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**11.1 Fleet Management System and GIS Solution for Local Authorities**

At paragraph 13.1.2 of the Audit Report for the 18 month period 1 January 2015 to   
30 June 2016, I reported that although the project was considered practically completed in April 2016, a few significant components of the project were not fully operational. The status of these components was reviewed and the following were observed as of October 2017:

* The contract cost of Rs 22,221,834 which included charges for the Global Information System (GIS), Digital Maps for the 10 of the 12 Local Authorities (LAs) under the Contract and the Integration of the GIS module with the Building and Land Use Permit (BLUP) module of the respective LAs totalling Rs 4,914,813, had been paid in full. The two remaining LAs, namely the District Council of Moka and the District Council of Flacq, were not included in the project;
* The Contractor had supplied the Digital Map with proper outline for the District Council of Rivière du Rempart only. The Digital Maps for the other nine LAs were still being awaited. An amount of Rs 862,500 had been paid for this item and software maintenance charges of Rs 172,500 were being paid annually for the 10 LAs;
* Coordinates’ reading of immovable assets to populate the digital map in the GIS module had reached a fairly advanced stage only at the District Council of Rivière du Rempart. As for the nine other LAs, the exercise had just started or had not yet started at all.

The integration of the GIS module with the BLUP module for the 10 LAs on the digital maps would not be effected soon. However, annual maintenance charges of some Rs 150,000 were payable in respect of this Integration process.

***Ministry’s Reply***

The coordinates reading of immovable assets is a lengthy and cumbersome exercise and will take some time to be completed.

* 1. **Investment of Surplus Funds by two Local Authorities**

Two Local Authorities had invested Rs 30 million each in a financial institution in 2013 and 2014 that went into special administration in April 2015. The investments of the two Local Authorities represented 87 and 75 per cent of their respective surplus funds at   
31 December 2014.

In March 2006, the Ministry of Finance and Economic Development (MOFED) issued a circular wherein it was stated that the Local Authorities should invest:

* A minimum of 45 per cent of their funds in public sector deposit taking institutions offering the best terms;
* A maximum of 45 per cent in deposit taking institutions, including public sector institutions offering the best terms;
* A maximum of ten per cent in securities.

In September 2017, MOFED requested the two LAs to enter into an agreement with the Company that had taken over the operations of the financial institution under administration, for reimbursement of 35 per cent as full and final settlement of the total amount invested.

The amount of capital foregone was Rs 39 million. Some Rs 3.6 million, representing one year’s interest, were also lost.

***Ministry’s Reply***

* One of the Councils was not aware of the Circular Letter dated 24 March 2006 from the Ministry;
* Placements of funds by the two Councils with the Company were motivated by the good performance of the Company and with a view to maximising revenue of Councils, given the more favourable rate of interest offered by the Company.
  1. **Application Software Maintenance Agreement (ASMA)**

Following the introduction of the E-Governance project for Local Authorities in November 2008, an Application Software Maintenance Agreement was entered into with the Supplier for a period of five years which ended in December 2014. A new agreement was signed for the period January to December 2015 for an amount of Rs 5,220,893.

Given that each Local Authority was responsible for its own servers, other hardware and software, proposal was made in 2015 for each Local Authority to enter into the agreement for 2016 individually, as the project was considered to have been implemented successfully since 2009.

In 2016, due to lack of time, a central agreement for the period January to June 2016 was again entered into with the Supplier for an amount of Rs 3,449,188. The agreement was signed on 17 March 2016.

A few Local Authorities informed the Ministry that there were a few modules, covered by the ASMA, which were not used by them. There were even modules which were not installed.

The contract was again renewed for an amount of Rs 7,395,642 centrally on the same terms and conditions for the financial year 2016-17, although it was decided since 2015 that an individual contract was more appropriate.

***Ministry’s Reply***

* Support services for the Library and Document Management System have been removed from the ASMA. Software maintenance charges will be paid when these services are required by Councils. Also, the Complaints module on the Oracle system of LAs will be phased out, given that LAs are using the Citizen Support Portal of Government;
* The Central Informatics Bureau (CIB) had advised that the proposed split of the maintenance agreement between the Ministry and LAs with effect from July 2016 might involve higher costs than the existing consolidated ASMA. The CIB had also advised that, in the endeavour to introduce new services and to provide better services to users, proper mechanisms were put in place to ensure the common systems at all LAs evolved in a standardised manner.

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