



# **Annual Report on Performance Fiscal Year 2016-2017**

**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.*

## **1.0 ORGANISATIONAL SET UP**

### **1.1 INTRODUCTION**

The Office of Public Sector Governance (OPSG) falls under the purview of the Ministry of Financial Services, Good Governance and Institutional Reforms. Its main responsibility is to promote good governance practices in particular those relating to transparency and accountability in the public sector as a whole so that public sector management becomes more cost-effective and outcome oriented. The OPSG is also empowered to monitor the overall performance and examine the level of efficiency of public sector enterprises with a view to improving the quality of services and making optimal use of human resources.

Broadly, the OPSG is responsible for the provision of services relating to good governance practices, management consultancy, financial and organizational reviews in public sector organisations comprising Ministries/Departments, State Owned Enterprises and Local Authorities.

### **1.2 The Annual Report 2016/17**

The OPSG is issuing its sixth Annual Report for the period July 2016 to June 2017. This Annual Report gives an overview of the tasks and activities conducted by the OPSG based on the corporate mandate of OPSG. Also, the Annual Report provides an outline of 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 2017/18.

### **1.3 BACKGROUND**

The Office of Public Sector Governance, as enunciated in the Government Programme 2010-2015, was set up in August 2010 with the reorganization of the Management Audit Bureau (MAB). It was then operating under the aegis of the Prime Minister's Office.

With the advent of a new Government in December 2014, a new Ministry of Financial Services, Good Governance and Institutional Reforms was created to which the OPSG was innately attached.

In the PRB Report 2016, it was stated that, with a view to optimising resources and avoiding duplication of work, the organisation structure of the Office of Public Sector Governance had to be reviewed so as to fit the organisation requirements of the parent Ministry. Accordingly, the PRB Report 2016 recommended that the Office of Public Sector Governance be absorbed within the Ministry and the post of Director-General, Office of Public Sector Governance be phased out and be made evanescent.

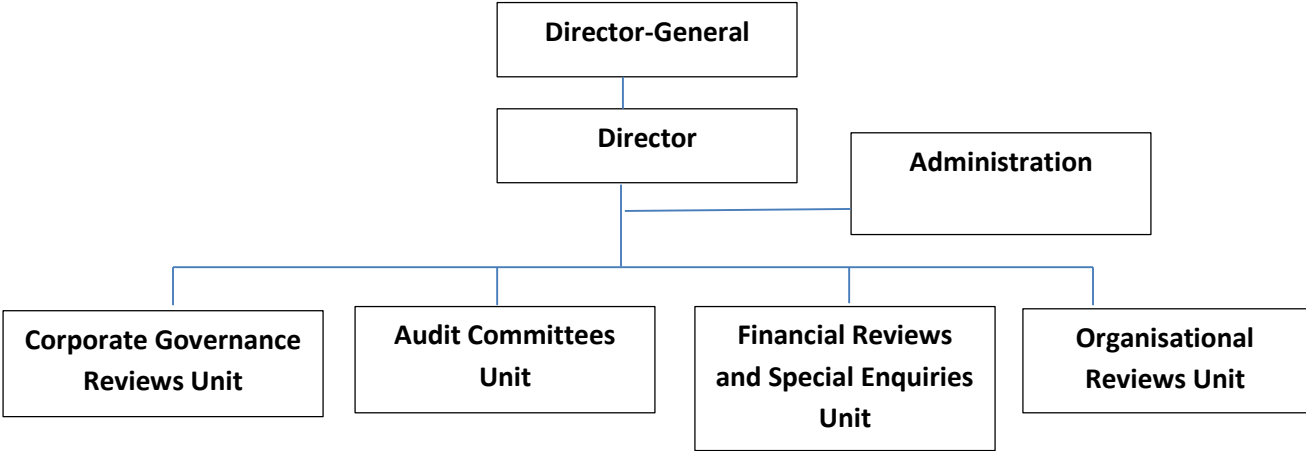
In November 2017, following a Government's decision, the OPSG has been shifted to the Ministry of Justice, Human Rights and Institutional Reforms as the portfolio "Institutional Reforms" has now been removed from the Ministry of Financial Services, Good Governance and Institutional Reforms.



# 1.4 ORGANISATION CHART

The OPSG operates under the direction of the Director-General who is responsible for the fulfillment of the mandate of the office.

The Organisational Chart of the OPSG is given below.



# 1.5 MANDATE OF OPSG

Following its reorganization and the fact that the OPSG was operating under the aegis of the Ministry of Financial Services, Good Governance and Institutional Reforms, the mandate of OPSG was broadened to include the following services:

- ❖ Promoting and monitoring the implementation of the Code of Corporate Governance and carrying out sensitization activities on good governance;
- ❖ 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;
- ❖ Establishing, reviewing and monitoring the effectiveness of Audit Committees;
- ❖ Conducting special enquiries into reported cases of mismanagement;

- ❖ 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; and
- ❖ Conducting programme evaluation with a view to ensuring that cost effective ways are adopted in the delivery of quality service to the public;

### **PHYSICAL ASSETS MANAGEMENT SYSTEM (PAM)**

Until 2016, the mandate of the OPSG also included the development of a framework for a standardized electronic physical asset management system for the proper management of fixed assets in the public service.

The system went live in November 2013 following the customization of the fixed assets module of the Treasury Accounting System (TAS). The OPSG, apart from keeping its own on-line fixed assets register, was able to view those of other user ministries as a monitoring exercise as well as for exceptional reporting.

By end of 2016, following a decision by the Ministry of Finance and Economic Development, the management of the system was shifted to the Treasury. Consequently, ministries now maintain their respective registers on the TAS without any direct intervention from the OPSG.

### **PARASTATAL INFORMATION MANAGEMENT SYSTEM (PIMS)**

As part of its mandate, the OPSG had to prepare reports and carry out qualitative analysis based on the data provided through the Parastatal Information Management System (PIMS).

The Parastatal Information Management system (PIMS) is a web-based system put in place by the OPSG where parastatals are required to provide on-line information on their performance both financial and non-financial.

The OPSG had to keep monitoring the pace of reforms in public sector enterprises and recommending corrective measures, where appropriate, and also was preparing reports and carrying out analysis based on data provided through the Parastatal Information Management system (PIMS).

This database enabled OPSG to monitor closely the performances of parastatal bodies and detect at an early stage the underperforming parastatals which therefore required performance improvement or intervention. The PIMS was initially launched in March 2012 and some fifty seven SOEs were registered in the system.

In May 2016, following a decision of the Ministry of Financial services, Good Governance and Institutional Reforms, the PIMS was transferred under the management of the Ministry of Finance and Economic Development.

## **1.6 CORE SERVICE UNITS**

In its enterprise to provide an effective and efficient service to its customers, different specialized units have been set up at the OPSG 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 with the aim of fostering capacity building on good governance.

This unit also provides guidance and advices to clients as regards the provisions and interpretation of the National Code of Corporate Governance.

### **1.6.2 FINANCIAL REVIEWS AND SPECIAL ENQUIRIES UNIT**

This Unit is responsible for the conduct of special enquiries into reported cases of mismanagement in public sector organisations. In addition, the Unit carries out assignments related to financial reviews.

The Unit accomplishes the mandate of the OPSG by enhancing the effectiveness, efficiency and management of public institutions.

### **1.6.3 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, among others, to consider whether the criticisms raised by the Director of Audit and Internal Control team are addressed and corrective and preventive measures are undertaken. This Unit currently monitors the effectiveness of the Audit Committee in achieving its objectives.

The Unit was established with the following responsibilities:

- Advising on the composition of the AC;
- Assisting in drafting the Performance Contract between Supervising Officer/ Accounting Officer and the AC;
- Sensitising Ministries/ Departments on the benefits of AC;
- Preparing AC Charter to guide the AC in their operation;
- Monitoring the performance of the AC through their quarterly status reports; and
- Assessing the effectiveness of the Audit Committees and recommend for payment of fees to the members of the Audit Committees.

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

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

	<b>MINISTRIES</b>
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

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

	<b>MINISTRIES</b>
26	Ministry of Finance and Economic Development
27	Ministry of Arts and Culture
	<b>DEPARTMENTS</b>
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

#### **1.6.4 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.

#### **1.6.5 ADMINISTRATION UNIT**

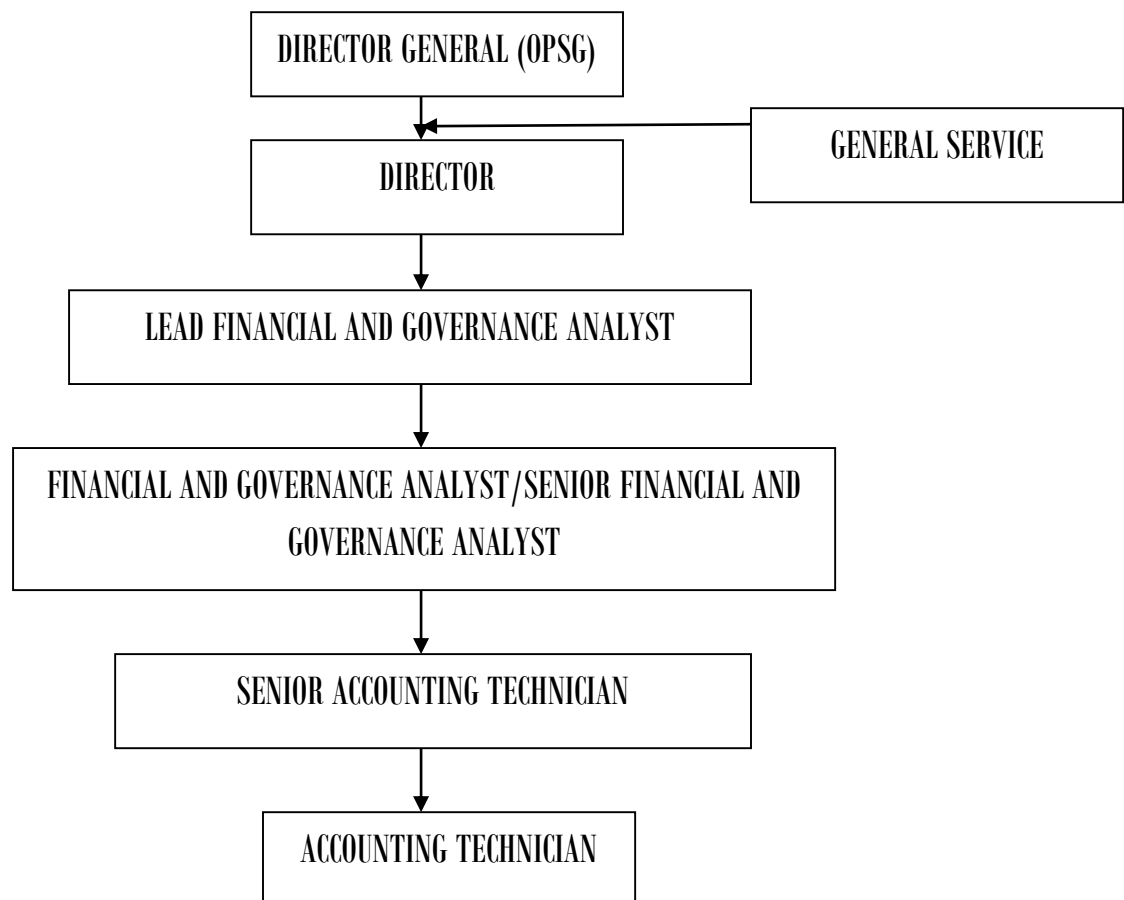
The Administration Unit handles the tasks of the Registry and supports the accomplishment of OPSG's objectives. The Unit also performs administrative tasks to support staff in their daily duties.

## 1.7 ABOUT OUR PEOPLE

The Director General is responsible for the daily administration and general supervision of the OPSG. He is assisted in his functions and duties by four 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.

The core staff of OPSG comprises qualified Accountants who devote a lot of diligence and professionalism in assisting the Office in the attainment of its objectives.

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**

<b>JOB TITLE</b>	<b>NUMBER OF STAFF</b>
Director General	1
Director	1
Lead Financial and Governance Analyst	4
Financial and Governance Analyst/Senior Financial and Governance Analyst	4
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
<b>TOTAL</b>	<b>18</b>



## **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 2016/17.

#### **Report on the Effectiveness of the National Transport Authority (NTA) – Organisational Review**

The Ministry of Public Infrastructure and Land Transport (Land Transport Division), in a letter dated 8<sup>th</sup> June 2016, made a request to the OPSG to carry out an assignment at the NTA with the following Terms of Reference: Identify the causes and factors which led to the poor public image of the NTA;

- (a) Propose strategies to streamline internal processes & procedures in the applications made for all licences and entertained by the Board of the NTA;
- (b) Carry out a manpower assessment regarding staffing in different sections as to whether new sections should be created and/or some sections merged and/or whether the NTA should appoint all staff permanent on its establishment;
- (c) Improve the principles of segregation of duties in the operation of transactions, mainly at the Registration & Licensing counters for transparency purposes;
- (d) Provide for a one-stop-shop process at each and every counter;
- (e) Assess the degree of transparency and accountability in processing of applications and consolidate and define the role of the Internal Control Section;
- (f) Review the process of filing and segregation of Confidential Files in the Registry;

- (g) Recommend a strategy for members of the public to have the least interaction with officers of the NTA, including the Inspectorate Section and the Licensing/Registration Section where applications are mostly entertained;
- (h) Recommend options towards paperless processes; and
- (i) Recommend any other measures which will help transform the NTA into a more efficient and user-friendly organisation.

This assignment was on going as at 30 June 2017.

Some of the major recommendations include, among others, reinforcement of governance practices in terms of the functions and composition of sub-committees and reinforcement of the internal control function, formulation of key performances for different activities, the decentralization together with the regionalization of the NTA services and a proposed unified structure of the technical grade at the NTA.

### **Re-organisation of the Cooperatives Division – Organisational Review**

At paragraph 210 of the Government Programme 2015-2019, it has been announced that “Government reckons the importance of the Cooperative Sector and undertakes to further strengthen the Cooperative Movement by providing the appropriate legal, fiscal and policy support. Existing cooperatives will be consolidated and facilities for the emergence of cooperatives in new sectors, such as Green Energy, will be put into place”.

It is felt, at the Ministry level, that the existing structure of the Cooperatives Division does not meet the current requirements of the cooperative sector. It is proposed to re-organise the technical side of the Cooperatives Division of the Ministry with a view to

fostering the growth and modernization of the cooperatives sector and focusing on the promotion and development of new fields of activities.

The OPSG was requested by the Ministry of Business, Enterprise and Cooperatives, in a letter dated 16<sup>th</sup> November 2015, to conduct a re-structure exercise of the Cooperatives Division of the Ministry 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 July 2016.

One of the major recommendations of the OPSG was the creation of an independent audit function in the Cooperatives Division of the Ministry to conduct the audit of cooperative societies. This has been subsequently put in the new Cooperatives Act.

#### **Reduction of Application Processing times for Environment Impact Assessment Certificate at the Ministry of Environment – Organisational Review**

In its endeavor to improve the ease of doing business in Mauritius and customer service to the public, Government, through Cabinet, has decided that the Ministry of Financial Services, Good Governance and Institutional Reforms (MFSGGIR) look into how best to facilitate the procedures for the issue of an Environmental Impact Assessment (EIA) Licence at the Ministry of Environment, Sustainable Development and Disaster and Beach Management (hereafter referred as MOE).

Cabinet Decision was made at its 44<sup>th</sup> meeting (No. 1309) held on 28 October 2016.

As such, The Office of the Public Sector Governance (OPSG) was requested by the Ministry of Financial Services, Good Governance and Institutional Reforms to enquire on the procedures for the issue of an EIA licence and make recommendations on how to

facilitate the processes in order to reduce the number of days of processing between the time an application is made and a licence is delivered.

Recommendations were made to reduce the number of days taken from 100 days to 50 days, through parallel running of processes and use of IT as well as reducing the number of days taken for each of the steps leading to the EIA licence.

This assignment was on going as at 30 June 2017.

### **Report on the Study of Human Resource Management System at the Financial Services Commission – Organisational Review**

The Ministry of Financial Services Good Governance and Institutional Reforms has requested the Office of Public Sector Governance (OPSG) to carry out a study at the Financial Services Commission (FSC) with the following Terms of Reference:

*“To study and report on the human resource management system with particular attention to recruitment, selection, work allocation, performance management system among others”.*

Recommendations made, among others, were:

- Filling of vacant positions, in particular at top executive level such as Directors, Senior Executive as per recommendation made in the Salary Review Report 2016;
- The HRM to be headed by an Executive holding relevant qualification and competence in HRM;
- The HRM function to develop and implement a Code of Ethics for its personnel;
- The FSC to retain a panel of lawyers and pay the appropriate retention fees;

- The need for the Enforcement Unit to develop a Standard Operating Procedure Manual and the Commission to contract the services of a Consultant to assist in the development and implementation of the Standard Operating Procedures;
- Redefinition of roles, functions and staffing of various clusters/units/sections;
- Establishment of a Business Intelligence, Research and Development Committee.

This report was completed and submitted to the Financial Services Good Governance and Institutional Reforms on 11 July 2017.

### **Financial Performance of Irrigation Authority – Financial Review**

The Terms of Reference for the Study was to assess the financial performance of the Irrigation Authority with a view to identifying its capacity to repay its borrowing/loans from the Ministry of Finance and Economic Development (MOFED).

Recommendations have been made to consider writing off outstanding loans subject to the Irrigation Authority coming up with a Restructuring Plan and to transfer irrigation projects to Water Users Cooperative Societies (WUCS) through management contracts. The Irrigation Authority has also been recommended to upload its financial/non-financial information on the Parastatal Information Management System (PIMS) for monitoring by the Ministry of Finance and Economic Development, improve good governance practices in terms of communication and reporting, explore and implement cost reductions in operations and to set performance indicators for the financial, agricultural and water-use performance of the WUCS.

The report was submitted to the Ministry of Agro-Industry and Food Security on 17 May 2017.

### **Enquiry at Mauritius Standards Bureau – Special Enquiry**

In February 2017, the Ministry of Financial Services, Good Governance and Institutional Reforms requested the OPSG to carry out a governance review with the following Terms of Reference *“to conduct an enquiry on the case and to submit a report”*. As such, as part of the review, the OPSG has had to look into anonymous allegations made against the present acting Director of the MSB.

Out of the four allegations, two were found to be unjustified. In respect of the two other allegations regarding a possible conflict of interest and suspicion of diverting business from MSB to another private party and the undertaking of private work on behalf of a foreign company, the OPSG has recommended that the issues be referred to ICAC for further investigation.

### **Complaints Against Road Development Authority – Special Enquiry**

In a letter addressed to the Hon. Minister of Public Infrastructure and Land Transport (MPI&LT), somebody made allegations on certain practices occurring at the Road Development Authority (RDA), namely that:

- (i) the appointment of the Chairperson of the Board of the RDA is not welcomed in the professional body;
- (ii) Expressions of Interest launched by RDA in 2015 whereby the firms selected to bid for the next stage have been carried out in a manner so as to favour a preferred Consultant; and
- (iii) mismanagement in the selection of consulting firms.

In view of the above, the Ministry of Financial Services, Good Governance and Institutional Reforms had requested the Office of Public Sector Governance (OPSG) “to undertake any action deemed appropriate”.

The Terms of Reference (TOR) has been agreed with the RDA to carry out a review of the appointment of the Chairperson and the Expressions of Interest launched in 2015.

The recommendations of the OPSG include, among others, the reference of a case of conflict of interest to ICAC for further investigation, the RDA should ensure that there is only one bid evaluation exercise for each Experience on Interest (EOI) and Request for Proposals (RFP) and that the Bid Evaluation Committee (BEC) should adhere to all the to the requirements of the EOIs/RFPs and the BEC should be consistent in its evaluation exercise.

The report was submitted to the Ministry of Financial Services, Good Governance and Institutional Reforms.

### **Proposals to reduce weaknesses identified by National Audit Office at the Ministry of Health – Follow-Up Report**

Some of the weaknesses, identified by the National Audit Office at the Ministry of Health and Quality of Life often tend to repeat over the years. In this context, the Ministry of Financial Services, Good Governance and Institutional Reforms has requested the Office of Public Sector Governance (OPSG) to develop new methodologies to address the issues highlighted in the National Audit Reports/Public Accounts Committee Report. The issues relate to the followings:

- (i) Procurement of Drugs, Medicine and Medical disposables and purchases from the local market;
- (ii) Stores Management - Pharmaceuticals and Medical Disposables;
- (iii) Procurement of Equipment;

- (iv) Procurement of Services (Cleaning/security);
- (v) Capital Projects;
- (vi) Assets Management; and
- (vii) Overtime, allowances and attendance.

The Public Accounts Committee (2015) Report had also made certain specific recommendations in respect of the Ministry of Health and Quality of Life.

Some of the major recommendations of the OPSG include, among others, erection of one big open space warehouse with computerized administration systems that would enhance the stock monitoring mechanism or outsourcing of warehouse management, creation of a network linking all the regional hospitals, planning of drug usage, control and management of expired drugs, etc.

This report was completed and submitted to the Financial Services, Good Governance and Institutional Reforms in October 2016.

#### **Audit and Risk Committee Charter – Audit Committee**

The Audit Committee Unit was in the process of formulating a revised Audit and Risk Committee Charter in lieu of the current Audit Committee Charter with due emphasis on risk management at organizational level.



## 2.2 STATUS ON IMPLEMENTATION OF BUDGET MEASURES

A number of measures were announced by the Minister of Finance in the Budget 2016-2017. Table below shows the status of the measures which pertain to OPSG:

**Table IV: BUDGET MEASURES PERTAINING TO THE OPSG**

Budget Measure	Status
Adoption of a Manual for Corporate Governance for SOEs	<ul style="list-style-type: none"> <li>❖ The revised National code of Corporate Governance was launched in February 2017 and is applicable as from the reporting year (financial period) ending 30th June 2018</li> </ul>
Conduct of Reviews (Governance, Organisational and Financial)	<ul style="list-style-type: none"> <li>❖ Regular organizational, governance and financial reviews are being carried out at Ministries/Departments/SOEs</li> <li>❖ A series of Audit Committees have been set up in Ministries and Departments</li> <li>❖ A Board Performance and Evaluation Questionnaire had been formulated to set up a performance appraisal system for Chairpersons, Board Members and Chief Executive Officers of public sector organisations.</li> </ul>
Monitoring implementation of national audit report recommendations	<ul style="list-style-type: none"> <li>❖ This is being addressed by Audit Committees established at public sector organisations and monitored by the OPSG</li> <li>❖ The OPSG is conducting a follow-up on the implementation of the recommendations of both the National audit Office and the Public Accounts Committee (2015)</li> </ul>

## 2.3 STATUS ON IMPLEMENTATION OF KEY ACTIONS – 2016/17

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**

<b>Key Action</b>	<b>Key Performance Indicator</b>	<b>Target</b>	<b>Status</b>
Consultancy Services to Public Sector Organisations	Number of organizational and financial reviews conducted	≥ 3	4 organizational and 1 financial review have been completed
Special Enquiries in the Public Sector	Number of special Enquiries carried out	To meet all requests commissioned	2 special enquiries have been conducted
Setting and Monitoring the Effectiveness of Audit Committees	Number of new audit committees Number of Assessment		1. Nil 2. 35 Audit Committees were assessed
Monitoring implementation of recommendations in National Audit Office's report	% of recommendations by the Director of Audit implemented	This is now the responsibility of respective Audit Committee – Target ≥ 75%	Assessment of effectiveness of Audit Committees not yet completed

## **2.4 RISK MANAGEMENT, CITIZEN ORIENTED INITIATIVES AND GOOD GOVERNANCE**

Upon the formulation of a revised Audit and Risk Committee Charter, 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 are being made 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 (20-1) 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 2016/17 are shown in the Table below.

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

##### Sub-Head 20-103: Good Governance

				Estimates 2016/17	Actual 2016/17	Over/(Under) Total Provision
Item No.	Details	In Post (2015/16)	Funded (2016/17)	Rs 000		
<b>RECURRENT EXPENDITURE</b>						
<b>21</b>	<b>Compensation of Employees</b>			<b>43,870</b>	<b>16,632</b>	<b>27,238</b>
<b>21110</b>	<b>Personal Emoluments</b>			<b>39,560</b>	<b>14,582</b>	<b>24,978</b>
.001	Basic Salary			16,400	12,393	4007
	Director General	1	1			
	Director	-	1			
	Lead Financial & Governance Analyst	2	7			
	Financial And Governance Analyst	7	16			

<b>VOTE 20-1: MINISTRY OF FINANCIAL SERVICES, GOOD GOVERNANCE AND INSTITUTIONAL REFORMS</b>						
<b>Sub-Head 20-103: Good Governance</b>						
	Senior Accounting Technician	4	4			
	Office Management Assistant	1	3			
	Management support Officer	1	1			
	Confidential secretary	1	2			
	Word Processing Operator	1	1			
	Office Care Attendant	2	2			
	<b>Total</b>	<b>20</b>	<b>38</b>			
.002	Salary Compensation			-	5	(5)
.004	Allowances			500	541	(41)
.005	Extra assistance			20,000	-	20,000
.006	Cash in lieu of Leave			950	634	316
.009	End-of-year Bonus			1,350	1,009	341
.010	Service to Mauritius Programme			360	-	360
<b>21111</b>	<b>Other Staff Costs</b>			<b>4,010</b>	<b>1,959</b>	<b>2,051</b>
.001	Wages			100	-	100
.002	Travelling and Transport			3,700	1,813	1,887
.100	Overtime			200	146	54
.200	Staff Welfare			10	-	10
<b>21210</b>	<b>Social Contribution</b>			<b>300</b>	<b>91</b>	<b>209</b>
<b>22</b>	<b>Goods and Services</b>			<b>1,930</b>	<b>795</b>	<b>1135</b>
22010	Cost of Utilities			275	164	111
22040	Office Equipment and furniture			250	30	220
22050	Office Expenses			135	86	49
22060	Maintenance			200	41	159
22100	Publications and Stationery			250	167	83
22120	Fees			800	288	512
22900	Other Goods and Services			20	19	1

<b>VOTE 20-1: MINISTRY OF FINANCIAL SERVICES, GOOD GOVERNANCE AND INSTITUTIONAL REFORMS</b>						
<b>Sub-Head 20-103: Good Governance</b>						
<b>Capital Expenditure</b>				<b>200</b>	<b>-</b>	<b>200</b>
31	Acquisition of Non-financial Assets			200	-	200
31132	Intangible Fixed assets					
.801	Acquisition of Software			200	-	200
<b>TOTAL</b>				<b>46,000</b>	<b>19,477</b>	<b>26,523</b>

### **Variance Analysis**

The total provision for financial year 2015/17 was Rs 46M and the actual expenditure for the same period amounted to Rs 19.477M resulting into an over appropriation of Rs 26.52M.

An unspent amount of Rs 27.238M 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 (5 posts), Financial and Governance Analyst (9 posts), Office Management Assistant (2 posts) and Confidential secretary (1 post) grades.

Consequently, the above staff issue gave rise to underspending of Rs 2.051M in respect to other staff costs including Travelling and Transport (Rs 1.887M). Fund provided under item “Social Welfare” amounting Rs 10,000 was not utilised for its purpose.

Under the item Goods and Services, there was a saving of Rs 0.111M for Cost of Utilities and Rs 0.229M for Office Equipment and Furniture. This too is related to non-recruitment of additional staff.

A sum of Rs 0.159M 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 0.83M and books were not purchased as per the established plan.

Some Rs 0.512M was unspent under item “Fees” as four workshops were planned but were not organized during that financial year. This item as well included fund provided for payment of subscriptions to professional bodies for planned additional staff. Funds appropriate under this item were underspent by not having to pay subscriptions as there was no filling of vacancies for professionals (Lead Financial and Governance Analyst and Financial and Governance Analyst).

Lastly, a sum of Rs 0.2M 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**

During this year (2016/17), the OPSG had to operate with limited resources in terms of manpower. However, the year 2017/18 will be more challenging as the OPSG will be called upon to carry out various forms of reviews and formulate modern and up to date solutions to public sector organizations.

##### **Institutional Reforms**

There is growing expectations from all stakeholders for major reforms in public sector institutions enabling them to deliver quality service at optimal cost, better corporate governance and a new culture of ethical and accountable practices. The OPSG will assist in the reform of public sector organizations with a view to ensuring that their services are responsive to the needs of the public.

##### **Revised Code of Corporate Governance**

Besides, the OPSG has played a major role by participating in the consultative process towards the preparation of the Code and shall ensure that the principles as contained in this Code are being adopted by Public Sector organisations. A new Code has been prepared by our Ministry and launched on 13 February 2017. The OPSG shall ensure that the principles as contained in this Code are being adopted by Public Sector organisations. Sensitization workshops on the revised Code will be planned for 2017/18.

##### **Risk Management in Audit Committees (AC)**

The OPSG will carry on requesting public sector organisations to expand the scope of their AC to also include risk management in their audit plan in line with the Audit Committee Charter. In



that respect, a guideline paper on Risk Management is being prepared to assist Ministries/Departments in implementing risk management. This paper will be circulated to all Ministries/ Departments where Audit committees have been set up.

Henceforth, Ministries/Departments will also be assessed on the implementation of risk management measures.

In addition, the OPSG should enhance the effectiveness of audit committee through creating awareness of audit committee to the concerned Ministries/departments through sensitization

## **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.