

## REPORT OF THE ACCOUNTANT-GENERAL

### 1.0 OVERVIEW

The Accountant-General is required as per Section 19(1) of the Finance and Audit Act (FAA) to prepare the annual financial statements (FS) of the Republic of Mauritius and these statements should present fairly the financial transactions during the year and the financial position as on the last day of every financial year.

In order to fulfill the above responsibilities, the Accountant-General has to ensure that:

1. Accounting systems, including Chart of Accounts, respond to the needs of the Government and function effectively; and
2. The Treasury Accounting System comprehensively supports Government-wide budget execution for proper accounts to be kept and maintained.

The above responsibilities were discharged as required. The accounts for the financial year (FY) 2020-2021 were closed on 30 September 2021 and the FS were submitted to the Director of Audit within the period prescribed by FAA.

The framework adopted for the preparation of the FS is stipulated in FAA Section 19(3A) which is, in compliance with International Public Sector Accounting Standards (IPSAS) as far as possible. The Government has continued with the implementation of accrual-based IPSAS with new items recognised for the first time in the FS under review and continuous incremental enhancements being made to existing items and disclosures where relevant. It is expected that full compliance with IPSAS will be achieved in the near future. The new items and enhancements made in the current FS are as follows:

#### **Items recognised for the first time:**

- Financial Guarantee Liability;
- Receivables from Exchange Transactions; and
- Expected Credit Loss on Other Revenues.

**Enhancements to existing disclosures:**

- Disclosure on the classification basis adopted in the approved Budget;
- Disclosure regarding valuation basis of State Land, Roads and Bridges;
- Disclosure on Revenue; and
- Disclosure on Operating Leases.

The full implementation of accrual-based IPSAS includes consolidation of all public sector entities, a new and challenging responsibility for the Accountant-General. This exercise is planned to be carried out in a phased manner with all entities forming part of the General Government to be consolidated in the FS of the Government for the FY ending 30 June 2022 and all entities in the Public Sector as from FY ending 30 June 2023.

Much effort has been put into the planning of this task and it is expected that same be completed with the collaboration of all stakeholders.

## 2.0 ANNUAL STATEMENTS

The annual FS of the Government are made up of the statements as listed in Table 1 below:

*Table 1 – List of Annual Statements*

STATEMENTS	
<b>A</b>	Statement of Financial Position
<b>AA</b>	Statement of Financial Performance (Classification of Expenses by Function)
<b>AB</b>	Statement of Financial Performance (Classification of Expenses by Nature)
<b>AC</b>	Statement of Changes in Net Assets or Equity
<b>AD</b>	Statement of Cash Flow
<b>AE</b>	Statement of Comparison of Budget Estimates and Actual Amounts (Classification of Expenses by Function)
<b>AF</b>	Statement of Comparison of Budget Estimates and Actual Amounts (Classification of Expenses by Nature)
	Notes to the Accounts
<b>B</b>	Abstract Account of Revenue and Expenditure of the Consolidated Fund
<b>D</b>	Statement of Revenue of the Consolidated Fund*
<b>D1</b>	Statement of Expenditure of the Consolidated Fund*
<b>DA</b>	Progress Report on Achievements and Performance
<b>F</b>	Statement of Investments*
<b>G</b>	Statement of Advances*
<b>H</b>	Statement of Special Funds deposited with the Accountant-General
<b>I</b>	Statement of Deposits*
<b>J</b>	Statement of Public Sector Debt
<b>L</b>	Statement of Contingent Liabilities including details of any Loans, Bank Overdrafts or Credit Facilities Guaranteed by Government
<b>M</b>	Statement of all Outstanding Loans financed from Revenue
<b>N</b>	Statement of Arrears of Revenue
<b>O</b>	Statement of Claims Abandoned
<b>P</b>	Statement of Losses charged to Expenditure
<b>Q</b>	Statement of Stores Losses

*Table 1 – List of Annual Statements*

<b>STATEMENTS</b>	
<b>R</b>	Tabular Summary of Unallocated Stores
<b>U</b>	Statement of Foreign Aid Received
<b>U1</b>	Statement of Cash Aid Received from Foreign Countries

\*These statements are required to be in details.

### **3.0 AUDIT CERTIFICATE**

The Director of Audit has certified that, the Annual Statements for FY 2020-2021 give a true and fair view of the financial position of the Government of the Republic of Mauritius as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with the Section 19(3A) (a) of the Finance and Audit Act, and the accounting basis as disclosed in Note 2.1.B(i) to the accounts.

### **4.0 FINANCIAL SUMMARY**

The table hereunder gives a summary of the key elements reported in the FS for the FY ended 30 June 2021 which are further analysed at Section 5.0.

*Table 2 – Financial Summary*

	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>Rs'M</b>	<b>Restated Rs'M</b>
<b>Statement of Financial Performance *</b>		
<b>Revenue</b>	159,960	122,430
<b>Expenses</b>	185,864	156,718
<b>Statement of Comparison of Budget Estimates and Actual Amounts *</b>		
<b>Revenue</b>	289,104	236,323
<b>Expenses</b>	297,541	243,548
<b>Statement of Financial Position</b>		
<b>Net Assets/Equity:</b>		
<b>Consolidated Fund</b>	73,865	49,162
<b>Accumulated Surplus</b>	70,586	133,119

*Table 2 – Financial Summary*

	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>Rs'M</b>	<b>Restated Rs'M</b>
<b>Special Funds</b>	36,488	13,043
<b>Government Debt</b>	386,769	345,192
<b>Loans to Public Enterprises and Other Bodies**</b>	9,727	11,479
<b>Investments</b>	119,810	104,352
<b>Statement of Public Sector Debt</b>		
<b>Total Public Sector Debt</b>	419,358	381,796

\*Refer to Section 5.0 paragraph 2.

\*\*This is included under Loans and Advances in the Statement of Financial Position.

## **5.0 FINANCIAL ANALYSIS**

Analysis has been made in respect of the items:

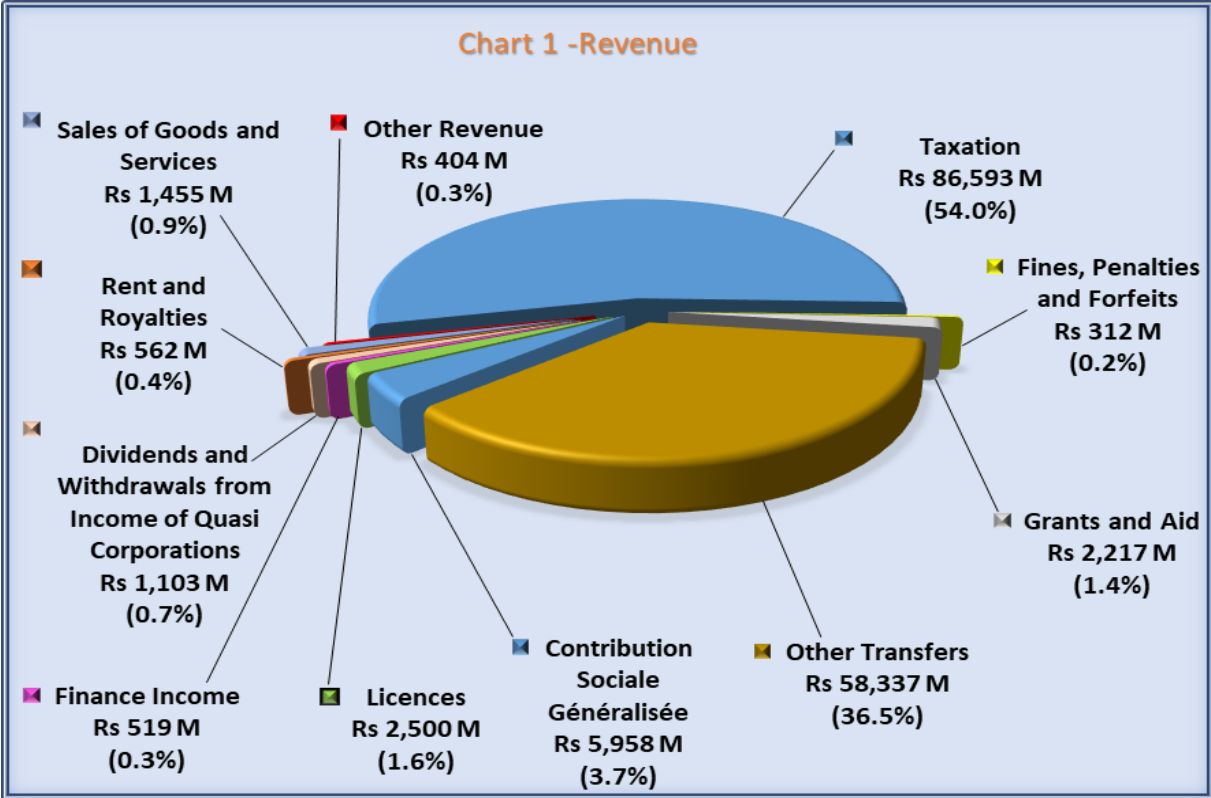
- (i) Revenue\*;
- (ii) Expenses/ Expenditures\*;
- (iii) Public Sector Debt;
- (iv) Loans; and
- (v) Investments.

*\*Section 5.1 relates to revenue and expenses as per the Statement of Financial Performance (Statements AA and AB) and Section 5.2 relates to revenue and expenditure as per the Budget Estimates (Statements AE and AF).*

# 5.1 REVENUE AND EXPENSES AS PER THE FINANCIAL REPORTING FRAMEWORK

## 5.1.1 REVENUE

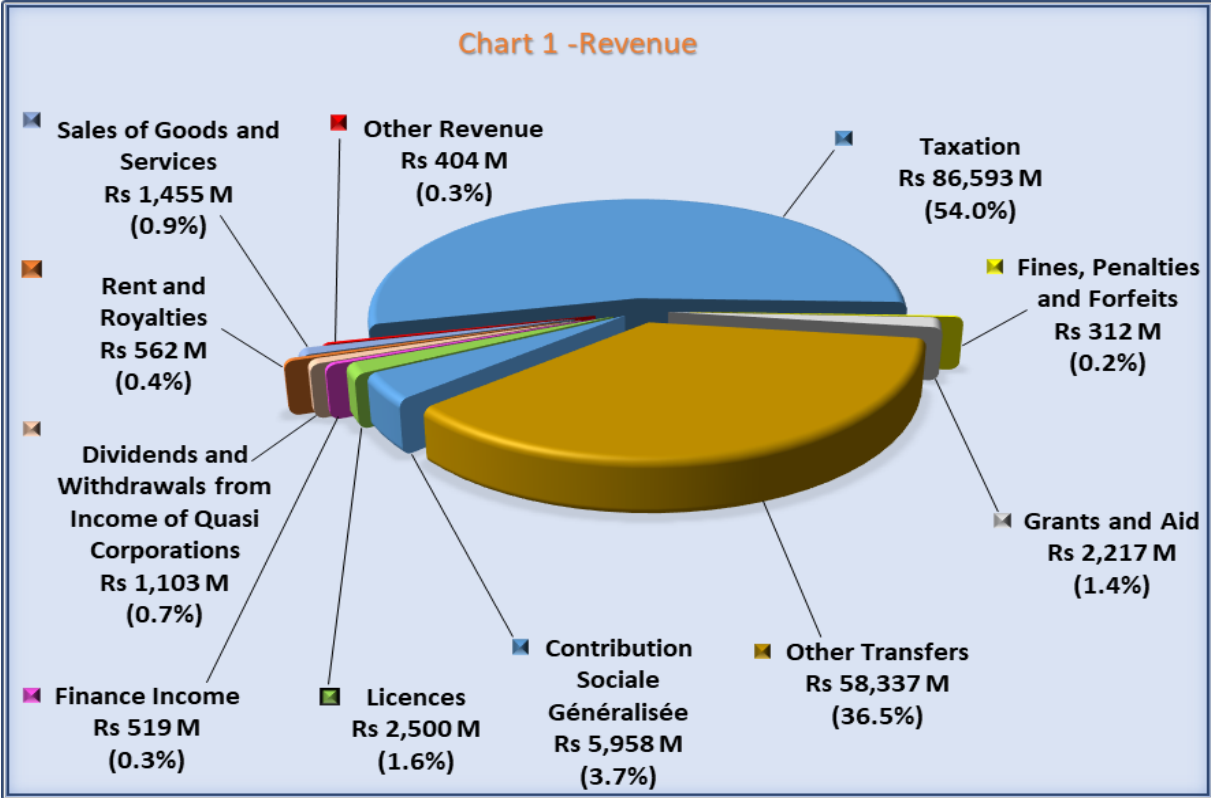
The composition of revenue of Rs 159,960 M is illustrated in chart 1 below:



# 5.1 REVENUE AND EXPENSES AS PER THE FINANCIAL REPORTING FRAMEWORK

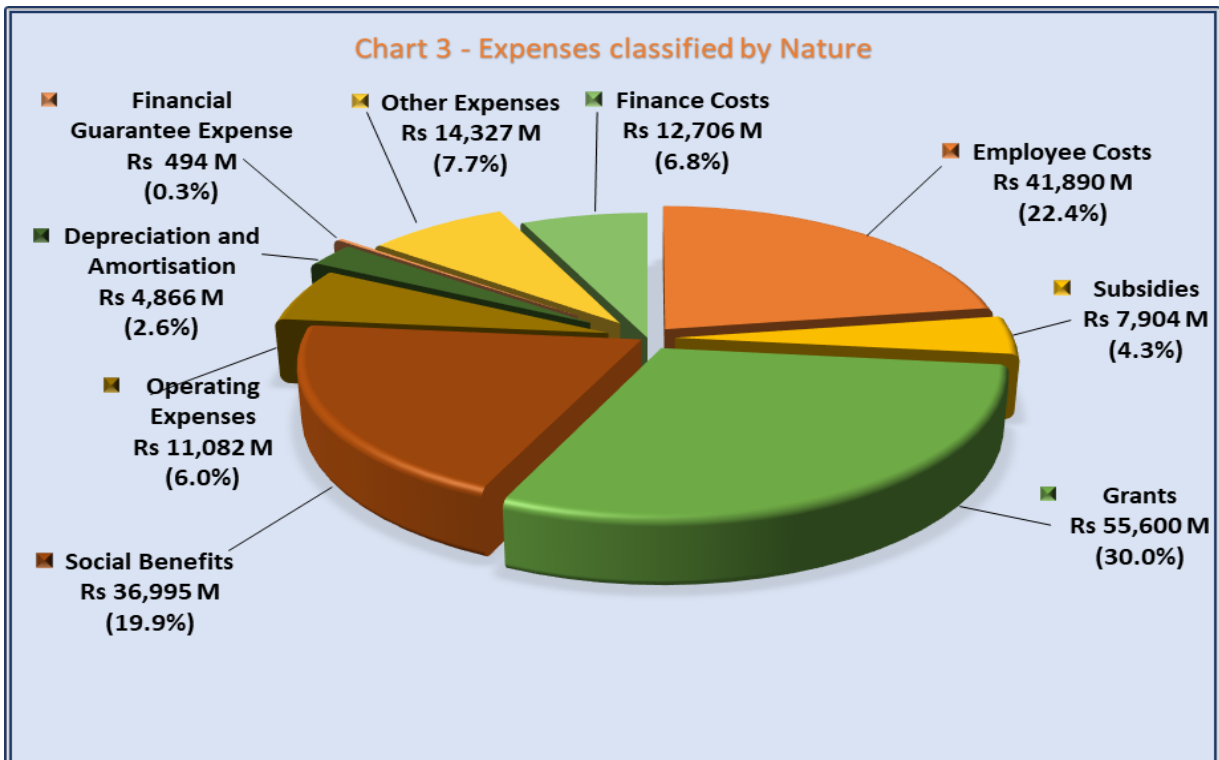
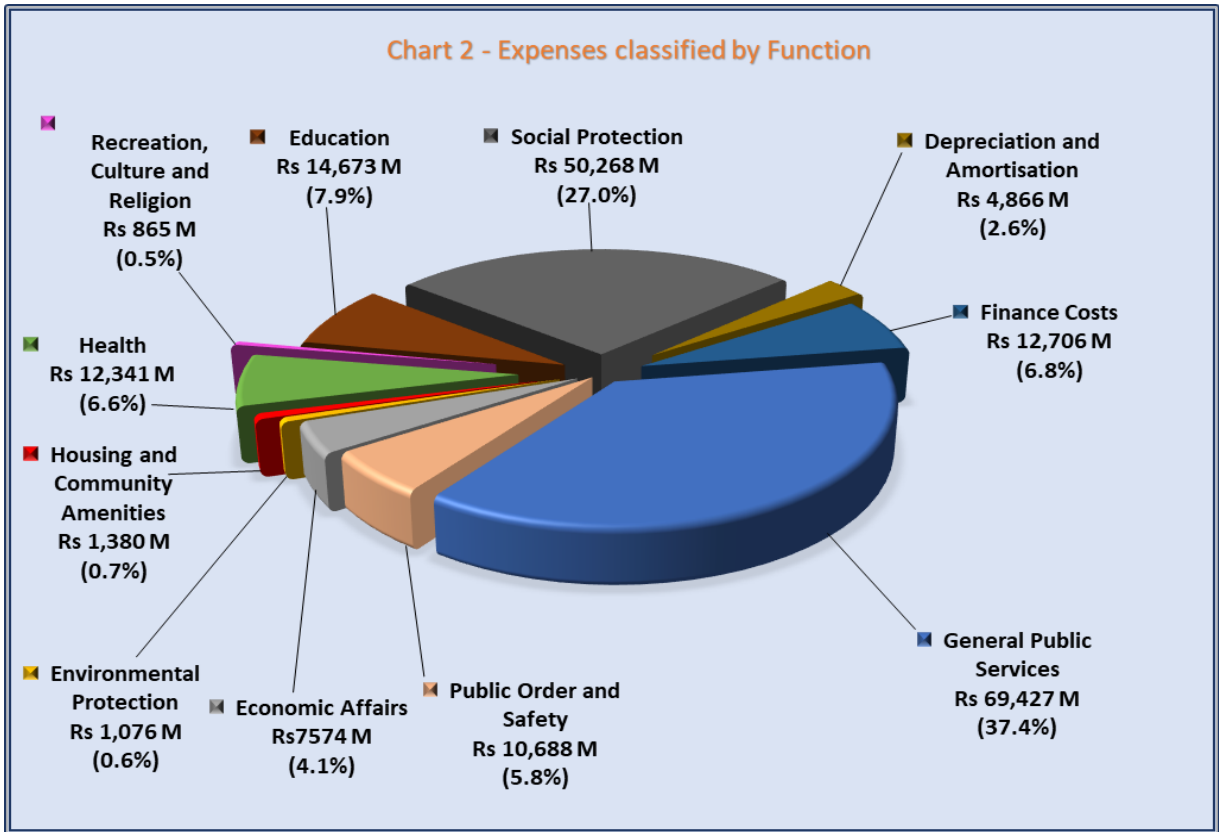
## 5.1.1 REVENUE

The composition of revenue of Rs 159,960 M is illustrated in chart 1 below:



### 5.1.2 EXPENSES

The expenses amounting to Rs 185,864 M is reported by both function and nature (economic categories), and is illustrated in chart 2 and chart 3 below:

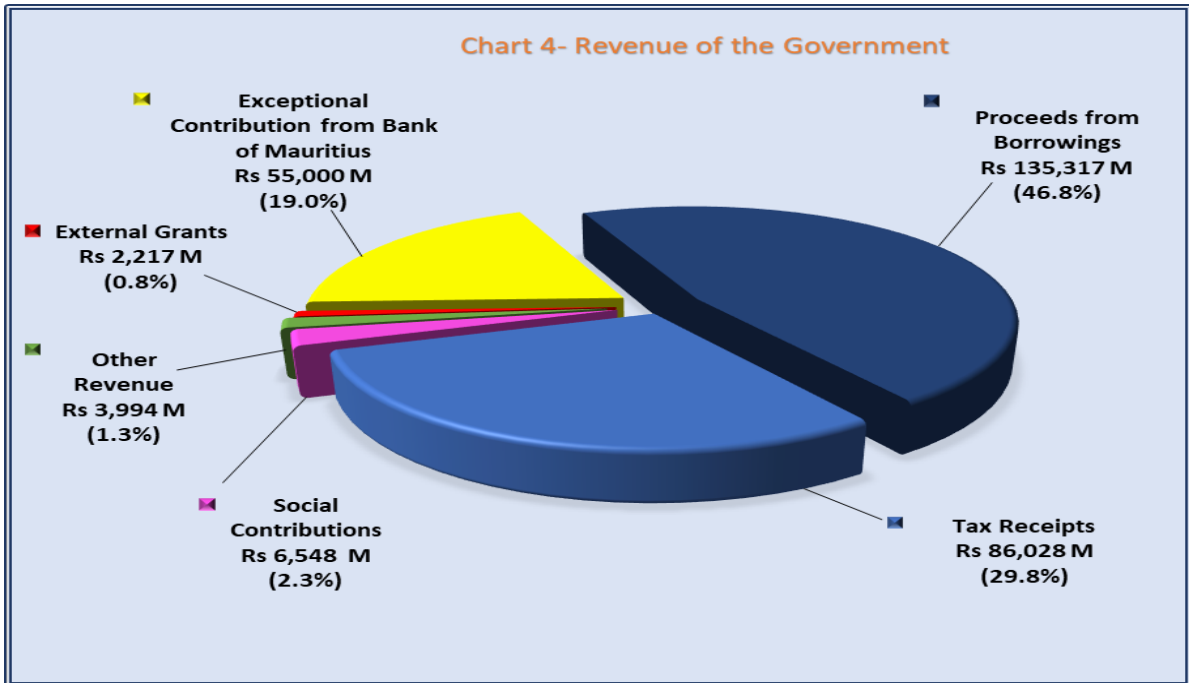




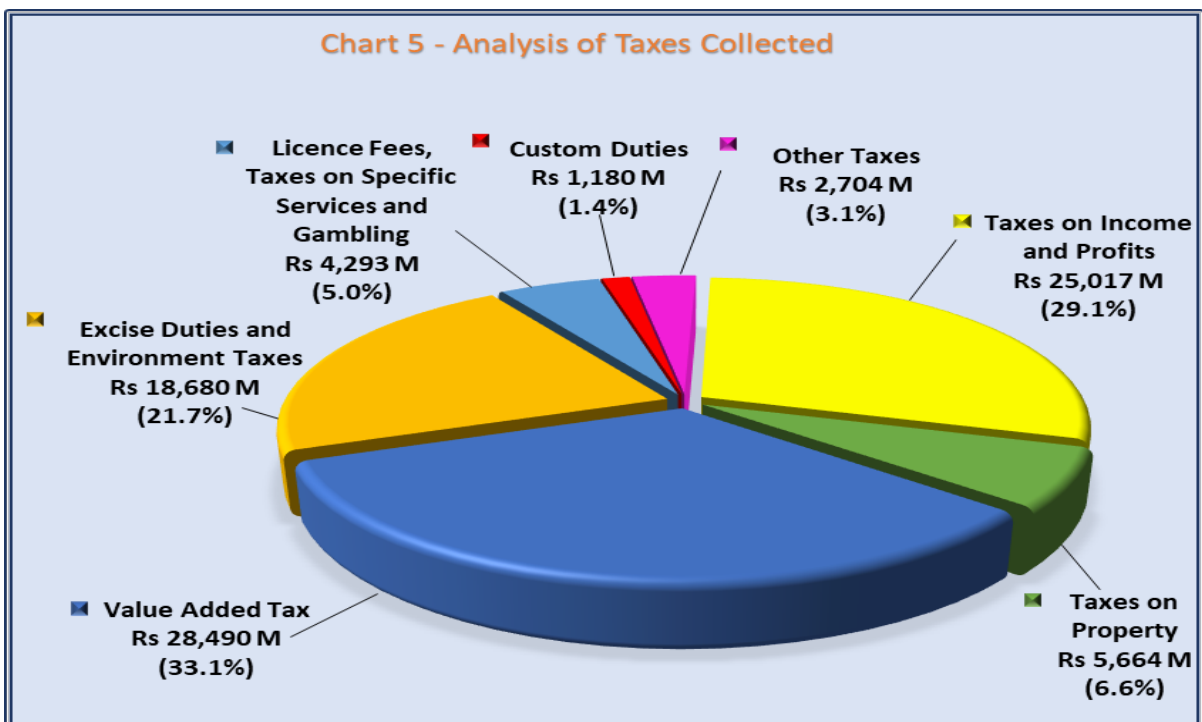
## 5.2 REVENUE AND EXPENDITURE AS PER BUDGET ESTIMATES

### 5.2.1 REVENUE

The revenue of the Government amounting to Rs 289,104 M is made up of recurrent and capital revenues. A breakdown of the amount collected during the FY 2020-2021 is illustrated in chart 4 below:



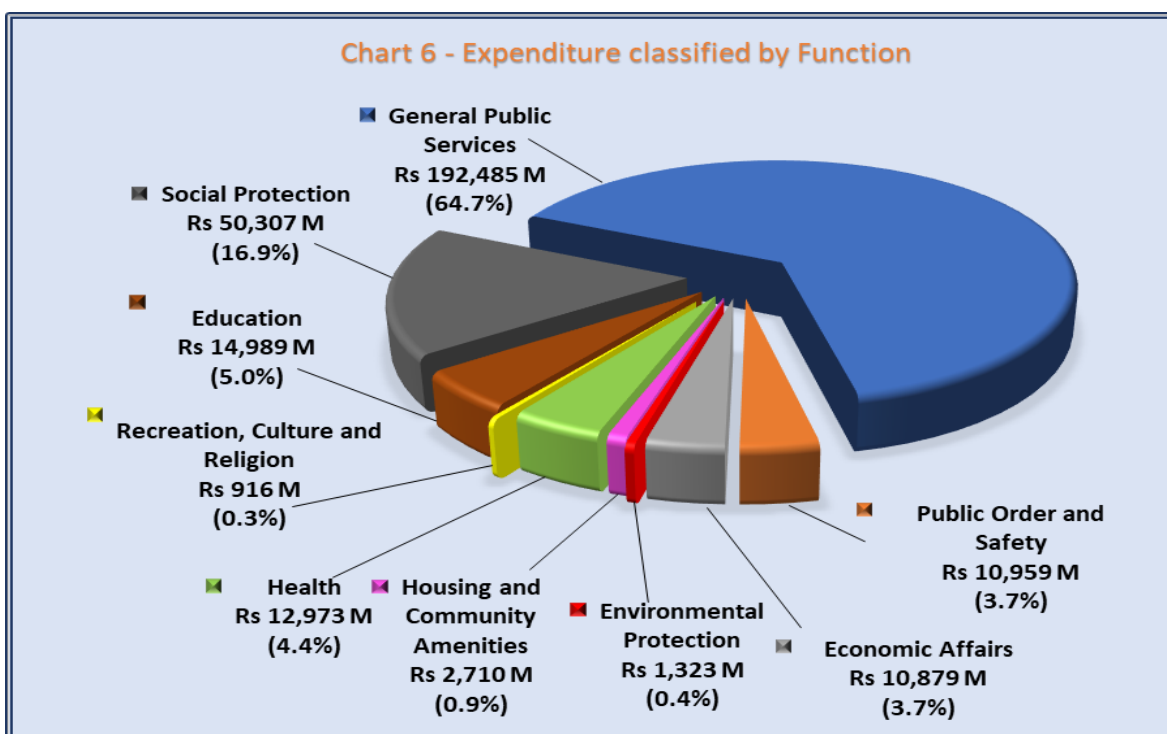
The tax collected (amounting to Rs 86,028 M) as shown in the chart above is analysed in the chart 5 below:



## 5.2.2 EXPENDITURE

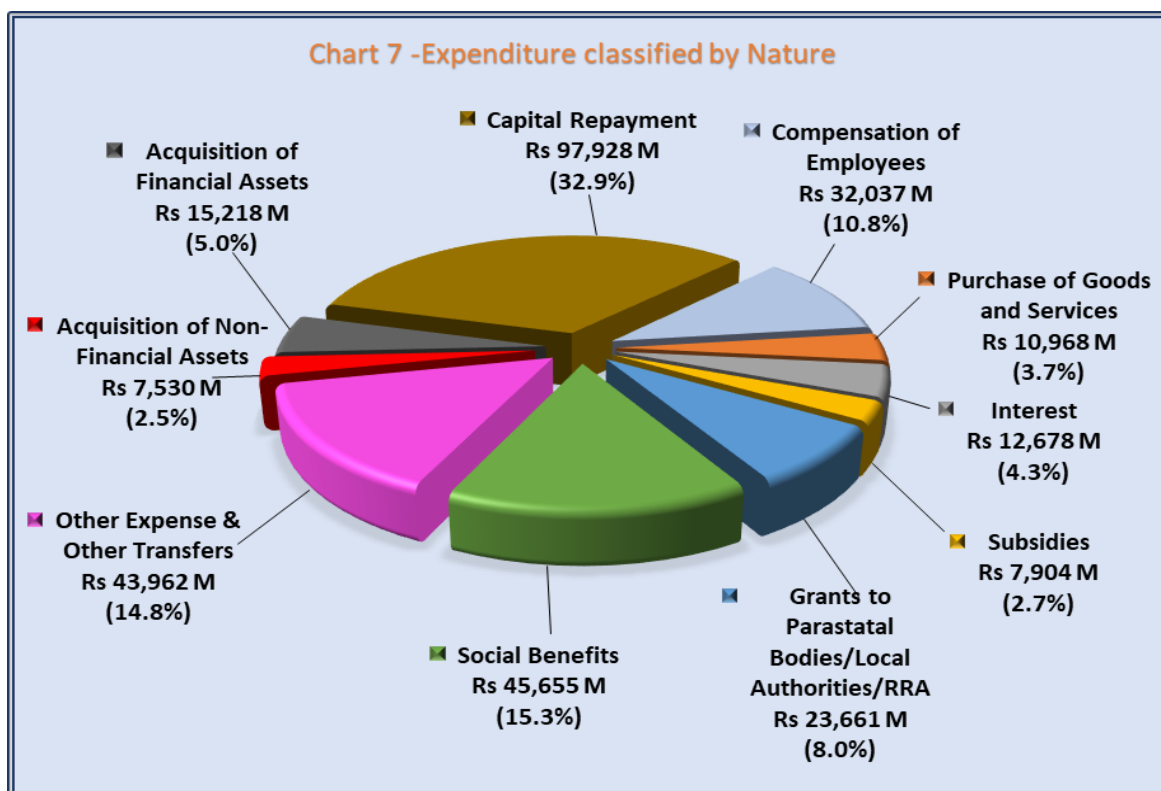
The expenditure of the Government for the FY 2020–2021 amounting to Rs 297,541 M is analysed by Function and by Nature in charts 6 and 7 respectively. The analysis is on cash basis except for “cost of borrowings” and “carry-over of capital expenditure”.

### A EXPENDITURE BY FUNCTION



- *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 and Safety* relates to public order and safety services provided by Government through police services, fire protection services, law courts and prisons.
- *Economic Affairs* includes 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* relates to activities in respect of housing and community development and provision of amenities such as water supply.
- *Health* covers activities relates to hospital and public health services.
- *Recreation, Culture and Religion* relates to services provided for recreational, sporting, cultural and religious services.
- *Education* relates to expenditures in connection with provision of pre-primary, primary, secondary, tertiary education and others.
- *Social Protection* includes support and facilities provided to the disabled persons, old age, children and family of social exclusion.

## B EXPENDITURE BY NATURE (ECONOMIC CATEGORIES)



- *Compensation of Employees* is made up of salaries and allowances paid to employees.
- *Purchase of Goods and Services* includes cost of utilities, fuel and oil, rent, office expenses, maintenance costs and management charges.
- *Interest* represents interests paid for the year on internal and external debts.
- *Subsidies* represents incentives given by the Government in the form of financial aid or support with the aim of promoting economic and social policy.
- *Grants to Parastatal Bodies/ Local Authorities/ RRA* are donations and contributions to Foreign Governments and International Organisations, current and capital transfers to International Organisations, Other General Government units and Private Enterprises.
- *Social Benefits* includes basic retirement pension, social aid and other recurrent expenses.
- *Other Expenses & Other Transfers* consists mainly of transfers to Special Funds, insurance, compensation arising out of Government liability, other current transfers and miscellaneous expenses.
- *Acquisition of Non-Financial Assets* represents expenditure incurred on the construction and upgrading of buildings, roads and 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, subscription to IMF Organisation and equity participation.
- *Capital Repayments* comprises loan repayments to Foreign Governments and lending agencies and redemption of securities issued.

### **5.3 NET ASSETS/EQUITY**

The net assets/equity is the net position of the Government after deducting all its liabilities from its assets at the end of each FY and is made up of the following:

- Consolidated Fund;
- Accumulated Surplus; and
- Special Funds.

#### **5.3.1 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, Economic Planning and Development, to be charged to the Fund.

In the FS 2020-2021, the Consolidated Fund has been accounted for as per its statutory definition. The balance of the Consolidated Fund stood at Rs 73,865 M as at 30 June 2021 compared to Rs 49,162 M (restated) as at 30 June 2020.

#### **5.3.2 ACCUMULATED SURPLUS**

The accumulated surplus as at 30 June 2021 stood at Rs 70,586 M as compared to the restated figure of Rs 133,119 M as at 30 June 2020.

#### **5.3.3 SPECIAL FUNDS**

Special Funds totalling Rs 36,488 M was deposited with the Accountant-General as at 30 June 2021, details of which are provided in the Statement of Special Funds (Statement H).

## 5.4 PUBLIC SECTOR DEBT

The public sector debt outstanding as at 30 June 2021 stood at Rs 419,358 M as per Statement of Public Sector Debt (Statement J) and is analysed in the Table 3 below:

*Table 3 - Analysis of Public Sector Debt*

Public Sector Debt	Nominal Amount Rs'M	% of Total Public Sector Debt
Budgetary Central Government (BCG)	392,665	93.64
Extra Budgetary Units	136	0.03
Public Corporations	39,506	9.42
<i>Consolidation Adjustments</i>	<i>(12,948) *</i>	<i>(3.09)</i>
<b>Total Public Sector Debt</b>	<b>419,359</b>	<b>100.00</b>

\* Consolidation adjustments represents Government Securities held by Non-Financial Public Sector Entities and Domestic loan from SIC Development Co. Ltd.

### 5.4.1 GOVERNMENT DEBT

As at 30 June 2021, the total Debt of BCG stood at Rs 392,665 M, details of which are provided in Table 4 below:

*Table 4 - Government Debt*

Government Debt	Internal	External	Total
	Rs'M	Rs'M	Rs'M
Long Term	212,236	79,418	291,654
Medium Term	57,159	5,666	62,825
Short Term	38,164	22	38,186
<b>Total (Nominal Value)</b>	<b>307,559</b>	<b>85,106</b>	<b>392,665</b>
<i>Total reported in Statement A</i>	<i>308,653</i>	<i>78,116</i>	<i>386,769</i>

## 5.4.2 GOVERNMENT DEBT SERVICING

Expenditure on Government Debt Servicing during the year amounted to Rs 110,414 M and was made up of the following:

*Table 5 - Government Debt Servicing*

Government Debt Servicing	Amount	Total Amount
	Rs'M	Rs'M
<b>Interests:</b>		
External Debt	577	
Domestic Debt	11,838	12,415
<b>Capital Repayments:</b>		
Foreign Sources	4,949	
Domestic Sources	92,979	97,928
Management/Service Charges	71	71
<b>Total</b>		<b>110,414</b>

## 5.5 LOANS TO PUBLIC ENTERPRISES & OTHER BODIES

Loans totalling Rs 565 M were made to statutory bodies, local authorities and other bodies during the year under review. Capital reimbursements and interests received from borrowers during the year amounted to Rs 75 M and Rs 68 M respectively. The balance of such loans outstanding as at 30 June 2021 was Rs 9,727 M.

## 5.6 INVESTMENTS

The fair value of investments, held by Government and Special Funds as at 30 June 2021 stood at Rs 119,810 M as detailed in the Table 6 below:

*Table 6 - Breakdown of Investments held by Government and Special Funds*

Description	Fair Value Rs'M	Cost Price Rs'M
Quoted Shares	704	140
Unquoted Shares	75,846	46,246
Equity Participation	31,550	14,347
Redeemable Preference Shares	200	200
Other Investments *	11,510	11,510
<b>Total</b>	<b>119,810</b>	<b>72,443</b>

\* Other Investments includes deposits with banks and GOM Treasury Certificates of an amount of Rs 10,920 M pertaining to Special Funds.

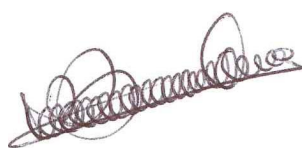
Details of investments are given in the Statement of Investments (Statement F) included in this report.

## 6.0 ACKNOWLEDGEMENT

I am thankful to the staff of the Treasury who showed commitment and dedication throughout the year and despite the confinement period, worked hard to achieve, amongst others, the successful closure of the FY and the timely preparation and submission of the FS.

My warm appreciation goes to the Financial Secretary for his unflinching support and guidance during the year on all strategic matters.

I also take this opportunity to extend my gratitude to the Director of Audit and all Senior Chief Executives, Permanent Secretaries, other Accounting Officers and their staffs for their contribution in this endeavour.



**S.D. RAMDEEN**  
**Accountant-General**  
**17 May 2022**

**AUDIT  
CERTIFICATE**





# NATIONAL AUDIT OFFICE

## CERTIFICATE OF THE DIRECTOR OF AUDIT ON THE ANNUAL STATEMENTS OF GOVERNMENT

### Report on the Audit of the Annual Statements

#### Opinion

I have audited the Annual Statements of the Government of the Republic of Mauritius, submitted in accordance with Section 19(1) of the Finance and Audit Act, which comprise the statement of financial position as at 30 June 2021, and the statement of financial performance, the statement of changes in net assets or equity, the statement of cash flow, the statement of comparison of budget estimates and actual amounts for the year then ended, and other Statements as required under Section 19(3) of the Act, and notes to the accounts, including a summary of significant accounting policies.

In my opinion, 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 2021, and of its financial performance and its cash flows for the year then ended in accordance with Section 19(3A) (a) of the Finance and Audit Act, and the accounting basis as disclosed in Note 2.1.B (i) to the accounts.

#### Basis for Opinion

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 in accordance with the INTOSAI Code of Ethics, 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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. I have determined that there are no key audit matters to communicate in my report.

## **Responsibilities of the Accountant General and Those Charged with Governance for the Annual Statements**

The Accountant-General is required, under Section 19 of the Finance and Audit Act, to prepare and submit Annual Statements within six months of the close of every fiscal year, and is responsible for such internal control necessary to enable the preparation of Annual Statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance in Ministries and Government Departments are responsible for maintaining proper accounting records and providing to the Accountant-General, for the purpose of the Annual Statements, information that are accurate.

## **Auditor's Responsibility for the Audit of the Annual Statements**

I am required under Section 20 of the Finance and Audit Act to issue a certificate of audit on the Annual Statements of the Government of the Republic of Mauritius, submitted in accordance with Section 19 of the Finance and Audit Act, within eight months of the close of every fiscal year.

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 Ministries' and Departments' 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**

### ***Management's Responsibility for Compliance***

Management is responsible for controlling expenditure on any service in respect of which public funds have been appropriated and for collecting revenue and paying that revenue into public funds, as well as putting in place a sound system of internal control designed to provide reasonable assurance regarding, amongst others, the effectiveness and efficiency of operations, the safeguarding of assets and data, the prevention of fraud and irregularities, and the compliance with applicable laws, regulations and instructions, policies and established procedures.

### ***Finance and Audit Act***

I am required under Section 16 of the Finance and Audit Act to satisfy myself that:

- (a) all reasonable precautions have been and are taken to safeguard the collection of public money;
- (b) all laws, directions or instructions relating to public money have been and are duly observed;
- (c) all money appropriated or otherwise disbursed is applied to the purpose for which Parliament intended to provide and that the expenditure conforms to the authority which governs it;
- (d) 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 and are duly observed; and
- (e) satisfactory management measures have been and are taken to ensure that resources are procured economically and utilised efficiently and effectively.

I am also required, under Section 20 of the Finance and Audit Act, to submit a Report upon my examination and audit of the accounts of Government.

In my opinion, except for the matters mentioned in my Report for the financial year 2020-21, nothing has come to my attention that causes me to believe that the financial management principles laid down at Section 16 of the Finance and Audit Act have, in all material respects, not been adhered to.

***Public Procurement Act***

I am required to state whether the provisions of Part V of the Public Procurement Act regarding the bidding process have been complied with.

In my opinion, except for the matters mentioned in my Report for the financial year 2020-21, the provisions of Part V of the Act have been complied with as far as it could be ascertained from my examination of the relevant records.



**C. ROMOOAH**  
Director of Audit

National Audit Office  
Level 14, Air Mauritius Centre  
**Port Louis**

28 February 2022