

MINISTRY OF YOUTH & SPORTS

26.1 Vote Management.

Rs 33.5 million were disbursed as capital expenditure during the fiscal year 2007-08. Expenditure to the tune of Rs 7.6 million relates to items of recurrent nature as shown in Table 26-1.

Table 26-1 Recurrent Expenditure paid under Capital Budget

	Rs
Payroll	1,312,575
Electricity	739,305
Water	407,868
Gas Oil	1,161,854
Other Consumables	165,971
Indian Ocean Games	1,542,800
Maintenance & cleaning of Sports Infrastructure	420,075
Maintenance of buildings & grounds	422,662
National Training Centre	200,000
Promotion of Sports activities	1,307,363
Total	7,680,473

Because of the above, the capital budget of the Ministry was applied for purposes not originally intended by National Assembly and the capital expenditure of the Ministry was overstated for the fiscal year 2007-08.

26.2 Transfer of Funds at Year Ends

The Ministry has developed the practice of transferring unutilised funds at the end of fiscal years to prevent unutilised funds from being lapsed. Funds totalling Rs 5.2 million were transferred to the Mauritius Sports Council (MSC), Mauritius Broadcasting Corporation (MBC) and the Mauritius Football Association in June 2007 and a further Rs 107 million was transferred to the MSC in June 2008.

The Ministry initiated procurement procedures for the purchase of two vehicles on 3 June 2008. As delivery of the vehicles could not be effected by 30 June 2008, the Ministry transferred Rs 1.7 million to the MSC on 29 June 2008.

The vehicles were registered in the name of the Ministry on 15 July 2008. One of these two vehicles was attached to the Ministry while the other one was being used by the MSC.

In June 2007, the Ministry had recourse to similar transactions and transferred nearly Rs 5.2 million as follows:

- In June 2007, the MSC was granted Rs 2 million for capital works that were to be undertaken in the fiscal year 2007-08.
- The MBC was granted Rs 1 million on 29 June 2007 for the purchase of camera to cover sports event. However, no provision for this item was made.
- On 29 June 2007, Rs 2,185,000 were transferred to a private sport association for consultancy services in connection with the construction of the St François Xavier Stadium. The consultancy contract was awarded only in October 2007.

26.3 Mare D'Albert Swimming Pool

Contract for the construction of Mare D'Albert swimming pool was awarded to a private Contractor in August 2004 for the fixed sum of Rs 39.9 million inclusive of VAT and contingencies of Rs 2.1 million. During 2005-06, variation of works to the tune of Rs 3.5 million (VAT inclusive) was approved.

Payments totalled Rs 32.6 million as of 30 June 2006. Payments of some Rs 6.2 million were made during the period May-June 2008, bringing the cumulative payments to some Rs 38.7 million as of September 2008.

Completion, scheduled for 28 September 2005 was revised to 10 April 2006 on ground of adverse climatic conditions and tardy submission of information by the client.

The contract makes provision for liquidated and ascertained damages (LAD) of Rs 15,000 per day. The project reckoned significant delays in its implementation because

- The main Contractor had completely demobilized from the project site between July 2006 and mid March 2007.
- The main Contractor was unable to complete the mechanical and electrical works due to technical difficulties with his domestic subcontractor.

The time frame was largely overrun and LAD of some Rs 10.1 million were thus chargeable in January 2008.

In December 2007, Government decided to waive the LAD clause on the contract so that payments could be effected to the Contractor and the latter would undertake to complete all outstanding works without further delay.

The works were practically completed in June 2008. The practical handing over certificate has not been issued yet.

In September 2008, 19 significant items relating to filtration plant, boiler system and the electrical system were yet to be completed. Also the 'water -ponding' problem near the swimming pool has not been remedied. Further, the recovered boiler costing some Rs 2 million, which was damaged during unloading in 2006, was not operational and the oil leakage problem still persists.

However, payments of some Rs 6.2 million were made between May-June 2008, bringing the cumulative payments to date to some Rs 38.7 million.

Implications

The Ministry is still precluded from the full and proper utilisation of the swimming pool.

The Ministry has not been fairly compensated for the losses.

The decision to waive contract provision may constitute a wrong precedent.

Expenditure of nearly Rs 1.5 million incurred in respect of salaries and allowances paid to staff posted at the swimming pool since May 2007 could be of a nugatory nature.

26.4 Artificial Turf and Reconstruction of St François Xavier Stadium

The scope of works consisted of the Upgrading of the Stadium Infrastructure. The project was for a 2,000 seat capacity stadium estimated at Rs 70 million.

The contract for the supply of soil and levelling of ground was awarded to a private firm in February 2008 for the negotiated sum of Rs 2,570,700 (VAT inclusive) without resorting to quotation procedures.

This is contrary to the regulations of the Public Procurement Act.

26.5 Financial Assistance to Sports Federations

Section 16(5) of the Sports Act 2001 and the 'Contrat D'Objectifs' require each Sports Federation to submit its final accounts to the Ministry and the Mauritius Sports Council (MSC) within four months of the close of the preceding fiscal year.

Observations

As of September 2008, twelve out of the 39 Sports Federations had not submitted their accounts for the year ending 31 December 2007.

The Ministry disbursed a total of Rs 13.3 million to four Federations but their audited accounts showed only a total of Rs 2.9 million, hence discrepancies totalling Rs 10.4 million were noted.

26.6 Arrears of Revenue - Mauritius Football Association (MFA)

I mentioned at paragraphs 27.4 of my 2006-07 Audit Report that the MFA owed a balance of Rs 679,901 since October 2003. In October 2007, the MFA informed the Ministry that it would refund the debt as soon as revenue from gate money increases.

The balance of Rs 679,901 was still outstanding in September 2008 despite an increase of Rs 1.9 million in revenue from football matches in 2006-07. Moreover, the MFA realised a surplus of income over expenditure of Rs 1.8 million.