

THE NATIONAL ASSEMBLY OF SEYCHELLES



THE FINANCE & PUBLIC ACCOUNTS COMMITTEE

REPORT ON THE FINDINGS OF THE OAG 2019 & 2020 REPORTS

PUBLIC HEARINGS OF 2021 & 2022

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) and *Ms. Sheryl Rangasamy*(Secretary Assistant).

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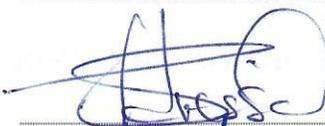
The telephone number for general enquiries is +248 428 5600.

The following Members of the Finance & Public Accounts Committee undersigned, submit this Report dated Tuesday 22nd July 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 entities that appeared before the Committee on 3rd-4th May & 29th July 2021 and 25th to 27th April 2022. The entities provided oral and written evidence to the Committee as a result of the key audit findings of the 2019 and 2020 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 that feature in the Report of the OAG were summoned on the basis of clarifying the discrepancies published in the Report, in order for the Committee to gather evidence and propose the implementation of decisive corrective measures.

Findings in this Report presents each entity's relevant audit discrepancies and concerns from the OAG alongside a summary of the responses provided in the Public Hearings including a financial scrutiny analysis with recommendations.

Concerning financial 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 to be addressed:

- i) *Poor and recurring issues of adherence to procurement regulations during the procurement for emergency purposes during the pandemic and in normal circumstances.*
- ii) *Ineffective internal control structures and oversight on spending.*
- iii) *Inefficient/Non-Existing Internal Oversight structures.*
- iv) *A lack of detailed record keeping to support financial transactions.*
- v) *Inefficient asset management systems and updated registries.*
- vi) *Ageing debtors and gaps in long term revenue collection.*

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.

**PUBLIC HEARINGS OF 2021 ON THE REPORT OF THE OAG FOR THE YEAR
2019**

Monday 3rd May 2021			
1	Seychelles Heritage Foundation	81-82	Ms. Benjamine Rose – CEO Michaela Henderson – Accountant
2	Department of Police	25-27	Mr. Ted Barbe – Ag. Commissioner Mr. Romano Songoire – Deputy Commissioner Mrs. Angele Lebon – DG Administration Mr. Danny Labonte – Financial Controller
3	Seychelles Tourism Board	44-49	Mrs. Sherin Francis – CEO Ms. Jenifer Sinon – Deputy CEO Mr. Donn Julie – Accountant
4	Seychelles Energy Commission	38-43	Mr. Tony Imaduwa – CEO Ms. Christy Nougiste – HR & Budget Management Officer
5	Seychelles National Youth Council	49-55	Ms. Penny Belmont – CEO Ms. Ghislaine Belmont – Deputy CEO
6	Seychelles National Sports Council	57-63	Mr. Jean Larue - CEO Mrs. Lizette Nolin – Senior Accountant Mrs. Christine Hoareau – Ex- Accountant
7	Lenstiti Kreol	74-80	Mrs. Flora Ben David – CEO Mrs. Gilliana Anacoura – Senior Research Officer Ms. Igette Adeline – Assistant Administrative Officer

Tuesday 4th May 2021			
1	Enterprise Seychelles Agency	89-95	Ms. Angelique Apoo - CEO
2	Agency For the Prevention of Drug Abuse and Rehabilitation	83-88	Ms. Geralda Desaubin – CEO Ms. Debby Monthly – Ag. HR Director Ms. Shellie Marie – Accountant

Thursday 29th July 2021			
1	Creative Industries and National Events Agency	63-72	Mr. Galen Bresson – CEO Mr. Telemaque – Administration Supervisor Ms. Kiara Cultery – Finance
2	Seychelles National Parks Authority	98-102	Mr. Alain Cedras – CEO Steven Servina – Finance Anderson Nourrice – Finance
3	Department of Lands (debt)	109-111	Ms. Fanette Albert – Principal Secretary Lands Department

			Mr. Denis Barbe – Principal Secretary Housing Department May-Paule Marengo Volcere – Director Public Accounts Management
4	Landscape and Waste Manage Agency	111-112	Mr Rahul Mangroo – AG.CEO Karine Cassime – Financial Controller Vivianne Chang Pin Tive – Director of Admin & HR Minister Flavien Joubert – in his capacity as ex. CEO
5	Industrial Estates Authority	114-118	Mr. Roy Collie – CEO Cecile Fed – HRBMO Nadia Bijoux – Accountant Velma Esparon – Accountant
6	Department of Finance		Mr. Patrick Payet – Secretary of State Ms. Irene Croisee – Comptroller General Ms. Astrid Tamatave – Deputy Comptroller General Mrs. May-Paule Marengo Volcere – Director Public Accounts Management Ms. Jacinthe Bonne – Chief Accountant Treasury
7	Seychelles Revenue Commission (Customs Division)	105-107	Mrs. Veronique Herminie – Commissioner General Mr. Fred Morel – Deputy Commissioner General Mrs. Fabiola Alcindor – Director for Enforcement
8	Department of Defence	19-23	Col. Michael Rosette Lt Col Jean Attala Mr. Paul Dupres Ms Aselma Pilate

PUBLIC HEARINGS OF 2022 ON THE REPORT OF THE OAG FOR THE YEAR 2020

Monday 25th April 2022			
1	Information Commission	54-55	Ms. Thereza Dogley – CEO Mrs. Dina Antoine – Administrative Officer
2	Department of Culture	30-38	Mrs. Cecille Kalebi - Principal Secretary Mr Alex Rath- Executive Director Human Resources and Administration Ms Vania Hoarau- Senior Accountant
3	TRNUC	94-96	Mr. Michael Green – Vice-Chairperson

			Ms. Julia Ernesta – Admin Officer
4	Department of Tourism	43-46	Mrs. Sherin Francis – Principal Secretary Ms. Jenifer Sinon - DG HR and Administration Mr. Don Julie - Senior Administrative Officer
5	Creative Industries and National Events Agency	47-48	Mr. Emmanuel d'Offay - Executive Director Mr. Galen Bresson - Ex Ceo CINEA Mr. Elvis Telemaque - Director of Human Resources Ms Vania Hoarau- Senior Accountant
6	Department of Youth and Sports	49-51	Mr. Ralph Jean-Louis , Principal Secretary, Ms. Gyra Nibourette , DG HR, Ms. Marie-Lise Lucas., Senior HR and Budget Management Officer,

Tuesday 26th April 2022

1	Department of Foreign Affairs	25-29	Ambassador Vivianne Fock Tave – Principal Secretary Ms. Pamela Payet – DG HR, Budget Management & Administration Mrs. Bessy Banane – Financial Controller
2	Livestock Trust Fund & Seychelles Agricultural Agency	56-57 67-75	Mr. Keven Nancy – PS Agriculture Ms. Irene Croisee – Comptroller General Ms. Anila Bonne – Director Store Mrs. Linetta Esticot – Chief Officer Mrs. Elsa Quatre – Senior Accountant Ms. Nedzit Azemia – Director of HR
3	Seychelles Human Rights Commission	76-77	Justice Bernardin Renaud – Chairperson Mr. Elvis Julie – Chief Executive Officer
4	Seychelles Revenue Commission	84-91	Mrs Veronique Herminie – Commissioner General Mrs Fabiola Alcindor - Director for Enforcement Ms Marcia Chetty - Director for Revenue

Wednesday 27th April 2022

1	Social Workers Council	92-93	Mrs. Shella Mohideen – Chairperson of the Council
2	National Assembly of Seychelles	58-61	Mrs. Tania Isaac – Clerk to the National Assembly Mr. Godfra Hermitte – Director General for Corporate Services & Facilities Mrs. Ghislaine Thelermont – Senior Accountant
3	Department of Prisons	78-83	Mr. Raymond St. Ange – Commissioner

			Sam Dodin - Chief Inspector Tassiana Labrosse - Senior Accountant -
4	Department of Police	39-42	Mr. Ted Barbe - Commissioner of Police Mr. Francis Songoire - Deputy Commissioner Mr. Ron Bonnelame – Deputy Commissioner Mr. Joseph Bibi - Assistant Superintendent Mr. Danny Labonte – Financial Controller
5	The Health Care Agency - Report on Expenditure Incurred on Response to COVID-19 Pandemic	97-114	Dr. Danny Louange – CEO Mr. Michel Brutus – Financial Controller

1.0. AUDIT FINDINGS AND RECOMMENDATIONS

Public Hearings of 2021 on the OAG Report 2019

In 2021, the FPAC held public hearings focused on the OAG report of 2019. The Committee's line of questioning was focused on the audit findings contained in the report, focusing on the shortcomings of each entity as recorded by the Office of the Auditor General. The findings, analysis, and recommendations derived from the hearings in respect of each entity is detailed below.

1.1. SEYCHELLES HERITAGE FOUNDATION

On the 3rd of May 2021, the FPAC held a public hearing examining the audit findings of the Auditor General in their assessment of the Seychelles Heritage Foundation's (SHF) accounts.

Findings of the Hearing:

Maintenance of the Cash Book

- I. The Seychelles Heritage Foundation (SHF) informed the Committee that the handing over to a new accountant was not properly managed leading to the identified audit issue of inadequate maintenance of the cash book. The Foundation further stated that the cash book is currently being maintained in both electronic and physical formats.

Overdue Debts

- II. The Foundation informed the Committee that final warnings have been issued in three cases due to overdue debts. The Foundation has also taken steps to address non-paying tenants through eviction and legal action to recover the outstanding debts.
- III. The Foundation explained to the Committee that leases are the major sources of overdue debt. The Foundation stated that efforts are underway to finalize the acquisition of parcel numbers for the properties under management. The Foundation stated that consultations with clients are underway to gauge their ability to continue fulfilling their commitments to the Foundation.
- IV. The Foundation informed the Committee that they had written a request to the Ministry for Finance to write off a debt of R593,125 of R1,279,411 in outstanding debt, as both the SHF and clients failed to meet their commitments. These includes the SHF's unfulfilled commitments such as the construction of a bridge and the allocation of specific parcel numbers. This request was approved by the Ministry for Finance.
- V. SHF informed the Committee that they have developed an internal policy, approved by the Ministry for Finance, outlining the processes and procedures for managing debtors and addressing nonpayment.

Contractual Obligations of Developers

- VI. SHF informed the Committee that developers have 18 months to develop their projects once a commencement date has been signed. If the developers cannot honor the contract within that timeframe, the contract permits the Foundation to repossess those sites and re-tender those sites.

Analysis & Recommendations:

- I. SHF should meet with continuous defaulters on payments to allow the opportunity for other people who would like to lease property from the Foundation.

1.2. DEPARTMENT OF POLICE

Findings of the Hearing:

Delays in Banking of the Income Collections

- I. The Department informed the Committee that they have shifted to a new practice, however there may be delays in banking in only certain instances involving the banking of postdated checks. The Committee were assured that daily banking is being done.

Debt Collection

- II. Regarding the issue of debt collection, the Department stated that with the additional staffing, debt collection has improved, and the Department has achieved 80% of its target.
- III. The Committee were informed that the Department's total debt is 1 million, the debtors being the government (64%) and the private sector (35%).

Price List Lacks Clarity

- IV. The Committee were informed that they are awaiting feedback regarding a proposal submitted to the Ministry for Finance concerning rates for services rendered by the External Security and Vessel Protection (SVPD).

Compliance to Procurement Procedures

- V. The Department informed the Committee that in 2015, an open tender was conducted to care hire operators to provide transport to the Department to bring services closer to the community and the contract was awarded to the lowest bidder.
- VI. The Committee were informed that the information regarding the procurement of the car hire service is in order at the Department and this information was furnished to the OAG at several points. At this juncture, the OAG stated that the approval letter from the National Tender Board (NTB) was not located within the file pertaining to the car hire operator.
- VII. To monitor the use of police vehicles, a Global Positioning System (GPS) monitoring system is used to check whether there has been exceeding speed or if they are going

beyond their zones. This report is sent to the regional, station, or unit commander. If the policy vehicle has gone beyond the zone, the police officer provides an explanation to their superior. If the explanation given is found to be non-work related, the officer is charged for withdrawal from duty or other offences under the disciplinary mechanisms.

- VIII. Response time and fuel consumption is also monitored through that GPS system, however, not all vehicles in the fleet are equipped with a GPS system due to its high costs.

1.3. SEYCHELLES TOURISM BOARD

On the 03rd of May 2021, the FPAC held a public hearing on the audit findings of the OAG on the Seychelles Tourism Board. The audit involving examination of the accounting records pertaining to expenses relating to payroll, use of goods and services and non-financial assets for the year 2018 was undertaken. The audit revealed shortcomings in compliance to procurement regulations, payments lacking reconciliation of invoices and supplier statements, direct bidding, payments lacking requisite approvals, transport and inventory management, and the application of the wrong foreign exchange rates.

Findings of the Hearing:

Procurement Compliance

- I. The Board explained that through dialogue with the Procurement Oversight Unit (POU), there has been an understanding of how the Seychelles Tourism Board (STB) operates and there has been instances where they have given the STB waivers in line with their legal frameworks.
- II. The Board explained that procurement processes have been corrected following the engagement with the POU. However, there are projects which needed to be declined by the Board as it would have incurred non-compliance with procurement regulations. Following formal discussions, it was proposed that there are structures in place to facilitate approvals to avoid declining projects due to the inability to meet procurement requirements in a timely manner.

Payments without Reconciling Invoices and Supplier Statements

- I. The Board explained that in February 2018, the supplier was asked for a statement for the Board to know exactly how much the Board owes. In the statement there were 125 invoices sent to the STB and these were reconciled and 114 of those invoices were for the Board. The audit issue in the report relates to a statement from the supplier from April. This statement referenced invoices which included current invoices. The Board explained that there were issues with suppliers in that, they would not furnish all the invoices at one time.
- II. The Board explained that they have improved their records keeping systems to ensure that information is up to date regarding projects and suppliers. They also have a system

where the file of a project will never be closed until the invoices raised have been settled. The system ensures that follow up involves the accounts team and the team responsible for managing the projects.

Direct Bidding

- I. The Board explained that in terms of direct bidding for the three suppliers, two were airlines and one was a major media company. One was Condor, the second was British Airways, and the third was the British Broadcasting Corporation (BBC).
- II. *The decision taken for Condor was at ministerial level and it was the only airline which was operating direct routes from Seychelles to Europe. Condor was threatening to pull out if it did not receive marketing support from Seychelles. Given the delicate and pressing matter, a decision needed to be taken and STB was asked to execute this decision. The Board informed the Committee that the POU was aware of this decision, and they informed the Board that whilst they understood the situation, approval was meant to be given before rather than retrospective.*
- III. A similar situation occurred with British Airways, where the Board explained that they were deciding whether they would operate a route to Seychelles. Seychelles was in competition with two other destinations and there were negotiations in place to give British Airways marketing support for them to start operating routes to Seychelles. One criterion was how fast negotiations would be able to close, making this favorable for Seychelles. Decisions needed to be taken quickly in terms of confirming support.
- IV. In terms of BBC, a similar situation occurred where the Board were negotiating with BBC to get a package for a campaign which was at a reduced price, and again the matter was pressing.

Payment of Internet Bills Lacked Requisite Approvals

- I. In regard to the payment of internet bills for the CEO, in 2011, the Board approved for the refund of the CEO's internet bill, due to the CEO's work going beyond the typical working hours and working in different time zones. Different virtual meetings and work beyond working hours and there needs to be connectivity with all offices. Since the 2011 approval, CEOs have been their internet bills paid. In 2018 a fresh approval was sought, which the Board granted. The OAG advised the Board to seek approval from the relevant authority.

Management of Stocks and Consumables

- I. In terms of stock-taking and giveaways, the Board explained that they are ensuring proper records of ingoing and outgoing goods. The Board informed the Committee that a physical count of the inventory is done every quarter.

Transport Management

- I. In regard to transport being retained outside of working hours, the Board explained that their operations means that transport needs to remain with drivers overnight. There are certain circumstances in operations which mean that there would need to be a transport with the driver overnight for instance for transporting staff. There may also be clients who need transport in different circumstances and different times which mean that transport needs to be kept overnight. The Board informed the Committee that proper procedures are being followed since 2018.

Wrong Application of Exchange Rate

- I. The Board informed the Committee that the OAG advised them to use the day rate for foreign exchange and for local suppliers who have invoiced the Board in foreign exchange, they use the mid-day rate in accordance with the guidance they have received.

Analysis & Recommendations:

- I. The issue with procurement and quotations should not repeat in the present operation.
- II. Arrangements made with POU should be documented to ensure proper written records.
- III. Internally, records should be kept in terms of invoices and statements with suppliers to ensure they know how much they owe suppliers.
- IV. Ensure that payments (especially foreign exchange payments) are done earlier to avoid occurrences of fluctuations in the foreign exchange which might incur higher costs.
- V. Have an internal check to ensure that there is no more overpayment and there is not a pattern in relation to this.

1.4. SEYCHELLES ENERGY COMMISSION

The FPAC conducted a public hearing with the Seychelles Energy Commission (SEC), based on the findings of the OAG Report. The audit carried out involved the examination of the accounting records pertaining to wages and salaries, use of goods and services, transport management, and non-financial assets for the year 2018. The audit revealed shortcomings in regard to non-compliance to procurement regulations, procurements without quotations, lack of supporting documents in relation to certain payments, lack of segregation of duties, transport management and non-financial assets.

Findings of the Hearings:

Payments Lacking Supporting Documents

- I. The Commission explained that they provided bank statements to the OAG showing the expenses and refunds.
- II. The Commission further stated that since 2018 the authorizations for refunds are made by the Chairperson.

Lacking Proper Records for Usage of Fuel Coupons

- I. The SEC informed the Committee that, given the lack of resources, records are being kept in one logbook since 2020. Details such as when the transport was used, purpose of usage, times, milage, fuel purchase, and coupon number are kept in records.
- II. The SEC explained that they purchase two fuel coupons books per year for the two vehicles.

Absence of Petty Cash Imprest

- I. The SEC informed that since 2013 they were operating without petty cash, staff paid and then they were refunded.
- II. In regard to the recovery of the sum of R1,277.50, the SEC also informed the Committee that the Ministry for Finance advised the Commission to send all the documents for write off of the sum.

Use of Vehicle by CEO

- I. The Commission explained that the vehicle was used for official purposes and meetings.

Stock Count

- I. In regard to the stock count, the Commission informed the Committee that they are working with the internal audit at the Ministry for Finance to resolve this issue. The Commission have been advised to comply to the government assets platform and they are awaiting the installation of the application to begin migration of data from the spreadsheet to the platform.

Compliance to Procurement Regulations

- I. The SEC explained that they are now in compliance with procurement regulations and ensuring that they have the required three quotations.

Analysis & Recommendations:

- I. There should be compliance to policies in regard to use of vehicles in the Commission's fleet.
- II. Ensure that written approvals are given in relation to use of vehicles.

1.5. SEYCHELLES NATIONAL YOUTH COUNCIL

An audit of the Seychelles National Youth Council (SNYC) covering wages and salaries, use of goods and services and revenue was undertaken for the year 2018. The FPAC conducted a public hearing with the Council on the findings of the audit and shortcomings revealed.

Findings of the Hearings:

Procurement Without Seeking Competitive Quotes

- I. In relation to the payments made lacking evidence of the requisite minimum three quotes sought, the Council stated that once the new CEO took office an internal procurement policy was developed guiding procurement.
- II. It was explained that due to the nature of the SNYC's activities, there were some purchases which are of a pressing nature during planned activities that needed to be made in terms of unforeseen expenses which may go beyond what was planned for, for example in activities involving children where catering and refreshments are required.

Expenditure for which Approval was Denied by President's Office

- I. The Council responded that based on responses all other approvals were obtained for the CEO's travel except for the final one from the President's Office which was not sighted.
- II. The Council responded that all procedures in regard to overseas missions are followed, and the Human Resources team ensures that documents are sent to the President's office.

Lack of Evidence to Support Expenses

- I. The Council acknowledged the lack of evidence demonstrating how R58 000 was accounted for as legitimate expenditure. They explained that the supporting documents, which were intended to confirm that participants had received their stipends were not signed.
- II. The CEO explained that the typical process would be that participants collect their stipends and sign for them, rather than having the sum transferred to the CEO's account for disbursement.
- III. The CEO explained that correct procedures are followed now.

Absence of Justification for the Expenditure

- I. In relation to the lack of justification in support of activities incurring payments of R193 705, the Council confirmed that hotel wrote to the Ministry for Finance and the matter was settled and payment was effected as instructed by the Ministry for Finance. The Council further affirmed that the processes of gaining 3 quotations are now followed, and once services are rendered, suppliers are given a month within which to furnish an invoice.

Shortcoming in YES

- I. Questions were posed in relation to the audit findings regarding a payment of R79 500 for a scooter when the submitted quote was R77 500. The Council explained that once the scooter arrived in Seychelles, its rate had increased. The Council further explained that currently the system in place is that the financial assistance under the Youth

Entrepreneurship Scheme (YES) will only cover the original quoted cost of items and the grantee will need to cater for any difference in cost should there be an increase.

- II. The Council explained that after granting the assistance to the youth, there are follow ups, mentorship, training, and evaluations conducted. The Council further informed the Committee that there have been instances where the participant has been asked to return the money or equipment because they were not using it for what they had originally stated in their proposal.

Revenue

- I. At the La Digue Youth Service Bureau (YSB) it was noted that the Accounts Assistant recorded a sum of R6 111 as collected however, the audit scrutiny of the cash book revealed only R5 387 giving a difference of R724, and the total amount recorded as per cash book amounted to R7 861 as collections during 06.04.2018 to 30.10.2018. However, the Accounts Assistant indicated that the cash collection was R4 861 giving a difference of R3000.
- II. The Council explained that the cost of travel for two accounts to go to La Digue from Mahe would be more than the revenue collected from the YSB. Thus, the Council entered discussions with the Ministry for Finance to have a system in place where banking of revenue collected is done on La Digue the following day. The Council further explained that the R3 000 difference from the total of R7 861 was collected by the former CEO responded that the money was spent at the youth festival on La Digue. The Council stated that there is signed memo of receipt that the CEO collected this money.

Employee's Tertiary Education Training Cost Borne by Council

- I. The Council explained that the former CEO had approved for employee's tertiary education. Once the new CEO took office, a bonding agreement was signed between the employee and the entity.

Status of Action Taken on Findings Reported in Annual Report for 2017

- I. The Council confirmed that the issue of annual leave is nearly resolved, with only one employee exceeding the limit, matter that will be addressed soon.
- II. In terms of overtime in excess of ceiling, the Council informed the Committee that some refunds have been made and procedures are being followed to recover the rest. The Council have stated that they now have a system of fixed overtime.
- III. In terms of the revenue collection without raising receipts, the Council stated that systems are in place for proper recording and reconciliation. The Council further stated that they have records for the receipts in support of R22 702 at YSBs.

- IV. In relation to procurement without the minimum three quotation, the Council explained that this has been resolved.
- V. The Council further stated that there has been an action plan with remedies developed to address the audit findings reported in the Annual Report 2017.

Analysis & Recommendations:

- I. Agreements and arrangements with suppliers should be documented, and all documents such as proforma invoices should be made available.

1.6. SEYCHELLES NATIONAL SPORTS COUNCIL

An audit of the National Sports Council (NSC) involving examination of the accounting records and documents pertaining to expenses relating to payroll, goods and services, and fixed assets for the year ended 31 December 2018 was undertaken. On the 03rd of May 2021, the FPAC held a public hearing based on the audit findings.

Findings of the Hearing:

Leave Accumulation and Overtime in Excess of Prescribed Upper Ceilings

- I. In relation to this audit issue, the Council acknowledged the lack of approval for the driver for excess leave. The Council also acknowledged that the overtime paid to an employee exceeded the hours stipulated in the Procedure Manual to the Public Service Order (PSO). The Council explained that the driver was the only one willing to undertake trips after normal working hours. The Council stated that the issue has been addressed and the council is focusing on its core business rather than activities which do not form part of its functions thus reducing overtime costs.

Absence of Contract for Regular Services

- I. The Council acknowledged that there was no written contract for the two individuals responsible for organizing and hosting the FINA Open Water series competition. The Council explained that this issue has been remedied, and contracts have been signed by the two individuals.
- II. In relation to the company providing security services, the Council acknowledged the lack of a written contract. The Council explained that the services were for alarm systems and the issue has now been rectified and there is now a contract signed.

Incomplete Supporting Documentation

- I. The Council stated that the documentation such as the breakdown of expenditure incurred, and details thereof is still not sighted for the payment of R60 000 to a representative of the basketball federation in relation to a junior boys overseas training camp.

- II. In relation to the payment of R120 000 to Qatar Airways, the Council stated that procedures were not followed. The Council further explained that they have a procedure manual which stipulates all procedures to be followed, which was not followed.
- III. The Council explained that the Council plans to restructure to reinforce their accounts section and have a compliance section to ensure compliance to regulations.

Stores Control

- I. The Council informed the Committee that there are procedures in place to ensure compliance with procurement regulations.
- II. Regarding stores control, the Council explained that there is limited capacity having only one storekeeper. The Council further explained that in terms of records keeping, that the issue is being rectified.

Structuring of the NSC

- I. The Council explained that they are restructuring to ensure that there is adequate compliance and conformity to regulations and monitoring and evaluation.

1.7. CREOLE INSTITUTE OF SEYCHELLES

An audit of the Institute covering wages and salaries, use of goods and services and revenue was undertaken for the period January 2017 to 31 December 2018. On the 03rd of May 2021, the FPAC conducted a public hearing based on the audit findings.

Findings of the Hearings:

Cancelled Receipts Not Recorded in the Cash Book

- I. The Institute explained that the procedures are now being followed.

Procurement Without Three Quotations

- I. The Institute explained that there are issues in obtaining three quotations where certain publishing houses and retailers do not want to provide a quotation making it difficult to obtain the three required.
- II. The institute also stated that there are specific items and unique circumstances where it would not be possible to obtain three quotations.

Overpayment of Chairman of the Board

- I. Regarding an overpayment of R19 380 to the previous Chairman of the Board who had resigned from his post in February 2017 but was paid his Board fees up to August 2017, the Institute explained that documents were handed over to the Ministry for Finance for recovery of the funds. The Institute stated they will follow up on the matter.

Delayed Banking

- I. On the issue of delayed banking, the Institute stated that banking is being done on a regular basis and procedures are ongoing to ensure compliance. The Institute further informed that they are limited in capacity due to the lack of staff in accounts.

Overseas Travel Without Approval

- I. The audit revealed that in an instance of overseas travel, the requisite approvals were not sighted. The Institute stated that all procedures were followed, however the file regarding the travel was not returned to the Institute as intended to be the practice resulting in the file not being sighted when the audit was conducted.

Storage of Books

- I. The Institute informed the Committee of shortcomings regarding the storage of books in that the space they currently have is not sufficient to store all the books and there is office space being used to store some.

Fuel Coupons

- I. In terms of shortcomings regarding maintaining the fuel coupons register and records, the Institute stated that they did not receive adequate training and information to maintain records in the way they should be. The Institute further explained that once the audit process was carried out and they were given proper instructions on how to maintain these records, they did so in accordance with the guidance received.

Analysis & Recommendations:

- I. The Institute should have a dedicated employee with adequate capacity to undertake duties to do with accounts.

1.8. AGENCY FOR PREVENTION OF DRUG ABUSE AND REHABILITATION

An audit of the Agency for the Prevention of Drug Abuse and Rehabilitation (APDAR) involving the examination of the accounting records and documents pertaining to expenses relating to wages and salaries, transport management and non-financial assets was undertaken for the year 2018.

Findings of the Hearings:*Appointments of Board Members not Sighted*

- I. The Agency explained that the Board was enacted by the Office of the President when APDAR was enacted on the 17th of August 2017. The Agency further explained that all affairs concerning the Board is dealt with by the Office of the President.
- II. The Agency also explained that the gazetted list of Board members was received by the Agency rather than the letters of appointment as stated in the response noted in the OAG Report 2019. The Agency stated that they have never received the appointment letters despite requests to the Office of the President.

Ex-Officio Members of the Agency Paid Board Fees

- I. The Agency stated that when the Board was appointed, they did not receive the Remuneration Policy for Board Members. The Agency received a Cabinet extract of minutes which stated how much Board members are remunerated. The Agency explained that they were unaware of the policy, hence why payments were made to the ex-officio member.
- II. The Agency further stated that the OAG advised them to request the Ministry for Finance to either refund or write off the amount in question. In response, the Agency submitted a written request to the Ministry and followed up with an email. However, they have yet to receive any response, leaving the issue unresolved.

Fuel Consumption Analysis Not Performed

- I. The Agency explained that the development of APDAR involved the merger of four institutions, each of which had been independently recording their fuel consumption using different methods. Upon integration, APDAR undertook the task of organizing these records. The Agency further stated that while fuel consumption had been recorded it did not meet the standardized reporting requirements set by the Ministry for Finance.
- II. The Agency informed the Committee that they have revised their fuel consumption records keeping ensuring compliance. The updated records now include detailed information such as vehicle numbers, mileage, fuel coupon numbers, and fuel usage per liter.

Assets Register Incomplete and Not Updated Since 2017

- I. The Agency clarified that before merging to form APDAR, the four institutions independently managed and maintained their fixed asset records. While some records were well-organized, others were not. APDAR then undertook the task of compiling these and organizing the records.
- II. The Agency further stated that in late 2019 and early 2020, two officers from the Ministry of Finance's fixed assets team trained APDAR's admin officer, procurement officer, and CEO on fixed asset recording. They were advised to begin documenting records for their fixed assets from 2018 onwards as retrieving and organizing records from the previously independent institutions – which were under different ministries – would be challenging. The Agency affirmed that they currently have a fixed assets register containing data from 2018 onwards.

Register of Vehicles and Heavy Plant not Maintained

- I. The Agency explained that when the four institutions merged to form APDAR, each brought its own resources, including vehicles. Mont Royale – one of the merging institutions- originally had four or five vehicles registered under its name. At the time

of the audit, this remained unchanged, with some newly purchased vehicles registered under APDAR.

- II. The Agency informed the Committee that currently vehicles in the fleet are registered under APDAR following all the necessary procedures. The Agency further explained that one transport is in the process of being written off.

Payment of Clothing Allowance to PSC Contract Employee

- I. The Agency informed the Committee that when the audit was carried out, they were advised that employees on a PSC contract should not be paid a clothing allowance when they travel. However, the Agency found that they were correct and in accordance with a circular from 2012 which reviewed the relevant policy and stated that all employees are entitled a clothing allowance. The Agency informed the OAG of this finding; however, the report was already published.

Accumulated Leave Balance in Excess of 42 Days

- I. The Agency acknowledged that there were employees whose leave balance were in excess and that the issue is now rectified.

Underpayment of Value Added Tax (VAT)

- I. The Agency stated that it inherited the contract with *Sky Chef* from the Ministry of Health where they provided catering services to the wellness center.
- II. The Agency stated that when the audit revealed an error in the calculation of the Value Added Tax (VAT), they formally notified the Managing Director of *Sky Chef* in July 2019. In response, the *Sky Chef* replied in August 2019, indicating that their auditor had reviewed the matter and identified a misunderstanding on APDAR's part regarding the VAT applicable to transport services. Following this clarification, VAT has been correctly applied to all invoices *Sky Chef* has issued to APDAR for transportation services.

1.9. CREATIVE INDUSTRIES AND NATIONAL EVENTS AGENCY

An audit of the Creative Industries and National Events Agency (CINEA) involving the examination of the accounting records relating to goods and services, non-financial assets, payroll, and receipts for the year 2018 was undertaken. On the 29th of July 2021, the FPAC conducted a Public Hearing based on the audit findings.

Findings of the Hearing:

Revenue

- I. The Agency acknowledged the shortcomings regarding revenue collection. They explained that for various events, such as the Creole Festival, different people are identified to carry out different activities and are each responsible for their revenue

collection. These individuals then report to the accounts officer at CINEA who reconciles and balances the accounting records.

- II. The Agency explained that currently, contracts are drawn up between individuals outsourced to conduct different activities and events.
- III. The Agency stated that the Ministry for Finance and the OAG are working to iron out such issues.
- IV. The Agency stated that the accounts department submits a monthly report on accounts to the CEO.

Discounts Authorized in the Absence of any Regulation

- I. In terms of the seven cases amounting R31 800 for the rental of ICCS where different percentages (discount rates) were authorized by the CEO, the Agency explained that discounted rates are typically applied to organizations such as Non-Governmental Organizations (NGO), schools, or church groups. However, following the audit findings, the Agency were informed that discounts should not be granted at the CEO's discretion. Instead, all discount requests must be formally submitted to the Ministry for Finance, a procedure the Agency is now adhering to.

Payment of Fees to Non-Members

- I. The audit revealed that 2 individuals were added to the Board Member's payroll and were paid a total of R9 529 and R22 334 under Board allowance code although no instrument indicating their appointment was sighted.
- II. The Agency acknowledged the shortcoming and stated that the error originated from the Ministry for Finance who used the 'Board Allowance' payment code although the two individuals were not on the Board. The Agency further stated that they engaged the Ministry to change this code and pay the two individuals under another code and this matter was rectified in 2019.

Debt Collection

- I. The audit revealed an increase of outstanding debts from R203 300 in 2017 to R480 575 in 2018 mainly due to a disputed invoice of R330 000 to Enterprise Seychelles Agency for the sale of kiosks, which was later ruled as 'void' by the Ministry for Finance.
- II. The Agency explained that ESA's previous CEO had negotiated a deal with CINEA regarding kiosks which ESA wanted to buy from CINEA. The invoice was raised, and verbal agreements made when the previous CEO was replaced. When the new CEO of ESA took office, they stated that they lacked the funds to buy the kiosks as agreed by the previous CEO. The Agency explained that the invoice raised in the system and the

Ministry for Finance needed to have discussions with both entities to agree that no transaction was made so the sum can be written off.

- III. The Agency further explained the process through which debt collection is done in that three warning letters are issued to debtors. If the issue is unresolved after the third warning letter, the case is referred to the Ministry for Finance who liaises with the Attorney General's office who takes the debtors to task.

Payment for Excessive Use of Roaming Data

- I. The Agency explained that whilst on overseas mission the Deputy Chief Executive Officer needed to use their data for work communications due to the limited internet access in the accommodation accounting for the cost of roaming.

1.10. SEYCHELLES NATIONAL PARKS AUTHORITY (Pg. 99-103)

An audit of the Seychelles National Parks Authority (SNPA) involving the examination of the accounting records relating to a shortfall in records of revenue, lapses in control of receipts, and stock of coco de mer, was undertaken. On the 29th of July 2021, the FPAC conducted a Public Hearing based on the audit findings.

Findings of the Hearing:

Shortfall in Collection of Hotel Contributions & General Entrance Fees

- I. The Authority acknowledged the significant decrease in 2018 and need for the hotels contributions to be legislated or somehow binding. The authority has discussed the need to address this gap. The authority will be introducing clauses in a new bill to ensure the necessary contributions are met. Negotiations will also be organized with the hotels to ensure a smooth process as well as maintain a good relationship with the hotels as key stakeholders.

Lack of proper system in place for the Boats and their maintenance

- I. Discussions are in place to review the current circumstances to ensure the health and safety of rangers when disembarking and embarking on the boats. The authority is also reviewing its internal procedures in this respect to mitigate dangers at sea and when mooring.

Lack of proper records for receipt books and ticket books

- I. The authority has provided clarification on this issue and has confirmed that internal controls are being thoroughly reviewed. There is an online payment system which has been tested and is working efficiently. This has reduced cash transactions which provides gaps for mismanagement of the funds. In the near future, all payments across the SNPA will be online and properly monitored.

Coco De Mer Nuts Stock Records

- I. The authority provided clarity on the 10 coco de mers that were unaccounted for. A policy has been drafted to ensure the proper management of the stock of coco de mer, its sale, its planting and maintenance.
- II. A database called the inventory management software has been put in place solely to ensure the proper recording of the stock of coco de mer, both in shape and in mis-shape. The back up of this database is through DICT.
- III. The structure of the authority is being reviewed and will be further enhanced in the new bill being drafted including in areas for trading and the sale of coco de mers and assets etc.

Analysis & Recommendations:

- I. Ensure clauses in contracts with hotels are strengthened when it concerns necessary payments for the use of national parks.
- II. Improve the internal assets management structure to record the sale of coco de mer and manage its stock in a more efficient manner.

1.11. DEPARTMENT OF LANDS (Pg. 109-111)

An audit of the Department of Lands involving the examination of the collection of revenue and outstanding debtors. On the 29th of July 2021, the FPAC conducted a Public Hearing based on the audit findings published in the report.

Findings of the Hearing:

Discrepancies in Revenue Collection & Increase in Outstanding Debtors

- I. The Department confirmed that around 10 Million SCR have been collected so far despite the arrears that have accumulated. The Department has made efforts to follow up with the debtors to ensure repayments. The legal procedure for submitting to the Attorney General's Chambers is followed.
- II. The Department explained that a system has been put in place to address lease payments that are overdue. Some repayment plans have also been put in place.
- III. The Cashier module which has been put in place is under the management of DICT to ensure the necessary record keeping. This is an automated system for revenue collection and to ensure a proper database/register.

Discrepancies in record keeping

- I. The Department explained the difficulties of record keeping including the crash of the system which involved the server not being functional. Despite attempts the information was not able to be retrieved.

Arrears in Rent of Buildings

- I. The CSC building at Anse Royales and facilities at Independence House which is being rented. The rent has been reduced by 25% due to the impact of the pandemic. The Department has confirmed that there are currently no arrears in this area.

Analysis & Recommendations:

- I. That urgent and necessary measures are taken to address the gaps in records keeping and that mitigations are put in place to ensure the protection of information when hardwares fail.
- II. Introduce monitoring protocol to ensure payments are kept up to date and to reduce discrepancies.

1.12. LANDSCAPE & WASTE MANAGEMENT AGENCY (Pg.111-112)

An audit of the Department of Lands involving the examination of the outstanding debt of the agency, lack of records keeping and a monitoring system. The agency appeared before the Committee on 29th of July 2021 and were questioned on audit findings published in the report.

Findings of the Hearing:

Increase in Outstanding Debts, Credible Debtors List & Unpaid Invoices

- I. The agency provided a summary on the outstanding debts and invoices by clarifying that although having been placed on the Cashier module a new system has been introduced to reduce the debts. The new system eliminates the eventuality of increased debts over the years.
- II. The aging debts were being recorded in a software called the Instant Cash Book which was not conducive. The agency faced challenges obtaining the repayments despite writing letters for the settling of debts, follow up phone calls. However, the debtors that have not been responsive have been submitted to the Ministry of Finance and some are being considered for write off.
- III. The agency has assessed the duplications which have been examined. 43% of debt is from the Government and 58% from businesses. Contracts with businesses are related to waste collection until such a time that the agency stopped this service. The anomalies in the system accumulated more invoices than necessary which then incurred debt. The decision was then taken to remove this service from the mandate of the agency.
- IV. The credibility of the debtors list is being examined and refined before being submitted to the Attorney General's Chambers. The agency went through the list of debtors.

Analysis & Recommendations

- I. The necessary measures should be taken to ensure the credibility of the debtors list which includes proper record keeping mechanisms in the internal controls of the agency.

- II. That the agency ensures to follow up with the necessary individuals/companies that owe them money, for the necessary repayments to be made. This includes making contracts more robust and enforceable.

1.13. INDUSTRIAL ESTATES AUTHORITY (Pg. 114-118)

An audit of the Industrial Estates Authority concerned the collection of leases and software management. The authority appeared before the Committee on 29th of July 2021 and were questioned on audit findings published in the report.

Findings of the Hearing:

Loss of Data, Credibility of Debtors List, System of DICT for Lease Management

- I. The authority confirmed that the cashier module was used and that currently the aged receivables are not credible. The reconciliation sheet detailed SCR19.083 million as part of the value of the aging debtors. The lack of records proves to be a challenge to have credible value of the debt and producing statements, including following up with individuals to pay back the arrears. The Ceo confirmed that the authority is working on implementing a Standard Operating Procedures for revenue collection and the management of records pertaining to debts.
- II. The CEO confirmed that the authority has collected a total of SCR11.33 million from January to July 2021 as compared to the year before whereas SCR5.3 million was collected. This was due to concerted efforts for the repayments of arrears.

Analysis & Recommendations

- I. The loss of data in several governmental departments and agencies is quite concerning. There is a need for the DICT to review back up mechanisms across the IT infrastructure of government to improve the lack of credibility of records which is proving to be a financial risk to Government.
- II. The system of DICT should be reviewed to ensure that it is modernized and fulling the scope of records and capturing the necessary information.
- III. The necessary oversight on revenue generating agencies to ensure the proper Debtors Control Register is being maintained as per the Accounting Manual (AM) established by the Ministry of Finance.

1.14. DEPARTMENT OF FINANCE

An audit of the Department of Finance was carried out with findings highlighted on domestic debts, use of accounting manuals and adherence to public finance management procedures. The Department appeared before the Committee on 29th of July 2021 and were questioned on audit findings.

Findings of the Hearing:

Purchase of Cable & Wireless (CWS) – Sanction Duty

- I. The Department of Finance confirmed that the stamp duty for the purchase of CWS was equivalent to 16.5M Dollars. There were two parcels of land. Parcel V5326 which was transferred back to the Government, and this was not completed during the time that the audit took place. Parcel C3003 is still undergoing a survey and there is a section that will be kept by CWS and one part to the government. The challenges for the re-transfer of land was highlighted as to being 14M Dollars and 2.5M Dollars not transferred due to negotiations to re-purchase the above mentioned parcels of land as assets.

Long Outstanding Balance of R79.9M in Respect of SMB

- I. SS Payet provided information on the liquidation of SMB, it was confirmed that the previous liquidators completed the exercise in June 2019 and then resigned. Two new liquidators were appointed in November 2019 and are assisting the anti-corruption commission with its investigation. This matter is sub-judice and cannot be addressed further.

Three loans issued without Statutory Instruments

- I. SS Payet provided information on two being with SEYCCAT and one with the Government of Russia. The debt swap loan agreement with SEYCCAT for climate change was included in the Paris Club and South Africa as part of the negotiations. The agreement was signed with SEYCCAT for a total of 20.8M Dollars but due to South Africa not being part of the deal, an addendum of 15.2M dollars will be resigned. 6.4M Dollars is part of another facility to the agreement and was nit able to be gazetted due to the negotiation of the addendum to exclude south Africa. The Loan with the Russian government was not able to be gazetted due to non-response to correspondences.

Use of Accounting Manual

- I. The Committee questioned whether accounting manuals/procedures are used and if there has been a review. SS Payet confirmed that there are three documents that are primarily used for public finance management: the Public Finance Management Act, the regulations and the Accounting Manual. With the modernization of laws it was confirmed that there is a review of the Act and the Regulation which will result in a review of the Accounting Manual. There concern expressed in the implementation and compliance of the above and the Committee further probed whether rules and regulations will be enforced.

Restructuring Debt & Advances

- I. The Committee enquired on the R40M loan which has increased due R69M in section 2.57 of the Report. The department confirmed that the case of the land concerns a hotel establishment is to be built whereby a back-to-back transaction was assumed to be feasible. The loan was re-structured and re-negotiated. It is being recorded as a domestic debt.

Analysis & Recommendations

- I. The organization should ensure that a proper Register of assets and projects is kept and regularly updated.
- II. Ensure the necessary review and implementation of regulations and the addition of penalties.
- III. Ensure the necessary consultations and trainings for Accounting officers going forward.
- IV. The Financial Stability Committee should have stronger oversight on loan applications and their fiscal risks on Government.
- V. Write Off and its procedures should be further strengthened to reduce wastage.

1.15. SEYCHELLES REVENUE COMMISSION (Pg. 105-107)

An audit of the Seychelles Revenue Commission was carried out with findings highlighted being outstanding debts, non-inclusion of interests in debtors list, the lack of implementation of effective monitoring systems. The Commission appeared before the Committee on 29th of July 2021 and were questioned on audit findings.

Findings of the Hearing:

Collection of Revenue and Debts

- I. Debt up to end of May 2021 was 1.1 billion Seychelles Rupees and the SRC introduced an amnesty which was approved by the National Assembly for penalties and interests. The Commissioner confirmed that the Commission is 8% ahead with its collection and that the necessary targets will be met.
- II. 26 cases are currently in litigation to address the repayments, and the bulk is related to business taxation.
- III. Social Security debtors are an increasing issue to which the Commission is actively addressing these matters through constant follow-ups, offering instalment re-payments and litigation.
- IV. The Commissioner reported a revenue of 1.2 Million Seychelles Rupees as a result of public sales.

Perishable/Expired Items – Unaccounted for Container

- II. The Committee enquired about whether those items have been addressed and whether there are Standard Operating Procedures in place for this process. The Commissioner confirmed that at times these products are donated and that many of these mentioned items in the report have been cleared up.
- III. The Commissioner confirmed that stocks are being classified to ensure an up-to-date inventory is put in place for the new warehouse. This includes ensuring a more transparent and efficient management of the Warehouse.

- IV. The Commissioner provided an overview of the inception of containers and that the container that was unaccounted for was in fact empty.

Status of action taken on matters reported in AR 2018 and AR2017

- I. The Committee enquired about the outstanding balances in the table and the Commissioner confirmed that these matters have been addressed and cleared. The balance represents a dip in the rate of exchange to which the Commission is in negotiation with SEYPEC.
- II. The subject of dishonoured cheques was addressed and the Commissioner highlighted that there is ongoing work being carried out to solve the issue.

Analysis & Recommendations

- I. The Commission should ensure that there are periodical reviews its current standard operating procedures to ensure gaps are addressed and to promote compliance.

1.16. DEPARTMENT OF DEFENCE (Pg. 20-24)

An audit of the Department of Defense was carried out with findings highlighted being non-adherence to procurement procedures, misclassifications of expenditure, overpayments and the lack of implementation of effective monitoring systems. The Department appeared before the Committee on 29th of July 2021 and were questioned on these findings.

Findings of the Hearing:

Non-Adherence to Procurement Regulations for Use of Goods & Services

- I. It was highlighted that there was a change in administration and the Department went through a phase of restructuring which could have resulted in miscommunications during the auditing period. It was expressed that in certain circumstances the Department procedure spare parts for aircrafts that are primarily produced by one specific company and results in direct bidding. Decisions were made in consultation with the Public Procurement Oversight Unit to ensure oversight and adherence to the proper procedures. The Department upon the advice of the POU, technical committees were implemented to ensure the necessary oversight on procurement matters and this has been extended to the employment of a dedicated Procurement Officer. The Committees are the *Vetting Committee* and *Procurement Committee*. The Department is seeking to have contracts with providers of the aircrafts spare parts.
- II. The Department has resolved the issue of cash payments through the implementation of necessary procedures of account transfers to the respective soldiers receiving the allowances.

Unresolved Items from the Previous Audit

- I. Despite the issue showing as resolved, the Department further emphasized the necessary rental agreements which have been put in place and recorded.

- II. Stores that had not been properly maintained were addressed with strict procedures put in place.
- III. Vehicle and fuel management has improved with strict processes and record measures in place. The Department is seeking to engage with SEYPEC to plan for future dedicated fuel pumps.

Analysis & Recommendations

- I. The Department should ensure its fixed asset register is managed efficiently and for stricter measure to be put in place in regards to fuel management which are verifiable. This also includes implementing disciplinary measures for officials that carry out corruptive practices and do not adhere to regulations.

- *End of 2021 Public Hearings* -

2.0. AUDIT FINDINGS AND RECOMMENDATIONS

Public Hearings of 2022 on the OAG Report 2020

In 2022, the FPAC held public hearings focused on the OAG report of 2020. The Committee's line of questioning was focused on the audit findings published in the report, focusing on the issues highlighted under each audited entity as recorded by the Office of the Auditor General. The findings, analysis, and recommendations derived from the hearings in respect of each entity is detailed below.

2.1. INFORMATION COMMISSION (Pg. 54-55)

An Audit of the Commission was undertaken for the period of June 2019 to 31 August 2020. The audit revealed shortcomings related to procurement, lack of proper records in relation to fixed assets, and discrepancies in inventory. The FPAC conducted a hearing on these audit findings on the 25th of April 2022.

Findings of the Hearing:

Non-Compliance with Procurement Regulations

I. The Commission explained that during that period, they encountered difficulties in obtaining quotations from suppliers resulting in the lack of the required minimum three quotations. The Commission further explained that justifications were provided to the Ministry of Finance in such cases where they were unsuccessful in gaining the three quotations. The Commission explained that the issue has been addressed as they have transportation now facilitating their movement and gaining suppliers' quotations.

Lack of Proper Fixed Assets Records

I. The Commission explained that they have updated their fixed assets system and they have received training on how to properly use the system which is now working well.

Discrepancies in Inventory

I. The Commission stated that they have now installed a system for the inventory and staff have been trained on how to properly use the system which is regular updated and maintained.

Analysis & Recommendations:

I. Proper procedures should be implemented to ensure the necessary records for the inventory are addressed.

2.2. DEPARTMENT OF CULTURE (Pg. 30-38)

An audit of the Department was undertaken for the years 2018 to March 2020 with an emphasis on payroll, procurements, fixed assets, and transport management. The FPAC

conducted a public hearing based on the audit on the 25th of April 2022 and the findings are detailed below.

Findings of the Hearing:

Bank Accounts

- I. The audit found that there were bank accounts which were not closed properly. The Department stated that, to-date, the bank accounts in question have been closed.

Non-Compliance to Procurement Regulations

- I. The audit found that in 41 payments totaling R2,653,660 the required three quotations or the prior authorization of the POU was not sighted. Of these, R2,134,481 was paid to a single supplier for furniture related to the new national history museum. The Department said they had informed the POU in advance about difficulties in obtaining quotations and made these communications available to the OAG. Approval was obtained to award two works to the only supplier who had responded. The POU advised the Department to report back once the work was completed, which they did, expressing satisfaction and a desire to continue working with the same contractor. The POU confirmed that the Department was within its threshold and could proceed. This confirmation was also made available to the OAG.
- II. The Department stated that the POU have advised them to be in contact with the unit well in advance for future projects, as early as the conceptual stage in order for the unit to guide the Department in terms of procurement.

Inventory

- I. The Department confirmed that, to-date, all bin cards have been re-introduced and are updated.
- II. The Department stated that, during the audit process they sent photos to the OAG as evidence to the work that had been done to put the museum storage in order.
- III. The Department explained that the storage for admin is at the administrative office at 'Maison Lesplanade', however they explained that the space is still not enough. The Department assured the Committee that with the implementation of the bin card system, there would not be incidence of missing inventory.

Revenue Collection

- I. The Department stated that the OAG has advised them to segregate duties where it concerns revenue collection, meaning that there would need to be a staff specifically for revenue collection. However, the Department explained that with staff shortage, they must evaluate ways where they can re-prioritize work in order to implement the recommendations of the OAG.

Lack of Proper Records of Fixed Assets

- I. The Department explained that with the fixed assets, there were two categories, the first of which involved fixed assets that were located at 'NCPA' whose building was under renovation which resulted in their inability to trace certain inventory. In terms of inventory for the administrative and other sections, their inventory was on excel and they had not yet been updated on the Ministry of Finance's system. The Department explained that the OAG only examined the Ministry of Finance's system rather than the excel.
- II. The Department explained that inputting the assets onto the Ministry of Finance's system is a task which requires a lot of time, as each item has to be input one at a time with all relevant details. The Department explained that to-date, all items are on the system which is kept updated.

Transport

- I. Questions were posed as to whether the Department was able to recuperate costs incurred due to a vehicle accident where it was determined that the staff member driving was more responsible for the accident. The Department stated that it has not been able to get the contribution from the driver toward damages to the vehicle.
- II. The Department also explained that the insurance company 'Fidelity' did not refund the money, and the staff has since left the Department. The Department assured that they are in conversation with the broker and are aiming to close the issue before the next audit.

Analysis & Recommendations:

- I. Ensure that necessary approvals from the POU are received well in advance before money is spent.

2.3. TRNUC (Pg. 94-96)

An audit of the Truth, Reconciliation and National Unity Commission undertaken for the period of June 2019 to August 2020 revealed shortfalls concerning payroll, payments of goods and services, transport, and fixed assets. The FPAC conducted a hearing based on these findings on the 25th of April 2022.

Findings of the Hearing:

Commissioners of the TRNUC

- I. Questions were posed in relation to the lack of Commissioners at the time of the hearing compared to when the Commission was established. The TRNUC explained that the commission began with 7 Commissioners including the Chairperson and the Vice Chairperson. 2 Commissioners resigned from their post, their reasons being that they had other work which prevented them from working at the TRNUC full time.
- II. The Commission explained that the current staff they have is not sufficient to effectively undertake the mandate of the Commission.

Granting of Annual Leave in Excess

- I. In regard to the excess annual leave granted, the TRNUC explained that when recruitment started to staff the Commission, there were two employees interviewed who had already had arrangements for overseas travel shortly after they had to start employment with the Commission. The TRNUC decided to accept this despite the recruits not having accrued leave which would need to be replaced. The Commission explained that the leave was replaced.

Overpayment of Allowances

- I. The Commission explained that the salary of the Chairperson, Vice Chairperson and Commissioners was approved by the President's Office and the Ministry of Finance, the same response as recorded in the report. The Commission explained that they were later informed of the monthly overpayments of R388 (Vice Chairperson) and R107 (Commissioners).
- II. The Commission explained that once they were alerted, the Vice Chairperson advised to calculate the amount overpaid and deduct the amount from his next salary. It was explained that other Commissioners repaid the overpayment in instalments. Regarding the two Commissioners who are no longer working with the Commission, there is still the question of how much they were overpaid and how much they were underpaid. It was further explained that once the Ministry of Finance has determined their dues, this issue will be sorted.

Rent Board Approval Not Sighted

- I. The audit found that there were additional monthly payments made to the landlord with the notation of 'HVAC power consumption' during the period November 2019 to May 2020 totaling R139,258. It was also found that payments were made based on invoices submitted by the company without any supporting documents such as actual utility bills.
- II. The Commission explained that at first, they did not get a separate meter reading for HVAC. Once this issue was revealed, the TRNUC insisted that the landlord put in place a system where each room rented on the floor has a meter which shows the details of HVAC power consumption for each room. The Commission further explained that the only room where HVAC remains full time is Room one which houses all electronics. The Commission further explained that they now have supporting documentation when invoiced for utility payments from February 2022.
- III. The Commission explained that they were not informed that they would need a certificate from the Rent Board for permission to enter into a rental agreement which was for a monthly rent of R179,975 inclusive of service charges and 15% VAT.

Transport

- I. The audit revealed that, during the period under review, the Commission purchased R86,730 worth of fuel coupons and that not all fuel coupons purchased and issued were recorded in the fuel coupon register nor were they signed off by the person receiving the

- fuel coupons. The audit revealed that fuel coupons worth R24,000 were disbursed to a person who was not a staff member of the Commission but assisting in driving duties for the Chairperson who was entitled to a driver and fuel for full personal and private use.
- II. The Commission responded that the fuel coupons worth R24,000 were issued to the Chairperson's husband. The Chairperson's contract stipulates that they receive fuel coupons and a car for official or private use. They were assigned an old car which was a 'fuel guzzler' according to the Commission.
 - III. Questions were posed in regard to why the Chairperson was not assigned a driver. The Commission explained that there was a staff member seconded to the Chairperson as a driver. However, the TRNUC needed a perpetrator support officer and having made the request in their budget numerous times and been denied, the driver became the perpetrator support officer. This led to the Chairperson's husband becoming her driver. The Commission explained that they have tried to get additional staff, and due to the hiring freeze, they have not been able to gain additional staff.
 - IV. It was further stated that the previous staff responsible for maintaining the registration of coupons and verification of logbooks was not undertaking the duties properly. This issue has been rectified.

Fixed Assets

- I. Audit revealed that the Commission's total payments for fixed assets amounted to R791,281. The audit noted that for 21 acquisitions amounting to R587,365, the required 3 quotations were not sought. The IT equipment purchased was still pending arrival in Seychelles.
- II. The Commission stated that the only equipment which was ordered then cancelled was a server to store all digital information. The Commission stated it will investigate the pending IT equipment.
- III. The Commission also explained that the 3 quotations for assets were sought from all places selling office equipment. These quotations were then sent to the statehouse to the official handling procurement who purchased them from another place.
- IV. The audit also found that the Commission was not using the fixed assets software produced by the DICT. The Commission noted that 80% of the information on fixed assets to be compiled is completed and ongoing.

Analysis & Recommendations:

- I. The Commission should engage with the Ministry to determine the benefits or dues with respect to Commissioners to ensure that the issue is clarified for the future.
- II. Exit meetings should be held to clarify the information revealed by the audit.

2.4. DEPARTMENT OF TOURISM (Pg. 43-46)

An audit of the Department of Tourism revealed shortcomings regarding payments of goods and services, allocation of telephone and internet, fixed assets, transport, and inventory. The FPAC conducted a hearing on these audit findings on the 25th of April 2022.

Findings of the Hearing:

Payments of Goods and Services

- I. The audit revealed that in a sample of 30 payments totaling R321,812, the required 3 quotations were not sighted. The Department stated that there were instances where suppliers refused to provide the quotations and that there were instances in which certain purchases were urgent, so three quotations were unable to be attained. The Department stated that there is a procedure in place to ensure that procurement is done in accordance with the requirements and that the 3 quotes are sought.

- II. The audit revealed a payment of R11,694 was made toward consumables which are not commonly used in offices, and the payment was made based on a pro forma invoice. The Department explained that this finding is in relation to the Secretariat office of the Minister which was being managed by the Department and these items were purchased to cater for light lunches in the event where meetings go beyond lunchtime. The Department also stated that the Secretariat office is no longer under their purview. The Department explained that for meetings which are expected to be long, they make provisions for catering.

- III. The audit also revealed that a payment of R12,000 for sewing 80 sets of uniforms was made to an individual without any explanatory note on the issue and authorization from the establishment. The Department explained that due to the urgency of the payment, the supplier's bank account details could not be registered in the system. The Department found it easier and quicker to make payment to the individual. The Department stated that their staff are aware of the procedure and need to make payments to the supplier despite the time it takes to register bank details.

Allocation of Telephone & Internet

- I. The audit revealed that two staff from the Department possessed multiple sim cards used for mobile phone and internet respectively. Payments totaling R7,590 were made by the Department for the months of September and October. The Department stated that, in the current moment in view of the merger of the Seychelles Tourism Board (STB) and the Department, the policy in regard to phone and internet usage has been reviewed. This review entails an analysis of which employees should receive official mobile numbers and negotiations with their service provider on the package. All employees who do receive an official number sign contracts and are aware of the terms and conditions governing the usage of those official numbers.

Mileage Logbook Incomplete & Not Verified

- I. The audit noted that in a number of instances, the driver had attempted to correct what seemed to be incorrect entries and repeated overwriting made the entries illegible at many places besides not being authorized by supervisors.

- II. The Department stated once the merger of the STB and the Department took place, they undertook an audit to identify any weaknesses and ensure that measures are put in place to address them. The Department stated that all records are currently maintained and in order.
- III. The Department further explained that the DG for Admin and HR authorizes the plans for transport ensuring controls.

Vehicle Repairs & Maintenance

- I. The audit found that the Department spent R81,800 on repairs and maintenance on its motor vehicles, however details of repairs and maintenance were not recorded in the respective logbooks.
- II. The Department responded that there are records of the repairs and maintenance; however, it was not recorded as required. The Department explained that this issue is being addressed.

Fixed Assets

- I. In regards to the maintenance of Fixed assets register, the Department stated that they are in the process of merging the registers of the STB and the Department. Once this is complete, the department will undertake a full physical verification of these assets.

Analysis & Recommendations:

- I. Monitoring systems should be reinforced and emphasized to ensure that records are appropriately maintained and recorded.
- II. The Department should ensure that they respond to the management letter and maintain correspondence correctly.

2.5. CREATIVE INDUSTRIES AND NATIONAL EVENTS AGENCY (Pg. 47-48)

A follow-up audit involving the examination of the accounting records, receipts and expenditures for the year 2019 and remedial actions arising from the previous year's audit were undertaken. The FPAC conducted a hearing on the findings of this follow-up audit on the 25th of April 2022.

Findings of the Hearing:

Status of Action Taken on Previous Audit Findings

- I. In terms of discrepancies in printing, ticket sales and collection for festival kreol activities, there was an outstanding of R10,029 from 'Bon Vye Tan' shortbanking of R10,000 and there was no follow up on Fon Lamal 2017 outstanding collections of R32,400.
- II. The Agency stated that the discrepancies have been reviewed, and the issues have been addressed in terms of ticket sales. The Agency also explained that there is a write-off procedure currently in place at the Ministry of Finance.

- III. In relation to the persisting matter of discounts being authorized in the absence of regulations, the Agency stated that, along with the Ministry of Finance there has been an engagement in regard to how discounts should be given and the policy regarding this. However, since the Agency has closed, they have not yet put in place the policy concerning discounts. However, with the new body it is expected that there should be a policy in place concerning this matter.
- IV. The Agency stated that with regard to procurement, where culture is concerned, it is at certain times impossible to get 3 quotations as a result of the specificity of certain procurement. In regard to other purchases, the regulations are being followed.
- V. The Agency stated that their fixed assets register is currently up to date.

Analysis and Recommendations:

- I. The Agency should follow the regulations which make provisions for the specificity of certain procurement.
- II. The Agency should inform the procurement unit of the specificity of certain procurement so that they are aware.
- III. The Agency should negotiate a contract with their service provider to reach an agreement regarding roaming charges for overseas missions.

2.6. DEPARTMENT OF YOUTH & SPORTS (Pg. 49-51)

An audit of the Department of Youth and Sports revealed audit issues concerning payments of goods and services and fixed assets. The FPAC conducted a hearing based on these audit findings on the 25th of April 2022.

Findings of the Hearing:

Rent Board Approval Not Sighted

- I. The audit found that the Department entered into agreements with two companies; one for storage space at a monthly rent of R10,000 and second for office space on Prasin at a monthly rent of R18,000 without seeking the required approval.
- II. The Department stated that once the new CEO took office, they cancelled the rental of storage space as free storage is secured at the National Sports Council.

Procurements Without Requisite Quotations/Bids

- I. The audit noted that there were 6 payments for procurement of goods and services totaling R112,900 which were not supported by the requisite 3 quotations.
- II. The Department stated that the printing of T-shirts and fil covers could be done only by selected suppliers.

- III. The Department hired a car for 115 days and paid R69,000 during the year 2020 without seeking the requisite minimum 3 quotes before entering into the agreement. The Department stated that they have difficulty getting 3 quotations from car hire companies. The Department stated that they entered into a one-year service agreement with a car hire.
- IV. The Department stated that they are ensuring that they do ensure to try and get 3 quotations and in instances where they cannot get them, they gain the necessary approvals.

Procurement of a New Vehicle

- I. In terms of the purchase of the new vehicle, the Department stated that the previous vehicle was costing too much as it constantly needed repairs and maintenance. The Department then requested a write-off of the vehicle, and they got approval to purchase a new vehicle.
- II. The Department stated that all the procedures were followed. The Department stated that on the advice of the Steering Committee, they purchased the vehicle from the same supplier.
- III. The Department stated that the old vehicle is in a garage. The Department also explained that there have been discussions with the Ministry for Finance regarding the transport, who advised the Department to seek out quotations for a new engine for the car. The Department has been unsuccessful in obtaining the quote and has informed the Ministry of Finance and is currently awaiting the next steps.

Fixed Assets Register

- I. The Department informed the Committee that, to date, the fixed assets register is up to date, and items have been physically verified.

Analysis & Recommendations:

- I. The Department should get the necessary approvals needed when entering agreements with one supplier.
- II. There should be a tracking system in place for all high value assets to track the warranties and all other relevant information.

2.7. DEPARTMENT OF FOREIGN AFFAIRS (Pg. 25-29)

The audit of the Department of Foreign Affairs revealed shortfalls in remittances in transit, payments for the use of goods and services, personnel emoluments, fixed assets, and revenue. The FPAC conducted a hearing on these audit findings on the 26th of April 2022.

Findings of the Hearing:

Remittances in Transit

- I. The audit found that there were significant variances between missions' bank and remittance account balances. A comparison of the available bank balances of 12 overseas missions (except for Geneva Embassy) with their respective remittance account balances as at 31 December 2020 was

conducted. It was noted that there were significant variances totaling R10.90 million between the two records.

- II. The Department explained that in the past, embassies received their budgets on a monthly basis and in 2016 or 2017, the embassies started receiving them quarterly. Additionally, the budget is recorded in Seychelles rupees in Seychelles and in the embassies the budget is recorded in the currency of the country.
- III. The Department explained that all embassies submit their cash books to show their expenditure. The Department was then analyzing to confirm whether the expenses shown on the cash books match those shown on the bank statements and they were not taking the foreign exchange rate into account.
- IV. The Department explained that in 2021, they completed the reconciliation exercise for the years 2014, 2015, 2016, 2017, and 2021. The Department stated that they will be starting the reconciliation exercise for the years 2020, 2019, and 2018.
- V. In regard to the write-off for the years 2012 and 2013, the Department explained that they are unable to retrieve the information for those years due to the incompatibility of the system in use in those years with the one they currently have in place.

Payments for Use of Goods and Services

- I. The audit found that, in 11 payments amounting to R426,975 the requisite minimum 3 quotations nor prior authorization from the POU for direct bidding were sighted.
- II. The Department explained that a policy is being reviewed in regard to procurement due to instances of the specific nature of procurement whereby getting 3 quotations may not be possible. The Department further explained that the policy is taking into account the existing regulations and is in discussions with the Ministry of Finance to approve certain flexibilities in some instances.

Delays in the Removal of Leavers Result in Overpayment

- I. The audit revealed that the Department failed to remove one of its ex-employees who resigned on January 1st 2019 from its payroll run until March 2019 resulting in an overpayment of R24,473 to the ex-employee. The Audit noted that the ex-employee had agreed to make monthly refunds of R100 at which rate the debt recovery would be complete in 20 years. On follow-up, the audit noted that the outstanding balance owed by the ex-employee stood at R14,690 as per the aged debtors list as at 31 December 2020. The audit was informed that the debtor is no longer making repayments. In their reply the Department stated that it contacted the ex-employee, and she has provided a signed letter to increase the amount of refund from R100 to R600 on a monthly basis until the debt is cleared and the repayments have resumed effective August 2021.
- II. The Department stated that the outstanding balance is now around R11,000. The Department further explained that there are measures and checks in place in relation to reconciliation to ensure that this issue does not occur again.

Physical Verification of Assets not Performed

- I. Audit revealed that the Department acquired non-financial assets worth R3,593,942 through purchases or on lease during the year 2019. However, the Department did not perform a physical verification during the year 2019. The Department in response stated that while the physical

verification of items for 2018 and 2019 have been completed they have also introduced an Internal Requisition Form for better control on the assets and also to provide adequate audit trails.

- II. The Department stated that they will begin conducting independent verifications for assets.
- III. Questions were posed the Department's assets write-off to which the Department stated that these are outdated or damaged equipment and furniture.

Revenue

- I. During the year 2019, the Department generated revenue totaling SCR 952,887 through authentication of documents and sale of flags amounting to SCR 766,257 and SCR 186,630 respectively. For the year 2020, it collected SCR511,800 for authentication of documents and SCR84,290 flags sales proceeds. Revenue generated from authentication of documents was more than 80% of the total revenue collected during the years 2019 and 2020. Different amounts of fees have been prescribed for authentication of different documents. Audit was informed that payments for authentication of documents, are to be made in advance for which a Government receipt is raised and the respective document reference number is recorded in the cashbook.
- II. Audit observed that the Department's fees/pricing structure for sales of flags and Authentication of documents was last reviewed in February 2012. In view that the cost of delivering such services may have gone up during the period up to 2019, Audit recommended that the Department undertakes the requisite pricing reviews regularly in adherence to the provisions of financial instructions in order to optimize its revenue collection.
- III. The Department stated that prices have been submitted to the Ministry for Finance. The Department stated that due to the economic situation, the Ministry of Finance is still analyzing whether to proceed with price increases.

Analysis & Recommendations:

- I. Embassy staff should be trained and informed of how reconciliation is done by the Department to make the process more effective.
- II. A more effective monitoring mechanism should be put in place to effectively monitor the bank accounts statements of overseas missions.

2.8. LIVESTOCK TRUST FUND & SEYCHELLES AGRICULTURAL AGENCY (Pg. 56-57)

The audit of the Trust Fund revealed shortcomings related to procurement procedures, lack of proper records and overpayments. The FPAC conducted a hearing on these audit findings on the 26th April 2022.

Findings of the Hearing:

Levies & Subsidies

- I. The Fund provided an overview of the work that has been undertaken in this respect and provided numbers on the levies for 2021 and 2022. For 2021 the fund amassed a total of SCR5.7 Million for Pork Levies and SCR23.3 Million for the Poultry levy. In 2022 as at April the Pork levy was around SCR723,000 and Poultry was SCR5.5 Million.

- II. Subsidies were introduced in 2018 as part of the Comprehensive Agricultural Development Plan. The calculations were maintained however in 2020 as a result of the COVID-19 pandemic the costs of produce kept rising. The subsidies were to assist farmers however with the rising costs, the subsidies also kept rising – and has continued to increase over the years. The Agency along with the Ministry of Finance highlighted that the increase is not sustainable for the Government and requires measures to ensure its decrease but not to the detriment of the farmers. The Committee questioned the use of the subsidies and the officials highlighted the reasonings on how they were sustained throughout the years. It was further clarified that subsidies are solely for commercial livestock farmers.

Unmandated Board & Procurement Processes of Goods and Services

- I. An overview was provided on the purchases made under the Trust Fund. Much of the expenditure on projects, drainage and irrigation is to assist farmers and facilitate their businesses. Further expenditure was also to provide umbrellas for sellers of agricultural products and other projects such as helping schools with agricultural projects and promoting this sector with students. It was confirmed that the funds are not only for livestock but related to all matters that encapsulate agriculture. This can also include schemes that are related to irrigation, barrages etc which contribute towards the development of both crop and livestock farmers.
- II. The Committee questioned on the procurement procedures that were not followed and were admitted that there were gaps to this effect. Contracts with different supplies are being reviewed and implemented to ensure compliance. In addition, the management of the bulk stores are also being reviewed and addressed to ensure there is proper stacking and oversight on its management. Work has been undertaken with DICT and the Ministry of Finance to improve the inventory system in place.
- III. The Agricultural Inputs Committee has been revived in order to better understand the challenges in the sector and to bring forward solutions especially on the types of products that are needed.

Analysis & Recommendations:

- I. Carry out an economic analysis of the efficiency of the fund and its contributions to the agriculture sector and its modernization.
- II. A review of the internal procurements processes should be undertaken in order to put in place proper standard operating procedures to ensure compliance with regulations.

2.9. SEYCHELLES HUMAN RIGHTS COMMISSION (Pg. 76-77)

The Commission appeared before the Committee on 26th April 2022 to address audit findings such as the certification of the accounts of the Commission, lack of supporting documents for the procurement of goods and services, issues with the payroll and an incomplete asset register.

Findings of the Hearing:*Overdrawn Facilities*

- I. The Commission highlighted budgetary and operational constraints to ensure its independence. It was highlighted that there were serious budgetary constraints the Ministry suggested an overdraft be applied for until delayed budget funds were released. Advances were required in order for the commission to be working and functioning.

Analysis & Recommendations:

- I. The Commission and the Ministry of Finance should establish a financial oversight structure to ensure compliance with public finance management laws and regulations despite the provisions within the act governing the Commission

2.10. SEYCHELLES REVENUE COMMISSION (Pg. 84-91)

The Revenue Commission appeared before the Committee on 26th April 2022 to address audit findings which pertained to issues such as the lapses in Revenue collection, unresolved issues relating to the ASYCUDA system, persisting findings from 2019 and payroll discrepancies.

Findings of the Hearing:*Lapses in Collection of Revenue*

- I. The Committee highlighted the sum of SCR16 Million which did not have supporting documentation in relation to revenue collection and questioned whether an internal audit was carried out. The Commission confirmed that the internal audit was carried out and the necessary standard operating procedures have been implemented and introduced to address domestic tax and the customs division.
- II. The Committee questioned the SCR68 Million from excise tax which was pending collection. The Commission confirmed that the above-mentioned amount was an endorsement of the bills that the Ministry of Finance had addressed.

Avoidable Expenditure

- I. The Committee highlighted the agreement with the Financial Services Authority for the rental of warehouse space which was not used up until August 2021, clearly demonstrating a waste of public funds on unused storage which was at the value of SCR336,000. The unused storage space was as a result of the COVID-19 pandemic whereby staff could not carry out the transfer of the goods to the rented warehouse. There were also necessary instalments which had to be made in the highly secure space.

48 Dishonored Cheques

- I. The Committee highlighted the audit findings relating to 48 dishonored cheques from 2018/2019. The Committee enquired on whether moving forward these findings were addressed up to 2022. The Commission confirmed that up to date only 23 cheques

remained, of which 14 are to be fiscally recovered. Some businesses paid by installments through certain negotiations. Those that are still pending have been blocked in the ASYCUDA system until the issue is cleared.

Business Registered with Licensing and Not with the SRC

- I. There were variances in the businesses registered with licensing which had not registered with SRC to honour taxation payments. The Committee enquired on whether this has been addressed. The Commission confirmed that the 12 businesses were addressed and registered of which one had cancelled its business registration.

Issues with the Computer Management System

- I. There were discussions on the fraud that took place using the Computer Management System (CMS). The Committee questioned its access and cyber security measures. The Commission confirmed that the necessary access levels have been addressed and that regular reviews take place to ensure its secure and lawful use.

Analysis & Recommendations:

- I. Ensure regular trainings are carried out to ensure dedicated staff are knowledgeable about public finance management procedures and principles, including the accounting procedures.
- II. The Commission should expeditiously change its computer system to the Taxpayer Management System to avoid future risk of fraudulent activities and to ensure optimum security measures are in place.

2.11. SOCIAL WORKERS COUNCIL (Pg. 92-93)

The Council appeared before the Committee on 27th April 2022 to address audit findings that were highlighted in the Report of the Auditor General. These discrepancies were as follows; overpayment of salaries, unperformed reconciliations, unmaintained cashbooks and persisting matters stemming from 2017.

Findings of the Hearing:

Non remittance of income tax and pension contributions

- I. The Chairperson affirmed the weaknesses in procedures relating to the finances of the Council. The issues were resolved, and the Ministry of Finance took over the management of the finances from the previous registrar. After the closing of the MCB bank account the anomalies have reduced dramatically.

Reconciliation Not Performed & Payments Lacking in Supporting Documents

- I. The Chairperson confirmed that the bank account mentioned in the Report was closed and that a financial controller has oversight and control on matters relating to the finances of the council.

- II. The issue of having no sight of original invoices and payment vouchers in respect of ten payments at the total value of SCR75,107. The closure of the account was done to address this issue. And this discrepancy was as a result of non-adherence to financial procedures and regulations.

Non-Financial Assets & Non Adherence to Procurement Procedures

- I. It was confirmed that all assets are accounted for and that the current registrar is undergoing training in asset management.
- II. Persisting mismanagement of assets and lack of adherence to obtaining quotations were addressed. The Chairperson affirmed that the new system in place will ensure adherence to these regulations. Procedures of write-off are being implemented in the new management system being put in place as a work in progress.

Analysis & Recommendations:

- I. Ensure the necessary standard operating procedures are drafted and implemented for the use of the Council and to ensure compliance with laws and regulations relating to Public Finance Management. This includes providing the necessary training of staff.

2.12. NATIONAL ASSEMBLY OF SEYCHELLES (Pg. 58-61)

The National Assembly delegation headed by the Clerk appeared before the Committee on 27th April 2022 to address matters relating to the procedures of Member's claims, payments of goods and services, lack of procurement regulation adherence and an incomplete fixed assets register.

Findings of the Hearing:

Personal Emoluments – Lack of Terms & Conditions & Constituency Support Allowances

- I. The Committee further enquired on the structures in place for the salaries of Parliamentary Staff and Members, including Ex-members (58) that receive pensions. It was confirmed that this list is on the records to ensure the National Assembly are aware of who are being provided with pensions and forms part of the budget of the institution, despite the money being disbursed through central government. The procedures on Members' claims has been tightened with additional oversight structures add which includes the Director of the Speaker's Office and the Accounting Unit.
- II. The framework of Constituency allowances was discussed. The Clerk confirmed that there are criteria for the allowances and an ongoing consultation in regards to the policy that governs this allowance despite its important need to the role of Members in their constituencies. It was highlighted that this framework has existed since 2014.

Payments for Goods & Services – Lack of Adherence to Procurement Regulations

- I. The 72 payments for a total of SCR1,904,567 of which 7 cases did not involve price justification and competitive quotations. The Clerk confirmed that the Procurement Policy is being enforced and reviewed to ensure compliance and to address lapses in policies.

Incomplete Fixed Assets Register

- I. The Committee enquired on the incomplete fixed assets register which was not updated. There are records for the assets, but the auditor only checked the system, which had not been updated. The Clerk confirmed that to date all the assets have been tagged and the system has been updated. The records of assets of Members in their respective constituency offices were also addressed and discussed.

Analysis & Recommendations:

- I. Ensure the necessary consultations with the Ministry of Finance and the Ministry of Local Government to ensure Members have offices in their constituencies.
- II. The National Assembly should seek to establish its internal controls and autonomy in order to modernize its system and reinforce its capacity.
- III. A structure should be introduced to ensure the proper assets management of the officers of the Members in the respective constituencies and to ensure proper oversight of those assets. *This includes having additional physical verifications.*

2.13. DEPARTMENT OF PRISONS (Pg. 78-83)

The Department of Prisons headed by the Commissioner of Prisons, appeared before the Committee on 27th April 2022 to address matters highlighted in the auditor's report which involved the non-recovery of overpayments, avoidable expenditures, the payment of arrears and compensation, unmaintained leave records, irregular expenditures, lack of control over stores and mismanaged assets. *Persisting audit issues from previous years was also highlighted.*

Findings of the Hearing:

Non-Recovery of Overpayments and Avoidable Expenditures

- I. The Committee enquired on the discrepancies and non-recovery of the payments mentioned. The Commissioner confirmed that payments were made during the time whereby a financial controller was changed, and a new structure of financial management was implemented. The payments were wrongfully effected.
- II. The Committee questioned the financial structures and internal controls in place. It was confirmed that at the time the financial controller was under the remit of the Ministry of Finance.
- III. The authorization of payment vouchers was highlighted to be done by accounts and that before it is processed it is authorized by the Commissioner of Prisons with a signature of approval.

Payments of Compensation, Payrolls & Unmaintained Leave Records

- I. It was highlighted that the legal advice was not sought from the DPA and the Ministry of Finance pertaining to compensation and prior to effecting the payments. The Committee enquired on the procedures in place to calculate the dues and compensations paid to staff. It was put forward that these issues came up as a result of discrepancies in the schemes of service concerning the job roles of those staff and that the necessary procedures for seeking legal advice will be sought accordingly.
- II. It was highlighted that leave records were not properly maintained to ascertain whether payments were correctly effected.
- III. Delays in removing leavers in the payroll was highlighted and questioned and the delegation put forward that the payroll is now updated, and internal controls have been implemented for signing and verifications.

Payments for goods and services & Control of Stores

- I. SCR25 Million is spent on the payment of goods and services for the year 2019 and SCR 26 Million in 2020. The Committee deemed this to be very serious due to the fact that the auditor highlighted a surcharge on overdue payments and other irregularities. The Committee enquired on whether there is a system in place to ensure there are necessary records and the management of receiving invoices on time from suppliers and so forth. It was confirmed that a system has been put in place to avoid future surcharges.
- II. The assets in the stores that were still packed and unused was highlighted including the necessary updating of the fixed assets register. It was discussed that measures are being put in place to avoid such incidents and that the fixed assets register is being updated.

Analysis & Recommendations:

The Department of Prisons continuously has discrepancies and lapses in its public finance management across the years. The necessary analysis and urgent work should be undertaken to ensure the status reports are addressed and finances of the Department lawfully and efficiently managed.

- I. The necessary internal controls should be reviewed and lapses addressed as a top priority to ensure the necessary compliance with public finance management laws and regulations, this includes implementing the necessary controls for stock and stores.
- II. The Committee recommends that contracts should be properly monitored to ensure timely renewal of the contracts. This includes having standard operating procedures in place to ensure employee records, payroll records and files are regularly updated.

- III. The Department should have a cost-effective fleet management system in place to ensure the efficiency of its operations, fuel management, procurement procedures and the monitoring of usage of fleets.

2.14. DEPARTMENT OF POLICE (Pg. 39-42)

The Department of Police headed by the Commissioner of Police on the 27th April 2025 to provide oral evidence towards audit findings that highlighted prevailing debts, accuracy of payments effected in relation to rental accommodation, approval for contracting services, overdue payments and lack of supporting documents.

Findings of the Hearing:

Sources of Income & Prevailing Debts

- I. The prevailing debts in relation to services of PSSW and SVPD provided was highlighted and the Department provided some information on the matter. The debts are mainly from boat agencies, and it was confirmed that the entities are currently on top of the current charges and the debts are from 2016-201 whereby revenue collection was not to a high standard. The Department has made exerted efforts to collect the outstanding revenue and it is work in progress, especially those dating back to 2016. It was confirmed that both private and government agencies are debtors. Concerted efforts are being made to address the aging debtors.

Invalidity of Leases, Prior Approval and Overdue Payments

- I. The Committee enquired about the invalidity of leases of accommodation on La Digue and whether there are procedures for internal controls regarding these matters. The Department confirmed that all the agreements are covered in a new policy whereby all the documents are pre-discussed, drafted and negotiated before its finalization and signature. The leases are agreed upon for a period of two years to ensure the exploration of other options. It has stressed that central approval is imperative to ensure internal controls.
- II. The late payments were attributed to a delay in the submission of invoices by the two suppliers and that all invoices had been checked and found correct. The Committee stressed the importance of having further layers of access control and approval mechanisms to avoid such future incidents. It was highlighted that the centralized procedure is necessary.
- III. Acquisition of equipment and the necessary procurement regulations was further questioned. The Department highlighted that there is in place a procurement plan that will be adhered to and that the Department will work closers with the Procurement Oversight Unit to ensure the necessary compliance.

Analysis & Recommendations:

- I. Establishing a clear policy in regards to debtors is key in ensuring money owed to the Government through its wide-ranging ministries and agencies have clear structures in collecting its revenue and ensuring necessary action is taken.

2.15. THE HEALTH CARE AGENCY (Pg. 97-114) REPORT ON THE EXPENDITURE INCURRED ON RESPONSE TO COVID-19 PANDEMIC DURING 2020

The Agency appeared before the Committee on 27th April 2025 addressing audit findings that provided insights on the large-scale procurement procedures used during the COVID-19 pandemic, lack of use of contracts for accommodation relating to the quarantining of individuals and the absence of relevant documentations.

Findings of the Hearing:

Total Cost of the Pandemic

- I. It was confirmed that a total of SCR101.9 Million was spent to handle the COVID-19 pandemic in Seychelles, of which SCR81 Million was taken out of the Contingency Fund. Depicting a considerable spending to mitigate the outbreak in Seychelles. It was highlighted that after the report was finalized there were still ongoing spendings taking place in relation to the pandemic.

Rental of Tents & Suppliers

- I. The Committee questioned the sum of SCR5.4 Million which was spent on the rental of tents at different locations which were to only one supplier. The Committee enquired on the documents such as procurement approvals, agreements and project files were not maintained. The Agency highlighted the exigencies that come with the Public health emergency the country found itself in. The agency had implemented different pillars in order to ensure proper measures were taken in regards to health care, operations and logistics. The rental of tents was initially expected to be short term due to the usual measures and best practices taken when handling contagious disease to protect the public. It was unforeseen that the COVID-19 pandemic would last as long as it did. The Agency confirmed that the Procurement Oversight Unit was consulted, and the opinion of the unit followed and adhered to.

Accommodation During the Pandemic & Catering

- I. The Committee highlighted that SCR39 Million was spent on providing accommodation during the pandemic for quarantining and further questioned how negotiation of prices was carried out. The agency highlighted once again the exigencies of managing the pandemic with public health measures which limited accommodation choices extensively and Berjaya met the majority of the criteria out in place in comparison with other hotels on Mahe.
- II. SCR4,487,448 was spent on food catering during the period and the Committee enquired as to why the approval of the POU was not sought and why the contract

was not signed. The agency confirmed that even before the pandemic they were working closely with the POU to seek a solution when it comes to catering providers for major operations and that to date a way forward has not been agreed on. The Agency provided an overview of the serious challenges faced during that time.

- III. It was highlighted that a better price would have been negotiated due to the fact that the hotels were receiving FA4JR and it is quite apparent that a profit was made from the quarantine measures put in place.

Ile De Suede and Arrangements with GICC

- I. The agency provided an overview on the identification of ile de suede as a mitigation measure to the developing situation in Seychelles. It was noted that there was a lack of toilet facilities, and this required a major refurbishment and addition of facilities to accommodate individuals in quarantine. GICC was subsequently identified as they had the resources and the manpower to proceed with carrying out the construction services. The Committee enquired on whether there was an analysis or active oversight on the negotiation of the prices to which the agency confirmed that there were project officers involved. Internal estimates were bypassed and the necessary plans were done in collaboration with GICC whereby an estimate was provided.

Analysis & Recommendations:

- I. The Procurement Act should be reviewed to add special measures for public health emergencies which have different exigencies and elements that need to be addressed. This is also in relation to the powers of the Public Health Commissioner and the stipulations in the Procurement Act.
- II. The Committee reiterates the recommendation of the Auditor General stipulated in the Report for the authorities concerned should care to learn lessons and prepare material, human resources and funds to be utilized in largescale emergencies causing damage to lives, properties, communities and the pristine environment of Seychelles and its territorial waters.
- III. The necessary measures should be drafted and put in place in regards to emergency procurement in public health emergency situations to ensure transparency and efficient spending as much as possible during those situations.

-End of 2022 Public Hearings

3.0. CONCLUSION

Lack of supporting mechanisms and rules for procurement in national emergency situations such as the COVID19 Pandemic is deemed to be a concern for the FPAC and the Committee urges that the Executive implement the necessary frameworks to mitigate and provide corrective measures to avoid a repetition of such issues in the future. The pandemic exposed limitations in how the Executive manages risks, oversight on emergency procurements measures and preparedness for online documentation. National preparedness for such should be spearheaded and properly structured by the Ministry of Finance to mitigate the risks of fraud and mismanagement of funds during national emergency situations. This includes strengthening internal audit mechanisms, implementation of alert systems during national emergencies and undertaking key policies that address financial processes, especially emergency procurement.

Throughout the public hearings it became evident that the majority of the accounting officers and accountants/administrative officials working with them were not up to date with Accounting manuals, asset management policies and not adequately training to ensure compliance with public finance management laws and regulations. The Committee highlights that this is a serious lapse within the Government and the necessary training for officials in financial management be carried out. These lapses were noticeable with the aggregation of the discrepancies and analysis below:

Concerning Aggregation of Outstanding Revenue Collection from Debtors

Under a review of the 2019 and 2020 reports it was identified that the government, through the different ministries and agencies audited has aggregated a concerning amount of debtors leaving long term outstanding revenue collection gaps. The outstanding revenue to be collected from debtors were as a result of:

- I. *Lack of proper monitoring systems to ascertain debtors and the necessary repayments, including lack of consistent follow ups;*
- II. *Not enough legal consequences for non-repayments of debts.*

Serious Discrepancies in Record Keeping & Adherence to Procurement Regulations

Under a review of the 2019 procurements under goods and services as the value of SCR11,205,631 and 2020 report SCR were effected as per the below;

- I. *Lack of documentary evidence of obtaining requisite three quotations are per procurement procedures, at times total unfulfillment of the procedures;*
- II. *Absence of justifications and clear basis for selections;*
- III. *Inadequate documentation to support and justify the relevance of the purchases;*
- IV. *Absences of needs and documents assessments;*
- V. *Non-adherence to prescribed methods of bidding which also includes payments made on expire contracts;*

There are clear discrepancies and mismanagement that has occurred over the years that has had an impact on the expenditures and financing across Government. The ultimate caveat relates to the internal structures, accounting practices and need to imperatively train accounting officers, administrative and accounting officials. A thorough and serious review of internal procurement, assets management and oversight procedures should be reviewed in order to mitigate losses and ongoing mismanagement that have been identified.

-End of Entire Report -

ANNEXURE

ANNEX ONE: Evidence Log for the 2021 Hearings

Entity	Evidence
LWMA	- List of Govt Debt
Industrial Estates Authority	- Outstanding Debt Figures
CINEA	- Report on Shortfall of Fon Lanmal - document on correction of mistakes on wrongly input of board allowance code and put-on records - documents proving that mobile phone data was used for work - Debtors List
National Parks & Gardens Authority	- Information on the coco de mer and records on the matter
Department of Lands	- Breakdown of Debt/Leases in Arrears (14M) - Full list of Debtors on Record - Information on Arrears Collected on State Land and leases on Buildings etc. - Information on subsistence Arrears - List of Court Cases and Cases to AGs Office
Seychelles Revenue Commission	- Information on Write Offs

ANNEX TWO: Evidence Log for the 2022 Hearings

Entity	Evidence
Information Commission	- Document containing information on requests for information: - How many information requests have been addressed? - How many information requests have not been addressed? - Information on the concerns that members of the public have.
Seychelles National Institute of Culture, Heritage, and the Arts	- Correspondence with the tender board regarding the project for the museum. - List of prices for classes at the National Conservatoire of Performing Arts at Mont Fleuri.
Truth Reconciliation and National Unity Commission (TRNUC)	- Supporting documents for HVAC invoice from the landlord detailing the readings from each unit, for the payments made for HVAC for the period prior to February 2022. - The time period during which 24,000rs was spent on coupons for one driver.

	<ul style="list-style-type: none"> - Information on the I.T equipment which has been ordered and pending arrival.
Social Workers Council	<ul style="list-style-type: none"> - Invoices and documents to establish all items procured – which shows adherence with all regulations in place regarding procurement. - Details on the future plans of the Social Workers Council.
Department of Prisons	<ul style="list-style-type: none"> - Sample of correspondences between the Department of Prisons and the Attorney General’s office. - The locations of assets which could not be found in seven cases in the audit and on the updated register, which showed that these assets were delivered to the department. (Note: the chair asked that this information be preferably given the same day i.e.,27/04/2022) - The leave balance of all staff. - Detailed information regarding the payment of telephone bills in which the dues for the Department of Prisons and other departments under the former Ministry for Home Affairs, were paid to the service provider under one statement. - Records and information from the internal investigations regarding overpayment concerning the damages to a hired vehicle that a former member of staff was using. - A letter written to the insurance company – regarding claims on the damages of the bus – asking for a response on the Department’s claim concerning the bus and inform the committee on the status of getting the claim. - Money spent on the new hire since the bus has been written off.
Livestock Trusts Fund	<ul style="list-style-type: none"> - Provide latest information on collection of levies
Seychelles Agricultural Agency	<ul style="list-style-type: none"> - provide Fpac Correspondence that was sent to SFRSA(fire and rescue) so that follow up can be done - Provide an update on previous annual report 2018 - Auditors should help with stocks and store and provide FPAC on follow up on stock level available
Seychelles National Youth Council	<ul style="list-style-type: none"> - Correspondence on follow up based on vehicle
Seychelles Revenue Commission	<ul style="list-style-type: none"> - Tax analysis on tax return 2020