

THE TREASURY

OUR VISION

To be recognised as a modern organisation providing financial services of international standard

OUR MISSION

Supporting effective public financial management through the delivery of quality accounting, cash management and payment services

OUR CORE VALUES

Integrity - We value our role as an organisation providing an array of services and are committed to perform our duties in accordance with the highest standards of conduct and ethics

Customer Orientation - We consider our customers as partners in our mission and consistently strive to anticipate their needs and meet their expectations

Team Spirit - We foster continuous learning and believe that the best results stem from our collective talents and experiences

Innovation - We continuously improve our processes by embracing new and better ways of doing our work

Eco-friendly - We conduct our business in an environmentally responsible manner

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 maintain the accounts of government, to prepare annual financial statements and to ensure that accounting systems respond to government's needs for the proper processing, recording and accounting of financial transactions and for financial reporting;
- (ii) to monitor the cash flow positions of government and to ensure that adequate funds are available to meet government's payment obligations in the most cost-effective way;
- (iii) to manage the dispensing of loans and passage benefits to government employees, as well as the payment of public service pensions and other retiring allowances, in accordance with prescribed rules, laws and regulations; and
- (iv) to operate as government's main payment centre and to ensure that all payments of government are executed efficiently and in a timely manner.

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. Following the decision of the Government in March 2015 to change the reporting date from December to June, financial statements have exceptionally been prepared for the six months ended 30 June 2015. The accounts for the period were closed on 14 August 2015 and the financial statements were submitted to the Director of Audit within the period prescribed under the Finance and Audit Act.

The financial statements of government have been enhanced further by the recognition of the government's Reserve Tranche Position with the International Monetary Fund (IMF) in the Statement of Assets and Liabilities as at 30 June 2015.

2.0 FINANCIAL HIGHLIGHTS

During the period under review, the accumulated deficit of the Consolidated Fund stood at Rs 52,805.2 M. Total public sector debt amounted to Rs 251,788.4 M compared to Rs 237,700.5 M in 2014.

Total revenue amounted to Rs 55,500.1 M compared to the original estimates of Rs 55,501.4 M. Revenue from taxes accounted for about 66% of the total revenue.

On the expenditure side, the original estimates amounted to Rs 58,480.1 M and actual expenditure was Rs 57,974.0 M. Public Order and Safety, Health, Education and Social Protection accounted for about 51 % of the total government expenditure while debt servicing represented 24%.

2.1 SUMMARY OF FINANCIAL HIGHLIGHTS

Table 1 - Summary of Financial Highlights

	2014	FOR THE PERIOD OF 6 MONTHS ENDED	
	(JANUARY- DECEMBER)	30 JUNE 2015	
	RESTATED		
	ACTUAL	ESTIMATES	ACTUAL
	Rs'M	Rs'M	Rs'M
REVENUE	107,636.9	55,501.4	55,500.1
EXPENDITURE	106,693.3	58,480.1	57,974.0
CONSOLIDATED FUND- DEFICIT	51,930.1	-	52,805.2
PUBLIC SECTOR DEBT	237,700.5	-	251,788.4

2.2 FINANCIAL ANALYSIS

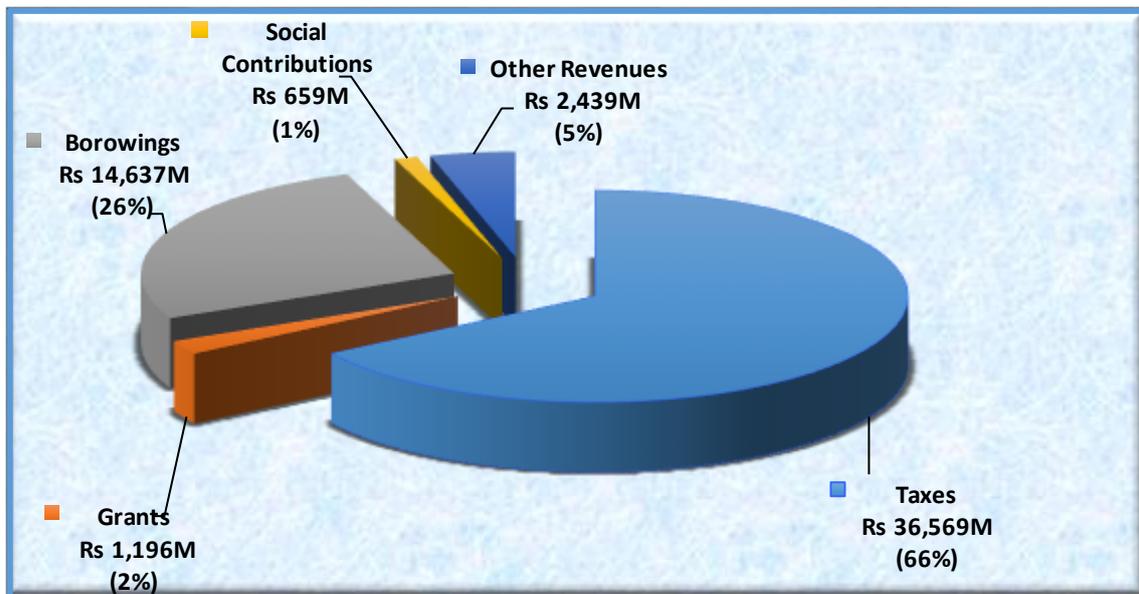
2.2.1 REVENUE AND EXPENDITURE

During the period under review, actual revenue and expenditure amounted to Rs 55,500.1 M and Rs 57,974.0 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

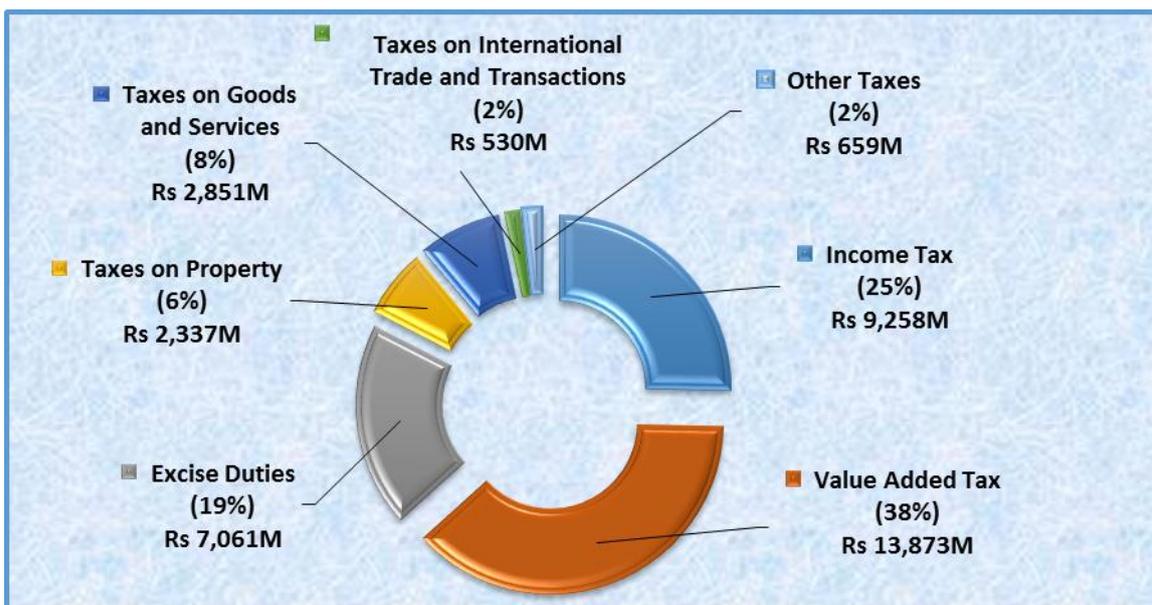
The breakdown of total revenue of Rs 55,500.1 M collected during the period of 6 months ended 30 June 2015 is illustrated in chart 1 below:

Chart 1- Sources of Government Revenue



The major source of Government revenue is from taxes and represents around 66% of the total revenue. The amount of taxes collected was Rs 71,727.4 M in 2014 and Rs 36,569.4 M for the period of 6 months ended 30 June 2015. Details of taxes collected are analysed in chart 2 below:

Chart 2- Analysis of Taxes Collected

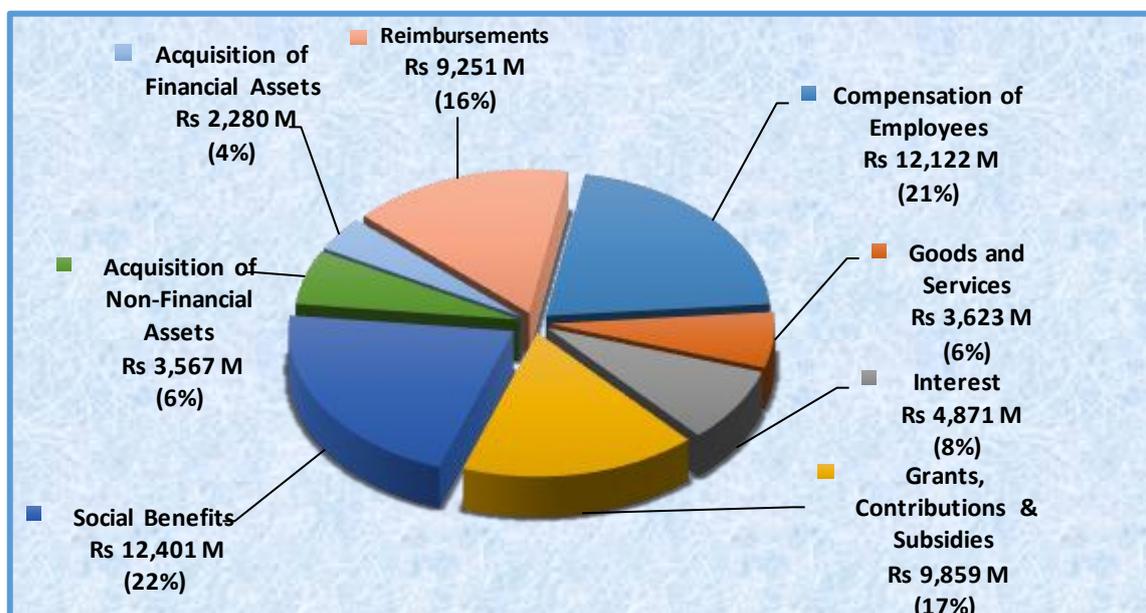


Value added tax constitutes the main source of tax representing 38% of the total tax collected.

2.2.1.2 ANALYSIS OF TOTAL EXPENDITURE BY ECONOMIC CATEGORIES

The total expenditure for the period of 6 months ended 30 June 2015 amounted to Rs 57,974.0 M and is analysed by economic categories in Chart 3 below:

Chart 3- Expenditure classified by Economic Categories



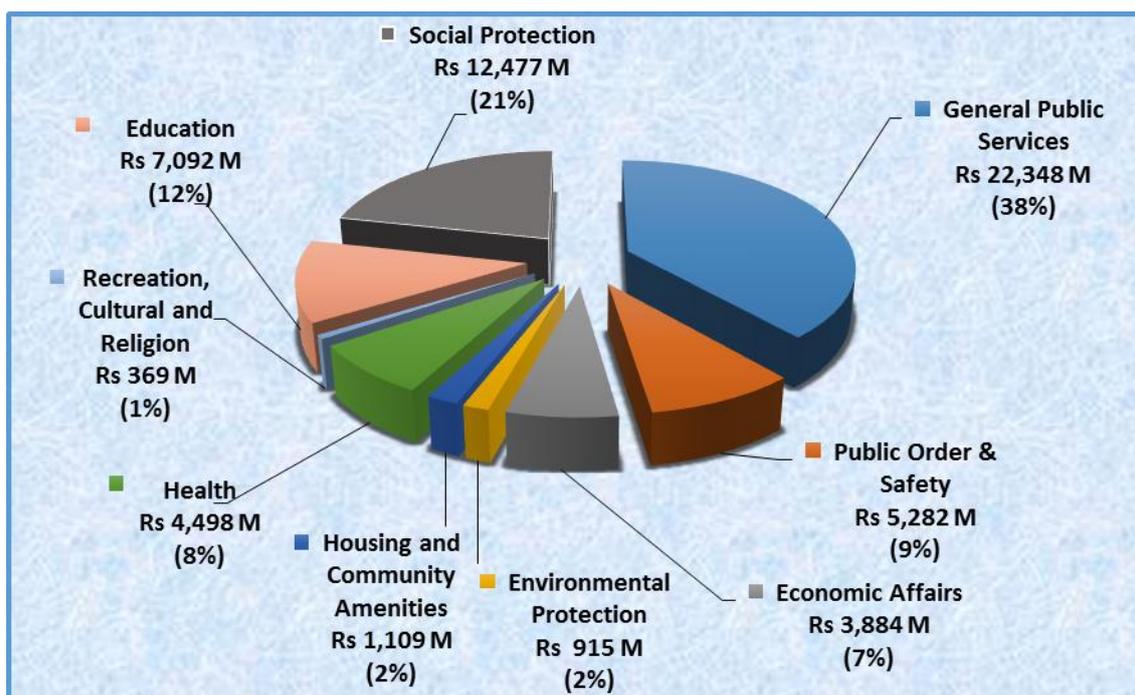
Compensation of employees, grants, social benefits and interest accounted for around 68% of total expenditure.

- *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* 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 statutory bodies, local authorities and other bodies 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 50% of the total government expenditure. The expenditure for General Public Services amount to 38% of which around 63% relates to debt servicing. This is illustrated in Chart 4 below:

Chart 4- Functional Classification of Government Expenditure

- *General Public Services* relates to administration of executive and legislative organs, administration of financial and fiscal affairs and services, and administration of external affairs and 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 in respect of 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 30 June 2015 stood at Rs 52,805.2 M compared to Rs 51,930.1 M (restated) as at 31 December 2014.

2.4 PUBLIC SECTOR DEBT

The public sector debt outstanding as at 30 June 2015 stood at Rs 251,788.4 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	226,504.4	89.96 %
Agencies- Extra Budgetary Units	159.3	0.06 %
Public Enterprise Debt	25,124.7	9.98 %
Total Public Sector Debt	251,788.4	100.00 %

2.4.1 GOVERNMENT DEBT

As at 30 June 2015, Government debt stood at Rs 226,504.4 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	95,774.8	54,690.7	150,465.5
Medium Term	50,217.9	3.5	50,221.4
Short Term	25,801.5	16.0	25,817.5
Total	171,794.2	54,710.2	226,504.4

2.4.2 DEBT SERVICING

The cost of servicing of public debt during the period amounted to Rs 14,131.2 M and was made up as follows:

Table 4- Debt Servicing

Debt Servicing	Amount	Total Amount
	Rs'M	Rs'M
Interest:		
External Debt	348.4	
Internal Debt	4,522.6	4,871.0
Capital Repayments:		
External Debt	1,120.6	
Internal Debt	8,130.1	9,250.7
Management/Service Charges		9.5
Total		14,131.2

2.5 LOANS TO STATUTORY BODIES, LOCAL AUTHORITIES & OTHER BODIES

Loans totalling Rs 757.4 M were made to statutory bodies, local authorities and other bodies during the period under review. Capital reimbursements and interests

received from loanees during the period amounted to Rs 325.9 M and Rs 92.6 M respectively. The balance of such loans outstanding as at 30 June 2015 was Rs 13,989.4 M, details of which are provided in Statement M.

2.6 INVESTMENTS

The breakdown of total value of investments held by Government as at 30 June 2015 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	1,595.6	144.8
Units	200.4	75.8
Unquoted Shares	10,281.0	10,148.1
Equity Participation	3,971.7	3,971.7
Other Investments*	3,355.2	3,355.2
Total	19,403.9	17,695.6

* Other Investments represent deposits with banks.

2.7 SPECIAL FUNDS

The total amount of Special Funds deposited with the Accountant-General as at 30 June 2015 was Rs 7,480.8 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
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 Votes and Sub-Heads of the Consolidated Fund
F	Detailed 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

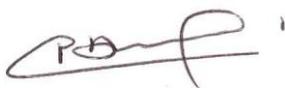
The Finance and Audit Act requires the Director of Audit to submit to the Minister copies of statements, together with a certificate of audit and a report on all accounts of the Government within the period prescribed in the Section 20(1) of the Act. The Act also requires the Minister to lay those documents 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 Republic of Mauritius for the period of 6 months ended 30 June 2015 and that they 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
06 APRIL 2017

**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 six-month period ended 30 June 2015, 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 27 February 2017, 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 six-month period ended 30 June 2015 and comply with the Finance and Audit Act.



Kwee Chow TSE YUET CHEONG (Mrs)
Director of Audit

National Audit Office
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Republic of Mauritius

27 February 2017