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 Motor Vehicle 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 presenting fairly the financial transactions and financial position of the Government of the Republic of Mauritius on the last day of every fiscal year. For the fiscal year 2016-2017, the accounts were closed on 30 September 2017 and the Financial Statements were submitted to the Director of Audit within the period prescribed under the Finance and Audit Act.

The fiscal year 2016-2017 has been marked by the decision to implement an accrual-based accounting framework consistent with International Public Sector Accounting
Standards (IPSASs) in the preparation of the accounts of the government. A technical assistance, with the support of MOFED, from AFRITAC South in collaboration with IMF was sought particularly to advise on the roadmap towards the adoption of accrual-based IPSAS. The implementation will be carried out in a phased manner until full adoption of accrual-based IPSAS in government by 2022/2023.

To this effect, necessary amendments were brought to the Finance and Audit Act where additional Statements (AA to AF) have been prepared for the first time. The Treasury Accounting System (TAS) has also been enhanced and equipped with additional functionalities to facilitate the smooth implementation of accrual-based accounting framework.

In line with the above, the Financial Statements , have recognised for the first time the following elements in the current fiscal year:

(i) Property, Plant and Equipment;
(ii) Intangible Assets;
(iii) Loans; and
(iv) Long-term debt.

Another major reform which took place with the adoption of the accrual-based accounting is the setting up of a Government Asset Register (GAR). GAR is a computerised system which caters for the capture of all assets owned by Budgetary Central Government.

2.0 FINANCIAL HIGHLIGHTS

As at 30 June 2017,

a) the accumulated surplus of the Consolidated Fund stood at Rs 76,295.0 M compared to the restated figure of Rs 84,283.3 M as at 30 June 2016; and

b) total Public Sector Debt stood at Rs 290,102.9 M (Statement J) compared to Rs 274,395.0 M as at 30 June 2016.
Total revenue for the year turned out to be Rs 123,054.0 M as compared to the original estimates of Rs 132,084.7 M (Statement B). Revenue from taxes represented around 68.4% of the total revenue.

On the expenditure side, the original estimates amounted to Rs 141,739.0 M and actual expenditure was Rs 130,501.8 M (Statement B). Public Order and Safety, Health, Education and Social Protection accounted for about 52.2% (based on Statement AE) of the total government expenditure while debt servicing represented 21.8% (based on Statement AF).

### 2.1 SUMMARY OF FINANCIAL HIGHLIGHTS

**Table 1 - Summary of Financial Highlights**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue (Statement B)</strong></td>
<td>Rs’M</td>
<td>Rs’M</td>
</tr>
<tr>
<td></td>
<td>132,084.7</td>
<td>123,054.0</td>
</tr>
<tr>
<td><strong>Expenditure (Statement B)</strong></td>
<td>141,739.0</td>
<td>130,501.8</td>
</tr>
<tr>
<td><strong>Consolidated Fund- Surplus</strong></td>
<td>-</td>
<td>76,295.0</td>
</tr>
<tr>
<td><strong>Public Sector Debt (Statement J)</strong></td>
<td>-</td>
<td>290,102.9</td>
</tr>
</tbody>
</table>

### 2.2 FINANCIAL ANALYSIS

#### 2.2.1 REVENUE AND EXPENDITURE

During the year under review, actual revenue and expenditure, under cash basis of accounting, amounted to Rs 123,054.0 M and Rs 130,501.8 M, respectively (Statement B). Detailed statements of revenue and expenditure are included in this report (Statements D and D1).
2.2.1.1 ANALYSIS OF TOTAL REVENUE

With the adoption of accrual-based accounting, revenue has been analysed under both cash and accrual basis. Total revenue under:

- cash basis amounted to Rs 123,054.0 M (Statement B); and
- accrual basis amounted to Rs 94,101.1 M (Statements AA and AB).

The breakdown of total revenue under cash and accrual basis is illustrated in Chart 1 and Chart 2, respectively:

Note: Terminology of revenue differs under cash and accrual basis of accounting.
Details of taxes collected are analysed in Chart 3 below (based on Statement D):

![Chart 3 - Analysis of Taxes Collected](image)

2.2.1.2 ANALYSIS OF TOTAL EXPENDITURE BY NATURE

The total expenditure has been analysed under both cash and accrual basis of accounting.

The total expenditure classified by Nature for the financial year 2016–2017 under:

- cash basis amounted to Rs 130,501.8 M (Statement AF); and
- accrual basis amounted to Rs 103,700.4 M (Statement AB).

Charts 4 and 5 provide detailed classification of expenses as follows under cash and accrual basis of accounting respectively:
- **Compensation of Employees** is made up of salaries and allowances paid to employees.
- **Supplies and Consumables Used** consist of recurrent expenses incurred and include cost of utilities, fuel and oil, rent, office expenses and maintenance costs.
- **Finance costs** represents interests and management charges paid and accrued for the year on internal and external debts.
- **Grants and Other Transfer Payments** 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.*
- **Capital Repayments** comprise of loan repayments to foreign governments and lending agencies and redemption of securities issued.*
- **Retirement Benefits** includes pensions, gratuities, contributions to ‘National Savings Fund’, ‘Defined Contribution Pension Scheme’ and ‘Civil Service Family Protection Scheme’.
- **Other Expenses** excludes the above elements and consists mainly of insurance, compensation arising out of government liability, subscription to IMF organization and miscellaneous expenses.

*under accrual basis, these elements have been capitalised and not shown as expenditure.
2.2.1.3 GOVERNMENT EXPENDITURE BY FUNCTION

Government expenditure is also classified by Function and is provided in Statement AE (cash basis) and Statement AA (accrual basis) and which for the year 2016-2017 is illustrated as follows:

- **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** relates 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.
- **Recreational, Cultural 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 disabled persons, old age, children and family of social exclusion.
Under accrual basis ‘Finance Costs’ is presented separately and the following expenditure have been capitalised:

- Acquisition of Non-Financial Assets;
- Shares and Other Equity Purchase;
- IMF SDR Transactions;
- Loans to Public Enterprises; and
- Capital Repayments of Government Debt.

2.3 CONSOLIDATED FUND

The accumulated surplus of the Fund as at 30 June 2017 stood at Rs 76,295.0 M compared to Rs 84,283.3 M (restated) as at 30 June 2016.

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.

Accounting adjustments have been made to the Consolidated Fund to recognise the items stated below:

(i) Property, Plant and Equipment;

(ii) Intangible Assets;

(iii) Loan to Public Enterprises; and

(iv) Long Term Borrowings.

A reconciliation of the Consolidated Fund on a cash basis with the accrual basis is shown at Note 14 on page 14.
2.4 PUBLIC SECTOR DEBT

The Public Sector Debt outstanding as at 30 June 2017 stood at Rs 290,102.9 M at nominal value (Statement J) and is analysed in the table below:

Table 2-Analysis of Public Sector Debt

<table>
<thead>
<tr>
<th>Public Sector Debt</th>
<th>Amount Rs’M</th>
<th>% of Total Public Sector Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Debt</td>
<td>265,433.1*</td>
<td>91.50</td>
</tr>
<tr>
<td>Agencies- Extra Budgetary Units</td>
<td>113.8</td>
<td>0.04</td>
</tr>
<tr>
<td>Public Enterprise Debt</td>
<td>24,556.0</td>
<td>8.46</td>
</tr>
<tr>
<td><strong>Total Public Sector Debt</strong></td>
<td><strong>290,102.9</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

* Government Debt includes IMF SDR Allocations of Rs 4,639.8 M.

2.4.1 GOVERNMENT DEBT

As at 30 June 2017, Government Debt, excluding IMF SDR Allocations, stood at Rs 260,793.3 M at nominal value, details of which is in Table 3 below:

Table 3- Government Debt

<table>
<thead>
<tr>
<th>Government Debt</th>
<th>Internal Rs’M</th>
<th>External Rs’M</th>
<th>Total Rs’M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Term</td>
<td>127,953.6</td>
<td>41,322.9</td>
<td>169,276.5</td>
</tr>
<tr>
<td>Medium Term</td>
<td>52,523.8</td>
<td>230.6</td>
<td>52,754.4</td>
</tr>
<tr>
<td>Short Term</td>
<td>38,723.2</td>
<td>39.2</td>
<td>38,762.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>219,200.6</strong></td>
<td><strong>41,592.7</strong></td>
<td><strong>260,793.3</strong></td>
</tr>
</tbody>
</table>
2.4.2 GOVERNMENT DEBT SERVICING

Government Debt servicing during the year amounted to Rs 28,398.0 M and was made up as follows:

*Table 4-Government Debt Servicing*

<table>
<thead>
<tr>
<th>Government Debt Servicing</th>
<th>Amount</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs’M</td>
<td>Rs’M</td>
</tr>
<tr>
<td><strong>Interest:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External Debt</td>
<td>720.6</td>
<td></td>
</tr>
<tr>
<td>Internal Debt</td>
<td>10,237.7</td>
<td>10,958.3</td>
</tr>
<tr>
<td><strong>Capital Repayments:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External Debt</td>
<td>6,695.2</td>
<td></td>
</tr>
<tr>
<td>Internal Debt</td>
<td>10,737.3</td>
<td>17,432.5</td>
</tr>
<tr>
<td>Management/Service Charges</td>
<td>7.2</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>28,398.0</td>
</tr>
</tbody>
</table>

2.5 LOANS TO STATUTORY BODIES, LOCAL AUTHORITIES & OTHER BODIES

Loans totalling Rs 1,458.5 M were made to statutory bodies, local authorities and other bodies during the year under review. Capital reimbursements and interests received from loanees during the year amounted to Rs 1,838.4 M and Rs 106.2 M respectively. The balance of such loans outstanding as at 30 June 2017 was Rs 11,004.8 M, details of which are provided in Statement M.

2.6 INVESTMENTS

The total value of investments, at cost, held by government as at 30 June 2017 stood at Rs 22,091.5 M (Statement F) and the breakdown of which is shown in the table below:
Table 5- Breakdown of Investments held by Government

<table>
<thead>
<tr>
<th>Description</th>
<th>Nominal Value Rs'M</th>
<th>Cost Price Rs'M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quoted Shares</td>
<td>1,580.9</td>
<td>140.3</td>
</tr>
<tr>
<td>Unquoted Shares</td>
<td>12,060.2</td>
<td>13,985.7</td>
</tr>
<tr>
<td>Equity Participation</td>
<td>4,088.3</td>
<td>4,088.3</td>
</tr>
<tr>
<td>Other Investments *</td>
<td>3,877.2</td>
<td>3,877.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>21,606.6</strong></td>
<td><strong>22,091.5</strong></td>
</tr>
</tbody>
</table>

* 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 2017 was Rs 7,739.9 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 presenting fairly the financial transactions and financial position of Government on the last day of such fiscal year. Table 6 below gives a list of statements submitted to the Director of Audit.
### Table 6 – List of Annual Statements

<table>
<thead>
<tr>
<th>STATEMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A</strong></td>
</tr>
<tr>
<td><strong>AA</strong></td>
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<td><strong>AB</strong></td>
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<td><strong>AD</strong></td>
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<td><strong>AE</strong></td>
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<td><strong>F</strong></td>
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<td><strong>R</strong></td>
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<tr>
<td><strong>U</strong></td>
</tr>
<tr>
<td><strong>U1</strong></td>
</tr>
</tbody>
</table>
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, except for Property Plant and Equipment, the Financial Statements give a true and fair view of the financial position of the Government of the Republic of Mauritius as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in Mauritius and in compliance with the Finance and Audit Act.

5.0 ACKNOWLEDGEMENT

I take this opportunity to express my gratitude to the Financial Secretary and 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 am also thankful to all the staff of the Treasury for their hard work and dedication in the timely preparation and submission of the statutory financial statements.

S.D. RAMDEEN
AG. ACCOUNTANT-GENERAL
07 May 2018
AUDIT
CERTIFICATE
REPORT OF THE DIRECTOR OF AUDIT

TO THE NATIONAL ASSEMBLY

Report on the Audit of the Annual Statements

Qualified Opinion

I have audited the annual statements of the Government of the Republic of Mauritius on pages 1 to 300, which comprise the statement of financial position as at 30 June 2017, and the statement of financial performance, the statement of changes in net assets or equity, the statement of cash flow and the statement of comparison of budget estimates and actual amounts for the year then ended, other Statements and a summary of significant accounting policies and other explanatory information.

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion Section of my report, the accompanying annual statements give a true and fair view of the financial position of the Government of the Republic of Mauritius as at 30 June 2017, and of its financial performance and cash flows for the year then ended in accordance with accounting principles generally accepted in Mauritius and in compliance with the Finance and Audit Act.

Basis for Qualified Opinion

Property, Plant and Equipment – Rs 283 billion

The Property, Plant and Equipment (PPE) figure as reported in the Statement of Financial Position did not include assets acquired before the dates specified in Notes 7(a) and (b) to the Accounts, and those received as donation. As for assets acquired after the specified dates, their existence was not ascertained and there might be the risk that these assets were no more in use, obsolete or lost. All assets, except State Lands, had been stated at their original cost and had not been depreciated.

Included in the PPE figure of Rs 283 billion, was a sum of Rs 202.1 billion representing the indicative values of State Lands as estimated by the Valuation Department. Among the various categories of State Lands as disclosed in Note 7(b) to the Accounts, commercial and residential sites were not included. The valuation was based on the lists provided by the Ministry of Housing and Lands and on the assumption that the properties were in vacant possession and free from encumbrances and charges. The latter did not provide all location plans, zoning status, lease agreements and other details regarding the above sites. The properties had not been inspected and any improvements on the sites were excluded from the value.
The above limitations and assumption could have a material impact on the indicative value as provided by the Valuation Department.

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Annual Statements Section of my report. I am independent of the Ministries and Government Departments (entities) in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the annual statements in Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the annual statements of the current period. These matters were addressed in the context of my audit of the annual statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Assets - Loans – Rs 11 billion

Statement M – “Statement of All Outstanding Loans Financed from Revenue” provides details of loans financed from revenue advanced to Statutory Bodies, Private Bodies, Other Bodies and Private Individuals. Total loans due to Government (capital only) as at 30 June 2017 amounted to some Rs 11 billion. As stated in Note 6 to the Statement of Financial Position and Note 1 to Statement M, the original amounts of foreign loans were stated at their rupee equivalent on date of issue. At 30 June 2017, the outstanding balance of loans advanced in foreign currencies were translated to their rupee equivalent at the closing rate of exchange published by the Bank of Mauritius.

As at 30 June 2017, the balance of capital due but not yet paid, and interests and penalties due on these loans totalling some Rs 2.4 billion were reported in Statement N – “Statement of Arrears of Revenue”.

Given the low recovery rate of debts and the material size of the outstanding loans (capital only) and arrears (capital, interests and penalties), I have identified the valuation of outstanding loans and arrears as a Key Audit Matter.

How my audit addressed the Key Audit Matter

I assessed the accuracy and completeness of outstanding loans by ensuring that all transactions regarding the loans were correctly recorded in the Advance Ledgers. I ensured the accuracy of the closing balances of foreign loans taking into consideration closing rate of exchange for their translations.
For all new loans advanced during the year, I checked for authorisation and ensured that a loan agreement had been drawn and duly signed by the parties concerned.

For existing and new loans, I ensured that repayments had been effected as per the terms and conditions of the loan agreements. I also ensured that the write off of outstanding debts had been properly authorised by the Ministry of Finance and Economic Development.

For capital due but not yet paid, and interests and penalties due reported in Statement N “Statement of Arrears of Revenue”, I selected a sample of cases, and independently checked the computation of arrears. In all cases examined, the computation of arrears of revenue was correct.

**Liabilities - Government Debt – Rs 256.7 billion**

As at 30 June 2017, Government Debts totalled some Rs 256.7 billion, including external loans of some Rs 41.2 billion. The debts were reported at cost in the Statement of Financial Position and Note 11 to the Accounts. New issues of Treasury Bills, Treasury Notes and Government of Mauritius (GoM) Bonds for the financial year ending 30 June 2017 amounted to Rs 67.7 billion, Rs 19.1 billion and Rs 24.8 billion respectively. There was no issue of Mauritius Development Loan Stocks (MDLS). Redemption of Treasury Bills, Treasury Notes and GoM Bonds were Rs 63.4 billion, Rs 16.1 billion and Rs 10.2 billion respectively. As for MDLS, Rs 526 million were redeemed during the same period.

Given the various instruments used for Government Debt management, and the material size of the Debt which accounted for some 95 per cent of total liabilities, I have identified the valuation of the Government Debt in the Statement of Financial Position as a Key Audit Matter.

**How my audit addressed the Key Audit Matter**

I assessed the accuracy and completeness of Government Debt by ensuring that all transactions were recorded in the respective individual debt ledgers, and that ledger balances and abstracts were reconciled on a monthly basis. Officers of the Public Debt Management Unit were interviewed, and appropriate minutes of proceedings were obtained to substantiate recorded transactions.

I ensured the accuracy of the closing balances of external loans, taking into consideration closing rate of exchange for their translations. Further, for all new loans contracted by Government, I ensured that Loan Agreements were signed. For all loans written off by International Donor Agencies, I ensured that necessary documentary evidence was available to substantiate the extinguishment of the debt.

For issues and redemptions of securities, I checked for authorisation and ensured that proper documentary evidence was available. The accuracy of interest payments was also ascertained.
Responsibilities of the Accountant General and Those Charged with Governance for the Annual Statements

The Accountant General is responsible for the preparation and fair presentation of these annual statements in accordance with accounting principles generally accepted in Mauritius and in compliance with the Finance and Audit Act, and for such internal control as management determines is necessary to enable the preparation of annual statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible of overseeing the entities' financial reporting process.

Auditor's Responsibility for the Audit of the Annual Statements

My objectives are to obtain reasonable assurance about whether the annual statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the annual statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entities' internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Evaluate the overall presentation, structure and content of the annual statements, including the disclosures, and whether the annual statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the annual statements of the current period and are therefore the Key Audit Matters. I describe these matters in my auditor’s report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

*Finance and Audit Act*

I have obtained all information and explanations I have required for the purpose of my audit.

In my opinion, except for the matters mentioned in my Report for the year ended 30 June 2017, in all material respects:

- all reasonable precautions have been taken to safeguard the collection of public money;
- all laws, directions or instructions relating to public money have been duly observed;
- all money appropriated or otherwise disbursed is applied to the intended purpose and that the expenditure conforms to the authority which governs it;
- adequate directions or instructions exist for the guidance of public officers entrusted with duties and functions connected with finance or storekeeping and that such directions or instructions have been duly observed;
- satisfactory management measures have been taken to ensure that resources are procured economically and utilised efficiently and effectively.

K.C. TSE YUET CHEONG (MRS)
Director of Audit

National Audit Office
Level 14, Air Mauritius Centre
PORT LOUIS

27 February 2018