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**22.1 Background**

The Director of Audit is empowered, in addition to the audit of all Ministries/Departments and the Rodrigues Regional Assembly, to audit the accounts of all Local Authorities, most Statutory Bodies, several Special Funds, a few State Owned Companies and several other bodies including donor-funded projects as per provisions made in the Finance and Audit Act, the Local Government Act, the Statutory Bodies (Accounts and Audit) Act, and various legislations/agreements of institutions/donor-funded projects.

**22.2 Statutory Bodies**

A statutory body is a body created by statute and it is usually established to carry out specific functions which a Government considers may be more effectively performed outside a traditional departmental structure. While it is recognised that statutory bodies may be established to allow a certain level of independence from Government, there is need to ensure that taxpayers’ funds allocated to the operations of statutory bodies are spent in an efficient, effective and economic manner.

Statutory bodies are subject to varying degrees of Ministerial control which are specified in the legislation establishing them. Ministers are responsible to the National Assembly for the operation of all statutory bodies within their portfolios, and are required to table their annual reports in the National Assembly.

The Statutory Bodies (Accounts and Audit) Act as subsequently amended in 2015 provides that every statutory body shall cause to be prepared an annual report. The annual report shall consist of:

* the financial statements in respect of the financial year to which the report relates
* a report on the activities of the statutory body during the financial year
* a corporate governance report in accordance with the National Code of Corporate Governance.

Provisions made in the Act regarding the timelines to be respected are as follows:

1. The Chief Executive Officer of every statutory body shall, not later than three months after the end of every financial year, submit to the Board for approval the annual report in respect of that year.(The previous deadline was two months, applicable for financial years prior to 2011);
2. After approval by the Board, the Chief Executive Officer shall, not later than 30 April after the end of every financial year, submit the annual report to the auditor.
(The previous deadline was three months, applicable for financial years prior
to 2011);
3. The auditor shall, within six months of the date of receipt of the annual report, submit the annual report and his audit report to the Board;
4. Where, in the opinion of the Board, the Chief Executive Officer or any other officer of a statutory body has not properly performed his duties with the result that the above requirements of the Act cannot be complied with within the prescribed time, the Board may, after giving an opportunity for the officer to be heard, take appropriate disciplinary action against the officer;
5. On receipt of the annual report, including the audited financial statements and the audit report, the Board shall, not later than one month from the date of receipt, furnish to the Minister such reports and financial statements;
6. The Minister shall, at the earliest available opportunity, lay a copy of the report and audited accounts of every statutory body within his portfolio before the National Assembly.

The Director of Audit is responsible for the audit of 109 Statutory Bodies. [Appendix IIIA](27_Appendix_IIIA.docx) refers.

45 Statutory Bodies have not yet submitted a total of 109 financial statements. [Appendix IIIB](28_Appendix_IIIB.docx) refers.

236 financial statements in respect of 66 Statutory Bodies have been certified but have not yet been laid before the National Assembly. [Appendix IIIC](29_Appendix_IIIC.docx) refers.

###### 22.3 Local Authorities

The Local Government Act (LGA) 2011 provides that the Chief Executive of every local authority, other than a Village Council, shall, within three months after the end of the financial year submit financial statements to the Council. The LGA 2011 also provides that the approved annual financial statements shall be audited by the Director of Audit and that

* they shall be submitted for audit within four months of the end of every financial year;
* the Director of Audit shall address to the Minister to whom responsibility for the subject of local government is assigned and to the Local Authority concerned, a copy of the certified financial statements and his report.
* the Chief Executive shall cause the certified financial statements and the report of the Director of Audit to be published in the Gazette within 14 days of their receipt by the Local Authority. As of 23 February 2018 two financial statements in respect of two Local Authorities have not yet been published in the gazette. Table 22-1 refers

*Table 22-1 Local Authorities - Financial Statements Certified but not yet Gazetted*

|  |  |  |  |
| --- | --- | --- | --- |
| **Local Authorities** | **No of Financial Statements** | **Period** | **Date Certified** |
| 1 | The Grand Port Savanne District Council | 1 | 2011 | 06.07.2015 |
| 2 | The Municipal Council of Curepipe | 1 | 2015 | 17.03.2017 |
| **Total** | **2** |  |

The Director of Audit is thus responsible for the audit of all Local Authorities. [Appendix IV](30_Appendix_IV.docx) refers

###### 22.4 Other Bodies

The Director of Audit is responsible for the audit of four State Owned Companies and
26 Other Bodies including donor-funded projects. [Appendix VA](31_Appendix_VA.docx) refers. 13 of these organisations have not yet submitted a total of 45 financial statements to my Office for audit purposes. [Appendix VB](32_Appendix_VB.docx) refers.

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