



2023

Activity Report and Audited Accounts

Office of the Auditor General



Forward

As provided under Section 26 of the Auditor General Act, it gives me great pleasure in presenting this activity report including the independent auditor's report on the financial statements of the OAG for 2023.

The office of the Auditor General (OAG) is the Supreme Audit Institution (SAI) in the country and a member of the INTOSAI grouping of similar national institutions across the globe. As the SAI of Seychelles, OAG has an important role to play in the nation building process. Being affiliated with INTOSAI, I ensure that my constitutional mandate and responsibilities are discharged according to the relevant international professional ethics, principles and standards. And, the principles like good governance, transparency and accountability are not only uttered but also practiced in the day to day operations of my office.

The OAG has transformed in many ways over the past six years. This has positively impacted on the image of the office and enhanced its reputation locally and internationally. In 2021, the OAG placed itself in the first position among some 120 Supreme Audit Institutions (SAIs) according to a global assessment conducted by the World Bank. This is an important milestone in the evolution of the OAG and a significant accomplishment for a small country like Seychelles despite many constrains. OAG is capable of making a significant and consistent contribution towards enhancing good governance, transparency and accountability in the country as well as in the regional bodies of which Seychelles is a member.

OAG successfully hosted the regional workshop for the human resource personnel of 30 countries forming part of AFROSAI-E in Victoria. On the side of statutory requirements, all key obligations were also met during the year, such as, submitting the annual report and the annual activity report of the OAG to the National Assembly.

Compared to the previous year, the audit and training activities increased significantly during the year due to the normalcy in the operations of MDAs, generally, and OAG in particular.

In addition to fulfilling the statutory requirements, this report brings OAG closer to its stakeholders who are the beneficiaries of our services and, consequently the judge of our numerous contributions. We may think that we have done well and enough but not so if our stakeholders say otherwise. Hence, it is very important that we remain engaged with them at all times- talk to them, listen to them and understand them to serve them better. This is not an easy task. However, it must be done even if we have to make some sacrifices and forego our comforts. Because, if we don't deliver our mandate effectively, we will not remain relevant.

OAG has a vast audit universe. There are also heightened expectations and various demands brought about by various stakeholders. It is not easy to satisfy all demands and discharge all responsibilities in a timely manner and to the entire satisfaction of all stakeholders. However, OAG will endeavour to identify national priorities and direct its resources to help achieve such goals and objectives in the national interest.

I hope that our valued stakeholders will have a closer look at the activities of OAG through this report and appreciate what we do for Seychelles. Any feedback on this report will be valued as it will help us do better.

Gamini Herath

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Chapter 1

Constitutional Role and Responsibilities

Mandate

- 1.1 Article 158(3) of the Constitution provides that the accounts of the Cabinet Office, the National Assembly, all government departments and offices, all courts and those related to moneys withdrawn from the Consolidated Fund, all the accounts of any statutory corporation or such other body as may be specified by or under an Act shall be audited and reported on by the Auditor General to the National Assembly and for that purpose the Auditor General or any person authorised or appointed in that behalf by the Auditor General shall have access to all books, records, returns, information and other documents relating or relevant to those accounts. Article 158(5) further states that the Auditor General shall, within twelve months of the end of the immediately preceding financial year, submit the report referred to in clause (3) to the National Assembly and shall in that report draw attention to irregularities in the accounts audited and to any other matter which in the opinion of the Auditor General ought to be brought to the notice of the Assembly. The Constitution enjoins the Auditor General to report any irregularities in the accounts and any other matter which in the opinion of the Auditor General ought to be brought to the notice of the National Assembly. The above stipulation may be seen as the obligation of the Auditor General to not merely verify the regularity of expenditure but also to see whether the expenditure has been incurred with due regard to economy, efficiency and effectiveness.
- 1.2 As for statutory bodies including public enterprises, the Constitution provides for the audit of such bodies as specified by or under an Act. Presently, the Auditor General has been mandated to ensure the audit of Central Bank of Seychelles and 7 public enterprises and 76 other statutory bodies.

Independence of the Auditor General

- 1.3 Article 158 (1) provides that there shall be an Auditor General who shall be appointed by the President from candidates proposed by the Constitutional Appointments Authority and Clause (8) provides that the Auditor General shall be appointed for a term of seven years but is eligible for reappointment at the end of a term of office.
- 1.4 The Auditor General shall, in the performance of the functions of the office of the Auditor General, not be subject to the direction or control of any other person or authority, but the President or the National Assembly may request the Auditor General in the public interest, to audit at any particular time, the accounts of any persons or bodies referred to in Clause 3 of the Article 158.

Office of the Auditor General (OAG)

- 15 The Auditor General Act, 2010 which repealed and replaced the Audit Act, 1972, established the OAG as an independent body with the necessary powers to operate in an efficient and effective manner in order to discharge the role and responsibilities entrusted to the Auditor General. Headed by Auditor General, the Office of the Auditor General (OAG) plays a key role in the system of checks and balances provided in our parliamentary democracy. This is so, in view that the management of public funds by the government (executive) represents a trust, the OAG facilitates ensuring the executive's accountability to the National Assembly. The ongoing public sector reform program of the government calls for a key role for the OAG in contributing to the Government's overall goal of enhancing good governance, accountability and transparency in the management of public resources.

Salient provisions in the Auditor General Act

- 16 *Audit of government receipts:* When performing the functions and responsibilities vested upon him by the law, the Auditor General, under Section 11 of the Auditor General Act, 2010, shall satisfy himself that :-
- (i) adequate precautions have been taken to safeguard the proper collection of money to which an audit in terms of this Act relates, and that the laws, regulations, procedures and instructions relating thereto have been duly observed;
 - (ii) adequate precautions have been taken in connection with the receipt, custody and issue of, and accounting for, property, money, stamps, securities, equipment, stores, and other assets;
 - (iii) receipts, payments and other transactions have been in accordance with the applicable laws, regulations, procedures and instructions and supported by adequate vouchers; and
 - (iv) satisfactory management measures have been taken to ensure in compliance with applicable laws and regulations that resources are procured economically and utilised efficiently and effectively in accordance with the applicable laws.
- 17 *Performance audits:* Section 13 (1) of the Act provides for the conduct of performance audits in that Auditor General shall examine (a) the extent to which a public authority is carrying out its activities effectively and efficiently; (b) a public authority's compliance with its statutory obligations; (c) any act or omission of a public authority in order to determine whether waste has resulted or may result; and (d) any act or omission showing a lack of probity or financial prudence by a public authority or by any of its members, office holders or employees.
- 18 *Free access to documents and records:* Further, the Auditor General under Section 14 (b) of the Act shall have the right to:-

- (i) have access to and take extracts from any record, return, book, document and other information of an institution the accounts of which are being audited without payment of any fee;
 - (ii) investigate whether any property, money, stamps, securities, equipment, stores, and other assets of a public authority have been obtained in an economical manner, and are being applied honestly, efficiently and effectively; and
 - (iii) investigate and enquire into any matter, including the efficiency and effectiveness of internal control and management measures, relating to the expenditure and the revenue of a public authority whose accounts are being audited by him.
- 1.9 Under the same Section, the Auditor General may require any person in the employment of a public authority whose accounts are being audited by him to appear before him at a time and place mentioned in the request and to produce to him all such records statements, accounts, books, vouchers and documents in the possession or under the control of such person as the Auditor General may deem necessary for the exercise of his powers or the performance of his duties.
- 1.10 Auditor General may, under Section 15, on such conditions as he may determine co-operate with persons, institutions and associations in the Republic and in other countries, and take such steps as he may deem necessary in order to promote or develop his functions and government auditing in the republic or elsewhere.
- 1.11 Auditor General or any person authorized or acting under the authority of the Auditor General shall not be liable in his personal capacity in any civil or criminal proceedings in respect of anything done in good faith, as provided in Section 16 of the Act.
- 1.12 Free access to at all times to information that relates to the fulfilment of the Auditor General’s responsibilities is guaranteed under Section 17 of the Act, which further says ‘he may require and receive from members of a public authority such information, accounts, returns and reports and explanations as he deems necessary for that purpose.
- 1.13 As per Section 19 the Auditor General may appoint any professional accountant or any other person who in the opinion of the Auditor General is sufficiently qualified to carry out any review, investigation or study on behalf of the Auditor General. The person so appointed shall report to the Auditor General in such manner as the Auditor General may direct.
- 1.14 *Annual reporting to the National Assembly:* Annual Report of the Auditor General, under Article 158 of the Constitution, is to be submitted to the Speaker of the National Assembly on or before 31 December in the year immediately following the financial year to which the report relates and the Speaker shall cause to be laid each such report before the National Assembly upon receiving it or if the National Assembly is not then sitting, on any of the first fifteen days

on which the National Assembly is sitting after the Speaker receives it. These provisions are made in Section 21 of the Auditor General Act.

- 1.15 Besides the annual report, the Auditor General may make a special report to the National Assembly on any matter of importance or urgency if in the opinion of the Auditor General the report should not be deferred until the next annual report under Section 21 (1).
- 1.16 Furthermore, if it appears that any irregularity have occurred in the receipt, custody, issue, sale, transfer or delivery of any stamps, securities, stores or other government property, or in the accounting of the same, the Auditor General may bring the matter to the notice of the Minister of Finance, as provided under Section 23 of the Act.
- 1.17 *Independent audit of OAG accounts:* Under Section 24 of the Act, the Auditor General is accountable for all revenue and expenditure of the Office and to ensure keeping of proper records of all revenue and expenditure and of all the assets, liabilities and financial transactions of the office; preparation of the annual financial statements; and all reasonable measures are taken that resources which are necessary for the achieving the objectives of the office are, as far as possible, obtained, safeguarded and utilized in the most economic, efficient and effective manner.
- 1.18 Ensuring the financial independence of the OAG, Section 25 of Act requires the Auditor General to prepare an estimate of the sums that will be required for the payment of salaries, allowances and other expenses of the office during the next financial year to be submitted to the Speaker of the National Assembly at least 90 days before the beginning of each financial year. The estimates are to be accompanied a draft annual plan of proposed work program for the next financial year. These documents are to be reviewed by the FPAC of the National Assembly and, the FPAC may propose any amendments for the consideration of the Auditor General.
- 1.19 *Activity report of OAG:* Section 26 of the Act further requires the Auditor General to submit, within six months at the end of each financial year, to the National Assembly a report on the activities of the office during the said financial year and include therein various statements of accounts drawn up in conformity with GAAP, as stated in 26 (1) (a), (b), (c), (d) and (e). Accordingly, the reports have been submitted within the statutory deadline.

Chapter 2

Products and Overall Performance of OAG

Products

- 21 The OAG is expected to bring out the following products resulting from its multiple and divergent audit activities:
- Annual Report of the Auditor General to be submitted to the National Assembly under Article 158(5) of the Constitution;
 - Annual Activity Report and audited accounts of the OAG to be submitted to the National Assembly under Section (26) of the Auditor General Act;
 - Audit opinion on the several annual financial statements of the Government for each year as a part of the Annual Report;
 - Audit opinions on the financial statements of various statutory bodies in the manner prescribed in the respective enabling Acts of the audited entities;
 - Performance audit reports on selected entities and areas of audit interest as determined by OAG to be submitted to the National Assembly under Article 158(5) of the Constitution and Section (22) of the Auditor General Act;
 - Reports on special audits/reviews on various subject matters identified by OAG from the public interest perspective to be submitted to the National Assembly under Section (22) of the Auditor General Act ;
 - Reports on special audits undertaken on accounts and/or special areas and subject matters at the request of various stakeholders, e.g. National Assembly, funding agencies, Ministry of Finance;
 - Management letters to accounting officers based on the results of auditing of ministries, departments, offices and statutory bodies; and
 - Ad-hoc advisory/circulatory notes to Accounting Officers at request or on the initiative of the Auditor General
- 22 During the year under review, the OAG produced a number of reports and submitted them to the relevant authorities in a timely manner for action and information. In addition to the numerous new audits initiated during the year, the OAG also completed the certification of several financial statements which had been audited in previous years yet remained in the backlog due to one reason or another. Accelerating the pace of clearing of the pending audit work, such as, issuing management letters and the review of financial statements continued to receive priority during the year for speedy clearance of the audit backlog accumulated over the years. The following Table shows various products of OAG during 2022 and 2023 in a comparative providing information on both the reduction of time taken to produce certain documents (qualitative) and the number of products (quantitative) finished during the year as opposed to the previous year. Overall, the turnaround time has been reduced

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significantly in all respects of OAG operations, be it responding to queries of accounting officers/FPAC, advisory notes and/or Audit Management Letters (AML) and other reports issued to the relevant authorities to bring matters of significance to their attention and necessary action as required by various statutory provisions.

Products	2023	2022	Remarks
Annual Report of the Auditor General	2022 submitted in November 2023	2021 submitted in November 2022	Under Article 158(5) of the Constitution
Certification of AFS of GOS	2022 Certified in November 2023	2021 Certified in November 2022	Required under the PFMA, 2012.
Activity report and Audited Accounts of OAG	2022 submitted -October 2023	2021 submitted - October 2022	Required under the AG Act, 2010
Certification of various statement of accounts – (see Appendix I)	18	26	Required under the respective enabling Acts/ or request
Management Letters to Accounting Officers - (see Appendix 2)	40	42	Results of audit of MDAs
Audits completed but no management letter necessitated.	2	3	NIL reports where no substantial matters were noted
Advisory notes to Accounting Officers (various issues)	4	2	On various subjects as per requests from Accounting Officers
Cleaners' Co-operative management	Included in Annual report 2022		Request by MoF
CBS financial education fund	Submitted in February 2023		Request by CBS

Enhancing Performance accountability (Monitoring, Quality Assurance and Reporting)

- 23 During the year, a number of initiatives taken in the previous year, including the following, continued with the objective of providing an increased level of monitoring of all audit activities and collective performance of the Office.
- 24 *Key inward communications and documents handling:* To monitor the movement and disposal of key correspondences and documents received from various stakeholders, a register is maintained which is reviewed regularly with a view to ensure their timely disposal. These include the statement of accounts, replies to audit queries, request letters and annual reports. This ensures a higher level of accountability within the OAG with regards to any matters requiring its attention.
- 25 *Daily Attendance:* The use of biometric attendance machine helps monitoring attendance of all staff including the management. Printed reports are obtained every 15 days for review and necessary action. This will enhance the individual staff accountability for reporting to work on time and regularly.
- 26 *Security cameras:* The security of personnel, documents and assets of the OAG is enhanced by the CCTV security cameras installed in the corridors of the office located on the third floor of Block C at Unity House. This gives a sense of security to all staff considering the risks involved in some sensitive audit work.
- 27 *Weekly time sheets:* Weekly reports are generated by the system giving details on utilisation of the audit time budgets allocated to each audit assignment and depicting advancement of audit work. Submission of weekly time sheets, for reporting on their audit activities and the utilisation of time therefor, is mandatory for all audit staff. These weekly time sheets are processed through the TimeSheet© professional package to produce budget/actual reports on each audit assignment and each audit area.
- 28 *Audit completion checklist:* The audit completion and disclosure checklist, as amended in 2017, continued to be in use during the year and the use of the same assisted the auditors to ensure quality. It is now mandatory to complete this checklist in respect of each statement of accounts submitted for certification by AG. This further helps in securing requisite assurance from the outsourced audits.

- 29 *Team engagement in planning:* The audit team leaders are involved in the designing of detailed annual audit plans by imputing the timelines for each audit assignment under their respective supervision. Further, the detailed fixed audit plans for each audit assignment is to be developed by the respective audit teams. This bottom-up approach of audit planning has improved audit efficiency and deeper involvement of staff in audits.
- 210 *Engagement and monitoring of outsourced audits:* In order to ensure that outsourced audits are conducted in a manner that would provide a reasonable level of assurance to the AG before the final products financial statements, reports etc. are submitted to AG for further action. The OAG sustained during the year a series of activities commenced in 2017 to keep the contracted auditors engaged throughout the audit process from planning to reporting. This has filled a gap existed in the outsourcing activities as well as facilitated a transfer of technical knowledge between OAG and the contracted private audit firms. The ultimate objective of the initiative is to build sufficient capacity within OAG to undertake all types of audits.
- 211 *Key milestones tracking system:* A new progress tracking system has been initiated whereby key milestones of all audit assignments are captured by Deputy Auditor General for effective monitoring and reporting purpose. This will ensure proper conduct of audit activities and quality of audit work being undertaken as well as continued engagement of various stakeholders in all audit activities in an orderly manner. The recently introduced mid-course review of on-going audits at senior levels is proving useful in bettering the audit effectiveness.
- 212 *Procedure manual:* The accounting and administrative procedures followed in day to day management of the office were revised and formalised through a written document during the year 2017 following an internal audit continued to be under review during the year.
- 213 *Training database:* The training database created in 2017 has been updated during the year with data from 2003 showing the names of staff and various training courses they have attended locally as well as overseas organised by IDI, AFROSAI-E, ITEC and the like. This will be useful when undertaking various audit assignments requiring mixed competencies and to plan future training needs and events.
- 214 *Follow-up action:* In order to ensure proper and timely follow up on the part of the OAG, during the year, all staff were advised to ensure on follow up action via email, etc. on all outstanding audit work either by certifying accounts, issuing management letters or simply reminding the accounting officers of outstanding matters. This has resulted in furnishing a good number of signed

statement of accounts by the entities and certification of the same during the year leading to a significant reduction in the audit backlog.

- 2.15 *Cyclical audit programme*: The audit cycle followed in previous years was from April to March during a twelve- month period. This was changed to September to August effective 2017 with a view to synchronise certification of the GOS annual financial statements with the statutory deadline and at the same time completion of more certification audits of statutory bodies enables inclusion of the material arising therefrom in the annual report of the Auditor General which is stipulated to be submitted to the National Assembly before the year end of the following year. The new audit cycle has been followed since with some adjustments from time to time to ensure that we complete our cycle within the stipulated period.
- 2.16 *Medium Term Strategy (MTS)*: As mentioned elsewhere, a medium term strategy spelling the direction that OAG should take in achieving the strategic plan goals was prepared and issued in 2017 with copies being sent to the Cabinet of Ministers, FPAC and other stakeholders. This has road mapped the OAG activities for the next 3 years commencing September 2017. The year under review saw the continuation of this strategy for 3 consecutive years. This has brought about tremendous results in terms of clearing the huge backlog existed prior to 2017 and further staying current in almost all audits.
- 2.17 *Creating a database of all audit entities*: The complete data base audits created in 2017 was updated during the year in respect of all audit entities falling within the ambit of the Auditor General.

Audits conducted during the year 2023

- 2.18 *Audit of 2022 Annual Financial Statements of the Government*: The draft Annual Financial Statements (AFS) of the Government for 2022 comprising all accounts of the Consolidated Fund and the consolidated cash flows of GOS and all public enterprises were first submitted on 30 March 2023. The verification of the first draft and the subsequent drafts took time due to delays arising from new normal conditions. Consequently, the accounts were finalised by MoF and certified by Auditor General in December 2023.
- 2.19 *Regularity/compliance audits under Article 158 of the Constitution*: During the year under report, mainly on the expenditure side, the OAG completed the audit of some 40 entities comprising Ministries, Departments, Offices and Statutory Bodies. Furthermore, some audit work was done on certain funded projects as well as on several special audits. In total, OAG issued 36 Management Letters during the year. **Appendix 1** shows the names of the entities and the date of issuance of Management Letters.
- 2.20 In addition to issuing Management Letters, some of these audits resulted in the certification of statement of accounts, as may be seen in **Appendix 2**, numbering some 23 years accounts of the same number of entities.

- 221 *Audit of SRC:* The total revenue estimates for 2023 from all sources, including taxes, non-taxes and grants, amounted to SR9.9b for 2023. The audit of Seychelles Revenue Commission (SRC), which was responsible for the collection of 8.4b in total from various direct and indirect taxes was audited in 2023.
- 222 *Performance audits and special reviews:* In terms of special audit reviews undertaken, the year 2023 saw the submission of two (2), reports to the National Assembly. These reports are mentioned on page 6 (table) of this report. Further, the audit work was in progress on two more special areas at the end of 2023.
- 223 *Funded projects accounts:* OAG also undertook and completed the audit of several funded projects, namely; Quality Services Standards Development (DICT); Strengthening Financial Markets (FSA/CBS); Mahe Sustainable Water Augmentation project (PUC); South West Indian Ocean Fisheries Governance and Seared Growth Project (SWIOFish 3 – World Bank/IBRD); Seychelles MSME project funded by ADB; and IFAD Clissa resulting in the certification of their accounts for different years.
- 224 *Audit of public enterprises:* The AG is mandated to audit the Central Bank of Seychelles and 7 public enterprises as per the respective entities enabling Acts. Of these, the audit of 3 entities was ensured during 2023 through the concerted efforts of the OAG and the contracted audit firms while OAG undertook and completed the audit work on 4 entities (SCAA, NISA, SPA and FSA) with its own resources. The audit work resulted in the certification of financial statements of the above entities, except for the PMC of which the accounts were not ready for certification.

Chapter 3

Audit Portfolio and audit programming

Audit Portfolio

- 3.1 Apart from the audit of the Government annual financial statements, which is at the core of all audit activities, the audit universe of the OAG comprised the following regulatory and financial audits at the end of 2021:
- Ministries, Departments, Divisions and Offices (29)
 - Public enterprises (8)
 - Statutory Bodies (57)
 - Others – Number may vary each year-e.g. Funded projects/donor-project tied and request audits by various stakeholders
- 3.2 Regulatory and financial audits are carried out in accordance with the annual audit programme known as the audit cycle. Except in the case of financial audits required to be undertaken on an annual basis, if the law provides so, the selection of regulatory audits to be included in the audit programme is influenced largely by the materiality of the entity's annual expenditure or the amount of revenue the entity is required to raise. Other relevant factors such as known audit risks, previous experience and the relative significance of operations of an entity are also taken into account in audit programming.

Audit Planning

- 3.3 *The Medium Term Strategy (MTS) 2021-2023*: The initial Medium Term Strategy (MTS) 2017-2021 Document envisaged shifting of the Audit Cycle to September to August and component wise coverage over the 3 years for the revenue generating and expenditure driven entities. Nine revenue generating entities, including the Seychelles Revenue Commission (SRC) have been identified and listed in the Strategy Document. This is now been used on a rolling basis with necessary amendments and adjustments being made for guiding the audit work. The MTS was formulated with the following key objectives:
- Aims to discharge the Auditor General's core audit mandate in an economic, efficient and effective manner;
 - Ensures compliance with applicable laws; i.e. Constitution, Auditor General Act, PFM Act and other statutory requirements;
 - Provide a policy direction for future audits; i.e. portfolio management by objectives;
 - Improving organizational and individual productivity and performance;
 - Clearing the audit backlog and remaining current on audit calendar;
 - Introducing a wide range of subject matters for special reviews (also known as compliance audits);

- Capacity building through training, team building, empowerment and ITC skills;
 - Placing the ‘audit service delivery’ at the ‘centre’ of all OAG activities;
 - Adding value to reports to National Assembly; focused, timely, well designed and articulated;
 - Ensuring audit attention to revenue cycles susceptible to fraud, loss, etc;
 - Institutionalizing the follow-up action on OAG recommendations;
 - Creating a complete database of entities falling within the AG’s audit mandate; and
 - Improving on annual audit programming, overall audit strategy and fixed plans.
- 34 *The Annual Audit Programme (AAP):* The AAP for the audit cycle September 2022 to August 2023 was drawn up based on the inputs provided and plans proposed by the individual audit teams in consultation with their respective Audit Managers so as to ensure maximum implementation feasibility of the Programme. The Medium Term Strategy (MTS) document titled “Delivering an Effective Audit Service” circulated earlier guided the audit staff to formulate and propose their respective audit programmes for the audit cycle accordingly. The AAP for the audit cycle 2022-2023 is a translation of the same into an annual programme (**Appendix 4**).
- 35 The principal objective of the Audit Programme was to fulfil the mandate of the Auditor General entrenched in the Constitution and various Acts in an efficient and effective manner, in so far as practical, within the available resources. This was proposed to be achieved through a multipronged strategy outlined in the “Strategy for Implementation of Audit Programme for the Audit Cycle” included in the programme, which was drawn from the MTS. The annual audit programming has seen major changes since 2017 in that widest possible coverage is given to the entire audit universe; revenue collection is a key auditable area in each MDA audit; and in each audit, the previous audit findings and recommendations are followed-up and the status of implementation of audit recommendations/action taken is reported upon.
- 36 *Auditees:* The total appropriations for some 85 Ministries, Departments and Agencies (MDAs) amounted to R7.9b (revised SR7.7b) inclusive of capital expenditure, for the year 2023 of which the auditing is being undertaken during 2022-2023 and 2023-2024 audit cycle. Audit of major spending Ministries, Departments and Offices were prioritised for the audit cycle 2023-24, as per the practice. The audit of these entities (MDAs) would provide direct evidence of disbursement of subvention, grants and other disbursements. In addition, the Agency for Social Protection administers a budget of (R1.2b) for the payment of approved social welfare payments for 2023.

- 3.7 *Audit of Statutory Bodies:* Statutory Bodies comprise agencies, funds, commissions, authorities, boards, offices, councils and foundations, established by law as a body corporate or otherwise. Other bodies are non-statutory bodies operating under administrative arrangements or pending legislation. As stated above, statutory bodies listed in the Strategy Document are proposed to be covered in the Audit Cycle. See **Appendix 3** for comments and classification of entities according to their legal provisions and auditing of the same.
- 3.8 *Audit of capital outlays/acquisition of non-financial assets:* This type of expenditure is normally referred to in the budget document as acquisition of non-financial assets allocated to each MDA responsible for such expenditure. The budget for the acquisition of non-financial assets totalled SR1.4b for 2023. The audit coverage only included a review of some payments made through the Ministry of Finance in relation to the audit of AFS for 2023 conducted through the Treasury and Ministry of finance in 2023. Capacity building in the audit of project auditing is an area identified by OAG for which assistance has been sought from ITEC India, which is pending.
- 3.9 *Audit of AFS:* The audit of the annual financial statements (AFS) of the Government is a vital component of the annual audit programme (AAP). This audit is undertaken in two parts, regularity audits of various expenditure incurring and revenue generating ministries, departments and offices and the AFS audit itself. Also, the audit of statutory bodies receiving subvention and/or controlling other centralized payment votes provide assurance in relation to certain expenditure balances. The AFS audit aims to cover those areas also which are not normally included in the regularity audits of ministries, departments and offices and certify the statements, such as; public debt, outstanding government guarantees, etc. besides preparation and presentation of government AFS and consolidation under IPSAS requirements. The audit of AFS also covers the capital receipts and expenditure. The other important components of AFS audit are (a) the below-the-line-accounts, (b) GRB account, (c) public debt statement (d) outstanding guarantees; and (e) consolidated cash flow statement of all public enterprises (PE). Some work will be undertaken in relation to development grants receipts, expenditure classifications and balance testing during the AFS audit. During the audit of the AFS, assurance would be sought from various sources in respect of some centralized payments votes and the subvention to some parastatals/regulatory bodies not subject to audit by OAG.
- 3.10 *Outsourced audits:* The Auditor General has been mandated for audit of 7 statutory bodies known as Public Enterprises (PE), namely, the SCAA, FSA, NISA, SPF, SPA, PUC and PMC and the Central Bank, which is not classified as a public enterprise. Taking into consideration the resources

available in terms of the number and complexity of the audits involved, audit of 5 entities i.e. CBS, PMC, SPA, PUC and SPF has been outsourced. In addition, the audit of SeyCAAT is being undertaken by an auditor appointed by the Board. While the audits have been outsourced, it is to be noted that AG has the responsibility to express an opinion. To enable him to do so with some comfort, it is essential that we review, monitor and apprise ourselves with the audit of these entities throughout the audit process. This oversight function has been allocated to one designated audit manager for effective performance and reporting back. This will also involve effective communication with the relevant Audit committees and other stakeholders, local and overseas. Accordingly, in 2023, the outsourced audits of the 7 entities saw a closer involvement of OAG staff so as to understand and acquire requisite capacity, which hopefully would eventually enable the OAG to undertake such audits. Since 2019, OAG has requested the Internal Audit Division of the Ministry of Finance to undertake the audits of SLTA according to its own programme of work in order to maintain the independence of the audit process.

- 3.11 *Request audits for certification of project accounts:* Request audits include essentially the audit of foreign funded projects, such as, AfDB assisted Mahe Sustainable Water Augmentation Project - La Gogue Dam and the International Fund for Agricultural Development (IFAD) CLISSA project. The auditing requirements and the number of audits required during a year would vary and depend on the production of accounts, etc. The following is a list of known funded projects which have been subject to audit by OAG either on an annual basis or as and when the funding agencies request such audits.

Project title	Funding Agency	Implementation
EITI project (4 accounts)	World Bank	MoFinance
SWIOFISH3	IBRD/WB	MoFinance
CLISSA	IFAD	MoAgriculture
MSME project	AfDB	MoFinance
PUC MSWA project	AfDB	PUC
DQSS&R	Miscellaneous	DITC
Strengthening of Financial Market	Miscellaneous	CBS and SFSA
HR development support	Miscellaneous	ANHRD
Development of PPP/LRO	Miscellaneous	MoFinance
Integrated Sanitation Master Plan	African Water Facility Fur	PUC

- 3.12 *Audit Programme implementation strategy:* Every year the audit work for the next audit cycle is assessed by taking in to consideration the audits that have fallen due for the year under plan and the backlog accumulated over the years and likely audits of the newly created entities. The audits are then prioritized in accordance with the provisions of the Constitution regarding time frame for audit reporting, relevant Acts and authorizations, requests received, etc. A risk analysis of the entities is carried out based on the budget, nature of functions and transactions undertaken, topicality and media reports, etc. After the spade

work, taking in to consideration the resources available, the operational division prepares an annual audit programme for the audit cycle which normally runs through 12 months from September to August, previously, April to March. The following important factors are also taken in to consideration while developing the audit programme:

- All staffs are exposed to both certification and regulatory audits so as to gain an overall understanding and appreciation of the work involved in the two main types of audits and thus the mandate of the office;
- In view of the vast audit mandate and comparatively very limited resources available with the OAG, audit is planned in a very selective manner with due regard to the prioritisation;
- Deployment of audit staff is done with due care, maintaining requisite competencies of the team as a whole by including qualified and experienced staff; the necessary on-the-job-training of the newly recruited staff is also ensured; and
- Deployment of single member audit teams on small audits is proving to be an effective multipronged strategy to deal with the increasing audit backlog on one hand, it also provides the experience of auditing independently and bring in the confidence among the so deployed auditors and thus helps capacity building in the OAG.

- 3.13 *Audit Backlog:* Due to the new strategies implemented since 2017, there is no audit backlog now. This is a very big achievement compared to the years prior to 2017, when we had a huge backlog. However, certain delays still occur in the submission of draft statements of accounts and the signed statements on the part of the audited bodies. Such delays notwithstanding, we try to clear the audited accounts as speedily as possible within the OAG. During the year, 18 entities' statements of accounts for 22 years were certified of which the majority related to the year 2022. **Appendix 2** shows details of the number of years accounts cleared during the year under review.

Chapter 4

Professional Affiliations, standards and Best Audit Practices

International, regional and local affiliations and engagements

- 4.1 The OAG, which is the Supreme Audit Institution (SAI) in Seychelles, is a full member of the International Organisation of Supreme Audit Institutions (INTOSAI) which operates as an umbrella organisation for the external government audit community. For more than 50 years it has provided an institutionalised framework for supreme audit institutions to promote development and transfer of knowledge, improve government auditing worldwide and enhance professional capacities, standing and influence of member SAIs in their respective countries. In keeping with INTOSAI's motto, 'Experientia mutua omnibus prodest', the exchange of experience among

INTOSAI members and the findings and insights which result, are a guarantee that government auditing continuously progresses with new developments.

- 4.2 INTOSAI is an autonomous, independent and non-political organisation. It is a non-governmental organisation with special consultative status with the Economic and Social Council (ECOSOC) of the United Nations. At present INTOSAI has 194 Full Members, five Associate Members and 1 Affiliate Member. OAG, SAI Seychelles is a full member of INTOSAI. The OAG has become a member of any Working Group of INTOSAI.
- 4.3 The SAI Seychelles is more closely associated with AFROSAI-E which is the regional grouping of 26 English speaking member countries in Africa. During the year, a number of staff attended training organised by the entity. AG had served as the chair on the audit subcommittee for 3 years. As from 2021 he has been elected as the vice Chair of the Finance and governance sub-committee for 3 years. AG attended all virtual meetings of the Finance Sub Committee during 2023.
- 4.4 As a member country of the COMESA, the SAI Seychelles is a member of COMESA Board of External Auditors (COBEA), which is responsible for the audit of COMESA. During 2021, the relevant audit manager and the staff associated with the organisation attended virtual meetings of the COMESA to finalise the various auditing instruments and other documents, which had been the subject of extensive discussions for some time. In addition, the SADC
- 4.5 Another key partner in institutional capacity building initiatives that OAG closely engaged with during the year was the ITEC. Following the COVID-19 situation, not much progress was made in this respect during 2023, except that AG attended a local gathering of the ITEC alumni organised by the Indian High Commission.
- 4.6 During 2023, the OAG also completed the Self-Assessment questioners from INTOSAI and AFROSAI-E for facilitating a peer review of the institutional capabilities and competencies at international and regional level.

Engagement with FPAC

- 4.7 Auditor General and several audit officers attended all FPAC hearings and field visits conducted during the year on both the Annual Report for 2020 and other special audit reports. FPAC also received at least two special audit report completed by OAG, namely the report on FA4JR scheme and outsourcing an management of Cemetery and Burial Services. Auditor General attended all FPAC hearings during the year 2023.

Government Audit Committee

- 4.8 During the year under review also, OAG continued to provide the copies of audit reports to the Government Audit Committee for exercising their oversight function and extended OAG's support to the Ministry of Finance, at

request, by inviting them to attend exit meetings. At those exit meetings, the Ministry of Finance was given a further opportunity to respond to Accounting Officers' concerns on budget matters, accounting function, financial regulations, etc.

International Auditing Standards

- 4.9 The OAG has appropriately adopted the International Standards for Supreme Audit Institutions (ISSAIs) in the conduct of public sector audits.
- 4.10 To maintain pace with the emerging developments taking place in public sector auditing and in the management of public finances, the OAG is required to put in place requisite policies and procedures to address those new trends and to enhance its external audit function and the delivery of its audit mandate. The emerging challenges being faced by the OAG include:
- a. adoption of ISSAIs auditing standards in our audit methodology and compliance there to through the use of a customised Audit Manual specific to the needs of the OAG,
 - b. necessary capacity building in the related audits consequent to:
 - i. adoption of the IPSAS accounting framework by the Government for its Annual Financial Statements from 2013 and the requisite for consolidated cash flow statements of whole government including public enterprises;
 - ii. transition of the accounting framework from the existing Seychelles GAAPS to the IFRS by Public Enterprises;
 - iii. Programme Performance Based Budgeting (PPBB) implementation;
 - iv. piloting Performance Information Reports auditing ;
 - v. government placing increasing emphasis on computerization and modernization of its operations; and
 - vi. be able to respond to the stakeholder expectations and emerging needs.

Quality Assurance Initiatives

- 4.11 Recognising the need for a well-functioning quality assurance mechanism, the OAG has been taking initiatives to broad base this function among team leaders, senior auditors, audit managers, Deputy Auditor General and the Auditor General. A number of steps have been taken in this direction which broadly include attendance of quality assurance programmes and workshops by the Audit Managers and drafting of a customized quality control manual. In the process, Audit Managers also qualified as facilitators for ISSAI regularity and for compliance audits. Audit Managers from OAG have been participating in the quality assurance Peer Reviews of selected SAIs in the region.

Human Resources development

- 4.12 The OAG is committed to professional development of staff members and institutional capacity building. We have always recognized that without the
-

right people with the right skills and attitude we would not be able to execute the organisation’s objective and deliver on our mandate. To achieve this objective, we avail appropriate training opportunities and provide financial support and time-off to those who undertake further studies in relevant fields. As at end of December 2023 the Office had in post 10 ACCA qualified employees and three employees with a Master’s Degree. A good number of other staff members (9) are at different stages for achieving various professional qualifications. The OAG has liberally invested in professional upgrading of staff through training and other facilities including leave for attending classes for preparing for professional examinations.

- 4.13 To remain up-to-date and adopt best practices in the audit profession world over, the measures taken by the OAG include participation in various training courses, programmes and workshops organized/assisted/sponsored by international SAI community under the multilateral/bilateral SAI specific need programmes. AFROSAI-E has been the close partner of the OAG in its efforts towards strengthening professional competence, capacity building, skill sharpening and organizational development. The OAG participated in a number of programmes conducted by AFROSAI-E for its member SAIs during 2023.
- 4.14 As may be seen below, 36 (34 in 2022) staff attended different training relevant to their work and also attended a number of interactive sessions with IDI/INTOSAI and AFROSAI-E training initiatives during the year. The training events were both on virtual platform and in-person sessions subject to health restrictions and other limitations. The in-house training interventions were only introductory audit courses for the new staff and refreshers for the other audit staff.
- 4.15 Asset building in the form of human resource has been successfully done by OAG. When experienced staff leave the OAG to join the private sector or become self-employed, it is not considered a loss, rather a valuable contribution to the national pool of professionals who are much needed in the nation building efforts. In fact, the several organisations are eager to employ audit personnel trained at OAG due to their competencies and attitudes by offering attractive salary packages.

Training Programme	(No. of staff) 2023
Report writing (AFROSAI-E)	4
Leadership Development (MoEP) local	13
General audit principles (in house)	8
PESA-P (on going) (IDI)	5
Ethics -CEPS- local	2
Technical updates (AFROSAI-E)	6

Administration and Support Services

4.16 The Administration and Support Services helps the external audit function by providing financial and administration services, human resources, procurement and the general office operations.

- *Finance and Administration:* Finance and Administration function supports the audit services function through the provision of financial management and administration services, budgeting and fulfilling the accounting processes, asset management and availability and preparation of periodic financial reports.
- *Funding:* The Office is funded by Government through appropriation approved by the National Assembly. Over the years, the OAG budget had generally increased though not to the expected extent. For the year 2023, a budget of SR21.0m (SR19.8m in 2022) was approved by the National Assembly, which was revised to SR19.3m in 2023 (SR17.8m in 2022). Actual spending was SR16.3m in 2023 and R16.2m in 2022 which is mainly attributed to unfilled vacancies. The OAG also collects some SR350,000 through conducting audits in some public enterprises and deposited the same to the revenue account of OAG as required by Section 5 (2) of the Act. A small service incentive was paid out to staff based on the number of years in service and the level of responsibilities in each category of posts.
- *Human Resource Management and Development:* The office continuously strives for high performance and staff are given opportunities to realize their full potential. At the end of 2023, the office had 40 established funded positions. The OAG operates its own Scheme of Service and accordingly has put in place a two-year contract system for all staff whereby an end of contract gratuity is paid at the end of contract term and an increase in the performance allowance is awarded based on the performance and at a percentage determined accordingly. The risk allowance introduced in early 2018, taking into consideration various discomforts the audit fieldwork entails, continued during the year.
- *Staff movement:* In 2023, two staff received promotions. The OAG takes pride in contributing trained manpower in the fields of financial management, accounting and auditing with the skills highly sought after by both private and public sectors of the economy.

- *Performance appraisal:* With a critical requirement for the office to attain higher organizational performance and as part of the overall performance management, the office carried out staff performance appraisal on a continual basis. Staff have to undertake six monthly performance appraisals in order to identify their training needs and areas for further improvement.
- *Policy documents:* During the year, the disciplinary policy and communication policy and the staff Appraisal format were updated taking into consideration changing requirements. During 2021, the code of ethics was updated taking into account the ISSAI standards on the matter, however the final document was still pending for issuance at the year end.
- *Communication:* Effective communication continued during the year with stakeholders mainly through Zoom platform and in person interviews with local media, etc. subject to health restrictions.
- *Staff Welfare:* For promoting interaction and comradery among all staff, the Social Committee organized the following activities albeit in low key due to Covid-19 situation and health restrictions. These events help bringing the staff together in a more relaxed atmosphere.
 - Quarterly birth day bash for staff
 - End of year gathering
 - Lunch on the Occasion of Labour Day
 - Celebration of international women's day and international men's day with exchange of token of appreciation for each other
 - Kreol festival
 - Hikes and gatherings in different locations

Operations Division

4.17 The principal objective of the Operations Division is to provide support to the Auditor General to enable him to fulfil the mandate entrenched in the Constitution and various Acts in an efficient and effective manner, in so far as practical, within the allocated resources. The OAG is mandated to carry out regulatory, financial and performance audits. The following types of audits are conducted by the OAG:

- *Audit of AFS:* Audit of the Government Annual Financial Statements is required to be completed by 30 June each year under the Public Finance Management Act 2012. However, this has not been able to be completed within the timeframe due to delays encountered both in the accounts preparation process and the audit processes. More remain to be done on the part of the MoF to have this audit completed on time.

- *Regulatory audits:* Ministries, Departments, Agencies and Offices are to be audited by the Auditor General under Article 158 of the Constitution. These audits essentially covered the revenue collection and follow up action on previous audit recommendations and expenditure areas on a selective basis of various public bodies.
 - *Certification Audits:* The Auditor General is mandated/appointed to annually audit financial statements of statutory bodies. These entities comprise Public Enterprises, Agencies, Corporations, Authorities, Councils, Commissions, Boards, Funds, Trusts and Foundations. Besides, a host of funded projects and their accounts are audited at the request of the multinational bodies funding the projects. These audits result in the certification of statement of accounts as required by their respective Acts.
 - *Performance Audits:* These are value for money audits of programmes, projects, schemes, or select activities of public bodies undertaken with a view to assess economy, efficiency and effectiveness. In addition, special reviews are conducted on identified subject matters, projects, programmes and activities undertaken by various public bodies from a stakeholder perspective.
 - *Request audits:* The OAG also undertakes various audits at the request of its stakeholders, particularly, the National Assembly. These are in the form of special audits and special reviews or investigations and as per the requirements of the stakeholders.
- 4.18** All of the above audits are undertaken in accordance with accepted audit methodologies, developed and promulgated by International Organisation of Supreme Audit Institutions (INTOSAI) and its regional bodies, such as, AFROSAI-E. While the audit process followed in the conduct of a performance audit is somewhat different, the other types of audits are generally conducted following a series of well-established steps drawn from auditing standards and good practice. These steps are taken to ensure (a) consistency in the audit approach; (b) fairness to audit entities and Accounting Officers; (c) timely completion of audit assignments; and (d) achieving audit objectives in an effective manner.

Audit of 2023 OAG accounts by External Auditors

- 4.19 Section 27 of the Auditor General Act, 2010 requires the external audit of OAG accounts by a qualified auditor who has not worked for the office during the period under audit. Accordingly, the 2023 accounts of the OAG have been audited by NN Associates (Chartered Accountants firm), selected from the panel maintained by the Seychelles Licensing Authority. The Auditor's report and the certified accounts are attached to this report as per the relevant legal provisions.

Audit management letters issued during 2023

MoFNP	30.10.23
Dept of Police	24.11.23
A.F.S 22	30.11.23
SCCA	11.12.23
DITC	23.11.23
IEA	17.11.23
PSAB	14.11.23
SRC	03.11.23
SFRSA	02.11.23
ASP	18.10.23
Health care agency	11.10.23
Sey Prison Services	10.10.23
Judiciary	26.09.23
NSC	31.08.23
Curator	28.08.23
SIA	02.08.23
SWioFish 3	02.08.23
HPC	01.08.23
SPA	15.06.23
Social Workers Council	14.06.23
FTC	01.06.23
NAC	01.06.23
NBGF	31.05.23
Cleaners co operative	May 2023
Fisheries and Blue economy	25.05.23
LWMA	24.05.23
MSME 2022	17.05.23
FSA	18.04.23
MLUH	18.04.23
SEC	12.04.23
SNYC	04.04.23
FIU	04.04.23
SPGA	17.03.23
SIB	24.02.23
NFEF 2022	10.03.23
NAC 2022	10.03.23
NBS	23.02.23

Certification of statement of accounts during 2023

Central Bank Seychelles	2022	27.03.23
Public Utilities Corporation	2022	21.04.23
Seychelles Ports Authority	2022	31.05.23
Nation Information Services Agency	2022	03.04.23
Seychelles Pension Fund	2022	11.04.23
Seychelles Broadcasting Corporation	2021	14.09.23
Seychelles Civil Aviation Authority	2022	15.06.23
Financial Services Authority	2022	19.05.23
Annual Financial Statements	2022	06.12.23
Seychelles Intelligence Services	2020/21	01.03.23
Tender Board	2021	15.01.23
Creole Institute of Seychelles	2019-20	13.01.23
Seychelles National Parks Authority	2019	04.05.23
Land Waste Management Authority	2014-2016	23.06.23
CBS NFEF accounts	2022	
Swiofish3	2022	04.09.23
Mahe water project	2022	05.07.23
SMSE	2022	03.05.23

Classification of Statutory Bodies by OAG

Category 1

Public Bodies not explicitly required to prepare statement of accounts: The bodies in this category are not explicitly required by law to prepare annual financial statements and have the same audited by the Auditor General or an appointed auditor. The preparation of annual financial statements and the audit thereof is not mandatory. However, some of these bodies have over the years randomly produced some sort of statement of accounts and submitted to the Auditor General for auditing. Hence, the auditing of these bodies has been random and not systematic, timely or annual. Since these bodies are fully funded through the Consolidated Fund, their audits are carried out under Article 158 of the Constitution with the objective of ascertaining compliance with relevant laws and regulations in the selected account areas for reporting to the management/board and the National Assembly.

No	Category 1
1	Seychelles Licensing Authority
2	Seychelles Tourism Board
3	Seychelles Fire and Rescue Agency
4	Seychelles Agriculture Authority
5	Seychelles Land Transport Agency
6	National Drugs Enforcement Agency
7	Financial Intelligence Unit
8	Seychelles Heritage Foundation
9	Seychelles Qualification Authority
10	Public Officers Ethics Commission
11	Seychelles Energy Commission
12	Tertiary Education Commission
13	Public Enterprise Monitoring Com.
15	Seychelles Planning Authority
16	Procurement Oversight Unit
17	Nurses and Midwives Council
18	Revenue Tribunal
19	Tax and Customs Agents Board
20	Postal Regulatory Agency

Category 2

Public Bodies required to prepare annual statement of accounts: The legal provisions of these bodies require them to prepare annual statement of accounts and the audit of the same by the Auditor General. The provisions lack consistency as (a) the form of accounts to be used for the preparation of annual financial statements is not standard; (b) no specific timeframe stated for their production and auditing; and (c) in many cases, provisions do not require

production of an annual report and tabling it in the National Assembly. As a result, these bodies were producing financial statements in different forms. However, in 2015, the Ministry of Finance issued a Circular standardising the form of accounts to be in line with the International Public Sector Accounting Standards (IPSAS) cash basis format.

	Category 2
1	Agency for National Human Resources Development
2	Agency for Social Protection
3	Health Professional Council
4	Institute of Early Childhood Development
5	National Botanical Garden Foundation
6	National Bureau of Statistics
7	Seychelles National Youth Council
8	Seychelles Investment Board
9	Public Health Authority
10	Health Care Agency
11	National Human Rights Commission
12	Seychelles Media Commission
13	Fair Trading Commission
14	Industrial Estate Authority
15	Creole Institute of Seychelles
16	NCC Prohibition of Trafficking in persons
17	Animal and plant Biosecurity
18	National Institute for Science and Technology Innovations
19	Radiation Safety and Security fund
20	Creative Industries and National Events Agency
21	Seychelles Metrological Authority
22	Anti-Corruption Commission
23	Commissioner for Assets and Liabilities and Business Interest
24	Enterprise Seychelles Agency (Erstwhile SEnPA)
25	La Digue Trust Fund
26	National Aids Council
27	National Early childhood care and education Fund
28	National Tender Board
29	National Disaster Relief Fund
30	Livestock Trust Fund
31	Social Workers Council
32	Seychelles Women Trust Fund
33	National Disaster Risk Management Fund
34	Information Commission
35	Seychelles Intelligence Service

Category 3

Statutory bodies with bank accounts: These statutory bodies may operate one or more bank accounts as necessitated by the nature of their functioning, hence need to produce annual financial statements showing financial position, results of financial operations and cash flows, in accordance with the generally accepted accounting practice. Explicit legal provisions exist in their respective Acts requiring the production of financial statements and the audit of the same by the Auditor General. The main objective of the audit is to express an opinion as to whether the financial statements present a true and fair view of the financial position and operations and cash flows for the year ended.

	Category 3
1	Seychelles Bureau of Standards
2	Seychelles Broadcasting Corporation
3	Children Special Fund
4	Stabilisation Fund (MoF) (not active)
5	Conservation and Climate Adaptation Trust (SEYCCAT)
6	Small Business Financing Agency
7	Social Security Fund

Category 4

Statutory bodies with varying audit provisions: These are statutory bodies of which the enabling legislation require them to produce annual financial statements. However, the auditing of the financial statements is to be undertaken by an auditor appointed by the relevant authority (Minister, Board, Council, etc) as specified in the statutes. Accordingly, in some cases, the Auditor General and in others, private auditors have been appointed by the respective authority.

	Category 4
1	National Arts Council – (AG appointed)
2	National Sports Council – (private)
3	Seychelles National Parks Authority (AG appointed)
4	Centre Mont Royal (private)
5	National Council for Disabled Persons (AG appointed)
6	Seychelles Fishing Authority (private)
7	Landscape and Waste Management Agency (AG appointed)
8	Waste Management Trust Fund (private)
9	Environment Trust Fund (private)
10	National Council for the Elderly (private)
11	Seychelles Islands Foundation (private)
12	SEYCCAT (private)

Category 5

Central Bank of Seychelles and Public Enterprises: The Auditor General is the statutory auditor of the Central Bank and 7 Public Enterprises, namely, PMC, SCAA, SPA, NISA, PUC, FSA and SPF, as provided in their respective Acts. Except for the Central Bank, the other PEs are regulated by the Public Enterprise Monitoring Commission Act 2013, which requires, among others, the production of annual financial statements in accordance with the International Financial Reporting Standards (IFRS) and annual reports to be tabled in the National Assembly. These bodies are financially independent and maintain own accounting systems and bank accounts for their operation.

Audit programme for the cycle (September 2022 to August 2023)

Seychelles Bureau of Standards
Seychelles Investment Board
National Bureau of Statistics
Health Professional Council
Financial Services Authority
National Sports Council
Seychelles Prison Services
BAPS/ASP
Mahe Water Sustainability Augmentation Project
Seychelles Infrastructure Agency
Ministry of Lands and Housing
SHF
Ministry of Youth and Sports and Family
National Arts Council
Fair Trading Commission
Seychelles Licensing Authority
Seychelles Fire and Rescue Services Agency
Ministry of Investment, Entrepreneurship and Industry
Department of Information Communications and Technology
National Council For Children
SWIOFISH 3
HCA
Ministry of Health/APDAR-DSAPTR/ NIHSS
Department of Defence
Department of Administration
Landscape and Waste Management Agency
Health Care Agency
SNPA-SPGA 2021-2022
Seychelles Energy Commission
Seychelles National Youth Council
The Judiciary
Ministry of Education
Agency for National Human Resources Development
Ministry of Agriculture, Climate Change and Environment
Department of Legal Affairs
Ministry of Fisheries and the Blue Economy
National Tender Board
Seychelles Workers' Council

Public Health Authority
Public Enterprise Monitoring Commission
Seychelles Qualifications Authority/TEC
National Tender Board
Social Workers Council
Creole Institute of Sey-Academy
Seychelles Broadcasting Corporation
Seychelles Intelligence Service
Electoral Commission
Seychelles Ports Authority
National Information Services Agency
Ministry of Foreign Affairs and Tourism
Seychelles Revenue Commission (Tax Division)
Seychelles Broadcasting Corporation
Office of the President
Seychelles Meteorological Authority
Anti-Corruption Commission
Children Special Fund
Methadone Maintenance
Seychelles Media Commission
Covid-19 Relief Fund Accounts
Legislature
Industrial Estate Authority
Seychelles Nurses and Midwives Council
Seychelles Medical and Dental Council
Ministry of Finance, Trade & National Planning 2021 expenditure
SRC (Expenditure)
AFS 2022 Certification Audit
SRC (Expenditure)
Ministry of Finance, Economic Planning and Trade
SRC- Customs
SRC (Customs)
Institute of Early Childhood Development
Planning Authority
National Aids Council
Industrial Estate Authority

ADF – Value Chain Project
Financial Intelligence Unit
EITI
CBS – National Education Fund
National Botanical Garden Foundation
Seychelles National Institute of Culture, Heritage and Arts
Road Transport Commission
Human Rights Commission
Ministry of Local Government & Community Affairs
Ministry of Employment and Social Affairs
SMSA
IEA
ADF –Value Chain Project

OFFICE OF THE AUDITOR GENERAL

Victoria, Mahe, Seychelles

AUDITOR GENERAL'S REPORT AND AUDITED FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

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OFFICE OF THE AUDITOR GENERAL

FINANCIAL STATEMENTS 2023

Auditor General's Report

1. The Office of the Auditor General

The Office of the Auditor General (OAG) is an autonomous office established under Section 3 of the Auditor-General Act, 2010. The OAG is headed by the Auditor-General appointed under Article 158(1) of the Constitution. Article 158 (3) of the Constitution mandates the Auditor-General to audit the accounts of the Cabinet Office, the National Assembly, all government departments and offices, all courts and those related to money withdrawn from the Consolidated Fund, all the accounts of any statutory corporation or such other body as may be specified by or under an Act. In carrying out his mandate, the Auditor-General or any person authorised or appointed in that behalf by the Auditor-General shall have access to all books, records, returns, information and other documents relating or relevant to those accounts.

The Auditor-General is further required under Article 158 (5) to within twelve months of the end of the immediately preceding financial year, submit his report to the National Assembly and shall in that report draw attention to irregularities in the accounts audited and to any other matter which in the opinion of the Auditor General ought to be brought to the notice of the Assembly.

In addition, pursuant to Section 13 (1) of the Auditor General Act, 2010 the OAG carries out performance audits of programmes, activities, schemes and functions of the public bodies with the aim of evaluating their economy, efficiency and effectiveness.

2. Activities of the OAG

In carrying out its statutory mandate, the OAG prepares an annual audit programming which includes all audits identified to be undertaken during a twelve month period, known as audit cycle, which runs from January to December in each calendar year. The program includes certification audits which are required to be undertaken on an annual basis and the regulatory audits of government entities. The selection of entities included in the program is influenced largely by the materiality of the entity's annual expenditure or the amount of revenue the entity is required to raise. Other relevant factors such as, known audit risks, previous experience and the relative significance of operations of an entity are also taken into account in the audit programming. The

OFFICE OF THE AUDITOR GENERAL FINANCIAL STATEMENTS 2023

Auditor General's Report (Cont'd)

principal objective of the audit is to carry out sufficient audit work to provide a basis for the Auditor-General to form an opinion on the accounts and records of an entity. In determining the extent of work to be undertaken in each audit, a critical assessment is carried out of the strengths and weaknesses of internal control systems in operation, the nature of the transactions involved and the type of opinion required to be expressed.

For the financial year 2023, the National Assembly approved a budget of SCR 21,091,592 (2022: SCR 19,868,000) for the Office of the Auditor General. During the year the budget was revised to SCR 19,391,592 (2022: 17,868,000) by the Ministry of Finance. Actual Expenditure for that same period amounted to SCR 16,315,922 (2022: SCR16,233,090), resulting in a budget saving of SCR 3,075,670 against the revised budget (2022: SCR 2,469,000). The Savings were mainly due to unfilled vacancies in the audit cadre.

The financial statements which cover the year ending 31st December 2023 are prepared on an Accrual Basis. As such, it takes into account depreciation charges, provisions and other obligations which relates to the current period. Total depreciation of SCR 212,227 (2022: SCR 282,523) was charged on fixed assets vested in the Office of the Auditor General by the Government on inception and on new acquisitions during the period.

A provision of SCR 4,348,125 (2022: SCR 4,352,175) in respect of payment of gratuity and compensation is also provided for in the Accounts. This represents gratuity payable upon completion of employment contracts. Compensation for continues services is provided for in line with Section 19 (2) of the Employment Act 1995 which states that where the interval between two consecutive fixed term contracts under which a worker is employed by the employer is not more than ninety days, the worker shall be deemed to have been in continuous employment during such interval and such worker shall be entitled to compensation in respect of the entire period of such employment. While the end of contract payments are budgeted under the OAG, the payments of compensation for continuous service are made by the PSB under the centralized vote. Audit fee amounting to SCR 21,500 (2022: SCR 21,500) was accrued as at year end and payable in the following year.

OFFICE OF THE AUDITOR GENERAL

FINANCIAL STATEMENTS 2023

3. Auditor-General

The Auditor-General is appointed by the President under Article 158 (1) of the Constitution from candidates proposed by the Constitutional Appointments Authority. Appointment is for a seven year term but the person is eligible for reappointment at the end of a term of Office. Mr. Gamini Herath is currently the Auditor General effective as at April 1st, 2017.

The Office of the Auditor General (OAG) is required to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the Auditor General to ensure that the financial statements fairly present the state of affairs of the OAG as at the end of the financial period and the results of its operation and cash flows for the period then ended, in conformity with the Generally Accepted Accounting Practice. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with Generally Accepted Accounting Practice and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The OAG acknowledges that the Auditor General is ultimately responsible for the system of internal financial controls established by the OAG and places considerable importance on maintaining a strong control environment. To enable the Auditor General to meet these responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties have been installed to ensure an acceptable level of risk. These controls are monitored throughout the OAG and all employees are required to maintain the highest ethical standards in ensuring the OAG's business is conducted in a manner that in all reasonable circumstances is above reproach.

**OFFICE OF THE AUDITOR GENERAL
FINANCIAL STATEMENTS 2023**


Auditor General's Report (Cont'd)

The focus of risk management in the OAG is on identifying, assessing, managing and monitoring all known forms of risk across the OAG. While operation risk cannot be fully eliminated, the OAG endeavours to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed.

The Auditor General is of the opinion, based on the information and explanations given by the OAG that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The external auditors are responsible for independently reviewing and reporting on the OAG's financial statements. The financial statements have been examined by the OAG's external auditors and their report is presented on page 6 to 9.

The Financial Statements set out on pages 10 to 18, which have been prepared on the going concern basis, were approved by the OAG on 27.06.2024 and were signed on its behalf by:



.....
Mr. Gamini Herath
Auditor General

**OFFICE OF THE AUDITOR GENERAL
FINANCIAL STATEMENTS 2023**

INDEPENDENT AUDITOR'S REPORT

TO THE AUDITOR GENERAL OF THE OFFICE OF THE AUDITOR GENERAL (OAG)

Report on the financial statements

We have audited the financial statements of the Office of the Auditor General (OAG) on pages 10 to 18, which comprise the statement of financial position for the year ended December 31, 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

OAG's responsibility for the financial statements

The OAG is responsible for the preparation and fair presentation of the financial statements in accordance to the requirements of Office of the Auditor General under Section 26 of the Auditor General Act 2010, with the Seychelles Generally Accepted Accounting Policies and for such internal control as the Auditor General determines is necessary, to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

In preparing the financial statements, the Auditor General is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Other Information

The Auditor General is responsible for the other information. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OFFICE OF THE AUDITOR GENERAL

FINANCIAL STATEMENTS 2023

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the OAG's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Auditor General.
- Conclude on the appropriateness of the Auditor Generals' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the OAG's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

OFFICE OF THE AUDITOR GENERAL

FINANCIAL STATEMENTS 2023

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the Office of the Auditor General regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Opinion

In our opinion, the financial statements on pages 10 to 18 give a true and fair view of the financial position of the OAG as at December 31, 2023, and of its financial performance and cash flows for the year then ended in accordance with the Seychelles Generally Accepted Accounting Policies and comply with the Auditor General Act 2010.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the OAG in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code to performing the audit of the OAG. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

This report has been prepared solely for the Office of the Auditor General, as a body, in accordance with the Auditor General Act, 2010. Our audit work has been undertaken so that we might state to the Auditor General those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the OAG and the Auditor General, as a body, for our audit work, for this report, or for the opinions we have formed.

**OFFICE OF THE AUDITOR GENERAL
FINANCIAL STATEMENTS 2023**

Report on other legal and regulatory requirements

We confirm that:

- We have obtained all the information and explanations necessary for the performance of our audit and:

- In our opinion:
 - i) proper accounting records have been kept by the OAG as far as it appears from our examination of those records.
 - i) the OAG's statements of financial position and statement of comprehensive income are in agreements with the books of accounts.

- We have no relationship with or interests in OAG other than in our capacity as auditors and dealings with the OAG in the ordinary course of business.



NN Associates

PO BOX 239

VICTORIA

Date: 1/07/24

OFFICE OF THE AUDITOR GENERAL

STATEMENT OF FINANCIAL POSITION - AS AT DECEMBER 31, 2023

	Notes	<u>2023</u> SCR	<u>2022</u> SCR
NON-CURRENT ASSETS			
Plant and Equipment	2	568,891	499,346
CURRENT ASSETS			
Trade and other receivables	3	574,895	574,895
Cash and cash equivalents	4	2,814,462	2,294,387
TOTAL ASSETS		<u><u>3,958,248</u></u>	<u><u>3,368,628</u></u>
EQUITY AND LIABILITIES			
EQUITY			
Accumulated deficits		(570,334)	(1,164,004)
NON-CURRENT LIABILITIES			
Capital grant	5	145,908	145,908
CURRENT LIABILITIES			
Accruals	6	34,549	34,549
Provision for Gratuity and Compensation	7	4,348,125	4,352,175
TOTAL EQUITY AND LIABILITIES		<u><u>3,958,248</u></u>	<u><u>3,368,628</u></u>

These financial statements have been approved for issue by the OAG on 27.06.2024.

AUDITOR GENERAL

Mr. _____

The notes on pages 13 to 18 form an integral part of these financial statements.

Auditors' report on pages 6 to 9.

OFFICE OF THE AUDITOR GENERAL

STATEMENT OF COMPREHENSIVE INCOME - FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Notes</u>	<u>2023</u> SCR	<u>2022</u> SCR
Audit Fees		545,000	545,000
Government Subvention	1.3	16,315,922	16,233,090
Other Income	8	-	0
Total Income		<u>16,860,922</u>	<u>15,922,038</u>
Operating Expenses	9	(16,267,252)	(16,247,805)
Operating (Deficit)/ Surplus		593,670	530,286
Purchase of Capital Grant		-	0
Surplus/ (Deficit)for the year		<u>593,670</u>	<u>(325,767)</u>

STATEMENT OF CHANGES IN EQUITY - FOR THE YEAR ENDED DECEMBER 31, 2023

	Capital Reserve SCR	Revenue Excess/ Deficit SCR	Total SCR
Balance as at January 1, 2022	-	(1,694,290)	(1,694,290)
(Deficit) for the year	-	530,286	530,286
Adjustment	-	-	-
Balance as at December 31, 2022	<u>-</u>	<u>(1,164,004)</u>	<u>(1,164,004)</u>
Balance as at January 1, 2023	-	(1,164,004)	(1,164,004)
(Deficit) for the year	-	593,670	593,670
Prior Year Adjustment	-	-	-
Balance as at December 31, 2023	<u>-</u>	<u>(570,334)</u>	<u>(570,334)</u>

OFFICE OF THE AUDITOR GENERAL

STATEMENT OF CASH FLOW - YEAR FROM JANUARY TO DECEMBER 31, 2023

OPERATING ACTIVITIES	Notes	2023 SCR	2022 SCR
Profit/ (loss) for the year		593,670	530,286
Adjustments:			
Depreciation	2	212,227	282,523
Release of capital grant to income statement		-	-
Increase/(Decrease) in provision for gratuity and compensation	7	850,380	1,292,792
Operating Surplus before working capital changes		<u>1,656,277</u>	<u>2,105,601</u>
<i>Changes in working capital:-</i>			
Decrease in Trade and Other Receivables	3	-	-
Increase in Accruals	6	-	(52,727)
Gratuity and Compensation paid	7	(854,430)	(834,770)
Net cash flow from operations		<u>801,847</u>	<u>1,218,104</u>
Investing Activities			
Purchase/ Transfer of Non-Current Assets	2	(281,772)	(110,062)
Capital grant received	5	-	-
Net cash flow from investing activities		<u>(281,772)</u>	<u>(110,062)</u>
Net movement in cash and cash equivalents		520,075	1,108,042
Cash at Bank at January 1,		2,294,387	1,186,345
Cash at Bank at December 31,	4	<u><u>2,814,462</u></u>	<u><u>2,294,387</u></u>
Repsented by:			
Cash at bank	4	<u><u>2,814,462</u></u>	<u><u>2,294,387</u></u>

The notes on pages 13 to 18 form an integral part of these financial statements.

Auditors' report on pages 6 to 9.

OFFICE OF THE AUDITOR GENERAL

FINANCIAL STATEMENTS 2023

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR DECEMBER 31, 2023

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the Generally Accepted Accounting Practice. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Seychelles Rupees. The figures has been rounded up to the nearest tenth.

1.1 Equipment

The OAG was vested with all the assets under its stewardship as at 30th June 2010. In arriving at the fair value of those assets, an internal evaluation was carried out based on the age of the asset, current market value where known and/or the actual acquisition value where such information was available.

Equipment is carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
Furniture and fixtures	10 years
Motor vehicles	5 years
Office equipment	5 years
IT equipment	3 years
Computer software	3 years

The residual value, depreciation method and the useful life of each asset are reviewed at each annual reporting period if there are indicators present that there is a change from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and has significantly different patterns of consumption of economic benefits is depreciated separately over its useful life.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.2 Employee benefits

The OAG operates a contract system for all its employees. All staffs were transferred on a 2 year contract with payment of gratuity at the end of the contract. The upper limit of gratuity payable is equivalent to between 10% and 15% of total earnings under the contract for Junior and senior staff respectively. Compensation is provided for in line with Section 19 (2) of the Employment Act 1995 to reward employees for continuous services for employees who have renewed at least their second contract. Which is payable by PSB.

OFFICE OF THE AUDITOR GENERAL

FINANCIAL STATEMENTS 2023

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED DECEMBER 31, 2023

The provision made in the financial statements is gratuity payment and compensation measured at the best estimate of the expenditure that would be required to settle the obligation at the reporting period date.

1.3 Government subvention

Government subventions are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate. A government subvention that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

1.4 Amortisation of Capital Grant

Capital grant relates to fixed assets transferred to the OAG office by the Government of Seychelles on the 1st July 2010.

These assets have been amortised on the average life of the assets transferred. Additions during the subsequent years through subsequent years through government grants (subventions) have also been treated in the same manner.

OFFICE OF THE AUDITOR GENERAL

2. PLANT & EQUIPMENTS

Cost	Furniture and Fittings SCR	IT Equipment SCR	Vehicles SCR	Office Equipment SCR	Total SCR
Balance at January 1, 2023	1,209,583	1,818,233	902,279	284,111	4,214,206
Additions	7,400	268,620		5,752	281,772
Balance at December 31, 2023	1,216,983	2,086,853	902,279	289,863	4,495,978
Depreciation	-	-	-	-	-
Balance at January 1, 2023	(1,081,239)	(1,528,480)	(848,052)	(257,089)	(3,714,861)
Charge for the year	(28,840)	(121,253)	(51,600)	(10,533)	(212,227)
Balance at December 31, 2023	(1,110,080)	(1,649,734)	(899,652)	(267,622)	(3,927,088)
Net carrying values:	-	-	-	-	-
At December 31, 2023	106,903	437,119	2,627	22,241	568,891
At December 31, 2022	128,344	289,753	54,227	27,022	499,346

3. TRADE AND OTHER RECEIVABLES

	2023 SCR	2022 SCR
Deposits	307,008	307,008
Prepayments	31,705	31,705
Receivable from treasury	236,182	236,182
	574,895	574,895

All receivables are denominated in Seychelles rupees and approximate their fair values

OFFICE OF THE AUDITOR GENERAL**4. CASH AND CASH EQUIVALENTS**

	2023	2022
	SCR	SCR
Cash on hand	1,500	1,500
Nouvobanq account	1,530,488	1,239,252
Al Salam account	1,282,474	1,053,636
	<u>2,814,462</u>	<u>2,294,387</u>

5. CAPITAL GRANT

	2023	2022
	SCR	SCR
January 1,	145,908	145,908
Addition during the year		
Release to the income statement	-	-
December 31,	<u>145,908</u>	<u>145,908</u>

The capital grant represents equipment financed through government subvention received during the financial year. It is amortized at the same rate at which the related equipment is depreciated over the financial years.

6. ACCRUALS

	2023	2022
	SCR	SCR
Audit & accounting fee	21,500	21,500
Deffered Income	13,049	13,049
	<u>34,549</u>	<u>34,549</u>

OFFICE OF THE AUDITOR GENERAL

7. GRATUITY AND COMPENSATION

	2023	2022
	SCR	SCR
January 1,	4,352,175	3,894,153
Payments made during the year	(854,430)	(834,770)
Increase/(decrease) in provision	850,380	1,292,792
December 31,	<u>4,348,125</u>	<u>4,352,175</u>

Analysed as:

	<u>2023</u>	<u>2022</u>
	SCR	SCR
Provision for Gratuity	1,070,408	856,772
Provision for Compensation	3,277,717	3,495,403
	<u>4,348,125</u>	<u>4,352,175</u>

8. OTHER INCOME

	2023	2022
	SCR	SCR
INTOSAI Grant	0	151,122
Release of INTOSAI Grant	0	0
	<u>0</u>	<u>151,122</u>

Being amortisation of fixed assets to the statement of profit or loss

OFFICE OF THE AUDITOR GENERAL

9. ADMINISTRATIVE EXPENSES

	<u>2023</u>	<u>2022</u>
	SCR	SCR
Advertising	0	2967
Accounting fee	0	0
Audit fee	21,500	21,500
Bank Charges & Commission	3,768	1688
Cleaning Expenses	0	0
Audit Service Fees	271,150	54,350
Consumables & Hospitality	187,621	142,777
Depreciation Expenses	212,227	282,523
Employees Costs-Staff Housing	168,000	168,000
Employees Costs-Salaries	10,670,737	9,885,084
Employees Costs-Subsistence Allowance	66,249	523,371
Employees Costs-Training Expenses	42,652	82,216
Employees Costs-Uniform Expenses	6,840	5,850
Employee Gratuity and compensation	850,380	1,292,792
Fuel & Oil Expenses	98,550	100,650
Hire Vehicles	0	0
Insurance	15,858	51,246
Licence Fees	9,568	9,941
Motor Vehicle Expenses	36,459	37,591
News Paper & Magazines	10,370	5,720
Subscription	70,793	4105
Postage	2,956	1,500
Premises Rental	2,633,826	2,621,451
Printing and Stationery	188,119	258,857
Repair & Maintenance	15,620	21,825
Telephone & Fax Expenses	86,883	66,955
Transportation Facility	73,385	59,540
Travel- Local	10,600	7,500
Travel -Overseas	185,760	294,640
Utilities	327,381	203,085
Other Expenses	0	40,080
	<u>16,267,252</u>	<u>16,247,805</u>

Pension payments are made monthly according to each employee's emoluments and are made by Treasury on behalf of the OAG.

Salaries, wages and the end of contract payments are paid through the Treasury.

The payments for goods and services are made through the OAG bank account to which the relevant approved budget is disbursed.