



Republic of Mauritius

# TREASURY

**MINISTRY OF FINANCE AND ECONOMIC  
DEVELOPMENT**

**ANNUAL REPORT ON PERFORMANCE  
FOR THE FISCAL YEAR**

**2016/2017**



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## 1. ABOUT THE TREASURY

### 1.1 Overview

The Treasury operates under the aegis of the Ministry of Finance and Economic Development and is responsible mainly for preparing the financial statements of government, monitoring government's cash flows, effecting government's payments and managing the dispensing of public service benefits. The Accountant-General, as head of the Treasury, acts as the custodian of the main bank accounts of the government.

The operations of the Treasury are governed by rules set out in various Acts, Regulations, Financial Instructions and Circulars. The Accountant-General is specifically required under the Finance and Audit Act to prepare, in respect of each fiscal year, annual statements presenting fairly the financial transactions and financial position of government on the last day of the fiscal year.

### 1.2 Our Vision

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

### 1.3 Our Mission

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

### 1.4 Our Core Values

#### **Integrity**

We value our role as an organisation providing an array of services and are committed to perform our duties according to 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.

## 1.5 Accountant-General's Statement



*I am pleased to present the Annual Performance Report of the Treasury for the fiscal year 2016-2017.*

*Over the years, the Treasury has evolved from being a mere paying agent of the Government to that of a strategic partner providing an array of services to various classes of stakeholders. As one of the key players in Public Financial Management, the Treasury positions itself as an active participant in Government's quest to modernise the public service and also to strengthen good governance in the country.*

*We have continuously strived to improve the quality of our services whilst ensuring that our mission is achieved in the most cost-effective manner. To ensure that our staff operate within a proper framework with clear targets, we have developed a rolling 5-year Strategic Plan, Standard Operating Procedures Manuals, a Customer Charter, and an Operational Risk Management Manual. The initiatives and actions proposed in the Treasury's Strategic Plan aim at complementing in an effective manner PFM reforms undertaken by other public sector entities and at contributing to the public sector's thrust to achieve excellence in service delivery.*

*The fiscal year 2016-2017 has been marked by the decision to adopt International Public Sector Accounting Standards (IPSAS) in the preparation of the annual financial statements of the government. To this end necessary amendments were brought to the Finance and Audit Act and the Treasury Accounting System has been enhanced and equipped with additional functionalities. The Treasury has also put in place a Government Asset Register (GAR) to enable the online recording of non-financial assets acquired by Ministries and Departments. The GAR is expected to be a major tool for the management of non-financial assets of the government.*

*I am also delighted to announce that the Treasury has been accredited with the 'ACCA Employer Approved' status by the Association of Chartered Certified Accountants (ACCA) of UK. This accreditation recognises Treasury's high standard of training and development of its professional staff.*

*The provision of a safe and environmentally friendly work environment to our staff is also one of our priorities. In 2016-2017 we have pursued the implementation of a project for the conversion of our offices into smart offices through the replacement of traditional office furniture with modern work stations. This measure has, inter alia, enabled the*

*accommodation of additional officers as well as the creation of a more functional set-up and a more conducive environment for both staff and customers.*

*With the development of various computerised systems, such as HRMIS/Payroll, E-Budgeting and E-PSIP, and their integration with TAS, the Treasury faces the challenge of having to operate within a more complex IT environment. This will require the application of new approaches and methodologies, as well as the deployment of appropriate resources and skills, to effectively manage risks inherent in such an environment.*

*I seize this opportunity to express my sincere gratitude to the Financial Secretary for all the support that he has extended to me. I also wish to extend my thanks and appreciation to all the staff of the Treasury for their hard work and for the commitment that each one has shown throughout the year.*



**Charanjivsingh Romooah**  
*Accountant-General, Treasury*

27 October 2017

## 1.6 Roles and Functions of the Treasury

### (a) Key Roles and Objectives

- (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 position 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.

### (b) Main Functions

The main functions of the Treasury are: –

#### **Government Accounting & Reporting**

- (i) maintaining the accounting records of government;
- (ii) preparation of the annual financial statements of the government of the Republic of Mauritius as required under the Finance and Audit Act;
- (iii) ensuring that financial and accounting arrangements in all Ministries/Departments are adequate and effective;
- (iv) assisting Ministries/Departments in putting in place or in implementing computerised financial systems;

#### **Public Service Benefits**

- (v) processing and payment of retiring allowances in accordance with the Pensions Act, the National Assembly (Retiring Allowances) Act, the President's Emoluments & Pension Act, and other legislations;

- (vi) processing and payment of motor vehicle loans and passage benefits to government employees and other eligible persons in accordance with prescribed rules;

### **Cash Flow Management, Receipts & Payments**

- (vii) preparing cash flow forecasts for the government for the purpose of determining short term borrowing requirements;
- (viii) operating as government's main payment centre: executing payments on behalf of ministries and departments and effecting transfers of funds to banks for the purposes of government payments;
- (ix) monitoring the processing of monthly government payroll by ministries and departments and transferring funds to banks for that purpose;
- (x) exercising general supervision over the receipts, expenditures and other disbursements of government;
- (xi) collecting certain types of revenues of government;

### **Depository of Security**

- (xii) operating as depository of security required to be deposited by attorneys, notaries, auctioneers, land surveyors, recruiting agents, and private security service providers under relevant Acts; and

### **Motor Vehicle Accidents Claims**

- (xiii) processing of claims in respect of accidents involving government vehicles.

## **1.7 Sections of the Treasury**

The Treasury consists of sections arranged functionally as follows:

### **1.7.1 Government Accounting and Reporting**

- (a) Accounts Section**
- (b) Treasury Accounting System (TAS) Section**
- (c) Records Section**
- (d) Projects Finance Unit**
- (e) Loans Section**



- (a) The Accounts Section is responsible for: -
- ❖ maintaining accounts in respect of revenues and expenditures of government;
  - ❖ preparation of the annual financial statements of the government as required under the Finance and Audit Act\*;
  - ❖ preparation of financial statements of special funds; and
  - ❖ recording and accounting of financial transactions and preparation of financial statements in respect of projects financed by International Organisations.

\*Section 19 of the Finance and Audit Act requires that the Accountant-General shall, within 6 months of the close of every fiscal year, sign and submit to the Director of Audit statements presenting fairly the financial transactions and financial position of Government on the last day of such fiscal year.

- (b) The TAS Section is responsible for: -
- ❖ ensuring that TAS is functioning properly and system controls are adequate and effective;
  - ❖ facilitating the preparation of financial reports by users;
  - ❖ ensuring that budget related data are properly recorded in TAS;
  - ❖ providing guidance and assistance to all users on matters relating to TAS functionalities;
  - ❖ training of staff of all Ministries/Departments on TAS; and
  - ❖ managing user access to TAS.

- (c) The Records Section is responsible for: -
- ❖ maintaining receipt and payment vouchers and other accounting records of non-self-accounting Ministries and Departments in Treasury Voucher Rooms; and
  - ❖ facilitating access by authorised persons to vouchers and records.

- (d) The Projects Finance Unit is responsible for: -
- ❖ processing of drawdown requests to International Organisations; and
  - ❖ recording and accounting of financial transactions and preparation of financial statements in respect of projects financed by International Organisations.

- (e) The Loans Section is responsible for: -
- ❖ maintaining accounting records in respect of government loans to Statutory Bodies and other persons;
  - ❖ processing of claims to Statutory Bodies and other persons; and
  - ❖ monitoring of loan repayments and interest charges.

## 1.7.2 Public Service Benefits

- (a) **Pensions Section**  
(b) **Motor Vehicle Loans Section**  
(c) **Passage Section**

- (a) The Pensions Section is responsible for the processing of: -
- ❖ pension to retired President/Vice President;
  - ❖ retiring allowance to retired Members of the National Assembly;
  - ❖ end of service retiring benefits (gratuity);
  - ❖ monthly pensions to retired Public Officers;
  - ❖ death gratuity to heirs of Public Officers;
  - ❖ compensation/additional pension to injured officers;
  - ❖ portable pension to Public Officers who resign from the Public Service;
  - ❖ retiring benefits and other benefits to officers on permanent transfer to Approved Service;
  - ❖ compassionate allowance/Ex-gratia gratuity; and
  - ❖ contract gratuity to advisers and Officers on Contract.
- (b) The Motor Vehicle Loans Section is responsible for the processing of motor vehicle (car, motorcycle and autocycle) loan applications from Public Officers.
- (c) The Passage Section is responsible for the processing and payment of passage benefits to public officers, in respect of: -
- ❖ costs of air tickets;
  - ❖ expenses incurred abroad (Pocket Money);
  - ❖ expenses at inland hotels/recreational resorts;
  - ❖ exam fees for SC/HSC for children of Public Officers; and
  - ❖ for any purpose other than travel, cashed at the discounted rate of 90%.

### 1.7.3 Cash Management, Receipts and Payments

- (a) **Cash Management Unit**
- (b) **Payments Centre**
- (c) **Revenue Collection**

(a) The Cash Management Unit is responsible for: -

- ❖ preparing cash flow forecasts for the government;
- ❖ monitoring the cash flow position of government;
- ❖ assisting the Ministry of Finance and Economic Development with the determination of the borrowing requirements of government;
- ❖ providing funds to Self-Accounting Ministries/Departments; and
- ❖ exercising general supervision over the receipts, expenditures and other disbursements of government.

(b) The Payments Centre consists of: -

- (i) Chief Cashier's Office
- (ii) Payable Order Office
- (iii) Treasury Examination Section
- (iv) FX Payments Unit

(i) The Chief Cashier's Office is responsible for: -

- ❖ effecting payments through bank transfers; and
- ❖ effecting transfer of funds to banks i.r.o. –
  - payments by self-accounting Ministries/Departments;
  - Government payroll.

(ii) The Payable Order Section is responsible for: -

- ❖ effecting payments (in respect of expenditures of Ministries and Departments) through Payable Orders (cheques).

(iii) The Treasury Examination Section is responsible for: -

- ❖ checking of payment vouchers submitted by Ministries/Departments before effecting payment.

- (iv) The FX Payments Unit is responsible for: -
  - ❖ effecting payments in foreign currencies on behalf of Ministries and Departments; and
  - ❖ transmitting required documents to banks/overseas suppliers in respect of overseas purchases of government.

(c) Revenue Collection

The Treasury collects the following types of revenues: -

- ❖ Rental of Government Property;
- ❖ Compensation in respect of Government vehicles damaged in accidents;
- ❖ Licence fees in respect of: -
  - private investigation;
  - fishmonger; and
  - disposal of waste.
- ❖ Registration fee, stamp duty and charges (NTA lien) in respect of motor vehicle loans to public officers;
- ❖ Reimbursement of motor vehicle loans by public officers;
- ❖ Import permit fees; and
- ❖ Road Motor Vehicle Licences.

#### 1.7.4 Depository of Security

The registry of the Treasury also operates as depository of security and is responsible for:-

- (a) maintaining securities to be deposited by attorneys, notaries, auctioneers, land surveyors, recruiting agents, and private security service providers under relevant Acts; and
- (b) ensuring the documents deposited as security are valid and legally in order.

#### 1.7.5 Motor Vehicle Accidents Claims

The Accident Claims Section is responsible for: -

- (a) processing of claims in respect of accidents involving government vehicles;
- (b) initiating the process for legal recovery (through the State Law Office) of debts in respect of accident claims; and
- (c) processing payments in accordance with Court determination, in respect of government liabilities resulting from accidents by government vehicles.

## 1.8 About our People

The Accountant-General (AG) is the technical and administrative head of the Treasury and is assisted by two Deputy Accountant-General, four Assistants Accountant-General, a team of Accountants/ Senior Accountants and officers from various cadres namely: Technical, Finance, Human Resource Management, Procurement and Supply, Internal Control, General Services and Workmen's Group. The Organisation Chart of the Treasury is given at *Annex I*.

The number of staff forming part of the Treasury team as at 30 June 2017 is shown in the table below:-

Department Grades	Number
Accountant-General	1
Deputy Accountant-General (N1)	1
Assistant Accountant-General (AAG)	4
Accountant/Senior Accountant	16
Accounting Technician (N1)	-
OIC (Pensions)	1
OIC (Passages)	1
Treasury Computer Room Supervisor	1
Treasury Computer Operator	2
Treasury Voucher Room Supervisor	1
Treasury Voucher Room Operator	3
<b>Total Technical Staff</b>	<b>31</b>
Driver	1
Stores Attendant	2
General Worker	1
<b>Total Departmental Grade</b>	<b>35</b>
<b>Support Staff</b>	
Finance Cadre – Staff posted in Technical Sections	27
Finance Cadre – Staff posted in Finance Section	6
General Services	102
Internal Control Cadre	2
Procurement Cadre	2
HR Cadre	2
Machine Minder/ Senior Machine Minder	1
Assistant Systems Analyst	1
STM Interns	5
Employee under contract	1
<b>Total Support Staff</b>	<b>149</b>
<b>Total Staff</b>	<b>184</b>

N1: One additional post of Deputy Accountant-General and ten posts of Accounting Technician have been created under the Estimates 2017-2018.

## Senior Management Team

Title/ Responsibility	Contact Details
<p><b><u>Accountant-General</u></b></p> <ul style="list-style-type: none"> <li>• General Administration</li> <li>• Regulatory Matters</li> <li>• Policy, Strategy &amp; Quality Management</li> <li>• Internal Audit</li> </ul>	<p><b>Mr. Charanjivsingh ROMOOAH</b>  <b>FCCA; MSc; LLB</b>            Phone: (230) 260-5008            Fax: (230) 212-6767            Email: <a href="mailto:cromooah@govmu.org">cromooah@govmu.org</a></p>
<p><b><u>Deputy Accountant-General</u></b></p> <ul style="list-style-type: none"> <li>• Government Accounts</li> <li>• Cash Management</li> <li>• Public Service Benefits</li> </ul>	<p><b>Mr. Sunil Dutt RAMDEEN</b>  <b>FCCA; MSc</b>            Phone: (230) 260-5003            Fax: (230) 211-8469  <b>Email:</b> <a href="mailto:sdramdeen@govmu.org">sdramdeen@govmu.org</a></p>
<p><b><u>Deputy Accountant-General</u></b></p> <ul style="list-style-type: none"> <li>• Government Payments</li> <li>• TAS &amp; IT Systems</li> </ul>	<p><b>Mr. Sanjaysingh ANNAUTH</b>  <b>FCCA; MBA</b>            Phone: (230) 260-5004            Fax: (230) 208-3147            Email: <a href="mailto:sannauth@govmu.org">sannauth@govmu.org</a></p>
<p><b><u>Assistant Accountant-General</u></b></p> <ul style="list-style-type: none"> <li>• Government Accounts &amp; Financial Reporting</li> <li>• Project Finance</li> <li>• Accounting Records</li> <li>• Maintenance of Government's Chart of Accounts</li> </ul>	<p><b>Mr. Sachidanund RAMPARSAD</b>  <b>FCCA; MBA</b>            Phone: (230) 260-5005            Fax: (230) 211-8469            Email: <a href="mailto:saramparsad@govmu.org">saramparsad@govmu.org</a></p>
<p><b><u>Assistant Accountant-General</u></b></p> <ul style="list-style-type: none"> <li>• Cash Flow Management</li> <li>• Public Service Benefits</li> <li>• MV Accident Claims</li> </ul>	<p><b>Mr. Navind RAMBAJUN</b>  <b>FCCA; BSc; MBA</b>            Phone: (230) 260-5009            Fax: (230) 210-6766            Email: <a href="mailto:nrambajun@govmu.org">nrambajun@govmu.org</a></p>
<p><b><u>Assistant Accountant-General</u></b></p> <ul style="list-style-type: none"> <li>• TAS and Other IT Systems</li> <li>• Payment Centre</li> </ul>	<p><b>Mr. Randhir KALLEECHURN</b>  <b>FCCA; MBA</b>            Phone: (230) 260-5010            Fax: (230) 212-6767            Email: <a href="mailto:rkalleechurn@govmu.org">rkalleechurn@govmu.org</a></p>
<p><b><u>Ag. Assistant Accountant-General</u></b></p> <ul style="list-style-type: none"> <li>• Assets Management</li> <li>• Government Payroll Administration</li> <li>• Government Assets Register</li> </ul>	<p><b>Mrs. Parmeelabye GOVIND</b>  <b>FCCA; MBA</b>            Phone: (230) 260-5000 (Ext 209)            Fax: (230) 208-3147            Email: <a href="mailto:pgovind@govmu.org">pgovind@govmu.org</a></p>

## 2. ACHIEVEMENTS & CHALLENGES

### 2.1 Major Achievements

The major achievements for the fiscal year 2016/2017 are detailed below:

#### **Government's Accounts**

- The Treasury Accounting System (TAS) has positively responded to government's needs for processing, recording and accounting of financial transactions and for financial reporting. Issues regarding TAS were dealt with promptly and Ministries/Departments have not encountered any major problem for the processing of financial transactions and for preparing financial reports.
- The annual financial statements for the financial year ended 30 June 2016 were submitted to the Director of Audit within the statutory deadline and a clear audit certificate was obtained in respect of the financial statements for the financial year ended 30 June 2016.
- The Treasury has acted as the main driver in the development of a 5-year action plan for the preparation of government's statutory financial statements according to International Public Sector Accounting Standards (IPSAS). The requirement to prepare financial statements in accordance with IPSAS has now been embedded in the Finance and Audit Act through the Finance (Miscellaneous Provisions) Act 2017.

#### **Cash Flow Management**

- The cash flow position of government was properly managed during the fiscal year with adequate funds made available to meet government's payment obligations in a timely manner and in the most cost-effective way.

#### **Public Service Benefits**

- Applications for motor vehicles loans and passage benefits from government employees were processed promptly and payments were effected on time.
- Payment of end of service benefits to retired public officers and monthly payments of pensions to retired public officers, former members of the National Assembly and other beneficiaries were effected on time.

- Following changes in the rules for the payment of passage benefits to public officers (PRB Report 2016), the Treasury introduced a new decentralised system to enable processing of applications and payment of passage benefits to be effected at the level of Ministries/Departments. The new system has not only helped in avoiding backlogs that would have otherwise resulted at the Treasury, but has also significantly led to improvement in service delivery.

### Management of Government Assets

- A Government Asset Register (GAR) for the recording of government's non-financial assets has been developed by the Treasury and is operational since 14 August 2017. The GAR will be maintained by the Treasury and will act as one of the main tools for the management of government assets.

### Staff Welfare

- With a view to optimising office space and enhancing work environment, traditional office furniture in three major sections, namely Pensions Section, Chief Cashier's Office and Examination Section, have been replaced by work stations. The new structure has, inter alia, enabled the accommodation of additional officers, creation of a more functional set-up and a more conducive environment for both staff and customers.

## 2.2 Status on Implementation of Budget Measure

The budget measure which was attributed to the Treasury in the budget speech for the fiscal year 2016/2017 and its status is detailed below:-

Budget Measure	Status
An Asset Register is developed by June 2017 to enable recording of fixed assets by Ministries and Departments as from July 2017.	A central register for the recording of government assets, named as Government Asset Register, is operational since 14 August 2017. <b>Treasury Circular No. 16 of 2017</b> was issued to that effect on 31 July 2017



### 2.3 Status on Implementation of Key Actions

The below table indicates the key action set for Treasury in the Estimates 2016-2017 and the status as on 30 June 2017:-

Key Action	Key Performance Indicator	Target (As per Budget Estimates)	Status
Developing efficient business processes and encouraging use of electronic payment instruments by effecting payments through Electronic Funds Transfers	Percentage reduction in the number of payments through cheques	> 20%	43%

Treasury issued a circular to Supervising Officers of Ministries/ Departments on 15 September 2016 to seek their collaboration in achieving the above set target. The number of cheques issued in the fiscal year 2016/2017 came to a total of 20,685 as compared to 36,682 for the fiscal year 2015/2016.

### 2.4 Other Internally Developed KPI's – Treasury Strategic Plan 2016-2020

The table below provides the status, in respect of the fiscal year 2016/2017, of the internally developed KPI's as per the Treasury Strategic Plan 2016-2020:-

Sn.	Objectives/KPIs	Status	Remarks
1.	A Risk Register for the Treasury is developed by December 2016	Completed	
2.	Reserve Tranche Position of Mauritius with the IMF is recognised in government's Statement of Asset and Liabilities (SAL) as at 30 June 2016	Completed	Reserve Tranche Position is shown as an asset in the government's Statement of Assets and Liabilities as from the period ended 30 June 2015, together with the comparative figure for the year ended 31 December 2014.
3.	New system for the refund of suitors' monies and for the payment of witness fees put in place by 30 September 2016	New system developed but not yet implemented.	Meetings held with Judicial Department and Director of Financial Operations. Implementation could not start due to staff constraints evoked by the Judicial Department. Further discussions will be pursued in 2017/2018

Sn.	Objectives/KPIs	Status	Remarks
4.	Treasury to become ACCA Approved Employer	Completed	ACCA Approved Employer accreditation obtained
5.	Treasury's website updated by June 2017	Completed	A more informative and functional website has been developed
6.	TAS Section converted to Smart Office – replacement of conventional furniture by work stations to optimise office space utilisation and enhance work environment	Not yet completed in respect of TAS section due to reprioritisation*	Shall be effected in 2017/2018.  * Priority given to provision of work stations to three other sections in 2016/2017, namely, Pension Section, Chief Cashier's Office and Examination Section
7.	ISO certification of Passages Section	Not yet completed	Shall be effected in 2017/2018. The facilitator designated to assist Treasury was made available in December 2016 and training of staff completed in February 2017
8.	Business Continuity Plan (BCP) developed	Not yet completed	Shall be effected in 2017/2018 as provision was made in the Estimates 2017/2018
9.	The Motor Vehicle Accident Claim Processing System is computerised	Not yet completed	Contract for the development of the system has been awarded on 7 August 2017. Development of the application is expected to be completed by end of December 2017.
10.	Provisions of FMM are reviewed to allow for keeping of records electronically in accordance with the Electronic Transactions Act	Not yet completed	Now planned for 2017/2018

Sn.	Objectives/KPIs	Status	Remarks
11.	A new cash flow forecasting template is developed and operationalised	Not yet completed	Shall be developed in 2017/2018 as part of the development of a Financial Instruction on Cash Management which has been scheduled for March 2018. Scope has been extended to include monitoring of grants disbursed to EBUs.

## 2.5 Risk Management and Governance

### 2.5.1 Risk Management

Risk management is recognised as an essential contributor to business success, since it focuses on addressing uncertainties in a proactive manner in order to minimise threats, maximise opportunities and ensure achievement of objectives.

A Risk Management Committee has been set up at the Treasury with the following key objectives:-

- (i) identify, assess and analyse the risks of the Treasury;
- (ii) develop the Risk Management Policy of the Treasury and review same as necessary;
- (iii) ensure that risks, which threaten the achievement of Treasury's strategic objectives, are identified, assessed and included in the Treasury Risk Register, and are reviewed regularly;
- (iv) monitor the achievement of the key performance indicators set out in the Treasury Strategic Plan; and
- (v) ensure that there is appropriate communication with staff on risk, risk policy and controls.

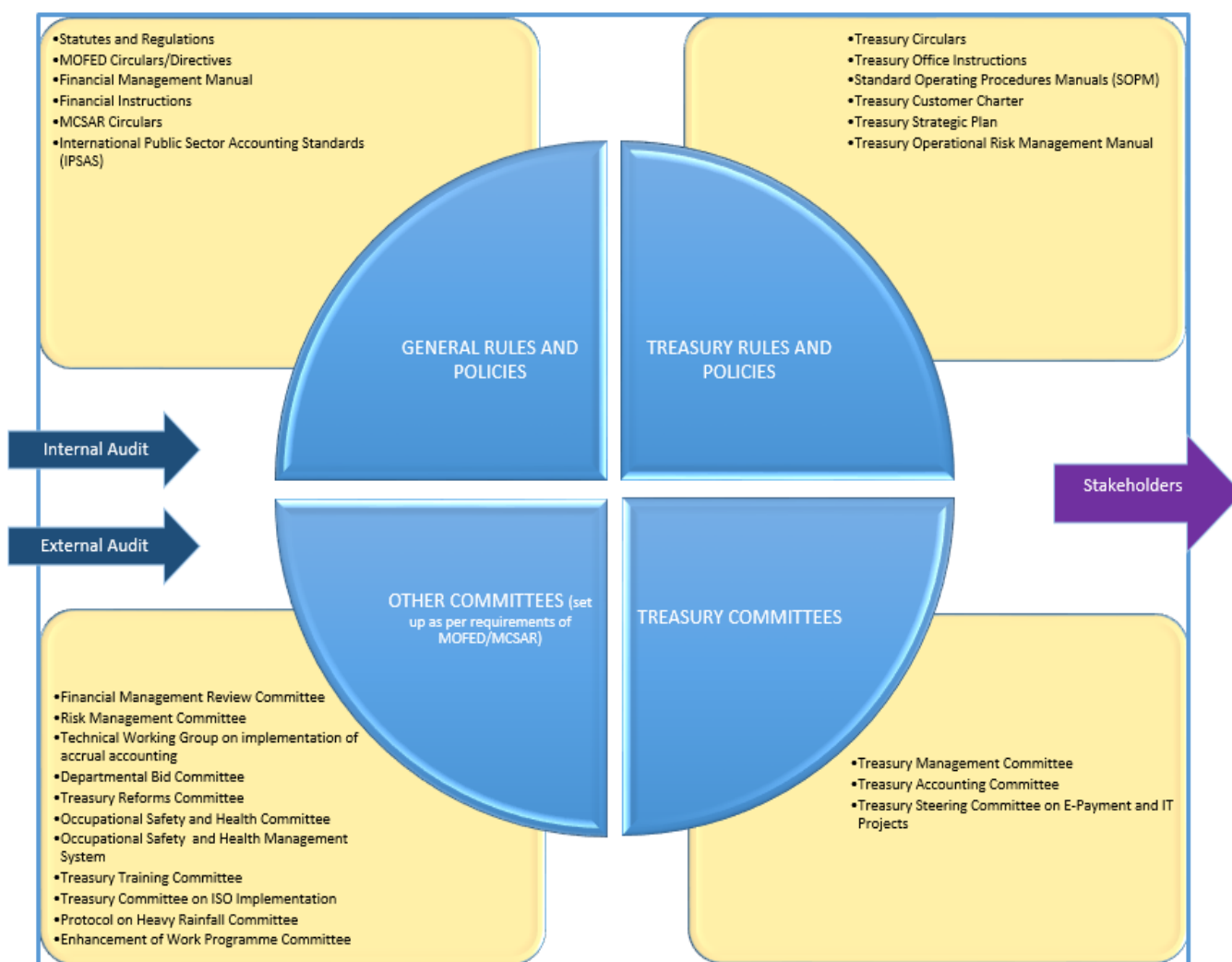
An Operational Risk Management Framework (ORMF), including a Risk Matrix setting out the main risks relevant to the Treasury as well as the mitigation strategies/measures for each risk identified, has been developed by the Committee. The Committee meets on a regular basis to review the ORMF.

### 2.5.2 Governance Framework

The Accountant-General has the ultimate accountability for the performance of the Treasury and is responsible for ensuring that:–

- (a) the department’s affairs are conducted according to high standards of governance;
- (b) legislations and government policies are strictly adhered to; and
- (c) all the spheres of management are governed by clear and transparent policies, rules, practices and processes within a framework of effective controls.

As depicted in the diagram below, the Treasury’s governance system is driven by a host of regulatory rules and by the functioning of various committees.



### 3. FINANCIAL PERFORMANCE

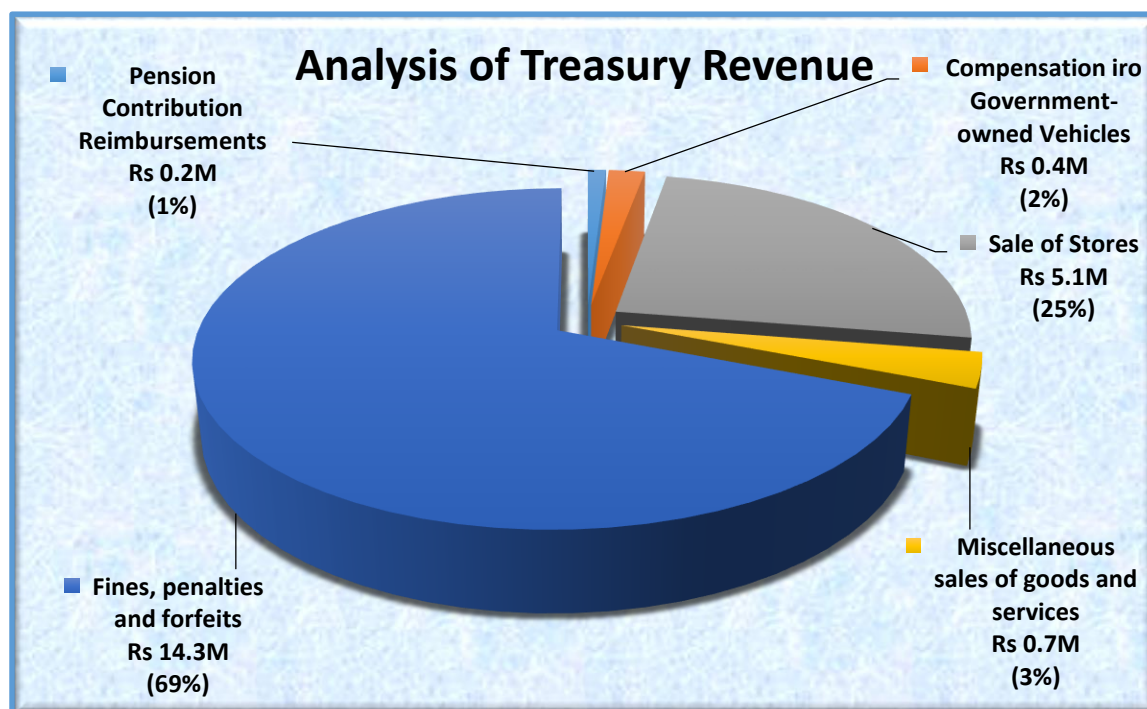
The Accountant-General is designated as Accounting Officer in respect of the following votes of expenditure:-

- (i) 6-3 Treasury; and
- (ii) 27-1 Centrally Managed Expenses of Government.

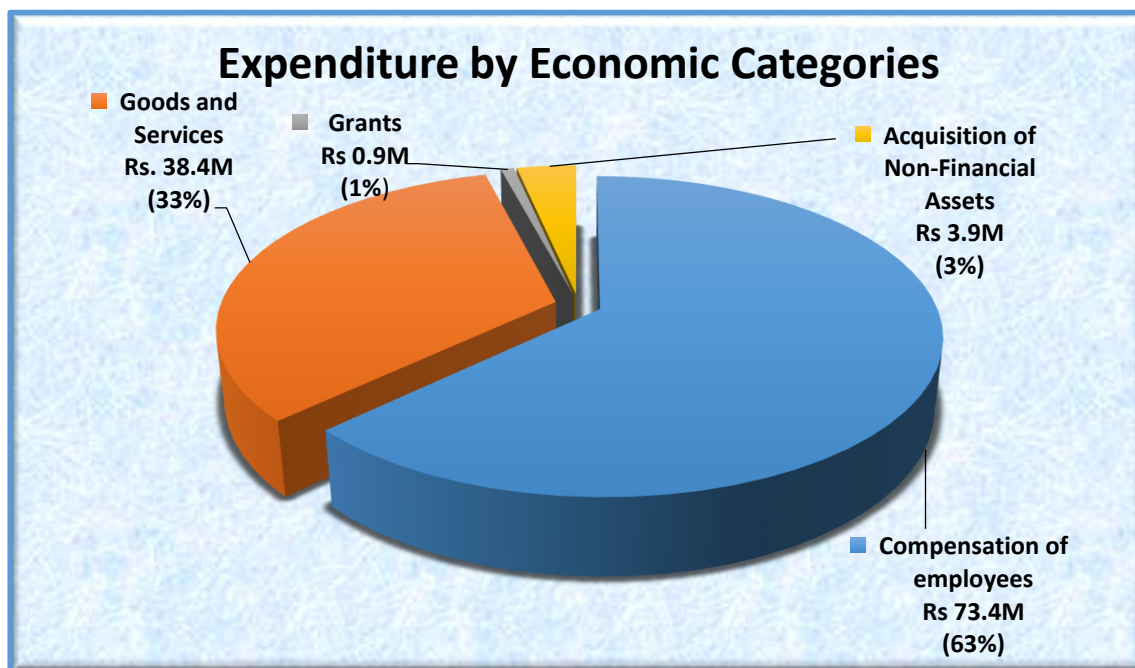
The Accountant-General is also responsible for the management of the vote relating to Public Service Pensions which is classified under “Expenditure charged statutorily or by Virtue of the State Obligations”.

#### 3.1 Financial Highlights

Details of revenue collected by Treasury for the fiscal year ended 30 June 2017 are analysed in the chart below:-

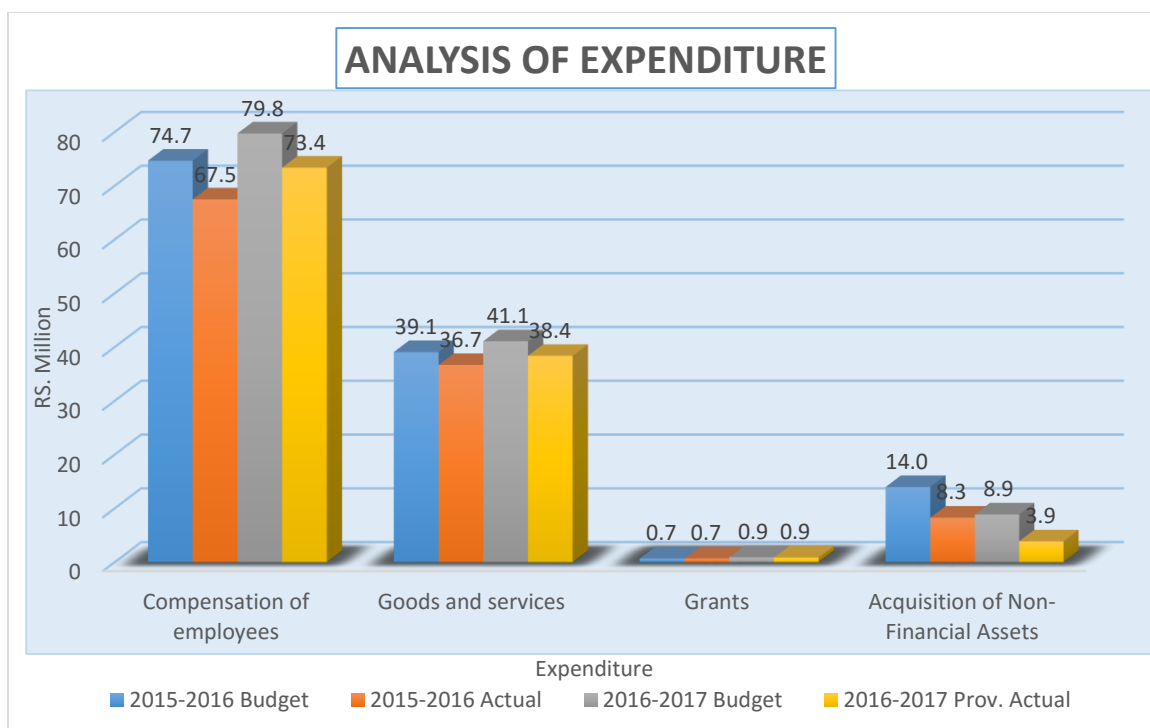


Below is an illustration of the expenditures of Treasury for the fiscal year ended 30 June 2017 classified by economic categories:-



### 3.2 Analysis of Major Changes

The table below illustrates the budgeted and actual expenditures of Treasury for the fiscal years ended 30 June 2016 and 2017.



The major changes illustrated in the chart are explained below:

***Estimates 2015/2016 vs Estimates 2016/2017***

- The increase in estimates for 2016/2017 for compensation of employees was due to budgetary provisions made for the implementation of PRB Report 2016 and the increase in funded positions compared to the previous year.

***Estimates 2016/2017 vs Actual 2016/2017***

- Actual expenditure in respect of compensation of employees has been less than estimates mainly due to unfilled funded positions.
- The provision of Rs 8.9M in respect of Acquisition of Non-Financial Assets was not fully utilised since the implementation of one project (Rs 2M) has been deferred to 2017/2018 and expenditure under some items has been less than expected.

### 3.3 Statements of Revenue and Expenditure

#### 3.3.1 Statement of Revenue

The table below illustrates the revenue raised/ collected by Treasury which has been deposited in the Consolidated Fund:

Revenue	2015-2016 Actual (Rs million)	2016-2017 Estimates (Rs million)	2016-2017 Actual (Rs million)
Pension Contribution Reimbursements	0.4	0.6	0.2
Compensation iro Government-owned Vehicles	0.9	1.2	0.4
Sale of Stores	3.9	5.0	5.1
Miscellaneous sales of goods and services	0.2	0.2	0.7
Fines, penalties and forfeits	12.0	13.0	14.3
<b>Total Revenue from Property Income, User Fees and other Sources</b>	<b>17.4</b>	<b>20.0</b>	<b>20.7</b>

### 3.3.2 Statement of Expenditure

The table below illustrates the expenditure under the different votes classified by economic categories:

#### VOTE 6-3: Treasury

Head/Sub-Head of Expenditure	2015-2016 Actual (Rs million)	2016-2017 Estimates (Rs million)	2016-2017 Actual (Rs million)
Compensation of employees	67.5	79.8	73.4
Goods and services	36.7	41.1	38.4
Grants	0.7	0.9	0.9
Acquisition of Non-Financial Assets	8.3	8.9	3.9
<b>Total Expenditure</b>	<b>113.20</b>	<b>130.7</b>	<b>116.6</b>

#### VOTE 27-1: Centrally Managed Expenses of Government

Head/Sub-Head of Expenditure	2015-2016 Actual (Rs million)	2016-2017 Estimates (Rs million)	2016-2017 Actual (Rs million)
Compensation of employees	1,086.5	1,298.0	1,568.9
Goods and services	199.4	158.0	137.1
Grants	49.6	64.0	55.4
Other expenses	102.0	123.0	113.7
<b>Total Expenditure</b>	<b>1,437.5</b>	<b>1,643.0</b>	<b>1,875.1</b>

#### Public Service Pensions

Head/Sub-Head of Expenditure	2015-2016 Actual (Rs million)	2016-2017 Estimates (Rs million)	2016-2017 Actual (Rs million)
<i>Extra-Budgetary Units</i>			
Civil Service Family Protection Scheme	1,242.1	1,312.0	1,296.7
<b>Grants-Current</b>	<b>1,242.1</b>	<b>1,312.0</b>	<b>1,296.7</b>
<i>Employer Social Benefits in Cash</i>			
National Assembly Retiring Allowances	99.6	105.0	104.0
Pensions	4,769.8	5,150.0	5,177.7
Gratuities	1,169.8	1,350.0	1,562.0
Compassionate Allowances	2.1	3.0	2.2
<b>Social Benefits</b>	<b>6,041.3</b>	<b>6,608.0</b>	<b>6,845.9</b>
<b>Total Expenditure</b>	<b>7,283.4</b>	<b>7,920.0</b>	<b>8,142.6</b>



## 4. WAY FORWARD

### 4.1 Trends and Challenges

The dynamic operating environment coupled with the ever increasing demands of customers continue to pose a number of challenges for the Treasury.

As the world recovers from the far reaching effects of the global economic crisis, governmental accountability and transparency in the reporting of assets and liabilities continues to be one of the main concerns of the international PFM community. There is growing recognition of the need for central governments to adopt international standards in the preparation of their financial statements.

Accordingly, the Treasury has, with the support of MOFED and assistance from AFRITAC South, taken the initiative to adopt IPSAS in the preparation of the annual financial statements of the government. The Finance and Audit Act has been amended to this effect. This initiative carries with it a number of challenges, including the need to review our accounting systems and adopt new methodologies with a view to obtaining required information that would enable the recognition and valuation of the assets and liabilities of government.

To adhere to Government's vision to transform the country into a digital economy, the Treasury has taken the pledge to actively participate in MOFED's endeavour to modernise our PFM systems and processes through computerisation. In line with this, the Treasury Accounting System has been revamped and a newest version became operational as from 1 July 2016. Also, a project for the setting up of a central Government Asset Register was initiated in 2016-2017. Further computerisation projects which aim at improving the delivery of services as well as enhancing our financial systems are in the pipeline. Computerisation brings with it many challenges, such as the need to manage risks in a different environment as well as the requisite to be equipped with the appropriate resources and skills.

A SWOT Analysis for the Treasury has been carried out, taking into consideration the conditions under which the Department is operating as well as the trends and challenges it is facing. This is illustrated below:



## 4.2 Strategic Direction

As part of the Government's Vision 2030, a new development model has been elaborated which aims at promoting good governance practices and structures to continuously improve public sector performance.

As one of the key players in Public Financial Management, the Treasury positions itself as an active participant in government's quest to modernise the public service and also to strengthen good governance in the country.

The 2017-2022 Strategic Plan consists of eight goals and 12 strategic initiatives to achieve some 82 operational objectives over the 5-year period. The goals set and the strategic initiatives contemplated to achieve the objectives are listed below:

### 4.2.1 Organisational: Improving operational efficiency and employee performance through efficient structures

Goal 1. Creating a safe and environmentally friendly work environment

- ❖ Application of the Smart Office concept in redesigning the workplace
- ❖ Obtaining ISO certification for selected sections of the department

Goal 2. Ensuring that staff are supported and developed to their full potential

- ❖ Developing and implementing a sustainable and performance oriented training and continuous development plan

Goal 3. Ensuring business processes benchmarked with best practices

- ❖ Developing and operating a comprehensive Risk Management Framework for the Treasury
- ❖ Modernising the Motor Vehicle Accident Claim Processing System

### 4.2.2 Government Accounts: Fostering Trust in the accounts of Government

Goal 4. Developing and implementing a public accounting and financial reporting framework benchmarked with international best practices

- ❖ Recognising all assets and liabilities of Government in the accounts in accordance with IPSAS – Accrual Basis

#### Goal 5. Enhancing accessibility to information

- ❖ Developing and implementing a system for electronic archiving of accounting records
- ❖ Continuously reviewing Treasury's website to meet information needs of stakeholders

### **4.2.3 Cash Management: Supporting effective Public Debt Management**

#### Goal 6. Implementing best practices in the management of government cash flows and ensuring availability of cash to meet payment obligations

- ❖ Leveraging technology to improve cash flow forecasting and minimise variances and cash floats

### **4.2.4 Public Service Benefits: Quality service, cost efficiency and control over funds**

#### Goal 7. Ensuring PSB are processed and dispensed in an efficient and effective manner in accordance with prescribed rules, laws and regulations

- ❖ Developing systems to enable online application/ forwarding of documents for Retiring Benefits, MV Loans and Passage Benefits

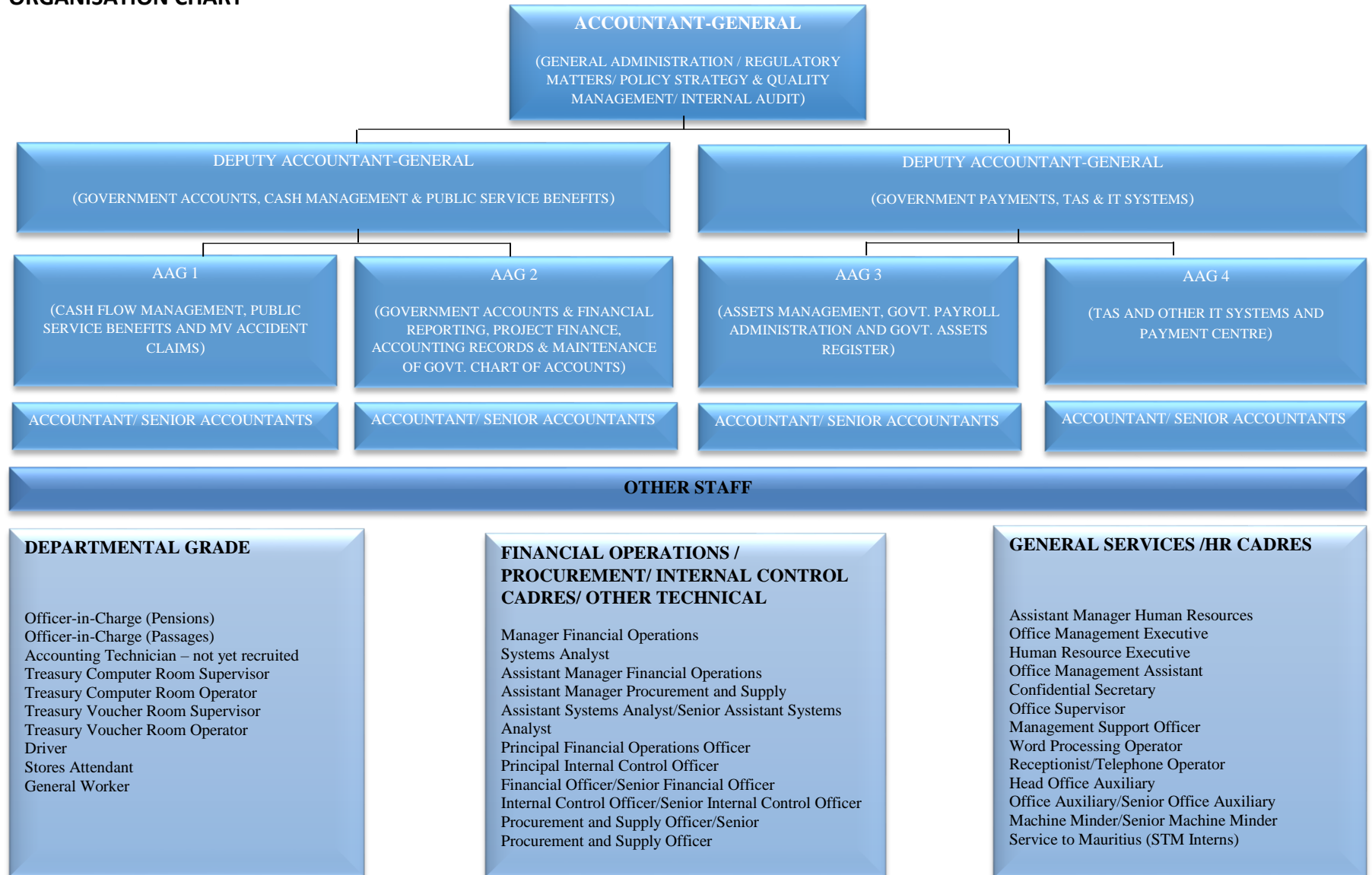
### **4.2.5 Government Payments System: Safe and efficient processing of G2G/G2B/G2P payments**

#### Goal 8. Ensuring that government payments are executed efficiently and in a timely manner

- ❖ Developing efficient business processes and encouraging use of electronic payment instruments
- ❖ Developing new payment processes to enable digitalisation

*Annex II* details the strategic goals and objectives of the Treasury for the next five-year period.

**ORGANISATION CHART**



## Treasury Strategic Plan 2017 -2022

Strategic Goals	Strategies	Objectives / KPIs				
		2017/18	2018/19	2019/20	2020/21	2021/22
<b>I. Organisational : Improving operational efficiency and employee performance through efficient structures</b>						
<b>1. To enable a safe and environmentally friendly work environment</b>	<b>S1.1</b> Apply Smart Office concept in redesigning the workplace	<b>G1/17.1</b> Payable Order Office to be converted to Smart Office	<b>G1/18.1</b> Human Resource Office to be converted to Smart Office			
		<b>G1/17.2</b> TAS Section to be converted to Smart Office	<b>G1/18.2</b> Finance Section to be converted to Smart Office			
		<b>G1/17.3</b> Accounts Section to be converted to Smart Office				
	<b>S1.2</b> Obtain ISO certification	<b>G1/17.4</b> ISO certification of Passages Section	<b>G1/18.3</b> ISO certification of Pension Section	<b>G1/19.1</b> ISO certification of TAS Section	<b>G1/20.1</b> ISO certification of Accounts Section	
<b>G1/17.5</b> ISO certification of MV Loan Section						
<b>2. To ensure staff are supported and developed to their full potential</b>	<b>S2.1</b> Develop and implement a sustainable and performance oriented training and continuous development plan	<b>G2/17.1</b> Implement measures to maintain ACCA Approved Employer status	<b>G2/18.1</b> Implement measures to maintain ACCA Approved Employer status	<b>G2/19.1</b> Implement measures to maintain ACCA Approved Employer status	<b>G2/20.1</b> Implement measures to maintain ACCA Approved Employer status	<b>G2/21.1</b> Implement measures to maintain ACCA Approved Employer status

Strategic Goals	Strategies	Objectives / KPIs				
		2017/18	2018/19	2019/20	2020/21	2021/22
<b>I. Organisational : Improving operational efficiency and employee performance through efficient structures - Cont'd</b>						
<b>2. To ensure staff are supported and developed to their full potential - Cont'd</b>	<b>S2.1</b> Develop and implement a sustainable and performance oriented training and continuous development plan - Cont'd	<b>G2/17.2</b> Provide training opportunities to staff to participate in courses relevant to their work environment	<b>G2/18.2</b> Provide training opportunities to staff to participate in courses relevant to their work environment	<b>G2/19.2</b> Provide training opportunities to staff to participate in courses relevant to their work environment	<b>G2/20.2</b> Provide training opportunities to staff to participate in courses relevant to their work environment	<b>G2/21.2</b> Provide training opportunities to staff to participate in courses relevant to their work environment
<b>3. Ensure business processes benchmarked with best practices</b>	<b>S3.1</b> Develop and operate a comprehensive Risk Management Framework for the Treasury	<b>G3/17.1</b> Risk mitigation plans/ activities are designed and tested to manage risks identified in the Treasury Risk Register (TRR)	<b>G3/18.1</b> TRR reviewed and updated and continuous review of the risk mitigation plans	<b>G3/19.1</b> TRR reviewed and updated and continuous review of the risk mitigation plans	<b>G3/20.1</b> TRR reviewed and updated and continuous review of the risk mitigation plans	<b>G3/21.1</b> TRR reviewed and updated and continuous review of the risk mitigation plans
		<b>G3/17.2</b> IS Security Policy developed	<b>G3/18.2</b> Information System Security Audit (ISSA) conducted	<b>G3/19.2</b> Recommendations of ISSA implemented	<b>G3/20.2</b> Recommendations of ISSA implemented	<b>G3/21.2</b> Recommendations of ISSA implemented
		<b>G3/17.3</b> Business Continuity Plan (BCP) developed	<b>G3/18.3</b> BCP reviewed and measures enunciated in BCP are implemented	<b>G3/19.3</b> BCP reviewed and measures enunciated in BCP are implemented	<b>G3/20.3</b> BCP reviewed and measures enunciated in BCP are implemented	<b>G3/21.3</b> BCP reviewed and measures enunciated in BCP are implemented
	<b>S3.2</b> Modernise the Motor Vehicle Accident Claim Processing System	<b>G3/17.4</b> The Motor Vehicle Accident Claim Processing System is computerised				

Strategic Goals	Strategies	Objectives / KPIs				
		2017/18	2018/19	2019/20	2020/21	2021/22
<b>II. Government Accounts : Fostering Trust in the accounts of Government</b>						
4. Develop and implement a public accounting and financial reporting framework benchmarked with international best practices	S4.1 Recognise all assets and liabilities of Government in the accounts in accordance with IPSAS - Accrual Basis	<b>G4/17.1</b> <i>Receivables:</i> Recognise loans given by Government to EBU's and other bodies in the Statement of Financial Performance as at 30 June 2017	<b>G4/18.1</b> <i>Government Debt:</i> Recognised long term debt in the Statement of Financial Performance as at 30 June 2018	<b>G4/19.1</b> <i>Commitments:</i> Disclosure in 2018/19 financial statements	<b>G4/20.1</b> <i>Other Non-Financial Assets:</i> Report any other assets in 2019/20	<b>G4/21.1</b> <i>Consolidated Financial Statement (CFS) for Public Sector (PS):</i> Generate CFS for PS for 2020/21
		<b>G4/17.2</b> <i>Fixed Assets:</i> Recognise in 2016/17 financial statements at historical cost acquired or constructed	<b>G4/18.2</b> <i>Pension:</i> Recognise pension liability in 2017/18 financial statements	<b>G4/19.2</b> <i>Inventories:</i> Recognise inventories in 2018/19 financial statements	<b>G4/20.2</b> <i>Consolidated Financial Statement (CFS) General Government (GG):</i> Generate CFS for GG for 2019/20	
			<b>G4/18.3</b> <i>Accounts Payable:</i> Recognise in 2017/18 financial statements	<b>G4/19.3</b> <i>Fixed Assets:</i> Recognise in 2018/19 financial statements and depreciated over their useful economic life		



Strategic Goals	Strategies	Objectives / KPIs				
		2017/18	2018/19	2019/20	2020/21	2021/22
<b>II. Government Accounts : Fostering Trust in the accounts of Government – Cont'd</b>						
4. Develop and implement a Public accounting and financial reporting framework benchmarked with international best practices – Cont'd	S4.1 Recognise all assets and liabilities of Government in the accounts in accordance with IPSAS – Accrual Basis– Cont'd		<b>G4/18.5</b> <i>Fixed Assets:</i> Pursue recognition of fixed assets in 2017/18 financial statements at historical cost acquired or constructed	<b>G4/19.4</b> <i>Finance &amp; Op. Leases (Govt. Lessor):</i> Recognise finance leases in 2018/19 financial statements		
			<b>G4/18.5</b> <i>Provision for Contingent Liabilities:</i> Recognise provisions in 2017/18 financial statements and disclose all contingent liabilities in accordance with IPSAS 19	<b>G4/19.5</b> <i>Finance &amp; Op. Leases (Govt. Lessee):</i> Recognise finance leases in 2018/19 financial statements		
			<b>G4/18.6</b> <i>Passage Benefits:</i> Accumulated Passage Benefits recognised in 2017/18 Financial statement	<b>G4/19.6</b> <i>Intangible Assets:</i> Recognise in 2018/19 financial statements		

Strategic Goals	Strategies	Objectives / KPIs				
		2017/18	2018/19	2019/20	2020/21	2021/22
<b>II. Government Accounts : Fostering Trust in the accounts of Government – Cont'd</b>						
4. Develop and implement a Public accounting and financial reporting framework benchmarked with international best practices – Cont'd	S4.1 Recognise all assets and liabilities of Government in the accounts in accordance with IPSAS – Accrual Basis– Cont'd		<b>G4/18.7 Other Liabilities:</b> Recognise in 2017/18 financial statements	<b>G4/19.7 Biological Assets:</b> Recognise in 2018/19 financial statements		
			<b>G4/18.8 Receivables:</b> Recognise receivables in 2017/18 financial Statements	<b>G4/19.8 PPPs:</b> Recognise in 2018/19 financial statements		
			<b>G4/18.9 Investments:</b> Recognise investments in 2017/18 financial Statements	<b>G4/19.9 CFS Central Government (CG):</b> Generate CFS for CG for 2018/19		
			<b>G4/18.10 CFS BCG:</b> Generate CFS for BCG 2017/18 using TAS			
5. Enhance accessibility to information	S5.1 Develop and implement a system for electronic archiving of accounting records		<b>G5/18.1</b> Provisions of FMM are reviewed to enable keeping of records electronically in accordance with the Electronic Transactions Act	<b>G5/19.1</b> New system for electronic archiving of Public Records developed and implemented by June 2020		

Strategic Goals	Strategies	Objectives / KPIs				
		2017/18	2018/19	2019/20	2020/21	2021/22
<b>II. Government Accounts : Fostering Trust in the accounts of Government – Cont'd</b>						
5. <b>Enhance accessibility to information – Cont'd</b>	S5.2 Continuously review Treasury's website to meet information needs of stakeholders	G5/17.1 Review and update Treasury website	G5/18.2 Review and update Treasury website	G5/19.2 Review and update Treasury website	G5/20.1 Review and update Treasury website	G5/21.1 Review and update Treasury website
<b>III. Cash Management : Supporting effective Public Debt Management</b>						
6. <b>Implement best practices in the management of government cash flows and ensure availability of cash to meet payment obligations</b>	S6.1 Leveraging technology to improve cash flow forecasting and minimise variances and cash floats	G6/17.1 A new cash flow forecasting template is developed and operationalised	G6/18.1 Conduct a study on the feasibility of a Treasury Single Account (TSA) system for the government			
		G6/17.2 Payment cards introduced for imprest holders				
		G6/17.3 Development of a new system for the disbursement of Grants and Transfers based on JIT model				

Strategic Goals	Strategies	Objectives / KPIs				
		2017/18	2018/19	2019/20	2020/21	2021/22
<b>IV. Public Service Benefits : Quality service, cost efficiency and control over funds</b>						
7. Ensuring PSB are processed and dispensed in an efficient and effective manner in accordance with prescribed rules, laws and regulations	S7.1 Develop systems to enable online application/ forwarding of documents for Retiring Benefits, MV Loans and Passage Benefits			G7/19.1 Online Application systems put in place for PSB		
<b>V. Government Payments System : Safe and efficient processing of G2G/G2B/G2P payments</b>						
8. Ensuring that government payments are executed efficiently and in a timely manner	S8.1 Develop efficient business processes and encourage use of electronic payment instruments	G8/17.1 New system for the refund of suitors' monies developed	G8/18.1 100% G2B payments effected through EFTs by June 2019			
		G8/17.2 New system for the payment of witness fees developed	G8/18.2 G2P payments through cheques reduced by 80% by June 2019			
		G8/17.3 At least 80% G2B payments effected through EFTs by June 2018	G8/18.3 Computerisation of Government Payments system to enable electronic transmission of PVs to Treasury and online checking by Treasury Examiners			

Strategic Goals	Strategies	Objectives / KPIs				
		2017/18	2018/19	2019/20	2020/21	2021/22
<b>V. Government Payments System : Safe and efficient processing of G2G/G2B/G2P payments - Cont'd</b>						
8. Ensuring that government payments are executed efficiently and in a timely manner - Cont'd	S8.1 Develop efficient business processes and encourage use of electronic payment instruments - Cont'd	G8/17.4 G2P payments through cheques reduced by 60% by June 2018				
	S8.2 Develop new payment processes to enable digitalisation	G8/17.5 Review billing system in respect of utilities, i.e., water, electricity and telephone charges		G8/19.1 Develop fully digitalised Integrated Payment System to link all payment related processes		
		G8/17.6 Develop new system for local purchases and payment thereof				