

MAURITIUS NATIONAL ASSEMBLY

The Report

of the

Public Accounts Committee

**FOURTH NATIONAL ASSEMBLY
FIRST SESSION**

25 March 2008

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1.0 INTRODUCTION

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

The Public Accounts Committee for the current session, was appointed on 02 August 2005 and was made up of the following –

1.	The Hon Jaya Krishna Cuttaree, GCSK	Chairperson
2.	The Hon Dhanraj Boodhoo	Member
3.	The Hon Lormus Bundhoo	Member
4.	The Hon Ms K. Rajeshree Deerpalsing	Member
5.	The Hon Mokshanand Dowarkasing	Member
6.	The Hon Mrs Santi Bai Hanoomanjee	Member
7.	The Hon Ahmed Reza Goolam Issack	Member
8.	The Hon Mrs Marie N. Francoise Labelle	Member
9.	Dr the Hon Rajendrakumar Mungur	Member
10.	The Hon Yatindra Nath Varma	Member

On 03 October 2007, the following Honourable Members resigned from the Committee –

1. The Hon Mokshanand Dowarkasing
2. The Hon Mrs Santi Bai Hanoomanjee

On 12 October 2007, the following Honourable Members were appointed to serve on the Committee, in replacement of the two above-mentioned Honourable Members who had previously resigned -

1. The Hon Eric Joseph Raoul Guimbeau
2. The Hon Jean Robert Speville

Your Committee has held 26 meetings, has effected a site visit at the Tissue Culture Laboratory of the Food and Agricultural Research Council of the Ministry of Agro Industry and Fisheries at Le Réduit and at the Barkly Experiment Station and a fact-finding mission to Rodrigues.

Your Committee examined the Reports of the Director of Audit for the years ended 30 June 2004, 2005 and 2006 on the accounts of ministries and para-statal bodies.

Your Committee summoned the Accounting Officers of selected Ministries to give evidence on the concerns of Your Committee on the matters raised by the Director of Audit in the Reports mentioned above and they were given all latitude to be accompanied by officers whom they considered could be of assistance to them and to submit further particulars.

Your Committee was assisted in its task by the Director of Audit and/or his representatives, the Financial Secretary and/or his representatives and the Accountant General and/or his representatives.

Your Committee has as Secretary the Clerk of the National Assembly.

Your Committee's minutes of proceedings were taken down verbatim.

2.0 GENERAL

Your Committee invited the Accounting Officers of the following Ministries while examining the Reports of the Director of Audit on the Accounts of the Republic of Mauritius for the years ending 30 June 2004, 2005 and 2006 in relation to their respective Ministries -

The Prime Minister's Office;

The Ministry of Tourism, Leisure & External Communications;

The Ministry of Education and Human Resources;

The Ministry of Public Utilities;

The Ministry of Local Government;

The Ministry of Agro Industry & Fisheries;

The Ministry of Health and Quality of Life; and

The Ministry of Housing and Lands.

Your Chairperson attended a Regional Parliamentary Conference Against Corruption from 28 to 30 November 2006 which was held in Windhoek, Namibia, and a Seminar on the Role of Parliament in the Promotion of Good Public Financial Management and Accountability in Africa from 19 to 23 November 2007 which was held in Tunisia.

Your Committee held one meeting with the Financial Secretary, the Director of the Management Audit Bureau and the Chairman and officials of the Central Tender Board and another one with the Director of Audit, the Director of the Management Audit Bureau and the Financial Secretary.

3.0 Findings and Recommendations

Your Committee had, in the course of the examination of the different Ministries and during the fact finding mission in Rodrigues, made some findings and proposes recommendations accordingly.

A. The Prime Minister's Office

The Bird Control Structure

Findings

Your Committee noted that this project which addressed the environmental problems posed by pigeons on the building known as the Old Government Centre was to be implemented from August 2002 to September 2002.

Your Committee noted with concern that the implementation was made nearly one year after the scheduled date and with costs increase of nearly 50%.

Your Committee was informed by the Accounting Officer of the Ministry of the following –

- that alternative specifications in the contract were agreed upon by the Ministry of Public Infrastructure, Land Transport and

Shipping at no extra costs but in fact an additional Rs 276,000 was actually paid and that this payment had been effected without the prior approval of either the Prime Minister's Office or of the Central Tender Board;

- that certain materials used in fact cost cheaper and no adjustment of cost was effected; and that they were not according to the specifications, as proposed in the tender documents;
- that the construction of the Bird Control Structure led to the "imprisonment" of eight condensation units, thus rendering the utilization of the air conditioners unsafe, whilst it would have been advisable to use wire mesh instead of translucent sheets.

Your Committee viewed the above with much concern, inasmuch as the contractor defaulted, the prior approval of the Prime Minister's Office and that of the Central Tender Board were not sought and that owing to lack of proper supervision the Government sustained loss of funds.

Your Committee is of the view that the explanations given by the officers of the Ministry of Public Infrastructure, Land Transport & Shipping, as implementing agent of this project, clearly indicated bad planning and negligence.

Recommendations

Your Committee recommends that the Accounting Officer of the Ministry should ensure that proper and timely planning be done before funds are disbursed.

The Renovation Works to the National Assembly

Findings

Your Committee took note that the contract for the project for the renovation of part of the Old Parliament Building was awarded in October 1999 and the works, which started in February 2002, were due to be completed by November 2002.

Your Committee was informed by the Accounting Officer of the Ministry of Public Infrastructure, Land Transport & Shipping of the following –

- that it was only while carrying out the works that it became apparent that the wooden shingles were severely decayed; and
- consequently, a full survey was carried out and a new contract awarded to the same contractor.

Your Committee notes with concern the fact that a proper assessment of the scope of works had not been done before going for contract and that there was no mention of date of completion of the works, so that additional expenses have been incurred.

Your Committee finds the explanations given by the Ministry of Public Infrastructure, Land Transport & Shipping to the effect that they do not have the expertise to do assessment of renovation work and that working in the National Assembly involved certain constraints as not being satisfactory and almost amount to a confession that the assessment was carried out in an amateurish manner by seasoned professionals.

Your Committee is of the view that, had the Ministry felt that they did possess the required expertise, the more so, as the building is classified as a historical one, they ought to have entrusted the assessment of the works to a specialized firm.

Recommendations

Your Committee is making no recommendation as it takes notice of the fact that the Old Parliament House is in the process of being completely renovated.

The Water Proofing and Ancillary Works

Your Committee observes that the works had not been completed on time and that there is no report of 'taking over of works'; works to be completed in February 2004 were behind schedule and no liquidated damage at the rate of Rs 1,500 per day was charged.

Your Committee further observes that, by October 2005, the building was still leaking, although Rs 4 m had been spent and no action had been taken in spite of the complaints registered from the Clerk of the National Assembly, which clearly shows poor project management.

Recommendations

Your Committee recommends that the Accounting Officer should ensure that funds are utilized in an effective manner and that the terms of the contract are strictly adhered to.

The Police Department

Your Committee observes that, in 2003/2004, a sum of Rs 616,632 was overpaid to 40 Police Officers for unauthorized leaves and that although these Police Officers were asked to return to work or refund the amount due, no disciplinary action was initiated.

Your Committee further observes that nearly Rs 2 m were due as loans given to 22 Police Officers for the purchase of motorcycles and cars but no relevant documents were submitted to the Accountant General's Office as evidence of the said purchases; 13 Police Officers had stopped working and no effort has been made to recover the sums due.

Your Committee was informed by the Deputy Commissioner of Police that since the publication of the Report of the Director of Audit, steps have been taken to recover the sums due and that procedures have been laid down to ensure that in certain cases, disciplinary actions are taken.

Recommendations

Your Committee recommends that the above matters be followed-up and necessary steps be taken for such things not to recur as it reflects badly on the Police Force.

B. The Rodrigues Administration

Your Committee effected a fact finding mission to Rodrigues and analysed the issues pointed out in the Annual Report 2005-2006.

Casting of Roof Slabs

Your Committee noted various irregularities with regard to the money allocated for the casting of roof slabs. This was mainly due to the fact that there is no mechanism in place for the follow up of these grants as is done in mainland Mauritius.

Construction of Low Cost Housing

Your Committee noted with some dismay that the houses were not constructed according to norms - most of them were not provided with

septic tanks and arrangements were made for Your Committee to visit only two of these houses.

Construction of Roads

Your Committee noted the improvement in the road network around the island. However many constructions were not done according to the specifications i.e. bitumen contents and thickness of wearing course. The consultants and the contractor were not taken to task by the administration.

The IFAD Programme

Your Committee visited all the three components of the IFAD programme i.e. the community development, the FAD fishery and micro credit, and was quite satisfied with the outcome despite the delay registered in the implementation phase, on account of a shortage of staff.

The Anse Raffin Dam

Your Committee was surprised to note the poor condition of the dam and of its surroundings - the rock fill is a total eyesore and Your Committee also noted the following -

- the lack of security around the dam; and
- the poor and deplorable state of the access road leading to the dam.

C. The Ministry of Tourism, Leisure & External Communications

Contribution to the Tourism Development Fund

Findings

Your Committee is of the view that, whereas the principle of making promoters pay a sum of Rs 25 m for each hotel site into the Tourism Fund for the financing of infrastructural works and for projects to enhance the welfare of the local community is a good initiative, yet, in practice, the contribution, has in many instances been insufficient even to finance the costs of infrastructure.

Recommendations

Your Committee is of the view that the promoters ought to be made to pay a defined percentage of the costs of infrastructure and that a contribution for the welfare of the community ought to be kept separately and used exclusively for that purpose.

Your Committee is of the view that contributions from the promoters ought to be per hotel project, rather than per site as there can be cases where there would be more than one project per site.

The Mauritius Tourism Promotion Authority

Your Committee viewed with concern the financial management of the Mauritius Tourism Promotion Authority, one of the main issues being the delay in submitting records.

Your Committee noted that, at the time the MTPA was being examined, the last report available was for 2000-2001 and was laid in 2003.

Your Committee was informed by the MTPA that the problem in submitting the accounts was, amongst other things, due to the fact that they did not have accountants.

Your Committee is not satisfied with the control of expenses at the level of the overseas Offices of the Mauritius Tourism Promotion Authority. Your Committee is of the view that an internal auditor, ought to visit the Offices of the MTPA abroad as in certain cases, the Officers at the MTPA's headquarters have not been able to trace out expenses. The MTPA claimed that this situation arose because the internal auditors came from the Central Government and are often transferred to new departments.

Recommendations

Your Committee recommends that the MTPA ought now to make sure that the annual reports be submitted in time as it has now its own accountant and has appointed a Financial Manager and the situation seems to have improved.

D. The Ministry of Education and Human Resources

Construction of State Secondary Schools

Findings

Your Committee examined the shortcomings underlined by the Director of Audit regarding the construction of seven State Secondary Schools.

Your Committee noted that the modifications brought to the original scope of the works and the lack of proper supervision resulted in additional costs.

Your Committee noted that the soil tests had not been effected before the erection of the buildings which led to two schools, namely, that of Quartier Militaire and that of Bel Air Rivière Sèche, which have been facing serious flooding problems. If it seemed that a solution has been found for the Quartier Militaire school, it was not the case for the Bel Air Rivière Sèche State Secondary School where the problems persist when the level of the water table rises.

Your Committee noted that the Quantity Surveyors and the Engineers did not attend the site meetings regularly, e.g., one Quantity Surveyor attended only five out of eighteen site meetings without any action being taken by Management against him.

Your Committee noted with concern that payment was authorized without proper assessment.

Your Committee noted that the Director of Audit had pointed out that the poor supervision of the works had resulted in several cases where the works done were not as per specifications and that the contractors had been overpaid as a result of omitted works being paid for and the costs of the works had been inflated due to inappropriate or wrong specifications and dimensions.

Your Committee also noted, with deep concern, cases where works not done were certified and payments effected.

Your Committee noted that two issues were raised – the issue of control and of the issue of dual relationship between the Ministry of Education and Human Resources and the Ministry of Public Infrastructure, Land Transport and Shipping.

Your Committee took note that contracts of less than Rs 1m are being dealt with by the Ministry itself, while contracts above Rs 1m are being sent to the Ministry of Public Infrastructure, Land Transport and Shipping.

Your Committee would like to stress on the fact that it is not the first time that the Director of Audit makes such remarks regarding the control over the execution of works by the Ministry of Public Infrastructure, Land Transport and Shipping.

Recommendations

Your Committee took note of the wish of the Supervising Officer of the Ministry of Education and Human Resources to have a fully staffed infrastructure unit and recommends accordingly

Security and Cleaning Services

Findings

Your Committee sought clarifications about the fact that a contractor had been awarded the whole contract for the provision of security services to 210 primary schools despite the fact that adverse reports and complaints had been registered against the contractor.

Your Committee also took note of the fact that the contract for the cleaning services for 67 schools had been awarded to another contractor, against whom several complaints had been registered.

Recommendations

Your Committee has been told that appropriate action would be taken in the future to have contracts for security services awarded on a zone-wise basis and recommends accordingly.

E. The Ministry of Public Utilities

The Grand Baie Sewerage Project

Findings

Your Committee observed that the implementation of the Grand Baie Sewerage Project, a design and build contract for the construction of a

treatment plant and its operation and maintenance, was indicative of unsatisfactory management at the level of the Waste Water Management Authority.

Your Committee noted a cost overrun of Rs 32 m for a contract initially estimated at Rs 218 m and that the assets remained idle for 2 years until the housing connection works had been completed.

Your Committee also noted that the cost overrun was due to delays and the Waste Water Management Authority explained that it was due to additional works required which were essential, but identified only during the implementation of the project.

Your Committee however cannot understand how “essential” works could not have been anticipated in the pre-tender phase.

Your Committee observed that out of the 1975 houses due to be connected to the system, only 1485 houses had been connected; and the remaining houses had not been connected because of problems with the pumping station and other technical or way leave problems.

Your Committee thus observes that, one of the main objectives of the project being the prevention of pollution of the lagoon had not been attained fully because of the number of houses which had not been connected to the system and been using traditional methods to dispose of their waste water.

Your Committee notes that it appears that the legislation governing the Waste Water Management Authority does not allow the intervention of the Authority for on-site disposal systems but that although this lies within the authority of the Local Authorities, no liaison has been established between the Ministry of Public Utilities and the Local Government to tackle this problem.

Your Committee noted that the contractor had been paid Rs 1.8 m for testing and commissioning although the commissioning part of the contract had not yet been done.

Your Committee noted that, the Director of Audit had highlighted the need to ensure the correctness and the accuracy of the contractor’s claims - one disturbing aspect being that there was no effluent to test the performance of the plant and the payment would have been done after the testing was done; in fact the works were taken over by the contractor after the structures were tested using water - it was testing the efficiency of a waste water plant with clean water although the Waste Water

Management Authority claimed that this was current practice all over the world to justify the recommendation by the Authority for payment to be effected by the Ministry.

Your Committee was informed that the representatives of the Director of Audit did not find onsite items for which payment had been effected.

Your Committee was informed by the Accounting Officer that he had sent a letter informing the General Manager of the Waste Water Management Authority that he has an obligation to ensure that the claims be properly verified before they are sent to the Ministry for payment.

Your Committee addressed the issue of the practice of subcontracting resorted to by the companies, which have been awarded the contracts.

Your Committee observes that, although in some contracts, subcontracting is allowed up to a certain percentage of the work to be done, yet it was obvious that no control had been exercised by the Waste Management Authority on this aspect of the contract.

Your Committee further noted that there has been no satisfactory answer to the remark of the Director of Audit to the effect that Rs 183,000 had been paid to a contractor for diesel but the volume of the diesel in the tank could not be verified as the measuring instrument was not properly calibrated and the records of the contractor did not provide accurate information on the hours run by the generator.

Your Committee noted with concern the fact that the contractor supplied a fuel tank which was considerably different from the type specified and the deviation from the tender specifications were not mentioned in the contract files.

Your Committee was informed that when the Ministry queried this issue it was answered that it was the fault of one engineer who had tendered his resignation and left the Waste Water Management Authority and the Ministry admitted that it was not satisfied by the explanations given and that on being questioned further, it was the consultant who was the supervising engineer.

Your Committee is of the view that it was obvious that the Waste Water Management Authority had failed in its role of watchdog over the implementation of the contract, leaving everything in the hands of the consultant.

Your Committee noted that the Waste Water Management Authority stated that their constraint was a lack of adequate resources.

Recommendations

Your Committee is of the view that if the irregularities mentioned above are not acceptable and that if it is only a question of resources, this is a matter which has to be addressed urgently as some Rs 4.4 billions have invested for waste water disposal.

F. The Ministry of Local Government

The Mare Chicose Landfill Station

Findings

Your Committee took note of the report of the Director of Audit that the delay between the launching and the award of the contracts has resulted in huge payments being made outside the competitive bids.

Your Committee fully concurs with the Director of Audit and has noted with concern the renewal of the contract on a month-to-month basis for periods up to three years pending the award of the contracts.

Recommendations

Your Committee has also taken note that a huge amount of money has been spent on variations works, and recommends that the preparation of tender documents be effected with greater care to avoid such situations.

The Solid Waste Management Contracts – Cleaning and Maintenance of Public beaches

Findings

Your Committee noted that the Director of Audit had raised the question of the award of the contracts by resorting to competitive bidding, whereby the Director stated that for contract works of such magnitude, over Rs 200 millions, experience and past performance are key factors, besides the price factor.

Your Committee noted with concern that, even though a contractor did not produce sufficient evidence for satisfactory performance, as requested, that is he did not pass the technical evaluation test, he had

been awarded works for a total value of Rs 143 millions - his low performance, later on, resulted in the rescission of his contract after one year and new tenders had to be launched.

Your Committee has not been satisfied with the explanations furnished since, as according to established procedures, the financial proposal of this contractor ought not have been opened, since it did not satisfy the technical criteria.

Your Committee, consequently, fully concurs with the following remarks of the Director of Audit -

“The proposal of Contractor D for Lot No. 8 was not in line with the tendered requirements. Hence, as a pass in this criterion was mandatory, the bid should have been assessed as being non responsive for Lot 8.”

Recommendations

Your Committee is of the opinion that when people do not live up to their level of responsibility, they have to be answerable, albeit through disciplinary action and recommends accordingly

Your Committee also took note that the Beach Authority was not taking the responsibility for the award and the management of the contracts as stipulated in the law governing the Beach Authority and recommends that the law be strictly abided by.

G. The Ministry of Agro Industry & Fisheries

General remark

Your Committee noted the absence of co-ordination amongst the Officers prior to appearing before Your Committee, the more so, as the officers responsible for the different projects and areas covered in the Reports of the Director of Audit had not been requested by the Permanent Secretary to be in attendance.

Recommendation

Your Committee recommends that there be better coordination between the Chief Executive Officer, the Permanent Secretary and the technical officers whenever they are summoned to appear before the Committee so

as to avoid wasting the time of the Committee, otherwise, as it happened, the officers present attempted to answer questions, which required a certain level of technical expertise which they did not possess.

The Tissue Culture Project

Findings

Your Committee noted the following –

- the ITEC experts who came to Mauritius for the particular project had left the country before the completion of the project, as usually, the ITEC experts are posted to Mauritius for a period of two years and even if their assignments are not completed, no extension is provided to them by the Indian Authorities; and
- quite often it happens that the ITEC experts are not particularly suited for the task to which they are entrusted - the Director of Audit cited the case of an expert posted to Mauritius for a Performance Audit but who did not have any experience in the field.

Recommendations

Your Committee recommends that the Indian Authorities be requested to allow –

- Mauritius to have a say in the selection of experts; and
- the experts to complete their assignment before they leave.

Production Aspect

Findings

Your Committee took note of the observations made by the Director of Audit to the effect that –

- the production capacity of the FARC Tissue Culture Laboratory which was estimated at 300,000 plantlets per annum was not met; and
- there was a lack of clear objectives and no clear marked strategy had been devised.

Your Committee effected a site visit to the Barkly Tissue Culture Laboratory, in view of the highly technical replies given by the officers of the Ministry to the questions asked.

Your Committee noted that the primary objective of the FARC is to engage in research activities, which is a time-consuming and very long process, besides being equally engaged in micro-propagation activities with regards to banana, anthurium and orchids.

Your Committee observed that micro-propagation could be done by tissue cultured plants which is the best strategy to obtain plants of better quality and free from diseases and conventional propagation which is cheaper but more risky.

Your Committee is satisfied that, with respect to the banana project, the ginger project and the anthurium project, clear objectives at each phase of the projects, as well as a time frame, had been set.

Your Committee asked questions about the biotechnology laboratory project and the Permanent Secretary stated that the initial project had been shelved by reason of the fact that there would have been duplication of activities by existing institutions.

Your Committee noted that the reply given as to the use of these resources with more efficiency was vague.

Your Committee also noted that, from the documents produced by the FARC, it was clear that both the FARC and the AREU had so far been engaged in micro-propagation only, whereas the application of biotechnology *per se*, which would enable Mauritius to take the future challenges of the agricultural sector had not yet been done.

Your Committee is of the view that, although clear objectives had been set in the Non-Sugar Sector Strategic Plan launched in 2003, which has now been set aside, the Permanent Secretary stated that “*they are now trying to review the whole project.*”

Your Committee noted that it was clear from the reply of the Permanent Secretary and of the technicians of the Ministry that they were confused as to the role of biotechnology in agriculture and seemed to concentrate only on micro-propagations activities and that no strategies had yet been devised as to how the centralization of activities for research and development would be done.

Your Committee is of the view that the sustainability and profitability of the agricultural sector of Mauritius cannot be ensured on mere reliance on conventional agricultural practices and that there is an absolute necessity to merge the traditional approach with modern biotechnological means to reach a competitive edge, both quality-wise and quantity-wise as what is required is an appropriate strategy and a proper work plan to revitalize the agricultural sector.

Recommendations

Your Committee therefore recommends that –

- in the absence of a National Biotechnology Institute, the Ministry defines, as soon as possible, a strategy for the centralization of its research activities;
- due consideration be given to the use of modern technologies for early and rapid disease diagnosis in both the livestock and the crop sectors; and
- decision be taken as to the production of novel varieties of crop plants which are high yielding and disease resistant.

The Audit Committee

Findings

Your Committee is of the view that there seemed to be a lot of confusion and misunderstanding as to the role of the Audit Committee at the level of the Ministry.

Your Committee asked the officers of the Ministry about the functioning of the Audit Committee of the Ministry and received the reply that *“all the projects are being reviewed”*, which prompted the Director of Audit to draw their attention to the fact that *“the role of the Audit Committee is to see that management decisions are being implemented and that the reports of the internal and external auditors are being taken into consideration and what are the actions that are taken to remedy certain observations”*.

Recommendation

Your Committee is of the view that the Ministry ought to seek assistance from the Director of Audit.

The Agricultural Informations Managements System (AMIS) Project

Findings

Your Committee noted that the Permanent Secretary and the technicians of the Ministry showed a complete lack of “connaissance du dossier”.

Your Committee also noted some obvious contradictions in the findings of the Report of the Director of Audit as opposed to the statements made by the Permanent Secretary - whilst the Audit Report found that the finance module was fully operational, the Permanent Secretary stated that the system was not working, emphasising that the project was a total failure and providing evasive replies to queries by members of Your Committee - she was unaware that there was a Project Manager at the level of the Ministry.

Recommendation

Your Committee recommends that the Technical Committee, comprising of the State Informatics Ltd and of the National Computer Board ought to meet to assist the Ministry in the completion of the project.

Irrigation Projects

Findings

Your Committee noted that the projects which were criticized by the Director of Audit, i.e. the Block 8A at the Mon Tracas/L’Espérance Trebuchet, for undue delay in starting the projects, have now been completed; the Victoria Project, could not start because of a case court due to disputes over water rights claimed by a sugar estate; and that more than 70% of the funds provided by the IFAD have been used for another project.

Recommendation

Your Committee recommends that an independent Project Manager be employed on contract to monitor closely the irrigation projects, in spite of the fact that, there is a Project Management Committee.

H. The Ministry of Health and Quality of Life

Your Committee met the Officers of the Ministry on two occasions to examine the Report of the Director of Audit for the years 2004 and 2005.

The Pharmacy

Findings

Your Committee asked questions as to the reasons why drugs nearing expiry dates were being sent to Rodrigues and the remedial measures that are being proposed, following the recommendation of the Director of Audit.

Your Committee noted that there was no representative from the Pharmacy Unit.

Your Committee received an answer from an officer to the effect that the Ministry usually ascertains that the drugs which are sent to Rodrigues have a shelf life of more than 6 months.

Your Committee noted however that this ascertainment did not tally with the observation made by the Director of Audit to the effect that drugs nearing expiry dates with less than one month shelf life were being sent to Rodrigues.

Your Committee regrets that there is no consistent policy as regards to the sending of medication to Rodrigues.

Your Committee also highlighted that, following the visit it effected in January 2005 in Rodrigues, it had noted that there was also a problem of inadequacy as regard the storage of medicines in Rodrigues.

Your Committee also inquired about the accessibility of any record for the last five years regarding the number of times that expired medicines had to be returned from Rodrigues to Mauritius or destroyed in Rodrigues. The Permanent Secretary undertook to forward the information which was effectively received.

Recommendation

Your Committee recommends that arrangements be made for the disposal of the expired drugs in Rodrigues itself rather than having them sent back to Mauritius, provided it is done in the presence of the pharmacist or his representative.

The Lithotripsy Machine at Victoria Hospital

Findings

Your Committee took note that the Ministry acquired one Lithotripsy Machine, Model Ecmolith 2000 for the sum of Rs 6,650,000 and its attention was drawn to the fact that, in the same year, it broke down on 43 occasions.

Your Committee noted a contradiction in the answer given in Parliament with respect to the cost of the machine being Rs 7,315,000 and as to the model.

Your Committee was also informed that by the Permanent Secretary that there is no maintenance agreement in regard to the machine.

Recommendations

Your Committee recommended that a committee be set up to inquire thereinto and that Your Committee be informed accordingly, through the Secretary, in regard to -

- its setting up;
- its terms of reference;
- the work done by the Committee as regards to the investigation and the causes of the reported break down of the lithotripsy machine; and
- the remedial measures proposed as soon as possible.

The Dr. A.G. Jeetoo Hospital

Your Committee inquired -

- the financial commitment of the African Development Bank;
- the reason the Ministry had to wait for two years to undertake the topographical survey and submit study when in fact, the loan agreement was signed in 2002; and
- the additional financial burden to the government because of the lateness in the implementation of the project.

Findings

Your Committee was informed that a new Public Implementation Unit had been set up to replace the old one of 2002 which consists of –

- an architect, on secondment from the Ministry of Public Infrastructure, Land Transport and Shipping;
- a civil engineer;
- a project coordinator;
- a financial manager from the Ministry of Finance and Economic Development; and
- architects and engineers from the Ministry of Public Infrastructure, Land Transport and Shipping.

Your Committee was informed as to the time frame as regards to the selection of the consultancy firms to design and supervise the completion of the detailed designs, the appointment of the contractor and the termination of the construction.

Your Committee could, however, not understand why the construction of the schools and colleges were completed whilst the project for the Dr. Jeetoo Hospital is still in an embryo stage.

Recommendations

Your Committee is of the view that the implementation of the projects are done without any sense of urgency, especially in a very sensitive area, and that the Supervising Officer should ensure timely and proper implementation of projects.

I. The Ministry of Housing and Lands

The National Card Information System Project

Findings

Your Committee was concerned about the delay in the implementation of the National Land Information System Project, which was approved as far back as 1994, and the objective of which was to build a computerized land data base for the island in order to facilitate land identification, management and transaction of crucial importance.

Your Committee was informed that part of the project, which started in February 1998, was reviewed in 2004; as at February 2006, consultations were still ongoing with the Department of Land Administration of the Government of Western Australia; and that a report on the project was to be submitted to Cabinet for the approval of further actions as huge financial resources are required for its implementation.

Your Committee viewed with concern that Rs 31 m had been spent on the pilot project, 20m of which had been used for the purchase of equipment and the explanations forwarded by the representative of the Ministry was to the effect that the lack of qualified personnel at the level of the Ministry, although overseas training was given to some members of the staff, accounted for these sums.

Recommendations

Your Committee is of the view that if the Ministry wishes to achieve its objectives, availability of adequate technical manpower is essential and recommends that special consideration be given to this matter, the more so as it considers that there should be no delay on this project as it may lead to considerable cost overruns and as matters stand now, the final cost of the project cannot be estimated.

The Housing Rehabilitation and Site Infrastructure – Phasing out of Sugar Camps

Findings

Your Committee noted that this project was initiated in 1990 for 135 Sugar Camps; that it was to be funded by the Ministry of Health and Quality of Life and implemented by the Mauritius Sugar Authority and that for the past 13 years, the Ministry has disbursed some Rs 190m and Rs 120m was budgeted in the financial year 2004-2005.

Your Committee noted that the Ministry exercised no control but relied entirely on the Mauritius Sugar Authority and that the completion of the project has been unduly delayed by some 5 years.

Your Committee was informed by the Ministry that it only ‘dished’ out the money on the request of the Mauritius Sugar Authority.

Your Committee however, took note of the fact that, as far back as 1997, the Government had decided that the Mauritius Sugar Authority ought to have set up an implementation cell comprising of representatives of all the institutions involved in the project to monitor its implementation but it is not known what this cell had done.

Your Committee was also informed that the Ministry did not even follow the implementation of the works, which was left to the NHDC; that the Ministry, as conceded by its staff, acted simply as the paying agent.

Your Committee obtained explanations that owing to the limited manpower resources of the Ministry, their ability to ensure that financial regulations were complied with were restrained.

Recommendations

Your Committee considers this situation to be highly unsatisfactory and recommends that the Ministry has to ensure that it discharges fully its supervisory responsibilities on projects financed from its funds.

4.0 The Central Tender Board

Your Committee convened a meeting with the Financial Secretary, the Chairperson and Officials of the Central Tender Board and of the Mauritius Audit Bureau.

Your Committee discussed the issue of maintenance of equipment in the Ministry of Health, in relation to the problem of repeated breakdowns of some pieces equipment, which were purchased from companies, which close down later.

Your Committee was informed by the Board that it does not have the required expertise in all fields, but nonetheless it ensures that the procedures are followed and that for the evaluation of bids, it relies on the reports submitted by the consultants on the analysis of the tenders to the Central Tender Board through the Accounting Officer and where there is no outside consultant, it relies entirely on the expertise of the Ministry concerned.

Your Committee is informed that the Central Tender Board does not have the expertise and questions only on matters of procedure.

Your Committee is informed that the Central Tender Board often does not check the country of origin from which a piece of equipment is

ordered to find whether it is as stipulated in the contract and leaves it to the body/person implementing the contract to do so.

Variation / Extension of contracts

Your Committee is informed that it is not for the Board to query the Ministry or institution concerned if they want to bring about changes during the implementation of the contracts. However, its approval is sought whenever additional payment is to be effected. But when no additional payment is required it is not even aware if any change is being effected. Hence, contracts can be varied without the prior Central Tender Board approval which has approved the specifications.

Your Committee is informed that, in one case, the Central Tender Board refused an extension because of the extent of the costs of the variation of the contract.

Your Committee thus concludes that the problem lies with the implementation.

Your Committee hopes that The Procurement Office, set up under the Public Procurement Act, will be more effective in ensuring proper utilization of public funds.

5.0 CONCLUSION

Objectives of the Public Accounts Committee

Your Committee is an emanation of the Legislature which votes the budgets and as an analogy with a private company, the Legislature is considered as the Board of directors, Mr Speaker being its Chairman, the Executive as the Management and the Your Committee as the internal auditor appointed by the Board of directors and reporting directly to the Board of directors.

Your Committee's responsibility is to be the eyes and ears of the Legislature, i.e., to verify and report to the Legislature as to the good and efficient use of public funds.

Your Committee has no operational or directional power but is a powerful reporting entity to the Legislature, which has the ultimate responsibility to bring public bodies to task if they fail in making judicious use of public funds.

Your Committee is best known for its review of the reports of the Director of Audit on the accounts of the Ministries and departments by exacting accountability, reviewing the findings of his officers and coming back on his previous recommendations.

Your Committee serves as an important incentive for the public service and ministers to manage public resources in line with public expectations.

Your Committee is of the view that public officials, as representatives of their ministers at Your Committee's hearings, are not formally accountable to the Committee, yet it is evident that the exposure to the Committee can have an important impact.

Your Committee is also of the view that the positive aspect of exacting accountability is that it offers an opportunity for the Committee to showcase and recognize exemplary public service practices.

Your Committee analyses the report of the Director of Audit, which is an *a posteriori* report, and its work is also *a posteriori*.

Recommendations

Your Committee views the weaknesses of the work of the Public Accounts Committee in lying in the fact that it has no powers of sanctions and that its effectiveness is seen only through putting pressure on the staff deponing before it as the proceedings take place in camera, thus the question arises as to who is going to take action against staff who are negligent, as a result of which government is not getting value for money. Some of the cases we came across raise strong suspicions of corruption.

Your Committee observed that the members of the staff of the various Ministries who appeared before the Committee showed an incredible degree of solidarity in defending their actions and that it appeared as if many Accounting Officers think that their duty before the Committee is to explain away the criticisms on the doings of their respective staff or department.

Your Committee considers the above to be probably the reason as to why, year in and year out, the Director of Audit's reports do not reflect any improvement in the financial management of the different Ministries.

Your Committee considers that the problem of accountability for decision-making is not clear and hence it is not easy to hold a person in particular to task for any fault.

Your Committee recommends therefore that the monitoring ought to come from the Accounting Officers of the Ministries/Departments to ensure that mistakes are corrected, if not assumed and that no performance management will work if the issue of accountability is not addressed; and that each Ministry or Department will have to assume its responsibility

Your Committee consequently is of the view that that is there is a need for sanctions if people do what they are not supposed to do.

Your Committee addressed the question as to whether the problems lie with the people or the system and observed that the process needs to be reviewed by the Director of Audit.

Your Committee is furthermore of the view that in many cases, like with the Ministry of Public Infrastructure, Land Transport and Shipping which designs, implements and oversees many projects of all the Ministries and Departments, there is an urgent need to address the issue of adequate human resources, be it in terms of number and competencies.

Your Committee noted that the Ministry of Finance and Economic Development has introduced a system of Audit Committees at the level of some important Ministries with the objective of reinforcing the monitoring system of the internal auditors working within a given Ministry or Department.

Your Committee observed that one of the aims of the Audit Committee is to tackle the issue of connivance, which may arise between internal auditors and the staff of the Ministries or Departments and which may lead to many acts of malpractice being kept hidden.

Your Committee notes that the Audit Committees report to the Ministry of Finance and Economic Development and that the latter reports to the Secretary to the Cabinet.

Your Committee strongly recommends that the Audit Committees be given the power to recommend appropriate sanctions against public officers for acts of malpractice.

Your Committee, however, considers that whatever system is put in place, unless there is political will to ensure that the public officers who do not perform, who are dishonest or incompetent, be taken to task so as to see to it that the taxpayer's money is spent properly, the situation will not improve.

Your Committee notes that in recent years, there has been a trend towards the setting up of private companies, which are fully or largely funded by Government.

Your Committee is of the view that these companies should fall within the purview of public expenditure control since, in one way or another, the National assembly is voting funds for them and they should be accountable to the National Assembly.

Your Committee thus recommends the setting up of an Oversight Committee which should operate in much the same way as Your Committee and which will oversee all other organizations which do not fall under the purview of Public Accounts Committee but which uses public funds.

Your Committee is of the view that, the Oversight Committee –

- where appropriate, may work in collaboration with the Public Accounts Committees;
- should routinely meet in public except for procedural meetings and in the case of national security.

The oversight authority of the legislature shall include meaningful oversight of state owned enterprises.

The oversight committees shall have access to records of Executive accounts and related documentation sufficient to be able to meaningfully review the accuracy of Executive reporting on its revenues and expenditures.

Your Committee observes that the Public Accounts Committee is presently not operating with optimum resources, contrary to what obtains in other Parliaments, it does not have a dedicated staff, wherein the Committees are serviced by Committee Clerks, whose role is to assist the different Committees of the House and are important components of the Committees, inasmuch as they are dedicated Clerks to the Committees offering assistance in matters of procedure and in following up specifically with the business of the Committees liaising with the different stakeholders and putting up reports on the works of the Committees; and assisted by researchers in economic, legal, accountancy and other specialized fields to lend full support to render the Committees more focused and efficient.

Your Committee is thus of the view that our Legislature needs to be assisted by professional staff not only for the purpose of enhancing the capacity of the Honourable Members in delivering effective service as Members of the Your Committee but also for the other Honourable Members in delivering service in the other Committees of the House and to the House and recommends accordingly.

Your Committee is of the view that a token attendance allowance be paid to the Honourable Members serving on the Public Accounts Committee, and recommends accordingly.

Your Committee recommends that follow-up meetings be held with the Accounting Officers of the Ministries and public bodies after the laying of the Report of the Public Accounts Committee on the Table of the National Assembly.

Your Committee recommends that consideration be given to the opening up of the meeting of the Public Accounts Committee to include any member of the public, on application to the Committee.

Your Committee recommends that Your Committee practises the 'name and shame' policy with a view to fostering better seriousness and accountability from those public bodies which fail in their obligation to make judicious use of public funds.

Your Committee recommends that Your Committee submit interim reports every six months with fixed submission deadlines.

Your Committee recommends that the reports of the Public Accounts Committee be fully debated in the National Assembly, at least once a year in March, to allow the Executive to take corrective measures in the ensuing budget exercise carried out in June.

At present, Your Committee looks to the Public Accounts Committee of the House of Commons for procedural guidance. Your Committee recommends that the Standing Orders and Rules of the National Assembly should clearly define the functions and the prerogatives of the Public Accounts Committee, taking into account the local parliamentary context.

Your Committee takes notice of the fact through long standing practice Your Committee is chaired by a member of the Opposition. It is the view of Your Committee that this practice ought to be formalised in the Standing Orders and Rules of the National Assembly.

6.0 Acknowledgment

Your Committee would like to express its thanks to the Director of Audit and his representatives, the Financial Secretary and his representatives, the Accountant-General and his representatives, who provided assistance to Your Committee

Your Committee is also thankful to the staff of the National Assembly for their assistance.

**Jaya Krishna CUTTAREE (GCSK)
Chairperson**

25 March 2008

APPENDIX

Standing Order 69(2) of the Standing Orders and Rules of the National Assembly (1995) reads as follows –

69. (2) Public Accounts Committee

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