

THE TREASURY

The Treasury is a department of the Ministry of Finance and Economic Empowerment and is administered by the Accountant-General. 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 also 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 and certain public service benefits viz: public service pensions, passage benefits and loan facilities for the purchase of motor cars/ cycles.

2. FINANCIAL STATEMENTS

The accounts were closed on 30 October 2008. 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 2008;
- (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. **FINANCIAL HIGHLIGHTS**

3.1 **CONSOLIDATED FUND**

The original estimates for the year anticipated a deficit of Rs 4,564 M and the revised estimates, a surplus of Rs 2,190 M. The actual result was a surplus of Rs 470.8 M.

The total revenue for the year amounted to Rs 51,482.6 M, i.e. Rs 4,552.6 M more than the original estimates of Rs 46,930 M. Total revenue for the previous financial year was Rs 41,435.3 M.

The expenditure for the year amounted to Rs 51,011.8 M, i.e. Rs 482.2 M less than the original estimates of Rs 51,494 M. Last year's expenditure was Rs 47,604.7 M.

The accumulated deficit of the Fund as at 30 June 2008, stood at Rs 53,870.1 M. Detailed statements of revenue and expenditure are included in this report (Statement D and Statement D1).

3.2 **CAPITAL FUND**

The total revenue for the year was Rs 11,857.3 M compared with the estimated figure of Rs 14,722 M. Revenue includes grants amounting to Rs 454.1 M and loans totaling Rs 2,422.1 M from external sources and Rs 7,110.4 M from Local Sources. Last year's revenue was Rs 9,867.7 M.

The total expenditure amounted to Rs 13,664.7 M compared with an estimated figure of Rs 10,050 M. The previous year's expenditure was Rs 7,925.3 M. The excess of expenditure over revenue for the year was Rs 1,807.4 M.

As a result, the accumulated deficit increased to Rs 16,893.5 M as at 30 June 2008.

3.3 **CONTINGENCIES FUND**

During the year a total amount of Rs 796.7 M was appropriated to the Contingencies Fund and total advances made from the Fund amounted to Rs 757.8 M.

3.4 **SPECIAL FUNDS**

Six new Special Funds were set up under the Finance and Audit Act during the year. The total amount of the Special Funds deposited with the Accountant-General as at 30 June 2008 was Rs 3,182.6 M .

3.5 **PUBLIC DEBT**

At 30 June 2008, Public Debt stood at Rs 117,655.8 M, as set out below:

	Internal Rs(M)	External Rs(M)	Total Rs(M)
Long Term	33,880.5	11,236.1	45,116.6
Medium			
Term(TNotes)	37,702.5	-	37,702.5
Short Term (TBills)	34,836.7	-	34,836.7
	<u>106,419.7</u>	<u>11,236.1</u>	<u>117,655.8</u>

The cost of servicing public debt during the year amounted to Rs 13,268.3 M and was as follows:-

Interest	Rs(M)	Rs(M)
External Debt	320.7	
Internal Debt	2,928.8	
Short Term Borrowings	<u>7,425.7</u>	10,675.2
Management/Service Charges		8.6
Capital Repayments		
External Debt	920.2	
Internal Debt	<u>1,664.3</u>	<u>2,584.5</u>
		<u>13,268.3</u>

3.6 **LOANS TO STATUTORY BODIES, LOCAL AUTHORITIES & OTHER BODIES**

A total amount of Rs 266.2 M was disbursed as loans to statutory bodies, local authorities and other bodies whilst capital and interest repayments totalled Rs 502.5 M and Rs 137.4 M respectively. The balance of such loans outstanding at year end totalled Rs 4,738.7 M.

3.7 **STATEMENT OF CASH RECEIPTS AND PAYMENTS**

This Report includes a Statement of Cash Receipts and Payments, prepared in accordance with the Appendix 1 a. of the International Public Sector Accounting Standard (IPSAS) “Financial Reporting under the Cash Basis of Accounting” issued by the International Federation of Accountants – Public Sector Committee.

In 2007/08 Rs 63,339.9 M representing cash inflows primarily generated from taxation, grants, borrowings, capital receipts and other revenues, was utilised to finance Government’s operating, investing and financing activities totaling Rs 63,317.2 M.

3.8 WINDING UP OF THE CONSOLIDATED SINKING FUND

The Consolidated Sinking Fund (CSF), a government fund managed by the Bank of Mauritius, has ceased to exist since 1 July 2007 following the amendment made to the Finance and Audit Act by Section 13 of the Finance Act 2007. Consequently, all assets and liabilities of the Fund as at 30 June 2007 were transferred to the Consolidated Fund.

The financial instruments of the CSF consisting of Treasury Bills, Treasury Notes, Mauritius Development Loan Stocks and Five Year Bonds at a total nominal amount of Rs 6,065,146,500 were offset against internal debt liabilities of the Consolidated Fund at the beginning of the financial year. As at 30 June 2008, the financial assets comprising of shares, units trust and debentures taken over from the CSF had an aggregate market value of Rs 910,348,853 compared to its acquisition costs of Rs 392,748,253.

4. PUBLIC SERVICE BENEFITS

4.1 MOTOR CAR/ CYCLE LOAN

During the period under review, a total amount of Rs 319.5 M was advanced to 890 officers as detailed below:-

		No. of officers	Amount of Loan granted Rs (M)
Motor-Cycle	-	159	9.4
Motor-Car	-	<u>731</u>	<u>310.1</u>
		<u>890</u>	<u>319.5</u>

4.2 **PASSAGES BENEFITS**

For the period ending 30 June 2008, some 19,067 applications for passage benefits were processed in respect of eligible government employees, involving a total expenditure of Rs 472.3 M as follows:-

		No. of cases	Amount Rs (M)
Passage cost	-	7,145	89.7
Cash in lieu of passages	-	<u>11,922</u>	<u>382.6</u>
		<u>19,067</u>	<u>472.3</u>

4.3 **PENSIONS BENEFITS**

Pensions/gratuities and other allowances are payable to retired Government employees, heirs 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, pensions/gratuities benefits for 27,302 beneficiaries were processed involving a total disbursement of Rs 2,880 M as detailed below:-

		No. of Beneficiaries	Rs (M)
National Assembly Retiring Allowances -		100	34.7
Pensions	-	23,445	2,062.6
Compassionate Allowances	-	112	4.7
Retiring/Contract/Death Gratuities	-	<u>3,645</u>	<u>778.0</u>
		<u>27,302</u>	<u>2,880.0</u>