

THE NATIONAL ASSEMBLY OF SEYCHELLES



THE FINANCE & PUBLIC ACCOUNTS COMMITTEE

REPORT ON THE FINDINGS OF THE OFFICE OF THE AUDITOR GENERAL'S 2023
REPORT

PUBLIC HEARINGS OF 2025

7th Assembly

THE FINANCE & PUBLIC ACCOUNTS COMMITTEE is empowered to consider the accounts referred to in article 158(3) of the Constitution; report to the Assembly on any excess of authorised expenditure; propose any measure necessary to ensure that the funds of the Government are properly and economically spent; and examine the financial statements of any public or statutory body.

Powers

The Committee is a Standing Sessional Committee under Article 104 of the *Constitution*, the powers of which are set out in the *National Assembly Standing Orders, 2020* and *Part III of the National Assembly (Privileges, Powers & Immunities) Act, 2011*.

Committee Staff

The Committee is assisted by *Ms. Alexandria Faure* (Secretary), *Ms. Sheryl Rangasamy* and *Ms. Lucy Michel* (Secretary Assistants).

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The following Members of the Finance & Public Accounts Committee undersigned, submit this Report dated Tuesday 5th August 2025:

Hon. Sebastien Pillay
Chairperson

Hon. Terence Mondon
Vice-Chairperson

Hon. Sandy Arissol
Member

Hon. Churchill Gill
Member

Hon. Georges Romain
Member

Hon. Richard Labrosse
Member

Hon. Conrad Gabriel
Member

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EXECUTIVE SUMMARY

This Report cross examines 15 entities from the list in Annex One that was summoned before the Committee based on the key audit findings of the 2023 Report of the Office of the Auditor General (OAG) submitted to the National Assembly in accordance with Article 158 (3) of the Constitution.

All the entities were summoned on the basis of clarifying the discrepancies published, gathering evidence and proposing the implementation of corrective measures. Findings in this Report presents relevant audit discrepancies, analyses and concerns from the OAG alongside a summary of the responses provided in the Hearings including a financial scrutiny analysis with recommendations.

Considerable discrepancies and deficiencies that warranted scrutiny were identified in the Report and during the Hearings. As a result the Committee has identified the below major issues:

- i) *Persisting and ongoing gaps in knowledge of laws and regulations, procedures and processes from the Accounting Officers and administrative employees which are deemed highly concerning.*
- ii) *Situations of overpayments which have not been recovered which are recurring.*
- iii) *Persistent poor adherence to procurement regulations which also include ineffective internal control structures and oversight on payments of sums of substantial value.*
- iv) *A lack of imperative record keeping supporting financial transactions, rental agreements and contracts.*
- v) *Inefficient asset management systems which include serious lapses in monitoring and evaluation mechanisms.*
- vi) *Continued delayed and unthorough oversight and scrutiny by the Ministry of Finance.*
- vii) *Debts which continue to accrue whereby repayments are not proactively recovered.*

There are entities that are pending and have not appeared before the Committee which are; Social Workers Council; Truth Reconciliation & National Unity Commission; the Ministry of Finance, the Public Service Appeals Board; and the Department of Youth & Sports. The Health Care Agency Mortuary and Postmortem Fee Collection were not addressed as it is under investigation by the law enforcement agencies.

The complete verbatim of each Hearing is kept and can be made available to any requesting member of the public and is available on the website of Parliament. The evidence submitted by each entity in response to the letters sent by the Committee is listed in the Annexes of this report.

In its role of oversight, the Committee holds the Executive accountable for its management of resources, efficiency in revenue collection, expenditure of public funds and proper accounting for state assets. Government spending is driven and directed towards achieving national objectives and delivering a better service to the public that is value for money. The Committee is regarded as a key component in the process of ensuring good governance, transparency, and accountability.

1.0. INTRODUCTION

The annual report of the Auditor General's Office for the year 2023 presented consistent audit findings across the entities examined. Persistent challenges are reported in relation to non-adherence to procurement regulations and procedures, inefficient fixed assets management, inefficient transport fleet and fuel management, and ageing debtors. These challenges are at times in addition to unique challenges or shortfalls experienced by entities in relation to the nature of their operations, lack of human resources and general non-adherence to laws and regulations. The Finance and Public Accounts Committee conducted hearings based on the findings of this report in April & May 2025. These findings from the Public Hearings are detailed in the following section.

2.0. OUTCOMES OF THE PUBLIC HEARINGS

2.1. DELAYS IN SETTLING INVOICES/OVERPAYMENTS AND NON-RECOVERY OF FUNDS/OTHER EXPENDITURES:

Delays in settling invoices, overpayments, the non-recovery of funds and other expenditures pose challenges to multiple entities as has been observed in the various public hearings held on the report of the auditor general. This amounts of non-recovery of funds that is leaving a gap of more than SCR7 Million of which can be re-directed towards other projects and developments across Government. These challenges may affect the efficiency with which an entity operates. The Auditor General's annual report of 2023 details audit findings of this nature across several entities, some high ranking and some independent institutional bodies.

The *Attorney General's Office* at the date of the public hearing were still not able to prove that the overpayments have been pursued and recovered from the total of overpaid subsistence allowances at the sum of SCR15,309. This is also observed with the *ANHRD* whereby there is a lack of proactivity to recover outstanding loans at the value of SCR6,757,053. This displays an inefficacy in the ability of entities to have the necessary internal controls in place to firstly, avoid these types of overpayments with the proper record keeping and secondly ensure the utmost necessary is done to recover the payments in a timely manner. There were further issues in relation to the revenue collection of *ANHRD* where parental contributions were not settled and approvals were provided in contradiction with established policies.

Delays in settling invoices are also persistent issues that affect entities from achieving their strategic and national obligations. The *Seychelles Prison Services* have throughout the years consistently faced these issues which demonstrate weaknesses in the financial internal structures of the organisation. Despite the ongoing deficiencies, the Prison have recruited a dedicated officer tasked with collecting invoices and keeping the necessary records for prompt follow up and tracking. This links to similar issues being faced by the *Seychelles Revenue Commission* where unpaid bills at the valued of SCR1,096, 704 are a matter that continues to persist.

2.2 AGEING DEBTS:

The long-term effects of Government debt cannot be ignored and have negative impacts on the ability of the Executive to deliver necessary services to its citizens. There are clear instances of lapses in the different entities examined to recover debts and payments to outstanding bills as mentioned in the previous chapter. The enforcement of contracts are important in order to ensure that the entities/agencies have some sort of legal authority, and this extends to ensuring timely actions are taken as some incidents relate to a time lapse in follow ups of repayments and serious discrepancies in record keeping which contributes to continual ageing debtors. From the entities examined it is evident that there is a total value of more than SCR 5 Million of debt which is yet to be recovered. Entities such as the *Department of Police* have an aged debtors balance at the value of SCR2,339,574 as at 31.07.2023 with 50% of the debtors being from the private sector and the other half from the Government. The effects of the COVID-19 pandemic are still being felt with some companies failing to settle debts coining economic recovery from the pandemic as a the main reason.

This includes a lack of record keeping and the active pursuance of refunds. The Committee discussed whether there has been engagement with the Ministry of Finance to address recovering these debts especially those accumulating from the Government and this can be deemed as quite serious. This further extends once again to the *Seychelles Revenue Commission*, that have a further SCR2 Million of debts in the ASYCUDA on outstanding bills. Despite this, the *Department of Police* and the SRC confirming that they are following up on repayments and the Committee is of the opinion that more should be done to recover these funds even suggesting legal consequences.

Tighter measures should be taken with debtors that do not settle their debts as this creates a serious fiscal shortfall in the government purse. In furtherance, entities such as the *Seychelles Maritime Security Authority* had an absence of a proper system to ensure that money collected from all invoices issued by the SMSA were carried out. The Authority explained that they continuously review the debtors list for departing vessels and that one of the challenges is the time it takes for the confirmation of payments when they are made through bank transfers resulting in additions to the debtor's list.

The audit of the *Seychelles Bureau of Standards* (SBS) revealed that from December 2021 to December 2022, there was an increase of 34% in accumulated debts and that the Bureau did not have an approved credit policy or an effective follow-up procedure to address this issue. The Bureau stated that they have many customers who continuously request services, which are requested at different periods with invoices posted between 1-30 days resulting in the increase. The Bureau further explained that follow ups are conducted continuously and that this is treated as a priority.

2.3. PERSISTENT NON-ADHERANCE TO PROCUREMENT REGULATIONS & PROCEDURES:

Public procurement in Seychelles is legislated by the Public Procurement Act which establishes procurement operating thresholds. The Procurement Oversight Unit (POU) aims to ensure compliance with procedures as prescribed by the legislative framework. The failure to adhere to established procurement regulations has remained a key shortfall raised in the annual audits of entities with the report of 2023 being no different which highlighted issues across eight entities.

A recurring issue of non-adherence is the consistent failure to obtain the required three quotations during the procurement process. Acquiring alternative quotes is done in efforts to ascertain value for money during procurement. In the case of the *Attorney General's office*, for instance, the audit revealed that a payment of SCR73,875 did not follow the pre-requisite of three quotations which was for disassembling transportation and reassembling furniture for the shifting of offices. It was explained that an internal memo signed by the HR Assistant was provided in regard to the chosen supplier. It was confirmed that although it could have been the best supplier there should have still been three quotations sought to seek value for money. Similarly, the audit of the *Public Health Authority* (PHA) revealed that payments of SCR64,000 and SCR57,000 did not seek the requisite three quotations to ensure competitiveness of prices. It was explained that the payment of SCR64,000 was made for a team building activity and only one supplier responded. Furthermore, the PHA stated that the payment of SCR57,000 was made for the rental of marquees which was carried out at a short notice for a three-day event.

Non-adherence to procurement requirements was also an issue revealed in the audit of the *Health Care Agency* (HCA). The audit did not find the requisite 3 quotations in 3 payments amounting to SCR362,627 (SCR110,400 in respect of sewing uniforms, SCR134,206 for cleaning services including fungus treatment and SCR118,021 for spare parts for syringes/infusion pump). The payments were made based on invoices received from the suppliers without seeking prior quotations for comparison. The HCA acknowledged that they were not in compliance with the procurement regulations as they did not seek 3 quotations. The HCA explained that the special dispensation afforded to the HCA under the procurement legislation is only applicable for medication and medical consumables which are covered under the Ministry of Health's internal procurement committee and the Ministry's authority to approve pharmaceutical products and medical consumables is legislated for. The Committee stated that proper documentation and approvals should be sought from the POU for such procurement. In regard to the fungus infestation in the ward and the urgency of the situation, the HCA decided to seek a quotation from a supplier who has done previous works performed in accordance with the required standards. As a corrective measure, the HCA has a maintenance company whose service operates on a 24/7 basis to tackle any issues as they arise.

In regards to the uniform, the HCA acknowledged that one supplier provided the service at three instances which caused the HCA to be in excess of the procurement threshold and this was an oversight. The HCA further explained that there were 4 suppliers that they were working with, however this may not have been clear in the audit process. In terms of the spare parts for the

syringes and the pump, there were certain standards on biomedical equipment which are very specific which is why 3 quotations were not sought. The Committee recommended that these justifications need to be on record.

Shortcomings in procurement processes extend to weaknesses in contract management. The audit of the HCA, for instance, examined a sample of high value procurements of recurrent nature and noted 9 cases where the suppliers were paid multiple times for a total of SCR13,722,403 during the year 2022 without observing the necessary tender procedures, prior approval of POU and further, the contracts stipulating the terms and conditions of both parties and the payment conditions. The HCA acknowledged the findings and stated that there are more services being provided to that necessitates contracts. The Agency highlighted that one of the areas of improvement is contract management and they have started an exercise to centralise all contracts within one unit to better understand these. The HCA further explained that they are taking steps to establish a contract management structure.

Another procurement issue highlighted in the audit was the Agency's expenditure on food and ration supplies for the year 2022 which included payments totalling SCR23,228,981 to one supplier. The audit review of records revealed that the engagement with the supplier was without the tender documents, prior approval of the POU and a contract stipulating the terms and conditions and the payment terms. The HCA explained that they had had a contract with the supplier in 2018 and when the Agency had requested an extension of the contract from the Ministry of Finance, because there were no other suppliers coming forward, the Ministry conducted an assessment and decided to revisit the contract. The POU had agreed to extend the contract until 2020, however it is the period of 2020 to 2023 where there was no contract. During this time the Agency explained that efforts were made to contact other suppliers through tender processes. The Agency assured the committee that there is now a contract with this supplier and that this process was done in consultation with the Ministry for finance.

The audit of the *Ministry of Education* revealed that direct bidding for the school meals was not justified for the significant amount of SCR19,447,613 on two separate management contracts. The contract was reviewed and there were concerns after the expiration in April 2024 which related to different clauses in the contract that needed amending. The Ministry confirmed that the contract is still being reviewed as per the recommendations from the Auditor General and it was confirmed that in June 2025 this contract will be reviewed and finalised. There is a lack of oversight on the value for money due to lack of periodical reviews and monitoring of school meals to ensure the standard and value for money of the product. More transparent measure will be undertaken to monitor the value for money of the school meals which includes in site visits and better tendering processes. It was raised that it is imperative to follow procurement regulations and seek approvals and consultations from the POU.

Internal structures and controls are also crucial to ensure the efficacy of procurement. For the *Seychelles Prison Services* (SPS), it was highlighted during the hearing that, in addition to not following procurement procedures for SCR1,581,178 to one transport bus operator, when transports require repair, the Prison has to hire buses and vehicles with operators to reduce the

impact on their operations. As a corrective measure, the Committee proposed the implementation of a procurement policy and the tendering of several operators to ensure that procurement regulations are being safeguarded and adhered to.

The Committee also made recommendations to the *Human Rights Commission* to develop an internal financial manual mirroring the government procedures and regulations to ensure adherence to public finance management protocols. This recommendation was made as a general corrective measure to the finding of the audit where there were 13 cases of a payment made to an individual totalling R102,000 for the contracting of IT Services instead of to a company.

In the case of the *Department of Defence*, they are in discussions with STC in regards to an MOU and the procurement of consumable goods and cleaning materials. POU had given the directive to enter into an MOU as a direct bidding process. The Committee requested that further evidence be submitted to the OAG to showcase the evidence of discussions with STC and the infrastructures being put in place to ensure the implementation of the MOU and the consistent supplies required by the Department of Defence.

The audit of the *Seychelles Fire Rescue and Services Agency (SFRSA)* revealed that in 14 cases, the internal requests for the purchase of goods and services and LPOs were raised after the goods had already been procured and received indicating that the authorisation procedures were merely a formality, and the same was not operating effectively. The agency provided examples that these occurrences were for emergency purchases during emergency situations to ensue that the fires can be addressed.

2.5 MISMANAGEMENT OF FIXED ASSETS & STOCKS MANAGEMENT:

Management of state assets is a cornerstone of good governance, transparency and accountability. The gaps in updated asset registers, lapses in physical verifications and the general mismanagement of assets across the different entities examined are concerning and can be considered as a culture of non-compliance. Developing and implementing a comprehensive asset management policy is a critical responsibility which the Committee deems a crucial step in addressing the persistent issues that are continuously addressed. Some entities such as the *Attorney General's Office* and *Seychelles Infrastructure Agency* have taken active steps in updating the fixed assets register. The AG's Office had issues with damaged assets which need to be written off and for the completion of reconciliation. There were concerns highlighted by the majority of entities whereby many of the issues brought forward were contributed by the DICT system which needs to be thoroughly reviewed due to its reported rigidity and time-consuming manual entry.

There were other audit issues which were noted by the committee involving certain necessary procedures for the registration of assets. In the case of the *Seychelles Human Rights Commission*, assets at the total value of SCR1, 125,903 were not acknowledged through the 'Goods Received Note' and the necessary stamping and sign off. This reveals certain lapses in internal controls that have been deemed to be addressed. This was also highlighted with the Public Health Authority

whereby periodical physical verifications and documentation on signees were not sighted. The *Department of Defence* is another entity that has made concerted efforts to monitor its stock levels through the use of a secure computerised system in addition to reinforcing more manpower dedicated to its management and to input the necessary controls. The *Seychelles Fire, Rescue & Services Agency* despite facing similar issues with unmaintained assets register the agency put in place measures to ensure its proper management. This has been achieved through the implementation of a dedicated division to ensure the necessary compliance is maintained.

For larger entities that face challenges with managing and sustaining records of assets, a review of the inserting internal controls should be considered. In the case of the *Health Care Agency*, audit noted that in 25 cases involving a total of 582 asset items costing SCR18,147,276 were not yet recorded in the Fixed Assets Register. The Agency explained that they were experiencing difficulties using the software provided by the Ministry of Finance to key in their assets, it is assumed this related to the DICT system mentioned above. At the time of the audit, the Agency explained that they only had one asset officer. However, at the time of the hearing, the Agency confirmed that they are in the process of recruiting another officer which the Committee is comforted by this development and deems it crucial for the efficient and compliant management of assets.

2.6 INEFFICIENT TRANSPORT & FUEL MANAGEMENT:

Efficient governmental fleet management involves the strategic oversight of public owned vehicles and involves optimizing efficiency and cost-effective service delivery. Fleet management can be considered a challenge for several entities that were examined during the public hearings. There were entities such as the *Attorney general's Office* and the *Seychelles Infrastructure Agency* that sustained audit issues relating to the lack of maintained mileage records and logbooks. The latter has implemented a weekly review of the logbooks to ensure the necessary oversight to ascertain patterns of usage.

Aging fleets are also an issue which needs to be addressed and reviewed as they can incur additional costs. In the case of the *Seychelles Prison Services*, audit highlighted an increase of maintenance costs due to an aging fleet from SCR859,503 to SCR1, 826, 239. This is further exasperated with SCR 2,092,256 spent on vehicle hire as a mitigation measure. The Committee questioned on whether a cost analysis was being carried out to ascertain the way forward. The Commissioner confirmed that the increase is not acceptable and that the fleet needs to be replaced despite the fact that some new vehicles were purchased which relieves some of the financial pressure.

The Department of Defence under this category had some findings relating to lack of record keeping and fuel consumption which is deemed to be an ongoing issue for many other entities throughout the years. The Committee enquired on the tracking of transportation through the use of GPS system. The Department has 90 transports in its fleet which are currently being managed by the Department without a GPS system. It was highlighted that the cost of the GPS system was substantial and there were deep concerns on the control of the data and its protection. The

Committee suggested that this be re-visited to ensure the necessary monitoring and proficient management of the fleet of the Defences forces. This pertains to the control of fuel consumption at the total value of SCR3,253,730 not include fuel for vessels and aircraft. It is imperative that this be controlled and monitored closely to mitigate the risk of unregulated expenditure.

2.7 LACK OF RECORD KEEPING:

The maintenance of records and documentation is critical for efficient operations, management of resources, and accountability. The audits conducted across various entities revealed shortfalls in records management in various instances. Some entities have taken corrective action to address such issues. For the *Seychelles Infrastructure Agency (SIA)* for instance, the delays in updating the payroll was raised. The Agency stated that these records have been updated and that the appropriate checks have been put in place. The *Human Rights Commission* have also undertaken corrective measures to address the issue audit raised in relation to the absence of an approved register/nominal roll for the orderly process of payroll and to provide better post numbers to different level of staff. The Commission highlighted that they have established a structured nominal roll.

The audit of the *Department of Police* revealed a lack of documentation for the use of forms to raise invoices and carry out payments. This includes to pay overtime and balance with the payroll. Arrears in this respect is a total of SCR1.4 Million. Corrective measures include the introduction of pre-printed forms to ensure the necessary oversight and controls are carried out. There were also discussions on the oversight and necessary record keeping in regards to cash handing over. The Department confirmed that this is filed and signed and that a book has been introduced for the proper handing over procedures.

In regard to the *Ministry of Education*, it was found that no project file was kept by the Ministry for the Anse Royale Creche project which demonstrates a serious lapse in record keeping of important documents such as tender documents, contracts, work plans, certifications etc. It was noted that the contracted contractor was paid in surplus at SCR4, 415, 060. The Committee enquired on the surplus payment and how this payment is begin recovered. It was confirmed that SIA has copies of all the documents despite this file being missing at the Ministry. The overpayment was highlighted to have been recovered for outstanding claims during the COVID-19 pandemic and the outstanding works has been carried out and completed.

The audit of the *ANHRD* revealed that the student database was not updated to track and monitor the overseas training fund in the Student Training Management System (STMS) there was a back log which dated back to 2022. They stated that they will be getting two students to assist with the task of updating. It was also noted that communication with DICT is underway to add more variables. The records are still not up to date. Working with UNESCO to implement a proper database at the Ministry to ensure the necessary record keeping across the schools and different levels. It was confirmed that it could take at least three years to complete the updating of the information and move from one database to the other. Further inadequate supporting documents

existed in relation to application forms for courses at the total value of SCR16,039,092. The agency has now reviewed the application form to ensure that the necessary documentations are kept.

The audit of the *Seychelles Revenue Commission* (SRC) highlighted inconsistencies in bill of entry assessments and an update on the status of the investigation of the specific case. The investigation was carried out and the necessary cross examinations carried out. The Commission emphasised that investigations were carried out in full compliance with international obligations. There was a clear disparity in following processes in an ethical and fair manner. Major discrepancies were highlighted with ASYCUDA and the Commission confirmed that an upgrade to the system is being carried out. There is work underway to observe the anomalies and review the information to ensure its credibility.

Upon conducting the audit of the *Department of Agriculture* it was highlighted that disbursements at the total value of SCR9,441,603 were not satisfactorily reconciled as per the applicable financial controls. Reconciliation was being doing monthly and is now being updated as such. There are further anomalies which were identified in the disbursements of animal feed subsidies and the Department confirmed that this has been addressed and that all the necessary procedures are complied with.

The audit found that the *Seychelles Maritime Security Authority* (SMSA) is using a software, the Maritime Licensing System (MLS) to record transactions pertaining to granting licenses, accounts procedures, and other information. It was revealed that the system was lacking a mechanism to enable the verification of the completeness of the database in terms of licensable vessels, ships, and boats meaning that, in the absence of this, it is possible that there may be revenue leakage. The Authority explained that the system manual at the moment, however will transition to a digital system in the future, and once this occurs the processing will be facilitated. The Authority further explain that they can always request the data input into the software from the DICT to verify, a practice which they currently do. In regard to the revenue leakage, the Authority explained that there are four of the licenses which are paid in USD and the system being used only accepts SCR and this causes difficulty to capture the revenue leakage because of the exchange rate.

The audit noted further gaps in the payroll of the SMSA in that 3 employees on 2 years continuous employment contract were not included on the payroll and their monthly salaries were paid through payment vouchers at the Treasury. The monthly salary of the three employees holding key senior technical positions was SCR97,800, SCR36,000, and SCR45,000. The SMSA gave further information as to the technical nature of the job and the required experience for this position and the average salary for these positions. The SMSA stated that the employees are still being paid through payment vouchers, and their personal income tax is being deducted from the basic salary. The Committee recommended that this be formalised and resolved as it will always remain an audit issue in the absence of corrective actions.

2.8 OTHER AUDIT FINDINGS:

a) Seychelles Prison Services: Suspense Accounts & Absence of Rental Agreements

It was highlighted that the relevance records of funds received from the family members of prisoners made to the Tuck shop were not kept and that there was an absence of a rental agreement with the tuck shop operator. The Committee enquired on the accounting carried out on the moneys deposited to the tuck shop operator and it was confirmed that the prison service does not have oversight on this as the money is paid directly to the tuck shop operator. The Committee highlighted the irregularities of this system and questioned on how this is recorded to ensure the proper handling of cash and to ensure the necessary receipts are provided. The rent-free basis was addressed and the Committee implored that this be addressed expeditiously. The Committee highlighted that the Prison is paying the electricity and water of the Tuck Shop whilst the operator runs the operation rent free at the expense of the Prison Service. It was highly recommended and agreed that a proper tender would be carried out for the operation of the tuck shop in a transparent and fair manner.

b) ANHRD: Awarded Training to Nonprescribed Countries

Eight cases totalling SCR14,950,668 were chosen fields of study that were awarded to individuals to study in countries that were not prescribed as per the Student Information Handbook and policies. The officials confirmed that the policy has been amended to reflect the realities of the categories of studies and list of countries to ensure future compliance and close the gap on discrepancies. There are challenges with changes in training venues which has been reviewed to offer students more choices.

c) Administration of the Livestock Trust Fund

The fund is being managed through a centralised account and is not being administered by the Department. Consultations with the ministry of finance are being carried out to find a way forward to address this issue. It was highlighted during the Hearing that in accordance with the legal framework the Fund is supposed to be administered by the Ministry, which is not the case. The Committee enquired on how the disbursement of funds is approved currently and the officials confirmed that it is being administered by the Ministry of Finance.

d) Public Health Authority: Overpayment of Board Fees

The Committee highlighted two cases of overpayments to boards members and this was confirmed to have been collected and other case being addressed for repayment in instalments. There 9 boards under the Authority and the necessary internal controls have been put in place to ensure the necessary registrations and compositions of boards to avoid overpayments through the implementation of SOPS.

e) Seychelles Bureau of Standards: Considerable Delays in Delivery of Laboratory Supplies

The audit found that, in 4 cases, laboratory supplies ordered from overseas suppliers amounting to SCR267,634 were received after 5 to 6 months following the date of the payment. In view that undue delays in the delivery of spares etc. may have an adverse impact on the ability of the Bureau

to continue effectively with service delivery. The Bureau acknowledged the audit finding attributing the delays to global shortages and restrictions on laboratory supplies, further complicated by increased freight charges and delays due to Covid-19 and the war in Ukraine. The Bureau stated that they have sought alternative suppliers, and they are now receiving their supplies at a faster rate.

3.0. CONCLUSION

*'Governments with poor accounting practices are unable to make fully informed decisions about the allocation and use of scarce resources.'*¹

The FPAC has examined clear and persisting audit findings throughout the years that are contributing to the mismanagement of public funds and responsible expenditure across the Government. There are clear discrepancies and mismanagement that has occurred over the years, which in fact keep recurring and cause alarm on certain matters that need immediate attention for redress. The ultimate caveat relates to the internal structures, accounting practices and the increasing urgent need to imperatively train accounting officers, administrative and accounting officials.

This includes a thorough multi-stakeholder approach to seriously review internal procurement procedures in the context of different entities across different industries, major improvements to the assets management system to close the gaps to misuse and increase oversight procedures in order to mitigate losses and ongoing mismanagement that have been identified throughout the years.

The Committee makes the following recommendations:

- a) **Training & Handing Over Mechanisms for Accounting Officers:** New accounting officers should be provided with the necessary training and support structures to ensure they are well equipped to manage the expenditure of their organisations and ensure the necessary compliance with financial laws and regulations. This extends further, to having proper mechanisms in place to ensure that important handing over is carried out in between transitions of new accounting officers and administrative employees.
- b) **Urgent Financial Frameworks for Independent Bodies & Institutions:** The independence of Commissions and institutional bodies should be respected, however a proper framework should be assessed and provided in the proposed amendments to the Public Finance Management Act currently being reviewed to ensure compliance and lawful financial operations.

¹ World Economics, 'Government Accounting', Ian Ball & Gary Pflugrath, 2012

- c) **Establishment of Procurement Plans Across Government:** To avoid unbudgeted and surprise expenses which do not contribute to the strategic and national obligations of the different entities the Ministry of Finance should consider implementing measures to request entities to have well thought out Procurement plans in place. There should be a thorough review of the current procurement framework which poses challenges for industry specific entities such as the Department of Defence, health related and emergency service-related agencies. It is important to note that the current procurement regulations do not fit within a National Pandemic Response environment or situations related to emergencies such as fires, epidemics and other natural disasters.
- d) **Review & Improvement of Assets Management:** Serious limitations to asset registers should be resolved however there should be a re-consideration of the one size fits all approach due to industry related intricacies of several entities. The Ministry of Finance should urgently consider seeking for a new software which is modern and user friendly to ensure the necessary management of assets which is efficient and compliant this includes considering the aspect of data protection.
- e) **Fleet Management & Use of Transport Officers:** Assess the necessity for the implementation of transport officer positions for entities that are managing major fleets of vehicles, vessels and aircraft. Two entities have already confirmed that this is being implemented to address fleet management gaps and to ensure the necessary tracking of finances in this respect. Proper training in Fleet management & Operations should also be considered especially for entities that are spending huge amounts of public funds on fuel consumption, insurance and maintenance of the fleets.

- *End of Entire Report* -

4.0. ANNEXURE**ANNEX ONE: Public Hearing Schedule**

No.	MDAs	Pages in Report	Time	Officials
TUESDAY 22nd APRIL 2025				
1	Attorney General's Office	22-25	0900 - 1000	Mr. Vinsent Perera – Attorney General Ms Nathanielle Julie – Accountant Ms Natasha Jeanne – HR
2	Seychelles Infrastructure Agency	92-93	1000-1045	Mr. Jitesh Shah – Chief Executive Officer Samia Agathine – Director of HR Anna-Rose Julie – Senior Admin Officer
BREAK (15 mins)				
3	Seychelles Human Rights Commission	78-81	1100-1200	Justice Bernardin Renaud (Ret) – Chairperson Mr. Elvis Julie- Chief Executive Officer Ms. Karen Jean Baptiste- Senior Finance Officer Ms. Sheila Vidot- Senior Admin / HR Officer
LUNCH BREAK (1hour)				
4	Department of Police	34-38	1300-1430	Mr. Ted Barbe - Commissioner of Police Mr. Roy Banane - Superintendent Mr. Marcus Jean - Assistant Superintendent Inspector Cinderella Biscornet Mr. Danny Labonte - Financial Controller
BREAK (15 mins)				
5	Seychelles Prison Services	39-42	1445-1545	Mrs Janet Georges – Commissioner of Prisons Mr Sam Dodin – Deputy Commissioner of Prisons Ms Tasiana Labrosse – Financial Controller
END OF HEARING				

No.	MDAs	Pages in Report	Time	Officials
WEDNESDAY 23RD APRIL 2025				
6	Ministry of Education	43-50	0900 - 1030	Ms. Merna Eulentin – Principal Secretary Education Services Department Mr. John Lesperance – Principal Secretary Education Sector Development Department Mrs. Gina Domingue – Director General Human Resource and Administration Ms. Pamela Matombe - Financial Controller

				Mr. Bernard Arnephy – Director General Institutional Services
BREAK (15 mins)				
7	Agency for National Human Resources Development	51-56	1045-1200	Mr. John Lesperance – Principal Secretary Education Sector Development Department Ms. Francoise Mein – Director General Careers and Further Education Progression Mrs. Mary Bonte - Senior Accountant
END				

No.	MDAs	Pages in Report	Time	Officials
THURSDAY 8TH MAY 2025				
8	Seychelles Revenue Commission (Customs Division)	71-74	0900 - 1000	Ms Varsha Singh - Commissioner General Mr Paul Barrack - Commissioner Customs Mrs. Cindy Blakemore – Director of Inland Revenue Ms Betyna Denis - Manager Internal Audit
9	Department of Agriculture	61-66	1000-1045	Keven Nancy – PS Agriculture Department Nedzit Azemia – Director for Human Resources and Administration Linetta Joubert – Agricultural Chief Officer Enid Mathiot – Senior Accountant Raymond Coralie – Agricultural store Director
LUNCH BREAK (1hour)				
10	Public Health Authority	82-86	1300-1430	Dr Jude Gedeon - Public Health Commissioner Dr Meggy Louange – DG Public Health Authority Mr Jude Barra –Financial Controller Ms Jenny Chiffone – Director of HR
11	Seychelles Maritime Safety Authority	87-91	1430-1530	Captain Daniel Adam – Chief Executive Officer Mr Andy Gobine - Deputy Chief Executive Officer Ms Dora Henry - HR
BREAK (15 mins)				
12	Department of Defence	26-30	1545-1700	Major General Michael Rosette - Chief of Defence Forces Brigadier General Jean Attala - Deputy Chief of Defence Forces Colonel Michael Hollanda - Chief of Staff Anselma Pilate - Director General Administration and Civilian Affairs Ms. Nellie Coopoosamy - Financial Controller
END OF HEARING				

No.	MDAs	Pages in Report	Time	Officials
FRIDAY 9TH MAY 2025				
13	Seychelles Fire Rescue & Services Agency	94-96	0900 - 1000	Ms Tally Domingue - Chief Fire Officer Mr Jones Madeleine - Deputy CFO Mr Kevin Rose - Senior Divisional Officer Mr Jason Labrosse - Station officer Mr Roy Lemiel - Director Human Resources & BM Mrs Antoinette Florine - Senior Accountant
14	Health Care Agency	97-105	1000-1200 Break: 11-115	Dr. Danny Louange – Chief Executive Officer Mr. Marc Chang Lam – Deputy CEO Mr. Michel Brutus – Financial Controller
LUNCH BREAK (1 Hour)				
15	Seychelles Bureau of Standards	75-77	1300-1400	Mr. Andy Ally – Chief Executive Officer Mrs. Danielle Porice – Director Human Resources & Administration; and Ms. Josiane Samson – Accountant.
END OF HEARING				

ANNEX TWO: Evidence Log

Attorney General's Office	<ol style="list-style-type: none"> Invoices for the procurement of the total value of SCR73,875 and the number of trips made to transport furniture from National House to the Link Building Bank Statement of the Account used to Collect Retainer Fees – balances & transactions
Seychelles Infrastructure Agency	<ol style="list-style-type: none"> Evidence in regard to current status of leave balances in hard copy handed during Hearing. Total Value of Assets of SIA.
Seychelles Human Rights Commission	Procurement plan of Training Room to send to AG & FPAC.
Department of Police	<ol style="list-style-type: none"> Copy of the new verification form for Sentry/escort duty to send to FPAC & AG List of all payments for century escort duty dated 90 days + Send FPAC & AG all details of debts for Sentry/ Escort owed by all Ministries for security services provided for the ministers
Seychelles Prison Services	<ol style="list-style-type: none"> Send to AG & FPAC: A snapshot of document of reorder level of stock of 1 month as part of evidence. A copy of contract for tuck shop. A copy of minutes of meeting regarding decisions management took concerning tuckshop.

	4. The tender document for tuck shop
Ministry of Education	<ol style="list-style-type: none"> 1. Copy of 2024 contract and reviewed contract of Pam's Catering to FPAC & AG. 2. Send to AG a record of meeting with PS Tamatave regarding contract for Pam's Catering. 3. Provide a post-report on short comings for visit done at (Perceverance/G.Anse Praslin) Pam's catering to FPAC & AG. 4. Ministry of Education to formally ask SIA to locate the payment file for Anse Royale Creche. 5. Send to AG a copy of all payments made for the creche project. 6. Information regarding the offset against the 4.4million and all it entails. 7. A copy of email from Director of Institute of Agriculture that police interrogated him about fire. 8. Fire insurance if it includes all belongings. 9. Verify if there is insurance on all school buildings.
ANHRD	<ol style="list-style-type: none"> 1. Requisite documents for SCR16 Million. 2. Information about specific cases of injustice.
Seychelles Revenue Commission (Customs Division)	<ol style="list-style-type: none"> 1. Provide the results of the investigation to the Auditor General. 2. Actions taken in regard to audit matters in the report. 3. Actions taken without identification of the taxpayer as prescribed by the law. 4. Status updates of the debts recovered that have been mentioned in question as recovery occurs. 5. to confirm the amount of debt. And state what amount was recovered and establish whether there was a re-assessment. 6. Total number of cases in comprised agreements. 7. Amount balance of dishonoured cheques. 8. Ascertain How much of the SCR24 million in dishonoured cheques was collected.
Department of Agriculture	<ol style="list-style-type: none"> 1. Document of reconciliation of SCR 9,400,603.00. 2. Information about who manages Livestock Trust Fund. 3. Information on suppliers for vehicles repairs reg. approx. SCR700,000 disbursements. 4. Report on all 13 observations one by one & provide concrete evidence
Public Health Authority	<ol style="list-style-type: none"> 1. Evidence of SOP in place for board composition and board member replacement. 2. Missing documentation of medical supplies of SCR1.2m & 2 vehicles. 3. Check if encountering difficulties with entering records of stocks for non-financial assets with DICT programme. 4. Copy of documents on 2 payments made for purchase of regent for lab & materials for vector control. 5. Information about case against Kenyan supplier. 6. Information about Overtime Review.

	7. Confirmation from treasury about transfer of 5000eur from Kenyan supplier.
Seychelles Maritime Safety Authority	<ol style="list-style-type: none"> 1. The total collected in license fees since their introduction. 2. List of debtors. 3. Contract of employment of all three involved, their names and length of time that they have been employed with SMSA. 4. List of suppliers who ask for 500scr to provide quotations.
Department of Defence	<ol style="list-style-type: none"> 1. Send to the AG documentation of discussions in relation to the MoU with the STC. 2. Send to the AG information pertaining to the committee and its composition in regard to the liaisons with the STC. 3. Send to the AG the documentation in regard to the other tenders with other suppliers. 4. List of vehicles and their status. 5. Nominal roll copy.
SFRSA	<ol style="list-style-type: none"> 1. Proof of inventory being up to date. 2. Total value of assets to date & Information on Assets for Write Offs. 3. List of all the transportation. 4. Written request for training for SFRSA and internal audit assistance.
Health Care Agency	<ol style="list-style-type: none"> 1. Copy of contract with current service provider reg fungus. 2. Document & name of supplier of shuttle service for a specific group of patients. 3. Copy of contract for cleaning & landscape. 4. Name of the company providing cctv coverage & contract + payments made this year. 5. All 13 payments for vehicle repairs incl. all garages 6. All works & from which units and services payments made + contract <ul style="list-style-type: none"> -name of company reg tracker & payments made -name of cleaning company & payments made -name of car rental & payments made -name of Pest treatment company & payments made -solid waste company & payments made + contract 7. Copies of insurances of facilities and clinics. 8. Copy of lease agreement of store at Providence 9. Details of stock taking of goods in storage at FSA storage facility 10. Contract for procurement of security services 11. Proposal to AG to do a performance audit reg food & ration 12. Copy of contract with company reg food & ration + letter to continue service from 2018-2020 13. Copy of contracts for company reg food & ration for Praslin & La Digue + all other facilities that open 24 hours. 14. Information on SCR15Million reg. fixed asset register. 15. Information on physical inspection of assets. 16. Nominal roll across all sections/ who authorised all payments according to list before final signature of CEO.

<p>Seychelles Bureau of Standards</p>	<ol style="list-style-type: none"> 1. Copy of Credit policy. 2. Copy of Debtors report. 3. Copies of letters being sent to companies who are debtors. 4. Fixed asset register (list of the equipment used for core activities for testing and standards requirement report). 5. Insurance documentation regarding the SBS Building (Providence). 6. Correspondence regarding the insurance negotiations
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