



Annual Report 2017-18

**Construction Industry
Development Board**

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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 financial year ending 30 June 2018 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 financial year 2017-2018. It also gives the Financial Status of the CIDB for that period.

The Council of the CIDB was reconstituted in September 2017 and I was appointed as Chairperson on 26 September 2017.

Our primary focus has been to continue the ongoing work of the previous Council, whilst setting new milestones for the continuous development and improvement of the services provided by the CIDB to the Construction Industry.

As the regulator of the construction industry, the CIDB is performing well in its function to regulate and register providers of products and services for the construction industry, to promote training programmes and workshops for its stakeholders.

The CIDB would also focus on its other objects and functions such as to provide advisory services to the construction industry and to the public in general and to advise relevant authorities on human resources development of the construction industry, to name a few.

A growth forecast of +9.5% is expected for the year 2018, assuming implementation of major public investment projects announced in the last budget. Some challenges facing this unprecedented growth are the availability of resources, being human resources, raw materials and other finished goods.

In order to strengthen the actions of the CIDB specifically in these key areas and in its functions at large, a Three-Year Action Plan has been prepared and its implementation is to follow. This Action Plan is based on previous studies conducted by the CIDB and in line with key recommendations of the stakeholders of the industry as well as the government policy relating to the construction industry. The implementation of the Action Plan will require specific allocation of funds for the next financial year.

While much work has been achieved to date by the CIDB, much more remains to be done. In view of the immensity of the task ahead, I wish here to request the support of all stakeholders of the construction industry to promote and stimulate its sustainable growth.

I seize this opportunity to thank the Honorable Minister of Public Infrastructure & Land Transport, the staff of the Ministry as well as my colleagues of the Council of the Construction Industry Development Board and the management and staff of the CIDB for their cooperation and support throughout this year.

Nadia DABY SEESARAM

EUR ING, MIEM, RPEM, Environmental Engineer

Chairperson

EXECUTIVE DIRECTOR'S MESSAGE

I am pleased to present the Annual Report of the Construction Industry Development Board for the financial year ending 30 June 2018.

A new Council took office in September 2017 and continued with the work initiated by the previous Council. Registration of consultants and contractors is now a relatively smooth exercise. This stems from the fact that stakeholders are increasingly more conversant with CIDB's regulatory role and its registration requirements.

A noteworthy change is that certificates of registration for local consultants and contractors are now valid up to the end of the financial year. This followed amendments made to the CIDB Act to that end, in December 2016. As a result, the bulk of the applications for renewal were made during the last two months of the past financial year. Although this posed a logistical challenge to the CIDB, to cope timeously with the regular flow of applications received over that peak period, the exercise was completed satisfactorily.

During the financial year 2017-2018, there was close collaboration between the CIDB and two private sector institutions, namely the Association of Consulting Engineers Mauritius and the Mauritius Chamber of Commerce and Industry. These institutions offered, jointly with the CIDB, training sessions for the benefit of consultants and contractors in line with CIDB's mandate. It is expected that such collaboration would continue for the mutual benefit of all concerned. Several other training courses and workshops were also held over this period.

Another important development was the strengthening of CIDB's in-house technical capability. This was done through the recruitment of two Technical Executives as well as two Technical Coordinators. An IT Support Officer as well as two Management Support Officers were also recruited during the past financial year. The Human Resources of CIDB have thus seen a significant increase, which enables it to be effective now in the discharge of its duties as a regulatory body.

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 and 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 practice.

Mission – Our organizational purpose

Formulate and implement a 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

- (a) promote the development and improvement of the construction industry;
- (b) promote sustainable growth of the construction industry;
- (c) promote and encourage the participation of the small and medium enterprises in the construction industry;
- (d) promote and assist in the export of services relating to the construction industry;
- (e) promote and stimulate quality assurance in the construction industry;
- (f) promote the awareness of the need for a safe and healthy work environment in the construction industry;
- (g) promote and establish best practice in the construction industry;
- (h) promote research and development relating to the construction industry; and
- (i) facilitate communication between stakeholders of the construction industry.

Functions of the Board

- (a) implement government policy relating to the construction industry;
- (b) regulate and register providers of construction works and construction services, and suppliers of construction materials, equipment, plant and labour for construction purposes;
- (c) register such construction projects as may be prescribed;
- (d) exercise regulatory functions in respect of the construction industry, including the registration of consultants and contractors;

- (e) provide advisory services to the construction industry and to the public in general;
- (f) publish an annual list of registered consultants and contractors;
- (g) advise and make recommendations to the Minister on matters relating to the construction industry;
- (h) encourage the standardisation and improvement of construction materials and techniques;
- (i) develop standard forms of construction agreements and contracts;
- (j) develop and maintain a construction industry information system;
- (k) develop and promote training programmes for operators of the construction industry;
- (l) advise relevant authorities on human resources development of the construction industry;
- (m) conduct surveys on the construction industry;
- (n) entertain complaints in connection with construction works and construction services and where necessary refer them to appropriate authorities;
- (o) publish periodically indicative schedules of rates for construction works;
- (p) register providers of dispute resolution services in the construction industry; and
- (q) 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 adhered to.

The Council is mandated to:

- Provide strategic direction and leadership to the Board;
- Review the objectives, strategies and functioning of the Board;
- Ensure that the Board complies with all relevant laws, regulations, codes of best practice and guidelines laid down in the Code of Corporate Governance;
- Ensure fairness, transparency and accountability in the decisions and actions of the Board;
- Ensure the integrity of the Board'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 the full spectrum of the various sectors of the construction industry and therefore bring a wide range of experience and professional skills to the Council.

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

Council Members (01 July 2017 to 30 June 2018)

Mrs N. Daby Seesaram

Professional Engineer

Chairperson

Mr P. Mawah

Deputy Permanent Secretary

Representative of Ministry of Public Infrastructure and Land Transport

Mr K. Heeramun (*Up to January 2018*)

Divisional Environment Officer

Representative of Ministry of Social Security, National Solidarity, and Environment and Sustainable Development (Environment and Sustainable Development Division)

Mr Y. Pathel (As from April 2018)

Divisional Environment Officer

Representative of Ministry of Social Security, National Solidarity, and Environment and Sustainable Development (Environment and Sustainable Development Division)

Mr A. Teeluckdharry

Assistant Permanent Secretary

Representative of Ministry of Local Government and Outer Islands

Mr G. Uckoor

President of Association of Small Contractors

Representative of SME Contractors

Mr J. P. Ramdas Mootanah (Up to September 2017)

Professional Architect

Representative of the Professional Architects' Council

Mr S. Pokun (As from October 2017)

Professional Architect

Representative of the Professional Architects' Council

Mr R. Fayolle (Firm: up to September 2017 / Alternate: as from October 2017)

Professional Engineer

Representative of the Council of Registered Professional Engineers

Mr S. Daliah (As from October 2017)

Professional Engineer

Representative of the Council of Registered Professional Engineers

Mr S. Ragoo

Professional Quantity Surveyor

Representative of Professional Quantity Surveyors' Council

Mr A. F. H. Ramdin (Up to September 2017)

Professional Engineer

Representative of Building and Civil Engineering Contractors Association

Mr N. Pougnet (As from October 2017)

Representative of Building and Civil Engineering Contractors Association

Mr S. Ramsurrun

Representative of Mechanical and Electrical Engineering Contractors Association

Mr S. R. Servansingh (Up to September 2017)

Professional Engineer

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

Mr G. Moorghen (As from October 2017)

Professional Architect

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

Mrs C. Rouillard (*Alternate Member - As from October 2017*)
Representative of Mechanical and Electrical Engineering Contractors Association

Council and Sub-Committee Meetings

As per the provisions of the CIDB Act, Council Meetings are held on a monthly basis. 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.

The Council had since 2015 set up a Corporate Development Committee (CDC) to examine all technical matters and applications for registration and to make appropriate recommendations thereon.

The CDC was also mandated to examine and make recommendations on all administrative matters including financial and human resources issues before same are submitted to Council for approval.

The Council had in December 2017 set up a National Schedule of Rates (NSOR) Steering Committee to monitor and supervise the project for the development of a National Schedule of Rates. The Committee was responsible for ensuring that a consultant is appointed and the project is completed within a set deadline. The Committee was also responsible for monitoring the progress of the project and reporting same to Council.

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 period 01st July 2017 to 30th June 2018, the number of meetings held by the Council and the Committees and the Members' attendance thereof, as well as the total net fees paid to the Chairperson and Members, were as follows:

Members	Council Meeting	Corporate Development Committee	Bid Opening Committee	NSOR Steering Committee	Total Fees (Rs)
	15	15	4	5	
Mrs. N. Daby Seesaram	13/15				362,666
Mr. P. Mawah	11/15				52,972
Mr. S. Pokun	9/15			2/5	10,493
Mr. S. Daliah	12/15	9/15		2/5	19,688
Mr. R. Gutty	5/15				4,932
Mr. N. Pougnet	7/15			1/5	7,828
Mr. S. Ragoo	14/15	11/15		5/5	30,753
Mr. G. Moorghen	9/15				8,878
Mr. A. Teeluckdharry	15/15	12/15	4/4	2/5	30,170
Mr G. C. J. Uckoor	13/15	13/15		2/5	24,135
Mr. S. Ramsurrun	12/15			2/5	13,452
Mr. A. Ramdin	1/15	1/15			1,909
Mr. S. R. Servansingh	2/15	4/15			6,496
Mr. K. Heeramun	7/15				6,905
Mr. R. Mootanah	2/15	4/15			5,204
Mr. Y. Pathel	3/15				1,972
Mrs. C. Rouillard	2/15				2,959
Mr. J. R. Fayolle	2/15				1,972

* Number of Meetings attended by every Member varies with respect to the period during which he/she was in Office.

* Mr. P. Mawah was the acting Chairperson for period July to September 2017.

Senior Management

Mr. Ramen Bahadoor was appointed as Executive Director on a 2-year contract on 23 September 2015. His contract of employment was extended for one additional year with effect from 23 September 2017. Mr Bahadoor, who is a Chartered Engineer with over 30 years of practice in the private sector, is also a qualified Arbitrator, an accredited Mediator as well an Adjudicator specialising in construction disputes. He is a Fellow of the Institution of Engineers Mauritius, the Institution of Civil Engineers of UK, the Institution of Water and Environmental Management of UK, and the Chartered Institute of Arbitrators of UK.

Mr. Trilock Bhunjun is a Fellow of the Association of Chartered Certified Accountants and also holds an MBA. Mr. Bhunjun holds the post of Manager, Corporate Services on the permanent establishment of the Board. He is also the Secretary to the Council.

Mr. Darmanand Kowlessur was appointed as Manager, Technical Services on a 2-year contract on 11 January 2016. His contract of employment was extended for one additional year with effect from 11 January 2018. Mr Kowlessur is a Mechanical Engineer with more than 20 years of working experience in private and public sector.

Mr Vinay Kumar Rawoo was appointed as Technical Manager in a temporary capacity with effect from 01 March 2018. He is a Civil Engineer with more than 15 years of experience in the private and public sector.

Donation

No donation has been made or received over the period covered by this Report.

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 over the period covered by this Report, as strict compliance with the provisions of Section (14) of the CIDB Act was maintained throughout.

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 organised 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, outside the knowledge of CIDB, as supplied by applicants.

Officers of CIDB abide by the Customer Charter of the organisation and have also taken the ICAC Pledge for the “Declaration Against Corruption”. Hence, the officers take all necessary measures to avoid the operational risks.

Human Resources Risks

- Risk of staff turnover.
- Allegation of malpractice and favouritism in recruitment exercises.
- Risk of corrupt practices by officers.
- High risk of confidential information being voluntarily or involuntarily leaked out.

Officers are given necessary training, both in-house and externally, to consolidate their knowledge and skills and also to increase their efficiency as well as 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 IT 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 legislation. Management sees to it that all necessary measures are taken towards ensuring the safety and health of its employees.

External Audit

The External Auditors for the auditing of the Annual Report, for the 12-month period ended 30 June 2018, 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. The Council is also responsible for ensuring that there is an adequate Internal Control System so that control objectives are met.

The Council 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 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 from Grant required are released on a monthly basis by the parent Ministry upon full justifications for 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 supporting management's decision-making, improving the reliability of business performance, and assisting 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 Standards for Small Entities (FRSSE) issued by the Financial Reporting Council and in compliance with the Statutory Bodies (Accounts and Audit) Act.

The Board complies with the requirements of the Financial Management Manual. The controls maintained 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 responsibility for the proper safeguarding of the assets of the organization and maintaining of adequate accounting records. The Council further commits itself to 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.

Approved by the Council on 25 September 2018 and signed on its behalf by:

N. Daby Seesaram (Mrs)
Chairperson

S. Daliah
Member

Main Activities for 2017-2018

The main activities undertaken during the period 01 July 2017 to 30 June 2018 are highlighted below.

1. Registration of Consultants and Contractors

One of the main focus of CIDB during the fiscal year 2017/2018 was the registration of Consultants and Contractors. Since this registration exercise started in 2014, CIDB has constantly been receiving applications from existing as well as new Consultants and Contractors. Those who were somehow not aware of the statutory obligations for registration, despite CIDB's continuous sensitization initiatives, have also been seeking registration to become compliant with the law.

Following amendments to the CIDB Act in December 2016, Certificates of Registration started to be issued with expiry date coinciding with the end of financial year at 30 June 2018. As a result of this change, all registered Consultants and Contractors are now required to apply for renewal of their registration a few weeks prior to the end of June.

Consequently, from March 2018 onwards, all registered entities submitted their applications for renewal of registration which was expiring at the end of June 2018. This major renewal exercise, over a relatively short period, necessitated careful planning to ensure that it was completed smoothly.

The Table below indicates the number of Consultants and Contractors registered during the fiscal year 2017/18.

Contractors	No. Registered
Local Contractor	1289
Foreign Contractor (Provisional)	369
Foreign Contractor (Temporary)	86
Joint Venture Contractor (Provisional)	70
Joint Venture Contractor (Temporary)	10
Consultants	
Local Consultant	177
Foreign Consultant (Provisional)	531
Foreign Consultant (Temporary)	43
Joint Venture Consultant (Provisional)	185
Joint Venture Consultant (Temporary)	5

2. Workshops and Training

One of the functions of CIDB is to develop and promote training programmes for operators of the construction industry. In this respect, CIDB organized several workshops/seminars and conferences for its stakeholders, mainly the consultants and contractors.

The main workshops organized during the financial year ended 30 June 2018 are highlighted below.

Validation of Mauritius Fire Code 2017 Workshop

A one-day Workshop was held on 05 October 2017 on the Mauritius Fire Code 2017. The main purpose of the Workshop was to present the Mauritius Fire Code to a wide range of stakeholders, from public and private sector organisations, for review and validation. The participants comprised building industry professionals, principally design engineers, architects, as well as Government building and regulatory bodies' officials.

Some 84 participants attended the Workshop and three officers from the Singapore Civil Defence Force acted as resource persons. The Workshop helped the participants to better understand the concepts of fire safety engineering in buildings and the built environment. It also provided an understanding of the technicalities of the Code and the modalities for the application, enforcement and administration of its various provisions for effective control of fire hazards in buildings.

The Workshop provided guidance to the Mauritius Fire and Rescue Service to decide on whether to adopt a suitable Fire Code successfully being used elsewhere or to develop its own national code. This second option was considered a lengthy process which could take decades to be implemented. The Mauritius Fire and Rescue Service finally decided, with the assistance of their counterparts in Singapore, to adopt the latter's Fire Code with customization to suit the local context. That Code is not only very explicit, but is also user friendly and written in plain English.

Training Courses on FIDIC Contracts

Two training courses on FIDIC Conditions of Contract were held over the period 5 to 8 December 2017. These courses were arranged in collaboration with the Association of Consulting Engineers Mauritius, which is a Member of FIDIC (Fédération Internationale des Ingénieurs-Conseils). The MQA approved courses, run by a FIDIC accredited trainer, were held at the Voila Hotel. The two courses, arranged on 5th & 6th December 2017 and on 7th & 8th December 2017, were respectively entitled:

1. Module 4: "The Contract Management and Administration of the 1999 FIDIC Conditions of Contract (Construction & Plant & Design-Build)"
2. Module 2: "The Management of Contract Claims and the Resolution of Disputes under the 1999 FIDIC Contracts (Red & Yellow Book)"

Managing Growth in the Construction Sector

A one-day Workshop entitled "Managing Growth in the Construction Sector", was held on 06 February 2018 at Le Maritim Hotel. The Workshop brought together the key stakeholders of the construction industry to share views on the challenges facing the construction sector, which is witnessing an unprecedented growth.

The participants discussed various issues, viz Recruitment of Local Labour, Training of Contractors and Development of Skills, Application for Building and Land Use Permits,

Human Resource Constraints, Challenges for SME Contractors, Increasing Demand for Labour in Construction Sector, among others.

The recommendations generated from the Workshop were compiled into a Report to help develop the strategy for managing the growth of the industry.

Joint CIDB-MCCI Workshops on Alternative Dispute Resolution

Numerous queries and requests were being received by CIDB, from parties to construction contracts, for assistance with resolution of their disputes other than through litigation. CIDB accordingly made an arrangement with the Mauritius Chamber of Commerce and Industry (MCCI) for the latter to conduct a series of joint CIDB - MCCI workshops on Alternative Dispute Resolution (ADR). The purpose was to sensitize consultants and contractors about the ADR services provided by the MCCI.

During those workshops, the MCCI Arbitration and Mediation Center (MARC) presented the ADR options that it provides. CIDB seized this opportunity to remind participants of its regulatory role, the registration requirements, and the proposed new legislation regarding statutory adjudication of disputes.

Three workshops were held during the financial year ending 30 June 2018. The first one was held for Grades G and H contractors. A second one was held for Mechanical, Electrical and Plumbing contractors and Members of the Mechanical and Electrical Engineering Contractors Association, and the third was targeted for Grades C, D, E and F contractors. Fruitful discussions were held during those workshops.

Innovations in Delivery of Transportation Infrastructure

A one-day Workshop was held on 12 April 2018 on “Innovations in Delivery of Transportation Infrastructure”. The purpose of the Workshop was to discuss about the various innovations being implemented in road projects, potential for future projects and to share knowledge and expertise among the various stakeholders involved in the road and transportation sector.

The participants were *inter alia* representatives of consultants, contractors, suppliers, University of Mauritius and Road Development Authority. A varied group of speakers presented some of the innovations being implemented within their respective organization and how these innovations would benefit the road infrastructure in Mauritius.

The recommendations were compiled in a Report, and are particularly relevant to the Road Development Authority in the strategy formulation for road infrastructure development.

3. Publication of Register of Consultants and Contractors

One of the functions of the CIDB is to publish an annual list of registered Consultants and Contractors.

The list of Consultants and Contractors is a useful tool for all public bodies, promoters in the private sector and also the public at large, as it helps them identify suitable Consultants and Contractors for their respective projects.

In December 2016, the first list of Registered Consultants and Contractors was published in the Government Gazette. The second annual list of Registered Consultants and Contractors was subsequently published in the Government Gazette in June 2018.

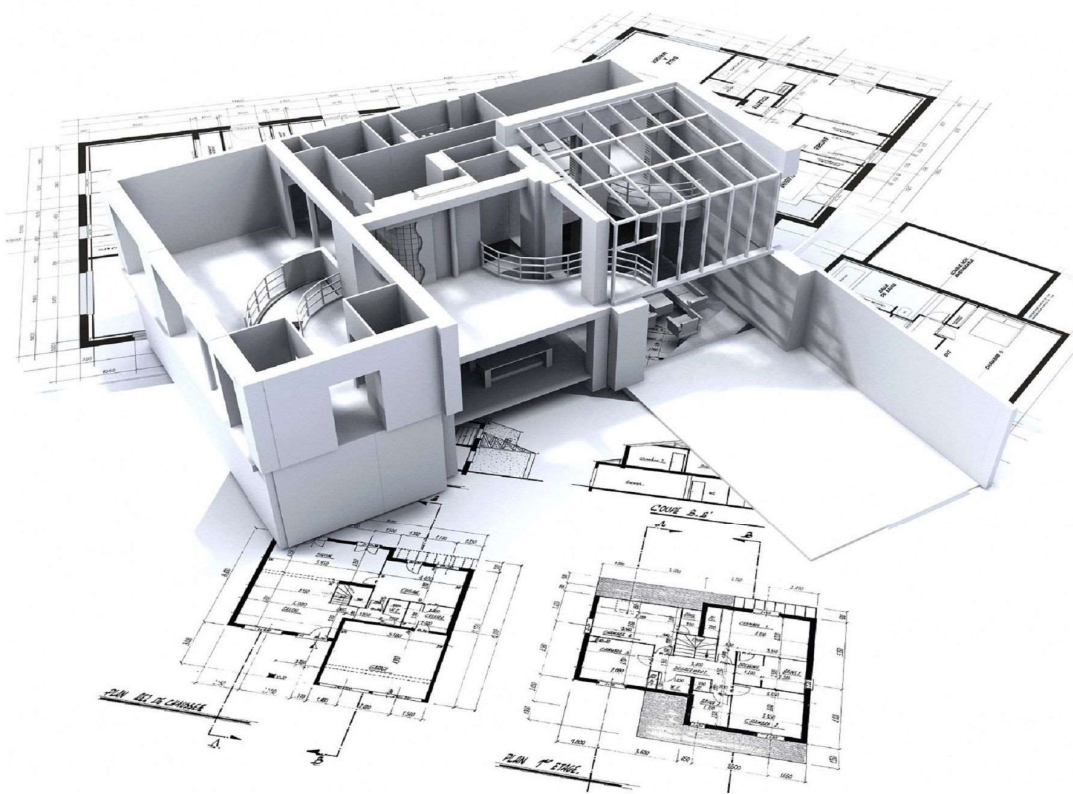
4. Recruitment of Staff

During the period 01 July 2017 to 30 June 2018 the following staff were recruited to consolidate the human resources at CIDB:

Grade	Number
Manager, Technical Services	1
Technical Executive	2
Technical Coordinator	2
IT Support Officer	1
Management Support Officer	2

Financial Statements

Financial Year Ended 30 June 2018



Construction Industry
Development Board

Statement of Financial Position as at 30 June 2018

	Notes	Year ended 30 June 2018 Rs	18-Month Period ended 30 June 2017 Rs
ASSETS			
<u>Non-Current Assets</u>			
Property, Plant and Equipment	3	1,215,169	1,253,645
<u>Current Assets</u>			
Inventories	4	212,238	125,685
Prepayments & Receivables	5	267,382	231,803
Cash and Cash Equivalents	6	15,807,560	6,788,908
		16,287,180	7,146,396
TOTAL ASSETS		17,502,349	8,400,041
FINANCED BY			
<u>General Fund</u>	7	2,873,586	(1,458,868)
<u>Non-Current Liabilities</u>			
Long Term Employee Benefits Obligations	8	1,660,179	1,376,941
Retirement Pension Obligation	2.11.4	175,764	366,144
		1,835,943	1,743,085
<u>Current Liabilities</u>			
Accruals & Payables	9	12,532,265	7,881,669
Short Term Employee Benefits Obligations	10	260,555	234,155
		12,792,820	8,115,824
Total Liabilities		14,628,763	9,858,909
		17,502,349	8,400,041

The Notes to the Accounts on pages 21 to 30 form part of the Financial Statements.

Approved by the Board on 09 July 2019 and signed on its behalf by:

N. Daby Seesaram (Mrs)
Chairperson

S. Daliah
Member

Statement of Financial Performance for the year ended 30 June 2018

	Notes	Year ended 30 June 2018 Rs	18-Month Period ended 30 June 2017 Rs
REVENUE			
Government Grant	2.4.1		
<i>Recurrent Grant</i>		-	1,648,432
<i>Capital Grant</i>		-	1,041,568
Registration Processing Fee	2.4.2	453,500	1,246,750
Registration Fee	2.4.2	13,715,128	15,598,949
Temporary Processing Fee	2.4.2	299,500	639,891
Temporary Registration Fee	2.4.2	5,181,928	4,878,726
Surcharges		87,032	57,525
Workshop Participation Fee		-	350,000
Sale of National Schedule of Rates		5,500	16,000
		19,742,588	25,477,841
EXPENSES			
Depreciation	3	364,718	624,278
Employee Salaries and Benefits	11	9,828,743	13,312,843
Other Expenses	12	5,239,873	10,268,362
Finance Costs	13	9,404	7,169
		15,442,738	24,212,652
Profit for the Period		4,299,850	1,265,189
Statement of Comprehensive Income			
Profit for the Period		4,299,850	1,265,189
<i>Item that will not be re-classified to Statement of Financial Performance</i>			
Remeasurement Gain (Loss) on Retirement Benefit Obligations		32,604	(426,157)
Total Comprehensive Income		4,332,454	839,032

Statement of Cash Flow for the year ended 30 June 2018

	Year ended 30 June 2018 Rs	18-Month Period ended 30 June 2017 Rs
Cash Flows from Operating Activities		
Operating Surplus for the period	4,299,850	1,265,189
Adjustments for Non-cash Movements		
Depreciation of Property, Plant and Equipment	364,718	624,278
Remeasurement Gain (Loss)	32,604	(426,157)
Operating Surplus before Working Capital changes	4,697,172	1,463,310
Decrease (Increase) in Inventories	(86,553)	118,442
Decrease (Increase) in Prepayments and Receivables	(35,579)	2,302
Increase in Accruals & Payables	4,650,596	3,928,448
Increase in Employee Benefits Payable	309,638	526,026
Increase (decrease) in Retirement Pension Obligation	(190,380)	171,060
Net Cash Flow from Operating Activities	9,344,895	6,209,588
Cash Flows from Investing Activities		
Acquisition of Fixed Assets	(326,242)	(1,041,568)
Net Cash Flow from Investing Activities	(326,242)	(1,041,568)
Net Increase in Cash and Cash Equivalents	9,018,652	5,168,020
Cash and Cash Equivalents at beginning of the Period	6,788,908	1,620,888
Cash and Cash Equivalents at end of Period	15,807,560	6,788,908

**Statement of Changes to General Fund for the year ended
30 June 2018**

	Year ended 30 June 2018	18-Month Period ended 30 June 2017 (Restated)
	Rs	Rs
Opening Balance	(1,458,868)	(2,297,900)
Surplus for the period	4,299,850	1,265,189
	2,840,982	(1,032,711)
Remeasurement Gain (Loss) on Retirement Benefit Obligations	32,604	(426,157)
	2,873,586	(1,458,868)

Notes to the Financial Statements for the Period ended 30 June 2018

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 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.

2.2 Accounting period

The Financial Statements for the current period have been prepared for the 12 months ended 30 June 2018. Following government's decision to change the reporting period from calendar year to an accounting period which ends on 30 June, the Financial Statements for the previous period were exceptionally prepared for a period of 18 months from 1 January 2016 to 30 June 2017. Hence, the figures reported for the previous Financial Statements are not directly comparable with the figures reported in this financial year.

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.

The useful life the the Motor Vehicle was reviewed at the start of the financial year and it was estimated that the remaining useful life would be five years. The depreciation on the Motor Vehicle has been charged accordingly and recognised prospectively.

Notes to the Financial Statements for the Period ended 30 June 2018

2.4 Revenue Recognition

Revenue comprises Government Grants, Processing Fees and Registration Fees and other income such as Sale of National Schedule of Rates and Workshop Participation Fee.

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 current financial period Registration Processing Fee and Temporary Processing Fee collected amounted to Rs. 453,500 and Rs. 299,500 respectively. Registration Fee and Temporary Registration Fee relating to the current financial year amounted to Rs. 13,715,128 and Rs. 5,161,176 respectively.

2.4.3 Sale of National Schedule of Rates

Sale of National Schedule of Rates are recognised when the goods have been delivered and accepted by the clients.

2.4.4 Workshops Participation Fee

In line with its function to develop and promote training programmes for operators of the construction industry, CIDB often organises workshops and seminars for the industry stakeholders. In this respect it charges a nominal participation fee to meet part of the costs incurred in the organisation of such events.

2.4.5 Surcharges

Certificates of Registration are issued to Contractors and Consultants upon payment of a registration / renewal fee. Surcharges are applicable on the registration / renewal fee under two circumstances:

- (i) Where an applicant on being notified to collect his Certificate of Registration fails to do so within 30 days from the date of notification. Surcharge of 10% is applicable.
- (ii) Where a contractor or consultant applies for the renewal of his Certificate of Registration after the expiry of the period of validity of the Certificate, but within 30 days thereof. In this case, a surcharge of 25 per cent of the renewal fee is applicable.

At the end of the financial year, there were no outstanding surcharges.

Notes to the Financial Statements for the Period ended 30 June 2018

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 the 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.

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 Valuations 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 accumulate Sick Leave not taken at the end of each calendar year up to a maximum of 110 days, in a Sick Leave Bank Account as at 31 December 2017. 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.

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 included 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.

Notes to the Financial Statements for the Period ended 30 June 2018

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.

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 30 June 2018 was as follows:-

	Year ended 30 June 2018 Rs	18-Month Period ended 30 June 2017 Rs
Amounts recognised in Statement of Financial Position		
Present value of funded obligation	4,316,404	3,679,917
(Fair value of Plan Assets)	(4,140,640)	(3,313,773)
	175,764	366,144
Amounts recognised in Statement of Financial Performance		
Service Cost:		
Current service cost	332,696	471,304
Past Service Cost		
(Employee Contributions)	(169,747)	(241,946)
Fund expenses	10,185	14,517
Net Interest expense/ (income)	8,584	(15,080)
P&L Charge	181,718	228,795
Remeasurement		
Liability (gain)/loss	58,231	393,308
Assets (gain)/loss	(90,835)	32,849
Total Other Comprehensive Income (OCI) recognised	(32,604)	426,157
Total	149,114	654,952

Notes to the Financial Statements for the Period ended 30 June 2018

Movements in liability recognised in Statement of Financial Position:

At start of year	366,144	195,084
Amount recognised in P&L	181,718	228,795
(Contributions paid by employer)	(339,494)	(483,892)
Amount recognised in OCI	(32,604)	426,157
At end of year	175,764	366,144

Actual return on plan assets: **233,388**

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.

	Year ended 30 June 2018	18-Month Period ended 30 June 2017
	Rs	Rs
Reconciliation of the present value of defined benefit obligation		
Present value of obligation at start of period	3,679,917	2,575,965
Current service cost	332,696	471,304
Interest cost	257,594	251,157
Benefits paid	(12,034)	(11,817)
Liability (gain)/loss	58,231	393,308
Present value of obligation at end of period	4,316,404	3,679,917

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 ended 30 June 2017	18-Month Period ended 30 June 2017
	Rs	Rs
Reconciliation of fair value of plan assets		
Fair value of plan assets at start of period	3,313,773	2,380,881
Expected return on plan assets	249,010	266,237
Employer contributions	339,494	483,892
Employee contributions	169,747	241,946
Benefits paid+ other outgo	(22,219)	(26,334)
Asset gain/(loss)	90,835	(32,849)
Fair value of plan assets at end of period	4,140,640	3,313,773

Distribution of plan assets at end of period

	June 2018	June 2017
Percentage of assets at end of year		
Government securities and cash	59.5%	56.6%
Loans	3.7%	4.4%
Local equities	14.6%	15.8%
Overseas bonds and equities	21.6%	22.6%
Property	0.6%	0.6%
Total	100.0%	100.0%

Notes to the Financial Statements for the Period ended 30 June 2018

Additional disclosure on assets issued or used by the reporting entity

	June 2018	June 2017
	(%)	(%)
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	June 2018	June 2017
Currency	Rs	Rs
Asset experience gain/(loss) during the period	90,835	(32,849)
Liability experience gain/(loss) during the period	(58,231)	(393,308)
Surplus/(deficit)	32,604	(426,157)

Expected Employer Contributions in 2018/2019 is Rs. 349,103

Weighted average duration of the defined benefit obligation is 22 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 ended	18-Month
	30 June 2018	30 June 2017
Discount Rate	7.00%	6.50%
Future salary increases	4.50%	4.00%
Future pension increases	3.50%	3.00%
Mortality before retirement	A 6770 Ultimate Tables	
Mortality in retirement	PA (90) Tables - rated down by 2 years	
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

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.

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.

Notes to the Financial Statements for the Period ended 30 June 2018

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 Rs	IT Equipment Rs	Motor Vehicle Rs	Total Rs
Cost - 1 July 2017	1,545,992	1,399,864	1,032,900	3,978,756
Additions during the year	56,190	270,052	-	326,242
Cost - 30 June 2018	1,602,182	1,669,916	1,032,900	4,304,998
Aggregate depreciation - 1 July 2017	1,081,288	774,466	869,357	2,725,111
Depreciation for the year	85,712	246,297	32,709	364,718
Aggregate depreciation - 30 June 2018	1,167,000	1,020,763	902,066	3,089,829
Net Book Value - 01 July 2017	464,704	625,398	163,543	1,253,645
Net Book Value - 30 June 2018	435,182	649,153	130,834	1,215,169

	Year ended 30 June 2018 Rs	18-Month Period ended 30 June 2017 Rs
4. Inventories		
Unused Stationeries	212,238	125,685
5. Prepayments & Receivables		
Travelling & Mileage	15,309	-
Telephone & Internet	1,195	1,241
Rent	234,928	217,349
Motor Vehicle Running Expenses	8,555	9,604
Office Expenses, General Stores and Stationeries	3,233	1,397
Insurance	2,090	2,212
YEP Allowance Refund	2,072	-
	267,382	231,803

Notes to the Financial Statements for the Period ended 30 June 2018

	Year ended 30 June 2018 Rs	18-Month Period ended 30 June 2017 Rs
6. Cash and Cash Equivalents		
Cash in hand	1,570	2,550
Cashier's float	2,000	2,000
Cash at Bank - Current A/c	111,048	49,464
Cash at Bank - Savings	15,692,942	6,734,894
	15,807,560	6,788,908
7. CIDB Fund		
Opening Balance	(1,458,868)	(2,297,900)
Surplus for the year	4,332,454	839,032
Closing Balance	2,873,586	(1,458,868)
8. Long Term Employee Benefits Obligations		
<i>Sick Leave Bank Account</i>		
Opening Balance	985,387	799,507
Increase in provision	121,814	185,880
Closing Balance	1,107,201	985,387
<i>Passage Benefits Obligation</i>		
Amount payable in more than one year (Note 10)	552,978	391,554
9. Accruals & Payables		
Travelling & Mileage	19,772	19,850
Allowance & Overtime	839	-
End of Year Bonus	322,492	219,993
Defined Contribution Pension Fund	-	3,609
Gratuity	241,668	265,175
Annual Leave	84,199	92,704
Professional Fees	180,000	120,000
Electricity	44,127	33,564
Telephone	2,846	1,864
Office Expenses, General Stores and Stationeries	-	164
Motor Vehicle Running Expenses	4,921	2,020
Cleaning Expenses	2,898	3,008
Registration Fee	7,680,907	3,032,263
Temporary Registration Fee	3,947,596	4,087,455
	12,532,265	7,881,669

Notes to the Financial Statements for the Period ended 30 June 2018

	Year ended 30 June 2018	18-Month Period ended 30 June 2017
	Rs	Rs
10. Short Term Employee Benefits Obligations		
<i>Passage Benefits Obligation</i>		
Opening Balance	566,554	214,236
Entitlement for the period	239,802	393,750
	806,356	607,986
Disbursement during the period	(53,378)	(41,432)
	752,978	566,554
Amount payable in less than one year	200,000	175,000
<i>Sick Leave Payment</i>		
Refund of Sick Leave not taken beyond the ceiling of 110 days	60,555	59,155
11. Employee Salaries and Benefits		
Salaries	6,702,105	8,693,496
Compensation 2015	-	23,435
Compensation 2016	-	5,859
Compensation 2017	20,498	7,200
Compensation 2018	41,889	
Travelling & Mileage Allowance	1,056,507	1,489,985
Allowances & Overtime	10,311	212,186
End of Year Bonus	559,652	697,713
Sick Leave Payment	120,073	163,737
Sick Leave Bank Balance	121,814	185,880
Passage Benefits	239,802	393,750
Uniforms Allowance	8,430	8,830
Defined Benefit Pension Fund	181,718	228,795
Defined Contribution Pension Fund	68,005	3,609
Family Protection Scheme	68,518	80,649
NSF Contribution	83,063	86,690
NPF & Levy Contribution	65,600	111,211
Staff Training	118,500	75,800
Gratuity	301,143	712,475
Annual Leave	61,115	131,543
	9,828,743	13,312,843
12. Other Expenses		
Council and Sub-Committee Fees	694,203	1,267,132
Professional Fees	113,750	180,425
Rent	2,608,188	3,738,041
Electricity	354,934	476,811
Telephone	105,826	125,147
Motor Vehicle Running Expenses	55,855	96,578
Office Expenses, General Stores and Stationeries	457,964	754,808
Workshop, Conference & Mission	579,375	713,763
Press Notices, Printing and Publications	169,074	1,002,663
Repairs and Maintenance	57,443	47,990
Rebranding - Consultancy Fee	-	1,810,000
Cleaning Expenses	35,874	45,122
Insurance	7,387	9,882
	5,239,873	10,268,362

Notes to the Financial Statements for the Period ended 30 June 2018

	Year ended 30 June 2018	18-Month Period ended 30 June 2017
	Rs	Rs
13. Finance Costs		
Bank Charges	9,404	7,169
	9,404	7,169

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. For the current financial year government grant amounting to Rs. 13,000,000 was voted in the Budget 2017-2018 in favour of CIDB. No application for government grant was made during the financial year as the Board had sufficient fund from revenue generated from registration of contractors and consultants to meet its monthly expenditure.

16. Top Management

The Top Management of the CIDB comprises the Executive Director, the Manager, Corporate Services and two Managers, Technical Services. The total remuneration including travelling and all other benefits of Top Management was Rs 4,955,140 for the financial year ended 30 June 2018.

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 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 4% or 7.5 % per annum are repayable monthly over a period of five to seven years.

	Capital Rs	Interest Rs.
Opening Balance - 01 July 2017	1,095,238	158,422
Remittance to Ministry of Public Infrastructure and Land Transport	(238,096)	(36,994)
Closing Balance - 30 June 2018	857,143	121,428



NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT TO THE COUNCIL OF THE CONSTRUCTION INDUSTRY DEVELOPMENT BOARD

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Construction Industry Development Board, which comprise the statement of financial position as at 30 June 2018 and the statement of financial performance, statement of changes in general fund and the statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Construction Industry Development Board as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Financial Reporting Standards for Small Entities issued under Section 72 of the Financial Reporting Act.

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Construction Industry Development Board in accordance with the INTOSAI Code of Ethics together with the ethical requirements that are relevant to my audit of the financial statements in Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no key audit matters to communicate in my report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report of the Construction Industry Development Board for the year ended 30 June 2018, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance 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 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.

In preparing the financial statements, management is responsible for assessing the Construction Industry Development Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Construction Industry Development Board's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Management's Responsibility for Compliance

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. This responsibility includes performing procedures to obtain audit evidence about whether the Construction Industry Development Board's expenditure and income have been applied to the purposes intended by those charged with governance. Such procedures include the assessment of the risks of material non-compliance.

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

Opinion on Compliance

Statutory Bodies (Accounts and Audit) Act

I have obtained all information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.

In my opinion, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the Act.

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 examination of the relevant records.



K.C. TSE YUET CHEONG (MRS)
Director of Audit

National Audit Office
Level 14,
Air Mauritius Centre
PORT LOUIS

16 July 2019