Circular No 13 of 2017

MY REF : CF 40/30/11 V3
From : Financial Secretary
To : Supervising Officers-in-Charge of Ministries/Departments and Accounting Officers


The Statutory Bodies (Accounts & Audit) Act and the Financial Reporting Act have been amended in the Finance (Miscellaneous Provisions) Act 2017 with a view to strengthening accountability and transparency in public financial management relating to statutory bodies.

2. Please find attached extracts from the Statutory Bodies (Accounts & Audit) Act (Annex I) and the Financial Reporting Act (Annex II) where amendments have been brought by the Finance (Miscellaneous Provisions) Act 2017.

Statutory Bodies (Accounts & Audit) Act

Performance Agreement

3. Every statutory body specified in the First Schedule to the Act is required to prepare and agree with its Ministry a performance agreement, not later than 1 April in every year, in respect of the next financial year, incorporating its key performance indicators on its targeted output.

4. The first performance agreement, as per format at Annex III must be made not later than 1 April 2018 in respect of the financial year 2018-2019.

Annual estimates

5. In the preparation of Annual Estimates, the statutory body should ensure that it does not enter into financial obligations in excess of its present and future financial capacity. In this context, the statutory body is advised to monitor its accounting ratios such as liquidity, solvency, profitability, repayment capacity or financial efficiency and ensure that it is on track.
Submission of annual report

6. The chief executive officer of a statutory body is now required to submit its annual report to the auditor, not later than 4 months after the end of every financial year.

Disciplinary action for non-compliance

7. Where the chief executive officer, or any other officer, of a statutory body does not properly perform his duties with the result that the requirements relating to report on performance, time limit for the submission of annual estimates, and annual report are not complied with, the Board of the statutory body may, after giving an opportunity for the officer to be heard, take appropriate disciplinary action against the officer.

8. Following the amendment made, the supervising officer of the Ministry will now have the authority to monitor any disciplinary action taken by the Board.

Remuneration and fringe benefits of staff of statutory body

9. Following the new provision of section 7B, the remuneration and fringe benefits of the staff of a statutory body will be governed by that provision. Where the Board determines that the remuneration and fringe benefits shall be different from those governed by the Pay Research Bureau, it will have to seek the concurrence of the high-powered committee and the written approval of the Minister to whom responsibility for the statutory body concerned is assigned. However, employees when offered a reviewed salary and/or other terms and conditions of employment will need to opt for those terms, subject to any future review of salaries being governed by the terms of section 7B.

10. Section 7B also provides that every review of the conditions of service of a statutory body shall, subject to any collective agreement signed before the commencement of that section, i.e 24 July 2017, be made every 5 years.

11. Where the collective agreement provides that the review period of the conditions of service is less than 5 years, the statutory body must ascertain the validity period specified in the collective agreement to enable it to determine the date of the review period.

12. Where pursuant to any other agreement entered into by the statutory body and its employees or a recognised trade union or any other document or correspondence exchanged between the statutory body and its employees or a recognised trade union, the employees have an acquired right to a salary review exercise to a periodic review of less than 5 years, the Board of the statutory body will have to determine whether it will proceed with the review exercise within a shorter review period.
13. Where a review of the conditions of service has been made and implemented before 24 July 2017, the 5-year period shall on 24 July 2017 be deemed to start as from the date of the last review, e.g where the last review was made and implemented on 1 July 2014, the next review can only be made and implemented on 1 July 2019.

Financial Reporting Act

14. To ensure consistency in the application of accounting standard in the Public Sector and in line with Government reform to develop a modern accounting and reporting framework, the Financial Reporting Act has been amended to provide that the 16 Public Interest Entities (PIEs) which are also listed in the Statutory Bodies (Accounts & Audit) Act to prepare their Financial Statements under accrual IPSAS for financial year 2017-2018. A list of the 16 PIEs is at Annex II and they are specified in the first column of the Third Schedule of the Financial Reporting Act.

15. I am directed to kindly request you to relay the contents of this Circular to the attention of Chairperson and members of Boards/Councils and Chief Executive Officers of statutory bodies under the aegis of your Ministry.

A. Acharuz
for Financial Secretary
Annex I

Extracts from the Statutory Bodies (Accounts and Audit) Act following amendments made in the Finance (Miscellaneous Provisions) Act 2017

4A. Report on performance

(1) Every statutory body shall, not later than 31 October in every year, submit to the Minister a report on its performance in respect of the previous financial year and on its strategic direction in respect of the following 3 financial years.

(2) Every statutory body shall, not later than 1 April in every year, in respect of the next financial year, mutually agree with the Ministry on, and have in place, a performance agreement which shall include key performance indicators on the targeted output of the statutory body.

[Inserted 26/2013, Repealed and Replaced 1/2015, Amended 10/2017]

4B. Annual estimates

(1) Every statutory body shall, not later than 28 February in every year, submit to the Minister, in respect of the following financial year, estimates of income and expenditure, both recurrent and capital, prepared on a 3-financial year rolling basis, the estimates for the first year of every such period of 3 financial years requiring approval by the Minister.

(2) Every statutory body shall, in the preparation of the estimates referred to in subsection (1), ensure that it does not enter into financial obligations in excess of its present and future financial capacity.


7. Submission of annual report

(1) The chief executive officer of every statutory body shall, not later than 3 months after the end of every financial year, submit to the Board for approval the annual report referred to in section 6A in respect of that year.

(2) After approval by the Board, the chief executive officer shall, not later than 4 months after the end of every financial year, submit the annual report to the auditor.

(3) The auditor shall, within 6 months of the date of receipt of the annual report pursuant to subsection (2), submit the annual report and his audit report to the Board.

7A. Disciplinary action for non-compliance

(1) Where, in the opinion of the Board, the chief executive officer or any other officer of a statutory body –

(a) has not properly performed his duties with the result that the requirements of sections 4A, 4B, 6A and 7(1) and (2) cannot be complied with within the prescribed time; or

(b) does not comply with any other provision of this Act or the enactment establishing the statutory body,

the Board may, after giving an opportunity for the officer to be heard, take appropriate disciplinary action against the officer.

(2) The supervising officer of the Ministry shall monitor any disciplinary action taken under subsection (1).


7B. Remuneration and fringe benefits of staff of statutory body

(1) Subject to this section, the remuneration and fringe benefits of the staff of a statutory body shall be governed by the Pay Research Bureau.

(2) Where Cabinet has taken note that a statutory body shall not fall within the purview of the Pay Research Bureau, the Board of that statutory body shall, in respect of remuneration and fringe benefits of its staff, seek the approval of the high-powered committee.

(3) Where the Board of a statutory body determines that the remuneration and fringe benefits of its staff shall be different from those governed by the Pay Research Bureau, the Board shall seek the prior written approval of the Minister, subject to the concurrence of the high-powered committee.

(4) Subject to subsection (5), every review of the conditions of service of a statutory body shall, subject to any collective agreement signed before the commencement of this section, be made every 5 years.

(5) Where, before the commencement of subsection (4), a review of the conditions of service has been made and implemented, the 5-year period shall, on the commencement of subsection (4), be deemed to start as from the date of the last review.
(6) In this section—

"high-powered committee" means a committee—

(a) chaired by the Secretary to Cabinet and Head of the Civil Service or his representative; and

(b) comprising—

(i) the Financial Secretary or his representative;

(ii) the Senior Chief Executive of the Ministry responsible for the subject of civil service or his representative; and

(iii) the Director, Pay Research Bureau, or his representative.

[Inserted 10/2017]

**FIRST SCHEDULE**

[Section 2]

**STATUTORY BODIES**

<table>
<thead>
<tr>
<th>Body</th>
<th>Established/Set up under the –</th>
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<tbody>
<tr>
<td>Aapravasi Ghat Trust Fund</td>
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Mauritius Sports Council
Mauritius Standards Bureau
Mauritius Tamil Cultural Centre Trust
Mauritius Telugu Cultural Centre Trust
Mauritius Tourism Promotion Authority
Media Trust
National Adoption Council
National Agency for the Treatment and Rehabilitation of Substance Abusers
National Art Gallery
National Children’s Council
National Computer Board
National Council for the Rehabilitation of Disabled Persons
National Economic and Social Council
National Heritage Fund
National Institute for Co-operative Entrepreneurship
National Library
National Productivity and Competitiveness Council
National Solidarity Fund
National Transport Corporation
National Women’s Council
National Women Entrepreneur Council
National Youth Council
Nelson Mandela Centre for African Culture Trust Fund
Open University of Mauritius
Outer Islands Development Corporation
Private Secondary Schools Authority
Professor Basdeo Bissoondoyal Trust Fund
Public Officers’ Welfare Council
Rabindranath Tagore Institute
Rajiv Gandhi Science Centre Trust Fund
Ramayana Centre
Rights Management Society
Road Development Authority
Rose Belle Sugar Estate Board
Sanskrit-speaking Union
Seafarers’ Welfare Fund
Senior Citizens Council
Sir Seewoosagur Ramgoolam Botanic Garden Trust
Sports Act
Mauritius Standards Bureau Act
Mauritius Tamil Cultural Centre Trust Act
Mauritius Telugu Cultural Centre Trust Act
Mauritius Tourism Promotion Authority Act
Media Trust Act
National Adoption Council Act
National Agency for the Treatment and Rehabilitation of Substance Abusers Act
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National Children’s Council Act
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Public Officers’ Welfare Council Act
Rabindranath Tagore Institute Act
Rajiv Gandhi Science Centre Trust Fund Act
Ramayana Centre Act
Copyright Act 2014
Road Development Authority Act
Rose Belle Sugar Estate Board Act
Sanskrit-speaking Union Act
Seafarers’ Welfare Fund Act
Senior Citizens Council Act
Sir Seewoosagur Ramgoolam Botanic Garden Trust Act
Sir Seewoosagur Ramgoolam Foundation
Small Farmers Welfare Fund
Small and Medium Enterprises Development Authority
St Antoine Planters Co-operative Trust
State Trading Corporation
Sugar Cane Planters Trust
Sugar Industry Labour Welfare Fund Committee
Sugar Insurance Fund Board
Tamil-speaking Union
Telugu-speaking Union
Tertiary Education Commission
Tourism Authority
Tourism Employees Welfare Fund
Town and Country Planning Board
Trade Union Trust Fund
Training and Employment of Disabled Persons Board
Trust Fund for Specialised Medical Care
Université des Mascareignes
University of Mauritius
University of Technology, Mauritius
Urdu-speaking Union
Vallée d'Osterlog Endemic Garden Foundation
Waste Water Management Authority
World Hindi Secretariat

Sir Seewoosagur Ramgoolam Foundation Act
Small Farmers Welfare Fund Act
Small and Medium Enterprises Development Authority Act
St Antoine Planters Co-operative Trust Act
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Sugar Cane Planters Trust Act
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Tertiary Education Commission Act
Tourism Authority Act
Tourism Employees Welfare Fund Act
Town and Country Planning Act
Trade Union Trust Fund Act
Training and Employment of Disabled Persons Act
Trust Fund for Specialised Medical Care Act
Université des Mascareignes Act
University of Mauritius Act
University of Technology, Mauritius Act
Urdu-speaking Union Act
Vallée d'Osterlog Endemic Garden Foundation Act
Waste Water Management Authority Act
World Hindi Secretariat Act

Extracts from the Financial Reporting Act following amendments made in the Finance (Miscellaneous Provisions) Act 2017

75. Compliance by public interest entities

(1) Where a public interest entity is required under any enactment to prepare a financial statement or report, it shall ensure that the financial statement or report is in compliance with the financial reporting requirements of this Act or any other relevant enactment, any regulations or rules made under this Act and with the IFRS.

(1A) Notwithstanding subsection (1), the entities specified in the first column of the Third Schedule shall prepare financial statements in compliance with the International Public Sector Accounting Standards (IPSAS) issued by IFAC.

(2) (a) Every public interest entity shall, adopt, and report on, corporate governance in accordance with the National Code of Corporate Governance.

(b) Notwithstanding paragraph (a), wholly owned subsidiaries shall adopt the National Code of Corporate Governance but may not, other than wholly owned subsidiaries regulated by the Bank of Mauritius or the Financial Services Commission, report on corporate governance where their ultimate holding company already complies with the Code.

(3) Every public interest entity under subsection (2) shall submit to the Council a statement of compliance with the Code of Corporate Governance and where there is no compliance, the statement shall specify the reasons for non-compliance.

[Amended 14/2009, 27/2012, 10/2017]

FIRST SCHEDULE
[Section 2]

ENTITIES

Item 4(2) Any group company which has, during 2 consecutive preceding years, at least one of the following –

(a) an annual turnover exceeding one billion rupees; or

(b) total assets exceeding one billion rupees.

Amended Act 10/2017
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<thead>
<tr>
<th>Entity</th>
<th>Acts under which established/set up</th>
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*Added 10/2017*
PERFORMANCE AGREEMENT

BETWEEN

MINISTRY

AND

STATUTORY BODY
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