



Annual Report on Performance Fiscal Year 2015-2016

**OFFICE OF PUBLIC SECTOR GOVERNANCE (OPSG)
MINISTRY OF JUSTICE, HUMAN RIGHTS AND
INSTITUTIONAL REFORMS**

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PART I: THE OFFICE OF PUBLIC SECTOR GOVERNANCE



Our Vision:

To make Mauritian public sector organisations become a model of good Corporate Governance

Our Mission:

To inculcate, advocate and promote Corporate Governance practices in the public sector.

Our Values:

- ❖ *Customer satisfaction is our goal.*
- ❖ *Quality and excellence is our credo.*
- ❖ *Creativity and Innovativeness is our hallmark.*
- ❖ *Professionalism and integrity is our breath.*
- ❖ *Teamwork is our conviction.*

- ❖ *Staff development and improved quality of work life is our commitment.*
- ❖ *Recognition of the dedication of our staff is our aim.*



Our Customer Charter

What our Customer can expect from Us:

- ❖ *High standard of professionalism*
- ❖ *Independent and objective service*
- ❖ *Quality and timely delivery*
- ❖ *Workable solution with customers' satisfaction*

What We expect from our Customers:

- ❖ *Co-operation and collaboration*
- ❖ *Trust and openness*
- ❖ *Taking maximum advantage of our services*

CONFIDENTIAL

Confidentiality Statement

The Customer Charter of OPSG includes a confidentiality statement which is as follows:

- ❖ We respect the confidentiality of information about our client's affairs acquired during the course of our work. The duty of confidentiality continues even after the end of the relationship between OPSG and the client.*
- ❖ Confidentiality is not only a matter of disclosure of information acquired in the performance of their work but OPSG officers will not also use that information for their personal advantage or the advantage of third parties.*

Acting Director's Statement

I am privileged to present the Annual Report (2015/16) of the Office of Public Sector governance (OPSG) being the fifth one since its inception in 2010. The Office has continuously collaborated and supported the Government in accomplishing its vision that is, making public sector organisations to become a model of good corporate governance. It should be noted that this effort is still on-going with emancipated spirit and motivation.

Our Office caters for such services as public sector reforms, management consultancy, establishing and monitoring audit committees and promoting good corporate governance practices in Ministries, Departments and State Owned Enterprises (SOEs). In the past years, the OPSG undertook several reforms in SOEs with persuasive recommendations helping to redress situations. Several assignments were also initiated and fulfilled with tangible results thus, solving issues and constraints. The Office has successfully established Audit Committees in Ministries/Departments which is a core mechanism to providing oversight of the internal control systems, financial reporting process, and audit process, compliance with laws and regulations and assessing and managing risks amongst others.

In addition, the Physical Assets Management (PAM) System is an important device for tracking and monitoring fixed assets, having high value costing in billions. Currently, the Office is working collaboratively with the Accountant General's Office in the context of upgrading the Treasury accounting system.

And the Parastatal Information Management System (PIMS) remains a monitoring tool by which the OPSG closely supervises the performance of SOEs.

*With the continuous spirit for innovation and enhancement, the Office is in the process of developing a Dashboard which enables the SOEs to visualize the key performance indicators or other strategic data at a glance.. It is the **dashboard** tool that presents management with the information for the practical end of the organization. Again, the Office has strived to raise the level of corporate governance in SOEs. Numerous corporate governance issues are handled by*

the OPSG and we always endeavour to help public sector organisations in adopting the best practices and adhere to ethical practices. Recently, a workshop was organized to sensitise cooperative leaders and entrepreneurs with the view to enhancing their managerial skills and knowledge. The Office has also reviewed 12 road projects including their financial, governance and technical aspects as well. The whole team devoted a lot of time and hard work for the completion of assignments in a professional manner.

I seize this opportunity to thank all stakeholders for their utmost collaboration and support.

Acting Director, OPSG

1.0 ORGANISATIONAL SET UP

1.1 INTRODUCTION

As from 2015, the Office of Public Sector Governance (OPSG) operates under the aegis of the Ministry of Financial Services, Good Governance and Institutional Reforms. OPSG has now been conferred the responsibilities in respect of Good Governance to ensure that public sector management becomes more cost-effective and outcome oriented in particular those relating to transparency and accountability. It has also the role to undertake the task of monitoring the overall performance and examining the level of efficiency and effectiveness in public sector organisations.

As such, the OPSG is responsible for the provision of services relating to good governance practices, management consultancy and institutional reforms in public sector organisations comprising Ministries/Departments, State Owned Enterprises and Local Authorities.

1.2 ANNUAL REPORT 2015/16

The OPSG is issuing its fifth Annual Report. Exceptionally this report spans a period of 18 months due to the Government's decision to revert back from a calendar year basis to a financial year basis for the preparation of the National Budget. This report therefore covers the period 1st January to June 2016.

This Annual Report is a source of information based on the mandate of OPSG indicating the tasks and activities conducted by the organization during the stated period. The Annual Report provides a brief on the role and functions of the OPSG and of its individual units. It also includes the future orientation of the Office and financial highlights for the year 2016/17.

1.3 BACKGROUND

The Office of Public Sector Governance (OPSG) was set up in August 2010 following the reorganization of the Management Audit Bureau under the Government Programme 2010.

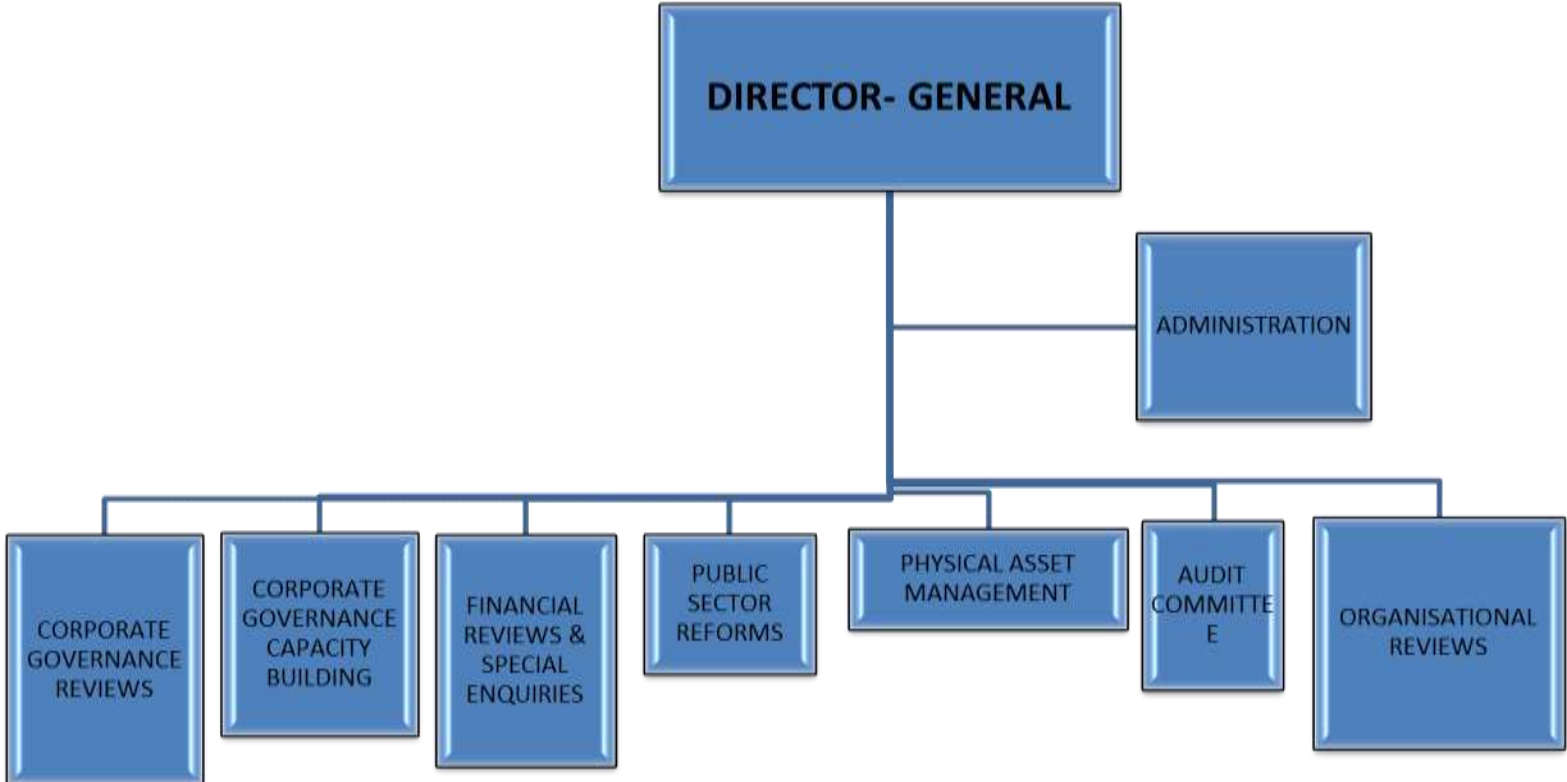
1.4 ORGANISATION CHART

The OPSG is under the supervision of the Director-General who is responsible to direct the organization by motivating and giving close guidance to its staff so as the Office can attain its aims and objectives. The Office is divided into seven Units for the accomplishment of its mandate which are:

- ❖ Corporate Governance Review Unit;
- ❖ Corporate Governance Capacity Building Unit;
- ❖ Financial Reviews and Special Enquiries Unit;
- ❖ Public Sector Reforms Unit;
- ❖ Physical Asset Management Unit;
- ❖ Audit Committee Unit; and
- ❖ Organisational Reviews Unit.

The Organisational chart of the OPSG is given on the next page.

ORGANISATIONAL CHART OF OPSG



1.5 MANDATE OF OPSG

The mandate of OPSG is to provide the following services to Public Sector Organisations:

- ❖ Monitoring and reporting on the effectiveness of the implementation of the recommendations of the National Audit Office, the Public Accounts Committee and the Internal Control Unit;
- ❖ Monitoring the pace of reforms of public sector enterprises and recommending corrective measures, where appropriate;
- ❖ Developing a framework for a standardized electronic physical asset management system;
- ❖ Conducting special enquiries into reported cases of mismanagement;
- ❖ Conducting programme evaluation with a view to ensuring that cost effective ways are adopted in the delivery of quality service to the public;
- ❖ Preparing reports and carrying out qualitative analysis based on the data provided through the Parastatal Information Management System (PIMS);
- ❖ Promoting and monitoring the implementation of the Code of Corporate Governance and carrying out sensitization activities on good governance;
- ❖ Liaising with parastatal bodies and line Ministries concerned that are not performing well and supporting them in the preparation of their respective Performance Improvement Plan;
- ❖ Providing support to public sector enterprises in implementing performance enhancing reforms approved by Government;
- ❖ Establishing, reviewing and monitoring the effectiveness of Audit Committees; and

- ❖ Promoting and assisting the Ministry of Civil Service and Administrative Reforms in the reform of public sector organizations with a view to ensuring that their services are responsive to the needs of the public.

1.6 CORE SERVICE UNITS

In our endeavour to provide an effective and efficient service to our customers, different units have been set up as mentioned in the Organisation Chart.

1.6.1 CORPORATE GOVERNANCE REVIEW UNIT

The Corporate Governance Review Unit has been set up with the view of promoting and applying good governance practices in public sector organisations.

One of the main challenges in doing so is to put in place appropriate accountability and transparency processes which will allow the public sector management to become more cost-effective and outcome oriented. This Unit is responsible for the promotion and monitoring of the implementation of the National Code of Corporate Governance. In addition, sensitization programmes are carried out in the public sector on good governance.

1.6.2 CORPORATE GOVERNANCE CAPACITY BUILDING UNIT

Capacity development is an essential part of OPSG's support to SOEs in their efforts to achieve greater operational and financial performance through improved strategic decision-making and managerial oversight leading to more efficient management and better assets allocation. This Unit emphasizes on building up relationships with SOEs by enhancing the level of corporate governance practices.

Corporate Objectives Statement (COS)

In the context of establishing a framework on performance management, it has been agreed that the Board of SOEs should formulate a **Corporate Objectives Statement (COS)** as mentioned in the Guidance of the Notes for State Owned Enterprises on the Code of Corporate governance. This COS must be agreed to by the Board and the parent ministry.

The COS is a performance agreement comprising:

- ❖ The mandate and the scope of activities that the SOE will undertake. This will define the core and non-core activities of the SOE that the Board is accountable for delivering its services. The agreement also serves as a control instrument against the SOE undertaking non-relevant activities which may not be in the interest of the owner. The performance agreement provides two way benefits in that it protects the SOE Board from being asked to undertake issues not consistent with the core business.
- ❖ Financial and non-financial performance indicators. Performance measures are expected to grow in sophistication over time.
- ❖ A clear description of non-commercial goals of the SOEs and an explicit financial estimate of carrying out the non-commercial goals. This will allow the State to have an overall understanding of the cost of meeting social objectives. Where the SOEs have such a social policy, the ownership entity will need to consult with the parent Ministry to balance commercial and non-commercial objectives.

Currently, the Unit has adopted a pilot phase for convincing SOEs to take part in this exercise thus, implementing the COS and upgrading the level of corporate governance practices.

1.6.3 FINANCIAL REVIEWS AND SPECIAL ENQUIRIES UNIT

This Unit accomplishes the mandate of the OPSG by enhancing the effectiveness, efficiency and management of public institutions. It deals with requests from the parent Ministry and undertakes financial reviews and special enquiries assignments resulting into qualitative reports.

1.6.4 AUDIT COMMITTEES UNIT

OPSG has the responsibility of reviewing and monitoring the effectiveness of established Audit Committees in Ministries and Departments. The role of the Audit Committee is to consider whether the criticisms raised by the Director of Audit are addressed and corrective and preventive measures are undertaken. This Unit currently monitors the effectiveness of the Audit Committee in achieving its objectives.

Table 1 below provides information on the Audit committees established in Ministries/Departments.

TABLE I: List of Audit committees in Ministries /Departments in Operation

	MINISTRIES
1	Ministry of Local Government and Outer Islands
2	Prime Minister's Office, Home Affairs
3	Ministry of Foreign Affairs, Regional Integration and International Trade
4	Ministry of Social Integration and Economic Empowerment
5	Ministry of Health and Quality of life
6	Prime Minister's Office, External communications Division
7	Ministry of Business, Enterprise and Cooperatives (Cooperatives Division)
8	Ministry of Enterprise and Cooperatives (Business Division)
9	Ministry of Youth and Sports
10	Ministry of Tourism and Leisure
11	Ministry of Information and Communication Technology
12	Ministry of Public Infrastructure, National Development Unit, Land Transport and Shipping (Land Transport and Shipping Division)
13	Ministry of Fisheries
14	Ministry of Industry, Commerce and Consumer Protection (Industry Division)
15	Ministry of Tertiary Education, Science Research and Technology
16	Ministry of Public Infrastructure, National Development Unit, Land Transport and Shipping (Public Infrastructure Division)
17	Ministry of Education and Human Resources
18	Ministry of Energy and Public Utilities
19	Ministry of Agro-Industry and Food Security
20	Ministry of Labour, Industrial Relations and Employment
21	Ministry of Civil Service and Administrative Reforms

22	Ministry of Gender Equality, Child Development and Family Welfare
23	Ministry of Social Security, National Solidarity and Reform Institutions
24	Ministry of Environment and Sustainable Development
25	Ministry of Housing and Lands
26	Ministry of Finance and Economic Development
27	Ministry of Arts and Culture
	DEPARTMENTS
1	Police Department
2	Meteorological Services Department
3	Office of the Public and Disciplined Forces Service Commission
4	Electoral Commissioner's Office
5	Civil Aviation Department
6	Director of Public Prosecutions Office
7	Solicitor General's Office
8	The Judiciary

1.6.5 ORGANISATIONAL REVIEW UNIT

The aim of the Organisational unit is to carry out organizational reviews in the public sector with a view to improving the efficiency and effectiveness of public sector organisations. The Unit is putting all its effort to deliver a quality service and assisting to improve the level of good governance practices in public sector organisations.

1.6.6 PUBLIC SECTOR REFORMS UNIT

As per the mandate of the OPSG, the Office has to keep monitoring the pace of reforms in public sector enterprises and recommending corrective measures, where appropriate, and also prepares reports and carries out analysis based on data provided through the Parastatal Information Management system (PIMS).

In the view of accomplishing its mandate, the OPSG has put in place a Parastatal Information Management System (PIMS). The Parastatal Information Management system (PIMS) is a web-based system where parastatals are required to provide on-line information on their performance both financial and non-financial. This database enables OPSG to monitor closely the performances of parastatal bodies and can detect at an early stage the underperforming parastatals which therefore require performance

improvement or intervention. The PIMS was initially launched in March 2012 and as at to date, fifty seven SOEs have been registered in the system.

1.6.7 PHYSICAL ASSETS MANAGEMENT

The Physical Assets Management (PAM) Unit was created within the functional structure of the OPSG with the objectives of ensuring that the physical assets in the public sector are properly acquired, safeguarded, managed and disposed of. Three Ministries and two Departments are presently upgrading their PAM modules.

1.6.8 ADMINISTRATION UNIT

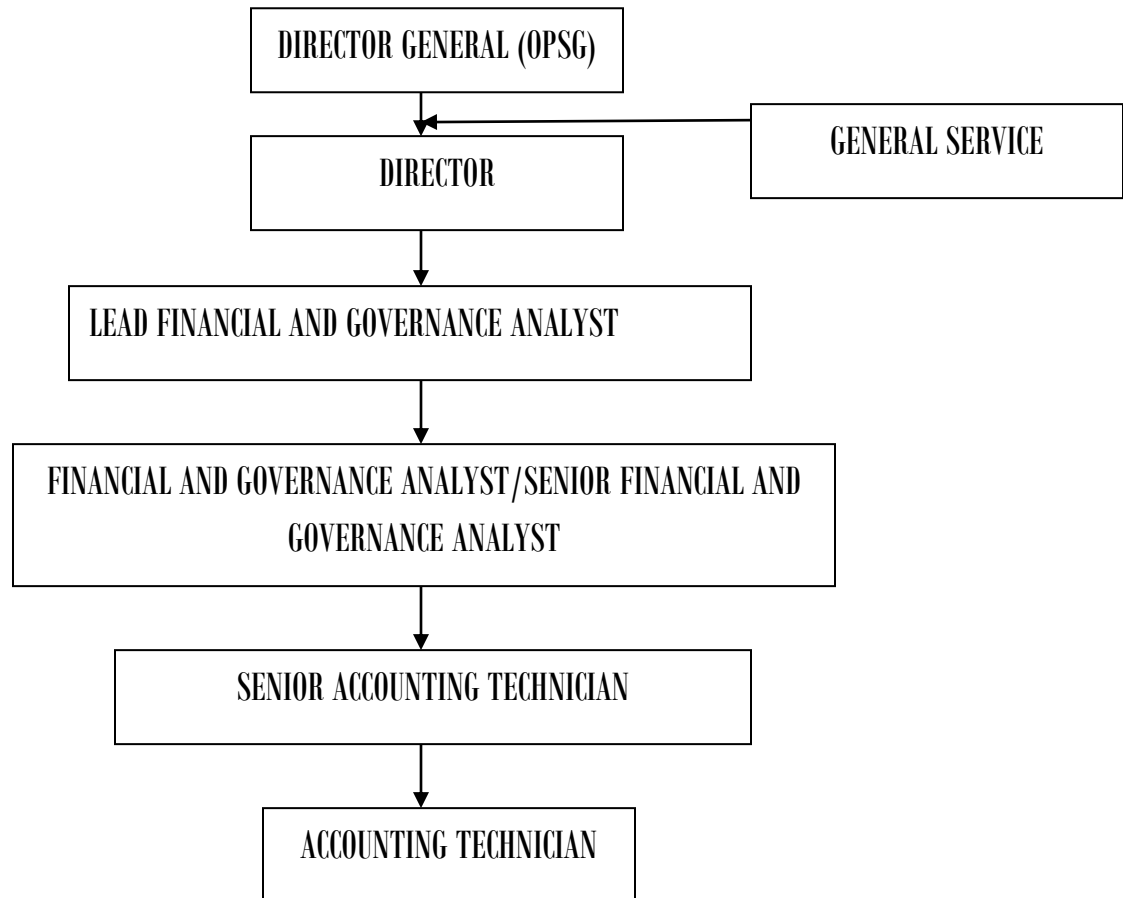
The Administration Unit handles the tasks of the Registry and supports the accomplishment of OPSG's objectives. The Unit also performs administrative tasks to support staff in their daily duties.

1.7 ABOUT OUR PEOPLE

The Director General is the technical and administrative head of the OPSG. He is assisted in his functions and duties by two Lead Analysts and officers from the various cadres and classes namely: Analyst Cadre, Accounting Technician Cadre as well as officers belonging to the general services grades. He is also responsible for the overall administration and general supervision of the units of the OPSG.

The staff of OPSG devotes a lot of diligence and willpower and put a lot of effort to deliver their professionalism in assisting the Government in attaining its objectives. The staff of OPSG comprises qualified Accountants, Economists. These officers are committed to their work and contribute to the best interest of the organization.

The Staffing Structure at the OPSG is given below.



The human resources forming part of the technical and administration cadres which fall under the aegis of OPSG are shown in Table 1 below:

TABLE II: Number of Staff on OPSG establishment as at 30 June 2016

JOB TITLE	NUMBER OF STAFF
Director General	1
Director	-
Lead Financial and Governance Analyst	2
Financial and Governance Analyst/Senior Financial and Governance Analyst	7
Senior Accounting Technician	3
Accounting Technician	-
Team Member (Under the Service to Mauritius Programme)	1
Confidential Secretary	1
Office Management Assistant	1
Management Support Officer	1
Attendant	2
TOTAL	19

PART II – OPSG: ACHIEVEMENTS & CHALLENGES

2.0 ACHIEVEMENTS AND CHALLENGES

2.1 MAJOR ACHIEVEMENTS

Below is a list of the tasks and activities carried out by the OPSG staff during 2015/16.

Report on the Mauritius National Identity Card – Financial and Management Audit

Mauritius issued the laminated National Identity Card (NIC) in April 1986. It was reported that this NIC contained many flaws and Government decided to replace it with a new smart ID card. The project was initiated in 2008 and was finally implemented in 2013 on a Government to Government basis with the support of Singaporean expertise.

The OPSG was requested to carry out a financial and management audit on the circumstances leading to the increase in the project value of the Mauritius National Identity Card Scheme. The draft report was yet to be finalized in 2015/16.

Allegations of Fraud and Irregularities at the Mauritius Museums Council – Special Enquiry

The OPSG was requested to conduct an enquiry into the alleged fraud and irregularities at the Mauritius Museums Council. The report was submitted to the Prime Minister's Office.

Assistance to the UK Consultants from Global Governance Services Ltd to revise the National Code of Governance for Mauritius

The OPSG assisted the UK Consultants from Global Governance Services Ltd to revise the Code of Corporate Governance for Mauritius. The revised Code was in the process of finalization and would be published by middle of 2016.

Presentation at workshop: Management Development Programme for Cooperative Leaders and Entrepreneurs with a view to enhancing their managerial skills and knowledge.

As part of its Governance Capacity building mandate, the Corporate Governance team of the OPSG made a presentation at a workshop - Management Development Programme for Cooperative Leaders and entrepreneurs organized by the Ministry of Cooperatives with a view to enhancing their managerial skills and knowledge.

Work on the formulation of the Board Evaluation Questionnaire

As part of good governance practices, a Board Evaluation Questionnaire had been designed for the assessment of the effectiveness of the Boards of SOEs and the individual performance of the Chairpersons, Directors and Secretaries.

Report on the Mauritius Shipping Corporation Limited - Financial Review

The OPSG was requested to carry out a financial and management audit exercise for a period of ten years at the Mauritius Shipping Corporation Ltd. A draft report was submitted to the Ministry of Financial Services, Good governance and Institutional Reforms.

Report on the Review of the Fishermen Investment Trust (FIT)

The Ministry of Fisheries requested the OPSG to “undertake a survey on the Fishermen Investment Trust (FIT) and work out a restructuration plan with a view to assisting Government in taking a decision for integrating FIT with the Fishermen Welfare Fund which also operates under the aegis of this Ministry”. The report was submitted to the Ministry.

Re-organisation of the Cooperatives Division, Ministry of Cooperatives, Business and Cooperatives

The OPSG was commissioned to conduct a restructure exercise of the Cooperatives Division of the Ministry of Cooperatives, Business and Cooperatives with a view to fostering the growth and modernization of the cooperative sector and focusing on the promotion and development of new fields of activities. The report was completed and was submitted to the Ministry in April 2016.

Monitoring the PIMS Software

The Parastatal Information Management System (PIMS) Unit has the prime responsibility to monitor the PIMS Software. A follow-up procedure is being done by motivating the users to update the PIMS database. Performance reports are also prepared based on information captured on PIMS.

Work on the Collection of Data for the Asian Development Bank

The Asian Development Bank will be releasing the “Finding Balance 2015” publication in mid May 2016 subtitled “Benchmarking the Performance of SOEs in Island Countries”. In

this respect, the OPSG was requested to collect data and information pertaining to 20 SOEs which would be benchmarked against the results of SOEs of other island countries.

Audit and Risk Committee Charter

The Audit Committee Unit is currently in the process of formulating an Audit and Risk Committee Charter in lieu of the current Audit Committee Charter with due emphasis on risk management at organization level.

Assessment of the Effectiveness of Audit Committees for the purpose of payment of membership fees

Teams were set up to assess effectiveness of Audit Committees for the purpose of payment of membership fees for the year 2014.

Road Projects

The OPSG was requested to conduct a complete technical and financial audit as well as the management of contracts of all road infrastructural projects implemented by the Road Development Authority (RDA) since 2010 and also situate responsibilities for shortcomings and irregularities and to make recommendations as appropriate. The OPSG prepared draft reports of which 9 were submitted to the Ministry of Financial Services, Good Governance and Institutional Reforms for review.

This is illustrated in the Table below.

Table III: Road Projects

	Assignment	Report Submitted to Parent Ministry	Review was in Progress
1	Review of Construction of Terre-Verdun-Trianon Link Road (Terre Rouge – Verdun)	√	
2	Construction of Phoenix - Beau Songes Link Road	√	
3	Construction of Bidirectional Lanes from Pont Fer to St Jean on Motorway M1	√	
4	Construction of Verdun Trianon – Bagatelle Valentina Link Road		√
5	Improvement and Rehabilitation of Belle Vue Road (B22) at Laventure - Phase II	√	
6	Rehabilitation of Northbound Carriage way of Motorway M1 from Nouvelle France to La Vigie Round About	√	
7	Upgrading of Q Militaire Road (2 nd Phase) from Belle Rive to Q Militaire	√	
8	Ring Road Phase 1		√
9	Widening of M1 between Caudan and Pailles	√	
10	Rehabilitation and Improvement of Riche Terre Road (B33)		√
11	Access Road to Reduit Triangle	√	
12	Grade Separated Junction at Caudan	√	

2.2 STATUS ON IMPLEMENTATION OF BUDGET MEASURES

A number of measures were announced by the Minister of Finance in the Budget 2015-2016. Table below shows the status of the measures which pertain to OPSG:

Table IV: BUDGET MEASURES PERTAINING TO THE OPSG

Budget Measure	Status
<p>Ensure transparency, accountability and good governance of public affairs. This is an area where Government needs to be constantly vigilant and also ready to effect changes wherever necessary.</p>	<ul style="list-style-type: none"> ❖ The National code of Corporate Governance is being revised by UK Consultants in governance ❖ Systematic mechanism has been put in place to monitor the performance of SOEs ❖ Regular organizational, governance and financial reviews are being carried out at Ministries/Departments/SOEs ❖ A series of Audit Committees have been set up in Ministries and Departments ❖ A Board Performance and Evaluation Questionnaire has been formulated to set up a performance appraisal system for Chairpersons, Board Members and Chief Executive Officers of public sector organisations.

2.3 STATUS ON IMPLEMENTATION OF KEY ACTIONS – 2015/16

The Table below shows the status of the Key Actions and Key Performance Indicators (KPIs) pertaining to the OPSG.

Table V: Status of Key Actions and KPIs

Key Action	Key Performance Indicator	Target	Status
Monitoring and Restructuring of SOEs	Number of SOEs restructured	4	This function has been taken up by MOFED in the first quarter of 2015.
Consultancy Services to Public Sector Organisations	Number of organizational and financial reviews	To meet all requests made	5 organizational and financial reviews have been completed
Special Enquiries in the Public Sector	Number of special Enquiries	To meet all requests commissioned	14 special enquiries have been conducted
Setting and Monitoring the Effectiveness of Audit Committees	Number of new audit committees Number of Assessment	-	1. 3 New Audit Committees 2. 34 Audit Committees were assessed

2.4 RISK MANAGEMENT, CITIZEN ORIENTED INITIATIVES AND GOOD GOVERNANCE

Earlier, numerous Audit Committees had already been established SOEs. The OPSG has also been effective in establishing Audit Committees in Ministries. A revised Audit and Risk Committee Charter has been formulated whereby, apart from the responsibilities of ACs to review internal audit scope, coordinating related units such as internal audit and external audit and overseeing the organisation's financial statements and internal controls, ACS will have to monitor and review both the risk strategies which have been put in place in Ministries/Departments.

PART III FINANCIAL PERFORMANCE

3.0 FINANCIAL HIGHLIGHTS

Appropriation of funds with respect to the OPSG is made through one of the four Votes (6-1) under the Ministry of Financial Services, Good Governance and Institutional Reforms.

The OPSG does not charge any fees for its various services and as such, does not raise any form of revenue.

Total provisions, actual expenditure and deviations of actual from budgeted expenditure for financial year 2015/16 are shown in the Table below.

VOTE 20-1: MINISTRY OF FINANCIAL SERVICES, GOOD GOVERNANCE AND INSTITUTIONAL REFORMS

Sub-Head 20-103: Good Governance

				Total Provisions after Supplementary Appropriation + Virement	Provisional Actual 2015/16	Over/(Under) Total Provision
Item No.	Details	In Post (2014)	Funded (2015/16)	Rs 000	Rs 000	Rs 000
RECURRENT EXPENDITURE				53,195	22,459	30,727
21	Compensation of Employees			46,128	19,286	26,842
21110	Personal Emoluments			36,293	16,991	19,302
.001	Basic Salary			25,010	14,156	10,854

	Director General	1	1	1,584		
	Director	-	1	500		
	Lead Finance & Governance Analyst	5	7	-7,564		
	Financial And Governance Analyst	7	16	11,211		
	Senior Accounting Technician	4	4	2,310		
	Office Management Assistant	1	1	356		
	Management support Officer	1	1	298		
	Confidential secretary	1	2	849		
	Word Processing Operator	1	1	212		
	Office Care Attendant	2	2	125		
	Total	23	36			
.002	Salary Compensation			625	142	483
.004	Allowances			450	448	2
.005	Extra assistance			3,110	-	3,110
.006	Cash in lieu of Leave			1,538	630	908
.009	End-of-year Bonus			5,300	1,349	3951
.010	Service to Mauritius Programme			360	265	95
21111	Other Staff Costs			9,635	2,100	7,535
.001	Wages			200	8	192
.002	Travelling and Transport			9,275	1,948	7,327
.100	Overtime			150	144	6
.200	Staff Welfare			10	-	10
21210	Social Contribution			200	196	4
22	Goods and Services			4,057	2,307	1,750
22010	Cost of Utilities			275	238	37
22040	Office Equipment and furniture			250	221	29

22050	Office Expenses			175	99	76
22060	Maintenance			250	13	237
22100	Publications and Stationery			525	121	404
22120	Fees			2,562	1,607	955
22900	Other Goods and Services			20	8	12
Capital Expenditure				2,500	104	2,396
31	Acquisition of Non-financial Assets			2,500	104	2,396
31132	Intangible Fixed assets			2,500	104	2,396
.801	Acquisition of Software			2,500	104	2,396
TOTAL				55,685	22,562	33,123

Variance Analysis

The total provision for financial year 2015/17 was Rs 55.685M and the actual expenditure for the same period amounted to Rs 22.562M resulting into an over appropriation of Rs 33.123M.

An unspent amount of Rs 26.842M under the recurrent item "Compensation to Employees" arose on account of the delayed process for the appointment of officers in the new Lead Financial and Governance Analyst (2 posts) and Financial and Governance Analyst (9 posts) grades.

Consequently, the above staff issue gave rise to underspending of Rs 7.535M in respect to staff costs including Travelling and Transport (Rs 7.327M).

Under the item Goods and Services, there was a saving of Rs 37M for Cost of Utilities and Rs 29M for Office Equipment and Furniture. This too is related to non-recruitment of additional staff.

A sum of Rs 0.237M remained unspent under item "Maintenance" as there was a pending decision for the OPSG to relocate itself at the Ministry of Financial Services, Good Governance and Institutional Reforms at Ebene.

A saving was also made under item "Publications and Stationery" amounting to Rs 0.40M and books were not purchased as per the established plan.

Some Rs 0.955M was unspent under item "Fees" as four workshops were planned but were not organized during that financial year. This as well included fund provided for payment of subscriptions to professional bodies for planned additional staff.

Lastly, a sum of Rs 2.5M provided for the purchase of a software for PIMS (Parastatal Information Management System) was not used as the PIMS project was taken over by the Ministry of Finance and Economic Development.

PART IV WAY FORWARD

4.0 WAY FORWARD

4.1 TRENDS AND CHALLENGES

The year 2015/16 was a difficult and challenging year in the sense that OPSG had to operate with limited resources in terms of manpower. The achievements of this year have been made possible through hard work and dedication of the staff of the OPSG.

The year 2016/17 will be more challenging as there is growing expectations from all stakeholders for an effective and efficient public service capable of delivering quality service at optimal cost, better corporate governance and a new culture of ethical and accountable practices.

The OPSG has over the years contributed significantly towards the improvement of service delivery and in the above context will be called upon to spearhead the reforms outlined in the Government Programme 2015-2019 guided by the principles of discipline, transparency, accountability and exemplary governance. It is through such principles and values that the ethos of the Public Service will be maintained in a sustained manner.

4.2 STRATEGIC DIRECTION

Advocate and promote good governance practices and ensure a trustworthy, performing and proactive public sector by reinforcing the functioning of public sector organisations through effective and efficient use of resources.