

THE TREASURY

The Accountant-General is the administrative head of the Treasury, a department of the Ministry of Finance of the Republic of Mauritius. The statutory duties of the Accountant-General are laid down in various legislation and regulations. The Finance and Audit Act specifically requires the Accountant-General to sign and submit to the Director of Audit, within 6 months of the close of every financial year, financial statements showing fully the financial position of the Republic of Mauritius on the last day of such financial year.

The responsibilities of the Treasury include, inter alia, ensuring the adequacy of departmental accounting systems and procedures as laid down in the Financial Management Manual and other financial regulations and legislation, advising Accounting Officers of Ministries/Departments on accounting and financial matters and managing the cash flow of the government.

2. FINANCIAL STATEMENTS

The accounts were closed on 28 November 2006. The financial statements required under Section 19(3) of the Finance and Audit Act include a Statement of Assets and Liabilities and detailed Statements of Revenue and Expenditure. These show, inter alia:-

- (i) the financial position of the Republic of Mauritius as at 30 June 2006;
- (ii) the accumulated balance of the Consolidated and the Capital Funds;
- (iii) deposits made with Government for certain specific purposes;
- (iv) the outstanding advances made from the Contingencies Fund;
- (v) the total amount received under each head of revenue;
- (vi) the total amount spent under each vote and item of expenditure.

3. CONSOLIDATED FUND

The original estimates for the year anticipated a deficit of Rs 5,375 million and the revised estimates, a deficit of Rs 7,284 million. The actual result was a deficit of Rs 7,053.7 million.

The total revenue for the year amounted to Rs 38,182.9 million, i.e. Rs 407.9 million more than the original estimates of Rs 37,775 million. Total revenue for the previous financial year was Rs 35,074.3 million.

The expenditure for the year amounted to Rs 45,236.6 million, i.e. Rs 2,086.6 million more than the original estimates of Rs 43,150 million. Last year's expenditure was Rs 40,563.6 million.

The accumulated deficit of the Fund as at 30 June 2006, stood at Rs 52,539.5 million. Detailed statements of revenue and expenditure are included in this report (Statement D and Statement D1).

4. CAPITAL FUND

The total revenue for the year was Rs 8,060.6 million compared with the estimated figure of Rs 7,693 million. Revenue includes grants amounting to Rs 489.2 million and loans totalling Rs 496.2 million from external sources and Rs 5,594.3 million from Local Sources. Last year's revenue was Rs 7,557.2 million.

The total expenditure amounted to Rs 8,373.3 million compared with an estimated figure of Rs 8,600 million. The previous year's expenditure was Rs 7,829.9 million.

The deficit for the year was Rs 312.7 million.

As a result, the accumulated deficit increased to Rs 17,028.4 million as at 30 June 2006.

5. CONTINGENCIES FUND

During the year a total amount of Rs 2,486.6 million was appropriated to the Contingencies Fund and total advances made from the Fund amounted to Rs 2,393.9 million.

6. SPECIAL FUNDS

As at 30 June 2006, there were 7 Special Funds totaling Rs 132.2 million which were deposited with the Accountant-General.

7. PUBLIC DEBT

At 30 June 2006, Public Debt stood at Rs 106,794.1 million, as under:

	<u>Internal</u> <u>Rs (m)</u>	<u>External</u> <u>Rs (m)</u>	<u>Total</u> <u>Rs (m)</u>
Long Term	25,571.6	8,528.5	34,100.1
Medium Term	21,705.9	—	21,705.9
Short Term (T.Bills)	50,988.1	—	50,988.1
	<u>98,265.6</u>	<u>8,528.5</u>	<u>106,794.1</u>

The cost of servicing the public debt during the year amounted to Rs 10,925.9 million and was as follows:-

<u>Interest</u>	<u>Rs (m)</u>
External Debt	269.0
Internal Debt	2,030.2
Short Term Borrowings	5,231.7
Sinking Fund	2,063.1
Management/Service Charges	12.4
Capital Repayments	<u>1,319.5</u>
	<u>10,925.9</u>

8. STATEMENT OF CASH RECEIPTS AND PAYMENTS

This Report includes a Statement of Cash Receipts and Payments. The format of the Statement is in accordance with the Appendix 1 a. of the International Public Sector Accounting Standard "Financial Reporting under the Cash Basis of Accounting" issued by the International Federation of Accountants – Public Sector Committee.

9. ORGANISATION STRUCTURE

The Treasury is made up of sections arranged functionally as follows:-

(i) **Accounts and I.T. Section** – responsible for:-

- (a) the maintenance of the Government's central computerised accounting records, through the Treasury Accounting System (TAS);

- (b) timely closing of the Republic's monthly and yearly accounts;
- (c) the preparation, consolidation and publication of the accounts of the Republic of Mauritius; and
- (d) advising Ministries and Departments on accounting matters.

(ii) **Cash Management Unit** - responsible for the management of the Government's cash flows, including:

- (a) Purchase of / payments in foreign currencies on behalf of Government.
- (b) Provision of funds to self accounting Ministries/Departments.

The cash management unit is also responsible for the determination of short term borrowings of the Government.

(iii) **Car Loan Section** – responsible for the processing of applications for car/motorcycle advances from public officers and officers on contract. During the period under review, a total amount of Rs 287.1 million was advanced to 1038 officers as detailed below:-

		<u>No. of officers</u>	<u>Amount of Loan granted Rs (m)</u>
Motor-Cycle	-	325	18.4
Motor-Car	-	713	268.7
		<u>1,038</u>	<u>287.1</u>

(iv) **Chief Cashier and Payable Order Sections** – responsible for the payment of salaries and allowances to Government employees, pensions and gratuities to retired Government employees and other beneficiaries, cost of goods and services supplied to Government by contractors and other suppliers. The Chief Cashier also acts as a revenue collector and as paying agent in respect of certain types of payments.

(v) **Finance Section** – responsible for:-

- (a) payment of salaries and allowances to the staff of the Treasury;
- (b) examination of payment vouchers for non-self Accounting Ministries/Departments;
- (c) payment of air tickets and allowances in connection with overseas missions;
- (d) overseas payments in foreign currencies to contractors on behalf of non self-accounting Ministries/Departments;
- (e) purchase, issue and control of safes.

- (vi) **Licences Section** – responsible for the collection of revenue through the issue and renewal of game licences under the Wild Life and National Parks Act. As at 30 June 2006, the number of Licencees on record was 6,166.
- (vii) **Loan Section** – responsible for the issue of loans to statutory bodies, local authorities and other bodies and the monitoring of loan repayments and interest charges.

During the year 2005-2006, a total amount of Rs 263.4 million was disbursed as loans whilst capital and interest repayments totalled Rs 585.8 million and Rs 106.6 million respectively. The balance of such loans outstanding at year end, totalled Rs 5,203.6 million.

- (viii) **Passages Section** – responsible for the verification and payment of passage benefits to eligible Government employees and for the confirmation of passage arrangements for public officers proceeding on overseas leave and for delegates on official missions abroad.

Some 12,189 cases were dealt with during the year involving a total expenditure of Rs 241.3 m as follows:-

		<u>No. of cases</u>	<u>Amount Rs (m)</u>
Passage cost	-	4,284	64.2
Cash in lieu of passages	-	<u>7,905</u>	<u>177.1</u>
		<u>12,189</u>	<u>241.3</u>

- (ix) **Pensions Section** – responsible for the computation and payment of pensions/gratuities and other allowances to retired Government employees, beneficiaries of deceased public officers/deceased pensioners, officers on contract, former members of the National Assembly and Ministers' Drivers and Constituencies Clerks.

During the financial year under review, the number of cases dealt with were as categorised below:-

(a) Retiring Gratuities	-	1,907
(b) Death Gratuities	-	1,193
(c) Contract Gratuities	-	354
(d) Others	-	<u>79</u>
		<u>3,533</u>

As at 30 June 2006, there were 21,377 pensioners and 137 recipients of compassionate allowances on record.

Disbursements made during the year were as follows:-

		<u>Rs (m)</u>
National Assembly Retiring Allowances	-	35.5
Pensions	-	1,699.6
Compassionate Allowances	-	5.3
Retiring/Contract/Death Gratuities	-	<u>662.4</u>
		<u>2,402.8</u>

- (x) **Personnel Section** – responsible for providing advice, functional guidance and assistance on all personnel matters, including appointment and promotion, leave and passages, discipline, retiring benefits, industrial relation and welfare of staff. As at 30 June 2006 there were 166 officers of different classes/cadres working at the Treasury against 208 officers on establishment and in post.
- (xi) **Purchasing & Supplies Section** – responsible for the:-
- (a) indenting of all controlled Accounts Book Forms, Accounts Forms, Licences, Finance and Store Forms from the Government Printer for subsequent issues to Ministries/ Departments;
 - (b) purchase and supply of stationery, furniture, equipment; and
 - (c) disposal of unserviceable items for this department.
- (xii) **Registry** – responsible for receipt and despatch of correspondences, filing and indexing of letters, channelling of letters to sections concerned, ensuring proper file movement to various sections.
- (xiii) **Revenue Section** – responsible for:-
- (a) all Government overseas orders and payments thereof on behalf of non self-accounting Ministries/Departments;
 - (b) supervision of District Cash Offices.
 - (c) collection of shooting and fishing lease tax and other miscellaneous revenue;
 - (d) dealing with claims for accidents involving Government vehicles;
 - (e) dealing with write off cases in connection with arrears of revenue;
 - (f) preparation of annual financial statement of Arrears of revenue.
- (xiv) **District Cash Offices** – responsible for collection and accounting of revenues and payments of pensions and compassionate allowance.
- (xv) **Voucher Room** – responsible for the classification and binding of all receipt and payment vouchers and other accounting records of non self-accounting Ministries and Departments and the destruction of obsolete accounting records.