechanisms would be strengthened by incorporating lessons learnt.
 - A Climate Finance Unit has been established at the Ministry of Finance.

14.2 Key Features of the Performance Audit Report on Sustainable Water Resource Management

Background Information

NAO carried out a Performance Audit on Sustainable Water Resource Management in Mauritius and assessed whether MEPU and its agencies were effective and efficient in sustainably managing water resources to ensure an adequate supply to the population.

Every year, Mauritius is affected by periods of drought of varying intensity that leads to shortages in water supply. Water demand for different purposes contribute to stress on the water resources of the island. Irregular supply of water, leakages in ageing pipe network contributing to a high level of Non-Revenue Water (NRW) and delays in the implementation of infrastructural water projects are the main challenges faced by Central Water Authority (CWA) and Ministry of Energy and public Utilities (MEPU).

Globally, NRW levels ranged from 4 per cent to 50 percent in 2018, with developed countries averaging 15–30 per cent, and Singapore and the Netherlands achieving 4 per cent and 5 per cent respectively. Developing countries have relatively higher NRW levels of 40–50 per cent. In Mauritius, NRW was at 57 per cent in the year 2018 and has since worsened, averaging 60 per cent over the past five years.

Key Features of the performance audit report that was released in December 2025 is given below.

Findings

■ High Non-Revenue Water Levels

- (i) Every year, the NRW problem accounts for up to 200 million metre cubes of treated water lost and/or not billed by the CWA. The primary cause was the ageing pipeline network, comprising around 1,500 kilometres of old pipes, of which 500 kilometres were considered critical and require urgent replacement.
- (ii) Defective pipelines led to significant financial losses estimated at Rs 3.6 billion for the financial year 2024-25. During the last 6 financial years, the total estimated notional water losses due to NRW caused by defective pipelines totalled some Rs 19 billion.
- (iii) Management of water losses at the CWA was not undertaken with a proper NRW management strategy. The NRW management cell at the CWA was, also, not sufficiently equipped to carry out NRW reduction and monitoring activities.
- (iv) The rate of pipeline replacement through major contractors was insufficient with only 25 kilometres renewed annually. As from 2023, pipe replacement with in-house resources and through Small and Medium Enterprises contractors added 385 kilometres over last 2 years.
- (v) On average, 39 per cent of capital grants made available in annual budgets during the past 15 years, under the Pipe Replacement Programme were utilised.

■ Delay in the implementation of Water Mobilisation Projects

- (i) Major water infrastructure projects were significantly behind schedule, with only 2 dams completed in the last 12 years. With projects initiated, a few major water infrastructures would become operational as from 2028 only. Overall, implementation of projects would very likely be 10 to 22 years behind their scheduled dates set in the Master Plan 2012 for the water sector.
- (ii) The Rivière des Anguilles Dam project had a 15-year delay, with costs escalating from some Rs 2.6 billion in 2009 to around Rs 9.4 billion in 2024.

■ Ineffective Water Governance

- (i) Governance issues stemmed from slow policy implementation, inadequate legal frameworks, and insufficient institutional arrangements.
- (ii) The Master Plan 2012 had measures when implemented would allow meeting future water requirements: an uninterrupted 24 hours/365 days of potable water supply. However, putting into effect same was in many respects either too slow or not executed at all.
- (iii) Ideas presented and proposals made in policies, strategies and plans could not be put into action; they remained on paper only. MEPU was not effective in implementing measures and/or recommendations due to the absence of a suitable accountability mechanism.

- (iv) The Water Resources Act 2024 was delayed by some 30 years, leading to fragmented management and ineffective operational practices.
- (v) MEPU did not measure the Environment Flow Requirements which is the basis for good water resources management.
- (vi) The Ministry was not adequately measuring, monitoring and reporting on the attainment of water related SDG 6 targets.

Conclusion

The water sector in Mauritius did not progress adequately, primarily due to high NRW levels, delayed infrastructure projects, and ineffective water governance. The Ministry was marked by “*a report-on-report syndrome*”. Together with its agencies, the Ministry struggled to implement recommendations from various reports. The efforts put in, however, were insufficient resulting in persistent shortcomings in water resources management.

Recommendations

- Establish a High-Level Steering Committee to oversee project management and strategic alignment.
- Develop a comprehensive NRW management strategy and set clear Key Performance Indicators to reduce NRW levels down to 40 per cent by the year 2033.
- Expedite the implementation of water mobilisation projects to address urgent infrastructure needs. Project and contract management for pipelaying and other works need to be improved.
- Enhance the water governance framework by adopting the Organisation for Economic Co-operation and Development (OECD) Water Governance Principles and Governance Indicator Framework tool, and establishing a robust monitoring and evaluation system.
- Integrate advanced technologies and AI-powered solutions in water distribution networks to improve efficiency.
- Ensure effective enforcement of the new Water Resources Act 2024.
- Establish a mechanism for measuring environmental flow requirements.
- Implement a system to monitor and report on the attainment of Sustainable Development Goal 6.5.1 related to integrated water resources management.

The above were the main findings and recommendations of the *Performance Report*.

14.3 Considerable Delay in Implementation of Major Water Mobilisation Projects Recommended in Master Plan 2012

Background Information

In April 2010, the Ministry of Energy and Public Utilities (MEPU) appointed a consultancy firm to prepare a Master Plan for the development of water resources. The Consultant submitted the final report in October 2012. The World Bank provided funds to the tune of Rs 45 million for the study under the Mauritius Infrastructure Project Loan. The Master Plan was essentially a roadmap for an integrated management of water resources in Mauritius up to the time horizons 2025 and 2050.

On 8 May 2025, the Ministry awarded a contract on ‘*Sustainable Integrated Water Management Master Plan for the Republic of Mauritius*’ to another consultancy firm for the sum of € 921,015, excluding VAT. As per the terms of reference, the Consultant would update the Master Plan 2012.

Water infrastructures are essential for the capture and storage of water resources. The Water Resources Act 2024 provides for the Water Resources Commission (WRC) to monitor and regulate water resources.

Findings

The Master Plan 2012 for the development of water resources recommended several water mobilisation structures to be established by 2050, with the majority needed by 2025.

Implementation of major water projects was well behind schedule when compared to the Master Plan timelines. The objective to meet projected water demand by 2050 was therefore being compromised. Table 14-2 provides a comprehensive overview of the actual and the desired targets to be achieved.

Table 14-2 Water Mobilisation Infrastructures as per Master Plan and Water Resources Commission

SN	Water Infrastructure	Location	Yield (Mm ³ /year)	Geographic Coverage	Year in Service Master Plan 2012	WRC
1	Arnaud Dam	Arnaud	10	MAV System	N/A	2014
2	Bagatelle Dam	Bagatelle	25	Plaine Wilhems/ Port Louis South	2015	2017
3	Rivière des Anguilles Dam	Rivière des Anguilles	48	West	2016	2029
4	Enlargement of La Ferme Dam	La Ferme	Increase of safe yield of 2 mm ³ /year	East	2015	2028
5	Enlargement of Piton du Milieu reservoir	Piton du Milieu	Increase of safe yield of 2.9 mm ³ /year	North	2020	2030
6	Enlargement of La Nicolière reservoir including upgrading of its feeder canal (LNFC)	La Nicolière and LNFC	72		2018	2032
7	Rehabilitation of Mare Longue Dam	Mare Longue	N/A	MAV System	N/A	2032
8	Mon Vallon Dam	Mon Vallon	9.6	West	2025	2035
9	Constance Dam	Constance	19	North/East	2018	2040
10	Calebasses Dam	Calebasses	13	North	2025	2045
11	40 Boreholes	Island-wide	Determined on site	Island-wide	40 by 2025 +12 by 2035	2013-2050

Source: Ministry's Records

▪ **Construction of Rivière des Anguilles Dam**

The project was in abeyance for some 15 years, that is, from 2009 to 2024. The estimated cost in 2009 was some Rs 2.6 billion, but had more than tripled to reach some Rs 7.9 billion as per the Public Sector Investment Programme 2025-26. The construction of the dam was expected to start in mid-2026 and to be completed by the end of 2029, representing more than 12 years' lateness according to the Master Plan 2012 tentative schedule.

▪ **Enlargement of La Ferme Dam**

The project had been delayed by more than 12 years. The main obstacle to its execution had been the presence of human habitations, especially squatters, within the boundaries of the reservoir. The squatting issue had been ongoing for more than 25 years. With the construction of a housing facility, which started in 2022 and completed in 2024, most of the squatters were relocated in 2024.

▪ **Enlargement of La Nicolière Reservoir and Rehabilitation of La Nicolière Feeder Canal**

Only a feasibility study had been undertaken for the enlargement of the La Nicolière reservoir project in May 2023. It took some 6 years for both foreign and local Consultants to carry out the study; the outbreak of COVID-19 pandemic delayed the activity. The feasibility report had yet to be finalised as the WRC had requested additional minor amendments.

▪ **Construction of Constance Dam**

The Constance Dam was projected to optimise the use of available water resources and harness additional water resources from Rivière Française and rivulets to meet present and future water demand in the north-eastern part of the island. According to the Ministry, the Constance Dam project was to be implemented in the longer term due to the execution of other priority projects, such as the Rivière des Anguilles project and the enlargement of La Nicolière Dam project.

▪ **Drilling of Boreholes**

From 2013 to May 2025, the WRC had drilled 35 boreholes island-wide. Of these, 22 had been handed over to the Central Water Authority (CWA) for operations.

Root Cause

The Ministry had not set up an appropriate mechanism, including an action plan followed by active execution, requiring coordinated efforts, to spearhead the implementation of the Master Plan 2012 recommendations.

Recommendations

- The Ministry should secure necessary funding for the implementation of the major water projects, as the future water security depends on investments in water mobilisation infrastructure, as recommended in the Water Resources Master Plan. This will also require increasing focus on the reduction of water losses through rehabilitation of transmission mains, conveyer canals and distribution systems.
- The Ministry should set up an Implementation Committee to ensure that the measures recommended by the former Master Plan 2012 and the revised Master Plan are executed to the maximum extent to ensure water security.

Ministry's Response

- The Rivière des Anguilles Dam project has undergone several challenges, such as procurement (Consultancy), land acquisition, COVID-19 impacts and sourcing appropriate funding. These have caused an increase in cost and duration of implementation.
- The main reason for the delay in the enlargement of the La Ferme Dam has been due to the relocation of the squatters and inhabitants located downstream of the dam, which was completed in August 2024.
- The project 'Enlargement of La Nicolière reservoir and rehabilitation of La Nicolière Feeder Canal' is being implemented in different stages, similar to all other such projects. The feasibility study has been completed and the next phase would be the detailed design study, Environmental Impact Assessment and preparation of the bidding documents and construction works.

- The implementation of these mega projects is subject to challenges and constraints, particularly human and financial, environmental, land acquisition and wayleaves etc. Despite successive requests made for reinforcement of staffing of WRC in order to handle concurrently dams and borehole drilling projects, the Ministry of Finance has not approved the recruitment of additional Engineers and Technical Officers.
- Despite the fact that the Arnaud Diversion Dam and the Bagatelle Dam projects have been delayed, the Ministry has mobilised significant water resources through extensive groundwater development (drilling of boreholes) and abstraction from river water at some 60 decentralised locations over the years.

14.4 Water Distribution Infrastructures – Delayed Process for Replacement of Old and Defective Pipelines

Background Information

The MEPU is responsible for the formulation of policies and strategies for the water sector and together with its agencies, that is the CWA and the Wastewater Management Authority (WMA) and the WRC, manages the water resources of the island.

The CWA has a wide potable water distribution network of some 5,500 km. Out of this, there are approximately 1,500 km of pipes, which are very old, varying from 50 to 80 years old.

The CWA identified about 500 km of pipes in all the 6 water supply zones which were critical and needed to be replaced most urgently during the calendar years 2023 and 2024. An action plan was put in place for the replacement of the 500 km of pipes to be carried out as follows:

- 200 km by in-house teams within the CWA through Equity Participation;
- 200 km by Small and Medium Contractors; and
- 100 km through normal yearly grant-related programme.

14.4.1 In-House Pipe Replacement Programme - Rs 700 million Equity Participation

On 25 September 2023, the Ministry and the CWA signed an agreement regarding the modalities for the disbursement of Rs 700 million as Equity Participation, based mainly on an approved work methodology to be carried out in trenches. The Ministry disbursed funds in 2 equal ‘tranches’ of Rs 350 million each on 2 October 2023 and 17 April 2024.

Findings

- Different site visits effected by NAO Officer in October 2025, in the presence of the Technical Officer involved in the projects, revealed that pipes were laid above the ground level at several locations. Thus, the CWA had not complied with the agreed work methodology.

A ‘Final Account’ on the status of the amount disbursed was not yet received from the CWA, although 2 years had already elapsed since the signature of the agreement and disbursement of funds. Therefore, the Ministry had no visibility on:

- The actual number of sites completed compared to the agreed number of sites in those identified critical zones;
 - The total number of km of pipes laid with details of the extent of new pipeline laid underground and above ground level respectively;
 - Whether Commissioning Certificates were issued for the completed works;
 - The total actual costs incurred in relation to the different components, namely materials, staff costs/overtime, road reinstatement, among others; and
 - The total extent of road reinstatement carried out at sites where pipe replacement was carried out in excavated trenches, whether on a 'temporary' or 'permanent' basis.
- The Ministry had not implemented an adequate framework to effectively monitor works carried out by the CWA in-house teams, as per the conditions of the agreement.
 - The Ministry had not set up a Project Monitoring Committee to monitor the progress of implementation of the Pipe Replacement Programme, as required under the Agreement.
 - It was targeted that the total reduction in Non-Revenue Water would be 11 per cent by the end of the financial year 2024-25, as a result of 265 km of pipes being replaced, which would have led to some Rs 120 million of additional revenue to the CWA. However, as of mid-October 2025, an assessment of the expected outcome was not yet done by the CWA.

Root Cause

The Accounting Officer had not set up an appropriate mechanism to ensure that the policies and strategies adopted for this specific programme were effectively executed by the CWA.

Recommendations

- The Ministry should request the CWA to submit the final report of funds disbursed in respect of the in-house Pipe Replacement Programme with all key deliverables.
- The Ministry should make a comprehensive assessment of the outcomes of this programme. All flaws and shortcomings encountered should be thoroughly investigated and discussed to prevent recurrence for similar future projects.
- The Ministry should assess the effectiveness of strategies put in place regarding the in-house Pipe Replacement Programme by the CWA.

Ministry's Response

- During the elaboration of the Disbursement Agreement, the Ministry had taken care to include all such provisions to ensure effective implementation of projects, judicious use of funds and adequate checks and balances. However, during the implementation phase, CWA did not share information on progress of projects despite several correspondences were issued to that effect.

- A final report from the CWA was sought by the Ministry on the implementation of the projects, but no reply was received except for statistics regarding over-achievement of KPIs.

14.4.2 Pipe Replacement Programme by Small and Medium Contractors (Up to 3 km) – Contracts issued above approved Project Value

Background Information

For the implementation of this programme, a project value of Rs 1 billion was approved to allow the CWA to implement the Pipe Replacement Programme by Small and Medium Contractors (SMEs) for an identified 200 km of old and defective pipes across the 6 water supply zones, excluding classified roads. The main objective was to ensure a better water supply with increased pressure and hours to the whole population.

The approved project value comprised 3 components, namely:

- (i) Pipelaying and civil works;
- (ii) Supply of pipes, fittings and accessories; and
- (iii) Road reinstatement.

The scope of works comprised, among others, trial pits excavation and pipelaying works mainly in laterals, connection between newly laid pipes with existing CWA pipelines, testing and disinfection, and household connections.

Findings

- On 13 June 2025, the Authorities agreed with the Ministry's proposal to increase the project value from Rs 1 billion to Rs 1.199 billion (VAT exclusive). According to the Ministry, the project value was reduced from Rs 1.8 billion to Rs 1.199 billion, as the CWA reworked its financial obligations, taking into consideration potential savings within already allocated contracts and adjustments under the 'Provisional Sums' item.

The CWA, however, allocated contracts for a total amount of Rs 1.595 billion that largely exceeded the initial project value ceiling by some Rs 400 million (Table 14-3 refers). The CWA, therefore, infringed basic public finance principles by committing funds without obtaining prior financial clearance from the Ministry of Finance (MOF). As of 6 October 2025, MEPU disbursed a total sum of Rs 695.3 million to the CWA.

*Table 14-3 Status of Financial Commitments of the CWA
to Decrease Project Value*

Cost Element	Amount VAT Exclusive (Rs million)
Project value of 118 contracts already awarded to SMEs	983.12
Procurement of pipes, fittings and accessories	190.33
Road reinstatement for already completed and ongoing projects	404.42
Forthcoming reinstatement costs	285.88
Sub-Total	1,863.75
<i>Deduct</i> Project value for 16 contracts for which letters of acceptance were already issued by CWA but works not yet started since orders to commence work were not issued.	(148.77)
<i>Deduct</i> Cost for associated reinstatement works under deferred projects	(119.98)
Total	1,595.00

Source: Relevant Files of Ministry

- Sixteen contracts for the total sum of Rs 148.8 million, for which letters of acceptance were already issued, were excluded from the approved project value. Thus, it was ‘deemed’ cancelled. The risk of legal actions from those Contractors was highly probable.
- As of mid-October 2025, the Ministry had no records of the following basic key deliverables:
 - Detailed listing of contracts already awarded to SMEs by the CWA with the respective contract value up to the approved ‘Project value’ ceiling of Rs 1.199 billion;
 - The extent of the number of km of pipes already replaced;
 - Status of the extent of replaced pipes, which were laid on ground level instead of excavated trenches; and
 - Other details as per the defined scope of works.
- The extent of road reinstatement on a temporary or permanent basis was also not known. Certain roads across the island, where pipe replacement works were carried out, were indeed in a very bad state, thus causing much inconvenience to the general public.

Root Cause

There was a lack of coordination between the Ministry and the CWA regarding the implementation of the programme.

Recommendations

- The Ministry should set up a Technical Enquiry Committee for the in-house and SMEs allocated projects for pipe replacement programmes implemented by the CWA to ensure that funds are used for the intended purposes and as per established good governance practices.
- The Ministry should devise appropriate control mechanisms and put in place robust oversight mechanisms for similar projects in the future.

Ministry's Response

- Keeping in view the tight financial situation of public finances and the need for CWA to honour contracts already awarded, the Ministry worked closely with MOF to reach an acceptable resolution. A new mechanism was put in place at the Ministry to have all claims certified personally by the General Manager before sending them to the Ministry for disbursement.
- The role of the Ministry was primarily the disbursement of funds appropriated by the National Assembly, subject to certification by the Engineers of the CWA, who are the project managers/supervisors. The Ministry cannot be held responsible if the CWA has failed to apply basic financial management and procurement processes in project management, by not ensuring availability of funds prior to award of contracts.
- It has been gathered that the SME projects were not discussed/approved at the level of the Board. These projects were approved by the then General Manager.
- The request for a Technical Enquiry Committee will be transmitted to the Board of CWA for necessary action and for reporting to the Ministry. The Financial Crimes Commission (FCC) has produced a Corruption Prevention Review Report on Project Management which is being implemented by CWA. The Investigation arm of FCC is still investigating in some projects/contractors/companies and the disbursement of funds to settle claims under those projects has been frozen by the Ministry.
- Following issues recently encountered during implementation of projects in 2023 and 2024, the Ministry has further reinforced its monitoring mechanisms with a greater contribution from its Project Monitoring Unit, which will, henceforth, be present more regularly to witness implementation of projects by CWA.
- The Ministry refused to condone such irregularity and kept in abeyance all claims for payment which had exceeded the project value until the situation was corrected.

14.5 Non-Revenue Water: Significant Physical and Commercial Losses Due to Tardy Replacement of Defective Pipelines

Background Information

The CWA has a wide potable water network serving the entire country with an estimated total length of some 5,500 km of pipelines. Out of this, around 1,500 km of pipes are very old, varying from 50 to 80 years old and responsible for massive losses of water, resulting

in non-revenue water (NRW) due to frequent bursts. These pipes are in asbestos cement, cast iron, and galvanised iron, which cannot not be easily repaired and account for about 56 per cent of the network.

NRW consists of both physical losses and commercial losses. Physical losses are due to defective pipe networks, while commercial losses are due to inaccurate billing, thefts and defective meters. The old and ageing pipelines are the main causes for NRW. Every year, the NRW problem accounts for up to 200 million cubic metres (mm³) of treated water loss and/or not billed by the CWA. In financial year 2023-24, the 'loss' of around 200 mm³, represented some 1.6 years of annual water consumption.

Findings

- Though the Ministry continuously financed projects relating to pipe replacement programme, the NRW level was still on very high side. As per the annual report of the Ministry for the financial year 2023-24, some 442 km of pipes replacement were already done. However, improvement in NRW was still being awaited. Refer to Table 14-4 for details.

Table 14-4 Percentage of Non-Revenue Water During Period 2019 to 2024

Details	Unit	2019	2020	2021	2022	2023	2024
Potable Water Produce	mm ³	295	304	315	320	313	332
Potable Water Used	mm ³	110	109	108	113	111	115
% of Non-Revenue Water		62.7	64.2	65.7	64.7	64.5	65.4

Source: Statistics Mauritius, Digest of Energy and Water Statistics and NAO Analysis

- In 2019, the NRW level was around 63 per cent. Since then, the NRW level had been increasing to reach more than 65 per cent in 2024, as per data from Statistics Mauritius.

Estimated revenue forgone due to leakages from defective pipes revolved around Rs 1.9 billion every year.

Root Causes

- The Ministry did not have an appropriate mechanism to ensure that the CWA gradually replaced the defective pipes over a reasonable timeframe to curtail NRW. An average of some 25 km of pipes were replaced annually from 2015 to 2023, through major Contractors.
- The CWA lacked network maintenance over the past 50 years.

Recommendations

- The Ministry should devise and implement appropriate mechanisms at the level of the CWA to reduce the NRW losses, as it has a huge financial impact on CWA finance.
- The Ministry should further ensure that the CWA formulates a proper NRW management strategy for managing water losses.

Ministry's Response

- Sensitive to the criticality of the matter, the Ministry has actively engaged with the Ministry of Finance and the Indian High Commission for a line of credit of Rs 2.9 billion for pipe replacement. This represents some 7.6 per cent of the total old and defective pipelines.
- As part of its policy to address the issue of NRW, the Ministry has requested the CWA to reinstate its NRW Cell in 2020. It is actually staffed and headed by a Chief Engineer. The Ministry also requested the Agence Francaise de Développement to include, as part of the Budget Support Loan (Water Policy Programme), deliverables related to increasing the staffing of CWA NRW Cell. Other deliverables include the replacement of defective meters, the introduction of digitalisation (telemetry) and a framework for pipe replacement.
- Due to limited funding and the need for prioritisation of projects, the CWA could not adopt a holistic approach in undertaking pipe replacement. The full efficiency of the projects could not be reaped while adopting the piecemeal approach due to limited funding.
- The Ministry has already approached the Singapore Cooperation Enterprise to assist in reinforcing the long term NRW strategy of CWA, together with financing. Work is ongoing.

14.6 Governance Issues – Non-compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of statutory bodies with the objective of strengthening accountability and transparency in the public sector. The MEPU has 5 Statutory Bodies under its aegis, out of which 3 are Public Interest Entities, namely the Central Electricity Board, CWA and the Wastewater Management Authority.

Findings

Annual Reports not laid before the National Assembly

The Statutory Bodies (Accounts and Audit) Act requires a copy of the annual report and audited financial statements of every statutory body to be laid before the National Assembly at the earliest opportunity.

As of mid-December 2025, Annual Reports of 2 Statutory Bodies had not yet been laid before the National Assembly, as shown in Table 14-5.

*Table 14-5 Annual Reports Including Audited Financial Statements
Not Laid Before the National Assembly*

Statutory Body	Financial Year	Date Certified
Central Electricity Board	2023-24	11.09.2025
Central Water Authority	2023-24	09.09.2025

Source: NAO Records

Ministry's Response

The Annual Report of the Central Electricity Board 2023-24 has been approved by the Minister on 16 January 2026 and submitted for tabling in the National Assembly on the same day.

15 - MINISTRY OF FOREIGN AFFAIRS, REGIONAL INTEGRATION AND INTERNATIONAL TRADE

15.1 Security Deposit not fully recouped upon Termination of Tenancy Agreement

Background Information

Most Ambassadors' and High Commissioners' appointments were terminated in November and December 2024 in accordance with Sections 87 and 113(3)(b) of the Constitution. Termination notices were issued in line with the tenancy agreements of their rented accommodations.

Findings

Several shortcomings were observed in the management of the recovery of Security Deposit (SD)/damage claims, both for properties vacated after termination notices and in some cases from the previously rented properties.

▪ Security Deposit Forfeiture/Damage Claims by Landlord – Rs 5,430,000

Paragraph 6.3.16 of the Manual of Procedures stipulates that “*At the time of termination of the lease agreement, the amount paid as deposit should be recouped in full from the landlord.*” SDs were fully or partially forfeited in some missions due to damage to official residences, while in others, recovery remained uncertain as detailed below:

- (i) *Mission London* – Full SD of GBP 10,200 equivalent to Rs 630,000 was forfeited to cover repair costs as damages exceeded the SD amount.
- (ii) *Mission Berlin* – SD was recovered in full, but Mission had to pay an additional EUR 35,000 equivalent to Rs 1,870,000 for damages, repairs, painting, and cleaning.
- (iii) *Missions Paris, Maputo, Moscow and Beijing* – SDs totaling some Rs 1 million were partially forfeited, in respect of damages, repairs and painting works, among others.
- (iv) *Missions Kuala Lumpur and New York* – Recovery of the SDs remained uncertain, as landlords had submitted damage claims of some Rs 800,000 and Rs 1.1 million, respectively, which were yet to be resolved.

▪ No Costs attributed to Damages following Ministry of National Infrastructure's Advice on Normal Wear and Tear

The Ministry of Foreign Affairs, Regional Integration and International Trade (MFA) sought the advice of the Ministry of National Infrastructure's (MNI) 3 to 7 months after the Ambassadors/High Commissioners vacated the premises, using photographs from December 2024 to determine whether the reported damages constituted normal wear and tear.

- (i) For London, MNI noted that some items required tenant maintenance under clause 3.7.2 of the lease agreement and requested clearer photos for proper assessment. As of October 2025, no reply was obtained for Mission Kuala Lumpur and Beijing.

(ii) MFA withheld payments amounting to Rs 732,025 from the passage benefits and annual leaves entitlements in these cases, but liability for damages was not yet finalised.

▪ **Action taken was limited to seek Quotations to initiate Legal Action against Landlord/or no action taken after claim for Damages received**

(i) *Mission New York* – Paragraph 5 of the lease agreement required the landlord to provide an itemised statement indicating the basis for any amount of security retained, within 14 days of vacating the apartment, failing which the landlord forfeited the right to retain any portion of the deposit. On 21 March 2025, 31 days after key handover, the landlord submitted a damage claim of USD 24,239, which the mission disputed as normal wear and tear, noting that the landlord had not attended to the scheduled ‘*état des lieux*’ on 14 February 2025. Nearly 4 months later, that is, on 1 July 2025, MFA instructed the mission to obtain legal quotations to pursue recovery of the security deposit and assess related costs.

(ii) *Mission Berlin* – Security deposit was recovered in full, but the Mission paid an additional amount of EUR 35,000 equivalent to Rs 1,870,000 for damages, repairs, painting, and cleaning. A preliminary ‘*état des lieux*’ on 16 December 2024 identified damages and wear and tear from the first tenancy phase in 2020. In contrast, the exit ‘*état des lieux*’ of 21 July 2020 for the former Ambassador reported no significant damage, requiring only cleaning and repainting.

The Final End of Tenancy Protocol dated 28 February 2025 noted damages to doors, air extractor, freezer, kitchen tabletop, and washbasins, suggesting some damage occurred during the outgoing Ambassador’s tenure. No apportioned costs were charged to the outgoing Ambassador, and no breakdown of the EUR 35,000 paid was available.

▪ **Non-alignment of the Terms of Employment of Ambassadors/High Commissioners with Home-Based Staff on Security Deposits**

Clause 14(d) of the Terms and Conditions on overseas posting of Home-Based Staff clearly stipulated that “*You will be personally liable for any damages caused to rented premises during the period of tenancy. You will have to personally repay any Security Deposit forfeited or premium paid as a result of non-observance of the terms and conditions of the lease agreement. In that connection, an advance account will be opened in your name.*”

On 26 September 2022, following a case of unrecovered SD in New Delhi, the Attorney General’s Office advised aligning the employment terms of Ambassadors/High Commissioners with Home-Based Staff stating “*for the avoidance of doubt, in future, it might be appropriate to align the terms and conditions of employment of High Commissioners and Ambassadors with those of Home-Based Staff.*”

(i) Despite the Attorney General’s Office advice, the amendment was not made.

(ii) MFA had not been able to enforce recovery of forfeited SD in Missions Maputo, Paris, and Moscow. MFA was relying on Clause 12(d) (ii), which states “*the premises you occupy are returned to the owner in good condition. This includes proper maintenance of the dwelling and adjacent compound and the fittings and furniture.*” However, the clause did not explicitly establish personal liability, limiting MFA’s ability to recover the amounts.

▪ **Outstanding Recovery of Security Deposits for previously rented Properties**

On 26 September 2022, the Attorney General's Office advised that forfeited deposits could be recovered from the respective Ambassadors/High Commissioners as per Clause 12 (d) (ii) of their Terms of Employment for the repairs, excluding fair wear and tear.

However, as of 15 September 2025, MFA had taken no action to recoup RUB 150,000, that is, Rs 85,000 and INR 348,290, that is Rs 182,000, retained by landlords of former Ambassadors/High Commissioners of Moscow and New Delhi, since April 2022 and February 2020, respectively.

In another instance, Mission in Moscow paid a total of about RUB 2 million, that is, Rs 1,161,000, including legal fees in December 2023, to settle the landlord's claim and the forfeited SD for a residence rented in 2020. On 30 January 2025, MFA sought the advice of the Director of Internal Control's (DIC) on writing off the forfeited SD, and the Director of Internal Control's recommended that MFA consult the State Law Office on this issue.

▪ **Non-Refund of Expenses for occupying the Official Residence beyond the Permitted Period following Termination of Contract**

Paragraph 12(c) of the Contract of Employment of the Ambassador stipulates that, *"In case of termination of Contract, the premises occupied by you should be vacated within a period of four weeks as from the date of termination. For any extension beyond this, and which should not exceed one week, you will be required to pay for the use and occupation of the premises as well as the costs of utilities (e.g., electricity, gas, water, telephone) on a pro rata basis for the period of occupation."*

In several cases, Ambassadors remained in official residences beyond the permitted four-week post-termination period without reimbursing rental and utility costs as detailed below. MFA, however, withheld annual leave and passage benefits entitlements payable to the Ambassadors totaling Rs 56,440 for Mission Washington, Rs 732,251 for Mission Paris, and Rs 327,370 for Mission Beijing.

- *Mission Washington* – Following the Ambassador's resignation on 4 October 2024, he remained liable for residence expenses beyond 4 November 2024. Although he travelled to and from Mauritius, his belongings stayed in the residence until he vacated on 22 November 2024. Rental and utility charges for 5–22 November 2024, amounting to USD 7,488 approximately Rs 344,000 and USD 277 approximately Rs 12,709 had not been recovered.
- *Mission Paris* – After the Ambassador's contract ended on 19 November 2024, he continued occupying the residence until 23 December 2024. Rental charges of EUR1,032 approximately Rs 50,074 for the period 20-23 December 2024 remained unrecovered.

The MFA sought the Attorney General's advice on 20 February 2025 and 24 March 2025, respectively for the above 2 missions, but no response had been received to date.

- *Mission Brussels* – The Ambassador occupied the Government Owned Property (GOP) until 27 January 2025, over 6 weeks after his contract ended on 19 November 2024, with no charges applied for the extended stay from 20 December 2024 to 27 January 2025.
- *Mission Beijing* – Although the Ambassador was allowed to use the residence from 19–28 December 2024 and the representational car from 28 November–28 December 2024 at no cost, the MFA did not recover CNY 39,542 approximately Rs 244,995 as rental and utilities, nor any charges for the car’s usage.
- **Inadequate or unsigned ‘État des Lieux’ Reports hindering Determination of Liability**

Weaknesses in the preparation and signing of ‘*état des lieux*’ reports hampered MFA’s ability to contest landlord claims, verify property conditions, and attribute responsibility for damages.

- (i) Key issues included unsigned reports by Ambassador and/or mission officers in Kuala Lumpur and London, absence of Ambassador during ‘*état des lieux*’ in Paris, disputes and unwillingness to “faire/donner de rapport à ce sujet.”
- (ii) In Missions Pretoria and Brussels, exit inspections were inadequate: Pretoria’s report noted general neglect and poor maintenance but lacked details on defects, required repairs, and responsibility, while Brussels’ inspection was limited to an inventory, with no initial ‘*états des lieux*’ conducted.

15.1.1 Issues on Leases after End of Tour of Service of Home-Based Staff

Security Deposit not yet recovered

An ‘*état des lieux*’ was carried out on 30 June 2025 for the Second Secretary in Mission New York. However, the signed report was not available for review, and there was no update on whether the SD of USD 5,145 equivalent to Rs 237,000 was refunded.

For another Second Secretary in New York, the ‘*état des lieux*’ dated 29 July 2025 confirmed that no damages were noted. Nevertheless, there was no update on the refund of the SD of USD 4,850 equivalent to Rs 223,000.

Root Cause

Neither the contract agreement nor the Manual of Procedures was amended to make Ambassadors/High Commissioners explicitly liable for damages, unlike regular diplomatic staff.

Recommendation

The contract agreement and the Manual of Procedures should be aligned with those of diplomatic staff to clearly assign the responsibility to the Ambassadors/High Commissioners for reimbursing any damages incurred. ‘*Etat des lieux*’ report should be signed, detailed, and complete. Close follow-ups should be done to recoup SD for Home Based Staffs.

Ministry's Response

- *Mission London* – On 27 October 2025, a letter was issued to the former Ambassador for the recovery of an amount of GBP 9,400 representing forfeited amount from the SD paid. A reply is awaited.
- *Mission Kuala Lumpur* – The Landlord claimed RM 75,000 for the damages. SD amounting to RM 39,750 was retained by the Landlord. The matter was under process to recoup the above SD and payment of RM 27,000 to the Landlord as remaining amount for damages claimed.
- *Mission Beijing* – The MNI had submitted its views on the identified damages/repairs, however due to discrepancies in the Report, clarification was sought anew on 04 November 2025.
- *Mission New York* – The Ministry had, on 20 March 2025, 11 April 2025 and 7 May 2025, requested Mission to negotiate with the landlord to recoup full amount of SD. Legal actions can only be envisaged when all other actions have been exhausted and dialogue was no longer possible.

Mission has on 19 December 2025 sought quotations from legal firms for legal assistance. On 7 January 2026, Mission has been requested to submit documents prior to enlisting the services of a legal firm.

- *Mission Berlin* – The landlord did not pursue any formal claim for damages beyond the agreed EUR 35,000, and the payment was made to ensure the apartment was restored to a good condition. There is no basis for recovering this cost from the former Ambassador.

The repairs accounted to normal wear and tear over a 10-year period and the apartment had to be handed over to the owner in the same condition as when the lease was signed.

- While the absence of a signed '*état des lieux*' presented challenges, it did render the Ministry incapable of contesting damage claims or assigning liability. Measures were in place to ensure due diligence and financial accountability, even in the absence of standard documentation.
- *Mission Moscow* (outstanding amount of RUB 150,000) – Following the advice of the Attorney General's Office received on 25 August 2025, the former Ambassador had, on 22 September 2025, been requested to refund the forfeited SD.

Following the report of the Director of Internal Control regarding the recoup of the SD amounting to RUB 360,000, the matter was referred to the Attorney General's Office on 12 June 2025 for advice. A reply was awaited.

Follow up is being done with Mission and with the former Ambassador who has informed on 9 January 2026 that he will revert to the Ministry shortly.

- *Mission New Delhi* – Action was initiated to recoup the amount retained for damages.

- No refund of expenses incurred for staying beyond 4 weeks after termination of contract.
- *Mission Paris* – The matter was referred to the Attorney General’s Office on 24 March 2025, a reply was still being awaited.
- *Mission Beijing* – Approval was granted by the Ministry on an exceptional basis, taking into account the particular circumstances of the Ambassador.
- *Mission New York* - With regard to security deposit amounting to USD 5,145, Mission has on 5 December 2025, informed that one furniture has been inadvertently shipped to Mauritius. The matter has been referred to the agent for appropriate action.
- The Ministry is exploring several avenues namely having recourse to MNI, Internal Control, Attorney General’s Office and legal advice in host countries to recoup the forfeited SD retained in respect of damages from Landlord. Certain legal action takes time to complete. However, the Ministry remains committed to pursuing all appropriate measures to ensure that the amount retained is duly contested and, where possible, recovered with the legal framework.
- The amount of security deposit has not yet been refunded for the 2 Second Secretary in Mission New York. Close follow-up is being ensured by the Ministry on this matter.
- An addendum to the contract of employment of Ambassadors/High Commissioners is being drafted in consultation with the Prime Minister’s Office and the Attorney General’s Office. The Ministry supports the alignment of the terms and conditions of career and political Ambassadors.

15.2 Implications on Termination of Posting and Delay in Nomination of Diplomats in Missions

Background Information

Following the end of the Tour of Service of certain diplomatic staff and the delay in posting their replacements, normal operational continuity was disrupted due to the absence of diplomatic staff.

Findings

- **Poor Posting Planning led to Absence of Diplomatic Staff in Missions Cairo and Addis Ababa**
 - (i) *Mission Cairo* – Following the departure of the Minister Counsellor from Cairo on 15 July 2025, a Second Secretary, whose Tour of Service had ended in December 2024, was temporarily reposted from 20 July to 7 August 2025. The mission remained without diplomatic staff up to 02 October 2025.

The former Mission Counsellor repeatedly highlighted the urgent need for diplomatic postings to the mission through letters in January, February and June 2025

- (ii) *Mission Addis Ababa* – The former Acting First Secretary temporarily resumed duties from 10 to 19 September 2025 and agreed to serve again from 6 to 19 October 2025 despite having exceeded the maximum 4-year tour of service limit in December 2023. The appointed diplomats had not assumed duties in Addis Ababa by the end of September 2025 although Letters of Posting had already been issued on 7 August 2025.
- (iii) *Disruption in service operation and financial implications* – In the absence of the appropriate interim arrangements, the operational and administrative activities of these missions were disrupted. For instance, payments and other administrative transactions could not be processed during the periods due to the absence of the Accounting Officer. The temporary postings resulted in additional costs of some Rs 360,000.

Root Cause

MFA did not adequately plan the postings of diplomats.

Recommendation

The MFA should improve its human resource planning for diplomatic postings by monitoring the tour of service expiries, promptly nominating replacements, and responding quickly to missions' staffing needs.

Ministry's Response

Given the high rate of inflation in Cairo, a Second Secretary and the Acting First Secretary raised issues regarding their ceiling of rent and utilities as well as hardship allowance. Upon approval of a revised rent and utilities ceiling to ensure a decent accommodation, the Acting First Secretary assumed duty in Mission Cairo on 2 October 2025. A Second Secretary assumed duty at Mission Addis Ababa on 30 September 2025.

Mission made a representation to the Pay Research Bureau (PRB) in May 2025 for this specific purpose. PRB has slightly reviewed rental for Mission Cairo and Addis Ababa, and hardship allowance for Addis Ababa.

15.3 Non-compliance with Manual of Procedures for Travelling of Ambassadors/High Commissioners to Mauritius for Urgent Consultations

Background information

As from 19 September 2024, several Ambassadors/High Commissioners were instructed by the Accounting Officer to schedule travel to Mauritius as from 30 September 2024 for urgent consultations. As per paragraph 11.2.1 of the Manual of Procedures, such travel requires the Prime Minister's approval with full details on mission purpose, expected outcomes, and anticipated benefits.

Findings

▪ No Approval of the Prime Minister Seen

- (i) A sample of 8 missions was checked, and no written approval from the Prime Minister was seen for the travel of the Ambassadors/High Commissioners between 24 September and 1 December 2024. The trips, costing some Rs 2.1 million in air tickets, had no outcome reports.
- (ii) The Ambassadors/High Commissioners frequently used MFA's cars with drivers during their stay in Mauritius with late return, without any approved vehicle requests seen on file. The running costs of the vehicles were borne by MFA.
- (iii) *Mission Addis Ababa* – On 9 October 2024, the Head of Chancery informed that the Ambassador had instructed him to notify the MFA that he intended to travel to Mauritius for consultations with the Prime Minister. However, no formal authorisation from the Prime Minister's Office was on record and Annex 18 of the Manual of Procedures had not been completed, and the expected outcomes or benefits of the mission were not specified.

▪ Payment of some Rs 1.1 million for Transportation of Personal Effects and Air Tickets Contrary to Legal Advice Received

Mission Washington – The Ambassador was requested to travel from 24 September to 6 November 2024 for consultations and was issued a business class ticket costing approximately Rs 423,000. However, he resigned with immediate effect on 4 October 2024, returned to Washington only on 14 November 2024, and subsequently requested shipment of his personal effects to Mauritius along with one-way tickets for himself and his spouse.

- (i) On 13 November 2024, MFA sought the advice of the Attorney General's Office, who on 14 November 2024 opined that "*this is a unilateral termination of contract by Mr A. which does not fall within one of the four modes of termination envisaged under Clause 1(b) of the terms and conditions of employment of Mr A.*". Accordingly, the Attorney General's Office concluded that the issue of transporting personal effects from Washington to Mauritius did not arise.
- (ii) Nevertheless, on 20 November 2024, MFA approved Rs 1.1 million for the shipment of the Ambassador's personal effects and air tickets, following his argument that similar costs were previously covered in 2005 and 2010 and that denying him would be unfair.
- (iii) This decision set a precedent for disregarding contractual provisions and legal advice, undermining the enforcement of employment terms and conditions.

Root Cause

The Accounting Officer did not ascertain that all procedures were properly followed.

Recommendation

The travel of Ambassadors/High Commissioners should be recorded in a transparent manner and MFA should ensure that appropriate authority is duly obtained prior to their travel.

Ministry's Response

- The movement of Ambassadors/High Commissioners for consultations is the prerogative of the Prime Minister and is done in consultation with the MFA, the Secretary to Cabinet and the Secretary for Foreign Affairs (SFA).
- Upon his return to Washington DC, the Ambassador was still in possession of his Mauritian Diplomatic Passport and his Diplomatic ID, as Ambassador Extraordinary and Plenipotentiary of the Republic of Mauritius to the United States. These documents were required for the shipment of the personal effects of the former Ambassador and obtaining appropriate customs clearances. As the former Ambassador proceeded to Mauritius on consultations, upon his return, he was entitled the payment of air tickets as per his contract of employment.
- The movement of an Ambassador from Sending State is governed by diplomatic practice as per international conventions and regulations of the Receiving State. An outgoing Ambassador has to exit the country under prescribed parameters and cannot depart as an ordinary citizen irrespective of recall or not. Same applies to his personal effects which cannot be shipped without diplomatic customs clearance.
- There is a delegation of powers which has been given to the Ministry by the PMO regarding the movement of Ambassadors/Officers posted in our Missions, and who are required to proceed on overseas missions.

15.4 Dismissal of Local Recruits in Mission

Two cases involving the dismissal of Local Recruits were noted, with the related court proceedings still ongoing.

(i) Mission Brussels – Termination of Contract of Employment of Local Recruits, entailing Payment of Rs 1.227 million in June 2024

Background information

A Local Recruit employed as a Receptionist/Clerk/Typist since 2011 had been adversely reported by the Head of Mission regarding his attendance and conduct. The latter had taken a substantial number of sick leave during the last 3 years, amounting to 197 days. He reportedly displayed rude and improper behaviour, refused assigned tasks, declined to apologise or provide written explanations, and threatened to escalate the matter to his Trade Union. The MFA instructed the Mission to seek legal advice from a Law Firm.

Findings

- Mission opted for immediate termination based on legal advice received in accordance with Belgian labour law and paid the Local Recruit EUR25,057.91 equivalent to Rs 1,227,041 in April 2024, along with EUR 1,586.31 equivalent to Rs 77,675 in legal fees.
- Despite the Local Recruit's history of prolonged absences, no prior disciplinary action was taken. No financial clearance from the Ministry of Finance was seen for the payment of Rs 1,227,041.
- The Local Recruit's Trade Union later requested additional allowances, and the Local Recruit subsequently filed legal claims of EUR 35,973.57 equivalent to Rs 1.94 million, leading to a court summons scheduled for 9 September 2025. The MFA authorised the hiring of a law firm to defend the Mission at rates of EUR 210 per hour for a Senior Lawyer and EUR 125 per hour for a Junior Lawyer.

(ii) Mission Paris – Court Case lodged by the former Driver for Dismissal without Notice

At Mission Paris, the dismissal of a driver for gross misconduct led to a legal dispute after he claimed EUR 52,500 equivalent to Rs 2.4 million. Although the Mission rejected the claim, the driver filed a case in June 2020, and in February 2022 the “Conseil des Prud’Hommes” ruled in his favour, ordered the payment of EUR 24,820 equivalent to Rs 1.2 million to him. The Mission appealed against the judgement in March 2022, and the case remained pending as of September 2025. Legal fees paid to date amounted to Rs 174,577.

Root Cause

The Mission did not adequately assess or mitigate the potential legal and financial implications of immediate termination and relied solely on legal advice obtained.

Recommendations

- Mission should formally address all instances of repeated misconduct or absenteeism through established disciplinary procedures.
- The MFA should review the termination cases to derive lessons and issue guidance preventing recurrence in other missions.

Ministry's Response

- The claims submitted by Mission for payment of allowances as recommended by the law firm as well as Court and Legal charges and fees payable to law firm are under the consideration of the Ministry for Mission Brussel. Mission has been advised to settle the matter within the month.
- The Attorney General's Office advice was sought on the matter and the latter advised that the Embassy may proceed as per the French Lawyer's proposal to negotiate with the Local Recruit and to use the Embassy's '*Immunité d'exécution*' as a leverage.

The matter is being taken up with the newly-appointed Ambassador in our Mission in Paris to decide on the way forward.

- All Missions are being advised to adequately assess the legal and financial implications prior to terminating contracts of local recruits, failing which actions would be taken against the officers posted there.

15.5 Delays in executing the Projects of Construction and Upgrading of Chanceries and Home-Based Staff Accommodations

Background information

NAO has, over the past 3 years, repeatedly drawn attention to delays in the implementation of construction and upgrading projects for Chanceries and home-based staff accommodation. Consequently, substantial amounts continued to be incurred on rental of alternative premises.

Findings

▪ Decision to dispose of Government Owned Property in Mission Washington still not implemented

- (i) On 7 August 2024, the Mission was instructed to obtain a detailed analysis of the property's condition and value, and to submit any agreement for the MFA's approval. However, the Mission only responded to this request one year later, on 14 August 2025.
- (ii) The property was in a dilapidated condition, with annual maintenance costs, including insurance and other expenses, amounting to some Rs 1.5 million.
- (iii) Rent to accommodate Ambassadors in alternative premises amounted to some Rs 21 million for the past 4 years.
- (iv) The decision taken to date had been for the Mission to dispose of all unserviceable assets in the building, some of which were over 20 years old, and to store the serviceable items in a storage facility at an estimated cost of USD 400 per month.
- (v) The current value of the property had not yet been assessed. Audit review of past records showed a downward trend in the valuation of the property.

▪ Procurement Procedures still not finalised for Government Owned Property Mission London - Upgrading of Braham Gardens

- (i) As of September 2025, the tender exercise for the renovation of the High Commissioner's residence at Flat 8, 29 Braham Gardens, London, had still not been finalised since July 2019. The Rs 8 million allocated for the renovation of the official residence had not been utilised for its intended purpose; instead, the funds were reallocated to carry out repairs and refurbishment of 2 other staff residences there, at an estimated cost of GBP 58,800 equivalent to Rs 2.2 million.

- (ii) Rent to the tune of some Rs 30 million had been paid as from June 2019 to January 2025 and an amount of GBP 28,110 equivalent to Rs 1.7 million for 6 months to rent a temporary apartment for the new High Commissioner who joined the mission as from 16 June 2025. As per MNI report, a decent 2 bed apartment could have been purchased at a price of Rs 25 million.
- (iii) The previous High Commissioner's contract had been terminated in November 2024 and a new High Commissioner assumed duty on 16 June 2025. As the official residence was still unfit to accommodate the High Commissioner and renovation works were expected to take at least 6 months, the Mission rented a temporary residence at a monthly rental of GBP 4,685, excluding utilities.
- (iv) Mission had sought the views of an independent assessor for the preparation of detailed scope of works prior to determination of cost estimate for the renovation works. On 8 August 2025, one year after the last correspondence in file, being September 2024, Mission forwarded 3 quotations, one company submitted a recommended scope of work while 2 other sent complete quotations for the renovation works. No decision had yet been taken.

Root Cause

MFA did not ensure proper monitoring and follow-up on decisions taken and in respect of which funds had been provided.

Recommendation

The MFA should ensure that adequate monitoring and follow-up are effected and appropriate procurement procedures are followed for the timely implementation of approved projects.

Ministry's Response

- In September 2025, the Minister had a meeting with the newly-appointed Ambassador in Washington, and the latter had been requested to contact an estate agent for the sale of the building.
- Once proposal is obtained, the approval of the Cabinet will be sought accordingly, since there is no legislation for sale of Mauritian property abroad.

Approval has been conveyed for Mission London to enlist the services of a company for preparation of scope of works, and obtention of necessary clearances. Consultancy works should be completed by April 2026, and a decision to be taken on the works depending on the costs estimate provided.

15.6 Manual of Procedures

Background information

The Manual of Procedures (MOP) was designed in 2017 to serve as a reference document to guide Missions in their day-to-day operations and interactions with the Ministry.

Findings

- The MOP, last updated in 2017, no longer reflects current laws, policies, PRB recommendations, and MFA guidelines. Key gaps identified included the absence of clear procedures for dismissing local recruits, outdated procurement regulations leading to incomplete tender exercises, and misaligned provisions regarding rental ceilings.
- The MOP also lacked defined policies for conducting ‘états de lieux’ of Government Owned Property and for regulating the acquisition and authorised use of vehicles.

Root Cause

Measures to update the MOP were not taken promptly in line with changes in regulations, policies and operational requirements.

Recommendation

The MOP should be updated to reflect changes in regulations, policies and operational requirements.

Ministry’s Response

- The comments/clarifications/observations on sections of the MOP dated 16 November 2017, which would require amendments, were sought from Heads of Missions/Directorates/Divisions/Sections in October 2024, and same was being completed. However, the Ministry noted that the MOP will be fully updated following publication of the forthcoming PRB Report.
- Following the publication of the PRB Report 2026, a committee is currently being set up to work on the revision of MOP to ensure that all fresh recommendations made, amended policies and approvals obtained from the High Powered Committee are being properly included in the MOP, and same will be forwarded to our Missions to ensure strict compliance.’

15.7 Follow-up of Recommendations raised in the Audit Report 2023-24

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2023-24 is summarised. Out of 14 recommendations, 3 (22 per cent) have been implemented, 9 (64 per cent) have been partly implemented and 2 (14 per cent) have not been implemented.

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Shortcomings in the Management of Residential Buildings, Chancery and Staff Residence (Page 351)				
1	Protracted implementation of decision to sell premises of Mission Washington. (Pg 351, Para 14.1.1) Delay in procurement procedures to renovate the Government Owned Property (GOPs) in Missions Paris and London. (Pg 352, Para 14.1.1)	In view of the deteriorating state of the premises, high-cost implications for renting alternative accommodation and other associated costs, there is an urgent need to accelerate matters to find a rapid solution. (Pg 354, Para 14.1.1)	Following no objection conveyed by Ministry for Mission to officially enlist the services of an estate agent to put the property on the market, same has been completed. Government, will in the first instance be informed on the process and approval will thereafter be sought for sale of the Government Owned Building in Washington. In Paris, contract was awarded on 20 June 2025. Works started in August 2025, and 95 per cent of work has been completed. Approval was conveyed to enlist the services of a company for preparation of scope of works, and the obtention of necessary clearances for London Mission. Survey and other services are ongoing. Consultancy works should be completed by April 2026, and decision to be taken on works depending on cost estimate provided.	Partly Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
	Missions New Delhi/ Madagascar – Decision for Construction/ upgrading works and repairs not implemented. (Pg 353, Para 14.1.1) Mission Brussels – Substantial delay in the renovation of Chancery's basement and the replacement of lift. (Pg 353, Para 14.1.1)		No funds were provided in Budget 2025-2026 for New Delhi. Approval has been obtained for the Project Monitoring and Contract Management Unit of the Ministry of Finance to undertake an in-depth survey for the renovation of the chancery and staff residence as well as the construction of the High Commissioner's Residence For Madagascar, Mission is exploring the possibility of being allocated an alternative plot of land, as some issues cropped up with the Ministry of Agriculture of Madagascar. Replacement of lift has been completed, and around 10 per cent of the payment is yet to be settled.	
2	Mission Addis Ababa – Unresolved Issues Floor assigned as the Ambassador's residence remained unoccupied. (Pg 354, Para 14.1.1)	Ministry of Foreign Affairs should come up with a policy regarding accommodation for Ambassadors. (Pg 355, Para 14.1.1)		Not Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
3	Mission was eligible to claim VAT refund in connection with construction of the GOP from the Ethiopian Government (Pg 355, Para 14.1.1)	VAT refunds should be transferred to the Consolodated fund. (Page 355, Para 14.1.1)	Upon receipt of the outstanding balance of US\$ 86,700, advice may be sought from Accountant General's Office prior to transferring the funds to Accountant General's Bank Account.	Not Implemented
Transport Management pertaining to vehicles in Missions (Page 355)				
4	Purchase of new vehicles for Missions. (Pg 356, Para 14.1.1)	MFA should ensure that proper budgetary control is exercised and that the expenditure ceilings for the acquisition of diplomatic vehicles, as per its policy, are complied with. (Pg 356, Para 14.1.1)	Proper budgetary control is being exercised. However, in certain cases, due to rate of exchange, the costs of vehicles may be above ceilings, and thus, clearance is sought from Ministry of Finance.	Partly Implemented
5	Excess number of vehicles in Missions/ Consulate not yet disposed of. (Pg 356, Para 14.1.1)	MFA should ensure strict adherence to its policy on the number of vehicles at Missions and Consulates. (Pg 357, Para 14.1.1)	Addis Ababa- Lengthy and strict procedures need to be followed with the Ethiopian Authorities prior to selling of cars.	Partly Implemented
6		MFA should follow up on procedures for the disposal of excess vehicles at Missions. (Pg 357, Para 14.1.1)	The Ministry has constantly instructed Missions to dispose of the excess vehicles, except in cases where justifications were provided. London- The old representational vehicle has been disposed on 7 January 2026. New Delhi- The representational vehicle has been sold in April 2025.	Partly Implemented
7	Unauthorised/ Unidentified persons using the official diplomatic vehicles. (Pg 357, Para 14.1.1)	The Ministry should ensure that only authorised persons, as per its policy, are allowed to use Diplomatic vehicles. (Pg 358, Para 14.1.1)	A Circular letter was issued to all Head of Missions on 25 September 2024 regarding the proper use of official car and proper entries/maintenance of log books.	Partly Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Human Resource Management Matters – Inadequate Controls and Non-Compliance with Policies and Procedures. (Page 358)				
8	Non-Compliance with Policy decision for the newly-promoted Ambassadors leading to additional costs. (Pg 358, Para 14.1.1)	The newly-promoted Ambassadors should be requested to assume duty as Head of Directorates at MFA as intended. (Pg 359, Para 14.1.1)	Ambassadors of Washington and Paris assumed duties in Headquarters on 13 January and 21 February 2025 respectively. Each has been assigned a Directorate.	Implemented
9	Appointment of Counsellor in Mission Geneva No proper Assessment of need for employment. (Pg 359, Para 14.1.1)	MFA should make a proper assessment for posting of additional staff and should use its existing resources rather than hiring retired staff on contract basis, which would incur additional cost. (Pg 359, Para 14.1.1)	The contract has been terminated since 21 November 2024.	Implemented
10	No approval for visits by High Commissioner in Mauritius seen. (Pg 360, Para 14.1.1)	MFA should ensure that the movements of Ambassadors are properly monitored. (Pg 360, Para 14.1.1)	Movements of Newly-Appointed Ambassadors, their application for leaves and allocation of vehicles to them are being properly monitored by the Ministry.	Partly Implemented
11		Usage of vehicles by Ambassadors in Mauritius should be properly authorised. (Pg 360, Para 14.1.1)		Partly Implemented
12		MFA should ensure that any leaves are applied for and approved and that such leaves are deducted from entitlements accordingly. (Pg 360, Para 14.1.1)		Partly Implemented
13	Visits of High Commissioner of Mission London in Mauritius. (Pg 361, Para 14.1.1)	The Ministry should exercise due diligence to ensure that approved leaves are appropriately deducted from leave entitlements and that official meetings and missions are undertaken before and or after such leave periods. (Pg 362, Para 14.1.1)	The application for leaves in respect of Newly-Appointed Ambassadors is being properly monitored by the Ministry.	Partly Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Non-compliance with the Public Procurement Act 2006 and related Regulations/Directives (Page 362)				
14	No procurement exercises were conducted through the e-procurement system. Section 40 (1)(a) of Public Procurement Act (PPA) not complied with. <i>(Pg 362, Para 14.1.1)</i>	The Accounting Officer should ensure compliance with the provisions of PPA 2006 and related Regulations/Directives. <i>(Pg 362, Para 14.1.1)</i>	The situation has now been remedied with the posting of Procurement Cadre Staff, and full compliance with the Act is being observed.	Implemented

16 – MINISTRY OF YOUTH AND SPORTS

16.1 Construction of a Multi-Sports Complex at Triolet – Project completed after more than 11 years at an additional cost of Rs 71 million

16.1.1 Award of First Contract

On 27 October 2014, a contract for the *Design-Build of New International Multipurpose Sports Complex at Triolet* was awarded to Contractor A, the second lowest tenderer, for the sum of Rs 172,450,350 (inclusive of VAT and contingency sum of Rs 5 million).

A provision of Rs 35 million was made in the budget 2014, with indicative estimates for the years 2015 and 2016. However, in the budget for the financial year 2015-16, no provision was made for financing of the Multipurpose Sports Complex project.

On 24 March 2015, the Ministry informed the Attorney General's Office (AGO) that an unsuccessful bidder, Contractor B, had lodged an injunction in the Supreme Court restraining the Ministry from handing over the site to the successful bidder, signing the contract, and implementing and executing the project, and that the case was still pending at the Supreme Court. The AGO was also apprised that no provision had been made for the project in the financial year 2015-16 budget. The AGO was requested to advise whether it would be legally in order to cancel the offer made to Contractor A.

On 15 April 2015, the AGO advised that “*the Ministry may terminate the contract with Contractor A if it could show that this amounted to 'changed circumstances' which would result in the continuation of the contract not being in the public interest.*”

On 14 May 2015, the Ministry terminated the contract, the reason being “*in view of changed circumstances, the Ministry is not proceeding with the implementation of the project*”.

On 23 January 2017, Contractor A entered a case before the Supreme Court against the Ministry, following which a judgement was given on 3 March 2025 in favour of the Contractor. The Court ordered the Ministry to pay to the plaintiff the sum of Rs 19,231,080 as a result of the termination of the contract with interest at the legal rate payable from the date of judgement until the date of final payment, with costs.

On 18 April 2025, a payment of Rs 19,342,514 (representing a sum of Rs 19,231,080 and interest of Rs 111,434) was made by the Ministry to Contractor A.

16.1.2 Award of Second Contract

(a) Contract for Consultancy Services for Design and Preparation of Tender Documents

On 17 October 2018, a contract for the design, preparation of tender documents and supervision of the project *Multi-Sports Complex at Triolet* was awarded to a Consultancy firm for the sum of Rs 2,760,000.

The new design was submitted by the Consultant on 6 September 2019, and as at October 2025, a total amount of Rs 2,484,000 was paid to the latter.

(b) Construction of a Multi-Sports Complex at Triolet awarded to the same Contractor

On 27 January 2022, a contract for the *Construction of a Multi-Sport Complex at Triolet* was awarded to Contractor A, the lowest evaluated substantially responsive bidder, for the amount of Rs 221,389,388.

The start date was 15 days after the handing over of the site, and works were expected to be completed within 365 days from the start date. The site was handed over to the Contractor on 14 February 2022, and construction started on 1 March 2022. The scheduled completion date for the project was initially 1 March 2023.

Findings

▪ **Financial Clearance**

Despite financial clearance obtained from the Ministry of Finance for only Rs 214 million, inclusive of VAT and consultancy services, in December 2018, the total project value amounted to Rs 224,149,388, being Rs 221,389,388 for the construction of the complex and Rs 2,760,000 for consultancy services

▪ **Extension of Time of 571 Days for an Initial Project Period of 365 Days**

Five extensions of time totalling 571 days were requested and approved for the completion of the project, bringing the revised completion date to 25 September 2024. The requests for extension of time were mainly due to adverse climatic conditions, changes in alignment of the building and additional works.

However, the contract was actually completed on 17 June 2025, with a further delay of 264 days, giving rise to an overall delay of 835 days.

All major works in compliance with the scope, specifications and drawings were finally completed, and certificate of completion was issued by the Consultant on 17 June 2025, that is, more than 2 years after the initial targeted completion date of 1 March 2023. The handing over of the site was done on 24 June 2025.

▪ **Liquidated Damages not yet claimed**

As of September 2025, a total amount of Rs 209,244,362 was already disbursed to the Contractor without the deduction of any liquidated damages at the rate of Rs 200,000 per day, for a maximum amount of Rs 20,600,000.

Based on the delay of 264 days, liquidated damages would have amounted to Rs 52.8 million. However, as per the contract, the maximum liquidated damages of Rs 20.6 million should have been deducted from payments made to the Contractor. As of September 2025, only an amount of Rs 12,145,025 remained to be paid which was largely insufficient to recover the full amount of damages of Rs 20.6 million.

▪ **Additional Cost due to Delay in Completion of Contract**

The project, which was conceived and initiated in November 2013, was finally completed in June 2025, that is, after more than 11 years, and had cost an additional amount of Rs 71,041,552, representing Rs 19,342,514 paid as damages for termination of the initial contract, Rs 2,760,000 for consultancy services and Rs 48,939,038 being the difference between the second and first contract amount.

Root Causes

- The Accounting Officer did not set up a Project Monitoring Committee to ensure the timely completion of the project.
- There was a lack of long-term infrastructure planning by the Ministry, taking into account the requirements of different sports disciplines. An Infrastructure Committee, comprising relevant stakeholders, was not set up.

Recommendations

- The Ministry should prepare a National Sports Capital Infrastructure Plan together with relevant Ministries and appropriate authorities.
- The Ministry should set up a Capital Infrastructure Committee to ensure that there is coherence in the construction of sports infrastructure so that there are no oversupply of sports infrastructure in certain locations and a shortage of sports infrastructure in other regions.
- The Contractor should be charged liquidated damages as soon as possible for the delay in completion of the project.

Ministry's Response

- The services of a Consultant were enlisted for the supervision and monitoring of the project. Although a Project Monitoring Committee was not set up for the project, constant and regular monitoring was effected by the Ministry's representatives through site meetings, site visits, and reports from the Consultant, which were escalated to management.
- As regards the proposal for setting up a Capital Infrastructure Committee to ensure that there is no oversupply of sports infrastructure in certain locations, it is to be highlighted that the decision for the construction of sports infrastructures is taken at the level of the Ministry based on several criteria.
- A Project Monitoring Committee has been set up, comprising the Ag. Deputy Permanent Secretary (Chairperson), the Assistant Permanent Secretary (Infrastructure), the Lead Engineer (MNI), the Director of Sports, the Office Management Executive and a representative from the Mauritius Sports Council.

- Extension of time was assessed and granted due to unforeseen external factors beyond the Ministry's control, mainly adverse weather condition which is a force majeure, whereas liquidated damages are applied whenever there are unreasonable and unjustified delay in the completion of the project.

16.2 Lack of Control Over Assets Acquired

16.2.1 Government Asset Register not updated

Background Information

The Government Asset Register (GAR), introduced under Treasury Circular No. 16 of 2017, provides a comprehensive record of all government assets. It aims to enhance accountability, ensure accurate tracking and valuation, support IPSAS compliance, and improve planning for maintenance, replacement and disposal of assets. Ministries are responsible for maintaining up-to-date records of assets, conducting reconciliations, performing physical verification, and implementing controls to safeguard assets.

Finding

The GAR for the Ministry of Youth and Sports was not updated since October 2022, thus increasing the risk of incomplete or inaccurate asset reporting and potential misappropriation. Additionally, several assets, including buildings, swimming pools, football grounds, and sports complexes, had not yet been revalued and recorded in the GAR. An exercise to update the register in collaboration with the Treasury and the Ministry of Finance was ongoing as of October 2025.

Root Cause

The Accounting Officer lacked oversight over the activities of the Assets Management Unit.

Recommendation

The Accounting Officer should ensure that the GAR is updated regularly by the responsible officer.

Ministry's Response

- Officers have already been identified for updating the GAR.
- Arrangements have been made for officers of the Office Accommodation Section of the Ministry to follow a training in GAR in January 2026.

16.2.2 Revamping of Youth Centres - Untraceable Assets

Background Information

The Budget Speech 2021-22 outlined the Government's plan to upgrade existing Youth Centres into modern Youth Hubs, with a dedicated investment of Rs 165 million over

3 years. The National Youth Council, a statutory body under the purview of the Ministry, was designated to lead and implement this transformation project, starting from the financial year 2021-22.

Findings

- Over the past 4 financial years ended 30 June 2025, the National Youth Council had purchased assets for a total amount of Rs 13.9 million. However, no record or Asset Register was maintained at the National Youth Council to reconcile assets purchased with those allocated to the Youth Hubs. Hence, no mechanism was in place to track those assets.

The assets acquired included PlayStations, TV sets, motorised screens, tablets, MacBook Pro, iPads, iPhones, colour printers, refrigerators, microwaves, cameras, office tools and equipment, filing cabinets and executive chairs, among others. As a result, accountability over those assets was compromised.

- Assets, such as MacBooks and heavy-duty printers, were neither recorded in the accounts of the National Youth Council nor in the GAR of the Ministry of Youth and Sports for accountability and control purposes.
- The Ministry was not informed of the quantity of assets purchased and allocated by the National Youth Council to the different Youth Hubs, despite the Youth Hubs falling under the purview of the Ministry.
- 21 of 46 Lenovo Tablets, costing some Rs 255,200, were reported missing.
- Among the 14 heavy-duty printers purchased on 25 July 2023 for a total amount of Rs 1.9 million, 3 were still kept in a container at the National Youth Council as at October 2025 with expired warranties and risk of damage due to poor storage conditions.

Root Cause

The Accounting Officer did not establish adequate monitoring mechanism to ensure effective oversight of asset management activities.

Recommendations

- The Ministry should strengthen asset management monitoring by conducting regular surveys, and reconciling the GAR with physical assets.
- All assets allocated to Youth Hubs should be traced and recorded in the Ministry's GAR otherwise appropriate actions need to be taken.

Ministry's Response

- The Ministry has taken cognisance of major shortcomings, including the absence of records, the asset register not maintained and missing tablets. According to the National Youth Council, the former Secretary undertook to trace out the missing tablets but in vain. Investigation is ongoing.

- The written explanations of the former Secretary have been sought and received. Same is being examined. As regards the case of the missing tablets, the matter has been reported to the Police on 12 December 2025.
- Handing over forms of assets provided to youth centres are being requested from the National Youth Council so that the assets can be captured on the GAR system.

16.3 Financing of a Private Company for the Management and Maintenance of Côte d’Or National Sports Complex

Background Information

The Mauritius Multisports Infrastructure Ltd (MMIL) was incorporated as a private company on 21 November 2016, and since June 2019, was mandated to manage and maintain the Côte d’Or National Sports Complex.

Findings

▪ Financial Sustainability of the Private Company

The MMIL had not developed business ideas and strategies to enable it to become financially viable and to gradually operate as a self-sufficient and profitable company in the long term. The company was highly dependent on Government Grant and other means of financing for its operational activities.

According to the Ministry’s records, some Rs 1.03 billion had been disbursed to the private company during the financial years 2017-18 to 2024-25, as shown in Table 16-1.

Table 16-1 Government Grants and Funds from Other Sources Disbursed to the Company

Form of Financing	Amount (Rs Million)
Recurrent Grant	409.00
Capital Grant	18.20
Deposit Account	112.95
Reallocations from budget	90.40
Ministry of Finance	137.10
Lotto Fund	115.20
National Resilience Fund	30.80
Total Grant	913.65
Payments from the Ministry’s Vote	118.48
Total	1,032.13

Source: Treasury abstract and Information provided by Ministry from TAS

Government grants and other sources of financing had steadily increased over the years from Rs 8 million in the financial year 2017-18 to Rs 149.95 million in the financial year 2024-25, to enable the company to cover its operational expenditure, which had likewise been increasing year by year. Table 16-2 shows the operational expenditure of the company since its incorporation up to the year ended 30 June 2023.

Table 16-2 Operating Expenditure since Incorporation

Financial Year	Operating Expenditure (excl. depreciation) (Rs)
2017-18	11,546,113
2018-19	30,556,969
2019-20	74,110,854
2020-21	68,299,721
2021-22	117,316,659
2022-23	150,548,010
Total	452,378,326

Source: Audited Financial Statements of company

Note: Audited financial statements 2023-24 & 2024-25 were not submitted to the Ministry as at November 2025.

The budgetary provisions made each year was not sufficient to cover its operational expenditure and additional grants had to be disbursed to meet the shortfall of funds. Additional funds were transferred through reallocation from budgetary items where savings were available at the Ministry's level, as well as from other sources, such as the Lotto Fund and the National Resilience Fund.

▪ **Insufficient Revenue generated by the Company**

In a letter dated 20 October 2020 from the Ministry of Finance, the management of the company was requested “*to organise maximum revenue generating activities so as to become financially sustainable in the long term*”.

The company had started to generate revenue as from the financial year 2019-20, but the amount was not sufficient to cover its operational expenses and was still very far from being financially sustainable.

Revenue totalling some Rs 28 million, generated during the financial year 2024-25 from activities at the Côte d’Or National Sports Complex, as reported to the Ministry, are shown in Table 16-3.

Table 16-3 Revenue Generated in Financial Year 2024-25

Revenue Generating Activities	Amount Collected (Rs)
Gym and Swimming Pool Membership	19,067,729
Aquatic and Athletics programs	1,022,929
Combat Centre Programs	188,183
Athletics Academy Programs	123,625
Facility & Equipment Rental Events	6,910,831
National Institute Sports Medicine Revenues	972,230
Fitness Centre Programs	Nil
Team Mauritius Office Amenities	Nil
Sports Hub office Renting	Nil
Food and Beverages	Nil
Shops	Nil
Sponsorship	Nil
Total	28,285,527

Source: Amount reported by the Company to the Ministry of Youth and Sports

The main sources of revenue were from Gym and Swimming Pool Membership, followed by Facility & Equipment Rental Events. Regarding the other sources of revenue, they were very low and even nil in 6 out of the 12 activities.

The Ministry of Finance reiterated, in February 2025, that the company be requested to submit a comprehensive turnaround plan to address its current financial situation and that the plan should outline specific steps to improve financial stability, cost-cutting measures, strategies for revenue growth, and ensure long-term sustainability.

The requested turnaround plan was, however, not submitted to the Ministry of Finance as at November 2025.

▪ Absence of Control Mechanism Over Grants disbursed

The company had been provided with substantial amount of grant each year since its operation. It was, therefore, essential for the company to be fully accountable in demonstrating how the grants had been utilised and that these were spent only for the intended purposes.

As a control mechanism, the Ministry disbursed the grants through a Grant Memorandum whereby the conditions of the grant had to be met by the recipient. One of the conditions of the grant in the Grant Memorandum for the financial year 2024-25 was “Any recipient organisation falling under the purview of the Statutory Bodies (Accounts & Audit) Act shall submit its accounts together with the Annual Report to the Minister within period specified in the Act.”

Conditions for Disbursement of Grant - Invalid Legal Framework

The condition for the disbursement of the grant as per the Grant Memorandum was not appropriate for the company, as the latter was a private company limited by shares and not a statutory body, and therefore not governed by the Statutory Bodies (Account and Audit) Act but by the Companies Act. As a private company, it did not have a legal obligation to submit its financial statements along with its Annual Report to the Minister. Also, there was no defined legal timeframe requirement for a private company to submit its financial statements to the Minister.

Since the company was provided substantial funds as grant on a yearly basis, submission of the financial statements and annual report for accountability purposes should have been specifically mentioned in the conditions of the Grant Memorandum.

Root Causes

- The Accounting Officer did not properly monitor the operational activities of the company for the latter to operate within its allocated budget provisions.
- The Accounting Officer did not ensure that the conditions of the grant in the Grant Memorandum had an appropriate legal framework applicable to a private limited company for accountability purposes.

Recommendations

- The Ministry should ensure that the grants disbursed to the company are used only for its intended purposes and are not depleted prior to the financial year-end.
- The Ministry should set up a Monitoring Committee to rigorously monitor the operational activities of the company. The company should adopt cost-cutting measures and increase its revenue-generating activities to operate independently.
- The Ministry should compulsorily ensure that the company submits a comprehensive turnaround plan to address its current financial situation and to outline the steps to be taken to improve its long-term financial sustainability.
- The conditions of the Grant Memorandum, especially the legal framework, should be reviewed and adapted for a private limited company.

Ministry's Response

- The decision regarding the financing, construction, operation and maintenance of the Côte d'Or National Sports Complex through a special purpose vehicle is a policy decision outside the purview of the Ministry of Youth and Sports.
- The Ministry concurs that the private company is heavily dependent on Government Grant for its operation and is slow in generating sufficient revenue to cover its expenditure.

- On 5 December 2025, the Ministry requested the MMIL to develop business ideas and strategies to enable it to become financially viable and to gradually operate as a self-sufficient and profitable company in the long-term and to submit same to the Ministry urgently.
- As regards the conditions for disbursement of grant, the Ministry had written to the Ministry of Finance as far back as May 2024 to highlight the absence of a legal framework for a more effective control mechanism over grant allocated to the private company. The Ministry will consider signing a binding agreement incorporating these requirements with the private company to give effect to the checks and balances. Drafting of the Agreement is under consideration. Discussions are being held with the MMIL.

16.4 Absence of Maintenance of Sports Infrastructures Leading to Unhygienic and Improper Conditions

Background Information

The Ministry of Youth and Sports owns 23 Youth Hubs and 49 sports infrastructures, as summarised in Table 16-4. These sports infrastructures are managed and maintained by the Ministry, the Mauritius Sports Council, the National Youth Council, the Mauritius Recreation Council, the Mauritius Athletics Association and the Mauritius Multisports Infrastructure Ltd.

Table 16-4 Sports Infrastructures

SN	Sport infrastructures	Number
1	Swimming pools	5
2	Stadiums	10
3	Gymnasiums/Multi-Sports Complexes	18
4	Football Infrastructure	10
5	Outdoor centres	4
6	Other sports infrastructures	2
7	Youth Hubs	23

Source: Ministry's Records

Two stadiums, namely Anjalay Coopen Stadium and New George V Stadium, and one swimming pool, namely Souvenir Swimming Pool, were visited by NAO Officers during the month of October 2025 to verify the state of these sports infrastructures.

16.4.1 Anjalay Coopen Stadium

Findings

- The Fire Alarm System and Fire Hose reel were not operational due to electrical issues and shortage of water supply. The stadium was equipped with 4 pumps in the plant rooms and a generator, used to pump water in pipes to supply the Fire Hose reel. All 4 pumps

were not functioning and water could not be supplied to the Fire Hose reel. Refer to Figure 1.

The last Fire Certificate of the stadium expired on 9 July 2022, and since then, the stadium did not have any Fire Certificate. NAO Officers were informed that due to significant leaks, the electrical installation, fire alarm system and smoke detectors were damaged, resulting in the non-renewal of the Fire Certificate.



Figure 1 Pump not functioning

- Water leakages in most of the rooms and on the roof of the stadium had caused parts of the concrete ceiling to detach and fall. Due to water leakages, most of the electrical works were damaged and were not functioning.

In some rooms where part of the concrete ceiling had fallen, they were covered with cement and the ceilings were painted. However, this did not resolve the problem of water leakages. Refer to Figure 2. The ventilation in the Referee room and the smoke detectors in several rooms were not functioning due to water leakages. There were also water leakages in the VVIP lounge toilet on the first floor, down to changing room No. 2 on the ground floor.

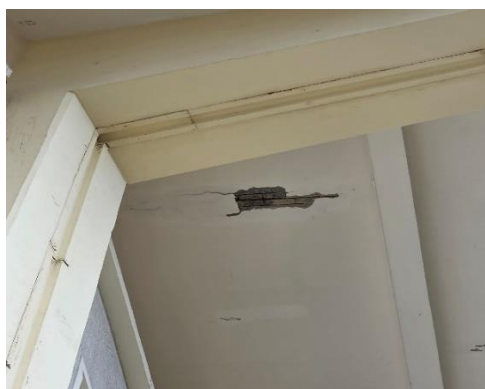


Figure 2 Concrete ceiling falling down

- In the Police Control room, the Uninterruptible Power Supply (UPS) and cameras monitoring screens were not functioning. NAO Officers were informed that rats had eaten part of the false ceiling.

- On the first floor of the stadium, the stands (public sitting area) were very dirty and were covered with pigeons' droppings. NAO Officers were informed that there was no water to clean the first floor as the water pump was not functioning. This resulted in the chairs being in poor condition and some needed to be changed. Refer to Figures 3 and 4. Further, there were no bird nettings covering the stands of the stadium.



Figure 3 Stands covered with pigeon droppings



Figure 4 First floor very dirty with pigeon droppings

- The air conditioning system in the VVIP lounge was not functioning and the parquet flooring in the lounge was damaged with water leakages.
- The entrance door of the toilet was damaged and not replaced.
- The scoreboard of the stadium was damaged.
- The gate on the eastern stand was very rusted and there was no security fences on the walls. In some locations, the safety walls were damaged. The security cameras and lighting system were also not functioning. The gates and handrails leading inside the stadium were very rusted. Refer to Figures 5 to 8.



Figure 5 Rusty door on Eastern stand



Figure 6 Gate and handrail leading inside stadium in rusted state



Figure 7 No Security fence



Figure 8 Damaged Safety walls

The status of the equipment mentioned above and other issues identified are shown in Table 16-5.

Table 16-5 Status of Damaged Equipment and other Issues

SN	Equipment/System	Date Damage Detected	Date Survey Done	Action/Repairs
1	Fire Alarm System and Fire Hose Reel	Since September 2022	2023-24	Not yet done
2	Water Pumps/Generator	September 2022	2023-24	Not yet done
3	Most of the Electrical Works	2024	Nil	-
4	Smoke Detectors	September 2022	2023-24	Not yet done
5	UPS and Camera Monitoring Screen in the Police Control Room	Since the end of 2019 IOIG	Nil	-
6	Air Conditioning in the VVIP Lounge	Since the beginning of 2024	Mid 2024	Repaired Partly in 2024
7	Security Camera	Since 2019 IOIG	Nil	-
8	Ventilation in Referee Room	Since the beginning of 2024	Nil	Not yet done
9	Waterproofing	Since 2022	2023-24	Not yet done

Source: Information provided from Anjalay Coopen Stadium

Note: IOIG - Indian Ocean Island Games

Root Cause

The Accounting Officer did not exercise adequate oversight to ensure that the stadium was properly maintained.

Recommendations

- The pumps and generator should be repaired so that the Fire Hose reel can be supplied with water and necessary cleaning in the stadium can be carried out.
- Waterproofing should be done and the electrical system should be verified and changed, where required.
- Bird netting needs to be installed over the roof of the stands of the stadium.
- The toilet entrance door needs to be repaired.
- The scoreboard of the stadium needs to be repaired or changed.
- For security purposes, the gate on the eastern stand needs to be changed and security fences installed. Safety walls need to be repaired where damaged and security cameras installed at strategic locations.

Ministry's Response

- Phase 1 of the project is the refurbishment of the grand stand. The remaining stand will be considered upon receipt of funds.
- The tender for the restoration of the Fire Alarm System is under process.
- A contract of Rs 13 million has been awarded for removal and fixing of new tiles, repairs of showers, repairs to expansion joints, repair to spalled concrete, internal and external painting works, application of floor dressing paint and replacement of damaged false ceiling.
- Contract for bird netting on the main stand has been awarded to the successful bidder on 8 January 2026.
- The scope of works for replacement of bucket seats and waterproofing on the main stand has already been submitted. The Ministry is identifying savings within its budget to implement this project in the first instance. Financial clearance will also be sought from the Ministry of Finance for additional funds, if necessary.

16.4.2 New George V Stadium

Findings

- Several seats were soiled with bird droppings, indicating that the area was not adequately cleaned and maintained. The poor state of the seats was due to damaged bird nettings on the roof of the stands of the stadium, thus causing birds to access freely inside and dirty the seats with droppings. Refer to Figure 9.



Figure 9 Soiled seats

- The structure on the roof was rusting, thus representing a potential danger to spectators. The handrail on the first floor of the stadium was rusted and detached from the ground floor. Due to these issues, more than half of the seating capacity in the stadium was not being utilised. The stadium had a seating capacity of approximately 1,500 spectators, but could accommodate only 500.
- The football pitch lighting system was not functioning since 2019, when the lights went off after the Indian Ocean Island Games (IOIG), and had not yet been repaired since then. Hence, no activity could be held at night.
- At date of visit on 15 October 2025, the stadium did not have a Fire Certificate. NAO Officers were informed that the installation of the new fire alarm system was completed on 15 September 2025, and an application for a Fire Certificate was made by the Ministry on 14 October 2025.

Root Cause

The Accounting Officer did not effectively plan for the stadium to be properly maintained.

Recommendations

- The condition of the roof all around the stadium needs to be verified, and necessary remedial actions urgently taken for safety reasons.
- Bird nettings should be installed on the roof of the stands.
- The seats should be regularly cleaned and maintained.
- The damaged handrail should be changed.
- The lighting system of the football pitch should be changed or repaired.

Ministry's Response

- Tender exercise launched on 11 September 2025 for bird netting was not conclusive. Tender for same has been relaunched on 27 November 2025. The bids are at evaluation stage.

- The Ministry is in the process of recruiting a part-time Electrical Engineer to work out the scope of works regarding electrical works. The latter would be requested to prioritise the preparation of the bidding document.
- A new Fire Alarm System has been installed and an application for a Fire Certificate has been made. Some technical issues arose in respect of the application submitted on the National Electronic Licensing System. The matter is being taken up with the Mauritius Fire and Rescue Service.

16.4.3 Souvenir Swimming Pool

Findings

- Out of the 2 pumps installed at the swimming pool, only one was operational. The second pump was leaking and was sent for repairs. However, after repairs, it operated for only one month before the same problem occurred. It was, consequently, turned off. No maintenance or repairs schedule was available at the site.

The fact that only one water pump was functioning, impacted on the water level in the pool. As a result of insufficient water in the pool, the overflow points connected to the filtration system could not be reached, thereby affecting the proper functioning of the filtration process.

Furthermore, leakages were observed on the sides of the pool which caused further decrease in water level, thereby affecting the pool's normal water circulation and filtration process.

- The grill inside the pool was rusted, as shown in Figure 10. The rusted grill indicated inadequate maintenance and potential corrosion of the metal components in contact with water. This condition adversely affected the quality of the pool water and also caused safety risk to swimmers.



Figure 10 Rusted grill in the pool

- Swinging electrical wires were seen outside the building, thus giving rise to potential risk of electrocution and operational hazards to users of the pool.

- There was no electricity on the stands of the swimming pool, as well as in the men's and women's showers and changing areas. The date since the electrical system broke down was not available. NAO Officers were informed that numerous complaints were received from the general public regarding this matter, but still, no corrective action was taken.
- The Plant room was found in a deplorable state. Water accumulation was observed throughout the area due to leakages in the pumps and pipes. Some pipes were broken and the tanks showed signs of rusting. The condition of the Plant room is shown in Figure 11.



Figure 11 Condition of Plant room

- Some concrete poles were found to be cracking, thus giving rise to structural defects of the building, as shown in Figure 12.



Figure 12 Cracking concrete pole

- As of October 2025, the swimming pool did not have a Fire Certificate. NAO Officers were informed that an application for a Fire Certificate was made on 27 October 2025, but completion of refurbishment works was still being awaited.

Root Cause

The Accounting Officer of the Ministry and the Mauritius Sports Council did not take timely corrective actions, thus contributing to the deterioration of the Souvenir Swimming Pool.

Recommendations

- The defective water pump should be repaired or replaced to ensure both pumps are fully operational and the pool's filtration system functions effectively.
- The rusted grills should be replaced to prevent further corrosion and ensure the safety of swimmers.
- A structural assessment of all concrete poles should be conducted and necessary repairs effected to eliminate potential risk to users of the swimming pool.
- The Ministry should ensure that the Mauritius Sports Council carry out regular electrical inspections and take prompt corrective actions whenever faults are identified.
- The Ministry and the Mauritius Sports Council should establish a robust monitoring and maintenance system to ensure timely corrective actions are taken and prevent further deterioration of the facility.

Ministry's Response

- The scope of works has been finalised by a Consultant and bidding exercise has been launched on 3 October 2025. The bid evaluation exercise has been completed and the letter of acceptance is in the process of being issued.
- Major upgrading works will be kick-started during this financial year if a responsive bidder is selected.

Overall Recommendation

A Sports Facilities Management Committee should be set up at the level of the Ministry to ensure that all sports infrastructures are always in good running conditions and are properly maintained.

16.5 Governance Issues – Non-Compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of statutory bodies with the objective of strengthening accountability and transparency in the public sector.

Findings

Late Submission of Report on Performance

The Report on Performance of the Ministry of Youth and Sports for the financial year 2024-25 was submitted to the Ministry of Finance on 30 January 2026, that is 3 months after the statutory deadline of 31 October 2025.

Non-submission of Financial Statements for Audit

The Statutory Bodies (Accounts and Audit) Act requires the Chief Executive Officer of a Statutory Body to submit the annual report, including the financial statements, to the auditor not later than 4 months after the end of every financial year.

As of 31 October 2025, the following statutory bodies falling under the purview of the Ministry of Youth and Sports had not submitted their financial statements for audit as shown in Table 16-6.

Table 16-6 Financial Statements Not Submitted for Audit

Statutory Body	Financial year	No of Financial Statements	Remarks (Accounts under Audit)
Mauritius Sports Council	2023-24 & 2024-25	2	Financial Statements for financial year 2022-23 were submitted on 28 March 2025.
Mauritius Recreation Council	2023-24 & 2024-25	2	Financial Statements for period December 2021 to June 2023 were submitted on 2 August 2024.
National Council for Sports in Schools and Universities	-	-	The Council was set up in 2017. No evidence was available as to whether accounts have been prepared and audited.
National Anti-Doping Organisation	-	-	Date the organisation was set up was not available. There was no evidence whether accounts have been prepared and audited.

Source: NAO Records

Recommendations

The Ministry should:

- Exercise control over statutory bodies and other entities operating under its aegis to ensure that they comply with their statutory responsibilities regarding the preparation of financial statements and their submission for audit; and
- Lay a copy of the annual report and audited financial statements before the National Assembly.

Ministry's Response

- *Mauritius Sports Council*: Both financial statements are currently under preparation and will be submitted for audit within 2 months.
- *Mauritius Recreation Council*: Recruitment of a Finance Officer is in process, following which outstanding financial statements will be prepared and submitted within 2 months.
- *National Council for Sports in Schools and Universities (NCSSU)*: The Council does not have a separate independent account. Action is being taken to set up the NCSSU in line with the Sports Act, and to have the Council comply with its statutory obligations.
- *National Anti-Doping Organisation (NADO)*: The organisation does not have separate independent account. Action is being taken to set up the NADO in line with the Sports Act, and to have the organisation comply with its statutory obligations.

Annual Reports not Laid Before the National Assembly

The Statutory Bodies (Accounts and Audit) Act requires a copy of the annual report and audited accounts of every Statutory Body to be laid before the National Assembly at the earliest opportunity.

As of end January 2026, the annual report of the National Youth Council for the financial year 2023-24 was not yet laid before the National Assembly. The Accounts were certified on 18 June 2025.

Recommendations

The Ministry should:

- Comply with its statutory obligation regarding submission of its Report on Performance; and
- Lay a copy of the annual report and audited financial statements before the National Assembly.

17 – MINISTRY OF LABOUR AND INDUSTRIAL RELATIONS

17.1 LABOUR DIVISION

17.1.1 Compliance and Accounting Issues of the Workfare Programme Fund (WPF)

Background Information

Section 80 of the Workers' Rights Act 2019 stipulates that a Workfare Programme Fund Committee (WPFC) shall be established to oversee the administration and strategic management of the WPF and the Committee shall include a Chairperson appointed by the Minister, representatives from the Ministry of Labour and Industrial Relations (MLIR), the Ministry of Finance, 2 representatives each from workers' and employers' organisations, and the Fund's administrator.

Findings

▪ WPFC not constituted

As of September 2025, the WPFC was not constituted since the Fund's inception in 2019. The Labour Division of MLIR did not take appropriate steps to formally establish the WPFC. Consequently, the provisions as outlined under Section 81 of the Workers' Rights Act relating to the functions of the WPFC were not complied with.

▪ Financial Statements not prepared

Section 83 of the Workers' Rights Act requires that, no later than 3 months after the end of each financial year, the WPFC shall prepare and submit the Fund's financial statements to the Director of Audit for audit. As of September 2025, financial statements of the WPF had not been prepared and submitted to the Director of Audit for the financial years 2018-19 to 2023-24.

▪ Sustainability of the WPF

An actuarial valuation was conducted in the year 2022 to assess the long-term sustainability of the WPF. One of the recommendations of the actuarial study was, in the absence of capital injection, the benefit design of the Workfare Programme Fund must be revisited either by reducing the quantum of Transition Unemployment Benefit (TUB) disbursed or by increasing the employer levy.

A projection model of an employer levy of 0.75 per cent was found to drastically reduce the probability of insolvency of the Fund. Accordingly, this recommendation was implemented through an increase from 0.5 to 0.75 per cent of the training levy for the period July 2023 to June 2025, so as to preserve the sustainability of the Fund.

However, as of October 2025, only draft Terms of Reference for a new actuarial study has been circulated to stakeholders and no updated valuation had been commissioned.

Root Cause

The Ministry did not ensure that the WPFC was set up as stipulated in the Worker's Rights Act.

Recommendations

- The Ministry should expedite the formal constitution of the WPFC in accordance with Section 80 of the Workers' Rights Act 2019 and ensure that necessary actions are taken for the preparation of the financial statements.
- The Ministry should finalise the Terms of Reference for the new actuarial study to enable the commissioning of the updated actuarial valuation.

Ministry's Response

- The Constitution of the Workfare Programme Fund Committee is in progress.
- On 3 September 2025, this Ministry decided to initiate a fresh tender exercise for consultancy services to review the projections of the actuarial study conducted in 2022. This Ministry has prepared a draft Terms of Reference for the consultancy services which has been sent on 23 October 2025 to relevant stakeholders for their views/comments prior to the floating of bids.
- Although the Workfare Programme Fund Committee has not yet been set up, numerous measures have been taken to improve oversight of the Fund, including the setting up of a Technical Committee to revisit the functioning of the Fund and the exchange of information between this Ministry and the Ministry of Social Integration, Social Security and National Solidarity.
- As per legal advice, this Ministry was informed, inter alia, that it is the Ministry of Social Integration, Social Security and National Solidarity (MSISSNS) which should assume the interim reporting responsibility for the WPF, pending the appointment of the WPFC. The MSISSNS was informed accordingly on 14 November 2025.

17.1.2 Lack of Follow-up Over Transition Unemployment Benefits Payments

Background Information

The Transition Unemployment Benefits (TUB) was introduced in February 2009, under the Employment Rights Act 2008. The TUB is payable to Mauritian workers of the private sector whose contract of employment is terminated under the Workers' Rights Act 2019 and who have been registered in the Workfare Programme. Every worker registered in the Workfare Programme shall be entitled to a transition unemployment benefit for a minimum period of one month and to a maximum period of 12 months.

Under Section 84 of the Workers' Rights Act 2019, MLIR is responsible for processing all requests for TUB and the MSISSNS is responsible for disbursing the approved payments.

Findings

- The Ministry did not maintain the following information on the TUB:
 - (i) Total amount disbursed for the financial year 2024-25 and for the 3 preceding financial years.

- (ii) For financial year 2024-25, a detailed breakdown of number of beneficiaries and amount paid, duration of benefits paid and monthly disbursement figures.
- The MLIR did not conduct a follow-up or carried out a reconciliation on TUB requests forwarded to the MSISSNS. Thus, there was no assurance that approved claims were paid in a timely manner and that delayed payments were addressed.

Root Cause

There was no mechanism in place between MLIR and MSISSNS for tracking, verifying, and reconciling TUB claims and payments.

Recommendation

A proper mechanism should be established for tracking, verifying, and reconciling TUB claims and payments.

Ministry's Response

- The Labour and Industrial Relations Division of this Ministry is liaising with the MSISSNS for continued follow-up for timely submission of returns.
- This Ministry endeavours to constitute the WPFC to ensure statutory oversight on the WPF. Nonetheless, pending the constitution of the Committee, various oversight protocols are already in place.

17.1.3 Non-compliance with Financial Instruction regarding Recovery of Advance Warrants

Background Information

Two Advance Warrants, amounting to Rs 29,225,641 were issued by the Ministry of Finance to MLIR prior to the enactment of the Workers' Right Act 2019 for the payment of wages due to redundant workers and ex-gratia payments to ex-employees.

Finding

As of September 2025, there was an amount of Rs 1,325,641 which had remained uncleared since 2019, and this balance was yet to be regularised.

Root Cause

The Accounting Officer did not monitor and pursue repayment of advances, leading to prolonged outstanding balances.

Recommendation

The Ministry should strengthen internal controls to ensure that future advances are tracked, monitored, and cleared within the stipulated timeframe.

Ministry's Response

On 13 August 2024, the Ministry of Finance requested MSISSNS to remit the amount of Rs 29,225,641, which included the Advance Warrant amounting to Rs 1,325,641. As the amendments brought to the Workers' Rights Act did not cater for the Advance Warrant, the MSISSNS did not transfer the funds. Consultations are being held with the Ministry of Finance on the way forward.

17.1.4 Non-compliance with the Mauritius Fire and Rescue Service Act – Absence of valid Fire Certificates

Background Information

The issuance of a Fire Certificate is governed by the provisions of the Occupational Safety and Health Act, the Fire Services Act, and any applicable Guidelines Fire Safety Requirements (Construction of Buildings). These laws mandate that all public buildings, leased premises, and workplaces must undergo fire safety inspections and obtain certification to ensure adequate fire prevention measures are in place.

The Fire Certificate serves as an official confirmation that the premises meet the minimum fire safety standards as prescribed by national legislation and relevant fire safety codes.

Findings

Absence of Valid Fire Certificates for occupied Premises

- As of September 2025, 4 buildings occupied by the Ministry did not hold valid fire certificates. The Ministry did not ensure compliance with Section 19(1) of the Mauritius Fire and Rescue Service Act 2013, which requires owners of prescribed premises to obtain a fire certificate from the Chief Fire Officer, certifying that all safety requirements have been met.
- The Ministry did not ensure that Section 19 'Fire certificate' of Part IV 'Fire Safety and Prevention' which stipulates that an owner shall, 60 days before the expiry of the validity of a fire certificate, apply for the renewal of the certificate, was met.

Root Cause

The Accounting Officer did not put in place a mechanism to ensure all buildings were compliant with the requirement to have a Fire Certificate.

Recommendation

The Ministry should ensure applicable laws and Directives with respect to Fire Certificate are always complied with.

Ministry's Response

Out of 19 buildings used by the Labour Division of this Ministry, 18 are under the purview of the Labour Division, and one is under the purview of the Employment Division.

For the 18 buildings, as at 13 January 2026, 4 do not have a valid fire certificate. Usually, the owners of rented buildings are informed prior to the expiry of their fire certificate to renew same. The Ministry is monitoring the situation.

17.1.5 Governance Issues

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of statutory bodies with the objective of strengthening accountability and transparency in the public sector.

Findings

Non-Submission of Financial Statements for Audit

The Statutory Bodies (Accounts and Audit) Act requires the Chief Executive Officer of a statutory body to submit the annual report, including the financial statements, to the auditor not later than 4 months after the end of every financial year.

As of December 2025, 3 statutory bodies falling under the purview of Ministry of Labour and Industrial Relations (Labour Division), had not submitted their financial statements for audit within statutory deadline as shown in Table 17-1.

Table 17-1 Financial Statements not submitted to NAO for Audit

Statutory Bodies		Financial Year	No of financial statements	Remarks
National Consultative (NWCC)	Wage Council	2023-24 and 2024-25	2	The Financial Statements for Financial Year 2023-24 of NWCC have been prepared since 10 September 2025 and after the reconstitution of the Board and validation of the Financial Statements same shall be submitted to the National Audit Office.
Trade union Trust Fund (TUTF)		2021-22 to 2024-25	4	TUTF was late for the submission of Financial Statements for Financial Years 2021-22 to 2023-24. These were submitted to the Director of Audit on 3 March 2025, 13 March 2025 and 14 April 2025
Manufacturing Sector Workers Welfare Fund (MSWWF)		2023-24 and 2024-25	2	The Financial Statements for the financial year 2023-24 was submitted to the National Audit Office for auditing in February 2025.

Source: NAO Records

Recommendation

The Accounting Officer should exercise proper oversight over statutory bodies under the aegis of their Ministry.

Ministry's Response

Additionally, on 7 May 2025, the Manufacturing Sector Workers' Welfare Fund, the Trade Union Trust Fund and the National Wage Consultative Council were requested to submit the financial statements and annual reports for the financial year 2023-24 by ensuring strict compliance with the Statutory Bodies (Accounts and Audit) Act.

17.1.6 Follow-up of Recommendations raised in the Audit Report 2023-24

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2023-24 is summarised. Out of 6 recommendations, 4 (67 per cent) has been partly implemented and 2 (33 per cent) have been implemented.

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Delay in the Computerisation of the Occupational Safety and Health Division (Page 391)				
1	As of October 2024, only 20 per cent of the data were migrated to the new system. Hence, optimal use of the system was not made. Retention money amounting to Rs 800,000 was not disclosed in the Returns of Accruals, Prepayments and Retention Money as at 30 June 2024 submitted to the Accountant-General. (Pg 391, Para 18.1)	The project should be properly monitored and prompt action should be taken to ensure timely completion of the project. (Pg 391, Para 18.1)	The Ministry held high level meetings with the supplier, State Informatics Ltd (SIL) to address outstanding issues. In January 2026, pending amendments to be brought to the prescribed forms through Regulations under the Occupational Safety and Health Act 2005, SIL was requested to make the system operational with the existing forms. Officers are also being provided hands-on training on the system. Management is following-up closely on the Computerisation Project to ensure its successful implementation. SIL has been instructed to address the outstanding issues by March 2026.	Partly Implemented
Transition Unemployment Benefits– Alleged Cases of Fraud (Page 392)				
2	In 37 cases, the prescribed schedule "within 7 days" under Section 84(5) of Workers' Rights Act (WRA) to complete the cases was not adhered to. The time taken in excess of the 7 days within which the applications should be processed and the date they were sent to the MSISSNS ranged between 18 days and 18 months.	A clear time frame should be established for processing of applications.	The Ministry has set up a Standard Operating Procedure to guide the handling and processing of TUB applications, with a view to identifying potentially dubious cases. Moreover, a Technical Committee was set up at this Ministry in March 2025 to revisit the Workfare Programme.	Partly Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
3	Out of the 37 files, 29 related to informal cases where employers did not contribute to the National Savings Fund. Under Section 84(7), a laid-off worker who is already in receipt of TUB would no longer benefit in case he/she becomes gainfully employed. In 10 cases, the laid-off workers were registered in the Workfare Program for misconduct although the responsibility for misconduct rests on the workers and not the employers.	The Act should be reviewed to include informal cases.	The Workfare Programme acts as a social protection to laid-off workers so that a situation of unemployment does not affect their livelihood and that of their dependents. Even in cases of misconduct, the concerned workers and their dependents are entitled to social protection and livelihood. In the 10 specific cases referred by the National Audit Office, once the workers were referred to the MSISSNS, and admitted on the Workfare Programme, any non-contribution to the National Savings Fund (NSF) is automatically detected by that Ministry, which in turn notifies the Mauritius Revenue Authority. The latter is required to liaise with the said employers to ensure contribution to the NSF. In line with the recommendations of the Technical Committee, some amendments to the Workers' Rights Act are being envisaged.	Partly Implemented
4	The current Workfare Program system does not have all relevant information. In 2023-24, an amount of Rs 5 million was budgeted. <i>(Pg 321, Para 18.1)</i>	The computerisation of the Workfare Unit should be expedited. Digitalisation would speed up processing of TUB to make it more business friendly. <i>(Pg 393, Para 18.1)</i>	The computerisation of the Labour Division Project is live since 14 January 2026. The project includes the Workfare Programme Unit.	Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Government Asset Register not updated (Page 394)				
5	IT software relating to the computerisation of OSHD amounting to Rs 1.7 million and Rs 5.8 million incurred during the financial years 2021-22 and 2023-24 respectively were not recorded in GAR. (Pg 394, Para 18.1)	The IT software costs should be recorded in the GAR as an intangible asset. <i>Pg394, Para 18.1)</i>	The GAR has been updated up to March 2025. The payments amounting to Rs 1.7 million and Rs 5.8 million incurred during the financial years 2021-22 and 2023-24 have also been communicated to the Treasury for updating in the GAR. The GAR is being updated on a regular basis so that it remains continuously up-to-date.	Implemented
Registry of Associations – Poor Monitoring over Submission of Annual Returns (Page 395)				
6	As per the records of Registry of Association, out of 10,622 Associations, 4,800 have not submitted their annual returns. Out of 426 Trade Unions, 180 had not submitted their annual returns. (Pg 395, Para 18.1)	Appropriate actions should be taken to ensure that the Associations and Trade Unions comply with law. (Pg 395, Para 18.1)	From July 2023 to December 2025, the registration of 1,318 Associations and 52 Trade Unions were cancelled. Moreover, the Registry of Associations has issued some 4,557 notices/letters to non-compliant Associations and Trade Unions for them to submit their annual returns, as required under the Registration of Associations Act. In case these Associations remain continually non-compliant and do not take remedial measures, actions are initiated by the Registrar for their cancellation. The cancellation of non-compliant Associations is an ongoing process.	Partly Implemented

17.2 EMPLOYMENT DIVISION

17.2.1 Follow up of Recommendations Raised in the Audit Report 2023-24

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2023-24 is summarised below. Out of 4 recommendations, 2 (50 per cent) have been implemented, 1 (25 per cent) have been partly implemented and 1 (25 per cent) have not been implemented.

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Work Permit not processed through National Electronic Licensing System (Page 401)				
1	As of October 2024, the Work permit Application System (WPAS) was still being used by the Work Permit Section for processing new and renewal of certificate of exemption as the option was not available in National Electronics Licensing System (NELS). The NELS system for work permits was limited as many options cannot be used online and had to be done manually. These procedures were time consuming and delaying the issue of work permits. The user requirements were not properly assessed at the start of the project implementation. This was being implemented on an ad-hoc basis. (Pg 401 Para 18.2.2)	A timeframe should be agreed with Economic Development Board (EDB) to ensure the computerisation of the work permit can be fully implemented through NELS. (Pg 402, Para 18.2.2)	EDB has informed that user acceptance testing (UAT) for Certificate of Exemption has been planned for end of February 2026.	Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Underutilisation of funds allocated under the Employment Enhancement Programme (Page 402)				
2	<i>Low level of placements</i> The number of applications received under the different schemes significantly outweigh the number of placements made. This was attributed to the low level of participation of employers registered. During the financial year 2023-24, 260 and 63 trainees were placed in the private and public sectors respectively. However, 63 per cent for both sectors left the scheme. Despite the eligibility criteria for placements of YEP in both the public and private sectors were same, stipends payable differed and were not revised since 2013.	An assessment of all the programmes should be undertaken to sort out any mismatch in demand and supply of trainees. (Pg 404, Para 18.2.3)	The Ministry is strengthening its awareness campaign, as well as Job and Training Fairs to increase participation of trainees under the different Employability Enhancement Programmes (EEP). Senior Employment Counseling Officers (SECOs) from the 13 EICs conduct sensitisation campaigns, to increase the level of participation of registered employers.	Implemented
3	Under the Women Back to Work programme, the beneficiaries are provided training by local training institution. Despite payment of a monthly stipend of Rs 10,575, out of 6,838 applications received, only 1,472 women accepted work placements. (Pg 403, Para 18.2.3)	To review the effectiveness of the schemes. (Pg 405, Para 18.2.3)	There are lesser trainees registered now mainly due to the stipend being too low. A request is being made to Ministry of Finance for review of stipend. With regard to the Trainee Engineer Scheme (TES), a request has been made to the Ministry of National Infrastructure to advise whether there is still a dearth of Engineers on the local market. A reply is awaited. As for the Trainee Land Surveyor Scheme, as response has been low, it is proposed not to maintain the scheme in the next budget.	Not Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
			The recommendation to align the stipend was submitted to the Ministry of Finance for their consideration during the budget exercise for financial year 2025/2026. However, the stipend has remained the same for both private and public sectors. For the TES, the Ministry of National Infrastructure (MNI) and the Ministry of Public Service and Administrative Reforms have been requested to advise whether there is a need to maintain the scheme or whether there are now enough engineers on the local market to meet the demand.	
Rental of Office Space -Lease Agreements not Renewed and Fire certificate not available (Page 405)				
4	<i>Non-Renewal of Lease Agreements</i> Out of the 15 offices rented by the Human Resource Development and Training Division, 7 lease agreements have already expired as at 30 June 2024. Rent was paid on a month-to-month basis. <i>No Fire Certificates</i> Three employment offices did not have a valid fire certificate as of September 2024. (Pg 405, Para 18.2.4)	The Ministry should initiate action to renew the lease agreements and fire certificates prior to their expiry. (Pg 405, Para 18.2.4)	For Rivere du Rempart and Riviere Des Anguilles EIC-Clearances have been obtained and the Ministry is awaiting the no objection letter from MNI. For Port Louis, Quatre Bornes and Rose Belle EIC -Relocation is being envisaged For Vacoas and Triolet EIC -Awaiting clearance from ESD. All buildings hold a valid fire certificate except for Rose Belle EIC. It is proposed to move to another location.	Partly Implemented

18 – MINISTRY OF LAND TRANSPORT

18.1 Governance Issues – Non-compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of Statutory Bodies with the objective of strengthening accountability and transparency in the public sector.

Findings

Non-Submission of Financial Statements for Audit

The Statutory Bodies (Accounts and Audit) Act requires the Chief Executive Officer of a statutory body to submit the annual report, including the financial statements, to the auditor not later than 4 months after the end of every financial year.

As of 31 December 2025, the Taxi Operators Welfare Fund falling under the purview of the Ministry of Land Transport, had not submitted its financial statements for the financial years 2022-23 to 2024-25 for audit.

Ministry's Response

A request has been addressed to the Accountant General's Office (AGO) on 15 January 2026 for the deputation of an Accountant to finalise the outstanding financial statements for the financial years 2022-23 to 2024-25. The deputation of an Accountant is still being awaited.

Annual Reports not laid before the National Assembly

The Statutory Bodies (Accounts and Audit) Act requires a copy of the annual report and audited financial statements of every statutory body to be laid before the National Assembly at the earliest opportunity.

As of 31 December 2025, the annual report of the Taxi Operators Welfare Fund for the period 11 June 2021 to 30 June 2022, whose financial statements were certified on 26 August 2025, had not yet been laid before the National Assembly.

Ministry's Response

Thanks to the assistance provided by the AGO, the annual report for the period 2021-22, has been readied and is being submitted for tabling at the National Assembly, in due course.

Recommendations

The Ministry should:

- Exercise control over statutory bodies and other entities operating under its aegis to ensure that they comply with their statutory responsibilities regarding the preparation of financial statements and their submission for audit; and
- Lay a copy of the annual report and audited financial statements before the National Assembly.

Ministry's Response

We wish to reassure your office that this Ministry is committed to reinforce measures to ensure improved governance, strengthened internal controls and timely compliance of Statutory Bodies with their obligations.

18.2 Follow up of Recommendations raised in the Audit Report 2023-24

The status on actions taken on key findings and recommendations since the publication of the Audit Report 2023-24 is summarised. Out of 5 recommendations, 1 (20 per cent) has been implemented, 2 (40 per cent) have been partly implemented, and 2 (40 per cent) have not been implemented.

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Speed Camera System – Not Being Efficient and Effective (Page 155)				
1	<i>Drivers violating speed limits not fined - 56 per cent</i> For the financial year 2023-24, the speed cameras captured a total of 92,291 images. Of these, 30,977 images (33 per cent) were exempted and 20,949 images (23 per cent) were rejected due to technical reasons. (Pg 155, Para 7.1.1)	The speed camera system to be reviewed by the Ministry to make it more efficient and effective. (Pg 156, Para 7.1.1)	Mauritius Telecom has submitted its proposal for use of the safe city cameras for enforcement of traffic offences. The document is being examined by a Due Diligence Committee at the level of Police Department.	Partly Implemented
2	<i>45 per cent of Photographic Enforcement Device Notices (PEDN) issued Not Paid –</i> PEDNs were issued to 40,365 drivers violating speed limits. Payments were received for only 22,177 PEDNs within the required delay, that is, 55 per cent. 18,188 PEDN amounting to Rs 45.5 million, that is 45 per cent, issued during the financial year 2023-24, were not yet paid within the legal limit of 28 days. (Pg 155, Para 7.1.1)	The Photographic Enforcement Device Unit to explore the possibility of making use of data/reports from the computerised system for a more efficient and effective process. (Pg 156, Para 7.1.1)	Mauritius Telecom will be requested to look into the upgrades required to implement the recommendations, including their technical feasibility and legal and financial implications in due course.	Not Implemented
3	<i>Delay in preparation of Contravention Case Files (CCFs) -</i> For unpaid PEDN issued during the financial year 2023-24, the preparation of 18,188 CCFs have been delayed. Some 6,581 CCFs were ready as of November 2024 to be submitted to the Police Service for prosecution. There was no proper computerised monitoring system in place to follow up cases of unpaid fines. (Pg 156, Para 7.1.1)	The Ministry to consider having a proper computerised accounting system in place for revenue management, automated sending of reminders, automated online payment. (Pg 156, Para 7.1.1)		Not Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Deficiencies in Management of National Cycle Network Project (Page 157)				
4	<i>Lapses in Management of Construction Works for Rose Hill Cycle Network:</i> A significant change in the scope of works for which the approval of the Accounting Officer of the Ministry and the financial implications were not available. (Pg 158, Para 7.1.2)	For changes in scope of work prior approval of Accounting Officer should be obtained and financial implications thereof should be determined. (Pg 158, Para 7.1.2)	Approval of Accounting Officer would be, henceforth, sought for all change in scope of works.	Implemented
5	The Contractor did not submit its renewed insurance cover to the Ministry which expired in October 2023. (Pg 158, Para 7.1.2)	Extension of insurance cover should be requested from the Contractor. (Pg 158, Para 7.1.2)	The Contractor was requested to submit a renewed Insurance Certificate in February 2025. Till date, no renewed insurance has been received. A reminder has been sent to the company to submit the new insurance cover, failing which the Ministry will proceed as per provisions of the contract. Defects Liability Period ended on 15 November 2025. However, the Defects Liability Certificate has not yet been issued, as the Contractor has yet to carry out the required remedial works along the Rose Hill Cycle Network. The Traffic Management and Road Safety Unit is closely monitoring the situation with the Contractor. Additionally, the matter is currently under investigation at the level of the Financial Crimes Commission.	Partly Implemented

19 - MINISTRY OF GENDER EQUALITY AND FAMILY WELFARE

19.1 Grants to Statutory Bodies - Rs 616.3 million

Background Information

During the financial year 2024-25, the statutory bodies under the purview of the Ministry of Gender Equality and Family Welfare (MGEFW) employed approximately 1,120 public officers. Table 19-1 illustrates the total government grants amounting to Rs 616.3 million disbursed to these statutory bodies.

Table 19-1 Grant to Statutory Bodies

Vote	Item code	Statutory Bodies	Estimates	Actual
			Rs 000	Rs 000
20-2	26313085	Recurrent Expenditure - Sugar Industry Labour Welfare Fund	406,000	409,075
	26323085	Capital Expenditure - Sugar Industry Labour Welfare Fund	5,000	5,000
	282-11022	Other Current Transfer	-	19,985
20-102	26313066	National Women Entrepreneur Council	14,100	13,278
	26313067	Recurrent Expenditure - National Women Council	110,400	110,400
	28211051	Transfer to Women's Associations – National Women Council	2,600	2,434
20-103	26313053	National Children Council	57,000	56,118
Total			595,100	616,290

Source: Budget Estimates and Treasury Abstract

Findings

- A review of the institutional and funding arrangements of MGEFW indicated that the current framework did not provide adequate support for effective service delivery. Although substantial public funds were channeled to statutory bodies to implement child protection, women's empowerment, gender mainstreaming, and social welfare programmes, these funds were largely consumed by administrative expenses and staff costs, with limited resources directed toward programme implementation.
- A substantial proportion of the grants was utilised to meet recurrent expenditure, mainly staff costs and administrative overheads. Consequently, limited funds were available for programme implementation and direct service delivery. Programme outputs, coverage, and outreach achieved by the statutory bodies did not reflect the level of public funds allocated.
- Oversight and monitoring arrangements exercised by the MGEFW over the statutory bodies were found to be weak. There was no comprehensive framework to assess performance, monitor outcomes, or ensure that funds were utilised in line with Government policy objectives.

- The legislative frameworks governing these statutory bodies were outdated and not aligned with current national priorities on gender equality, child protection, and social welfare. This constrained the ability of the institutions to operate efficiently and respond effectively to emerging social needs.
- Overlapping mandates among certain statutory bodies resulted in duplication of functions and activities. This led to inefficient use of resources, fragmented service delivery, and unclear lines of accountability.
- Overall, these deficiencies in funding arrangements, governance, oversight, and legislative alignment adversely affected the economy, efficiency, and effectiveness of these statutory bodies. As a result, the level of public expenditure incurred did not yield commensurate value for money, and the intended social outcomes were only partially achieved.

19.1.1 Social Welfare and Community-Based Activities – Review of SILWF Operations

Findings

▪ High Absorption of Grants by Recurrent Expenditure

During the financial year 2024-25, the Sugar Industry Labour Welfare Fund (SILWF) received grants amounting to Rs 434 million under the Social Welfare and Community-Based Activities programme. In addition, an extra grant of Rs 17.8 million was received from the Ministry of Finance (MoF), specifically, to meet staff costs related to the payment of Pay Research Bureau (PRB) interim allowance.

These funds were primarily utilised for recurrent expenditure, mainly staff costs and administrative expenses, totaling Rs 408 million, which represented 94 per cent of the Government Grant. As a result, only Rs 17 million was directed towards community development and welfare programmes. This expenditure pattern was inconsistent with the objectives of the grants, which were intended to support community-based initiatives and social development outcomes.

Disproportionate allocation of funds to recurrent expenditure constrained the Fund's capacity to deliver tangible benefits to communities.

▪ Weak Oversight and Monitoring

Oversight by the Ministry over the utilisation of grants and achievement of programme outcomes was inadequate. There was limited evidence of systematic monitoring, performance reporting, or evaluation of activities funded through grants provided to SILWF.

▪ Overlapping Mandates and Duplication of Activities

There was an absence of clear delineation between the mandates and operational responsibilities of SILWF and the Ministry's Social Welfare Division. Both entities delivered similar social, recreational, and community development programmes, often targeting the same beneficiary groups. No formal coordination or resource-sharing framework was in place.

Duplication of functions led to inefficient use of public resources, increased administrative costs, and the risk of fragmented service delivery.

▪ **Outdated Legislative Framework**

The SILWF continued to operate under the SILWF Act 1974, which no longer reflected its expanded national role in community development and social welfare delivery. Although discussions to revise the legislative framework were ongoing for several years, no amended legislation was enacted as of January 2026.

The outdated legislative framework weakened accountability arrangements and limited the effectiveness of governance and oversight mechanisms.

Root Causes

- There was an absence of clearly defined expenditure priorities and performance-based budgeting arrangements.
- Uncoordinated programme implementation led to inefficiencies and reduced impact.
- Delays in legislative reform and the absence of a clearly defined timeline for enactment contributed to the continued reliance on an obsolete statutory framework.

19.1.2 Limited Progress in the Revamping of Community Centres into Community Wellness Centres

Background Information

The Government allocated Rs 220 million for the financial year 2021-22 under the National Resilience Fund (NRF) to revamp 10 SILWF Community Centres into Community Wellness Centres by December 2023.

As of October 2025, out of the total funds allocated under the NRF, the MoF disbursed an amount of Rs 93.47 million, of which:

- (i) 56 per cent (Rs 51.93 million) was used as recurrent grants to SILWF;
- (ii) 42 per cent (Rs 38.85 million) concerned project expenditure; and
- (iii) Rs 2.70 million remained unexpended.

Findings

▪ **Significant Underperformance**

Only one out of 10 targeted Community Centres (10 per cent) had been completed in 4 years. The deadline was not met, and no revised implementation plan or justification was presented.

▪ **Reallocation of Capital Funds**

More than half of the NRF development funding was diverted to SILWF recurrent expenses, contrary to intended capital investment purposes.

▪ **Unutilised Funds and Delays**

Annual carryover balances indicated delays in planning, tendering, and project execution. Delays in implementation increased the risks of cost escalation. Consequently, community wellness objectives were not met as beneficiaries were deprived of intended facilities.

Root Causes

- Weak project management capacity at SILWF, led to poor planning, monitoring, and technical oversight, amongst others.
- Inadequate financial controls and enforcement by MGEFW and MoF enabled NRF capital funds to be used for recurrent expenditure.

Recommendations

The Ministry should:

- Adopt a performance-based budgeting framework, with clearly defined ceilings for administrative expenditure and minimum thresholds for programme-related spending.
- Ensure that grants prioritise programme delivery and beneficiary outcomes.
- Conduct periodic reviews to ensure alignment between grant utilisation and intended social outcomes.
- Clearly define and formalise the respective roles and responsibilities of SILWF and the Social Welfare Division.
- Review and enact legislation governing SILWF to reflect its current functions and responsibilities.

Ministry's Response

- SILWF explains that the high level of recurrent expenditure is due to its labour-intensive nature, with staff costs representing about 94 per cent of recurrent expenses. These costs are essential for operating 139 Community Centres, providing staff for 57 Social Welfare Centres, and supporting emergency response and community services. Community activities are also supported by sponsorships and donations, reducing reliance on grants.
- SILWF states that there is no duplication of activities, as Community Centres and Social Welfare Centres serve different geographical areas and communities. Community Centres are located mainly in remote and underserved areas, and their operations complement rather than duplicate those of other institutions.

- SILWF acknowledges that its Act of 1974 is outdated. A legal service provider has been engaged to review and propose amendments to the Act to align it with present-day realities and operational requirements.
- Delays are attributed to factors beyond SILWF's control, including late contract awards, permit delays, adverse weather, scope changes, and delayed fund disbursement. SILWF has established monitoring mechanisms and continues to coordinate with relevant authorities to address these issues.
- Some capital funds were reallocated to cover essential payroll costs and core activities due to insufficient recurrent funding. These reallocations were carried out in accordance with financial guidelines and approvals.
- The Ministry of Finance, on 4 October 2021, requested the Ministry/SILWF to put on hold the Community Wellness Centre projects at St Pierre and St Aubin. All unutilised funds were retained under proper control. Regular reporting and monitoring are maintained to ensure transparency and the timely use of funds once constraints are resolved.
- Grant disbursement is based on approved annual applications and is monitored monthly. SILWF submits all required financial documents and progress reports to the MGEFW in line with applicable financial instructions, ensuring accountability and compliance.

19.2 Roles and Objectives of the National Women Council and the National Women Entrepreneur Council

Background Introduction

For the financial year 2024-25, an amount of Rs 176 million was budgeted under vote item 20-102 – *Women's Empowerment and Gender Mainstreaming*. Of this, 72 per cent was granted to the National Women's Council (NWC), the National Women Entrepreneur Council (NVEC), and Women's Associations for recurrent and capital purposes. Table 19-2 refers.

Table 19-2 Budget and Actual Expenses for FY ended 30 June 2025

Economic Classification Description	Budgeted Amount	Actual Amount
	Rs million	Rs million
26313067 - Current Grant NWC	110.0	115.4
26313066 - Current Grant NVEC	14.1	13.3
28211051 - Current Grant Women's Associations	2.6	2.4
Total	126.7	131.1

Source: Budget Estimate & Treasury Abstract

The primary objective of the NWC is to promote women's empowerment and gender equality through the active participation of women in social, economic, and political spheres. Whilst significant funding was provided in support of this mandate, a review of the expenditure indicated that the grants were not utilised in a manner that fully supported the achievement of the Council's objectives.

Findings

▪ Grant to the National Women's Council

(i) Substantial Allocation of Grants Disbursed to Employee Costs

Over the past 3 financial years, grants allocated by the MGEFW to the NWC for women's empowerment were increased from Rs 93.2 million to Rs 115.4 million, representing a growth of over 23 per cent. However, this increase did not lead to a corresponding expansion in women-related programme. Staffing and administrative costs continued to absorb the largest share of expenditure, while women empowerment programme-related spending remained disproportionately low. It fell from about 3.25 per cent in the financial year 2023-24 to 2 per cent in financial year 2024-25. This limited allocation of funds to women's empowerment programmes and activities reduced the Council's capacity to fulfil its core mandate and address emerging empowerment needs.

(ii) Declining Scope of Activities and Impact of Projects Conducted by NWC

The NWC implemented various projects and programmes aimed at empowering women and girls socially, economically, and politically, including initiatives led by Women's Associations, Dressmaking and Craft courses, Adult Literacy programmes, and targeted community projects.

▪ Reduced Women's Empowerment Initiatives and Weak Community Involvement

- (i) The Adult Literacy Programme (ALP) provides basic literacy, entrepreneurship, IT-based English, and Kreol Morisien courses to women aged 15-80 since 1986. According to the 2022 population census, 45,400 women were classified as illiterate. However, the programme reached some 1,400 participants for the financial year 2024-25, equivalent to 3.1 per cent of the above figure. The low coverage raised concerns about the effectiveness and outreach of the programme.
- (ii) Following a review of the ALP in 2023, the Mauritius Institute of Education recommended a comprehensive overhaul of the ALP's curriculum, teaching, and delivery methods to improve its relevance and sustainability. However, as of November 2025, there was no evidence that these recommendations had been implemented.
- (iii) The number of projects implemented by the NWC fell from 8 in financial year 2022-23 to 3 in financial year 2024-25, with total participations declining from 693 to 125. This reduction indicated a progressive weakness in the programme's scalability. Activities relating to the political empowerment of women, despite being a core component of its mandate, were minimal.

- (iv) The “E-Legal Literacy” online platform, included in the Council’s Performance Agreement for the financial year 2024-25, was intended to extend access to legal education for young girls and working women across the island. However, as of October 2025, the project had not been implemented, reflecting delays in project execution and monitoring.

▪ **Overlapping Roles between NWC and the Social Welfare Division**

- (i) NWC and the Social Welfare Division (SWD), under MGEFW, provided similar skills development and vocational training programs primarily in dressmaking, embroidery, craft-making, and home decoration.
- (ii) Analysis over the recent years showed duplication of courses offered by both the Ministry and the Council in the same regions and often targeting the same beneficiaries. Course contents were largely repetitive across years and regions, with little introduction of new or specialised training.
- (iii) There was a lack of structured coordination or resource-sharing mechanism between the 2 departments, resulting in inefficiencies in the use of resources and a lack of programme optimisation.

▪ **Grant to the National Women Entrepreneur Council**

NWEC, established in 1999 and operating under MGEFW, supports women entrepreneurs in sectors such as agriculture, food, handicrafts, textiles, and service sectors. As of 30 June 2025, 1,254 active women entrepreneurs were registered with NWEC, and Rs 14.1 million was allocated as recurrent grant to NWEC to fund its operations and programmes.

Implementation of the National Strategy and Costed Action Plan for Women Entrepreneurship Development

In February 2022, the Ministry sought the support of the United Nations Development Programme (UNDP) for the enlistment of a consultant to devise a National Strategy and Costed Action Plan for Women Entrepreneurship Development in Mauritius. The consultant’s report, submitted in March 2023, identified 8 strategic priorities, proposed an implementation budget of Rs 8.5 million, and set measurable targets for the year 2023. In July 2024, the Investment Climate Reform Facility consultants developed a Strategic Roadmap to guide NWEC’s implementation of the Action Plan.

Findings

- Over the past 2 financial years, Rs 3 million was allocated by MGEFW for the National Strategy and Costed Action Plan. However, these funds remained unutilised and were reallocated for recurrent operational expenses, resulting in no substantive progress in the implementation of the Action Plan.

- NWEC faced significant resource and funding constraints, operated with no General Manager since 2005, and relied on only a small team of 3 Business Development Officers covering all regions. This limited its ability to deliver services effectively and to fulfil its mandate.
- According to the UNDP Report of March 2023, women-led business represented only 6 per cent of registered businesses and contributed to only 2.5 per cent of national exports, highlighting a significant gender gap.
- There was an absence of a proper governance structure. No governance or oversight committee was constituted at the Ministry to oversee and monitor the implementation of the National Strategy and Costed Action Plan.
- **Overlap in Women's Empowerment and Entrepreneurship Support**
 - (i) Despite having distinct statutory mandates, NWEC and NWC operated in intersecting areas of women's socio-economic empowerment, training, and community development. The existence of parallel programmes and outreach activities targeting similar beneficiaries, in the absence of clear role delineation, had contributed to fragmented service delivery and inefficient use of public resources.
 - (ii) Given the strategic overlap between the 2 statutory bodies, combined with the persistently high administrative cost structure of NWC, and the limited operational capacity of NWEC, the current institutional framework did not represent an efficient model for delivering coherent women's empowerment programmes.
- **Overlapping Roles between NWEC and SME Mauritius Ltd which operates under the aegis of the Ministry of Industry, SME and Cooperatives**
 - (i) NWEC and SMEs Mauritius Ltd both provided similar entrepreneurship development services. NWEC focused specifically on women entrepreneurs and SME Mauritius Ltd supported small entrepreneurs across all sectors and genders. This overlap resulted in duplication of services, confusion among beneficiaries, and unclear delineation of responsibilities.
 - (ii) The 2016 "10-Year Master Plan for the SME Sector," which recommended merging key support institutions to improve efficiency and reduce service overlap, was not implemented.
 - (iii) The absence of a formal collaboration framework between the 2 agencies contributed to fragmented service delivery and inefficient use of resources.

Root Causes

- Weak budget framework and high administrative costs limited the programme implementation and key initiatives.
- Outdated ALP content and the absence of coordination with SWD contributed to low reach and duplication of services.

- The absence of a governance structure for overall monitoring, combined with inefficient resource utilisation, hindered the effective implementation of the National Strategy and Action Plan.
- Lack of an inter-agency coordination mechanism led to overlapping functions between NWEF and SME Mauritius Ltd.

Recommendations

The Ministry should:

- Review the grant structure to allocate a greater share of resources to women's programmes and activities.
- Conduct a comprehensive review of the ALP's curriculum, teaching and delivery methods, including capacity building for instructors and adoption of learner-centred and inclusive teaching.
- Establish annual project planning with defined targets and geographical coverage and strengthen monitoring for timely implementation, including initiatives like the 'E-Legal Literacy' platform.
- Establish a formal coordination mechanism between NWC and SWD for joint training, resource sharing, and diversified courses to eliminate duplication and meet beneficiary needs.

Expedite the Implementation of the National Strategy and Costed Action Plan as follows:

- (i) NWEF should diversify support to growth-oriented women-led businesses, enhance communication and outreach, and implement a monitoring and evaluation framework to track impact and guide programme adjustments.
- (ii) MGEFW should establish formal collaboration with the Ministry of Industry, SME and Cooperatives through a Memorandum of Understanding to define roles and avoid operational overlapping between NWEF and the SME Mauritius Ltd.

Ministry's Response

- MGEFW shall review the current structure and optimise the budget structure to reallocate funds more towards activities.
- NWC carries out several activities at no cost, as these are delivered in collaboration with various government ministries and stakeholder institutions.
- NWC, in collaboration with the Mauritius Institute Education, is currently undertaking a comprehensive revamp of its Adult Literacy Programme to modernise the curriculum and strengthen the pedagogical approach. Furthermore, the Adult Literacy Programme must continue to be delivered by the Council as it remains demand-driven and tailored to the specific needs of women seeking to improve their literacy for economic empowerment.

- NWC has successfully implemented the Legal Literacy Programme, which focuses on political empowerment and civic education. Through this initiative, 1,008 women across the island were reached and equipped with knowledge on legal frameworks, democratic processes, and political participation.
- The project unit of the NWC did not receive funds due to budgetary constraints. However, the Council remains committed to its mandate and continues to implement activities that support and empower women across Mauritius.
- SWD's courses are demand-driven, conducted by the Ministry's Dressmaking Unit with support from NWC resource persons, and coordination is facilitated through annual Open Days at Social Welfare Centres.
- Action has already been taken for the recruitment of a full-time Secretary and a Project Manager on contract at NWC.
- The mandate of NWC is specifically to empower women economically through entrepreneurship development through business development, enterprise formalisation, market access, and growth support, which is fundamentally different from the broader social empowerment role of NWC.
- Although both SME Mauritius Ltd and NWC support entrepreneurship, they have different mandates, target groups, and institutional roles, with NWC as the national statutory body dedicated exclusively to women entrepreneurs, providing end-to-end, gender-responsive support to address structural barriers not fully addressed by SME policies.
- Although there is an overlapping of roles between NWC and SME Mauritius Ltd, many potential women entrepreneurs seek guidance from NWC, whose services are better adapted to start-ups to enable them to kick-start their enterprise successfully.
- NWC registers only women entrepreneurs, who are referred to the SME Mauritius Ltd for schemes and the Development Bank of Mauritius Ltd for financial support.

Concluding Remarks

In view of the systemic overlaps, duplication, and weak governance structures identified during the audit, structural reforms such as consolidating the NWC and the NWC into a single women's empowerment body may be considered to provide a more efficient, coordinated, and effective framework for delivering women's empowerment, entrepreneurship support, and gender equality at a national level.

19.3 National Children's Council – Grants of Rs 57 million

Background Information

The National Children's Council (NCC), established under the NCC Act 2003, is mandated to coordinate national child welfare policies, promote children's rights, and support implementation of the Convention on the Rights of the Child.

19.3.1 Financial Review of NCC

The grants disbursed by MGEFW to the NCC over the financial years 2021-22 to 2024-25, together with the corresponding expenditure allocations, are provided in Table 19-3.

Table 19-3 Grants Received and Expenditure Allocation (FY 2021–22 to FY 2024–25)

FY	Grant Received (Rs)	Employee Costs (Rs)	Activities Costs (Rs)	Shelter Costs (Rs)
2021–22	47,407,684	42,439,078	838,444	4,036,351
2022–23	62,029,507	49,055,692	1,842,438	8,284,336
2023–24	56,464,025	49,503,184	1,710,742	5,400,659
2024–25	58,158,444	52,329,974	1,010,743	5,478,871

Source: NCC Financial Statements

Findings

■ High Employee Costs

Employee costs absorbed 79 to 90 per cent of annual grants received by NCC over the past 3 years, leaving minimal funding for child-centred programmes. This expenditure pattern constrained the Council's ability to fulfil its core statutory functions, including policy development, research, advocacy, and coordination.

The high staff costs indicated an administration-heavy institutional structure with an administrative focus over service delivery to children.

■ Underfunding of Core Activities

Expenditure on core activities represented only 1.7 to 3.0 per cent of annual funding. In the financial year 2024-25, only Rs 1 million was spent on children-centred activities and programmes, as compared to Rs 52.3 million spent on employee costs.

This imbalance indicated a material misalignment between expenditure patterns and NCC's mandate as a national coordinating body for children's rights and welfare.

■ Weak Governance and Strategic Oversight

The Board Committees had focused on administrative issues rather than strategic oversight. Despite the Act providing a framework for coordination, NCC lacked independence, enforcement authority, and adequate financial control mechanisms.

Consequently, substantial public funds were incurred without clear alignment to defined outputs or key performance indicators, raising concerns regarding value for money and accountability.

19.3.2 Shelter L'Oiseau du Paradis – Governance, Safeguarding and Operational Failures

The Shelter L'Oiseau du Paradis, a state-run facility under the NCC and the Ministry, housed children aged up to 18 years who require protection. Between 2022 and 2025, the shelter experienced repeated safeguarding failures, leading to its closure in June 2025 and the relocation of 22 children.

Findings

▪ Staffing Weaknesses

Following incidents and security breaches at a children's residential care institution, caregivers were suspended and arrested, indicating inadequate recruitment vetting, insufficient training, and weak performance management. Subsequently, following the shelter's closure, 33 caregivers and 2 cooks were redeployed at the NCC administrative office in the Children's Club section, without meaningful duties.

This redeployment resulted in significant resource underutilisation, with continued high staff costs despite low operational output, pointing to inefficiencies in public spending.

▪ Weak Oversight

Despite shared responsibility at the shelter, NCC and the Ministry failed to effectively enforce care standards, monitor risks, or fix systemic failures.

Between the years 2022 and 2025, Shelter L'Oiseau du Paradis experienced multiple serious incidents involving child safety, infrastructure and drug-related cases. Enquiry committees' reports on the shelter incidents highlighted negligence, weak oversight, and poor crisis management.

▪ Repeated Safeguarding Failures

Incidents, including infant and child hospitalisations, alleged sexual abuse, youth revolts, infrastructural deficiencies, and cases of children hospitalised under drug influence, demonstrated systemic failures in child protection, supervision, and incident response and safety protocols. Such failures posed legal and reputational risks to the Government shelters and undermine public confidence in state-run residential child care institutions.

▪ Shelter Operations Outside NCC's Statutory Mandate

Shelter-related costs accounted for 8 per cent to 13 per cent of annual grants. However, shelter management did not explicitly fall within NCC statutory mandate. No Memorandum of Understanding existed between the Ministry and NCC to formally define roles, responsibilities, and reporting lines for shelter management.

This unclear institutional responsibility contributed to the governance gap and weakened safeguards for the children in the residential care facilities.

19.3.3 Overlapping Roles between NCC and Ombudsperson for Children

The NCC and the Ombudsperson for Children were both established to safeguard and promote children's rights.

While NCC is mandated to promote and monitor children's welfare through child-related programmes and activities, the Ombudsperson for Children independently provides oversight, investigates complaints, and advocates for children's rights.

Findings

Functional overlap existed between the 2 institutions, particularly in areas including:

- Promotion and awareness of children's rights.
- Monitoring outcomes of child welfare.
- Collecting children's views.
- Engagement with NGOs and government bodies.

The absence of a formal coordination framework or structured collaboration mechanism between the 2 institutions had resulted in duplication and inconsistent monitoring standards. This overlap reduced efficiency in the use of public funds, diluted accountability, and increased the risk of confusion among stakeholders.

Root Causes

The following were identified:

- Structural misalignment between NCC's legal mandate and operational model.
- Inappropriate staff levels and training, as well as weak recruitment controls.
- Inadequate financial oversight by the Ministry.
- Absence of legislative demarcation.

Recommendations

The Ministry should:

- Realign NCC's staffing structure with statutory roles.
- Strengthen governance, financial controls, and focus on statutory coordination functions.
- Redefine NCC's roles to align strictly with the mandate.

- Establish clear human resource standards, including recruitment criteria, mandatory certified training on child protection and behaviour management.
- Review and strengthen regulatory frameworks governing residential care institutions.
- Ensure efficient redeployment and utilisation of staff following shelter closure.

Ministry's Response

- The NCC continues managing the shelter in good faith and in the best interests of the child despite severe weaknesses and a lack of proper structure.
- While the expenditure figures presented may suggest limited allocations to child-centred activities, it is important to highlight that many of the programmes and awareness campaigns conducted by the NCC, particularly those in collaboration with community stakeholders, schools, and partner institutions are designed to be cost-effective.
- The NCC will align with the regulatory framework for Residential Care Institutions, which rests with the Ministry.
- Unlike the Ombudsperson for Children's Office, NCC does not undertake investigative functions. The NCC conducts awareness programmes but does not monitor child welfare programmes or policy initiatives.
- Following a comprehensive SWOT analysis exercise conducted on 08 January 2026, staff redeployment has been initiated to strengthen alignment between human resources and the Council's statutory mandate. This restructuring marks the beginning of a strategic plan of action that prioritises service delivery, policy development, and advocacy in accordance with the NCC Act 2003.
- The NCC remains committed to embedding its core values, child-centred practice, accountability, and participatory engagement into all operations.
- Since the opening of the shelter on 2 December 2025, the NCC has assumed management responsibility. On 4 December 2025, a shelter manager was appointed on a 6-month contract; however, he subsequently resigned. An interim arrangement has been made with NCC staff to act as Shelter Manager.
- At a Special Board Meeting held on 12 January 2026, it was agreed that the parent ministry would explore launching an Expression of Interest for an NGO to take over future operations and management of Cap L'Espoir, to ensure transparency and sustainable governance.
- The NCC is committed to clarifying its mandate and strengthening coordination with ministries, NGOs, and Community Stakeholders.
- The Council is developing a strategic plan of action that will embed clear accountability lines, define outputs, and reinforce NCC's unique contribution to child welfare, participation, and protection.

19.4 Governance Issues – Non-Compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of statutory bodies to strengthen accountability and transparency in the public sector.

Findings

Non-Submission of Financial Statements for Audit

The Statutory Bodies (Accounts and Audit) Act requires the Chief Executive Officer of a statutory body to submit the annual report, including the financial statements, to the auditor not later than 4 months after the end of every financial year.

As of 31 December 2025, the following statutory bodies falling under the purview of the MGEFW had not submitted their financial statements for audit, as shown in Table 19-4.

Table 19-4 Financial Statements not submitted to NAO for Audit

SN	Statutory Body	Financial Year	No. of Financial Statements
1	National Children Council	2024-25	1
2	National Women Entrepreneur Council	2024-25	1

Source: NAO Records

Annual Reports not laid before the National Assembly

The Statutory Bodies (Accounts and Audit) Act requires a copy of the annual report and audited accounts of every statutory body to be laid before the National Assembly at the earliest opportunity.

As of 31 December 2025, the annual reports of the National Women Entrepreneur Council for the financial year 2022-23, whose financial statements were certified on 3 October 2024, had not yet been laid before the National Assembly.

Recommendations

The Ministry should:

- Exercise control over statutory bodies and other entities operating under its aegis to ensure that they comply with their statutory responsibilities regarding the preparation of financial statements and their submission for audit; and
- Lay a copy of the annual report and audited financial statements before the National Assembly.

19.5 Follow-up of Recommendations raised in Audit Report 2023-24

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2023-24 is summarised below. Out of 13 recommendations, 1 (8 per cent) has been implemented, 6 (46 per cent) have been partly implemented, and 6 (46 per cent) have not been implemented.

SN	Findings	Recommendations	Ministry's Status as of January 2026	NAO's Comments
Social Welfare and Community-Based Activities (Page 471)				
1	There was no clear demarcation between the operations and the roles of the Social Welfare Division of the Ministry and the Community Centres of Sugar Industry Labour Welfare Fund (SILWF). (Pg 472, Para 21.1.2)	The SILWF and Social Welfare Centers' activities should be clearly demarcated. (Pg 475, Para 21.1)	The roles and objectives of SILWF and SWD should be reviewed with changes in their respective legislations to meet the needs of the day.	Not Implemented
2	Both the SILWF Act and the Social Welfare Act are outdated and lack relevance in the modern context. Since the financial year 2020-21, the Government has decided to embark on a project to modernise the Community Centres and to review the existing SILWF Act and the SWC Act to meet the aspirations of the population. (Pg 473, Para 21.1.3)	The SILWF Act 1974 and the Social Welfare Act 1960 should be reviewed, and the new objectives should be clearly defined. (Pg 475, Para 21.1)	There is already preliminary work undertaken for the review of the SILWF Act.	Not Implemented
Upgrading of Shelter La Colombe (Page 476)				
3	As of October 2024, the upgrading works at the Shelter La Colombe have not yet been completed, and the Ministry has taken no remedial measures to address the sanitary deficiencies required for relocating the children to the shelter. (Pg 476, Para 21.2)	The Ministry of Gender Equality and Family Welfare (MGEFW) should effect proper planning and monitoring of the renovation project. (Pg 478, Para 21.2)	Changes in the project scope for the Shelter. The Architect Division of Ministry of National Infrastructure (MNI) has been requested to submit the new layout of the design, following which other work could be initiated.	Not Implemented

SN	Findings	Recommendations	Ministry's Status as of January 2026	NAO's Comments
4	Termination of Contract for the Construction of Toilet Blocks and a Leaching Field after a review by MNICD, identifying front-loading in the Bill of Quantities. (Pg 477, Para 21.2)	Management needs to address the sanitary issues at Shelter La Colombe to facilitate its prompt reopening.	The adjacent land was cleared for the installation of the leaching facility.	Partly Implemented
5		When constituting a Bid Evaluation Committee, the Departmental Bid Committee should ensure that the selected evaluators have the required competence and expertise in line with Directive No. 51 of the Procurement Policy Office. (Pg 478, Para 21.2)	Further progress in the project would depend on the Architectural plans.	Not Implemented
Non-Registered Residential Care (Page 478)				
6	As of October 2024, 11 of the 22 shelters in operation were not registered under the Residential Care Institutions for Children (RCIC) Regulations 2022. Several RCICs had not yet registered their caregivers and shelter managers, contrary to Sections 8 and 9 of the RCIC Regulations. (Pg 479, Para 21.3)	The Ministry should ensure that the Residential Care Institutions comply with the applicable laws and regulations. (Pg 479, Para 21.3)	6 RCIs were registered. 5 RCIs were under process for registration. 2 RCIs were deregistered. 5 RCIs were government-owned. 4 RCIs had been unregistered.	Partly Implemented
Child Adoption Bill not finalised (Page 480)				
7	The Ministry could not maintain a register of adoptable children. Local private adoption is being done through an attorney who lodges the case before a Judge of the Supreme Court. The Ministry does not intervene in this type of adoption. The number of private adoptions could not be ascertained. (Pg 480, Para 21.4)	The Ministry should expedite the finalisation and enactment of the Child Adoption law that regulates all types of adoption for the best interests of the child. (Pg 481, Para 21.4)	The Child Adoption Bill could not be finalized due to several major policy issues that needed to be discussed with other stakeholders, including the Prime Minister's Office and the Civil Status Division.	Partly Implemented

SN	Findings	Recommendations	Ministry's Status as of January 2026	NAO's Comments
8	There was no coordination between the Judiciary and the Ministry on the cases of adoption received at the Judiciary, as required by Section 6 of the NAC Act 1988. <i>(Pg 480, Para 21.4)</i>	Measures should be implemented to improve coordination between the Judiciary, the National Adoption Council (NAC), and the MGEFW to prevent non-compliance with adoption laws. <i>(Pg 481, Para 21.4)</i>	With the coming up of the Child Adoption Act, the NAC would phase out because all adoptions would be centralised under a single authority.	Not Implemented
Gender Based Violence (Page 482)				
9 10	6,506 cases of Gender Based Violence (GBV) were reported in the financial year 2022-23, and 6,112 in the financial year 2023-24. This figure did not encompass the entire scope of GBV, as incidents reported at the Ministry of Health and Wellness and the Police Service were not included. <i>(Pg 482, Para 21.5)</i>	▪ The Ministry should act as a focal point and ensure a coordinated approach with all stakeholders of GBV. <i>(Pg 483, Para 21.5)</i> ▪ The Ministry should create a single platform for recording GBV cases. <i>(Page 483, Para 21.5)</i>	The Ministry had initiated actions towards setting up a Multi-Agency Technical Committee.	Implemented Partly Implemented
11	Male victims represent some 20 per cent of the total number of cases reported at the Ministry. There was no shelter for male victims operated by the Ministry. <i>(Pg 482, Para 21.5)</i>	The need for a shelter for male victims of domestic violence should be assessed. <i>(Pg 483, Para 21.5)</i>	No male victim has expressed their need to be admitted to a shelter.	Not Implemented
12	The Ministry did not have a Memorandum of Understanding (MoU) defining the roles and responsibilities of the grant to beneficiary shelters. <i>(Pg 482, Para 21.5)</i>	In the absence of Regulations for women's shelters, an MoU could be signed with the shelters as a transitional measure. <i>(Pg 483, Para 21.5)</i>	The MoU had been transmitted to the AGO for vetting.	Partly Implemented

SN	Findings	Recommendations	Ministry's Status as of January 2026	NAO's Comments
13	In October 2024, there were no regulations for shelters accommodating women victims of domestic violence. The Domestic Abuse Bill, which enhances support services and protection for victims and introduces a compulsory rehabilitation programme has still not been finalised. (Pg 482, Para 21.5)	The Domestic Abuse Bill should be finalised after consultations with relevant stakeholders. (Pg 483, Para 21.5)	The Domestic Abuse Bill was at the drafting stage.	Partly Implemented

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20 - MINISTRY OF INDUSTRY, SME AND COOPERATIVES

20.1 INDUSTRY DIVISION

20.1.1 Key Deliverables and Key Performance Indicators

Background Information

The Key Performance Indicators (KPIs) and the actual achievements of target set for the financial years 2023-24 and 2024-25 are shown in Table 20-1.

*Table 20-1 Target Outcome/KPI and actual achievements
for the financial years 2023-24 and 2024-25*

Outcome/KPI	FY 2023-24		FY 2024-25	
	Target	Actual	Target	Actual
Percentage real growth of the Manufacturing Sector	6%	2.1%	≥ 3 %	1.9 %
Percentage increase in domestic export	10%	-3.8%	>2 %	1 %

Source: Estimates 2024-2025 and Ministry's Records

Findings

- The target set for the real growth of the manufacturing sector was not achieved during the last 2 financial years.
- The target for domestic export growth for the financial year 2023–24 was set at 10 per cent. However, actual performance reflected a decline of 3.8 per cent. For the financial year 2024-25, the Ministry set a target growth rate exceeding 2 per cent, but the actual increase was only 1 percent.

Root Causes

- There was no clear methodology and framework for planning and measuring the growth of the manufacturing sector.
- Inadequate monitoring and follow-up by the Accounting Officer to ensure that targets set were achieved.

Recommendations

- The Ministry should implement strategies and policies geared towards achieving its targets.
- The Accounting Officer should exercise close monitoring to ensure that targets are achieved and corrective actions taken for any deviations.
- Targets should be set after consultations with relevant stakeholders so as to be realistic and in line with the Performance Based Budgeting.

Ministry's Response

The Ministry has a policy making role while the operational activities rest with the support institutions such as the Economic Development Board, the National Productivity and Competitiveness Council, the Mauritius Standards Bureau and the Academy of Design and Innovation that service the industrial sector.

20.1.2 Schemes Implemented by the Ministry of Industry

Background Information

During the financial year 2024-25, the Ministry implemented 3 projects to boost the manufacturing sector.

- Under the Energy Efficiency Audit scheme, the Ministry supported enterprises willing to embark on an energy efficient audit exercise, with a one-off grant of a maximum of Rs 300,000 per enterprise.
- The Manufacturing 4.0 project aimed at incorporating new technologies in the enterprises production processes. During the financial year 2024-25, an expression of interest was launched and a foreign consultant was appointed through an international bidding exercise. No expenditure was incurred in the financial year 2024-25.
- The Net Zero Nature Positive Economy (NZNPA) project aimed to accelerate decarbonisation of the manufacturing sector.

Findings

The 3 schemes administered by the Ministry were designed to enhance the processes of a limited number of enterprises. Their implementation did not yield expected benefits for the manufacturing sector at large, thereby limiting the overall impact of these interventions.

- Under the Energy Efficiency Audit scheme, an amount of Rs 574,000 was disbursed to 6 of the 435 manufacturing enterprises, that is, 1.4 per cent of the total number of enterprises, benefitted from the scheme amounting to Rs 574,000.
- As of September 2025, customised roadmaps were prepared by the consultant for only 20 of the 435 manufacturing enterprises under the Manufacturing 4.0 Project, guiding them in automating their manufacturing processes. During the financial year 2025-26, payments totaling Rs 4.7 million were effected.
- The NZNPA project was at its emerging stage as the Project Monitoring Unit was still being manned.

Root Cause

The enterprises selected for the implementation of the schemes were not representative of the overall enterprise population, thereby limiting the relevance and sector-wide applicability of the interventions.

Recommendations

- The Ministry should design new initiatives aimed at encouraging the entry of new participants in this sector.
- The Ministry should review the schemes to target a larger proportion of enterprises offering them opportunities to meet their strategic challenges.

Ministry's Response

The Ministry of Finance has already undertaken to finance the Manufacturing 4.0 and the NZNPA projects so as a larger number of enterprises can be targeted in the next budgetary exercise.

20.1.3 Governance Issues – Non-compliance with Legislation

Background Information

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of statutory bodies with the objective of strengthening accountability and transparency in the public sector.

Findings

Non-Submission of Financial Statements for Audit

The Statutory Bodies (Accounts and Audit) Act requires the Chief Executive Officer of a statutory body to submit the annual report, including the financial statements, to the auditor not later than four months after the end of every financial year.

As of 31 December 2025, the Academy of Design and Innovation falling under the purview of Ministry of Industry, SME and Cooperatives (Industry Division), did not submit its financial statements for the financial year 2024-25 for audit.

Annual Reports not laid before the National Assembly

The Statutory Bodies (Accounts and Audit) Act requires a copy of the annual report and audited financial statements of every statutory body to be laid before the National Assembly at the earliest opportunity.

As of 31 December 2025, annual reports of Mauritius Standards Bureau for the financial years 2022-23 and 2023-24, whose financial statements were certified on 20 November 2025 had not yet been laid before the National Assembly.

Recommendations

The Ministry should:

- Exercise control over statutory bodies and other entities operating under its aegis to ensure that they comply with their statutory responsibilities regarding the preparation of financial statements and their submission for audit; and

- Lay a copy of the annual report and audited financial statements before the National Assembly.

Ministry's Response

The Industry Division is not legally empowered to 'exercise control' over statutory bodies and other entities operating under its aegis to ensure that they comply with their statutory responsibilities regarding the preparation of financial statements and their submission for audit.

20.2 COOPERATIVES DIVISION

20.2.1 Follow-up of Recommendation raised in the Audit Report 2023-24

The status on actions taken on key findings and recommendations since the publication of the Audit Report 2023-24 is summarised below. Out of 7 recommendations, 4 (57 per cent) have been implemented, and 3 (43 per cent) were partly implemented.

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Schemes for the Benefit of Cooperative Societies (Page 512)				
1	<i>Waste Recycling Scheme:</i> Out of 8 applications received, only 1 application was approved for disbursement. The viability of the scheme was not adequately assessed prior to embarking on the project. (Pg 512, Para 25.2.1)	The terms and conditions of the scheme should be reviewed so as to meet the needs of potential beneficiaries. (Pg 515, Para 25.2.1)	In the financial year 2023-24, the eligibility and terms and conditions of the scheme were reviewed to include the proof of registration as recycler.	Implemented
2	<i>Zero Budget Natural Farming Scheme (ZGNFS):</i> Although two Cooperative Societies did not attend the training, they benefitted from the scheme. (Pg 513, Para 25.2.1)	The Cooperative Division should ensure compliance with all the conditions of the scheme.	Necessary follow up was made with the two beneficiaries.	Implemented
3	There was risk of conflict of interest in 3 cases where secretaries of the Cooperative Societies were also the individual supplier or the director of the supplier company. (Pg 513, Para 25.2.1)	Necessary action to be taken in case of risk of conflict of interest. (Pg 513, Para 25.2.1)	As from the FY 2025-26, declaration of conflict for all Grant Schemes would be mandatory.	Implemented
4	<i>Goat Farming Scheme (GFS):</i> Out of the 31 applications received for Goat Farming scheme, only 18 were recommended for approval.	A Monitoring Committee should be set up to monitor the projects following the disbursement and take appropriate corrective	A Monitoring Committee has already been set up. Microchipping was successfully completed for 7 societies and for the remaining societies,	Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
	The remaining 13 applicants did not submit the required documents within the given time and were rejected. Despite 10 Cooperative Societies had not submitted their quotations for micro-chips goats, their applications for the scheme were approved. During monitoring site visits, cases were noted where goats were stolen from the shed of beneficiaries who benefitted from this scheme during the FY 2022-23 and the stolen animals could not be traced out since they were not micro-chipped. (Pg 513-514, Para 25.2.1)	actions to address the deviations. (Pg 514, Para 25.2.1)	microchipping could not be completed. A Project Steering Committee for Grant Schemes has been established under the Chairpersonship of the Permanent Secretary on the grant schemes. The Society was requested to replace the missing animals through its own funds.	
5	<i>Boost to Local Production Scheme (BLPS):</i> During a monitoring visit conducted by a Principal Cooperative Officer, it was found that the beneficiary had already sold the animals by the end of June 2023, thereby not complying with the conditions of the scheme.	A Monitoring Committee has been set up to monitor schemes for 2023-24 onwards. (Pg 514, Para 25.2.1)	Advice of SLO will be sought whether to request for refund of the grant or any other course of action deemed appropriate for defaulting cooperatives societies.	Partly Implemented
6	Moreover, although the beneficiary did not comply with the conditions of the BLPS, it benefitted an additional grant of Rs 400,000 under the GFS and ZBNFS. (Pg 514, Para 25.2.1)	Consideration be given to having a Coordinating Committee to ensure that grants are disbursed to compliant beneficiaries only. (Pg 514, Para 25.2.1)	As from the financial year 2025-26, the Ministry has included the condition that societies should benefit from only one scheme within a period of 5 years.	Partly Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Poor Governance over Submission of Financial Statements by Cooperative Societies (Page 515)				
7	▪ For the FY 2022-23, out of 1,247 societies, 671 societies did not submit their Financial Statements (FS) to the Principal Co-operative Auditor (PCA). ▪ 385 societies submitted their FS after the statutory deadline. ▪ FS of 99 Cooperative Societies were not audited by the PCA due to late submission and unavailability of documents for completion of the audit. ▪ For 73 Cooperative Societies, the dates the external auditors submitted the FS, were not known. Hence, it could not be ensured whether the external auditors complied with Section 73(4) of the Co-operatives Act. (Pg 515, Para 25.2.1)	The Registrar of Co-operative Societies (RCS) should take corrective action for non-compliance. (Pg 515, Para 25.2.1)	• For the FY 2022-23, 1,247 societies were registered. • 888 Cooperative Societies submitted their FS to the Cooperatives Division. • A follow up is being made of 20 cane sector societies. • 17 FS were not finalised due to outstanding issues. • As of January 2026, out of 222 dormant societies, liquidators were appointed for 141, 37 have requested for revival and for 44 liquidators would be appointed. • Out of 100 Cooperative Societies, 85 have already submitted their audited FS.	Partly Implemented

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21 - MINISTRY OF EDUCATION AND HUMAN RESOURCE

21.1 Performance of Primary and Secondary Education

Background Information

Under Paragraph 37(2) of the Education Act 1957, schooling is compulsory until the age of 16.

The Nine-Year Continuous Basic Education (NYCBE) Reform, introduced in 2017, established 2 national milestones:

- National Qualifications Framework 1 (Primary School Achievement Certificate) after completing 6 years of the primary cycle, and
- National Qualifications Framework 2 (National Certificate of Education) at the end of the lower secondary cycle.

Resource Allocation

The Government allocates a very significant budget for primary and secondary education each year. Over the last 5 financial years, actual expenditure on primary education increased by 29.6 per cent from Rs 4.04 billion in the financial year 2020-21 to Rs 5.23 billion in the financial year 2024-25. Expenditure on secondary education rose by 43.9 per cent from Rs 8.08 billion to Rs 11.63 billion over the same period.

21.1.1 Primary Education

As of March 2025, there was a total of 344 schools providing primary education in the Republic of Mauritius with a total enrolment of 82,974 students. Government runs 220 schools, 53 are private-aided schools and the remaining 71 were private unaided schools.

Primary School Achievement Certificate (PSAC)

Findings

▪ Declining National Performance

Analysis of data over the 5 financial years, that is, from 2020-21 to 2024-25, revealed fluctuations in the pass rates as detailed in Table 21-1 and Figure I.

- PSAC results improved between 2019 and 2021-22, reaching 83 per cent, but declined to 82.03 per cent in 2023 and to 76.90 per cent in 2025.
- The targets set for the financial years 2023-24 and 2024-25 were not achieved, with actual PSAC results falling short of the target by 1.5 per cent and 7.1 per cent, respectively, indicating consistent negative deviation against planned objectives.

From 2019 to 2024, each year between 2,700 and 3,400 pupils failed to meet the PSAC requirements and entered the Extended Programme (EP) for a duration of 4 years.

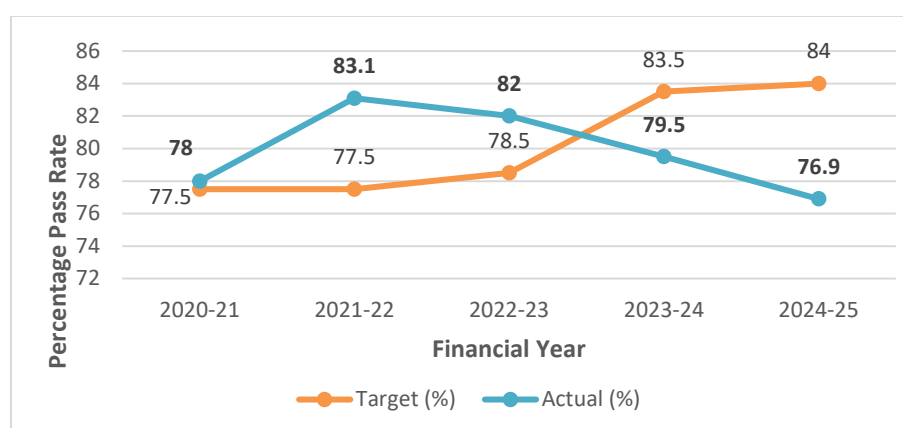
Table 21-1 PSAC Pass Rate for the Last 5 Years

Year	Number Examined	Initially Passed	Number Candidate Re-assessed	Number Passed Re-assessed	Total Passed	Percentage Pass Rate
2020-21	14,103	10,423	1,266	593	11,016	78
2021-22	16,011	12,919	659	391	13,300	83.07
2023	15,054	11,662	904	687	12,349	82.03
2024	13,866	10,629	1,143	391	11,020	79.47
2025	12,281	9,444			9,444	76.90

Source: Mauritius Examination Syndicate website

The percentage pass rate for 2025 excludes the re-assessment percentage.

Figure 1 - KPI for PSAC Actual Versus Targets



Source: Mauritius Examination Syndicate

■ Low Performance of PSAC in Government Primary Schools

An analysis of PSAC performance in the 220 government schools was carried out for a period of 5 years, for academic year 2019 to 2024. The following were observed:

- A significant number of schools consistently recorded pass rates below 50 per cent, ranging from 30 schools in the academic year 2021-22 to 44 schools in 2024.
 - The proportion of schools achieving pass rates between 51 per cent and 80 per cent remained relatively stable.
 - The number of high-performing schools with pass rates above 81 per cent peaked in academic year 2021–22 with 98 schools, including 7 schools achieving 100 per cent, but declining to 85 schools in 2024, with only 6 schools achieving a 100 per cent pass rate.
- The year 2021–22 stood out as the most successful, in terms of number of top-performing schools and the lowest number of schools under 50 per cent pass rate (COVID-19 period).

Zone D'Education Prioritaire (ZEP)

Schools were classified as Zone D'Education Prioritaire based on the Certificate of Primary Education (CPE) pass rate being less than 40 per cent over the last 5 years, or on being part of the Special Support Schools. As of October 2025, the ZEP schools catered for 5,301 primary students in 27 government schools, excluding students in Agalega.

▪ Low Pass Rates in ZEP Schools

With respect to the performance of ZEP schools over the last 5 years, the following were observed:

- (i) The PSAC results in ZEP schools showed fluctuating trends, with a few schools achieving steady improvement, others remaining stagnant or declining. Most schools recorded pass rates below 50 per cent.
- (ii) There were several schools with fluctuating trends, but with satisfactory PSAC results over the 5 years 2019 to 2023, but had a significant decline in pass rate in the academic year 2024, as per Table 21-2.

Table 21-2 Pass Rate Comparison of PSAC Results 2023 and 2024

School	2023	2024	Variance
Pointe Aux Piments GS	71.43	42.22	(40.89)
Aime Cesaire GS	50.00	25.93	(48.14)
Barkly GS	40.63	10.34	(74.55)
Bois des Amourettes GS	63.64	36.36	(42.87)
Revd Henri Espitalier Noel GS	73.33	44.00	(40.00)
Petite Riviere GS	47.83	36.36	(23.98)

Source: Database received from Statistics Section

- (iii) According to the Strategic Document on Zones d'Education Prioritaires, the status of ZEP schools had to be reviewed every 3 years. However, the review mechanism for ZEP schools had proven ineffective. Some 22 years had lapsed, yet the list of ZEP schools remained unchanged since the project was conceptualised in 2003.

Low performance in Non-ZEP Government Schools

Several schools not classified under ZEP had very low PSAC pass rates. Some of these schools even recorded pass rates lower than those of the ZEP schools, as shown in Table 21-3.

Table 21-3 Government Schools with Low PSAC Pass Rate

Schools	2019 %	2020-21 %	2021-22 %	2023 %	2024 %
Albion GS	27.78	18.18	29.41	20.00	9.09
Le Morne GS	15.38	14.29	13.33	19.35	18.18
Sir Edgar Laurent GS	26.92	42.86	23.81	17.39	14.81
Belle Mare GS	66.67	46.15	50.00	28.57	10.00
Elsie Prele GS	26.42	31.58	46.67	31.25	27.27
Rose Hill Central GS	40.00	58.82	69.23	66.67	28.57
New Bambous Geoffroy GS	53.09	34.92	59.72	18.33	29.31
G.R.N.W GS	18.18	78.57	53.85	27.78	29.41

Source: Database received from Statistics Section

- Student attendance records showed high absence rates across most of the above-mentioned schools, particularly at the Grade 6 level, which might have contributed towards low PSAC pass rates.

21.1.2 Secondary Education

National Certificate of Education (NCE)

Analysis of the Pass Rate in NCE

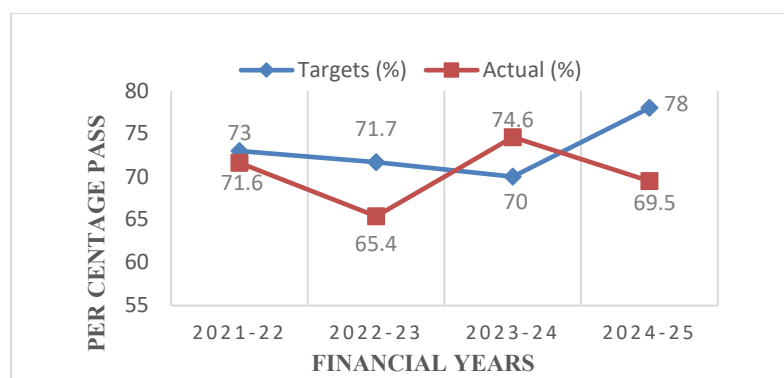
Following the education reform, the first NCE examination was held during the financial year 2021-22. The NCE remains a Key Performance Indicator (KPI) for the Ministry in the secondary education sector.

Findings

▪ Persistent Gap between KPI and Actual Performance

- The NCE pass rates continued to fluctuate year-on-year but had consistently remained below the 75 per cent target as shown in Table 21-4 and Figure 2. Despite a marginal improvement in certain years, the target was never attained.
- Only in the year 2023, the actual NCE pass rate reached 74.6 per cent, exceeding the KPI of 70 per cent, which was adjusted to reflect the decline in the previous year's pass rate.
- In the year 2024, the Ministry set an ambitious target of 75 per cent for the NCE, which was not achieved. The actual pass rate stood at 69.6 per cent, falling short of the target. The KPI was established without adequate consideration of historical results or realistic performance expectations and KPI setting methodology.

Failure to meet performance benchmarks over several years indicated that resource allocation, teaching strategies, and support mechanisms, amongst others needed to be reviewed.



Source document: National Budgets

Figure 2 KPI for NCE (Actual Versus Targets)

Table 21-4 Details of NCE Examination Pass Rate -All Schools

Year	Number Examined	Number of Students Passed	Percentage Pass
2020-21	13,087	9,554	71.6
2021-22	16,385	10,709	65.4
2023	14,527	10,832	74.6
2024	13,562	9,419	69.5
2025	15,047	10,598	70.4

Source: Mauritius Examination Syndicate website

Extended Programme

The Extended Programme (EP) was introduced to support students who did not meet the National Qualifications Framework level 1 requirements. During the period 2018-2024, a cumulative total of 17,614 students were enrolled in the EP. The programme was formally phased out in 2025 and replaced by the Foundation Programme in Numeracy and Life Skills (FPNLS). This was a 3-year programme aimed at strengthening foundational skills and enhancing students' employability.

Findings

■ Failure to achieve Key EP Objectives

- (i) Overall performance indicators, including the NCE pass rates and dropout figures, demonstrate the limited effectiveness in achieving the EP objectives of improving learner retention, academic performance, and successful progression to the NCE.

From 2021 to 2024, 3 batches of EP students sat for the NCE examination. Out of a total enrolment of 9,796 students, only 392 students passed the examination. This extremely low success rate reflected fundamental weaknesses in programme design, implementation, and learner support.

- (ii) Despite a school-based assessment introduced in 2024 to improve outcomes, performance improvement was negligible as only 5.4 per cent of EP students completing the NCE examinations.

High Rate of Dropout in the Program

Some 3,109 students, representing 17.7 per cent of the total students enrolled in the EP had dropped out of school during its duration without completing the lower secondary cycle.

The weak outcomes in the EP indicate underlying causes which compromise failures in the education system's support for struggling learners, contributing to high dropout and low pass rates.

21.1.3 Student Achievement in SC and HSC Examination

Within the education system in Mauritius, School Certificate (SC) and Higher School Certificate (HSC) constitute the principal academic milestones of secondary education and serve as key determinants for progression to tertiary education or vocational pathways.

Findings

- Analysis of the KPI targets and actual results for the SC and HSC examinations, as shown in Tables 21-5 and 21-6, revealed continuous underperformances against set target with the exception of the academic year 2020-21.
- In the academic year 2020-21, actual performance significantly exceeded targets for both examinations, with SC results surpassing the target by 13.68 per cent and HSC results by 14.55 per cent. This exceptional performance coincided with an extended academic year resulting from the disruptions caused by COVID-19 pandemic.
- SC examination results showed that in the academic years 2019, 2021–2022, 2023, and 2024, actual results did not meet the targets by 2.3 per cent to 7.5 per cent.
- HSC performance showed that in the academic years 2019, 2023, and 2024, the actual results did not meet the targets by 2.15 per cent and 8.6 per cent.
- Over the last 3 academic years, 2021-22, 2023 and 2024, actual results for SC consistently failed to meet targets, indicating that existing strategies and performance management had not been effective in delivering the established KPIs.

Table 21-5 KPI for SC Examination

Academic Year	Target %	Actual %	Variance %
2019	73	70.93	(2.07)
2020-21	72	85.68	13.68
2021-22	86	78.49	(7.51)
2023	80	73.71	(6.29)
2024	75	72.70	(2.30)

Source: National Budget and Annual Reports of the Ministry of Education and Human Resource

Table 21-6 KPI for HSC Examination

Academic Year	Target %	Actual %	Variance %
2019	77.0	74.85	(2.15)
2020-21	75.5	90.05	14.55
2021-22	90.5	92.25	1.75
2023	93.0	84.40	(8.60)
2024	85.0	78.90	(6.10)

Source: National Budget and Annual Reports of the Ministry of Education and Human Resource

(iv) The overall trend in the most recent academic years reflects potential systemic weaknesses that require targeted strategic interventions to improve academic performance.

▪ **Significant Drop Out Rate Across the Education Cycle**

- (i) A progressive and substantial decline in student numbers was identified as the student cohorts advanced through the education system, from Grade 1 to HSC. The early-cycle dropout rate was moderate, with around 5.7 per cent not progressing through PSAC and a further 18 per cent dropping out before sitting for the NCE examinations in the year 2020.
- (ii) At the SC level in the year 2022, 15,474 students sat for the exams, exceeding the original cohort, caused by a high proportion of repeat candidates for the SC. This reflects challenges relating to academic progression and effectiveness of the academic system.
- (iii) The most significant dropout occurred between SC and HSC, where fewer than 44 per cent of the original cohort sat for the final examinations. An analysis of student enrolment, progression, and academic performance of the cohort admitted in Grade 1 in 2012 to its progression up to the HSC national examination in 2024, is shown in Table 21-7. Of the 16,967 students enrolled, only 7,425 progressed to HSC, with 78.88 per cent of students passing. Consequently, only 5,857, representing 34.5 per cent of the original Grade 1 cohort, successfully completed the full secondary education cycle and 65.5 per cent students of the 2012 cohort failed to pass through to HSC.

Table 21-7 Analysis of Student Enrolment, Progression and Performance (2012 – 2024)

	Enrolment Year 2012	PSAC Year 2017	NCE Year 2020	SC Year 2022	HSC Year 2024
Number of students enrolled in Grade 1	16,967				
Number of students examined		15,994	13,087	15,474	7,425
Number of successful students		12,985	10,051	12,145	5,857
Pass rate		81.19	71.57	78.49	78.88

Source: Mauritius Examination Syndicate

- The low rate of students completing HSC examination point towards a significant systemic issue in student retention, progression, and access to upper secondary education since 65.5 per cent of learners did not reach the end of the secondary education cycle.
- According to the UNESCO Global Education Monitoring Report 2024, the global upper secondary school completion rate was 59 per cent in 2024. Whilst in comparison, for Mauritius, only some 34 per cent (including repeated candidates from other cohorts) successfully completed the final secondary cycle.

21.1.4 Underperformance of SC and HSC Percentage Results Relative to Global Achievement

International benchmarking using statistics from Cambridge Assessment International Education showed that pass rates for both SC and HSC in Mauritius were below the global average for the period 2023-2024. This reflected underperformance relative to results in comparable education systems, with SC pass rates falling between 8.6 and 9.5 percentage points below the global average, and HSC pass rates between 4.4 and 8.6 percentage points lower. This indicated that there was a lot of room for improvement in the secondary education system to reach the best world class standard. Refer to Tables 21-8 and 21-9.

Table 21-8 SC Pass Rate vs. Global Achievement

Academic Year	Global %	Mauritius Actual %	Variance %
2023	83.2	73.7	(9.5)
2024	81.3	72.7	(8.6)

Source: Cambridge International figures and Annual Reports of the Ministry of Education and Human Resource

Table 21-9 HSC Pass Rate vs. Global Achievement

Academic Year	Global %	Mauritius Actual %	Variance %
2023	88.8	84.4	(4.4)
2024	87.5	78.9	(8.6)

Source: Cambridge International figures and Annual Reports of the Ministry of Education and Human Resource

This gap highlighted that there might be a need for a significant review of the present system so as to be above the average performance to relative international benchmarks, underlining the need for policy reforms to address weaknesses in the quality of education and to improve student retention and completion up to the upper secondary level.

Conclusion

Despite some Rs 17.4 billion invested over the past 5 years on pre-primary, primary, and secondary education, educational outcomes revealed weaknesses in curriculum delivery, learner support, and progression. Unless key reforms are implemented, Mauritius risks falling further behind international benchmarks.

Root Causes

- The shortfalls indicated that targets set by the Ministry were not based on realistic performance trends.
- For persistent low-performance school, high absenteeism, lack of student motivation, lack of parental involvement, family with many social issues, and lack of family and emotional support, were among the reported contributing factors.

Recommendations

- The Ministry should strengthen early grade learning and systematically monitor PSAC results to address the decline in pass rates.
- The remedial program (EP) was not effective in improving pass rates. The Ministry should explore new remedial programmes to support low-performing students overcome their difficulties.
- The Ministry should also develop a comprehensive student retention framework focusing on the key levels: PSAC-NCE and SC-HSC.
- The Ministry should conduct a comprehensive review of the ZEP program to ensure that support programs and interventions are relevant to current needs.
- Capacity building for teachers and staff should be enhanced to provide continuous professional development to strengthen instructional quality and student engagement. A specific training program should be designed to address the needs of low-performing students.
- There is a need to review how the KPIs are determined and ensure they are realistic and achievable. The Ministry should adopt an evidence-based approach and align with realistic expectations.
- The Ministry should enhance the attendance monitoring system and strengthen collaboration with parents through its social welfare officers.

Ministry's Response

- The average pass rate is around 78 per cent. The increase in pass rate for the period 2021 to 2023 is due to the extension of the academic year owing to the COVID-19 pandemic, whereby the best performing students in Grade 5 were also given the opportunity to sit for PSAC exams, thus increasing the pass rate. In 2024, the percentage pass rate hovers around 79 per cent, which is the normal pass rate.
- About the ZEP programme, it is increasingly important to review same to ensure that it reflects current realities and addresses students' academic performance. Steps towards reviewing the programme are currently in progress. In addition, continuous professional training is being envisaged at the Ministry's level to strengthen the skills and capacities of teachers and staff.

- The high failure rate among the Year 4 students in the Extended Programme who sat for the same NCE assessment as mainstream students led to a decline in the overall NCE pass rate. The KPI projections proved unrealistic, as the Extended Programme students were expected to perform at the same level as mainstream Year 3 students, despite the differences in their learning pace and needs. The KPI set for the Extended Programme was not evidence-based, as it was a new initiative with no established benchmark, making it challenging to set realistic and measurable targets.
- The students from both the ZEP School and the Non-ZEP Schools highlighted in the report come from challenging socio-economic backgrounds with poor cultural and material capital. Students are being provided with hot meals as an incentive to attend ZEP schools.
- A team of coordinators and a monitoring committee have been established to identify strategies and measures to address issues of high absence rates and low performance in ZEP schools.
- Following a policy change, students who failed up to 3 subjects were allowed to re-sit their exams. This adjustment contributed to a decrease in the pass rate among re-assessed students in 2024, highlighting the need for continued monitoring and targeted support.
- To revamp the performance of the Primary and Secondary Educational Performance, the Ministry has taken a series of actions, such as;
 - (i) Introduction of Foundation Programme for Literacy, Numeracy, and Skills to replace the Extended Programme, which failed to achieve the desired results;
 - (ii) A new Quality Assurance Model shall be implemented to comprehensively refurbish the existing system;
 - (iii) Development of a new curriculum that incorporates technology education and explores innovative models of learning, including the use of local languages;
 - (iv) Investment in Continuous Professional Development for Educators to strengthen accountability and leadership skills, and
 - (v) Reviewing the Teacher-Pupil ratio to enhance overall management and outcomes.

21.2 Early Digital Learning Programme (EDLP)

Background information

The EDLP was implemented by the Government of Mauritius with the collaboration of the Government of India since 2018, and integrated under the Nine-Year Continuous Basic Education (NYCBE) reform. The programme aimed to introduce tablets and web-based pedagogical tools in all government and private-aided primary schools.

The primary objectives of the EDLP included supporting independent student learning through a diversified multimedia-based learning environment, alongside fostering lifelong learning and enabling a digital primary school population capable of using ICT as a tool for education.

Phases of EDLP Implementation

The EDLP was implemented across 273 primary schools in 5 phases and covered pupils from Grades 1 to 6 over the period 2018 to 2023.

- Phases I and II for Grades 1, 2, and 3 were implemented in 2018 and 2019, and were funded through a grant of USD 14 million provided by the Indian Government, and a matching grant of USD 8.4 million from the Government of Mauritius. A total of USD 22.4 million, amounting to some Rs 634.3 million, was disbursed for both Phases.
- Phase III for Grade 4 pupils was initiated in October 2019 and was fully commissioned in 2020.
- Phases IV and V were launched following the signing of the Memorandum of Understanding (MoU) between the Ministry of Education and Human Resource (MOEHR) and Educational Consultants of India Ltd (EdCIL), a Category I, Central Public Sector Enterprise (CPSE) of the Government of India, in March and April 2023. These phases were extended to pupils in Grades 5 and 6. A 5-year maintenance arrangement was also established, consisting of a one-year standard warranty followed by 4 years of after-sales support.

Between Phases I to V, the Ministry acquired the following equipment as shown in Table 21-10.

Table 21-10 Quantity of Tablets and Other Devices, and the Cost Per Unit

Equipment	Quantity	Cost Per Unit (USD)	Costs Per Unit (Rs)
Tablets	76,880	330.00	13,454
Projectors	2,950	607.35	24,462
Charging Racks	4,380	520.59	24,192
Notebooks	1,401	857.14	39,831

Source: MOEHR

Note: Costs in Rs were converted from USD using exchange rates as at 30 June 2020 and 30 June 2023.

Amount Disbursed in Different Phases of EDLP

As of July 2025, the total disbursement for the implementation of the EDLP Project amounted to some Rs 1.4 billion, as illustrated in Table 21-11.

Table 21-11 EDLP Project Date of Implementation and the Amount disbursed in Different Phases

Phases	Date of commissioning /implementation	Hardware cost, including warranty costs (Rs million)	Maintenance Cost (Rs million)	Total (Rs million)
I	31/01/2018	352.20	67.10	419.30
II	21/01/2019	183.90	31.10	215.00
III	15/06/2020	218.10	21.20	239.30
IV	31/05/2023	254.60	39.10	293.70
V	31/08/2023	250.60	30.00	280.60
		1,259.40	188.50	1,447.90

Source: MOEHR

Findings

▪ Significant Budget Variance in Financial Year 2024-25

A provisional sum of Rs 50 million was made in the budget estimates for the financial year 2024-25, for the hardware warranty and maintenance cost. However, actual expenditure incurred on hardware, warranty and maintenance costs, and cloud hosting services for Grades 4, 5, and 6 amounted to Rs 84.44 million. This amount also included Rs 3.62 million relating to the Classroom Management System (CMS) for Grade 4 for the period 1 July 2024 to 30 June 2025.

This resulted in a budget overrun of Rs 34.4 million, representing 68 per cent over the budgeted provisions, indicating inadequate budgetary control and insufficient financial oversight and planning.

▪ Lack of Renewal Policy and Maintenance Support for Phases I and II

The Ministry did not have a renewal and replacement policy for tablets issued under Phases I and II. The 5-year maintenance period for these phases expired in January 2024.

Site visits to 18 government schools by NAO Officers revealed the following issues:

- Defective tablets and charging racks;
- Grades 1 and 2 pupils had to share tablets, as shown in Table 21-12, thereby limiting individual learning opportunities and affecting the effective implementation of digital learning in the lower primary grades; and
- Non-utilisation of tablets in certain schools.

Conversely, Riche-en-Eau Government School (GS) had a surplus of 20 tablets due to the absence of Grades 1 and 2 pupils. This indicated that the Ministry's allocation of tablets was not aligned with actual enrolment data, and the protocol for the transfer of surplus tablets was not followed.

Table 21-12 Difficulties encountered due to the Non-Renewal Policy

	Name of school	EDLP issues in schools
1	Reunion GS	Sharing of tablets in grades 1 and 2
2	L'Esperance GS	Sharing of tablets in grades 1 and 2
3	Mahadeo Ghurburrun GS	Non-utilisation of tablets in Grades 1 and 2
4	Pointe des piments GS	Non-utilisation of tablets in Grades 1 and 2
5	Petit Raffray GS	Defective charger rack in Grade 1
6	Verdun GS	9 defective tablets in Grade 1
7	Morne GS	Defective charger rack in Grade 3 6 defective tablets in grade 1
8	Belle Mare GS	5 defective tablets in Grade 1 and 15 defective tablets in Grade 3

Source: MOEHR

▪ **Absence of an EDLP Committee/Governance Structure**

There was no dedicated EDLP Committee to:

- Monitor the implementation and usage of tablets and Classroom Management System in schools.
- Define the minimum tablet usage requirements.
- Oversee the transfer, renewal, or disposal of equipment.
- Ensure timely updating of records and regular updates of asset records.

The lack of governance structure resulted in fragmented implementation, inconsistent practices across schools, and a lack of accountability at both the schools and the Ministry level.

▪ **Failure of Classroom Management System (CMS) Implementation**

CMS is a structured digital framework designed to support Grades 4, 5, and 6 classroom administration by enabling teachers to manage lessons, track student progress, share digital materials, and conduct assessments, all in one platform.

Late or Non-allocation of Credentials in Grade 4

In all 273 schools, Grade 4 pupils were unable to access the CMS throughout the academic year 2025 due to non-provision or late allocation of usernames and passwords. A survey in 18 Government Schools in September 2025 revealed that:

- 10 schools had not been allocated credentials; and
- The remaining 8 schools received login access very late in the second academic term.

Very Low Usage of CMS in Grades 5 and 6

The CMS for Phases IV and V for Grades 5 and 6 was completed in May and August 2023, respectively. However, teacher login rates in the subsequent academic years 2024 and 2025 were negligible. In the year 2025, more than 98 per cent of Grades 5 and 6 teachers across 273 schools did not log into the CMS platform, as illustrated in Table 21-13.

Moreover, it was not possible to quantify the actual usage by teachers due to the absence of reliable system data. The reasons provided by the users for non-usage included lack of enforcement, inadequate motivation and monitoring by school management and School Inspectors, and operational difficulties. These constraints included the time-consuming process of removing tablets from storage racks.

Table 21-13 Number of Schools not Logging into the System

	Number of schools not logged into the system 2024	Number of schools not logged into the system 2025
Grade 5	250 (91%)	272 (99.6 %)
Grade 6	213 (78%)	270 (98.9 %)

Source: MOEHR

▪ **Value for Money Not Achieved**

Despite a substantial investment of Rs 1.45 billion in the EDLP, the programme was scarcely utilised across both lower and upper primary classes across the majority of schools.

Thus, the absence of a formal monitoring and evaluation framework by the Ministry to track progress, use of tablets, and learning outcomes had significantly undermined the programme's effectiveness. Consequently, the considerable investment made by the Government had not yielded the expected results and did not achieve value for the taxpayers' money spent.

▪ **Excessive and Unnecessary Buffer Stock at Central Supply Division**

Contrary to clause 5.39 of the Service Level Agreement (SLA) with Educational Consultant of India Ltd (EdCIL), which placed the sole responsibility of the buffer stock on the service provider, the Ministry kept a large buffer stock of tablets at the Central Supplies Division despite a declining student population. As of 3 October 2025, the buffer stock comprised 437 tablets for Grade 5 and 1,648 tablets for Grade 6. This resulted in an unnecessary tied-up capital of Rs 31.8 million and increased the risk of technological obsolescence.

▪ **Weak Assets Management**

The Ministry did not maintain a consolidated register of all the equipment valued at some Rs 1.2 billion, acquired under the EDLP. This indicated limited oversight and control over the location and condition of assets, including 76,880 tablets, 2,950 projectors, 4,380 charging racks, and 1,401 notebooks.

Moreover, EDLP equipment and accessories were not recorded in the Government Asset Register (GAR), contrary to Treasury Circulars No. 16 of 2017 and No. 3 of 2019, thereby increasing the risk of misappropriation and non-compliance with established regulatory requirements.

▪ **Absence of a Strategic and Operational Plan**

The Ministry lacked:

- (i) A medium-term strategic plan over 3 to 5 years for the EDLP to set the approaches to achieve the goals and objectives set.
- (ii) A detailed operational plan with milestones, responsibilities, and performance indicators.

The lack of strategic and operational planning impaired effective implementation, monitoring, and evaluation of the EDLP, and limited assurance that the programme's objectives would be achieved and aligned with the MOEHR's vision and priorities.

Root Causes

The following factors had been identified:

- Absence of strategic governance at the level of the Ministry.
- Inadequate resource planning for the maintenance, replacement, and obsolescence of equipment.
- Weak oversight and monitoring mechanisms to evaluate CMS usage, identify challenges, and ensure effective use of digital learning in primary schools.
- Insufficient project and change management to drive its adoption and manage resistance to usage.

Recommendations

The Ministry should:

- Strengthen financial planning and budgetary controls.
- Establish a dedicated EDLP governance committee to oversee planning, implementation, renewal, and disposal of EDLP assets and CMS usage.
- Establish a structured renewal and replacement policy for the digital equipment. Moreover, faulty equipment should be replaced or repaired promptly, and surplus tablets from low-populated schools should be redistributed.
- Ensure timely provision of credentials for all users to maximise participation and CMS use.

- Develop a monitoring and evaluation framework to enforce mandatory use of the CMS platform.
- Conduct regular awareness, capacity-building, and change management programs for teachers and school management to promote the use of digital learning in classrooms.
- Review inventory management to avoid unnecessary stockholding and associated costs.
- Establish a consolidated register at the Ministry's level and record all assets in the GAR as required by Treasury Circulars.
- Conduct physical verification of EDLP equipment at schools.
- Introduce key performance indicators for digital learning, utilisation of tablets, and CMS adoption.

Ministry's Response

- The significant budget variance stems from contractual disbursements, which should have been paid in previous financial years, but due to some administrative constraints, payments have been deferred in the financial year 2024-25, resulting in the budget overrun.
- A total amount of Rs 76.46 million was budgeted for the FY 2025-2026 to procure new tablets and replace ageing and non-functional devices. However, only Rs 50 million was approved in the Budget 2025-2026, creating a shortfall of Rs 26.46 million. This funding gap poses a high risk of continued hardware obsolescence and unmet demand in lower primary grades.
- The survey for the 3rd Term of 2025 is currently underway, with the resulting adjustments for allocation of tablets and the replacement of faulty devices scheduled for January 2026.
- Pupils of Grade 4 were not allocated credentials for access to CMS since warranty and maintenance for phase II had expired and not been renewed due to budgetary constraints.
- Designated school inspectors have received formal training on the use and monitoring features of the CMS. An Online training is also available on the use of tablets for educators and all stakeholders.
- The Ministry has implemented internal monitoring mechanisms, structured protocols, and a decentralised governance mechanism through zonal directorates and EDLP coordinators.
- Digital content materials for pupils from Grades 1-6 have been uploaded for all subject areas. These digital contents add to the reinforcement in teaching and learning.
- The buffer stock caters for students moving from private to Government schools during the course of the year and for the replacement of defective tablets.

- The EDLP equipment was recorded at the level of the CSD, and the schools maintained a detailed inventory of tablets.
- The Ministry had a meeting with officers of the Accountant-General on 05 November 2025, and it was proposed to split the GAR system into 5 different Books. One Book would be kept at the Head Office, and 4 at each Zonal Directorate, instead of the GAR system being centralised at the Head Office. The Report of discussions and proposals has been submitted to the Accountant-General for consideration.
- It is to be highlighted that the EDLP has successfully laid the foundation for digital learning in primary schools. Its sustainability and effectiveness depend on pedagogical alignment, leadership and change management, close monitoring, budget management, e-waste management, equity of access, and buy-in from school heads and teachers and digital school culture.
- To revamp the programme, this Ministry is focussing to bring forward a clearly spelt out policy as to the judicious usage of the EDLP tablets in all primary schools. Following consultations with major stakeholders, it has been observed that teaching and learning using EDLP tablet requires a new orientation.

21.3 School Population Trends and Cost Efficiency in Publicly Funded Primary and Secondary Schools

Background Information

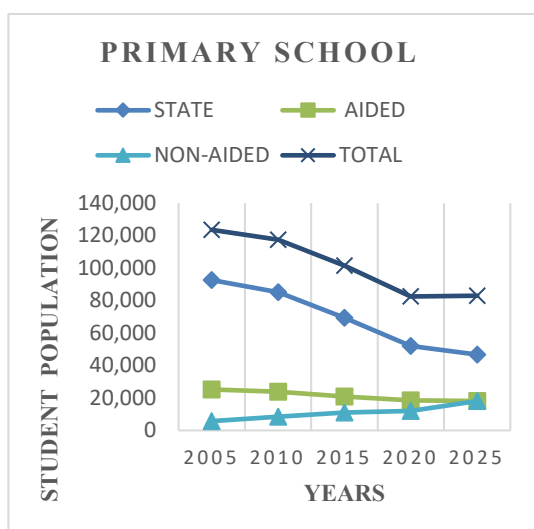
Education in Mauritius is compulsory until the end of the academic year in which a child attains the age of 16, as stipulated in Section 37 of the Education Act 1957. Education is free in all public schools from pre-primary to tertiary levels.

With the demographic changes, birth rates had significantly declined from 20,205 in 2000 to 12,853 in 2024, a decrease of 36.4 per cent.

Findings

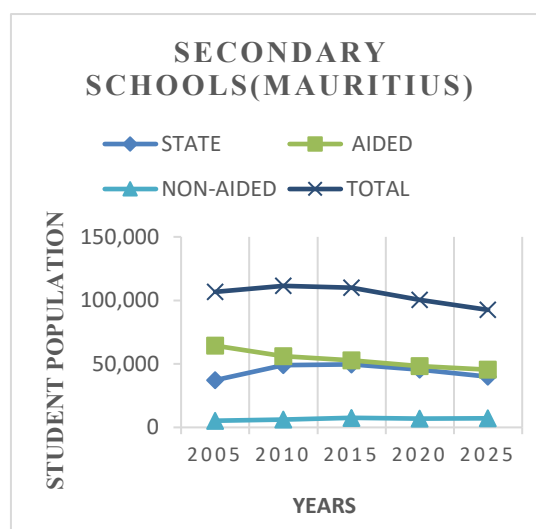
▪ Significant Decline in Student Population in Primary and Secondary Schools

Between 2005 and 2025, that is over a period of 20 years, the primary school population declined significantly from 123,562 to 82,974, representing a reduction of 40,588 students (or 32.8 per cent). Over the same period, the secondary school population also declined, falling by 19.6 per cent from its 2010 peak of 115,003 to 92,503. Figure 3 and 4 illustrate the student population trends in primary and secondary education.



Source: NAO Analysis

*Figure 3 Student Population
Primary School*



*Figure 4 Student Population
Secondary School*

- Student population in Government Schools fell sharply by nearly 50 per cent from 92,590 in 2005 to 46,730 in 2025.
- Private-aided Schools population also experienced a decline of nearly 28.1 per cent from 25,234 to 18,147 over the same period.
- The number of Government Schools and Private-aided Schools remained stable over the 20 years, indicating that the decline in enrolment was not accompanied by a rationalisation of schools.
- Conversely, the student population in private unaided schools had increased significantly from 5,738 in 2005 to 18,097 in 2025, reflecting a growing preference by Mauritian parents for private schools. The number of such schools had also increased from 17 to 71 over the same period, indicating a growing parental preference for privately managed schools.
- At the secondary education level, the private-aided schools declined by 29 per cent, while state school enrolment fell from a 2015 peak of 52,640 to 39,969 in 2025. In contrast, private unaided secondary schools though the smallest sector grew by 35 per cent.

21.3.1 Persistently Low Student Population in 5 Government Schools and 5 State Secondary Schools

Primary Education – Government Schools

Five government schools recorded persistently low and declining student populations, as shown in Table 21-14. Enrolment in these schools ranged from as low as 11 to 56 students in 2025. Despite low enrolment levels, these schools continued to incur high fixed and recurring costs, including salaries, utilities bills, purchase of loaves, office expenses, security services, and periodic capital expenditures.

As a result, the per student operating costs were high, ranging from Rs 196,433 to Rs 472,714.

Table 21-14 Low Student Enrolment

Government Schools	Academic Year		As a Percentage of School Capacity	Operating Cost FY 2024-25 (Rs)	Average Student Cost (Rs)
	2024	2025			
Riche en Eau G.S	18	11	4.6	6,854,350	472,714
Mahadeo Ghurburrun G.S	22	25	10.4	10,668,994	454,000
Mount Ory G.S	42	27	11.2	12,022,767	348,486
Barlow G.S	40	42	17.5	8,053,761	196,433
Verdun G.S	56	42	17.5	9,934,436	202,744

Source: Central Statistics Office & operating cost figures provided by Zone directorates

▪ **Secondary Education**

- (i) Five State Secondary Schools (SSS) were identified with fewer than 160 students, as detailed in Table 21-15. These SSS were operating significantly below capacity.

Table 21-15 State Secondary Schools with less than 160 Enrolments

State Secondary Schools	Academic		As a Percentage of School Capacity	Operating Cost FY 2024-25 Rs million	Average Student Cost Rs
	2024	2025			
Port Louis North SSS	237	160	19.0	29.2	147,103
Marcel Gabon SSS	127	99	11.0	23.3	206,195
Sebastopol SSS	177	105	25.0	24.5	173,759
Bambous SSS	126	124	31.0	29.5	236,000
La Gaulette SSS	168	158	39.5	20.2	123,926

Source: Central Statistics Office data received from the school/Operating cost provided by Zone Directorates

- (ii) These low-populated secondary schools employed between 14 and 23 full-time educators. Teaching periods in these schools were found to be under-allocated, contrary to the provisions of Section 19.95 of the Pay Research Bureau Report (PRB) 2021, which provides for optimal utilisation of teaching staff.
- (iii) The continued deployment of a large number of educators in low-enrolment secondary schools pointed to weaknesses in workforce planning and non-compliance with established norms.

▪ **Lack of Strategic Planning**

Public school infrastructure, staffing levels, and resource allocation were not adequately adjusted to reflect changes in demographic trends and parental preferences.

Root Cause

There was an absence of strategic planning to address shifting parental preferences and demographic changes.

Recommendations

- The Ministry should undertake a comprehensive strategic review of government schools with persistently low enrolment. Data on demographic trends and enrolment patterns should be captured/collected and analysed to facilitate timely decision-making and planning.
- The Ministry should conduct a cost-benefit assessment of maintaining schools with low student populations versus merging low-enrolment schools in the vicinity to optimise infrastructure and personnel. The Ministry should also consider providing transportation to avoid undue hardship to students.
- Resources should be reallocated from schools with low enrolment rates to those areas with higher demand to ensure better value for money and improved educational outcomes.
- The Ministry should carry out an analysis for the shifting of preference from Government primary and secondary schools to private schools that would assist in policy formulation by the Ministry.

Ministry's Response

- The Ministry is looking into the enrolment data on a trend observation, and ultimately decisions will be taken as to the closing down of other schools in the future, taking into consideration the best interest of learners.
- The pupils at Riche en Eau Government School have been relocated to nearby primary schools, and the staff have been redeployed to make efficient use of human capital. As for the premises, the Educational Directorate of Zone 3 will be utilizing same.
- The fertility rate is very low in the Republic of Mauritius, and the decrease in child births correlates with the enrolment at the age of the child to attend a school. The increase in the number of enrolments of learners in fee-paying educational institutions is also a factor to the observation made in the enrolment in government-funded schools.
- Owing to limited funding capacity, a significant number of structurally damaged schools cannot be repaired, such that their seating capacity has decreased. This resulted in schools from having 3 or 4 streams to only 1 or 2 streams. This impacts negatively on the ability to close down schools and relocate students.
- The Ministry has already decided to relocate students of 3 state secondary schools, namely Marcel Cabon SSS, Sebastopol SSS, and Port Louis North SSS, to other state secondary schools with a view to optimising the use of resources and cutting down costs of running these low population schools. The school buildings will be put to alternative uses.

Relocating students of other low-population state secondary schools will be envisaged by the Ministry in the forthcoming years. The Ministry has already started merging students of low-enrolment schools with other state schools in the vicinity.

21.4 Central Supplies Division

Background Information

The Central Supplies Division (CSD) is responsible for the procurement of goods, services, and capital works by the Ministry of Education and Human Resources (MOEHR). The Division is also responsible for warehousing, stock control, and distribution of store items and school requisites to the 4 education directorates.

Findings

▪ Non-Compliance with the Public Procurement Act and Circulars of Ministry of Finance

Several instances of non-compliance with the Public Procurement Act 2006 (PPA) and Ministry of Finance (MOF) Circulars were identified, increasing the risk of weak governance, reduced transparency, and inefficient use of public funds.

▪ Inadequate Procurement Planning

- (i) The MOEHR published its Annual Procurement Plan for the financial year 2024-2025 on 14 October 2024, which represented a delay of 3 months, resulting in non-compliance to Section 10 of the PPA.
- (ii) The Annual Return of Procurement (ARP) for the financial year 2024-25 included 11 major procurement exercises of goods and services for a total contract value of Rs 49.6 million, which were not reflected in the approved APP.
- (iii) Delays in publishing the APP and failure to include all major procurements undermined effective planning and increased the likelihood of ad hoc procurement, reduced timelines, and non-competitive practices.

▪ Improper Constitution of the Departmental Bid Committee (DBC)

- (i) An Assistant Permanent Secretary of the Ministry acted as Chairperson of the DBC for 10 bidding exercises totalling Rs 28.9 million instead of an officer in the rank of a Deputy Permanent Secretary as provided in MOF Circular No 2 of 2014-Part 2.
- (ii) The procurement approved under this arrangement included instances of non-compliance as follows:
 - Procurements not included in the APP.
 - Absence of performance security requirements.
 - Inadequate lead time for bid submission.
 - Contracts awarded without the prior authorisation of the Accounting Officer.

Non-compliance with the prescribed DBC composition led to unplanned and unauthorised approval of procurement and non-compliance with bidding terms and conditions.

▪ **Inadequate Lead Time for Submission of Bids**

During the financial year 2024-2025, there were 12 bidding exercises totalling Rs 31.4 million, where suppliers were allocated insufficient lead time, ranging from one to 12 days, to submit their bids. This practice contravened Section 32 of the PPA, which required that adequate time be given to potential suppliers to prepare their bids.

Inadequate lead time restricted competition and potentially prejudiced certain suppliers in participating in the bidding exercise.

▪ **Delays in Examination and Evaluation of Bids**

During the financial year 2024-2025, there were 10 bidding exercises for a total amount of Rs 89.2 million, which had been evaluated within a period ranging from 52 to 174 days after the bid opening. In 6 cases, the evaluation processes exceeded 90 days, which was beyond the bid validity period and, contrary to Section 34 of the PPA.

▪ **Absence of Performance Security**

Performance Security equivalent to 10 per cent of the contract sum were not requested from successful bidders in 4 contracts totalling Rs 25.1 million, where the contract sum of each exceeded the Rs 5 million threshold. This was not in compliance with Directive 9 of the Procurement Policy Office (PPO).

▪ **Non-adherence to the E-Procurement Bidding System**

Out of the 195 quotations launched in the financial year 2024-2025, only 60 were processed through the e-procurement system, while 135 were in paper-based format. Thus, 69 per cent of the bidding exercises were not processed electronically. This was not in compliance with Part V Section 26 A (1) of PPA.

▪ **Quotation Registers not updated**

The Quotation Registers were not properly maintained for the financial year 2024-2025, and lacked key information such as:

- Estimated costs
- Launching and closing dates
- Date of award of contract
- Name of successful bidders
- Contract value
- Date the bid was cancelled and date of relaunching the bid

Incomplete records impaired oversight and hindered effective monitoring, reporting, and independent verification.

21.4.1 Procurement of Goods and Services

The following contracts illustrated weaknesses in planning, governance, compliance with procurement regulations, and value for money considerations in the procurement exercises undertaken by MOEHR.

(i) Supply and Delivery of Sports Equipment to Primary Schools and Secondary Schools

On 5 May 2025, 2 bidding exercises for sports equipment were launched for both primary and secondary schools, through the restricted method by paper-based form to 6 potential suppliers.

On 3 June 2025, DBC endorsed the Bid Evaluation Committee's (BEC) recommendations to award the 2 contracts to the same supplier. On 16 June 2025, the letter of acceptance was issued to the successful bidder for primary schools, and on 9 June 2025 for secondary schools. Sports equipment was delivered at the CSD on 11 July 2025 and 7 July 2025 for primary and secondary schools, respectively. On 8 August 2025, a total amount of Rs 6,555,518 was paid for primary schools, whilst for secondary schools, a total amount of Rs 4,510,013 was paid.

Findings

- Technical specifications did not include any standard certification or international quality norms.
- No formal approval of the Accounting Officer was recorded on the DBC's minute sheets for 2 awarded bids.
- Bidding document did not specify the delivery deadlines, despite provisions for liquidated damages (LDs) in the letter of acceptance. Deliveries were made during the school holidays in August 2025 to central stores.
- Poor specifications drafting and the absence of clear delivery timelines undermined contract enforceability and restricted the Ministry's ability to impose penalties in case of delays.

(ii) Supply and Delivery of Furniture to Primary Schools and Secondary Schools

On 21 March 2024, MOEHR decided to purchase school furniture for primary and secondary schools, after a period of 6 years without such procurement.

The new chairs and desks purchased were distributed to primary schools with fewer than 25 pupils on average per stream, whilst the existing furniture in good condition from these low-populated schools were distributed to highly populated schools where there was a need.

Findings

- There was poor planning, given the prolonged gap in the procurement of school furniture.

- The BEC reports were submitted on 5 and 20 May 2025 instead of 4 April 2025, as required. It was also noticed that there was more than 2 months' time delay between the closing date of those bidding exercises (March 2025) and the dates of both BEC's and DBC's recommendations (May 2025).
- Deliveries were effected to the CSD and the Education Directorates between the end of June and early August 2025, and subsequent issues to schools were carried out in August 2025. However, during the third term of the academic year 2025, delays in the procurement process resulted in students being deprived of essential furniture for a significant part of the academic year.
- There was no approval of the Accounting Officer in respect of DBC's recommendations in 3 out of the 4 bidding exercises. This reflected a lack of supervisory control.

(iii) Academic Year 2026 Textbooks: Awarded on a Lot-wise Basis

MOEHR launched 3 separate bidding exercises for the printing, supply, and distribution of textbooks for the academic year 2026.

The procurement was carried out on a lot-wise basis, covering grades 1 to 9, and bids were launched between June and September 2025.

Findings

- Evaluation was done on a lot-wise basis, that is, a total of 4 lots for the procurement of secondary textbooks and 7 lots for that of primary textbooks. The selection was based on Clause ITB 37.3(a) of the bidding document, whereby no bidder should be awarded more than one lot. This approach was inconsistent with Section 40 of PPA 2006, which required that a contract be awarded to the lowest evaluated substantially responsive bidder that complied with the qualification criteria specified in the pre-qualification or bidding documents.
- Despite the existence of lower bids for several lots, the contracts could not be awarded to the lowest bidder as awarding more than one lot to a bidder was not allowable, even where that bidder submitted the lowest substantially responsive bid in multiple lots.
- Legal advice obtained from the Attorney General's Office on 31 October 2025 confirmed that the 'one bidder-one lot' restriction under Clause 37.3(a) was inconsistent with section 40(1) of the PPA, since it prevented award to the lowest responsive bidder and resulted in additional unnecessary public expenditure.
- By awarding the contracts for textbooks on a lot-wise basis, the Ministry incurred unnecessary expenditure of Rs 18,161,201.

21.4.2 Procurement of Catering Services – Rs 3,291,250

Background Information

The MOEHR launched 4 bid exercises through the request for quotation (RFQ) method as follows:

- (i) Provision of Catering for ‘Les Assises de l’Éducation’ (April 2025)-Total payments: Rs 2,321,750.
- (ii) Catering for the Ceremony of Laureates (May 2025)-Total payments: Rs 969,500.

Findings

▪ Poor Planning and Shortened Bid Float

Bids were launched very close to the event dates, potentially limiting the number of suppliers participating. As a result, competitive pricing was not likely achieved.

Two bids for catering services for ‘Les Assises de l’Éducation’ were launched only one week before the event, scheduled from 15 to 17 April 2025, with a bid submission period of 2 days. The bidding exercise for the Ceremony of Laureates was carried out on the eve of the event, requiring the suppliers to submit their bids on the same day. Consequently, only one supplier submitted a bid.

Moreover, the Laureates Ceremony which was a recurring event, was not properly planned and bids were not launched at a reasonable time before the event.

▪ Excessive Costs

The catering contract prices for the Laureates’ ceremony were more than 5 times higher than those of the comparable event held in 2024. In July 2024, the unit cost for the Laureates’ ceremony was Rs 160, whereas in financial year 2024-25 a unit cost of Rs 895 was paid.

Additionally, for ‘Les Assises de l’Éducation’, an extra 2,000 lunch packs were procured at a higher rate of Rs 199 per unit instead of the previous rate of Rs 116.25. These instances indicated inefficiencies in procurement process and weaknesses in financial control.

▪ Improper DBC Composition

In both exercises, the DBC was chaired by an Assistant Permanent Secretary instead of a Deputy Permanent Secretary (DPS), which was not in compliance with MOF Circular No. 2 of 2014.

No formal approval of the Accounting Officer, that is the Acting Senior Chief Executive, or Permanent Secretary was recorded in DBC minutes for the awards.

Root Causes

- Procurement planning and supervision on these procurements were inadequate.
- Bidding clauses that were inconsistent with the statutory requirements were used.

Recommendations

- MOEHR should comply with the PPA Act 2006, Procurement Policy Office’s Directives, and MOF Circulars on all procurement activities.

- The Procurement Unit should strengthen planning processes by ensuring that routine procurement activities are included in the Annual Procurement Plan and published on time.
- All Departmental Bid Committee recommendations should be formally approved by the Accounting Officer.
- The Ministry should consult the Procurement Policy Office, with a view to revising Clause ITB 37.3 (a) to allow award of multiple lots to a bidder, subject to proof of adequate technical and financial capacity of the supplier to handle more than one lot.
- Greater use of E-procurement should be made to enhance transparency and accountability.
- The timeliness for carrying out bid evaluation exercises should be improved.
- Contract management and drafting of specifications should be improved. Delivery schedules should also be clearly defined.

Ministry's Response

- The necessary actions will be taken to ensure that all procurement of goods and services is incorporated into the annual procurement plan, except for urgent and unforeseen cases.
- Action has been taken to redress the situation. Henceforth, a Deputy Permanent Secretary has been designated to chair DBC.
- Measures will be implemented to prevent any recurrence of insufficient Lead Time for Submission of Bids and Delays in Examining and Evaluating Bids.
- A reminder has been sent to the remaining bidder to submit the same. Henceforth, provisions will be included in all bidding documents stating that performance security may be requested when the contract sum is equal to or exceeds Rs 5 million.
- Quotation Register was updated, and information such as estimated costs, launching date, closing date, date of award of contracts, successful bidders, and contract amount is available in files at the level of the Ministry.
- An investigation is currently being carried out at the level of the Ministry to determine the circumstances that led to the shortcomings identified, including the absence of detailed technical specifications, the lack of approval from the Accounting Officer on the DBC recommendations, and the omission of delivery deadlines in the bidding documents.
- Revision of clause ITB 37.3 (a) to allow award of multiple lots to a bidder clause was included in accordance with section 40.2(c) of the PPA based on the provisions made by the Central Procurement Board for the tender exercise for the provision of hot meals in ZEP schools.

21.5 Primary School Supplementary Feeding Project – ZEP Schools

Background Information

Under the Primary School-Supplementary Feeding Project, enhanced meals were provided to pupils attending Zones d'Education Prioritaires (ZEP) Schools to improve educational attainment and child health. Meals were distributed daily to 27 ZEP schools. For the financial year 2024-2025, a budget of Rs 80 million was allocated for the Primary School Supplementary Feeding Project, of which Rs 58 million was disbursed.

The contracts for the supply of meals with the previous contractors expired in 2019 and were extended on a month-to-month basis until 21 October 2025. An invitation to bid was launched in May 2025 and June 2025 through the Open National Bidding Method for Lots 1 to 4. The sole responsive bidder was awarded Lots 2 and 4 on 8 August 2025, and Lots 1 and 3 on 16 October 2025, for a total contract value of Rs 143,066,478.

Findings

▪ Non-compliance with Bidding Conditions

As of 8 October 2025, contract agreements were not signed for all lots, although the supply of food to lots 2 and 4 had already started. Paragraphs 4b and 4c of the Letter of Acceptance required that an agreement be signed within 21 days from receipt of the letter of acceptance. The delay in signing the contract constituted non-compliance with bidding conditions.

▪ Excess Distribution of Meals leading to Wastage and Excess Costs

Meals for lots 2 and 4 were distributed according to the registered students' population rather than on actual attendance (on roll). The high rate of absenteeism in ZEP schools resulted in a significant surplus of meals delivered.

An analysis of supplier claims and schools' returns revealed that since the resumption of the third term on 18 August 2025, an excess of 5,992 meals were supplied in Zones 1 and 4, costing some Rs 731,890.

In September 2025, the excess distribution led to a further wastage of 13,952 meals in Zones 1 and 4, resulting in the Ministry incurring excess costs of some Rs 1.7 million.

▪ Lack of Notification of New Certification Requirements

In previous tenders, bidders were not required to hold food safety certifications. However, new requirements were introduced in the bid specifications for the financial year 2025-26. Bidders were required to possess a HACCP ISO 22000 Certificate, MS133 Certificate, or any other acceptable food safety certification. Bidders were not informed of the new requirement in advance to allow a level playing field bid competition.

▪ Quality and Service Delivery Issues

Meal Quality and Outdated Endorsement of Meal Plan

Several headmasters and ZEP Coordinators reported that the meal quality supplied by both existing and new contractors was not satisfactory. Repetitive menus were supplied within the same week, and instances of food with unpleasant odour were also reported.

The meal plans included in the bidding documents were endorsed by the then Ministry of Health & Quality of Life in September 2016, whereas the contracts were awarded in August and October 2025. Given the time lapse of 9 years, it could not be confirmed by the Ministry whether the endorsed meals distributed to primary school pupils continued to meet the prevailing nutritional and quality standards.

- **Absence of Defined Delivery Timelines**

The delivery times for the supply of meals were not specified in the bidding documents. The letter of acceptance mentioned “that delivery should be effected on time” without defining the specific delivery time. Hence, ambiguity was allowed for potential delays in meal delivery, as meals were delivered late to several schools on multiple occasions. Moreover, the omission of delivery timelines weakened accountability, making it difficult to enforce contractual obligations regarding timeliness.

Deliveries were often made around noon, and sometimes as late as 13.30. On one occasion, meals were delivered at 15.00 hrs, although the lunch break was from 11.00 to 11.45 hrs. These delays significantly undermined the effectiveness of the ZEP feeding programme.

Although clause 3.10.1 of the General Conditions of the bidding documents provided for Liquidated Damages of Rs 500 per day per school in case of late delivery, this clause could not be enforced in the absence of clearly defined timelines.

- **Weaknesses in Contract Management and Oversight of the School Feeding Programme**

There was no evidence that before awarding the contracts, the Ministry assessed the suppliers’ capacity, in particular, the adequacy of the infrastructure and availability of human resources used for the preparation of meals and the logistical capability to deliver meals to all 27 ZEP schools located across the 4 Zones within the required timeframe.

Although the contracts were awarded to a single supplier on the basis that it possessed a valid HACCP certificate, the contracts did not include any explicit clause governing the subcontracting of the preparation or the delivery of the meals. As a result, there was no restriction, approval requirement, or disclosure obligation imposed on the supplier with respect to subcontracting arrangements.

Furthermore, the Ministry did not establish or implement a Monitoring Committee or mechanism to oversee the performance of the supplier or to verify whether the contractor was subcontracting any part of the meal preparation. Consequently, there was no assurance that all meals supplied to the pupils of the ZEP schools were prepared and delivered in compliance with food safety and quality standards.

Value for money was not achieved largely due to the poor quality of food, excessive distribution leading to additional costs, and late provision of meals to pupils.

Root Causes

- Deficiencies in the bidding process and the bidding documents.

- Inadequate monitoring by ZEP coordinators to ensure adherence to contractual provisions and timely delivery of quality meals.

Recommendations

- Actions should be taken to review the new contractual provisions. Legal advice from the Attorney General's Office should be sought on amending the existing contracts for lots 1 to 4 to revise the formula so that meal distribution is based on attendance instead of the student population.
- The Ministry should include explicit clauses to prohibit subcontracting without the approval of the Ministry.
- Appropriate action should be taken to ensure that the supplier adheres strictly to the conditions in the letter of acceptance. Meals must be delivered on time, and liquidated damages provisions should be applied in cases of late delivery.
- Future bidding documents should clearly specify a fixed and defined delivery schedule.
- The Ministry should consider awarding contracts on a regional basis to ensure the timely delivery of meals to all ZEP schools.
- In cases of continued underperformance, the Ministry should consider terminating the contract and initiating appropriate procedures to appoint a new supplier whilst also ensuring continuity of meal provision.
- A Committee should be set up to address the issues with respect to the primary ZEP schools feeding programme.

Ministry's Response

- The main reason why the Contract Agreement for Lots 2 to 4 was not finalised within the stipulated 21 days of the issue of the letter of acceptance was that the management team had indicated that additional clause(s) needed to be inserted in the Contract Agreement regarding the timely distribution and quality of meals provided.

A meeting was accordingly held on 8 September 2025 in the presence of the supplier to improve the quality of food, timely distribution, and to avoid food wastage.

- The Ministry constituted a main Monitoring Committee as late as 27 October 2025, and a first meeting shall be convened shortly. The issue of food wastage has, therefore, not been looked into.
- The Departmental Bid Committee apprised all user sections of the possibility to apply Liquidated Damage of Rs 500 per day per school so that the elements of food quality and timely distribution are covered. It was up to Schools/Zones to report any discrepancies and to sanction accordingly.
- It is noted that the implications and root causes have been canvassed after less than one school term of the new supplier in operation across Lots 1 to 4.

- Two meetings have already been held with the suppliers, during which it was agreed that payments will henceforth be based on actual attendance rather than total student population.
- A mechanism has been put in place for the distribution of meals as follows:
 - (a) Weekly forecast is being worked out with reference to past data;
 - (b) the number of meals required daily by each school is communicated to the supplier by the Head master or his/her representative daily by 09:30hrs at the latest through a WhatsApp platform; and
 - (c) the ZEP Coordinators are doing follow-up to ensure the Head Masters send the number of meals required on time.
- The ZEP Coordinators, together with the ZEP Food Monitoring Committee, are doing follow-up to monitor meal quality.
- Legal Advice is being sought from the Attorney General's Office regarding the contract management of the School Feeding Programme.
- The Ministry may also consider awarding contracts on a regional basis in order to improve efficiency and ensure the timely delivery of meals to all ZEP schools.

21.6 Capital Projects – Lapses in Procurement, Contract Management, and Implementation

Background Information

A review of 21 capital projects across Pre-Primary, Primary, and Secondary schools with an aggregate contract value of some Rs 827 million revealed significant shortcomings in:

- Procurement planning;
- Contract administration;
- Monitoring of Contractor performance; and
- Coordination between the Ministry of Education and Human Resource (MOEHR) and the Ministry of National Infrastructure (MNI).

These chronic weaknesses had contributed directly to project delays, contract terminations, cost escalations, and incomplete infrastructure, which affected service delivery.

21.6.1 Delays in Completion of Capital Projects

As of November 2025, several school construction projects faced long delays ranging from 4 to 60 months, as per in Table 21-16. The key factors contributing to the delays included:

- Inadequate feasibility studies leading to variations;
- Outstanding utility and external works;
- Weak monitoring of contractors performance;
- Late payments to contractors; and
- Ineffective coordination between MOEHR and MNI.

These delays resulted in prolonged non-availability of essential educational facilities, including classrooms, specialist rooms, toilet blocks, and swimming pools, which adversely affected learning and teaching conditions.

Table 21-16 Projects with Severe Delays

School / Project	Contract Value Rs Million (Exc VAT)	Status as of Nov 2025	Delays (months)	Remarks
Abdool Raman Abdool GS Phase II	124.8	Works started on Sept 2025	>60	Bids launched in 2019 were cancelled; relaunched in 2024 after 5 years.
Swimming Pool at Cascavelle GS	32.7	92% completed	28	Outstanding works by CWA and additional Service Gallery work.
Sodnac SSS	9.06	85% completed	16	Failure to complete work could lead to the termination of the contract.
Swimming Pool at Permal Soobrayen GS	34.7	95% completed	9	Delays due to site mobilisation, inclement weather and delay in payment.
Pamplemousses SSS	37.3	60% completed	6	Contractor issued a Notice of Termination, views of AGO was sought on the matter.
James Toolsy GS – Toilet Block	9.28	95% completed	4	Delays due to unforeseen site conditions and excavation and delays in payment.
Adolph de Plevitz SSS – Specialist Room	15.12	63% completed	4	Inadequate feasibility study.

Source: MOEHR

Note GS - Government School

SSS - State Secondary School

Ongoing Contracts with Delays

Construction of a Toilet block at James Toolsy GS

The project for the construction of a toilet block at James Toolsy GS for a total contract value of Rs 9.28 million excluding VAT started on 05 December 2024 and was 121 days behind schedule due to additional excavation works. In December 2025, the project was only 95 per cent complete. Pupils were being deprived of adequate sanitation facilities.

Construction of Specialist Rooms

The Construction of Specialist Rooms at 3 SSS was either suspended or significantly delayed, mainly due to disputes and payment delays by the Ministry, due to weak contract management and inadequate financial control.

- The Construction of a Specialist Room at Sodnac SSS for a contract value of Rs 9.06 million, which started on 12 March 2024, was scheduled for completion by 9 July 2024.
- As of November 2025, works were only 85 per cent completed. The Contractor stopped work by the end of October 2025, with no workers on site, and did not complete the project, resulting in prolonged non-delivery of the facility.
- The contract for specialist rooms and classrooms at Pamplémousses SSS (Girls), awarded for Rs 37.39 million, started in May 2024 and was due for completion on 5 May 2025. As of June 2025, 60 per cent of the work was completed, and payments totalling Rs 21.4 million was made. However, due to payment delays exceeding 84 days, the Contractor demobilised from the site before 11 June 2025 and subsequently issued a notice of termination on 10 October 2025. The failure to complete the works deprived students of essential educational amenities.
- At Adolphe de Plevitz SSS, the project, which was awarded for a contract value of Rs 15.12 million, commenced on 5 February 2025 with scheduled completion date of 3 August 2025. As of November 2025, only 75 per cent of the work was completed, representing a delay of 119 days. This reflected inadequate contract management and ineffective enforcement of contractual timelines for the timely delivery of the project.

Abdool Raman Abdool GS Phase II

- Phase II of Abdool Raman Abdool GS faced significant delays and cost escalations due to procurement deficiencies and inadequate planning. After Phase I was completed in October 2018, with a delay of 1,585 days, procurement for Phase II was initiated in April 2019 but was repeatedly cancelled. Consequently, the initial project cost estimates increased from Rs 70.5 million in 2019 to Rs 132 million in 2022. The contract was eventually awarded in June 2024 for Rs 124.8 million, representing a 77 per cent increase over a 5-years period. Works commenced only in September 2025, more than 5 years after the initial procurement exercise. Completion was scheduled for May 2026.

These delays and cost escalations highlighted serious weaknesses in planning, procurement, and contract management while continuously exposing students to safety risks in the existing old buildings and hindering access to adequate educational facilities.

Contract Termination and Failure to Relaunch School Infrastructure Projects

- (i) Several high-value projects were terminated or suspended after partial completion and left idle over prolonged periods, exposing construction works to deterioration and loss of value. Table 21-17 shows the delays recorded between original/revised completion date up to December 2025. Despite significant funds were already disbursed, the Ministry did not relaunch new tenders, resulting in project stagnation.

- (ii) The absence of effective contract exit strategies, conflict resolution and delayed decision-making led to cost escalations, deterioration of partially completed buildings, and service delivery.

Table 21-17 Termination of Contracts and Relaunching of Bids

School / Project	Contract Value Rs million (Exc. VAT)	Status	Delays (months)	Date of Termination	Remarks
Ramsoondur Prayag SSS	341	40 % completed	45	11 Jan 2023	No new bid has been launched for the remaining works.
Robinson Rd GS	50.11	35% completed	53	10 Mar 2022	Drawings not yet finalised.
Reunion Rd GS	51.75	1 Phase completed out of 4	39	27 Sept 2024	Deterioration of a new, incomplete building.
Petit Raffray GS	8.9	63 % completed	27	02 Apr 2024	No bids launched.
Swimming Pool at Melrose GS	32.0	Contract awarded, works not started	39	18 Feb 2022	5 years lapsed since contract award. No new bid launched.
Mohabeer Burrenchobay GS	8.86	Contract cancelled before start	30	22 June 2023	33 months have lapsed since contract award. No new tenders launched.

21.6.2 Costs Escalation following Abandonment of Works by Contractor and Termination by Ministry

The termination of the following 2 contracts at 40 per cent completion due to abandonment of works by the Contractors and subsequent termination by the Ministry resulted in significant cost escalation and delays in both projects. The estimated costs of completing the projects increased significantly above the original contract sums, ranging from 64 per cent to 79 per cent, as shown in Table 21-18.

Table 21-18 Cost Escalation from Termination of Contract

Project	Original Contract Sum	Progress at Termination	Amount Paid to Contract	Revised Estimated Cost to Complete	Increase in Project Cost	Percentage Increase
	Rs million		Rs million	Rs million	Rs million	
New Ramsoondur Prayag SSS	341	40 %	149.45	704	311.05	79
Robinson Road GS	50.11	40 %	15.88	94.78	37.15	64

These increases represented a significant loss of value for money, attributable to weaknesses in the due diligence exercises on contractors, contract management, and timely decision-making.

21.6.3 Contracts with Significant Delays

Robinson Road GS

A contract for the construction of a U-shaped building at Robinson Road GS, awarded in September 2019 for a contract sum of Rs 57.63 million, was terminated in March 2022 by the Ministry due to the Contractor's non-compliance with insurance and performance security requirements. At the time of termination, works were only 40 per cent complete, and payments totalling Rs 15.88 million were already effected to the Contractor.

Findings

- As of September 2025, the estimated cost to complete the remaining works had escalated to Rs 94.78 million, representing an increase of 64 per cent. More than 6 years had lapsed since the initial award, during which the project could not be relaunched pending the finalisation of the revised technical drawings by the MNI, which was ultimately received on 17 December 2025.
- A site visit carried out in October 2025 revealed that only 85 pupils were enrolled at the school. Consequently, the scale and the cost of the proposed U-Shaped building appeared disproportionate when compared to current and projected enrolment.
- The abandoned site was overgrown with dense vegetation and littered with refuse and hence liable to proliferation of mosquitoes and rodents, which were likely to cause health hazards and inconveniences to the school population. Moreover, the construction structure containing rusted iron bars represented a potential danger to pupils. Figures 5 and 6 refers.



Figures 5 and 6 - Overgrown Vegetation and Rusted Iron Bars in the School Premises

- The school infrastructure was in a deplorable state. Water leakages were observed in pre-primary classrooms and corridors in the old building housing the students.

Construction of a New Classroom Block and Other Facilities at Reunion Road GS

The contract for the construction of a new classroom block and associated facilities at Reunion Road GS was awarded in January 2020 for Rs 51.75 million with an initial duration of 365 days, which was subsequently extended to 1 October 2022. On 20 June 2022, the Contractor suspended works, citing persistent delays by the Ministry in responding to contractual queries, assessing extensions of time, and processing payment. At that time, payments amounting to Rs 16.9 million were already made to the Contractor.

Findings

- In September 2024, the Ministry terminated the contract and subsequently, on 22 November 2024, issued a work order amounting to Rs 5.95 million under MNI framework agreement for the completion of the toilet block and associated works. The toilet facilities were completed on 11 December 2025.
- The project for the classroom blocks remained incomplete and non-operational for more than 5 years since the contract award. This prolonged delay resulted from both the Contractor's poor performance and the Ministry's failure to respond promptly to contractual submissions.
- The delay led to continued inadequate school infrastructure and non-achievement of the intended project objectives.
- The uncompleted new buildings exhibited signs of deterioration, including cracks, rust on doors, windows, and burglar-proofing works.
- In April 2024, the Contractor initiated legal proceedings claiming compensation amounting to Rs 42.76 million, together with additional claims for damages. The Ministry submitted its agreement to the amended plaint of the Contractor in March 2025. The case was still ongoing before the court as of December 2025.
- The estimated cost to complete the outstanding works was not available.

Delays in the Construction of the New Ramsoondur Prayag SSS

The contract for the construction of the new Ramsoondur Prayag SSS was awarded to a Contractor on 11 March 2020 for Rs 392.9 million. Works commenced on 2 November 2020, and Phase I was initially scheduled for completion on 25 January 2022 but was later extended to 10 March 2022.

By April 2022, payments to the Contractor totalled Rs 149.45 million, while only 40 per cent of the work were completed. On 12 May 2022, the Contractor unilaterally terminated the contract and demobilised from the site, alleging fundamental breach by the Ministry. However, based on the Attorney General's Office (AGO) and the Project Manager, the Ministry formally terminated the contract on 11 January 2023.

- Following termination, the project remained inactive for more than 3 years. The Ministry sought legal advice on re-tendering only in April 2025. During this period, no interventions were made on site, and the existing 40-year-old school continued to deteriorate. As of December 2025, bidding procedures had not been finalised.

- Encashment of the advance payment and performance security of Rs 57 million was not concluded as the bank refused the release pending judicial determination. Although the Ministry suffered prejudice due to the Contractor's poor performance, the debarment proceedings against the latter also remained unresolved. The decision from the Performance Review Committee (PRC) was still pending.
- In January 2023, the Ministry requested the AGO to lodge a case against the Contractor claiming damages. In July 2023, MNI assessed the potential liability for damages at Rs 393.7 million, which was based on the estimated cost to complete the outstanding work. However, these costs increased considerably. The status of the court case and damage claim was not available at the Ministry.
- These delays resulted in students being deprived of modern infrastructure and exposed the Ministry to significant financial loss since the project value escalated from Rs 467 million to Rs 704 million.

21.6.4 Swimming Pools Projects

Delays in ongoing Pool Projects

Significant delays persisted in the construction works at Permal Soobrayen GS, Cascavelle GS, and Melrose GS. These delays were primarily attributed to contract terminations, inadequate monitoring, and unresolved technical issues.

- (i) Progress at Permal Soobrayen GS reached 95 per cent as of September 2025, reflecting prolonged inactivity and weak contract management.
- (ii) At Cascavelle GS works were completed at 92 per cent. However, commissioning of the pool was delayed due to unresolved water connection issues, indicating insufficient coordination with relevant service provider.
- (iii) At Melrose GS, no new tender was launched over more than 5 years after contract termination, pointing to a failure to take timely corrective action to revive the project.
- (iv) These delays exposed the projects to an increased risk of mechanical degradation, cost overruns, and loss of value for money. Furthermore, the prolonged non-completion undermined the Government's objective of providing bassin d'apprentissage (learning pools) in schools, reflecting weak project planning, inadequate monitoring, and a lack of timely corrective action by MOEHR.

22 Underutilisation of Swimming Pool at Plaine des Papayes GS.

The swimming pool of Plaine des Papayes GS, though completed on 4 August 2023, was only used briefly in 2024 for 69 sessions across 13 schools. However, the facility remained entirely unutilised during the 2025 academic year. This indicated weak planning and coordination under the Natation Scolaire Programme, resulting in missed learning opportunities for pupils.

Root Causes

- Poor project planning and inadequate feasibility assessments.

- Ineffective contract management, weak governance, and accountability.
- Poor coordination between MOEHR and MNI.
- Inefficient procurement procedures for both recurrent and capital items.

Recommendations

- The Ministry should establish a robust governance and accountability framework for education infrastructure projects, defining roles, responsibilities, and accountability between MOEHR and MNI.
- The Ministry should improve project planning and feasibility assessments. All projects should be supported by a comprehensive feasibility study.
- The Ministry should enhance procurement planning and tender management. The scope of works should be finalised before bidding.
- The Ministry should strengthen contract administration and financial controls by enforcing contractual timelines, monitoring extensions of time, and addressing contractor's non-performance promptly.
- The Ministry should strengthen cost control to prevent significant cost escalation by promptly reassessing the project scope following termination.
- Contractor monitoring should be strengthened in accordance with Directive 75 of the PPO. All delayed projects should be systematically reviewed, contractor performance should be closely monitored and timely sanctions applied where warranted to ensure accountability, timely project delivery and to safeguard public funds.
- MOEHR should improve the management of contractual disputes and ensure timely legal actions and assessment of potential liability and recoverability.
- The Ministry should ensure that completed infrastructure, including swimming pools, is fully and effectively utilised and that underutilisation is properly identified and addressed.
- The Ministry should request the Internal Control Unit to conduct an in-depth investigation of capital projects that have remained ongoing for more than 5 years with a view to clearly identify the responsibilities for such state of affairs.

Ministry's Response

- Payments may spill over different financial years in the event of Contractor delay in submitting their claim(s), (i) based on progress of works on site, and (ii) additional justifications/information owing to unforeseen works. Additionally, payment may be delayed in cases where budgetary allocations are insufficient and/or lower than the committed expenses, as was the case for several line items in FY 24/25.

- For the Construction of the toilet block at James Toolsy GS, the delays are mainly due to unforeseen site conditions bulk excavation works and delay in settling claims due to limited budgetary provisions.
- The delay in Phase II of Abdool Raman Abdool GS was due to the cancellation of several bids, because of issues in the bid documents no bids were received, and the responsive bidder declined to extend the bid validity period. The rise in cost of the contract was due to the general increase in prices by 56 per cent from April 2016 to September 2025. Moreover, additional items have been added to the previous scope of work.
- For the relaunch of the completion of Outstanding Works to U Shaped Building at Robinson Road GS, prior to floating of tenders the request for financial clearance has been sought and it is under assessment at the Public Investment Management Unit of the Ministry of Finance.
- As regards the overgrown vegetation, clearing was effected in April 2024. The Zone 3 Directorate has informed that the needful has been done for cleaning prior to school resumption. Moreover the construction site is hoarded out of bound to school users.
- Concerning Leakages in the pre-primary class, waterproofing works shall be addressed in the completion of outstanding works with respect to U shaped building. With respect to leakage near electrical connections, palliative works are undertaken for safety and security reasons pending execution of the capital project
- During the site visit of 17 September 2025, at Reunion Road GS, it was observed that there was no progress in the construction of the new classroom blocks as the Contract was terminated on 27 September 2024. Discussions are still ongoing at the level of the MNI as regards completion of outstanding works with respect to the classroom block.
- With regard to the delay in the construction of Permal Soobrayen GS, there has been an extension of time (EOT) of 141 days as from 18 September 2025 with respect to mobilisation on site, felling down of trees & relocation of endemic garden (incorrect MNI site survey), inclement weather and general election period, and delay in settling claims due to limited budgetary provisions
- Delays in the construction of Cascavelle GS were not only attributed to outstanding works regarding water reticulation and unresolved connection works by the CWA, but mainly due to the slow progress of works by the Contractor. The MoEHR and the MNI had in the past contemplated terminating the contract on the grounds that maximum liquidated damages had been reached on 17 August 2023. However, given the complex nature of the works and the fact that completion of outstanding works under a new contract would be too costly, the contract was not terminated.
- The prolonged delay in relaunching tenders for Melrose GS is due to the fact that the contract was terminated in 2022. The MNI submitted the amended tender documents (including a service gallery, which did not form part of the original design) in July 2024. No funds were allocated for the project in the budget for FY 24/25 and FY 25/26.

- As of 14 February 2025, the Government introduced measures to prevent water wastage, effective 17 February 2025. These regulations imposed strict restrictions on the use of water for non-essential activities, including the filling of swimming pools. Consequently, resumption of the NSP for Grade 4 pupils (Academic Year 2025) could not take place between February and mid-May 2025. Moreover, no NSP swimming sessions are conducted during the winter season (mid-May onwards) as a precautionary measure to safeguard pupils' health and minimise risks of cold, flu, or respiratory illnesses.
- It is to be highlighted that any variation involving cost implications is approved by the Client Ministry. While the Ministry avoids entertaining requests for additional works at post tender stage, it is noted that the works about the safety and security of school users, as well as those impeding on the operation of facilities under construction, are catered for, within the contingency amount, where possible.

21.7 Governance Issues – Non-compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of Statutory Bodies with the objective of strengthening accountability and transparency in the public sector.

Findings

Non-submission of Financial Statements

The Statutory Bodies (Accounts and Audit) Act requires the Chief Executive Officer of a Statutory Body to submit the annual report, including the financial statements, to the auditor not later than 4 months after the end of every financial year.

As of 31 December 2025, the following Statutory Bodies falling under the purview of the Ministry of Education and Human Resource, had not submitted their financial statements for audit as shown in Table 21-19.

Table 21.19 Financial Statements not submitted to NAO for Audit

Statutory Body	Financial Year	Number of Financial Statements
Early Childhood Care and Education Authority	2022-23 to 2024-25	3
Private Secondary Education Authority	2022-23 to 2024-25	3
Rajiv Gandhi Science Centre Trust Fund	2021-22 to 2024-25	4
Sir Seewoosagur Ramgoolam Foundation	2023-24 to 2024-25	2
Special Education Needs Authority	2023-24 to 2024-25	2
Université Des Mascareignes	2022-23 to 2024-25	3

Source: NAO records

Annual Reports not laid before the National Assembly

The Statutory Bodies (Accounts and Audit) Act requires a copy of the annual report and audited accounts of every statutory body to be laid before the National Assembly at the earliest opportunity.

As of 31 December 2025, the Annual Reports of 3 Statutory Bodies had not yet been laid before the National Assembly as shown in Table 21-20.

*Table 21-20 Annual Reports, including audited Financial Statements
not laid before the National Assembly*

Statutory Body	Financial Year	Date Accounts Certified
University of Mauritius	2023-24	01.10.2025
Rabindranath Tagore Institute	2023-24	15.04.2025
Mahatma Gandhi Institute	2023-24	07.05.2025

Source: National Assembly Records

Recommendations

The Ministry should:

- Exercise control over statutory bodies and other entities operating under its aegis to ensure that they comply with their statutory responsibilities regarding the preparation of financial statements and their submission for audit; and
- Lay a copy of the annual report and audited financial statements before the National Assembly.

21.8 Follow-up Matters in Audit Report 2023-24

Utilisation of the E-Register System in Secondary Education

Background Information

The e-Register system, introduced in 2011, was intended to inform parents through automatic SMS alerts about student absences, thereby discouraging truancy and promoting student safety. In the Audit Report 2023-24, I highlighted weak utilisation of the system across State Secondary Schools (SSSs).

The Ministry of Education and Human Resource (MOEHR) acknowledged these weaknesses and indicated that Heads of Schools were reminded of their responsibilities. The Ministry stated that the system was based on legacy technology and that alternatives were being considered.

I recommended stronger monitoring and interim measures to ensure effective use of the system until a replacement solution was implemented.

Findings

Audit follow-up revealed that past recommendations had not been effectively implemented, and the weaknesses previously reported remained largely unchanged, as reported below:

- During the financial year 2024-25, the total expenditure on the e-Register system amounted to Rs 238,822, despite limited use.
- Out of the 63 SSSs, 20 that is 31.7 per cent of the schools, were not using the system at all.
- Of the remaining 43 SSSs that were using the system, 25 were using the e-Register platform irregularly, with several months of absences not recorded in the system.
- No significant improvement in the effective use of the platform was observed from that reported in the Audit Report 2023-24, confirming the continued ineffective use of the system and insufficient oversight and commitment at the school management level.
- The e-Register system was based on outdated technology and could not be adequately maintained and upgraded.

Root Causes

- The continued lack of commitment by some Heads of Schools did not ensure optimal use of the e-Register platform.
- An effective enforcement and monitoring mechanism by the Ministry was absent.

Recommendation

- The Ministry should strengthen monitoring and supervision of usage of the e-Register platform and enforce compliance until a new system adopting a modern and integrated attendance system is implemented by the Ministry.

Ministry's Response

- A Policy decision has been taken for the use of e-Register to be mandatory in State Secondary Schools. However, the use of the e-Register system was noted to be low in 2025.
- Further to the Audit Report, a circular was issued to all secondary schools in 2025. It was noted that about half of the SSS are using the system.
- The system has become fairly obsolete, and the Ministry is envisaging to discuss with the Government online Centre regarding the revamping and upgrading of the system.

High-speed Internet Connectivity in Secondary Schools Not Operational

Background Information

The School Net II project, launched in 2014, aimed to provide high-speed internet connectivity to secondary schools. Since then, the Audit Reports for the financial years 2015-16 to 2023-24 had drawn attention to persistent delays, underutilisation, and lack of coordination between MOEHR and the Ministry of Information Technology, Communication, and Innovation (MITCI).

The Ministry indicated that connectivity would be extended under the Government Intranet System (GINS 2.0) and that discussions were ongoing under international initiatives such as Giga. However, I recommended the need for clear accountability and formal agreements.

Findings

Follow-up audit work revealed that previous recommendations in past Audit Reports remained unimplemented, and weaknesses persisted as follows:

▪ Government Intranet System (GINS 2.0)

- (i) Although provision was made in the Estimates for the financial year 2022-23 of MITCI to connect 160 secondary schools under GINS, as of January 2026, only 47 schools had connectivity limited to computer laboratories only.
- (ii) There was no progress in extending the connectivity to the remaining 117 sites.
- (iii) In March and September 2025, the Ministry was apprised that more than 50 per cent of the connected schools were not making use of the GINS 2.0 connectivity, despite the MITCI incurring monthly rental costs.
- (iv) Public funds were continuously being committed to underutilised connectivity services as highlighted in previous Audit Reports.

▪ Tender to be launched for LAN-WIFI within Secondary Schools

The new tender for LAN WIFI infrastructure within the secondary schools was not yet launched as of November 2025 due to the unavailability of funds, thereby confirming continued project stagnation.

▪ Giga Initiatives

At the time of the audit, discussions were ongoing at the international level with the International Telecommunication Union (ITU) and the United Nations International Children's Emergency Fund (UNICEF) under the Giga initiative, which aims to connect every school to the internet by 2030.

- (i) No formal Memorandum of Understanding (MoU) was signed between MOEHR and the MITCI to define ownership, accountability, and implementation responsibilities.
- (ii) Persistent delays in the high-speed connectivity project implementation hindered schools' digital learning goals.

Root Causes

- Lack of accountability and ownership over project execution.
- Absence of an MoU between the MOEHR and MITCI.
- No funds had been earmarked at the MITCI for the High-Speed Connectivity project in the financial year 2023-24, 2024-25, and 2025-26.

Recommendations

- The Heads of Schools should ensure effective utilisation of existing GINS connectivity.
- An MOU clearly defining the roles, responsibilities, and funding arrangements should be formalised between MOEHR and MITCI for the smooth execution of the project.

Ministry's Response

- The Ministry is in the process of drafting an EdTech Strategy in collaboration with the World Bank.
- The ICT Teams at the Zone level monitor usage of the GINS 2.0 network. At the PSEA schools, school managers have been requested to ensure monitoring. Funding remains the fundamental problem. MITCI cannot enrol more schools on GINS 2.0 unless it receives funding.
- The MoU has not yet been signed, but there is close collaboration between the MOEHR and the MITCI. A Steering Committee has been set up with representatives from both ministries, and clear roles and responsibilities have been defined.
- The MITCI has reiterated its full technical support for the project. Furthermore, to provide the necessary technical guidance, a high-level meeting will be held at this Ministry to fine-tune all requirements to enable the MOEHR to provide an informed reply to the Ministry of Foreign Affairs, Regional Integration and International Trade on the request for funding under the UNICEF/ITU GIGA Initiative.

Drugs in Secondary Schools

Background Information

The Get Connected Programme was introduced in January 2019, and the Rebound Programme for Grade 10 was designed to address the escalating challenge of substance abuse and behavioural risks.

In the Audit Report 2023-24, I highlighted that the programmes were only partially implemented, due to a lack of trained staff. The Ministry acknowledged the shortcomings and indicated that programme enhancement was under consideration.

Findings

▪ Limited Implementation of Drug Prevention Programmes

- (i) As of November 2025, the Get Connected Programme, introduced since 2019, was not extended to Grade 7 students, despite the importance of early intervention.
- (ii) A survey carried out by the Ministry across all secondary schools revealed that out of 138 schools, 28.1 per cent fully implemented the programme, 41 per cent partially implemented it, and the remaining 30.8 per cent did not implement it at all.
- (iii) The programme consisted of the 12 instructional units specifically for Grade 8 students. Only 7 out of the 12 units achieved moderate to high coverage, ranging from 48 to 95 per cent. The other 5 units showed low engagement levels, ranging from 20 to 30 per cent.
- (iv) The Rebound Programme for Grade 10 students was not yet implemented, indicating non-compliance with earlier commitments to address the prevention of substance abuse among adolescents who were considered at increased vulnerability stage.

Root Causes

- Due to time constraints and a dedicated period within the school timetable, the Get Connected Programme was not fully implemented.
- There were absence of trained educators and unavailability of teaching materials.

Recommendations

- The Ministry should extend drug prevention programmes to Grade 7, and integrate them fully into school timetables.
- The Rebound Programme should be implemented without further delay.

Ministry's Response

- Drug Prevention Programmes aim to provide all learners with the necessary skills and competencies. The reason for this approach is that there is no stigmatisation towards any specific group of students.
- The Get Connected programme will now be implemented from Grade 7, with a circular issued to schools and additional refresher training for educators.
- An Information Paper on the Rebound programme is under preparation, on the training of 30 Senior Educators through a pilot project in the first term, followed by evaluation and broader implementation.
- Rebound will be launched in 2026, as printing hard copy materials has been carried out in mid-2025.

▪ Increased Cases of Violence at Schools

Significant cases of violence and indiscipline in schools

As of November 2025, the number of cases referred to National Education Counselling Service (NECS) has increased by 20 per cent from 2,032 to 2,454 cases. This indicated a significant escalation of 20 per cent in school-related violence, indiscipline and distress. Table 21-21 refers.

Table 21-21 Number of Cases Referred to NECS

Indicators	Jan 2024 to December 2024	Jan 2025 to October 2025
Behavioural	595	727
Bullying	95	93
Academic & Neuro-Developmental issues	133	511
Social and Emotional distress (includes 41 suicidal attempts and 35 self-harm)	879	1056
Other Medical Issues	15	25
Sexual Abuse	35	27
Substance Abuse	21	15
Total	2,032	2,454

Source: Data from NECS

- Social and emotional distress accounted for the largest proportion of the reported cases, with 1,056 instances representing approximately 43 per cent. This significant rise, including 76 incidents of self-harm highlighted the growing number of mental health challenges among students.
- A significant increase of 727 behavioural cases for the current financial year suggested persistent discipline challenges in schools.
- The sharp rise of Academic & Neuro Development cases revealed learning difficulties or developmental needs, which may contribute to behavioural and emotional struggles.
- Six cases of suicide by students were reported, raising serious concerns about the effectiveness of the current counselling and wellness programmes.
- The position of discipline master in schools was still not introduced despite previous recommendations.

Root Causes

- Absence of screening tools and specialised support, including trained personnel at schools.
- Ineffective discipline measures and a lack of protocol for handling violence.
- Limited coordination between schools, parents, and other institutional stakeholders.

Recommendations

- The Ministry should strengthen early intervention by introducing screening tools for early detection of learning difficulties and neurodevelopmental conditions.
- Teachers should receive targeted training to identify early signs of distress and behavioural risks.
- The Ministry should expedite the introduction of disciplined personnel in schools.
- The Ministry should strengthen parental engagement and collaboration of the Police Department, Child Development Unit, the Ministry of Health, and NGOs for timely support to students at risk.

Ministry's Response

- The Ministry is engaged in a comprehensive anti-bullying campaign, and the recommendations emanating therefrom will contribute towards the preparation of a report on combating bullying and indiscipline in schools.
- Cases attended by Educational Psychologists in 2025 showed increase in behavioural, academic, social-emotional, and neuro-developmental issues, as well as suicide attempts and self-harm.
- The Conscious Resilience Training (CRT) pilot programme was conducted in 6 secondary schools for 614 students in Grades 10 and 12, showing significant improvements in anxiety, insomnia, and depression scores, with positive qualitative feedback from students. In 2026, CRT is being expanded to all Academies.
- Procurement of psychological screening tools is underway, and training has been provided for Student Care and Counselling desks on active listening, referral pathways, and psychological first aid.
- The PRB Report 2026 has approved the creation of posts for School Counsellors to strengthen support for students' social and emotional well-being.

Delayed Upgrading and Rehabilitation of Science Laboratories

Background Information

The Audit Reports 2022-23 and 2023-24 flagged delays on the implementation of the budgetary measures announced in the financial year 2022-2023 for the construction upgrading and rehabilitation of science laboratories at Queen Elizabeth College, France Boyer de la Giroday SSS, Sookdeo Bissoondoyal State College, and SSS Jugdambi.

Findings

- More than 2 years after the budget announcements, the projects remained at the design stage at the level of the Ministry of National Infrastructure (MNI).

- The existing laboratories were old and had deteriorated significantly over time raising safety concerns.
- With the introduction of practical assessments in science subjects in Grades 10 & 11 for the Cambridge Examinations, students continued to be deprived of well-equipped and adequate laboratory facilities.
- Prolonged delays increased the likelihood of costs escalation and further degradation of buildings, potentially compromising the safety of students and staff.

Root Causes

- There were inadequate monitoring and follow-up with the Ministry of National Infrastructure regarding the preparation of bidding documents.
- No funds were provided in the Ministry's Budget for the financial year 2024-25, and the projects have been listed as "Projects Under Preparation".

Recommendations

- The Ministry should expedite the project's implementation. It should establish clear timelines for commencement and completion of the construction and upgrading of the laboratories at the 4 State colleges.
- The Ministry should ensure that MNI finalise the design of the laboratories. Improved coordination should be ensured between the MNI and the Ministry to address bottlenecks.

Ministry's Response

- The projects of Science Laboratories have not yet been implemented due to the delay by the MNI to prepare bidding documents.
- Regarding the project for John Kennedy College, the award could not be made as the BEC was significantly delayed at the level of the CPB, and bid validity had lapsed.
- The existing science laboratories are fully functional in all the 4 schools.
- In view of the several stages prior to implementation of building projects, which are time-consuming, and with the available resources at the MNI, it was not expected that the projects outlined in Budget 2022-23 would reach construction stage in the financial year 2024-25, except for the Science Block at John Kennedy College. However, the award for the John Kennedy project could not be made as the Bid Evaluation Committee was significantly delayed at the level of the Central Procurement Board and bid validity had lapsed.

Pre-Primary Units – Issues not yet addressed

Background Information

The Audit Report 2023-24 highlighted issues regarding sanitary facilities, staffing shortages, and lack of pedagogical materials in Pre-Primary Schools managed by the Early Childhood Care and Education Authority (ECCEA). The Ministry took the commitment that it would initiate the necessary actions to address those issues.

Findings

- No action was taken regarding the replacement and installation of the Toddler's Toilet.
- Although a survey was carried out by the Early Childhood Care & Education Authority (ECCEA) regarding sanitary conditions at pre-primary schools, no report or implementation plan was produced.
- Inadequate sanitation facilities compromised children's health and safety.
- Non-compliance with the prescribed teacher-student ratios in private PPUs under the Grant-in-Aid (GIA) scheme persisted, largely attributable to shortages of qualified educators.

Root Causes

- Clear guidelines were lacking from the Parent Ministry regarding the maintenance and replacement of Pre-Primary School facilities.
- The Budget 2025-2026 confirms that as from January 2026, the Free Pre-Primary Education Scheme will be replaced by a fixed Grant-in-Aid (GIA) of Rs 2,750 per child per month. In the GIA Scheme, there was inadequate planning to accommodate this shift in policy regarding the recruitment of additional staff.
- There was Inadequate enforcement of regulatory requirements by the ECCEA at pre-primary schools.

Recommendations

- Adapted toddler sanitation facilities should be procured and installed in the PPUs.
- ECCEA should enforce compliance with regulatory requirements across PPUs.

Ministry's Response

- The Ministry notes that, while the ECCEA surveyed sanitary conditions in pre-primary schools, a formal report and corresponding implementation plan had not yet been finalised. Arrangements are now underway to develop a comprehensive implementation plan, including clear timelines for the replacement and installation of Toddler's Toilets at the schools identified.

- Measures have been prioritized to address these deficiencies through immediate maintenance works and by including new facilities in upcoming infrastructure upgrade plans.
- Non-compliance with the prescribed teacher-student ratios in private pre-primary institutions under the Grant-in-Aid (GIA) scheme continues, largely due to a shortage of qualified educators in the job market.
- The Ministry has instructed the Unit Coordinators of the ECCEA to conduct regular site visits to pre-primary schools under the GIA scheme, while continuing targeted recruitment and deployment strategies to ensure compliance with the prescribed ratios at the earliest opportunity.
- The Ministry considers upholding the prescribed standards in infrastructure, sanitation, and staffing within pre-primary institutions as a continuing priority.

Government Asset Register not Up to Date

In the Audit Report 2022–23 and the Follow-up Report 2023–24, I drew attention to the adequacy and timeliness of asset recording and reporting by MOEHR and the Treasury Department in the Government Asset Register (GAR).

The audits highlighted significant weaknesses, including delays in updating asset values, incomplete records, backlogs, and non-compliance with the Finance and Audit Act. In response, MOEHR acknowledged deficiencies in asset reconciliation and committed to submitting updated asset information to the Treasury Department for validation and uploading.

A discrepancy of some Rs 364 million, as at August 2022, in respect of the valuation of buildings and schools, by the Valuation Department and the amount recorded on the Application Desktop Integrator template were cleared by MOEHR.

Findings

- The GAR remained incomplete, as information totalling Rs 1 billion relating to construction and upgrading projects was not uploaded for the financial year 2022-23 onward. The Ministry submitted an updated list of buildings, together with details of subsequent expenditures incurred during the financial years 2022-23 and 2023-24, totalling Rs 125,700,761 and Rs 170,407,449, respectively, to the Treasury Department on 22 August 2024. However, as of 20 November 2025, the information was not yet uploaded to the GAR.

Consequently, the GAR did not reflect the current value of assets under the responsibility of the MOEHR, and the reliability and accuracy of the asset register remained compromised.

- The Ministry had an outstanding backlog of 29 months covering the period February 2023 to June 2025.

The delays in inputting, validating, and clearing asset records weakened internal controls over asset management and contributed to the non-compliance with prescribed procedures.

Recommendation

The MOEHR and the Treasury Department should strengthen monitoring arrangements to ensure that information relating to capital expenditures is accurately reflected in the GAR.

Ministry's Response

- The GAR System has effectively been closed for December 2022, except for the ERM book, which is open for January 2023. Only GAR for the Headquarters and Zone 2 have been closed for the month of January 2023. Zones 1, 3, and 4 are still awaiting validation by Treasury for the month of January 2023.
- A calendar has been worked out as well as an action plan to guide Zones for updating of asset information, which is expected to be completed by February 2026.

22 - MINISTRY OF INFORMATION TECHNOLOGY, COMMUNICATION AND INNOVATION

22.1 National Cybersecurity and Cybercrime Act 2021-Compliance Issues

Background Information

The Computer Emergency Response Team of Mauritius (CERT-MU) was set up under Section 38 of the Cybersecurity and Cybercrime Act 2021 as a department of the Ministry of Information Technology, Communication and Innovation (MITCI).

The CERT-MU mission is to keep the Mauritian Cyberspace safe and secure, strengthen its cyber resilience, and educate citizens on cyber threats. Its roles comprise the coordination of cybersecurity response activities, promotion of cybersecurity at the national level, monitoring of internet threats, and taking appropriate remedial measures.

Section 3 of the Act provides for the establishment of a National Cybersecurity Committee (NCC), to act as an apex committee that would drive the implementation of Government policies relating to cybersecurity and cybercrime, as well as to coordinate and facilitate the implementation of a Critical Information Infrastructure Framework (CIIF).

22.1.1 Non-compliance with the Cybersecurity and Cybercrime Act 2021

Non-Functional National Cybersecurity Committee

As per Section 5 (1) (a) of the Act, the Committee shall meet as often as is necessary, but at least once every 2 months.

Findings

- The Act was proclaimed in December 2021, and it was only in July 2022, that is, after 6 months that the composition of the NCC was finalised.
- After holding 3 meetings, that is, an average of 1 meeting every 6 months during the period July 2022 to February 2024, the NCC was reorganised in March 2024. A new Chairperson was appointed, and several meetings were reported to have been held up to October 2024, but only one minutes of meeting was available in the records of the Ministry. The Ministry was informed by the Committee that members representing 3 important stakeholders were continuously absent during its meetings.
- As of 15 December 2025, no meeting of NCC had been held as its composition was still at proposal stage following its reorganisation initiated as far back as December 2024. There was also no clarity as to when the appointment of a chairperson and members of the NCC would be confirmed by the relevant authority.

Implication

The infrequent sittings of the Committee and the delay in reconstitution of the Committee impacted negatively on deliverables of the Committee.

Root Cause

The Ministry did not exercise adequate oversight on the functioning of the NCC, the frequency of sitting, and attendance of members of the Committee.

Recommendation

As there is no visibility on the appointment of the members, the Ministry should consider alternative arrangements to expedite all the outstanding issues raised during past meetings of the NCC.

Ministry's Response

The reconstitution of the NCC does not depend solely on the Ministry. Though the NCC is not functional, projects of national significance are not delayed and their execution are ongoing.

22.1.2 National Cybersecurity Committee- Delivery not as per Mandate

Background Information

Part V Sections 33-37 of the Act, set the mandate of the NCC in relation to Critical Information Infrastructure Protection. As per Section 33 of the Act, a system is selected as Critical Information Infrastructure (CII) if a disruption of the system or data would result into any of the following: interruption of life sustaining services such as supply of water, health services and energy, important effect of the economy, an event resulting into massive casualties or fatalities, and failure or disruption of the money market.

The NCC had to ensure the following: protection, reporting, and auditing of CII, and information-sharing agreement.

Findings

- In its meeting of April 2024, the NCC expressed concerns over the number of cases regarding cybercrime despite that the Act and other legislations were in force.
- A Critical Information Infrastructure Policy (CIIP) formulation was initiated as far back as 2022, but as of December 2025, some 3 years later, it had not yet been finalised and formalised.
- The CIIP would have served as a roadmap and laid the foundation for a comprehensive strategy for the critical infrastructures in the Republic of Mauritius. It was only some 4 years after its promulgation that the Ministry noted that 'a critical sector' was not defined in the Act.
- The promulgation of the Cybersecurity and Cybercrime (Critical Information Infrastructure Designation) Regulations 2025 was approved in August 2025. The Regulations aimed to establish a regulatory framework for designating and managing critical information infrastructure within identified key sectors, namely: Financial Services (Banking and Non-Banking); Government Services, Information, Communication and Technology & Broadcasting, Energy and Water Supply; and Transport Industry.

- By effectively designating and managing critical information infrastructure, the authorities would be better placed to:
 - (i) Support dependency on key digital services through strong cybersecurity resilience, regulatory frameworks, and coordinated national policies to ensure the continuous availability and security of these essential digital services; and
 - (ii) Provide the necessary protective framework against terrorist attacks through assessment of risks, having in place appropriate intelligence, physical, and cyber safeguards as well as emergency planning.

The promulgation of the Regulations was put on hold as additional consultations with other stakeholders were to be carried out. However, as of 15 December 2025, there was no constituted NCC to carry out the consultations.

- As per Section 37 (1) of the Act, the owner of a critical information infrastructure shall, every year or where there is a major upgrade or change in the IT infrastructure, carry out an independent IT Security Audit. The report of the independent IT Security Audit shall be submitted to the NCC to evaluate compliance.

As of October 2025, Section 37 of the Act was not complied with as the report of the independent IT Security Audit was neither submitted to the NCC nor the latter requested it from the owners.

In April 2024, the NCC agreed that an Audit Framework be developed and Regulations be made under the Act to empower relevant owners in the implementation of the audit. As of 15 December 2025, the empowerment of stakeholders was still in progress.

The NCC had still not met its key deliverables expected under the Act, after 4 years since its promulgation.

Implication

There was a risk that there would be no multi-disciplinary and coordinated approach to face major cyber incidents and of its potential impacts to critical systems that might directly affect national security and the economy. This non-functioning of the committee was negatively impacting on the required level of preparedness to face any harmful cyberattacks.

Root Cause

The Ministry did not have an effective oversight mechanism to ensure that the operations of the committee were conducted in accordance with the provisions of the Act.

Recommendation

The Ministry should enhance its oversight role by ensuring that:

- the NCC is functional to finalise the Critical Information Policy and the Audit Framework; and
- the relevant regulations are promulgated.

Ministry's Response

The policy was already formulated and agreed upon by the members of the National Cybersecurity Committee (NCC) headed by the first Chairperson of the Committee. The identification of the critical sectors was already carried out. Only the formalisation of the sectors was pending. It is to be noted that the formalisation requires Regulation under the Cybersecurity and Cybercrime Act 2021 (CCA), which has already been finalised. Furthermore, the CCA is being amended to setup the empanelment of Information Security Auditors who then will be authorised to carry out the Cybersecurity Audit of the Critical Infrastructures.

NAO's Comment

Records available at the Ministry as of November 2025 made no mention that the CIIP Policy and existing CIIP Framework were approved by the NCC.

22.1.3 Computer Emergency Response Team

Background Information

One of the key Strategic Directions for 2024-2027 for the Ministry was to strengthen cybersecurity. This comprised the implementation of the National Cyber Security Strategy for 2023-2026 and the enhancement of the Security Operations Centre under the responsibility of CERT-MU.

(a) Progress on the Implementation of the National Cyber Security Strategy 2023-2026

To ensure the successful execution of this Strategy, 20 specific projects were outlined under 4 strategic pillars, offering a clear roadmap and practical actions for all stakeholders.

Findings

- As of October 2025, only 1 project had been completed with 15 projects in progress/ongoing and 4 projects yet to be started.
- Progress was realised on several projects. However, the implementation of the National Cybersecurity Strategy faced several challenges that hindered timely progress and the achievement of the intended objectives.
- Some of the challenges reported by the Ministry were as follows:
 - (i) Financial resources restricted the timely execution of several initiatives.
 - (ii) Inadequate human resources and technical expertise.
 - (iii) Specific projects involving fiscal benefits or incentives for stakeholders such as subsidies or grants could not be implemented as they required dedicated budget allocations, which were not readily available.
 - (iv) Dependency on other key stakeholders for implementing certain projects.

- (v) Other factors, particularly shifts in policy direction and priorities during the implementation period, led to delays in decision-making and disrupted the continuity of specific projects.

As of October 2025, when the Strategy reached its mid-term stage, there were several important projects on which progress was at 10 per cent completion stage. This included the project ‘To Develop a National Framework for Child Online Protection’.

- Inadequate KPI to assess performance of CERT-MU.

There was no Key Performance Indicator (KPI) published for CERT-MU in the Estimates 2024-2025.

The operationalisation of the Cyber Forensic Laboratory had been determined as a Key Performance Indicator (KPI) for CERT-MU in the Estimates 2025-2026 and compliance audits. A Cyber Forensic laboratory is a specialised facility equipped with tools to collect, preserve, and analyse digital evidence for investigations into cybercrimes or security incidents. As of October 2025, the Terms of Reference were being prepared for the launching of the tender.

The implementation of Cyber Forensic Laboratory was important, but needed to be accompanied by timely progress on other interventions and projects.

Implication

Delays in the implementation of the Strategy will, among others, affect the strengthening of the security and resilience of national critical information infrastructure against cyber threats, negatively impact the resiliency of the national legal framework to cybercrime, and impede collective responsibility for cybersecurity and cybersecurity education.

Root Cause

The Ministry was not closely following-up on the progress and addressing the challenges CERT-MU was facing in the implementation of the Strategy.

Recommendations

- Given the critical importance of these projects, the Ministry should mobilise the required funding and human resources to implement these projects as a top priority.
- Additional relevant KPIs should be developed to better assess the performance of CERT-MU.

Ministry's Response

The Ministry has already initiated the review of the existing cybersecurity strategy, which will also focus on the above elements in addition to the new initiatives.

22.1.4 Mauritian Cybercrime Online Reporting System

Background Information

The Mauritian Cybercrime Online Reporting System (MAUCORS+) is a national online system that allows members of the public to report cybercrimes securely. It also provides advice to help recognising and avoiding common types of cybercrime which takes place on social media websites.

MAUCORS+ is a key initiative that sets out the Government's approach to combat cybercrime in Mauritius. It is designed to facilitate cybercrime reporting and develop a better understanding of cybercrime.

Findings

▪ Increasing Trend in Reported Cybercrime

During the financial year 2024-25, 5,625 cases were reported through the MAUCORS+, and the following actions were taken by the CERT-MU:

- (i) Content removal from social media websites or any other websites;
- (ii) Shutting down of fake or phishing websites;
- (iii) Technical assistance for the removal of malware; and
- (iv) Escalation of incidents to law enforcement for legal actions.

An analysis of cases reported on the system over a period of 4 years indicated that the number of cases increased from 3,129 in financial year 2021-22 to reach 5,625 in financial year 2024-25, representing an increase of 79 per cent.

Feedback on outcomes of reported cases is crucial for shaping effective and responsive policies. However, no such feedback mechanism was in place. Neither the Ministry was informed of the outcomes by enforcement agencies nor did the Ministry request for updates.

Implication

Absence of a feedback mechanism resulted in little or no follow-up on the reported cases.

Root Cause

The Ministry did not consider the importance of a feedback mechanism to follow up on cases referred for legal actions to enable policy review.

Recommendation

The Ministry should establish an effective feedback mechanism to follow-up cases referred for legal action.

Ministry's Response

Feedback mechanism is in place as part of the CERT-MU's Information Security Management System.

NAO's Comment

Despite the reported feedback mechanism, there was no evidence that effective follow up was being carried out on the reported cases.

22.1.5 Provision of a Managed Service for the Security Operation Centre

Background Information

The Government's Security Operations Centre (SOC) was set up at the Government Online Centre in 2020 to better monitor and coordinate cyber threat responses at the level of the Government's ICT infrastructure.

The SOC is managed by the CERT-MU and the infrastructure is reported to be monitored on a regular basis.

In November 2023, the Ministry launched a tender to hire the services of a consultant who would work with the existing team of CERT-MU to manage the activities of the SOC.

A 2 years' renewable contract was awarded to a Consultancy firm for Rs 8,133,090 in April 2024. The scope of the consultancy services included training and coaching of the CERT-MU team.

Findings

In September 2024, a team from the consultancy firm worked independently of CERT-MU officers. This arrangement was contrary to the terms of the contract. Since the start of the contract, an officer from the Service to Mauritius (STM) Programme, offering temporary service to CERT- MU was assisting the team. The STM officer carried out the monitoring tasks falling under the purview of the SOC. The Ministry approved the allocation of the STM officer to embark on this project on the basis that the officer would be assisted by the CERT-MU team comprising of permanent and pensionable staff.

However, the STM officer was handling the SOC monitoring tasks alone and was dealing directly with the Consultant, without the assistance of permanent CERT-MU officers.

The assignment of a contractual officer was contrary to the scope of the consultancy contract. The STM officer, being on temporary appointment, left on 3 November 2025.

Implication

By not involving its permanent staff in these critical tasks, the CERT-MU deprived them of the capacity-building opportunity that was one of the intended purposes of the consultancy.

Root Cause

The Ministry did not evaluate the risk of impairing the capacity building of CERT-MU staff by allocating temporary staff to this Consultancy Project.

Recommendation

The Ministry should establish an effective system that ensures institutional knowledge retention. It involves assigning permanent staff to the SOC for such critical tasks and capacity building exercise.

Ministry's Response

The STM was brought in to support the activities of the SOC. Given the shortage of staff at the CERT-MU, the STM was fully involved in this process.

The CERT-MU has been requesting additional staff for long. However, due to administrative procedures recruitment has so far not been initiated which is affecting CERT-MU's resource allocation to projects.

22.1.6 Delay in operationalising the Maupass Corporate System - Rs 5.2 million

Background Information

In 2020, the Ministry implemented the National Authentication Framework, known as the Maupass, allowing citizens to access e-government services using a unique user ID and password. Implementation of a similar platform known as Maupass Corporate for businesses (local and foreign) was initiated in 2022 for businesses transacting securely with Government e-services. These platforms had the objective to enhance the ease of doing business in Mauritius.

Findings

▪ Delays in Contract Performance

The contract for the delivery, installation, and commissioning of the application software for Maupass Corporate, excluding maintenance, was awarded to a contractor for the sum of Rs 5,190,000 (excluding VAT) on 25 October 2023 and was expected to be completed by 21 September 2024. As of 31 October 2025, more than 12 months after the expected completion date, the contract had not yet been completed.

User Acceptance Testing at the selected 3 pilot sites: Revenue Tribunal (the then Assessment Review Committee), Registrar-General's Department and the Corporate and Business Registration Department, were initially planned to be completed in September 2024. As at 30 June 2025, the User Acceptance Testing were signed off with considerable delays ranging from 8 to 12 months.

▪ **Lapses in Contract Administration**

The Bank Guarantee Rs 1,193,700 valid up to 2 months beyond the delivery period had already expired on 21 November 2024. The Performance Security was also not renewed after its expiry on 30 June 2025. The Ministry took no action to secure extension in both cases.

Implication

The Ministry did not have financial security cover against any potential default by the contractor on this contract.

Root Cause

The Ministry did not escalate the project implementation bottlenecks to higher authorities to expedite the timely completion of the project.

Recommendation

The Ministry should escalate project implementation bottlenecks to higher authorities for appropriate decisions to ensure the smooth execution of the project.

Ministry's Response

During the course of the project implementation, the heavy dependence on the respective suppliers of systems at the pilot sites affected the project timeline adversely. Furthermore, despite agreement from the pilot sites on their requirements, changes were noted on several occasions which further delayed the project.

The Ministry is finalizing the Terms of Reference and Data Protection Impact Assessment to proceed forward with the Operational Acceptance Phase, which is the next project milestone.

The validity of the existing performance security has been extended twice and expired on 30 June 2025. For the supplier to extend the validity, a firm project completion timeline should be agreed upon.

The Ministry monitors the project implementation through a Steering Committee which has representatives from the pilot sites, procurement cadre, finance cadre, technical and administrative team of the Ministry. Unfortunately, not all parameters are within the control of the Ministry.

NAO's Comment

There were delays of more than 15 months on the project. Though all the pilot sites were scheduled to go live on 30 January 2026, only the Revenue Tribunal site went live on 6 February 2026. Further delays in the completion of the project would have adverse impact on the objective to enhance the ease of doing business.

22.1.7 Assets Integration of the Government Online Centre and the Computer Emergency Response Team of Mauritius within the Ministry

Background Information

Government decided in September 2019 that the Government Online Centre (GOC) and the Computer Emergency Response Team – Mauritius (CERT-MU) to operate within specialised departments under the control of the Ministry. Thereafter, CERT-MU started operating as a department within the Ministry as from 5 May 2022 and the GOC as from 1 August 2023.

Findings

Assets of GOC and CERT-MU not recorded in Government Asset Register

As of October 2025, the cost of the assets amounting to some Rs 510 million (hardware Rs 350 million and software Rs160 million) under the control of GOC and CERT-MU had not yet been recorded in the Government Asset Register (GAR).

Implication

Delays in recording the assets of GOC and CERT-MU undermine the reliability and timeliness of asset reporting.

Root Cause

The Ministry did not plan to update the GAR with assets under the control of GOC and CERT-MU resulting in non-compliance with Treasury Circular No 16 of 2017.

Recommendation

The Ministry should update GAR promptly with all assets under its control as required by the Treasury Circular No 16 of 2017.

Ministry's Response

The Ministry is looking into the update of the GAR for GOC and CERT-MU.

22.1.8 Data Protection Office - Certification of Controllers and Processors

Background Information

The Data Protection Office issues certificates to controllers and processors.

- Under Section 18(1) of the Data Protection Act 2017 (DPA 2017), the holder of a registration certificate may apply for the renewal of the certificate not later than 3 months before the date of its expiry.
- In accordance to Section 46 of the DPA 2017, the Commissioner may carry out periodical audits of the systems of controllers or processors to ensure compliance with this Act.

Findings

▪ Non-Renewal of Certificates

The DPO issued a public communiqué in February 2025 requesting renewal of certificate. However, a significant number of certificates relating to 7,425 controllers and 330 processors, had already expired and were not renewed as of 30 June 2025.

There was no documentary evidence indicating to whom the reminder emails were sent for ease of follow-up exercise by the DPO. It was explained that this situation arose because, as of September 2025, the system did not provide notifications to backend users when a reminder email was generated.

According to the DPO, all entities were considered operational unless proof of being defunct was submitted. If not renewed, they were considered non-compliant with the Act. Hence, the unrenewed certificates represented a revenue forgone, estimated to be some Rs 12 million.

▪ Duplicate Recipients

In the E-DPO system, new certificates were issued instead of renewing the previously allocated ones. This resulted in 54 processors and 554 controllers having duplicate certificates.

▪ Compliance Audit

As per section 46 of the DPA 2017 *‘The Commissioner may carry out periodical audits of the systems of controllers or processors to ensure compliance with this Act’*. However, only 4 compliance audits were conducted on the systems of controllers and processors during the financial year 2024–25. DPO was also not enforcing Section 43(1) of the DPA 2017 which states that *“Any person who commits an offence under this Act for which no specific penalty is provided or who otherwise contravene this Act shall, on conviction, be liable to a fine not exceeding 200,000 rupees and to imprisonment for a term not exceeding 5 years.”*

Implications

- There was a high risk that Controllers and Processors continued to operate without valid certificates.
- The absence of regular updates to the Register maintained by the DPO led to duplicate entries for the same controller. This would negatively impact the effectiveness of any exercise to track compliance.
- The lack of periodic audits undermined the accuracy and completeness of controller and processor records.

Root Cause

The DPO did not have an effective monitoring and enforcement system to follow up on expired certificates and to ensure compliance with the DPA 2017.

Recommendations

- The Ministry should establish an effective monitoring system to follow up on expired certificates and ensure that the Register of Controllers and Processors is updated.
- The DPO should initiate enforcement actions for cases of non-compliance with the DPA 2017.
- The DPO should effectively plan the execution of compliance audits as required under Section 46 of the DPA 2017.

Ministry's Response

- For a timely monitoring, resources are required to perform daily monitoring of the expired certificates, make follow-up phone calls, and issue enforcement notices accordingly. The Data Protection Office is currently operating with limited resources.
- Remedial actions have already been taken to cancel the expired certificates. Since migration has been completed on 12 September 2025, the system will no longer allow any company to create new application if it already has a certificate on its name.

22.2 Governance Issues – Non-compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers and Boards of Statutory Bodies with the objective of strengthening accountability and transparency in the public sector.

Findings

Non-Submission of Report on Performance

As of 31 December 2025, the Report on Performance of the Ministry of Information Technology, Communication and Innovation for the financial year 2024-25 had not yet been submitted to the Ministry of Finance, despite the statutory deadline being 31 October 2025.

Annual Reports not laid before the National Assembly

The Statutory Bodies (Accounts and Audit) Act requires a copy of the annual report and audited accounts of every statutory body to be laid before the National Assembly at the earliest opportunity.

As of 31 December 2025, the annual reports of 2 statutory bodies had not yet been laid before the National Assembly as shown in Table 22-1.

Table 22-1 Annual Reports including audited Financial Statements not laid before the National Assembly

Statutory Body	Financial Year/ Period	Date Certified	No of Financial Statements
The Mauritius Digital Promotion Agency – Ex-National Computer Board	2022-23	15.10.2025	1
Information and Communication Technologies Authority	2023-24	7.08.2025	1

Source: National Assembly Records

Recommendations

The Ministry should:

- Comply with its statutory obligation regarding submission of its Report on Performance; and
- Lay a copy of the annual report and audited financial statements before the National Assembly.

Ministry's Response

- The Annual Report of the Ministry is being finalised.
- The Annual Report of the Mauritius Digital Promotion Agency for the FY ending 30 June 2023 is ready and has been tabled at the National Assembly on 23 January 2026.
- The Annual Report of the ICTA for the FY ending 30 June 2024 is under printing.

22.3 Follow up on the recommendations raised in Annual Audit Report 2023-24 in respect of the Review on “Enhancing Digital Transformation in the Public Service”

A follow up of matters raised in the abovementioned Review was carried out. The Ministry of Information Technology, Communication and Innovation (MITCI) and the Ministry of Public Service and Administrative Reforms (MPSAR) were requested to inform of the actions that have been taken to address the findings and recommendations in the Review.

The status on actions taken on key findings and recommendations since the publication of the Review are summarised. Out of 14 recommendations, 1 (7 per cent) was implemented, 6 (43 per cent) were partly implemented and 7 (50 per cent) were not implemented.

SN	Findings	Recommendations	Ministries' Response as of January 2026	NAO's Comments
No E-Government Master Plan				
1	In the absence of an E-Government Master Plan, ICT-enabled projects were being formulated and implemented on an ad-hoc basis and the replacement of important legacy systems were also still lagging behind. Absence of a policy decision for the formulation of an E-Government Master Plan as to how digital transformation would be implemented across the whole Public Service. (Pg VI, Para 1)	The MITCI in collaboration with MPSAR and other Key Stakeholders should develop an E-Government Master Plan. (Pg VI, Para 1)	<u>MITCI Response</u> Recommendation implemented alternatively. A Digital Transformation Blueprint (2025-2029) was formulated by the Ministry in May 2025 which sets out a clear roadmap to transform public service delivery. A dashboard has been designed to monitor progress on different e-government projects. <u>MPSAR Response</u> The matter pertains to the MITCI. However, it is considered that a separate e-Government Master Plan, as recommended by NAO, be elaborated in view of the high impact of digitalisation on Public Service Delivery.	Not Implemented Following the publication of the Blueprint, the MITCI prepared an Action Plan which was still at draft stage as of January 2026.
No Updated Transformation Strategies				
2	After the Digital Government Transformation Strategy 2018-2022 came to term, no new strategy, policy or plan was formulated to guide digital transformation as from 2023 onwards. Also, what was achieved under this Strategy was not assessed. The Public Sector Business Transformation Strategy of 2017 was already considered outdated by MPSAR in 2022. (Pg VI, Para 2)	There should be clear policy directives for both MPSAR and MITCI to review and evaluate their respective Strategies, and to create the appropriate structure and mechanism to support and enhance the Digital Transformation of the Public Service. (Pg VII, Para 2)	<u>MITCI Response</u> Recommendation implemented alternatively. The Ministry has in May 2025 came up with a blue print for the digital transformation of the sector and span for the period 2025-2029. The Digital Transformation Blueprint (2025-2029) is currently being implemented. <u>MPSAR Response</u> The matter pertains to the MITCI. A Strategic Framework for Public Service and Administrative Reforms 2025-29 is being finalised at the level of the Ministry and one of the pillars of the Strategic Framework is digital transformation.	Not Implemented The Blueprint several mechanisms and structures were proposed. However, as of January 2026 these were still not yet set up.

SN	Findings	Recommendations	Ministries' Response as of January 2026	NAO's Comments
Lapses in ICT-enabled Projects Management				
3	During a review of Project Completion Reports (PCRs) for all projects completed during the period July 2020 to September 2024, MITCI reported that only 60 PCRs were prepared out of a list of 116 projects completed. As of December 2024, 95 per cent of the PCRs submitted were still at draft stage or not yet confirmed with the User Ministries and Departments where the projects were implemented. Project implementation Evaluations were not prepared for the completed projects. MITCI did not ensure implementation of recommendations formulated in its Digital Government Transformation Strategy 2018-2022 and compliance with good practices recommended in its Project Management Manual for ICT Projects. Lack of ownership in the conception, implementation and evaluation of ICT projects and lack of digital fluency to manage projects of User Ministries and Departments. (Pg VII, Para 3)	MITCI and User Ministries and Departments should renew initiative to build capacity at strategic management level on areas of e-governance, ICT portfolio management, strategy formulation to enhance uptake of e-services, project funding and project evaluation. (Pg IX, Para 3)	<u>MITCI Response</u> MITCI still insists that the responsibility for project closure and formal acceptance of deliverables lies with the user Ministry / Department (project steering committee). As per Project Management Manual for ICT projects, the closure of a project is confirmed by Project Steering Committee. <u>MPSAR Response</u> The matter pertains to the MITCI. With respect to project closure and the formal acceptance of deliverables, it would be appropriate for these activities to be carried out with the support of officers of the Central Information Systems Division of the MITCI posted at the Ministries concerned, as well as in coordination with Programme Managers of the Central Informatics Bureau of MITCI, rather than being the sole responsibility of the user Ministry. MPSAR concurs with NAO's comments on non-compliance with good practices.	Not Implemented Project Managers of the Central Informatics Bureau of MITCI, are members of the Project Steering Committees. They should support the Committee in the adoption of good practices as recommended in its own approved Project Management Manual for ICT Projects.

SN	Findings	Recommendations	Ministries' Responses as of January 2026	NAO's Comments
Ineffective Governance – Stakeholders working in Silos				
4	A Digital Government Computerisation Committee at the level of the MITCI as recommended in the PRB Report 2021 was not set up. Consequently, in the absence of this Committee, and any other alternative collaborative structure, MPSAR and MICTI were working in silos. MITCI contended that the setting up of the Digital Government Computerisation Committee would be a duplication of the mandate of the Public Sector Business Transformation Bureau.(PSTB) (Pg IX, Para 4)	Effective collaboration and synergistic actions need to be established among MITCI, MPSAR, and PSBTB through an effective governance structure. (Pg IX, Para 4)	<u>MITCI Response</u> Implemented. <u>MPSAR Response</u> The matter pertains to the MITCI. While it is noted that there is a National Digital Transformation Steering Committee under the purview of the MITCI that will oversee and guide the implementation of the Blueprint initiatives, such mechanism is no substitute for a Digital Government Computerisation Committee as recommended by PRB Report 2021.	Implemented
Reforms Proposals not Acted Upon				
5	Government initiated a comprehensive exercise through a consultancy firm, with the intention to set-up a Mauritius Digital Transformation Agency (MDTA) which would act as a strong institutional champion to speed up digital transformation of the public service and the whole economy. As of November 2024, two years after submission of the Report, MITCI considered that the creation of MDTA would be a complex and time-consuming process with far reaching implications.	Appropriate actions should be taken to implement all the recommendations. (Pg X, Para 5)	<u>MITCI Response</u> The Ministry has in its Digital Transformation Blueprint (2025-2029), establishment of a National Digital Transformation Bureau), a Data Management Office, a National Cyber Resilience and Cyber Security Agency and AI Office, among others are proposed. <u>MPSAR Response</u> The matter pertains to the MITCI.	Partly Implemented An AI Unit has been set up. The establishment of the other structures are in the pipeline.

SN	Findings	Recommendations	Ministries' Response- as of January 2026	NAO's Comments
	There was no Action Plan prepared to provide visibility on how the key recommendations would be implemented. MITCI did not take appropriate actions to implement all the recommendations. (Pg IX, Para 5)			
Initiatives to adopt Emerging Technologies not undertaken				
6	In its report of 2021, PRB recommended MITCI, in collaboration with MPSAR, to haul properly the digital transformation by promoting, among others, the development of appropriate regulatory and ethical frameworks to assist organisations in the usage of AI in a responsible manner. Also, the Digital Government Computerisation Committee had to conduct a study in Public Sector Organisations to identify areas where actual usage of AI can improve public services, policy making and internal operations. As of December 2024, none of these tasks were carried out. (Pg X, Para 6)	There should be effective collaboration between MITCI and MPSAR to adopt latest technologies to improve service delivery in the public service. (Pg X, Para 6)	<u>MITCI Response</u> An AI Unit has been set up, under the aegis of the Ministry. The Unit, will amongst others, look into the adoption of latest technologies in the service. <u>MPSAR Response</u> The matter pertains to the MITCI. The Ministry forms part of the Inter-Ministerial Committee for the implementation of the Digital Transformation Blueprint (2025-2029).	Partly Implemented A National AI Strategy is in process of finalisation.
Absence of Key Performance Metrics				
7	There was no Key Performance Metrics in the public service which captured and monitored how investment in	Appropriate collaboration should be established among the key stakeholders for the	<u>MITCI Response</u> Ministries/Departments are responsible for defining effective KPIs and collecting data and	Not Implemented

SN	Findings	Recommendations	Ministries' Response- as of January 2026	NAO's Comments
	transformation through digitalisation and smart processes in the civil service were directly bringing a change to the lives of citizens. The existing KPIs when benchmarked with those of other countries, did not cover measurement of Digital Government outcomes. Absence of collaboration between the MITCI and MPSAR to support User Ministries and Departments in developing appropriate metrics. (Pg X, Para 7)	development of performance metrics. (Pg XI, Para 7)	evaluating performance of services. Various KPIs are listed in the performance-based budget estimates 2025-2026. <u>MPSAR Response</u> The matter pertains to the MITCI. MPSAR, with the assistance of Foreign Institution, is developing a Public Service Delivery Index, which will take into consideration Key Performance Indicators (KPIs) relating to digitalisation and smart processes.	
Lack of Digital Skills and Management Engagement				
8	In 2018, MITCI identified the need for an e-Government expert to support the Chief Technical Officer of the Ministry to deliver its mandate. The expert was expected to bridge the skills gap at the level of the Ministry in terms of e-governance, ICT portfolio management, strategy formulation to enhance uptake of e-services, project funding and benefits realisation. All these skills were necessary to support Government Digital transformation. (Pg XI, Para 8)	MPSAR in collaboration with MITCI should organise capacity building and needs assessment and provide targeted training programs. (Pg XII, Para 8)	<u>MITCI Response</u> Skill mismatch is being addressed through the recommendation made in the context of the implementation of the Blueprint 2025-2029. <u>MPSAR Response</u> However, the Atal Bihari Vajpayee Institute of Public Service and Innovation has been dispensing the Digital Transformation for Organisational Excellence Programme since December 2025 to enable Public Officers to build capacity in digital skills.	Not Implemented No e-Government expert has been recruited to support the Chief Technical Officer of the Ministry. There was no collaboration between MPSAR and MITCI for needs assessment and organize capacity building and provide targeted training programs.

SN	Findings	Recommendations	Ministries' Response- as of January 2026	NAO's Comments
Disaster Recovery Site for the Government on Line Centre not Set Up				
9	Critical projects like the setting up of a Disaster Recovery (DR) Site for the Government on Line Centre were not realised since its initiation some 10 years ago. The need of a DR Site for the Government on Line Centre (GOC), which hosts critical systems of national importance, is pivotal in ensuring the continuation of vital processes in the event that a disaster occurs. (Pg XII, Para 10)	It is imperative for MITCI to prioritise the realisation of this critical project without further delay. (Pg XII, Para 9)	<u>MITCI Response</u> Under Implementation. Contract for implementation of the DR Site has already been allocated and work is in progress. <u>MPSAR Response</u> The matter pertains to the MITCI.	Partly Implemented
Inadequate Uptake of Government e-Services				
10	As of November 2024, 123 e-services were available to the public. Out of these 123 e-services, the number of hits on only 70 e-services was recorded by the Government on Line Centre. Out of the 70 e-services, less than 10 had relatively high hit rates. There was no performance metrics embedded at design stage in each e-service to assess and ensure that it was user friendly. The e-services were not adequately citizen centric, with a strong emphasis on understanding and addressing user needs.	Frequent surveys should be conducted to gather feedback and inputs from citizens during planning and development phases of e-services. There should be proactive engagement and promotional efforts from respective ministries and Departments responsible for these e-services. MITCI should develop a dashboard to monitor the uptake of e-services. An example of a Dashboard is one maintained by the UK's Government Digital Service (GDS) in respect of all e-services in the public service. (Pg XIII, Para 10)	<u>MITCI Response</u> As per the Blueprint 2025-2029, an e Service framework is to be implemented. The Ministry has launched a Request for Information from Potential Suppliers for the "Development of a Super App based on Verifiable Digital Credentials in a Secure ID Wallet." <u>MPSAR Response</u> The matter pertains to the MITCI.	Partly Implemented Partly Implemented Partly Implemented

SN	Findings	Recommendations	Ministries' Response- as of January 2026	NAO's Comments
	There was insufficient promotion of these e-services to increase their adoption rate. (Pg XII, Para 10)			
Stagnating progress on E-Government Development Index (EGDI) ranking				
13	In terms of world-wide ranking, the trend for Mauritius has been wavy, with the best ranking in 2016 and then falling over the years. Its ranking in 2024 (76 th) is almost the same as it was in 2010 (77 th), some 14 years ago.	A multi-stakeholder approach and a more appropriate governance structure should be implemented to analyse and bridge the gap between investment in ICT infrastructure and its actual usage. This governance structure should leverage on the good practices adopted by countries like Australia, Singapore and United Kingdom.	<u>MITCI Response</u> The Inter-Ministerial Committee aims to facilitate stakeholders' engagement to drive digital transformation. It is to be noted that World Bank Gov-Tech Maturity Index release in Dec 2025 categorised	Not Implemented The EGDI, TII and EPI indices have not been included as Outcome Indicators by the Ministry to measure its Programme Outcomes in the Performance-Budget Estimates 2025-26.
14	The Telecommunication Infrastructure Index (TII) of Mauritius has been on the increasing trend, while the OSI and e-Participation Index (EPI) have been on a declining trend since 2016. This declining trend indicates that maximum benefits from investment in telecommunication infrastructure is not being realised. (Pg XV, Para 11)	Benchmarking should be carried out with countries which assess performance of their e-services and publish same on a dashboard.	Mauritius as Group A Country. <u>MPSAR Response</u> The matter pertains to the MITCI.	Not Implemented

23 – MINISTRY OF PUBLIC SERVICE AND ADMINISTRATIVE REFORMS

23.1 Systemic Inefficiencies in the Disciplinary Process for Interdicted Officers

Background Information

The interdiction procedures for public officers are principally defined under the Public Service Commission (PSC) Regulations and the Disciplined Forces Service Commission (DFSC) Regulations.

Pursuant to Section 31 of PSC Regulations and Section 28 of DFSC Regulations, a Responsible Officer may interdict a public officer or a member of the discipline forces, if it is deemed necessary in the interest of the public service, under the following circumstances:

- Disciplinary proceedings are being taken for the officer's dismissal; or
- Criminal proceedings are being instituted against the officer; or
- Retirement proceedings on ground of public service interest are taken against the officer.

Such interdiction is subject to the Commission's covering authority.

Findings

▪ Escalating Salary Expenditure on Interdicted Officers - Rs 409.4 Million

The number of interdicted officers increased steadily from 154 at the end of December 2020 to 285 at the end of June 2025. During the period January 2020 to June 2025, basic salary payments amounted to some Rs 430.3 million, as shown in Table 23-1.

As of 30 June 2025, the 285 interdicted officers were involved in 430 offences, and only 10 of them were interdicted without pay.

Table 23-1 Salaries Paid to Interdicted Public Officers from January 2020 to June 2025

Period	No. of Interdicted Officers (At End of Period)	Total Salaries* Paid (Rs)
January to December		
2020	154	40,536,587
2021	187	66,551,688
2022	214	69,471,745
2023	256	86,882,889
2024	275	96,217,092
January to June 2025	285	49,743,703
Total		409,404,704

Source: Ministry's Records

* Total salaries paid exclude yearly increments, compensations, and end-of-year bonuses, amongst others, as they are not entitled to same.

Ministry's Response

- Pursuant to Section 31 of the PSC Regulations and Section 28 of the DFSC Regulations, the responsibility to interdict public officers rests solely on the Responsible Officer of Ministries/Departments. The Ministry of Public Service and Administrative Reforms (MPSAR) has no control over the decision taken by any Responsible Officer and neither can it influence the decision-making process.
 - Interdiction of officers without pay is possible only where a judgment has been delivered against an officer and he has lodged an appeal.
 - The increase in expenditure on Interdicted Public Officers (IPOs) for the year 2021 may be explained by the revised salary drawn by the officers following the 2021 Pay Research Bureau Report and an increase in the number of IPOs by 21.43 per cent.
- **High Prevalence of Interdictions in the Disciplined Forces**

The majority of the interdicted officers were from disciplined forces, comprising the Mauritius Police Force (MPF), the Mauritius Prison Service, and the Mauritius Fire and Rescue Service.

Despite operating under strict disciplinary codes and being governed by DFSC Regulations, the disciplined forces registered the highest number of interdictions, with 221 officers (77.5 per cent) involved in 327 offences. As of 30 June 2025, some Rs 258.22 million were disbursed in salaries.

Other Ministries/Departments recorded 54 interdictions (19 per cent) and accounted for 21 per cent of total salary expenditure, amounting to some Rs 74.26 million.

Details on the Interdicted Officers in the Disciplined Forces and other Ministries/Departments are outlined in Table 23-2.

Table 23-2 Interdicted Officers by Ministries/Departments

	Number of Interdicted Officers	Salaries Paid since Interdiction (Rs) M	Number of Offences
Disciplined Forces			
Mauritius Police Force	202	235.85	288
Mauritius Prison Service	18	19.27	19
Mauritius Fire and Rescue Service	1	3.1	20
<i>Sub-Total</i>	<i>221</i>	<i>258.22</i>	<i>327</i>
Other Ministries/Departments			
Ministry of Health and Wellness	32	32.76	46
Ministry of Education and Human Resource	12	19.86	24
National Land Transport Authority	6	17.81	7
Ministry of Environment, Solid Waste Management and Climate Change	4	3.83	7
<i>Sub-Total</i>	<i>54</i>	<i>74.26</i>	<i>84</i>
Others	<i>10</i>	<i>14.28</i>	<i>19</i>
Total	285	346.59	430

Source: NAO Analysis – Based on Consolidated Data for June 2025

Ministry's Response

Many of the cases for which officers of the Disciplined Forces have been interdicted relate to serious criminal offences, such as drug-related offences, murder, and corruption. Consequently, such officers who are expected to display high standards of good conduct cannot be allowed to remain in office.

▪ Limited Analysis of Interdicted Officers' Data

Ministries/Departments that had interdicted officers were required to submit monthly returns to the MPSAR. These returns included details such as the names and grades of the officers concerned, the nature of offences, dates of interdiction, monthly salaries, total salaries paid during the interdiction period and the latest status of each case.

The MPSAR consolidated these data for record-keeping purposes but undertook limited systematic analysis to identify trends, highlight problem areas or prepare analytical reporting for decision-making.

Ministry's Response

Following the recommendations of the Director of Audit, MPSAR has built a database on IPOs in Ministries/Departments. Analysis of the data provided is being carried out and additional information is requested when required. However, MPSAR has revisited its templates for the capture of additional information and data on IPOs to enable a more in-depth analysis.

▪ Prolonged Interdictions

A significant number of cases remained unresolved for several years, as illustrated in Table 23-3.

Table 23-3 Ageing Analysis of Interdicted Public Officers and Salaries Paid

Years Interdicted	IPOs		Total Salaries Paid (Rs M)	Number of Offences
	Number	%		
Before July 2010 (15 to 20 years)	1	0.4	1.76	5
July 2010 to June 2015 (10 to 15 years)	21	7.4	62.6	38
July 2015 to June 2020 (5 to 10 years)	56	19.6	119.7	90
July 2020 to June 2024 (1 to 5 years)	163	57.2	154.4	225
July 2024 to June 2025 (Within 1 year)	44	15.4	8	55
Total	285	100	346.6	430

Source: NAO Analysis – Based on Consolidated Data for June 2025

- (i) Since August 2009, one interdicted officer had 5 offences for which some Rs 1.8 million was paid to him up to 2016, following which, the officer appealed against the sentence.
- (ii) 77 officers (27 per cent) interdicted between July 2010 and June 2020, were still being remunerated as of 30 June 2025, for which some Rs 182.3 million was paid, representing some 52 per cent of the total salaries paid to all interdicted officers.

- (iii) The period from July 2020 to June 2024 recorded the highest number of interdictions with 163 officers (57.2 per cent) for a total of 225 offences (52.3 per cent) and salary payments amounting to Rs 154.4 million.

Ministry's Response

- According to information available, some of these prolonged interdictions relate to cases where officers have appealed against their sentence. As such, they are on interdiction without pay.
- According to repeated advice tendered by the Attorney General's Office, there is no alternative but to pay full salary to IPOs pending finalisation of the case up to the date of conviction.

■ Absence of Case Progress Monitoring

The Ministry did not conduct any analysis to track the progress of interdicted cases or to identify how long cases remained at a particular stage.

The absence of such monitoring limited the Ministry's ability to assess and address delays and prioritise actions to ensure the timely resolution of disciplinary and/or judicial proceedings.

Based on the consolidated data available at the MPSAR for June 2025, the status of the 285 interdicted cases is illustrated in Table 23-4.

Table 23-4 Status of Interdicted Cases

Stage	Interdicted Cases	
	Number	%
Police Enquiry Level	123	43
Court Level	86	30
Office of the Director of Public Prosecutions	37	13
On Appeal	10	4
Prosecutor	7	2
Judgement Received	5	2
Others	5	2
Disciplinary Action/Warning/No Further Action	3	1
No Status Available	9	3
Total	285	100

Source: NAO Analysis – Based on Consolidated Data for June 2025

(i) Delay at Police Enquiry Level

123 out of the 285 interdicted cases, representing some 43 per cent, were still at enquiry level as of 30 June 2025. This contradicted a directive issued by the Commissioner of Police in year 2008, instructing Divisional and Branch Commanders to personally monitor enquiries involving interdicted officers and to ensure that such cases were given priority and completed within a period of 3 months.

Some interdicted cases remained at enquiry stage for a period ranging from 4 to 6 years, indicating inefficiencies and significant delays in handling disciplinary matters within the disciplined forces. Table 23-5 highlights a few cases.

Table 23-5 Examples of Long Pending Interdicted Cases at Police Enquiry Level

Ministry/Department	Date of Interdiction	Salary Paid (Date of Interdiction up to 30 June 2025) Rs	No. of Years
Ministry of Public Service and Administrative Reforms	09/05/2019	1,877,760	6
National Land Transport Authority	16/09/2019	3,225,540	6
Mauritius Police Force	24/12/2019	2,060,780	6

Source: NAO Analysis – Based on Consolidated Data for June 2025

(ii) Delay at the Office of the Director of Public Prosecutions Level

In 2008, the Office of the Director of Public Prosecutions (DPP) issued instructions that advice in criminal and disciplinary cases involving public officers should be provided within one week of receiving such requests.

As of 30 June 2025, 37 interdicted cases (13 per cent) were under review at the DPP level. Some of these cases had been pending for periods ranging from one to nearly 4 years, as shown in Table 23-6.

Table 23-6 Examples of Interdicted Cases Awaiting Advice at the DPP Level

Ministry/ Department	Date of Interdiction	Total Salary Drawn at 30 June 2025 (Rs)	Date Sent to DPP	No of Years
Ministry of Education and Human Resource	29-Aug-22	1,463,399	11/03/2022	3
Dr A.G. Jeetoo Hospital	9-Oct-23	353,197	08/01/2024	1.5
Mauritius Police Force	11-Feb-19	2,771,355	06/09/2021	3.75

Source: MPSAR's Records

Ministry's Response

- The Commissioner of Police and the Director of Public Prosecutions have been requested to expedite matters as regards the handing of cases relating to Interdicted Public Officers.
- The Ministry has limited control on the delays encountered in the resolution of cases before the different institutions.

(iii) Delay at Court Level

In October 2008, the Chief Justice instructed all Magistrates to expedite and prioritise the disposal of cases involving Public Officers. However, interdiction cases were not given due priority and continued to face significant delays at the Court level.

As illustrated in Table 23-7, as of 30 June 2025, 50 out of 86 interdicted cases at the court level, representing 58 per cent had been pending for more than 5 years. In addition, 12 out of the 86 cases, representing some 14 per cent had been pending for more than 10 years.

Table 23-7 Interdicted Cases Pending at Court Level

Number of Years	Cases at the Court Level	
	Number	%
Up to 5 years	36	42
5+ to 10 years	38	44
Over 10 years	12	14
Total	86	100

Source: NAO Analysis – Based on Consolidated Data for June 2025

Ministry's Response

The Ministry has already revisited its template for data capture on IPOs. The revised template will also allow this Ministry to better monitor, track progress and ensure timely decision making in relation to cases at police enquiry level, cases referred to the DPP and cases lodged in a court of justice.

▪ **Decline in Resolved Cases**

During the financial year 2024-25, only 7 per cent of total outstanding cases were concluded, compared to 14 per cent and 12 per cent for the last 2 financial years, 2022-23 and 2023-24.

There was a decline in the proportion of interdicted cases resolved over the past 3 financial years, as shown in Table 23-8.

Table 23-8 Cases Resolved from 2022-23 to 2024-25

	Number of Interdicted Public Officers		
	2022-23	2023-24	2024-25
Number of IPOs on 01 July	212	241	262
New Cases	69	57	44
Reinstated	(23)	(29)	(15)
Others (Dismissed/Passed away)	(18)	(7)	(7)
Moved from Conditionally Recalled	1	-	1
Number of IPOs as of 30 June	241	262	285
% of Cases Resolved	14	12	7

Source: NAO Analysis – Based on Consolidated Data for June 2025

Ministry's Response

- Out of the 285 cases of IPOs, 92 per cent are at the level of the Court/Police Department.
- The Ministry cannot intervene in cases at the level of the Judiciary and the Police Department, which are constitutionally independent.
- The Commissioner of Police has already been requested to issue directives so that cases of IPOs are promptly inquired into.
- The Master and Registrar has been requested in a letter dated 2 December 2025 to consider submitting at the earliest, the court proceedings and judgements of court cases involving IPOs to their respective Responsible Officers to ensure the speedy handling of disciplinary cases
- The Director of Public Prosecutions and the Commissioner of Police have been requested to consider the reviving of the 'Fast Track Mechanism' previously put in place.

Financial Loss to Government from Long Interdicted Cases

Seven officers were classified under the category "Others" during the financial year 2024-25. Out of the 7 officers, one passed away, 2 retired in the interest of the Public Service and the remaining 4 were dismissed following the conclusion of their cases.

The total salary paid to the remaining 6 officers during interdiction, as illustrated in Table 23-9, amounted to Rs 10.25 million.

Table 23-9 Total Salaries Paid to Officers Dismissed and Retired in 2024-25

Disciplined Forces/Ministry / Departments	Date of Interdiction	Status	Date Dismissed / Retired	Salary Drawn (Rs)
Mauritius Police Force	7-Mar-19	Dismissed	15-Jul-24	1,390,170
Mauritius Police Force	5-Nov-18	Dismissed	16-May-25	1,890,310
Mauritius Police Force	26-Aug-08	Dismissed	16-May-25	3,839,700
Sir Anerood Jugnauth Hospital	12-May-23	Dismissed	10-Jun-25	Interdiction on no pay
Mauritius Meteorological Services	17-Jan-24	Retired	12-Sept-24	1,028,997
Office of the President	10-Feb-12	Retired	02-Oct-24	2,103,117
Total Amount Paid During Period of Interdiction				10,252,294

Source: NAO Analysis – Based on Consolidated Data for June 2025

Ministry's Response

For reasons beyond the control of this Ministry, there are cases before the different Courts of Law that take a very long time to be settled. MPSAR has no other alternative than to abide by the court procedures.

▪ Delayed Action Following Court Judgments and DPP's Advice

(i) Delayed Follow-Up Actions Following Court Judgments

Although court judgments had been delivered in some cases, Ministries/Departments did not take prompt follow-up actions. The delay in implementing necessary decisions such as reinstatement, dismissal or further disciplinary measures resulted in the continued payment of salaries to interdicted officers, leading to nugatory expenditure.

(ii) Delayed Disciplinary Actions Following DPP's Advice

Pursuant to Section 29(3) of the DFSC Regulations, where the DPP advises that disciplinary action be taken instead of prosecution, the responsible officer shall institute disciplinary proceedings against the member of the Mauritius Police Force in accordance with Regulations 35 or 36.

The responsible officer did not take prompt disciplinary action in response to DPP's advice, as some officers remained interdicted for long prolonged periods of time ranging from 6 to 30 months before being dismissed or reinstated in their posts.

Ministry's Response

- In accordance with the PSC/DFSC Regulations, following court judgments, Responsible Officers are required to submit their recommendations to the relevant Commission. However, the same should be accompanied by a copy of the court proceedings and judgment, the receipt of which often takes time.
- The attention of Ministries/Departments has been drawn to the need to capture data as per the new template and that strict follow-up be carried out for cases of IPOs to prevent any delay.

23.1.1 Ineffective Mechanism to Expedite Disciplinary Action for Interdicted Officers

Background Information

Since 2008, authorities have explored several measures at different points in time to expedite the determination of disciplinary cases involving interdicted officers, but none of them were effectively implemented or became fully operational.

This contributed to prolonged interdictions, delayed case resolution, and significant salary expenditures, thereby affecting both administrative efficiency and public resources.

Findings

▪ **Fast Track Mechanism - Not Established After 2014**

- (i) In July 2008, a Committee led by the Secretary to the Cabinet and Head of Civil Service agreed to the setting up a Fast Track Mechanism (FTM) to expedite disciplinary proceedings involving public officers, following which, the DPP, the Commissioner of Police, the Attorney General's Office (AGO), the PSC and the Chief Justice issued directives to ensure the timely processing of cases.
- (ii) The effectiveness of the FTM could not be assessed. However, according to records at the Ministry, in October 2014, 6 years after the initial decision, a High Powered Committee recommended reviving the FTM. Subsequently, in January 2015, the Government agreed to the setting up of a Committee to explore the setting up of a mechanism for expediting the determination of cases involving interdicted officers.
- (iii) In January 2020, the Ministry informed the National Audit Office that the FTM could not be reactivated due to the complexities of Police investigations. However, later, in July 2020, the Ministry's Audit Committee recommended the urgent establishment of a Central Monitoring Committee, chaired by a senior officer of the Ministry to develop guidelines for implementing the FTM.

Despite repeated intentions by the Ministry, PSC and DFSC to revive the FTM in 2016, 2017 and 2021, along with several initiatives undertaken since 2008, an effective FTM was still not established.

▪ ***Public Sector Disciplinary Tribunal and Standing Disciplinary Committee - Not Established***

- (i) In April 2012, the Solicitor General proposed the setting up of a Public Sector Disciplinary Tribunal (PSDT) to deal with disciplinary cases not involving criminal proceedings or where a criminal sentence had already been imposed.
- (ii) In October 2013, April 2015 and November 2019, the Solicitor General reiterated the need for the setting up a PSDT to facilitate the timely disposal of disciplinary cases across the Public Sector.
- (iii) In May 2021, PSC recommended the setting up of a Standing Disciplinary Committee (SDC), chaired by a retired judge and comprising the Solicitor General and representatives of the MPSAR and the Mauritius Police Force, amongst others. In August 2021, the Committee's Terms of Reference (ToR) were finalised.

Despite the Solicitor General's initial proposal in 2012 and the PSC's recommendation in May 2021, neither the PSDT nor the SDC had been set up as of September 2025.

▪ **Central Monitoring Committee - Disbanded**

In May 2017, the Ministry set up a Central Monitoring Committee (CMC) to coordinate actions on interdicted officers across Ministries/Departments and ensure timely follow-up. However, no meetings were convened subsequently.

Following the recommendation of the Ministry's Audit Committee, the CMC was revived 3 years later, in July 2020, with an expanded ToR.

In January 2021, 6 months after its revival, the Committee was disbanded following the decision to establish an Inter-Ministerial Committee (IMC) to address similar issues.

Although the IMC ceased its meetings in April 2022, no subsequent action was taken to reinstate the CMC or establish an alternative central oversight mechanism for monitoring and coordinating interdiction cases across the public sector.

▪ **Inter-Ministerial Committee – Unknown Outcome**

In July 2016, the Government approved the setting up of a High Level Committee comprising key Ministers, representatives of the Prime Minister's Office and the Attorney General to examine issues related to interdicted officers. However, no meetings were convened.

Four years later, in September 2020, the Government set up an IMC, chaired by the former Deputy Prime Minister, with the mandate to:

- (i) Propose amendments to PSC Regulations to allow for the conditional recall of IPOs;
- (ii) Set up a permanent PSDT, as recommended by the AGO, to expedite the resolution of disciplinary cases; and
- (iii) Set up an FTM to expedite disciplinary proceedings involving Police Officers, who constitute the majority of interdicted officers.

The IMC met only on 5 occasions between March 2022 and April 2022.

It could not be determined whether the Committee reached any conclusive outcomes as the Minutes of Proceedings were not made available for review.

▪ **Slow Progress in Recalling Interdicted Officers**

In 2015, the AGO was of the view that it was legally permissible to recall interdicted officers to duty, subject to individual case assessment.

In September 2016, the Ministry, in collaboration with the AGO developed criteria for the conditional recall of interdicted officers.

As of 30 June 2020, 97 interdicted officers, including 84 from the Mauritius Police Force and 10 from the Mauritius Prison Service, had been conditionally recalled pending the determination of their court cases. However, no additional officers were recalled to duty since that date.

As per June 2025 returns, 30 officers who were conditionally recalled during the period 2016-2020 were still awaiting the outcome of their court cases.

Root Causes

- The criminal nature of the offences committed by interdicted officers contributed to the prolonged duration of disciplinary cases, delaying their conditional recall and resolution.
- The MPSAR did not set up a comprehensive database to monitor and flag delays for timely corrective action.
- The absence of a structured reporting mechanism from Ministries/Departments and/or the Mauritius Police Force to the MPSAR to provide updates on delays or other pertinent issues related to interdicted officers might result in prolonged interdiction periods.

Recommendations

To address systemic inefficiencies and strengthen disciplinary oversight, the Ministry should:

- Engage with the PSC to assess the feasibility of establishing a Public Service Disciplinary Tribunal, taking into account the volume of disciplinary breaches and delays in case disposal.
- Establish a central monitoring mechanism to oversee all disciplinary cases across Ministries and Departments, ensuring consistent follow-up and timely resolution;
- Collaborate with the Mauritius Police Force to develop clear guidelines and defined timelines for expediting long-pending enquiries;
- Set up a centralised database to facilitate regular reviews, monitor progress and support timely actions; and
- Recall interdicted officers from 2021 onwards, subject to individual case assessments.

Ministry's Response

- The setting up of the Inter-Ministerial Committee on IPOs was a Government decision taken with a view to addressing the problem of interdiction in the Public Service. The Inter-Ministerial Committee held 5 meetings in 2022 but no conclusive decision could be taken.
- This Ministry has already sent a letter to the Commissioner of Police to issue directives so that cases of IPOs are promptly inquired into.
- The centralised database at the level of this Ministry is being reviewed to reflect new elements with a view to facilitating monitoring of cases. Ministries and Departments have already been requested to henceforth submit data in line with the revised template, which has already been forwarded to them.

- A Memorandum on Conditional Recalling of IPOs was issued to Supervising Officers of Ministries/Departments wherein they were requested to examine each case of interdiction and determine which officers can be conditionally recalled from interdiction.

23.1.2 Limited Effectiveness and Operational Inefficiencies of the Occupational Safety and Health Unit

Background Information

The Occupational Safety and Health (OSH) Unit was established under the aegis of the MPSAR to ensure that the State, as an employer, represented by the MPSAR, complies with the OSH Act 2005 and other related legislation.

Findings

▪ Limited Role of the OSH Unit

- (i) The roles of the OSH Unit were restricted to providing internal advisory support, exercising oversight, and implementing OSH-related policies within the Public Service.
- (ii) The OSH Unit recommended corrective actions but had no statutory authority to enforce compliance as per OSH legislation.
- (iii) The OSH Unit did not share its safety audit findings and recommendations with the National Occupational Safety and Health Department (NOSHD) of the Ministry of Labour and Industrial Relations (MoLIR), which was the sole authority responsible for enforcement.

Root Cause

The current institutional arrangement, along with the absence of a coordinating mechanism with NOSHD, hindered effective follow-up and enforcement of compliance with OSH legislation.

Recommendations

The Ministry should set up:

- A reporting mechanism that allows the OSH Unit to notify NOSHD on instances of non-compliance, enabling the latter to issue Improvement Notices to the non-compliant Ministries/Departments.
- An oversight Committee, which can operate similarly to the United Kingdom's Crown Censure system by publicly censuring non-compliant Ministries/Departments.

Ministry's Response

- The OSH Unit conducts regular inspections and follow-up visits to monitor progress on implementation of recommendations. Where Ministries do not comply or fail to take corrective measures, the OSH Unit convenes meetings with the stakeholders concerned to ensure that remedial actions are being taken.
- A Monitoring Committee comprising Heads of concerned Ministries has already been set up to monitor progress achieved on the implementation of recommendations. Cases of persistent non-compliance, as determined by the Monitoring Committee, will be channelled to the MoLIR for legal enforcement.
- **Occupational Safety and Health Unit – Not yet digitalised**
 - (i) The OSH Unit did not embark on a comprehensive digitalisation process to manage and monitor OSH-related issues across Ministries and Departments.
 - (ii) As of October 2025, records on safety audits, recommendations issued, follow-up actions, and risk assessments were maintained manually, primarily through physical files.
 - (iii) In the absence of a digitalised system, NAO was not able to assess improvements in OSH compliance and/or identify recurring non-compliance across Ministries/Departments.

Root Cause

There was no strategic plan for digital transformation within the OSH Unit.

Recommendations

The Accounting Officer should:

- Undertake a Business Process Re-engineering exercise to design and pilot a dedicated OSH Management Information System (OSH-MIS) to record, track, and analyse data on safety audits, compliance, and follow-up actions across Ministries/Departments.
- Establish a Digitalisation Committee to oversee the digital transformation of the OSH Unit, ensuring an effective strategic planning, coordination, and monitoring of the OSH-MIS implementation.

Ministry's Response

- The digitalisation of the OSH Unit has been recognised as a key driver in transforming and modernising its operations.
- The OSH Unit is currently finalising on a Strategic Framework for the transformation and innovation of the operations of the Unit, which will also include digitalisation of its processes.
- The Ministry is currently developing a proposal for the digitalisation project and funds will be requested from the Ministry of Finance.

▪ Failure to Achieve Performance Targets

The technical officers of the OSH Unit carried out several essential activities to ensure that all Ministries/Departments complied with the OSH legislation. The achievement rate for these planned activities for the financial year 2024-25 is illustrated in Table 23-10.

Table 23-10 Achievement Rate of OSH Activities in 2024-25

Activities	Planned	Achieved	Over/(Under) Achieved	% Achieved	% Not Achieved
Safety Audits / Inspections	9,685	8,551	(1,134)	88.3	(11.7)
Risk Assessments	764	522	(242)	68.3	(31.7)
Safety and Health Committee	437	334	(103)	76.4	(23.6)
Fire Drill Exercise	943	788	(155)	83.6	(16.4)
On-Site Trainings	341	609	268	178.6	-

Source: Status Report 29 July 2025

- Four activities that were fundamental to statutory compliance and risk mitigation, namely, Safety Audits, Risk Assessments, Safety and Health Committees and Fire Drill Exercise, were underachieved.
- The Safety Audits/Inspections activity recorded the highest numerical shortfall, with 1,134 fewer inspections, while the Risk Assessment activity had the largest percentage shortfall of 31.7 per cent.

The underperformance indicated a significant weakness in the Unit's proactive ability to manage workplace safety across the Public Service.

Root Causes

- The low prioritisation of OSH matters at the level of Ministries/Departments did not assist the OSH Unit in achieving its planned activities during the financial year.
- The OSH Unit was not adequately manned to handle its full scope of responsibilities.

Recommendation

The OSH Unit should increase the frequency and scope of inspections and other compliance activities that would effectively enhance workplace safety.

Ministry's Response

- The target for Financial Year 2024-2025 in terms of the number of inspections to be carried out was 8,500. As of 30 June 2025, 8,551 inspections across the Public Service were carried out.

- The existing template for the capture of data on weekly returns has been updated and all Principal Safety and Health Officers have already been requested to submit weekly returns of inspections carried out.

23.1.3 Non-Compliance with the Occupational Safety and Health Act

23.1.3.1 Risk Assessment Report - not endorsed

Background Information

Section 10 of the OSH Act 2005 establishes the employer's total responsibility for proactively managing workplace risk. This mandate includes, but is not limited to, endorsing a Risk Assessment Report (RAR), consulting employee representatives, providing comprehensive safety training and sharing relevant assessment reports.

Only one RAR, dated April 2025, was provided for verification.

Findings

- The NAO did not obtain sufficient information to confirm whether the RAR pertained to the only risk assessment conducted at MPSAR or constituted a review of a previous assessment as such information was not available at the OSH Unit.
- The RAR was not comprehensive as it focused only on anticipated risks that could reasonably occur due to potential failures. It did not cover any existing risk present at the Ministry, thus limiting the assessment's completeness.
- In the absence of proper documentation, it could not be determined whether the RAR was accurate, complete and reliable as it had not been validated by a senior officer.
- During the period July 2024 to October 2025, no training on OSH was provided to the employees, including representatives of employees who sit on the Safety and Health Committee to ensure awareness of workplace hazards and preventive measures, amongst others.
- Pursuant to Section 10 of the OSH Act 2005, employers with more than 5 persons are mandated to record the significant findings of any assessment conducted under Section 10(1), including the identification of any group of employees, especially at risk, in a register. As of October 2025, the Ministry had not maintained such a register, leaving risk assessments unreviewed and not updated.

Root Cause

The Ministry did not give due priority to compliance with the OSH Act 2005.

Recommendations

- The Accounting Officer or his representative should endorse the validated final assessment report to ensure accountability.

- The Director, OSH Unit, should designate an officer with clear responsibility and accountability for maintaining and regularly reviewing the register and organising regular training for employees and the Safety and Health Committee representatives to raise awareness of workplace hazards and their implications.

Ministry's Response

Action has already been initiated to review the Ministry's Risk Assessment Report in compliance with Section 10(2)(a) of OSHA 2005 and to provide training to employees of the Ministry.

23.1.3.2 Irregular Conduct of Safety and Health Committee Meetings

Background Information

Pursuant to Sections 21 and 23 of the OSH Act 2005,

- Every employer of 50 or more employees shall establish a Safety and Health Committee (SHC) and shall hold meetings of the Committee at least once every 2 months or earlier.
- The employer shall give notice in writing, stating the date, time, and place of the meetings to the Permanent Secretary of MoLIR, not less than 10 days before the meeting is scheduled to be held.
- The employer shall forward a written record of the proceedings of the meetings, duly signed by the Chairperson, one member and the Secretary of the Committee to the Director, OSH, MoLIR, within 10 days of the meetings.

Finding

As per records, the Ministry did not comply with its statutory duty as it held significantly fewer meetings than required. Over the last 4 financial years 2021-22 to 2024-25, only 11 meetings were convened instead of the mandated minimum of 24.

This non-compliance was followed by poor record-keeping. In 7 instances, the written notices stating the date, time, and place of the meetings, to be addressed to the Permanent Secretary of MoLIR and in 3 instances, the written record of proceedings to be forwarded to the Director, NOSHD, MoLIR were not seen in files.

Root Cause

The OSH Unit, which was mandated to ensure that the Ministry complied with OSH legislations, did not advise SHC members on their statutory obligations, resulting in non-compliance with meeting frequency and record-keeping requirements.

Recommendation

The Director of the OSH Unit should schedule annual refresher training for all SHC members to ensure full compliance with relevant sections of the OSH Act (2005), focusing on the frequency of the SHC meetings and the administrative 10-day deadlines established by Section 23 of the Act.

Ministry's Response

- As of July 2025, the SHC is being chaired by the Deputy Permanent Secretary of this Ministry, and meetings are now being held regularly. As of date, two meetings have already been held and the 3rd SHC for FY 2025/26 was held on Friday 16 January 2026.
- In strict compliance with the provisions of the Law, prior notices are being given to the Permanent Secretary of MoLIR and the Minutes of Proceedings are duly sent to the Director, NOSHD, within the prescribed timeframe.

23.1.4 OSH Management System - not yet operational

Background Information

The International Labour Organisation (ILO) defines an OSH Management System as a set of interrelated or interacting elements to establish OSH policy and objectives and processes to achieve those objectives.

The Ministry initially embarked on the implementation of an OSH Management System based on the ILO-OSH Guidelines 2001. In 2015 and 2016, the initiative was rolled out across 43 worksites within 19 Ministries/Departments.

Four years later, in September 2020, the Government decided to migrate these 43 worksites to the new ISO 45001:2018 standard.

In the financial year 2021-22, the Ministry deployed the initiative to an additional 34 worksites.

The implementation of the OSH Management System was split into 3 phases, namely, Phase I - Commitment and Establishing of the Baseline, Phase II - Identification of all Legal Requirements and Compliance and Phase III - Audit and Review.

Findings

▪ Significant Delay in implementing the OSH Management System

- (i) There was a significant delay in the implementation of the OSH Management System across identified Ministries/Departments.

As of September 2025, 5 years after the initial rollout, 10 of the 77 selected worksites were no longer part of the programme. The remaining 67 worksites across 19 Ministries/Departments did not embark on Phase III, as the implementation of Phases I and II was not fully completed.

- (ii) The status of the OSH Management System as of May 2024 was as follows:

- Phase I completion was lagging severely at 11 worksites (16 per cent of the total identified worksites), where less than 50 per cent of the work was completed.
- The completion rate for Phase II was below 50 per cent for 39 worksites, which represented 58 per cent of the total identified worksites.
- At 3 worksites, the implementation of Phase II had not even been initiated.

- (iii) As of October 2025, MPSAR, which was leading the initiative for the implementation of the system across 67 worksites, had not yet embarked on Phase III despite having already completed Phase I at 100 per cent and Phase II at 93 per cent.
- (iv) At the time of Audit in October 2025, the OSH Unit was not able to provide an updated progress status on the implementation of the system in the identified worksites.

▪ **Quarterly Status Report - Not Submitted**

In October 2020, the Ministry issued Circular Letter No. 55, which required Supervising Officers embarking on the OSH Management System to take appropriate action and submit to the Ministry a quarterly report on the status of implementation.

The formal reporting mechanism established by the Circular Letter No. 55 was not adhered to and no such reports were formally submitted to the MPSAR. Instead, the officers of the OSH Cadre who were assigned to provide technical advice and on-site assistance tracked the progress at the relevant Ministries and Departments.

▪ **Inadequate Competency of the OSH Cadre**

The Ministry recognised the need to enhance the competencies of officers of the OSH Cadre to drive the implementation of the OSH Management System in Ministries and Departments, as the OSH officers still lacked the necessary technical expertise to successfully drive the system as qualified lead implementers.

Since the release of the ISO 45001 standards in 2018, some officers of the OSH Cadre received training on only 2 occasions over 6 years.

- (i) In July 2018, 3 officers of the OSH Unit were nominated to follow a 3-day course on OSH Lead Implementer based on the ISO 45001 standard.
- (ii) In July 2024, 8 officers of the OSH Unit, including the former Director who retired on 7 March 2025, were nominated to attend a 2-day ISO 45001:2018 Implementation Online Training from the British Standards Institute for some Rs 105,000 (USD 2,305.72).

As of September 2025, the remaining 7 trained officers had not disseminated their knowledge to the rest of the OSH cadre, indicating that the OSH Unit still lacked the readiness to effectively spearhead the implementation of the OSH Management System in designated Ministries/Departments.

Root Cause

Since November 2020, attempts by the OSH Unit to secure training assistance from the Mauritius Standards Bureau (MSB) were unsuccessful.

Recommendations

- The Ministry should secure an alternative accredited provider to deliver comprehensive, sustained training on ISO 45001 implementation, ensuring that the knowledge is disseminated to the entire OSH Cadre.

- Supervising Officers should submit a quarterly report on the status of implementation in accordance with Circular Letter No. 55 of 2020.

Ministry's Response

- For the financial year 2025-26, funds have not been provided for training on ISO 45001 implementation.
- A circular letter is being finalised to request Supervising Officers to submit a quarterly report on the status of implementation of the OSHMS.

Absence of a Structured Follow-Up after Training Programmes

The OSH unit launched a 2-day training program to provide Steering Committee members from selected Ministries and Departments with the necessary skills and knowledge to implement the OSH Management System. The training aimed to prompt these members to lead the initiative at their worksites, based on best international practices.

Over the last 3 financial years, from 2022-23 to 2024-25, approximately 400 officers from selected Ministries and Departments were trained on key aspects of the OSH Management System implementation.

A structured follow-up and coordination mechanism after the training sessions to ensure practical implementation of the OSH Management System was missing.

Root Cause

The Ministry did not have a proper plan to ensure the setting up of a structured follow-up mechanism for the training programme.

Recommendations

The Ministry should:

- Set a leading example by expediting the implementation of the long overdue OSH Management System thereat and subsequently to other selected Ministries/Departments.
- Establish a structured reporting mechanism for Steering Committee members to provide periodic updates on implementation progress.

Ministry's Response

- The OSH Unit is undertaking a comprehensive review of its operating framework. A new five-year Strategic Framework (2025-2029) is currently being developed to strengthen governance, reinforce operational capacity and streamline coordination in the implementation of OSH initiatives across the Public Service.
- The Ministry is introducing a structured Continuous Professional Development (CPD) Programme for officers of the Safety and Health Cadre. The CPD programme, designed

in line with international best practices and in consultation with relevant bodies such as the MSB and the OSH Steering Committees, will support capacity building in OSH Management System implementation, monitoring and assurance.

- A Steering Committee has already been set up at this Ministry to spearhead the implementation of the OSH Management System.

23.1.5 MPSAR - not yet certified ISO 45001:2018

Background Information

In the financial year 2023-24, the Ministry identified the ISO 45001:2018 certification as one of the key enablers for improving safety and health standards and compliance across the Public Service.

In September 2023, the OSH Unit sought assistance from MSB to pursue ISO 45001:2018 certification for the Ministry.

Findings

- In November 2023, MSB notified the OSH Unit that it could not proceed with the certification as it was not an accredited certification body for this standard.
- As of September 2025, that is 2 years later, the Ministry had not initiated any action to hire the services of other accredited agencies to pursue the certification.

This significant delay was not aligned with the Ministry's stated objective of improving the safety and health standards.

Root Cause

There is no Project Steering Committee to monitor the implementation of the ISO 45001:2018 certification.

Recommendation

A Project Steering Committee should be set up to implement the project.

Ministry's Response

The Ministry has not obtained ISO 45001:2018 certification, primarily due to the lack of dedicated funding required for the certification process, including consultancy, training, and system implementation costs and also because there is no public institution providing such certification. The cost for certification by Private Accredited Agencies involves high-cost implications.

23.2 Follow-up of Recommendations raised in the Audit Report 2023-24

The status of actions taken on key findings and recommendations since the publication of the Audit Report 2023-24 is summarised. Out of 7 recommendations, 4 (57 per cent) have been implemented and 3 (43 per cent) have been partly implemented.

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Recruitment of Consultant to Review Performance Management System - Bid Exercise Not Finalised (Page 502)				
1	As of October 2024, the bid exercise for the recruitment of a Consultant was not finalised. The budgeted amount of Rs 3.5 million was not used and reallocated to another vote, namely "Rental of Building" and "Public Service Day". (Pg 502, Para 24.1)	The Ministry should expedite recruitment of Consultant to allow timely review of Performance Management System. (Pg 502, Para 24.1)	An Indian Technical and Economic Adviser who is already deputed to this Ministry, has been assigned additional responsibility for the implementation and review of Performance Management System.	Implemented
Construction of New Civil Service College – Delay in Project Completion and Non-Compliance with some Clauses of the General Conditions of the Contract (Page 502 to 505)				
2	- The completion date of the project was extended to 30 June 2024. However as of August 2024, the construction project was not completed. - Construction workers were still present on site of works and the Auditorium was partly furnished as per site visit conducted by the National Audit Office on 22 October 2024. (Pg 502, Para 24.2)	The Ministry should expedite the timely operation of the college and for future capital project, the scope of works should be adequately defined. (Pg 503, Para 24.2)	The new building was inaugurated on 12 March 2025 by both Prime Ministers of India and Mauritius and has been named as the Atal Bihari Vajpayee Institute of Public Service and Innovation. It is operational as of March 2025.	Implemented
3	The Insurance Cover for Contractors All Risks and Third Party Liability which expired on 30 June 2024, was not extended up to the Defect Liability Period.	The Accounting Officer and the Consultant should ensure that all documents are submitted as stipulated in the General Conditions of Contract. (Pg 504, Para 24.2)	The Contractor renewed the insurance cover for the period 1 December 2021 to 31 December 2024, with a maintenance period of 12 months as from 1 January 2025.	Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
	▪ The Performance Guarantee was valid until 30 June 2025 and not up to 28 calendar days after the end of Defect Liability Period. ▪ As of September 2024, only 66.7 per cent of the contract price was certified for payment and the Contractor did not renew the Advance Payment Guarantee despite Ministry's request dated 13 August 2024. (Pg 503, Para 24.2)		• The Performance Guarantee was on 5 March 2025 renewed by the Building Contractor up to 28 November 2025, which was in accordance with the General Conditions of the Contract. • The Advance Payment Guarantee was not renewed by the Building Contractor. An amount of Rs 7,835 was deducted as bank charges from the Building Contractor's Bill No.13 for non-extension of the advance payment guarantee.	
4	• On 24 October 2024, the Ministry effected a payment of some Rs 58.3 million to the Contractor as per Payment Certificate No.13 despite the insurance cover was not valid and was not in line with Clause 13.7 (a) of the General Conditions of Contract. • As of November 2024, the Consultant did not take decisions regarding an extension of time of 105 days with additional costs. • The Ministry did not approve any further extension to the project timeline and did not decide whether to impose liquidated damages, starting from 1 July 2024. (Pg 504, Para 24.2)	The Consultant should strictly abide to the General Conditions of Contract in respect of renewal of Insurance cover, extension of time and claiming liquidated damages. (Pg 504, Para 24.2)	• Several extensions of time were granted to the Building Contractor from 27 July to 31 October 2024, following recommendations of the Project Consultant. • The Ministry did not apply liquidated damages because the causes of delay in the project were mostly beyond the control of the Contractor.	Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
Leave Management System Not Fully Implemented (Page 505)				
5	As of September 2024, some 12,000 out of some 58,000 public officers, representing 21 per cent were still not activated on Leave Management System (LMS). The Ministry of Health and Wellness and the Mauritius Prison Service did not fully implement LMS as the issue of standardisation of leave deductions for shift / roster employees had not yet been finalised. Inadequate logistics and internet connectivity did not allow officers at the Ministry of Health and Wellness and the Mauritius Prison Service to apply for leaves online. (Pg 505, Para 24.3)	The Ministry should address the specifications of these entities promptly. (Pg 505, Para 24.3)	- This Ministry is following up on this issue closely to ensure that all Regional Hospitals are implementing the recommendation of the Pay Research Bureau pertaining to leave in a uniformised manner to enable configuration of LMS for leave deductions. - The Mauritius Prison Service has on 29 January 2026 informed that the LMS would be difficult to implement as no officer apart from the Officer in Charge has the authority to enter the Prison settings with an official mobile phone. A dedicated meeting is being arranged with the MPS on the issue.	Partly Implemented
Effective Use of Electronic Time Recorders – Not Yet Assessed (Page 506)				
6	As of October 2024, 32,000 out of 58,000 public officers, representing 55 per cent were still not activated on the Electronic Attendance System (EAS). (Pg 506, Para 24.4)	The Ministry should ensure that Electronic Time Recording (ETR) is fully operational in all Ministries/Departments and that manual processing of attendance is phased out. (Pg 506, Para 24.4)	A meeting was held on 26 November 2026 to ensure that Ministries/Departments where ETR's are already installed, make optimum use thereof and also Ministries/Departments which did not yet have ETR's within their premises to make necessary arrangements for procurement and installation thereof.	Partly Implemented

SN	Findings	Recommendations	Ministry's Response as of January 2026	NAO's Comments
7	▪ The Ministry did not maintain a detailed record of the number of staff enrolled and actively using ETR in each Ministry / Department as the latter was not required to submit such information. ▪ The Ministry has not evaluated the effectiveness of EAS in terms of accuracy, reliability, and optimal utilisation of ETR. (Pg 506, Para 24.4)	The Ministry should establish a monitoring and reporting mechanism to ascertain the effective use of ETR. (Pg 506, Para 24.4)	• The e-HR Unit is having working sessions with the Service Provider to look into the enhancement of the EAS to capture data regarding number of officers enrolled on ETRs and to ensure the accuracy of the Data. • Pending the enhancements to the EAS, this Ministry is carrying out quarterly surveys as at April, August, and December on the effective use of ETRs in all Ministries/ Departments.	Partly Implemented

24 – MINISTRY OF LOCAL GOVERNMENT

24.1 Claims and Payments for Extension of Time with Costs

Poor contract management at the level of different local authorities led to unnecessary expenditure which could have been avoided or minimised significantly.

Payments of inordinate extension of time with costs, that is, Prolongation costs became a recurring feature of the construction projects of Local Authorities. During the period July 2023 to June 2025, some Rs 116.2 million were paid as prolongation cost on contract value of Rs 295.8 million, while claims under 2 other construction contracts were still under process as of October 2025, as shown in the Table 24-1.

Table 24-1 Claims and Payments of Prolongation Cost of Construction Projects (VAT Inclusive)

Local Authority-Project	Contract Value	Capital Works	Extension of Time with cost	Legal Charges	Interest	Total	At Contract Termination Progress Paymnts	Percentage of works completed
	Rs (Million)	Rs (Million)	Rs (Million)	Rs (Million)	Rs (Million)	Rs (Million)	Rs (Million)	
Financial Year 2023-24								
Municipal Council of Curepipe								
Consultancy Town Hall - Curepipe	2.1	10.2	-	0.8	2.1	13.1*	N/A	N/A
District Council Grand Port								
Market Fair and Traffic Centre - Mahebourg	83.7	13.0	17.8	11.7	2.9	45.4*	41.7	35
Financial Year 2024-25								
District Council Pamplemousses								
New Market Fair at Pamplemousses	130.9	-	27.6	-	-	27.6	N/A	N/A
City Council of Port Louis								
Multi-sports complex Abercrombie Market Fair Building	79.1	6.6	21.6	1.0	0.9	30.1*	26.5	21
District Council Savanne								
Administrative Block and Headquarter for Council	67.1	-	~31.0	-	-	31.0	N/A	N/A
New Market Fair at Chemin Grenier	123.7		Not known	-	-	-	N/A	N/A
Total	486.6	29.8	98.0	13.5	5.9	147.2		

Source: NAO Analysis

*Awarded at Arbitration

^ Include Contractor's legal and legal success fee of Rs 9.7 million

~ Claims under process

**N/A – Not Applicable

Prolongation costs arising from extended stay of contractors on site resulted mainly from the inability of the Councils to make effective and timely decisions regarding changes, scope of works or otherwise, occurring on construction projects. The lengthy approval process of the parent ministry, and the Ministry of Finance when additional funds were required, also contributed to the process.

It was noted that Prolongation costs were much higher when awarded at arbitration than when they were computed by Quantity Surveyors on the projects and agreed with contractors.

Claims and payments of prolongation costs are examined in the relevant paragraphs of this report on the Ministry.

Overall Recommendation

At the time when public finances are under fiscal stress, the Ministry of Local Government (MOLG) should address these cases of inefficient and wasteful expenditure as highlighted in the above projects by devising an appropriate consequence management policy.

Given the poor capital project management of Local Authorities, MOLG may consider the setting up of a Centralised Project Steering Committee to oversee major capital projects of all Local Authorities from design to completion stage.

Also, a Centralised Project Management System needs to be devised whereby a reinforced Local Authorities Governance Unit can centrally monitor all the projects.

24.1.1 Construction of New Market Fair at Pamplemousses – Project Management Issues

Extension of Time with Costs representing 20 per cent of Project Value

On 27 September 2022, the District Council of Pamplemousses (DCP) awarded the contract for the Construction of New Market Fair at Pamplemousses for the sum of Rs 130.9 million and with a duration of 365 days with expected completion date of 4 November 2023.

The project was substantially completed on 24 November 2024, that is, a year after the intended completion date. Extension of time of 387 days was granted to the Contractor for delays arising primarily from the change of Mechanical and Electrical (M&E) Engineers on the project and additional works requested.

As of September 2025, the New Market was not yet made operational. Further, additional works that were not originally scoped in the project and amounting to some Rs 9.6 million were deemed necessary to render the market operational. Financial clearance and additional funding from the Ministry of Finance were being sought thereto.

Payments to the Contractor amounted to Rs 111.9 million as of June 2025. Also, some Rs 2.3 million had been paid to consultants on the project.

Findings

▪ Reluctance of the Initial Mechanical and Electrical Engineers to continue their Services

In November 2022, the initially appointed M&E Engineers under the Expert Skills Scheme expressed their disagreement to the Council's proposed increase of their consultancy fees by 25 per cent and did not continue their services.

DCP then enlisted the services of M&E Engineers from the Ministry of National Infrastructure (MNI) with effect from 1 June 2023 to review the designs, mechanical and electrical drawings and supervision of M&E works.

Accordingly, subsequent to a claim, the Contractor was granted an Extension of Time (EOT) of 201 days for the delay in the appointment of the replacement M&E engineers.

(i) Claims for Loss and Expense Arising from Extension of Time - Rs 27.6 million

The Contractor submitted 2 claims for loss and expense as follows:

- Claim A of Rs 35.8 million, submitted on 8 July 2024 in respect of the approved EOT of 201 days for the period 5 November 2023 to 23 May 2024; and
- Claim B of Rs 1.7 million, submitted on 7 April 2025 in respect of 20 days during the period 24 August to 30 September 2024, arising from the request for additional works.

Assessment of Claims by Quantity Surveyor

In August 2024, the Quantity Surveyor determined a provisional sum in connection with the loss and expense associated with EOTs at Rs 4,736,026. The Contractor did not agree with the assessment.

Further to the submission of additional information by the Contractor in December 2024, the Quantity Surveyor undertook a detailed reassessment of Claim A.

In June 2025, the Quantity Surveyor submitted his final report recommending a total amount of Rs 18.8 million as payable under Claim A, while pointing out that Claim B could not be substantiated by the Contractor and was not recommended for payment.

Settlement Amounts Proposals

However, in July 2025 DCP proposed a settlement amount of Rs 8.5 million plus VAT to the Contractor. The latter did not accept the proposal.

On 20 August 2025, the Contractor, after making a few counter proposals including the abandonment of Claim B, submitted a revised settlement amount in the sum of Rs 24 million plus VAT, with a waiver of any interest on the amount due with a view to reaching an amicable settlement.

The Council agreed in principle with the proposed settlement amount and resolved to seek legal advice prior to issuing a formal response to the Contractor.

In September 2025, after consultation on the legal and financial risk associated with arbitration procedures, the Council concluded that the preferred solution would be an amicable settlement of Rs 24 million plus VAT. Accordingly, the Council sought the financial clearance of the Ministry of Finance through MOLG to effect the settlement.

(ii) Status regarding the Preferred Settlement Option

The Ministry of Finance directed that the advice of the Attorney General's Office (AGO) be sought on the legal implications of the settlement, and also the approval of the Government be required, prior to the issuance of the financial clearance.

On 23 October 2025, AGO advised that the independent opinion of an Architect and a Quantity Surveyor from the Ministry of National Infrastructure as well as the views of the Procurement Policy Office (PPO) be sought on the claims and on the assessment of loss and expenses arising from the Extension of Time.

On 22 October 2025, the Contractor informed the Council that no further extensions would be entertained and requested that the matter be resolved amicably by 15 November 2025 at the latest, in order to avoid the need for arbitration.

As of 31 October 2025, the opinion of the Ministry of National Infrastructure and views of the PPO was still awaited, and the issue of the settlement amount was not resolved.

Implication

Public benefits and service delivery, were delayed as the Market Fair remained non-operational nearly a year after completion.

Root Causes

- There was poor contract management by the Council.
- Inadequate provisions were made under the Expert Skills Scheme regarding the abrupt termination of contract of Experts, leaving the Council exposed to financial consequences.
- Time, which was of essence under FIDIC Conditions of Contract, was not given due consideration in the process for the replacement of the M & E Engineers.
- Entitlement to EOT and compensation arose from delays caused in the appointment of the new M&E Engineers.

Recommendations

- The terms and conditions under the Expert Skills Scheme need to be revisited to cater for situations where the expert is replaced.

- In contracts involving FIDIC conditions, timeline for decision taking and implementation by the employer and its representatives should be preset before construction works execution.

24.1.2 Construction of Mini Traffic Centre at Bel Air – Frontloading Issues in the Successful Bid

The project for the construction of the Mini Traffic Centre at Bel Air was estimated at Rs 56 million exclusive of VAT. It comprised the construction of the new Centre and other associated civil works such as:

- Drainage network and retaining walls
- Construction of 5 covered and linked bus stations
- Bus Alighting Platforms
- Garden, walk-around and site amenities
- Secured perimeter fencing around the premises

Officers of the Ministry of National Infrastructure ensured the management of the project.

Findings

▪ Bidding Exercise

Following a bidding exercise on the e-Procurement System in June 2024, MOLG received 3 bids at the extended closing date of 22 August 2024. The Departmental Bid Committee (DBC) referred the bids to the Bid Evaluation Committee (BEC) for evaluation on 26 August 2024. BEC comprised officers of the Public Infrastructure Department of 2 Local Authorities and a quantity surveyor from Ministry of National Infrastructure.

On 21 October 2024, BEC recommended the award of the contract to the lowest substantially responsive bidder at the bid price of Rs 59.2 million, exclusive of VAT and inclusive of a contingency sum of Rs 2 million and with a duration of 360 days.

DBC endorsed the evaluation report. The contract was accordingly awarded on 21 November 2024 and the agreement was signed on 26 December 2024.

The start date was set at 14 days after site handover.

▪ Site Possession and Progress of Works

Site possession was granted to the Contractor nearly 3 months after contract signing on 9 April 2025.

In March 2025, the Ministry of Housing and Lands was requested to expedite the site pegging so that the site could be handed over to the Contractor.

On 15 May 2025, the contractor informed the Ministry of National Infrastructure that the pegging had not yet been done, and that all plants and equipment had been removed from the site due to high costs. This delay could affect project completion and might lead to claims for extension of time with associated costs.

As of July 2025, the contractor was still awaiting confirmation of the site boundaries, further delaying the commencement of construction works. As of September 2025, works had not yet started.

▪ **Front Loading Issues**

In May 2025, the technical team of Ministry of National Infrastructure identified significant front-loading in the Bill of Quantities (BOQ) submitted by the contractor. The Team refused to certify the application for Advance Payment from the Contractor.

A comparative analysis was subsequently carried out and the following high-risk front-loading scenario were highlighted, among others:

- (i) Significantly inflated Preliminaries and General Costs, Landscaping Works.
- (ii) Overall bid structure designed to favour the Contractor's early cash flow, leading to increased risk should the Contractor default or slow down during later stages of construction.
- (iii) Likelihood of variation claims on the front-loaded rates and prices.

Following the review, the Quantity Surveyor on the Technical Team re-assessed the BOQ and submitted a revised cost estimate of the Project at Rs 61.7 million, excluding VAT.

▪ **Matters referred to Attorney General's Office**

On 17 May 2025, following a meeting at the Ministry of National Infrastructure, the Contractor expressed his willingness to re-balance his BOQ, provided the Quantity Surveying Section of the Ministry of National Infrastructure submitted its assessment and that both parties agreed on the revised BOQ.

Further to discussions with the Technical Officials of Ministry of National Infrastructure in July 2025, MOLG sought the legal guidance of the AGO on whether the BOQ could be amended after the award of the contract.

On 30 October 2025, AGO replied as follows:

- (i) The said contract awarded and signed did not contain any provision to address issues of front-loading during the post-contract stage and such matters should have been included in the Particular Conditions of Contract.
- (ii) MOLG might address such issue through an addendum to the contract. However, any such addendum should be executed through mutual written agreement between MOLG and the Contractor.

- (iii) Subject to the Contractor's agreement to the proposed addendum, MOLG might thereafter process the Contractor's claim for any advance payment.

Implications

- Failure to identify the bidder's strategy in the BOQ would have exposed MOLG to the risks, as highlighted by the Project Monitoring Team of Ministry of National Infrastructure.
- The project execution and completion would be achieved with significant delay, with consequent effect on the inhabitants of Bel Air.
- The late handing over of the site and the inability of the Contractor to proceed with the construction works due to lack of pegging, along with the non-certification of the contractor's claim for advance payment, might result into claims for Extension of Time with Cost.

Root Cause

The Bid Evaluation Committee, which included a Quantity Surveyor, did not identify the front-loading in the bid of the lowest substantially responsive bidder at the time of bid appraisal.

Recommendation

Detailed evaluation of BOQs of responsive bids should be conducted by MOLG or Central Procurement Board against components of cost estimates to ascertain pricing strategy of bidders in their bid submissions so as to detect front loading issues.

24.1.1.2 Renovation of Port Louis Theatre – Phase II

Project Implementation Issues

The renovation project, which aimed at preserving the cultural heritage of the Theatre, was implemented in 2 phases by the City Council of Port Louis (CCPL), as follows:

Phase I which focused on structural stabilization and stopping further deterioration of the theatre, was completed at a cost of Rs 82.7 million in November 2020.

Phase II covered renovation and completion works to make the theatre fully operational. It included among others, roof waterproofing, internal timber flooring, passenger lift installation, stage curtain and blinds, decorative luminaries, fresque works, construction of new statues, artwork and signage, external works, and furniture and fit-out works.

The project management was ensured by a Consulting firm since 2010.

Funding for Phase II was secured under Grants to Local Authorities – Local Development Projects.

Findings

▪ Bidding Exercises for Phase II

Amendments to the Public Procurement Legislations delayed the floating of bids. Two bidding exercises were thereafter conducted as follows:

- (i) The first exercise, launched in March 2023, was cancelled by Central Procurement Board due to major flaws in the BOQ.
- (ii) A second exercise was conducted in February 2024, with a revised bid document and updated cost estimate of Rs 313 million. The second exercise attracted only one bidder with an offer of Rs 359.4 million, inclusive of VAT and contingencies.

▪ Award of Contract and Progress of Works

The contract was awarded to the sole bidder for the tendered sum of Rs 359.4 million and with a duration of 365 days. Works were scheduled to start on 7 August 2024 and were expected to be completed on 7 August 2025.

As of October 2025, the intended completion date had already lapsed and only 35 per cent of the works were ascertained as having been carried out. Variation works were assessed at some Rs 400,000, while no extension of time had yet been approved.

▪ Frequent Changes in BOQ Items

Many items in the BOQ were not adequately defined and were left under provisional sums. Changes to items specified in the BOQ were a common feature, given the special nature of the renovation works.

These shortcomings would impact the prompt completion of works, that may give rise to additional costs arising from variation works and substantial claims for extension of time with cost from the Renovation Contractor. For instance, the following were noted:

- (i) Tender documents for consultancy services of a restoration specialist for the dome décor (fresco) were still under preparation.
- (ii) There was discrepancy in the BOQ – costs of all toilets were omitted.
- (iii) Lift installations, for which 4 months were set for procurement and 2 months for installation, were behind schedule.
- (iv) Relocation of chandelier and separate tendering for decorative lights were done.
- (v) Updated architectural drawings were needed due to design changes – cancellation of pond.
- (vi) There was a change in acoustic board specification 12mm instead of 20 mm.
- (vii) Quotes were awaited for statues and termite warranty certificate for plywood.
- (viii) Roof waterproofing works were carried out by sub-contractor.

Root Causes

- There was inadequate anticipation of specialised restoration requirements during project planning and tendering.
- Risks related to heritage restoration, import lead times, and design modifications were not adequately identified in the project plan.

Recommendation

A Project Monitoring Committee for the Port Louis Theatre should be set up at the level of the CCPL to provide effective coordination, monitoring, and better upfront planning to achieve timely completion and preserve the heritage integrity of the Theatre.

24.1.3 Construction of Market Fair and Traffic Centre at Mahebourg Abandoned

Potentially Wasted Capital Expenditure of Rs 87.2 million

In Audit Reports for the financial year 2021-22 to 2023-24, it was pointed out that the Contractor of the project had abandoned the construction site in June 2022 with 65 per cent of the works remaining to be completed. The District Council of Grand Port (DCGP) terminated the contract in December 2022. Payments already made to the Contractor as of June 2022 amounted to some Rs 41.7 million, representing 50 per cent of the contract value.

In March 2024, the Contractor was awarded an amount of Rs 45.5 million at Arbitration. MOLG had disbursed an additional grant in aid of some Rs 7.4 million to the District Council for the settlement of the Arbitration Award.

In December 2023, Government had decided that the Ministry of National Infrastructure would take over the project, but with a revised scope of work.

Findings

- In October 2024, the Ministry of National Infrastructure had worked out a revised cost estimate of Rs 128.7 million, exclusive of VAT, for the completion of outstanding works at the new market fair.

The Ministry of National Infrastructure apprised that the precast beams, iron pipes, and other materials remaining on the construction site estimated at some Rs 2.9 million could not be used on this project as:

- (i) They had been significantly corroded due to prolonged exposure to the harsh environment.
 - (ii) The roof profile had to be modified in the new design to mitigate the risk of water ingress. New reinforced concrete beams were proposed to meet the new roof profile and for the stability of the whole structure.
- As of September 2025, it could not be ascertained whether DCGP intended to proceed with the completion of the outstanding works.

- An extension of the existing Market Fair at Mahebourg was earmarked as a new Project under Preparation for the DCGP, with an estimated project value of Rs 100 million. The Ministry of National Infrastructure agreed to undertake the design, preparation of bidding documents, bill of quantities, and supervision of the project.

Implication

The abandonment of the project resulted in non-utilisation of the infrastructure already developed and loss of public funds of some Rs 87.2 million. The intended socio-economic benefits of the project were not realised.

Root Cause

The absence of a clear direction regarding the project's completion affected the efficient management and utilisation of capital resources.

Recommendations

- The Council, in consultation with MOLG, should take a policy decision on the way forward for the project.
- Appropriate actions should be initiated to repurpose the existing infrastructure to safeguard and optimise the investment made.

24.1.4 Construction of Chemin Grenier Market Fair by the District Council of Savanne

Project Management Issues

At Paragraph 6.1.8 of my Audit Report for 2023-24, I reported that the contract for the above works, which consisted of the construction of double-storey market fair building in concrete structure, services, external drainage and site work, was awarded for the sum of Rs 123.6 million with a duration of 364 days. Works commenced in September 2021 and were scheduled to be completed on 10 October 2022. Two extensions of time were granted to the Contractor primarily for reasons of change in scope of works. The revised completion date was set for 8 March 2023.

In April 2024, the Contractor was requested to prepare plans and cost estimates for Design and Built Realignment and Sizing of Stormwater Drain work. The request constituted a major addition to the scope of works of the Project. Due to indecision of the District Council of Savanne (DCS), and because of other technical reasons, the work was not awarded to the Contractor until 13 September 2024. The Council was not sure as to whether it should limit the Contractor's performance obligation to the construction of the building or to include the stormwater drains work as an emergency procurement under Paragraph 25(2)(d) of the Public Procurement Act.

The Ministry had informed my Office in January 2025 that the construction works had reached 95 per cent completion, while the stormwater drains works were 50 per cent complete.

Findings

- Payments to the Contractor had reached Rs 96.8 million as at June 2025, of which Rs 7 million was related to the stormwater drains work.
- A few non-compliances with approved drawings for the stormwater drains were observed by the Land Drainage Authority.
- In October 2024, the Ministry of National Infrastructure had proposed several modifications to enhance the functionality, safety and user comfort of the newly constructed market. The Contractor had assessed the cost of these additional works at some Rs 22.7 million.

It was not known whether formal instructions had been issued to the Contractor to undertake these modifications. Works had not commenced as of October 2025.

- Finishing works for parking areas, driveways and landscaping among others remained to be completed as of October 2025.
- The Contractor had signified its intention that prolongation costs would be claimed on the Contract. The amount that would be claimed was not submitted.
- In October 2025, the market was still not operational 5 years after the start of initial construction works.

Implication

Unsatisfactory project management of DCS resulted in milestones set for the project not being achieved, with consequent claims from the Contractor for loss and expense.

Root Cause

DCS gave little consideration to the possibility that claims for loss and expense from the Contractor would arise from the Council's delays in decision taking.

Recommendation

The Ministry should impose a timeline on Local Authorities for decision taking in respect of any proposed change in scope of works and set up the appropriate mechanism for the approval of requests so that contractual works are not delayed unnecessarily. This would reduce the possibility of amounts that could be claimed by Contractors as prolongation cost.

24.1.5 Construction of an Administrative Block and Head Quarters for DCS at Souillac

Project Management Issues

The Project for the construction of an Administrative Block and Head Quarters for the District Council of Savanne was estimated at Rs 65 million and consisted of the

construction of a single-storey main building with a floor area of 1,495 m², together with services installation, and other site works.

The contract for the works was awarded in September 2022 for the sum of Rs 58.3 million excluding VAT, and with a duration of 364 days.

As of June 2025, some Rs 38.1 million had been paid to the Contractor, representing approximately 63 per cent of the total contract value. This sum included an advance payment of Rs 6.6 million.

Findings

▪ Handing Over of Site and Progress of Works

The site was handed over to the Contractor on 11 November 2022. Works commenced on 21 November 2022 and were intended to be completed by 19 November 2023.

Construction works sustained significant delays. Progress of works in the period July 2024 to June 2025 was insignificant.

NAO Officers conducted the site visit with officers of the DCS on 27 October 2025. It was noted that several works including drainage, parking, driveways, boundary walls, aluminum and metal works as well as services remained to be completed. Also, structural and non-structural cracks were observed on wall surfaces at various locations throughout the building.

▪ Claims for Extension of Time and Related Prolongation Costs

As of July 2025, the Contractor had submitted 5 claims for EOT covering the period from July 2023 to February 2024. These claims were not yet assessed as of October 2025.

In May 2025, the Contractor submitted a claim for loss and expense amounting to Rs 27 million. The claim related to, among others, the District Council's failure to finalise drawings within reasonable time and for abortive works resulting from frequent changes in the scope of works. It was stated that the claim would be assessed subsequent to the determination of the EOTs.

▪ Project Management Services

The contract of the former Project Manager was not renewed after February 2024. The Head of Public Infrastructure Department then assumed the responsibility for supervising the project until July 2024.

Thereafter, a Technical Team from the Ministry of National Infrastructure was requested to undertake the project management responsibilities with payment of the applicable allowances. The handing over of the site between the former and the newly appointed Project Manager took place in January 2025.

Implications

There were:

- Uncertainty regarding the project's completion timelines.
- Potential disputes between the client and the contractor concerning delay-related liabilities.

Root Causes

- Weak monitoring and reporting mechanisms during implementation phase occurred.
- Timely coordination between the consultant, contractor, and client was lacking regarding changes to be brought to the scope of works.

Recommendations

The Ministry should:

- improve project planning and monitoring systems to ensure timely completion of works.
- identify and resolve bottlenecks affecting project progress; and
- set up a Centralised Project Monitoring Committee to monitor the projects of all local authorities and address issues promptly.

24.1.6 Construction of Multisport Complex and Music School at first floor level of the existing Abercrombie Market Fair Building, Port Louis

Consultancy Services and Construction Work -Deficient Project Management

In the Audit Report for 2023-24, I reported that the City Council of Port Louis (CCPL) had prematurely terminated both the contract for Project Management Services and the contract for the construction works in December 2022 and May 2023 respectively. The grounds for termination were non-compliance of the Project Management Consultant to "Registration" provision under Section 19 of the Construction Industry Development Board Act, while the construction contract was terminated for 'convenience'.

At termination of the contracts, the Project Management Consultant was paid Rs 1.6 million of the contract sum of Rs 2.8 million. Progress payments under the construction contract had reached Rs 26.5 million on the contracted sum of Rs 79 million.

In July 2023, the Building Contractor initiated arbitration proceedings against the City Council of Port Louis with claims of Rs 43.9 million in respect of unsettled payments at termination.

In September 2023, the Project Management Consultant filed a case at the Supreme Court against the City Council of Port Louis with claims of some Rs 13.1 million for termination of contract.

Following Government decision, an Expert Team from Ministry of National Infrastructure was appointed in May 2023 to work on the consolidation works at the ground floor of the existing building and completion of works at the first floor. The Ministry of National Infrastructure Team prepared a new bidding document for the “Procurement of Outstanding Works at the First Floor of the Complex and Major Consolidation Works at the Ground Floor”.

The new bidding documents by Central Procurement Board (CPB) in March 2024 with a revised cost estimate for the project in the sum of Rs 174.6 million resulted in ‘no- award’.

In January 2025, MOLG informed my Office that the City Council of Port Louis was reviewing the bidding documents for the outstanding works with the CPB, and that the revised bidding documents incorporating amendments would be uploaded on the e-Procurement system by 21 January 2025.

Findings

Outstanding Works

In June 2025, the City Council of Port Louis informed that the bidding documents for the relaunching exercise were still being finalised and would soon be uploaded on the e-Procurement system for final vetting by CPB.

Despite the start of the construction works in July 2019, the Project was not completed as of October 2025. The Project site remained in a standstill state, exposing the 21 per cent already executed works to further deterioration.

▪ Court and Arbitration Procedures Against the City Council of Port Louis

- (i) The case lodged by the Project Management Consultant was still pending at the Supreme Court as of October 2025.
- (ii) As for the Arbitration procedures initiated by the Building Contractor, the Arbitration Tribunal gave its award in May 2025 ordering the City Council of Port Louis to pay Rs 25.4 million plus VAT and interest to the Contractor. Of the amount awarded, some Rs 18.7 million was in relation to the Contractor’s extended stay on site.

The award plus VAT and interest amounting to Rs 30.15 million, was paid on 18 July 2025. MOLG contributed to some Rs 22.6 million towards the payment of the award.

Implications

- Nugatory expenditure of some Rs 30 million occurred on a project which was only 21 per cent completed.

- Delays in awarding the contract for outstanding works exposed the City Council of Port Louis to further cost escalation due to increase in construction rates.
- Planned social benefits from the project still remained to be realised.

Root Causes

- Poor project management was carried out by the City Council of Port Louis.
- Financial consequences arising from the premature termination of the contracts were not assessed properly.

Recommendations

The City Council of Port Louis should:

- prioritise finalisation of bid documents for prompt floatation by CPB;
- make more informed assessment of consequences of decision making in construction projects;
- predetermined time line for decision making for work scope changes; and
- set up a Project Monitoring Committee to monitor the project and address the issues promptly.

24.1.7 Sixteen LPG - Fired Human Incinerators Inoperative

The incinerators were procured from an Indian Supplier under a line of credit from the Government of India at the cost of USD 2.3 million (Rs 102 million). The project sustained delays in its execution due Covid-19 pandemics, and completion certificates for the 16 different sites were issued between December 2022 to May 2023.

The contract that was awarded to the Indian supplier in July 2019 did not include a maintenance agreement for the incinerators after installation and commissioning.

In August 2024, that is, within 12 months after the end of the defects liability period of the last commissioned incinerator, 11 of the 16 incinerators were out of order. Government then requested all Local Authorities to close the 16 incinerators, pending a maintenance agreement for their repairs.

Procurement for Periodic Servicing, Maintenance and Repairs of the Incinerators

Two bidding exercises were conducted in relation to the above procurement. The first exercise in June 2024 attracted few responsive bids, and the exercise was relaunched in July 2024.

Only the local representative of the Indian Supplier of the incinerators responded to the rebid exercise, with a proposal for a five-year maintenance plan for the sum of Rs 34 million.

On 15 October 2024, the contract was awarded to the local representative for an initial period of 2 years for the sum of Rs 20.5 million, excluding VAT, as detailed in Table 24-2.

Table 24-2 Breakdown of the Contract Awarded

Details of Works Awarded	Rs
Repairs of 16 Incinerators	10,550,000
Yearly Maintenance (16*2* Rs 25000)	800,000
Six Monthly Maintenance	576,000
10 Monthly Maintenance (2 Years)	5,120,000
Electrical-Berthaud Crematorium	495,000
Maintenance of 16 Generators	2,963,000
Total (VAT Exclusive)	20,504,000

Source: MOLG

Eleven of the 16 incinerators had been repaired as of October 2025. Six of the repaired incinerators were not made operational due to absence of the appropriate Fire Certificate from the Mauritius Fire and Rescue Service (MFRS).

As for the remaining 5 unrepaired incinerators, 4 could not be repaired because of lack of spare parts, which needed to be procured from abroad; and one was sealed off by the Mauritius Police Force following a major theft of electrical cables at the incineration site.

Implication

Expensive assets had remained unutilized for periods of more than 18 months, depriving citizens of the use of environmentally friendly incineration method.

Root Cause

The contract for the supply of the LPG Fired Human Incinerators did not include a repairs and maintenance clause for the maintenance of the equipment after the warranty period.

Recommendations

- Efforts should be made to comply with the existing Fire Certificate requirements from MFRS so that all repaired incinerators are made operational.
- Repairs should be conducted at the earliest for Berthaud-Quatre Bornes and Bigarra-Curepipe incinerators as these 2 sites receive a greater number of deceased for incineration.
- A proper Maintenance Clause covering the lifespan of the equipment should be included in future contracts for such procurements.

24.1.2 Governance Issues – Non-compliance with Legislation

Provisions have been made in various legislations to impose a statutory responsibility on Accounting Officers, Boards of Statutory Bodies and Council of Local Authorities with the objective of strengthening accountability and transparency in the public sector.

Findings

Audited Reports not yet laid before the National Assembly

Section 139(2) of the Local Government Act requires the Minister, at the earliest available opportunity, to lay a copy of the annual report and audited accounts of the Councils before the National Assembly. The financial statements and annual report of the following Councils had been certified by the National Audit Office, but were not yet laid before the National Assembly as of 31 December 2025 as shown in Table 24-3.

*Table 24-3 Annual Reports including audited Financial Statements
not laid before the National Assembly*

SN	Local Authority	Financial Year	Date Certified
1	District Council Pamplemousses	2023-24	10.09.25
2	Municipal Council of Beau Bassin/Rose Hill	2023-24	21.11.25
3	Municipal Council of Quatre Bornes	2023-24	21.08.25
4	Municipal Council of Curepipe	2023-24	10.09.25
5	District Council Flacq	2023-24	20.11.25
6	District Council Grand Port	2023-24	09.09.25

Source: MoLG

Recommendations

The Ministry should:

- Exercise control over local authorities, statutory bodies and other entities operating under its aegis to ensure that they comply with their statutory responsibilities regarding the preparation of financial statements and their submission for audit; and
- Lay a copy of the annual report and audited financial statements before the National Assembly.

24.2 MAURITIUS FIRE AND RESCUE SERVICE

24.2.1 Construction of New Fire Station at Goodlands – Lapses in the Capital Project Implementation

The contract was awarded for the sum of Rs 100 million and with a duration of 450 days on 27 October 2023.

In the Annual Audit Report 2023-24, I highlighted the issues that arose from the bid of the successful bidder for the project. The Project Monitoring Team (PMT) of the Ministry of National Infrastructure (MNI) identified frontloading issues in the Contractor's bid, which needed to be resolved to ensure a proper administration of claims and payments under the contract.

Following the advice of the Attorney General's Office, the PMT worked out jointly with the Contractor a revised priced Bill of Quantities and a revised schedule of rates, while containing the contract price at the awarded contract value of Rs 100 million. A supplementary agreement to that effect was signed between Mauritius Fire Rescue Services (MFRS) and the Contractor on 12 June 2024.

The site was then formally handed over to the Contractor on 26 June 2024, that is 8 months after the contract award, with the intended construction completion date of 2 October 2025.

Findings

The Project had sustained significant delays to start due to the frontloading issues. As of August 2025, the status of the project was found to be as follows:

- 55 per cent of the construction works were ascertained as having been completed. Payments to the Contractor had reached Rs 37.4 million.
- The Project Monitoring Team observed delays in the progress of works of 2 months against programme of work submitted by the Contractor. The Latter was requested to submit the methodology that it would adopt to mitigate the delays noted.
- The Contractor was granted extension of time of 2 months till 23 December 2025 to complete the contractual works.

Root Causes

The Contractor was not performing according to his programme of work and because of poor supervision by MFRS.

Recommendations

- MFRS needs to closely monitor the progress of works as the construction project is significantly behind schedule.

- MFRS must ensure that a Quantity Surveyor is included in the technical evaluation of bids received in construction projects.

Department's Response

- The project is being closely monitored by the Project Monitoring Team set up at the level of Ministry of National Infrastructure. Fortnightly meetings are carried out with all stakeholders, where all issues are addressed.
- Any delay outside the time for completion will result in application of Liquidated Damages as set in the Contract.
- All requests for extension of time by the Contractor are assessed by the Quantity Surveyor Section of Ministry of National Infrastructure and same is granted if justified.
- In January 2025, CPB was apprised of NAO recommendation regarding the possibility of Project Management Team of Ministry/Department to attend bid evaluations to avoid the recurrence of frontloading issues. The responsibility to set up Bid Evaluation Committee rests solely on the CPB.
- MFRS will ensure that a Quantity Surveyor will be included in all technical evaluation of bids for construction projects where bid evaluation is carried out at the level of MFRS.

24.2.2 Procurement of One Articulated Hydraulic Platform (AHP) – Inability to use the Equipment

In my report for the financial year 2022-23, I reported at Paragraph 7.2.1 that the AHP purchased for the sum of Rs 49.5 million in October 2021 from a foreign supplier was in an inoperative state since April 2023 due to oil leakages in the rear offside extensible jack.

The defect was considered significant as it could compromise the functional system of the vehicle and associated appliances in firefighting and rescue operations. In October 2023, a Hydraulic Engineer from the foreign supplier diagnosed the appliance and identified a defect in the hydraulic piston of the rear offside jack. He recommended the replacement of the part.

However, the local representative of the foreign supplier, served a *mise en demeure* stating that it was not receiving payment from the foreign supplier for services carried out and would not extend any services until the amounts owed were settled.

I pointed out that lack of provision in bid documents for procurement of specialized equipment from overseas sources regarding redress when supplied items were not performing to required standards resulted into this critical equipment remaining unrepaired.

I also recommended that MFRS needed to consider the inclusion of “Case of Needs” Clause in procurements from foreign sources so that contractual difficulties could be sorted out more easily with the stated local representative in the bidding document.

Findings

- The purchase agreement with the foreign supplier included a 6 year's maintenance agreement after the warranty period of 2 years. The terms and conditions of the maintenance agreement were to be finalised at a later stage.

In July 2025, the foreign supplier informed that the Maintenance contract issue was being looked into and MFRS would be informed in due course.

- As of October 2025, the appliance was still in an inoperative state. The status of the repairs was reviewed and the following were noted:
 - (i) MFRS received the shipment of the required spare part on 11 June 2025, that is 18 months after the AHP had been put off the run. MFRS immediately notified the foreign supplier of the receipt of the spare part, and requested the latter to attend to the repairs work.
 - (ii) In July 2025, the foreign supplier informed that it had negotiated a solution with another company, which happened to be an unsuccessful bidder for the supply of the equipment in 2021, to undertake the repairs of the AHP which was still under warranty.

MFRS was requested to allow technicians who were not party in the agreement with the foreign supplier to determine the full scope of the required work, following which the vehicle would be relocated to the new representative's premises. The cylinder repair would be executed under warranty and no further warranties would apply to the vehicle.

- (iii) MFRS gave its no objection to the foreign supplier for the repairs to be carried out at the new representative premises on 30 July 2025. However, as of October 2025 the repairs work was not yet undertaken.

Implications

- MFRS was deprived of the use of a high value essential equipment for firefighting in high rise buildings.
- The foreign supplier showed little intention to enter into the 6-year Maintenance and Servicing Agreement.
- MFRS would be left exposed to future risk if the equipment breakdown is unattended.

Root Cause

Appropriate provisions in bid documents were lacking in respect of procurement of specialised equipment from overseas sources regarding redress, legal or otherwise, available to the buyer.

Recommendations

A Project Monitoring Committee comprising representatives of MFRS, MOLG and the Ministry of National Infrastructure should be set up to look into the matter and make appropriate recommendations.

Department's Response

- On 29 October 2025, MFRS held a meeting with the local representative stated in the bidding document to outline the difficulties in the provision of service since July 2023 by the foreign supplier. The local representative provided documentary evidence that the foreign supplier has been delaying the repairs due to financial constraint.
- The local representative in the bidding document performed repairs on the equipment in October 2022 and has informed that his technical team is trained and can provide repairs of the AHP.
- The issue to undertake the repairs of the AHP by the unsuccessful bidder in 2021 was discussed with the Attorney General's Office.
- Following advice from Attorney General's Office, MFRS initiated actions for the diagnosis and repairs to be carried out by the local representative stated in the bidding document. A meeting was scheduled with the local representative stated in the Bidding Document to finalise on the plan of work for the repairs and maintenance of the AHP.
- As recommended by NAO in the Audit Report 2023-24, and subsequently advised by PPO, MFRS will include "Case of Needs" clause in future International Bidding Documents for all International Bidding exercises.

24.2.3 Control Room and Mobilisation Management System (CRMS) - System not fully operational

The system aimed at a more effective and efficient management of MFRS available manpower and equipment resources.

The CRMS contract was awarded to a Mauritian company for the sum of Rs 3.4 million on 2 February 2024. The work was expected to be completed by June 2024 and 90 per cent of the contract value had been paid as at September 2024.

In my report for 2023-24, I pointed out that the project was not properly planned and was deployed in a disorderly manner.

Findings

- As of September 2025, the system was not yet fully operational. It was stated to be still at the testing level. The Main Control Room (MCR) was still conducting test on the system.

One of the main reasons cited was the difficulty of MFRS in procuring rugged tablets. Two bidding exercises were conducted and cancelled due to technical specifications not being met by bidders. A third one was launched on 2 October 2025.

- The contract provided for the linking of MFRS Fleet and Equipment Management System to the CRMS. In December 2024, it was decided that National e-Licensing System of the Economic Development Board would also be integrated with the CRMS.

In October 2025, the integration of CRMS with National e-Licensing System and Fleet and Equipment Management System was still in progress.

Implication

The intended objectives of the system were yet to be achieved.

Root Causes

- Poor project planning led to difficulties in operating the CRMS effectively in the absence of appropriate IT equipment.
- The integration process with other IT systems was complex.

Recommendations

- Completed functionalities of the CRMS should be made operational.
- A Project Closure Committee should be set up so that MFRS obtains a validated Project Closure Report on the completion of the Project.

Department's Response

- Tender for procurement of rugged tablets have been launched for the third time in October 2025, after reviewing of the technical specifications by the CIB. The bid evaluation exercise is in progress.
- The system operates correctly from MCR to Fire Stations and back through Personal Computers. The system will be additionally expanded for use by Incident Commander upon obtaining the rugged tablets.
- The project is being closely monitored by MFRS to ensure that the CRMS is made operational at the earliest.
- As recommended by NAO in Audit Report 2023-24, a Project Closure Committee will be set up to ensure that MFRS has a validated Project Closure Report.

25 – MINISTRY OF ARTS AND CULTURE

25.1 Governance Issues-Non-compliance with Legislation

Non-Submission of Financial Statements for Audit

The Statutory Bodies (Accounts and Audit) Act requires the Chief Executive Officer of a Statutory Body to submit the annual report, including the financial statements, to the auditor not later than 4 months after the end of every financial year.

As of 15 December 2025, the following Statutory Bodies falling under the purview of the Ministry of Arts and Culture had not submitted their financial statements for audit, as shown in Table 25-1.

Table 25-1 Financial Statements not submitted to NAO for Audit

SN	Statutory Body	Financial Year	No of Financial Statements
1	Bhojpuri Speaking Union	2023-24 to 2024-25	2
2	Creole Speaking Union	2023-24 to 2024-25	2
3	Malcom de Chazal Trust Fund	2022-23 to 2024-25	3
4	Marathi-Speaking Union	2023-24 to 2024-25	2
5	Mauritius Marathi Cultural Centre Trust	2023-24 to 2024-25	2
6	Mauritius Film Development Corporation	2019-20 to 2024-25	6
7	Mauritius Museums Council	2019-20 to 2024-25	6
8	Mauritius Society of Authors	2022-23 to 2024-25	3
9	Mauritius Tamil Cultural Centre Trust	2022-23 to 2024-25	3
10	National Art Gallery	2019-20 to 2024-25	6
11	National Library of Mauritius	2024-25	1
12	Nelson Mandela Centre for African Culture Trust Fund	2021-22 to 2024-25	4
13	Professor Basdeo Bissoondoyal Trust Fund	2007-08 to 2024-25	18
14	Sanskrit-Speaking Union	2022-23 to 2024-25	3
15	Tamil-Speaking Union	2022-23 to 2024-25	3
16	Telegu Speaking Union	2023-24 to 2024-25	2
17	Urdu-speaking Union	2019-20 to 2024-25	6
18	President's Fund for Creative Writing	2018-19 to 2024-25	7

Source: NAO Records

Annual Reports not laid before the National Assembly

The Statutory Bodies (Accounts and Audit) Act requires a copy of the annual report and audited accounts of every statutory body to be laid before the National Assembly at the earliest opportunity.

As of November 2025, the annual reports of 11 statutory bodies had not yet been laid before the National Assembly, as shown in Table 25-2.

*Table 25-2 Annual Reports including audited Financial Statements
not laid before the National Assembly*

SN	Statutory Body	Financial Year/Period	Date Certified	No of Financial Statements
1	Bhojpuri Speaking Union	2022-2023 2023-2024	10.07.2024 28.04.2025	2
2	Creole Speaking Union	2023-2024	16.05.2025	1
3	Malcom de Chazal Trust Fund	01.01.2016 – 30.06.2017 2017-2018 2018-2019 2019-2020 2020-2021 2021-2022	31.05.2021 31.05.2021 30.06.2022 30.06.2022 31.03.2023 16.04.2025	6
4	Mauritius Telegu Cultural Centre Trust	2022-2023 2023-2024	20.05.2024 12.06.2025	2
5	Nelson Mandela Centre for African Centre Trust Fund	2019-2020	21.10.2025	1
6	National Art Gallery	2018-2019	19.09.2024	1
7	National Heritage Fund	2018-2019 2019-2020 2020-2021 2021-2022 2022-2023	16.05.2023 11.07.2023 29.02.2024 22.05.2024 28.02.2025	6
8	National Library	2023-2024	22.04.2025	1
9	Sanskrit Speaking Union	2021-2022	25.09.2025	1
10	Tamil Speaking Union	2020-2021 2021-2022	05.04.2025 12.09.2025	2
11	Telegu Speaking Union	2017-2018 2018-2019 2019-2020 2020-2021 2021-2022 2022-2023 2023-2024	04.08.2021 04.08.2021 04.08.2021 03.08.2022 21.06.2023 22.04.2025 22.04.2025	7

Source: National Assembly Records

Root Cause

The Accounting Officer did not exercise sufficient oversight to ensure that all the bodies falling under the aegis of the Ministry prepared their financial statements and that the audited financial statement were submitted to the National Assembly as per the Statutory requirements.

Recommendations

- The Ministry should strengthen its oversight and control mechanisms over statutory bodies and other entities operating under its aegis. It should ensure that these entities comply with their statutory responsibilities concerning the preparation of financial statements and their timely submission for audit.
- The Ministry should ensure that a copy of the Annual Report and audited financial statements of the bodies falling under the aegis of the Ministry are laid before the National Assembly within the prescribed timeframe, in line with the statutory requirements.
- Necessary actions should be taken by the Accounting Officer of the Ministry to ensure that all the bodies falling under its aegis clear their backlog of financial statements as soon as possible.

Ministry's Response

- As regards, non-submission of financial statements for Audit and Annual Reports of Statutory Bodies under the aegis of the Ministry, for those Boards which have already been reconstituted, close monitoring is being ensured for timely submission in line with the Statutory Bodies (Accounts and Audit) Act.
- A circular has already been issued to all parastatal bodies under the aegis of the Ministry for the submission of their annual reports and audited financial statements by the prescribed timeline.

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PART II

AUDIT OF OTHER PUBLIC ENTITIES

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26 – STATUTORY BODIES, LOCAL AUTHORITIES, SPECIAL FUNDS AND OTHER BODIES

26.1 Financial Reporting

26.1.1 Statutory Bodies

Statutory Bodies are established by law to carry out specific functions which Government considers may be more effectively performed outside a traditional departmental structure. They are subject to varying degrees of ministerial control which are specified in the legislations establishing them. Ministers are accountable to the National Assembly for the operation of the statutory bodies falling under their respective responsibilities. Since public money is allocated to the operations of statutory bodies, there is need to ensure that the funds are spent in an efficient, effective and economic manner.

The Statutory Bodies (Accounts and Audit) Act provides that every statutory body shall cause to be prepared an annual report which shall consist of:

- the financial statements in respect of the financial year to which the report relates;
- a report on the performance of the statutory body 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 statutory body in respect of the following 3 financial years.

The Act also sets out the following timelines to be complied with:

- (a) The Chief Executive Officer of every statutory body shall, not later than 3 months after the end of every financial year, submit to the Board for approval the annual report in respect of that year.
- (b) After approval by the Board, the Chief Executive Officer shall, not later than 4 months after the end of every financial year, submit the annual report to the auditor.
- (c) The auditor shall, within 10 months of the end of every financial year, after receipt of the annual report, submit the annual report and his audit report to the Board.
- (d) On receipt of the annual report, including the audited financial statements and the audit report, the Board shall, not later than one month from the date of receipt, furnish to the Minister such reports and financial statements.
- (e) The Minister shall, at the earliest available opportunity, lay a copy of the report and audited accounts of every statutory body within his portfolio before the National Assembly.

26.1.2 Local Authorities

The Local Government Act provides that the approved annual report of every Local Authority shall be audited by the Director of Audit. The main provisions made in the Act regarding the time frame for the submission of the accounts of Local Authorities for audit, and the gazetting of the certified financial statements and the report of the Director of Audit are as follows:

- The Chief Executive of every Local Authority, other than a Village Council, shall, within 3 months after the end of the financial year submit annual report to the Council.
- The Chief Executive of every Local Authority shall, within 4 months of the end of every financial year, submit the approved annual report to the Director of Audit.
- 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.

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 its annual report and audited accounts before the National Assembly.

26.1.3 Special Funds

All Special Funds are either regulated by an Act or a Regulation made under the Finance and Audit Act. Some are required to submit accounts not later than 3 months after the end of each financial year, while for others, there is no such deadline.

Every Special Fund shall prepare Financial Statements in accordance with International Public Sector Accounting Standards (IPSAS).

26.2 Audit of Accounts of Public Sector Bodies

NAO carries out the audit of the accounts of the following Public Sector Bodies (PSBs) besides Ministries and Government Departments, and the Rodrigues Regional Assembly (RRA).

- 117 Statutory Bodies (SBs)
- 12 Local Authorities (LAs)
- 16 Special Funds (SFs)
- 28 Other Bodies (OBs)

26.2.1 Financial Statements not Submitted for Audit

As of 23 February 2026, Financial Statements not yet submitted to NAO for audit purposes are as follows:

- (a) 56 SBs with a total of 183 Financial Statements;
- (b) 7 SFs with a total of 18 Financial Statements; and
- (c) 13 OBs with a total of 22 Financial Statements.

A total of 223 Financial Statements have not been submitted to NAO by 76 entities. Details are given at Appendix I.

26.2.2 Financial Statements not yet Laid before the National Assembly

As of 23 February 2026, Financial Statements certified but not yet been laid before the National Assembly are as follows.

- (a) 43 Financial Statements in respect of 31 SBs; and
- (b) 3 Financial Statements in respect of 3 SFs.

Forty six Financial Statements were certified but not yet laid before the National Assembly. Details are given at Appendix II.

This is viewed with concern as, despite legal provisions, Financial Statements were either not submitted for audit or not laid before the National Assembly. In 2 cases, Financial Statements for more than 15 financial years had not been submitted to NAO for audit purposes.

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APPENDICES

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ANNEX

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FINANCIAL STATEMENTS NOT YET SUBMITTED TO NAO FOR AUDIT

SN	Statutory Body/Other Body/ Special Fund	Client Type	No. of Financial Statements	Financial Year/Period
THE JUDICIARY				
1.	Institute for Judicial and Legal Studies	OB	3	2022-23 to 2024-25
2.	National Human Rights Commission	OB	2	2023-24 & 2024-25
PRIME MINISTER'S OFFICE, MINISTRY OF DEFENCE, HOME AFFAIRS AND EXTERNAL COMMUNICATIONS AND MINISTRY FOR RODRIGUES AND OUTER ISLANDS				
3.	Chagossian Welfare Fund	SB	1	2024-25
4.	Outer Islands Development Corporation	SB	3	2022-23 to 2024-25
5.	Discharged Persons' Aid Committee	OB	2	2023-24 & 2024-25
6.	Parole Board	OB	1	2024-25
7.	Gambling Regulatory Authority	SB	1	2024-25
MINISTRY OF HOUSING AND LANDS				
8.	Real Estate Agent Authority	SB	5	Nov 2020-21 to 2024-2025
MINISTRY OF ENVIRONMENT, SOLID WASTE MANAGEMENT AND CLIMATE CHANGE				
9.	National Environment Fund (formerly known as <i>Environment and Climate Change Fund</i>)	SF	1	2024-25
10.	Fourth National Communication	OB	1	2025
MINISTRY OF AGRO-INDUSTRY, FOOD SECURITY, BLUE ECONOMY AND FISHERIES				
11.	Mauritius Meat Authority	SB	3	2022-23 to 2024-25
12.	Mauritius Society for Animal Welfare	SB	9	01.01.2016-30.06.2017 to 2024-25
13.	Small Farmers Welfare Fund	SB	3	2022-23 to 2024-25
14.	Sir Seewoosagur Ramgoolam Botanical Garden Trust	SB	2	2023-24 & 2024-25
15.	Sugar Cane Planters Trust (ceased operation on 25.07.2010)	SB	3	2007-08 to 01.07.2009-24.07.2010

FINANCIAL STATEMENTS NOT YET SUBMITTED TO NAO FOR AUDIT

SN	Statutory Body/Other Body/ Special Fund	Client Type	No. of Financial Statements	Financial Year/Period
MINISTRY OF AGRO-INDUSTRY, FOOD SECURITY, BLUE ECONOMY AND FISHERIES (CONTINUED)				
16.	Vallée D'Osterlog Endemic Garden Foundation <i>(act repealed on 12.04.2025)</i>	SB	5	2020-21 to 01.07.2024-12.04.25
17.	National Parks and Conservation Fund	SF	2	2023-24 & 2024-25
18.	Mauritius Oceanography Institute	SB	4	2021-22 to 2024-25
19.	Fishermen Welfare Fund	SB	1	2024-25
20.	Seafarers' Welfare Fund	SB	1	2024-25
MINISTRY OF HEALTH AND WELLNESS				
21.	Allied Health Professionals Council	OB	1	2024-25
MINISTRY OF SOCIAL INTEGRATION, SOCIAL SECURITY AND NATIONAL SOLIDARITY				
22.	National Council for the Rehabilitation of Disabled Persons	SB	5	2020-21 to 2024-25
23.	Senior Citizens Council	SB	1	2024-25
24.	Training and Employment of Disabled Persons Board	SB	7	2018-19 to 2024-25
25.	National Pensions Fund	SF	2	2023-24 & 2024-25
26.	National Empowerment Foundation	OB	2	2023-24 & 2024-25
27.	National Savings Fund	OB	2	2023-24 & 2024-25
28.	Residential Care Homes Fund	SF	1	2024-25
ATTORNEY GENERAL'S OFFICE				
29.	Mauritius International Arbitration Centre	OB	3	2023 and 2024
MINISTRY OF FINANCIAL SERVICES AND ECONOMIC PLANNING				
30.	Financial Intelligence Unit	OB	2	2023-24
31.	National Committee on Corporate Governance	OB	1	2024-25

FINANCIAL STATEMENTS NOT YET SUBMITTED TO NAO FOR AUDIT

SN	Statutory Body/Other Body/ Special Fund	Client Type	No. of Financial Statements	Financial Year/Period
MINISTRY OF ENERGY AND PUBLIC UTILITIES				
32.	CEB (Facilities) Co Ltd	OB	1	2024-25
33.	CEB FiberNet Co ltd	SB	1	2024-25
34.	Utility Regulatory Authority	SB	1	2024-25
MINISTRY OF YOUTH AND SPORTS				
35.	Mauritius Recreation Council	SB	2	2023-24 & 2024-25
36.	Mauritius Sports Council	SB	2	2023-24 to 2024-25
MINISTRY OF LABOUR AND INDUSTRIAL RELATIONS				
37.	National Wage Consultative Council	SB	2	2023-24 & 2024-25
38.	Trade Union Trust Fund	SB	1	2024-25
MINISTRY OF LAND TRANSPORT				
39.	Taxi Operators Welfare Fund	SB	3	2022-23 to 2024-25
MINISTRY OF GENDER EQUALITY AND FAMILY WELFARE				
40.	National Children's Council	SB	1	2024-25
MINISTRY OF EDUCATION AND HUMAN RESOURCE				
41.	Early Childhood Care and Education Authority	SB	3	2022-23 to 2024-25
42.	Private Secondary Education Authority	SB	3	2022-23 to 2024-25
43.	Rajiv Gandhi Science Centre Trust Fund	SB	4	2021-22 to 2024-25
44.	Sir Seewoosagur Ramgoolam Foundation	SB	2	2023-24 and 2024-25
45.	Université des Mascareignes	SB	3	2022-23 to 2024-25
46.	Special Education Needs Authority	SB	1	2024-25
47.	Mauritius Institute of Training and Development	SB	1	2024-25
MINISTRY OF INDUSTRY, SME AND COOPERATIVES				
48.	Cooperative Development Fund	SF	2	2023-24 & 2024-25
49.	Academy of Design and Innovation	SB	1	2024-25

FINANCIAL STATEMENTS NOT YET SUBMITTED TO NAO FOR AUDIT

SN	Statutory Body/Other Body/ Special Fund	Client Type	No. of Financial Statements	Financial Year/Period
MINISTRY OF INFORMATION TECHNOLOGY, COMMUNICATION AND INNOVATION				
50.	Mauritius Emerging Technologies Council	SB	1	2024-25
MINISTRY OF LOCAL GOVERNMENT				
51.	Association of District Council	OB	1	2024-25
MINISTRY OF ARTS AND CULTURE				
52.	Arabic-speaking Union	SB	4	2021-22 to 2024-25
53.	Bhojpuri-speaking Union	SB	2	2023-24 & 2024-25
54.	National Library of Mauritius	SB	1	2024-25
55.	Malcolm de Chazal Trust Fund	SB	3	2022-23 to 2024-25
56.	Marathi-speaking Union	SB	2	2023-24 & 2024-25
57.	Mauritian Cultural Centre Trust	SB	21	2004-05 to 2024-25
58.	Mauritius Marathi Cultural Centre Trust	SB	1	2024-25
59.	Mauritius Film Development Corporation	SB	6	2019-20 to 2024-25
60.	Mauritius Museums Council	SB	7	2018-19 to 2024-25
61.	Mauritius Society of Authors	SB	1	2024-25
62.	Mauritius Tamil Cultural Centre Trust	SB	3	2022-23 to 2024-25
63.	National Art Gallery	SB	6	2019-20 to 2024-25
64.	Nelson Mandela Centre for African Culture Trust Fund	SB	5	2020-21 to 2024-25
65.	Professor Basdeo Bissoondoyal Trust Fund	SB	17	2008-09 to 2024-25
66.	Sanskrit-speaking Union	SB	3	2022-23 & 2024-25
67.	Tamil-speaking Union	SB	3	2022-23 to 2024-25
68.	Urdu-speaking Union	SB	6	2019-20 to 2024-25
69.	National Arts Fund	SF	4	2021-22 to 2024-25
70.	President's Fund for Creative Writing	SF	6	2019-20 to 2024-25

FINANCIAL STATEMENTS NOT YET SUBMITTED TO NAO FOR AUDIT

SN	Statutory Body/Other Body/ Special Fund	Client Type	No. of Financial Statements	Financial Year/Period
MINISTRY OF ARTS AND CULTURE (CONTINUED)				
71.	Le Morne Heritage Trust Fund	SB	1	2024-25
72.	National Heritage Fund	SB	1	2024-25
73.	Telugu-speaking Union	SB	1	2024-25
74.	Chinese-speaking Union	SB	1	2024-25
75.	Creole-speaking Union	SB	1	2024-25
76.	Mauritius Council of Registered Librarians	SB	1	2024-25
TOTAL			223	

Source: NAO records

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AUDITED FINANCIAL STATEMENTS NOT YET LAID BEFORE THE NATIONAL ASSEMBLY

SN	Statutory Body/ Special Fund	Client Type	No. of Financial Statements	Financial Year/ Period	Date Certified*
MINISTRY OF FINANCE					
1.	Economic Development Board	SB	1	2023-24	10.10.2025
2.	Gambling Regulatory Authority	SB	1	2020-21	22.12.2025
MINISTRY OF ENVIRONMENT, SOLID WASTE MANAGEMENT AND CLIMATE CHANGE					
3.	Beach Authority	SB	1	2023-24	05.05.2025
4.	National Environment and Climate Change Fund	SF	1	2023-24	05.05.2025
MINISTRY OF AGRO-INDUSTRY, FOOD SECURITY, BLUE ECONOMY AND FISHERIES					
5.	Mauritius Meat Authority	SB	2	2020-21 2021-22	04.07.2025 21.08.2025
6.	Mauritius Society for Animal Welfare	SB	2	30.10.2013- 31.12.2014 2015	01.10.2025 01.10.2025
7.	Vallée D'Osterlog Endemic Garden Foundation	SB	1	2019-20	04.09.2025
8.	Fishermen Investment Trust	SB	7	2014 2015 01.01.2016- 30.06.2017 2017-18 2018-19 2019-20 2020-21	16.05.2025 16.05.2025 16.05.2025 16.05.2025 16.05.2025 16.05.2025 16.05.2025
9.	Seafarers' Welfare Fund	SB	1	2023-24	27.08.2025
MINISTRY OF TOURISM					
10.	Tourism Authority	SB	1	2023-24	12.11.2025
MINISTRY OF FINANCIAL SERVICES AND ECONOMIC PLANNING					
11.	Insurance Industry Compensation Fund	SB	1	2023-24	05.11.2025
MINISTRY OF ENERGY AND PUBLIC UTILITIES					
12.	Central Water Authority	SB	1	2023-24	09.09.2025

AUDITED FINANCIAL STATEMENTS NOT YET LAID BEFORE THE NATIONAL ASSEMBLY

SN	Statutory Body/ Special Fund	Client Type	No. of Financial Statements	Financial Year/ Period	Date Certified*
MINISTRY OF YOUTH AND SPORTS					
13.	National Youth Council	SB	1	2023-24	18.06.2025
MINISTRY OF LAND TRANSPORT					
14.	Taxi Operators Welfare Fund	SF	1	11.06.2021- 30.06.2022	26.08.2025
MINISTRY OF COMMERCE AND CONSUMER PROTECTION					
15.	State Trading Corporation	SB	1	2023-24	05.09.2025
MINISTRY OF TERTIARY EDUCATION, SCIENCE AND RESEARCH					
16.	Mauritius Research and Innovation Council	SB	2	2020-21 2021-22	06.03.2025 25.09.2025
MINISTRY OF INDUSTRY, SME AND COOPERATIVES					
17.	Cooperative Development Fund	SF	1	2022-23	06.03.2025
18.	Mauritius Standards Bureau	SB	2	2022-23 2023-24	20.03.2025 20.11.2025
MINISTRY OF EDUCATION AND HUMAN RESOURCE					
19.	Mahatma Gandhi Institute	SB	1	2023-24	07.05.2025
20.	Rabindranath Tagore Institute	SB	1	2023-24	15.04.2025
21.	University of Technology Mauritius	SB	1	2023-24	01.10.2025
MINISTRY OF INFORMATION TECHNOLOGY, COMMUNICATION AND INNOVATION					
22.	National Computer Board	SB	1	01.07.2022- 17.06.2023	15.10.2025
MINISTRY OF PUBLIC SERVICE AND ADMINISTRATIVE REFORMS					
23.	Information and Communication Technologies Authority	SB	1	2023-24	07.08.2025
24.	Public Officers' Welfare Council	SB	1	2023-24	27.08.2025
MINISTRY OF ARTS AND CULTURE					
25.	Aapravasi Ghat Trust Fund	SB	1	2023-24	28.04.2025
26.	Creole-speaking Union	SB	1	2023-24	16.05.2025
27.	Malcolm de Chazal Trust Fund	SB	1	2021-22	16.04.2025

AUDITED FINANCIAL STATEMENTS NOT YET LAID BEFORE THE NATIONAL ASSEMBLY

SN	Statutory Body/ Special Fund	Client Type	No. of Financial Statements	Financial Year/ Period	Date Certified*
MINISTRY OF ARTS AND CULTURE (CONTINUED)					
28.	Mauritius Telugu Cultural Centre Trust	SB	1	2023-24	12.06.2025
29.	Mauritius Council of Registered Librarians	SB	1	2023-24	16.06.2025
30.	National Library	SB	1	2023-24	22.04.2025
31.	Nelson Mandela Centre for African Culture Trust Fund	SB	1	2019-20	21.10.2025
32.	Sanskrit-speaking Union	SB	1	2021-22	25.09.2025
33.	Tamil-speaking Union	SB	2	2020-21	15.09.2025
				2021-22	12.09.2025
34.	Telugu-speaking Union	SB	2	2022-23	22.04.2025
				2023-24	22.04.2025
TOTAL			46		

Source: National Assembly records

** Where a period is indicated, it implies that the Financial Statements were certified on different dates within that period*

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ANNUAL STATEMENTS

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FINANCIAL STATEMENTS FOR THE
BUDGETARY CENTRAL
GOVERNMENT OF THE REPUBLIC
OF MAURITIUS

- (i) Statement of Financial Position
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(Classification of Expenses by Nature)
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Statement of Financial Position as at 30 June 2025

		30 June 2025	30 June 2024
	Notes	Rs	Restated Rs
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	4	13,771,295,103	14,852,531,666
Receivables from Non-Exchange Transactions	5	22,506,668,001	20,243,636,259
Receivables from Exchange Transactions	6	206,315,043	1,232,201,817
Loans and Advances	7	2,277,628,021	5,367,196,977
Investments	8	1,120,187,096	9,212,299,279
Inventories	9	1,548,845,872	3,871,564,587
Prepayments		273,335,799	61,970,334
		41,704,274,935	54,841,400,919
NON-CURRENT ASSETS			
Receivables from Non-Exchange Transactions	5	22,687,826,149	25,550,502,157
Receivables from Exchange Transactions	6	974,163,309	257,443,749
Loans and Advances	7	5,346,750,835	9,315,620,357
Investments	8	168,475,236,412	130,792,041,292
Other Financial Assets	10	15,015,100,621	15,227,167,987
Biological Assets	11	1,225,105,302	11,717,990
Property, Plant and Equipment	12	543,794,574,810	540,427,621,106
Right-of-Use Assets	13	7,000,242,778	7,452,579,577
Intangible Assets	14	1,224,971,362	1,158,526,929
		765,743,971,578	730,193,221,144
Total Assets		807,448,246,513	785,034,622,063
LIABILITIES			
CURRENT LIABILITIES			
Payables	15	4,134,532,353	2,345,428,959
Deposits	16	2,210,150,768	1,930,568,243
Social Benefits	17	164,453,735	141,078,120
Provisions	18	1,029,847,929	530,500,000
Lease Liabilities	19	843,045,290	930,227,391
Government Debt	20	150,662,275,262	122,966,008,121
Financial Guarantee Liabilities	21	89,460,458	123,682,845
Employee Benefit Obligations	22	3,510,161,566	3,312,287,876
		162,643,927,361	132,279,781,555

The notes on pages 10 to 78 form an integral part of these financial statements.

Statement of Financial Position as at 30 June 2025

		30 June 2025	30 June 2024
		Rs	Restated Rs
	Notes		
NON-CURRENT LIABILITIES			
Payables	15	23,521,420	1,139,002,158
Deposits	16	1,410,398,136	1,248,970,031
Lease Liabilities	19	9,846,345,599	10,581,156,668
Government Debt	20	416,231,491,087	365,957,716,351
Financial Guarantee Liabilities	21	2,944,553,341	3,150,026,120
Employee Benefit Obligations	22 & 23	205,202,411,341	176,213,325,375
		635,658,720,924	558,290,196,703
Total Liabilities		798,302,648,285	690,569,978,258
Net Assets		9,145,598,228	94,464,643,805
NET ASSETS/EQUITY			
Consolidated Fund	24	104,442,646,959	95,483,257,201
Accumulated Deficits	24	(101,170,290,638)	(16,131,893,381)
Special Funds	24	5,873,241,907	15,113,279,985
		9,145,598,228	94,464,643,805

13 February 2026



S.RAMPARSAD
Accountant-General

The notes on pages 10 to 78 form an integral part of these financial statements.

Statement of Financial Performance for the financial year ended 30 June 2025
(Classification of Expenses by Nature)

		Year Ended 30 June 2025	Year Ended 30 June 2024 Restated
	Notes	Rs	Rs
Revenue			
Revenue from Non-Exchange Transactions			
Taxation	25	159,618,100,847	147,632,126,852
Fines, Penalties and Forfeits		452,281,084	427,364,296
Grants and Aid	26	1,560,708,421	792,249,639
Other Transfers	27	3,103,951,118	822,591,800
Social Contributions		12,876,332,900	11,157,054,258
		177,611,374,370	160,831,386,845
Revenue from Exchange Transactions			
Licences	28	3,392,247,939	3,249,264,420
Finance Income		645,175,506	730,764,815
Dividends	29	1,122,815,854	2,425,540,876
Rent and Royalties		1,524,159,580	1,257,619,271
Sales of Goods and Services		2,311,770,352	2,013,417,742
Other Revenue	30	662,550,460	635,926,884
		9,658,719,691	10,312,534,008
Total Revenue		187,270,094,061	171,143,920,853
Expenses			
Employee Costs	31	56,396,789,152	49,157,765,617
Subsidies		3,541,525,917	2,487,184,911
Grants	32	52,411,413,866	37,619,872,564
Social Benefits	33	88,227,219,894	63,211,931,091
Operating Expenses	34	16,015,269,096	11,835,604,636
Depreciation and Amortisation	12, 13 & 14	6,737,261,133	6,378,741,515
Other Expenses	35	18,379,577,011	8,479,236,010
Finance Costs	36	23,820,645,761	19,746,516,732
Total Expenses		265,529,701,830	198,916,853,076

The notes on pages 10 to 78 form an integral part of these financial statements.

Statement of Financial Performance for the financial year ended 30 June 2025
(Classification of Expenses by Nature)

		Year Ended 30 June 2025	Year Ended 30 June 2024 Restated
	Notes	Rs	Rs
Other Gains/(Losses)			
(Loss)/Gain on Disposal of Property, Plant and Equipment		(1,923,518)	26,593,824
Loss on Foreign Exchange Transactions and Revaluation	37	(675,195,472)	(1,183,406,828)
Fair Value Gain on Investments	38	27,504,254,159	7,510,026,192
Fair Value Gain on Other Assets	39	39,827,174	10,032,839
Deficit for the year		<u>(51,392,645,426)</u>	<u>(21,409,686,196)</u>

The notes on pages 10 to 78 form an integral part of these financial statements.

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

	Notes	Consolidated Fund (Cash basis) Restated Rs	Accumulated Deficits Restated Rs	Special Funds Rs	Total Restated Rs
Balance at 30 June 2023		94,205,282,231	(7,845,620,262)	33,265,211,104	119,624,873,073
Prior Year Adjustments					
Adjustment for Investment acquired in previous years	8 & 42	34,172,850	(10,693,701)	-	23,479,149
Restatement of Right-of-Use Assets	13 & 42	-	(1,044,668,220)	-	(1,044,668,220)
Restatement of Lease Liability	19 & 42	-	(414,051,290)	-	(414,051,290)
Restated Balance at 01 July 2023		94,239,455,081	(9,315,033,473)	33,265,211,104	118,189,632,712
Changes in net assets or equity for 2023-2024					
First-time recognition of Receivables from Non-Exchange Transactions (Taxation Assessment under Dispute)	5	-	14,894,091,414	-	14,894,091,414
Capitalisation of Property, Plant and Equipment relating to Special Funds		-	942,536,994	-	942,536,994
Net movement attributable to Consolidated Fund		1,243,802,120	(1,243,802,120)	-	-
Net movement in Special Funds		-	-	(18,151,931,119)	(18,151,931,119)
Deficit for the year		-	(21,409,686,196)	-	(21,409,686,196)
Restated Balance at 30 June 2024		95,483,257,201	(16,131,893,381)	15,113,279,985	94,464,643,805
Changes in net assets or equity for 2024-2025					
Capitalisation of Property, Plant and Equipment relating to Special Funds		-	2,631,337,529	-	2,631,337,529
Net movement attributable to Consolidated Fund		8,959,389,758	(8,959,389,758)	-	-
Net movement in Special Funds		-	-	(9,240,038,078)	(9,240,038,078)
Net loss on remeasurement of Defined Benefit Plan - Pensions Granted under the Pensions Act	23	-	(27,317,699,602)	-	(27,317,699,602)
Deficit for the year		-	(51,392,645,426)	-	(51,392,645,426)
Balance at 30 June 2025		104,442,646,959	(101,170,290,638)	5,873,241,907	9,145,598,228

The notes on pages 10 to 78 form an integral part of these financial statements.

Cash Flow Statement for the financial year ended 30 June 2025

	Notes	Year Ended 30 June 2025	Year Ended 30 June 2024
		Rs	Rs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Taxation		160,139,151,252	137,902,322,931
Fines, Penalties and Forfeits		429,647,012	417,410,764
Grants and Aid		1,560,708,421	792,249,639
Licences		3,371,825,374	3,230,066,150
Finance Income		174,456,587	169,319,060
Rent and Royalties		1,401,363,546	1,200,421,785
Sales of Goods and Services		2,286,223,310	1,987,545,991
Transfers		1,002,787,044	8,681,123
Social Contributions		12,649,245,859	10,901,707,770
Receipts of Special Funds		18,601,948,990	30,054,228,195
Other Receipts		41,801,295,907	56,079,231,739
Payments			
Employee Costs		(55,766,452,468)	(48,243,033,548)
Subsidies		(3,592,147,993)	(2,410,136,484)
Grants		(41,723,032,916)	(34,026,336,074)
Social Benefits		(88,203,844,279)	(63,366,247,466)
Operating Expenses		(13,412,193,482)	(12,548,632,720)
Finance Costs (N1)		(20,686,435,846)	(17,641,266,274)
Payments by Special Funds		(38,085,706,278)	(51,090,045,167)
Other Payments		(47,946,247,549)	(62,778,872,411)
Net Cash Flows from Operating Activities		(65,997,407,509)	(49,361,384,997)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment and Intangible Assets		(7,424,624,136)	(8,341,213,275)
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets		4,710,095	27,543,840
Purchase of Investments		(10,792,433,537)	(9,248,384,843)
Proceeds from Sale of Investments		8,700,795,924	15,730,826,060
Dividends		1,122,815,854	2,302,142,528
Issue of Loans and Advances		(4,346,201,804)	(856,336,944)
Proceeds from repayment of Loans and Advances		3,472,048,994	225,015,020
Net Cash Flows from Investing Activities		(9,262,888,610)	(160,407,614)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Government Debt		227,386,086,244	147,968,444,255
Redemption/Repayment of Government Debt		(152,050,466,790)	(107,780,628,302)
Repayment of Lease Liabilities (N1)		(1,324,045,816)	(849,328,177)
Net Cash Flows from Financing Activities		74,011,573,638	39,338,487,776
Net (Decrease) in Cash and Cash Equivalents		(1,248,722,481)	(10,183,304,835)
Cash and Cash Equivalents at beginning of year		14,852,531,666	24,802,518,512
Gains on Foreign Exchange Transactions and Revaluation		167,485,918	233,317,989
Cash and Cash Equivalents at end of year	4	13,771,295,103	14,852,531,666

N1: There has been a reclassification between capital and interest for lease payments of the comparative year. Total lease payments have remained unchanged.

The notes on pages 10 to 78 form an integral part of these financial statements.

**Statement of Comparison of Budget Estimates and Actual Amounts for
the financial year ended 30 June 2025
(Classification of Expenses by Function)**

	Original Estimates (a) Rs	Total Provisions* (N1) (b) Rs	Actual Amount (c) Rs	Variance (N2) Rs
REVENUE				
Tax Receipts	182,640,000,000	182,640,000,000	163,510,976,626	19,129,023,374
Social Contributions	13,815,000,000	13,815,000,000	14,055,529,261	(240,529,261)
Grants	3,712,000,000	3,712,000,000	1,560,708,421	2,151,291,579
Reimbursement of Loan by Parastatal Bodies	970,379,000	970,379,000	229,515,724	740,863,276
IMF SDR Sales	-	-	631,213,208	(631,213,208)
Issue of Government Securities (N3)	160,038,000,000	160,038,000,000	213,679,115,458	(53,641,115,458)
Financing from SIC Development Co. Ltd	1,070,000,000	1,070,000,000	275,294,775	794,705,225
Issue of Government Securities Held by Non-Residents (N3)	-	-	221,170,542	(221,170,542)
Loans from Foreign Governments and International Organisations	17,500,000,000	17,500,000,000	13,534,223,966	3,965,776,034
Other Revenue	10,333,000,000	10,333,000,000	6,493,716,839	3,839,283,161
Total Revenue	390,078,379,000	390,078,379,000	414,191,464,820	(24,113,085,820)
Financing from Cash and Cash Equivalents	2,000,000,000	23,000,000,000	648,574,373	1,351,425,627
Total Financing	392,078,379,000	413,078,379,000	414,840,039,193	(22,761,660,193)
EXPENDITURE				
General Public Services	220,414,944,000	228,819,363,287	235,279,375,601	(14,864,431,601)
Defence	1,062,600,000	946,843,000	837,327,261	225,272,739
Public Order and Safety	15,990,200,000	16,232,954,000	15,200,472,331	789,727,669
Economic Affairs	20,901,265,000	24,485,093,500	23,268,646,223	(2,367,381,223)
Environmental Protection	2,797,170,000	2,770,036,500	2,434,346,295	362,823,705
Housing and Community Amenities	5,200,000,000	6,385,672,574	4,943,062,469	256,937,531
Health	17,200,000,000	18,700,000,000	18,569,807,959	(1,369,807,959)
Recreation, Culture and Religion	1,332,400,000	1,373,680,000	1,179,878,684	152,521,316
Education	21,311,800,000	22,213,648,137	22,121,813,815	(810,013,815)
Social Protection	84,768,000,000	90,821,180,000	91,005,308,555	(6,237,308,555)
Total Expenditure	390,978,379,000	412,748,470,998	414,840,039,193	(23,861,660,193)
Contingencies (N4)	1,100,000,000	329,908,002	-	1,100,000,000
Total Expenditure including Contingencies	392,078,379,000	413,078,379,000	414,840,039,193	(22,761,660,193)

* Refers to the total amount approved after Supplementary Appropriation & Virement.

Notes:

N1 'Total Provisions' is not applicable to Revenue.

N2 Column (a) - Column (c)

N3 Original Estimates comprise Budget for Government Securities held by both Residents and Non-Residents.

N4 The amount appropriated under 'Contingencies' has been reallocated to expenditure items under different votes of expenditure.

**Statement of Comparison of Budget Estimates and Actual Amounts for
the financial year ended 30 June 2025
(Classification of Expenses by Nature)**

	Original Estimates (a) Rs	Total Provisions* (N1) (b) Rs	Actual Amount (c) Rs	Variance (N2) Rs
<u>RECURRENT BUDGET</u>				
Recurrent Revenue	206,820,000,000	206,820,000,000	184,444,089,305	22,375,910,695
Tax Receipts	182,640,000,000	182,640,000,000	163,510,976,626	19,129,023,374
Social Contributions	13,815,000,000	13,815,000,000	14,055,529,261	(240,529,261)
Recurrent Grants	1,452,000,000	1,452,000,000	383,866,579	1,068,133,421
Other Revenue	8,913,000,000	8,913,000,000	6,493,716,839	2,419,283,161
Recurrent Expenditure	210,100,000,000	228,580,722,950	226,932,609,436	(16,832,609,436)
Compensation of Employees	41,743,356,000	45,917,317,683	44,792,699,967	(3,049,343,967)
Purchase of Goods and Services	15,160,315,000	17,013,098,812	15,558,712,847	(398,397,847)
Interest (Accrual basis)	20,100,000,000	20,116,371,876	21,813,291,586	(1,713,291,586)
Subsidies	2,876,350,000	3,615,764,000	3,592,147,993	(715,797,993)
Grants to Parastatal Bodies/Local Authorities/RRA	33,453,810,000	37,514,248,799	37,133,396,926	(3,679,586,926)
Social Benefits	77,574,020,000	83,398,422,997	83,659,549,715	(6,085,529,715)
Other Expense	18,592,149,000	20,913,390,781	20,382,810,402	(1,790,661,402)
Contingencies (N3)	600,000,000	92,108,002	-	600,000,000
Recurrent Balance	(3,280,000,000)	(21,760,722,950)	(42,488,520,131)	39,208,520,131
<u>CAPITAL BUDGET</u>				
Capital Revenue	3,680,000,000	3,680,000,000	1,176,841,842	2,503,158,158
Capital Grants	2,260,000,000	2,260,000,000	1,176,841,842	1,083,158,158
<i>o/w External Grants</i>	<i>1,910,000,000</i>	<i>1,910,000,000</i>	<i>1,026,841,842</i>	<i>883,158,158</i>
Transfer from Special Funds	1,420,000,000	1,420,000,000	-	1,420,000,000
Capital Expenditure	27,218,379,000	29,083,953,985	25,466,349,431	1,752,029,569
Acquisition of Non-Financial Assets	11,029,485,000	10,203,865,494	7,974,993,664	3,054,491,336
Grants to Parastatal Bodies/Local Authorities/RRA	2,894,400,000	4,049,475,114	1,899,223,110	995,176,890
Transfer to Special Funds	10,300,000,000	11,424,299,234	13,109,093,883	(2,809,093,883)
Other Transfers	2,494,494,000	3,168,514,143	2,483,038,774	11,455,226
Contingencies (N3)	500,000,000	237,800,000	-	500,000,000
Capital Balance	(23,538,379,000)	(25,403,953,985)	(24,289,507,589)	751,128,589
Budget/Actual Balance (Before Net Acquisition of Financial Assets)	(26,818,379,000)	(47,164,676,935)	(66,778,027,720)	39,959,648,720
<u>Net Acquisition of Financial Assets</u>	11,509,621,000	12,155,923,861	11,364,482,728	145,138,272
Domestic	9,184,621,000	10,770,634,000	10,655,199,191	(1,470,578,191)
Loan to Parastatal Bodies	3,050,000,000	1,665,000,000	1,094,139,804	1,955,860,196
Reimbursement of Loan by Parastatal Bodies	970,379,000	970,379,000	229,515,724	740,863,276
Equity Purchase/Participation	7,105,000,000	10,076,013,000	9,790,575,111	(2,685,575,111)
Foreign	1,205,000,000	785,400,000	776,440,707	428,559,293
Loan to International Organisations	750,000,000	329,600,000	329,559,910	420,440,090
Equity Purchase/Participation	455,000,000	455,800,000	446,880,797	8,119,203
Net SDR Transactions	1,120,000,000	599,889,861	(67,157,170)	1,187,157,170
IMF Purchase/Subscription	1,120,000,000	599,889,861	564,056,038	555,943,962
IMF SDR Sales	-	-	631,213,208	(631,213,208)
<u>Adjustment for difference in cash and accrual interest</u>	300,000,000	300,000,000	1,834,598,125	(1,534,598,125)

**Statement of Comparison of Budget Estimates and Actual Amounts for
the financial year ended 30 June 2025
(Classification of Expenses by Nature)**

	Original Estimates (a) Rs	Total Provisions* (N1) (b) Rs	Actual Amount (c) Rs	Variance (N2) Rs
<u>NET GOVERNMENT BORROWING REQUIREMENTS</u>	(38,028,000,000)	(59,020,600,796)	(76,307,912,323)	38,279,912,323
<u>Domestic Financing</u>	24,028,000,000	45,073,971,945	66,009,654,953	(41,981,654,953)
Government Securities	20,958,000,000	21,003,971,945	65,085,785,805	(44,127,785,805)
Issue of Government Securities (N4)	160,038,000,000	160,038,000,000	213,679,115,458	(53,641,115,458)
Redemption of Government Securities	139,080,000,000	139,034,028,055	148,593,329,653	(9,513,329,653)
Financing from SIC Development Co. Ltd	1,070,000,000	1,070,000,000	275,294,775	794,705,225
Drawdown	1,070,000,000	1,070,000,000	275,294,775	794,705,225
Financing from cash and cash equivalents	2,000,000,000	23,000,000,000	648,574,373	1,351,425,627
<u>Foreign Financing</u>	14,000,000,000	13,946,628,851	10,298,257,370	3,701,742,630
Government Securities Held by Non-Residents	-	(53,371,149)	167,799,393	(167,799,393)
Issues	-	-	221,170,542	(221,170,542)
Redemptions	-	53,371,149	53,371,149	(53,371,149)
Foreign Loans	14,000,000,000	14,000,000,000	10,130,457,977	3,869,542,023
Loans from Foreign Governments and International Organisations	17,500,000,000	17,500,000,000	13,534,223,966	3,965,776,034
Repayment of Foreign Loans	3,500,000,000	3,500,000,000	3,403,765,989	96,234,011
	-	-	-	-

* Refers to the total amount approved after Supplementary Appropriation & Virement.

Notes:

N1 'Total Provisions' is not applicable to Revenue.

N2 Column (a) - Column (c)

N3 The amount appropriated under 'Contingencies' has been reallocated to expenditure items under different votes of expenditure.

N4 Original Estimates comprise Budget for Government Securities held by both Residents and Non-Residents.

N5 The Column 'Original Estimates' are rounded in the Statement of Government Operations in the Estimates.

N6 Refer to Note 41 for explanation on variances.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Republic of Mauritius is an island located in the Indian Ocean. It gained its independence on 12 March 1968 and operates under a Westminster model of Parliamentary Government.

Throughout these financial statements, "Government" refers to the Budgetary Central Government (BCG). BCG means all Ministries and Departments of the Government.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

A Estimates

The Estimates (Budget) of the BCG is appropriated by votes of expenditure on a cash basis, except for 'cost of borrowings' which is appropriated on an accrual basis and 'carry-over of capital expenditure' where amount earmarked in a fiscal year is carried over to a period not exceeding 3 months in the following fiscal year. The Estimates is classified by both economic and functional classifications based, as far as possible, on the Government Finance Statistics Manual.

The Estimates is for the BCG, which includes Ministries and Government Departments. Transfers to Special Funds are appropriated and included as expenditure in the approved Estimates in the year of expenditure. However, the revenue and expenditure of the Special Funds deposited with the Accountant-General are not included in the approved Estimates.

The approved Estimates covers the fiscal year from 01 July 2024 to 30 June 2025.

B Financial Statements

The Financial Statements have been prepared in accordance with requirements set out at Section 19 of the Finance and Audit Act, requiring the Accountant-General to sign and submit to the Director of Audit, Financial Statements for the BCG, except for consolidation and segment reporting, within six months of the close of every financial year. As required under Section 19 (3)(b) of Finance and Audit Act, additional financial information have been included as annexures.

The financial statements have been prepared in compliance with Section 19 (3) (3A) (b) of the Finance and Audit Act 1973, as subsequently amended, which requires these statements to be in compliance with International Public Sector Accounting Standards (IPSAS) except for consolidation and segment reporting.

Section 19 (3) (3B) of the Finance & Audit Act also requires the Accountant-General to sign and submit to the Director of Audit, the Consolidated Financial Statements for the public sector, in compliance with International Public Sector Accounting Standards (IPSAS) within 15 months of the close of every fiscal year.

(i) Transitional Financial Statements

The Government adopted accrual basis IPSAS on 01 July 2022 and the financial statements have been prepared in compliance with *IPSAS 33 – First-time Adoption of Accrual Basis IPSAS*, except for *IPSAS 18 – Segment Reporting* and *IPSAS 35 – Consolidated Financial Statements*. *IPSAS 33* provides a first-time adopter with a transitional period of three years for the recognition, measurement, presentation and disclosure of certain assets and liabilities. The third transitional IPSAS financial statements of the Government is in respect of the financial year 2024-2025.

NOTES TO THE FINANCIAL STATEMENTS

Government has taken advantage of the transitional exemptions which affects fair presentation. As a result, it is unable to make an explicit and unreserved statement of compliance with Accrual Basis IPSAS in preparing its transitional IPSAS financial statements for the financial year 2024-2025. The financial statements thus do not fully comply with accrual basis IPSASs.

The status of compliance with IPSAS issued to date is as per table below:

IPSAS	Compliance Status	Key Non Compliance / Transitional Exemptions	Affect Fair Presentation (Yes/No)	Expected date of Compliance
IPSAS 1—Presentation of Financial Statements (revised)	✓			
IPSAS 2—Cash Flow Statements	✓			
IPSAS 3—Accounting Policies, Changes in Accounting Estimates and Errors (revised)	✓			
IPSAS 4—The Effects of Changes in Foreign Exchange Rates (revised)	✓			
IPSAS 5—Borrowing Costs	✓			
IPSAS 9—Revenue from Exchange Transactions	Partial	Dividend on accrual basis	No	2025-2026
IPSAS 10—Financial Reporting in Hyperinflationary Economies	N/A			
IPSAS 11—Construction Contracts	N/A			
IPSAS 12—Inventories (revised)	✓			
IPSAS 14—Events After the Reporting Date (revised)	✓			
IPSAS 16—Investment Property (revised)	N/A			
IPSAS 17—Property, Plant, and Equipment (revised)	Partial	Measurement-Impairment	Yes	2025-2026
		Recognition and measurement of Furniture, Fixtures and Fittings	Yes	2025-2026
		Use of deemed cost	No	2025-2026
IPSAS 18—Segment Reporting	X			Exempted as per the Finance and Audit Act
IPSAS 19—Provisions, Contingent Liabilities and Contingent Assets	✓			
IPSAS 20—Related Party Disclosures	Partial	Additional Disclosure required	Yes	2025-2026
IPSAS 21—Impairment of Non-Cash-Generating Assets	X	Indication of impairment yet to be assessed on an annual basis	Yes	2025-2026
IPSAS 22—Disclosure of Financial Information About the General Government Sector	Applicable upon Consolidation			

NOTES TO THE FINANCIAL STATEMENTS

IPSAS	Compliance Status	Key Non Compliance / Transitional Exemptions	Affect Fair Presentation (Yes/No)	Expected date of Compliance
IPSAS 23—Revenue from Non-Exchange Transactions (Taxes and Transfers)	Partial	Deferred revenue for Grants with conditions	Yes	2025-2026
IPSAS 24—Presentation of Budget Information in Financial Statements	✓			
IPSAS 26 — Impairment of Cash-Generating Assets	N/A			
IPSAS 27—Agriculture	✓			
IPSAS 28—Financial Instruments: Presentation	✓			
IPSAS 29—Financial Instruments: Recognition and Measurement	N/A			
IPSAS 30—Financial Instruments: Disclosures	Partial	Full disclosure on Market risk	No	2025-2026
IPSAS 31—Intangible Assets	Partial	Measurement Impairment	Yes	2025-2026
IPSAS 32—Service Concession Arrangements: Grantor	N/A			
IPSAS 33—First-time Adoption of Accrual Basis IPSAS	✓			
IPSAS 34—Separate Financial Statements	N/A			
IPSAS 35—Consolidated Financial Statements	X			Exempted under the Finance and Audit Act for BCG FS.
IPSAS 36—Investments in Associates and Joint Ventures	Applicable upon Consolidation			
IPSAS 37—Joint Arrangements	Applicable upon Consolidation			
IPSAS 38—Disclosures of Interests in Other Entities	Applicable upon Consolidation			
IPSAS 39—Employee Benefits	Partial	Discounting for time value of money of liabilities in respect of Other Long-Term Employee Benefits	Yes	2025-2026
IPSAS 40—Public Sector Combinations	N/A			
IPSAS 41—Financial Instruments	Partial	Amortisation and Expected Credit Losses	Yes	
IPSAS 42— Social Benefits	✓			
IPSAS 43 -Leases	Partial	Lessor Accounting: partial assessment carried out	Yes	2025-2026 (Effective Date 01 January 2025 Early adoption 01 July 2022)
IPSAS 44- Non-current assets held for sale and discontinued operations	✓			Early adoption 01 July 2022

✓ Complied

x Not complied

N/A Not applicable

NOTES TO THE FINANCIAL STATEMENTS

It is expected that the Financial Statements of the Government will be fully compliant to IPSAS except for *IPSAS 18 – Segment Reporting* and *IPSAS 35 – Consolidated Financial Statements* as from financial year 2025-2026.

During the financial year ended 30 June 2025, progress were made as follows:

IPSAS	Progress Made
IPSAS 17 - Property, Plant and Equipment	• A list of buildings compiled and deemed cost is being estimated by Valuation Department. • Preliminary discussions have been initiated for the recognition of fixtures and fittings
IPSAS 39 - Employee Benefits	• Actuarial valuation for Employee Benefits Obligations will henceforth be on an annual basis instead of the 3 yearly basis. • Discounting of long-term employee benefits- Templates to collect and process information have been designed and tested at Treasury level. For FY 2025-2026, the templates will be rolled out to Ministries/Departments to gather information and accordingly discount the long-term employee benefits.
IPSAS 43 - Leases	• Ministries/Departments concerned with lessor accounting have been identified and meetings conducted. • Based on responses, working sessions will be held to assess the existence of same based on conditions listed in the standard.
IPSAS 9 - Revenue from Exchange Transactions IPSAS 20 - Related Party Disclosures IPSAS 23 - Revenue from Non-Exchange Transactions (Taxes and Transfers) IPSAS 31 - Intangible Assets	• Preliminary assessment to identify relevant stakeholders and the information required to ensure compliance to the relevant IPSASs have been completed. • Information-collection templates are being developed to facilitate the systematic gathering of the required information for appropriate disclosure in the 2025-26 Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

(ii) *New Standards Issued but Not Yet Adopted*

At the date of authorisation of these financial statements, the following IPSASs had already been issued but not yet effective:

IPSAS	Effective date
IPSAS 45 - Property, Plant, and Equipment (N1)	01 January 2025
IPSAS 46 - Measurement (N2)	01 January 2025
IPSAS 47 - Revenue (N3)	01 January 2026
IPSAS 48 - Transfer Expenses (N3)	01 January 2026
IPSAS 49 - Retirement Benefit Plans (N3)	01 January 2026
IPSAS 50 - Exploration for and Evaluation for Mineral Resources (N3)	01 January 2027

N1: IPSAS 45 - Property, Plant, and Equipment replaces IPSAS 17 - Property, Plant, and Equipment. The new standard introduces the Current Value Model, which incorporates Current Operational Value (COV) as an additional measurement basis, thereby expanding the previous framework that was limited to the Revaluation Model.

IPSAS 45 broadens the scope of the Standard by explicitly incorporating heritage and infrastructure assets and providing enhanced guidance on their recognition and measurement. It also requires that the reported value of PPE be determined based on the purpose for which the asset is held, with assets used for operational capacity measured at current operational value, and those held for financial capacity measured at fair value.

N2: *IPSAS 46 - Measurement* defines measurement bases that support the faithful representation of the cost of services, operational capacity, and financial capacity of assets and liabilities.

The Government intends to adopt these standards with effect from financial year 2025–2026. Preliminary work for the implementation of these standards has commenced. However, the full impact on the amounts to be reported in the financial statements is yet to be determined.

N3: The new standards will be adopted when they become effective. The potential impact of the application of these new standards is not known as assessment is yet to be made.

(iii) *Consistent Accounting Policies*

The accounting policies have been applied consistently throughout the year. Where necessary and where it is practicable, comparative figures have been restated to conform to changes in presentation, or in accounting policies in the current year.

2.2 Reporting Entity

The financial statements are for the Budgetary Central Government of the Republic of Mauritius, which comprises Ministries and Government Departments and include bank balances and fixed deposits of Special Funds deposited with the Accountant-General.

NOTES TO THE FINANCIAL STATEMENTS

2.3 Reporting Period

The financial statements cover the financial year of the Government of Mauritius from 01 July 2024 to 30 June 2025.

2.4 Authorisation Date

The financial statements were authorised for issue on 13 February 2026 by the Accountant-General.

2.5 Foreign Currencies

(i) *Functional and Presentation Currency*

The financial statements are presented in Mauritian Rupees (Rs), rounded to the nearest rupee, which is also the functional currency.

(ii) *Foreign Currency Transactions*

Transactions in foreign currencies are initially translated at the foreign exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Financial Performance. Non-monetary assets and liabilities measured at historical cost in foreign currencies are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at reporting date.

2.6 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash remitted to Ministries and Departments, cash balances with banks, both local and overseas, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value and cash held on behalf of Special Funds.

2.7 Financial Assets

(i) *Receivables from Non-Exchange Transactions and Receivables from Exchange Transactions*

Receivables from Non-Exchange Transactions comprise receivables from taxation, fines, penalties and forfeits, social contributions and other transfers.

Receivables from Exchange Transactions comprise receivables from licences, finance income, rent and royalties, sales of goods and services and other revenue.

These are recognised when it is probable that the future economic benefits associated with the asset will flow to the Government and can be measured reliably. Receivables are measured at cost adjusted for expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS

Impairment of Receivables

A loss allowance for expected credit losses (ECL) is recognised on receivables from non-exchange transactions and exchange transactions. An impairment gain or loss is recognised in Statement of Financial Performance representing the amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised.

The methodology of loss allowance on receivables has been determined using judgement, estimates and various assumptions which are deemed to be reasonable and appropriate. For Ministries and Departments, factors/indicators such as past trends, historic data, ageing analysis and long overdue payments for a period of more than 10 years have been used to calculate the loss allowance.

For tax revenue, the methodology for the calculation of loss allowance is as follows:

	% Debt unrecoverable
Over 10 years	20
Between 5 and 10 years	10
Between 1 and 5 years	2
Less than 1 year	0.5
Current Due	0

No loss allowance is charged on tax receivables under non-exchange transactions where tax assessments are under dispute as only 40% of the amount under dispute is recognised.

Tax Amount under dispute Receivable

Assessments under dispute are assessments raised by the Mauritius Revenue Authority (MRA) for the under-declaration or non-declaration of tax payable, which remain subject to review through the MRA's objection, appeal, and dispute resolution processes.

Based on historical data for the five years preceding the financial year ended 30 June 2024, and applying a prudent approach, the MRA has determined that 40% of assessments under dispute is reasonable to be recognised as receivables. This recognition rate will be reviewed every three years using updated historical data covering the preceding five-year period.

(ii) Loans and Advances

Loans to Statutory bodies, Private bodies and Other bodies are recognised at amortised cost adjusted for expected credit losses.

A lifetime ECL has been recognised on loans granted to entities that have not met their repayment obligations over the past ten years, as such prolonged non-settlement is considered an indicator of credit impairment. The ECL has been determined using a methodology based on management judgement, estimates, and reasonable assumptions, and credit risk is assessed at each reporting date. In the absence of any formal or approved repayment plans, a 100% ECL is considered appropriate.

NOTES TO THE FINANCIAL STATEMENTS

Advances are made under the authority of warrants issued under Section 6(1) of the Finance and Audit Act and are recoverable within specified periods. Advances are recognised at cost as the effect of discounting is not considered material.

(iii) Investments

These represent mainly investments made out of monies standing to the credit of the Consolidated Fund and Special Funds in accordance with Sections 3(4)(a) and 9(3)(a) of the Finance and Audit Act.

Initial Recognition of Investments

On initial recognition, investments are measured at fair value.

Classification and Subsequent Measurement of Investments

The table below shows the classification and subsequent measurement basis for the different categories of investments:

Category	Classification and Subsequent Measurement Basis
Equity Investments (Quoted Investments, Unquoted Investments, Equity Participation) and Redeemable Preference Shares	Fair Value Through Surplus or Deficit
Other Investments (Fixed Deposits)	Amortised Cost

(a) Equity Investments and Redeemable Preference Shares Recognised at Fair Value Through Surplus or Deficit

Investments classified as fair value through surplus or deficit are measured at fair value at the end of each financial year, with any gains or losses on remeasurements recognised in surplus or deficit. Any dividend earned on these investments is also recognised in surplus or deficit.

(b) Other Investments Recognised at Amortised Cost

Other investments (fixed deposits) held by Government and Special Funds at banks and financial institutions have been reported at amortised cost. Any movement pertaining to other investments held by Government are recognised through surplus or deficit. As regards to investments held by Special Funds, these are recognised in Special Funds.

(iv) Other Financial Assets

(a) International Monetary Fund (IMF) Special Drawing Rights (SDR) Deposits

IMF SDR Deposits represent international reserve assets allocated to Mauritius by the IMF (SDR Holdings) and held at the Bank of Mauritius.

IMF SDR Deposits are translated at year-end exchange rate with any gains or losses arising on re-measurements recognised in the Statement of Financial Performance in the period in which they arise.

(b) IMF Reserve Tranche Position

The Reserve Tranche Position represents that portion of the quota of the Republic of Mauritius in IMF that has been paid in reserve assets, i.e. SDRs or foreign currency acceptable to the IMF.

NOTES TO THE FINANCIAL STATEMENTS

Reserve Tranche transactions, i.e. subscriptions, purchases and sales, are initially translated at the exchange rate at the date of the transaction. At year-end, the SDR Reserve Tranche Position is translated using year-end exchange rates and any gains or losses recognised in the Statement of Financial Performance as foreign exchange gains or losses.

(c) Contribution to Resilience and Sustainability Trust (RST)

The IMF has established the Resilience and Sustainability Trust (RST) to assist in fulfilling the purposes of IMF by providing loans to eligible IMF members to enhance their economic resilience and sustainability.

Contribution to RST is translated at year-end exchange rate with any gains or losses arising on re-measurements recognised in the Statement of Financial Performance in the period in which they arise.

2.8 Inventories

Inventories comprise mainly of distributable items, consumables, donated inventories and agricultural produce and biological inventories.

Inventories meant for distribution at no charge or nominal charge or consumption in the production process of goods to be distributed at no charge or for a nominal charge are measured at lower of cost and the estimated replacement cost.

The cost of inventories from non-exchange transactions (donated inventories) is measured at its fair value at the date of receipt.

Agricultural produce are measured at fair value at the point of harvest. The costs to sell relating to agricultural produce are considered to be insignificant. Any gains or losses arising on recognition of agricultural produce at fair value are recognised in surplus or deficit. Thereafter, agricultural produce and inventories relating to agriculture are measured at lower of cost or net realisable value.

The cost has been determined using First In First Out Basis (FIFO).

2.9 Non-Current Assets Held for Sale and Discontinued Operations

The Government classifies a non-current asset (or disposal group) as held for sale when the following criteria are met:

- its carrying amount will be recovered principally through a sale transaction rather than through continuing use;
- the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups); and
- its sale must be highly probable.

A non-current asset (or disposal group) classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell.

No depreciation or amortisation is charged while the non-current asset (or disposal group) is classified as held for sale.

NOTES TO THE FINANCIAL STATEMENTS

Discontinued Operations

A discontinued operation is a component of the Government that either has been disposed of, or is classified as held for sale, and represents a significant component of the Government's operations. The Government will no longer have control over the operations once the disposal is complete.

2.10 Prepayments

Prepayments are recognised as assets when payment for goods or services has been made in advance of obtaining a right to access those goods or services and payments made to the Mauritius Revenue Authority for social benefit.

2.11 Biological Assets

Biological assets are split into the following categories:

- (i) Bearer Biological Assets (other than bearer plants);
- (ii) Consumable Biological Assets; and
- (iii) Agricultural Produce (classified under inventories).

Bearer biological assets (other than bearer plants) are those biological assets that are used repeatedly or continuously for more than one year in an agricultural activity. Examples of bearer biological assets include breeding stocks such as fish, rams, ewes, ducks, lambs, cows, heifers, calves and broiler parent stock.

Consumable biological assets are those that are held for harvest as agricultural produce or for sale or distribution at no charge or for a nominal charge as biological assets such as animals and plants for one-time use. Examples of consumable biological assets are trees in a timber plantation forest, fish in farms, freshwater prawn juveniles, weaner calves and lambs that are sold to farmers.

Agricultural produce is the harvested produce of biological assets.

The Government recognises biological assets when it controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the Government and the fair value or cost of the assets can be measured reliably.

Bearer biological assets (other than bearer plants) and consumable biological assets are measured at fair value less costs to sell, with any change therein recognised in surplus or deficit. The costs to sell relating to biological assets have been considered to be insignificant.

2.12 Property, Plant and Equipment

Property, Plant and Equipment include the following:

- (i) Infrastructure, Plant and Equipment;
- (ii) Land and Buildings;
- (iii) Assets under Construction; and
- (iv) Other Assets

Furniture, Fixtures and Fittings are currently being expensed.

NOTES TO THE FINANCIAL STATEMENTS

Capital expenditure incurred under Special Funds for the Government has also been included.

(i) Infrastructure, Plant and Equipment

On initial recognition, Infrastructure, Plant and Equipment are stated at cost or deemed cost. Subsequently, they are stated at cost less accumulated depreciation. Infrastructure, Plant and Equipment represent the cost of the following:

(a) Infrastructure Assets:

- Roads - classified roads/motorways

Valuation Methodology

The value of the roads as at 30 June 2020 has been estimated by the Road Development Authority based on the cost of constructing a road to the following standard:

SN	Road Type	Cost per km (MUR)
1	Motorways	120 million
2	A Roads	75 million
3	B Roads	65 million

The value of roads constructed after 30 June 2020 has been measured at cost.

- Bridges

Valuation Methodology

The value of bridges as at 30 June 2020 has been estimated by Road Development Authority by using the benchmark of recently constructed bridges of similar nature and size, at that time.

The value of bridges constructed after 30 June 2020 has been measured at cost.

- Dams, Stadiums and Gymnasiums and Other Structures.

Valuation Methodology

The above have been measured at cost.

Infrastructure assets do not include assets acquired by the Government on behalf of Other Public Sector Bodies.

(b) Transport Equipment have been measured at cost and include the following:

- Ships/Vessels;
- Aircrafts/Helicopters; and
- Other Vehicles.

(c) Other Machinery and Equipment have been measured at cost and include the following:

- Medical Equipment;
- Office Equipment; and
- Machinery.

(ii) Land and Buildings

(a) Land

The state land acquired prior to 2018 have been estimated by the Government Valuation Department and revised as at 30 June 2022 and those state land acquired after 2018 are estimated at cost.

NOTES TO THE FINANCIAL STATEMENTS

The basis used by the Government Valuation Department of the deemed cost is as follows:

- State Lands leased by the Government for various purposes is a reduced rate of 1/3 of freehold value. The rate for leased properties was based on use such as residential, agricultural, industrial and commercial. In cases where the State Lands were leased for industrial use such as hotel, the rate per arpent obtained through analysis of sale of leasehold rights of State Lands along the Pas Geometriques was adopted.
- Outer Islands have been recognised at deemed cost by the Government Valuation Department.
- For grazing land, 1/3 rate of market value of agricultural land as per region has been used for assessment.
- For Ex Tea Land, Agricultural Stations, MSPA Lands and land settlement, valuation has been based on freehold agricultural sales evidence according to different regions.
- For National Parks used as touristic sites, a rate of Rs 2.5 million/arpent has been used.
- For campement sites, valuation has been carried out based on Pas Geometriques sales evidences (leasehold sites).
- Nature Reserve and Walks, Shooting and Fishing Leases and Guardianages have been valued at a uniform rate of Rs 250,000/Arpent.
- Islets used as Nature Reserve have been valued at rates of Rs 200,000 and Rs 215,000 per Arpent depending on regions. Public Beaches and Islets were valued based on rent paid per annum under the State Lands Act and were capitalised in perpetuity at rate of 8%. For Islets leased as hotels i.e industrial site, valuation has been carried out based on sales of leasehold rights along the Pas Geometriques.
- In respect of land acquired by Government for different purposes, the amount of compensation reported to the Ministry of Housing and Lands has been used.

(b) Buildings

Buildings represent residential and non-residential buildings, whether purchased, constructed or upgraded.

Buildings are initially recognised at cost and subsequently at cost less accumulated depreciation.

(iii) Assets under Construction

Assets in the course of construction are recognised at cost.

Depreciation of these assets commences when the assets are ready for their intended use.

(iv) Other Assets

Other Assets include Bearer Plants, Plants to maintain the Ecosystem and trained Sniffer Dogs used to detect illicit substances. These are measured at fair value at end of each reporting date.

The fair value model has been used as it is considered to be more appropriate. "Other Assets" category falls under IPSAS 17- Property, Plant, and Equipment as it meets the recognition criteria. However, IPSAS 17 cost and revaluation measurement basis does not provide guidance regarding classes of assets undergoing physical transformation. As similar assets are valued at fair value for instance under IPSAS 27- Agriculture, the fair value model has been applied for Other Assets which was deemed to be more appropriate in that context. Moreso, by valuing such assets at fair value represents a fair presentation of their amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(v) *Donated Assets*

When an asset is acquired in a non-exchange transaction for nil or nominal consideration, the asset is measured at its fair value at the date of acquisition and subsequently depreciated over its remaining useful life.

(vi) *Depreciation*

Depreciation on assets is charged on a straight-line basis over the useful life of the asset. Full year depreciation is charged in the year of acquisition and none in year of disposal. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset over its remaining useful life, as follows:

Buildings	50 years
Infrastructure Assets	10 – 50 years
Transport Equipment	8 – 25 years
Other Machinery & Equipment	4 – 20 years
Land is not depreciated.	

(vii) *Borrowing Costs*

Borrowing costs are recognised as an expense in the period in which they are incurred.

(viii) *Derecognition*

Property, plant and equipment and/or any significant part of an asset are derecognised upon disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in surplus or deficit when the asset is derecognised.

2.13 Leases

The Government assesses whether a contract is, or contains, a lease, at inception of the contract.

The Government leases various buildings, equipment and other assets under contract for periods ranging between 0 to 20 years which may be extended, as required.

A right-of-use asset (as stated below) and a corresponding lease liability (Refer to 2.18) are recognised with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less). For these short-term leases, the Government recognises the lease payments as an operating expense on a straight-line basis over the term of the lease (Refer to 2.23 Expenses- (iii) Operating Expenses).

Right-of-Use Assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, and lease payments made at commencement date.

These are subsequently measured at cost less accumulated depreciation. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset.

NOTES TO THE FINANCIAL STATEMENTS

2.14 Intangible Assets

Intangible assets include licenses, software and IT projects acquired, developed or under development.

Intangible assets acquired separately are initially recognised at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation.

Intangible assets are amortised using the straight-line method over a period of 8 years. Full year amortisation is charged in the year of acquisition. Intangible assets which are still under development phase are recognised at cost and no amortisation is charged until the asset is available for use.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset. Any surplus or deficit arising from the disposal is recognised in the Statement of Financial Performance.

2.15 Financial Liabilities

(i) Payables

Payables are recognised at cost as the effect of discounting is not considered material. Payables comprise the following:

- (a) 'Cost of Borrowings' consist of Accrued Interest on Re-opening of Government Bonds and Treasury Notes and Management Charges payable;
- (b) 'Accounts Payable' which are expenses incurred by the Government during the financial year but not yet paid as at year end;
- (c) 'Retention Money on Contracts' which is a percentage of the amount certified as due to the contractors, deducted from the amount due and retained by the Government; and
- (d) 'Carry-over of Capital Expenditure' which represents the balance of the provision earmarked for capital projects in the current financial year payable within 3 months of the close of the financial year as per Section 3A of the Finance and Audit Act. The amount recognised in the Statement of Financial Position represents that portion of the total provision carried-over in respect of which goods were received or works completed by end of the financial year.

(ii) Deposits

Deposits are recognised at cost as the effect of discounting is not considered material and includes the following:

- (a) Money deposited with the Government under Section 8 of the Finance and Audit Act; and
- (b) Deposits held with the MRA for the purpose of disputes.

(iii) Government Debt

- (a) Domestic and External Debts (Excluding IMF SDR Allocations)

Initial Recognition and Measurement

Upon initial recognition, Domestic and External Debts are measured at fair value.

For concessionary loans, the difference between the loan proceeds and the present value of outflows (fair value of loan on initial recognition) is accounted as revenue from non-exchange transactions.

NOTES TO THE FINANCIAL STATEMENTS

Subsequent Measurement

- Treasury Bills and Treasury Certificates

Treasury Bills and Treasury Certificates are measured at amortised cost which is equivalent to cost plus accrued interest, due to the short-term nature of these liabilities.

- Treasury Notes, Government of Mauritius Bonds (including Inflation-Indexed Bonds), Domestic Loans and External Debts

Subsequently, these instruments are measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in surplus or deficit. Amortised cost is calculated by taking into account any discount or premium on acquisition of these instruments excluding commitment fees, management charges and front-end fees.

- Silver Bonds

Silver Bonds are measured at amortised cost which is equivalent to cost plus accrued interest as they have no pre-defined maturity date.

De-Recognition of Financial Liabilities

A financial liability (or a part of a financial liability) is removed from the Statement of Financial Position when the financial liability is extinguished, that is, when the obligation specified in the contract is discharged, waived, cancelled or expired.

(b) IMF SDR Allocations

IMF SDR Allocations represent obligations which arise through the participation of the Republic of Mauritius in the SDR Department of the IMF and that are related to the allocation of SDR Holdings. SDR Holdings are international reserve assets created by the IMF and allocated to members to supplement reserves.

IMF SDR Allocations are translated at year-end exchange rate with any gains or losses arising on re-measurements recognised in the Statement of Financial Performance in the period in which they arise.

IMF SDR Allocations are measured at amortised cost which is equivalent to the nominal value at reporting date.

(iv) *Financial Guarantee Liabilities*

The Government provides financial guarantee as and when required in respect of loans contracted by Public Sector Bodies. Such guarantees are given to the lender to reimburse the amount of any loss incurred in the event of non-repayment of the respective loans by the Public Sector Bodies.

These financial guarantee contracts are initially recognised as a liability at fair value.

Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the liability and the amount initially recognised less cumulative amortisation.

NOTES TO THE FINANCIAL STATEMENTS

2.16 Social Benefits

Social benefits are cash transfers provided to specific individuals and/or households who meet eligibility criteria, mitigate the effect of social risks and address the needs of society as a whole.

(i) Initial Measurement

The Government recognises a liability for a social benefit scheme when it:

- (a) has a present obligation for an outflow of resources that results from a past event; and
- (b) the present obligation can be measured in a way that achieves the qualitative characteristics and takes into account constraints on information. The initial measurement of the liability for a social benefit scheme is at the best estimate of the costs, that is the social benefit payments, that the Government will incur in fulfilling the present obligations represented by the liability. The Government also recognises an expense for a social benefit scheme at the same point that it recognises a liability.

(ii) Subsequent Measurement

The liability is reduced as social benefit payments are made and any difference between the cost of making the social benefit payments and the carrying amount of the liability in respect of the social benefit scheme is recognised in surplus or deficit in the period in which the liability is settled.

2.17 Provisions

Provisions are recognised when the Government has a present obligation as a result of a past event and it is probable that the Government will be required to settle that obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. The expense relating to any provision is presented in the Statement of Financial Performance net of any reimbursement. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

2.18 Lease Liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the lease. On initial measurement, lease payments included in the measurement of the lease liability comprise fixed and variable lease payments.

The lease liability is discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate, which is based on the corresponding Government of Mauritius Bonds as listed below:

Lease Term	Discount Rate
Less or equal to 1 year	No discounting
More than 1 year and less or equal to 5 years	5.0%
More than 5 years and less or equal to 10 years	5.5%
More than 10 years	6.0%

NOTES TO THE FINANCIAL STATEMENTS

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made. Adjustments resulting from changes in market rental rates that are not incorporated into the lease liability measurement are recognized in the surplus or deficit.

In addition, the carrying amount of lease liabilities is remeasured in the event of a modification, a change in the lease term or a change in the assessment regarding the purchase of the underlying asset.

2.19 Employee Benefit Obligations

(i) Short-Term Employee Benefits

Short-term employee benefits are benefits which are expected to be settled wholly before twelve months after the reporting period in which the employee renders the related service.

The short-term employee benefits consist of salaries, wages, salary compensation, overtime, travelling and transport, allowances, end of year bonus, social security contributions, annual sick leave, current portion of passage benefits, and allowance in lieu of passage benefits.

Short-term employee benefits are expensed in the period the employee renders the service and a liability is recognised in respect of amount not paid at the end of the financial year for end of year bonus and annual sick leave.

Passage benefits represent the estimated liability of the Government in respect of passage benefits accrued to public officers on permanent and pensionable establishment drawing a minimum monthly salary of Rs 27,400 or reckoning at least five years' service as per Pay Research Bureau (PRB) Report 2021. Passage benefits are earned at the rate of 5% of the gross salaries annually. The carrying amount is re-measured each year end after taking into account amount paid and earned during the year.

(ii) Post-Employment Benefits

(a) Defined Contribution Plan

Defined contribution plans are post-employment benefit plans under which the Government pays fixed contributions into another entity, the State Insurance Company of Mauritius Limited (SICOM Ltd), for full time employees who joined the Public Sector from 1 January 2013 onwards. The Government has no further payment obligations once the contributions have been paid. These contributions are expensed in the period the employee renders the service and a liability is recognised in respect of amount not paid at the end of the financial year.

(b) Defined Benefit Plan

The Government operates a Defined Benefit Plan, which provides pensions under the Pensions Act to public officers appointed before 1 January 2013 and members of Legislative Assembly on retirement.

The plans is unfunded. The calculation of defined benefit obligations is performed on an annual basis by a qualified actuary. Currently, the Government appoints SICOM Ltd as its actuary. The cost of providing benefits is calculated using the projected unit method. The benefits are then discounted in order to determine the present value of the defined benefit obligations and the current service cost.

Remeasurements, comprising actuarial gains and losses, are reflected in the Statement of Changes in Net Assets or Equity.

NOTES TO THE FINANCIAL STATEMENTS

(iii) Other Long-Term Employee Benefits

Other long-term employee benefits comprise non-current portion of bank of sick leave, vacation leave upon retirement and passage benefits.

Liabilities in respect of other long-term employee benefits have not been discounted for the time value of money.

2.20 Contingent Assets and Contingent Liabilities

The Government does not recognise a contingent asset, but discloses in the notes to the financial statements details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Government. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the notes to the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognised in the financial statements of the period in which the change occurs.

The Government does not recognise a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

2.21 Revenue from Non-Exchange Transactions

(i) Taxation

Taxation consists of Taxes on Income and Profits, Taxes on Property, Taxes on Goods and Services, Taxes on Financial and Capital Transactions, Taxes on International Trade and Transactions, Assessment Under Dispute and Other Taxes. The revenue recognition policy adopted for each major type of taxation revenue is as follows:

Tax Type	Revenue Recognition Point
Taxes on Income and Profits	1. <u>Income Tax- Individuals (self-assessment)</u> Revenue is recognised when the taxable activity takes place based on income tax returns submitted by the taxpayer by 15 October of the following financial year. Any revenue for the current financial year declared after 15 October or relating to prior periods are recognised as revenue in the year that the returns are submitted. Revenue recognised represents the net amount payable by the tax payer after any refund and deduction of any Pay As You Earn (PAYE) or Tax Deduction at Source (TDS).
	2. <u>Income Tax- Companies and Bodies Corporate</u> Revenue is recognised when the taxable activity takes place based on tax returns submitted by the entities by 31 October following the end of the financial year. For entities which submit their tax return for the financial year after the 31 October, revenue for that income year is estimated based on the tax return submitted for the previous financial year end. Any revenue relating to prior periods are recognised as revenue in the year of submission of returns.

NOTES TO THE FINANCIAL STATEMENTS

Tax Type	Revenue Recognition Point
	3. <u>Pay As You Earn (PAYE) and Tax Deduction at Source (TDS)</u> Revenue is recognised in the financial year when the taxable activity takes place based on returns submitted in the current financial year. PAYE and TDS for the month of June submitted up to the cut-off date of 31 July of the following financial year are recognised as revenue in the current financial year. PAYE and TDS relating to any month prior to June that are declared after the end of the current financial year and PAYE/TDS relating to any prior periods are recognised as revenue in the year in which the returns are submitted.
Taxes on Property	Revenue is recognised on an accrual basis.
Taxes on Goods and Services and Taxes on International Trade and Transactions	1. <u>Value Added Tax (VAT)</u> Revenue is recognised in the year when the taxable activity takes place based on returns relating to the current financial year submitted by the taxpayer during the financial year and returns pertaining to the month of June and Quarter April to June submitted by 31 July of the following financial year, net of any repayment. VAT returns for the month of July to May and Quarters July to March declared after financial year end and VAT relating to prior periods are recognised as revenue, net of any repayment in the year in which the returns are submitted.
	2. <u>Custom and Excise Duties and Other taxes collected at Customs</u> Revenue is recognised in the financial year when the taxable activity takes place based on the customs declarations submitted at customs.
	3. <u>Betting and Gaming Taxes</u> Revenue is recognised when taxes are declared in the tax payers returns during the financial year.
	4. <u>Passenger Fee</u> Revenue is recognised when taxes are declared in the tax payers returns during the financial year.
Other Taxes	1. <u>Environment Protection Fee (EPF)</u> Revenue is recognised when taxes are declared in the tax payers returns during the financial year.
	2. <u>Advertising Structure Fee and Special Levy on Banks</u> Revenue is recognised when taxes are declared in the tax payers returns during the financial year.

40% of the disputed amount (Assessment Under Dispute) is recognised as receivables from non-exchange transactions for the financial year under review and the relative movement is charged to surplus or deficit under the different categories of Tax revenue listed in the above table.

Penalties, interests and surcharges arising in relation to taxation are recognised as revenue in the year when these charges are applied.

(ii) *Transfers*

(a) *Fines, Penalties and Forfeits*

Fines, Penalties and Forfeits are recognised on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

(b) Grants and Aid

Grants and Aid consist of Grants from Foreign Governments, International Organisations and Other General Government Units.

These grants are recognised on an accrual basis.

(c) Other Transfers

Other transfers include:

- Transfer of surplus cash balances from statutory bodies and special funds and any contributions made by a party to Government. These are recognised on a cash basis.
- Contribution in respect of Tourism Development Projects on State Lands. These are recognised on cash basis.
- Concessionary Loans
The difference between the loan proceeds and the present value of outflows (fair value of loan on initial recognition) is recognised as revenue.
- Goods in-kind
Goods in-kind are measured at fair value as at the date of acquisition and recognised on obtaining control of the asset if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Government and can be measured reliably.
- Debt Forgiveness
Debts written off by Development Partners and Donor Agencies are recognised as revenue when the debt no longer meets the definition of a liability.

(iii) Social Contributions

Social Contributions is recognised on an accrual basis.

2.22 Revenue from Exchange Transactions

Revenue from exchange transactions consist of Licences, Finance Income, Dividends, Rent and Royalties, Sales of Goods and Services and Other Revenue.

Revenues are recognised on an accrual basis.

2.23 Expenses

(i) Subsidies and Grants

Subsidies and Grants to Local Authorities, Extra Budgetary Units, Rodrigues Regional Assembly and Other General Government Units are recognised on accrual basis.

Contributions to International/Regional Organisations are recognised in the period to which they relate.

(ii) Social Benefits

Social benefits are recognised in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS

(iii) Operating Expenses

These are recognised in the period when goods are received or services are rendered.

Operating expenses include leases which are short term, normally for one year and of low value in nature and are expensed in surplus or deficit (Refer to 2.13 Leases).

(iv) Other Expenses

Other expenses are recognised on an accrual basis.

(v) Finance Costs

Finance costs include interest expense on financial liabilities, leases and management charges.

Interest expense on financial liabilities are measured at amortised cost and are recognised using the effective interest rate method.

Interest expense on lease liability is the amount that produces a constant periodic discount rate of interest on the remaining balance of lease liability (Refer to 2.18 Lease Liabilities).

Management charges have been recognised on an accrual basis.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements includes the use of accounting estimates and management assumptions and judgement. It also requires management to exercise its judgement in the process of applying accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant, include, but are not limited to: estimation of Receivables, loss allowance for expected credit losses on Receivables, selection of useful lives and the depreciation/amortisation method for Property Plant and Equipment, Intangible Assets and right-of-use assets, estimating the fair value of certain categories of Property Plant and Equipment, Biological Assets, Investments, actuarial measurement of post-employment benefit obligations, assumptions used in calculating the fair value of Government Debt for which there is no observable market price, assumptions in measuring Loans at amortised cost and expected credit losses on Loans, estimation to compute the value for Financial Guarantee Liabilities and discount rate for the computation of Lease Liabilities. The actual results could differ from those estimates. Changes in estimates are reflected in the period in which they become known.

4. CASH AND CASH EQUIVALENTS

The total cash and cash equivalents are made up as follows:

	30 June 2025	30 June 2024
	Rs	Rs
Cash and Bank balances	8,899,737,905	10,661,740,040
Remittances	4,871,557,198	4,190,791,626
Total	13,771,295,103	14,852,531,666
Comprising:		
Local currency balances	10,048,885,437	10,942,990,225
Foreign currency balances - at local banks	3,645,202,773	3,840,335,939
Foreign currency balances - at external banks	77,206,893	69,205,502

As at 30 June 2025, there is no significant cash and cash equivalents balances that are not available for use.

Cash and cash equivalents include an amount of **Rs 4,949,115,171** (2024: Rs 6,298,797,854) for Special Funds.

NOTES TO THE FINANCIAL STATEMENTS

Non-cash transactions

For non-cash transactions relating to Loans, Inventories, Other Financial Assets, Lease Liabilities and Government Debt, refer to Note 7 Loans and Advances, Note 9 Inventories, Note 10 Other Financial Assets, Note 19 Lease Liabilities and Note 20 Government Debt respectively.

Non-cash transactions also include the following:

	30 June 2025	30 June 2024
	Rs	Rs
Donated Property, Plant and Equipment	2,777,614	76,974,117
Conversion of Advances to Equity Instruments	-	500,000,000
Others	64,058,509	128,966,973

5. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	30 June 2025	30 June 2024
	Rs	Rs
Taxes on Income and Profits	30,290,857,746	34,254,376,573
Taxes on Property	15,835,547	16,076,216
Taxes on Goods and Services	13,819,633,239	10,505,153,142
Taxes on International Trade and Transactions	31,764,461	13,946,647
Other Taxes	226,520,125	204,351,413
Fines, Penalties and Forfeits	148,736,253	133,916,712
Social Contributions	1,552,650,877	1,325,546,777
	<u>46,085,998,248</u>	<u>46,453,367,480</u>
Less: Loss Allowance	(891,504,098)	(659,229,064)
Total	<u>45,194,494,150</u>	<u>45,794,138,416</u>
- Within one year	22,506,668,001	20,243,636,259
- After one year	22,687,826,149	25,550,502,157
Total	<u>45,194,494,150</u>	<u>45,794,138,416</u>

The ageing of receivables from non-exchange transactions are as follows:

	30 June 2025	30 June 2024
	Rs	Rs
Current Due	9,526,065,854	17,292,575,274
Past Due:		
Less than 1 year	11,932,007,251	3,994,625,156
Between 1 to 5 years	5,759,478,696	5,646,582,547
Between 5 to 10 years	2,900,146,672	2,399,626,169
Over 10 years	1,681,470,481	1,566,637,856
Total	<u>31,799,168,954*</u>	<u>30,900,047,002*</u>

*This amount excludes receivables in respect of tax assessments not yet settled amounting to Rs 13,395,325,196 (2023-2024: Rs 14,894,091,414).

NOTES TO THE FINANCIAL STATEMENTS

Receivables in respect of tax assessments not yet settled, amounting to **Rs 13,395,325,196** (2023-2024: Rs 14,894,091,414) has been recognised, representing 40% of the disputed amount of Rs 33,488,312,992. No loss allowance has been charged on this amount.

During the financial year 2024-2025, an amount of **Rs 26,560,086** (2023-2024: Rs 316,129,004) was written off. Out of this amount, an amount of **Rs 7,446,931** (2023-2024: Rs 97,516,316) was charged directly through surplus or deficit as no loss allowance in respect of these amounts were previously recognised (Refer to Note 35). The remaining amount of **Rs 19,113,155** (2023-2024: Rs 218,612,688) was written off against loss allowance (Refer to table below).

The changes in loss allowance in respect of receivables from non-exchange transactions are as follows:

	30 June 2025	30 June 2024
	Rs	Rs
Loss Allowance as at 01 July	659,229,064	665,585,759
Receivables Write-Off	(19,113,155)	(218,612,688)
Impairment Loss	251,388,189	212,255,993
Loss Allowance as at 30 June	891,504,098	659,229,064

6. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	30 June 2025	30 June 2024
	Rs	Rs
Licences	100,208,740	94,680,037
Finance Income	492,937	2,272,904
Rent and Royalties	1,331,059,072	1,208,263,038
Sales of Goods and Services	280,288,621	257,944,497
Other Revenue	738,417,188	491,162,840
	2,450,466,558	2,054,323,316
Less: Loss Allowance	(1,269,988,206)	(564,677,750)
Total	1,180,478,352	1,489,645,566

	30 June 2025	30 June 2024
	Rs	Rs
Within one year	206,315,043	1,232,201,817
After one year	974,163,309	257,443,749
Total	1,180,478,352	1,489,645,566

The ageing of receivables from exchange transactions are as follows:

	30 June 2025	30 June 2024
	Rs	Rs
Current Due	59,590,218	234,680,930
Past Due:		
Less than 1 year	53,488,005	158,426,195
Between 1 to 5 years	53,883,019	212,691,148
Between 5 to 10 years	986,573,766	875,108,239
Over 10 years	26,943,344	8,739,054
Total	1,180,478,352	1,489,645,566

NOTES TO THE FINANCIAL STATEMENTS

During the financial year 2024-2025, an amount of **Rs 19,341,098** (2023-2024: Rs 11,013) was written off. Out of this amount, an amount of **Rs 15,159,089** (2023-2024: Nil) was charged to surplus or deficit (Refer to Note 35). The remaining amount of **Rs 4,182,009** (2023-2024: Rs 11,013) was written off against loss allowance (Refer to table below).

The changes in the loss allowance in respect of receivables from exchange transactions are as follows:

	30 June 2025	30 June 2024
	Rs	Rs
Loss Allowance as at 01 July	564,677,750	452,437,180
Receivables Write-Off	(4,182,009)	(11,013)
Impairment Loss	709,492,465	112,251,583
Loss Allowance as at 30 June	1,269,988,206	564,677,750

7. LOANS AND ADVANCES

	30 June 2025			30 June 2024		
	Current Rs	Non-Current Rs	Total Rs	Current Rs	Non-Current Rs	Total Rs
Loans	1,121,084,242	2,490,980,244	3,612,064,486	4,458,178,791	6,609,729,297	11,067,908,088
Advances	1,156,543,779	2,855,770,591	4,012,314,370	909,018,186	2,705,891,060	3,614,909,246
Total	2,277,628,021	5,346,750,835	7,624,378,856	5,367,196,977	9,315,620,357	14,682,817,334

Details of the total loans granted by the Government to support operational activities and public service delivery are provided in the Annex relating to Outstanding Loans financed from Revenue as at 30 June 2025.

(i) Loans

Loans to Statutory bodies, Private bodies and Other bodies have been recognised at amortised cost in the financial statements for the financial year ended 30 June 2025.

A reconciliation of loan at amortised cost is shown below:

	30 June 2025	30 June 2024
	Rs	Rs
Balance as at 01 July	11,267,394,003	10,615,037,453
<i>Cash Movement:</i>		
Issue	1,094,139,804	333,095,644
<i>Repayment:</i>		
Capital	(229,515,724)	(200,719,110)
Interest	(65,056,871)	(60,343,027)
<i>Non-cash Movement:</i>		
Non-exchange expense (Concessionary loans)	(168,938,615)	(74,202,590)
Interest income	500,517,979	575,988,077
Capitalisation of interest	30,096,105	45,280,853
Gains on foreign exchange transactions and revaluation	1,017,031	33,256,703
Balance as at 30 June	12,429,653,712	11,267,394,003

NOTES TO THE FINANCIAL STATEMENTS

	30 June 2025	30 June 2024
	Rs	Rs
Loans at Amortised Cost	12,429,653,712	11,267,394,003
Less: Expected Credit Losses Allowance	(8,817,589,226)	(199,485,915)
Loans as per Statement of Financial Position	3,612,064,486	11,067,908,088
The ageing of the loans are as follows:		
	30 June 2025	30 June 2024
	Rs	Rs
Less than 1 year	1,121,084,242	4,458,178,791
Between 1 to 5 years	1,184,197,508	4,018,845,921
Between 5 to 10 years	905,317,983	1,830,478,245
Over 10 years	401,464,753	760,405,131
Total	3,612,064,486	11,067,908,088

The changes in expected credit losses allowance in respect of loans are as follows:

	30 June 2025	30 June 2024
	Rs	Rs
Expected Credit Losses Allowance as at 01 July	199,485,915	196,311,090
Expected Credit Losses Allowance for the year	8,618,103,311	3,174,825
Expected Credit Losses Allowance as at 30 June	8,817,589,226	199,485,915

The discount rate used in calculating the present value of loan is determined by reference to market yields on weighted average rupee lending rate of banks, as prescribed by the Bank of Mauritius.

Details of Expected Credit Losses Allowance by Statutory bodies, Private bodies and Other bodies are provided below:

	Amortised Cost 30 June 2025	Expected Credit Losses Allowance	Amortised Cost Net of Expected Credit Losses Allowance 30 June 2025
	Rs	Rs	Rs
Central Water Authority	4,046,846,770	4,046,846,770*	-
Wastewater Management Authority	4,261,998,468	4,261,998,468*	-
Metro Express Limited	1,939,206,185	484,801,546	1,454,404,639
Rodrigues Regional Assembly	23,942,442	23,942,442*	-
	10,271,993,865	8,817,589,226	1,454,404,639

* The recoverability of the loans has been assessed, and based on their non-performing status, a 100% allowance for expected credit losses has been recognised during the financial year 2024-2025.

NOTES TO THE FINANCIAL STATEMENTS

(ii) Advances

	30 June 2025	30 June 2024
	Rs	Rs
Government Officers (include Motor Cars and Motor Cycles Advances)	2,670,883,997	2,242,629,256
Parastatals/Local Government/Corporate Bodies	1,266,570,589	1,261,054,330
Ministries/Departments	74,859,784	111,225,660
Total	4,012,314,370	3,614,909,246

8. INVESTMENTS

Details of investments are shown below:

	30 June 2025	30 June 2024
	Rs	Restated*
	Rs	Rs
Equity Investments	167,883,172,628	130,402,539,232
Redeemable Preference Shares	200,000,000	200,000,000
Other Investments	1,512,250,880	9,401,801,339
Total	169,595,423,508	140,004,340,571
-Within one year	1,120,187,096	9,212,299,279
-After one year	168,475,236,412	130,792,041,292
Total	169,595,423,508	140,004,340,571

* The restatement pertains to the recognition of Investments held in Africa50 - Project Development and Africa50 - Project Finance. Payments made in 2018 and 2019 were incorrectly recorded as expenses, rather than being recognised as investments.

Refer to Note 42(i) for details on prior year adjustments.

(i) Equity Investments and Redeemable Preference Shares

Fair Value of Equity Investments and Redeemable Preference Shares

The Government uses the following hierarchy for determining and measuring the fair value of investments:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Other techniques for which all inputs are observable and have a significant effect on the recorded fair value, either directly or indirectly; and
- Level 3 – Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

NOTES TO THE FINANCIAL STATEMENTS

The level of fair value measurement used for each category of investment is shown in the table below:

Category	Level	Basis
Quoted Investments	Level 1	Based on market prices of shares on the Stock Exchange of Mauritius as at the end of the financial year.
Unquoted Investments	Level 3	Based on the Net Asset figures from the latest audited financial statements of investees except for ISM Mauritius Ltd, Mauritius Housing Holdings Ltd and The National Fishing Company Ltd, where their costs have been deemed to be their market value as no audited financial statements are available.
Equity Participation	Level 3	Based on the Net Asset figure from the latest audited financial statements of investees.
Redeemable Preference Shares	Level 3	Based on the value disclosed in the latest audited financial statements of investees.

The table below shows an analysis of equity investments and redeemable preference shares mandatorily measured at fair value through surplus or deficit, by the level of hierarchy:

	Level 1	Level 3	Total Carrying Amount	Total Fair Value
	Rs	Rs	Rs	Rs
30 June 2025				
Quoted investments	840,431,440	-	840,431,440	840,431,440
Unquoted investments	-	101,224,094,591	101,224,094,591	101,224,094,591
Equity participation	-	65,818,646,597	65,818,646,597	65,818,646,597
Redeemable Preference Shares	-	200,000,000	200,000,000	200,000,000
Total	840,431,440	167,242,741,188	168,083,172,628	168,083,172,628
30 June 2024 (Restated)				
Quoted investments	702,851,190	-	702,851,190	702,851,190
Unquoted investments	-	96,730,941,180	96,730,941,180	96,730,941,180
Equity participation	-	32,968,746,862	32,968,746,862	32,968,746,862
Redeemable Preference Shares	-	200,000,000	200,000,000	200,000,000
Total	702,851,190	129,899,688,042	130,602,539,232	130,602,539,232

There have been no transfers between Level 1 and 3 during the current year.

NOTES TO THE FINANCIAL STATEMENTS

A reconciliation of fair value measurements in level 3 is set out below:

	30 June 2025	30 June 2024
	Rs	Restated Rs
Balance at 01 July	129,899,688,042	118,894,574,097
Additions during the year	10,041,538,624	2,790,284,281
Conversion of advance into equity	-	500,000,000
Dividends capitalised	-	123,398,348
Impairment of investment	-	(1)
(Losses)/Gains on foreign exchange transactions and revaluation	(65,158,910)	111,309,116
Fair value gain on investment	27,366,673,432	7,480,122,201
Balance at 30 June	167,242,741,188	129,899,688,042

Refer to Note 42(i) for details on prior year adjustments.

(ii) Other Investments

Other Investments have been recognised at amortised cost.

A reconciliation of amortised cost is shown below:

	Government	Special Funds	Total
	Rs	Rs	Rs
Balance at 01 July 2023	591,219,128	18,517,630,683	19,108,849,811
Additions during the year	-	5,525,000,000	5,525,000,000
Redemption of fixed deposits	(4,280,000)	(15,075,000,000)	(15,079,280,000)
Movement in interest receivable	380,080	(153,148,552)	(152,768,472)
Balance at 30 June 2024	587,319,208	8,814,482,131	9,401,801,339
Additions during the year	-	186,838,876	186,838,876
Redemption of fixed deposits	(4,370,000)	(8,065,000,000)	(8,069,370,000)
Losses on foreign exchange transactions and revaluation	-	(212,716)	(212,716)
Movement in interest receivable	5,174,936	(11,981,555)	(6,806,619)
Balance at 30 June 2025	588,124,144	924,126,736	1,512,250,880

Additional details in respect of investments are provided in the Statement of Investments as at 30 June 2025.

9. INVENTORIES

	30 June 2025	30 June 2024
	Rs	Rs
<i>Inventories consist of the following:</i>		
Inventories for Distribution and Consumption	1,502,050,634	3,837,327,216
Donated inventories	1,018,241	741,241
Agricultural Produce and Biological Inventories	45,776,997	33,496,130
Total	1,548,845,872	3,871,564,587

NOTES TO THE FINANCIAL STATEMENTS

Inventories amounting to **Rs 3,446,239** (2023-2024: Rs 4,124,251) was written-off during the financial year 2024-2025.

Agricultural produce harvested during the period, determined at point of harvest amounted to **Rs 4,866,328** (2023-2024: Rs 4,413,330).

Biological Inventory amounting to **Rs 4,549,082** was written off during the financial year 2024-2025 (2023-2024: Rs 3,168,765).

The movement in Agricultural Produce and Biological Inventories credited to surplus or deficit amounted to **Rs 8,686,213** for the financial year 2024-2025 as compared to a loss of Rs 8,035,841 in 2023-2024.

Methods to determine the fair value of Agricultural Produce

The fair value of agricultural produce has been estimated by the Ministry of Agro-Industry, Food Security, Blue Economy and Fisheries and is based mainly on market prices (i.e. price set by the Ministry of Agro-Industry, Food Security, Blue Economy and Fisheries), quantity and weight.

10. OTHER FINANCIAL ASSETS

	30 June 2025	30 June 2024
	Rs	Rs
IMF SDR Deposits	12,367,569,642	12,846,592,009
IMF Reserve Tranche Position	2,316,367,986	2,380,575,978
Contribution to RST	331,162,993	-
Total	15,015,100,621	15,227,167,987

(i) IMF SDR Deposits

IMF SDR Deposits represent the rupee equivalent of the deposit of **SDR 198,792,059** (2023-2024: SDR 205,402,512) by the IMF to the Republic of Mauritius.

The movement in the IMF SDR Deposits is as follows:

	30 June 2025	30 June 2024
	Rs	Rs
Balance as at 01 July	12,846,592,009	12,100,561,354
Purchase	307,186,976	913,315,562
Sales	(323,829,971)	(425,904,786)
Contribution to RST	(329,559,910)	-
Contribution to IMF Poverty Reduction and Growth Trust Subsidy Account (SRA) Grant	(62,034,739)	-
(Losses)/ Gains on Foreign Exchange Transactions and Revaluation	(70,784,723)	258,619,879
Balance as at 30 June	12,367,569,642	12,846,592,009

NOTES TO THE FINANCIAL STATEMENTS

(ii) IMF Reserve Tranche Position

IMF Reserve Tranche Position of the Republic of Mauritius with IMF stood at **SDR 37,232,502** (2023-2024: SDR 38,062,724), whilst the Quota amounted to **SDR 142,200,000** (2023-2024: SDR 142,200,000).

The movement in the Reserve Tranche is as follows:

	30 June 2025	30 June 2024
	Rs	Rs
Balance as at 01 July	2,380,575,978	2,540,585,086
(Losses)/Gain on Foreign Exchange Transactions and Revaluation	(13,693,816)	45,847,166
Transactions during the year	(50,514,176)	(205,856,274)
Balance as at 30 June	2,316,367,986	2,380,575,978

(iii) Contribution to RST

The IMF has established the Resilience and Sustainability Trust (RST) to assist in fulfilling the purposes of IMF by providing loans to eligible IMF members to enhance their economic resilience and sustainability. During the financial year ended 30 June 2025, the Government of Mauritius has contributed an amount of SDR 5,323,000, which relates to a non-cash transaction deducted from IMF SDR Deposit.

11. BIOLOGICAL ASSETS

	30 June 2025	30 June 2024
	Rs	Rs
Bearer Biological Assets	9,584,552	10,922,960
Consumable Biological Assets (N1)	1,215,520,750	795,030
Total	1,225,105,302	11,717,990

N1: Consumable Biological Assets exclude Agricultural Produce. Agricultural Produce has been recognised under Inventories (Refer to Note 9).

Reconciliation of Carrying Amount of Bearer Biological Assets

	30 June 2025	30 June 2024
	Rs	Rs
Carrying amount at 01 July	10,922,960	10,454,201
Increases due to purchases	43,960	1,546,386
Acquisition through non-exchange transactions (Donated Biological Assets)	400,000	-
Transfer to inventories	(499,775)	(400,222)
Reclassification from Bearer Biological Assets to Inventories and Consumable Biological Assets	(198,352)	-
Loss arising from changes in fair value less costs to sell attributable to physical and price changes	(1,084,241)	(677,405)
Carrying amount at 30 June	9,584,552	10,922,960

NOTES TO THE FINANCIAL STATEMENTS

Reconciliation of Carrying Amount of Consumable Biological Assets

	30 June 2025	30 June 2024
	Rs	Rs
Carrying amount at 01 July	795,030	792,705
Transfer from Plants to Maintain Ecosystem to Consumable Biological Assets	1,193,162,562	-
Reclassification from Bearer Biological Assets to Consumable Biological Assets	142,352	-
Reclassification from Consumable Biological Assets to Inventories	(44,937)	-
Transfer to inventories	(2,933,081)	(1,615,739)
Gain arising from changes in fair value less costs to sell attributable to physical and price changes.	24,398,824	1,618,064
Carrying amount at 30 June	1,215,520,750	795,030

Methods to determine the fair value of biological assets

The fair value of biological assets has been estimated by the Ministry of Agro-Industry, Food Security, Blue Economy and Fisheries and is based mainly on market prices (i.e. price set by the Ministry of Agro-Industry, Food Security, Blue Economy and Fisheries), quantity and weight.

Restrictions and pledges for liabilities

During the financial year 2024-2025, there were no biological assets whose title was restricted and there were no restrictions on the Government's use or capacity to sell biological assets (2023-2024: Nil).

During the financial year 2024-2025, no biological assets were pledged as security for liabilities (2023-2024: Nil).

Contractual Commitments

During the financial year 2024-2025, there were no contractual commitments for the acquisition or development of biological assets (2023-2024: Nil).

Financial Risk Management Strategies

The Budgetary Central Government is exposed to financial risks arising from changes in price due to disease and pest risks, climate risks (e.g. flood, drought, cyclones), environmental and other risks (e.g. fire in forest, thefts, power failure of pumps).

The risk management strategies put in place are as follows:

1. Disease and Pest risks

These are managed by constant monitoring for early detection of diseases and pests and surveillance by veterinary services to avoid propagation.

2. Climate risks

These are managed by planting plants with deep rooted system and suitable to agro climatic conditions and moving from traditional open field cultivation to sheltered farming system.

3. Environmental and Other risks

These are managed by putting standby generators in place to supply electrical power in case of power failure, reporting thefts having constant watchmanship to ensure security of assets and creating fire breaks to reduce the spread of fire outbreaks.

NOTES TO THE FINANCIAL STATEMENTS

12. PROPERTY, PLANT AND EQUIPMENT

	Infrastructure, Plant and Equipment				Land and Buildings			Asset Under Construction (AUC)	Other Assets	TOTAL
	Infrastructure Assets	Transport Equipment	Other Machinery & Equipment	Land	Buildings					
						Rs	Rs			
COST	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs		
At 01 July 2023	122,407,747,813	12,674,116,028	13,770,791,264	381,569,194,652	34,105,932,639	10,428,930,821	1,616,037,880	576,572,751,097		
Additions	1,164,018,146	599,458,992	964,282,012	971,441,772	739,246,301	5,088,759,354	7,047,150	9,534,253,727		
Transfer from AUC	6,677,912,948	48,064,839	-	-	1,745,573,847	(8,471,551,634)	-	-		
Transfer to Inventories	-	-	-	-	-	-	(1,838,344)	(1,838,344)		
Disposal	-	(6,091,422)	(4,317,323)	-	-	-	(2,255,750)	(12,664,495)		
Fair Value Gain	-	-	-	-	-	-	2,450	2,450		
At 30 June 2024	130,249,678,907	13,315,548,437	14,730,755,953	382,540,636,424	36,590,752,787	7,046,138,541	1,618,993,386	586,092,504,435		
Additions	995,454,364	465,429,668	577,585,405	1,256,761,586	1,145,860,675	5,576,914,530	4,528,800	10,022,535,028		
Transfer from AUC	3,883,615,869	-	27,063,281	-	3,968,517,775	(7,879,196,925)	-	-		
Transfer to Inventories	-	-	-	-	-	-	(267,050)	(267,050)		
Disposal	-	(10,845,640)	(7,650,695)	-	-	-	(1,568,750)	(20,065,085)		
Adjustment(N1b,N4)	-	-	-	-	-	(47,353,969)	(1,195,936,812)	(1,243,290,781)		
At 30 June 2025	135,128,749,140	13,770,132,465	15,327,753,944	383,797,398,010	41,705,131,237	4,696,502,177	425,749,574	594,851,416,547		

NOTES TO THE FINANCIAL STATEMENTS

	Infrastructure, Plant and Equipment			Land and Buildings			Other Assets	TOTAL
	Infrastructure Assets	Transport Equipment	Other Machinery & Equipment	Land	Buildings	Asset Under Construction (AUC)		
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
ACCUMULATED DEPRECIATION								
At 01 July 2023	15,134,188,955	6,691,025,353	9,221,148,160	-	9,447,678,762	-	-	40,494,041,230
Charge for the year	2,717,359,405	688,780,812	1,042,738,719	-	731,421,893	-	-	5,180,300,830
Disposal	-	(6,091,422)	(3,367,308)	-	-	-	-	(9,458,731)
At 30 June 2024	17,851,548,360	7,373,714,743	10,260,519,571	-	10,179,100,655	-	-	45,664,883,329
Charge for the year	2,848,130,421	720,018,283	1,002,201,446	-	833,470,980	-	-	5,403,821,130
Disposal	-	(5,358,148)	(6,504,574)	-	-	-	-	(11,862,722)
At 30 June 2025	20,699,678,781	8,088,374,878	11,256,216,443	-	11,012,571,635	-	-	51,056,841,737

Carrying Amounts

At 30 June 2024	112,398,130,547	5,941,833,694	4,470,236,382	382,540,636,424	26,411,652,132	7,046,138,541	1,618,993,386	540,427,621,106
At 30 June 2025	114,429,070,359	5,681,757,587	4,071,537,501	383,797,398,010	30,692,559,602	4,696,502,177	425,749,574	543,794,574,810

1. Other Assets:

- (a) The value of Sniffer Dogs included under Other Assets increased from Rs 5,371,250 as at 30 June 2024 to Rs 6,031,250 as at 30 June 2025. The net increase of Rs 660,000 arose from the additions of Rs 2,228,750 and the disposal of Rs 1,568,750 during financial year 2024-2025.
 - (b) "Plants to maintain Ecosystem" included under Other Assets has decreased from Rs 1,610,268,236 as at 30 June 2024 to Rs 416,364,424 as at 30 June 2025. The movement of Rs 1,193,903,812 is attributed to the following: (1) transfer to inventories – (Rs 267,050), (2) Consumable Biological Assets – (Rs 1,195,936,812) and (3) additions during the year- Rs 2,300,050.
 - (c) There was no movement in "Bearer Plants" during the financial year 2024-2025.
2. Donated assets amounting to Rs 2,777,614 (2023-2024: Rs 76,859,117) have been recognised in the financial year 2024-2025.
 3. Contractual commitments for the acquisition of Property, Plant and Equipment (PPE) amounted to Rs 105,868,917 (2023-2024: Rs 262,693,982) as at 30 June 2025.
 4. The adjustment of Rs 47,353,969 pertains to the derecognition of Other Structures (drains projects) previously classified as Asset Under Construction, arising from the termination of the related contracts.
 5. There was no known existence of restrictions on title of each class of PPE and PPE pledged as securities for liabilities.

NOTES TO THE FINANCIAL STATEMENTS

13. RIGHT-OF-USE ASSETS

	Land	Buildings	Other Machinery and Equipment	Total
	Rs	Rs	Rs	Rs
COST				
At 1 July 2023	201,545,539	2,482,872,939	10,458,387,967	13,142,806,445
Adjustment	9,931,721	585,379,370	(1,553,670,496)	(958,359,405)
At 1 July 2023 (Restated)	211,477,260	3,068,252,309	8,904,717,471	12,184,447,440
Additions (Restated)	-	705,726,335	13,996,818	719,723,153
Termination/Expiry	-	(1,245,877,120)	(407,856,870)	(1,653,733,990)
At 30 June 2024 (Restated)	211,477,260	2,528,101,524	8,510,857,419	11,250,436,203
Additions	-	802,987,766	7,422,790	810,410,556
Early termination	(103,610,401)	(61,074,682)	-	(164,685,083)
Termination/ Expiry	(4,334,286)	(941,141,994)	(6,504,315)	(951,980,595)
At 30 June 2025	103,532,573	2,328,872,614	8,511,775,894	10,944,181,081
ACCUMULATED DEPRECIATION				
At 1 July 2023	22,599,041	1,550,329,439	2,439,370,026	4,012,298,506
Adjustments	2,616,469	411,334,945	(327,642,599)	86,308,815
At 1 July 2023 (Restated)	25,215,510	1,961,664,384	2,111,727,427	4,098,607,321
Charge for the year (Restated)	6,505,489	545,700,936	478,259,085	1,030,465,510
Termination/ Expiry	-	(1,100,479,387)	(230,736,818)	(1,331,216,205)
At 30 June 2024 (Restated)	31,720,999	1,406,885,933	2,359,249,694	3,797,856,626
Charge for the year	4,194,241	675,771,560	480,908,267	1,160,874,068
Early termination	(17,414,756)	(45,397,040)	-	(62,811,796)
Termination/ Expiry	(4,334,286)	(941,141,994)	(6,504,315)	(951,980,595)
At 30 June 2025	14,166,198	1,096,118,459	2,833,653,646	3,943,938,303
CARRYING AMOUNT				
At 30 June 2024 (Restated)	179,756,261	1,121,215,591	6,151,607,725	7,452,579,577
At 30 June 2025	89,366,375	1,232,754,155	5,678,122,248	7,000,242,778

Refer to Note 42(ii) for details on prior year adjustments.

NOTES TO THE FINANCIAL STATEMENTS

14. INTANGIBLE ASSETS

	Licenses & Software	Asset Under Development (AUD)	Total
	Rs	Rs	Rs
COST			
At 01 July 2023	3,577,678,470	103,485,797	3,681,164,267
Additions	59,356,925	257,604,374	316,961,299
Transfer from AUD	7,086,913	(7,086,913)	-
At 30 June 2024	3,644,122,308	354,003,258	3,998,125,566
Additions	102,410,761	136,599,608	239,010,369
Transfer from AUD	124,567,799	(124,567,799)	-
At 30 June 2025	3,871,100,868	366,035,067	4,237,135,935
ACCUMULATED AMORTISATION			
At 01 July 2023	2,671,623,461	-	2,671,623,461
Charge for the year	167,975,176	-	167,975,176
At 30 June 2024	2,839,598,637	-	2,839,598,637
Charge for the year	172,565,936	-	172,565,936
At 30 June 2025	3,012,164,573	-	3,012,164,573
Carrying Amounts			
At 30 June 2024	804,523,671	354,003,258	1,158,526,929
At 30 June 2025	858,936,295	366,035,067	1,224,971,362

During the financial year 2024-2025, there were no donated intangible assets (2023-2024: Nil).

During the financial year 2024-2025, there were no contractual commitments for the acquisition of intangible assets (2023-2024: Nil).

There was no known existence of restrictions on title of intangible assets and intangible assets pledged as securities for liabilities.

15. PAYABLES

	30 June 2025	30 June 2024
	Rs	Rs
Cost of Borrowings	86,683,315	60,875,036
Accounts Payable (N1)	3,902,765,078	3,378,206,683
Retention Money on Contracts	110,067,239	45,349,398
Carry-over of Capital Expenditure	58,538,141	-
Total	4,158,053,773	3,484,431,117
- Within one year	4,134,532,353	2,345,428,959
- After one year	23,521,420	1,139,002,158
Total	4,158,053,773	3,484,431,117

N1: Accounts Payable include Rs 1,806,236,388 payable to State Trading Corporation (STC) with respect to STC's deficit in its Subsidy Account.

NOTES TO THE FINANCIAL STATEMENTS

Cost of Borrowings is made up of accrued interest on re-opening of Government Securities and Management Charges payable as at 30 June. Details are as follows:

	30 June 2025 Rs	30 June 2024 Rs
Accrued Interest on Re-opening of Government Securities:		
- Government Bonds	45,453,000	22,877,000
- Treasury Notes	37,840,000	34,882,000
Management Charges payable on:		
- Domestic Debts	1,492,446	983,497
- External Debts	1,897,869	2,132,539
Total	86,683,315	60,875,036
- Within one year	86,683,315	60,875,036
- After one year	-	-
Total	86,683,315	60,875,036

16. DEPOSITS

	30 June 2025 Rs	30 June 2024 Rs
Grants	464,396,196	125,419,897
Deposits held with Mauritius Revenue Authority	503,132,583	572,612,438
Other Deposits	2,653,020,125	2,481,505,939
Total	3,620,548,904	3,179,538,274
- Within one year	2,210,150,768	1,930,568,243
- After one year	1,410,398,136	1,248,970,031
Total	3,620,548,904	3,179,538,274

The amount of liabilities recognised in respect of Grants that are subject to conditions are Rs 464,396,196 (2023-2024: Rs 125,419,897).

17. SOCIAL BENEFITS

	30 June 2025 Rs	30 June 2024 Rs
Balance as at 01 July	141,078,120	295,394,495
Payments made during the year	(88,203,844,279)	(63,366,247,466)
Charge for the year	88,227,219,894	63,211,931,091
Balance as at 30 June	164,453,735	141,078,120
- Within one year	164,453,735	141,078,120
- After one year	-	-
Total	164,453,735	141,078,120

NOTES TO THE FINANCIAL STATEMENTS

The table below provides the characteristics of social benefits schemes:

Nature of social benefits	Key Features of Social Benefit Schemes			Funding of scheme	Factors influencing level of expenditure	Amendments to social benefit schemes during the reporting period	
	Legislative framework governing scheme	Main eligibility Criteria	Reference where additional information about the scheme be obtained			Description of significant amendments	Description of expected effect of amendments
Negative Income Tax (NIT)	The Income Tax Act	Should be citizen of Mauritius; work minimum 24 working hours at least 3 days a week; total monthly earning not exceed Rs 20,000.	Section 150A Income Tax Act	Budget Appropriation	Changes in Legislation, Increase/Decrease in number of beneficiaries based on the eligibility criteria.		
Revenue Minimum Garantie Allowance	The Social Contribution and Social Benefits Act	Should be citizen of Mauritius; full time employed; included in return submitted by employer under section 7 or 8; and income should not exceed Rs 20,000 per month.	Refer to Sub-Part IIIIBA of The Social Contribution and Social Benefits Act, Section 30BA	Budget Appropriation	Changes in Legislation, Increase/Decrease in number of beneficiaries based on the eligibility criteria.		
CSG Income Allowance	The Social Contribution and Social Benefits Act	Should be citizen of Mauritius; should be above 16 years and under 65 years.	Refer to Sub-Part IIIBC of The Social Contribution and Social Benefits Act, Section 30C	Budget Appropriation	Changes in Legislation, Increase/Decrease in number of beneficiaries based on the eligibility criteria.	As from July 2024, an allowance of Rs 3,000 is payable to eligible employees and self-employed individuals whose total income/emoluments and any basic retirement or widow's pension do not exceed Rs. 20,000. Similarly, an allowance of Rs 2,500 is payable to individuals having a monthly aggregate income above Rs 20,000 but not exceeding Rs 25,000 per month; an allowance of Rs 2,000 is payable to eligible individuals earning a monthly aggregate	Additional fund disbursed

NOTES TO THE FINANCIAL STATEMENTS

Nature of social benefits	Key Features of Social Benefit Schemes			Funding of scheme	Factors influencing level of expenditure	Amendments to social benefit schemes during the reporting period	
	Legislative framework governing scheme	Main Criteria	eligibility	Reference where additional information about the scheme be obtained		Description of significant amendments	Description of expected effect of amendments
CSG Income Allowance- <i>contd.</i>						income above Rs 25,000 but not exceeding Rs 30,000 per month; and an allowance of Rs 1,500 is payable to individuals earning a monthly aggregate income above Rs 30,000 but not exceeding Rs 50,000 per month.	
Housing Loan Relief Scheme	Income Tax Act	Individual who has contracted in his own name or jointly with relatives, a secured housing loan not exceeding Rs 5 Million.		Refer to Section 150G of the Income Tax Act	Changes in Legislation, Increase/Decrease in number of beneficiaries based on the eligibility criteria.		
CSG Child Allowance - Rs 2,000 Monthly	The Social Contribution and Social Benefits Act	Should be citizen of Mauritius; under age of 3.		Refer to Sub-Part IIIC of The Social Contribution and Social Benefits Act, Section 30C	Changes in Legislation, Increase/Decrease in number of beneficiaries based on the eligibility criteria.	Allowance payable for financial year 2023-2024 is Rs 2,000 and for financial year 2024-2025 is Rs 2,500.	
Independence Allowance - Rs 20,000	The Social Contribution and Social Benefits Act	Should be citizen of Mauritius; has attained age of 18 years on or after 1 January 2023		Refer to Sub-Part IIID of The Social Contribution and Social Benefits Act, Section 30D	Changes in Legislation, Increase/Decrease in number of beneficiaries based on the eligibility criteria.		
School Allowance	The Social Contribution and Social Benefits Act	Should be citizen of Mauritius; should age up to 3 years but below age of 10 years.		Refer to Sub-Part IIICA of The Social Contribution and Social Benefits Act, Section 30CA	Changes in Legislation, Increase/Decrease in number of beneficiaries based on the eligibility criteria.		

NOTES TO THE FINANCIAL STATEMENTS

Nature of social benefits	Key Features of Social Benefit Schemes			Funding of scheme	Factors influencing level of expenditure	Amendments to social benefit schemes during the reporting period	
	Legislative framework governing scheme	Main eligibility Criteria	Reference where additional information about the scheme be obtained			Description of significant amendments	Description of expected effect of amendments
Social Aid- Pension	Social Aid Act		Social Aid Act	Budget Appropriation	Depending on number of applications received	New budgetary measures and new policies	Wider coverage of vulnerable people and increase in financial implications
Cyclone	Social Aid Act		Social Aid Act	Budget Appropriation	Natural Disasters		
Incontinence Allowance	Social Aid Act	Item 1-17 as per Provisions in Social Aid Act, 1983 and Social Aid Regulations, 1984	Social Aid Act	Budget Appropriation	Depending on number of applications received		
Medical Allowance	Social Aid Act		Social Aid Act	Budget Appropriation			
Unemployment Hardship Relief	Social Aid Act		Social Aid Act	Budget Appropriation			
Income Support-UHR	Social Aid Act		Social Aid Act	Budget Appropriation			
Funeral Grant	Social Aid Act		Social Aid Act	Budget Appropriation			
Child Allowance Attending school	Social Aid Act		Social Aid Act	Budget Appropriation			
Basic Retirement Pension	National Pension Act		Age of 60 yrs	National Pension Act		Budget Appropriation	Economic
Widow's Basic Pension	National Pension Act		Should be below the age of 60 and was either civilly married to late partner or religiously married and registered with Muslim Family Council	National Pension Act		Budget Appropriation	Economic

NOTES TO THE FINANCIAL STATEMENTS

Nature of social benefits	Key Features of Social Benefit Schemes			Funding of scheme	Factors influencing level of expenditure	Amendments to social benefit schemes during the reporting period	
	Legislative framework governing scheme	Main eligibility Criteria	Reference where additional information about the scheme be obtained			Description of significant amendments	Description of expected effect of amendments
Invalid's Basic Pension	National Pension Act	Should be below the age of 60 and suffers from a disability of at least 60% for a period of 12 months.	National Pension Act	Budget Appropriation	Economic		
Orphan's Pension	National Pension Act	Child whose both parents have passed away. The child should be below the age of 23.	National Pension Act	Budget Appropriation	Economic		
Additional Disability Allowance (ADA)	National Pension Act	A person under the age of 18 year receiving Basic Invalidity Pension	National Pension Act-Section 8 (1A)	Budget Appropriation	No. of eligible beneficiaries		
Child's Allowance	National Pension Act	Beneficiaries of Basic Pension are entitled to the child allowance	National Pension Act	Budget Appropriation	Economic		
Other Basic Pensions	National Pension Act	Carer's Allowance to beneficiaries of Invalid's Basic Pension & Basic Retirement Pension who needs the constant care & attendance of another person. Guardian Allowance to beneficiaries of Orphan's Pension.	National Pension Act	Budget Appropriation	Economic	New budgetary measures and new policies	Wider coverage of vulnerable people and increase in financial implications

NOTES TO THE FINANCIAL STATEMENTS

Nature of social benefits	Key Features of Social Benefit Schemes			Funding of scheme	Factors influencing level of expenditure	Amendments to social benefit schemes during the reporting period	
	Legislative framework governing scheme	Main eligibility Criteria	Reference where additional information about the scheme be obtained			Description of significant amendments	Description of expected effect of amendments
CSG Benefits	The Social Contribution and Social Benefits Act	Person of 65 years and above	The Social Contribution and Social Benefits Act	Budget Appropriation	Economic	New budgetary measures and new policies	Wider coverage of vulnerable people and increase in financial implications
Additional Social Disability Allowance (ADA)	The Social Contribution and Social Benefits Act	A person under the age of 18 year receiving CSG Disability Allowance (SDA)	The Social Contribution and Social Benefits Act, section 30A (1A)	Budget Appropriation	No. of eligible beneficiaries		
Poverty and Empowerment	Regulations 2019 made under section 12 of the Social Integration and Empowerment Act 2016	Households registered and found eligible under the Social Register of Mauritius	(i) Regulations 2019 made under section 12 of the Social Integration and Empowerment Act 2016 (ii) Website: socialintegration.govm.u.org	Budget Appropriation	Level of expenditure is based on the actual number of eligible households which fluctuates depending on new eligible households and/or households moving out of the register.		
Bad Weather Allowance	Social Security Act	Registered fishers who have their card signed and stamped.	Registered fishers are informed of changes by officers of the ministry.	Funded by Ministry of Social Security through Departmental Warrant.	Change in number of fishers, number of days stated as bad weather as per Meteorological Report and change in rate paid	Newly registered fishers must be present during bad weather days for cleaning of coast line and landing station plus card must be signed and stamped- new condition (budget speech) as from June 2024. Increase in rate per day i.e from Rs 650 to Rs 800	Increase in amount to be paid

NOTES TO THE FINANCIAL STATEMENTS

Nature of social benefits	Key Features of Social Benefit Schemes			Funding of scheme	Factors influencing level of expenditure	Amendments to social benefit schemes during the reporting period	
	Legislative framework governing scheme	Main eligibility Criteria	Reference where additional information about the scheme be obtained			Description of significant amendments	Description of expected effect of amendments
Closed Season Allowance	Fisheries Act (closed period from 01 Oct 2024 to end of Feb 2025. Closed for reproduction of fish and to protect the fauna of sea)	Only Net Fishers	Net fishers are informed of changes by officers of the ministry.	Funded by Ministry of Social Security through Departmental Warrant.	Change in number of Net fishers, and in rate paid	Increase in rate per day i.e from Rs 650 to Rs 800	Increase in amount to be paid
Foster Care Allowance	The Children's Act 2020	Prior approval of the Ministry is required to be registered as foster parent. Child is assigned to the foster parent by court order. As per provision made under the Foster Care Scheme a monthly foster care allowance of Rs 12,000 is paid to any Registered Foster Parent and an enhanced monthly allowance of Rs 15,000 is paid for children with special needs placed in registered foster homes.	Website of Ministry of Gender Equality and Family Welfare through below link: https://gender.govmu.org/Documents/Amenities%20Foster%20Care%20Pamphlet.pdf	Government Funding through Programme 18-03 - Child Protection, Welfare and Development	Number of children placed in Foster Care.		

NOTES TO THE FINANCIAL STATEMENTS

18. PROVISIONS

The movement in Provisions are shown below:

	30 June 2025	30 June 2024
	Rs	Rs
Balance as at 01 July	530,500,000	40,000,000
Charge for the year	612,876,462	523,923,243
Gain on Foreign Exchange Revaluation	(22,939,182)	-
Payment	(90,589,351)	(33,423,243)
Balance as at 30 June*	<u>1,029,847,929</u>	<u>530,500,000</u>

*This includes provision of an amount of Rs 991,847,929 (2023-2024: Rs 494,000,000) made on account of a contractual liability towards African Vaccine Acquisition Trust, Sputnik and Pfizer for the supply of COVID-19 Vaccines.

19. LEASE LIABILITIES

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

	30 June 2025	30 June 2024
	Rs	Rs
		Restated
Balance as at 01 July	11,511,384,059	11,267,368,099
Adjustment	-	414,051,290
Balance as at 01 July (Restated)		11,681,419,389
Additions	810,410,556	719,723,153
Repayment as per contractual term	(1,693,784,199)	(1,551,939,967)
Interest Accrued	674,843,204	717,640,082
Early termination	(120,917,439)	(340,580,075)
(Gain)/Losses on Foreign Exchange Transactions and Revaluation	(492,545,292)	285,121,477
Balance as at 30 June	<u>10,689,390,889</u>	<u>11,511,384,059</u>

	30 June 2025	30 June 2024
	Rs	Rs
		Restated
- Within one year	843,045,290	930,227,391
- After one year	9,846,345,599	10,581,156,668
Total	<u>10,689,390,889</u>	<u>11,511,384,059</u>

The maturity analysis of lease liabilities is as follows:

	30 June 2025	30 June 2024
	Rs	Rs
		Restated
Less than 1 year	843,045,290	930,227,391
Between 1 to 5 years	2,863,233,885	2,618,248,822
Between 5 to 10 years	3,459,218,338	3,382,701,815
Over 10 years	3,523,893,376	4,580,206,031
Total	<u>10,689,390,889</u>	<u>11,511,384,059</u>

NOTES TO THE FINANCIAL STATEMENTS

Amounts Recognised in Statement of Financial Performance:

	30 June 2025	30 June 2024
	Rs	Rs
		Restated
Depreciation expense on Right-of-Use Asset	1,160,874,068	1,030,465,510
Interest expense on Lease Liabilities	674,843,204	717,640,082
Short term lease expense (Refer to Note 34)	338,888,560	538,053,055
Gain on contract termination	19,044,152	18,062,292
Total	2,193,649,984	2,304,220,939

The total cash outflow for leases (principal and interest) amounted to **Rs 1,693,784,199** (2023-2024 (Restated): Rs 1,551,939,967).

The lease commitment for short term leases are as follows:

	30 June 2025	30 June 2024
	Rs	Rs
Lease commitments	2,005,438	-

Refer to Note 42(iii) for details on prior year adjustments.

20. GOVERNMENT DEBT

	30 June 2025	30 June 2024
	Rs	Rs
<u>Domestic and External Debts (Excluding IMF SDR Allocations)</u>		
Government Securities	474,947,080,974	408,037,962,857
Domestic Loans	690,004,338	474,106,355
External Loans	76,754,824,387	65,832,899,628
<u>IMF SDR Allocations</u>	14,501,856,650	14,578,755,632
Total	566,893,766,349	488,923,724,472
- Within one year	150,662,275,262	122,966,008,121
- After one year	416,231,491,087	365,957,716,351
Total	566,893,766,349	488,923,724,472

Details of the total debt of the Government are provided in Statement of Public Sector Debt as at 30 June 2025.

NOTES TO THE FINANCIAL STATEMENTS

A. Domestic and External Debts (Excluding IMF SDR Allocations)

	30 June 2025	30 June 2024
	Rs	Rs
Balance as at 01 July	474,344,968,840	430,808,992,504
Cash Movement:		
- Issue/Receipt (N1)	227,621,374,144	147,999,455,255
- Redeemed/ Repayment (N2)	(172,286,352,842)	(124,669,662,570)
Non-cash Movement:		
- Direct Payments	271,406,115	203,957,499
- Expenses Disbursed Directly out of the Loan Proceeds	48,423,722	-
- Capitalisation of Interest (N3)	43,636,660	49,085,413
- Losses on Foreign Exchange Transactions and Revaluation	1,427,324,013	1,171,920,384
- Other Changes (N4)	20,921,129,047	18,781,220,355
Balance as at 30 June	552,391,909,699	474,344,968,840
- Within one year	150,662,275,262	122,966,008,121
- After one year	401,729,634,437	351,378,960,719
Total	552,391,909,699	474,344,968,840

The maturity analysis of domestic and external debt is as follows:

	30 June 2025	30 June 2024
	Rs	Rs
Less than 1 year	150,662,275,262	122,966,008,121
Between 1 to 5 years	180,831,949,105	163,602,258,909
Between 5 to 10 years	113,523,685,927	87,844,174,308
Over 10 years	107,373,999,405	99,932,527,502
Total	552,391,909,699	474,344,968,840

N1: Issue/ Receipt relates to capital, premium and loans.

N2: Redeemed/Repayment relates to capital, discount, interest and loans.

N3: Capitalisation of interest includes those on conversion from Silver Retirement Bond to Silver Savings Bond, domestic loan and external debt.

N4: Other Changes pertain to non-exchange revenue and interest expense.

B. IMF SDR Allocations

The rupee equivalent of the total allocation of SDR 233,097,854 (2023-2024: SDR 233,097,854) made to the Republic of Mauritius, that is, Rs 14,501,856,650 as at 30 June 2025 (2023-2024: Rs 14,578,755,632) is shown as liability and is also included in the Statement of Public Sector Debt as at 30 June 2025.

NOTES TO THE FINANCIAL STATEMENTS

21. FINANCIAL GUARANTEE LIABILITIES

	30 June 2025	30 June 2024
	Rs	Rs
Balance as at 01 July	3,273,708,965	3,203,810,129
Increases (New Guarantees)	20,769,978	103,206,981
Remeasurement	(111,286,029)	(136,763,018)
Expired*	(9,251,791)	-
(Gain)/Losses on Foreign Exchange Transactions and Revaluation	(139,927,324)	103,454,873
Balance as at 30 June	3,034,013,799	3,273,708,965
- Within one year	89,460,458	123,682,845
- After one year	2,944,553,341	3,150,026,120
Total	3,034,013,799	3,273,708,965

The maturity analysis of Financial Guarantee Liabilities is as follows:

	30 June 2025	30 June 2024
	Rs	Rs
Less than 1 year	89,460,458	123,682,845
Between 1 to 5 years	2,031,469,381	1,991,738,301
Between 5 to 10 years	701,727,049	846,032,289
Over 10 years	211,356,911	312,255,530
Total	3,034,013,799	3,273,708,965

*Financial guarantee are derecognised when the obligation under the contract is discharged, cancelled or expired.

Details of the loan guaranteed by the Government as at 30 June 2025 are provided in Statement of Contingent Liabilities including details of any Loans, Bank Overdrafts or Credit Facilities Guaranteed by Government as at 30 June 2025.

22. EMPLOYEE BENEFIT OBLIGATIONS

	30 June 2025	30 June 2024
	Rs	Rs
Liability in respect of Defined Benefit Plan (Refer to Note 23)	178,021,046,478	149,859,960,526
Accrued Sick Leave	12,949,297,700	11,680,209,199
Accrued Vacation Leave	10,457,183,159	11,431,880,576
Accrued Passage Benefits	6,249,611,065	5,471,356,435
Accrued Bonus	1,035,434,505	1,082,206,515
Total	208,712,572,907	179,525,613,251
- Within one year	3,510,161,566	3,312,287,876
- After one year	205,202,411,341	176,213,325,375
Total	208,712,572,907	179,525,613,251

NOTES TO THE FINANCIAL STATEMENTS

23. DEFINED BENEFIT PLAN

	30 June 2025	30 June 2024
	Rs	Rs
Liability for Pensions granted under the Pension Act	178,021,046,478	149,859,960,526
LIABILITY FOR PENSIONS GRANTED UNDER THE PENSION ACT		
<u>Amounts Recognised in Statement of Financial Position at End of Year:</u>		
	30 June 2025	30 June 2024
	Rs	Rs
Defined Benefit Obligations (N1)	178,021,046,478	149,859,960,526
Fair Value of Plan Assets	-	-
Liability Recognised at end of year	178,021,046,478	149,859,960,526
<u>Amount recognised in Statement of Financial Performance:</u>		
	30 June 2025	
	Rs	
Service cost:		
Current service cost	3,604,781,388	
(Employee contributions)	(1,036,046,405)	
Net Interest expense/(revenue)	8,819,829,654	
Charge for the year	11,388,564,637	
<u>Amount recognised in Statement of Net Assets or Equity:</u>		
Remeasurement		
Liability (gain)/loss	26,281,653,196	
Remeasurement cost	1,036,046,405	
Net Assets/Equity (NAE)	27,317,699,602	
Total	38,706,264,238	
<u>Movement in liability recognised in Statement of Financial Position:</u>		
At start of year	149,859,960,526	
Amount recognised in Statement of Financial Performance	11,388,564,637	
(Direct Benefits Paid)	(10,545,178,286)	
Amount recognised in NAE	27,317,699,602	
At end of year	178,021,046,478	
<u>Reconciliation of the present value of defined benefit obligations:</u>		
Present value of obligations at start of year	149,859,960,526	
Current service cost	3,604,781,388	
Interest cost	8,819,829,654	
(Direct Benefits Paid)	(10,545,178,286)	
Liability (gain)/loss	26,281,653,196	
Present value of obligations at end of year	178,021,046,478	

NOTES TO THE FINANCIAL STATEMENTS

The plan is a defined benefit arrangement for the government employees and members of the Legislative Assembly and it is unfunded.

N1: The detailed comparative figures for the year ended 30 June 2024 is not available as the actuarial valuation exercise was performed on a 3 yearly basis. The last valuation exercise was carried out at 30 June 2022. As from the financial year 2024-2025, the actuarial valuation is being carried out on a yearly basis.

Weighted average duration of the defined benefit obligations: 14 years

(Calculated as a % change in PV of liabilities for a 1% change in discount rate)

The plan is exposed to actuarial risks such as longevity risk, salary increase risk and pension increase risk.

1. Salary Risk/Pension Risk which is the risk that the actual salary/pension increases granted may be different than what we have assumed. For instance a higher salary/pension increase relative to the Investment returns shall increase the Defined Benefit Obligation and hence the liability.
2. Longevity Risk is caused by the improvement in mortality rates among pensioners. The longer the latter live, the higher is the liability.

The cost of providing the benefits is determined using the Projected Unit Method. The principal assumptions used for the purpose of the actuarial valuation were as follows:

	30 June 2025	30 June 2024**
Discount Rate*	6.10%	5.15%
Future Salary Increases	4.50%	2.50%
Future Pension Increases	3.50%	1.50%
Mortality before Retirement	Nil	Nil
Mortality in Retirement	PA (90) Tables rated down by 2 years	
Retirement Age	65 years	

*The discount rate is determined by reference to market yields on bonds.

** Reflects the rates for the year ended 30 June 2022.

Significant actuarial assumptions for determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analyses below have been determined based reasonably on possible changes of the assumptions occurring at the end of the reporting period.

- If the discount rate would be 100 basis points (one percent) higher (lower), the defined benefit obligations would decrease by Rs 21,979.7 million (increase by Rs 27,508.5 million) if all other assumptions were held unchanged.
- If the expected salary growth would increase (decrease) by 1%, the defined benefit obligations would increase by Rs 11,753.0 million (decrease by Rs 10,134.8 million) if all assumptions were held unchanged.
- If the expected pension growth would increase (decrease) by 1%, the defined benefit obligations would increase by Rs 14,362.4 million (decrease by Rs 12,384.9 million) if all assumptions were held unchanged.
- If life expectancy would increase (decrease) by one year, the defined benefit obligations would increase by Rs 5,836.1 million (decrease by Rs 5,778.6 million) if all assumptions were held unchanged.

In reality one might expect interrelationships between the assumptions, especially between discount rate and expected salary increases, given that both depends to a certain extent on expected inflation rates. The analysis above abstracts from these interdependence between the assumptions.

NOTES TO THE FINANCIAL STATEMENTS

24. NET ASSETS/EQUITY

The Net Assets/Equity is the net position of the Government after deducting all its liabilities from its assets at end of the year and comprises the following:

- a) Consolidated Fund (Cash basis);
- b) Accumulated (Deficits)/Surpluses; and
- c) Special Funds.

The value of Net Assets or Equity of the Government as at 30 June 2025 amounted to **Rs 9,145,598,228** (30 June 2024 (Restated): Rs 94,464,643,805). The movement in the Net Assets/Equity is provided in Statement of Changes in Net Assets or Equity for the financial year ended 30 June 2025.

(a) Consolidated Fund

Consolidated Fund has been established by Section 103 of the Constitution of the Republic of Mauritius. In accordance with Section 3 of the Finance and Audit Act, the Consolidated Fund has, during the year under review been:

- (i) credited with all the revenues of the Government and all other money properly accruing to it; and
- (ii) charged only with expenses on the authority of warrant issued by the Minister of Finance.

According to Section 104(4) of the Constitution and Sections 3(4)(a) and 3(4)(b) of the Finance and Audit Act, the Consolidated Fund should consist of the following:

- (i) The cash balance in respect of the Consolidated Fund (excluding Deposits and Special Funds) held at the Bank of Mauritius or in a commercial bank for day-to-day cash requirements;
- (ii) Deposit of money with a bank; and
- (iii) Investments with a financial institution, fund or in such securities as may be approved by the Minister.

(b) Accumulated Deficits

This represents the accumulated deficits to date for the Government after making necessary adjustments for accrual accounting which is provided in Statement of Changes in Net Assets or Equity for the financial year ended 30 June 2025.

(c) Special Funds

These are monies deposited with the Accountant-General by the various funds set up under the Finance and Audit Act. The total balance of Special Funds disclosed in Statement of Special Funds Deposited with the Accountant-General as at 30 June 2025 amounted to **Rs 5,852,741,331** and comprise fixed deposits at cost and cash balances to the amount of **Rs 903,626,160** and **Rs 4,949,115,171** respectively. Details of Special Funds are provided in Statement of Special Funds Deposited with the Accountant-General as at 30 June 2025.

Special Funds in the Statement of Financial Position which amounts to **Rs 5,873,241,907** (30 June 2024: Rs 15,113,279,985) includes investments at amortised cost of **Rs 924,126,736** (30 June 2024: Rs 8,814,482,131).

NOTES TO THE FINANCIAL STATEMENTS

A reconciliation of the figure of fixed deposits by Special Funds disclosed in Statement of Special Funds Deposited with the Accountant-General to the figure reported under 'Special Funds' in Statement of Financial Position is shown as follows:

	Year Ended 30 June 2025	Year Ended 30 June 2024
	Rs	Rs
Opening Balance (at cost)	8,782,000,000	18,332,000,000
Additions during the year	186,838,876	5,525,000,000
Redemption of fixed deposits	(8,065,000,000)	(15,075,000,000)
Closing Balance (at cost)	903,838,876	8,782,000,000
Total interest receivable	20,500,576	32,482,131
Losses on Foreign Exchange Transactions and Revaluation	(212,716)	-
Closing Balance (at amortised cost)	924,126,736	8,814,482,131

25. TAXATION

	Year Ended 30 June 2025	Year Ended 30 June 2024
	Rs	Rs
Taxes on Income and Profits	49,668,731,588	57,015,110,191
Taxes on Property	29,887,826	92,854,294
Taxes on Goods and Services	105,631,256,535	86,910,227,164
Taxes on International Trade and Transactions	2,261,285,971	1,839,654,085
Other Taxes	2,026,938,927	1,774,281,118
Total	159,618,100,847	147,632,126,852

26. GRANTS AND AID

	Year Ended 30 June 2025	Year Ended 30 June 2024
	Rs	Rs
Grants from Foreign Governments	735,382,692	523,069,805
Grants from International Organisations	375,325,729	211,097,478
Grants from Other General Government Units	450,000,000	58,082,356
Total	1,560,708,421	792,249,639

NOTES TO THE FINANCIAL STATEMENTS

27. OTHER TRANSFERS

	Year Ended 30 June 2025	Year Ended 30 June 2024
	Rs	Rs
Transfer of Surplus Cash Balances from Statutory Bodies and Special Funds	-	562,965,596
Contribution in respect of Tourism Development Projects on State Lands	2,787,044	8,681,123
Concessionary Loans	2,095,810,361	162,932,103
Goods in-kind	5,353,713	88,012,978
Remittance from CSR Funds	1,000,000,000	-
Total	3,103,951,118	822,591,800

28. LICENCES

	Year Ended 30 June 2025	Year Ended 30 June 2024
	Rs	Rs
Road Motor Vehicle Licenses	1,990,807,518	1,851,305,128
Company and Other Licenses	1,401,440,421	1,397,959,292
Total	3,392,247,939	3,249,264,420

29. DIVIDENDS

	Year Ended 30 June 2025	Year Ended 30 June 2024
	Rs	Rs
Dividends from Quoted and Unquoted Investments	417,030,018	1,003,334,687
Similar Distributions from Quasi Corporations	705,785,836	1,422,206,189
Total	1,122,815,854	2,425,540,876

30. OTHER REVENUE

	Year Ended 30 June 2025	Year Ended 30 June 2024
	Rs	Rs
Civil Service Family Protection Scheme	325,525,072	336,636,199
Miscellaneous Revenue	337,025,388	299,290,685
Total	662,550,460	635,926,884

NOTES TO THE FINANCIAL STATEMENTS

31. EMPLOYEE COSTS

	Year Ended 30 June 2025	Year Ended 30 June 2024
	Rs	Rs
Wages, Salaries, Compensations and Allowances	37,179,177,996	30,918,960,831
Contributions to Defined Contribution Plan, Family Protection Scheme, National Savings Fund and Social Contributions	2,601,102,667	2,308,390,330
Amount Recognised in respect of Defined Benefit Plans	10,352,518,230	8,864,279,898
Other Employee Benefits	6,263,990,259	7,066,134,558
Total	56,396,789,152	49,157,765,617

Other employee benefits include cash in lieu of vacation leave, cash in lieu of sick leave, passage benefits, cash in lieu of passage benefits, gratuity, travelling and transport, staff welfare amongst others.

32. GRANTS

	Year Ended 30 June 2025	Year Ended 30 June 2024
	Rs	Rs
Donations and Contributions	996,040,147	663,788,283
Capital Grants	14,919,553,246	6,466,099,076
Current Grants	36,495,820,473	30,489,985,205
Total	52,411,413,866	37,619,872,564

NOTES TO THE FINANCIAL STATEMENTS

33. SOCIAL BENEFITS

	Year Ended 30 June 2025	Year Ended 30 June 2024
	Rs	Rs
Social Aid- Pension	247,223,246	260,852,394
Cyclone Allowance	103,000	165,500
Incontinence Allowance	121,507,300	78,578,400
Medical Allowance	3,125,456	2,747,543
Income Support-UHR	243,121,102	248,683,414
Funeral Grant	42,894,760	44,660,740
Child Allowance Attending school	3,079,620	3,378,510
Basic Retirement Pension	55,337,997,025	39,825,569,127
Basic Widow Pension	3,370,028,076	2,588,719,050
Basic Invalid Pension	5,839,941,039	4,422,638,079
Basic Orphan Pension	80,230,500	55,974,500
Child Allowance	519,211,441	365,219,958
Other Basic Pensions	1,723,832,961	1,586,399,224
CSG Benefits	3,904,191,368	2,844,520,000
Poverty and Empowerment	634,734,356	570,119,275
Bad Weather Allowance	396,161,890	218,922,225
Closed Season Allowance	8,000,000	6,500,000
Foster Care	15,230,200	14,170,146
Negative Income Tax Allowance	22,331,500	35,922,400
Special Allowance/ Allowance icw National Minimum Wage	788,587,027	1,059,390,606
CSG Income Allowance	10,771,125,000	7,290,000,000
Housing Loan Relief Scheme	399,593,172	345,000,000
CSG Child Allowance	3,299,283,000	880,000,000
Independence Allowance	303,280,000	463,800,000
Additional Disability Allowance	148,419,000	-
Additional Social Disability Allowance	3,987,855	-
	88,227,219,894	63,211,931,091

NOTES TO THE FINANCIAL STATEMENTS

34. OPERATING EXPENSES

	Year Ended 30 June 2025	Year Ended 30 June 2024 Restated
	Rs	Rs
Cost of Utilities	1,099,566,740	962,796,321
Fuel and Oil	439,247,875	478,761,771
Rental Expense (N1)	591,302,475	633,917,708
Office Expenses	165,241,350	147,862,119
Maintenance	1,712,250,063	1,517,430,961
Cleaning Services	1,078,059,576	903,804,996
Medical Supplies, Drugs and Scientific Equipment	5,917,926,812	2,836,210,255
Travelling and Mission Expenses	193,607,497	226,740,893
Other Operating Expenses	4,818,066,708	4,128,079,612
Total	16,015,269,096	11,835,604,636

N1: For financial year 2024-2025, rental expense includes an amount of **Rs 338,888,561** (2023-2024: Rs 538,053,055) in respect of short- term lease.

Refer to Note 42(iii) for details on prior year adjustments.

35. OTHER EXPENSES

	Year Ended 30 June 2025	Year Ended 30 June 2024
	Rs	Rs
Transfers	4,735,504,799	3,314,807,702
Insurance	20,014,176	17,677,755
Compensation arising out of Government Liability	612,876,462	523,923,243
Refund/Payment of taxes icw projects and schemes financed by Development Partners or under Special Programmes	118,606,674	135,728,164
Impairment Loss on Receivables from Exchange Transactions (N1)	709,492,465	112,251,583
Impairment Loss on Receivables from Non-Exchange Transactions (N2)	251,388,189	212,255,993
Impairment Loss – Exchange Transactions (Local Loans)	8,618,103,310	3,174,825
Receivables from Exchange Transactions Write-Off (N1)	15,159,089	-
Receivables from Non-Exchange Transactions Write-Off (N2)	7,446,931	97,516,316
Loans, Advances, Biological Assets and Inventories Write-Off	13,297,815	12,861,641
Concessionary Loans	168,938,615	74,202,590
Financial Guarantee (Income) / Expense	(99,767,842)	(33,556,037)
Others	3,208,516,328	4,008,392,235
Total	18,379,577,011	8,479,236,010

N1: Refer to Note 6 – Receivables from Exchange Transactions

N2: Refer to Note 5 – Receivables from Non-Exchange Transactions

NOTES TO THE FINANCIAL STATEMENTS

36. FINANCE COSTS

	Year Ended 30 June 2025	Year Ended 30 June 2024 Restated
	Rs	Rs
Interest Expense on Domestic Debt	19,704,415,051	16,611,948,224
Interest Expense on External Debt	3,356,175,943	2,380,536,569
Interest Expense on Lease	674,843,204	717,640,082
Management Charges	85,211,563	36,391,857
Total	23,820,645,761	19,746,516,732

Refer to Note 42(iii) for details on prior year adjustments.

37. LOSS ON FOREIGN EXCHANGE TRANSACTIONS AND REVALUATION

	Year Ended 30 June 2025	Year Ended 30 June 2024
	Rs	Rs
Unrealized gains on translation of FX balances	(167,485,918)	(233,317,989)
Gain on Revaluation of Lease Liability	(492,545,292)	285,121,477
Foreign Exchange Loss on Government debt	1,427,324,013	1,171,920,384
Other Gains/Losses on other Foreign Transactions	(92,097,331)	(40,317,044)
Total	675,195,472	1,183,406,828

Other Gains/Losses on other Foreign Transactions comprise exchange differences on receivables; fluctuations on local loans (including loan principal, guarantee fees, and arrears due); IMF balances; investments; financial guarantees; and gains arising from the revaluation of provisions.

38. FAIR VALUE GAIN ON INVESTMENTS

	Year Ended 30 June 2025	Year Ended 30 June 2024 Restated
	Rs	Rs
Quoted Investments	137,580,727	29,903,992
Unquoted Investments	(1,712,651,192)	5,496,027,872
Equity Participation	29,079,324,624	1,984,094,328
	27,504,254,159	7,510,026,192

Refer to Note 42(i) for details on prior year adjustments.

NOTES TO THE FINANCIAL STATEMENTS

39. FAIR VALUE GAIN ON OTHER ASSETS

	Year Ended 30 June 2025	Year Ended 30 June 2024
	Rs	Rs
Fair value (Gain)/Loss on sniffer dogs	(660,000)	1,928,750
Fair value (Gain)/Loss on Biological Assets	(39,167,174)	(5,694,389)
Fair value (Gain)/Loss on Other Assets	-	(6,267,200)
	(39,827,174)	(10,032,839)

40. TRANSACTIONS WITH INTERNATIONAL FINANCIAL ORGANISATIONS

(i) IMF- Treasury Notes

Pursuant to Section 4(3) of the International Financial Organisations Act, non-interest bearing demand notes have been issued by the Government to the IMF, as part of the Quota subscription of the Republic of Mauritius. The value of the notes as at 30 June 2025 stood at **Rs 6,423,000** (30 June 2024: Rs 6,389,590,000).

(ii) Other International Financial Organisations

Pursuant to Section 4(3) of the International Financial Organisations Act, the Government has also issued non-negotiable securities to the International Development Association. The value of securities as at 30 June 2025 stood at **Rs 9,196,738** (30 June 2024: Rs 9,196,738).

41. COMPARISON OF BUDGET AND ACTUAL AMOUNTS

The approved budget is in respect of revenue estimates and Government expenditure, both recurrent and capital, appropriated by votes for the financial year ended 30 June 2025. The original estimates of expenditure amounting to **Rs 216,800 million** (30 June 2024: Rs 174,800 million) were passed by the National Assembly on 25 June 2024 and approved on 26 June 2024. The Supplementary Estimates amounting to **Rs 21,000 million** (30 June 2024: Rs 6,700 million) were passed on 22 April 2025 and approved on 24 April 2025.

The Statement of Comparison of Budget Estimates and Actual Amounts for the financial year ended 30 June 2025 are prepared on the same basis as the budget.

(i) *Explanation between Original and Total Provisions (Final Budget)*

The amounts presented under 'Total Provisions' in the Statement of Comparison of Budget Estimates and Actual Amounts for the financial year ended 30 June 2025 differed from the original estimates as there was a Supplementary Estimates approved and also funds were transferred or re-allocated in accordance with the Virement Rules.

NOTES TO THE FINANCIAL STATEMENTS

(ii) Explanation of material differences between Original Estimates and Actual Amounts

The table hereunder provides the explanation for material variances:

Budget line item	Variance amount Rs	Variance percentage	Explanation
Recurrent Revenue	(22,375,910,695)	(10.8%)	The shortfall in recurrent revenue was mainly due to: (i) lower receipts from corporate tax, personal income tax, VAT, excise duty on petroleum products, land transfer tax, registration duty on immovable property, special levy on banks, and betting tax on horse racing activities' (ii) the non-payment of dividends by Airport Holdings Ltd and lower receipts from the Financial Services Commission; (iii) delays in the implementation of some grant-funded programmes/projects.
Recurrent Expenditure	16,832,609,436	8.0%	The increase in recurrent expenditure was mainly driven by: (i) higher staff cost following payment of the interim allowance in connection with the salary relativity adjustment as from July 2024 as well as the 14th-Month Bonus in December 2024; (ii) higher outlays on medicines, vaccines and medical disposables to support new health facilities and cater for rising prices; (iii) increased interest costs due to both higher debt stock and higher interest rates on Government securities; (iv) higher subsidies, reflecting increased allowances to bus operators under the Free Travel Scheme and financial support to bus companies for the wage relativity adjustment; (v) additional grants to some public bodies, such as, Rodrigues Regional Assembly, Local Authorities, Higher Education Commission to enable them to meet their operating costs, along with financial support to the National Property Fund Ltd to settle part of the outstanding line of credit from the Bank of Mauritius; (vi) increased social benefits following payment of the 14th-Month Bonus to recipients of basic pensions and civil service pension; and (vii) higher expenditure on the CSG Income Allowance and CSG Child Allowance due to a higher than estimated number of beneficiaries. These were partly offset by funds appropriated under contingencies and reserves.

NOTES TO THE FINANCIAL STATEMENTS

Budget line item	Variance amount Rs	Variance percentage	Explanation
Capital Revenue	(2,503,158,158)	(68%)	Capital revenue was lower due to: (i) the non-transfer of funds from the Projects Development Fund and the National Environment Fund to the Consolidated Fund; and (ii) delays in the implementation of certain grant-funded projects.
Capital Expenditure	(1,752,029,569)	(6.4%)	Capital expenditure was lower mainly because of the following: (i) delays in the implementation of several projects, including the Rivière des Anguilles Dam, the Mauritius Disciplined Forces Academy, the Forensic Science Laboratory, construction and upgrading of roads and hospitals, and the acquisition of an Offshore Patrol Vessel; and (ii) lower disbursement of capital grants to the Rodrigues Regional Assembly, Local Authorities and the Mauritius Revenue Authority owing to delays in the implementation of certain projects. These lower spendings were partly offset by additional transfers to the National Resilience Fund and the National Environment Fund for the implementation of various projects and schemes under those Funds.
Net Acquisition of Financial Assets	(145,138,272)	(1.3%)	Lower net acquisition of financial assets was mainly due to lower disbursement of loans to Airport Holdings Ltd, Central Water Authority and the IMF Resilience and Sustainability Trust; which were partly offset by proceeds from sales of SDRs under the IMF Voluntary Trading Agreement and capital injection of Rs 3 billion in the Bank of Mauritius.

NOTES TO THE FINANCIAL STATEMENTS

42. PRIOR PERIOD ADJUSTMENTS

(i) Investments

The restatement pertains to the recognition of Investments held in Africa50 - Project Development and Africa50 - Project Finance. Payments made in 2018 and 2019 were incorrectly recorded as expenses, rather than being recognised as investments.

(ii) Right-of-Use Assets

Right-of-Use Assets were overstated in the previous years mainly due to the following:

- inaccurate information received from Ministries/ Departments;
- additional costs which are included in the same rental agreement, for instance Parking slots, Insurance and Service charges were included in the monthly rental used for computation of the minimum lease payments;
- escalation clause was included in the computation of the minimum lease payments; and
- Information was requested in original currency and the asset was recognised using spot rate at date of transaction.

(iii) Lease Liabilities

Lease Liabilities were overstated in the previous years mainly due to the following:

- inaccurate information received from Ministries/ Departments;
- additional costs which are included in the same rental agreement, for instance Parking slots, Insurance and Service charges were included in the monthly rental used for computation of the minimum lease payments;
- escalation clause was included in the computation of the minimum lease payments; and
- Information was requested in original currency and the lease liabilities were revalued using year end rates.

The effects of the above changes are illustrated below:

	Year Ended 30 June 2024	Increase/ (Decrease)	Year Ended 30 June 2024 (Restated)
	Rs	Rs	Rs
Statement of Financial Performance (extract)			
Expenses			
Operating Expenses	11,796,054,381	39,550,255	11,835,604,636
Depreciation and Amortisation	6,512,812,404	(134,070,889)	6,378,741,515
Finance costs	19,703,760,374	42,756,358	19,746,516,732
Other Gains/(Losses)			
Loss on Foreign Exchange Transactions and Revaluation	(899,515,876)	(283,890,952)	(1,183,406,828)
Fair Value Gain on Investments	7,509,580,740	445,452	7,510,026,192

NOTES TO THE FINANCIAL STATEMENTS

	30 June 2024 (Adjusted) Rs	Increase/ (Decrease) Rs	30 June 2024 (Restated) Rs	30 June 2023 Rs	Increase/ (Decrease) Rs	01 July 2023 (Restated) Rs
Statement of Financial Position (extract)						
ASSETS						
Non Current Assets						
Investments	130,790,365,315	1,675,977	130,792,041,292	121,220,897,554	23,479,149	121,244,376,703
Right-of-use Assets	7,373,059,891	79,519,686	7,452,579,577	9,130,507,939	(1,044,668,220)	8,085,839,719
LIABILITIES						
Current Liabilities						
Lease Liabilities	930,227,391	-	930,227,391	890,200,378	123,419,600	1,013,619,978
Non-Current Liabilities						
Lease Liabilities	10,268,279,781	312,876,887	10,581,156,668	10,377,167,721	290,631,690	10,667,799,411
NET ASSETS OR EQUITY						
Consolidated Fund	95,482,026,675	1,230,526	95,483,257,201	94,205,282,231	34,172,850	94,239,455,081
Accumulated Deficits	(15,898,981,631)	(232,911,750)	(16,131,893,381)	(7,845,620,262)	(1,469,413,211)	(9,315,033,473)

NOTES TO THE FINANCIAL STATEMENTS

43. RECONCILIATION: BUDGETARY RESULT WITH DEFICIT

	Year Ended 30 June 2025	Year Ended 30 June 2024 Restated
	Rs	Rs
Budget Balance as presented in the Statement of Comparison of Budget Estimates and Actual Amounts	(66,778,027,720)	(37,959,210,471)
Net movement in Prepayments	219,645,290	(2,195,544)
Net movement in Payables	(640,227,910)	(105,920,729)
Net movement in Inventories	(2,337,961,061)	660,516,167
Depreciation and Amortisation	(6,737,261,133)	(6,378,741,515)
Net Movement in Investments	27,509,429,095	7,510,406,272
Loss on Foreign Exchange Transactions and Revaluation	(675,195,472)	(1,183,406,828)
Subscriptions to International Organisations	(195,917,284)	(225,219,792)
Capitalisation of Dividends	-	123,398,348
Net movement in Loan to Statutory Bodies, Private Bodies and Other Bodies	(8,321,484,712)	483,637,989
Net movement in Receivables	(838,681,282)	9,861,667,276
Net Movement in Non-Financial Assets	7,776,294,189	8,317,839,811
Net Movement in Employee Benefits Obligations	(1,869,260,054)	(1,918,130,890)
Net movement in Financial Guarantee Liabilities	99,767,842	33,556,037
Net movement in Government Debt	848,510,953	(992,231,546)
Net movement in Provisions	(522,287,111)	(490,500,000)
Net movement in Leases	1,037,985,148	852,362,174
Net movement in Biological Assets	32,025,796	2,487,045
Deficit as presented in the Statement of Financial Performance	<u>(51,392,645,426)</u>	<u>(21,409,686,196)</u>

NOTES TO THE FINANCIAL STATEMENTS

44. RECONCILIATION: DEFICIT WITH NET CASH FLOWS FROM OPERATING ACTIVITIES

	Year Ended 30 June 2025	Year Ended 30 June 2024 Restated
	Rs	Rs
(Deficit) as presented in the Statement of Financial Performance	(51,392,645,426)	(21,409,686,196)
(Gains)/Losses Adjustments		
Adjustments in respect of Foreign Exchange Transactions and Revaluation	675,195,472	1,183,406,828
	675,195,472	1,183,406,828
Non-Cash Adjustments		
Net Movement in Loan to Statutory Bodies, Private bodies and Other bodies	8,321,484,712	(483,637,989)
Net Movement in Receivables	838,681,282	(9,861,667,276)
Capitalisation of Dividends	-	(123,398,348)
Loan and Advances Written-Off	1,517,779	5,568,625
Net Movement in Investments	(27,509,429,095)	(7,510,406,271)
Depreciation and Amortisation	6,737,261,133	6,378,741,515
Net Movement in Non-Financial Assets	43,139,822	(108,246,791)
Net Movement in Employee Benefits Obligations	1,869,260,054	1,918,130,890
Interest and other Adjustments in respect of Government Debt	1,038,399,555	1,946,260,526
Net Movement in Financial Guarantee Liabilities	(99,767,842)	(33,556,037)
Net Movement in Leases	(1,037,985,148)	(852,362,175)
Net Movement in Provisions	522,287,111	490,500,000
Adjustments relating to IMF transactions	62,034,739	-
Net Movement in Biological Assets	(32,025,796)	(2,487,045)
	(9,245,141,694)	(8,236,560,376)
Working Capital Movement		
(Increase) in Advances	(389,394,173)	(372,036,749)
Decrease/ (Increase) in Inventories	2,337,961,061	(660,516,167)
(Increase)/ Decrease in Prepayments	(219,645,290)	2,195,544
Increase in Payables	729,223,000	191,012,090
Increase/ (Decrease) in Deposits	510,490,485	(453,286,677)
Increase/ (Decrease) in Social Benefits	23,375,616	(154,316,375)
(Decrease) in Special Funds	(9,228,056,522)	(17,998,782,568)
	(6,236,045,823)	(19,445,730,902)
Classification Adjustments		
Dividends	(1,122,815,854)	(2,302,142,528)
Repayment of Lease Liabilities	1,324,045,816	849,328,177
	201,229,962	(1,452,814,351)
Net Cash flows from Operating Activities	(65,997,407,509)	(49,361,384,997)

NOTES TO THE FINANCIAL STATEMENTS

45. RECONCILIATION: BUDGETARY RESULT WITH NET CASH FLOW

	Operating Activities Rs	Investing Activities Rs	Financing Activities Rs	Total Rs
Budget Balance as presented in the Statement of Comparison of Budget Estimates and Actual Amounts	(58,803,034,056)	(7,974,993,664)	-	(66,778,027,720)
Basis Differences				
Interest Accrued	1,834,598,122	-	-	1,834,598,122
Interest Capitalised	3,888,661	-	-	3,888,661
Front End Fee	48,423,722	-	-	48,423,722
(Increase) in Advances	(387,876,394)	(9,528,730)	-	(397,405,124)
Increase in Deposits	510,490,485	-	-	510,490,485
Increase in Payables	112,370,704	128,113,860	-	240,484,564
(Increase) in Investments and Other Securities	-	(10,792,433,537)	-	(10,792,433,537)
Proceeds from sale of investments	-	8,700,795,924	-	8,700,795,924
(Increase) in Loans to Statutory, Private and Other Bodies	-	(864,624,080)	-	(864,624,080)
Net movement in Non-Financial Assets	(155,559,648)	155,559,648	-	-
Dividends	(1,122,815,854)	1,122,815,854	-	-
Subscriptions to International Organisations	(195,917,284)	-	-	(195,917,284)
Increase in Borrowings	-	-	75,335,619,454	75,335,619,454
Direct Payment by Funding Agency	-	271,406,115	-	271,406,115
Net movement in Leases	1,324,045,816	-	(1,324,045,816)	-
Non-cash adjustment relating to IMF Transactions	62,034,739	-	-	62,034,739
Entity Differences				
Special Funds (net)	(9,228,056,522)	-	-	(9,228,056,522)
Actual Amount as presented in the Statement of Cash Flow	(65,997,407,509)	(9,262,888,610)	74,011,573,638	(1,248,722,481)

NOTES TO THE FINANCIAL STATEMENTS

46. FINANCIAL INSTRUMENTS

A. CATEGORIES OF FINANCIAL INSTRUMENTS

The table below shows the classification and measurements basis for the different categories of financial assets and their respective balances:

At 30 June 2025

Category	Cash and Cash Equivalents	Cost	Amortised Cost	Fair Value Through Surplus or Deficit	Total
	Rs	Rs	Rs	Rs	Rs
Cash and Cash Equivalents	13,771,295,103	-	-	-	13,771,295,103
Receivables from Non- Exchange Transactions	-	45,194,494,150	-	-	45,194,494,150
Receivables from Exchange Transactions	-	1,180,478,352	-	-	1,180,478,352
<u>Loans and Advances</u>					
Loans	-	-	3,612,064,486	-	3,612,064,486
Advances	-	4,012,314,370	-	-	4,012,314,370
<u>Investments</u>					
Equity Investments (Quoted Investments, Unquoted Investments, Equity Participation)	-	-	-	167,883,172,628	167,883,172,628
Redeemable Preference Shares	-	-	-	200,000,000	200,000,000
Other Investments	-	-	1,512,250,880	-	1,512,250,880
<u>Other Financial Assets</u>					
IMF SDR Deposits	-	-	12,367,569,642	-	12,367,569,642
IMF Reserve Tranche Position	-	-	2,316,367,986	-	2,316,367,986
Contribution to RST	-	-	331,162,993	-	331,162,993
Total Financial Assets	13,771,295,103	50,387,286,872	20,139,415,987	168,083,172,628	252,381,170,590

NOTES TO THE FINANCIAL STATEMENTS

At 30 June 2024 (Restated)

Category	Cash and Cash Equivalents	Cost	Amortised Cost	Fair Value Through Surplus or Deficit	Total
	Rs	Rs	Rs	Rs	Rs
Cash and Cash Equivalents	14,852,531,666	-	-	-	14,852,531,666
Receivables from Non-Exchange Transactions	-	45,794,138,416	-	-	45,794,138,416
Receivables from Exchange Transactions	-	1,489,645,566	-	-	1,489,645,566
<u>Loans and Advances</u>					
Loans	-	-	11,067,908,088	-	11,067,908,088
Advances	-	3,614,909,246	-	-	3,614,909,246
<u>Investments</u>					
Equity Investments (Quoted Investments, Unquoted Investments, Equity Participation)	-	-	-	130,402,539,232	130,402,539,232
Redeemable Preference Shares	-	-	-	200,000,000	200,000,000
Other Investments	-	-	9,401,801,339	-	9,401,801,339
<u>Other Financial Assets</u>					
IMF SDR Deposits	-	-	12,846,592,009	-	12,846,592,009
IMF Reserve Tranche Position	-	-	2,380,575,978	-	2,380,575,978
Total Financial Assets	14,852,531,666	50,898,693,228	35,696,877,414	130,602,539,232	232,050,641,540

The table below shows the classification and measurements basis for the different categories of financial liabilities and their respective balances at:

At 30 June 2025

Category	Amortised Cost	
	30 June 2025 Rs	30 June 2024 Rs Restated
Payables	4,158,053,773	3,484,431,117
Deposits	3,620,548,904	3,179,538,274
Lease Liabilities	10,689,390,889	11,511,384,059
<u>Government Debt</u>		
Government Securities, Domestic and External Loans	552,391,909,699	474,344,968,840
IMF SDR Allocations	14,501,856,650	14,578,755,632
Financial Guarantee Liabilities	3,034,013,799	3,273,708,965
Total Financial Liabilities	588,395,773,714	510,372,786,887

NOTES TO THE FINANCIAL STATEMENTS

B. FINANCIAL RISK MANAGEMENT

Government activities are exposed to various risks comprising mainly interest rate risk, foreign exchange risk, liquidity risk and refinancing risk. Given that there is a trade-off between cost and risk, Government's debt management strategy aims at minimising the cost of the debt portfolio within an acceptable level of risk whilst at the same time ensuring that risks associated with Financial Assets-loans granted to Statutory bodies, Private bodies and Other bodies are mitigated. The main risks as well as the risk management policies to address them, are outlined below:

(i) Interest Rate Risk

Government is exposed to interest rate risk as the rate of interest might increase resulting in additional costs. In relation to Domestic Debt, almost 98% of Government securities have been issued at a fixed rate of interest.

With regard to Government External Debt, the share of variable interest rate loans represented 62.5% of the total External Debt as at 30 June 2025 (2024: 56.8%). To mitigate this risk, the strategy in place is to have a nearly balanced mix of fixed and variable interest rate loans over the medium term. Accordingly, preference is being given to contract new loans at a fixed interest rate.

Interest Rate Sensitivity Analysis

Government is exposed to interest rate risk as interest rates in relation to inflation-indexed bonds (assuming changes in interest and inflation rate are correlated) and variable interest rate external debts may change. The table below details the sensitivity analysis to a 10 basis points (bp) increase and decrease in the interest rate:

	Increase/Decrease Basis Points	Year Ended 30 June 2025 Rs Million	Year Ended 30 June 2024 Rs Million
Government Debt:			
<u>Inflation-Indexed Bonds:</u>			
<u>(Excluding those classified under External Debt)</u>			
Impact on Surplus or Deficit	+10 bp	+10	+10
Impact on Surplus or Deficit	-10 bp	-10	-10
<u>External Debt:</u>			
Impact on Surplus or Deficit	+10 bp	+61	+49
Impact on Surplus or Deficit	-10 bp	-61	-49

Based on the above table, it can be noted that an increase/decrease of 10 basis points in interest rates would result in an increase/decrease in the interest payments by about Rs 71 million for the financial year 2024-2025 (2023-2024: Rs 59 million).

Floating-rate loans granted to Statutory bodies, Private bodies and Other bodies are subject to market interest rate fluctuations, which may lead to increased costs in servicing the debt and non-settlement by entities. Mitigation strategies include monitoring of market conditions, back-to-back loans on same terms and conditions as the original loan, revision of the terms of the loans and conversion of loans into equity amongst others.

NOTES TO THE FINANCIAL STATEMENTS

(ii) Foreign Exchange Risk

Exposure to exchange rate risks arise as transactions denominated in foreign currencies are undertaken by Government. The strategy has been to minimise exposure to exchange rate risks by having greater recourse to domestic financing and to align the currency composition of public sector external debt to that of export earnings of the country.

Accordingly, the share of External Debt in Government debt portfolio stood at 17% at 30 June 2025 (Based on nominal value) (30 June 2024: 17.4%). The currency composition of foreign debt has also been diversified. In addition, the foreign currency risk is mitigated by maintaining bank accounts denominated in foreign currencies.

Foreign Currency Sensitivity Analysis

The table below details the sensitivity analysis regarding the impact of a 5% increase or decrease in exchange rates:

	Increase/ Decrease	Year ended 30 June 2025	Year ended 30 June 2024
	%	Rs Million	Rs Million
Impact on (deficit)/surplus (Appreciation of MUR)	+5%	+4,869	+4,281
Impact on (deficit)/surplus (Depreciation of MUR)	-5%	-4,869	-4,281

As per the above table, an appreciation/depreciation of MUR by 5% against all foreign currencies in which external debt has been contracted would increase/decrease (deficit)/surplus by Rs 4,869 million for financial year 2024-2025 (2023-2024: Rs 4,281 million).

As regards to loans to Statutory bodies, Private bodies and Other bodies, the policy for the use of the local currency is preferred. However, where loans have to be disbursed in foreign currencies, such loans are repaid in the same foreign currency in which they were originally denominated.

(iii) Liquidity Risk

Liquidity risk refers to the risk that Government will encounter difficulty in meeting its financial obligations when they fall due. The liquidity risk for Government is managed and mitigated by having an efficient and effective cash flow forecasting system that ensures adequacy of cash resources to meet all Government obligations as and when they fall due.

(iv) Refinancing Risk

Refinancing or rollover risk is the risk that redemptions of securities will be concentrated over the shorter term or in a particular year which might affect the refinancing ability of Government. To mitigate refinancing risk, actions have been taken to gradually move towards instruments with longer term.

The average time to maturity of Domestic Debt stood at 5 years at 30 June 2025.

Concerning External Debt, the majority of the loans are contracted with a term of 15 to 20 years and include a moratorium of 5 years on capital repayment. Compared to Government securities which are redeemable as a bullet payment on maturity date, External Debts are repayable on a semi-annual or annual basis. Therefore, the refinancing risk for External Debts is quite low.

NOTES TO THE FINANCIAL STATEMENTS

47. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-Current Assets Held for Sale

During the financial year 30 June 2025, there were no known non-current assets held for sale (30 June 2024: Nil).

Discontinued Operations

During the financial year 30 June 2025, there were no known discontinued operations (30 June 2024: Nil).

48. RELATED PARTY TRANSACTIONS

(i) Key Management Personnel

Related parties include key management personnel. The key management personnel are the Ministers who constitute the governing body of the Government of Mauritius. The key management personnel also include Accounting Officers and Senior Management (not below the grade of Permanent Secretary) who have the authority and responsibility for planning, directing and controlling the activities of the Government.

The aggregate remuneration paid to key management personnel includes Annual Allowance, Basic Salary, Salary Compensation, Extra Remuneration, Allowances, Extra Assistance, Cash in lieu of Leave, Facilities Allowance to Honourable Members, End-of-year Bonus, Travelling and Transport, Overtime, Passage benefits, Allowance in lieu of passages amongst others. These remunerations are as per the recommendation of the PRB Report 2021.

Key management personnel are also entitled to post-employment benefits and these are included in Employee Benefit Obligations.

(ii) Related Parties

All transactions between related parties are on normal terms and conditions. Accordingly, there is no separate related party transaction to be disclosed.

49. CONTINGENT ASSETS

As at 30 June 2025, there were no known contingent assets to be disclosed (30 June 2024: Nil).

50. CONTINGENT LIABILITIES

As at reporting date, some 295 cases were lodged against the State amounting to **Rs 76,557,693,243**. It has not been possible to reliably assess the likelihood of an outflow of economic benefit arising from these claims as the outcome of any Court case is the sole prerogative of the Court. Consequently, these cases have been classified as Contingent Liabilities and have been disclosed accordingly.

Contingent Liabilities (as disclosed in Statement of Contingent Liabilities including details of any Loans, Bank Overdrafts or Credit Facilities Guaranteed by Government as at 30 June 2025) in relation to Loans, Bank Overdrafts or Credit Facilities Guaranteed by Government have been recognised as Financial Guarantee Liabilities in Statement of Financial Position as at 30 June 2025. Refer to Note 21 - Financial Guarantee Liabilities for more details.

NOTES TO THE FINANCIAL STATEMENTS**51. MANAGING CAPITAL**

Government manages its capital to ensure the sustainability of public finances and the maintenance of adequate net assets. Government's capital, as reported under Net Assets/Equity in the Statement of Financial Position, comprises the balance of the Consolidated Fund, accumulated surpluses or deficits, and funds deposited with Government by Special Funds established under the Finance and Audit Act.

The primary objectives of capital management are to preserve and enhance net assets, ensure fiscal sustainability over the medium term, and support the delivery of essential public services, while maintaining access to funding at reasonable cost.

Government's medium-term fiscal framework supports these objectives through prudent fiscal policy, expenditure prioritisation and structural reforms, including:

- improving tax compliance through the use of advanced IT tools and providing incentives under the Tax Arrears Settlement Scheme to increase collection of arrears;
- prioritising projects and schemes, and addressing the shortcomings highlighted in the Director of Audit report; and
- facilitating private sector investment and exports.

Government's debt management framework is designed to meet financing requirements at the lowest possible cost over the medium to long term, consistent with a prudent level of risk. Government manages its debt portfolio so as to avoid undue market disruption, maintain a diversified funding base, and support the development of an efficient secondary market for Government securities.

Foreign exchange risk, refinancing risk and interest rate risk, which may arise from Government borrowing activities, are managed through the formulation and implementation of a medium-term debt management strategy. The strategy sets benchmarks for the currency composition, maturity profile and interest rate structure of the debt portfolio, taking into account prevailing market conditions and macro-fiscal developments.

Additional information on Government's fiscal policy stance and debt management strategy is disclosed in the 2024-2025 Budget Estimates document.

52. MATERIAL EVENTS AFTER REPORTING DATE

As at 30 June 2025, there were no known material events after reporting date to be disclosed (30 June 2024: Nil).

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