

Construction Industry Development Board

ANNUAL REPORT 2015





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MESSAGE FROM THE CHAIRPERSON

I am pleased to present the Annual Report of the Construction Industry Development Board (CIDB) for the year ended 31 December 2015 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 2015. It also gives the Financial Status of the Board for that period.

I would like to thank the Hon. Minister of Public Infrastructure & Land Transport as well as the staff of the Ministry for providing their unflinching support and guidance to the CIDB during the year 2015.

I also wish to seize this opportunity to thank Mr. Gaetan Siew, who was the chairperson during the year 2015. My thanks also goes to all the Council Members, the Executive Director and the staff of the Construction Industry Development Board for their cooperation and support during 2015.

N. Daby Seesaram (Mrs)

Chairperson



EXECUTIVE DIRECTOR'S MESSAGE

I am pleased to present the Annual Report of the Construction Industry Development Board for the Financial Year ending 31 December 2015.

A number of important developments took place over the year under review, a few of which warrant special mention. One of these was the amendment to the CIDB Act that was made in March 2015 to provide for an extension of the transitional period for local consultants and contractors to register with the CIDB.

This amendment became necessary as it was noted that a significant number of consultants and contractors were not submitting their applications to the CIDB as required. Their mandatory registration was thus unlikely to become effective by the initial cut-off date. Failure on their part to secure such registration meant that many consultants and contractors would have been operating illegally, unless the transition period was extended to allow more time for them to register. This extension period also enabled the CIDB to review and improve the procedures put in place for registration.

Another important development was the recruitment of the Executive Director in September 2015. This was followed by a recruitment exercise for Technical Managers. This exercise was completed towards the end of the year and arrangements made for the appointment of two Technical Managers in January 2016.

A Five Year Strategy Plan was also prepared by the CIDB and approved by the new Council set up during the year. Implementation of this Strategy Plan was initiated through the setting up of five Sub-committees. Some of these committees comprised suitably qualified and experienced external members to assist the CIDB to undertake work in line with its objects and functions, in the absence of adequate internal staff resources.

The registration of consultants and contractors continued at an accelerated pace, following the appointment of the Executive Director. The emphasis was laid on clearing a backlog of applications which was attributable to the overdependence on external persons who were not readily available as desirable. By the close of the year there was a significant improvement in the processing of applications, and a marked increase in the number of consultants and contractors registered with the CIDB.

Ramen Bahadoor

Executive Director



The CIDB

The Construction Industry Development Board (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 & Land Transport. It is governed by a Council comprising 11 members including the Chairperson.

CIDB is provided with a comprehensive set of *objects* and *functions* to enable it to achieve its goals.

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 practices.

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.



Corporate Governance Report

Section (8) of CIDB Act 2008 stipulates that the Board shall be administered by the Construction Industry Development Council. As such the Council is responsible and accountable for the performance of the Board. 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 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 Chairperson and ten other members. The members of the Council are non-executive and independent. The members represent a 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 four members of the Council are appointed by the Minister, whereas the other members are designated by their respective organization.



Council Members for 2015

In 2015, the existing Council was in office until March. Following the amendments of the CIDB Act, in that month, the composition of the Council was reviewed and a new chairperson was appointed. Subsequently a new Council was reconstituted in July 2015.

Council Members for Period January to March 2015

Mr V. Lutchmeeparsad

Chairperson

Permanent Secretary

Ministry of Public Infrastructure and Land Transport

Mr N. Poonye

Principal Assistant Secretary

Representative of Ministry of Public Infrastructure and Land Transport

Mr I. Nagaissar

Director Employment Service

Representative of Ministry of Labour, Industrial Relations, Employment and Training

Mrs T. Codadeen

Assistant Permanent Secretary

Representative of Ministry of Education and Human Resources, Tertiary Education & Scientific Research

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 V. Chintaram

Managing Director

ViNARCHZ Limited

Representative of Mauritius Association of Architects

Mr S. Rago

Director

Rago Associates Ltd

Representative of Mauritius Association of Quantity Surveyors

Mr B. Ramloll

Director, Ramloll Bhooshan Renovation & Building Contractor

Representative of Contractors' Association

Mr G. Uckoor

President of Association of Small Contractor

Representative of SME Contractors

Council Members for Period July to December 2015

Mr G. M. Siew Hew Sam (*Appointed in March 2015*)

Chairperson

Mr P. Mawah

Deputy Permanent Secretary

Representative of Ministry of Public Infrastructure and Land Transport

Mr H. Bholah

Project Manager

Representative of Ministry of Environment, Sustainable Development, and Disaster and Beach Management

Mr A. Teeluckdharry

Assistant Permanent Secretary

Representative of Ministry of Local Government and Outer Islands

Mr G. Uckoor

President of Association of Small Contractor

Representative of SME Contractors



Mr J. P. Ramdass Mootanah

Professional Architect

Director/Partner of Architecture & Design Ltd

Representative of the Professional Architects' Council

Mr R. Fayolle

Professional Engineer

Representative of the Council of Registered Professional Engineers

Mr A. Rampersand

Professional Quantity Surveyor

Managing Director of HSIP Project Managers (Mauritius) Ltd

Representative of Professional Quantity Surveyors' Council

Mr M. Naggea (*Alternate Member*)

Professional Quantity Surveyor

Operational Cost Analyst, Gamma Construction Ltd

Representative of Professional Quantity Surveyors' Council

Mr A. F. H. Ramdin

Managing Director, Rehm Grinaker

Representative of Building and Civil Engineering Contractors Association

Mr S. Ramsurrun

Commercial Manager, Systems Building Contracting Ltd

Representative of Mechanical and Electrical Engineering Contractors Association

Mr S. R. Servansingh

Managing Director, Servansingh Jadav & Partners Consulting Engineers Ltd

Appointed by Minister – A person having wide experience in the construction industry

Council and Sub-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. Sub-Committees have been set up to enable the Council to give closer attention to important issues facing the organization

Remuneration drawn by Chairperson, Council Members and Committee Members

The Chairperson is appointed by the Minister and is paid a fixed monthly fee as decided by the Ministry of Public Infrastructure and Land Transport.

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

For the year ended 31 December 2015, the number of meetings the Council and the Committees held and the total fees paid to the Chairpersons and members were as follows:.

Period January to March 2015

Members	Council Meeting	Fees (Rs)
	3	
Mr. V. Luchmeepersad	3/3	83,661
Mr. J. Desai	3/3	3,210
Mr. B. Ramloll	1/3	1,070
Mr. S. Rago	2/3	2,140
Mrs. L. C. Bhujohory	2/3	2,140
Mr G. C. J. Uckoor	2/3	2,140
Mr. I. Nagaisar	2/3	2,140
Mr. V. Chintaram	3/3	3,210
Mrs. B. T. Codadeen	3/3	3,210
Mr. N. Poonye	2/3	2,140

Period July to December 2015

Members	Council Meeting	Corporate Development Committee	Human Resource Committee	Total Fees (Rs)
	8	12	1	
Mr. G. M. Siew Hew Sam (March to December 2015)	8/8			362,581
Mr G. C. J. Uckoor	8/8	6/12		13,870
Mr. S. R. Servansingh	7/8	11/12		21,790
Mr. R. Mootanah	8/8	11/12	1/1	20,350
Mr. P. Mawah	7/8	3/12	1/1	11,250
Mr. A. Teeluckdharry	7/8			7,490
Mr. J. R. Fayolle	6/8			6,420
Mr. A. Rampersand	5/8			5,350
Mr. M. Naggea	2/8			2,140
Mr. S. Ramsurrun	8/8			8,560
Mr. H. Bholah	3/8		1/1	4,205
Mr. A. Ramdin	7/8	9/12	1/1	15,565



Senior Management

Mr. Ram Bahadoor was appointed as the Executive Director on a 2-year contract at the Construction Industry Development Board on 23 September 2015. He is a Chartered Engineer with over 25 years of practice in the private sector.

Mr. Trilock Bhunjun 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 2015.

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 2015.

Risk Management

The following strategic risks have been identified:

Physical Risks

- Flooding & Fire Risks.

The CIDB has an insurance cover against fire & allied perils including flooding. The landlord of the building, the Mauritius Civil Service Mutual Aid Association Ltd also caters for the physical risk management with regard to the building. Fire and flood drills are also regularly organized in this connection.

Operational Risks

- Risk of corruption in dealings with Consultants and Contractors.
- Risk of processing applications on the basis of false or erroneous information not to our knowledge.



Officers of CIDB abide by the Customer Charter of the organisation and hence take all necessary measures to avoid the operational risks.

Human Resources Risks

- Risk of staff turnover, especially at the level of trainees and officers on contract.
- Allegation of malpractices and favouritism in recruitment exercises.
- Risk of corruption practices by officers.
- High risk of confidential information being voluntarily or involuntarily leaked out.

Officers are given necessary training both in-house and external to consolidate their knowledge and skills and to increase their efficiency and effectiveness.

Information & Communication Technology Risks

- In the absence of a server and a Database Management System, the risk of data loss due to breakdown in the existing IT system is high.

Provision has been made for the implementation of a proper computerised system for the CIDB including the acquisition of a server.

Code of Ethics

Given that CIDB operates under the aegis of the Ministry of Public Infrastructure and Land Transport, it adheres to the Code of Ethics for Public Officers.

Health and Safety

CIDB complies with all the relevant provisions of the Occupational Safety and Health Act and other related regulations and legislations. Management ensures that all necessary measures are taken to assuring the safety and health of its employees.

External Audit

The External Auditors for the auditing of the Annual Report for the year ended 31 December 2015 is the National Audit Office. The latter 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 the Council's responsibility to ensure that there is adequate Internal Control Systems to ascertain that control objectives are met.

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 is in place;
- c) The Executive Director undertakes adequate supervision on the duties of all the Staff;
- d) Cheques are signed by two signatories, viz., the Chairperson and the Executive Director;
- e) The Executive Director has a limit for expenditure approval 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 justifications 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 organization and maintaining of adequate accounting records. The Council further commits itself for the prevention and detection of fraud and any irregularities.

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



N. Daby Seesaram (Mrs)
Chairperson



S. Ragoo
Member



Activities for 2015

The Construction Industry Development Board (CIDB) has since August 2014 entered into a new phase of its development with the Registration of Consultants and Contractors. Since this exercise has started, CIDB has been playing a more prominent role in regulating the construction industry.

The year 2015 has seen the appointment of a new Council which was reconstituted in July, thus bringing a new team with a new vision, which was ultimately translated into a 5-Year Plan.

However, in the year 2015 the focus has been mainly on the amendments of the CIDB Act and the Registration of the Consultants and Contractors. The main activities undertaken in 2015 are highlighted below.

Amendments to the CIDB Act

Registration of Consultants and Contractors became in force on 01 August 2014, upon the proclamation of Sections 19 to 25 of the CIDB Act and the concurrent promulgation of the CIDB (Registration of Consultant & Contractors) Regulations 2014. All Consultants and Contractors were required to be registered within a period of six months there from. However, by the end of the transitional period, not even 25% of the Consultants and Contractors operating in Mauritius were registered.

As it would not have been possible to prevent all Consultants and Contractors, not registered by the prescribed deadline, to continue operating, it was decided to amend the CIDB Act in order to extend the transitional period. This was meant to give all Consultants and Contractors some more time to comply with the requirements to register themselves under the CIDB Act.

Consequently, the CIDB Act was amended in March 2015. The amendments included the extension of the transitional period for registration and also other related issues in order to address a few shortcomings in the CIDB Act. Accordingly, Sections 2, 8, 9, 19 & 37 were amended.

The amendments also included the review of the composition of the Council to provide for a Council with a better representation of the different sectors of the construction industry.

Amendments of the CIDB (Registration of Consultants and Contractors) Regulations 2014

As a result of the amendments to the CIDB Act, the CIDB (Registration of Consultants and Contractors) Regulations 2014 had to be amended. The most important amendments were with respect to the definition of the term “Control of Firm” to determine whether a Consultant or Contractor is to be treated as a local or foreign one. The amendments also included inter alia the exemption of payment fees by foreign Consultants and Contractors that were involved in projects prior to 01 August 2014.

Following the amendments of the CIDB Act in March 2015, the registration of Consultants and Contractors was revitalized by an awareness campaign through the media informing all of them that the transitional period for registration had seen extended.

5-Year Action Plan

When the new Council was appointed, one of its main tasks was to define a 5-Year Action Plan. The Council subsequently approved a proposed Action Plan based on the Strategy Paper for the Construction



Industry which was produced by the CIDB in 2013. The 5-Year Action Plan was segmented into five themes as described below.

Corporate Development

This segment of the 5-Year Plan provides for the strategies to be adopted for the Administration, Finance and Human Resources functions of the CIDB. A Corporate Development Committee was proposed to be set up with the responsibility to consider matters related to Administration, Finance and Human Resources and to make appropriate recommendations to the Council.

Sustainable Construction, Innovation, Research & Development

Sustainable Construction is one of the main challenges of the Construction Industry across the world. It is in this perspective that it was recommended to set up an Advisory Committee to consider the strategies to be adopted for more efficient management of resources and to advise on a Green Building Policy. The Committee was also assigned the responsibility to propose ways and means to promote Building Information Modelling (BIM), Quality Assurance, Product Certification and related issues. The Committee was also tasked to look into the possible incentives to encourage the importation and adoption of new technology and digital logistics that could enhance the services provided by the Construction Industry.

Procurement, Contract Documents, Arbitration & Quality Assurance

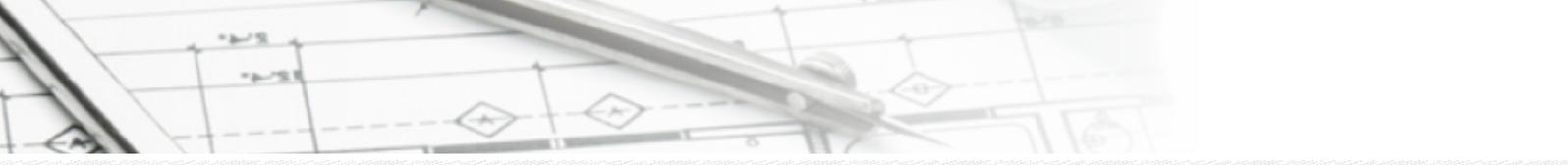
It was viewed that CIDB should play a more prominent role in Project Planning and Infrastructure Development at national level. Besides, it was proposed that CIDB should also be involved in reviewing all housing construction issues such as costs of materials and labour, financial charges, new alternatives methods of construction etc. so as to provide guidance as to how we could reduce construction costs and improve service delivery in the housing sector. The Action Plan also includes the necessity for streamlining of procedures for the delivery of permits by the relevant authorities including the local government. It was also noted that Standard Contracts used in Mauritius are mostly adopted and adapted versions of models used abroad. It was considered necessary to develop a series of Standard Contracts for construction works and services taking into consideration the local context so that such documents become more user friendly and simple for their appropriate use in Mauritius.

Training, Health & Safety and Labour

There is need for proper manpower policies to resolve the problem of shortage of skilled labour in the construction sector. It would not be possible to continue relying on foreign labour to cope with the increasing demand for skilled workers. It would therefore be necessary to review the human capital development strategy for the Construction Industry.

Training in the construction sector has long been neglected leading to a mismatch between demand and supply. There is a need to control and regulate training in construction so as to ensure that trainings provided consider the demand for such skills and knowledge. It was also noted that training should be provided at all levels and should even be extended to professionals of the sector through continuous development programmes.

Health and Safety is a complex and sensitive issue in the construction industry, which is one of the most dangerous place of work. If there is no proper legislation, enforcement, training and awareness in this field it would not be possible to reduce the number of accidents occurring in construction sites. There is therefore an urgent need to review the policies and legislations on Health & Safety related to the construction sector.



International Development

Limited by its size, the Mauritian Construction Industry cannot afford to perpetually rely on local demand for construction services. With this in perspective, there is no choice than to have recourse to exporting our construction services. It is proposed that CIDB should collaborate with other trade promotion agencies to define a strategy to encourage exporting construction services to the SADC region, in the first place and then extending our market access to other parts of the world.

Setting up of Advisory Committees

The 5-Year Action Plan as highlighted above was used as a new orientation for the Board. However, to develop the strategies and activities for each of the above five areas, the Council decided to set up an Advisory Committee for each one, comprising of representatives of the relevant sectors. The Advisory Committees was respectively assigned the tasks to define the strategies and to submit a Report with concrete proposals for a way forward for each of those areas.

Recruitment of Staffs

Until September 2015, the CIDB was managed by a team of 7 employees. It is only in September 2015, that an Executive Director was appointed. This was followed by advertisements of other posts and recruitment exercises for the filling of vacancies to consolidate the existing team at CIDB.



REPORT OF THE DIRECTOR OF AUDIT

On the Financial Statements
of the Construction Industry Development Board
for the year ended 31 December 2015

NATIONAL AUDIT OFFICE





REPORT OF THE DIRECTOR OF AUDIT

On the Financial Statements of the Construction Industry Development Board for the year ended 31 December 2015

NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT
TO THE COUNCIL 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 2015, 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 Standards for Small Entities 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 2015, and of its financial performance and its cash flow for the year then ended in accordance with Financial Reporting Standards for Small Entities.

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.

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 qualified opinion.

Statutory Bodies (Accounts and Audit) Act

The Annual Report for the year ended 31 December 2015 was submitted to the National Audit Office on 14 September 2017, some 16 months after the statutory date limit of 30 April 2016.

In my opinion, except for the late-submission of accounts, 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 the Financial Statements was submitted on 25 September 2018.

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

12 October 2018



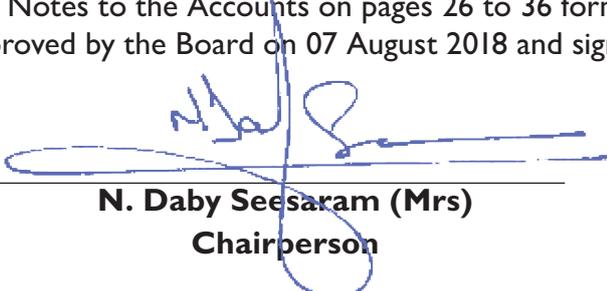
**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015**

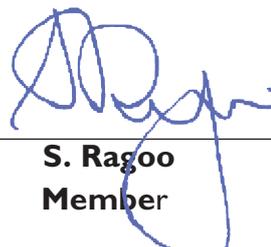
Construction Industry Development Board

Statement of Financial Position as at 31 December 2015

	Notes	Year 2015 Rs	Year 2014 Rs (Restated)
ASSETS			
<u>Non-Current Assets</u>			
Property, Plant and Equipment	3	836,355	1,096,775
<u>Current Assets</u>			
Inventory	4	244,127	310,997
Prepayments & Receivables	5	234,105	202,449
Cash and Cash Equivalents	6	1,620,888	324,074
		2,099,120	837,520
TOTAL ASSETS		2,935,475	1,934,295
FINANCED BY			
<u>General Fund</u>			
	7	(2,297,900)	388,391
<u>Non-Current Liabilities</u>			
Long Term Employee Benefits Obligations	8	963,743	769,513
Retirement Pension Obligation	2.11.4	195,084	297,984
		1,158,827	1,067,497
<u>Current Liabilities</u>			
Accruals & Payables	9	3,953,221	380,603
Short Term Employee Benefits Obligations	10	121,327	97,804
		4,074,548	478,407
TOTAL LIABILITIES		5,233,375	1,545,904
		2,935,475	1,934,295

The Notes to the Accounts on pages 26 to 36 form part of the Financial Statements.
Approved by the Board on 07 August 2018 and signed on its behalf by:


N. Daby Seesaram (Mrs)
Chairperson


S. Ragoo
Member

Statement of Financial Performance for the year ended 31 December 2015

	Notes	Year 2015 Rs	Year 2014 Rs (Restated)
REVENUE			
Government Grant	2.4.1		
<i>Recurrent Grant</i>		3,638,945	7,296,520
<i>Capital Grant</i>		2,750	197,230
Registration Processing Fee	2.4.2	291,000	158,000
Registration Fee	2.4.2	1,893,195	-
Sale of National Schedule of Rates		4,000	10,500
Interest on Savings		3,539	3,720
		5,833,429	7,665,970
EXPENSES			
Depreciation	3	263,170	274,296
Employee Salaries and Benefits	11	4,016,468	3,517,925
Other Expenses	12	4,166,353	3,912,593
Finance Costs	13	4,450	4,181
		8,450,441	7,708,995
		(2,617,012)	(43,025)
Other Comprehensive Income			
Remeasurement Loss on Retirement Benefit Obligations		(69,279)	(1,409,878)
Net Deficit for the year		(2,686,291)	(1,452,903)

Statement of Cash Flow for the year ended 31 December 2015

	Year 2015 Rs	Year 2014 Rs (Restated)
Cash Flows from Operating Activities		
Operating Deficit for the period	(2,617,012)	(43,025)
Adjustments for Non-cash Movements		
Depreciation of Property, Plant and Equipment	263,170	274,296
Remeasurement Loss	(69,279)	(1,409,878)
Operation Surplus before Working Capital changes	(2,423,121)	(1,178,607)
Decrease in Inventories	66,870	92,753
Decrease (increase) in Prepayments and Receivables	(31,656)	47,108
Increase (decrease) in Accruals & Payables	3,572,618	75,326
Increase in Employee Benefits Payable	217,753	177,857
Increase (decrease) in Retirement Pension Obligation	(102,900)	795,220
Actuarial Reserves transferred in	-	390,850
Net Cash Flow from Operating Activities	1,299,564	400,507
Cash Flows from Investing Activities		
Acquisition of Fixed Assets	(2,750)	(197,230)
Net Cash Flow from Investing Activities	(2,750)	(197,230)
Net Increase (Decrease) in Cash and Cash Equivalents	1,296,814	203,277
Cash and Cash Equivalents at beginning of the Year	324,074	120,797
Cash and Cash Equivalents at end of Year	1,620,888	324,074

Statement of Changes to General Fund for the year ended 31 December 2015

	Year 2015 Rs	Year 2014 Rs (Restated)
Opening Balance	388,391	1,450,444
Deficit for the year	(2,686,291)	(1,452,903)
Actuarial Reserve transferred in	-	390,850
Closing Balance	<u><u>(2,297,900)</u></u>	<u><u>388,391</u></u>

Notes to the Financial Statements for the year ended 31 December 2015

I. General Information

The Construction Industry Development Board (CIDB) 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 ten members. The Council fairly represents a 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 Standards for Small Entities (FRSSE) 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.

As a result of changes made in Car Loan and Inventory, comparative figures for year 2014 have been amended/restated.

2.2 Accounting period

The Financial Statements for the current period have been prepared for the 12 months ended 31 December 2015 with comparative information for the 12 months ended 31 December 2014.

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.

Notes to the Financial Statements for the year ended 31 December 2015 *Cont'd*

2.4 Revenue Recognition

Revenue comprises Government Grants, Processing Fees and Registration Fees and other income such as Sale of NSOR and Interest Income.

2.4.1 Government Grants

Government grants are recognised on cash basis as income and are matched against the operational expenses of the Board. Government grants have been presented as recurrent grant and capital grant and are recognised in the Statement of Financial Performance in the year to which it relates. Capital grant represents money which have been utilised to purchase fixed assets and such grant does not impose any specified future further performance conditions. Grants are released on a monthly basis as per requirements of the Board to meet its monthly expenses.

2.4.2 Processing & Registration Fees

One of the functions of the Board is to regulate and register providers of construction works and construction services. In this context the CIDB undertakes the registration of contractors and consultants in the Construction Industry. Non refundable Processing Fees and Registration Fees are being charged for each application as per the Schedule of Fees in the CIDB (Registration of Contractors and Consultants) Regulation 2014. Those fees are recognised on an accrual basis and any fee received in advance that is fees relating to registration for subsequent financial period is treated under payables in the Statement of Financial Position.

For the Financial Year 2015 fees amounting to Rs. 291,000 was collected in respect of Registration Processing Fee. Registration Fee collected during the financial year amounted to Rs. 5,310,989 out of which only Rs. 1,893,195 relates to the current financial period.

2.4.3 Other Income

Sale of National Schedule of Rates are recognised when the goods have been delivered and accepted by the clients. Interest Income is recognised in the Statement of Financial Performance in the year to which it relates.

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 Inventories

Inventories represents the stock of unused stationeries at the end of the financial year. It is valued at the lower of cost and net realisable value. Once the stationeries are used up, it is expensed.

Notes to the Financial Statements for the year ended 31 December 2015 *Cont'd*

2.8 Cash and cash equivalents

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

2.9 Accounts Receivable and Prepayments

Receivables and prepayments are stated at their nominal value.

2.10 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.

2.11 Employees Entitlements

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

2.11.1 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 2015. The balance of banked sick leave is valued at the end of the financial year and is recognized 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.

2.11.2 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 recognised as short-term and long term liabilities. The annual increase in passage benefits is expensed to the Statement of Financial Performance.

2.11.3 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.

2.11.4 Retirement Benefits Obligation

Provision for the retirement benefits for employees are made under the Statutory Bodies Pension Act of 1978 as amended.

2.11.5 Defined Benefit Pension Plan

For employees who were in service at 31 December 2012 the pension scheme is 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 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 Statement of Actuarial Valuations of plan assets and the present value of the defined benefit obligations as at 31 December 2015 was as follows:-

Notes to the Financial Statements for the year ended 31 December 2015 *Cont'd*

	Year 2015 Rs	Year 2014 Rs
Amounts recognised in Statement of Financial Position		
Present value of funded obligation	2,575,965	2,236,989
(Fair value of plan assets)	<u>(2,380,881)</u>	<u>(1,939,005)</u>
	<u>195,084</u>	<u>297,984</u>
Amounts recognised in Statement of Financial Performance		
Service Cost:		
Current service cost	250,024	234,359
Past Service Cost (Employee Contributions)	(145,872)	(132,145)
Fund expenses	8,752	8,406
Net Interest expense/ (income)	6,661	(70,138)
P&L Charge	<u>119,565</u>	<u>40,482</u>
Remeasurement		
Liability (gain)/loss	(68,294)	1,396,138
Assets (gain)/loss	137,573	13,740
Total Other Comprehensive Income (OCI) recognised	<u>69,279</u>	<u>1,409,878</u>
Total	<u>188,844</u>	<u>1,450,360</u>
Movements in liability recognised in Statement of Financial Position:		
At start of year	297,984	(497,236)
Amount recognised in P&L (Actuarial Reserves transferred in)	119,565	40,482
(Contributions paid by employer)	-	(390,851)
Amount recognised in OCI	(291,744)	(264,289)
At end of year	69,279	1,409,878
	<u>195,084</u>	<u>297,984</u>
Actual return on plan assets:	23,540	78,909

The plan is a defined arrangement for the employees and it is funded. The assets of the funded plan are held independently and administered by The State Insurance Company of Mauritius Ltd.

Notes to the Financial Statements for the year ended 31 December 2015 *Cont'd*

	Year 2015	Year 2014
	Rs	Rs
Reconciliation of the present value of defined benefit obligation		
Present value of obligation at start of period	2,236,989	579,988
Current service cost	250,024	234,359
Interest cost	167,774	46,399
Benefits paid	(10,528)	(19,895)
Liability (gain)/loss	(68,294)	1,396,138
Present value of obligation at end of period	<u>2,575,965</u>	<u>2,236,989</u>

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 2015	Year 2014
	Rs	Rs
Reconciliation of fair value of plan assets		
Fair value of plan assets at start of period	1,939,005	1,077,224
Expected return on plan assets	161,113	116,537
Employer contributions	291,744	264,289
Employee contributions	145,872	132,145
Actuarial Reserves transferred in	-	390,851
Benefits paid+ other outgo	(19,280)	(28,301)
Asset gain/(loss)	(137,573)	(13,740)
Fair value of plan assets at end of period	<u>2,380,881</u>	<u>1,939,005</u>

Distribution of plan assets at end of period

	2015	2014
Percentage of assets at end of year		
Government securities and cash	58.1%	57.1%
Loans	4.3%	4.1%
Local equities	15.9%	21.1%
Overseas bonds and equities	21.0%	17.0%
Property	0.7%	0.7%
Total	<u>100.0%</u>	<u>100.0%</u>

Notes to the Financial Statements for the year ended 31 December 2015 *Cont'd*

Additional disclosure on assets issued or used by the reporting entity

	2015	2014
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

Components of the amount recognised in OCI

Year	2015	2014
Currency	Rs	Rs
Asset experience gain/(loss) during the period	(137,573)	(13,740)
Liability experience gain/(loss) during the period	68,294	(1,396,138)
Surplus/(deficit)	<u>(69,279)</u>	<u>(1,409,878)</u>

Expected Employer Contributions in 2016 is Rs. 316,888

Weighted average duration of the defined benefit obligation 26 years
(Calculated as a % change in PV of liabilities for a 1 % change in discount rate)

The plan is exposed to actuarial risks such as : investment risk, interest rate risk, longevity risk and salary risk. The risk relating to death in service benefits is re-insured.

The cost providing the benefits is determined using the Projected Unit Method.

	Year	Year
	2015	2014
Discount Rate	7.50%	8.00%
Future salary increases	5.00%	5.50%
Future pension increases	3.00%	3.50%
Mortality before retirement	A 6770 Ultimate Tables	
Mortality in retirement	PA (90) Tables	

Retirement age As per Second Schedule of the Statutory Bodies Pension Funds Act

The discount rate is determined by reference to market yields on bonds

2.11.6 State Plan and Defined Contribution Pension Plan

For employees appointed for the first time in service as from 1 January 2013 onwards, Government has set up a Public Sector Defined Contribution Plan, managed by State Insurance Company of Mauritius Ltd.

Notes to the Financial Statements for the year ended 31 December 2015 *Cont'd*

All employees recruited after 31 December 2012 shall join the Public Sector Defined Contribution Plan and the monthly contribution shall be 6% by the employee and 12 % by the CIDB.

Contributions to the Public Sector Defined Contribution Plan, the National Pension Scheme, the Family Protection Scheme, the National Savings Fund and Training Levy are expensed in the period in which they fall due.

2.12 Foreign Currency Translation

Temporary Registration Fee is calculated as a percentage of the contract value. If the contract value is in foreign currency, it is converted into MUR using the SBM Bank's spot rate at the date of the award of contract.

The Foreign Contractors or Consultants are then charged in MUR but they usually effect payment through Bank Transfer in foreign currencies which are then converted by the SBM Bank at its end on the date of transfer and then credited to our bank account in MUR. On conversion differences often occur, which are then recouped or refunded accordingly. At the end of the financial year there was no amount to be either recovered or recouped.

2.13 Reporting Currency

The Financial Statements are presented in Mauritian Rupees

3. Property, Plant and Equipment

Particulars	Office Equipment	IT Equipment	Motor Vehicle	Total
	Rs	Rs	Rs	Rs
Cost - 1 January 2015	1,334,029	567,509	1,032,900	2,934,438
Additions during the year	2,750	-	-	2,750
Cost - 31 December 2015	1,336,779	567,509	1,032,900	2,937,188
Aggregate depreciation - 1 January 2015	778,034	448,496	611,133	1,837,663
Depreciation for the year	124,270	35,610	103,290	263,170
Aggregate depreciation - 31 December 2015	902,304	484,106	714,423	2,100,833
Net book value - 01 January 2015	555,995	119,013	421,767	1,096,775
Net book value - 31 December 2015	434,475	83,403	318,477	836,355

Notes to the Financial Statements for the year ended 31 December 2015 *Cont'd*

	Year 2015 Rs	Year 2014 Rs
4. Inventories		
Unused Stationeries	244,127	310,997
5. Prepayments & Receivables		
Telephone & Internet	645	-
Rent	200,970	170,250
Motor Vehicle Running Expenses	25,587	27,833
Office Expenses, General Stores and Stationeries	2,500	-
Insurance	4,403	4,366
	234,105	202,449
6. Cash and Cash Equivalents		
Cash in hand	1,713	1,326
Cash at Bank - Current A/c	27,118	246,624
Cash at Bank - Savings	1,592,057	76,124
	1,620,888	324,074
7. CIDB Fund		
Opening Balance	388,391	1,450,444
Deficit for the year	(2,686,291)	(1,452,903)
Actuarial Reserves transferred in	-	390,850
Closing Balance	(2,297,900)	388,391
8. Long Term Employee Benefits Obligations		
<i>Sick Leave Bank Account</i>		
Opening Balance	667,882	571,147
Increase in provision	131,625	96,735
Closing Balance	799,507	667,882
<i>Passage Benefits Obligation</i>		
Amount payable in more than one year (Note 10)	164,236	101,631

Notes to the Financial Statements for the year ended 31 December 2015 *Cont'd*

	Year 2015 Rs	Year 2014 Rs
9. Accruals & Payables		
Travelling & Mileage Allowance & Overtime	8,580	17,088
Council Fees	372	3,927
Professional Fees	106,365	2,544
Electricity	380,000	320,000
Telephone	36,271	33,507
Motor Vehicle	1,458	1,097
Cleaning Expenses	-	2,441
Registration Fee	2,381	-
	3,417,794	-
	3,953,221	380,603
10. Short Term Employee Benefits Obligations		
<i>Passage Benefits Obligation</i>		
Opening Balance	131,631	51,484
Entitlement for the period	82,605	80,147
	214,236	131,631
Disbursement during the period	-	-
	214,236	131,631
Amount payable in less than one year	50,000	30,000
<i>Sick Leave Payment</i>		
Refund of Sick Leave not taken beyond the ceiling of 110 days	71,327	67,804
11. Employee Salaries and Benefits		
Salaries	2,675,811	2,323,530
Compensation	52,263	-
Travelling & Mileage Allowance	440,693	338,694
Allowances & Overtime	119,807	298,605
End of Year Bonus	228,792	193,680
Sick Leave Payment	71,327	67,804
Sick Leave Bank Balance	131,625	96,735
Passage Benefits	82,604	80,147
Uniforms Allowance	4,415	3,760
Staff Pension Fund	119,565	40,482
Family Protection Scheme	48,624	44,048
NSF Contribution	33,661	30,440
NPF & Levy Contribution	7,281	-
	4,016,468	3,517,925

Notes to the Financial Statements for the year ended 31 December 2015 *Cont'd*

	Year 2015 Rs	Year 2014 Rs
12. Other Expenses		
Council and Sub-Committee Fees	798,940	468,325
Professional Fees	115,800	122,700
Rent	2,227,320	2,043,000
Electricity	276,765	229,381
Telephone	65,143	50,711
Motor Vehicle Running Expenses	66,654	66,529
Office Expenses, General Stores and Stationeries	332,076	358,448
Workshop, Conference & Mission	101,398	-
Press Notices, Printing and Publications	123,366	517,256
Repairs and Maintenance	25,695	30,537
Cleaning Expenses	27,618	24,500
Insurance	5,578	1,206
	4,166,353	3,912,593
13. Finance Costs		
Bank Charges	4,450	4,181
	4,450	4,181
14. Subsequent Event Review		

There is no event subsequent to the period end which require disclosure.

15 Related Party Transactions

The only related party of CIDB was the Ministry of Public Infrastructure and Land Transport. The transaction between the two parties was government grant amounting to Rs. 3,641,695 which was disbursed in favour of CIDB during the reporting period.

16. Top Management

The top management of the CIDB comprises the Executive Director and the Manager, Corporate Services. The latter acted as Officer-in-Charge of the Board from 01 January to 22 September 2015. The remuneration of top management was Rs 1,756,761 for the period ended 31 December 2015.

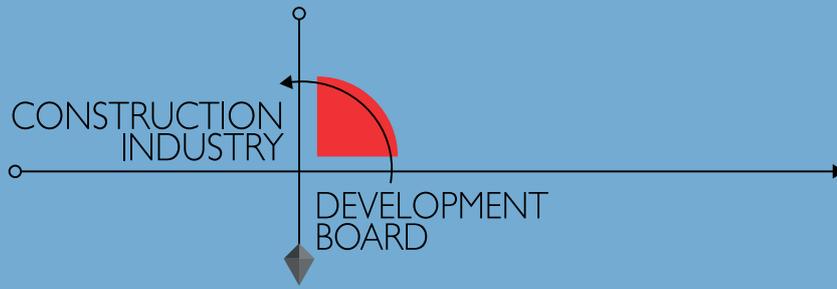
17. Car Loans

Some employees are eligible to car loans as part of their conditions of service. The car loans are disbursed to the CIDB by the Ministry of Public Infrastructure and Land Transport upon

Notes to the Financial Statements for the year ended 31 December 2015 *Cont'd*

applications by eligible employees. The loans are executed by way of a registered agreement between the CIDB and the eligible employees. The car loans which bear an interest of 7.5 % per annum are repayable monthly over a period of five to seven years.

	Capital	Interest
	Rs	Rs.
Opening Balance - 01 January	466,667	88,958
Remittance to Ministry of Public Infrastructure and Land Transport	(160,000)	(30,500)
Closing Balance - 31 December	<u>306,667</u>	<u>58,458</u>



Construction Industry Development Board
5th & 6th Floors, Mutual Aid Building II,
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