Public Expenditure and Financial Accountability (PEFA) assessment in Mauritius[1]

EC Reference number 2014/353124/1

EUROPEAID/132633/C/SER/MULTI Framework contract Beneficiaries – Lot n°11 – Macro Economy, Statistics and Public Finance Management

Final Report

Client: Delegation of the European Union to Mauritius

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Rotterdam, December 2015

[1] Disclaimer: The views expressed in this document are those of the experts and do not necessarily represent the opinion of the European Commission or the Government of Mauritius.

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Acknowledgements

The PEFA assessment has relied on the generosity of a large number of stakeholders in providing information, documents and very valuable insights to assist in assessing the indicators in this report, not to mention giving up their time to meet with members of the team. The assessment also benefited from discussions during stakeholder workshops. The team would like to thank sincerely all of those who participated in the assessment in any way.

Special thanks go to the Deputy Financial Secretary Mr. Patrick Yip, Lead Analyst Mr. A. Acharuz, and the staff at the Ministry of Finance and Economic Development. The team would like to express its particular appreciation for the support of Ms. N. Aubdoollah-Suhootoorah, Ms. N. Kureemun, and Mr. D. Ramroop.

The team is grateful to the European Union and the World Bank for financial and logistical support during the exercise. They are also grateful to Mr. Lewis Hawke and the PEFA Secretariat for their assistance with issues concerning the 2015 PEFA Framework (testing version). Finally, the team are grateful to GoM and the peer reviewers for their comments on the draft report; their comments contributed to the finalisation of the report and have resulted in an improved output.

Notes

1. Fiscal year: (up to 31 December 2014) 1 January-31 December. Fiscal year (from 1 July 2015): 1 July-30 June. Transition period: 1 January 2015-30 June 2015.

2. Date of assessment: 1 June 2015. The assessment period for each indicator follows the critical period/time set out in the PEFA Fieldguides (for the 2011 PEFA methodological framework, this was published in February 2012; for the 2015 PEFA methodological framework, this was published in February 2015). For the time period relating to: (i) the most recently budget submitted to the National Assembly: the 2015-16 budget (prepared in April 2015) is used; (ii) the most recently-completed financial year: the year 2014 is used; and (iii) the most recently-completed audit year, as submitted to the National Assembly: the year 2013 is used.

3. Currency Unit: Mauritian Rupee (Rs). As of 1 June 2015: Rs1= €0.025; €1 = Rs37.99; Rs 1= US$0.0275; US$ 1 = Rs34.66.

Acronyms and Abbreviations

AfDB	African Development Bank
ARC	Assessment Review Committee
AO	Accounting Officer
BCG	Budgetary Central Government
BoM	Bank of Mauritius
BRP	Basic Retirement Pension
BPO	Business Process Outsourcing
CBRD	Central Business Registration Database
CG	Central Government
CISD	Central Information Systems Division
COFOG	Classification of Functions of Government
CPB	Central Procurement Board
CSDRMS	Commonwealth Secretariat Debt Recording and Management System
CSPF	Civil Service Pension Fund
CSR	Corporate Social Responsibility
DMU	Debt Management Unit
DoA	Director of Audit
DPL	Development Policy Loan
DSA	Debt Sustainability Analysis
EBF	Extra-budgetary Fund
EBO	Extra-budgetary operation
EBU	Extra-budgetary Unit
ESE	Estimates of Supplementary Expenditures
ESTP	Economic and Social Transformation Plan
EU	European Union
FI	Financial Instruction
FID	Fiscal Investigations Department
FMM	Financial Management Manual
FMRS	Financial Management Review Committee
FMS	Financial Management System
FY	Financial Year
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GFS	Government Financial Statistics
GoM	Government of Mauritius
HDI	Human Development Index
HR	Human Resources
HRMIS	Human Resource Management Information System
ICT	Information and Communication Technology
IFAC	International Federation of Accountants
IIA	Institute of Internal Auditors
IMF	International Monetary Fund
INTOSAI	International Organisation for Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
IRP	Independent Review Panel
ISSAI	International Standards for Supreme Audit Institutions
LTD	Large Taxpayer Department
MACOSS	Mauritius Council of Social Service

MCSAR	Ministry of Civil Service and Administrative Reforms
MDAs	Ministries, Departments and Agencies
MICT	Ministry of Information, Communications and Technology
MID	Maurice Ile Durable (EBU)
MoE	Ministry of Education
MoFED	Ministry of Finance and Economic Development
MoHQL	Ministry of Health and Quality of Life
MPILT	Ministry of Public Infrastructure and Land Transport
MRA	Mauritius Revenue Authority
MSTD	Medium and Small Taxpayers Department
MTEF	Medium Term Expenditure Framework
MTFF	Medium Term Fiscal Framework
N/A	Not applicable
NAO	National Audit Office
NC	Not comparable
NGO	Non-Government Organisations
NPF	National Pension Fund
N/R	Not rated
NSF	National Savings Fund
OADRD	Objections, Appeals Disputes Resolution Department
OIC	Officer in Charge
OPSG	Office of Public Sector Governance
PAC	Public Accounts Committee
PAYE	Pay as you earn
PBB	Program Based Budgeting
PEFA	Public Expenditure and Financial Accountability
PFM	Public Financial Management
PFM-PMR	Public Financial Management - Performance Monitoring Report
PI	Performance Indicator
PIMS	Parastatal Information Management System
PPA	Public Procurement Act
PPC	Project Planning Committee
PPO	Public Procurement Office
PPP	Public Private Partnership
PPR	Public Procurement Regulations
PSC	Public Service Commission
PSIP	Public Sector Investment Programme
PSSA	Private Secondary Schools Authority
PTA	Parent-Teacher Association
PWC	PriceWaterhouseCoopers
Rs	Rupees
RG	Registrar General
RRA	Rodrigues Regional Assembly
SBM	State Bank of Mauritius
SMST	Sector Ministry Support Team
SN	Sub National Government
SOE	State-Owned Enterprise
SoP	Statement of Practice
SoPM	Standard Operating Procedures Manual
STM	Service to Mauritius

TAN	Tax Assessment Number
TAS	Treasury Accounting System
TDS	Tax deducted at source
TOR	Terms of Reference
TRMU	Tax Risk Management Unit
UNDP	United Nations Development Programme
UoM	University of Mauritius
VAT	Value Added Tax
WB	World Bank

Contents

Summary Assessment[2]

(i) Integrated assessment of Public Financial Management (PFM) performance

Mauritius' Public Financial Management systems are based on a reasonably sound legislative framework, which is supported by a wealth of manuals, financial instructions and circulars. Though some of these are quite dated (with updates issued periodically in the form of circulars), the procedures appear to be well-embedded, and are respected. However, there are some gaps or overlaps in the chain of legislation for central government (particularly with respect to the wider central government), which can potentially lead to greater risks to fiscal control, and result in increased contingent liabilities for budgetary central government. In practice, the potential effects on fiscal risk may be mitigated by a custom of compliance with implicit rules of good practice.

Active oversight of potential fiscal risk, particularly of Extra Budgetary Units (EBUs), could be stronger but is currently in the process of being strengthened, including the identification and classification of all EBUs, and the analysis of contingent liabilities, including future pension obligations for central government. The set of internal controls, while comprehensive when established, do not now fully reflect the control needs of an open economy, high-income country in the 21st century, and an updated set is under way.

The active control and management of cash resources facilitates efficient budget execution and minimises short-term borrowing costs. The strong focus on keeping to the legislated fiscal rule on the debt target facilitates overall fiscal discipline and the provision of a variety of debt data and analyses. Full accountability of government to citizens is hampered on the one hand by the lack of technical support to members of the National Assembly to assist them with their review of the budget, the Medium Term Fiscal Framework (MTFF) and audit reports and on the other hand by its limited scrutiny in practice of the whole of central government (as opposed to budgetary central government) and by the requirement that following prorogations of the National Assembly the PAC must begin its scrutiny from scratch without access to the previous PAC's records.

As measured along the six core dimensions of public financial management, the performance of the PFM systems in Mauritius may be described in more detail as follows:

Credibility of the budget

During the last three years, outturns of expenditures and revenues were relatively close to the original budget projections in aggregate. However, there was significant variance in actual spending compared to budget for ministries and departments, due in part to slower-than-expected implementation of capital projects.

There appears to be no evidence of a stock of expenditure payment arrears at the end of the fiscal year. The potential for accumulating such arrears is minimised by the control of commitments and active processes for ensuring the efficient closing of the accounts at year-end. Although the Treasury appear to be disciplined in their settlement of invoices within the fiscal year, the lack of a legal definition of arrears may give the potential for uncertainty for suppliers.

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[2] The Summary Assessment discusses the results of the PEFA assessment using the current (2011) PEFA methodology. A separate attachment contains the results of the assessment using the 2015 Testing Version; in line with an explicit agreement with stakeholders prior to the beginning of the assessment, the attachment contains the ratings and justification for all indicators but no other element of the Testing Methodology assessment report, including an Executive Summary. In order to avoid confusion between the two assessments, the results of the Testing Version are purposely not discussed here.

Comprehensiveness and transparency of the budget

- A great deal of fiscal information, particularly for resources provided through the budget, is provided in the budget documents, in the Accountant-General's annual report and in the Director of Audit's report, and these are made available to the public in a timely fashion. The classification of the budget has facilitated the provision of detailed fiscal information by administrative, functional and programmatic classifications useful for assessing financial and non-financial performance of budgetary resources. Even greater transparency could be achieved through making available in-year budget management reports, e.g. on Ministry of Finance and Economic Development (MoFED)'s website, and through producing a simplified, citizens' version of the budget, which would build on the public's participation and active debate on the budget;
- Despite budget estimates provided for the medium term (for the coming budget year plus two forward years), the budget documents could usefully also include information on both preliminary outturns for the prior year as well as revised estimates for the current year, which would assist those in the National Assembly and other stakeholders to evaluate the budget proposals in their recent fiscal context. Other additional information could also be provided in the budget, e.g. the analysis of tax expenditures and a full picture of contingent liabilities and obligations;
- While the information in the budget documentation and audited annual financial statements is comprehensive for resources channelled through the budget (budgetary central government), the provision of full information on planned and actual expenditures for all central government expenditures is less so;
- Comprehensive monitoring of potential fiscal risk from state-owned public enterprises has been relatively limited. Nonetheless, in practice, it is reported that there have been few known major fiscal risk issues in recent years. In some cases, the lack of formal consolidated analytical reports being prepared (e.g. on the consolidated fiscal position of local authorities or of EBUs and public corporations) potentially limits the role of central-level oversight. Improvements are also needed to strengthen the transparency of fiscal transfers to sub-national governments;
- The Public Account Committee (PAC)'s primary focus on the Director of Audit's report (containing the audited financial statements for budgetary central government) means that National Assembly oversight and scrutiny of the whole of central government is limited. At the same time, the lack of technical support to members of the National Assembly to assist them with their review of the budget and MTFF and of audit reports makes it more difficult to undertake their duties to the fullest extent possible.

Policy-based budget

- A clear budget process exists and, during the last three years, budgets have been approved by the National Assembly before the new fiscal year;
- The MTFF appears to be actively used in the budget process. However, whilst medium-term fiscal aggregates are provided as part of the budget process in the MTFF, the ability to translate sector or sub-sector policies into budgetary allocations is undermined by the limited Cabinet-level involvement in the budget process and by the absence of costed sector strategies and weak links between investments and subsequent recurrent cost requirements;
- More broadly, there are challenges in the management of public investment, and its active integration into the longer-term budget process, including explicit provision for the full medium-term likely operational costs. While there are guidelines for preparing and getting approval for capital projects, much of the Public Sector Investment Programme (PSIP) comprises smaller capital expenditures. Larger investments should

be explicitly framed within a longer-term, detailed and fully-costed strategy, e.g. one which is sector-based.

Predictability and control in budget execution

- Tax laws are clear, with only limited discretion, and taxpayers have easy access to transparent information on tax liabilities and administrative procedures, including through Mauritius Revenue Authority (MRA)'s active taxpayer education campaigns. A single and user-friendly process for registering taxpayers, combined with links to information on potential new taxpayers, facilitate tax compliance, and regular reconciliations of tax information, and a risk-based approach to tax audits and fiscal investigations provide reasonable controls on tax receipts;
- A functioning tax appeals mechanism is in existence but its full effectiveness has been hampered in recent years by capacity constraints. While tax arrears constitute a significant proportion of total tax receipts, the MRA have recently initiated measures to improve the recovery and write-off of tax debts;
- Robust management of cash flows facilitates budget execution by ministries and departments, and an active internal audit process exists, focusing to a large extent on systemic issues, but there are some challenges regarding the distribution, use and quality assurance of internal audit reports. Internal controls, particularly those relating to IT procedures, could be updated and made more comprehensive. Finally, there is no overall primacy established explicitly amongst the various pieces of legislation relating to the procedures for approving debt by central government entities, which could in theory lead to a higher-than-expected debt level being incurred. In practice, implicit primacy of the Public Debt Management Act has tended to be followed to date.
- Payroll controls appear to be effective, but the addition of physical audits (e.g. surveys) and an audit of the IT system would strengthen the assurance of these controls.
- The procurement process is built on a robust legislative framework, and there is good access to procurement information by the public through the Public Procurement Portal. However, accessibility to information on how to challenge a bid through the IRP could be strengthened, and making its decisions binding would provide greater accountability in the procurement process.

Accounting, recording and reporting

- In-year budget execution reports, both monthly and quarterly, are prepared regularly and in a timely fashion, and the data are considered to be reliable. However, to give a full picture of the call on budgetary resources, the reports could be strengthened by including information on encumbrances (commitments) alongside the data on planned (budgetary) and actual expenditures;
- Regular and timely reconciliations of bank and other accounts take place, with relatively limited balances (in value terms) carried forward;
- The annual financial statements are comprehensive in the information provided and are prepared in line with Generally Accepted Accounting Principles (GAAP) and apply some principles of international standards. These are prepared and sent to audit within the statutory time period.

External scrutiny and audit

- The scope of audit coverage for central government is broad, and the audits are prepared in a timely fashion. However, the independence of the Director of Audit is affected by its budget being decided as part of the normal budget process, and its channel for reporting through the Minister of Finance rather than directly to the National

Assembly. There is no systematic follow-up of audit recommendations, and the recommendations tend to be repeated in subsequent audit reports;

- The extent of legislative scrutiny of budgets could be improved, including review of the MTFF and the broader fiscal context, in addition to its current focus on reviewing the estimates;
- The National Assembly Standing Orders for PAC's review of audit reports, particularly in the case of prorogation or dissolution of the Assembly, can lead in practice to a time lag in the review of these reports. The PAC reviews the Director of Audit's annual report but there is the lack of legislative scrutiny of the audits for EBUs and performance audits. In practice, there appears to be limited impact of PAC's reports in terms of follow-up actions being taken.

Donor practices

- As a high middle-income country, Mauritius receives relatively limited external assistance from development partners as a share of overall expenditures by central government. Most of the external finance is in the form of direct budget support, which was provided moderately predictably during the last three years.
- A significant amount of information on external financing for projects is included in both the budget and the annual financial statements, facilitated by timely and comprehensive data on disbursements provided by development partners.
- The majority of external financing uses government systems.

(ii) Assessment of the impact of PFM weaknesses

As PFM concerns the efficiency and effectiveness of the use of public resources, the interdependence of the components of the budget cycle means that weaknesses in one part can adversely affect other parts and thereby constraining the achievement of better budgetary outcomes; conversely, improvements in one area which are not matched by corresponding changes in other areas can undermine the initial reforms. The strengths and weaknesses of the PFM systems found in the assessment have an impact on the three measures of budget effectiveness, aggregate fiscal discipline; allocative efficiency; and technical (operational) efficiency, as follows.

Impact on aggregate fiscal discipline

Aggregate fiscal discipline (i.e. the extent to which government is spending within its means) is strongest when budgets are implemented as planned, internal expenditure controls are strong, and there is effective external oversight. In the case of Mauritius, actual expenditures in total are relatively close to planned budgets overall. In some countries, weaknesses in budget credibility potentially undermine aggregate fiscal discipline through overshooting deficit targets or increasing the level of arrears, but these risks do not appear to apply significantly to PFM in Mauritius. Specifically, there are no difficulties with cash flow, nor do there appear to be significant expenditure payment arrears beyond a 12-month horizon.

Current weaknesses which could potentially undermine aggregate fiscal discipline (through preventing managers from controlling expenditures) include the potential for contingent liabilities arising from challenges in the oversight of public corporations, some EBUs, and local authorities, as well as weak links between investment expenditures and forward recurrent expenditures.

However, in practice, despite these weaknesses, aggregate fiscal discipline appears to be strong, supported by accurate revenue forecasts and strengthened revenue administration, by the focus in the MTFF on meeting the fiscal debt rule, and by budget execution processes which provide predictability to ministries and departments for their in-year planning of spending and appear to prevent the build-up of annual arrears.

Impact on the strategic allocation of resources

In principle, resource allocations which are closely linked to strategic government priorities tend to be facilitated by a strong planning and budgeting framework, effective budget execution and recording procedures which allow the budget to be implemented and reported as planned, as well as demand from external stakeholders for effective public sector performance. A number of strengths in Mauritius' PFM systems have a positive impact on the strategic allocation of resources, including the embedding of the budget process within a medium-term perspective, disciplined budget execution (e.g. relatively limited in-year reallocations and the absence of arbitrary top-down imposition of budget changes), facilitated by active and effective cash management for the execution of the budget.

Nevertheless, the limited high-level guidance on relative priorities to guide the budget process, and the absence of strategic planning process, supported by comprehensive and costed sectoral or departmental strategies, make it more difficult to allocate budgetary resources in line with government priorities. This potentially reduces the strategic nature of the trade-offs made during budget preparation. Resource allocations which are more closely aligned with government priorities would be facilitated by more active Cabinet involvement in the budget process, particularly in guiding inter-sectoral resource allocations at the beginning of the budget preparation process, and subsequently providing collective endorsement of the detailed budget. This would strengthen the budget's active role as the means to achieving government policy priorities rather than primarily being a technical exercise.

The inclusion of performance information in the budget and in annual financial statements, available to both the National Assembly for scrutiny and the wider public, provides stakeholders with the opportunity to assess the extent to which the government is achieving its strategic (medium-term) budget priorities. Nevertheless, less-active legislative scrutiny of the broader strategic and performance framework affects the ability to hold budget managers to account for progress in attaining its budgetary goals.

Impact on efficient service delivery

Efficiency in service delivery and in the use of public resources is highest when there is a strong and transparent procurement process so that goods and services offer value-for-money, accurate expenditure information is available to public sector managers in order to monitor and evaluate the efficiency of spending, and there is adequate demand from external stakeholders for efficient public sector performance. Processes that facilitate the efficient use of resources include the medium-term perspective for the budget process (enabling a change in the mix of inputs to be planned over time), good in-year predictability of cash for ministries and departments in order to execute the budget as planned, reasonably transparent procurement practices, and the audit of the efficiency of service provision through the carrying out of performance audits.

On the other hand, in the absence of strong sectoral or departmental planning processes, which are based on costed sector strategies, it is difficult to review the efficient mix of inputs and alter it over time. The lack of binding decisions by the Independent Review Panel (IRP) in its review of procurement bids may make the process less efficient. In addition, the lack of National Assembly scrutiny of performance audits prevents the completion of the accountability chain for reviewing the efficient use of resources.

(iii) Prospects for reform planning and implementation

For the successful implementation of PFM reforms, the buy-in and involvement of PFM stakeholders and a shared understanding of the likely benefits of reform are crucial; these stakeholders should include those at all levels, both those in leadership and management roles, as well as technical staff involved in carrying out day-to-day PFM activities. Critical factors for successful reforms include: (i) consensus on the appropriate level of reforms and identification of what specific measures will be required to strengthen existing PFM systems; (ii) visible and active top management and political support for reforms; (iii) government ownership of the reform process; (iv) cross-cutting elements, such as sufficient physical and human resource capacities; and (v) active management of the change processes involved in reform, including undertaking consultations; actively communicating with those affected by the changes, as well as the wider public, throughout the reform process; helping stakeholders to understand the benefits, and managing potential objections.

Following the implementation of a number of successful PFM reforms, the prospects for continued success in implementing PFM reforms are strengthened through strong government oversight of reforms, including oversight by high-level committees and active reform management by dedicated departments, such as the Public Sector Efficiency Bureau and the Office of Public Sector Governance (OPSG), with a specific mandate to support reform processes; leadership in a number of departments and agencies; co-ordination at the technical level; and attention to on-going capacity development.

Evidence of impact on performance is highlighted under the relevant indicators (e.g. for revenue administration, where the impact is clearly shown). Nonetheless, PFM reforms take time to implement fully in order to show impact, and many of the government's recent PFM reforms are still in process. As such, the PFM reforms have resulted in strengthening processes in a number of areas which, due to the nature of the improvements, may not be fully reflected in the ratings. Such improvements include inter alia: revisions of the PFM legislation, identification of additional sources for improving tax collection compliance, the development of a typology of parastatal bodies[3] to facilitate fiscal risk management, a comprehensive review and update of financial management procedures and manual currently under way, piloting a comprehensive fixed asset register, and the development of integrated management information systems for different PFM processes, including budgeting, procurement and human resources.

(iv) Changes in assessment results

Section 3 notes progress and any other changes for each of the indicators, taking into account the difference in methodology used between this assessment and the previous ones. Compared to the previous assessment, this assessment recorded 13 indicators whose ratings were either higher or equal to those in 2011, representing just under half of the indicators which were directly comparable between the two assessments[4]. In particular, maintaining reasonable aggregate fiscal discipline and improvements in tax administration are notable in the results. This assessment had the benefit of access to clarifications of numerous indicators in the PEFA framework, and these clarifications are reflected in the results. Annex B contains a summary of the factors behind changes in the results for each indicator.

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3 As defined by Statistics Mauritius, these include a number of both EBUs and public corporations.

4 i.e. other than PI-2, PI-3 and PI-19, whose assessment methodology was revised in 2011.

Summary of PFM Performance Indicators – 2015 assessment using 2011 methodology[5][6]

PFM Performance Indicator		Rating method	Dimension rating i	ii	iii	iv	Overall 2015 rating
A. PFM-OUT-TURNS: Credibility of the Budget							
PI-1	Aggregate expenditure out-turn compared to original approved budget	M1	B				B
PI-2	Composition of expenditure out-turn compared to original approved budget	M1	C	A			C+
PI-3	Aggregate revenue out-turn compared to original approved budget	M1	B				B
PI-4	Stock and monitoring of expenditure payment arrears	M1	A	N/A			A
B. KEY CROSS-CUTTING ISSUES: Comprehensiveness and Transparency							
PI-5	Classification of the budget	M1	A				A
PI-6	Comprehensiveness of information included in budget documentation	M1	B				B
PI-7	Extent of unreported government operations	M1	D	A			D+
PI-8	Transparency of inter-governmental fiscal relations	M2	D	C	C		D+
PI-9	Oversight of aggregate fiscal risk from other public sector entities	M1	C	C			C
PI-10	Public access to key fiscal information	M1	B				B
C. BUDGET CYCLE							
C(i) Policy-Based Budgeting							
PI-11	Orderliness and participation in the annual budget process	M2	C	D	A		C+
PI-12	Multi-year perspective in fiscal planning, expenditure policy and budgeting	M2	B	B	D	D	C
C(ii) Predictability and Control in Budget Execution							
PI-13	Transparency of taxpayer obligations and liabilities	M2	A	A	B		A
PI-14	Effectiveness of measures for taxpayer registration and tax assessment	M2	B	B	A		B+
PI-15	Effectiveness in collection of tax payments	M1	D	A	A		D+
PI-16	Predictability in the availability of funds for commitment of expenditures	M1	A	A	A		A
PI-17	Recording and management of cash balances, debt and guarantees	M2	A	B	B		B+
PI-18	Effectiveness of payroll controls	M1	B	A	B	C	C+
PI-19	Competition, value for money and controls in procurement	M2	C	D	B	C	C
PI-20	Effectiveness of internal controls for non-salary expenditure	M1	A	B	B		B+
PI-21	Effectiveness of internal audit	M1	B	C	C		C+
C(iii) Accounting, Recording and Reporting							
PI-22	Timeliness and regularity of accounts reconciliation	M2	A	B			B+
PI-23	Availability of information on resources received by service delivery units	M1	C				C

5 The assessment of the ratings follows closely the current PEFA Guidelines as at 1 June 2015 (revised in January 2011; see www.pefa.org). For indicators with more than one dimension, a separate rating is given for each dimension, and the overall rating is determined by the rating method M1 or M2. M1 is used for indicators where poor performance on one dimension of the indicator is likely to undermine the impact of good performance of other dimensions of the same indicator. Rating method M2 is used where a low rating on one dimension does not necessarily undermine the impact of a higher rating on another dimension of the same indicator.

6 Note that a summary of the ratings for the 3 assessments carried out to date is included in Annex B.

PFM Performance Indicator		Rating method	Dimension rating				Overall 2015 rating
			i	ii	iii	iv	
PI-24	Quality and timeliness of in-year budget reports	M1	A	A	A		A
PI-25	Quality and timeliness of annual financial statements	M1	A	A	A		A
C(iv) External Scrutiny and Audit							
PI-26	Scope, nature and follow-up of external audit	M1	B	C	B		C+
PI-27	Legislative scrutiny of the annual budget law	M1	C	B	D	A	D+
PI-28	Legislative scrutiny of external audit reports	M1	D	C	D		D+
D. DONOR PRACTICES							
D-1	Predictability of Direct Budget Support	M1	C	D			D+
D-2	Financial info provided by donors on budgeting & reporting on project & program aid	M1	A	D			D+
D-3	Proportion of aid that is managed by use of national procedures	M1	B				B

1. Introduction

1.1 Background and Objective

The Mauritian Government considers this Public Expenditure and Financial Accountability (PEFA) assessment as a key exercise to review the current state of Mauritian PFM systems and to provide an input to the development and refinement of its PFM reforms.

Two assessments have been carried out to date, one in 2007 funded by the European Union (EU) and one in 2010/11 co-ordinated by the International Monetary Fund (IMF) with the support of the World Bank and the EU. Both assessments used the original 2005 PEFA framework and set of indicators. The overall objective of this assessment is therefore to produce a report based on the current (2011) PEFA methodology (revised January 2011), which provides an assessment of the current performance of the PFM system in Mauritius and to examine changes since the last PEFA assessment in 2010/11, including reforms. For the purposes of this report, the previous assessment will be referred to as the 2011 assessment.

In addition, the Mauritian government agreed to be involved in the testing of the draft 2015 PEFA framework. This framework introduced a number of new indicators as well as expanding its overall focus to all central government operations rather than predominantly those that take place through the budget. The results of the assessment of each indicator in the current PEFA methodology are contained in Annex A, while the results of the assessment using the testing methodology are contained in a separate document (see separate Attachment 1).[7]

1.2 Process of preparing the PFM-PR

The Government of Mauritius (GoM), with the support of the EU, the lead donor, initiated and led the process. The World Bank provided direct input to the assessment through the active participation of two of its staff members. An oversight group was established, including the United Nations Development Programme (UNDP) and the IMF, who, together with the PEFA Secretariat, served as peer reviewers for the purposes of the PEFA quality assurance check requirement. As part of the assessment process, the PEFA Secretariat also provided an overview of the new 2015 testing framework to government officials and as well as guidance to the consultants on the recommended interpretation of a number of criteria in the framework.

The field-work phase of the assignment took place between 1st and 19th June 2015. The assessment was launched with a short presentation to stakeholders from throughout government, while a debriefing session was provided by the consultants on the 19th June to a broad group of key stakeholders. At the

[7] It should be noted that, given significant differences in coverage, time periods, and assessment criteria, the ratings between the two methodologies are mostly not comparable, even for indicators which appear to assess similar PFM areas.

request of MoFED officials, training on conducted a PEFA assessment for a group of MoFED officials. The terms of reference for the assessment are included as Annex I.

1.3 Methodology

Mr. Patrick Kabuya and Ms. Lova Ravaoarimino from the World Bank and two consultants, Ms. Mary Betley and Mrs. Carole Pretorius, who were funded by the EU Delegation, prepared this third PEFA Assessment, in conjunction with GoM. Prior to the field work, a draft work plan, list of documentation to be reviewed and an initial interview schedule was prepared. On arrival and following a brief discussion with key stakeholders, the plan was updated and a revised interview schedule established. An inception report was produced at the end of week one and shared with the lead donor and other stakeholders. The consultant team was supported throughout the whole assignment by a counterpart team from MoFED, led by Lead Analyst, Mr. A. Acharuz and comprising Ms. N. Aubdoollah-Suhootoorah, Ms. N. Kureemun, and Mr. D. Ramroop.

There were four main phases of the assessment, which covered both the main report, assessed using the current PEFA methodology, and the attachment, which used the 2015 Testing Version methodology for the assessment. These four phases included[8]: (i) preparation phase (May 2015); (ii) the fieldwork phase (1-19 June 2015); (iii) the report-drafting phase (July-August 2015); and (iv) GoM and peer review and report finalisation (September-December 2015). The final workshop was held on 14 December 2015.

During the fieldwork phase, the team met with representatives of key stakeholders from MoFED, line ministries, resident donors, EBUs, public corporations, the Bank of Mauritius, the National Audit Office, the Public Accounts Committee and parliamentary support staff, local authorities, schools, zonal offices, and representatives of the private sector and civil society organisations. A complete list of persons interviewed and attending the briefings is included as Annex C. A wide variety of documents were consulted. These include PFM related legislation and regulations, financial statements, budget formulation and execution documents, policy documents, annual reports, external and internal Audit reports, donor and sector reports. A list of documents consulted is included as Annex D.

This assessment was not eligible for the PEFA Check.[9] Nonetheless, the draft report was subjected to a quality review performed by (i) the peer reviewers appointed by the EU (the lead agency); and (ii) the PEFA Secretariat. The involvement of multiple stakeholders, including the EU, the IMF and the World Bank, helped to provide quality control for the assessment, and their comments helped to finalise the draft report.[10] The assessment's main findings were discussed at a workshop on 14 December 2015 with the main GoM stakeholders.

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[8] In contrast to the previous assessment (2011), this assessment did not begin with a PEFA self-assessment by GoM. The scope of the previous assessment involved the validation of the self-assessment.

[9] "Enhanced Quality Assurance Mechanism for PEFA Assessments (PEFA CHECK)", In order to be eligible for PEFA Check, the TORs for the assessment must be reviewed by the PEFA Secretariat before their finalisation; however, this was not possible.

[10] As part of the peer review process, a table setting out the team's response to peer review comments; this was considered as part of the internal peer review process.

1.4 Scope of the assessment

The assessment was carried out in line with the PEFA Guidelines, as updated in the PEFA Fieldguide (February 2012). The coverage assessed for each indicator and dimension is indicated in the summary ratings box for each indicator/dimension. In general, the overall coverage of the assessment is for central government (or budgetary central government within central government), with the exception of PI-9(i) (public sector), PI-8 and PI-9 (first tier of sub-national government), and D-1, D-2 and D-3 (external development agencies [donors]). The time period to be covered for each indicator and dimension is also set out in the PEFA Fieldguide, and these are summarised in the summary ratings box for each indicator and dimension.

In Mauritius, budgetary central government (BCG) includes ministries, constitutional bodies and departments only. Collectively in the legislation, they are referred to as 'Departments'. Central government includes BCG, and Extra Budgetary Units/Extra Budgetary Funds (EBFs) (including social security/social assistance schemes) (see Annex E). Most EBUs are either wholly or partially funded by government and have been created through their own Acts; as such, most also form part of a broader group, more frequently referred to as statutory bodies. The level of autonomy varies between the units and is set out in their respective legislation.

Mauritius' pension system includes several schemes that can be grouped in three categories: the Basic Retirement Pensions (BRP); occupational compulsory pensions; and voluntary pensions. A brief overview of the pension schemes in Mauritius is included in Annex H.

Sub-national government in Mauritius comprises Rodrigues Regional Assembly (RRA) for the island of Rodrigues, plus 5 municipal and 7 district councils and their associated village councils on the island of Mauritius itself. According to Statistics Mauritius[11] there were 43 non-financial public corporations and 19[12] financial public corporations in 2013 (see Table 1 below, which provides a summary of total general government expenditure for that year).

[11] Annual Digest of Statistics, 2014.

[12] The creation in 2015 of the National Commercial Bank and the National Insurance Corporation (NIC) has increased the number of financial public corporations from 19 to 21.

Table 1: Total General Government Expenditure

<table>
<tr><th colspan="2">Institutions</th><th>Total Number of Entities</th><th>Total Exp R million</th><th>Total Exp R million</th></tr>
<tr><td colspan="2">‘Departments’ = ministries and departments</td><td>69 (25 ministries; 44 departments)</td><td>92,576.2</td><td rowspan="4">95,615.6</td></tr>
<tr><td rowspan="3"></td><td>Extra budgetary Units (including some funds and social assistance schemes)</td><td rowspan="3">114 (of which 7 are referred to as EBFs)</td><td rowspan="2">18,271.0</td></tr>
<tr><td>EBFs</td></tr>
<tr><td>Social security[13]</td><td>13,473.7</td></tr>
<tr><td rowspan="2">Sub-national</td><td>Regional Assembly</td><td>1</td><td colspan="2">1,974.0</td></tr>
<tr><td>Local Authority</td><td>12</td><td colspan="2">4,168.9</td></tr>
<tr><td colspan="2">Consolidated General Government Expenditure</td><td></td><td colspan="2">97,413.5</td></tr>
<tr><td colspan="5">Source: Statistics Mauritius</td></tr>
</table>

[13] The figures under social security refer to payments, made on behalf of government, for the following Basic Retirement Pension (paid to all residents as from age of 60 years); Basic Widows Pension; Basic Invalid Pension; Basic Orphans Pension; and, Social Aid. In addition the National Pensions Fund is also responsible for collecting contributions from employers and employees of the private sector for a compulsory pension scheme. The Fund is also in charge of the payment of pensions to private sector employees upon retirement. All of the above transactions are included under the Social Security column published in Statistics Mauritius' annual Digest of Public Finance.

2. Country background information

2.1 Description of country economic situation

Country context

Mauritius is an upper middle-income island nation of 1.233 million people (census 2011), of which the majority (1.19 million) live on the island of Mauritius, while 41,500 live on the island of Rodrigues and 274 on the two outer islands of Agaléga. Mauritius' small land area of only 2,040 square kilometres understates its importance to the Indian Ocean region as it controls an Exclusive Economic Zone of 1.9 million square kilometres, one of the largest in the world.

Once reliant on sugar as its main crop export, Mauritius was hit by the removal of European trade preferences beginning in 2005 but has successfully diversified into textiles, upmarket tourism, banking/financial services and business outsourcing. The Government's vision is to develop the Ocean economy as an important industry for sustained economic diversification, job creation and wealth creation. The World Bank's 2015 'Doing Business' report ranked Mauritius first in Sub-Saharan Africa (28th out of 189 worldwide) in terms of overall ease of doing business[14].

According to the UN's 2014 Human Development Index (HDI), Mauritius ranks 63rd out of 187 countries, thus considered as being in the range of high human development. As at 2010, Mauritius was on target to meet all Millennium Development Goals except environmental sustainability.

The annual real growth rate of GDP has slowed from an average of 7% in the late eighties to an average of 3.5% for the period 2009-2013. In 2014, the Mauritian economy grew by the same amount as the period average (3.5%). The largest contributor to GDP was the manufacturing sector at 16.6%, followed by financial services (10.3%), tourism (7.3%) and Information Communication and Technology (ICT)/Business Process Outsourcing (BPO) (6.4%).

During the period 2012 to 2014, annual domestic revenues rose from Rs 72 billion to Rs 80 billion. The main sources of government income are VAT receipts, which represent around 60% of recurrent revenue or 7% of GDP. Personal and corporate income tax is the second largest source, accounting for 21% of recurrent revenues and 4.3% of GDP. Receipts from property tax represented approximately 6.2% of recurrent revenues.[15]

Overall government reform program

The Government's Programme for 2015–2019, entitled "Achieving Meaningful Change", was presented by the President of the Republic on Tuesday 27 January 2015 at the launch of the first session of the newly-elected National Assembly. The Programme highlights the new government's broad strategic directions. Over the next five years, the government's stated vision is to transform

[14] Note that there was a change in methodologies in 2014 making earlier comparisons difficult.

[15] Source: Supplement to the Budget Speech, 2015-2016.

Mauritius into a forward-looking, environmentally sustainable, economically vibrant and innovative country with modern infrastructure, global connectivity, high skills and technology. In terms of public sector resources, the explicit objectives include improving its efficiency, ensuring an open and transparent bidding process, undertaking an in-depth reform of public institutions to increase productivity and efficiency, guaranteeing public access to information, and promoting a transparent and merit-based recruitment and appointment policy for government workers.

To this end, the government has established a new ministry, the Ministry of Financial Services, Good Governance, and Institutional Reforms to oversee the reform process. It has also established the Public Sector Efficiency Bureau, headed by a former Director of Audit, to promote improved value for money of the use of public funds.

Rationale for PFM reforms

The impetus for PFM reforms over the last decade or so stemmed from the need to rebalance the economy following macroeconomic shocks in the mid-2000s, which involved the loss of trade preferences in the sugar and textile sectors, the rise of energy costs and the deterioration of the macroeconomic situation, marked by declining growth and rising debt. The government introduced an economic reform programme in 2005, targeting fiscal consolidation, and improvements in public sector efficiency, trade competitiveness and the investment climate. The PFM reforms were intended to ensure greater transparency and better performance from public sector resources, and thereby stronger accountability for results. The reforms focussed on introducing a multi-year perspective to budgeting and strengthening the reporting framework. By shifting budget allocations to better-performing areas, the ultimate objective was to create fiscal space for social and development spending. Section 4 contains an overview of the government's PFM and broader reform programme over the last few years.

2.2 Description of budgetary outcomes

Fiscal performance

Table 2 provides an overview of fiscal performance for central government during the last three years. During that period, there was a modest increase in expenditures in relation to GDP, facilitated by greater domestic revenue collections. The government's borrowing requirement rose somewhat to accommodate its moderately expansionary spending programme.

Table 2 Overview of fiscal performance, 2012-20141 (% of GDP)

	2012	2013[2]	2014[2]
Total revenues and grants	**21.4**	**21.4**	**21.8**
- *Own revenue*	*20.8*	*21.0*	*21.2*
- *Grants*	*0.7*	*0.4*	*0.6*
Total expenditures (current)	**20.5**	**21.8**	**21.8**
- *Non-interest expenditures*	*17.5*	*19.2*	*19.0*
- *Interest expenditures*	*3.0*	*2.6*	*2.8*
Gross operating balance[3]	**1.0**	**-0.5**	**0.0**
Net acquisition of non-financial assets	**2.8**	**3.0**	**3.0**
Primary balance[4]	**0.9**	**-1.9**	**-1.7**
Government borrowing requirement[5]	**2.4**	**5.9**	**4.8**
- *domestic*	*1.5*	*3.0*	*2.7*
- *external*	*0.9*	*2.9*	*2.1*

Note: 1. Figures are for central government.

2. Revised estimates.

3. Total revenues and grants less total current expenditures.

4. Includes grants; excludes net lending.

5. Shown net.

Source: IMF, based on data from MoFED and BoM

Allocation of resources

Table 3 provides an overview of expenditures by function for budgetary central government during the last three years. General government services, followed by social protection, represent around half of total budgetary spending. During the period of review, the social sectors increased their shares of total expenditures, at the expense of economic affairs. This tendency was in line with the government's policy of reducing its participation in areas considered to be better suited to the private sector, in favour of strengthening its provision of social services to the population.

Table 3 Overview of expenditures by function, 2012-20141 (% of total expenditures)

	2012	2013	2014
General public services	25.6	24.5	25.8
Public order and safety	9.1	10.7	10.2
Economic affairs	11.3	10.5	7.8
Environmental protection	3.2	1.4	1.4
Housing and community amenities	3.3	4.9	4.8
Health	9.6	9.4	10.2
Recreation, culture and religion	0.9	0.9	0.9
Education	13.7	14.1	15.1
Social protection	23.4	23.5	23.8

Notes: 1. Figures are for budgetary central government.

Source: Digest of Public Finance, 2014, Statistics Mauritius.

Table 4 provides an overview of expenditures by economic item for budgetary central government during the last three years. Wages and salaries and employees' social contributions for government workers constitute nearly one-third of total budgetary expenditures. Grants, primarily to other components of government (EBUs, public corporations, and local authorities) account for a similar share. Despite a stated desire to increase capital spending, the share of such expenditure did not significantly increase during the period of review.

Table 4 Overview of expenditures by economic item, 2012-20141 (% of total expenditures)

	2012	2013	2014
Compensation of employees	25.7	27.3	26.1
Use of goods and services	8.0	7.7	8.2
Interest	12.5	10.4	11.0
Subsidies	1.4	1.5	1.7
Grants	31.1	31.0	33.1
Social benefits	6.5	7.0	7.3
Other current expenses	2.9	3.1	2.3
Acquisition of non-financial assets	11.9	12.1	10.3

Notes: 1. Figures are for budgetary central government.

Source: Annual Digest of Statistics, 2014, Statistics Mauritius.

2.3 Description of the legal and institutional framework for PFM

The legal framework for PFM
Current framework

The current legal framework for PFM is set out below.

Table 5: Overview of current legal framework for PFM

Act	Description
Constitution	Chapter X of the Constitution deals with finances including the Consolidated Fund, authorisation of expenditure, contingencies, the appointment, payment and reporting lines for Director of Audit and whose office shall be a public office, as well as public debt.
Finance & Audit Act 2008 (as subsequently amended) and supporting regulations	The Finance and Audit Act of 2008 has been amended on a number of occasions, most recently in 2015 (see below for further discussion). This provides the basics for public financial management. The legislation is supported by a number of Financial Instructions (which have the status of a legislative instrument and Treasury and MoFED Circulars plus the Financial Management Manual (1990) and subsequent volumes on internal control (audit), Public-Private Partnerships (PPP), Programme-Based Budgeting (PBB). There is no separate Audit Act the role and responsibilities of the Director of Audit are set out in section 17 of the Finance and Audit Act. The National Audit Office is established as a department of government.
Public Debt Management Act No. 5 of 2008 as amended 2012	This Act sets out the Government's definition of public sector debt, the ceiling and any specific exclusions, provisions for maintenance of debt records and on-lending/guarantees.
Public Procurement Act 2006) (as subsequently amended)	The Act sets out the basic procurement principles on procurement methods, bidding process, challenge and appeal as well as the establishment of a procurement policy office and a central procurement board. It is supported by several sets of regulations including the main public procurement regulations of 2008, the public procurement (suspension and debarment regulations) of 2008, the public procurement (disqualification) regulations of 2009, the public procurement (framework agreement) regulations of 2013 and the public procurement (diplomatic missions Mauritius) regulations of 2014.
Revenue Administration	Currently there is no revenue administration act.[16] Individual tax revenues are set out in their own legislation e.g. Customs Tax, VAT, Income Tax, Gaming Tax Act etc.
Other	For statutory bodies[17], the Statutory Bodies (Accounts and Audit) Act (as subsequently amended) sets out governance and reporting issues. Some of the individual Acts establishing the various EBUs (including some of the Funds) and some of the public corporations also contain financial management, audit and governance related clauses. Other public corporations are established under the Companies Act. There is an Independent Commission Against Corruption (ICAC) created under its own Act. Currently, there is no Freedom of Information Act.

Key revisions

The most recent revisions to the PFM-related legislative framework involved changes to the Finance and Audit legislation in 2015.[18] These revisions included:

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[16] A revenue administration act is distinct from the MRA Act (described below), which sets up the institution of the Mauritius Revenue Authority.

[17] Defined in Mauritius to include some (but not necessarily all) EBUs and some public corporations (financial and non-financial), e.g. Central Electricity Board (CEB).

[18] Since the date of this assessment is 1st June 2015, most of these new/amended provisions will not be reflected in this assessment.

(i) a change to the financial year; (ii) a change to the basis of budget estimates and appropriation from programme to Vote; (iii) new definitions for department, estimates and head (vote) of expenditure; (iv) the ability to carry over unused capital expenditure at the end of a fiscal year for a period of up to two months in the following fiscal year without the need for further appropriation; (v) extension of the vote on account to six months (previously 4 months) in the event that the estimates have not been appropriated; (vi) changes to the advance account, in terms of removal of car loans to public officers from the ceiling for advance amounts and 'sufficient leeway' to government to manage the advance account; (viii) Minister of Finance empowered to issue financial instructions with respect to virement of funds from one item to another subject to specified limitations and conditions; (ix) requirement for all 'departments' to prepare a performance report by October following the end of the FY (to take effect from July 2017); and (x) the provision for a transitional six month accounting period, January-June 2015.

The institutional framework for PFM

Structure of Government

The President is the Head of State of the Republic of Mauritius. Mauritius is a parliamentary republic, and the President functions as a ceremonial figurehead, elected by the National Assembly, as set out in the Constitution. Executive power lies with the Government, headed by the Prime Minister.

The Central Government of Mauritius is responsible for most services on the island of Mauritius and outer islands[19] except for Rodrigues, which has its own Regional Assembly. The Rodrigues Regional Assembly was created through the Rodrigues Regional Assembly Act (2001). The Assembly is headed by a Chief Commissioner and is responsible for the provision of most services on Rodrigues.

On Mauritius the first tier of sub-national government, which is governed by the Local Government Act of 2001 (as amended 2015), includes the municipal city council of Port Louis, and the four municipal town councils: Beau Bassin-Rose Hill, Curepipe, Quatre Bornes and Vacoas-Phoenix. In addition there are seven district councils:- Black River, Flacq, Grand Port, Moka. Pampemousses, Riviere du Rempart and Savanne.[20]

Legislative

The National Assembly has 62 elected members elected in 20 three-seat constituencies and one two-seat constituency (the island of Rodrigues). Elections take place every five years under a first past the post system. In addition the electoral commission has the ability to appoint up to a further eight seats from other candidates with the most support and which reflect the country's ethnic diversity. The Assembly is the prime law making body and follows a Westminster-style Parliament. Following the election of December 2014, the l'Alliance Lepep alliance won the majority of seats.

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[19] Agálega and St Brandon.

[20] The regional, municipal and district administrations referred to above are components of sub-national governments; they are not deconcentrated entities of central government. Sub-national governments represent a small proportion of general government and thus do not have responsibility for the delivery of significant levels of public services.

There is one standing committee on finance related matters, the Public Accounts Committee (PAC). The PAC has nine members appointed by the Speaker. The Chairperson is a member of the Opposition. According to the Assembly's Standing Orders, the Committee is responsible "to examine the audited accounts showing the appropriation of the sums granted by the Assembly to meet the public expenditure and such other accounts as laid before the Assembly as the Assembly may refer to the Committee together with the Director of Audit's report thereon."

Executive

Executive authority is established in the office of the Prime Minister, who is responsible for the day-to-day running of government affairs. The Prime Minister is the Head of Government and is appointed by the President.

Judiciary

The judiciary is constitutionally independent from the other two branches of government. The Mauritian legal system is largely based on a combination of English common law and French civil law. The highest court of appeal is the judicial committee of the Privy Council of England. A Commercial Court was established in early 2009 to expedite the settlement of commercial disputes.

Bank of Mauritius

The Bank of Mauritius (BoM) is the central bank of Mauritius. It is responsible for the formulation and execution of monetary policy consistent with stable price conditions. It also has responsibility for safeguarding the stability and strengthening of the financial system of Mauritius.

Mauritius Revenue Authority (MRA)

Established under the MRA Act 2004 and functional since 2006, it was set up to manage an effective revenue raising system and is responsible for approximately 90% of all taxes and for the enforcement of the relevant revenue laws.

Government Administration

Following the December elections, the Government has made several changes in the administrative structures, including, as mentioned above, the creation of a new Ministry, the Ministry of Good Governance, Financial Services and Institutional Reforms. A list of current Ministries/Departments is included in Annex E.

Ministry of Finance and Economic Development

The Ministry of Finance and Economic Development (MoFED) is responsible for the formulation of sound and effective national economic policies and managing and co-ordinating the distribution of the Government's financial resources. The key functions of MoFED as defined in Volume I of the Financial Management Kit are to:

(i) formulate Government reform strategy and coordinate its implementation;
(ii) develop macro fiscal framework and formulate fiscal policy;
(iii) formulate an Economic and Social Transformation Plan (ESTP) that integrates the long term sector plan of Ministries;
(iv) develop and prepare, in consultation with other Departments, a Public Sector Investment Programme (PSIP) and for budgetary purposes, ascertain the status of the projects under the PSIP; in collaboration with Departments, prepare PBB Estimates including planned performance, taking into account the Performance Management System (PMS);
(v) determine budgetary allocations in respect of human resource in consultation with Ministry of Civil Service and Administrative Reforms (MCSAR);
(vi) provide support, through Sector Ministry Support Team (SMST), to Departments in the formulation of the Department's Economic and Social Transformation Plan, strategic plan, preparation, planning, execution and monitoring of their PBB Estimates;
(vii) examine and process budget proposals and financial clearances through SMSTs;
(viii) manage public sector debt and develop active debt management strategies; and
(ix) ensure the issue of best practice guidelines in relation to all aspects of public-private partnership projects. Some of this mandate has been altered or is being revised.

The current organisational structure for the MoFED, which is in the process of being revised, is provided in Annex G. This structure includes the following sections: (i) Public Financial Management, incorporating public debt management and loan administration; (ii) Macro-fiscal Strategy and Budget Management, including the Medium Term Expenditure Framework (MTEF) & Appropriations, centrally managed programmes, PFM framework and Rules, medium-term fiscal framework and fiscal reporting, macro-economic modelling and statistics; (iii) Revenue Policy and Mobilisation, including income & direct taxation, indirect taxation & non-tax revenue and land and property development issues; (iv) Research, Planning, Monitoring and Evaluation; and (v) Development Co-operation and Regional Initiatives. The SMSTs provide an important link between the Ministry and the implementing ministries, departments and EBUs/EBFs.

In terms of PFM, volume 1 of the FMM Toolkit sets out the responsibilities of other organisations in government, including the role of the accounting officer, and the chief finance and chief procurement officers seconded from the MoFED.

2.4 The key features of the PFM system

Between January 2010 and December 2014, the government's financial year corresponded with the calendar year.[21] From July 2015, the financial year for

[21] Prior to that, the government operated on a July-June fiscal year.

central government in Mauritius is reverting to a July-June cycle; consequently an interim six-month budget period January-June 2015 was established. Rodrigues Regional Assembly and local (municipal and district) councils are reverting to the July-June fiscal year from 1st July 2016.

Mauritius introduced programme-based budgeting in 2007/08. Budget preparation was organised by programmes and sub-programmes, linked to ministry objectives and priorities. Performance indicators for each programme and sub-programmes were also included in the budget document, and these were reported in the Accountant-General's annual report. As from January 2015, the discretionary budget is appropriated by vote of expenditure, rather than programme, as previously. Each vote has assigned activities (outputs) to be achieved in the budget year. Statutory expenditure in Mauritius relates solely to debt servicing and public service pension costs.

Currently, the basis of accounting and reporting in Mauritius is modified cash. All transactions other than interest on borrowing are accounted for on a cash basis. The Treasury Accounting System (TAS) is the government's computerised accounting system. Access to the TAS is available to all 'departments'[22] (ministries and other constitutional bodies at both headquarters and zonal level). Eight[23] key ministries are self-accounting entities with responsibility for the input of data to the TAS system, while the transactions of the remaining ministries are processed by the Treasury.

Currently, TAS has four operational modules, specifically, accounts payable, accounts receivable, cash management and general ledger. The detailed budget at line item level is input into the system to facilitate control and comparisons of budget against actual expenditure amounts. The government has a PSIP process in place for all projects and capital purchases. The approval process is dependent on value, with projects/capital purchases above Rs 25 million approved through a Project Planning Committee (PPC) and subsequent approval by Cabinet.

[22] In Mauritius, the Finance and Audit Act refers to 'departments' to ensure consistency with the Constitution. A list of the 'departments' as per the most recent amendment to Finance and Audit Act is included as Annex E.

[23] Ministries of Health, Education, Agro Industry and Food Security, Social Security, Infrastructure, Foreign Affairs, Police and Prisons.

3. Assessment of PFM System, Processes and Institutions[24]

This section provides details of the main findings of the assessment by indicator. The following paragraphs provide the detailed information to support the 2015 ratings, comment to the extent possible on any changes since 2010 and include a brief overview of any on-going reforms designed to address some of the identified weaknesses. For each indicator, the ratings should be read in conjunction with the accompanying narrative explanation.

The ratings made in this assessment are shown alongside those from the previous assessments. In addition, a comment is made for each indicator which aims to indicate progress that has been made in recent years or any other possible explanation for differences in ratings between this assessment and previous ones. However, the assessment team notes that PEFA guidance on repeat assessments explicitly discourages assessors from trying to re-run previous assessments.

In addition, the team notes that a PEFA assessment is conducted at a particular point in time (which is set out clearly for each dimension in the report). It is only possible to comment definitively on a performance change if and only if the team have access to precisely the same evidence. As this was often not feasible, the team was not able to ascertain whether the change has taken place because of: (i) same evidence but different interpretation; or (ii) more evidence. In a number of cases, further guidance from the PEFA Secretariat, in the form of the PEFA Fielguide (published in May 2012), enabled the team to identify that more detailed guidance was now available which hadn't been available to the previous teams, and which may have resulted in a different interpretation of the rating criteria at that time.

3.1 Budget Credibility

The ability to implement the budgeted expenditure as planned is an important factor in supporting the government's ability to deliver on its national policy priorities as expressed in policy statements, output commitments and work plans. Budget credibility requires both actual budget releases to be similar to approved budget and the means to enforce appropriate fiscal discipline to be in place. It also requires that expenditure arrears be kept to a minimum.

PI-1: Aggregate expenditure out-turn compared to original budget

Overall, according to data from the audited annual financial statements,[25] primary expenditures have not differed significantly from those planned in the original budget. In all but one of the previous three fiscal years completed (2012, 2013 and 2014), the deviations have been below 10 per cent, and the deviations in 2013 were 0.1%. In general, relatively good aggregate fiscal discipline may reflect the government's commitment to good fiscal management as a means to reduce the

[24] The measurement of the ratings in this section follows closely the PEFA Guidelines, May 2012 (see www.pefa.org for a description of the calibration of ratings for each indicator). For indicators with more than one dimension, a separate rating is given for each dimension, and the overall rating for the indicator is shown in bold.

[25] For 2012 and 2013. Data for 2014 are from the unaudited Annual Financial Statements, which are currently being audited.

debt/GDP ratio in line with its fiscal rule. The deviations between the original and actual outturns are likely to reflect slower-than-expected implementation of capital projects, as evidenced by an analysis of the comparison of budget and actual expenditures in the Accountant General's annual financial statements for 2012, 2013 and 2014.[26] This observation accords with the analysis of relative deviations for the composition of expenditure variance, measured in PI-2 below.

[26] Statement D

Table 6: Deviations between original and actual outturns of primary expenditures

	2012	2013	2014
Original budgeted primary[1] expenditures (Rs mn)	82,952	87,897	90,397
Actual outturns for primary[1] expenditures (Rs mn)	71,980	87,793	83,772
Absolute deviations (Budget-actual) (Rs mn)	10,972	104.3	6,625
Abs deviations as % of budgeted expenditures	13.2%	0.1%[27]	7.3%

1. Note: Primary expenditures exclude debt service payments. In accordance with a clarification in the PEFA Fieldguide, the data include externally-financed project expenditures.
Source: Audited Financial Statements 2012 and 2013. Unaudited Financial Statements 2014 (Statement B)

Credibility of the Budget		Methodology and Coverage	Rating	
PI-1 Aggregate expenditure out-turn compared to original approved budget		**M1** **Budgetary Central Government** **Last 3 FYs completed**	**B**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Difference between actual primary expenditure and originally budgeted primary expenditure[1]	B	In only one of the previous three fiscal years completed were the deviations more than 10 per cent of budgeted expenditures.	B	A

1. Excluding debt service. In accordance with a clarification in the PEFA Fieldguide, the data include externally-financed project expenditures.[28]
Source: Audited Financial Statements 2012 and 2013. Unaudited Financial Statements 2014 (Statement B)

Changes since the Previous Assessment/ On-going Reforms

Overall deviations have increased in percentage terms on average during the last three years compared to the average in the last assessment. Since deviations on capital budgetary allocations tend to be more significant than for recurrent allocations, this increase may be related to the greater share of the budget accounted for by capital expenditures.

PI-2: Composition of expenditure out-turns compared to original approved budget

Dimension (i): Extent of variance in expenditure composition

Where the composition of expenditure (e.g. for ministries and departments) varies considerably from the original budget, the budget will not be a useful statement of

[27] It is noted that these data are in line with Statement B of the Annual Financial Statement for 2013 (total expenditures less debt service payments).
[28] The data include externally-financed project expenditures; in line with a clarification in the PEFA Fieldguide, this is acceptable as it was not feasible to separate out externally-financed expenditures by ministry and department (so the calculations of PI-1 and PI-2 may be linked, as set out in the PEFA analytical model) and capital expenditures are predominantly (more than 50%) domestically-funded.

policy intent. This dimension assesses the extent to which there is re-allocation of expenditure amongst ministries and departments.

The analysis of budgeted and actual expenditures by administrative classification (Table 7a) shows that for fiscal years (FYs) 2012, 2013 and 2014 the variances were 14.9%, 11.0% and 9.6%, respectively, indicating that implementation of the budget differed to a moderate extent from that originally planned. Some of these variances reflect slower-than-expected implementation of planned capital projects, as evidenced by an analysis of the comparison of budget and actual expenditures in the Accountant General's annual financial statements for 2012, 2013 and 2014.[29] The same analysis by functional classification (Table 7b) shows that the variances were 7.3, 8.4 and 7.2, for FY2012, 2013 and 2014, respectively.

As the three budgets were enacted by administrative head (ministry and department) not by function, the more accurate (and more detailed) assessment of the credibility of the budgets as enacted is the analysis by administrative classification (Table 7a), and this is the assessment team's preferred analysis, is in line with the preference stated in the PEFA Guidelines.[30] However, notwithstanding the fact that the methodology used in the 2015 assessment is different to the methodology used for the previous assessments (and hence the results are not directly comparable), the team has included the analysis by functional classification in the results outlined below for information but the team stresses this is not its preferred analysis.

The detailed data for this indicator are contained in Annex F.

Table 7a: Variation in expenditure composition (administrative classification), 2012-2014

	2012	**2013**	**2014**
Variation in expenditure composition[1, 2] (%)	14.9	11.0	9.6
Note: 1.Sum of the absolute value of the deviations between actual expenditures and the budget for all budget heads, as a percentage of the total budget. 2. Expenditures exclude debt service. In accordance with a clarification in the PEFA Fieldguide, the data include externally-financed project expenditures.[31] Source: Audited Financial Statements 2012 and 2013. Unaudited Financial Statements 2014			

Table 7b: Variation in expenditure composition (functional classification), 2012-2014

	2012	**2013**	**2014**
Variation in expenditure composition[1, 2] (%)	7.3	8.4	7.2
Note: 1.Sum of the absolute value of the deviations between actual expenditures and the budget for all budget heads, as a percentage of the total budget. 2. Expenditures exclude debt service. In accordance with a clarification in the PEFA Fieldguide, the data include externally-financed project expenditures. Source: Audited Financial Statements 2012 and 2013. Unaudited Financial Statements 2014			

[29] Statement DI

[30] According to the PEFA Fieldguide, "As budgets are usually adopted and managed on an administrative (ministry/ department/ agency) basis, this is the preferred basis for assessment."

[31] The data include externally-financed project expenditures; in line with a clarification in the PEFA Fieldguide, this is acceptable as it was not feasible to separate out externally-financed expenditures by ministry and department (so the calculations of PI-1 and PI-2 may be linked, as set out in the PEFA analytical model) and capital expenditures are predominantly (more than 50%) domestically-funded.

Dimension (ii): Average amount of expenditure charged to the contingency vote

Section 5 of the Finance and Audit Act provides for the inclusion of a Provision for Contingencies. The criteria for the use of the contingency provision are set out in Financial Instructions (FI) No. 2 of 2008. The FI currently specifies that the provision should be included under Programme 989: Contingencies and Reserves, under control of MoFED; this FI applied to FYs 2012, 2013 and 2014. In the instances where the Contingency Provision is used, the FI indicates that the amounts should be reallocated through a Virement (Contingencies) Warrant to a ministry/department and this reallocation subsequently appropriated (regularised) through the supplementary budget. The FI on contingencies is currently being revised to take account of the 2015 amendments to the Finance and Audit Act.

The Appropriation Acts for 2012, 2013 and 2014 each included amounts falling under the Contingencies and Reserves programme. However, no amounts were charged to the contingency programme during the last three years.

Table 8: Budgeted contingency provision and actual expenditures charged to contingency programme, 2012-2014

	2012	**2013**	**2014**
Original budgeted amount for the Contingency Programme (Rs mn)	1,300	1,600	1,600
Actual amount charged to the Contingency Programme (Rs mn)	0	0	0
Source: Audited Financial Statements 2012 and 2013. Unaudited Financial Statements 2014			

Credibility of the Budget		Methodology and Coverage	Rating	
PI-2 Composition of expenditure out-turns compared to original approved budget		**M1** **Budgetary Central Government** **Last 3 FYs completed**	**C+** ***(B+)***[2]	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
Overall rating	C+		NC[1]	NC[1]
(ia) Extent of variance in expenditure composition during last 3 years, excluding contingency items (assessed on the basis of administrative classification)	C	The variance in expenditure composition (administrative classification) was between 10 and 15% in two out of the last three fiscal years, while in the third year it was less than 10%.	NC	NC
(ib) Extent of variance in expenditure composition during last 3 years, excluding contingency items (assessed on the basis of functional classification)[2]	*B*	*The variance in expenditure composition (functional classification) was greater than 5% in two of the last three fiscal years but greater than 10% in none of the last three fiscal years,*	*NC*	*NC*
(ii) Average amount of expenditure actually charged to contingency vote over last 3 years	A	The average amount charged to the contingency and reserves programme over the last 3 years was 0%.	NC	NC
Note 1. Not comparable due to differences in the assessment framework between the 2015 assessment and the 2007 and 2011 assessments. 2. The previous assessment (whose results are not directly comparable) was conducted on the basis of the functional classification. A request was made to the assessment team to show the results by functional classification in addition to the more detailed analysis by administrative classification. The assessment team (in line with the PEFA Guidelines) prefers the analysis by administrative classification. Source: Audited Financial Statements 2012 and 2013. Unaudited Financial Statements 2014				

Changes since the Previous Assessment/ On-going Reforms

The methodology for this indicator has changed since the last assessment so a strict comparison of ratings[32] is not possible. In addition, the current assessment of expenditure variance was made on the basis of the administrative classification (ministries and departments), whereas the previous two assessments were made on the basis of the functional classification.

PI-3: Aggregate revenue out-turn compared to original approved budget

Domestic revenue in Mauritius comprises both current and capital revenues. The former includes: (i) tax revenues, including income tax (individuals and companies), VAT, excise duties, betting and gaming taxes, property taxes and customs duties; (ii) other revenues (property income, fees and charges) collected by a number of departments; and (iii) social contributions.[33] The vast majority of tax revenue (approximately 94%) and some non-tax revenues are collected by the MRA.

[32] Guidance from the PEFA Secretariat on conducting repeat assessments advises against repeating the earlier assessment.

[33] A breakdown of revenue collections by type of tax and non-tax is set out in Appendix C of Attachment 1 to this report.

Property tax is collected by the Registrar General (RG). Capital revenues include reimbursement of loans[34] and equity sales or privatisation receipts.

Tax revenue forecasting is done annually by the Revenue Section of MoFED in consultation with the MRA, the latter preparing their own forecasts which feed into the discussion process. Projections are based on macro-economic data (aggregate GDP) plus individual data e.g. PAYE numbers with a baseline scenario for each tax category (e.g. income). Scenario analysis is based on changes to GDP. Forecasts for non-tax revenues are done by the individual ministry and discussed with MoFED as part of the annual budget negotiations.

Dimension (i): Actual domestic revenue collection compared to domestic revenue estimates in the original approved budget.

As shown in the table below, actual revenue was between 94.5% and 97% of revenue forecasts for the period under review.

Table 9: Forecasted and Actual Domestic Revenue Receipts, 2012-2014

	2012		2013		2014	
	Forecast Revenue Rs billion	Actual Revenue Rs billion	Forecast Revenue Rs billion	Actual Revenue Rs billion	Forecast Revenue Rs billion	Actual Revenue Rs billion
Total domestic revenue (recurrent and capital)	74.524	72.272	81.471	77.957	84.642	79.949
Actual as % of Forecast	**97%**		**95.7%**		**94.5%**	
Source: Audited Financial Statements 2012 and 2013. Unaudited Financial Statements 2014						

There are a number of reasons for this performance; the most significant in value terms appears to be the fact that there was a slight decline in VAT receipts in 2014, reflecting slower than predicted growth in domestic consumption expenditure and a contraction in tourism earnings. In 2014, there was also a shortfall in expected taxes from international trade and transactions. While the realisation of expected property income remained a challenge throughout the period, there was a gradual improvement between 2012 and 2014, although the extent to which this reflects under-budgeting rather than improved collection is not known. According to the unaudited financial statements for 2014, miscellaneous revenues received were only 7% of the budgeted figures.

[34] This is consistent with the government's classification and hence has been reflected in the analysis accordingly.

Budget Credibility		Methodology	Rating	
PI-3: Aggregate revenue out-turn compared to original approved budget		**M1 BCG Last 3 FYs completed**	**B**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Actual domestic revenue collection compared to domestic revenue estimates in the original approved budget.	B	Actual domestic revenue received was between 94% and 97% of original approved budgets	NC	NC
Source: Audited accounts for 2012 and 2013. Unaudited accounts for 2014 – Annex B				

Changes since previous assessment/On-going reforms

The methodology for this indicator has changed since the last assessment so a strict comparison of ratings[35] is not possible.

PI-4: Stock and monitoring of expenditure payment arrears

Expenditure payment arrears are expenditure obligations that have been incurred by government for which payment to the employee, supplier, contractor or loan creditor is overdue, thus constituting a form of non-transparent financing. This indicator assesses the stock of expenditure arrears and the data available for monitoring the stock. Without data for monitoring, the stock cannot be assessed. However, the 2012 fieldwork guide notes that if sufficient controls are in place, no stock of arrears is an allowed conclusion even if there is no data monitoring in place to confirm.

Dimension (i): Stock of expenditure payment arrears (as a percentage of total expenditure for the corresponding fiscal year) and any recent change in stock

As in many countries, there is no definition of what constitutes an expenditure arrear in Mauritius. In practice, payment to suppliers is guided by contractual obligations and by government policy on paying small enterprises within seven days of invoice receipt[36]. Treasury's year-end procedures require that all outstanding payments for committed expenditure be paid before year-end, thus having an effective twelve-month horizon.[37]

There is no reported evidence, including from both government representatives and local businessmen, of a stock of arrears to suppliers[38] beyond the twelve-month financial year period.[39] Employees are paid on a timely basis (ref PI-18) and there are no reported delays in the payment of interest.[40]

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35 Guidance from the PEFA Secretariat on conducting repeat assessments advises against repeating the earlier assessment.

36 Financial instruction number 5 of 2013 – Settlement of Claims.

37 It is noted that the PEFA Fieldguide requires the assessors to adopt local practice and local definitions (an issue which is being addressed in the 2015 framework). In this case, the effective horizon is 12 months as noted in the report.

38 This refers to those suppliers who have provided goods and services which are committed in the system.

39 There was no evidence (as discussed with numerous different stakeholders) of commitments being made outside of the TAS (e.g. remaining unrecorded until invoices are presented for payment). The expediency of payment within the 12-month period is considered the issue for GoM in relation to the level of expenditure arrears. In the absence of the recording of the dates of invoices, and the lack of a legislated definition of an arrear or of clear payment terms makes it difficult to determine the payments made after e.g. 30 days. However, thee team could find no evidence of delayed payments, including from discussions with suppliers.

40 The assessors held meetings with the Accountant General's Office, line ministries, payroll sections and the debt unit as well as private sector representatives of government suppliers and found no evidence that there was a stock of arrears routinely c/f to the following year. In addition they reviewed the relevant treasury instructions for year-end procedures, debt reports and payroll procedures.

Dimension (ii): Availability of data for monitoring the stock of expenditure payment arrears

The financial statements are prepared on a modified cash basis and record only actual payments made and revenues received, with the exception of the cost of borrowing. The accounts payable module in TAS allows for the recording of date of invoice but this field is frequently used for the input date rather than for the invoice date. As noted above, there is a financial instruction on supplier payments but, as the invoice date is not consistently input into the system, no in-year monitoring reports are produced of either: (i) application of this specific rule or; (ii) whether contractual terms are consistently met. Government assumes (and this appears reasonable) that internal procedures are sufficiently robust that a stock of arrears cannot form beyond the twelve-month period, so no data monitoring takes place at year-end. The dimension scoring criteria do not adequately cover the situation in Mauritius so the dimension has not been applied.

Budget Credibility		**Methodology**	**Rating**	
PI-4: Stock and monitoring of expenditure payment arrears		**M1** **Dim (i) BCG Last FY completed** **Dim (ii) BCG end of last 2 FYs**	**A**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Stock of expenditure payment arrears (as a percentage of total expenditure for the corresponding fiscal year) and any recent change in stock	A	There is no reported stock of expenditure arrears. At the end of the fiscal year, a circular on year-end procedures is issued to all Departments (both self-accounting and non-self-accounting) to expedite payment of all outstanding bills received and already committed on the Treasury Accounting system.	A	A
(ii) Availability of data for monitoring the stock of expenditure payment arrears	N/A[41]	None of the scoring criteria can be applied in this instance. There is the assumption (which appears reasonable) that internal procedures are sufficiently robust that no significant stock of arrears can accumulate beyond the twelve-month period, so no active monitoring occurs.	A	A
Source: Annual Financial Statements; Treasury year-end procedures; Meetings with Private Sector, Accountant General and Ministries of Health, Education and Public Infrastructure; Financial instruction Number 5 of 2013 – Settlement of Claims.				

Changes since the Previous Assessment

There are no identified changes in practice other than the introduction in FY 2013 of the seven-day payment rule for small and medium sized businesses.

[41] It is noted that the equivalent dimension in the 2015 Testing Version (PI-13iv) in Attachment 1 has been rated D. However, in the Testing Version, a not applicable or not rated rating is not allowed, whereas in this one, such a rating is permitted. It is also noted that the coverage between the two assessments is different (BCG vs CG).

On-going Reforms

There are plans to move in the medium to long term to accrual accounting. The TAS, which uses the Oracle Financials platform, is already set up to facilitate this transition.

3.2 Comprehensiveness and transparency

The indicators in this group assess to what extent the budget and the fiscal risk oversight are comprehensive, as well as to what extent fiscal and budget information is accessible to the public.

PI-5: Classification of the budget

Dimension (i): The classification system used for formulation, execution and reporting of the central government's budget.

This indicator assesses the quality of the classification system used for formulation, execution and reporting of the central government budget.

The classification system used for budget formulation, execution and reporting for BCG is based on GFS 2001 standards. In 2014, the budget classification and chart of accounts included functional, administrative, programme, sub-programme and economic classifications. The COFOG sub-functional classification was automatically linked to a program/sub-program code.

The breakdown of the classification chart is shown below. An alias facility in the TAS assists in the coding of transactions.

Component	Organisational Classification	Programme Classification	Economic Classification	Spending Authority	Management Information System	Management Information System	Management Information System	Management Information System
Element	Ministry / Department / Cost Centre	Programme/Sub-Prog	Economic Classification	ID code	Analysis	Activity/ Project	Misc	Output
Segment number	1	2	3	4	5	6	7	8
Number of characters	7	5	8	3	8	7	5	1
Alpha/Numeric	XXX0000	00000	00000000	XXX	XXXX0000	XX00000	XX000	0
X - Alpha 0 - Numeric XO -Alphanumeric								

As from 1st January 2015, the new government has simplified the budget structure replacing the program classification with a vote structure. The Treasury has now revised the classification structure to accommodate this change. The functional and sub-functional reporting is still provided in the budget.

Comprehensiveness and Transparency		Methodology	Rating	
PI-5 Classification of the budget		**M1** **BCG** **Last completed FY**	**A**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) The classification system used for formulation, execution and reporting of the central government's budget.	A	In FY 2014, budget formulation, execution and reporting was based on functional, administrative, economic, programme and sub-programme. The programme/ sub programme code was similar to the sub-functional classification of COFOG, thus allowing reporting at this level of detail in formulation, execution and reporting.	A	B
Source: Estimates 2014; Unaudited Accounts 2014; TAS manual				

Changes since the previous assessment/on-going reforms

Since the previous assessment, the functional classification has been integrated into the coding system, thus eliminating the need for the mapping process described in the previous assessment.

PI-6: Comprehensiveness of information included in budget documentation

The annual budget documentation should contain a complete picture of relevant fiscal information. To be considered complete, the annual budget documents should include information on the 9 major aspects listed in Box 2. Only those items with complete coverage are deemed to meet the PEFA criteria. In line with the PEFA Guidelines, the assessment of this indicator is based on the last budget presented to the legislature, that for 2015-16.[42]

The annual budget documentation submitted to the National Assembly for FY2015-16 comprised: (i) Estimates 2015-16 and Indicative Estimates 2016-17 & 2017/18; (ii) PSIP for January-June 2015 and 2015-16 – 2019-20; (iii) the Budget Speech 2015-16; and (iv) the Supplement to the Budget Speech 2015-16. The documents provide complete coverage of the fiscal deficit; deficit financing; debt stock; financial assets; and the prior year's (FY 2014) budget out-turn; and near-complete information on the macroeconomic context (the only exception being that exchange rates are not included). Items not fully included are information on the current year's (FY 2015 [January-June]) budget, presented in the same format as the budget proposal; summarised budget data for the main heads of expenditures, including for current and prior years; and a detailed analysis of the fiscal implications of new policy initiatives.

[42] Basing the assessment on the prior year's budget, the 2014 Budget, would not change the rating.

Box 2: Completeness of Annual Budget Documentation

Item[1]	Included in budget documentation[1]?	Relevant Section of Documentation
Macro-economic assumptions (aggregate growth, inflation, and exchange rate)	Not full (no exchange rate)	Pages vi-viii of 2015-2016 Budget Estimates
Fiscal deficit (GFS standard)	Yes	Pages vi-vii of 2015-2016 Budget Estimates
Deficit financing (includes anticipated composition)	Yes	Pages ix-x, 397-398 of 2015-2016 Budget Estimates
Debt stock (includes detail at least for beginning of current year)	Yes	Pages vi and 399 of 2015-2016 Budget Estimates
Financial assets (includes detail at least for beginning of current year)	Yes	Page 400 of 2015-2016 Budget Estimates
Prior year's budget outturn, presented in the same format as the budget proposal	Yes (if prior year is 2014) No (if prior year is 2013)	Pages xiii-xvi, 1-369 of 2015-2016 Budget Estimates
Current year's budget (revised budget or estimated outturn), presented in the same format as the budget proposal	No (if current year is 2015) Yes (if current year is 2014)	Pages xiii-xvi, 1-369 of 2015-2016 Budget Estimates
Summarised budget data according to main heads for both revenue and expenditures, including data for current and previous years	No (if current year is 2015 and prior year is 2014; or if current year is 2014 and prior year is 2013)	
Explanation of budget implications of new policy initiatives	No	

Notes: 1. Information is based on the budget documents for the most recently appropriated budget (2015/16). Current year (as at the date of the assessment of 1 June) is FY2015 (January-June). Previous year is FY 2014 (January-December). As shown, defining the current year as FY 2014 and the previous year as FY 2013 would not change the rating.

2. Criteria as specified in the PEFA Guidelines, 2011, with clarifications in PEFA Fieldguide, 2012.

Source: 2015-16 Budget documentation

Comprehensiveness and Transparency		Methodology and Coverage	Rating	
PI-6: Comprehensiveness of information included in budget documentation		**M1** **Budgetary Central Government** **Last budget presented to legislature**	**B**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Share of the listed information in the budget documentation most recently issued by the central government	B	The annual budget documentation includes full coverage of 5 of the 9 information benchmarks.	A	B
Notes: 1. Information based on budget documents for most recently appropriated budget (2015/16). Current year (as at the date of the assessment of 1 June) is FY2015 (January-June). Previous year is FY 2014 (January-December). Defining the current year as FY 2014 and the previous year as FY 2013 would not change the rating. Source: 2015-16 Budget documentation				

Changes since the previous assessment/on-going reforms

The previous assessment was undertaken at a time of change in the budget's format (to PBB). This assessment has had the benefit of additional clarification on assessing the indicator.

PI-7: Extent of Unreported Government Operations

The timing of the assessment (1 June 2015) means that the legislative deadlines for the preparation and audit of financial statements for EBUs has not been reached. Consequently the last completed financial year for which this indicator can be fairly assessed is FY 2013. However significant changes since then are noted in the section on on-going reforms.

Dimension (i): The level of extra-budgetary expenditure (other than donor funded projects) which is unreported i.e. not included in fiscal reports

In line with the PEFA Guidelines, this dimension assesses the comprehensiveness of fiscal information provided for central government in the following fiscal reports: annual budget documentation (*ex ante reports*), in-year execution reports, year-end financial statements and other fiscal reports.

The analysis of potentially unreported operations for central government is broken down into three main categories as follows:

a) *Internally generated revenue.* All tax and non-tax revenues received by Ministries/Departments are to be remitted to the consolidated fund. No internally generated revenue is retained for departmental use;
b) *EBUs*. In Mauritius these include both physical entities carrying out specialised functions of government e.g. MRA as well as social security schemes and special funds[43]. The list of EBUs is included in Annex E. Special Funds as their name suggests do not form part of the Consolidated Fund. According to the Director of Audit's report, there are two main types of special funds: (i) trust funds which hold funds for a specific purpose from monies donated e.g. De Chazal Maternity Home Fund; and (ii) ordinary

[43] The second schedule of the Finance and Audit Act refers to 33 special funds (the 2013 Audit report refers to 31 special funds. A number of the funds have been closed.

funds. Ordinary funds include a variety of social security/ social assistance schemes including the National Pension Fund;

c) *EBFs*. Statistics Mauritius also maintains a separate sub-classification of ordinary funds known as extra-budgetary funds (EBF). For FY 2013 this list included Build Mauritius Fund[44], Food Security Fund, Local Development Fund, Maurice Ile Durable (MID) Fund, National Resilience Fund, National Habitat Fund and Road Decongestion Programme Fund[45]. Transfers in and out, as well as the balances, of these Funds are set out in Statement H of the Annual Financial Statements.

As discussed in PI 25, the government's consolidated annual accounts are prepared only for BCG. Cash payments and receipts by/from the EBUs are not included in Statement AA. Based on figures from the Digest of Public Finance Statistics 2013 prepared by Statistic Mauritius, total expenditure (not consolidated) equals Rs 124.4 billion. Of this total, Rs 31.8 billion less basic retirement pensions/widow allowances of approximately Rs 11 billion (i.e. 20 billion or 16% of total expenditure) took place through the EBU/EBFs. The major sources of funding for the EBUs are government grants/loans[46] but other revenues amount to Rs 2.8 billion (see Table 10 below). However, these figures seem to be understated as they do not include receipts and payments by the National Resilience Fund[47] (figures based on statement H).

The social security column in Table 10 below includes payments from the Consolidated Fund for basic retirement pensions plus the activities of the National Pension Fund (NPF). Revenue for the NPF, which is included in the Social Security column, is from contributions made by the private sector plus other revenues totalling Rs 6.9 billion (see Table 10 below).

In terms of reporting, the estimates contain the following information: budgeted transfers to EBUs[48] (as distinct from the aforementioned EBFs) are shown in the budget of the individual ministries for each individual EBU e.g. transfer to MRA. No revenue or expenditure information of these entities is included in mid-year reporting, other than the value of the transfer[49] made. Most EBUs have been established under their own legislation and are required to prepare their own separate financial statements both under their enabling legislation as well as the Statutory Bodies (Amendment) Act. However, several entities are behind with the preparation of their audited financial statements although most delays are for comparatively small organisations e.g. Botanical Trust; more significant is that the last set of audited statements for the National Pension Fund (NPF) is for the FY 2009.

Since 2013, the opening balance, transactions and closing balance of EBFs are included in Appendix C of the budget in summary and by detailed project or activity for each Fund. In-year reporting of these funds is included in the quarterly reports to the Minister (see PI-24). From 2013 a separate statement (Statement H) is included in the annual accounts showing the opening balance, total payments, total receipts and closing balance for each Fund. However, there are some inconsistencies in

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[44] Formed in 2013.

[45] This programme was separately identified in the estimates but not in the accounts for FY 2013.

[46] The government provided the Build Mauritius Fund with a R4.3 billion loan which is not included in these revenue figures.

[47] Which were Rs 1.1 bn and 3.2 bn, respectively in 2014 (Statement H of the unaudited Annual Financial Statements), compared to Rs 33 bn and 35 bn, respectively in 2013, following a government decision to reduce the use and balances of these Funds.

[48] include social security administration costs for the National Pension Fund (NPF).

[49] Reporting is done at the 2-digit level so details are not shown.

terms of comparability, beyond change in name, between the two sets of information. Financial statements should be prepared by each Fund but there are some delays e.g. the last audited financial statement for the National Resilience Fund was for the FY 2011.

Inconsistent tabling and lack of legislative scrutiny of these organisations/funds is assessed in PI-28.

Overall, the level of extra-budgetary expenditure which is not included in ex ante (Estimates) and in-year reports and final accounts is estimated to be above 10% of consolidated total expenditure.[50]

Table 10: Expenditures and Revenues by EBUs and Social Security Schemes for FY 2013 (all figures in Rs million)

	BCG	EBU	Social Security	Consolidated CG
Total Revenue	79,753.0	15,916.1[51]	17,838.8	84,802.6
Taxes	67,990.8	405.9	-	68,396.7
Social contributions	2,797.2	1,047.0	2,549.6	6,393.8
Grants	2,602.5	13,083.4	11,018.3	1,415.5
From other general government units	1,200.0	13,070.4	11,018.3	-
Other revenue	6,362.5	1,379.8	4,270.9	8,596.6
EXPENDITURE	92,576.2	18,271.0	13,473.7	95,615.6
Source: Expenditure – Table 8.5 of Digest of Public Finance 2013; Revenue: Table 8.2.				

Dimension (ii) Income/expenditure information on donor-funded projects included in fiscal reports

Donor-funded project expenditures (i.e. excluding direct budget support) are very small in Mauritius, representing just over 1% of total budgetary central government expenditures in 2014. Both the budget document and the annual financial statements contain detailed and comprehensive data on externally-financed expenditures not provided in-kind. These provide comprehensive (near-100%) information for both loan- and grant-funded projects. In addition, Statement U of the annual financial statements contains a list of in-kind external assistance provided for the fiscal year.[52]

[50] The team estimated overall unreported EBOs of at least Rs 10 bn for the last completed fiscal year with full data for assessment (FY2013).

[51] This figure excludes the loan provided to the Build Mauritius Fund of Rs 4.7 million which is included in table 8.4 transactions in assets and liabilities.

[52] In-kind externally-financed project expenditures are not assessed in this indicator; they are assessed in D-2.

Comprehensiveness and Transparency		Methodology and Coverage	Rating	
PI-7: Extent of unreported government operations		**M1 Dim (i) Central Government Dim (ii) Budgetary Central Government Last FY completed**	**D+**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) The level of extra-budgetary expenditure (other than donor funded projects) which is unreported i.e. not included in fiscal reports	D	The level of extra-budgetary expenditure which is un-reported (i.e. not included in estimates and in-year reports and final accounts) is estimated to be more than 10% of consolidated total expenditure.	D	D
(ii) Income/expenditure information on donor-funded projects which is included in fiscal reports	A	Complete financial information for more than 90% (by value) of externally-funded project expenditures is provided in fiscal reports.	A	A
Source: Estimates for 2013 and 2014; Audited Statements 2013; List of statutory bodies and latest submitted Financial statement (from Director of Audit); Digest of public finance statistics for FY 2013published by Statistics Mauritius, Breakdown of statutory bodies, in house working papers.				

Changes since the previous assessment/on-going reforms

Since the previous assessment, there have been significant efforts to improve reporting on EBUs/EBFs There is an on-going exercise at MoFED to classify state owned enterprises and EBUs as a first step to improve monitoring and oversight of these bodies. A Parastatal Information Management System (PIMS) has been introduced by the OPSG. Changes to the Finance and Audit Act in 2015 introduced stronger control measures on the creation of special funds. The Finance Act 2015 also noted the intended closure of all EBFs except for the Build Mauritius and National Resilience Fund as from the 1st July 2015.

PI-8: Transparency of inter-governmental fiscal relations

There are 13 sub-national governments in Mauritius. On the island of Mauritius, there are currently five municipal councils in urban areas and seven district councils in rural areas. The island of Rodrigues has its own regional assembly, the Rodrigues Regional Assembly (RRA), which is responsible for all services on Rodrigues, while the municipal and district councils on Mauritius have responsibility for local services such as refuse collection, street lighting and maintenance of local roads and infrastructure e.g. markets, public buildings, and sports facilities.

Dimension (i): Transparency and objectivity in the horizontal allocation among SN governments

For the municipal and district councils, there is no transparent formula for the horizontal allocation of funds from central government based on need, designated responsibilities or income generating abilities. Centrally determined salary increases are not fully funded by central government. Funds provided to Rodrigues (both current and capital) are negotiated as per other budget heads.

Dimension (ii): Timeliness of reliable information to SN governments on their allocations

Municipal and District Councils receive a budget circular from the Ministry of Local Government setting out the budget preparation processes. This circular refers only to the need to base their submissions for grant in aid on the current year's budget, thus not taking into account any subsequent changes in circumstances e.g. centrally determined salary increases or whether actual current year expenditure is exceeding budgeted allocation.

The budgets for the municipal and district councils are approved by their respective Councillors prior to the approval of the main central government budget by the National Assembly. Definitive information on the amount of the grants to be provided by the central government is therefore not available to local decision-makers, but it was available before the beginning of the councils' fiscal year in 2014.[53] Furthermore, no reliance can be made on the previous year's provisions as, in practice, the amount received by councils during the year has deviated from the Council's 'original' allocation by an increasing amount over the period 2010-2014 (with the average variance increasing from 1% to >9%, while some individual council variances are > 25%).

For Rodrigues, the main amount received is agreed during budget discussions with the MoFED. This amount is approved by the Rodrigues Assembly before final approval by the National Assembly (and in 2014 this was also before the beginning of the RRA's fiscal year). Although, this figure is more reliable than that provided to councils, actual transfers have deviated from original budgeted transfers on several occasions, in all cases being higher than anticipated.

Thus, information available to 12 of the 13 sub-national governments at the time of their budget preparation and approval process does not appear to be sufficiently reliable for them to prepare and subsequently approve meaningful budgets.

Dimension (iii): Extent of consolidation of fiscal data for general government according to sectoral categories

Statistics Mauritius prepared general government accounts (*ex post*) on a functional basis within 12 months of the end of the accounting period for FY 2013[54]. *Ex ante* (budget) reports for general government are not prepared according to sectoral categories.

[53] In FY 2014, Central and SNG shared the same fiscal year. In 2015, SNG continued with the calendar year as the central government changed to July – June, consequently their 2015 budget allocation was not available prior to the start of that year.

[54] Data are not yet available for FY 2014.

Comprehensiveness and Transparency		Methodology	Rating	
PI-8 Transparency of inter-governmental fiscal relations		**M2** **1st tier SN government** **Last completed FY**	**D+**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Transparency and objectivity in the horizontal allocation among SN governments	D	There is no transparent formula for the transfer of funds to municipal and district councils. RRA funds are allocated according to a budget ceiling and subsequent negotiations	D	A
(ii) Timeliness of reliable information to SN governments on their allocations.	C	Although information for RRA is more reliable, the 12 councils received directions to base their estimates on the previous year's allocations ahead of their own budget making process but did not receive notice of their approved (by the National Assembly) grant-in-aid allocations until after their internal budgets had been approved; the councils received this notice before the beginning of their fiscal year. The difference between the budget and actual amounts has also become significantly greater over the period 2010-2014, leading to a decrease in the reliability of information. Thus, information available to 12 of the 13 sub-national governments at the time of their budget preparation and approval process does not appear to be sufficiently reliable for them to prepare and subsequently approve meaningful budgets.	B	A
(iii) Extent of consolidation of fiscal data for general government according to sectoral categories.	C	Statistics Mauritius prepares general government accounts (*ex post*) on a functional basis within 12 months of the end of the accounting period. *Ex ante* (budget) reports for general government are not prepared according to sectoral categories.	A	A
Source: Digest of Public Finance Statistics 2014, Estimates 2014, Data on Grant in Aid from MoLG, Meetings with Ministry of Local Government and senior management of municipal and district councils, SMST for Rodrigues. MoLG circular.				

Changes since previous assessment/ On-going reforms

Since the last assessment, an additional three councils have been formed, which has increased the fixed costs of the sector. The difference between original allocations and actual amounts received by the municipal and district councils has also increased significantly since the previous assessment. Significant time and effort were spent by the Ministries of Local Government and of Finance, with the assistance of Afritac South, in designing a formula based grant but this has not been taken forward.

PI-9: Oversight of aggregate fiscal risk from other public sector entities

For the purposes of this indicator fiscal risk can be created by sub-national (SN) government, EBUs and Public Corporations (financial and non-financial) and can take the form of debt service default, operational losses caused by unfunded quasi-fiscal operations, expenditure payment arrears and unfunded pension obligations.

Dimension (i): Extent of central government monitoring of AGAs and PEs

Central government undertakes monitoring and reporting on the major issues of fiscal risk of the majority of AGAs and PEs annually. MoFED has representatives on a number of AGA and PE Boards. While there is no legal requirement for financial statements from EBUs and public corporations to be submitted to MoFED as well as to the parent ministry, up-to-date audited annual financial statements (for FY 2013) have been provided to central government for more than 50% of AGEs and PEs under the DoA's remit[55], including some of the major PEs**.**

In addition, for those entities receiving loans from central government, the on-lent debt is monitored by the Debt Management Unit (DMU) annually as part of the exercise to determine the level of interest to be charged. The level of debt guaranteed by government is also monitored and reported regularly. An extensive exercise has also been undertaken to assess the pension situation at all the non-civil service bodies. Financial statements of the individual bodies may be submitted to the parent ministry but there is no legal requirement that this be forwarded to MoFED. MoFED representatives are also on the Board of many of the public corporations.

However, a consolidated overview of fiscal risk issues (covering all EBUs and public corporations) is not prepared, which would be a requirement for active and comprehensive central government oversight of such risk.[56]

Dimension (ii): Extent of central government monitoring of SN government's fiscal position

Sub-Part B of the Local Government Act (2011) sets out the purpose for which monies can be borrowed and the requirement for prior approval[57] from the Minister of Local Government. Section 52 of the Act assigns the Authority with the power to enter into contracts.

Actual Grant in Aid to local authorities was Rs 2.8 billion in 2014. Councils maintain their accounts on an accrual basis; however monthly reports on income and expenditure received by the Ministry of Local Government do not include the status of any outstanding payments or other liabilities. Debt is monitored by the DMU and a recent separate exercise has identified pension liabilities. Councils should operate a

[55] These include around 85 of the total number of EBUs and PEs.

[56] As noted in PI-17 below, the lack of explicit establishment of primacy of the debt management law provides a potential source of fiscal risk, and recent work by the IMF/World Bank reportedly indicated such issues with some loans in the past. However, no non-guaranteed debt was reportedly raised by EBUs in 2013 or 2014, the time period for the assessment (see PI-17).

[57] Temporary loans/overdrafts up to the value of 10 million rupees are allowed without Ministerial approval to meet shortfalls in revenue.

balanced budget but in practice this is not always done. With the exception of the Municipal Town Council of Beau Bassin Rose Hill, audited financial statements for the other councils are not up to date. The last audited financial statement for Port Louis is for the FY 2011.

Actual funding to Rodrigues[58] in 2014 was more than Rs 2 billion, or 10% above the original appropriation. Rodrigues should operate a balanced budget but in practice this is not always done. Monitoring of expenditure for Rodrigues by central government was done on the same basis as for other programmes. This assumes that delays in the payments for salaries and other expenditure commitments will not arise. However, the audit report of 2013 notes several instances of arrears arising including the arrears of capital and interest on outstanding loans and also instances of over expenditure, which have had to be financed through additional allocations from central government.

Comprehensiveness and Transparency		**Methodology**	**Rating**	
PI-9 Oversight of aggregate fiscal risk from other public sector entities		**M1 Dim (i) Public Sector Last completed FY Dim (ii) 1st tier SN government Last Completed FY**	**C**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Extent of central government monitoring of AGAs and PEs	C	Annual monitoring takes place of certain types of risk but is not comprehensive. A consolidated overview of fiscal risks, covering all EBUs and public corporations, is not yet produced.	C	B
(ii) Extent of central government monitoring of SN governments' fiscal position	C	Central government provides some monitoring of the net fiscal position of sub-national governments, including the monitoring of budget execution during the year (expenditures versus budgets) and of on-lent debt. However, a consolidated overview of the net fiscal position of the SN government level is not prepared.	A	A
Source: Financial Statements Curepipe, Monthly reports, Meetings with Senior Management Local Councils, Min of Local Gov't and SMST Rodrigues and Local Government; Audit Report 2013. Debt Management Unit Reports;				

Changes since previous assessment/ On-going reforms

As noted in PI-7, there are a number of on-going exercises at MoFED and OPSG to improve monitoring and oversight of public bodies.

[58] This excludes certain projects for which Rodrigues represents only a portion.

PI-10: Public Access to Key Fiscal Information

Access to timely, accurate, comprehensive and useful information on a country's fiscal activities helps ensure accountability of the government to its population.

In Mauritius, the public has timely access to the annual budget documentation, annual audited accounts, and other audit reports (e.g. compliance and performance audits). When the Budget Speech is read, which is on the same day that the budget is tabled in the National Assembly, the budget documents (including the Budget Speech, the Budget Estimates, the PSIP and the Supplement to the Budget Speech) are uploaded to the MoFED website. Printed copies of the Budget Estimates and the accompanying documents are available to purchase from the Government Printer. As well as the budget speech being broadcast live (in English and also translated into Creole) on national radio and TV, extensive coverage and analyses of the budget are also provided in national newspapers. Upon the President's assent, the Appropriations Act is gazetted and published on the National Assembly's website.

The audited financial statements are posted on the Accountant-General's website on the day the financial statements are tabled in the National Assembly. The Director of Audit's annual report, which also contains more details of its regulatory audit of BCG operations and includes the consolidated annual financial statements (plus the status of its audits of those statutory bodies and local authorities for which it has been appointed auditor), is uploaded to the National Audit Office's website when it is tabled in the National Assembly. Tabling may only take place when the Assembly is in session, and the 2013 report was completed and submitted to the Minister of Finance[59] in July 2014 but only tabled (and thus available on the website) in December 2014.

Other fiscal information, including in-year budget execution reports, winning tenderers, and comprehensive resources available to primary service units, is not routinely made available to the public.

The fiscal information available to the public is summarised in Box 3. In practice, however, for those not located near Port Louis, those living on the islands of Rodrigues or Agaléga, and/or without easy access to the internet, public access to published fiscal information is difficult. Data from Statistics Mauritius indicate that in 2013 approximately 54% of the population had internet access and that the percentage has increased year-on-year (the comparable figure was around 45% in 2012).

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[59] In accordance with the Finance and Audit Act.

Box 3: Completeness of Annual Budget Documentation

Item	Does public have access?	When document or information made available?	Meets PEFA criteria?
1. Annual budget documentation	Yes	Budget documents, including the Budget Speech, the Estimates, the PSIP and Supplement to the Budget, are posted on MoFED's website on the day the Budget is tabled in the National Assembly. Printed copies to purchase are also available through the Government Printer.	Yes
2. In-year budget execution reports	No[60]		
3. Year-end financial statements	Yes	The audited financial statements are posted on the Accountant-General's website on the day the financial statements are tabled in the National Assembly.	Yes. In FY 2014, the audited annual financial statements for FY 2013 were made available within 6 months of the completed audit.
4. External audit reports	Yes	The Director of Audit's Annual Report on the public accounts is posted on NAO's website on the day it is tabled in the National Assembly. Other audits, such as performance audits, are posted on NAO's website when they are tabled in the National Assembly.	Yes. In FY 2014, the Audit Report for FY 2013 was made available within 6 months of the completed audit.
5. Contract awards	Yes	Public Procurement Office's website	Yes – the information is provided soon after the award is announced and thus at least quarterly.
6. Resources available to primary service units	No	It would be very difficult in practice for the public to obtain access to this information, even on request, as comprehensive information on such resources is dispersed amongst different offices, including the service delivery unit, the zonal office, the parent ministry and the Accountant-General.	
Source: Websites of MoFED, Accountant-General, NAO, Public procurement portal, meetings with officials in MoFED, Office of Accountant-General, NAO, Ministry of Education, Ministry of Health, CISD			

60 In-year budget execution reports compare actual expenditures to budgeted (appropriated) expenditures and provide analyses of deviations. Statistics Mauritius produce monthly summaries of actual expenditures, but these do not include comparisons with budgeted amounts or any analyses.

Comprehensiveness and Transparency		Methodology and Coverage	Rating	
PI-10: Public access to key fiscal information		**M1** **Budgetary Central Government** **Last completed FY**	**B**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Number of listed elements of public access to information that is fulfilled (according to full PEFA specification)	B	The public is provided access within the specified time to 4 of the 6 types of information listed.	B	A
Source: Websites of MoFED, Accountant-General, NAO, Public procurement portal, meetings with officials in MoFED, Office of Accountant-General, NAO, Ministry of Education, Ministry of Health, CISD				

Changes since the previous assessment/on-going reforms

There have been no significant changes since the previous assessment.

3.3 Policy-Based Budgeting

As indicated in Section 2, as of 1 July 2015, the fiscal year changed from a calendar year to a year beginning on 1 July and ending on 30 June. While many of the dimensions in the two indicators in this section are assessed on a historical basis (e.g. the previous 3 years), the assessment of those that refer to the most recently-approved budget has taken this change in fiscal year into account, as well as noting if the results of the assessment would have been different had it been carried out on the previous year's budget.

PI-11: Orderliness and Participation in the Annual Budget Process

Dimension (i) Existence of and adherence to a fixed budget calendar

The budget process is framed by the Finance and Audit 2008 Act (as subsequently amended[61]), with specifics for the process until the end of 2014 provided in the Programme-Based Budget Manual[62], which is contained in Volume III of the FMM. The steps in the standard budget preparation calendar, as provided in the PBB Manual, are set out in Box 4.[63]

In recent years, the specific budget calendar for the next budget preparation has been set out in the PBB Budget Execution and Monitoring Circular, issued in December of the current year (i.e. the year preceding the coming budget preparation period). The timings for recent budgets are set out in Box 5. For the most recent budget preparation processes (for budget processes covering calendar years 2013, 2014 and 2015), the average length of time between distribution of the Budget Call Circular and the deadline for ministry/department budget submissions was three weeks.

61 Including in 2015.

62 This is currently in the process of being updated to reflect recent changes.

63 Box 4 sets out the most recent published budget calendar (for a calendar fiscal year), which was the basis for the preparation of the initial FY15 budget. The fiscal year was changed by the new government in January 2015, and a transition budget (for the period January-June 2015) was subsequently prepared and presented to Government in March 2015. No formal budget calendar was prepared for this transition period.

Discussions with ministries and departments did not indicate dissatisfaction with the length of time given for preparation of their estimates. However, an analysis of the dates of budget submission for the past two budget years suggest that a number of entities, including major ones, have not submitted their budget estimates by the deadline set out in the Budget Call Circular. This suggests that there can be a delay in the implementation of the calendar.

Box 4: Standard Budget Preparation Calendar

Budget Step	Date
1. Forecast Macroeconomic outlook	March
2.Determining affordable Government Expenditure total (subtotals by line Ministry), seek Cabinet approval	March
3. Issuing of Budget Circular to Ministries/Departments	15 April
4. Ministries/Departments prepares and submit Financial and HR Bids in accordance with circular	15 June
5. Update of PBB-Non Financial (Part A)	15 June
6. MoFED reviews Departments proposals	16 June - 30 June
7. HR Estimates Committee	1 July – 31 July
8. Financial Estimates Committee	1 July – 31 July
9. Submission by Ministry/Department of updated HR (Part C)	30 August
10. Submission by Ministry/Department of updated Financial (Part B)	30 August
11. Finalisation of Budget (Part A, B and C)	31 August
12. MoFED reviews estimates and consolidate	1 September – 15 October
13. Policy Changes	16 October – 31 October
14. Printing of Budget Estimates	5 November
15. MoFED submits appropriation to Cabinet for approval	10 November
16. Minister of Finance lays Appropriation Bill before the National Assembly	15 November
17. National Assembly debates budget and sums are voted with or without reductions by Committee of Supply	16 November – 15 December
18. Appropriation Bill passed by National Assembly	16 November – 15 December
19. President gives his assent, the Appropriation Bill is enacted a law	16 November – 15 December
20. Closing off – Financial year end	31 December
21. Minister signs the General Warrant which is issued to Accountant-General effective	1 January
22. Accountant General issues Circular to all Accounting Officers authorising them to incur expenditure effective	1 January

Source: PBB Manual, Volume III of the FMM

Box 5: Timeframe for Ministries and Departments to Complete their Budget Estimates

Budget for fiscal year	Budget Circular provided by MoFED to Ministries/Departments	Date for Final Submission of Estimates[2] to MoFED by Ministries/Departments	Number of Weeks given to Ministries/ Departments for Submission of Estimates
2013	28 August 2012	14 September 2012	2.5
2014	30 August 2013	20 September 2013	3.0
2015 (calendar year)[1]	20 August 2014	15 September 2014	3.5[3]
2015 (Jan-June)	N/A	N/A	
2015-16	N/A	N/A	

Note: 1. The assessment of this dimension was made on the basis of the most recent full budget preparation process undertaken as at the date of the assessment (calendar year 2015). The results are consistent with the previous two budget preparation processes.
2. Date given is deadline for proposed budget submissions to be provided by ministries and departments.
3. However, the Budget Call Circular did not contain expenditure ceilings, which were communicated to individual ministries/departments by e-mail in the first week of September, giving ministries/departments official notice of less than three weeks.
Source: Budget Call Circulars for 2013, 2014 and 2015 budgets

Dimension (ii): Clarity/comprehensiveness of and political involvement in the guidance on the preparation of budget submissions

MoFED prepares and circulates a Budget Call Circular to ministries and departments in advance of the coming budget. The Circular contains a brief overview of the macro-fiscal context and of the national expenditure policy agenda for the coming medium-term period, and a set of annexes provides formats and guidelines for ministry/department completion of budget submissions. The team assessed the Circular's content to be comprehensive and clear. The Budget Call Circular normally includes an annex setting out expenditure ceilings for each ministry and department, covering both recurrent and capital expenditures.[64] The Circular is provided to, but is not approved by, the Cabinet; they merely "take note".

For the 2015 (calendar year) Budget, the Call Circular was provided to ministries and departments in August 2014. Unlike in previous years, expenditure ceilings were not provided with the Circular; these were provided to ministries and departments individually by e-mail in early September. Following the distribution of the Circular, the budget preparation calendar was disrupted by the elections, announced in October. The new government, elected in December 2014, declared the following changes to the budget process: (i) a change in the basis of budget preparation and appropriation from programme and sub-programme to Head and Sub-Head; and (ii) a change in the fiscal year from a calendar year to a 1 July to 30 June fiscal year, effective as of 1 July 2015. The Call Circular was not re-issued, and the new budget preparation dates, and revised ceilings, in the form of indicative expenditure baseline figures, for the 2015 (January-June) and 2015-16 budgets

[64] Each ministry/department, and in some cases, a large programme within a ministry/department is provided two ceilings: a total ceiling and, within the total, an amount for the acquisition of non-financial assets.

were communicated to ministries and departments informally (by e-mail). A revised Call Circular was not issued for 2015 (January-June) and 2015-16 (July-June) budget preparation.

The Cabinet is not actively involved in the finalisation of the budget. Cabinet receives the draft budget on the same day as the Budget Speech and thus does not have the opportunity to make adjustments.

Dimension (iii): Timely budget approval by the legislature or similarly mandated body

In all of the last three fiscal years' budgets, the budget was approved before the start of the fiscal year. The current year's budget (not assessed in this dimension) was approved in April 2015, four months into the fiscal year. This was due to the national elections, which were held in December 2014. For these four months, Vote-on-Account procedures were used, as provided for in Section 4 of the Finance and Audit Act.

Box 6: Approval of Appropriation Act (Original) for the last 4 approved Budgets

Budget for fiscal year	**Date of approval**[2]
2012 [January – December]	10 December 2011
2013 [January – December]	17 December 2012
2014 [January – December]	14 December 2013
2015 [January - June 2015]	24 April 2015[3]
2015/16 [1 July 2015 – 30 June 2016]	24 April 2015[3]

Notes: 1. The assessment has been made on the fiscal years 2012, 2013 and 2014, in line with the PEFA Guidelines for the 2012 Framework. The information in the table for 2015 and 2015-16 has been provided for information only.
2. The assessment for PI-11(iii) has been made on the basis of the dates of when the Appropriation Act was gazetted, following assent by the President.
3. Date of promulgation of the Appropriation Act.
Source: Annual Appropriation Acts for 2013, 2014 and 2015.

Policy-based Budgeting		Methodology and Coverage	Rating	
PI-11: Orderliness and participation in the annual budget process		**M2 Budgetary Central Government Dims (i) and (ii) Last budget approved by legislature Dim (iii) Last 3 FYs' budgets**	**C+**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Existence of and adherence to a fixed budget calendar	C	A clear annual budget calendar is provided. It gives ministries and departments three weeks from receipt to prepare their budget submissions. With not all ministries/ departments submitting their estimates by the deadline, there can be limited delays in implementing the budget calendar.	C	B
(ii) Clarity/comprehensiveness of and political involvement in the guidance on the preparation of budget submissions	D	Comprehensive and clear budget call circulars, containing individual expenditure ceilings for ministries/departments, are issued to ministries and departments each year. The ceilings are seen, but not approved, by Cabinet. Cabinet receives the budget estimates on the same day as the budget is submitted to the National Assembly (the same day as the Budget Speech), and thus has no opportunities to make adjustment.[65]	A	C
(iii) Timely budget approval by the legislature or similarly mandated body	A	In all of the last three fiscal years' budgets, the budget was approved before the start of the fiscal year.	A	A
Source: Annual Appropriation Acts for 2013, 2014 and 2015, Budget Call Circulars for 2013, 2014 and 2015				

Changes since the previous assessment/on-going reforms

Without full information on the situation as at the time of the last assessment, it is difficult to assess the processes at that time. With the change in the budget year during 2015, the budget for the 6-month transition period between fiscal years (January-June) was approved during that fiscal year, requiring the utilisation of the vote-on-account procedures.

PI-12: Multi-year Perspective in Fiscal Planning, Expenditure Policy and Budgeting

Dimension (i): Multi-year fiscal forecasts and functional allocations

MoFED prepares aggregate fiscal forecasts each year on a rolling basis for the coming year plus two forward years, and these are set out in the Medium Term Framework, and included at the front of the Budget Estimates. These aggregate fiscal forecasts (in Rs and as a per cent of GDP) cover total budgetary revenues, expenditures, net deficit and debt for the proposed budget year and the two following years.

[65] There was no evidence of earlier involvement of Cabinet in the discussion of the draft Estimates.

Detailed forward projections for expenditures are also provided in the budget estimates (forward projections for revenues are shown by broad categories). For the 2015/16 budget, expenditures were shown by Head and sub-Head, while, for the 2014 budget, they were shown by programme and sub-programme, for the main economic items (the 5-digit level) for the proposed budget year plus two forward years. While the forward estimates for year T+1 (coming budget year plus one, i.e. the first indicative estimates year) provide the base for the setting of the rolled-over budget ceilings for the following year, differences between the two are not set out explicitly in the published budget documentation. Nonetheless, a review of the internal documentation on the MTFF indicates that there are links between the estimates in one year and the setting of subsequent ceilings, in terms of taking into account underlying changes, e.g. updates on implementation progress for existing projects, new projects, agreed new salary increases. The average difference between the aggregate indicative estimates for t+1 in year t (as set out in the budget proposals for year t) and the subsequent aggregate ceilings for the budget proposals in year t+1 during the last 3 years was around 1%.

Dimension (ii): Scope and frequency of debt sustainability analysis

The Public Debt Management Unit in MoFED carried out one debt sustainability analysis (DSA) during the last 3 years.[66] The data and analysis were prepared by the Public Debt Management Unit in December 2013, for inclusion in an annex to the IMF's Article IV report in February 2014. The DSA covered both domestic and external debt and contained a number of scenarios for the underlying parameters.[67]

Dimension (iii): Existence of costed sector strategies

There appear to be relatively very few sector or ministry (e.g. health) medium-term strategies in place. However, none of the strategies has been fully or substantially costed. Thus, in practice, there are no sector or ministerial medium-term strategy documents which reflect complete costings for recurrent and investment expenditures.

Dimension (iv): Linkages between investment budgets and forward expenditure estimates

The primary source of capital expenditures is the five-year rolling PSIP, which is managed by the PSIP Unit in MoFED. While the PSIP process requests ministries and departments to calculate the future operational costs, there is no evidence that these are systematically included in the forward budget process. Stakeholders indicated that, in some main cases, recurrent costs were included in forward budget estimations, but the evidence for such was not clear. Investment projects are not explicitly linked to sector strategies.

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[66] Defined as the 3-year period up to the date of the assessment, i.e. 2 June 2012 to 1 June 2015.

[67] A comment on the draft report correctly notes that the IMF prepared DSAs in 2012, 2013 and 2014 as part of its annual Article IV consultations. However, the PEFA Fieldguide emphasises that, in these cases, the DSA must be evidently conducted under the aegis of the government (e.g. as opposed to as part of the IMF's normal Article IV analyses), supported by unambiguous verbal and documentary evidence. Documentary evidence of the government's role was provided for the DSA undertaken in December 2013, and it was noted that a revised DSA was currently (as of June 2015) being prepared. Thus, during the last 3 years, the average time period between DSAs was thus longer than 12 months.

Policy-based Budgeting		Methodology and Coverage	Rating	
PI-12: Multi-year perspective in fiscal planning, expenditure policy and budgeting		**M2** **Budgetary Central Government** **Dim (i) Last 2 completed FYs** **Dim (ii) Last 3 years before assessment** **Dims (iii) and (iv) Last completed budget**	**C**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Multi-year fiscal forecasts and functional classifications	B	The forward estimates for year T+1 (coming budget year plus one, i.e. the first indicative estimates year) provide the base for the setting of the rolled-over budget ceilings for the following year, differences between the two are set out in internal documentation but not provided explicitly in the published budget documentation. In practice, differences between the forward estimates and subsequent ceilings in aggregate are small.	C	D
(ii) Scope and frequency of debt sustainability analysis	B	One DSA which covered both domestic and external debt was carried out by GoM during the last three years.	A	B
(iii) Existence of costed sector strategies	D	There are no sector or ministerial medium-term strategy documents in place which reflect substantially complete costings for recurrent and investment expenditures.	C	D
(iv) Linkages between investment budgets and forward expenditure estimates	D	While the recurrent and investment budgets are not separate processes, investment projects are not explicitly linked to sector strategies. There is no evidence that future recurrent costs associated with investment projects are systematically included in forward estimates.	D	D
Source: Ministry medium-term strategies, GoM Debt Sustainability Analysis, Working documents on MTFF, budget submissions and internal analyse				

Changes since the previous assessment/on-going reforms

A detailed review of the MTFF process was undertaken. Otherwise, there are no significant changes since the previous assessment.

3.4 Predictability and control in budget execution

This set of indicators reviews the predictability of funds for budget execution, and the internal controls and measures in place to ensure that the budget is executed in an accountable manner. The following paragraphs provide the detailed information to support and explain the 2015 ratings, and where relevant to compare these with the 2011 and any on-going reforms designed to address some of the identified weaknesses.

PI-13: Transparency of taxpayer obligations and liabilities

The MRA has prime responsibility for the collection of tax revenues in Mauritius. These include VAT, income tax (personal and corporation), customs and excise duties, gambling taxes as well as several non-taxes.[68] Some property-related taxes and fees are collected by the Registrar-General (RG).[69]

Dimension (i): Clarity and comprehensiveness of tax liabilities

There are three main laws which account for the majority of tax revenues, namely, the VAT Act, the Income Tax Act and the Customs Act. There remain some recognised, but strictly limited, discretionary powers in the various acts but the Finance (Miscellaneous Provisions) Act 2015 now makes it a requirement for the Director General to issue a Statement of Practice (SoP) whenever a discretionary power is used. Over the last three years, 76 Tax Rulings (income tax and VAT) have been issued and five SoPs prepared to improve transparency. Since July 2012, MRA has become an ISO-certified organisation (ISO 9001:2008). To date, 700 procedures have been documented and the organisation is audited annually by the Mauritius Standards Bureau.

Dimension (ii): Taxpayers' access to information on tax liabilities and administrative procedures

The MRA has an active taxpayer education process including radio phone-ins, TV appearances, leaflets and brochures. It holds regular meetings with a variety of stakeholders including accounting firms, taxpayer association, business associations and other private sector representatives. In addition, there is a help desk in the main office in Port Louis and during filing period the Authority opens a number of special sites across the island to provide personalised assistance to taxpayers.

In addition, the MRA has updated its website to make it more user-friendly. The comprehensive website has up-to-date information on laws and regulations, as well as leaflets and publications to assist taxpayers (although these are available only in English). Monthly e-newsletters provide an overview of all activities, events and happenings and there are almost 50,000 subscribers to the Taxpayer Mailing Service.

Dimension (iii): Existence and functioning of a tax appeals mechanism

MRA established the Objections, Appeals and Dispute Resolution Department (OADRD) in 2012 to provide a fairer and less costly mechanism for settling disputes. This department has a legal obligation to determine all cases within 4 months and during the last three years, 750 cases were settled through informal hearings for an amount of Rs 3.1 billion.

[68] A breakdown of revenue collections by type of tax and non-tax is set out in Appendix C of Attachment 1 to this report.

[69] Property-related receipts represented approximately 5% of total revenues in 2014. This is broken down between national residential property tax and tax from rental income, which are both collected by MRA, and land transfer tax and stamp duty, which are collected by the Registrar-General. The amount of property-related taxes not collected by MRA is small.

The next level of ‘appeal’ is the Assessment Review Committee (ARC). The ARC was created under the MRA Act and therefore could be perceived as being part of the MRA. As at June 2015, there is one chairman and only one vice chairman, not the two prescribed in legislation. As per the amendments made in 2006 to the MRA Act, both are lawyers. Both are contract employees not permanent employees and technically can be removed with limited notice, thus potentially undermining their independence. For several years the chairman was working alone and there is a backlog of cases as shown in Table 11 below.

Table 11: Status of ARC Caseload

Number of Cases, 2012-2014									
Case Type	**2012**			**2013**			**2014**		
	MRA[1]	**RG**[1]	**Total**	**MRA**[1]	**RG**[1]	**Total**	**MRA**[1]	**RG**[1]	**Total**
Cases Pending As At 01 January	768	1560	2328	713	1733	2446	685	2022	2707
Cases Lodged	498	686	1184	525	725	1250	1111	528	1639
Sub Total	**1266**	**2246**	**3512**	**1238**	**2458**	**3696**	**1796**	**2550**	**4346**
Cases Withdrawn	399	71	470	412	46	458	318	473	791
Cases Struck Out	64	26	90	20	15	35	73	106	179
Cases Determined/ Disposed Of	90	416	506	121	375	496	113	710	823
Sub Total - Number Of Cases Settled	**553**	**513**	**1066**	**553**	**436**	**989**	**504**	**1289**	**1793**
Cases Pending As At 31 December	713	1733	2446	685	2022	2707	1292	1261	2553

Notes: 1. ARC = Assessment Review Committee. RG = Registrar-General
Source: Assessment Review Committee

The Committee applies court proceedings but hearings are more informal in nature. Decisions are binding on both sides. Appeal to the Supreme Court can only be done on a case of law and not the assessment itself. All these factors continue to impact on the overall efficiency and effectiveness of the system.

Predictability and Control in Budget Execution		Methodology	Rating	
PI-13 Transparency of taxpayer obligations and liabilities		**M2 Major tax revenues arising from central government as at time of assessment**	**A**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Clarity and comprehensiveness of tax liabilities	A	Legislation and procedures for most major taxes are comprehensive and clear with strictly limited powers of discretion of the government entities involved. The recently enacted Finance (miscellaneous provisions) Act 2015 also now requires a SoP for all uses of discretionary power.	A	B
(ii) Taxpayers' access to information on tax liabilities and administrative procedures	A	Taxpayers have easy access to comprehensive user- friendly and up to date information on tax liabilities and administrative procedures. MRA carries out a variety of tax education awareness and assistance campaigns for the general public and key stakeholders.	A	B
(iii) Existence and functioning of a tax appeals mechanism	B	The MRA established its OADRD in 2012 to provide a more transparent, fairer, equitable and objective first 'appeal' mechanism. ARC has been operational for several years but its effectiveness and efficiency has been limited by capacity constraints (vacancies), potential independence issues (contractual posts) and case load. In addition, appeals of the ARC's decision to the Supreme Court can only be made on a case of law not the assessment itself.	C	C
Source: DG MRA briefing; MRA Annual Reports 2012 and 2013; MRA corporate Plan 2014 -16; Data provided by ARC. www.mra.mu				

Changes since previous assessment/On-going reforms

The MRA established its OADRD in 2012 to provide a more transparent, fairer, equitable and objective first 'appeal' mechanism. A Revenue and Valuation Appeals Tribunal bill was passed by the legislature at the end of 2013 but it has not been proclaimed and therefore is not operational. A draft Revenue Administration Bill[70] is in preparation and there are plans to review the Customs Act.

[70] As distinct from the Mauritius Revenue Authority Act, discussed above.

PI-14: Effectiveness of measures for taxpayer registration and tax assessment

Dimension (i): Controls in taxpayer registration

The MRA has a single taxpayer register covering all taxes[71]. Individuals and businesses have a tax assessment number (TAN) although this is not a unique identifier across all government systems. The MRA has online access to the Central Business Registration Database (CBRD), which has information on all new businesses for registration purposes. The Authority also has a network of third party information to ensure taxpayer registration is complete and data submitted is correct. These include inter alia: the Registrar General, the National Transport Authority, government contracts, as well as information from the banks on persons receiving more than Rs 50,000 in interest and from mortgage and insurance companies. There are on-going plans to source data from the stock exchange.

Recognising a gap in registration of professionals, the MRA carried out a concerted campaign and the number of professionals (e.g. doctors and dentists) registered with the MRA has increased from 1,847 in 2010 to 2,675 in 2014.

Dimension (ii): Effectiveness of penalties for non-compliance with registration and tax declaration

Penalties imposed by MRA are wide in scope (e.g. late payment, under declaration, failure to submit PAYE and TDS returns). In many cases, the degree of culpability of a taxpayer is taken into account when imposing the penalty. For example, the non-submission of a Tax Deducted at Source (TDS) Return is exempted from penalty in the first instance but not in the second year. The same applies for non-submission of PAYE returns. Similarly, the MRA has set out guidelines for the application of penalty provisions. Where there is no deliberate intent to evade tax by submitting false returns, books, records or documents and the assessed amount does not exceed Rs 2 million or 50% of the total tax payable, lower penalty rates apply e.g. between 5% to 25% each under sections 129 of the Income Tax Act and 37A of the VAT Act.

Where the amount of under- declaration is more than Rs 2 million, the penalty rates are higher and deliberate offences can incur compounding and/or prosecution. Although there is some scope for inconsistency with respect to the assessing penalty (penalties shall not exceed 50%), the MRA has issued a circular to explain to its officers how this rate should be applied, but has proposed to clarify the situation further in the draft revenue administration bill.

In terms of scale, the MRA's corporate plan 2014-2016 has noted the need to increase the penalties to deter constant re-offenders. In contrast, the Finance Act 2015 has recently[72] reduced a number of penalties, the effect on compliance rates is not yet known.

Dimension (iii): Planning and monitoring of tax audit programmes.

Tax audit is carried out using a risk-based approach. Twenty five per cent of all large taxpayers are audited annually. Within the Medium and Small Taxpayers Department (MSTD), selection of cases for audit in 2014 was as follows: Income tax (corporate & individual) 1.9%; VAT 6.7%, PAYE 1.8%, Gaming 85% and Horse racing 75%.

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71 Annual Report 2013 p. 52.

72 May 2015.

The Table below gives the performance of tax audits conducted during the years 2012-14. The data are also provided in each Annual Report.

Table 12: Tax audit performance 2012 - 2014

	2012	2013	2014
Audits completed	4,917	5,548	5,340
Number of assessment raised	3,425	7,411*	5,667
Amount of tax assessed through audit activity	Rs 2,458 mn	Rs 3,735 mn	Rs 3,277 mm

*includes 1,800 assessments on MRA staff for Rs 16 mn relating to allowances.
Source: ARC.

The Tax Risk Management Unit (TRMU) was set up in January 2013 with a view to address tax compliance risk in a more holistic approach and to enhance the process of selection of cases. A Tax Risk Management Committee chaired by the Director General oversees the work. A wide range of work has been undertaken to date including: (i) matching information declarations for PAYE and TDS regimes; (ii) matching information reported on tax returns; (iii) persons who ought to be VAT registered based on imports; (iv) use of third party data to identify risky cases. Since the beginning of 2015, the TRMU is focusing on a sector-based analysis with a view to earmark risky taxpayers in each sector. Sectors already analysed to date include: nightclubs; the household electrical appliances sector; customs brokers and supermarkets.

The Fiscal Investigations Department (FID) was set up specifically to look into high-risk tax evasion cases, with the results as set out in Table 13.

Table 13: Fiscal Investigations, 2012-2014

	2012	2013	2014
Investigations completed by FID	105	169	192
Tax yield from investigations (Rs million)	336	380	568

Source: MRA

Predictability and Control in Budget Execution		Methodology	Rating	
PI-14 Effectiveness of measures for taxpayer registration and tax assessment		**M2 Major tax revenues arising from central government as at time of assessment**	**B+**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Controls in taxpayer registration	B	Taxpayers are registered in a single taxpayer register. The MRA has direct access to the business registration system and accesses information from a wide range of other sources e.g. registrar general, banks and some but not all financial institutions	B	B
(ii) Effectiveness of penalties for non-compliance with registration and tax declaration.	B	Penalties for non-compliance exist in most areas and rules have been revised to improve the consistency of administration. Although there is still some potential scope for inconsistent administration with the 'assessing penalty' and scale of some penalties have also recently been reduced	B	B
(iii) Planning and monitoring of tax audit programmes.	A	A wide range of tax audits and fraud investigations are managed and reported on according to a documented audit plan with clear risk assessment criteria. A more holistic approach to risk was also introduced in 2013 with the formation of the TRMU which is providing further analysis on areas of potential risk.	A	B
Source: DG briefing and additional clarification, MRA Annual Report 2012 and 2013. Meetings with accounting firms, taxpayers association and Joint Economic Council (representing private sector interests). www.mra.mu.				

Changes since the previous assessment/On-going Reforms

A number of improvements have been introduced since the previous assessment, which are enhancing the transparency and effectiveness of the MRA, but may not have impacted on the ratings. As noted elsewhere, further planned improvements include the draft Revenue Administration Bill. The corporate plan also highlights continued work on risk identification particularly by sector.

PI-15: Effectiveness in Collection of Tax Payments

Dimension (i): Collection ratio for gross tax arrears[73]

Data on tax arrears for all tax types[74] are published in MRA's Annual Report. Table 14 sets out the beginning- and year-end balances for the stock of gross tax arrears (for all types of taxes) and the annual in-year collection of such arrears for the last three years. The stock of these arrears is significant, at around 7% of total annual tax revenues in 2014, and primarily comprise income tax and VAT. The average

[73] Defined in the PEFA Guidelines as "the percentage of tax arrears at the beginning of a fiscal year which was collected during that fiscal year (average of the last two fiscal years". Further clarification provided by the PEFA Secretariat indicates that this percentage is calculated as total tax arrears collected during year N/stock of arrears as at the beginning of year N.

[74] Including taxes on income, profit and capital gains; payroll and workforce; property; goods and services; exports; and others. See Appendix C in Attachment 1 for data on tax collections by tax types.

annual collection of total tax arrears as a share of the closing stock of arrears over the two most recent fiscal years (2013 and 2014) was 46%.

Table 14: Movement in tax arrears1 (Rsmn)

	2012	2013	2014
Stock of gross[2] tax arrears – opening balance (1 Jan)	2,794	3,291	4,794
Clearance (settlement) of arrears during year	1,633	1,699	1,909
Stock of gross tax arrears – closing balance (31 Dec)	3,291	4,794	4,811
Average debt collection ratio[3]	58.4%	51.6%	39.8%

Note. 1. Arrears for all tax types

2. Gross refers to all tax arrears, including that are in dispute and those that are not.

3. Clearance of arrears during the year as a share of the opening stock of arrears.

Source: MRA Annual Reports for 2012 and 2013; Data from MRA for 2014.

Dimension (ii): Effectiveness of transfer of tax collections to the Treasury by the revenue administration

Taxpayers have a number of payment options including e-payments, SMS and credit/debit card as well as more traditional methods. Payments for all tax types are made into the MRA bank accounts at the BoM. Transfers of revenue collections to the main Treasury Account take place at least daily and twice a day during peak collection time. MRA's Internal Audit Department carries out system and transactions audits to verify.

Dimension (iii): Frequency of complete accounts reconciliation between tax assessments, collections, arrears records and receipts by the Treasury

Reconciliation for all tax types between the MRA data held in its revenue management system, its accounting system and the TAS take places on a monthly basis within one month of the period. There are some inconsistencies due to the difference in basis of accounting but these are reconciled on a regular basis.

Predictability and Control in Budget Execution		Methodology and Coverage	Rating	
PI-15: Effectiveness in collection of tax payments		**M1 Major tax revenues arising from all CG activities Dim (i) Last 2 completed FY**	**D+**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Collection ratio for gross tax arrears at the beginning of the fiscal year, which was collected during the fiscal year (average for the last 2 years)	D	The stock of total tax arrears (measured gross) is significant (7% of total tax revenues in 2014). The average debt collection ratio for 2013 and 2014 was 46%.	C	D
(ii) Effectiveness of transfer of tax collections to the Treasury by the revenue administration	A	Major tax revenues are banked daily in the MRA bank account (via numerous payment methods) and transferred at least daily to the main treasury account.	A	A
(iii) Frequency of complete accounts reconciliation between tax assessments, collections, arrears records and receipts by the Treasury	A	Complete reconciliation of tax assessments, collections, arrears and transfers to Treasury take place at least monthly within one month of end of month	A	A
Source: MRA 2013 Annual Report; data from MRA for 2014. DG briefing and ISO procedures for tax collection and account reconciliation. Meeting with BoM and Accountant General				

Changes since the previous assessment/On-going Reforms

Options for making tax payments and the use of e-payment options have increased substantially since the last assessment. According to available data, the use of e-payment options has increased from 42% in 2008 to 68% in 2013, with new solutions being introduced, including payments by mobile phone, which was introduced in February 2013. The level of revenues collected has grown significantly in recent years; the greater amounts involved may be a contributing factor in the lower rate of debt collections, particularly if MRA staff numbers have not increased with the higher workload.

The mechanism for the write off of revenue debts has been formalised. The approval of the Director of Audit is no longer a requirement, thereby enabling write-offs to be expedited. The law has been amended and the Internal Audit Division of the MRA gives the clearance and the Board approves write-offs. In 2014, Rs 10.8 million of customs debts were written-off with the Board's approval. A further amount of approximately Rs 50 million of tax debts have been approved by the Audit & Oversight Committee after review by the Internal Audit Division and were submitted for approval at the Board Meeting of June 2015.

MRA has developed alternatives to writing-off of tax arrears, including the Tax Arrears Settlement Scheme and the setting up of a Panel to look into long outstanding debt, i.e. that incurred prior to 1995-96, and to decide on the reduction in the amount assessed. The Panel has reviewed 201 cases since its establishment and reduced the amount of tax due by Rs 26 million.

PI-16: Predictability in the Availability of Funds for Commitment of Expenditures

Dimension (i): Extent to which cash flows are forecast and monitored

Effective cash flow planning, monitoring and management is important to enable revenue collecting and spending departments to monitor their budget implementation performance and to enable GoM to plan and control its needs for borrowing and minimise the cost and maximise the surplus available for investment. At the beginning of the year, MoFED, with the assistance of MRA, prepares aggregate revenue forecasts, disaggregated by month, for each revenue item. These monthly forecasts for the year are updated at the end of each month based on actual revenue receipts. In addition, revenue-collecting ministries/departments prepare an annual forecast of expected revenues (collection targets). These forecasts are disaggregated by month and are updated monthly on the basis of actual receipts.

Following the promulgation of the Appropriation Act, ministries and departments prepare their annual cash flow forecasts before the beginning of the coming fiscal year. The forecasts are disaggregated by month and in line with their appropriation amounts, taking into account their expected revenue and expenditure flows. These forecasts are broken down according to the five-digit line item and input into the TAS. During the year, ministries and departments adjust their cash flow forecasts monthly to reflect changes in actual spending patterns and these adjusted forecasts are altered in the TAS.

In addition, self-accounting ministries/departments prepare weekly cash flow forecasts by programme (until 2015) or vote (from 2015) and detailed line item level (8 digits). During the year, these forecasts are updated, based on the actual spending and revenues received for the week/month and for the year-to-date.

Active monitoring of cash flows during the year is carried out by both Treasury, which prepares daily forecasts of aggregate receipts and payments for at least three months in advance, and a dedicated cash and debt management committee, comprising representatives from MoFED, Treasury, BoM. The committee meets weekly to discuss the government's borrowing requirements and the issuance of Treasury bills. The committee reviews data on actual and expected receipts, actual and expected expenditures and the Treasury's daily cash forecasts.

Dimension (ii): Reliability and horizon of periodic in-year information to MDAs on ceilings for expenditure commitment

Ministries' and departments' authority to incur expenditures is in line with their appropriation, while taking into account their cash flow forecasts. In other words, ministries and departments are permitted to commit funds up to their annual appropriation limit and in line with their (updated) monthly cash flow forecasts.

Dimension (iii): Frequency and transparency of adjustments to budget allocations, which are decided above the level of management of MDAs[75]

During the last completed fiscal year, there were no significant adjustments to ministries and departments' budgetary allocations made by either MoFED or the

[75] In accordance with the PEFA Guidelines, the basis for the assessment of this indicator is on budget changes initiated by those above the level of the management of ministries and departments while the basis for PI-27 is those changes undertaken by the management of ministries and departments. As in practice many PEFA assessments include a discussion of both types of amendments in PI-16 and PI-27, cross-references are made in the text to both types in the two indicators.

National Assembly.[76] Adjustments to the allocations of ministries and departments were made by ministries and departments either within their own authority or with the approval of MoFED through a Virement Warrant under FI Number 1 of 2008; in 2014, the total value of virements approved by MoFED was around 2.2% of total budgetary expenditures. The TAS contains data on virements undertaken by ministries and departments, and these data are published in the Accountant-General's Annual Report.

Predictability and Control in Budget Execution		**Methodology and Coverage**	**Rating**	
PI-16: Predictability in the availability of funds for commitment of expenditures		**M1 Budgetary Central Government Last completed FY**	**A**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Extent to which cash flows are forecast and monitored	A	Before the beginning of the budget year, Treasury prepares an annual cash flow forecast disaggregated by month, based on monthly revenue projections provided by MoFED and monthly expenditure projections provided by ministries and departments. These forecasts are updated at least monthly, based on actual monies received and expended.	A	A
(ii) Reliability and horizon of periodic in-year information to MDAs on ceilings for expenditure commitment	A	Ministries and departments are able to plan their expenditures monthly for the fiscal year (i.e. up to 12 months in advance) in line with their updated monthly cash flow forecasts and within the limit of their appropriations.	A	A
(iii) Frequency and transparency of adjustments to budget allocations, which are decided above the level of management of MDAs	A	During 2014, no significant adjustments to ministries and departments' budgetary allocations were made by either MoFED or the National Assembly. Virements requested by ministries and departments and approved by MoFED under the FI for virements represented around 2% of the total budgetary allocation in 2014.	C	A
Source: Annual cash flow forecasts and updates for 2015; TAS outputs; MoFED Financial Instructions on virement rules.				

[76] Adjustments which must be decided above the level of MoFED must be dealt with by the National Assembly (i.e. through supplementary appropriations) are discussed under PI-27.

Changes since the previous assessment/On-going Reforms

The level of reallocations was lower compared to the previous assessment. There have been no other significant changes.

PI-17: Recording and management of cash balances, debt and guarantees

Public debt management in Mauritius is regulated by the Public Debt Management Act 2008 (as subsequently amended). Section 3 of the Act gives power to the Minister of Finance and Economic Development to raise funds in the name, or on behalf of, the Government and to delegate it at his discretion, as well as to approve guarantees.

Dimension (i): Quality of debt data recording and reporting

Domestic debt data are maintained by BoM in the Commonwealth Secretariat's Debt Recording and Management System (CSDRMS). Data are transmitted to DMU monthly on CD for uploading into their CSDRMS. Aggregates are reconciled with manual records by DMU. Data on the external debt of central government are also maintained by the BoM in their CSDRMS. In addition, data for Government external debt are maintained by DMU in their CSDRMS from loan records at the Ministry, notifications for disbursements from creditors and notifications for payments from the Treasury. There may be some differences between the two systems but reconciliation takes place monthly. DMU also maintains information on public sector debt. All debt-related payments are made by the Central Bank and recorded in the TAS by the Accountant General.

A number of reports on domestic and external debt are produced quarterly with the last set of reports for quarter ending March 31st 2015 being posted to the Ministry's website[77] on April 30th 2015. These reports which cover public sector debt[78] include: debt stock; debt service ratio; public debt servicing on cash basis; debt by original and residual maturity; currency composition, interest mix and borrower and creditor category.

Dimension (ii): Extent of consolidation of the government's cash balances.

As noted in PI-22, the Treasury maintains one main account at the Bank of Mauritius plus several foreign currency accounts. The eight self-accounting ministries/departments maintain two bank accounts (revenue and expense) at the State Bank of Mauritius (SBM). Some also maintain a deposit account for funds such as corporate social responsibility (CSR) donations, although these are relatively small amounts as well as donor project specific accounts. EBF accounts are held at SBM.

The Treasury has a direct link to the Bank of Mauritius and therefore is aware of the balance on the main account in real time. Although the system in Mauritius does not sweep funds on a nightly basis, the bank accounts of self-accounting ministries/departments are only replenished on a daily basis for the amount to be paid out on that particular day, thus leaving minimal balances overnight. EBF funds are not included in this process.

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[77] http://mof.govmu.org/English/Public%20Debt/Pages/Debt-Data.aspx last accessed on 10th June 2015.

[78] Public sector debt is defined as loans for central government, local government, RRA, and public 'corporations' whether these are wholly /partly guaranteed or not and advances made by the Bank to any enterprise in the public sector.

Dimension (iii): Systems for contracting loans and issuance of guarantees

In accordance with the Public Debt Management Act, major loans for central government are approved by the Minister of Finance. The process for contracting loans follows a number of clear steps which take into account the overall borrowing requirements of Government, the debt ceiling, the required and available foreign exchange and thus the level of foreign borrowing with due regard to foreign exchange risks. The remaining borrowing requirements are sourced domestically.

When deciding on the mix of foreign and domestic borrowing, other factors that are taken into consideration include: (a) the cost of funding, including exchange rate risks; (b) diversification of sources of funding; (c) necessity to maintain good relationships with all development partners; (d). Debt Management Strategy, which aims at minimising costs while maintaining a prudent level of risks.

The criteria for the issuance of guarantees are set out in the Act, and any issuance is required to be within the debt-ceiling target and requires a restructuring plan (including a repayment schedule) if an organisation is in arrears. However, it does not set out criteria such as acceptable credit risk, or whether eligibility varies across sectors, which would provide greater transparency. The Act does not specify primacy of the debt law over other enabling legislation but no additional non-guaranteed debt was raised by EBUs in 2013 or 2014.

Predictability and Control in Budget Execution		Methodology	Rating	
PI-17: Recording and management of cash balances, debt and guarantees		**M2** **Dim (i) Debt and guarantees issued by central government as at time of assessment)** **Dim (ii) all bank balances managed by treasury and MDAs as at time of assessment** **Dim (iii) Loans and guarantees issued by central government in last completed FY**	**B+**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Quality of debt data recording and reporting.	A	Comprehensive management and statistical reports covering debt stock, debt service and operations are produced quarterly. Debt records for government (domestic and foreign debt) are maintained by both BoM and DMU. Data is generally considered to be of high integrity and reconciliation is done monthly.	A	B
(ii) Extent of consolidation of the government's cash balances.	B	Cash balances are calculated and 'consolidated' daily with the exception of some extra-budgetary funds which remain outside of this system.	B	A
(iii) Systems for contracting loans and issuance of guarantees.	B	Central government's contracting of loans and issuance of guarantees are made within the public sector debt ceiling and in the last completed fiscal year have been approved by the Minister of Finance. Criteria for the issuance of guarantees require a restructuring plan if organisation is in arrears but not in terms of credit risk, eligible sectors, etc. Some enabling legislation for EBUs allows borrowing, and the primacy of the Public Debt Management Act is not specified in the Act.	A	A
Source: PDM Act; DMU briefing; Financial statements 2013 and 2014 (statement J); Audit Report 2013; Meeting with BoM and Accountant General. Meetings with Health, Education and Public Infrastructure. Mof.govmu.org				

Changes since previous assessment/on-going reforms

There are no changes in procedures but the PEFA fieldwork guide 2012 has provided additional guidance on what constitutes the transparent criteria needed for an A.[79]

[79] PEFA Fieldguide 2012 p 104.

PI-18: Effectiveness of payroll controls

There is a single payroll for the 50,943 civil service employees working in the ministries and departments. This payroll is managed by Central Information Systems Division (CISD). The 18,090 employees working in the EBUs are paid through the individual payrolls of their respective organisations. Staff numbers in ten EBUs represent 75% of the total EBU employment as shown in Table 15 below. Approximately 75% of central government staff are paid through the CISD payroll and therefore the main focus of this indicator assessment is on this payroll.

Table 15: Extra Budgetary Units by highest employment

EBU	Total Number of Employees as at April 2014
Private Secondary School Authority (teachers)	7,057
MRA	1,390
Mahatma Ghandi Institute & SS	1,041
University of Mauritius	983
Sugar Industry Labour Welfare Fund	848
Early Childhood Care	655
Agricultural Research Extension Unit	511
Road Development Authority	379
Mauritius Institute of Education	315
National Women's Council	293
Other	
Total	**18,090**

Source: Statistics Mauritius.

Dimension (i): Degree of integration and reconciliation between personnel records and payroll data

Currently, for the civil service payroll, individual personnel records are maintained manually by the Human Resources (HR) section at each ministry/department. Key personnel details are consolidated in staff lists. Upon receipt of authority in files from HR section to effect changes, the finance section of the respective ministries/departments input changes on the variation forms. The current payroll is checked against the previous month's payroll.

At MRA, University of Mauritius and the Private Secondary Schools Authority (PSSA) there is an integrated HRMIS and thus changes to HR records are automatically captured in the payroll information.

Dimension (ii): Timeliness of changes to personnel records and the payroll

There are on average 40,000 changes a month to the payroll. Changes are submitted to CISD, who enter data and there is an iterative verification process which culminates in the payroll run (third verification). At the end of this process there was e.g. an error rate of less than 0.1% in May 2015. The vast majority of changes relate to overtime, allowances and similar adjustments. There are no reported delays[80]in making substantive changes, such as new/retired employees, transfers or promotions, with them normally being reflected in the following month.

[80] Discussions with finance and HR sections at MoFED, MoHQL and MoE.and Ministry of Civil Service.

Dimension (iii): Internal controls of changes to personnel records and the payroll

With respect to the civil service payroll system, there are a combination of checks and balances at the respective HR and finance sections. In addition to those checks described in dimensions (i) and (ii), all staff are recruited through the Public Services Commission (PSC). No one can be included in the payroll without a PSC form 3. Each year a civil establishment order is passed setting out the approved establishment. Funded posts are set out in detail in the annual budget. Changes are authorised by supervising officers and there is a clear segregation of duties between HR and Finance sections. There is a clear audit trail for payroll changes made through the variation form procedure. However, an audit report is not routinely created from the computer system; this exposes the system to potential changes which have no paper record.

Dimension (iv): Existence of payroll audits to identify control weaknesses and/or ghost workers

A comprehensive audit of the payroll and personnel documentation at the CISD and at the headquarters of the individual ministries is carried out annually. There is an occasional but not routine check of physical numbers and no staff survey has been carried out in the last three years. E-attendance registers provide assurance at various ministry headquarters but this is not available throughout the civil service. There has not been an IT audit of the computerised system (payroll) in the last three years.

Predictability and Control in Budget Execution		Methodology	Rating	
PI-18: Effectiveness of payroll controls		**M1** **Dim (i)– (iii) All payrolls of the central government including all MDAs and AGAs as at time of assessment** **Dim (iv) for last three completed FY**	**C+**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Degree of integration and reconciliation between personnel records and payroll data	B	Personnel records and payroll data are not integrated. However the payroll is checked against the previous month's payroll and there is a full set of documentation to support changes to personnel records.	B	B
(ii) Timeliness of changes to personnel records and the payroll	A	Required changes to personnel and payroll records are updated monthly, generally in time for the following month's payments.	A	A
(iii) Internal controls of changes to personnel records and the payroll	B	Authority to make monthly changes to personnel records and payroll are clear. There is a clear audit trail for paper documentation but there is no audit report produced by the computerised payroll system to check for any unauthorised changes.	A	A
(iv) Existence of payroll audits to identify control weaknesses and/or ghost workers	C	In the last 3 years, partial payroll audits have taken place; specifically, the annual audit by NAO has focussed primarily on procedures and documentation at Ministry Headquarters and CISD. No physical count at zonal, district or service delivery level has taken place. No internal audits or staff surveys have been conducted. No audit of the IT payroll system has occurred.	A	A
Source: Payroll documentation Meetings with CISD, Payroll and HR sections – MoFED and health, education and public infrastructure ministries. Ministry of Civil Service Affairs, Director of Audit and Internal Audit teams, Civil Establishment Orders and Estimates. Meetings with PSSA, UoM and MRA				

Changes since the previous assessment/On-going reforms

There are no known changes since the previous assessment although during this assessment period there have been no periodic physical counts/staff surveys which would form an important component of a full payroll audit. In 2012, GoM commenced implementation of an integrated Human Resource Management Information System (HRMIS). Pilot runs of the payroll element are on-going with successive runs including additional ministries. It is anticipated that the system will go live later in 2015.

PI-19: Transparency, competition and complaints mechanisms in procurement

Significant public spending takes place through the public procurement system. A well-functioning procurement system ensures that money is used effectively for achieving efficiency in acquiring inputs for, and value for money in, delivery of programmes and services by the government.

Public bodies are requested to submit a return on procurement activities to MoFED for all procurement above Rs 100,000, on a semi-annual basis for entities with high procurement expenditures (major public bodies) and on an annual basis for those with low procurement expenditures. On the basis of these returns, the table below provides a breakdown of the value of procurement contracts awarded in the four categories of public procurement, namely works, goods, consultancy services and other services, for budgetary central government for the period 2011 to 2014.[81]

Table 16: Value of contracts awarded through public procurement1 (Rsbn)

	2011	2012	2013	2014
Works	5.89	3.10	6.14	9.92
Goods	2.26	4.82	5.34	4.64
Consultancy Services	0.07	0.16	0.58	0.52
Other services	0.38	1.63	1.54	1.61
Total value of contract awarded	**8.60**	**9.71**	**13.6**	**16.69**
Total value of contracts awarded as a % of GDP	3.0%	3.2%	4.2%	5%

Notes: 1.Contracts above Rs 100,000 for central government entities.
Source: Procurement Policy Office.

Procurement for central government is decentralised to 204 budgetary institutions (referred to in the legislation as "public bodies"). The current institutional structure for procurement comprises four institutions. Firstly, the Procurement Policy Office (PPO) is responsible for policy making and oversight. Its responsibilities are to regulate procurement in accordance with the Section 7 of the Public Procurement Act 2006 (PPA), issue instructions to public bodies, formulate policies, monitor procurement in compliance with the Act, and build procurement capacity of all stakeholders. The PPO does not participate in any procurement decisions. Although considered to be an independent institution, the PPO is under MoFED.

Secondly, the Public Private Partnership (PPP) Committee, set up under the PPP Act, is responsible for dealing with all matters relating to PPP, including giving approval to contracting authorities to proceed with procurement of PPP projects. Under the PPP Act, a contracting authority is a Ministry or Government department, local authority or statutory corporation. Thirdly, the Central Procurement Board (CPB) is responsible for the vetting of bidding documents and the conduct of the bidding process and approval of award in respect of major contracts.[82]These functions of the CPB apply to projects undertaken under both the PPA and the PPP

81 The OECD's 2014 report on "Infrastructure Investment Policy in Mauritius" gives a figure for the value of public procurement in 2012 of Rs 25 bn, approximately 10% of GDP. The latter figure is likely to cover the wider public sector.

82 The issue of ownership and accountability in the award of major contracts, where the CPB conducts the bidding process and also approves the award of the contract, was raised in a 2011 GoM White Paper on recommendations for reforming the procurement process.

Act. Finally, the Independent Review Panel (IRP) is responsible for the review of procurement proceedings following applications from unsatisfied bidders.

Dimension (i): Transparency, comprehensiveness and competition in the legal and regulatory framework

This dimension is concerned with the existence and scope of the legal and regulatory framework. The legal framework for public Procurement comprises: the Public Procurement Act (2006, as subsequently amended);[83] the Public Procurement Regulations (2008), known as the principal regulations; and Public Procurement (Suspension and Debarment) Regulations (2009). In addition, public procurement undertaken under a public-private partnership (PPP) is covered by the PPP Act 2004, as subsequently amended.[84] In 2013, the PPO issued Regulations defining the process for implementing Framework Agreements by public bodies. Other regulations include: (a) Public Procurement (Disqualification) Regulation 2009; and (b) Regulations for Diplomatic Missions Mauritius 2014.

The Public Procurement Act establishes the authority for procurement by all public bodies except procurement activities defined under Section 3(1) and exempt organisations for specific type of contracts (as per the list provided in Schedule of the Act, Column 2). Those EBUs, financial and non-financial public corporations to which the Act applies are listed in the Schedule of the Act; EBUs and public corporations not listed in the Schedule are not required to follow the Act.

The legislative framework, including for procurement if necessary, for those EBUs and public corporations which are not in the Schedule is covered by their own Acts or other means[85]. While the public procurement regulations are explicitly linked to the PPA, neither the PPA nor the individual EBU Acts establishes explicit precedence amongst the different pieces of legislation in the event of a conflict between them.[86] Procurement under public-private partnership contracts are subject to the PPP Act, but Section 11A of the PPA (as amended) provides linkage (in effect, precedence) between the two Acts. The PPO website contains the Public Procurement Act 2006, Procurement Regulations, Directives and Circulars. The PPP Act is posted on the Public-Private Partnership Unit's website.

Section 15 (2) (a) (d) (e) of the PPA provides for open bidding as the default method under the Public Procurement Act 2006.[87] Where other methods are used, the Act specifies that they must be justified.[88] Specifically, where a public body uses a method of procurement other than open advertised bidding or, in the case of the procurement of consultancy services, a method other than one specified in

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[83] The original Act was adopted by the National Assembly in 2006 and became operational in January 2008, along with the Public Procurement Regulations and Public Procurement (Suspension and Debarment) Regulations. The most recent amendment to the Act was in 2014.

[84] The Act was enacted "to provide for the implementation of public-private partnership agreements between contracting authorities and private parties and to establish a set of rules governing public-private procurement", Source: PPP Act 2004. The most recent amendment was in 2008.

[85] Some EBUs' own Acts may specifically mention procurement methods, or their regulations or Board decisions may allow or not disallow alternative procurement processes.

[86] Section 3(2) of the PPA refers to precedence only in the case where the PPA conflicts with the procurement rules of a donor organisation, in which case the PPA prevails.

[87] Section 15(2) (a) states: "Except in the cases referred to in paragraph (d), procurement shall, in the case of goods, other services or works, be made by means of open advertised bidding, to which equal access shall be provided to all eligible and qualified bidders without discrimination."

[88] Section 15(2)(e) states: "Where a public body uses a method of procurement other than open advertised bidding or, in the case of the procurement of consultancy services, a method other than one specified in subsection (1)(b)(i), it shall note in the record of the procurement proceedings the ground for the choice of the procurement method."

subsection (1) (b) (i), the grounds for the choice of procurement method must be justified and put in the record of the procurement proceedings. Situations where other methods can be used are defined in the PPA under each alternative method. In addition, an amendment added in 2009 (Section 16(2)) states that "A public body may, in appropriate cases and subject to any regulations to that effect, confer an advantage or preference to domestic or regional goods, services or contractors in the case of open advertised bidding proceedings." The definition of appropriate cases and the specific regulations to which this applies are not specified in the PPA.

A number of amendments to the Public Procurement Regulations in the last few years provide specifics on situations for preferential procurement. Section 5(1) states that "the PPO may, in the case of procurement through open international bidding, issue instructions relating to the criteria and applicable percentage preference for domestic or regional goods, services or contractors". In addition, Section 35(2) provides more specifics on the application of margin of preference for domestic or regional suppliers, noting that the applicable preference should be stated in the bidding documents. It does not cross-refer to Section 16(2) of the PPA. It is assumed that these amendments to the regulations, made under Section 61 of the PPA, do not fundamentally undermine the default method for procurement being open bidding.

The PPA and the Procurement Regulations apply to all procurement using Government funds except those set out in Section 3 (1) and organisations which are listed as exempt. Procurement for PPP contracts are subject to the PPP Act. In this way, not all government procurement is governed by the PPA and Regulations.

The PPA and Regulations provide for public access to the following information: government procurement plans (Regulations 10(4)); bidding opportunities (PPA Section 16(1)); and contract awards (PPA Section 40(7)). The legislative framework does not provide for public access to data on resolutions of procurement complaints.

The PPA establishes an Independent Review Panel (Section 44), consisting of 6 members with specified experience, and stipulates the details of the right of review process (Section 45). It provides for a 7-day window in which a challenge can be made before the contract is signed.

Listed Requirements	Covered in legislative framework?	Remarks
(i) organised hierarchically and precedence clearly established	No	Amongst central government entities, procurement for ministries and departments and some EBUs is covered by the PPA. Procurement for other EBUs is covered by their own Acts or regulations. Precedence is not clearly established.
(ii) freely and easily accessible to the public through appropriate means	Yes	The Public Procurement Act 2006 and the Procurement Regulations, as well as Directives and Circulars are posted on the PPO website. The PPP Act is available at the website of the PPP Unit under MoFED.
(iii) applied to all procurement undertaken using government funds	No	Section 3 of the PPA (as amended) sets out procurement using Government funds to which the Act does not apply, including *inter alia* exempted organisations.
(iv) making open competitive procurement the default method of procurement and define clearly the situations in which other methods can be used and how this is to be justified	Yes	Section 15 of the PPA stipulates open bidding as the default method of procurement and states that, where other methods are used, the legislation stipulates they must be justified.
(v) providing for public access to all of the following procurement information: government procurement plans, bidding opportunities, contract awards, and data on resolution of procurement complaints	No	The PPA and Regulations provide for public access to government procurement plans, bidding opportunities and contract awards but not to data on resolutions of procurement complaints.
(vi) Providing for an independent administrative procurement review process for handling procurement complaints by participants prior to contract signature	Yes	The PPA establishes an Independent Review Panel to handle procurement complaints before the signature of the contract. The relevant section stipulates a 7-day window within which a challenge may be made before the contract is signed.
Source: PPA, Procurement regulations, public procurement portal		

Dimension (ii): Use of competitive procurement methods

This dimension measures the extent to which procurement actually undertaken using methods other than open competitive bidding is carried out in accordance with the requirements as specified in the legislative/regulatory framework. The PPA sets out five procurement methods other than open competitive bidding: (i) restricted bidding (RB); (ii) request for sealed quotation (RFQ); (iii) emergency procurement (EP); (iv) request for (consultancy) proposals; and (v) direct procurement (DP). According to data from PPO, approximately 13% of procurement above Rs 100,000 for all public bodies in 2014, as measured by contract value, was undertaken by methods other than open competitive bidding. However, data were not available on the percentage of contracts awarded by methods other than open competition which were justified in accordance with the Public Procurement Act.

Dimension (iii): Public access to complete, reliable and timely procurement information

The public has timely access to three of the four key pieces of procurement information for government units representing approximately 75% of the value of procurement operations. These include bidding opportunities and contract awards, for which the public procurement portal contains comprehensive and up-to-date information, and decisions of the IRP from the PPO's website. Notices of contract award are usually published up to 1 month after the decision of the award. Notices of these awards from 2013 are available in the Public Procurement portal. A review of the posted IRP decisions on the PPO website shows that they are published promptly following the decision being reached (within 1-2 weeks following the decision).

There are two types of procurement plans prepared by central government entities. Open advertised bids are provided in Form B, some of which are published on the PPO's website (but may not be up-to-date). These do not include information on the budgeted amounts for procurement. Form A procurement plans (all procurement) are not published but include thorough cost estimates.

Procurement information elements[1]	**Public Provided Timely Access?**[2]	**Remarks**
Government procurement plans	No	Comprehensive procurement plans for central government entities are not available to the public.
Bidding opportunities	Yes	Complete and up-to-date information on bidding opportunities is available through the public procurement portal as well as through public bodies' websites.
Contract awards	Yes	Notices of contract awards are published up to 1 month after the decision of the award. Notices of these awards from 2013 are available in the Public Procurement portal.
Data on resolution of procurement complaints	Yes	The reports containing the decisions made by the IRP are available in a timely fashion on the PPO website.

Note: 1. Refers to PEFA criteria in PI-19.
2. A 'Yes' in this column indicates that the information is provided for at least 75% of the value of procurement contracts for central government entities.
Source: Public procurement portal and PPO website.

Dimension (iv): Existence of an independent administrative procurement complaints system

This dimension assesses the operation of the Independent Review Panel (IRP). There are 6 members of the IRP, comprising professional representatives from government, civil society and the private sector. They all have familiarity with the legal framework for procurement. According to Section 44 (1) of The Act, members of the Panel shall have wide experience in legal, administrative, economic, financial, engineering, scientific or technical matters. The panel holds two sessions per week and the procurement proceedings are suspended until the appeal is heard and determined by the panel. If the complainant is still not satisfied, the case can be taken to the law courts (Supreme Court).

Consolidated data on IRP cases since 2011 are shown in the table below.

Table 17: Data on IRP cases, 2011-2014

	2011	**2012**	**2013**	**2014**
Number of cases lodged with IRP	35	40	37	40
Number of IRP cases with a decision	19	22	20	27
Number of withdrawn cases	9	6	13	3
Number of application dismissed	1	5	1	8
Number of public body who cancelled their tender	1	1	0	1
Number of bid validity lapsed	5	5	1	1
Number of cases referred to competent authority	0	1	0	0
Number of conflict of interest	0	0	2	0
Source: PPO.				

According to the PPA, an unsatisfied bidder has the right to submit an application for review by the IRP in three situations, namely, the lack of timely decision-making of the contract award by the procurement entity, the dissatisfaction of the potential bidder with the decision, or, after the contract has started, dissatisfaction with how the contract is proceeding, but only for contracts above a specified amount and only based on stipulated grounds.

The procedures and processes involving the IPR are set out in Sections 48 to 59 of the Public Procurement Regulations. These include the challenge and appeal procedures, a reference to the filing of applications and the Schedule containing the application, fees chargeable, the disclosure requirements of the procurement entity, the IPR's reply process, the dismissal of application, hearings, and timing and communication of decisions.

However, for a bidder wishing to challenge a bid or submit an application for a review, the specific process for such submission is not easy to find. While there is a tab on the public procurement portal for IRP, it contains only the reports of previous IRP decisions. The tab on the portal for templates contains the two schedules attached to the Public Procurement Regulations (blank application forms) for, respectively, submitting a challenge to a bid to be submitted to the CEO of the public entity, and an application for review by the IRP. There are no instructions for filling out either of the application forms, and it is not clear where these should be ultimately be submitted.[89] It is not made clear in the Portal that the processes for the IRP are set out in the Regulations. Furthermore, the Regulations themselves require potential applicants to refer to various sections in the Act and to the attached Schedules.

89 The address for submitting an application to IRP is set out in a Circular under the Circular tab of the Portal, found after an assiduous search by the assessment team.

In practice[90], the IRP is not involved in procurement transactions which lead to contract awards. In accordance with Section 45(4) of the PPA, procurement proceedings are suspended until the IRP reaches its decision. Section 57 of the Public Procurement Regulation specify that if a hearing is held (by applicant request or a decision of the IRP to hold such), it must be concluded within 7 days of receipt of the applicant's reply and comments associated with its application. Section 57A states that the IRP's decision must be made within 9 days following the date of the completion of the hearing. In practice, some decisions take longer than this statutory period, as verified by a review of the timelines for IPR decisions in the last couple of years.

The legislative framework does not stipulate that the decisions made by the IRP are binding. Thus, the decisions of the Independent Review Panel are not binding on procurement entities. A review of the procurement system undertaken in 2011 in conjunction with the World Bank, COMESA UNICTRAL[91] noted that, in quite a number of cases, decisions issued by the IRP were not implemented, which had the effect of creating frustration among the bidders whose applications were successful.

As set out in Section 51 of the Regulations, the fees for bringing a case before the IRP include: (i) a security deposit of either Rs 100,000, if the case relates to a bid opening or award of major contract, or Rs 25,000 in other cases (the security deposit is forfeited where the Review Panel dismisses the application as frivolous); and (ii) a non-refundable fee Rs 50,000 for processing an application for review. Based on the numbers submitting applications for reviews, these amounts are not considered to be prohibitively high so as to prevent interested parties from challenging an award or a bid opening.

[90] This requirement does not appear in the legislation or regulations.

[91] See GoM, White Paper on Modernising the Public Procurement System, 2011.

Procurement requirements[1]	Meet PEFA criteria?	Remarks
(i) The review body comprises experienced professionals, familiar with the legal framework for procurement, and includes members drawn from private sector and civil society as well as government	Yes	Consistent with Section 44 of the PPA, there are six members on the IRP, with collective experience of government, private sector and civil society, and familiarity with the legal framework for procurement.
(ii) is not involved in any capacity in procurement transactions or in the process leading to contract award decision	Yes	
(iii) does not charge fees that prohibit access by concerned parties	Yes	The fees charged for processing an application for review do not appear to prohibit access by concerned parties.
(iv) follows processes for submission and resolution of complaints that are clearly defined and publically available	No	The procedures for the challenge and appeal processes are set out in the Regulations, but specific instructions to help potential applicants are not easily accessible.
(v) exercises the authority to suspend the procurement process	Yes	This authority is found in Section 45 (4) of the PPA.
(vi) issues decisions within the timeframe specified in the rules/regulations	No	IRP decisions sometimes take longer than the stipulated 9 days after completion of a hearing. This requirement is thus not fully met.
(vii) issues decisions that are binding on all parties (without precluding subsequent access to an external higher authority)	No	The legislation does not stipulate that IRP decisions are binding and in practice they are not considered to be.

Note: 1. Refers to PEFA criteria in PI-19.
Source: PPO and stakeholder meetings

Predictability and Control in Budget Execution		Methodology	Rating	
PI-19 Transparency, competition and complaints mechanisms in procurement[1]		**M2** **Dim i: Last completed FY** **Dims ii-iv: as at time of assessment**	**C**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Transparency, comprehensiveness and competition in the legal and regulatory framework	C	The legislative framework meets 3 of the 6 requirements listed.	NC	NC
(ii) Use of competitive procurement methods	D	Data were not available on the percentage of contracts awarded by methods other than open competition which were justified in accordance with the Public Procurement Act.	NC	NC
(iii) Public access to complete, reliable and timely procurement information	B	Key procurement information elements are complete and reliable and made available to the public in a timely manner for three of the four items listed, representing at least 75% of the value of procurement contracts for central government entities.	NC	NC
(iv) Existence of an independent administrative procurement complaints system	C	The legislative framework meets (i) and (ii), as well as two of the other 5 requirements listed.	NC	NC
Note: 1. For each item, all of the aspects listed in the PEFA requirements under that item must be fulfilled in order for that item to be considered fully met. Source: Public Procurement Act (as amended) and public procurement regulations; PPO website and public procurement portal; MoFED and PPO data on procurement; stakeholder meetings				

Changes since the previous assessment/On-going reforms

As this indicator was completely revised in the 2011 PEFA update, it is not possible to make comparisons with the earlier assessments. The government is in the process of introducing e-procurement.

PI 20: Effectiveness of internal controls for non-salary expenditure

An effective internal control system is one that: (a) is relevant, (b) incorporates a comprehensive and cost effective set of controls, (c) is widely understood and complied with, and (iv) is circumvented only for genuine emergency reasons.

Dimension (i): Effectiveness of expenditure commitment controls

In Mauritius, a commitment is defined as an undertaking entered into which involves the eventual paying out of public money. As at the time of the assessment, estimates are appropriated at vote level. However expenditure commitment controls are in place that limits commitments to 'approved' budget allocations at a more detailed item level. The limit threshold is set in the TAS system once the Accountant-General has received the general warrant and issued a circular authorising Accounting Officers to incur expenditure. During the year, if there are approved virement or revisions in the budget, the thresholds in the TAS are appropriately revised by the approved officials. The TAS system provides an in-built limit control mechanism and will not accept any commitment above the authorised threshold unless specific and appropriate authority is granted based on the relevant virement procedures[92]. An earmarking mechanism also ensures that already committed funds are not re-committed. Cash availability to support planned expenditure is managed through the Treasury's cash management framework, which is discussed in more detail in PI-17 above. GoM have a well-established fiscal rule and access to well-developed debt markets and thus do not issue commitment limits to spending agencies for shorter periods, as in some countries (ref PI 16 (ii)).

Dimension (ii): Comprehensiveness, relevance and understanding of other internal control rules/procedures

A comprehensive internal control framework includes: (i) authorisation and approval procedures; (ii) segregation of duties; (iii) verifications; (iv) control over the use of IT (general and application controls); (v) controls over access to resources and records; (vi) controls over information and communication systems. The internal controls and procedures for GoMare documented in the 1990 Financial Management Manual (FMM) and Financial Instructions and Treasury Circulars issued from time to time by the Financial Secretary and the Accountant General. These instructions and circulars provide guidance on internal control procedures required to address new developments in public financial management.

Currently, government officials (particularly new employees) do not have easy access to a complete and up-to-date set of procedures. The Ministry is aware of this issue and a committee, the Financial Management Review Committee (FMRC), was formed in 2011 to carry forward work started in 2008 by Management Audit and later convened under the chairmanship of the legal adviser. An updated version of Volume 1 (duties and responsibilities) of the FMM tool kit was issued in 2011. The goal of the Committee is to review and update the whole manual but its workload is influenced by the level of urgency, and thus it has recently (this year) updated the virement rules.

According to the Director of Audit (Audit Report 2013) no up-to-date and comprehensive ICT Regulatory Framework consolidating key ICT policies, regulations, guidelines and recommended practices to guide users of ICT systems is in place. This has been noted, and a recent circular[93] from the Ministry of Information Communications and Technology (MICT) was issued requesting an initial meeting to discuss the issue.

In the interim, the FMM toolkit which has outdated guidance on IT controls e.g. referring to batch processing, makes reference to a draft IT regulatory framework paper produced in 2004. While this paper has useful principles, it does not provide detailed guidance for IT users and managers of PFM related systems.

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92 Financial Instruction 1 of 2008 was in force as at the time of the assessment (1 June 2015) but has been subsequently replaced by FI 1 of 2015.

93 Circular no' 1 of 2015, dated 27th April 2015.

Dimension (iii): Degree of compliance with rules for processing and recording transactions

In general, the internal and external auditors' reports indicate a fair degree of compliance in relation to the processing and recording of payment transactions. The transactions are recorded in the TAS by the finance officers in all ministries and departments, including self-accounting ones[94] and the information is regularly reviewed. For procurement related transactions, the 2012 and 2013 audit reports highlight a number of instances where procurement regulations had been contravened e.g. non approval of contract variations and exceeding of prescribed limits for contract variations.

Predictability and Control in Budget Execution		**Methodology**	**Score**	
PI-20 Effectiveness of internal controls for non-salary expenditure		**M1 BCG As at time of assessment**	**B+**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Effectiveness of expenditure commitment controls.	A	A commitment control system exists which limits commitments to approved budget allocations. The availability of cash is managed through the Treasury's cash management procedures and provides sufficient horizon for commitment (see PI-16 (ii)).	A	A
(ii) Comprehensiveness, relevance and understanding of other internal control rules/ procedures.	B	Other internal control rules exist and cover a range of procedures. There is an on-going exercise to revise and consolidate the rules to improve their relevance and accessibility, while there is a recognised lack of up-to-date material on IT controls	A	A
(iii) Degree of compliance with rules for processing and recording transactions.	B	In general, the internal and external auditors' reports indicate a fair degree of compliance in relation to the processing and recording of payment transactions. However there are instances of non-compliance with procurement regulations.	A	A
Source: Interviews with Accountant-General and Treasury officials; Financial Management Manual; Director of Audit interview and reports (2012 and 2013); Internal Control Cadre interview and reports; Emergency procedures in the Procurement Act, 2006, Virement rules				

Changes since the previous assessment/On-going reforms

The PEFA Fieldguide of 2012 clarified the scope of the indicator, which does not focus solely on payment transactions, as well as provided more guidance on what

94 Self-Accounting Departments include: Health, Education, Agro-Industry and Food Security, Social Security, Public Infrastructure, Foreign Affairs, Police, and Prisons.

was expected in terms of internal controls and procedures. As noted above, the FMRC is working on updating and consolidating the manual.

PI-21: Effectiveness of Internal Audit

Regular and adequate feedback to management is required on the performance of the internal control systems, through an internal audit function (or equivalent system monitoring function). An internal audit function should (i) have appropriate structure particularly with regard to professional independence, (ii) sufficient breadth of mandate, access to information and power to report, (iii) use of professional audit methods including risk assessment techniques.

In Mauritius, internal audit functions in ministries and departments (BCG) are carried out by the internal control cadre. The Director Internal Control Cadre reports to the Permanent Secretary Corporate Services in MoFED and is assisted by the Deputy Director Internal Control. The Director's responsibilities are set out in the standard operating procedures manual and include policy guidance and overall quality assurance and engagement supervision including the conduct of special audits at the request of the Financial Secretary. At Ministry/Department level, there is supposed to be an officer in charge (OIC) of control who is responsible for more detailed quality assurance and engagement planning together with a head of audit (an internal control officer) who is assigned responsibility, either alone or with other staff members, to carry out the audit assignment.

Dimension (i): Coverage and quality of the internal audit function

Operationally, the internal audit function has been established in 16 large ministries/departments. In addition there is a roving team based in MoFED, which is responsible for covering the remaining Departments on a rotational basis. This means that the majority but not necessarily all of BCG is covered annually. According to the 2013 annual report[95], for example, due to staff constraints internal audit activities were not carried out at the following ministries/departments in 2012 or 2013: Ministry of Arts and Culture; Ministry of Civil Service & Administrative Reforms, Office of the Vice-President, National Assembly, Ombudsman's Office, Electoral Commissioner's Office, National Human Rights Commission and Ombudsman's for Children's Office.

The Internal Control Cadre (internal audit unit) has been given the responsibility to conduct internal audit services and special assessments (at the request of accounting officers) in all government departments. Originally, the mandate was set out in Circular No 12 of 2005 and more recently in the Internal Audit Policy and Operations Manual issued by Financial Secretary in 2013 but it is not set out in the legislation (i.e. Finance and Audit Act).[96]The mandate extends to financial audits, risk assessment, control evaluations, compliance reviews, safeguarding of assets, special assignments, governance issues and all other matters referred to it by the Financial Secretary or the respective Ministry's Accounting Officers. The Internal Audit Charter is primarily an 'authorising document' that confers the authority of the Ministry's Accounting Officer to internal audit functions and defines the scope, roles, responsibilities and authorization for the effective discharge of its duties. It establishes the Internal Control Cadre's position within the Ministry, provides

95 Of the Internal Control Cadre.

96 As required in IIA Global Competency Framework.

authority for access to the Unit's records, personnel and such other data and information from the relevant sources as deemed necessary.

Internal Audit Charters exists in all entities where internal audit is involved and are signed by respective Accounting Officers. The Unit plans to conduct performance audit, review processes and systems to compile performance information and IT audits. Currently, IT related internal audits are 'conducted around the computer' and do not examine the controls and processes of the computer system itself. This inability to undertake IT audits[97]means that proficiency requirements under the International Internal Audit (IIA) standards cannot be achieved.

In the past three years, the cadre has been operating with an average of only 55% of the total number of staff on establishment. Specifically, in 2014, the staff establishment was 124, of which 67 were on post (including 7 who were on leave without pay). Although 50% of staff are professionally qualified, they do not have internal auditing qualifications. This lack of human resources undermines the Unit's ability to meet certain IIA Standards, for example engagement supervision and quality assurance.

The Unit applies internal audit methodology that is in line with IIA. The methodology is risk-based and, based on discussions with internal audit staff, the assessment team estimates that around 80% of staff time focuses on systemic (assessed as high-risk) issues. However, the quality assurance review on the reports is limited, as not all reports are subject to review by officials at Cadre head office, and there are insufficient numbers at ministry/department level to carry out such work.

Dimension (ii): Frequency and distribution of reports

Internal audit is carried out according to a risk-based annual audit plan agreed at the start of the audit period between the Internal Audit Cadre and the Accounting Officer of the audited entity. The plan clearly defines the timing, extent of the audit coverage and the audit procedures to be followed. The submission of the audit findings and the audit report is adhered to a fixed schedule. At the end of the audit an exit meeting is held where the draft internal audit report findings with recommendations are discussed with management. Management is required to prepare an action plan on agreed recommendations and the timing of their implementations. Thereafter, the finalised reports, incorporating the management's responses for all recommendations, are issued to the accounting officer of the audited entity and to the MoFED. The audit report is not sent to the NAO, although the NAO has access to it during their audit.

As indicated in the table below, the Unit completed and issued audit reports for 73%, 85% and 86% of planned audits during the period 2012, 2013 and 2014 respectively.

Table 18: Performance of the Internal Control Cadre, 2012-2014

[97] An IT audit aims to evaluate the following: (i) Will the organization's computer systems be available for the business at all times when required? (known as availability) (ii) Will the information in the systems be disclosed only to authorised users? (known as security and confidentiality) (iii) Will the information provided by the system always be accurate, reliable, and timely? (measures the integrity) In this way, the audit hopes to assess the risk to the company's valuable asset (its information) and establish methods of minimising those risks.

Description	2012	2013	2014
Number of staff	73	73	60
Planned internal audit and special assignments	283	273	250
Completed audits	207	231	216
% of completed audits	73%	85%	86%
Number of recommendations made	1620	1560	1236
Number of recommendations implemented	n/a	1123	761
% of recommendations implemented	n/a	72%	62%

Source: Internal Control Cadre 2014 Annual report.

Dimension (iii): Extent of management response to internal audit findings

Follow-up on the implementation of internal audit recommendations is an integral part of internal audit activities. The Accounting Officer is responsible for the timely implementation of improvements for items reported in the internal control reports. Follow up exercises are conducted on a quarterly basis, by internal audit, to ensure effective implementation of recommendations and thus provide management with reasonable assurance that corrective actions have been taken and are effective in mitigating risks. If there are delays in implementing improvement action, the Director of the Unit is notified as to the nature and reason for the delay. Where progress is not satisfactory, the Director may discuss the matter with the Accounting Officer. Based on follow-up by the Unit, 72% and 62% of internal audit recommendations were implemented in 2013 and 2014, respectively (as shown in Table 18 above). There is no evidence that action taken is “prompt and comprehensive”.[98]

Since 2013, Audit Committees have been established in 27 Ministries and 7 Departments. One of the roles of these committees is to follow up on recommendations of reports of Internal Audit Cadre. The latest OPSG report on Audit Committee for period to December 2013 indicates that the Ministries and Departments took action on 77% of recommendations raised by the Unit during the year (Table 19 below). However the number of recommendations followed up by the audit committee is significantly lower than the number of recommendations made by the internal control unit.[99]

[98] This is required for a higher rating.

[99] Specifically, the internal auditors made 1560 recommendations, of which 1123 were implemented, but the audit committee only looked at 644 issues, of which it addressed 493.

Table 19: Follow up of issues raised by Director of Audit and Internal Control Cadre by Audit Committees

	Issues		Addressed issues[1] (No)		Addressed issues (%)	
	Director of Audit	**Internal control**	**Director of Audit**	**Internal Control**	**Director of Audit**	**Internal control**
Ministries	313	592	202	446	64%	75%
Departments	40	52	36	47	90%	90%
Total	353	644	238	493	67%	77%

Note: 1. The number of issues examined by the Audit Committees is significantly lower than those by the internal control cadre (see Table 18 above).

Source: OPSG Audit Committee report 2013

Predictability and Control in Budget Execution		**Methodology**	**Rating**	
PI-21 Effectiveness of internal audit		**M1** **BCG Latest Available financial and operational information**	**C+**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Coverage and quality of the internal audit function	B	The internal audit function is established in 16 major ministries/departments of BCG with the remaining departments covered by a roving team based in MoFED. These remaining departments may not all be covered on an annual basis. In carrying out the internal audit function, some IIA standards are applied but there is limited quality assurance and lack of a legislative mandate. Work is focused on systemic issues for an estimated 80% of staff time.	B	B
(ii) Frequency and distribution of reports	C	Internal audit reports are issued regularly and are distributed to the audited entity's Accounting Officer and MoFED. The reports are not issued to the SAI (the DoA), which is a requirement for a higher rating.	A	A
(iii) Extent of management response to internal audit findings	C	In 2013 and 2014 72% and 62%, respectively, of recommendations by the internal control cadre were addressed but there is a reported delay in resolving some issues. There is no evidence that action taken is "prompt and comprehensive", which would be required for a higher rating.	B	B
Source: Interview with the Directors of Internal Control Cadre and his officials, Annual Report for the Unit 2014, Director of Audit reports, Internal Audit Policy Operations Manual 2013, Internal Audit Standards Operating Manual 2013, Audit Charter, Interview with OPSG officials, Audit Committee report 2014 by OPSG.				

Changes since the previous assessment/On-going reforms

There are no known changes since the previous assessment. However, the issuance of the 2012 PEFA Fieldguide has clarified the interpretation of some of the individual dimensions.

3.5 Accounting, recording and reporting

PI-22: Timeliness and regularity of accounts reconciliation

Reliable reporting of financial information requires constant checking and verification of the recording practices by accounting staff. Timely and frequent reconciliations of financial data especially bank accounts and suspense accounts contribute to its reliability.

Dimension (i): Regularity of bank reconciliations

For budgetary central government, the Government has bank accounts primarily in the BoM and in the SBM. The main account, which holds the Consolidated Fund, is at the Bank of Mauritius. From its account at BoM, the Treasury manages the funds for payments to suppliers on behalf of non-self-accounting departments; it also uses the BoM account to transfer monies to the accounts of the self-accounting entities held at SBM (see below).

Self-accounting ministries/departments[100] have their own bank accounts in the SBM. Treasury transfers to these accounts on a daily basis those funds requested by the entities which they require to make payments for that day. Balance information for these accounts is monitored daily by the Treasury.

Bank reconciliations are prepared on a monthly basis within a short time (before month-end) of the end of the month, and the reconciliation statements are retained in the Finance Division of the ministry/department and are available through the TAS. There are no long outstanding reconciling items of more than three months (see below).The Treasury department has issued financial circulars on how to undertake bank reconciliations and how to deal with reconciling items.

Dimension (ii): Regularity of reconciliation and clearance of suspense accounts and advances

There are no suspense accounts maintained in the General Ledger. Transactions, mainly unknown deposits which are minimal, remain in the bank reconciliations for a maximum of 3 months, a period when investigations are done as to what the deposit relate to and allocations are made within the period to the correct general ledger account. All unclaimed cheques become stale after 3 months.

Statement G of the Accountant-General's annual report contains details of all advances from the Consolidated Fund. The data show a significant number of different types of advances, including sundries, ad hoc allowances, personal (imprest), dishonoured cheques, losses from social aid, and loans for buying vehicles (cars and motorcycles), which in Mauritius are categorised as advances.[101] There are no reported travel advances[102] nor advances on contracts works, goods and services. Full reconciliation of advance balances is undertaken at least once per year and within two months of the end of the year (e.g. in preparation of the annual financial statement). While clearance of some advances (other than vehicle loans) takes place during the year,[103] some accounts have un-cleared balances carried forward from one financial year to the next (including some which are carried forward for more than one year).[104] The value of these un-cleared balances

[100] These include: Health, Education, Agro-Industry and Food Security, Social Security, Public Infrastructure, Foreign Affairs, Police, and Prisons.

[101] In addition, funds to be used for a large project, funded in part by external sources, are classified as an advance.

[102] Staff are provided with per diems for travel rather than travel advances.

[103] The value of total advances excluding vehicle loans which were written off or paid during 2014 as a share of opening balance advances as of 1 January 2014 was 74%. The total value of advance accounts (excluding vehicle loans) with a positive closing balance at 31 December 2014 carried over into 2015 was Rs 230 mn, which was 0.3% of total expenditures in 2014.

[104] An analysis of Statement G in the 2014 annual accounts shows around 50 such accounts (excluding those for vehicle loans), but this is a relatively small percentage of the overall number of accounts.

(excluding vehicle loans) as at 31 December 2014 represented less than 1% of total expenditures in 2014.[105]

Accounting, Recording and Reporting		Methodology	Rating	
PI-22 Timeliness and regularity of accounts reconciliation		**M2 BCG As at time of assessment**	**B+**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Regularity of bank reconciliations	A	Reconciliations for all budgetary central government bank accounts are undertaken at both the detailed and aggregate levels on a monthly basis and are completed within 4 weeks. There are no long outstanding items (of more than three months).	A	A
(ii) Regularity of reconciliation and clearance of suspense accounts and advances.	B	GoM do not maintain suspense accounts in the General Ledger. There is evidence that full reconciliations of all advances takes place at least once per year, soon after the end of the year (i.e. within 2 months).[106] Staff car/motorcycle loans would not be expected to be cleared each year. For other advances, some accounts have un-cleared balances carried forward from one financial year to the next but these are not considered to be materially significant.	A	A
Source: Financial Management Manual; Audited financial statements 2013. Unaudited financial statements 2014, Treasury, BoM				

Changes since the previous assessment/On-going reforms

The assessment has been made on the basis of a review of the latest accounts.

PI-23: Availability of information on resources received by service delivery units

Service delivery units (e.g. schools and health centres) receive cash and non-cash (in-kind) resources. Most central government budgetary cash resources for services provided by service delivery units are retained at the zonal level or paid centrally (e.g. salaries) and are accounted for by the accounting system. Specifically, the TAS includes transactions (revenues and expenditures) data for cost centres, which are at the level of zones (geographically-based, covering several service delivery units),

[105] In response to a comment on the draft report, no evidence was provided of monthly reconciliation and clearance of advances and the timing of such reconciliations (i.e. x weeks of the period end), with few balances brought forward) across all ministries/departments to demonstrate that the practice is the same across the whole of BCG. However, evidence was clear for the annual reconciliation exercise, in line with the B rating.

[106] No evidence was provided of more frequent reconciliations of all advances.

not at the level of the individual service delivery units. Cash resources from budgetary central government are in the form of small ad hoc or matching grants, used for small projects or for purchasing minor equipment, and revolving imprest amounts. Service delivery units prepare their own individual accounts, setting out their cash-based statement of receipts and payments; these are reviewed by someone external to the delivery unit (but not officially audited).

Cash resources from other, e.g. non-government, sources include small contributions (e.g. from parents to a parent-teacher association for a school) and are used for minor special (one-off) purposes (e.g. celebrations); these resources are held in a separate bank account in the name of the organisation (e.g. the PTA), not in the name of the service delivery unit. Reports of the receipt and use of these resources are prepared annually.

Non-cash (in-kind) resources largely comprise items (e.g. textbooks, pharmaceuticals, computer equipment) purchased by a higher level on behalf of the service delivery unit. Records of these items provided to individual service delivery units are kept at the zonal level in the form of a stores (goods received) register. In terms of other non-cash resources, in-kind donations, e.g. from external donors, are considered to be minimal.[107] There is no consolidated report on non-cash resources provided to service delivery units country-wide.

While information on resources provided to service delivery units is available from various sources, no consolidated annual report for all resources (cash and non-cash) resources received by the main front-line service delivery units is prepared.

[107] Statement U of the Annual Financial Statements contains details of in-kind resources (largely training) provided to GoM.

Accounting, Recording and Reporting		Methodology	Rating	
PI-23 Availability of information on resources received by service delivery units		**M1 Front-line service delivery units Last three years before assessment**	**C**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Collection and processing of information to demonstrate the resources that were actually received (in cash and kind) by the most common front-line service delivery units (focus on primary schools and primary health clinics) in relation to the overall resources made available to the sector(s), irrespective of which level of government is responsible for the operation and funding of those units.	C	Front-line service delivery units prepare statements of cash receipts and expenses, but they receive minimal amounts of cash. Data on in-kind resources are maintained in goods received registers at the higher Zone level. No comprehensive annual reports are compiled on the receipt of resources in cash and in-kind by the most common front-line service delivery units, as required for a higher rating. As the information on resources received is available, albeit in a dispersed way, this is considered to substitute for special surveys, and a lower rating is not considered appropriate.	A	A
Source: TAS outputs, 2014 Statement of receipts and expenses, stakeholder meetings				

Changes since the previous assessment/On-going reforms

There has been no change in the underlying processes since the last assessment. However, clarification in the PEFA Fieldguide issued in 2012 provided further information for the assessment of this indicator.

PI-24: Quality and timeliness of in-year budget reports

This indicator is focused on the preparation of comprehensive budget execution reports for government's internal use, i.e. providing an overview of execution in order to take management decisions on a well-informed basis.

The scope of the assessment of this indicator is in line with the PEFA Fieldguide, issued in February 2012. This indicates that the assessment of this indicator should include all reports on budget execution to provide a full overview of budget execution. For dimension (i), it also states that the assessment is based on reports that are actually prepared, not merely potentially available on-line.

Accordingly, this assessment is based on the following set of reports on budget activity: (i) the monthly budget performance reports generated by the Treasury and circulated to ministries and departments, as well as MoFED; (ii) the monthly budget execution reports prepared by MoFED and discussed with MoFED management; and (iii) the quarterly analytical budget performance reports prepared by MoFED for the Minister.

Dimension (i): Scope of reports in terms of coverage and compatibility with budget estimates

For budgetary central government, the Treasury generates budget execution reports from the TAS to the same level of detail as for the budget. For the 2015 (January-June) budget, the reports are prepared by Vote and sub-vote and detailed (5-digit) line item, while, for the 2014 budget, the reports were prepared by department, programme and sub-programme and detailed (5-digit) line item. For each line (e.g. Vote and economic item), the reports provide data on the appropriated budget to date, actual expenditures to date, encumbrances (commitments) to date, and the outstanding budget available, after taking into account actual expenditures and encumbrances.

In addition, as indicated above, MoFED prepares monthly budget execution reports for management for budgetary central government. These include expenditure data for each Vote (for the 2015 budget) or for programme/sub-programme (for the 2014 budget) and 2-digit economic item, including budgetary expenditures for the period to date, actual expenditures (payments) to date, and variances. Data on encumbrances are not included.

Each quarter, MoFED produces analytical monitoring reports on budgetary performance of ministries and departments (budgetary central government) for the Minister. These reports provide a high-level overview of budget execution for the most recently-completed quarter and the current quarter, focusing on the fiscal aggregates, including revenues, expenditures, the primary and overall budget balance, and figures for net public sector debt as compared to the statutory debt-ceiling requirement. Data on receipts and expenditures for the special funds and on public enterprise debt are also included.

More detail on aggregate revenues and expenditures covering the quarter just completed and the current quarter are shown in annexures. For the recently-completed quarter, the data include original estimates (appropriated budget) for the year up to the relevant quarter, actual revenues and expenditures (payments) for the year up to the relevant quarter, and the difference. For the current quarter, data are shown for the original estimates (appropriated budget) for the year up to the relevant quarter, revised estimates for the year up to the relevant quarter (based on revenues and expenditures to date) and variation. Data on encumbrances are not included. The data are accompanied by a discursive analysis of the underlying drivers for the data.

Dimension (ii): Timeliness of the issue of reports

The monthly reports by Treasury and MoFED are issued within 2-3 weeks of the end of the previous month. The quarterly reports are issued within 2-3 weeks of the end of the previous quarter.

Dimension (iii): Quality of Information

The quality of data in the reports is considered to be good. No significant data accuracy concerns have been expressed by the Director of Audit or the internal control cadre (internal audit).

Accounting, Recording and Reporting		Methodology	Rating	
PI-24 Quality and timeliness of in-year budget reports		**M1** **BCG** **Last completed FU**	**A**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Scope of reports in terms of coverage and compatibility with budget estimates.	A[108]	Expenditures are reported in detail in both the Treasury and MoFED management reports and these allow direct comparisons with the detailed budget at both commitment and payment stage in the Treasury reports but only at payment (not commitment) stage for the MoFED reports.	A	B
(ii) Timeliness of the issue of reports.	A	The monthly reports by Treasury and MoFED are issued within 2-3 weeks of the end of the previous month. The quarterly reports are issued within 2-3 weeks of the end of the previous quarter	A	B
(iii) Quality of information.	A	There are no reported material concerns about the accuracy of the data in the reports.	A	A
Source: Quarterly and monthly budget execution reports 2015; TAS outputs, Treasury and MoFED				

Changes since the previous assessment/On-going reforms

There are no known changes since the previous assessment. However, the issuance of the 2012 PEFA Fieldguide has clarified the interpretation of some of the individual dimensions.

PI-25: Quality and timeliness of annual financial statements

Complete financial statements for budgetary central government are critical for transparency in the PFM system. To be complete, the financial statement must be based on details for all ministries, independent departments and deconcentrated units.[109] The ability to prepare financial statements using well-designed accounting standards is critical, and it is important to issue the financial statements on a timely basis.

Dimension (i): Completeness of the financial statements

The annual financial statements of the Republic of Mauritius are prepared and subjected to audit in line with the requirements of Section 19 of the Finance and Audit Act, 1973, and as subsequently amended. The Accountant-General's department prepares the annual financial statements for budgetary central government, based on the data in the TAS. Ministries and departments, including the self-accounting ministries/departments, do not prepare their own financial

108 The rating of this dimension has been revised in line with a clarification from the PEFA Secretariat.

109 In Mauritius deconcentrated units exist in the form of the zonal offices for e.g. education and health.

statements[110]. There is no consolidated annual statement prepared for central government.

The annual financial statements include a substantial amount of information (see Box 7). The statements include full information on revenues, expenditures, financial assets and liabilities[111]. The information required by the Act to be provided through fiscal year 2014[112] includes: a detailed statement of revenue and a detailed statement of expenditure by programmes and sub-programmes of the Consolidated Fund; a statement of receipts and payments; a statement of assets and liabilities; an abstract account of revenue and expenditure of the Consolidated Fund; a progress report on performance in respect of outcomes achieved and outputs delivered; a statement of investments; a detailed statement of advances; a statement of the Special Funds deposited with the Accountant-General, indicating the assets by which such funds are represented; a detailed statement of deposits; a statement of public sector debt; a statement of contingent liabilities, including details of any loans, bank overdrafts or credit facilities guaranteed by the Government; a statement of all outstanding loans financed from revenue; a statement of arrears of revenue; a statement of claims abandoned; a statement of losses charged to expenditure; a statement of stores losses; and a tabular summary of all unallocated stores showing opening and closing stocks. The Statements provided in the 2014 accounts are set out in Box 7.

The financial statements do not include detailed expenditures of the EBUs; however, transfers or subsidies provided to these EBUs from budgetary central government are shown as grants and transfers in the financial statements.

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[110] With the exception of the NAO.

[111] Financial assets include cash and bank balances, investments and advances. Financial liabilities include some accounts payable (specifically, for interest payments), short-term borrowings, Treasury notes, and deposits.

[112] The 2015 accounts will be subject to the provisions set out in the recently-amended (2015) Finance and Audit Act.

Box 7 Financial Statements, Accounts of the Republic of Mauritius, 2013

Statement	**Details**
A	Statement of Assets and Liabilities
AA	Statement of Receipts and Payments
AB	Statement of Comparison of Budget and Actual Amounts by Functions
B	Abstract Account of Revenue and Expenditure of the Consolidated Fund
D	Detailed Statement of Revenue of the Consolidated Fund
D1	Detailed Statement of Expenditure by Programmes and Sub-Programmes of the Consolidated Fund
DD	Progress Report on Performance in Respect of Outcomes Achieved and Outputs Delivered
F	Statement of Investments
G	Detailed Statement of Advances
H	Statement of Special Funds deposited with the Accountant General
I	Detailed Statement of Deposits
J	Statement of Public Sector Debt
L	Statement of Contingent Liabilities, including details of any Loans, Bank Overdrafts or Credit Facilities Guaranteed by Government
M	Statement of all Outstanding Loans financed from Revenue
N	Statement of Arrears of Revenue
O	Statement of Claims Abandoned
P	Statement of Losses Charged to Expenditure
Q	Statement of Store Losses
R	Tabular Summary of Unallocated Stores
U	Statement of Foreign Aid Received
U1	Statement of Cash Aid Received from Foreign Countries

Source: Based on the latest audited annual financial statements (2013)

Dimension (ii): Timeliness of submission of the financial statements

For the most recent four fiscal years, the Government met the statutory requirement to submit the financial statements to the Director of Audit within 6 months of the end of the fiscal year for audit certification, as evidenced in the table below.

Table 20 Submission dates of annual financial statement

Fiscal Year ending:	Date annual financial statement submitted to NAO
31 December 2011	28 May 2012
31 December 2012	22 April 2013
31 December 2013	6 May 2014
31 December 2014	27 May 2015
Source: NAO	

Dimension (iii): Accounting standards used

The financial statements are prepared in accordance with national standards based on generally accepted accounting principles (GAAP)[113], and these are applied consistently. The standards are disclosed in the statements. The accounts are prepared on a cash basis, with the exception of interest on borrowing. Some principles of cash-based International Public Sector Accounting Standards (IPSAS) are applied (e.g. the statement of receipts and payments, and comparative statement of budget and actual amounts) but compliance is not feasible, as the Statements of Receipts and Payments are not consolidated across central government. As noted above, the annual financial statements disclose additional financial assets and liabilities information: e.g. deposits, public sector debts, arrears of revenue, and foreign aid received.

[113] 2014 Financial Statements, Note 2.1 Basis of Preparation: “The accounts of the Central Government of the Republic of Mauritius are prepared on a cash basis of accounting and in accordance with generally accepted accounting principles. All transactions are recorded on cash basis except for, costs of borrowings, which are accounted on an accrual basis.”

Accounting, Recording and Reporting		Methodology	Rating	
PI-25 Quality and timeliness of annual financial statements		**M1** **BCG** **Dims i and ii: Last AFS prepared** **Dim iii: Last 3 financial statements**	**A**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Completeness of the financial statements	A	Consolidated financial information for budgetary central government is prepared annually and includes full information on revenues, expenditures, financial assets and liabilities[114].	A	A
(ii) Timeliness of submission of the financial statements	A	Financial statements are submitted to the Director of Audit within 5 months of the year-end.	A	A
(iii) Accounting standards used	A[1]	The financial statements are prepared in accordance with national standards based on generally accepted accounting principles (GAAP), and these have been applied consistently over the last 3 financial statements	A	A
Note: 1. The clarification in the 2012 Fieldguide about the rating of this dimension is noted. The clarification states that there is no difference between the requirements for scores A and B, and the indicator score in the A-B range would be determined by the other two dimensions. In this case, since the other two dimensions in this indicator are rated as As so is dimension (iii). Source: Audited financial statements 2012 and 2013. Unaudited financial statements 2014, Treasury and MoFED				

Changes since the previous assessment/On-going reforms

Since the last review, the Government has progressively been enhancing the quality of financial statements by applying some of the elements in the cash-based IPSAS e.g. the statement of receipts and payments, and comparative statement of budget and actual amounts. The government is in the process of preparing a road map to implement accrual-based IPSAS in order to improve further the completeness of reported transactions especially assets and liabilities.

[114] Full information of liabilities consistent with the modified cash basis of the BCG accounts.

3.6 External audit and scrutiny

This set of indicators looks at the quality and timeliness of external scrutiny of the government's estimates as well as the public accounts. The following paragraphs provide the detailed information to support and explain the 2015 ratings, and where relevant to compare these with the 2011 and 2007 ratings as well as a brief description of any on-going reforms designed to address some of the identified weaknesses.

PI-26: Scope, nature and follow-up of external audit

A high quality external audit is an essential requirement for creating transparency in the use of public funds. Key elements of the quality of actual external audit comprise the scope/coverage of the audit, adherence to appropriate auditing standards, focus on significant and systemic PFM issues in its report, and performance of the full range of financial audit such as the reliability of financial statements, regularity of transactions and the functioning of internal control and procurement systems.

Dimension (i): Scope/nature of audit performed (including adherence to auditing standards)

The mandate of the Director of Audit is set out in Article 110 of the Constitution, covering the public accounts, and of all authorities and officers of the Government. This provision (Provision (2) of Article 110) contains a modifying clause, such that in the case where it is prescribed by law, the accounts of the "body corporate" may be audited by someone other than the Director of Audit, in accordance with the law of the body corporate.[115]

The duties and powers of the Director of Audit are contained in Part III (Sections 15-17) of the Finance and Audit Act, 1973, and as subsequently amended. With respect to the powers of the Director of Audit, those institutions explicitly mentioned in Part III are ministries, departments and divisions.

Based on NAO activity data for 2013, the last fiscal year with a completed audit, central government entities representing at least 75% of expenditures but not 100% were audited in the last fiscal year audited (2013). This is based on complete coverage of audits for budgetary central government entities but less than complete coverage of extra-budgetary units.

Table 21 provides details of the National Audit Office (NAO)'s activity for FY 2013. As shown, the population of auditable units[116] was 1,650, most (1,318) of which are classified as small (subject to audit on a five-year rotational basis). Based on the report, 86% of planned audits were completed, including 100% of planned large Ministry units. This represents actual audit coverage for Ministries of 46% of large units and 17% of small units. All Ministry head offices are audited annually. With respect to statutory bodies and special funds[117], 59% and 36% respectively, were

[115] The specific Constitutional provision reads: "If it is so prescribed in the case of any body corporate directly established by law, the accounts of that body corporate shall be audited and reported on by such person as may be prescribed." In practice, some statutory bodies have not appointed the Director of Audit to undertake their audits, e.g. Irrigation Authority

[116] Most Ministries have more than one Division and, in general, each division comprises a number of units and sub-units which NAO has the responsibility to audit.

[117] The data for those termed "statutory bodies" and "special funds" in this paragraph refer to the relevant rows in the table (reflecting data from the NAO). It is noted that the two terms are used differently across government, including by the NAO (see Section 2 and Annex E for this report's definition). It is also noted that statutory bodies includes some EBUs and some public

audited in 2013; not all EBUs and special funds have been audited annually due to late submission of their accounts. The NAO also undertook 11 performance audits during the period January 2011-December 2013 and one information systems audit for the Ministry of Social Security in 2013.

Table 21: NAO activity and performance report

Government Financial Accounts Audited for the period January 1 2013 to December 2013							
	2013					2012	2011
	Total	**Planned Audits**	**Actual Audits**	**Completion Rate (actual/planned audits)**	**Completed audits as %of total units**	**Completed audits as % of planned**	**Completed audits as % of planned**
	Units	**Units**	**Units**	**%**	**%**	**%**	**%**
Ministries - Total	1,206	288	273	95%	22%	89%	92%
Large	*217*	*100*	*100*	*100%*	*46%*		
Small	*989*	*188*	*173*	*92%*	*17%*		
Rodrigues	139	31	29	95%	21%		
Statutory Bodies	109	94	64	68%	59%	79%	68%
Local Authorities	133	97	90	93%	68%	100%	99%
Special Funds	33	27	12	44%	36%	92%	77%
Other Funds	30	21	12	57%	40%	189%	133%
Total		**558**	**480**	**86%**		**91%**	**89%**
Total Population of Accounts as at 31st December 2013 was 1650							
Source: NAO Activity and Performance reports and report from NAO							

The National Audit Office (NAO) undertakes a wide range of audits, including predominantly financial audit, regularity/compliance audits, and performance audits. The office, as at December 2014, had 160 professional and technical staff, of which 147 were in regularity audit and 13 in performance audit, and of whom 86 are professionally qualified. The NAO receives its budget from the normal budget process, as with ministries/departments and hence it is not financially independent (as in some other countries, where the agency's budget goes through a separate process and is approved by Parliament directly).

The NAO adopted a risk-based methodology and audit manual as of 1st July 2009, consistent with the International Standards of Supreme Audit Institutions (ISSAI) and Guidelines from International Organization of Supreme Audit Institutions (INTOSAI) and AFROSAI-E. To ensure compliance with the applied standards, the NAO has a quality assurance unit and mechanism which reviews the work of the office. The process is subjected to peer review by AFROSAI. The audits carried out by NAO appear to be focused on significant and systemic (risk-based) issues.

Dimension (ii): Timeliness of submission of audit reports to legislature

Section 20 of the Finance and Audit Act states that the Director of Audit must submit his/her annual report on budget execution to the Minister of Finance within 8 months

corporations, while some statutory bodies have not appointed the Director of Audit to undertake their audit, e.g. Irrigation Authority.

of the end of the fiscal year; thereafter, the Minister of Finance is supposed to lay those documents before the National Assembly as soon as possible.[118]

The Director of Audit's most recent (2013) annual report on the public accounts covers detailed comments on the Accountant-General's Statements for the fiscal year ended 31 December 2013 and any other matters of importance that came to her notice since the date of the Audit Report 2012. The report also provides brief comments on other public accounts and includes sections on individual ministries and on RRA (which is also issued separately) plus the status of the audits of the statutory bodies and special funds. The audited accounts for EBUs, usually contained in their annual reports, are tabled separately.

For the 2013 fiscal year (the most-recent year for which the audit is available), once the Director of Audit completed the financial and regularity audits, issued her certificate on the Accountant-General's Statements and prepared her annual report, containing her detailed comments, the completed Report of the Director of Audit on the Accounts of the Republic of Mauritius for the year ended 31 December 2013 (its official name) was submitted to the Minister of Finance for subsequent laying at the National Assembly. The Accountant-General's Statements were submitted together with the report. For the most recent three fiscal years with completed audits, 2011 to 2013, the annual financial statements were submitted to the National Assembly within 8 months of their receipt by the NAO.

For fiscal years 2011 and 2012, the annual audit reports were submitted to the National Assembly within 7 months after the end of the fiscal year, but for fiscal year 2013 the report was submitted within 9 months of the year-end. According to Sections 19(4) and 19(5) of the Standing Procedures and Rules of the National Assembly, in the event that the Assembly is adjourned for more than two days and a Minister wishes to lay a document before the next sitting of the Assembly, the Minister should submit it to the Clerk and thereby it will be deemed to be presented to the Assembly.[119] This applied to the case for the 2013 annual financial statements and Director of Audit's report. The submission for the 2013 Director of Audit's report was made to the Clerk's office on 5 September 2014, within 9 months after the end of the fiscal year. For the audit of the annual financial statements, submission was within 4 months of their receipt by the NAO.

118 Defined as laying the report before the Speaker by the Minister of Finance, which, according to the Standing Orders of the Assembly, may only be done when the National Assembly is in session.

119 The National Assembly was prorogued in late July and dissolved in early October in preparation for elections in December 2014.

Table 22: Timing of submission of annual audit reports on budget execution for central government[1]

Fiscal Year ending:	Date Annual Financial Statements[2] submitted to NAO	Date Report of the Director of Audit on Accounts of RoM[2] submitted to Minister of Finance[3,4]	Date Report of the Director of Audit on Accounts of RoM[1] submitted to National Assembly[4]	Date Report of the Director of Audit on Accounts of RoM[2] laid before National Assembly[4]
31 December 2011	28 May 2012	6 July 2012	10 July 2012	10 July 2012
31 December 2012	22 April 2013	15 July 2013	16 July 2013	16 July 2013
31 December 2013	6 May 2014	28 July 2014	5 September 2014[5]	22 December 2014
31 December 2014	27 May 2015	In progress; submission planned for July 2015	N/A	N/A

Note: 1. The shaded row represents the basis for the rating of the dimension, in line with the PEFA criteria.
2. For budgetary central government.
3. The statutory deadline is 30 August.
4. The Annual Financial Statements are submitted to the Minister of Finance and laid before the National Assembly together with the Director of Audit's annual report.
5. In 2014, the prorogation of the National Assembly in July meant that there was a delay in tabling the report before the National Assembly. The date shown here is when the report was submitted to the Office of the Clerk of the National Assembly, in accordance with the Standing Procedures and Rules of the National Assembly.
Source: NAO, Treasury, National Assembly

Dimension (iii): Evidence of follow up on audit recommendations

The audit report documents the recommendations of the Director of Audit and the responses of Accounting Officers including, where appropriate, agreed follow-up actions. Specifically, a formal response to the management letter is made by the management of the audited entity prior to the letter's finalisation (thus, in a timely manner). The officials of NAO only follow up the extent of implementation during the next audit, and some (but not necessarily all) of the recommendations are repeated in subsequent DoA's reports. There is no evidence of systematic updates from accounting officers to NAO (during the year) on how they have addressed the recommendations.

External Scrutiny and Audit		Methodology	Rating	
PI-26 Scope, nature and follow-up of external audit		**M1** **CG** **Dims i and iii: Last FY audited** **Dim ii: Last annual audit report submitted to legislature**	**C+**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Scope/nature of audit performed	B	The annual financial statement for budgetary central government is audited annually using ISSAIs. For central government as a whole, not all EBUs and special funds have been audited annually due to late submission of their accounts. Since BCG represents 75% of total central government expenditures, central government entities representing at least 75%, but less than 100%, of total central government expenditures are audited annually. A wide range of audits is carried out and these appear to be focused on significant and systemic (risk-based) issues.	A	B
(ii) Timeliness of audit reports to legislature	C	Audited financial statements for the public accounts of ministries and departments (representing at least 75% of central government) for the most recently audited fiscal year (2013) were submitted to the National Assembly within 4 months of their receipt by the NAO. The annual audit report on central government budget execution for 2013 was submitted within 9 months of the end of the fiscal year.[120]	A	A
(iii) Evidence of follow up on audit recommendations	B	Accounting officers' formal and detailed responses are attached to the management letter in a timely manner, i.e. at the time of finalising the Director of Audit's report. However, during the year, there is no evidence of systematic follow up by the Executive. Some (but not necessarily all) of the recommendations are repeated in subsequent DoA's reports.	B	B
Source: Director of Audit's annual reports for 2012, 2013 and 2014; NAO working documents; NAO website; NAO				

Changes since the previous assessment/On-going reforms

There is little change in the timing of the preparation of the annual audit reports since the last assessment, but the timely submission of the report to the National

[120] In line with the PEFA Guidelines, both parts of the criteria for the relevant rating must be fulfilled ("audit reports are submitted to the legislature within X months of the end of the period covered **and** [team's emphasis] in the case of financial statements within X months of their receipt by the audit office."). As indicated in the text, while the latter was submitted within 4 months, the former was submitted not submitted within 8 months.

Assembly appears to have been affected by the prorogation and dissolution of the Assembly during the second half of 2014.

PI-27 Legislative scrutiny of the Annual Budget Law

The power to give the government the authority to spend rests with the legislature, and is exercised through the passing of the annual budget law. If the legislature does not rigorously examine and debate the bill, that power is not being effectively exercised and will undermine the accountability of the government to the electorate. In Mauritius, the National Assembly sat for three sessions during 2014: the Second Session of the Fifth National Assembly (25 March, 1, 8, and 15 April 2014)[121]; the Third Session of the Fifth National Assembly (4, 7, 11, and 22 July 2014); and the First Session of the Sixth National Assembly (22 December 2014). The Assembly normally sits each Tuesday from 11.30 am during sessions.

Dimension (i): Scope of the legislature's scrutiny

At the time of the 2014 budget speech (the most recently completed fiscal year), the National Assembly received a copy of the Estimates and the accompanying documents, specifically the Budget Speech, the Supplement to the Budget Speech and the PSIP. No earlier review of the macro/fiscal framework or the medium term expenditure framework took place for the 2014 budget. The debate in the Assembly was focused on the detailed estimates. During the second reading, the Assembly debated general government policy and administration issues relevant to the Appropriation Bill and estimates but there was no specific requirement to review fiscal policies or aggregates, and this was not done.

Dimension (ii): Extent to which the legislature's procedures are well-established and respected

General rules for debate as well as specific rules for reviewing the estimates and the reading of the Appropriation Bill[122]are set out in the Assembly's standing orders. There is no specialised committee to review the budget. When the budget has been read for a second time, the Bill and estimates are referred to a committee of the whole house - the Committee of Supply. Rules are generally respected.

Dimensions (iii): Adequacy of time for the legislature to provide a response to budget proposals, both the detailed estimates and, where applicable, for proposals on macro-fiscal aggregates earlier in the budget preparation cycle

In line with the PEFA Fieldguide, the assessment of this dimension was undertaken in terms of the budget for the last completed fiscal year (2014). The 2014 budget speech (first and second reading) took place on 8th November 2013. Debates on the second reading took place between 12th-16th November (5 days); 19th-21st November (3 days); 26th- 29th November and on the 3rd December (5 days). The third reading of the Bill took place on the 10th December. While the elapsed period was one month, debate was restricted to fewer than 15 days.[123] There was no other scrutiny of the budget proposals outside of these periods of discussion of the Estimates by the whole House.

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121 Dates represent National Assembly session debates, as recorded in Hansard.

122 Section 73

123 The PEFA Fieldguide for this indicator says that the "Assessing the legislative scrutiny and debate of the annual budget law will be informed by consideration of several factors, including the scope of the scrutiny, the internal procedures for scrutiny and debate and the time allowed for that process." The time allowed for that process would reasonably be expected to include the time provided by parliament to debate, not simply the elapsed period.

Dimension (iv): Rules for in-year amendments to the budget without ex-ante approval by the legislature[124]

The General Warrant[125] specifies the total expenditure not to be exceeded and the requirement that payment shall be paid in accordance with the votes provided in the Schedule to the Appropriation Act. As noted in PI 16(iii), virement rules[126] allowed for reallocations within a programme to be carried out with the approval of the Accounting Officer and reallocations between programmes with the approval of MoFED[127]. The value of the reallocations approved by MoFED was approximately 2% in 2014.

The limits for which *ex ante* approval by the National Assembly of the Executive's amendments are set out in Article 102, which specifies the requirements for supplementary estimates. *Ex ante approval* is required for additional expenditures and *ex post* for regularisation purposes. There is no explicit time limit to the regularisation process, although the Constitution refers to the need for a supplementary appropriation bill by the end of the following financial year, if a resolution has been passed by the Assembly. However, transitional provisions in the Finance and Audit Act (amended) 2015 set out the need for supplementary appropriations to be presented for 2013 and 2014. In 2014 there were no ex ante supplementary budgets. For the FY 2013 budget, there was one Act passed in December 2013 for expenditure of Rs 2.5 billion and one Act passed in May 2015 for Rs 3.4 billion.

[124] In accordance with the PEFA Guidelines, the basis for the assessment of PI-16 is on budget changes initiated by those above the level of the management of ministries and departments while the basis for this is those changes undertaken by the management of ministries and departments. As in practice many PEFA assessments include a discussion of both types of amendments in PI-16 and PI-27, cross-references are made in the text to both types in the two indicators.

[125] Section 3(2) a of the Finance &Audit Act

[126] Contained in Financial Instructions No. 3 of 2009 (as applicable as at the date of the assessment and for the 2014 Budget).

[127] A new Financial Instruction on virement rules has recently been agreed in line with the new budget structure.

External Scrutiny and Audit		Methodology	Rating	
PI-27 Legislative scrutiny of the annual budget law		**M1** **BCG for the last completed FY**	**D+**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Scope of the legislature's scrutiny.	C	The legislature's review covers details of expenditure and revenue but only at a stage when detailed proposals have been finalised.	B	B
(ii) Extent to which the legislature's procedures are well-established and respected.	B	There is no specialised budget committee. The Committee of Supply of the whole House debates the budget according to the Standing Orders of the Assembly. The rules as set out in the Standing Orders are generally respected	C	B
(iii) Adequacy of time for the legislature to provide a response to budget proposals both the detailed estimates and, where applicable, for proposals on macro-fiscal aggregates earlier in the budget preparation cycle (time allowed in practice for all stages combined).	D[128]	The legislature spent two weeks in budget debate following the budget speech. The whole process from budget speech to appropriation bill was less than a month.	B	B
(iv) Rules for in-year amendments to the budget without ex-ante approval by the legislature.	A	Clear rules exist and they allow administrative reallocations within specific limits within a programme as well as limited re-allocation between programmes. The value of reallocations approved by MoFED was approximately 2% of total budgetary expenditures (see PI-16). The rules are generally respected.	B	A
Source: Dates from Deputy Clerk; Parliamentary standing orders; Supplementary Appropriation Acts 2013; General warrant; Virement rules (FI Number 3 of 2009), Meeting with PAC members. Finance and Audit Act (amended) 2015, Constitution, *mauritiusassembly.govmu.org*				

Changes since the previous assessment/On-going reforms

During the period 2012-2014, there were no changes in procedures. Virement rules have now been changed (June 2015) to reflect the change in the budget structure.

PI-28 Legislative scrutiny of external audit reports

The legislature has a key role in exercising scrutiny over the execution of the budget that is approved. A common way in which this is done is through a legislative committee or commission that examines the external audit reports and questions responsible parties about the findings.

128 The rating has been made in line with the PEFA Fieldguide for this indicator. As indicated above, the Fieldguide states that the "Assessing the legislative scrutiny and debate of the annual budget law will be informed by consideration of several factors, including the scope of the scrutiny, the internal procedures for scrutiny and debate and the time allowed for that process." The time allowed for that process would reasonably be expected to include the time provided by parliament to debate, not simply the elapsed period.

Section 69(2) of the Standing Orders of the National Assembly establishes the Public Accounts Committee (PAC) and sets out its composition and duties. Its duties are 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”.

Section 9 of the Standing Orders states that, in the event of prorogation (ending of the Parliamentary session, as proclaimed by the President in line with section 57 of the Constitution), “the effect of prorogation is at once to suspend all business until Parliament is summoned again. All proceedings pending at the time are quashed. Bills must be re-introduced and the life of all committees sessional or otherwise comes to an end”. This means that the PAC’s proceedings lapse and it cannot report on its hearings prior to prorogation. The newly-constituted PAC following prorogation is disbarred from having access to the minutes of the former Committee.

Dimension (i): Timeliness of examination of audit reports by the legislature

The most recent PAC report completed and submitted to the National Assembly was for its review of the Director of Audit’s annual reports for fiscal years 2010 and 2011. The report submitted in May 2013.

Table 23 provides details, for the last 5 years, of the dates when the Director of Audit’s reports were submitted to the National Assembly, when the PAC reviewed the reports, and when the PAC reports were laid before the Assembly.

During the past three years (2011-2013), the consolidated Director of Audit reports on the Public Accounts for fiscal years 2010, 2011 and 2012 were submitted to the National Assembly and laid before the PAC. In the absence of data for the Director of Audit’s report on FY2013, the average number of months between the reports for FY2010, 2011 and 2012 being submitted to the National Assembly and the completion of the review of the reports by PAC was 18.5 months (see Table 24). The number of months (to the date of assessment) would be 18.3 months if one considered the reports on FY 2011, 2012, and 2013.

Table 23 PAC Scrutiny of Director of Audit Reports

Director of Audit's report[1] for fiscal year ending:	**When submitted to National Assembly**	**When considered by PAC**	**When PAC report on the accounts issued**
12 month period ending 30 June 2009 and 6 month period ending 31 December 2009	13 July 2010	Selected ministries: 10 meetings between June and October 2010; and 17 meetings between January and October 2011.	No report issued (National Assembly prorogued on 14 March 2012)
31 December 2010	5 July 2011	Selected ministries: 7 meetings between 18 January and 24 February 2012; (New PAC): Selected ministries: 33 meetings between 19 June 2012 and 16 May 2013. Selected departments: 8 meetings between 1 June 2013 and 31 October 2013 (after PAC report issued). Plus 12 meetings between 23 January 2014 and 2 May 2014. Following 2014 prorogation, 3 meetings between 12 August and 9 September 2014 (after PAC report issued).	21 May 2013
31 December 2011	10 July 2012	Selected ministries: 33 meetings between 10 July 2012 and 16 May 2013. Selected ministries: 8 meetings between 1 June 2013 and 31 October 2013. Plus 12 meetings between 23 January 2014 and 2 May 2014. Following 2014 prorogation, 3 meetings between 12 August and 9 September 2014 (after PAC report issued).	21 May 2013
31 December 2012	16 July 2013	Selected ministries: 8 meetings between 16 July 2013 and 31 October 2013. Plus 12 meetings between 23 January 2014 and 2 May 2014. Following 2014 prorogation, 3 meetings between 12 August and 9 September 2014.	No report issued (National Assembly prorogued on 12 May 2014)
31 December 2013	5 September 2014	No consideration by PAC to date of assessment.	Dissolution of Parliament on 6 October 2014.
31 December 2014	Report currently being prepared by Director of Audit	N/A	N/A

Note: 1. Report of the Director of Audit on the Accounts of the Republic of Mauritius for the year ending X.
Source: Office of the Clerk, National Assembly; Hansard

Table 24: Duration of time for PAC review of audit reports submitted to the National Assembly within the last 3 years

Year in which audit report submitted to the National Assembly[1]	Number of months between report being submitted to the National Assembly and completion of examination by the PAC[2]
2011 (for report of FY 2010)	10.5
2012 (for report of FY 2011)	22.5
2013 (for report of FY 2012)	23.5 (to date of assessment)
2014 (for report of FY 2013)	NA[3]
Average for FY 2010-2012 reports	**18.5**
Average for FY 2011-2013 reports[4]	**18.3**

Note: 1. The assessment is intended to be based on the audit reports for the last 3 years (audit reports for FYs 2011, 2012 and 2013).

2. The latter is measured by the date of the laying of the PAC report before the National Assembly.

3. There had been no consideration by PAC of this report as at the date of the assessment.

4. The number of months for the FY2014 report was calculated from its submission to the National Assembly (September 2014) up to the date of assessment (9 months)

Source: Office of the Clerk, National Assembly, Hansard

Dimension (ii): Extent of hearing on key findings undertaken by the legislature

During the last three years, the PAC held hearings with selected ministries/departments, usually those with key (negative) issues identified in the Director of Audit's report. The number of entities involved in PAC hearings for the past three years is set out in Table 25. The hearings are held in camera without any disclosure of the proceedings (i.e. availability of the Minutes e.g. in Hansard), but discussions with PAC members indicate that the hearings were relatively detailed. However, the number of entities called for hearings is relatively limited and appears not to be routine, exacerbated by the practice of being required to begin the process all over following prorogation or dissolution of the Assembly.[129] Unless the new PAC revisits the audit reports, this practice effectively limits the continuity, scope and timeliness of the PAC review process. The practice has delayed the finalisation of the 2012 report. In addition, while other audit reports (e.g. the annual reports, containing the audited annual accounts, of extra-budgetary units, or performance audits) are laid before the National Assembly, these are not referred to the PAC for examination.

[129] The local practice is to seal the evidence of the previous committee's proceedings once a new Parliament has been elected and a new PAC convened.

Table 25: Duration of time for PAC review of audit reports submitted to the National Assembly within the last 3 years

Year in which audit report submitted to National Assembly	**Number of entities involved in PAC hearings**
2011 (for reports of FY ended 30 June 2009)	Details of ministries/departments met during the 17 meetings held not available
2012 and 2013 (for reports of FY 2010, 2011 and 2012)	Pre- laying of PAC report: 7 ministries/departments plus central departments/offices (NAO, PPO, CPB, OPSG) Post laying of PAC report: 5 ministries/departments
2014 for reports of FY 2010, 2011 and 2012)	Pre-2014 prorogation: 5 ministries/departments Post-2014 prorogation: 3 ministries/departments plus central departments/offices (PPO, CPB, NAO)
Source: National Assembly	

Dimension (iii): Issuance of recommended actions by the legislature and implementation by executive

While the most recent PAC report (covering the Director of Audit's reports for the fiscal years 2010 and 2011) issued recommendations, there is no evidence of any response to the report, nor follow-up actions to the recommendations, by the audited entities or from central executive departments.

External Scrutiny and Audit		Methodology	Rating	
PI-28 Legislative scrutiny of external audit reports		**M1** **CG** **Dim i: audit reports submitted to legislature within the last 3 years** **Dims ii and iii: last 12 months**	**D+**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Timeliness of examination of audit reports by the legislature (for reports received within the last three years).	D	For audit reports received by PAC during the last three years, the average number of months between the reports being submitted to the National Assembly and the completion of the review of the reports by PAC was 18.3 months	D	D
(ii) Extent of hearings on key findings undertaken by the legislature.	C	During the period 2010-2014, PAC held a number of in-depth hearings with some (but relatively few) audited entities on key findings.	D	A
(iii) Issuance of recommended actions by the legislature and implementation by the executive.	D	While the most recent PAC report (covering the Director of Audit's reports for the fiscal years 2010 and 2011) issued recommendations, there is no evidence of any response to the report or follow-up actions to the recommendations by the audited entities or from central executive departments.	D	D
Source: Office of Deputy Clerk; National Assembly website; National Assembly proceedings from Hansard; OPSG report; PAC and NAO officials				

Changes since the previous assessment/On-going reforms

Since the last assessment, initiatives are being put in place to strengthen the mandate of the PAC, develop appropriate policies and procedures to conduct hearings and prepare reports, and establish a strong secretariat for the Committee with resources necessary to support its activities.

3.7 Donor Practices

D-1: Predictability of Direct Budget Support

Dim (i) Annual deviation of actual budget support from the forecast provided by donor agencies

Budget support constitutes the majority of external support to GoM; in 2014, budget support was Rs 5.0 bn out of total external support of 6.4 bn (or 78% of total external support), and, on average of the period 2012-2014 constituted 57%. During the last three years, three development partners provided budget support to GoM: the EU, the World Bank and the African Development Bank. Annual average budget support over the three-year period was small in relation to overall expenditures, at around 5% of total budgetary central government expenditures. Development partners provide their forecasts for annual budget support to MoFED in time for its inclusion in the annual budget. In terms of received budget support amounts, actual direct budget support disbursements were below the forecasts provided by donor agencies by more than 15% in only one of the last 3 fiscal years (see Table 26).

Table 26: Deviation of actual budget support from forecast

	2012			2013			2014		
	Planned Rs mn	Actual Rs mn	Devia-tion[1] %	Planned Rs mn	Actual Rs mn	Deviation %	Planned Rs mn	Actual Rs mn	Deviation %
World Bank	1,007	1,007	0	581	581	0	467	467	0
EU	2,545	2,034	(20.1)	1,051	1,051	0	1,705	118	(93.1)
AfDB	-	-	-	4,672	5,494	17.6	4,621	4,424	(4.3)
Total	**3,552**	**3,042**	**(14.4)**	**6,304**	**7,127**	**13.1**	**6,793**	**5,009**	**(26.3)**

Note: 1. Figures in (brackets) signify that actual amounts were lower than the planned amounts.

Source: MoFED, external partners

(ii) In-year timeliness of donor disbursements

As development partners giving budget support provide such support in annual (and not more frequent) tranches, in accordance with the relevant agreements with GoM, there are neither quarterly estimates nor quarterly disbursements on which to provide an assessment. Consequently, this dimension is not applicable to Mauritius. The difference between planned estimates and actual disbursements, provided on an annual basis, is assessed in D-1(i) above.

Donor Practices		Methodology and Coverage	Rating	
D-1: Predictability of direct budget support		**M1** **Major donors providing direct budget support to/through CG** **Last 3 completed FYs**	**D+**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Annual deviation of actual budget support from the forecast provided by donor agencies	C	Actual direct budget support disbursements were below the forecasts provided by donor agencies by more than 15% in only one of the last 3 fiscal years.	D	A
(ii) In-year timeliness of donor disbursements	D	Donors providing direct budget support to GoM do so in annual tranches. There are no quarterly estimates or quarterly disbursements provided. The rating has been made in line with a clarification as set out in the set of PEFA clarifications (2012).	D	A
Source: MoFED, external partners				

Changes since the previous assessment/On-going Reforms

Actual amounts of direct budget support provided by development partners were closer to those planned during the most recent three years compared to the three years included in the previous assessment.

D-2: Financial Information Provided by Donors for Budgeting and Reporting on Project and Program Aid

(i) Completeness and timeliness of budget estimates by donors for project support

Table 27 shows the level of project support provided by development partners to Mauritius during the last three years. The support provided by the five largest represented 85% of total external project support in 2014. Development partners, with very few exceptions[130], provided estimates of their expected disbursements in time for MoFED to include them in the budget estimates (i.e. by October when the fiscal year began in January). The planned amounts were shown in the budget documents according to the government's classification.

[130] Any exceptions are for donors providing insignificant amounts of project support.

Table 27: External project funding by major development partners

	2012	2013	2014	Average 2012-2014
Development partner[1]	Rs mn	Rs mn	Rs mn	Rs mn
EU	1,681.7	1,186.8	108.0	992.1
China	456.1	1,782.5	609.7	949.4
World Bank	491.8	703.6	122.3	439.2
India	-	718.2	380.1	366.1
EIB	554.5	513.0	-	355.8
France	417.3	609.6	6.0	344.3
Others (11 partners)	701.5	332.5	216.0	37.9[2]
Total	**4,302.9**	**5,846.1**	**1,442.1**	

Notes. 1. The shaded rows show the top 5 development partners providing external project finance, as measured by the average amount they provided over the three years, 2012-2014.
2. Average of the average annual amounts provided by each of the remaining 11 partners for the 3-year period 2012-2014.
Source: MoFED, external partners

(ii) Frequency and coverage of reporting by donors on actual donor flows for project support

Development partners providing external project support provide GoM with annual reports on the disbursement of such financing. The figures are provided in accordance with the government's classifications and included in the Accountant-General's annual report. Discussions with government officials indicate that some of the major donors do not systematically provide quarterly reports to GoM on their actual project aid disbursements. The value of the project funds for which quarterly reports are not available is estimated to be more half of the total amount of external project funding. As indicated above, external project funding to government is relatively small as a share of overall resources.

Donor Practices		**Methodology and Coverage**	**Rating**	
D-2: Financial information provided by donors for budgeting and reporting on project and program aid		**M1** **Major donors providing project support to/through CG** **Last completed FY**	**D+**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Completeness and timeliness of budget estimates by donors for project support	A	Virtually all donors provided complete projections of their disbursements to GoM prior to the start of the FY 2014 fiscal year on 1 January. The planned amounts were shown according to the government's classification, based on the information as submitted by donors.	A	A
(ii) Frequency and coverage of reporting by donors on actual donor flows for project support	D	Not all of the major donors routinely provide quarterly reports to GoM on their actual project aid disbursements. The value of project funds for which quarterly reports are not available is estimated to be more half of the total amount of external project funding.	A	A

Source: MoFED, external partners

Changes since the previous assessment/On-going Reforms

Issuance of the PEFA Fieldguide in February 2012 provided clarifications for the assessment of this indicator.

D-3: Proportion of aid that is managed by use of national procedures

National systems of management of funds are those established in general legislation (and related regulations) of the country and implemented by the mainstream line management functions of the governments. These procedures include those for budgeting, banking, accounting, procurement, reporting and audit[131]. This indicator assesses the extent to which development partners use national systems for the four areas of procurement, payment/accounting, audit and reporting, as measured by the average of the proportion of donor funds using each of these four procedures.

External finance provided by development partners to GoM is near-fully reflected in both the budget estimates (for budgeting) and in the annual financial statements prepared by the Accountant-General (for reporting). Development partners providing budget support use national procedures for procurement, payment/accounting, audit and reporting. However, external partners providing funds for large projects (e.g. China, India, EIB) tend to use their own procedures for banking, procurement, and auditing (i.e. non GoM national procedures). Nonetheless, budget support represents a significant share of total external finance. Thus, more than 75% of the value of external finance provided to GoM in 2014 used national procedures for procurement, payment/accounting, audit and reporting.

Donor Practices		Methodology and Coverage	Rating	
D-3: Proportion of aid that is managed by use of national procedures		**M1** **All aid to/ through CG** **Last completed FY**	**B**	
Dimension	PEFA 2015	Summary	PEFA 2011	PEFA 2007
(i) Overall proportion of aid funds to central government that are managed through external procedures.	B	The available data indicate that more than 75% of the value of external finance provided in 2014 was managed by the complete use of GoM procedures, including procurement, payment/accounting, audit and reporting.	B	N/R
Source: MoFED, external partners				

Changes since the previous assessment/On-going Reforms

There has been no change in processes since the last assessment.

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[131] The definition of the use of national systems for each of these processes corresponds to those set out in the PEFA Fieldguide (May 2012) and includes: (i) budget: funding is indicated somewhere in the approved Budget estimates for the most recently-completed fiscal year (2014); (ii) banking: the funds use one of the central government's main bank accounts, as managed by the Treasury, but not a special purpose account; (iii) accounting: the funds are accounted for through the TAS; (iv) procurement: use of the procedures as set out in the Public Procurement Act and the Procurement Regulations; (v) reporting: presentation of external finance in the Accountant-General's annual report; and (vi) audit: external funds to GoM, including project funds, are audited by the Director of Audit and her staff at the NAO in accordance with the procedures set out in the Finance and Audit Act.

4. Government (PFM) reform process

4.1 Description of recent and on-going reforms

PFM reform and related programmes

Over the last ten years, the GoM has implemented a number of PFM related reforms. One particular area of reform during this period, supported substantially by UNDP, has been the strengthening of its planning and budgeting system to make it more performance-orientated. This has included introducing programme-based budgeting, which was designed to provide a more performance focus to the processes for budget planning, formulation, preparation and execution; as well as strengthening the investment planning process, including planning procedures, criteria and decision-making process for selecting projects.

Various changes in legislation (procurement, debt and finance and audit) have also been introduced to improve the overall management of public finances, while a dedicated committee (the Financial Management Review Committee) is reviewing, updating and consolidating the financial management manual and financial instructions.

Government's efforts to strengthen the integration of the planning, budgeting and execution framework to improve public sector efficiency and achieve inclusive growth has been supported by UNDP. Work was undertaken to develop a long-term (10 year) plan, three-year strategic plans and develop capacity in public sector and public financial management through innovative e-learning techniques.

Following the 2007 and 2011 PEFA exercises, the government developed action plans designed to address identified weaknesses. It has successfully implemented revisions to its classification structure to enable functional reporting and undertaken various capacity development measures.

Recognising the importance of new technology to support both improved accountability and transparency, GoM is currently implementing a number of IT-related reforms, including e-procurement, a new Human Resource Management Information System, e-payments and e-budgeting. In addition, piloting of the TAS asset management module is being done to develop a comprehensive asset management framework.

In 2010, the government established the OPSG to provide leadership, co-ordination, and cohesion to the implementation and monitoring of the State-Owned Enterprise (SOE) reform initiative and also launched the Parastatal Information Management System (PIMS). The OPSG, originally under the aegis of the Prime Minister's Office, was moved by the new government in January 2015 to form part of the new Ministry of Governance, Financial Services and Institutional Reforms. The PMIS is a web-based system which has been developed to capture financial and non-financial information of SOEs. This system, as a focal point, is intended to enable a greater oversight mechanism and facilitate performance evaluation of these organisations.

Planned reforms in revenue administration have been set out in successive corporate plans, the latest of which is for the period 2014 -2016. Improvements in customs administration have been one of the areas supported by the World Bank's Development Policy Loans (DPL).

Alongside the developments in PFM, the GoM through the Ministry of Civil Service and Administrative Reforms has also been introducing changes in public service including a greater focus on performance management, although this is reportedly following a slower trajectory.

4.2 Institutional factors affecting reform planning and implementation

Government leadership and ownership

Generally, the reforms have shown a high level of government ownership and leadership and have been introduced in gradual and co-ordinated way. Some reforms have been on-going for some time e.g. improved asset management, reflecting the complexity of the task. There are plans to move gradually to compliance with IPSAS cash and then to IPSAS accrual; however the government is aware of the difficulties associated with full compliance with either financial reporting standard and is progressing slowly and carefully, rather than in the unstructured way adopted in some other countries.

Coordination across government

Most reforms originate at the centre, either in MoFED or OPSG; however the structure of government administration in Mauritius particularly the secondment of finance and procurement staff to the line ministries/departments, means that co-ordination at a technical level appears to be good. This is also supported by high-level committees and the existence of departments, such as the Public Sector Efficiency Bureau and OPSG, both under the Ministry of Financial Services, Governance and Institutional Reforms, with the specific mandate of supporting reform processes.[132] In addition, the sector management support teams in MoFED help to support the co-ordination of PFM and PFM reforms across government.

Sustainability of the reform process

There are a number of highly qualified and/or experienced personnel at both the centre and at the line ministries. The availability of high-quality and experienced personnel makes a positive contribution to reform sustainability. However, sustainability of reforms has met with mixed success. For example, extensive work by government officials on a new public financial management law and a more equitable grant mechanism for local government has not yet been taken forward. Similarly work in planning has not yet resulted in the development of a long-term (10-year) government plan. As in all countries, reforms are likely to be most sustainable when their benefits are clear to stakeholders, including those at both the technical and political levels, and the costs of their introduction are not disproportionate to the benefits.

[132] Specifically, to review administrative and financial systems and procedures across the public sector in order to increase efficiency of the use of public resources.

Glossary of Terms

Term	Definition
Budgetary Central Government	includes all ministries and departments.
Central Government	covers all units that are agencies of the country's central authority. It consists of Budgetary Central Government, Extra Budgetary Units and Social Security Schemes.
Extra Budgetary Units	are agencies responsible for the performance of specialised governmental functions in such fields as health, education, social welfare, construction and so on, under the authority of Central Government.
Local Government	consists of municipalities and district councils/ village councils exercising an independent competence as government units.
Non-Financial Public Corporations	are government-owned[133] or government-controlled[134] units selling goods and services to the public on a large scale.
Public Financial Corporations	are government-owned or government-controlled institutions primarily engaged in both incurring liabilities and acquiring financial assets in the market
Public Sector	consists of the general government sector, non-financial public corporations and public financial corporations. An institution is considered as public if it is entirely or mainly owned and/or controlled by government itself or by some other public institutions
Social Security Schemes	are schemes imposed, controlled or financed by the public authorities for the purpose of providing social security benefits for the community. Included here is the National Pensions Scheme.
Regional Government	consists of the administration of Rodrigues.

[133] 'Own' is defined as having all or a majority of the shares or other forms of capital participation.
[134] 'Control' implies having an effective influence in the main aspects of management.

Annexes

Annex A: Summary Table of Performance Indicators – 2015 assessment using current (2011) methodology

No.	Indicator	2015 Rating	Brief Explanation and Cardinal Data used
A.	PFM-OUT-TURNS: Credibility of the budget		
PI-1	Aggregate expenditure out-turn compared to original approved budget	**B**	The deviations between budgeted and actual expenditures were more than 10 per cent of budgeted expenditures in only one of the previous three fiscal years completed. *Source: Audited financial statements 2012 and 2013. Unaudited financial statements 2014*
PI-2	Composition of expenditure out-turn compared to original approved budget	**C+**	(i) The variance in expenditure composition was between 10 and 15% in two out of the last three fiscal years, while in the third year it was less than 10% (C). (ii) The average amount charged to the contingency and reserves programme over the last 3 years was 0% (A). *Source: Audited financial statements 2012 and 2013. Unaudited financial statements 2014*
PI-3	Aggregate revenue out-turn compared to original approved budget	**B**	Actual domestic revenue received was between 94% and 97% of original approved budgets. *Source: Audited financial statements 2012 and 2013. Unaudited financial statements 2014*
PI-4	Stock and monitoring of expenditure payment arrears	**A**	(i) There is no reported stock of expenditure arrears. At the end of the fiscal year, a circular on year end procedures is issued to all Departments (both self- accounting and non- self-accounting) to expedite payment of all outstanding bills received and already committed on the Treasury Accounting system (A**).** ((ii) None of the scoring criteria can be applied in this instance. There is the assumption (which appears reasonable) that internal procedures are sufficiently robust that no significant stock of arrears can accumulate beyond the twelve month period, so no active monitoring occurs. (N/A). *Source: Annual Financial Statements; Treasury year-end procedures; meetings with private sector, Accountant General and Ministries of Health, Education and Public Infrastructure*

No.	Indicator	2015 Rating	Brief Explanation and Cardinal Data used
B.			**KEY CROSS-CUTTING ISSUES: Comprehensiveness and Transparency**
PI-5	Classification of the budget	**A**	In FY 2014 budget formulation, execution and reporting was based on functional, administrative, economic, program and sub-program. The program/ sub program code was similar to the sub-functional classification of COFOG, thus allowing reporting at this level of detail in formulation, execution and reporting. *Source: Estimates 2014; Unaudited Accounts 2014; TAS manual*
PI-6	Comprehensiveness of information included in budget documentation	**B**	The annual budget documentation includes full coverage of 5 of the 9 information benchmarks. *Source: 2015-16 and 2014 Budget documentation*
PI-7	Extent of unreported government operations	**D+**	(i)The level of extra-budgetary expenditure which is un-reported (i.e. not included in estimates and in-year reports and final accounts) is more than 10% of total BCG expenditure (D) (ii)Complete financial information for more than 90% (by value) of externally-funded project expenditures is provided in fiscal reports. (A) *Source: Estimates for 2013 and 2014; Audited Statements 2013; List of statutory bodies and latest submitted Fin statement (from Director of Audit); Digest of Public Finance Statistics (2014) published by Statistics Mauritius, Breakdown of statutory bodies, etc. – in house working papers*

No.	Indicator	2015 Rating	Brief Explanation and Cardinal Data used
PI-8	Transparency of inter-governmental fiscal relations	**D+**	(i) There is no transparent formula for the transfer of funds to municipal and district councils. RRA funds are allocated according to a budget ceiling and subsequent negotiations (D); (ii) Although information for RRA is more reliable, the 12 councils received directions to base their estimates on the previous year's allocations ahead of their own budget making process but did not receive actual allocations until after their internal budgets had been approved. The difference between the budget and actual amounts has also become significantly greater over the period 2010-2014, leading to a decrease in the reliability of information. Thus, information available to 12 of the 13 sub-national governments at the time of their budget preparation and approval process does not appear to be sufficiently reliable for them to prepare and subsequently approve meaningful budgets.(C); (iii) Statistics Mauritius prepares general government accounts (ex post) on a functional basis within 12 months of the end of the accounting period. Ex ante (budget) reports for general government are not prepared according to sectoral categories. (C). *Source: Digest of Public Finance Statistics 2014, Estimates 2014, Data on Grant in Aid from MoLG, meetings with Ministry of Local Government and senior management of municipal and district councils, SMST for Rodrigues. MoLG circular*
PI-9	Oversight of aggregate fiscal risk from other public sector entities.	**C**	(i) Annual monitoring takes place of certain types of risk but is not comprehensive. Financial statements of the individual bodies may be submitted to the parent ministry but there is no legal requirement that this is forwarded to MoFED. A consolidated overview is not yet produced. (C); (ii) Monitoring of on-lent debt takes place and in year expenditure v budget. However, a consolidated overview of the true fiscal position of SN government is not prepared (C). *Source: Financial Statements Curepipe, Monthly reports, Meetings with Senior Management Local Councils, Min of Local Gov't and SMST Rodrigues and Local Government; Audit Report 2013. Debt Management Unit Reports.*
PI-10	Public access to key fiscal information	**B**	The public is provided access within the specified time to 4 of the 6 types of information listed. *Source: Websites of MoFED, Accountant-General, NAO, Public procurement portal, meetings with officials in MoFED, Office of Accountant-General, NAO, Ministry of Education, Ministry of Health, CISD*

No.	Indicator	2015 Rating	Brief Explanation and Cardinal Data used
C.	**BUDGET CYCLE**		
C(i)	**Policy-Based Budgeting**		
PI-11	Orderliness and participation in the annual budget process	**C+**	(i) A clear annual budget calendar is provided. It gives ministries and departments three weeks from receipt to prepare their budget submissions. With not all ministries/ departments submitting their estimates by the deadline, there can be limited delays in implementing the budget calendar. (C); (ii) Comprehensive and clear budget call circulars, containing individual expenditure ceilings for ministries/departments, are issued to ministries and departments each year. The ceilings are seen, but not approved, by Cabinet. Cabinet receives the budget estimates on the same day as the budget is submitted to the National Assembly (the same day as the Budget Speech), and thus has no opportunities to make adjustment. (D); (iii) In all of the last three fiscal years' budgets, the budget was approved before the start of the fiscal year. (A) *Source: Annual Appropriation Acts for 2013, 2014 and 2015, Budget Call Circulars for 2013, 2014 and 2015*
PI-12	Multi-year perspective in fiscal planning, expenditure policy and budgeting	**C**	(i) The forward estimates for year T+1 (coming budget year plus one, i.e. the first indicative estimates year) provide the base for the setting of the rolled-over budget ceilings for the following year, differences between the two are set out in internal documentation but not provided explicitly in the published budget documentation. In practice, differences between the forward estimates and subsequent ceilings in aggregate are small. (B); (ii) One DSA which covered both domestic and external debt was carried out by GoM during the last three years. (B); (iii) There are no sector or ministerial medium-term strategy documents in place which reflect substantially complete costings for recurrent and investment expenditures. (D); (iv) While the recurrent and investment budgets are not separate processes, investment projects are not explicitly linked to sector strategies. There is no evidence that future recurrent costs associated with investment projects are systematically included in forward estimates. (D) *Source: Ministry medium-term strategies (e.g. Health, Education), GoM Debt Sustainability Analysis, Working documents on MTFF, budget submissions and internal analyses, meetings with MoFED and ministries of Health, Education and Public Infrastructure*

No.	Indicator	2015 Rating	Brief Explanation and Cardinal Data used
C(ii)	**Predictability and Control in Budget Execution**		
PI-13	Transparency of taxpayer obligations and liabilities	**A**	(i) Legislation and procedures for most major taxes are comprehensive and clear with strictly limited powers of discretion of the government entities involved. The recently enacted Finance (miscellaneous provisions) Act 2015 also now requires a SoP for all uses of discretionary power. (A); (ii) Taxpayers have easy access to comprehensive user- friendly and up to date information on tax liabilities and administrative procedures. MRA carries out a variety of tax education awareness and assistance campaigns for the general public and key stakeholders. (A) (iii) The MRA established its OADRD in 2012 to provide a more transparent, fairer, equitable and objective first 'appeal' mechanism. ARC has been operational for several years but its effectiveness and efficiency has been limited by capacity constraints (vacancies), potential independence issues (contractual posts) and case load. In addition, appeals of the ARC's decision to the Supreme Court can only be made on a case of law not the assessment itself.(B) *Source: DG MRA briefing; MRA Annual Reports 2012 and 2013; MRA corporate Plan 2014-16; Data provided by ARC. www.mra.mu*
PI-14	Effectiveness of measures for taxpayer registration and tax assessment	**B+**	(i) Taxpayers are registered in a single taxpayer register. The MRA has direct access to the business registration system and accesses information from a wide range of other sources e.g. registrar general, banks and some financial institutions (B); (ii) Penalties for non-compliance exist in most areas and rules have been revised to improve the consistency of administration. Although there is still some potential scope for inconsistent administration with the 'assessing penalty' and scale of some penalties have also recently been reduced (B); (iii) A wide range of tax audits and fraud investigations are managed and reported on according to a documented audit plan with clear risk assessment criteria. A more holistic approach to risk was also introduced in 2013 with the formation of the Tax Risk Management Unit (TRMU) which is providing further analysis on areas of potential risk. (A). *Source: DG briefing and additional clarification, MRA Annual Report 2012 and 2013. Meetings with accounting firms, taxpayers association and Joint Economic Council (representing private sector interests). www.mra.mu*

No.	Indicator	2015 Rating	Brief Explanation and Cardinal Data used
PI-15	Effectiveness in collection of tax payments	**D+**	(i)The stock of total tax arrears (measured gross) is significant (7% of total tax revenues in 2014). The average debt collection ratio for 2013 and 2014 was 46%(D); (ii) Major tax revenues are banked daily in the MRA bank account (via numerous payment methods) and transferred at least daily to the main treasury account. (A); (iii) Complete reconciliation of tax assessments, collections, arrears and transfers to Treasury take place at least monthly within one month of end of month (A). (iv) In the last 3 years, the annual audit by NAO has focussed on procedures and documentation at Ministry Headquarters and CISD only. No physical count at zonal, district or service delivery level has taken place. No internal audits or staff surveys have been conducted. No audit of the IT payroll system has occurred. *Source: DG briefing and additional clarification, MRA Annual Report 2012 and 2013. Meetings with accounting firms, taxpayers association and Joint Economic Council (representing private sector interests). www.mra.mu*
PI-16	Predictability in the availability of funds for commitment of expenditures	**A**	(i) Before the beginning of the budget year, Treasury prepares an annual cash flow forecast disaggregated by month, based on monthly revenue projections provided by MoFED and monthly expenditure projections provided by ministries and departments. These forecasts are updated at least monthly, based on actual monies received and expended. (A); (ii) Ministries and departments are able to plan their expenditures monthly for the fiscal year (i.e. up to 12 months in advance) in line with their updated monthly cash flow forecasts and within the limit of their appropriations. (A); (iii) During 2014, no significant adjustments to ministries and departments' budgetary allocations were made by either MoFED or the National Assembly. Virements requested by ministries and departments and approved by MoFED under the FI for virements represented around 2% of the total budgetary allocation in 2014. (A) *Source: Annual cash flow forecasts and updates for 2015; TAS outputs; MoFED Financial Instructions on virement rules, Meetings with MoFED, Accountant-General's officials*

No.	Indicator	2015 Rating	Brief Explanation and Cardinal Data used
PI-17	Recording and management of cash balances, debt and guarantees	**B+**	(i) Comprehensive management and statistical reports covering debt stock, debt service and operations are produced quarterly. Debt records for government (domestic and external debt) are maintained by both BoM and DMU. Data is generally considered to be of high integrity and reconciliation is done monthly (A); (ii) Cash balances are calculated and 'consolidated' daily with the exception of some extra-budgetary funds which remain outside of this system. (B); (iii) Central government's contracting of loans and issuance of guarantees are made within the public sector debt ceiling and approved by the Minister of Finance. Criteria for the issuance of guarantees require a restructuring plan if organization is in arrears. but not in terms of credit risk, eligible sector etc. Some enabling legislation for EBUs allows borrowing and the primacy of the Public Debt Management Act is not specified in the Act (B). *Source: PDM Act; DMU briefing; Financial statements 2013 and 2014 (statement J); Audit Report 2013; Meeting with BoM and Accountant General. Meetings with Health, Education and Public Infrastructure. Mof.govmu.org*
PI-18	Effectiveness of payroll controls	**C+**	(i) Personnel records and payroll data are not integrated. However the payroll is checked against the previous month's payroll and there is a full set of documentation to support changes to personnel records.(B); (ii) Required changes to personnel and payroll records are updated monthly, generally in time for the following month's payments (A).; (iii) Authority to make monthly changes to personnel records and payroll are clear. There is a clear audit trail for paper documentation but there is no audit report produced by the computerised payroll system to check for any unauthorised changes (B); (iv) In the last 3 years, the annual audit by NAO has focussed on procedures and documentation at Ministry Headquarters and CISD only. No physical count at zonal, district or service delivery level has taken place. No internal audits or staff surveys have been conducted. No audit of the IT payroll system has occurred. (C). *Source: Payroll documentation (forms, timetables etc.); Meetings with CISD, Payroll and HR sections – MoFED and health, education and public infrastructure ministries. Ministry of Civil Service and Administrative Reforms, Director of Audit and Internal Audit teams, Civil Establishment Orders and Estimates. Meetings with PSSA, UoM and MRA*

No.	Indicator	2015 Rating	Brief Explanation and Cardinal Data used
PI-19	Competition, value for money and controls in procurement	**C**	(i) The legislative framework meets 3 of the 6 requirements listed. (C); (ii) Data were not available on the percentage of contracts awarded by methods other than open competition which were justified in accordance with the Public Procurement Act. (D); (iii) Key procurement information elements are complete and reliable and made available to the public in a timely manner for three of the four items listed, representing at least 75% of the value of procurement contracts for central government entities. (B); (iv) The legislative framework meets (i) and (ii), as well as two of the other 5 requirements listed. (C) *Source: Public Procurement Act (as amended) and public procurement regulations; PPO website and public procurement portal; MoFED and PPO data on procurement; meetings with officials from MoFED, PPO, Ministries of Public Infrastructure and Health, Independent Review Panel*
PI-20	Effectiveness of internal controls for non-salary expenditure	**B+**	(i) A commitment control system exists which limits commitments to approved budget allocations. The availability of cash is managed through the Treasury's cash management procedures and provides sufficient horizon for commitment (ref PI 16 (ii). (A); (ii) Other internal control rules exist and cover a range of procedures. There is an on-going exercise to revise and consolidate to improve their relevance and accessibility, while there is a recognised lack of up to date material on IT controls (B); (iii) In general, the internal and external auditors' reports indicate a fair degree of compliance in relation to the processing and recording of payment transactions. However there are instances of non-compliance with procurement regulations (B). *Source: Meetings with Accountant-General and Treasury officials; Financial Management Manual; Director of Audit interview and reports (2012 and 13); Internal Control Cadre interview and reports; Emergency procedures in the Procurement Act, 2006, Virement rules*

No.	Indicator	2015 Rating	Brief Explanation and Cardinal Data used
PI-21	Effectiveness of internal audit	**C+**	(i)The internal audit function is established in 16 major ministries/departments of BCG with the remaining 'departments' covered by a roving team based in MoFED. These remaining departments may not all be covered on an annual basis. In carrying out the internal audit function, some IIA standards are applied but there is limited quality assurance and lack of a legislative mandate. Work is focused on systemic (high risk) issues for 80% of staff time (B); (ii) Internal audit reports are issued to the audited entity Accounting Officer and MoFED. The report is not issued to the SAI, which is a requirement for a higher rating.(C); (iii) In 2013 and 2014 72% and 62% of recommendations were addressed by management but there is a reported delay in resolving some issues. Increased timeliness and by more managers is required to achieve the higher rating (C). *Source: Interview with the Directors of Internal Control Cadre and his officials, Annual Report for the Unit 2014, Director of Audit reports, Internal Audit Policy Operations Manual 2013, Internal Audit Standards Operating Manual 2013, Audit Charter, Interview with OPSG officials, Audit Committee report 2014 by OPSG*
C(iii)	**Accounting, Recording and Reporting**		
PI-22	Timeliness and regularity of accounts reconciliation	**B+**	(i) Reconciliations for all budgetary central government bank accounts are undertaken at both the detailed and aggregate levels on a monthly basis and are completed within 4 weeks. There are no long outstanding items (of more than 3 months). (A); (ii) GoM do not maintain suspense accounts in the General Ledger. Full reconciliations of advances takes place at least once per year, soon after the end of the year (i.e. within 2 months). Staff car/motorcycle loans would not be expected to be cleared each year. For other advances, some accounts have un-cleared balances carried forward from one financial year to the next but these are not considered to be materially significant. (B) *Source: Meetings with Accountant-General and Treasury officials and officials from BoM; Financial Management Manual; Audited financial statements 2013. Unaudited financial statements 2014*

No.	Indicator	2015 Rating	Brief Explanation and Cardinal Data used
PI-23	Availability of information on resources received by service delivery units	**C**	Front-line service delivery units prepare statements of cash receipts and expenses, but they receive minimal amounts of cash. Data on in-kind resources are maintained in goods received registers at the higher Zone level. No comprehensive annual reports are compiled on the receipt of resources in cash and in-kind by the most common front-line service delivery units, as required for a higher rating. As the information on resources received is available, albeit in a dispersed way, this is considered to substitute for special surveys, and a lower rating is not considered appropriate. *Source: TAS outputs, 2014 Statement of receipts and expenses of school, Meetings with Ministry of Education, Ministry of Health, public school officials, zonal officials for education*
PI-24	Quality and timeliness of in-year budget reports	**A**	(i) Expenditures are reported in detail in both the Treasury and MoFED management reports and these allow direct comparisons with the detailed budget at both commitment and payment stage in the Treasury reports but only at payment (not commitment) stage for the MoFED reports. (A); (ii) The monthly reports by Treasury and MoFED are issued within 2-3 weeks of the end of the previous month. The quarterly reports are issued within 2-3 weeks of the end of the previous quarter (A); (iii) There are no reported material concerns about the accuracy of the data in the reports. (A) *Source: Quarterly and monthly budget execution reports 2015; TAS outputs, Meetings with Accountant-General/Treasury and MoFED officials*
PI-25	Quality and timeliness of annual financial statements	**A**	(i) Consolidated financial information for budgetary central government is prepared annually and includes full information on revenues, expenditures, financial assets and liabilities. (A); (ii) Financial statements are submitted to the Director of Audit within 5 months of the year-end. (A); (iii) The financial statements are prepared in accordance with national standards based on generally accepted accounting principles (GAAP), and these have been applied consistently over the last 3 financial statements (A) *Source: Audited financial statements 2012 and 2013. Unaudited financial statements 2014, Meetings with Accountant-General/Treasury and MoFED officials*

No.	Indicator	2015 Rating	Brief Explanation and Cardinal Data used
C(iv)	**External Scrutiny and Audit**		
PI-26	Scope, nature and follow-up of external audit	**C+**	(i) The annual financial statement for budgetary central government is audited annually using ISSAIs. For central government as a whole, not all EBUs and special funds are audited annually. Since BCG represents 75% of total central government expenditures, central government entities representing at least 75%, but less than 100%, of total central government expenditures are audited annually. A wide range of audits is carried out and these appear to be focused on significant and systemic (risk-based) issues. (B); (ii) Audited financial statements for central government for the most recently audited fiscal year (2013) were submitted to the National Assembly within 8 months of their receipt by the NAO. The annual audit report on central government budget execution for 2013 was submitted within 12 months of the end of the fiscal year. (C); (iii) Accounting officers' formal responses are attached to the management letter in a timely manner, i.e. at the time of finalising the Director of Audit's report. However, during the year, there is no evidence of systematic follow up by the Executive. Some (but not necessarily all) of the recommendations are repeated in subsequent DoA's reports. (B) *Source: Director of Audit's annual reports for 2012, 2013 and 2014; NAO working documents; Meetings with Director of Audit and her staff; NAO website*
PI-27	Legislative scrutiny of the annual budget law	**D+**	(i) The legislature's review covered details of expenditure and revenue but only at a stage when detailed proposals have been finalised. (C); (ii) There is no specialised budget committee. The committee on supply of the whole house debates the budget according to. The Standing Orders of the Assembly. These are generally respected (B); (iii) The legislature spent two weeks in budget debate following the budget speech. The whole process from budget speech to appropriation bill was less than a month. (D); (iv) Clear rules exist and they allow administrative reallocation within specific limits within a programme as well as limited re-allocation between programmes. The value of reallocations approved by MoFED was approximately 1%. The rules are generally respected (A). *Source: Dates from Deputy Clerk; Parliamentary standing orders; Supplementary Appropriation Acts 2013; General warrant; Virement rules (FI 1of 2008 and FI3 of 2009), Meeting with PAC members. Finance and Audit Act (amended) 2015, Constitution, mauritiusassembly.govmu.org*

No.	Indicator	2015 Rating	Brief Explanation and Cardinal Data used
PI-28	Legislative scrutiny of external audit reports	**D+**	(i) For audit reports received by PAC during the last three years, the average number of months between the reports being laid before the National Assembly and the completion of the review of the reports by PAC was 18.5 months (D); (ii) During the period 2010-2014, PAC held a number of in-depth hearings with some (but relatively few) audited entities on key findings. (C); (iii) While the most recent PAC report (covering the Director of Audit's reports for the fiscal years 2010 and 2011) issued recommendations, there is no evidence of any response to the report or follow-up actions to the recommendations by the audited entities or from central executive departments. (D) *Source: Data on PAC meetings and coverage from Office of Deputy Clerk; National Assembly website; National Assembly proceedings from Hansard; OPSG report; meetings with Deputy Clerk of National Assembly, PAC members and NAO officials*
D.			**Donor practices**
D-1	Predictability of Direct Budget Support	**D+**	(i) Actual direct budget support disbursements were below the forecasts provided by donor agencies by more than 15% in only one of the last 3 fiscal years (C); (ii) Donors providing direct budget support to GoM do so in annual tranches. Thus, there are no quarterly estimates or quarterly disbursements on which to provide an assessment. (D) *Source: Data from MoFED (development co-operation section); 2014 and 2015-16 budget documents, 2014 Accountant-General's report (unaudited); meetings with MoFED (development co-operation section), donors*
D-2	Financial information provided by donors for budgeting and reporting on project and program aid	**D+**	(i) Virtually all donors provided complete projections of their disbursements to GoM prior to the start of the FY 2014 fiscal year on 1 January. The planned amounts were shown according to the government's classification. (A); (ii) Not all of the major donors routinely provide quarterly reports to GoM on their actual project aid disbursements. The value of project funds for which quarterly reports are not available is estimated to be more half of the total amount of external project funding. (D) *Source: Data from MoFED, 2014 and 2015-16 budget documents, 2014 Accountant-General's report (unaudited); Donor project documents, meetings with MoFED, donors*
D-3	Proportion of aid that is managed by use of national procedures	**B**	The available data indicate that more than 75% of the value of external finance provided in 2014 was managed by the complete use of GoM procedures. *Source: Data from MoFED (development co-operation section); donor project documents, meetings with MoFED (development co-operation section), donors*

Annex B: Summary Table on Performance Changes, 2007-2015

Indicator	2015	2011	2007	Performance Change	Other factors
A. PFM OUTTURNS: Credibility of the budget					
PI-1. Aggregate expenditure out-turns compared to original approved budget	B	B	A	Overall deviations have increased in percentage terms on average during the last three years compared to the average in the last assessment. Since deviations on capital budgetary allocations tend to be more significant than for recurrent allocations, this increase may be related to the increase in the share of the budget accounted for by capital expenditures.	
PI-2. Composition of expenditure-outturn compared to original approved budget	C+	NC	NC	The methodology for this indicator has changed since the last assessment so a strict comparison of scores[135] is not feasible.	
PI-3. Aggregate revenue out-turns compared to original approved budget	B	NC	NC	The methodology for this indicator has changed since the last assessment so a strict comparison of scores[136] is not feasible.	
PI-4 Stock and monitoring of expenditure payment arrears	A	A	A	There are no identified changes in practice other than the introduction in FY 2013 of the seven day payment rule for small and medium sized businesses.	The performance criteria for dim (ii) is not strictly applicable in Mauritius
B. KEY CROSS-CUTTING ISSUES: Comprehensiveness and transparency					
PI-5 Classification of the budget	A	A	B	Since the previous assessment, the functional classification has been integrated into the coding system thus eliminating the need for the mapping process described in the previous assessment.	

[135] Guidance from the PEFA Secretariat on conducting repeat assessments advises against repeating the earlier assessment.

[136] Guidance from the PEFA Secretariat on conducting repeat assessments advises against repeating the earlier assessment.

Indicator	2015	2011	2007	Performance Change	Other factors
PI-6 Comprehensiveness of information included in the Budget	B	A	B	The previous assessment was undertaken at a time of change in the budget's format (to PBB). This assessment has had the benefit of additional clarification on assessing the indicator.	
PI-7 Extent of unreported government operations	D+	D+	D+	Since the previous assessment, there have been significant efforts to improve reporting on EBUs/EBFs but these have not yet had an impact on the indicator score i.e. reduced the % of unreported operations below 10%.	Audited reports on NPF are not up to date.
PI-8 Transparency of inter-gov. fiscal relations	D+	B	A	Since the last assessment, an additional three councils have been formed which has increased the fixed costs of the sector. The difference between budgeted amounts of grant in aid and actual figures has increased significantly since the last assessment.	The dimension (iii) requires *ex-ante* and *ex-post* consolidation for general government by sectoral categories for an 'A'. This is not done.
PI-9 Oversight of aggregate fiscal risk from other public sector entities	C	C+	B+	There is an on-going exercise at MoFED to classify state owned enterprises and EBUs as a first step to improve monitoring and oversight of these bodies. A Parastatal Information Management System (PIMS) has been introduced by the Office of Public Sector Governance (OPSG). This has not yet had an impact on the dim (i) rating.	The previous assessment noted that SN government could not generate fiscal liabilities for central gov't. It is not clear why fiscal liabilities (as defined by the indicator) cannot be generated e.g. unfunded pension liabilities, debt, expenditure arrears, which morally if not legally would need to be covered by central gov't. In addition, and more importantly the indicator assesses whether a consolidated overview of the fiscal

Indicator	2015	2011	2007	Performance Change	Other factors
					position.
PI-10 Public access to key fiscal information	B	B	A	There have been no changes in procedures/performance	
C. BUDGET CYCLE:					
C(i) Policy-based budgeting					
PI-11 Orderliness and participation in the annual budgeting process	C+	B+	B	Without full information on the extent to which Cabinet was involved in the budget process as at the time of the last assessment, it is difficult to assess the degree of any change in performance.	
PI-12 Multi-year perspective in fiscal planning, expenditure policy & budgeting	C	C+	D+	A detailed review of the current MTFF process was undertaken. Otherwise, there are no significant changes since the previous assessment.	
C (ii) Predictability and control in budget execution					
PI-13 Transparency of taxpayer obligations and liabilities	A	B+	B	The MRA established its OADRD in 2012 to provide a more transparent, fairer, equitable and objective first 'appeal' mechanism	
PI-14 Effectiveness of measures for taxpayer registration and tax assessment	B+	B+	B+	A number of improvements have been introduced since the previous assessment, which are enhancing the transparency and effectiveness of the MRA, but may not have impacted on the scores.	
PI-15 Effective collection of tax payments	D+	C+	D+	The value of tax arrears cleared annually has increased during the last three years, but at a slower rate than the growth in the stock of arrears.	
PI-16 Predictability in the availability of funds for commitment of expenditures	A	C+	A	The level of reallocations was lower compared to the previous assessment. There have been no other significant changes.	The issuance of the 2012 PEFA Fieldguide has clarified the interpretation of the indicator.
PI-17 Recording and management of cash balances, debt and	B+	A	A	There have been no changes in procedures/performance.	The PEFA fieldwork guide 2012 has provided

Indicator	2015	2011	2007	Performance Change	Other factors
guarantees					additional guidance on what constitutes transparent criteria to obtain an A[137]
PI -18 Effectiveness of payroll controls	C+	B+	B+	There have been no staff surveys or physical counts during audit of payroll	
PI-19 Competition, value-for-money & controls in procurement	C	NC	NC	The methodology for this indicator has changed since the last assessment so a strict comparison of scores[138] is not feasible	
PI-20 Effectiveness of internal controls for non-salary expenditure	B+	A	A	There are no known changes since the previous assessment in terms of performance	The Fieldguide of 2012 clarified the scope of the indicator, which does not focus solely on payment transactions and also the coverage of internal controls.
PI-21 Effectiveness of internal audit	C+	B+	B+	There are no known changes since the previous assessment in terms of performance	The issue of the 2012 PEFA Fieldguide has clarified the interpretation of some of the individual dimensions.
C (iii) Accounting, Recording and Reporting					
PI-22 Timeliness and regularity of accounts reconciliation	B+	A	A	The assessment has been made on the basis of a review of the latest annual financial statements, including the extent of advances carried forward.	The issuance of the 2012 PEFA Fieldguide has clarified the interpretation of the indicator.

137 Fieldwork guide 2012 p 104.

138 Guidance from the PEFA Secretariat on conducting repeat assessments advises against repeating the earlier assessment.

Indicator	2015	2011	2007	Performance Change	Other factors
PI-23 Availability of information on resources received by service delivery units	C	A	A	Annual reports which compile information on resources received in-kind nationally do not appear to be prepared. There are no known changes since the previous assessment in terms of performance.	The issuance of the 2012 PEFA Fieldguide has clarified the interpretation of the indicator.
PI-24 Quality, timeliness of in-year budget reports	A	A	B+	The assessment has been made on the basis of a review of in-year budget reports generated by Treasury and those prepared by MoFED.	The issuance of the 2012 PEFA Fieldguide has clarified the interpretation of the indicator.
PI-25 Quality and timeliness of annual financial statements	A	A	A	There have been no changes in procedures/performance.	
C (iv) External Scrutiny and Audit					
PI-26 Scope, nature, follow up of external audit	C+	B+	B+	There are no known changes since the previous assessment in terms of performance	The Fieldguide of 2012 clarified the scope of the indicator.
PI-27 Legislative scrutiny of the annual budget law	D+	C+	B+	For the 2014 budget debate, the time allocated to debate of the 2014 budget was less than one month.	
PI-28 Legislative scrutiny of external audit reports	D+	D+	D+	There have been no changes in procedures/performance	
D DONOR PRACTICES					
D-1 Predictability of Direct Budget Support	D+	D	A	The average difference between planned and actual annual disbursements was lower during the past three years (i.e. an improvement) compared to the previous three years. With the limited number of development partners providing direct budget support, any delay in disbursement due to the meeting of a donor conditionality can have a relatively significant impact; this was less of a factor in this assessment compared to the last one	

Indicator	2015	2011	2007	Performance Change	Other factors
D-2 Financial Information provided by Donors for budgeting and reporting on aid	D+	A	A	The assessment has been made on the basis of the most recent evidence for the largest providers of externally-financed project support for the last 3 years.	
D-3 Proportion of aid that is managed by use of national procedures	B	B	-	There have been no changes in procedures/performance	

Annex C: List of Stakeholders Met

Organisation	Officers
Ministry of Finance & Economic Development	***MTEF & Appropriation & Centrally Managed Programmes*** • Mr. A Acharuz, Lead Analyst • Mr. J Ramyed, Analyst/Senior Analyst & Team ***PFM Framework & Rules*** • Mrs. N Kureemun, Senior Analyst • Mrs. N Aubdoollah-Suhootoorah, Analyst/Senior Analyst ***Medium Term Fiscal Framework & Fiscal Reporting*** • Mrs. D LanHing Po, Lead Analyst & Team ***Macroeconomics Modelling & Statistics*** • Mr. R Hittoo, Analyst/Senior Analyst & Team ***Income & Direct Taxation & Land Property Development Issues*** • Mr. J Suhootoorah, Lead Analyst & Team ***Indirect Taxation (Including Green Taxation) & Non Tax Revenue)*** • Mr. M Bheekhee, Lead Analyst & Team ***Public Debt Management & Loans Administration*** • Mr.K.Guptar, Advisor • Mr. S Mohajur, Senior Analyst ***Development Cooperation & Regional Initiatives*** • Mr. G. Bussier, Director & Team ***Human Capital Development*** • Mr. C Paddia, Lead Analyst & Team ***Housing & Health*** • Mr. L Ghoorah, Lead Analyst & Team ***Local & Regional Government & Green Economy, Rodrigues & RRA*** • Dr. D. Paligadu, Assistant Director & Team ***SOE & Public Sector Pension & Other Fiscal Risks*** • Mr. K Seebundhun, Lead Analyst ***HR Budgeting & MCSAR*** • Mrs. S Rama, Lead Analyst • Mrs. R Nohur, Analyst/Senior Analyst ***Monitoring & Evaluation Framework Including Budget Measures*** • Mrs. P Oogarah-Bonomaully, Lead Analyst & Team ***Energy & Public Utilities, Procurement Issues & PPP Unit*** • Mr. V Soondram, Lead Analyst & Team ***Public Infrastructure, NDU, Land Transport & Shipping, Build Mauritius Fund, PSIP & Innovative Infrastructure Financing*** • Mrs. S Appanah, Lead Analyst • Mr. R Sultoo, Analyst/Senior Analyst • Mr. A. Ramdhany, Analyst/Senior Analyst

Organisation	Officers
Accountant-General	Mr. C. Romooah- Accountant General Mr. S. Ramdeen - Ag.Deputy Accountant-General Mr.S.Annauth - Assistant Accountant-General Mr. S. Ramparsad - Assistant Accountant-General Mr. N. Rambajun - Assistant Accountant-General Mr. R. Kalleechurn -Ag. Assistant Accountant-General
Director of Audit	Mrs. K.C TseYuet Cheong – Director of Audit Mr. P Napaul – Deputy Director of Audit
Public Accounts Committee	Honourable V. Baloomoody, MP – Chairperson & Members of PAC
Clerk to the National Assembly	Mrs.Lotun – Clerk National Assembly Ms Ramchurn – Deputy Clerk, National Assembly
Bank of Mauritius	Mr. Y. Googoolye – First Deputy Governor & Team
Office of Public Sector Governance	Mr. G. Gopee – Director General & Team
Procurement Policy Office	Mr.Dhoorundhur – Director & Team
Independent Review Panel	Mr. R. Laulloo – Chairperson
Central Procurement Board	Mr. M. Baguant – Chairperson
Internal control Cadre	Mr.Ghamy – Director & Team
Finance Cadre	Mr.Motah – Director
Statistics Mauritius	Mr. D. Changeya, Statistician
Ministry of Education	Mrs. D. Sauba, Director & Team Zone 1 – Mr. T. Mutty, Director & Team
Private Secondary School Authority	Mr S. Ng Tat Chung – Chairperson & Team
Ministry of Health	Mrs.Oree, Permanent Secretary & Team
Ministry of Public Infrastructure	Mr. C. Bhugan - Permanent Secretary & Team (including Procurement Plan Committee) Mr.Diljore, Deputy General Manager - Road Development Authority
Mauritius Revenue Authority	Mr.Lall – Director General & Team
Ministry of Civil Service and Administrative Reform	Mr. M. Boodhun - Permanent Secretary & Team
Ministry of Social Security, National Solidarity and Reform Institutions	Mr. T. Bhoyroo – Deputy Commissioner & Team
Ministry of Local Government and Outer Islands	Mr. H. Jeanne - Permanent Secretary & Chief Executive Officers/Financial Controllers of Municipalities and District Councils
Ministry of Housing and Lands	Mr. A. Fowdar – Deputy Permanent Secretary & Team
Central Information Systems Division	Mr. V. Bhoodhun, Manager & Team

Organisation	Officers
University of Mauritius	Mrs. C. Bholah – Finance Director
Public utility company (CEB)	Mr. B. Mungrah, Ag Treasurer & Team
ARC	Mr. I. Laulloo – Chairperson & Team
Taxpayers' Group	Mr. J. Jhumun – Chairperson & Team
KPMG or Ernst & Young	Mr. D. Puholoo – PWC Ms. P. Way – KPMG Mr. R. Owodally – Ernst &Young
Royal College of Port Louis	Mr.Rambaruth – Rector & Team
Joint Economic Council	Mr. R. Makoond, Director
Mauritius Council of Social Service (MACOSS)	Mr. G. Bucktowonsing – Chairperson & Team

MOFED PEFA Counterparts:

- Mr. A. Acharuz, Lead Analyst
- Mrs. N Kureemun, Senior Analyst
- Mrs. N Aubdoollah-Suhootoorah, Analyst/Senior Analyst
- Mr. D. Ramroop, Service To Mauritius (STM)

Annex D: List of Documents Consulted

Title	Author	Date
Laws, regulations, financial instructions and manuals		
Constitution	Republic of Mauritius	1968
Standing Orders of the National Assembly	National Assembly	1995
The Civil Establishment Act Civil Establishment Order 2015, GN Notice No. 19	Republic of Mauritius	2015
A consolidated version of the Public Debt Management Act No. 5 of 2008 (amended 2012)	GoM	2012
A consolidated version of the Statutory Bodies (Accounts and Audit) Act	GoM	2015
A consolidated version of the Finance & Audit Act	GoM	Mar-15
Local Government Act 2001		Amended 2011
Rodrigures Regional Assembly Act 2001	GoM	Amended 2006
Mauritius Revenue Authority Act 2004	GoM	Amended 2006
Public Private Partnership Act 2004	GoM	2004
Finance (Miscellaneous provisions) Act 2015	GoM	2015
Public Procurement Act 2006 (amended 2014)	GoM	
Public Procurement Regulations 2008 (updated 2013)	MoFED	2013
Financial Management Manual	MoFED	1990
FMM toolkit, volumes I-IV (Vol 1 amended)	MoFED	2011
FMM Toolkit, Vol VI Internal Audit Policy and Operational Manual	MoFED	2013
FMM Toolkit, Vol VII, PPP Guidance Manual	MoFED	2006
Investment Project Process Manual	MoFED	December 2008
Financial Instructions No 1 of 2015 - Virement	MoFED	2015
Financial Instructions no 2 of 2014 - Administration of Government Grants (Circular no 4 of 2014)	MoFED	2014
Financial Instructions no 1 of 2014 - Departmental Bid Committee (Circular no 2 of 2014)	MoFED	2014
Financial Instructions no 5 of 2013 - Settlement of Claims (Circular no 18 of 2013)	MoFED	2013
Financial Instructions no 4 of 2013 - Certification of Claims & Examination/Authorisation of Payments (Circular no 11 of 2013)	MoFED	2013
Financial Instructions no 1 of 2013-Losses, Arrears of Revenue, Write-Off and Advances	MoFED	2013
Financial Instructions no. 2 of 2013 Internal Audit Policy and Operations Procedure Manual	MoFED	2013
Financial Instructions - Disposal of Unwanted goods and Board of Survey (Circular no 17 of 2012)	MoFED	2012

Financial Instructions - Financial Management of External Funding Government Loan to Public Entities (Circular no 13 of 2012)	MoFED	2012
Financial Instructions - Payment to Suppliers through factors (Circular no 3 of 2012)	MoFED	2012
Financial Instructions no 3 of 2009 -Virement	MoFED	2009
Financial Instructions no 2 of 2008 - Provision of Contingencies	MoFED	2008
Financial Instructions no 1 of 2008 - Virement	MoFED	2008
Treasury Circular 14 of 2015 Closing of Accounts and Annual Statements for the six months ending 30th June 2015	Treasury	June 2015
Treasury Circular 16 of 2015 Closing of accounting period ending 30th June 2015	Treasury	June 2015
Physical Asset Management (PAM) - Guidelines	MoFED	
Information and Communication technology (ICT) - ICT Manual	CISD	
Appropriations		
Appropriation (2015-2016) Act 2015	Government Gazette	April 2015
Appropriation (2015) Act 2015	Government Gazette	April 2015
Appropriation (2014) Act 2013	Government Gazette	December 2013
Appropriation (2013) Act 2012	Government Gazette	December 2012
Appropriation (2012) Act 2011	Government Gazette	December 2011
Supplementary Appropriation (2012) Act 2013	Government Gazette	November 2013
Supplementary Appropriation (2013) Act 2013	Government Gazette	December 2013
Supplementary Appropriation (2013) Act 2015	Government Gazette	May 2015
Accounts		
Annual Report of the Accountant General and the accounts of the government of the republic of Mauritius 2012	GoM	2013
Annual Report of the Accountant General and the accounts of the government of the republic of Mauritius 2013	GoM	2014
Accounts of the Government 2014 (unaudited)	GoM	2015
University of Mauritius Financial Statements Year ended Dec 2014 (unaudited)	UoM	2015
Statement of Receipts and Payments, 2014, Royal College Secondary School, Port Louis	School Finance Dept	2015
Budget formulation and execution documents		

Estimates 2015-2016 & Indicative Estimates 2016-2017 & 2017 -2018	RoM	2015
Budget Speech to accompany 2015-16 Budget	RoM	2015
Public Sector Investment Programme (PSIP), January-June 2015 & 2015/16-2018/19	RoM	2015
Supplement to the Budget Speech, 2015-16	RoM	2015
Estimates 2015 (January to June)	RoM	2015
Estimates 2014 & Indicative Estimates 2015 & 2016	RoM	2013
Budget Speech to accompany 2014-16 Budget	RoM	2013
Public Sector Investment Programme (PSIP), 2014-2018	RoM	2013
Public Sector Investment Programme (PSIP), 2013-2017	RoM	2012
Estimates 2013 & Indicative Estimates 2014 & 2015	RoM	2012
Estimates of Supplementary Expenditures (2013) of 2015 (ESE)	MoFED	2015
Estimates of Supplementary Expenditures (2012) of 2013 (ESE)	MoFED	2013
Estimates of Supplementary Expenditures (2011) of 2012 (ESE)	MoFED	2012
MoFED Quarterly Budget Execution Report, 2nd Quarter 2015	MoFED	July 2015
MoFED, Monthly budget execution reports, year-to-date April 2015	MoFED	May 2015
Budget Call Circulars for 2013, 2014 and 2015		2013-2015
UoM Recurrent Budget 2015 - 2016	UoM	2015
Estimates of Municipal Council of Vacoas Phoenix	Municipal Council	2010 -2015
Disaggregated annual M/D Cash flow statements 2015 (TAS)	MoFED	2015
Aggregate annual cash flow forecasts (revenues and expenditures) by month	MoFED	2015
MPI Land Weekly Forecast July - Dec 2014	MPI	2014
Daily forecasts of Receipts and Payments	The Treasury	8th June 2015
Financial Statements Curepipe, Monthly reports	Local government	2015
MoLG circular	MoLG	2015
Director of Audit reports		
Report of the Director of Audit on the accounts of the GoM for year ending Dec 31st 2012	NAO	2012
Report of the Director of Audit on the accounts of the GoM for year ending Dec 31st 2013	NAO	2013
Report of the Director of Audit on the accounts of the RRA for year ending 2013	NAO	2013
Activity and Performance Report 2012	NAO	2013
Activity and Performance Report 2013	NAO	2014
Performance audits (Fire and rescue service, Livestock production and development, Livestock production and development - quarantine services, and Government response to mitigate beach	NAO	2014

erosion)		
Internal audit reports		
Annual Report Internal Control Cadre 2012	ICC	2013
Annual Report Internal Control Cadre 2013	ICC	2014
Annual Report Internal Control Cadre 2014	ICC	2015
List of Audit Committees in Ministries as at Dec 2014	MoFED	2014
Audit Committees in Ministries and Departments 2013/14	OPSG	2014
Sector strategies/annual reports		
Government programme, 2015-2019: Achieving Meaningful Change: Address by the President of the Republic of Mauritius	GoM	27 January 2015
MRA Annual Report 2013	MRA	2014
MRA Annual Report 2012	MRA	2013
MRA corporate Plan 2014-16	MRA	2014
Ministry of Finance Annual Report 2012	MoFED	2012
MoFED Strategic Plan, PBB, 2013-2015	MoFED	
Health Sector Strategy 2014-2018	GoM	2014
Education and Human Resources Strategy Plan, 2008-2020	GoM	
CEB Annual Report 2011	CEB	2011
OPSG Annual Report 2013	OPSG	2013
Annual Report, Bank of Mauritius, 2013-2014	BoM	2014
Annual Report of the Private Secondary School Authority 2012	PSSA	2012
Working documents		
Outputs from TAS, including updates of cash flow forecasts	Treasury	2015
MRA data - various	MRA	2015
Data on revenue arrears	MoFED	2015
MTFF spreadsheets	MoFED	2015
Procurement data	PPO	2015
Payroll documentation (forms, timetables etc.);	Ministry of Civil Service & Admin Reforms	2015
Working documents on budget submissions and internal analyses	MoFED	2015
Working documents on fiscal information for EBUs	MoFED	2015
PAC meetings, 2011-2014	Deputy Clerk's Office, National Assembly	2015
Donor Documents		
Pension Reforms in Mauritius Fair and Fast Balancing Social Protection and Fiscal	IMF	2015

Sustainability		
Disbursement of EU budget Support 2012 - 2015	EU	2015
Disbursement of WB budget Support 2012 - 2015	WB	2015
Disbursements of project support, 2012-2014, received by GoM	MoFED	2015
Mauritius 2014 Article IV Staff Report	IMF	2014
Mauritius 2013 Article IV Staff Report	IMF	2013
Planning and resource management for inclusive growth project document	UNDP	2012
PFM Performance Measurement Framework	PEFA Secretariat	2011
PEFA Field Gide	PEFA Secretariat	May 2012
GFS Manual 2014 Pre-Publication Draft	IMF	2014
Other		
Post PEFA 2010 Action Plan Final Progress Report	MoFED	2014
Debt Management Strategy	MoFED	July 2008
DMU briefing	DMU	2015
DG MRA briefing	MRA	2015
Data on, and status of, Assessment Review Committee (ARC) cases	ARC	2014
Data on Grant in Aid to sub-national governments	MoLG	2015
Data on external Assistance disbursements 2012 - 2014	MoFED internal note	2015
Grants to local authorities 2010 - 2015	MoFED (internal note)	2015
Digest of Public Finance Statistics 2013	Statistics Mauritius	2014
Digest of Public Finance Statistics 2014	Statistics Mauritius	2015
Hansard record	National Assembly	2012-2015
Memorandum on the 2015 Budget	Joint Economic Council	2015
WEBSITES		
www.govmu.org mof.govmu.org nao.govmu.org opsg.govmu.org mauritiusassembly.govmu.org www.mu.undp.org eeas.europa.eu/delegations/mauritius/index_en.htm statsmauritius.govmu.org		

Annex E: List of public institutions139, including Ministries and Departments (Part E.1), Centralised Services of Government (Part E.2), Extra Budgetary Units (Part E.3), public corporations (financial [Part E.4] and non-financial [Part E.5]

PART E.1 – DEPARTMENTS[140]

Office of the President
Office of the Vice-President
National Assembly
Electoral Supervisory Commission and Electoral Boundaries Commission
Office of the Electoral Commissioner
The Judiciary
Public and Disciplined Forces Service Commissions
Public Bodies Appeal Tribunal
Office of Ombudsman
National Audit Office
Employment Relations Tribunal
Local Government Service Commission
Independent Commission Against Corruption
National Human Rights Commission
Office of Ombudsperson for Children
Prime Minister's Office
National Development Unit
Police Service
Government Printing
Meteorological Services
Prison Service
Deputy Prime Minister's Office, Ministry of Tourism and External Communications –
- Tourism
- External Communications
- Civil Aviation

Vice-Prime Minister's Office, Ministry of Housing and Lands
Vice-Prime Minister's Office, Ministry of Energy and Public Utilities
Ministry of Finance and Economic Development –
- Finance and Economic Development
- Central Procurement Board
- The Treasury
- Statistics Mauritius
- Valuation Department
- Corporate and Business Registration Department
- Registrar-General's Department

Ministry of Technology, Communication and Innovation
Ministry of Youth and Sports
Ministry of Public Infrastructure and Land Transport –
- Public Infrastructure
- Land Transport

Ministry of Education and Human Resources, Tertiary Education and Scientific Research
Ministry of Health and Quality of Life
Ministry of Local Government –
- Local Government
- Fire Services

Ministry of Social Integration and Economic Empowerment
Ministry of Foreign Affairs, Regional Integration and International Trade
Attorney-General's Office –
- Office of the Solicitor-General
- Office of the Director of Public Prosecutions
- Office of the Parliamentary Counsel

Ministry of Agro-Industry and Food Security
Ministry of Arts and Culture
Ministry of Industry, Commerce and Consumer Protection
Ministry of Gender Equality, Child Development and Family Welfare
Ministry of Financial Services, Good Governance and Institutional Reforms
Ministry of Business, Enterprise and Cooperatives

[139] As at November 2013.
[140] In Mauritius terminology, the term 'Department' includes both Ministries and Departments.

Ministry of Social Security, National Solidarity and Reform Institutions
Ministry of Ocean Economy, Marine Resources, Fisheries, Shipping and Outer Islands –

Ocean Economy, Marine Resources, Shipping and Outer Islands
Fisheries

Ministry of Environment, Sustainable Development, and Disaster and Beach Management
Ministry of Civil Service and Administrative Reforms
Ministry of Labour, Industrial Relations, Employment and Training

PART E.2 – CENTRALISED SERVICES OF GOVERNMENT

Centrally Managed Expenses of Government
Centrally Managed Initiatives of Government
Contingencies and Reserves

Part E.3. Extra Budgetary Units (including Social Security Schemes, Special Funds and Extra-Budgetary Funds)

1. AapravasiGhat Trust Fund
2. Agaléga Island Council
3. Beach Authority
4. Board of Investment
5. Bus Industry Employees Welfare Fund
6. Chagossian Welfare Fund
7. Civil Service Family Protection Scheme Board
8. Competition Commission
9. Conservatoire de Musique Francois Mitterand Trust Fund
10. Construction Industry Development Board
11. Early Childhood Care and Education Authority
12. Employees Welfare Fund
13. Enterprise Mauritius
14. Equal Opportunities Commission
15. Fashion and Design Institute
16. Financial Intelligence Unit
17. Financial Reporting Council
18. Fisherman Welfare Fund
19. Food and Agricultural Research Extension Institute
20. Gambling Regulatory Authority
21. Human Resource Development Council
22. Independent Broadcasting Authority
23. Independent Commission Against Corruption
24. Information & Communication Technologies Authority
25. Irrigation Authority
26. Islamic Cultural Centre for Hajj organisation
27. Islamic Cultural Centre Trust Fund
28. Law Reform Commission
29. Le Morne Heritage Trust Fund
30. Mahatma Gandhi Institute
31. Malcolm De Chazal Trust Fund
32. Manufacturing Sector Workers welfare Fund (ex EPZLWF)
33. Mauritian Cultural Centre Trust
34. Mauritius Council of Registered Librarians
35. Mauritius English Speaking Union
36. Mauritius Ex-Services Trust Fund Board
37. Mauritius Examinations Syndicate
38. Mauritius Film Development Corporation
39. Mauritius Hindi Speaking Union
40. Mauritius Institute of Education
41. Mauritius Institute of Health
42. Mauritius Institute of Training and Development (MITD)
43. Mauritius Land Transport Authority
44. Mauritius Marathi Cultural Centre Trust
45. Mauritius Museums Council
46. Mauritius Oceanography Institute
47. Mauritius Qualifications Authority
48. Mauritius Research Council
49. Mauritius Revenue Authority
50. Mauritius Society for Animal Welfare
51. Mauritius Sports Council
52. Mauritius Standards Bureau
53. Mauritius Tamil Cultural Centre Trust
54. Mauritius Telegu Cultural Centre Trust
55. Mauritius Tourism Promotion Authority
56. Mauritius Urdu Speaking Union
57. Media Trust Fund
58. National Adoption Council
59. National Agricultural Product Regulatory Office
60. National Art Gallery

61. National Children's Council
62. National Computer Board
63. National Council for Rehabilitation of Disabled Persons
64. National Economic and Social Council
65. National Empowerment Foundation
66. National Environment Fund
67. National Institute of Cooperative Entrepreneurship
68. National Heritage Trust Fund
69. National Human Rights Commission
70. National Library
71. National Pensions Fund
72. National Productivity and Competitiveness Council
73. National Women Entrepreneur Council
74. National Women's Council
75. National Youth Council
76. NATReSA
77. Nelson Mandela Centre for African Culture Trust Fund
78. NGO Trust Fund
79. Open University of Mauritius
80. Outer Islands Development Corporation
81. President's Fund for Creative Writing in English
82. Prof BasdeoBissoondoyal Trust Fund
83. Private Secondary Schools Authority
84. Public Officers' Welfare Council
85. Rabindranath Tagore Institute
86. Rajiv Gandhi Science Centre
87. Ramayana Centre
88. Rights Management Society (ex Mauritius Society of Authors)
89. Road Development Authority
90. Seafarer's Welfare Fund
91. Small and Medium Enterprises Development Authority
92. Senior Citizens Council
93. Small Farmers Welfare Fund
94. Sugar Industry Labour Welfare Fund
95. Tertiary Education Commission
96. Tourism Authority
97. Tourism Employees Welfare Fund
98. Town and Country Planning Board
99. Trade Union Trust Fund
100. Training & Employment of Disabled Persons Board
101. Trust Fund for Excellence in Sports
102. Trust Fund for Specialised Medical Care
103. Université des Mascareignes
104. University of Mauritius
105. University of Technology
106. Utility Regulatory Authority
107. World Hindi Secretariat

Special Funds and Extra –Budgetary Funds

108. Build Mauritius Fund
109. Food Security Fund
110. Local Development Fund
111. Maurice Ile Durable (MID) Fund
112. National Resilience Fund
113. National Habitat Fund
114. Road Decongestion Programme Fund

Part E.4 Non-Financial Public Corporations

1. Agricultural Marketing Board
2. Air Mauritius
3. Airport Logistics Ltd
4. Airport of Rodrigues
5. Airports of Mauritius
6. Beach Casino Ltd
7. BPML Freeport Services
8. Business Parks of Mauritius Ltd
9. Call Services Ltd (Telecom)
10. Capital Assets Management Ltd
11. Cargo Handling Corporation
12. Casino de Maurice Ltd
13. Cellplus Mobile Company Ltd
14. Central Electricity Board
15. Central Water Authority
16. Domaine Les Pailles
17. Editions de L'OceanIndienLtee
18. Le Caudan Waterfront Casino Ltd
19. Le Grand Casino du Domaine Ltd
20. Mauritius Broadcasting Corporation
21. Mauritius Cane Industry Authority 1
22. Mauritius Duty Free Paradise Co Ltd
23. Mauritius Meat Authority
24. Mauritius Ports Authority
25. Mauritius Posts Ltd
26. Mauritius Shipping Corporation
27. Mauritius Telecom
28. Multi Carrier Mauritius Ltd
29. National Housing Development Corporation
30. National Transport Corporation
31. Prime Real Estate Ltd
32. Rose Belle Sugar Estate
33. SBM IT Ltd
34. SIC Secretarial and Registry Services Ltd
35. SSR Botanical Garden Trust
36. State Informatics Ltd

37. State Land Development Co Ltd
38. State Property Development Company Ltd
39. State Trading Corporation
40. Sun Casinos Ltd
41. Telecom Plus
42. Teleservices Mauritius Ltd
43. Wastewater Management Authority

1 The Mauritius Cane Industry Authority took over the functions of the following institutions:
(i) Farmers Service Corporation
(ii) Mauritius Sugar Authority
(iii) Mauritius Sugar Bulk Terminal Corporation
(iv) Mauritius Sugar Industry Research Institute
(v) Sugar Planters Mechanical Pool Corporation
(vi) Cane Planters and Millers Arbitration and Control Board

Part E.5 Financial Public Corporations

1. Bank of Mauritius
2. Development Bank of Mauritius Ltd
3. Financial Services Commission
4. Mauritius Civil Service Mutual Aid Association Ltd
5. Mauritius Housing Company Ltd
6. Mauritius Post and Cooperative Bank
7. National Savings Fund
8. SBM Fund Services Ltd
9. SBM Global Investments Ltd
10. SBM Investments Ltd
11. SBM Mauritius Assets Managers Ltd
12. SBM Securities Ltd
13. SICOM Financial Services Ltd
14. SICOM General Insurance Ltd
15. State Bank of Mauritius Ltd
16. State Insurance Company of Mauritius Ltd
17. State Investment Corporation Ltd
18. State Investment Finance Corporation Ltd
19. Sugar Insurance Fund Board

Annex F: Data for Calculations of PI-1 and PI-2

ANALYSIS BY ADMINISTRATIVE CLASSIFICATION

Table 1 - Fiscal years for assessment

Year 1 =	2012
Year 2 =	2013
Year 3 =	2014

Table 2

Data for year =	**2012**					
administrative or functional head	**budget**	**actual**	adjusted budget	deviation	absolute deviation	percent
MINISTRY OF SOCIAL SECURITY, NATIONAL SOLIDARITY	11,922,714,000	11,855,353,579	10,510,445,384	1,344,908,195	1,344,908,195	12.8%
MINISTRY OF EDUCATION AND HUMAN RESOURCES	10,764,091,000	10,089,153,697	9,489,063,527	600,090,170	600,090,170	6.3%
MINISTRY OF HEALTH AND QUALITY OF LIFE	7,883,018,000	7,622,398,893	6,949,259,216	673,139,677	673,139,677	9.7%
MINISTRY OF PUBLIC INFRASTRUCTURE, NATIONAL	6,887,400,000	6,884,937,030	6,071,574,101	813,362,929	813,362,929	13.4%
POLICE FORCE	6,451,700,000	5,084,038,032	5,687,483,612	(603,445,580)	603,445,580	10.6%
PUBLIC SERVICE PENSIONS	5,674,000,000	5,148,872,317	5,001,903,686	146,968,631	146,968,631	2.9%
DEPUTY PRIME MINISTER'S OFFICE, MINISTRY OF ENERGY AND PUBLIC UTILITIES	4,580,167,000	3,324,892,761	4,037,637,328	(712,744,567)	712,744,567	17.7%
MINISTRY OF LOCAL GOVERNMENT AND OUTER ISLANDS	3,662,399,000	3,602,966,023	3,228,580,729	374,385,294	374,385,294	11.6%
MINISTRY OF AGRO-INDUSTRY AND FOOD SECURITY	2,609,329,000	1,884,912,728	2,300,248,915	(415,336,187)	415,336,187	18.1%
VICE-PRIME MINISTER'S OFFICE, MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT	2,423,774,000	2,121,953,501	2,136,673,265	(14,719,764)	14,719,764	0.7%
MINISTRY OF FISHERIES AND RODRIGUES	1,944,716,000	2,004,738,033	1,714,360,615	290,377,418	290,377,418	16.9%
CENTRALLY MANAGED INITIATIVES OF GOVERNMENT	1,742,500,000	29,904,930	1,536,097,493	(1,506,192,563)	1,506,192,563	98.1%
CENTRALLY MANAGED EXPENSES OF GOVERNMENT	1,558,642,000	2,303,397,201	1,374,017,830	929,379,371	929,379,371	67.6%
MAURITIUS PRISONS SERVICE	1,325,242,000	1,088,394,415	1,168,264,513	(79,870,098)	79,870,098	6.8%
EXTERNAL COMMUNICATIONS	1,317,349,000	229,616,212	1,161,306,454	(931,690,242)	931,690,242	80.2%
MINISTRY OF INFORMATION AND COMMUNICATION	1,080,135,000	577,210,839	952,190,913	(374,980,074)	374,980,074	39.4%
MINISTRY OF TERTIARY EDUCATION, SCIENCE, RESEARCH	937,912,000	905,922,640	826,814,503	79,108,137	79,108,137	9.6%

MINISTRY OF FOREIGN AFFAIRS,	882,633,000	737,701,741	778,083,408	(40,381,667)	40,381,667	5.2%
MINISTRY OF HOUSING & LANDS	809,388,000	826,207,281	713,514,420	112,692,861	112,692,861	15.8%
MINISTRY OF SOCIAL INTEGRATION AND ECONOMIC	665,620,000	269,891,802	586,776,019	(316,884,217)	316,884,217	54.0%
21 (= sum of rest)	6,529,434,000	5,387,842,145	5,756,009,869	(368,167,724)	368,167,724	6.4%
allocated expenditure	81,652,163,000	71,980,305,800	71,980,305,800	(0)	10,728,825,363	
contingency	1,300,000,000	-				
total expenditure	82,952,163,000	71,980,305,800	86.8%			
overall (PI-1) variance		0.132267283				13.2%
composition (PI-2) variance						14.9%
contingency share of budget						0.0%

Table 3

Data for year = 2013

administrative or functional head	**budget**	**actual**	adjusted budget	deviation	absolute deviation	percent
MINISTRY OF SOCIAL SECURITY, NATIONAL SOLIDARITY	12,792,187,000	12,962,339,472	13,013,895,652	(51,556,180)	51,556,180	0.4%
MINISTRY OF EDUCATION AND HUMAN RESOURCES	11,780,168,000	12,012,358,340	11,984,336,776	28,021,564	28,021,564	0.2%
MINISTRY OF HEALTH AND QUALITY OF LIFE	8,666,595,000	8,537,113,893	8,816,800,676	(279,686,783)	279,686,783	3.2%
MINISTRY OF PUBLIC INFRASTRUCTURE, NATIONAL DEVELOPMENT UNIT, LAND TRANSPORT AND SHIPPING	8,157,225,000	11,822,615,113	8,298,602,495	3,524,012,618	3,524,012,618	42.5%
POLICE FORCE	7,925,502,000	6,680,032,134	8,062,863,372	(1,382,831,238)	1,382,831,238	17.2%
PUBLIC SERVICE PENSIONS	6,389,000,000	6,392,096,933	6,499,731,384	(107,634,451)	107,634,451	1.7%
MINISTRY OF LOCAL GOVERNMENT AND OUTER ISLANDS	3,765,733,000	3,831,153,897	3,830,999,055	154,842	154,842	0.0%
DEPUTY PRIME MINISTER'S OFFICE, MINISTRY OF ENERGY AND PUBLIC UTILITIES	3,632,098,000	2,881,541,241	3,695,047,951	(813,506,710)	813,506,710	22.0%
VICE-PRIME MINISTER'S OFFICE, MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT	2,746,448,000	2,436,520,634	2,794,048,249	(357,527,615)	357,527,615	12.8%
PRIME MINISTER'S OFFICE	2,560,654,000	2,618,908,074	2,605,034,147	13,873,927	13,873,927	0.5%
CENTRALLY MANAGED EXPENSES OF GOVERNMENT	1,979,085,000	2,377,325,658	2,013,385,645	363,940,013	363,940,013	18.1%
MINISTRY OF AGRO-INDUSTRY AND FOOD SECURITY	1,951,446,000	2,209,304,828	1,985,267,618	224,037,210	224,037,210	11.3%
MAURITIUS PRISONS SERVICE	1,407,945,000	1,713,132,908	1,432,346,894	280,786,014	280,786,014	19.6%
CENTRALLY MANAGED INITIATIVES OF GOVERNMENT	1,187,185,000	478,712,493	1,207,760,777	(729,048,284)	729,048,284	60.4%
MINISTRY OF INFORMATION AND COMMUNICATION	1,091,726,000	943,745,630	1,110,647,323	(166,901,693)	166,901,693	15.0%

MINISTRY OF TERTIARY EDUCATION, SCIENCE, RESEARCH	1,047,422,000	957,504,597	1,065,575,465	(108,070,868)	108,070,868	10.1%
MINISTRY OF FOREIGN AFFAIRS,	976,232,800	902,787,709	993,152,445	(90,364,736)	90,364,736	9.1%
MINISTRY OF HOUSING & LANDS	756,667,000	1,155,317,916	769,781,225	385,536,691	385,536,691	50.1%
MINISTRY OF GENDER EQUALITY, CHILD DEVELOPMENT AND	613,206,000	598,291,644	623,833,821	(25,542,177)	25,542,177	4.1%
MINISTRY OF ENVIRONMENT AND SUSTAINABLE	575,833,000	504,314,370	585,813,088	(81,498,718)	81,498,718	13.9%
21 (= sum of rest)	6,294,916,400	5,777,823,743	6,404,017,168	(626,193,425)	626,193,425	9.8%
allocated expenditure	86,297,274,200	87,792,941,227	87,792,941,227	0	9,640,725,756	
contingency	1,600,000,000	-				
total expenditure	87,897,274,200	87,792,941,227	99.9%			
overall (PI-1) variance				104,332,973		0.1%
composition (PI-2) variance						11.0%
contingency share of budget						0.0%

Table 4

Data for year =	2014					
administrative or functional head	**budget**	**actual**	adjusted budget	deviation	absolute deviation	percent
MINISTRY OF SOCIAL SECURITY, NATIONAL SOLIDARITY	13,929,547,000	14,439,941,907	13,141,298,877	1,298,643,030	1,298,643,030	9.9%
MINISTRY OF EDUCATION AND HUMAN RESOURCES	13,202,500,000	12,720,201,756	12,455,394,165	264,807,591	264,807,591	2.1%
MINISTRY OF HEALTH AND QUALITY OF LIFE	9,214,400,000	9,202,531,855	8,692,973,603	509,558,252	509,558,252	5.9%
POLICE FORCE	8,730,000,000	6,925,709,131	8,235,984,931	(1,310,275,800)	1,310,275,800	15.9%
PUBLIC SERVICE PENSIONS	6,779,000,000	6,721,328,974	6,395,388,528	325,940,446	325,940,446	5.1%
MINISTRY OF LOCAL GOVERNMENT AND OUTER ISLANDS	4,661,958,000	4,585,359,217	4,398,146,144	187,213,073	187,213,073	4.3%
DEPUTY PRIME MINISTER'S OFFICE,	4,456,120,000	3,403,295,530	4,203,956,148	(800,660,618)	800,660,618	19.0%
MINISTRY OF PUBLIC INFRASTRUCTURE, NATIONAL	4,049,768,000	4,326,646,547	3,820,598,880	506,047,667	506,047,667	13.2%
VICE-PRIME MINISTER'S OFFICE, MINISTRY OF FINANCE AND	3,069,145,000	2,702,378,990	2,895,467,580	(193,088,590)	193,088,590	6.7%
PRIME MINISTER'S OFFICE	3,030,445,000	2,942,904,812	2,858,957,544	83,947,268	83,947,268	2.9%
MINISTRY OF AGRO-INDUSTRY AND FOOD SECURITY	2,198,953,000	2,076,322,810	2,074,518,187	1,804,623	1,804,623	0.1%
CENTRALLY MANAGED EXPENSES OF GOVERNMENT	1,505,360,000	1,239,518,104	1,420,174,373	(180,656,269)	180,656,269	12.7%
MINISTRY OF TERTIARY EDUCATION, SCIENCE, RESEARCH	1,320,300,000	1,252,306,087	1,245,586,587	6,719,500	6,719,500	0.5%
MINISTRY OF INFORMATION AND COMMUNICATION	1,233,100,000	899,034,171	1,163,321,079	(264,286,908)	264,286,908	22.7%
MINISTRY OF FOREIGN AFFAIRS,	1,025,425,000	994,335,107	967,398,035	26,937,072	26,937,072	2.8%
MAURITIUS PRISONS SERVICE	871,332,000	838,559,164	822,024,882	16,534,282	16,534,282	2.0%

CENTRALLY MANAGED INITIATIVES OF GOVERNMENT	835,000,000	155,577,822	787,748,845	(632,171,023)	632,171,023	80.3%
MINISTRY OF HOUSING & LANDS	725,178,000	1,480,704,307	684,141,475	796,562,832	796,562,832	116.4%
MINISTRY OF GENDER EQUALITY, CHILD DEVELOPMENT AND	671,770,000	635,929,102	633,755,739	2,173,363	2,173,363	0.3%
THE JUDICIARY	604,000,000	481,749,206	569,820,721	(88,071,515)	88,071,515	15.5%
21 (= sum of rest)	6,683,767,500	5,747,866,789	6,305,545,065	(557,678,276)	557,678,276	8.8%
allocated expenditure	88,797,068,500	83,772,201,388	83,772,201,388	0	8,053,777,999	
contingency	1,600,000,000	-				
total expenditure	90,397,068,500	83,772,201,388	92.7%			
					662486711200.	
overall (PI-1) variance					0%	7.3%
composition (PI-2) variance						9.6%
contingency share of budget						0.0%

Table 5 - Results Matrix

year	for PI-1 actual as % of budget	for PI-2 (i) composition variance	for PI-2 (ii) contingency share
2012	13.2%	14.9%	0.0%
2013	0.1%	11.0%	
2014	7.3%	9.6%	

Rating for indicator PI-1: **B**
Rating for indicator PI-2 (i) **C**
Rating for indicator PI-2 (iii) **A**
Overall Rating for indicator PI-2 **C+**

Source: *Audited Financial Statements 2012 and 2013. Unaudited Financial Statements 2014 (Statement B)*

ANALYSIS BY FUNCTIONAL CLASSIFICATION

Table 1 - Fiscal years for assessment

Year 1 =	2012
Year 2 =	2013
Year 3 =	2014

Table 2

Data for year =	**2012**					
administrative or functional head	**budget**	**actual**	adjusted budget	deviation	absolute deviation	percent
General Public Services	15,030,641,314	12,700,661,607	13,250,232,674.6	-549,571,067.6	549,571,067.6	4.1%
Public Order and Safety	9,347,112,772	7,368,248,738	8,239,929,120.6	-871,680,382.6	871,680,382.6	10.6%
Economic Affairs	11,557,827,418	9,173,967,647	10,188,780,325.6	-1,014,812,678.6	1,014,812,678.6	10.0%
Environmental Protection	2,795,187,659	2,594,099,426	2,464,092,255.1	130,007,170.9	130,007,170.9	5.3%
Housing and Community Amenities	3,372,309,018	2,813,312,007	2,972,852,468.9	-159,540,461.9	159,540,461.9	5.4%
Health	8,049,547,182	7,753,131,777	7,096,062,693.5	657,069,083.5	657,069,083.5	9.3%
Recreational, Cultural and Religion	882,888,443	742,154,513	778,308,593.2	-36,154,080.2	36,154,080.2	4.6%
Education	11,855,281,235	11,110,740,308	10,451,000,160.6	659,740,147.4	659,740,147.4	6.3%
Social Protection	18,761,367,959	17,723,989,776	16,539,047,506.9	1,184,942,269.1	1,184,942,269.1	7.2%
allocated expenditure	81,652,163,000	71,980,305,799	71,980,305,799.0	0.0	5,263,517,341.9	
contingency	1,300,000,000	0				
total expenditure	82,952,163,000	71,980,305,799				
overall (PI-1) variance						13.2%
composition (PI-2) variance						7.3%
contingency share of budget						0.0%

Table 3

Data for year =	**2013**					
administrative or functional head	**budget**	**actual**	adjusted budget	deviation	absolute deviation	percent
General Public Services	14,661,022,905	14,023,494,314	14,915,121,412	-891,627,098	891,627,098	6.0%
Public Order and Safety	11,040,712,730	9,949,479,135	11,232,065,587	-1,282,586,452	1,282,586,452	11.4%
Economic Affairs	11,460,395,360	14,071,160,529	11,659,021,975	2,412,138,554	2,412,138,554	20.7%
Environmental Protection	2,950,867,282	2,213,655,586	3,002,010,437	-788,354,851	788,354,851	26.3%
Housing and Community Amenities	3,247,416,241	4,591,954,957	3,303,699,055	1,288,255,902	1,288,255,902	39.0%
Health	8,835,712,051	8,716,230,659	8,988,848,790	-272,618,131	272,618,131	3.0%
Recreational, Cultural and Religion	920,230,674	834,159,250	936,179,714	-102,020,464	102,020,464	10.9%
Education	12,973,801,914	13,126,889,260	13,198,658,237	-71,768,977	71,768,977	0.5%
Social Protection	20,207,115,043	20,265,917,537	20,557,336,020	-291,418,483	291,418,483	1.4%
allocated expenditure	86,297,274,200	87,792,941,227	87,792,941,227.0	0.0	7,400,788,912.9	

contingency	1,600,000,000	0.0				
total expenditure	87,897,274,200	87,792,941,227				
overall (PI-1) variance						0.1%
composition (PI-2) variance						8.4%
contingency share of budget						0.0%

Table 4

Data for year =	2014					
administrative or functional head	**budget**	**actual**	adjusted budget	deviation	absolute deviation	percent
General Public Services	15,447,384,820.0	13,767,363,275.0	14,573,244,972.1	-805,881,697.1	805,881,697.1	5.5%
Public Order and Safety	11,523,289,421.0	9,411,892,977.0	10,871,207,105.5	-1,459,314,128.5	1,459,314,128.5	13.4%
Economic Affairs	7,647,018,212.0	7,134,933,232.0	7,214,287,143.7	-79,353,911.7	79,353,911.7	1.1%
Environmental Protection	2,790,771,419.0	2,031,625,976.0	2,632,846,661.4	-601,220,685.4	601,220,685.4	22.8%
Housing and Community Amenities	4,590,858,794.0	5,008,383,057.0	4,331,070,314.9	677,312,742.1	677,312,742.1	15.6%
Health	9,446,854,650.0	9,422,586,989.0	8,912,274,060.3	510,312,928.7	510,312,928.7	5.7%
Recreational, Cultural and Religion	999,489,557.0	873,979,359.0	942,930,232.6	-68,950,873.6	68,950,873.6	7.3%
Education	14,732,591,476.0	14,158,267,025.0	13,898,900,503.6	259,366,521.4	259,366,521.4	1.9%
Social Protection	21,618,810,151.0	21,963,169,498.0	20,395,440,393.8	1,567,729,104.2	1,567,729,104.2	7.7%
allocated expenditure	88,797,068,500.0	83,772,201,388.0	83,772,201,388.0	0.0	6,029,442,592.6	
contingency	1,600,000,000	0.0				
total expenditure	90,397,068,500	83772201388				
overall (PI-1) variance						7.3%
composition (PI-2) variance						7.2%
contingency share of budget						0.0%

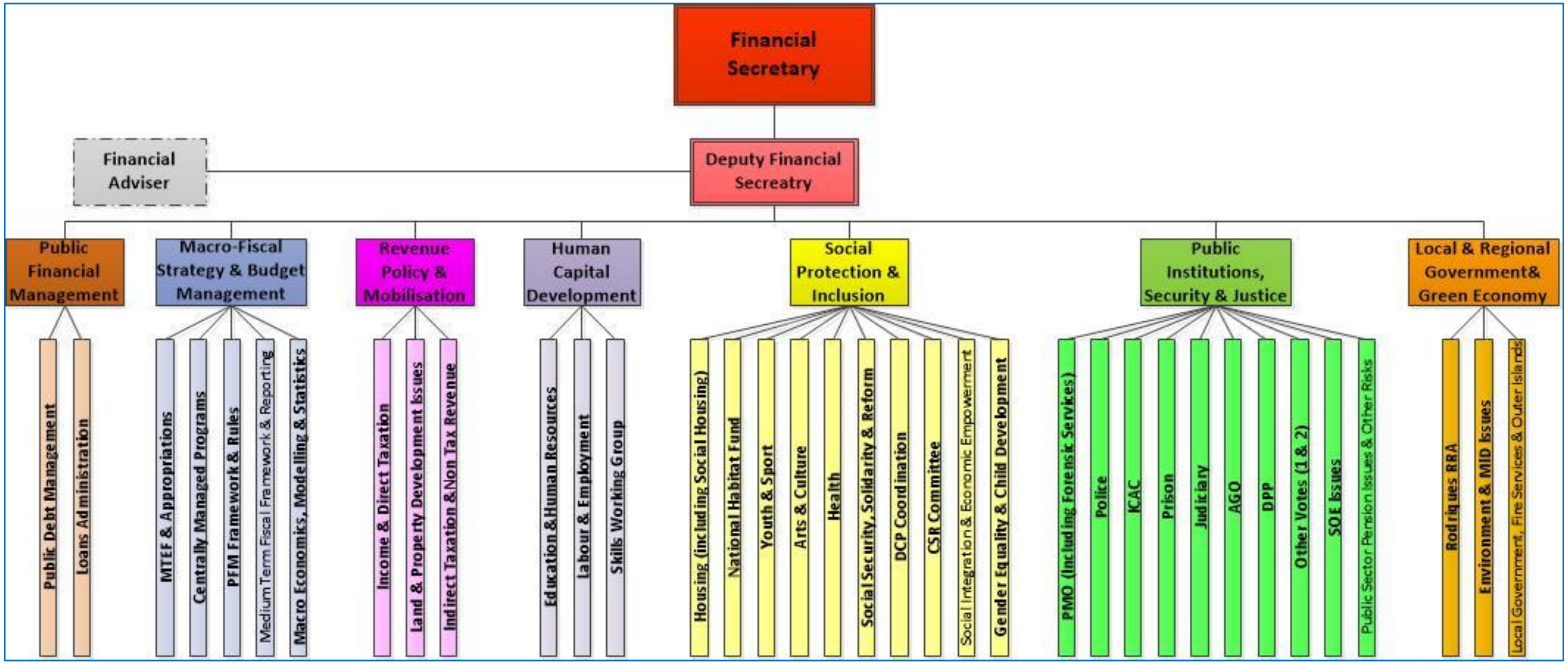
Table 5 - Results Matrix

year	for PI-1 total exp. deviation	for PI-2 (i) composition variance	for PI-2 (ii) contingency share
2012	13.2%	7.3%	0.0%
2013	0.1%	8.4%	
2014	7.3%	7.2%	

Score for indicator PI-1:		**B**
Score for indicator PI-2 (i)	**B**	
Score for indicator PI-2 (ii)	**A**	
Overall Score for indicator PI-2		**B+**

Source: *Audited Financial Statements 2012 and 2013. Unaudited Financial Statements 2014 (Statement AB)*

Annex G: Structure of MoFED as at date of assessment



Annex H: Main Pension Schemes in Mauritius in 2013

	Basic Retirement Pension	Civil Service Pension Scheme		National Pension Fund (NPF)	National Savings Fund (NSF)
		Entrants before 1/1/13	*Entrants after 31/12/12*		
Coverage	Universal	Civil service		Private Sector	Private Sector
Funding	Pay-as-you-go	Pay-as-you-go	Funded	Funded	Funded
Contribution (% of wages)	Non-contributory	6% for worker	6% for worker and 12% for employer	3% for worker and 6% for employer	2.5% for worker
Benefit formula	Flat	2.0 percent per year for entrants before 8/1/2008, 1.7 percent per year for others up to 66.6% of wages	Tentatively account balance at retirement details to be finalised	Point system (11 points earned=1 pension point), roughly equivalent to 0.8% per year	Lump sum withdrawal at retirement
Pensionable age	Age 60	Age 63 in 2014, increasing to age 65 by 2018			
Beneficiaries in 2013					
Thousands	183.2	72.2		131.3	7.7
Percent of pop. 60 and older	107.5	42.4		77.1	4.5
Average annual benefit in 2013					
Thousand Rs	44.9	74.2		15.3	48.0
Percent of GDP per capita	15.3	25.2		5.2	16.3
Expenditure in 2013					
Billion Rs	8.2	5.4		2.0	0.4
Percent of GDP	2.2	1.5		0.5	0.1
Contributions in 2013					
Contributors			3.6	318.7	378.8
Billion Rs			0.0	2.7	1.3
Percent of GDP			0.0	0.7	0.4
Size of fund in 2013					
Billion Rs				80.0	16.7
Percent of GDP				21.8	4.6

Note: In December 2014, average BRP pensions were increased to Rs 65,000 per year (or 22.1 percent of GDP per capita).
Source: IMF Pension Reforms in Mauritius: Fair and Fast— Balancing Social Protection and Fiscal Sustainability June 2015.

Annex I: Terms of Reference

SPECIFIC TERMS OF REFERENCE

'Consultancy Services for a third repeat PEFA assessment in the Republic of Mauritius'

FWC BENEFICIARIES 2013 - LOT 11: Macro economy, Statistics and Public finance management

EuropeAid/132633/C/SER/multi

REQUEST FOR SERVICES 2014/353124 VERSION 1

1. BACKGROUND

1.1 Introduction

Mauritius is a small island economy in the Indian Ocean with a population of 1.2 million people and an income per capita of around US$ 10,000. Historically, Mauritius was a mono-crop economy based on sugarcane production, but is today a diversified economy. Over the recent years, as a result of aggressive competition and to be competitive on the international market, the Mauritian economy has witnessed a noteworthy economic transformation. Along with the traditional engines of growth including information and communication technology, tourism and financial and business services sectors, the economy has further diversified with the emergence of the ocean economy, petroleum hub, marine services Hub, Green Economy and the Film Industry.

Together with a slow recovery in the US and the Euro crisis, growth has slowed down and the global economic conditions has remained fragile. However, the Mauritian economy grew at a relatively healthy rate of 3.2 per cent in 2013. MOFED has successfully focused its efforts on supporting industries and on protecting jobs, and has brought greater congruence between monetary and fiscal policies. The diversified nature of our economy and prudent and appropriate fiscal and monetary policies implemented, maintained macroeconomic and financial stability in the country.

The budget deficit for 2013 was kept at the manageable level of 3.5% of GDP and the headline inflation rate remained subdued and was kept at a low and stable level of around 3.5%. Also, the unemployment rate has been contained to 8% as net Mauritian employment creation amounted to 14,000 which is the second highest performance after 2008. For 2013, total public sector investment amounted to Rs 21.1 billion, representing 5.7 percent of GDP as compared to 4.2 percent in 2012.

The 2013 IMF Article IV Consultation Report acknowledged that *"the authorities have a good track record of prudent macroeconomic management and implementing structural reforms even though challenges remain. Macroeconomic management has delivered low inflation, declining debt-to-GDP ratios, and, given the difficult external environment, satisfactory growth. This outcome has been helped by consistent efforts to improve public* *financial management, the business climate, social assistance, and the sustainability of public finances, including on pensions."*

Mauritius has put in place a budget management process that links allocation of public resources to clear outputs and agreed outcomes and provides a framework for reporting on results and thus enhancing transparency and accountability in the use of public funds. New initiatives were taken to consolidate and deepen public financial management reforms, with three key objectives: integrating the planning and budgeting framework, enhancing performance information management, and strengthening internal and external accountability.

In accordance to the World Economic Forum Global Competitiveness Report 2013 – 2014, Mauritius is the most competitive African Country as a result of the access to finance and regular improvements in macroeconomic fundamentals. Moody's Investors Service maintained the Mauritius government bond rating at Baa1, which reflects the resiliency of the economy and public finances.

Despite the challenges Mauritius is facing in 2014, the Government of Mauritius will continue to pursue reforms so as to develop new drivers of growth that will enable the country to reach a high income economy status and maintain its preeminent position in Sub-Saharan Africa.

1.2 Overview of MOFED

The Ministry of Finance and Economic Development (MOFED) is responsible for formulating the economic development policies, and for the economic management of the affairs of Government so as to achieve faster and sustainable economic development. MOFED is also responsible for the financial soundness of Government's economic policy and for the proper control of revenue and expenditure.

The Mauritius fiscal year runs from January to December. Since 2008, Mauritius has introduced Programme Based Budgeting which has changed the budgetary focus from an input based annual activity to a performance based exercise that has laid solid foundations for the modernisation of public policy and financial management.

There is a separation of executive and legislative functions in the preparation and appropriation of the Budget as well as the required mechanisms to ensure a rigorous overseeing of public spending.

1.3 Legal Framework

Mauritius' legal framework for Public Financial Management (PFM) is primarily regulated by the Constitution, Standing Orders and Rules of the National Assembly, the Finance and Audit Act, the Public Debt Management Act, the Public Procurement Act, Statutory Bodies (Accounts & Audit) Act, Local Government Act, Rodrigues Regional Assembly Act and related laws.

In May 2008, the Finance and Audit Act was amended to provide for the introduction of the appropriation bill into the National Assembly on a Programme Based Budgeting basis as from fiscal year 2008/2009. The Standing Orders of the National Assembly were amended accordingly. A new Public Debt Management law was simultaneously introduced to set statutory ceilings and targets on public sector debt levels, thus reinforcing fiscal discipline. At the same time, a new Chart of Accounts (COA) consistent with the Government Financial Statistics Manual (GFS Manual 2001 of the IMF) was adopted.

1.4 Public Expenditure and Financial Accountability (PEFA) Assessments so far

Mauritius has so far undergone two Public Expenditure and Financial Accountability (PEFA) assessments, namely in 2007 and 2011. Both assessments were quite positive on the strength of the public finance management system in Mauritius. In 2011, the IMF reported that 23 out of the 31 PEFA indicators used to assess our public finance system were higher than or equal to those obtained in 2007, and 71 per cent of the ratings were in the top two categories. The main weaknesses found were the limited integration of extra budgetary funds in the annual budget estimates, the frequent re-allocations within the budget year, high level of arrears in tax collections, limited assessment of recurrent costs implication of investments, lack of time and resources for legislative review of annual budget law and lack of reporting on legislative scrutiny of the external audit reports. The 2007 PEFA assessment had been undertaken by EU funded consultants. In 2010 the PEFA assessment team was led by the IMF, with the World Bank and the EU contributing.

The public finance management reform process then embodied in Post PEFA action Plans prepared by the Government of Mauritius following the various PEFA assessments. In 2007 the Government had prepared a post PEFA 2007 Action Plan that was the basis for the assessment of progress in public finance management reform between 2007 and 2011. The 2011 Post PEFA Action Plan was submitted in October 2011 by the Government, and is being currently used to monitor the public finance management reforms.

Since 2011 the Government has made progress in various areas namely budget comprehensiveness, policy based budgeting, predictability and control in budget executions. However, there are still challenges remaining in areas like budget transparency, external scrutiny and audit, etc that warrant new reforms that can only be put in place once a new PEFA assessment evaluates the situation.

The rationale for carrying out a repeat PEFA assessment in 2015

So far most of the development partners present in the Republic of Mauritius have been providing budget support, that is, the funds are disbursed directly into the Consolidated Fund. The World Bank, Agence Francaise de Développement and the African Development Bank have provided loans as budget support since 2006, while the EU has been disbursing its grants as sector budget support since 2004, and general budget support since 2007. While the two PEFA assessments provided an adequate picture of the public finance management situation,

it is agreed that the repeat PEFA assessment is no
finance management between 2010 and 2014.

The Government has agreed that a third detail
methodology be undertaken during the FY 2015. In
assessment may be used as baseline data, and a basis f

The stakeholders for this assignment include:

(i) **The Government of the Republic of Maurit**
Economic Development, which will

- indicate the names of the officials who
the experts and of the donors during th
- indicate which service of the administr
the mission;
- Comment the draft and final reports an
the EUD.

(ii) **The Delegation of the European Union (EU**

- has made the first contacts with the
them the timetable and TOR of the mis
- is responsible with the government fo
the mission;
- checks the quality of the reports in con
development partners.

(iii) The World Bank, which:

- will be participating in the PEFA 2
Indicators PI-19, PI-20, PI-21, PI-22, P

(iii) The IMF which:

- will peer review the draft final report.

(iv) The UNDP which

- will peer review the draft final report.

2. DESCRIPTION OF THE ASSIGNMENT

2.1 Global objective

The overall objective of this assignment is to help to ir
environment in the Republic of Mauritius.

2.2 Specific objectives

The specific objectives of the PEFA 2015 repeat assessment are:

In the short term:

(i) To facilitate and update the dialogue on PFM between Government and donors;

(ii) To help donors assess the eligibility of a country for a new general budget support (GBS) programme, or to verify whether general or specific PFM conditions of an ongoing GBS programme have been met.

In the medium-term, feed the reflection on:

(i) The preparation or revision of a PFM reform strategy (and related action plan);

(ii) The preparation or revision of a PFM capacity development programme, in coordination with the Government of Mauritius.

2.3 Requested services

The tasks under this contract are as follows:

Task 1:

- The Experts will prepare a study assessing the PFM system in the Republic of Mauritius using the Performance Measurement Framework of the PEFA (Public Expenditure and Financial Accountability). The assessment will take into account the work done for the PEFA 2007 and 2010 assessments and will cover the fiscal years 2012, 2013 and 2014.

- The indicators to be covered by the experts recruited under this assignment will be those not evaluated by the World Bank. The consultants will therefore work on all indicators **except** PI-19, PI-20, PI-21, PI-22, PI-23, PI-24, PI-25, PI-26 and PI-28.

- The consultants will use two sets of indicators in parallel to do the 2015 PEFA assessment namely:

    - The existing set of indicators dated January 2011

    - The updated framework being currently developed by PEFA Secretariat, which is currently at test phase.

The results of the assessment using the existing version of January 2011 will be used to track performance changes since the earlier assessments of 2007 and 2010 respectively, and the updated indicators will set a baseline for future monitoring and tracking performance changes.

The following guidance notes will be necessary for the repeat PEFA:

- PEFA PFM Performance Measurement Framework:

http://www.pefa.org/sites/pefa.org/files/attachments/PMFEng-finalSZreprint04-12_1.pdf

- PEFA "Fieldguide" (2012):

  http://www.pefa.org/sites/pefa.org/files/PEFAFieldguide.pdf

- Guidance Note for Repeat Assessments

  http://www.pefa.org/sites/pefa.org/files/attachments/EngGuidancenoteRepeatAssessments.pdf

- Changes in 3 PEFA Indicators

  http://www.pefa.org/sites/pefa.org/files/attachments/English-

  FinalTextofTheThreeRevisedIndicators.pdf

- Update of PEFA Framework dated August 2014

  http://www.pefa.org/en/content/draft-pefa-indicators-update

Task 2:

The mission will provide decision makers in the Government of the Republic of Mauritius and the European Union and other development partners with an assessment of the features and quality of the PFM system in Mauritius, with a focus on all indicators but a particular focus on those indicators which scored B or less in the 2010 PEFA assessment.

In order to perform the above Tasks 1 and 2 the following sub-tasks shall be carried out:

(i) *Sub-Task 1 - Documentation:* Before the mission, the expert will collect all basic documentation that is deemed necessary for the mission's work on the spot. He/She will also request the EU Delegation in the Republic of Mauritius for any additional information needed.

(ii) *Sub-Task 2- Consultations:* there should be meetings with line ministries, departments and agencies, as well as civil society and development partners to increase the awareness of the PEFA and PFM matters and the importance of the PEFA Assessment.

(iii) *Sub-Task 3 Briefings*: an official briefing and debriefing will be held with the EU Delegation and other development partners (World Bank, IMF, UNDP and other interested development partners), together with the Ministry of Finance and Economic Development. Other meetings can be held as and when required.

Task 3:

The consultants will be required to provide on the job capacity building to the five or six members of staff involved in the PEFA exercise, during the assessment exercise.

Task 4:

A stakeholder workshop will be organised to discuss the findings of the PEFA Assessment with a wide public, once the report has been deemed final and accepted by the Government of the Republic of Mauritius.

2.4 Requested Outputs

Deliverables for the assignment are as follows:

(i) Inception report including a work plan: On arrival the expert will present an inception report with a work-plan describing the main steps of the assignment, notably specifying the list of the interlocutors to meet, the tentatively scheduled meetings, the list of required information not yet collected and to be provided on the spot and the outline of the workshop.

(ii) Two separate reports on the repeat assessment of the PEFA framework for the indicators mentioned at Section 2.3 above, using respectively

a. PEFA methodology of 2011 and

b. New draft updated framework of 2014

(iii) On the job capacity building to the five or six staff of the Ministry of Finance and Economic Development involved in the PEFA exercise

(iv) Stakeholder workshop upon approval of final report.

The final report will contain, in an annex, the observations of the Government on the points if and where the latter disagrees with the findings of the expert.

2.5 Language of the Specific Contract

The working language for the assignment will be English. The language of the specific contract is English.

2.6 Subcontracting

No subcontracting is allowed.

3. EXPERTS PROFILE or EXPERTISE REQUIRED

3.1 Number of requested experts per category and number of man-days per expert or per category

This assignment requires 2 Category I experts, for a total of 60 working days as detailed in Table 1 hereunder.

Table 1. Category of Experts

Category I expert	*Title*

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Expert 1 – Team Leader	PEFA expert
Expert 2	Public finance management expert

The Team Leader will be the Expert 1, who will undertake Tasks 1 to 4 and be responsible for the overall assignment and consolidation of the final complete report. The Expert 2 will support the Expert 1 in delivering Tasks 1, 2 and 3. Both experts will start their field visit in Mauritius at the same time.

3.2 Profile per expert or expertise required:

3.2.1 Expert 1 and Team Leader – PEFA expert

(i) Education

At least a Master's Degree in public administration, public finance, macroeconomics or equivalent.

(ii) Experience

- At least 12 years' working experience of different public accounting systems, financial management and auditing.
- Have executed at least 4 PEFA assessments or equivalent exercises in the African region and/or small island states countries in the last 10 years
- At least 8 years' experience in PFM areas like credibility of the budget, comprehensiveness and transparency and policy based budgeting
- At least 5 years' experience of EU or other donors' procedures and budget support methodology
- Around 2 years' experience in facilitating participatory processes and consensus building with stakeholders.

(iii) Language skills

Must have excellent communication skills and the ability to communicate fluently in English (written and spoken). French is an advantage but not a requirement.

3.2.2 Expert 2 : Public finance expert

(i) Education

At least a Master's Degree in public administration, public finance, macroeconomics or Equivalent.

(ii) Experience

- At least 12 years of working experience in the areas of different public accounting systems, financial management and auditing.
- Have executed at least 2 PEFA assessments or equivalent exercises in the African region and/or small island states countries in the last 7 years
- At least 6 years' experience in PFM areas like predictability and control in budget execution
- At least 5 years' experience of EU or other donors' procedures and budget support methodology

(iii) Language skills

Must have excellent communication skills and the ability to communicate fluently in English (written and spoken). French is an advantage but not a requirement.

4. LOCATION AND DURATION

4.1 Starting period

The mission should be carried out during the first semester 2015 in the Republic of Mauritius. The indicative start date is 1 June 2015.

4.2 Foreseen finishing period or duration

Duration of the consultancy is 60 working days collectively excluding week ends. The total duration of the assignment between the start of the assignment and the approval of the final report is estimated to be 6 months. Fees will be paid for each **working day** while per diems will be paid for each day with an overnight stay at the place of assignment which is outside the experts' place of residence. Travel days are not counted as working days.

4.3 Planning

The precise time inputs of each expert are left to the discretion of the FWCr, though the Expert 1 will have the longest duration in terms of assignment. The planning given in the table hereunder is **indicative.**

Table 2: Indicative work plan

Tasks	Number of Working Days Expert 1 Team Leader	Number of Working Days for Expert 2
Desk phase in home country – review of all available documents Start of assignment.	2	1
Travel to Mauritius	0	0
Arrival in Mauritius. Report to Ministry of Finance and Economic Development. Briefing with all stakeholders. Define modus of operandi between consultants and local counterparts Collectively set up a time table on the assignment. Present inception report with the detailed work plan for the consultancy	2	2
Undertake assignment as detailed at section 2.3 Debriefing at the end of the field mission by the Team Leader with all relevant stakeholders	25	20
Travel to home country	0	0
Receive comments on outputs and review the report	2	2
Travel to Mauritius (Expert 1 only)	0	0
Present final report in stakeholder workshop	4	0
Total	**35**	**25**

4.4 Location of assignment:

The Ministry of Finance and Economic Development will provide office space, computer and internet facilities as well as Microsoft office software for the experts. During the period of the consultancy in Mauritius, the experts will be posted full-time at the Ministry.

5. REPORTING

A briefing session will be held with the Delegation of the European Union, the Ministry of Finance and Economic Development and World Bank, IMF and UNDP at the start of the assignment, and a debriefing at the end of the assignment should be foreseen with the same stakeholders. A Steering Committee comprising the Ministry of Finance and Economic Development, the Delegation of the European Union, the World Bank, the IMF and the UNDP, along with other relevant stakeholders, will be set up to oversee the technical assistance.

Output (i) as per Section 2.4 above will be submitted in English in the first week of the field mission. Output (ii) will be submitted upon the completion of Tasks 1, 2 and 3 mentioned at Section 2.3. All draft outputs will be submitted to the EU Delegation, which will then transmit it to the Ministry of Finance and Economic Development and the other members of the Steering Committee. The comments on each draft report will be collected by the EU Delegation and sent to the contractor. The contractor, after receiving comments, will revise the report within a period of 15 days following the receipt of the comments. After the submission of the revised draft final report, the IMF and the UNDP will peer review the draft final report. The comments from the peer reviewers will be collected by the EU Delegation and sent to the contractor. The contractor, after receiving peer review comments, will finalise the report within a period of 15 days following the receipt of the peer review comments.

The final reports (to be submitted in 2 hard copies along with an electronic version for each of them) will be delivered to the Delegation of the European Union, which will ensure the distribution to the Ministry of Finance and Economic Development and members of the Steering Committee.

Should the Experts prove unable to meet the level of quality required in drafting the reports, the consulting firm will, at no additional costs to the beneficiary, provide the immediate support to the team leader to meet the required standards.

6. INCIDENTAL EXPENDITURE

This is a global price contract.

The re-imbursables should include:

(i) Three return air tickets to Mauritius (two for Expert 1 and one for Expert 2).

(ii) The cost of the one workshop for validation for about 150 participants (venue, logistics, workshop materials, lunch[1] and two tea breaks[2]).

(iii) Per diems for experts during the overnight stay at the place of assignment.

7. MONITORING AND EVALUATION

The following indicators will be used for monitoring and evaluation of this technical assistance:

- Mobilisation of experts on agreed date
- Draft final reports submitted as per planning
- Final report approved
- Organisation of workshop

8. ORGANISATION AND METHODOLOGY

[1] Lunch should consist of a starter, main course, dessert, water/soft drinks

[2] Tea, coffee and pastries

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A specific organisation and methodology proposal has to be submitted alongside the offer. The organisation and methodology will include a Gantt chart for the whole assignment.

9. DISCLAIMER

The expert will be working for the Ministry of Finance and Economic Development and shall acknowledge in draft and final reports the financial contribution of the European Union. The report shall include a standard disclaimer that the views expressed are those of the experts and not those of the funding agency.