

THE TREASURY

OUR MISSION

Striving towards excellence in service delivery through continuous improvement and enhancement

OUR VISION

To be recognised as a modern organisation providing Financial services of International standards

CORE VALUES

*T*hinking strategically
*F*ocusing on *R*esults
*W*orking with *U*nequivocal loyalty and integrity
*S*erving customers with sincerity
and *C*ourtesy
*F*ostering *T*eamwork

REPORT OF THE ACCOUNTANT-GENERAL

1.0 OVERVIEW

The dynamics of today's socio-economic environment requires a constant review of established frameworks to ensure that the diverse and ever increasing needs of stakeholders are met in the most economical, effective and efficient manner.

The Treasury, under the aegis of the Ministry of Finance and Economic Development, continued to strive for excellence through a number of operational reforms which aimed at improving efficiency and service delivery.

It is the responsibility of the Accountant-General to see to it that the receipt and payment systems of Government are adequate, reliable and meet the standards required to secure public monies and ensure accountability.

During 2013, the Treasury has actively participated in the implementation of a number of projects, including the E-Payment project, which allows customers to pay for Government services online using Debit, Credit and Prepaid cards. As at date of this report, four agencies are accepting online payment for a total of ten services. Further, additional Point of Sales (POS) terminals have been installed at cash counters to accept payment by cards. Some forty-two POS terminals are being operated at nineteen cash offices.

The Treasury will pursue its objectives of improving the receipt and payment framework. More services will be offered for online payment and POS extended to all revenue collecting agencies.

The Finance and Audit Act requires the Accountant-General to prepare annual financial statements showing the financial position of the Republic of Mauritius as at close of every fiscal year. For the fiscal year 2013, the accounts were closed on 28th February 2014 and the financial statements were submitted to the Director of Audit within the period prescribed under the Finance and Audit Act.

2.0 FINANCIAL HIGHLIGHTS

During the fiscal year under review, the accumulated deficit of the Consolidated Fund was reduced by Rs 1,938.8 M and stood at Rs 54,174.7 M as at 31 December 2013. Total public debt amounted to Rs 219,867.2 M compared to Rs 194,487.0 M in 2012.

Total revenue amounted to Rs 105,033.8 M compared to the original estimates of Rs 106,830.0M. Revenue from taxes accounted for about 65% of the total revenue.

On the expenditure side, the original estimates amounted to Rs 104,784.2 M and supplementary estimates to the tune of Rs 2,500.0 M were approved on 17 December 2013. Actual expenditure was Rs 102,924.1 M. Public Order and Safety, Health, Education and Social Protection accounted for about 51% of the total government expenditure while debt servicing represented 15%.

2.1 SUMMARY OF FINANCIAL HIGHLIGHTS

Table 1 - Summary of Financial Highlights

	2012	2013	
	ACTUAL	ESTIMATES	ACTUAL
	Rs'M	Rs'M	Rs'M
REVENUE	95,680.5	106,830.0	105,033.8
EXPENDITURE	89,101.5	107,284.2	102,924.1
CONSOLIDATED FUND- DEFICIT	56,113.5	-	54,174.7
PUBLIC SECTOR DEBT	194,487.0	-	219,867.2

2.2 FINANCIAL ANALYSIS

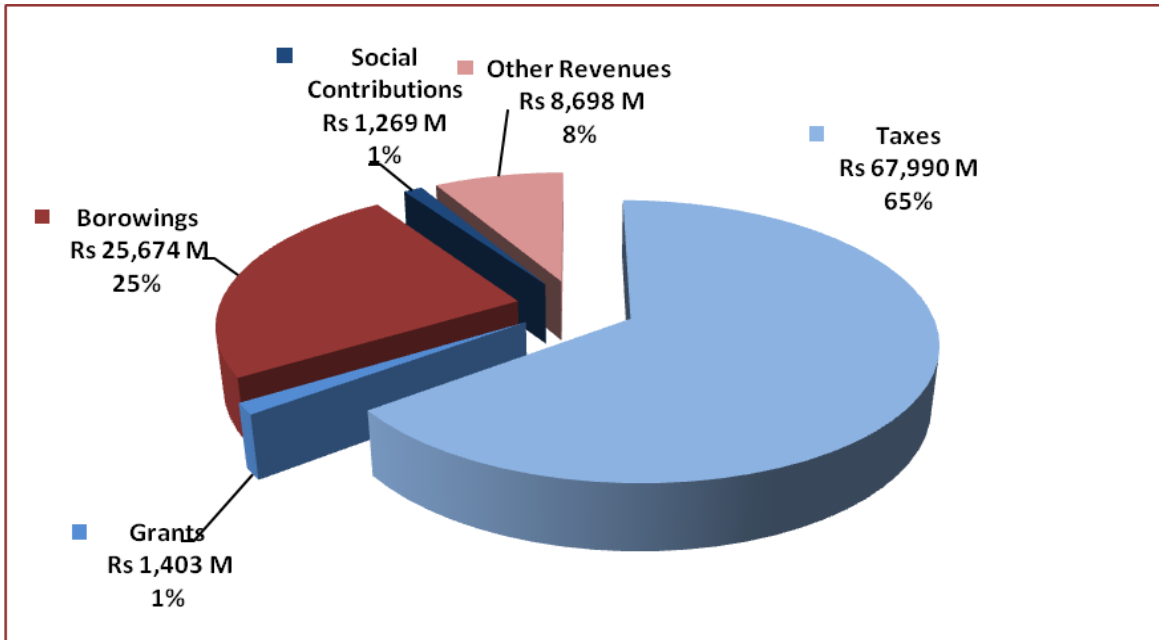
2.2.1 REVENUE AND EXPENDITURE

During the year under review, actual revenue and expenditure amounted to Rs 105,033.8 M and Rs 102,924.1 M respectively. Detailed statements of revenue and expenditure are included in this report (Statement D and Statement D1).

2.2.1.1 ANALYSIS OF TOTAL REVENUE

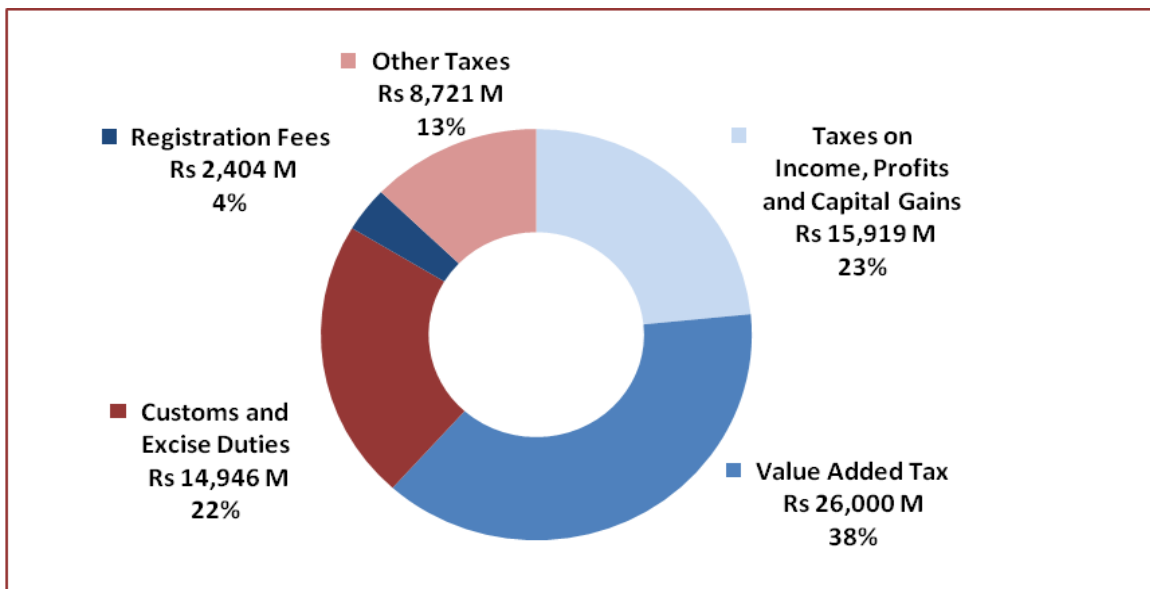
The total revenue of Rs 105,033.8 M collected during the fiscal year 2013 is illustrated in chart 1 below:

Chart 1- Sources of Government Revenue



The major source of Government revenue is from taxes and accounts for about 65% of the total revenue. The amount of taxes collected has increased from Rs 64,919.2 M in 2012 to Rs 67,990.4 M in 2013, an increase of around 4.7%. Details of taxes collected are analysed in chart 2 below:

Chart 2-Analysis of Taxes Collected

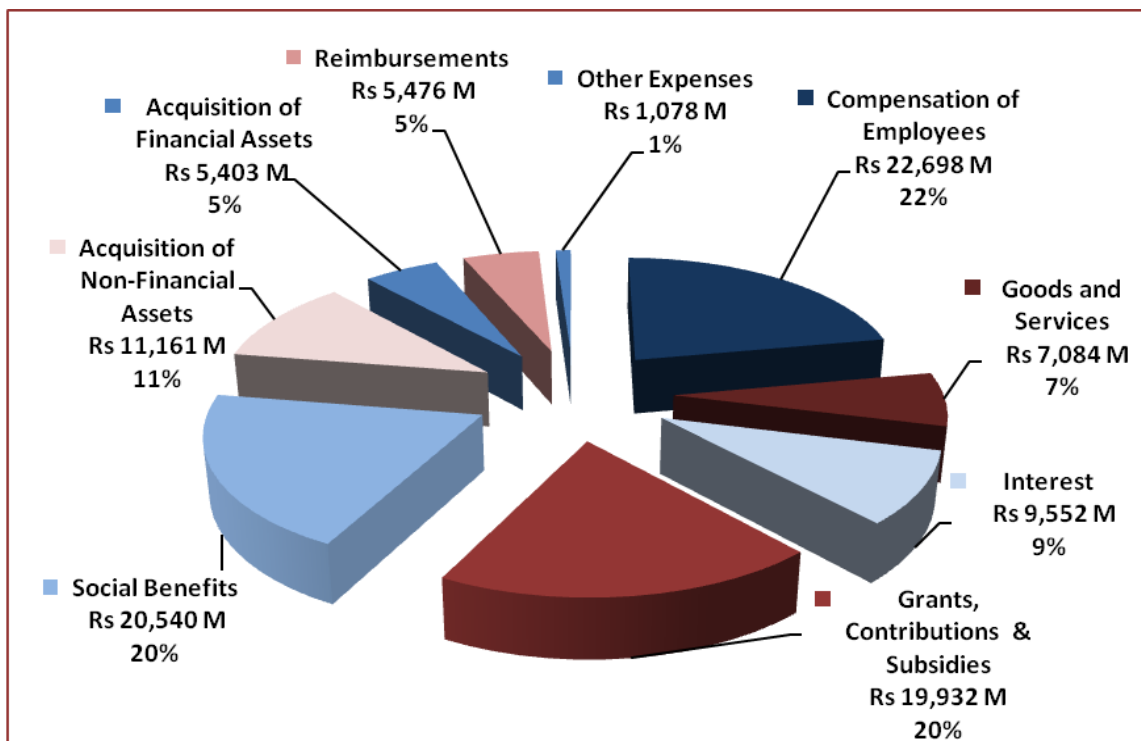


Value added tax constitutes the main source of tax representing 38% of the total tax collected.

2.2.1.2 ANALYSIS OF TOTAL EXPENDITURE BY ECONOMIC CATEGORIES

The total expenditure for the year 2013 amounted to Rs 102,924.1 M and is analysed by economic categories in Chart 3 below:

Chart 3- Expenditure classified by Economic Categories



Compensation to employees, grants, social benefits and debt servicing accounted for around 76% of total expenditure.

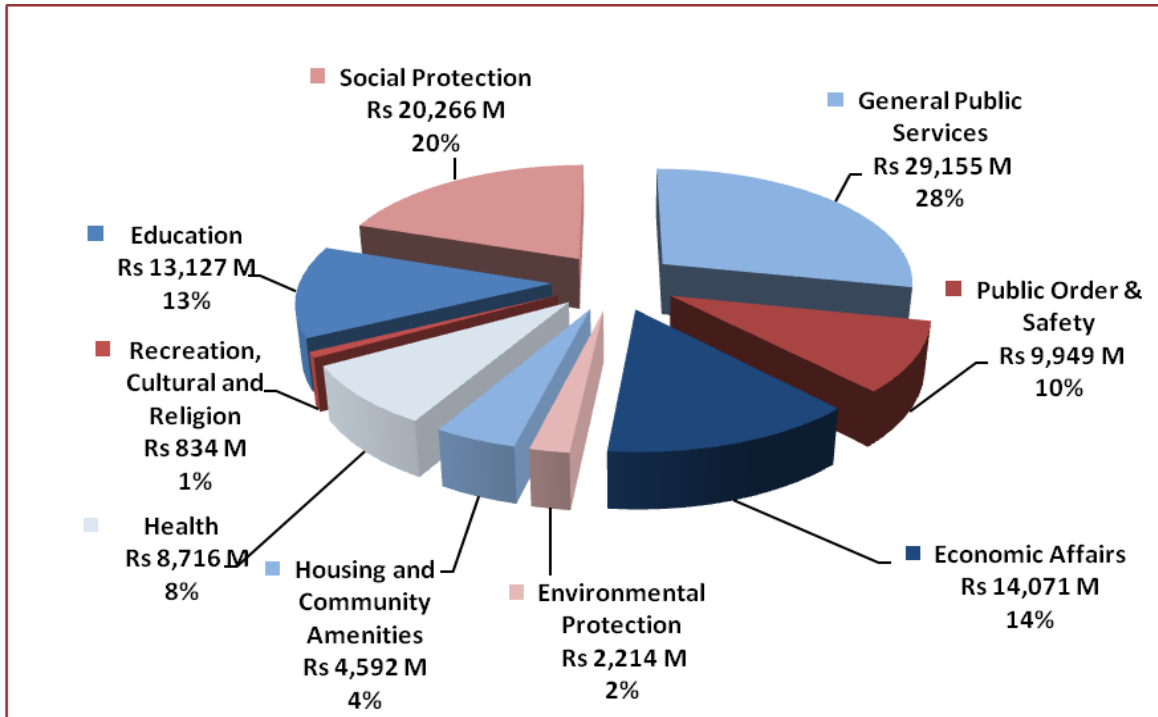
2.2.1.3 GOVERNMENT EXPENDITURE BY FUNCTION

Government expenditure classified by function is provided in Statement AB in the set of annual statements.

Public Order and Safety, Health, Education and Social Protection account for 51% of the total government expenditure. Economic affairs which include expenditure incurred in respect of agriculture, tourism, construction and transport represent 14%, environmental Protection 2% and housing community amenities 4%. The

expenditure for General Public services amount to 28% of which around 52% relates to debt servicing. This is illustrated in chart 4 below:

Chart 4- Functional Classification of Government Expenditure



2.3 CONSOLIDATED FUND

The Finance and Audit Act requires government revenues to be credited to the Consolidated Fund, and for expenditure incurred on the authority of warrants issued by the Minister of Finance and Economic Development, to be charged to the Fund.

The accumulated deficit of the Fund as at 31 December 2013 stood at Rs 54,174.7 M compared to Rs 56,113.6 M as at 31 December 2012.

2.4 PUBLIC SECTOR DEBT

The public sector debt outstanding as at 31 December 2013 stood at Rs 219,867.2 M (Statement J) and is summarized in the table below:

Table 2-Public Sector Debt

Public Sector Debt	Amount Rs'M	Total Public Sector Debt (%)
Government Debt	197,052.1	89.62%
Agencies- Extra Budgetary Units	24.1	0.01%
Public Enterprise Debt	22,791.0	10.37%
Total Public Sector Debt	219,867.2	100.00%

2.4.1 GOVERNMENT DEBT

As of 31 December 2013, Government debt stood at Rs 197,052.1 M details of which are provided below:

Table 3- Government Debt at Nominal Value

Government	Internal	External	Total
	Rs'M	Rs'M	Rs'M
Long Term	70,381.9	46,692.2	117,074.1
Medium Term	8,829.7	-	8,829.7
Short Term	70,747.9	400.4	71,148.3
Total	149,959.5	47,092.6	197,052.1

2.4.2 DEBT SERVICING

The cost of servicing public debt during the year amounted to Rs 15,131.1 M and was as follows:

Table 4- Debt Servicing

Debt Servicing	Amount	Total Amount
	Rs'M	Rs'M
Interest		
External Debt	540.6	
Internal Debt	9,088.9	9,629.5
Capital Repayments		
External Debt	1,089.6	
Internal Debt	4,386.4	5,476.0
Management/Service Charges		25.6
Total		15,131.1

2.5 LOANS TO STATUTORY BODIES, LOCAL AUTHORITIES & OTHER BODIES

Loans totaling Rs 5,403.1 M were made to statutory bodies, local authorities and other bodies during the year under review. Capital and interest reimbursement during the period amounted to Rs 291.3 M and Rs 255.5 M respectively. The balance of such loans outstanding as of 31 December 2013 was Rs 12,719.4 M as provided in Statement M.

2.6 INVESTMENTS

The total value of investment held by Government as at 31 December 2013 is categorized in the table below:

Table 5- Details of Investments held by Government

Description	Nominal Value Rs'M	Cost Price Rs'M
Quoted Shares	115.3	144.9
Units	196.8	75.8
Unquoted Shares	8,711.8	8,535.4
Equity Participation	3,971.7	3,971.7
Total	12,995.6	12,727.8

2.7 SPECIAL FUNDS

The total amount of Special Funds deposited with the Accountant-General as at 31 December 2013 was Rs 10, 963.8 M (Statement H).

3.0 ANNUAL STATEMENTS

Section 19 of the Finance and Audit Act requires the Accountant-General to sign and submit to the Director of Audit, within 6 months of the close of every fiscal year, statements showing fully the financial position of Mauritius on the last day of such fiscal year. Table 6 below gives a list of statements submitted to the Director of Audit.

Table 6 - Annual Statements

STATEMENTS	
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
D(1)	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 Stores Losses
R	Tabular Summary of Unallocated Stores
U	Statement of Foreign Aid Received
U(1)	Statement of Cash Aid Received from Foreign Countries

4.0 AUDIT CERTIFICATE

The Finance and Audit Act requires the Director of Audit to submit copies of statements, together with a certificate of audit and a report on all accounts of the Government within the period prescribed in the Section 20(1) of the Act to the Minister, who shall as soon as possible thereafter lay those documents before the National Assembly.

The Director of Audit has certified in his report that the financial statements have been properly drawn up so as to show a true and fair view of the financial transactions of the Republic of Mauritius for the year ended 31 December 2013 and comply with the Finance and Audit Act.

5.0 ACKNOWLEDGEMENT

I take this opportunity to express my gratitude to the Financial Secretary. I would also extend my thanks to the Director of Audit, Senior Chief Executives, Permanent Secretaries, Supervising Officers and the Government Printer for their usual support and co-operation.

I would like to thank all Treasury staff for their hard work and commitment. I also wish to put on record their sustained effort to enable the timely preparation and submission of the statutory financial statements.



C. ROMOOAH
Ag. ACCOUNTANT GENERAL
29 DECEMBER 2014

**AUDIT
CERTIFICATE**



NATIONAL AUDIT OFFICE

AUDIT CERTIFICATE OF THE DIRECTOR OF AUDIT ON THE FINANCIAL STATEMENTS OF THE REPUBLIC OF MAURITIUS

I have audited the financial statements of the Republic of Mauritius for the year ended 31 December 2013 as required by the Constitution of Mauritius and the Finance and Audit Act.

Responsibility of the Accountant General

The Finance and Audit Act requires the Accountant-General to sign and submit to the Director of Audit, statements referred to in Section 19(3), within the period prescribed in Section 19(1) of the Act.

Responsibility of the Director of Audit

It is my responsibility to form an independent opinion, based on my audit, on the statements and to submit copies of these statements together with a certificate of audit and a report to the Minister responsible for finance, who shall as soon as possible thereafter lay those documents before the National Assembly.

Basis of Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAI). An audit includes an examination of the accounts relating to public money, property and other assets of the Republic of Mauritius. It also includes an assessment to satisfy myself that revenue is properly collected and safeguarded by reasonable precautions, that money provided by the National Assembly is used as the National Assembly intended and that financial and accounting instructions are adequate and effective.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the statements are free from material misstatements. I believe that the audit provides a reasonable basis for my opinion.

Opinion

Except for matters referred to in my Report of 28 July 2014, in my opinion, the attached financial statements have been properly drawn up so as to show a true and fair view of the financial transactions of the Republic of Mauritius for the year ended 31 December 2013 and comply with the Finance and Audit Act.



Kwee Chow TSE YUET CHEONG (Mrs)

Director of Audit

National Audit Office

Level 14

Air Mauritius Centre

Port Louis

Republic of Mauritius

28 July 2014