

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 standard

OUR VALUES

T hinking strategically
*F*ocussing 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 Accountant-General is the administrative head of the Treasury, which operates under the aegis of the Ministry of Finance and Economic Development.

The key responsibilities of the Accountant-General are:-

- (i) to prepare the statutory financial statements of the government and to ensure that accounting systems fully respond to government's needs for proper recording and accounting of financial transactions and for the preparation of financial statements;
- (ii) to monitor the cash flows of government and to ensure availability of cash for meeting government's payment obligations; and
- (iii) to manage the dispensing of public service benefits – civil service pensions, passage benefits and advances for the purchase of motor vehicles – and to ensure payments are effected in a timely manner and according to prescribed rules and regulations.

During the year, the Treasury has actively participated in the implementation of major government projects which aim at improving public sector financial management, namely, the E-Payment, the E-Budgeting and the Human Resource Management Information System (HRMIS) projects. The HRMIS consists of a Payroll Module which will replace the current government payroll system. The new payroll system will make extensive use of information technology, and its integration with other financial systems, including the Treasury Accounting System, is expected to bring improvement in operational efficiency and to better meet information needs of stakeholders. The Treasury will have a key role in the management of the new payroll system.

The presentation of the accounts of government has been enhanced by the recognition of the International Monetary Fund (IMF) transactions in the Statement

of Assets and Liabilities as at 31 December 2014. Further improvement will be made to the accounts in the following fiscal years through recognition of other assets and liabilities of government.

The Treasury has also continued its active pursuit of delivering better services to customers by setting up a customer service counter which operates as a “*one-stop shop*” in respect of public service benefits. Customers – civil service pensioners, public officers, heirs of deceased pensioners/public officers – have benefitted through easier access to information, and quicker processing of applications and response to queries.

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 2014, the accounts were closed on 20th February 2015 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 stood at Rs 53,740.7 M. Total public sector debt amounted to Rs 237,700.5 M compared to Rs 219,867.2 M in 2013.

Total revenue amounted to Rs 107,636.9 M compared to the original estimates of Rs 116,208.1M. Revenue from taxes accounted for about 67% of the total revenue.

On the expenditure side, the original estimates amounted to Rs 113,712.0 M and actual expenditure was Rs 106,693.3 M. Public Order and Safety, Health, Education and Social Protection accounted for about 51% of the total government expenditure while debt servicing represented 21%.

2.1 SUMMARY OF FINANCIAL HIGHLIGHTS

Table 1 - Summary of Financial Highlights

	2013	2014	
	RESTATED		
	ACTUAL	ESTIMATES	ACTUAL
	Rs'M	Rs'M	Rs'M
REVENUE	105,033.8	116,208.1	107,636.9
EXPENDITURE	102,924.1	113,712.0	106,693.3
CONSOLIDATED FUND- DEFICIT	54,905.4	-	53,740.7
PUBLIC SECTOR DEBT	219,867.2	-	237,700.5

2.2 FINANCIAL ANALYSIS

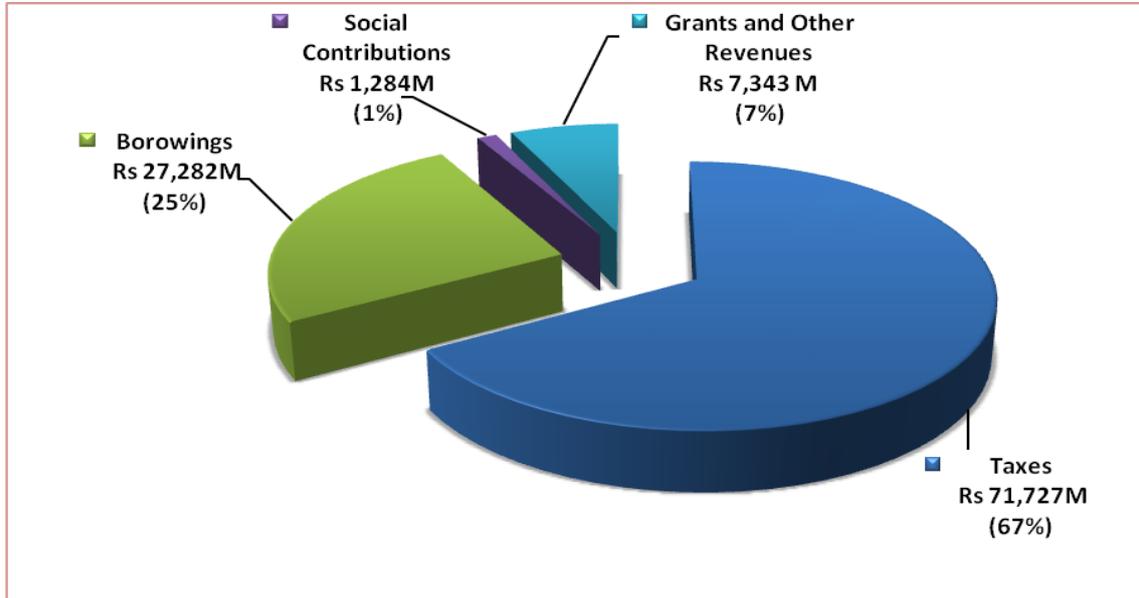
2.2.1 REVENUE AND EXPENDITURE

During the year under review, actual revenue and expenditure amounted to Rs 107,636.9 M and Rs 106,693.3 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

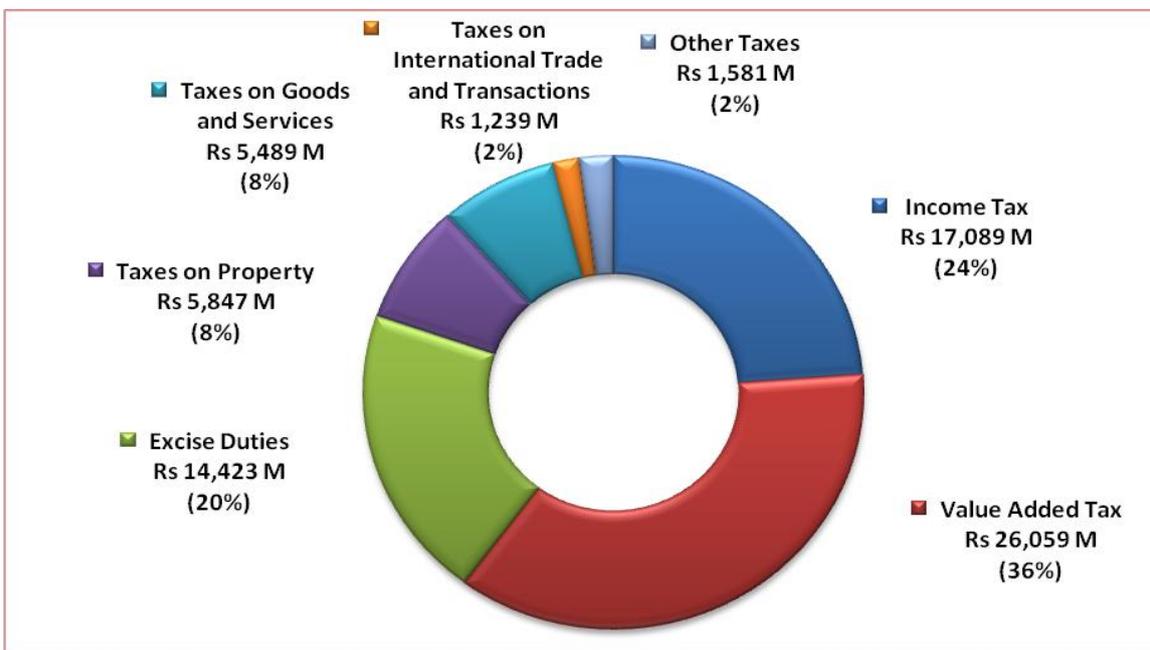
The breakdown of total revenue of Rs 107,636.9 M collected during the fiscal year 2014 is illustrated in chart 1 below:

Chart 1- Sources of Government Revenue



The major source of Government revenue is from taxes and represents around 67% of the total revenue. The amount of taxes collected has increased from Rs 67,990.4 M in 2013 to Rs 71,727.4 M in 2014, an increase of around 5%. Details of taxes collected are analysed in chart 2 below:

Chart 2-Analysis of Taxes Collected

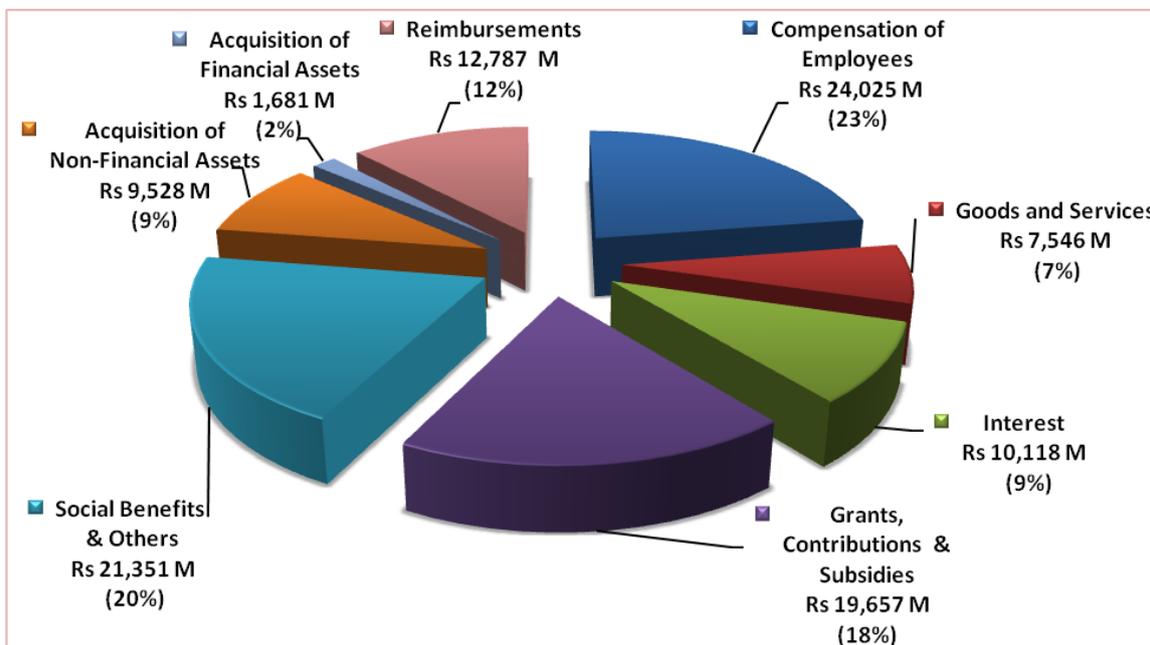


Value added tax constitutes the main source of tax representing 36% of the total tax collected.

2.2.1.2 ANALYSIS OF TOTAL EXPENDITURE BY ECONOMIC CATEGORIES

The total expenditure for the year 2014 amounted to Rs 106,693.3 M and is analysed by economic categories in Chart 3 below:

Chart 3- Expenditure classified by Economic Categories



Compensation of employees, grants, social benefits and interest accounted for around 70% of total expenditure.

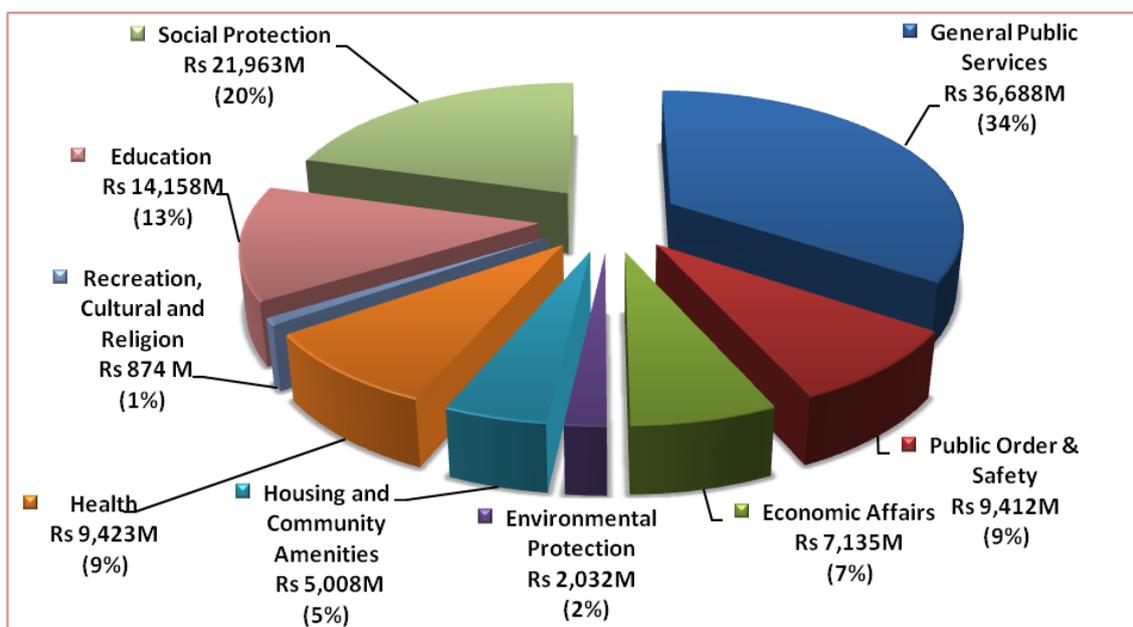
- *Compensation of Employees* is made up of salaries and allowances paid to employees.
- *Goods and Services* consist of recurrent expenses incurred and include cost of utilities, fuel and oil, rent, office expenses and maintenance costs.
- *Interest* represents amount paid on internal and external debts.
- *Grants, Contributions & Subsidies* are current and capital transfers made by the government to international organisations, other general government units and private enterprises.
- *Social Benefits and Others* include basic retirement pension, social aid and other recurrent expenses.
- *Acquisition of Non Financial Assets* represents expenditure incurred on the construction and upgrading of buildings, roads & infrastructures, acquisition of plant and equipment and acquisition of land.
- *Acquisition of Financial Assets* includes loans made to financial institutions for specific projects and equity participation.
- *Reimbursements* comprise of loan repayments to foreign governments and lending agencies and redemption of securities issued.

2.2.1.3 GOVERNMENT EXPENDITURE BY FUNCTION

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

Public Order and Safety, Health, Education and Social Protection account for 51% of the total government expenditure. The expenditure for General Public Services amount to 34% of which around 62% relates to debt servicing. This is illustrated in Chart 4 below:

Chart 4- Functional Classification of Government Expenditure



- *General Public Services* include the executive and legislative organs, financial, fiscal affairs and external affairs, the general personnel and general public services.
- *Public Order & Safety* relate to public order and safety services provided by Government through police services, fire protection services, law courts and prisons.
- *Economic Affairs* include expenditure incurred in respect of general economic, commercial, labour affairs and agriculture, tourism, construction and transport.
- *Environmental Protection* relates to services under waste and waste water management and environmental protection.
- *Housing and Community Amenities* relate to activities in respect of housing and community development and provision of amenities such as water supply.
- *Health* covers activities relating to hospital and public health services.
- *Recreation, Culture and Religion* relate to services provided for recreational, sporting, cultural and religious services.
- *Education* relates to expenditures in connection with provision of pre-primary, primary, tertiary education and others.
- *Social Protection* includes support and facilities provided to the disable persons, old age, children and family of social exclusion.

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 2014 stood at Rs 53,740.7 M compared to Rs 54,905.4 M (restated figure) as at 31 December 2013.

2.4 PUBLIC SECTOR DEBT

The public sector debt outstanding as at 31 December 2014 stood at Rs 237,700.5 M (Statement J) and is summarised in the table below:

Table 2-Public Sector Debt

Public Sector Debt	Amount Rs'M	% of Total Public Sector Debt
Government Debt	216,714.7	91.17%
Agencies- Extra Budgetary Units	23.8	0.01%
Public Enterprise Debt	20,962.0	8.82%
Total Public Sector Debt	237,700.5	100.00%

2.4.1 GOVERNMENT DEBT

As of 31 December 2014, Government debt stood at Rs 216,714.7 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	82,558.5	51,222.0	133,780.5
Medium Term	55,976.9	-	55,976.9
Short Term	26,750.3	207.0	26,957.3
Total	165,285.7	51,429.0	216,714.7

2.4.2 DEBT SERVICING

The cost of servicing of public debt during the year amounted to Rs 22,921.1 M and was made up as follows:

Table 4- Debt Servicing

Debt Servicing	Amount	Total Amount
	Rs'M	Rs'M
Interest		
External Debt	643.3	
Internal Debt	9,474.4	10,117.7
Capital Repayments		
External Debt	2,831.2	
Internal Debt	9,956.1	12,787.3
Management/Service Charges		16.1
Total		22,921.1

2.5 LOANS TO STATUTORY BODIES, LOCAL AUTHORITIES & OTHER BODIES

Loans totalling Rs 1,535.9 M were made to statutory bodies, local authorities and other bodies during the year under review. Capital reimbursements and interests received from debtors during the period amounted to Rs 685.5 M and Rs 313.0 M respectively. The balance of such loans outstanding as of 31 December 2014 was Rs 13,424.3 M, details of which are provided in Statement M.

2.6 INVESTMENTS

The breakdown of total value of investments held by Government as at 31 December 2014 is shown 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	200.5	75.8
Unquoted Shares	8,707.3	8,531.5
Equity Participation	3,971.7	3,971.7
Other Investments	-	3,613.5
Total	12,994.8	16,337.4

2.7 SPECIAL FUNDS

The total amount of Special Funds deposited with the Accountant-General as at 31 December 2014 was Rs 7,783.1 M, details of which are provided in 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 the annual statements together with a certificate of audit and a report on the accounts of the Government to the Minister responsible for finance, who shall as soon as possible thereafter lay those documents before the National Assembly.

The Director of Audit has certified that the financial statements have been properly drawn up so as to show a true and fair view of the financial transactions of the government of the Republic of Mauritius for the year ended 31 December 2014 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 cooperation.

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
ACCOUNTANT-GENERAL
02 SEPTEMBER 2015

**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 2014 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

My responsibility is to express an opinion on these financial statements based on my audit 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 6 August 2015, 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 2014 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

6 August 2015