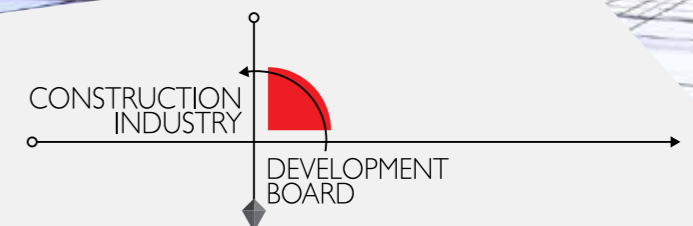


Construction Industry Development Board
**ANNUAL REPORT
2012**

Construction Industry Development Board
5th & 6th Floors, Mutual Aid Building II,
5 Guy Rozemont Square, Port Louis, Mauritius



CONSTRUCTION INDUSTRY
DEVELOPMENT BOARD

ANNUAL REPORT 2012

CONTENTS

MESSAGE FROM THE CHAIRPERSON

02

FROM THE DESK OF THE OFFICER-IN-CHARGE

03 › 05

ABOUT THE CIDB

06 › 07

CORPORATE GOVERNANCE REPORT

08 › 13

STRATEGIC PLANNING REPORT

14 › 17

REPORT OF THE DIRECTOR OF AUDIT

20 › 21

FINANCIAL STATEMENTS

24 › 27

NOTES TO THE FINANCIAL STATEMENTS

28 › 39

MESSAGE FROM THE CHAIRPERSON

I have the pleasure to present the Annual Report of the Construction Industry Development Board for the year ended 31 December 2012 in accordance with Section 33(2) of the Construction Industry Development Board Act.

This Annual Report highlights the main activities of the Construction Industry Development Board undertaken in the fiscal year 2012. It also gives the Financial Report of the Board.

During the year 2012, some key achievements have been made within the constraints of the human and financial resources of CIDB. The publication of the National Schedule of Rates (NSOR) in itself is a great achievement and the long-term benefits that would result from the use of the NSOR would prove its worth.

Another key achievement of CIDB has been the development of a Sector Strategy Paper for the Construction Industry. This document which has been developed in connection with the main stakeholders of the construction industry would no doubt chart out a better future for the construction industry. The CIDB has also held several workshops in its endeavor to ensure Capacity Building in the Construction Industry.

Despite the challenges facing the construction industry, CIDB is committed to provide its full support to its stakeholders and to guide the industry towards a better future.

I would like to thank you, Hon. Vice Prime Minister as well as the staff of your Ministry for providing the necessary support and guidance to the Construction Industry Development Board during the year 2012.

I also wish to seize this opportunity to thank all the Council Members, the Officer-in-Charge and the staff of the Construction Industry Development Board for their dedicated efforts towards meeting the objectives of the Construction Industry Development Board in the fiscal year 2012.

GAETAN SIEW

Chairperson

FROM THE DESK OF THE OFFICER-IN-CHARGE

I am pleased to present the Annual Report of the Construction Industry Development Board for the Financial Year 2012.

The year 2012 has been a very challenging one for the construction industry. In the first two quarters, the construction industry had registered a growth rate of 2.4% and 1.4% respectively. However, in the third quarter, it registered a decline of 1.2% deteriorating to 4.1% in the last quarter of 2012. The reason for the decline was mainly explained by the delay in infrastructure projects in the public sector but also due to the completion of some major private construction projects such as hotels and commercial buildings.

Despite the undesirable performance of the construction industry in 2012, it should be admitted that the industry has been relatively resilient and has faced the challenges reasonably well.

However, within this difficult context for the construction industry, the CIDB has been able to deliver value added within its mandate moreso with the limited resources put at its disposal.

Since its inception, CIDB was located in a Government Quarters in Floreal. The building was in fact a residential dwelling which was converted into an office to accommodate the CIDB temporarily.

In July 2012, CIDB moved to a new location. The Office is now strategically located and is easily accessible to the general public as it is within the precinct of the Victoria Bus Terminal in Port Louis.

In order to enable its customers get the most out of its services, CIDB adopted a Customer Charter in 2012. The Customer Charter basically defines what CIDB and its customers can expect from each other. It provides practical information about its vision, mission and values. It also highlights the objectives and functions of the CIDB and gives information on the services it provides to its stakeholders. The Customer Charter is expected to serve as a useful communication tool in establishing a proper relationship between CIDB and its customers.

During interactions with the SME contractors at workshops and trainings held by CIDB, it was understood that one of the main weaknesses of SME contractors were the skills required to preparing estimates and tender documents for construction works.

Consequently, it was decided that a Basic Guide for Estimating and Bidding should be developed for the SME contractors to help them improve their knowledge and skills in construction procurement and to guide them towards adopting a methodic approach to tendering.

FROM THE DESK OF THE OFFICER-IN-CHARGE

The services of the Mauritius Association of Quantity Surveyors was sought for the development of the Guide which was intended to be a very simple document providing basic information needed to calculate unit rates for the element of a Bill of Quantities. It would also provide such other information that could be useful to help preparing a tender.

The Mauritius Association of Quantity Surveyors has undertaken a few consultations with relevant stakeholders and has almost finalized a first draft of the Guide.

CIDB also published and launched the First Edition of the National Schedule of Rates in March 2012.

The National Schedule of Rates provides more than 1,500 detailed construction rates. It serves as a guide to help pricing construction works at the most competitive rates using a common basis.

The National Schedule of Rates has now become a commonly used document in the industry and is considered as a benchmarking tool for construction prices on the local market.

Given the number of disputes arising nowadays in construction and the impacts of such disputes on service delivery, CIDB being the regulatory body for the construction industry has the duty to ensure that such disputes in construction are resolved in the most effective and efficient manner.

In this respect, CIDB in April 2012 signed a Memorandum of Understanding with the Chartered Institute of Arbitrators (CI Arb) to promote arbitration and Alternative Dispute Resolution in the construction industry. The Memorandum of Understanding extends to all areas of mutual interest consistent with the common objectives of the CIDB and the CI Arb.

In its endeavour to promote capacity building, CIDB conducted a survey on the demand and supply side of trainings in the construction sector.

On the other hand, the Human Resource Development Council conducted a separate and independent study on labour shortages in the construction industry. That study aimed at assessing the current status of the construction industry, identifying immediate and future specific skills requirements and profile of employees and was intended to make recommendations for policy makers to devise strategies to reduce labour mismatch.

The study was released at the opportune moment to help define a proper strategy for capacity building which would be a priority for CIDB in 2013. The two Reports viz. The Capacity Building Report produced by the CIDB and the Report produced by the Human Resource Development Council would now be used to elaborate an Action Plan to implement the recommendations thereof.

FROM THE DESK OF THE OFFICER-IN-CHARGE

CIDB has always put Occupational Safety and Health in construction high on its agenda. In this respect, as every year, a workshop was organized in May 2012 on "Best Practices and Techniques in Scaffolding Works". The workshop laid much emphasis on the malpractices on scaffolding works in Mauritius and recommended simple measures to avoid accidents through proper management of scaffolding works.

A Training Programme in collaboration with the Procurement Policy Office and the Central Procurement Board was also held in 2012 for the SME contractors to help them improve their knowledge and comprehension about public procurement procedures and to encourage them to participate more actively in public sector biddings.

One of the major achievements of CIDB in 2012 is no doubt the development of a Strategy Paper for the Construction Industry. This document was in fact developed as a result of a consultative exercise undertaken through three half-day workshops with the key stakeholders of the construction sector. The Strategy Paper would guide the strategy and policy orientation of CIDB in 2013.

The year 2012 has thus been a satisfactory year for the Board. However, it is expected that in 2013, CIDB would be provided with the necessary resources both in terms of human capital and financial means to be able to perform better and especially start the registration of consultants and contractors which would be one of the key activities of the CIDB.

TRILOCK BHUNJUN
Officer-in-Charge

The Construction Industry Development Board commonly known as CIDB is a statutory body established under the CIDB Act of 2008. The overriding objective of the CIDB is to promote the development and improvement of the construction industry.

CIDB operates under the aegis of the Ministry of Public Infrastructure, and Land Transport. It is governed by a Council comprising 12 members including a Chairperson.

CIDB aims at providing leadership and guidance towards the development of a competitive and world class construction industry.

CIDB is provided with a comprehensive set of objects and functions which empowers it to ensure the proper development of the construction industry.

Vision – Our future aims

CIDB as the apex body leading the construction industry towards a marked contribution to economic growth and sustainable development in line with best international practice.

Mission—Our organizational purpose

Formulate and implement coordinated strategy embarking all stakeholders in the enhancement of the construction industry to make it more accessible, innovative, transparent, sustainable, competitive and safe.

Objects of the Board

1. Promote the development and improvement of the construction industry;
2. Promote sustainable growth of the construction industry;
3. Promote and encourage the participation of the small and medium enterprises in the construction industry;
4. Promote and assist in the export of services relating to the construction industry;
5. Promote and stimulate quality assurance in the construction industry;
6. Promote the awareness of the need for a safe and healthy work environment in the construction industry;
7. Promote and establish best practice in the construction industry;
8. promote research and development relating to the construction industry; and
9. Facilitate communication between stakeholders of the construction industry.

Functions of the Board

1. Implement government policy relating to the construction industry;
2. Regulate and register providers of construction works and construction services;
3. Exercise regulatory functions in respect of the construction industry, including the registration of consultants and contractors;
4. Provide advisory services to the construction industry and to the public in general;
5. Publish an annual list of registered consultants and contractors;
6. Advise and make recommendations to the Minister on matters relating to the construction industry;
7. Encourage the standardization and improvement of construction materials and techniques;
8. Develop standard forms of construction agreements and contracts;
9. Develop and maintain a construction industry information system;
10. Develop and promote training programmes for operators of the construction industry;
11. Advise relevant authorities on human resources development of the construction industry;
12. Conduct surveys on the construction industry;
13. Entertain complaints in connection with construction works and construction services and where necessary refer them to appropriate authorities;
14. Publish periodically indicative schedules of rates for construction works; and
15. Perform such other functions as may be necessary to further its objects.

Section (8) of CIDB Act 2008 provides that the Board shall be administered by the Construction Industry Development Council. As such the Council is responsible and accountable for the performance of CIDB. The Council ensures that sound corporate governance principles are adopted and that the highest standards of business ethics, honesty and integrity are prevailed.

The Council is mandated to:

- Provide strategic direction and leadership to CIDB;
- Review the objectives, strategies and the functioning of the Board;
- Ensure that CIDB complies with all relevant laws, regulations, codes of best practice and guidelines laid down in the Code of Corporate Governance;
- Ensure greater levels of fairness, transparency and accountability in the decisions and actions of CIDB;
- Ensure the integrity of CIDB's accounting and financial reporting system for monitoring and managing, financial control and compliance with law and relevant accounting standards.

Compliance and Enforcement

The Construction Industry Development Board commits itself to the highest standards of corporate governance and ensures compliance with the Code of Corporate Governance for Mauritius and the Guidance Notes for State-Owned Enterprises issued by the National Committee on Corporate Governance.

Profile of the Council

The Council is constituted of a Chairman and eleven other members. The members of the Council are non-executive and are independent of the CIDB. The members represent the wide spectrum of the different sectors of the construction industry and therefore bring a wide range of experience and professional skills to the Council.

The Chairman and two members of the Council are appointed by the Minister, whereas the other members are designated by their respective organization.

COUNCIL MEMBERS FOR 2012

Mr V. Lutchmeepersad

Chairman

Permanent Secretary

Ministry of Public Infrastructure, National Development Unit, Land Transport and Shipping

Mr S. Ragoo

Director

Ragoo Associates Ltd

Representative of Mauritius Association of Quantity Surveyors

Mr V. Putchay (in replacement of Mr D. A. Balloo with effect from October 2012)

Principal Assistant Secretary

Representative of Ministry of Public Infrastructure, National Development Unit, Land Transport and Shipping

Mr G. Saddul

Director

Property & Assets Valuation Ltd

Representative of Mauritius Institute of Surveyors

Mr I. Nagaissar (in replacement of Mr S. Ragavan with effect from July 2012)

Assistant Secretary

Representative of Ministry of Labour, Industrial Relations and Employment

Mr G. Uckoor

Contractor

Representative of Small and Medium Enterprises of Construction Sector

Mrs T. Codadeen (in replacement of Mrs G. Ramnauth with effect from June 2012)

Assistant Secretary

Representative of Ministry of Education and Human Resources

Mr B. Ramloll

Director

Ramloll Bhooshan Renovation & Building Contractor
Representative of Contractors' Association

Mrs L. Chummun-Bhujohory

Assistant Technical Manager

Representative of Mauritius Standards Bureau

Mr J. Desai

Director

Desai & Associates Ltd

Representative of Institution of Engineers Mauritius

Mr D. D. Bunjun

Resident Project Manager

National Assembly

Representative of Mauritius Association of Architects

COUNCIL AND COMMITTEE MEETINGS

Council Meetings as per the provisions of the CIDB Act are scheduled monthly in advance. Special Council Meetings are also convened to address urgent and specific issues whenever necessary. Committees have been set up to enable the Board to give closer attention to important issues facing the organization.

REMUNERATION DRAWN BY CHAIRPERSON, COUNCIL MEMBERS AND COMMITTEE MEMBERS

The Chairperson is paid a fixed monthly fee as per the recommendation of the Pay Research Bureau.

Council and Committee Members on the other hand are paid an attendance fee for meetings attended together with a commuted travelling allowance per sitting in accordance with Pay Research Bureau recommendations

For the year ended 31 December 2012, the number of times the Council and the Committees met and the total fees paid to the Chairperson and other members (both previous & current) are as follows:.

Members	Council						Total Fees (Rs)
	Meeting	RCCC	GFBCP	GFCHC	TOC	BEC	
	10	7	10	24	4	3	
Mr V. Luchmeepersad	10/10						252,000
Mr V. A. Putchay	1/10					3/3	825
Mr D. A. Balloo	6/10	3/7					8,475
Mr I. Nagaisar	1/10						825
Mr S. Ragavan	2/10						1,650
Mrs G. Ramnauth	5/10						4,325
Mrs L. Chummun Bhujohory *	8/10	2/7			1/4		7,325
Mr J. Desai	8/10	3/7			2/4		15,570
Mr D. D Bunjun	8/10	6/7			1/4	3/3	22,610
Mr S. Ragoo	8/10	7/7			3/4		16,465
Mr G. Uckoor	10/10	2/7			3/4		14,450
Mr B. Ramlool	6/10	4/7					8,050
Mrs. B. T. Codadeen	5/10						4,125
Mr. V. Chintaram				22/24			23,320
Mr. V. Toofany			7/10				5,425
Mr. A. Gopaul			6/10				4,650
Mr. R. Mootanah			7/10				5,425
Mr. V. Nuckcheddy			7/10				5,425
Mr C. E. Wong So			10/10				10,600
Mr. R. Callychurn			5/10				3,875
Mr R. Phul				22/24			17,050
Mr O.C. Domah				16/24			12,970
Mr T. H. Kodabacus				9/24			6,975
Mr H. V. Jadav				16/24			13,175
Mrs. W. Koussa				15/24			
Mrs S. Nahaboo				2/24			1,550
Mr. Tony Lee				2/24			1,550
Mr. V. Conhye						3/3	6,440
Mr. R. Sonea						2/3	4,800
Mr. Mahadeo						2/3	5,000
Mrs. Sahabally						1/3	1,500
Mrs S. Bahadoor						2/3	4,000

HRC Human Resource Committee

RCCC Registration of C&C Committee

GFBCP Guide for Best Practice Committee

GFCHC Guide for Construction of House Committee

TOC Tender Opening Committee

BEC Bid Evaluation Committee

Regulations committee meetings

A Committee of the Council was set up to draft the Regulations for Registration of Contractors and Consultants. This Committee has been meeting as and when required to consider draft of the regulations from the State Law Office and also to work on the procedures of the registration exercise.

This Committee is composed of a representative of each of the following industry association viz. the Mauritius Association of Architects, the Institution of Engineers, the Mauritius Association of Quantity Surveyors, the Contractors Association, the Small Contractors and includes the Officer-in-Charge.

Senior Management

Mr. Trilock BHUNJUN (Officer in Charge) is a Fellow of the Association of Chartered Certified Accountants and also holds an MBA. He holds the post of Manager, Corporate Services on the permanent establishment of the Board.

Donation

No donation has been made or received during the year 2012.

Conflict of Interest

Section (14) of the CIDB Act stipulates that "a member of the Council, the Executive Director or any employee who has a direct or indirect interest in any matter to be brought before the Council shall –

- (i) immediately inform the Council; and
- (ii) not participate in the deliberations or any part of the decision making process in relation to that matter.

There has been no report of any conflict of interest during the year 2012.

External Audit

The External Auditors for the auditing of the Consolidated Annual Report for the year ended 31 December 2012 of the Board is the National Audit Office. It is responsible for reporting as to whether the financial statements are fairly presented.

Statement of council's responsibilities

It is the responsibility of the Council to ensure that the Financial Statements are prepared in accordance with the relevant accounting policies and standards. It is also its responsibility to ensure that there is an adequate Internal Control System to ascertain that control objectives are met.

Statement of council's responsibilities (Cont'd)

At this stage, the Council has not deemed it necessary to appoint an Internal Controller. However, the Council nevertheless acknowledges its responsibility for internal control and in this respect ensures that:-

- (a) Management has relevant experience and skills for the proper running of the organization;
- (b) Proper segregation of duties are in place;
- (c) The Officer-in-Charge undertakes adequate supervision on the duties of all the staff;
- (d) Cheques are signed by both the Chairman and the Officer-in-Charge;
- (e) The Officer-in-Charge has a limit for expenditure and has to submit Quarterly Returns of such expenditure to Council.
- (f) Funds required are released on a monthly basis by the parent Ministry upon full justification of the required amount.

The Council has overall responsibility for the Board's system of risk management and for reviewing its effectiveness. The Council views management of risk as integral to good business practice with a view to support management's decision-making, improves the reliability of business performance, and assist in the preparation of the Board's Annual Accounts. The Board delegates the responsibility for designing, operating and monitoring the system of risk management to executive management.

The Council reports that the Financial Statements fairly represent the affairs of the operation and cash flows for the period. Council further ensures that the Financial Statements have been prepared in accordance with the Financial Reporting Framework and Standards issued by the Financial Reporting Council and in compliance with the Statutory Bodies (Accounts and Audit) Act.

In the absence of its own Accounting Manual, the Board complies with the requirements of the Financial Management Manual. The controls maintain at the Board ensures that the provisions of the Construction Industry Development Board Act and other financial procedures are adhered to.

The Council also acknowledges the responsibility for the proper safeguarding of the assets of CIDB, maintaining of adequate accounting records and it commits itself for the prevention and detection of fraud and any irregularities.

The Council further reports that the principles of good corporate governance have been adopted to the extent possible.

Since we have no personal knowledge of the contents of this annual report, we are not in a position to approve it. However, we hereby give a qualified approval of same on the basis of our knowledge derived solely from the relevant records. Such approval is being given solely for the purpose of allowing the auditor to audit the financial statements under the Statutory Bodies (Accounts and Audit) Act.



G. SIEW
Chairperson



R. SERVANSINGH
Member

The overriding objective of CIDB is to promote the development and improvement of the construction industry as per Section 5(a) of the CIDB Act 2008.

Given the complex nature of the construction industry and its vulnerabilities with respect to the economic conditions of the country, the status of the construction industry remains uncertain.

In order to persevere in the difficult global economic situation which has been impacting on the economic development of the country, the construction industry has to continuously reinvent itself by adopting new strategies and policies to be more competitive and productive to ensure an effective service delivery.

For the year 2012, CIDB has continued its strategies along the same line as that of the year 2011. By reinforcing its previous strategies, CIDB has been able to achieve its objectives for 2012 satisfactorily.

REGULATIONS FOR REGISTRATION OF CONSULTANTS AND CONTRACTORS

In its mandate to promote the development and expansion of the construction industry, CIDB has to regulate and register providers of construction works and construction services including contractors and consultants operating in the industry.

In this respect, Sections (18) to (26) of the CIDB Act provide for the registration of consultants and contractors including foreign consultants and contractors. However, those provisions need to be supported by appropriate regulations to be able to undertake the registration of consultants and contractors. In this respect a draft regulations for registration of consultants and contractors was prepared and several consultations had been undertaken with the relevant stakeholders.

In view of the complex technical nature, extensive discussions had to be held with the State Law Office to finalize the regulations. This has been quite a time consuming process and have taken several months.

A Final Draft was almost ready by end of 2012 and it was expected that the Regulations would be finalized by early 2013. Thereafter, needful would have to be done for the promulgation of those Regulations. CIDB would then be able to proceed with the registration of consultants and contractors.

Publication of National Schedule of Rates

One of the mandates of CIDB is to publish periodically indicative schedule of rates for construction works.

In 2010, Statistics Mauritius invited bids for the development of a set of Construction Price Indices including a schedule of rates for construction works.

Given the technical and complex nature of the schedule of rates and the mandate of CIDB to publish such schedules, Statistics Mauritius in 2011, handed over the project for the publication of the schedule of rates to CIDB.

The National Schedule of Rates (NSOR) has been developed by a local consultant. However, substantial technical input and assistance have been provided by the Ministry of Public Infrastructure, National Development Unit, Land Transport and Shipping, Statistics Mauritius and CIDB.

The NSOR was published and launched by CIDB in February 2012.

The NSOR provides more than 1,500 construction rates and serves as a benchmarking tool to stabilize construction rates in Mauritius. It is also useful to foreign contractors as it helps them build up construction rates in accordance with local market prices when bidding for projects in Mauritius.

Ensuring Capacity Building in the Construction Industry

Human resources play a key role in the construction process. The development of human resources is therefore crucial for the development and expansion of the construction industry. It thus becomes primordial to ensure proper capacity building in the construction industry otherwise the level of service delivery would not be to the desirable level.

In this perspective, CIDB conducted a survey on training needs in the construction industry. The findings of the survey had revealed that there is no clearly defined policy and strategy to ensure proper capacity building in the construction industry.

On the other hand, the Human Resource Development Council (HRDC) conducted a comprehensive study on labour shortages in the construction industry in early 2012.

The findings of the surveys conducted by CIDB were in congruence with the recommendations of the HRDC on the labour shortages in Mauritius. A three-pronged strategy approach has been recommended to address the constraint of capacity building in the construction sector. These are:

- (i) Attract and retain a qualified workforce;
- (ii) Enhance the development of human capital in the construction industry; and
- (iii) Prepare for future skills requirements.

CIDB would now prepare an Action Plan for the implementation of the recommendations of both the Report of Capacity Building in the Construction Industry conducted in-house and the HRDC Report on Labour Shortages in the Construction Industry.

The Action Plan would define short-term, medium-term and long-term actions required to ensure proper capacity building in the construction industry.

Development of a Sector Strategy Paper

Since a number of years, CIDB has been looking forward to undertake a comprehensive study of the construction industry. However, given the constraints on its resources, both human and financial means, it has not been possible to proceed with that study.

In its attempt to conduct a preliminary study of the construction industry, CIDB in August 2012, held a consultative exercise with the key stakeholders of the construction sector through three half-day workshops. The aim was to:

- (i) Determine the current status of the construction industry;
- (ii) have an overview of the problem areas that need to be addressed in the construction industry; and
- (iii) Make recommendations on ways and means to achieve an efficient construction industry for the benefits of all stakeholders.

The output of this consultative exercise has been beyond expectation. It has been translated into a useful strategy document entitled «A Strategy Paper for the Construction Industry». The document highlights the main problem areas of the construction industry and provides a set of recommendations to transform the construction industry to another level of development. It also makes recommendations for immediate implementable measures.

Given the importance of the Strategy Paper, government endorsement would be sought before starting to implement the recommendations thereof.

In the year 2013, CIDB would be guided by the recommendations of that Strategy Paper for the construction industry.

A Continuity of Strategies

In order to proceed with the objective to transform the construction industry for the coming three years, CIDB would continue with its development strategies. The focus would however be geared towards the recommendations of the Strategy Paper for the Construction Industry which no doubt would guide the construction industry towards a better future.

However, to ensure that CIDB achieves its objectives, it should be provided with the necessary human capital and financial resources. Furthermore, it should also secure the support of government through the Ministry of Public Infrastructure, National Development Unit, Land Transport and Shipping and should also obtain the collaboration of all the public sector as well as the private sector stakeholders in order to achieve this common objective to transform the construction industry.



REPORT OF THE DIRECTOR OF AUDIT

TO THE BOARD
OF THE CONSTRUCTION
INDUSTRY
DEVELOPMENT BOARD

REPORT OF THE DIRECTOR OF AUDIT

TO THE BOARD OF THE CONSTRUCTION INDUSTRY
DEVELOPMENT BOARD

Report on the Financial Statements

I have audited the accompanying financial statements of Construction Industry Development Board, which comprise the statement of financial position as of 31 December 2012, the statement of financial performance, statement of changes in general fund and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting and Accounting Standards issued under Section 72 of the Financial Reporting Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards of Supreme Audit Institutions. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Opinion

In my opinion, the financial statements give a true and fair view of the financial position of the Construction Industry Development Board as at 31 December 2012, and of its financial performance and its cash flow for the year then ended in accordance with Financial Reporting and Accounting Standards.

Report on Other Legal and Regulatory Requirements

Management's Responsibility

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the laws and authorities which govern them.

REPORT OF THE DIRECTOR OF AUDIT

TO THE BOARD OF THE CONSTRUCTION INDUSTRY
DEVELOPMENT BOARD

Auditor's Responsibility

In addition to the responsibility to express an opinion on the financial statements described above, my responsibility includes expressing an opinion on whether the activities, financial transactions and information reflected in the financial statements are, in all material respects, in compliance with the laws and authorities which govern them.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Statutory Bodies (Accounts and Audit) Act

In my opinion, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the Statutory Bodies (Accounts and Audit) Act.

Other Matter

The delay in the issue of the Audit Report was due to various amendments made in the financial statements. An amended set of Financial Statements was submitted on 22 August 2016.

Public Procurement Act

The Construction Industry Development Board is responsible for the planning and conduct of its procurement. It is also responsible for defining and choosing the appropriate method of procurement and contract type in accordance with the provisions of the Act and relevant Regulations. My responsibility is to report on whether the provisions of Part V of the Act regarding the Bidding Process have been complied with.

In my opinion, the provisions of Part V of the Act have been complied with as far as it appears from my examinations of the relevant records.

K. C. TSE YUET CHEONG (MRS)

Director of Audit

National Audit Office
Level 14
Air Mauritius Centre
PORT LOUIS

22 September 2016



FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

Statement of Financial Position as at 31 December 2012

	Notes	Year 2012 Rs	Year 2011 Rs
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	1,266,501	1,100,504
Car Loan Receivable	4	626,667	-
Retirement Pension Assets	2.9	466,359	240,526
		2,359,527	1,341,030
Current Assets			
Prepayments & Receivables	5	730,547	430,383
Car Loan Receivable	4	160,000	-
Cash and Cash Equivalents	6	100,455	345,385
		991,002	775,768
TOTAL ASSETS		3,350,529	2,116,798
FINANCE BY			
General Fund			
	7	1,641,679	1,428,821
Non-Current Liabilities			
Long Term Employee Benefits Obligations	8	492,689	420,143
Car loan Payable	9	626,667	-
		1,119,356	420,143
Current Liabilities			
Car Loan	9	160,000	-
Accruals & Payables	10	290,727	234,661
Short Term Employee Benefits Obligations	11	138,767	33,173
		589,494	267,834
		3,350,529	2,116,798

The Notes to the Accounts on pages 28 to 39 form part of the Financial Statements.

Since we have no personal knowledge of the contents of this annual report, we are not in a position to approve it. However, we hereby give a qualified approval of same on the basis of our knowledge derived solely from the relevant records. Such approval is being given solely for the purpose of allowing the auditor to audit the financial statements under the Statutory Bodies (Accounts and Audit) Act.



G. SIEW
Chairperson



R. SERVANSINGH
Member

Approved by the Council on 09 August 2016

FINANCIAL STATEMENTS

Statement of Financial Performance for the year ended 31 December 2012

	Notes	Year 2012 Rs	Year 2011 Rs
REVENUE			
Government Grant			
Recurrent Grant		6,063,820	4,791,024
Capital Grant		436,180	16,845
Workshop Fees		266,000	200,800
Sale of NSOR		199,000	-
		6,965,000	5,008,669
EXPENSES			
Depreciation	3	270,183	221,084
Employee Salaries and Benefits	12	3,176,974	2,348,064
Other Expenses	13	3,301,675	1,847,661
Finance Costs	14	3,310	3,199
		6,752,142	4,420,008
Surplus for the Accounting Period		212,858	588,661

FINANCIAL STATEMENTS

Cash Flow Statement for the year ended 31 December 2012

	Year 2012 Rs	Year 2011 Rs
Cash Flows from Operating Activities		
Surplus for the year	212,858	588,661
Adjustments for Non-Cash Movements		
Depreciation of Property, Plant and Equipment	270,183	221,084
Operation Surplus before Working Capital changes	483,041	809,745
Increase in Trade and Other Receivables	(300,164)	(211,553)
Increase in Car Loan Receivables	(786,667)	-
Increase in Retirement Pension Assets	(225,833)	(168,170)
Increase (decrease) in Trade Payables	56,066	(117,819)
Increase (decrease) in Car Loan Payable	786,667	-
Increase in Employee Benefit Payable	178,140	20,418
Net cash from operating activities	191,250	332,621
Cash Flows from Investing Activities		
Acquisition of Fixed Assets	(436,180)	(16,845)
Net Cash Flow from Investing Activities	(436,180)	(16,845)
Net increase (decrease) in Cash and Cash Equivalents	(244,930)	315,776
Cash and Cash Equivalents at beginning of the year	345,385	29,609
Cash and Cash Equivalents at end of year	100,455	345,385

FINANCIAL STATEMENTS

Statement of Changes to General Fund for the year ended 31 December 2012

GENERAL FUND

	Rs
Balance as at 01 July 2010	333,626
Net surplus for the period ended 31 December 2010	506,534
Balance at 31 December 2010	840,160
Net surplus for the period ended 31 December 2011	588,661
Balance at 31 December 2011	1,428,821
Net surplus for the period ended 31 December 2012	212,858
Balance at 31 December 2012	1,641,679

1. General Information

The Construction Industry Development Board is a statutory body established under the CIDB Act 2008. The overriding objective of the Board is to promote the development and the improvement of the construction industry. In order to attain this objective, the CIDB is provided with a comprehensive set of objects and functions as per Sections 5 & 6 of the CIDB Act. The CIDB is both a regulatory body and a facilitator to the construction industry. It operates under the aegis of the Ministry of Public Infrastructure and Land Transport. It is administered by a Council comprising a Chairperson and eleven members. The Council fairly represent the wide cross section of the construction industry.

The office of the CIDB is located on the 5th & 6th Floors, Mutual Aid Building II, 5 Guy Rozemont Square, Port Louis

2. Accounting Policies

The principal accounting policies of the CIDB are:-

2.1 Basis of Preparation

The financial statements have been prepared in accordance with the Financial Reporting Framework and Standards issued by the Financial Reporting Council and in compliance with the Statutory Bodies (Accounts and Audit) Act.

The Financial Statements have been prepared on a going concern basis and on the accrual basis of accounting. The measurement base applied is historical cost. The level of rounding used in presenting the amounts in the financial statement is to the nearest rupee.

2.2 Accounting period

The Financial Statements for the current period have been prepared for the 12 months ended 31 December 2012 with comparative information for the 12 months ended 31 December 2011.

2.3 Property, Plant and Equipment

Items of property, plant and equipment are measured at cost or valuation less accumulated depreciation and any impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using straight line method. Additions during the year bear a full year depreciation charge whereas no depreciation is charged in the year of disposal. The following annual rates are used for the depreciation of property, plant and equipment:

Office Equipment	- Electronic Equipment	20%
	- Furniture & Fittings	10%
	- Safe	5%
IT Equipment		20%
Motor Vehicle		10%

Individual asset of value less than Rs 2,000 each is not capitalised. Such assets are reported in the Inventory Sheet in the office where they are located and used.

2.4 Revenue Recognition

Recurrent Government grants are recognised on cash basis as income and are matched against the operational expenses of the Board. Government grants and other Income is recognised in the Statement of Financial Performance in the year to which it relates. Grants are released on a monthly basis as per requirement of the Board to meet its monthly expenses.

2.5 Provisions

A provision is recognised when there is a present legal or constructive obligations as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each Financial Position date and adjusted to reflect the current best estimate.

2.6 Impairment of assets

At each reporting date, Property, Plant and Equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in Statement of Financial Performance.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and cash in hand.

2.8 Car Loans

Car loans are disbursed to the CIDB by the Ministry of Public Infrastructure and Land Transport on applications by eligible employees as part of their conditions of service. The loans are executed by way of a registered agreement between the CIDB and the employees. The car loans which bear an interest of 7.5 % per annum are repayable monthly over a period of five to seven years. The balances of principal amounts are shown as short-term and long-term loans. Corresponding carrying amounts are shown under receivables.

2.9 Employees entitlements

Employees entitlements to salaries, pension costs, and other benefits are recognised when they are earned.

Sick Leave Bank

Employees are allowed to accumulated Sick Leave not taken at the end of each calendar year up to a maximum of 110 days, in a Sick Leave Bank as at 31 December 2012. The balance of banked sick leave is valued at the end of the financial year and is recognised as long term payables. Beyond the ceiling of 110 days, officers are refunded part of the annual entitlement of sick leave not taken at the end of every calendar year and is expensed to the Statement of Financial Performance.

Passage Benefits

A provision is made for the estimated liability for passage benefits. The passage benefits for each staff is valued at year end and is included as short-term liabilities. The annual increase in passage benefits is expensed to the Statement of Financial Performance.

Retirement Benefits Obligation

Provision for retirement benefits for the employees of CIDB are made under the Statutory Bodies Pension Act of 1978 as amended. The Fund provides retirement benefits for its employees through a defined benefit plan called "CIDB Staff Pension Fund". The contributions vested in the Fund is managed by the State Insurance Company of Mauritius Ltd (SICOM Ltd) The cost of providing the benefit is determined in accordance with an actuarial review. The net liability at balance sheet date is determined as the present value of funded obligations after adjusting for the fair value of plan assets, any unrecognised actuarial gains and losses and any

2.9 Employees entitlements (cont'd)

Retirement Benefits Obligation (cont'd)

recognised transition amount. The current service cost and any recognised past service cost are included as an expense together with the interest cost, net of expected return on plan assets. The pension plan is a final salary defined benefit for staff.

The last actuarial valuations of plan assets and the present value of the defined benefit obligations were carried out at 31 December 2012. The statement of the valuations was as follows:-

	Year 2012 Rs	Year 2011 Rs
Amounts recognised in Statement of Financial Position		
Present value of funded obligation	374,763	183,491
(Fair value of plan assets)	(769,647)	(414,554)
	(394,884)	(231,063)
Present value of unfunded obligation	-	-
Unrecognised actuarial gain/(loss)	(71,475)	(9,463)
Unrecognised transition amount	-	-
Liability recognised in Statement of Financial Position at end of year	(466,359)	(240,526)
Amounts recognised in income statement		
Current service cost	146,726	110,014
(Employee Contributions)	(113,573)	(89,349)
Fund expenses	6,814	6,626
Interest cost	18,349	7,092
(Expected return on plan assets)	(56,963)	(22,315)
Actuarial loss/gain) recognised	(41)	(1,542)
Total, included in staff costs	1,312	10,526
Movements in liability recognised in Statement of Financial Position:		
At start of year	(240,526)	(72,356)
Total staff cost as above	1,312	10,526
(Contributions paid by employer)	(227,145)	(178,696)
At end of year	(466,359)	(240,526)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

	Year 2012 Rs	Year 2011 Rs
Actual return on plan assets:	44,947	8,574
Main actuarial assumption at end of year		
Discount rate	10.00%	10.50%
Expected rate of return on plan assets	10.00%	10.50%
Future salary increases	7.00%	7.50%
Future pension increases	5.00%	5.50%

The assets of the plan are invested in funds managed by State Insurance Company of Mauritius Ltd

The Discount Rate is determined by reference to market yields on bonds

	Year 2012 Rs	Year 2011 Rs
Reconciliation of the present value of defined benefit obligation		
Present value of obligation at start of period	183,491	67,546
Current service cost	146,726	110,014
Interest cost	18,349	7,092
Benefits paid	(23,758)	(1,016)
Liability (gain)/loss	49,955	(145)
Present value of obligation at end of period	374,763	183,491
Reconciliation of fair value of plan assets		
Fair value of plan assets at start of period	414,554	82,319
Expected return on plan assets	56,963	22,315
Employer contributions	227,145	178,696
Employee contributions	113,573	89,349
Benefits paid+ other outgo	(30,572)	(7,641)
Asset gain/(loss)	(12,016)	49,516
Fair value of plan assets at end of period	769,647	414,554

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

	Year Dec. 2012	Year Dec. 2011
Distribution of plan assets at end of period		
Percentage of assets at end of year		
Government securities and cash	58.8%	50.6%
Loans	6.6%	7.8%
Local equities	21.0%	23.2%
Overseas bonds and equities	12.8%	17.5%
Property	0.8%	0.9%
Total	100.0%	100.0%

Additional disclosure on assets issued or used by the reporting entity

	(%)	(%)
Percentage of assets at end of year		
Assets held in the entity's own financial instruments	0	0
Property occupied by the entity	0	0
Other assets used by the entity	0	0
		24

History of obligations, assets and experience adjustments

	Rs	Rs
Fair value of plan assets	769,647	414,554
Present value of defined benefit obligation	(374,763)	(183,491)
Surplus/(deficit)	394,884	231,063
Asset experience gain/(loss) during the period	(12,016)	49,517
Liability experience gain/(loss) during the period	(49,955)	145

Other Post-Employment Benefits

No provision for accrued Vacation Leave is made as employee benefits for accumulated Vacation Leave can only be cashed in extremely rare cases.

State Plan

Contributions to the National Savings Fund in respect of all employees and contributions to the National Pension Scheme in respect of employees on contract or temporary basis are expensed to the Statement of Financial Performance.

2.10 Accounts Receivable and Prepayments

Receivables and prepayments are stated at their nominal value.

2.11 Accounts Payables and Accrued Expenses

Payables and accruals are stated at cost except for the retirement benefit obligations figure which is stated as per the actuarial report.

2.12 Reporting Currency

The financial statements are presented in Mauritian Rupees

3. Property, Plant and Equipment

Particulars	Office Equipment Rs	IT Equipment Rs	Motor Vehicle Rs	Total Rs
Cost - 1 January 2012	664,319	408,654	1,032,900	2,105,873
Additions during the year	406,405	29,775	-	436,180
Cost - 31 December 2012	1,070,724	438,429	1,032,900	2,542,053
Aggregate depreciation - 1 January 2012	402,500	301,607	301,262	1,005,369
Depreciation for the year	114,250	52,643	103,290	270,183
Aggregate depreciation - 31 December 2012	516,750	354,250	404,552	1,275,552
Net book value - 01 January 2012	261,819	107,047	731,638	1,100,504
Net book value - 31 December 2012	553,974	84,179	628,348	1,266,501

4. Car Loan Receivable

	Year 2012 Rs	Year 2011 Rs
Total Car Loan Receivable	786,667	-
Receivable Within 1 Year	160,000	-
Receivable After 1 Year	626,667	-

5. Prepayments & Receivables

	Year 2012 Rs	Year 2011 Rs
Uniforms Allowance	3,980	-
Rent	170,250	20,000
Motor Vehicle Running Expenses	33,902	37,121
Office Expenses, General Stores and Stationeries	516,406	371,622
Insurance	6,009	1,640
	730,547	430,383

6. Cash and Cash Equivalents

	Year 2012 Rs	Year 2011 Rs
Cash in Hand	2,419	4,226
Cash at Bank	98,036	341,159
	100,455	345,385

7. General Fund

	Year 2012 Rs	Year 2011 Rs
Opening Balance - 01 January 2012	1,428,821	840,160
Surplus for the period	212,858	588,661
Balance as at 31 Dec. 2012	1,641,679	1,428,821

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

8. Long Term Employee Benefits Obligations

	Year 2012 Rs	Year 2011 Rs
Sick Leave Bank Account		
Opening Balance	385,143	296,189
Increase in provision	96,638	88,954
Closing Balance	481,781	385,143
Passage Benefits Obligation		
Amount payable in more than one year (Note 11)	10,908	35,000

9. Car Loan Payable

Total Car Loan Payable	786,667	-
Payable Within 1 Year	160,000	-
Payable After 1 Year	626,667	-

10. Accruals & Payables

Salaries	1,417	-
Travelling & Mileage Allowance	12,140	10,655
End of Year Bonus	1,250	4,653
Gratuity	23,673	23,252
Annual Leave	11,298	11,097
Council Fees	6,975	-
Professional Fees	200,525	140,000
Electricity	21,854	4,204
Water	-	278
Telephone	7,243	3,717
Motor Vehicle	2,427	8,183
Office Expenses, General Stores and Stationery	125	-
Security Services	-	28,622
Cleaning Expenses	1,800	-
	290,727	234,661

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

11. Short Term Employee Benefit Obligations

	Year 2012 Rs	Year 2011 Rs
Passage Benefits Account		
Opening Balance	50,322	136,709
Entitlement for the year	50,586	41,418
	100,908	178,127
Disbursement during the year	-	127,805
	100,908	50,322
Amount payable in less than one year	90,000	15,322
Sick Leave Payment		
Refund of Sick Leave not taken beyond the ceiling of 110 days	48,767	17,851

12. Employee Salaries and Benefits

Salaries	2,123,097	1,580,979
Compensation 2009	9,600	10,200
Compensation 2010	33,540	31,605
Compensation 2011	11,040	12,373
Compensation 2012	27,600	-
Travelling & Mileage Allowance	408,867	313,470
Allowances	24,073	800
End of Year Bonus	184,865	119,816
Sick Leave Payment	48,767	17,851
Sick Leave Bank Balance	96,638	88,954
Passage Benefits	50,586	41,418
Uniforms Allowance	3,125	-
Staff Pension Scheme	1,312	10,120
Family Protection Scheme	37,795	29,425
NSF Contribution	25,380	6,910
NPF Contribution	13,632	23,967
Annual Leave	24,895	11,097
Staff Welfare	-	20,827
Staff Training	-	5,000
Gratuity	52,160	23,252
	3,176,974	2,348,064

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

13. Other Expenses

	Year 2012 Rs	Year 2011 Rs
Council and Committee Fees	503,590	421,524
Professional Fees	138,245	50,000
Rent	1,141,500	240,000
Electricity	161,907	54,514
Water	3,192	3,330
Telephone	67,989	71,706
Motor Vehicle Running Expenses	87,037	103,541
Office Expenses, General Stores and Stationeries	294,178	111,111
Workshop, Conference & Mission	211,478	232,470
Press Notices, Printing and Publications	421,093	116,054
Repairs and Maintenance	25,035	46,520
Cleaning Expenses	5,900	73,000
Security Services	238,633	321,835
Insurance	1,898	2,056
	3,301,675	1,847,661

14. Finance Costs

Bank Charges	3,310	3,199
	3,310	3,199

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

15. Subsequent Event Review

There are no events subsequent to the period end which require disclosure.

16. Related Party Transactions

The Construction Industry Development Board is a statutory body operating under the aegis of the Ministry of Public Infrastructure and Land Transport (MPI). It received government grant through the MPI to finance its recurrent expenditure during the period. The related transactions between the CIDB and the MPI were as follows:

- (i) A monthly rent of Rs. 20,000 paid for office accommodation in two Government Quarters at Mgr O. Barry Street, Floreal, owned by the Ministry. The total amount of rent paid to Government during the year was Rs. 100,000.
- (ii) Overtime for watchmanship services were paid to watchmen of the MPI who worked over and above their normal working hours. The total amount paid for the services for the accounting period was Rs. 238,633.

17. Top Management

The top management of the CIDB comprises only of the Manager, Corporate Services who is also acting as Officer in Charge of the Board. The remuneration of the top management was Rs 803,311 for the period ended 31 December 2012.

NOTES