



ROAD DEVELOPMENT AUTHORITY



**ANNUAL REPORT FINANCIAL YEAR
2021-2022**

**“CHALLENGING THE PANDEMIC
THROUGH INFRASTRUCTURE
DEVELOPMENT”**

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Message from the Honourable Minister of National Infrastructure & Community Development



I am pleased to present the Annual Report of the Road Development Authority (RDA) for the Financial Year 2021-2022.

Despite the fact that the effects of Covid-19 have undermined the economy of Mauritius, the economic activities in the road construction sector remained the priority in the agenda of my Ministry, aiming to boost the economy and preserve employment.

The RDA, during the last financial period, has been able to complete several of road projects. These include the Counter Measure works to slope failure at Souillac Bridge, the rehabilitation of the St Denis Bridge and the slope stabilization works along B104 road at Chamarel, the completion of the three flyovers Pont Fer, Jumbo and Dowlut in Phoenix and the Palmerstone flyover in Vacoas, just to name a few. It is now on the verge of completing the iconic A1 M1 bridge over the Grand River North West River that will connect the A1 Road to Motorway M1 at Sorèze. The implementation of other flyovers namely at Quay D and Wooton and the reconstruction of the Ebène flyover amongst others, will further address traffic congestion.

As a key stakeholder, the RDA has pursued its collaboration with the private sector for the development of smart cities and the planning for construction of new roads. For example, the Verdun bypass that will connect the east to the M3 and the Flic en Flac Bypass that will connect the West to the M1 motorway through the La Vigie La Brasserie Beaux Songes link road. The RDA has also extended its collaboration with the Rodrigues Regional Assembly for the classification of Roads in Rodrigues.

The financial envelope that has been allocated for the development of road infrastructure since 2020 is unprecedented and the RDA has been up to the task and has successfully delivered on all projects so far. Together we are reshaping our road network, in line with this Government's vision to modernize our country and leave a legacy that will last for generations to come.

I would like to express my appreciation and gratitude to the Board and the Staff of the RDA for their support, commitment and devotion in achieving our Government's objectives.

Hon. Mahendranuth Sharma HURREERAM
Minister of National Infrastructure and Community Development

Statement of Chairman

It gives me immense pleasure to associate myself with the Road Development Authority (RDA) in presenting the Annual Report for Financial Year 2021-2022. The report gives an insight on the laudable achievements of the RDA.

As the Chairman of the Board of RDA, I have witnessed the zeal and enthusiasm of the Authority positioning itself in the forefront to strategically look forward to ease services to the community while contributing to economic enhancement which supports national policy. Throughout the years, RDA has implemented national road projects while remaining focused on the overall rehabilitation and maintenance of its road network and engaged in the safety of the public. These accomplishments were consistently executed in a constantly changing business environment impacted by external global factors like Covid 19 pandemic, war in Ukraine, climate change, to name a few.

It is worth noting that the achievements of the RDA rest on one of its most important pillars namely its devoted workforce under the collaborative leadership of Management which is fully supported by the Board.

I am also thankful to the dedicated Board Members, the Minister and the Government for their inflicting support and trust for achieving the objectives of the Authority. Collectively, we look forward to bring further innovations in our operations and management systems to further enhance service delivery.



Chairman
L. J. Y. J. Patron

I. REPORT FROM GENERAL MANAGER

1. Organisational and Financial Performance with Respect to Budgetary

The Financial Year 2021-2022 was marked with the resurgence of the Covid19 Pandemic requiring the re-introduction of lockdown and imposition of strict sanitary protocols by the Government for the safety of the population. Though there were progressive relaxations over the sanitary protocols, the continuing effects of the pandemic were, more than ever, adversely impacting on the usual business of all organisations. The Road Development Authority (RDA) was not spared from these continuing Covid-19 effects.

However, despite these pandemic impacts, the Authority has maintained its delivery in line with Governmental objectives, as mandated by applicable legislations and expectations of the public, amongst others. The Authority is pursuing its activities to further ease the daily life of citizens through construction of new roads, upgrading and maintenance of the existing road network with the view to further decongest traffic and improve road connectivity. These principally aimed at further boosting economic development and improving the lifestyle and comfort of the general public. With the overall action of the Authority, under the umbrella of Government, there is a synergy created which urge the private sector to further invest in economic activities, namely the construction of hotels, shopping malls, “morcellements” and amongst other property developments. These contribute directly and indirectly to the overall country’s economy.

For the Financial Year 2021/22, a total sum of Rs 2, 961.4 M was spent in the implementation of the different projects (including the Road Decongestion Programme, Covid-19 Project Development, NEF Projects and Maintenance & Rehabilitation of existing roads) out of the budgetary provision which was made at an amount of Rs 5282.4M. While the RDA targeted to maximise its budgetary expenditure, the resurgence of the Covid-19 pandemic, together with procurement delays and litigations for land acquisition, affected negatively the work momentum. It is worth noting that the remaining amount was, however, already committed in the next budget period. It is also to be noted that had the M4 project been awarded within the last financial period, a further amount of around Rs 1 billion would have been incurred as expenditure.

The Authority is striving to address road congestion by adopting measures such as replacing roundabouts with Grade Separated Junctions (flyovers), the construction of bypasses and simple measures such as provision of slip lanes and signalised traffic junctions amongst other measures. During the period under review, RDA completed the flyover at Palmerstone which is enhancing the traffic flow in the region. In the coming years, further flyovers would be implemented namely at Quay D and Wooton, to further address localised traffic congestion.

As regards the New Strategic Road Network (NSRN), which aims to extensively alleviate traffic congestion, and increase connectivity while further expanding business opportunities in the long run, the RDA is pursuing the project through its consultancy services. Given the availability of highly qualified and devoted staff internally, the consultancy service for the NSRN has been planned in-house. The NSRN would also

incorporate the provision of dedicated lanes for buses and bicycle tracks, where appropriate, in line with the vision of the Government.

The Authority has also remained focused on implementing measures in respect to building resilience to climate change while paying due care and attention to environmental and ecological aspects. In the early days of the year 2021, the Authority introduced the use of recycled asphalt for resurfacing of roads on a pilot basis. The effectiveness and riding quality of this environment friendly type of asphalt is being monitored and upon achieving desirable outcomes, recycled asphalt would be extended throughout the RDA road network. In the same sense, the Authority is looking forward to the provision of solar street lighting in the coming years. As at 30th June 2022, the Authority has initiated procurement process for the provision of solar street lighting on pilot basis.

To address the problem of flooding throughout the island, RDA has implemented a number of projects in collaboration with the Land Drainage Authority under the National Flood Management Programme. Initially, flood prone areas are being targeted. Thereafter, the programme will be extended to other areas in an order of priority. These projects included the upgrading of bridges and culverts, the provision of drain and cleaning thereof, amongst others, to mitigate the risks associated with flooding and flash floods.

The problem of road safety remains one of the highest priority concerns of the Authority. RDA has worked closely and jointly with other stakeholders namely Police, TMRSU, Local Authorities and even stakeholders in the private sector to pursue its actions through the road maintenance programme. The salient measures include the improvement of the geometry of a number of roads, construction of footpaths, provision of retro-reflective road markings, provision of street lighting, installation of handrails and guard rails, use of diamond grade traffic panels, etc. The Authority has also worked collaboratively with the Traffic Management Road Safety Unit (TMRSU) for the implementation of 3-staged road safety audits aimed at reviewing safety aspects throughout the project life cycle, that is, from the concept stage till the opening and use of any classified road.

The Authority has pursued its collaboration with private stakeholders for the construction of new connecting roads. The La Vigie – La Brasserie link road which will eventually connect to Flic- en- Flac bypass, being jointly implemented by Government & Medine Ltd, is one among the other projects on cost sharing.

RDA is strategically looking forward to the implementation of new roads while ensuring the maintenance of its existing road network. To achieve the same, the Authority has made a three-year budget forecast to the tune of Rs 12 billion for its 3 years delivery plan.

It is also looking forward towards achieving a number of innovations namely the concept of the New Strategic Road Network, the expansion of use of recycled asphalt, the introduction of solar street lighting, digitalisation of its operations, amongst other, for which it relies on its staff, the Board, the Parent Ministry and the Honourable Minister for achieving its objectives

2. Major Achievements

Projects Completed/Substantially Completed in 2021/2022

Project	Project Value (Rs M)	Payment Effectuated as at 30 th June 2022 (Rs M)
Upgrading of Road at Palmerstone, Vacoas	394.1	339.1
Counter Measure works to Slope Failure at Souillac Bridge (Design-Build / Turnkey)	52.0	50.0
Rehabilitation of L'Avenir Bridge	56.0	53.1
Rehabilitation of St Denis Bridge, Chamarel	43.4	39.0
Reconstruction of Jumbo Phoenix Roundabout	1469	1299.3
Cavendish Bridge	32.8	24.2
Landslide/ Slope Stability Treatment along B104 Road	367.8	211.3
Counter Measure works to Slope Failure at Montagne Ory along B46 at Montagne Ory Road (Design-Build / Turnkey)	52.0	45.6

Table 1: Completed/Substantially Completed Projects

2.1. Rehabilitation of Cavendish Bridge at Ville Noire



In 2021, the government assigned the Road Development Authority the task to rehabilitate the 110 years old bridge, which was completed in April 2022. The rehabilitation works took approximately 8 months to complete at an expenditure of around Rs 32M.

2.2. Rehabilitation of Napoléon Bridge at L’Avenir on Ripailles – Nicolière Road (B49)



Before



After



Before



After

The RDA has reconstructed the bridge with a wider carriageway and improved geometry. Safety has also been enhanced for road users (Both vehicles and pedestrians) with provision of handrails, footpath and traffic sign amongst others.

2.3. Construction of Saint Denis Bridge at Chamarel

There were recurrent flooding problems, with the low-lying bridge, causing major disruptions to road connectivity for the inhabitants of Chamarel and the public at large. The Authority engaged in the reconstruction of the bridge to address problems of flooding.



Initial low-lying bridge (Before Construction)

The newly constructed bridge has a concrete deck of span 12.5 m long supported by 2 abutments at both extremities as shown below. The cross-sectional of the new bridge is about 55 m², with an effective hydraulic area of 32.9 m² based on a design return period of 100 years with peak flow of 214m³/s. The level of the new bridge is about 3.5 m above the St Denis River.



New St Denis Bridge

The initial approach road at both extremities of the initial low-lying bridge was 6 m wide with no shoulder on both sides as shown below. The approach road has been upgraded to 6.4 m wide with hard shoulder of 1.2 m on both sides as shown below.



Initial approach road



New approach road



New approach road with improved geometry and hard shoulders

2.3 Construction of a Flyover at Palmerstone at Vacoas

With the increasing growth of traffic over the last decade, the existing road configuration from Vacoas up to Palmerstone junction and Jumbo roundabout are subjected to chronic traffic congestion. Besides, with the implementation of the Metro Express project, only one lane will be available for traffic. This was foreseen for even more congestion and increase in travel time.





Flyover at Palmerstone

The RDA proceeded with the implementation of a flyover at the locus. This measure aimed at alleviating the chronic traffic congestion from Vacoas up to Palmerstone junction and Jumbo roundabout while enabling a better interface of the road network with the Metro Express Project aided with T Junctions and other traffic measures.

Ongoing/Launched Projects

As at 30 June 2022, the following projects were initiated/ongoing and were progressing in line with its established key performance indicators.

Project	Project Value (Rs M)	Payment Effectuated as at 30th June 2022 (Rs M)
Construction of a flyover at Quay D Roundabout	392	106
Interchange construction and Improvement along M3-A14 corridor at Ebene	524.2	80.2
La Vigie la Brasserie Link Road- Phase 1	655.8	239.6
Counter Measure Works to Slope Failure Batelage, Souillac	95.6	34.7
Slope Failure at Rivere des Creoles along A15 Stabilisation Works	79.8	15.8
Verdun ByPass	322.7	105.6
Construction of A1-M1 Link Road	2,845.8	2235.1
Upgrading of Constance Bridge	57.1	7.6
Purging of Rocks & Provision of Rock Net at Maconde Cliff	45.9	4.6

Table 2: Projects initiated/ongoing

2.4 Design- Build/ Turnkey for Counter Measure Works to Slope Failure at Montagne Ory

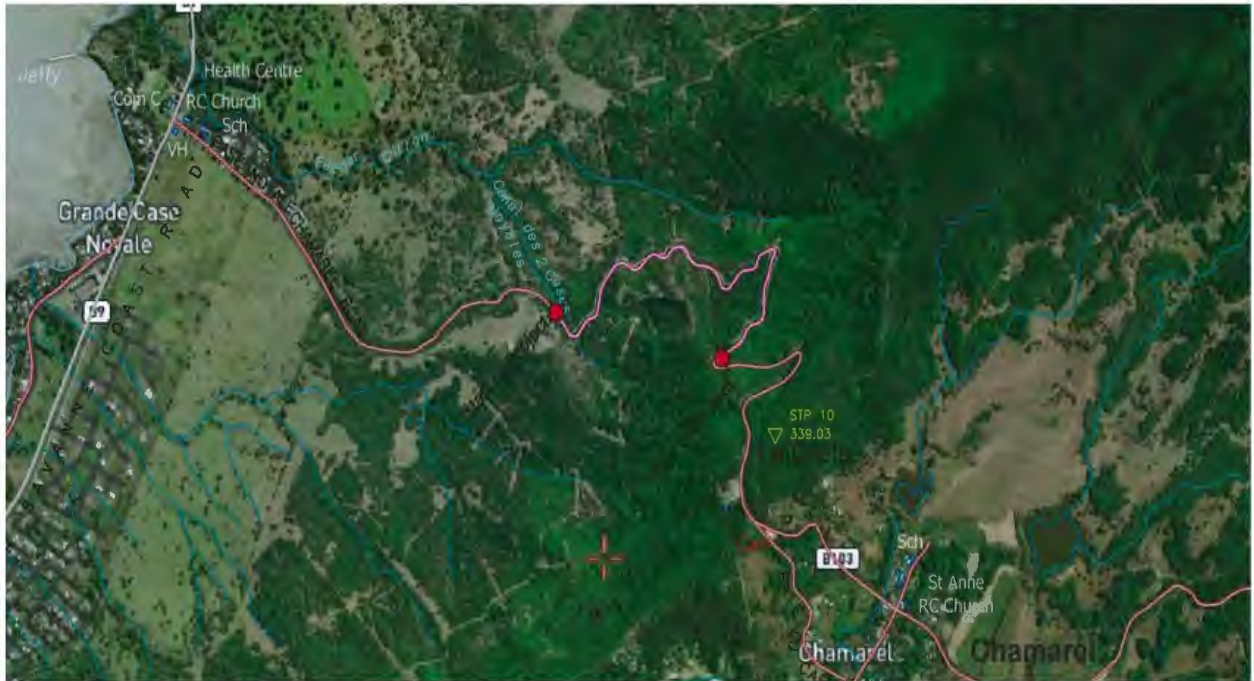
The Road Development Authority is actually implementing the countermeasure works to slope failure at Montagne Ory along classified road B46. These works were initiated to mitigate landslides, rockfall and soil erosion which were frequently observed during rainy period.

As at 30 June 2022, the overall completion of the works reached around 25% completion and was being pursued.



Ongoing Slope Treatment at Montagne Ory

2.5 Landslide/ Slope Stability Treatment along B104 Road (Baie du Cap – Chamarel – Case Noyale) at Chamarel



Location map for B104 project

The Baie du cap – Chamarel – Case Noyale (B104) road has several dangerous bends with steep mountain cuttings on one side and deep ravines on the other. The condition of the road pavement structure and underlying geotechnical support has deteriorated which is particularly evident over an approximate 1.4 km stretch.

To address safety concerned, the Authority implemented improvement of the stretch of road with stabilisation of slope. The works, at the tune of Rs 367,824,485.10 (VAT Inclusive), started in January 2021 and expected to be completed by September 2022. As at 30th June 2022, the works were substantially completed and were being pursued.



Ongoing Slope Stability Works

2.6 Construction of a Flyover at Quay D Roundabout

The Quay D round about is a major access point for the port area and is currently operating beyond capacity, during both peak and off-peak hours, with subsequent queuing along Motorway M2 and adjacent roads such as Marine Road and Military Road B30.

To mitigate the problem of traffic congestion at the locus, RDA initiated the implementation of the flyover at Quay D. The project cost was made at the sum of 350,681,000.00 (VAT Inclusive) and works started on 05 Nov 2021 to complete in April 2023.



Proposed Grade Separated Junction at Quay D





Ongoing Works at Quay D

2.7 Interchange Construction and Improvement along M3-A14 Corridor at Ebene



The existing road network at Ebene, including the Ebene Flyover was constructed in the year 2003, in the context of the Ebene Cybercity development. In the year 2012, the Motorway M3 was constructed, connecting to the Ebene Flyover with a view, amongst others, to provide a direct link from the North and East to the Ebene regions.

The rapid development within the central part of the island, namely at Ebene, Reduit, Moka and Highlands has caused saturation of the road network. During peak hours, it is observed that the Motorway M3 (southbound) is severely congested due to the single lane traffic on the existing Ebene flyover across Motorway M1.

Moreover, the existing Ebene Cybercity roundabout which is highly congested with disrupting free flow of traffic from Rose-Hill to Motorway M1/M3 and vice versa. Hence RDA is undertaking the Ebene flyover Project to:

- Improve traffic flow along M1 and M3 motorway and at Ebene Cybercity roundabout.
- Eliminate bottleneck on the A14 Road (M3 - Rose Hill corridor)
- Decrease in travel time for incoming traffic in Ebene region thus improving level of service by reducing traffic congestion and vehicle operating costs.
- Contribute to boost economic development in that region by providing better connectivity

The project was awarded at the sum of Rs 524,164,698.03 (VAT Inclusive). Works started 14 February 2022 with expected completion date to be by 14 February 2024.



Plate 1: Ebene Flyover



Plate 2: Grade Separated Junction at Ebene Cybercity



Plate 3: Ebene Dumbbell Roundabout

3. Mega Project under Road Decongestion Programme

To address the high levels of congestion at strategic locations, RDA launched a challenging two legs mega project, under the Road Decongestion Programme, in 2018. The first leg comprised the reconstruction of the 3 roundabouts namely Pont Fer, Jumbo and Dowlut coupled with introduction of Grade Separated Junctions. The first leg was completed and became operational in June 2022.



Completed Pont Fer Bridge and Roundabout



Completed Jumbo Bridge with signalised T-Junction



Completed Dowlut Bridge

As regards to the second leg of the project, this consists of connecting the A1 Road to M1 at the locus of Soreze through an unprecedented bridge spanning over the Grand River North West River. This unique type of bridge will one of the most aesthetic in Mauritius, if not, in the Indian Ocean Island. The completion of the bridge and operation thereof are expected to be completed by July 2023.



Ongoing A1-M1 Bridge

It is also worth noting that the decongestion of roads is not limited to the above projects. RDA has, throughout the period under review, implemented simple measures such as construction of slip lanes, provision of flyovers and signalised junctions where required to ease traffic fluidity throughout the island.

4. Achievements Under Maintenance and Rehabilitation of Roads

The RDA, in its capacity as Highway Authority, is much devoted to the care and maintenance of its road network in line with its objectives. The Authority has under its purview the following main infrastructure excluding major culverts and others:

Structure	Quantity
Road	1252 km
Drain	558 km
Guardrail	237 km
Handrail	84 km
Traffic signs	13,778 units
Grass	1,330,000 m ² (approx.)
Bridges	181 units

Table 3: RDA Road Network and Infrastructure

The maintenance of the RDA road network is carried out through the following:

- direct labour posted throughout the 8 Sub Offices located in each district of the island. These teams undertake minor works;
- district contractors under the Framework Agreement for Road Maintenance.

During the period under review, RDA has undertaken a number of maintenance projects with a view of upgrading/rehabilitating roads and bridges under its Framework Agreement for Road Maintenance. These works were issued through Works Orders to be executed within the allocated time and budget by the lowest contractors in the respective districts. The Works Orders usually involves major works costing up to Rs 25M as per the Capital Project Process Manual (CPPM);

- minor routine works are undertaken by SME contractors under the RDA's new Framework Agreement for Upkeeping and Associated Minor Routine Works along Classified Roads. This new framework agreement allows small contractors for contract works. By the end of the last financial period, more than 90 call offs have been issued to execute the following works along classified roads:
 - Lopping of branches;
 - Cleaning of road edges and weepholes;
 - Cleaning of drains; and
 - Vegetation control

It is to be noted that all frameworks are on a performance basis, ensures consistency in maintenance standards along the motorways and classified roads. The performance of contractors within the different frameworks is being closely monitored and should there be repeated poor performance on their behalf, the new framework allows for such contractors to be excluded from being awarded any further works.

The main activities of the Maintenance section for FY 2021-2022 are summarised in the table below:

District	Length of footpath/m	Length of drains/m	Handrails/ m	Guardrails /m	Resurfacin g/km
Port Louis	100	100	100	50	2.5
Black River	250	250	200	100	3
Moka	1500	2600	50	-	4
Flacq	1100	700	50	-	4
Pamplemousses	500	600	50	150	2
Riviere du Rempart	200	150	50	-	2.5
Grand Port	1000	300	350	200	5
Savanne	600	400	200	50	3.5
Plaine Wilhems	1000	900	300	600	3
TOTAL	6250	6000	1350	1150	29.5

Table 4: Main Activities of the Maintenance section for FY 2021-2022

5. Other Achievements

5.1. Provision of Advisory Services

The Road Development Authority has maintained the provision of advisory services to different Ministry and Departments with regard to road and transport issues as part of its primary objectives.

Being a representative on a number of Boards and Committees including Morcellement Board, EIA Committee, Land Drainage, Traffic Impact Assessment (TIA), Natural Disaster & Risk Management Committee, amongst others, the Authority makes recommendations in regard to a number of matters related to road infrastructure.

The Road Development Authority, in its endeavour to promote business for contributing to the overall economic growth, has processed applications received. The table below gives an insight on the number of applications that have been processed / dealt for FY ending 30 June 2022.

Applications processed/Views submitted & follow up on Developments	Number of Applications Processed
Building and Land Use Permit (BLUP) & Outline Planning Permission (OPP)	400
New Social Living Development (NSLD) & National Housing Development Corporation (NHDC)	80
Smart Cities & Property Development Scheme (PDS) (thr' the Economic Development Board)	20
Petrol Filling Stations (thr' Local Authorities & NLTA)	14
Environment Impact Assessment (EIA) & Preliminary Environmental Report (PER)	35
Morcellement (thr' the Morcellement Board)	800
Urban Terminals	6
Urban Transport Programme Secretariat (UTPS)	100
Other public institutions (Hospitals, Area Health Centres, Educational Institutions, Police Stations, Market fair)	20
Total	1475

Table 5: Number of Applications Processed

5.2. Public-Private Partnership

During the period under review, the Authority has worked jointly with several private organisations for facilitating the development of smart cities under cost sharing. These projects include the following amongst others;

- Moka Smart City
- Flic- en- Flac Smart /Medine
- Mon Choisy Smart City
- Trianon Smart City
- Montebelo Smart City

The RDA has also worked collaboratively with the ENL Group for the implementation of the Grade Separated Junction at St Pierre. This Grade Separated Junction will eventually connect the Verdun Bypass and the St Pierre Bypass.

5.3. Collaborative Works with the Rodrigues Regional Assembly

The Authority has also signed a Memorandum of Understanding with the Rodrigues Regional Assembly (RRA) for providing assistance in classifying the road network in Rodrigues. Additionally, as per the MOU, RDA will provide advice and knowledge sharing with officers of RRA mainly for the upgrading of its roads and low level radieux which usually get inundated after rainfall in Rodrigues.

A delegation, headed by the Honorable Minister, effected a mission at Rodrigues in May 2022 for the signature of the MOU. There after actions were initiated to observe the MOU, this would include further delegations and working sessions in Rodrigues in the near future.

5.4. Collaboration in Development of Urban Terminals

RDA has pursued its involvement as a key partner in the development of Urban Terminals. It has constructed/upgraded connecting roads to the Victoria Urban Terminal with the view to allow smooth connectivity between existing roads and the urban terminal.

5.5. Active Participation in National Flood Management Programme

The Authority has, during the past financial period, initiated and completed a number of projects to address the problem of flooding. These works were entrusted to RDA by the Land Drainage Authority under the National Flood Management Programme (NFMP). As 30th June 2022, the Authority completed a number of projects, aimed at solving flood problems. There are other projects ongoing and scheduled to be completed within the allocated time frame.

5.6. Capacity Building and Empowerment

As a concerned and caring employer, the Road Development Authority believes in fostering a happy workforce in a conducive work environment. As such, the Human Resource section of the RDA remains a pivotal pillar of the organization, allowing for healthy work relationships among all employees, be it at the Head Office or at the sub offices. The Human Resource section also acts as the bridge between the management and the employees, steering the core values of the RDA and ensuring fair HR practices at all times.

Gender Policy

Owing to the nature of work of the RDA, the workforce is mainly male dominated. However, the RDA fervently believes in gender equality at all levels and it is worth pointing out that some of the key positions of the RDA such as posts of Deputy General Manager, Ag. Human Resource Management Officer, Technical Officers and the Inspectorate cadre are led by females. Additionally, some female staff have also been appointed in the Engineering Cadre.

Staffing at RDA

As at 30th June 2022, the RDA had a total workforce of 419 employees on its establishment, all grades included, and split into 374 male and 45 female employees.

During the financial year starting July 2021 and ending June 2022, the RDA has witnessed significant changes and mobility in its workforce. While RDA has welcomed onboard 13 new appointments, it has promoted a total of 6 employees to ensure employee motivation and satisfaction at work. On the other hand, 2 male employees passed away while in service, 12 resigned from the service, mainly for better prospects and salary packages elsewhere and 10 employees retired from the service on ground of age and age limit.

The RDA extended its usual support to provide hands-on experience to fresh graduates and as such, the contract of 4 existing trainees under the Youth Employment Programme (YEP) were extended. Additionally, 3 trainees under the YEP were newly appointed. To contribute to the employability skills and expertise of registered Civil Engineers, the RDA is providing for appropriate training to 8 prospective engineers under the Trainee Engineer Scheme of the Ministry of Labour, Human Resource Development and Training.

Capacity Building through Training and Development

As a conscious employer, the RDA firmly believes in empowering its employees to deliver to the best of their capacities as well as to provide them with optimum resources for holistic growth and development. Accordingly, training opportunities as detailed hereunder were provided to the staff of the RDA during period 01st July 2021 to 30th June 2022. Taking into consideration the Covid-19 pandemic, some of the training sessions have been conducted online for obvious reasons.

5.7. Control of Advertisement

For having better control of advertisements (directional panel, billboard and totem and indicative panel) along Motorways and main roads across the island, the RDA has prepared a draft regulation with the aim to impose legal requirements on advertisers and addressing the issue of illegal advertisements. These regulations would

be submitted to its Parent Ministry for review. In the meantime, through strict control, the number of illegal advertisements has been addressed drastically.

The Authority has further supported the advertising incentives of the Metro Express Limited by granting clearance for some 40 advertising structures to the latter during the period under review.

6. Innovation Approaches/ Road Technologies

6.1 New Strategic Road Network

The RDA is proceeding with the implementation of a New Strategic Road Network (NSRN), approved by Cabinet, which is a new road network aiming at providing seamless road connection throughout the island for providing better road connectivity through reduced travel time while ensuring safety and comfort. This NSRN would eventually comprise existing motorways and future motorways such as M4, connecting the north to airport and M5 connecting the southern part of the island to motorway M1, amongst other trunk roads.

The Authority has already prepared and inception report in view of conducting an in-house consultancy for the implementation of this new Strategic Road Network. The report will be submitted to the Ministry for onwards approval by Cabinet. Thereafter, its consultancy will be initiated.

6.2 Use of Recycled Asphalt

The Authority introduced the use of recycled asphalt in its road maintenance programme through the Framework Agreement for Maintenance (2020-2023) as part of its policy for as part of its policy on climate change, resilient infrastructure, and sustainable development. During the period under review, RDA pursued it programme regarding the resurfacing of roads with recycled asphalt. Depending on the effectiveness of such asphalt, the Authority would extend its application for resurfacing of roads throughout its road next work.

6.3 Solar Lighting

In line with its policy on climate change, resilient infrastructure, and sustainable development, the Authority has, during the period under review, initiated action for the introduction of solar street lighting. The use of clean energy will reduce carbon emission. As at 30th June 2022, a bidding process for the provision of solar street lighting on a pilot basis was initiated and was being pursued. In a future stage, the concept of solar street lighting will be extended progressively throughout the island.

6.4 Bicycle Lane Network

The concept of providing bicycle lanes in forthcoming projects has been considered to enhance safety and reduce congestion in line with the national policy. RDA has planned for the introduction of same in new/forthcoming projects and it is ensuring that new projects cater for bicycle lanes in the planning/concept stages with the availability of the required lands for eventual implementation thereof.

6.5 Tree Management

The past financial period was marked by the passage of two tropical cyclones very close to the island triggering cyclonic conditions. As a result, a massive number of trees bordering roads were destroyed under the devastating gusts causing roads to get blocked resulting in temporary impaired road connectivity.

Witnessing such situation, the Authority embarked on a tree management programme which aimed at identifying and trimming/felling of trees which would potentially be affected by strong winds and affect its road network.

6.6 Digitalisation of Finance activities

The effects of the Covid 19 pandemic have urged the necessity and importance to review work processes and to adopt digital services. The Authority initially introduced the digital approval for payment of salaries for all employees. This has resulted in reduced paper work and more timely processing of approval for salaries. It is now proceeding further with the computerisation of the finance activities and has proposed a budget of Rs 4M for implementation same in the next financial period.

6.7 Electronic Document Management System (e-DMS)

The Authority has embarked for the digitalisation of its internal registry processes in view of enhancing quality and timely service delivery through an Electronic Document Management System (e-DMS). During the period under review, it has appointed a Consultancy Firm for assisting the Authority in implementing the system. As at 30th June 2022, the work processes, to be followed within the digital system, were under preparation.

6.8 Provision of Camera Surveillance System in Foot bridges

For the safety of pedestrians and to encourage use of foot bridges and underpasses, RDA has launched the rehabilitation of these structures in a progressive manner. To enhance safety, RDA is intending to provide surveillance camera system connected with the Safe City Network inside the footbridges and underpasses. As at end of the last financial period, negotiations were initiated with police to give effect to same.

Additionally, transparent sheets would be used on the sides of footbridges to further enhance safety and security of pedestrians.

7. Strategic Direction

7.1. Road Network

The Authority is strategically looking forward to the implementation of the following project:

- the M4 project connecting the northern part of the island to the airport;
- the M5 which aimed at connecting the southern part to M1 Motorway;

These two major projects, amongst others, form part of the New Strategic Road Network which aim at providing alternative roads to connect the remote places of the island at a relatively lower time for travel. Hence enhancing user comfort.

7.2. Construction of RDA Head Office

Since its creation, the RDA has always had recourse to leasing of Office space to house its Head Office. This has cost Government millions of rupees so far. To date, RDA has contributed extensively in the construction of new roads while actively engaged in the upgrading of existing ones. It is now looking forward to the construction of its own headquarters in the region of St Pierre for which the required lands have already been acquired.

The Authority has, during the period under review, initiated anew the project for the construction of a building to house its head Office with the support of the Board and the parent Ministry. The building is intended to be built under the Build Operate Transfer (BOT) Unit falling under the aegis of the Ministry of Finance and Economic Planning & Development.

As at 30th June 2022, the project was already registered with the BOT Unit and action was initiated for launching of a request for proposal (RFP) for hiring the services of a Transaction Advisory Firm to assist RDA in implementing the project.

7.3. Revenue Generation through Advertisement

The advertising business is one amongst the means for revenue generation. RDA, being the regulatory body for display of billboards and advertising structures, is looking forward to the introduction of new legislations governing the subject of advertisement along classified roads and on footbridges/underpass. These new legislations will harmonise advertisements while reviewing the fees associated thereto. As at 30th June 2022, the RDA has submitted the draft regulations to the Attorney General Office for advice.

7.4. Delivery Plan with regards to Road Infrastructure

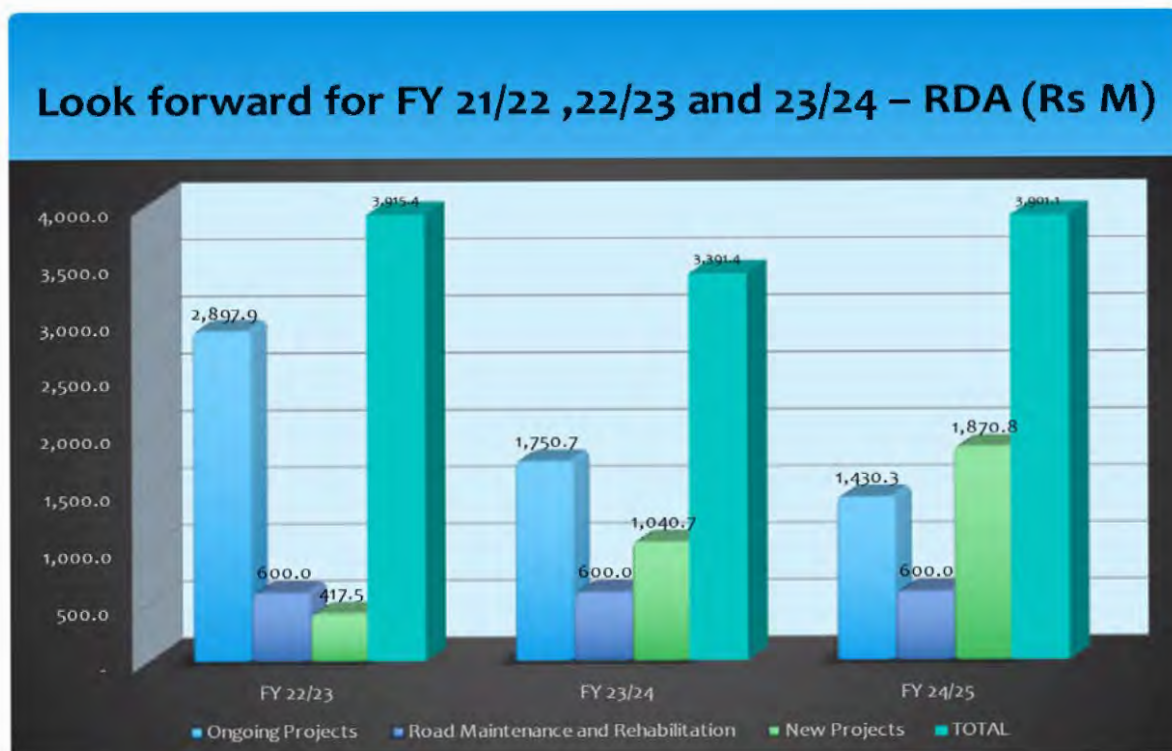
The RDA aims to further enhance the road network while ensuring for safety, road decongestion and improved connectivity. The Authority is looking forward to implement the following new projects, already conceptualised, in line with its three-year delivery plan.

During the coming 3 years, it is projected that a sum of Rs 12 billion will be allocated to RDA for the implementation and maintenance of main roads.

The following provides the estimated budget for Financial Year 2022/23 and the budget forecast for the next three years

RDA EXECUTIVE BUDGET SUMMARY ESTIMATES 2022/23	
	Estimates FY 2022/23
Description	Rs M
Ongoing projects	
Studies	1.3
Capital Projects	1,919.5
Bridges	60.0
National Environment and Climate Change Fund	260.4
– Landslide Management	
COVID 19 –Project Development Fund	656.7
Maintenance	600.0
Sub Total - ongoing projects	3,497.9
New Capital projects:	
Studies and Surveys	
Construction and Upgrading of Roads	327.7
Bridges	29.8
National Environment and Climate Change Fund	60.0
COVID 19-Project Development Fund	
Sub Total- new projects	417.5
GRAND TOTAL	3,915.4

Table 6: Estimated Budget for Financial Year 2022/23



Graph 1: Budget Estimates for Coming 3 Years

Conclusion

It is an undisputed fact that Covid-19 pandemic has drastically caused a change in the way of planning, designing, constructing and maintaining roads. However, be it as it may, RDA, with the support of the Board and the Ministry has been able to challenge the effect of this pandemic by embarking on new projects with the view to maintaining and boosting economic activities while remaining committed towards effective service delivery.

It is still as well acknowledged that much more can be done to provide a better service to road users.

Mr. N. Mowlabaccus
General Manager

II. Corporate Governance

Introduction

The Road Development Authority (RDA), a body corporate established by Act No. 6 of 1998, operates under the aegis of the Ministry of National Infrastructure and Community Development. It is established to carry out duties as per Road Act and RDA Act. RDA is also a representative on the Morcellement Board, EIA Committee and other committees including Land Drainage, TIA etc, wherein recommendations in regard to access on classified roads and motorways are given.

The RDA is required to comply with the National Code of Corporate Governance for Mauritius, 2016 (the 'Code') by virtue of the provisions of the Financial Reporting Act 2004.

This Corporate Governance Report highlights how the RDA has implemented the recommendations of the Code.

Governance Structure

Board Structure

The RDA has an effective Board which leads and controls the organization. It has the following main functions:

- *To approve, monitor, review and evaluate the implementation of strategies, policies and business plans;*
- *To prepare a statement of corporate objectives;*
- *To ensure that the RDA complies with the highest standards of governance and that it has an effective system of control in place so that risks can be properly assessed and managed;*
- *To ensure that communication of all material information to the stakeholders be made in a transparent way.*

Vision

The RDA aims to provide a reliable road network to support the main economic activities of the country through the effective movement of people and goods.

Mission

The mission of Road Development Authority is to provide a cost-efficient mobility in comfort and safety for the Mauritian population and its economic operators to all parts of the island, by developing, preserving and maintaining a high standard classified road network through the judicious use of human, material, financial, and technological resources.

Organizational Chart

The Road Development Authority has an approved organisation chart (by the Board) spelling out the senior governance position and their respective major accountabilities with respect to the functions devolved on the authority.

Objectives of the Authority

As per the RDA Act, the Authority is responsible for the construction, care, maintenance and improvement of motorways and main roads.

Duties and Functions

The Duties and Functions of the authority are:

- a) To plan, design and supervise the construction of roads, intended to be classified as motorways and main roads;
- b) To carry out or cause to be carried out the upgrading of motorways and main roads and their routine and periodic maintenance;
- c) To maintain existing bridges, tunnels and associated works on motorways and main roads;
- d) To plan, design and supervise the construction and reconstruction of bridges, tunnels and associated works on motorways and main roads;
- e) To advise the Minister on the formulation of a road development policy;
- f) To advise the Minister on the management policy of roads;
- g) To prepare and implement road development schemes;
- h) To conduct and coordinate research and investigation on materials required for road construction;
- i) To control the display of advertisements along or visible from motorways and main roads;
- j) To regulate undertakers' works in relation to motorways and main roads.

Services provided by the Authority

The main services provided by the Authority are:

- *Providing new roads as an integral part of national development.*
- *Maintaining the classified road network in a safe and ride able quality.*
- *Ensuring that bridges on classified roads are safe and to standard.*
- *Giving clearance for access on classified roads.*
- *Controlling advertisement on classified roads.*
- *Controlling undertaker's works on classified roads.*
- *Providing advice on road development policies.*
- *Providing services for material testing.*

- *Processing applications/giving recommendations for EIA and Morcellement and giving clearances at technical Committees.*

In addition to the above normal activities, RDA provides collaboration to Private Sector in several developments of private projects including Smart Cities.

RDA also provides advisory services to different Ministries and Departments with regards to road and transport issues; and undertakes some contractual works on behalf of Traffic Management Road Safety Unit, Local Government, CWA including road surfacing, drainage works, handrails etc.

Key Governance Responsibilities and Accountabilities

The Board ensures that proper standards of Corporate Governance are applied and maintained throughout the organisation. The following key governance positions are critical in enabling the Board to fulfil its mission, vision and objectives:

Chairman of the Board

The Chairman is non-executive and is appointed by Minister in compliance with the RDA Act 1998.

General Manager

The General Manager is the Chief Executive Officer of the Authority and is appointed by the Board with the approval of the Minister in accordance to the RDA Act 1998.

The General Manager is responsible for the implementation of the policies of the Board, for achieving the financial operating goals and objectives and ensuring proper management and monitoring of the day-to-day affairs of the organization. In the performance of his duty, the General Manager is assisted by two Deputy General Managers.

Management Team

Every employee of the Authority shall be under the administrative control of the General Manager. The Board may make provision, in such form as it may determine, to govern the conditions of service of the employees of the Authority and, in particular, for –

- (a) the appointment, dismissal, discipline, pay and leave of the employees of the Authority;
- (b) appeals by officers against dismissal and other disciplinary measures.

The RDA is basically a technical organisation headed by professional Engineers and supported by administrative personnel. The main challenge of the Authority is, therefore, to manage efficiently its limited resources to further achieve its main objectives.

The activities of the RDA are organised under two executive arms, namely, Administration and Technical. The Administration arm encompasses Secretariat and Finance while the technical arm comprises the Planning Division, Development Division Implementation Division and the Maintenance Division with each division headed by a Divisional Manager. The Secretariat is under the administrative control of an Administrative Manager who is also responsible for the Stores Section. The Financial Controller is the head of the Finance Section. The Organisation Chart is at Appendix 1.

The Structure of the Board and Its Committees

Board Structure

The structure, composition and size of the Board have been established in accordance with Section 7 of the RDA Act 1998 as amended. The Act provides for the Authority to be administered and controlled by the Road Development Authority Board.

Board Composition

The Board of RDA consists of nine Directors who are all non-executive and independent ones. They come from diverse business and academic backgrounds and possess the necessary knowledge, skills, objectivity, integrity, experience and commitment to make sound Corporate Governance. The Chairperson is independent from the Parent Ministry.







Board Directors

Board Members

The composition of the Board of RDA as at 30th June 2022 was as follows:

Chairperson	General Manager
 <p>Mr. PATRON Louis Joel Yves As from 20 May 2020</p>	 <p>Mr. MOWLABACCUS Nazeer Registered Civil Engineer, Master of Science in Civil Engineering, Associate Member of the Institute of Infrastructure Asset Management, Malaysia (Asia Region), Post Graduate Certificate in Airport Design & Construction and Airport Maintenance from Civil Aviation Academy of Singapore, Certificate in Infrastructure Asset Management from Institute for Infrastructure Asset Management</p>

Board Members	Name	Designation and Qualification
Representative of Ministry of National Infrastructure and Community Development (National Infrastructure Division)	 <p>Mr GAONEEDRY Dhanunjaye (as from 31 December 2020)</p>	Permanent Secretary
Representative of Ministry of Public Infrastructure and Land Transport (Land Transport Division)	 <p>Mr NATHOO Dharamdev (as from 15 April 2021)</p>	Registered Civil Engineer Director Traffic Management and Road Safety Unit BSc (Hons) Civil Engineering
Representative of Prime Minister's Office	 <p>Mrs DASSAYE Preeyadarshanee (as from 25 February 2021)</p>	Deputy Permanent Secretary
Representative of the Ministry of Finance and Economic Development	 <p>Mr. RAMDHANY Ajay (as from 24 May 2016)</p>	Lead Analyst MBA (with Financial Risk Management), FCCA

Representative of Commissioner of Police	 Mr. GANGADIN Dunraz (as from 07 March 2022)	Superintendent of Police, Police Head Quarters
Representative of Housing & Land Use Planning	 Mr. LUCHOO Navinchandra (as from 02 December 2021)	Deputy Chief Surveyor
Representative of Land Drainage Authority	 Mr. KHEDAH Mahen Nuvin (as from 02 December 2021)	Director
Appointed Member	 Mr. SOMAI Beejaye (as from 2 March 2018)	SC, Three diplomas from International Labour Organisation Certificates of attendance in various workshops
Appointed Member	 Mr. BASSAWAN Al Jameel Mohamad (as from 20 May 2020)	Registered Professional Engineer MSc Project Management B.Eng (Hons) Electrical & Electronics Engineering
Appointed Member	 Mr. AUBEELUCK Juswansing (as from 20 May 2020)	MA Philosophy Post Graduate Certificate in Education BA (Hons) Hindi & History
Secretary, RDA	Mr. TEELUCK Nishal	Administrative Officer MBA Human Resource & Knowledge Management BSc (Hons) Occupational Safety & Health Management

Table 7: Composition of the Board

Board and Sub Committees

The Board, under the powers conferred by the Act, has set up three Sub Committees of the Board, as a mechanism to assist the Board in giving detailed attention to specific areas. The Board Committees for the period were as follows:

1. *Human Resource Committee*
2. *Risk Monitoring Committee*
3. *Finance Committee*

Members	Human Resource	Risk Monitoring	Finance
Chairman	-	-	-
Representative of Ministry of National Infrastructure and Community Development (Public Infrastructure Division)	√ Chairman	√ Chairman	√
Representative of Ministry of Transport and Light Rail (Land Transport Division)	√	-	√
Representative of the Ministry of Finance, Economic Planning & Development	-	-	√ Chairman
Representative of Prime Minister's Office	-	√	√
Representative of Commissioner of Police	√	√	-
Representative of Housing & Land Use Planning	-	-	-
Representative of Land Drainage Authority	-	-	-
Appointed Members – Mr. B. Somai	√	-	-
Appointed Members – Mr. A.J. M. Bassawon	-	√	-
Appointed Members – Mr. J. Aubeeluck	-	√	-

Table 8: Composition of Sub Committees

The terms of reference of each subcommittee are formally approved by the Board as further detailed.

Human Resource Committee

The Human Resource Committee considers and makes recommendations to the Board on matters relating to, inter-alia:

- *Human Resource Strategies;*
- *Selection and Appointment;*
- *Remuneration and Performance Management;*
- *Training and Development;*
- *Conditions of services;*
- *Disciplinary and industrial dispute*

The General Manager and the Ag. Human Resources Management Officer are in attendance.

The Human Resource Committee is normally the Selection Board which conducts interviews, carries out

selection exercises and makes recommendations for recruitment and promotion to the Board. Besides, the Board co-opts other Members in the selection Panel depending upon the posts. With a view to bringing more objectivity in the selection exercise and to ensure that the Authority hires the best candidate for key positions, the Board/Selection Panel carries a second round of reiteration sessions with the shortlisted candidates. The Selection Board including the reiteration sessions met on 10 occasions.

Secretary

The Administrative Officer was assigned the duties of Secretary.

Finance Committee

The Finance is a standing committee of the RDA Board. Apart from finance issues, the Committee is called upon to look after most economic and efficient design, procurement and implementation of projects. The Committee conducts independent and objective review of financial and procurement policies and processes and performance issues. The Committee's main responsibilities include the following, amongst others:

- *To ensure that there is an effective and consistent framework of financial and procurement regulations and procedures, and that they are regularly and comprehensively approved;*
- *To recommend the medium-term budget in line with the Strategic Plan and the RDA's prioritised objectives for approval by the Board;*
- *To review progress reports on the delivery and improvement plans with regard to all aspects of programme(s) implementation, including financial and non-financial parameters;*
- *To monitor performance against agreed performance indicators in relation to programme and project implementation;*
- *To develop, monitor and review the Procurement Strategy and the Capital Investment Programme and make recommendations to the Board;*
- *To review and recommend contract and financial matters which arise in between meetings of the Board and make decisions including approval of contracts for onward approval of the Board;*
- *To recommend and keep under review, on behalf of the Board, the RDA procurement plan;*
- *To ensure that procurement of goods and services is carried out in line with established legal framework;*
- *To determine corrective actions necessary to address any adverse trends and report to the Board on any serious service delivery failures or concerns;*
- *To review and recommend the final accounts of the RDA for approval by the Board; and*
- *To undertake any other such duties as may be directed by the Board.*

The Committee met on 4 occasions during the financial period under review. The General Manager, the Deputy General Manager and the Financial Manager are in attendance.

Secretary

The Administrative Officer was assigned the duties of Secretary.

Risk Monitoring Committee

In line with the National Code of Corporate Governance for Mauritius (2016), the roles and responsibilities of the Risk Monitoring Committee are to review and report to the Board on significant financial reporting issues and judgments which the Financial Statements of the RDA contain, having regard to matters communicated to the Committee by the Internal Auditor.

Its responsibilities are also to:

- Review the processes effected by RDA's management and other personnel which are designed to provide reasonable assurance of the achievement of objectives in the following categories:
 - 1) *Operational Effectiveness and Efficiency*
 - 2) *Financial Reporting Reliability*
 - 3) *Applicable Laws and Regulations Compliance*
- Review the various components (Control Environment, Risk Assessment, Control Activities, Information and Communication, Monitoring) forming the pillars upon which rely RDA's mission, strategies and related business objectives.

These components work to establish the foundation for sound internal auditing within the Organisation through directed leadership, shared values and a culture that emphasizes accountability for control. The various risks facing the RDA are identified and assessed routinely at all levels and within all functions in the Organisation through quarterly reports submitted to Committee members, subsequently transmitted to Board members with the recommendations of the Committee.

Secretary

The Administrative Officer was assigned the duties of Secretary.

Management of RDA

The Road Development Authority is headed by the General Manager who is responsible for the implementation of the policies of the Board, for achieving the financial operating goals and objectives and ensuring proper management and monitoring of the day-to-day affairs of the organisation.

Management Profile as at 30 June 2022

Name	Designation	Qualifications
 Mr. Nazeer Mowlabaccus	General Manager	Registered Civil Engineer Master of Science in Civil Engineering, Associate Member of the Institute of for Infrastructure Asset Management, Malaysia (Asia Region) Post Graduate Certificate in Airport Design & Construction and Airport Maintenance from Civil Aviation Academy of Singapore Certificate in Infrastructure Asset Management from Institute for Infrastructure Asset Management, Malaysia.
Ms Zulaikha Bai Alimohamed	Deputy General Manager	Registered Civil Engineer, B Tech (Hons) in Civil Engineering, Certificate in Computer Science and Programming
Mr. Dharminder Mungrah	Ag. Deputy General Manager	Registered Civil Engineer, MSc Project Management, BTech (Hons) in Civil Engineering
Mr. Shantaram Jankee	Divisional Manager	Registered Civil Engineer, Msc in Quality Management, Degree of Bachelor of Civil Engineering
Mr. Ali Asraf Jhumka	Divisional Manager	Registered Civil Engineer, Master of Business Administration, BTech (Hons) in Civil Engineering
Mr. Rishikesh Jugoo	Divisional Manager	Registered Civil Engineer, Msc in Quality Management, BTech (Hons) in Civil Engineering
Mr. Chansraj Puchooa	Divisional Manager	Registered Civil Engineer, BTech (Hons) in Civil Engineering Master of Transport Management Chartered Member of the Chartered Institute of Logistic and Transport
Mr. Mahen Hurree	Assistant Divisional Manager	Registered Civil Engineer, BTech (Hons) in Civil Engineering
Mr. Sunyasi Dharmen	Assistant Divisional Manager	B. Eng Civil Engineering
Mr. Ashraf Ally Nabeebux	Assistant Divisional Manager	B. Eng Civil Engineering Master in Information Technology
Mr. Oomesh Beekarry	Assistant Divisional Manager	B. Eng Civil Engineering
Mr. Chandranand Lobind	Ag. Assistant Divisional Manager	B. Eng Civil Engineering
Mr. Anandlall Baboolall	Financial Manager	Fellow Certified Chartered Accountant
Mr. Kedurnath Ramphul	Administrative Manager	Master in Laws incorporating Common Professional Examinations; MSc Quality Management; BSc Management; Diploma in Public Administration Management; Certificate in Computer Science and Programming

Table 9: Senior Management Team

Appointment of Board Members

The Board is appointed by the Minister of the parent Ministry as per Section 7 of the RDA Act. The Chairman is appointed by the Minister on such terms and conditions as he may decide as per section 7(3) of the Act. Seven of the Board Members are ex-officio - representatives of different Ministries and three are appointed Members having experience in road construction, traffic management, road transport, scientific or administrative matters.

Tenure of Office

The present tenure of office of members is for 2 years and are eligible for re-appointment. The Board was constituted on 20 May 2020 with Mr. J. Patron as the Chairman. With the reconstitution of the Board on 20 May 2022, Mr. J. Patron was reconducted as the Chairman of the RDA Board.

Conflict of Interests

Any member of the Board who acquires any interest in any civil engineering undertaking or consultancy has to resign from the Board as stipulated in the Act. Additionally, all Board members and officials of RDA are required to disclose their interest as soon as the relevant facts come to their knowledge and do not participate in any deliberation or any decision with respect to the matter.

Records with regards to declarations made by Directors, for conflicts of interests, are maintained in a register.

Director Duties, Remuneration and Performance

Role, Function and Powers of the Board

The role, function and powers of the Board are determined by the RDA Act. The Board is the focal part of the Corporate Governance System and is ultimately accountable and responsible for the performance and affairs of the Authority. Its main responsibility is to determine the Authority's strategies and policies for the implementation of the objectives of the Authority as defined in the Act. It ensures performance in accordance with the objects of the RDA, performance-based budgeting; and compliance in accordance with relevant laws, regulations, codes of best business practices.

Directors' Responsibility for the Financial Statements

The Authority's Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Accounting Standards and in compliance with the requirements of prevailing statutes.

Responsibilities of the Board of Directors

The fundamental statutory responsibilities of the Board of Directors are to lay down the overall policies regulating the various business/activities of the Authority; it oversees the Authority's strategic direction and its organisational structure. The Board discharges the above responsibilities either directly or through Board Committees for more in-depth analysis and review of various issues while retaining its responsibility for all policy matters. The Chairman of each Committee periodically places reports of its proceedings before the Board for approval/information, as may be relevant.

The Board promotes openness, integrity and accountability to improve corporate behaviour, strengthens control systems over business and reviews management performance on a regular basis. In addition, the Board is committed to ensure as far as reasonably possible, and in accordance with legislation in force, the safety and welfare of its staff. To fulfil their responsibilities, Board members have access to accurate and relevant information periodically and as and when required.

Attendance to Board Meetings and of its Sub Committees

The Board has also set up three Sub Committees of the Board under the powers conferred by the Act, as a mechanism to assist the Board in giving detailed attention to specific areas: -

- Human Resource Committee
- Risk Monitoring Committee
- Finance Committee

Board Meetings of the Road Development Authority and its Sub Committees are regularly held and at times they are supplemented by special meetings and Resolution by Circulation to attend to issues which require urgent attention. The Board met on 14 occasions during the financial period. Most of the Board Members or their alternate attended the Board meetings/Sub Committees as scheduled.

NAME	Board (14)	Human Resource (10)	Risk Monitoring (2)	Finance (4)
Chairperson - Mr. J. Patron	14	-	-	-
Representative of Ministry of National Infrastructure and Community Development (Public Infrastructure Division)	14	10	2	3
Representative of Ministry of Land Transport and Light Rail (Land Transport Division)	14	7	-	3
Representative of Prime Minister's Office	7	-	-	2
Representative of Ministry of Finance, Economic Planning & Development	14	-	-	4
Representative of Commissioner of Police	10	8	2	-
Representative of Housing & Land Use Planning	7	-	-	-
Representative of Land Drainage Authority	7	-	-	-
Appointed member - Mr. Beejaye Somai	13	9	-	-
Appointed member - Mr. Al Jameel Mohamad Bassawan	11	-	2	-
Appointed member - Mr. Juswansing Aubeeluck	11	-	1	-

Table 10: Attendance to Board and Sub-Committee Meeting

Remuneration of Board Members

The Chairperson is remunerated in accordance with Section 7 (3) (a) of RDA Act and the members of the Board and other Sub-Committees are remunerated in accordance with the provisions of the Pay Research Bureau Report. Fees paid to members amounted to MUR 1,126,693.25 during the 12 months period, detailed as follow:

Members	Name	Board Allowance (MUR)
Chairman	Mr. L. J. Y. J Patron	900,000.00
Representative of the Ministry of National Infrastructure and Community Development (National Infrastructure Division)	Mr D. Gaoneadry	51,067.00
	Mrs T. Codadeen	2,124.50
Representative of the Ministry of Land Transport and Light Rail (Land Transport Division)	Mr D. Nathoo	35,698.00
	Mr H. Sungker	1,120.00
Representative of the Ministry of Finance, Economic Planning and Development	Mr A. Ramdhany	22,832.50
Representative of the Prime Minister's Office	Mrs P. Dassaye	12,913.75
Representative of the Ministry of Housing & Land Use Planning	Mr. N. Luchoo	7,482.00
Representative of the Land Drainage Authority	Mr N. Khedah	6,916.50
Representative of Commissioner of Police	Mr. G. Murdaymootoo	20,294.25
	Mr D. Gangadin	7,699.50
Appointed Members	Mr B Somai	29,063.25
	Mr A.J. M. Bassawon	16,666.25
	Mr. J. Aubeeluck	12,815.75

Table 11: Remuneration of Board Members

Risk Governance and Management

The Board of the Road Development Authority is responsible for the total process of risk management and ensures that the Organisation develops and executes a comprehensive and robust system of risk management. The process of risk management includes the systematic and continuous identification and evaluation of risks as they pertain to the different units / sections of the organisation. Strategies are then developed to eliminate, transfer or mitigate each risk as and when they are identified and evaluated.

The Board has put in place several mechanisms and committees both at the Board level and at Management level in its risk management initiatives (some of which have been highlighted below).

Internal Audit

At the Road Development Authority, Internal Auditing is an objective assurance and consulting activity designed by management to add value and improve the organisation's operations. It helps the organization to achieve its strategic objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

Internal Audit exercise is carried out in this perspective. The Annual Audit Plan is a risk-gearred audit plan which is reviewed by Management as well as the Risk Monitoring Committee of the Road Development Authority. It is consequently approved by the Board.

Technical/Quality Audit

Management has also set up a Technical Audit Team, consisting of experienced Principal Technical Officers and headed by the DGM, whose mandate is to carry out inspections on on-going capital projects and report upon any irregularities that they come through. These reports and the corrective measures taken to address problems reported thereon, are subsequently passed on to the Risk Monitoring Committee. This task can be considered as a consulting activity which can also help to reduce or mitigate certain risks that can be encountered during project implementation.

Risk Management

RDA has maintained a top risk register with a view to providing assistance in identifying, analysing, assessing, treating, monitoring and communicating top strategic risks. The strategic risks are assessed through a risk matrix, where risks are calculated on the basis of their respective severity and likelihood. The high rated risks are dealt with in priority so that they are reduced to insignificant and acceptable level through the implementation of mitigating actions.

Moreover, policies, procedures and practices to the tasks have been reviewed to effectively manage the risks. Additionally, a Risk Monitoring Committee, which is a subcommittee of the Board, independently reviews the corporate risks and mitigations.

Furthermore, Management Team under the chair of the General Manager regularly brainstorms on lessons learned from both - project failures and successful ones to review its processes and systems and capture lessons for future improvement. Besides, a Safety and Health Committee has also been maintained regularly to identify, assess and prioritise safety related risks and hazards to ensure a safe working environment and positive actions being taken.

Procurement Committee

The Procurement Committee is an internal committee of the Management which reviews and makes recommendations to the Board through the General Manager on matters relating to procurement, bids evaluation and award of contracts in accordance with the Public Procurement Act. The Deputy General Manager or his representative, one Divisional Manager, the Financial Manager and the Principal Procurement and Supply Officer form part of the Committee. An Office Management Assistant is designated as Secretary.

Control on variation in cost in project

With a view to strengthening the procurement mechanism and to reduce variations in project, the Board had put in place a control mechanism with the following measures: -

- (i) The internal Procurement Committee was strengthened and take due diligence in its evaluation and recommendations of bids to the General Manager and/or to the Board;
- (ii) An officer from the Finance Section is co-opted in the Bid Evaluation Committee to ensure financial efficiency;
- (iii) With a view to minimising unfavourable fluctuations in exchange rate, RDA has been instructed to favour local currency to foreign one, to consider payment in local currency for local inputs and not to put local contractors in a disadvantage position;
- (iv) Good project management practices and proper planning and design have been institutionalized;
- (v) Negotiation on variations between the contractor and the Project Engineer from RDA or Consultancy Firm are kept transparent and in line with Public Procurement Act, Regulations and Directives. Negotiation and decision on variation are taken by a negotiation panel (comprising of at least 3 officers, one of whom to be from Finance) designated and validated by the General Manager/Board depending on case-to-case basis. The outcome of any negotiation on variations is brought to the Board after being analysed by the Finance Committee;
- (vi) Quantities are monitored closely even those certified and recommended by Consultant or Resident Engineer in order to avoid any possible collusion and to deter malpractices.

Project Review and Assurance Process

A project review process has been maintained to ensure value for money. An independent team not involved in the project reviews independently the project and its findings are brainstormed with Management Team to ensure value for money.

Minor Works Under Road Maintenance Project

The procurement procedure has been maintained to outsource minor works which were normally undertaken by major contractors under Road Maintenance Framework Agreement to small contractors/SME's region wise. It has two-fold objectives; to reduce cost and secondly to create more employment. The framework for SME has been further extended for higher ceiling. This was applied during the financial year and has been extended for vegetation control as well.

Investigative Committee

Further to the submission of the report from the Independent Investigative Committee, in November 2018, particular attention was laid on the project, Terre Rouge Verdun Project. The Committee recommended for "further action" in connection with the road collapse. Through the advice tendered by the State Law Office, upon the request made by RDA, on the potential legal actions (recovery of cost/which could be contemplated with regards to the performance of the Consultant and the Contractor under the project or otherwise) an international law firm specialised in construction law matters to examine the whole issue from a legal perspective needed to be hired. The RDA has further requested the State Law Office to assist in identifying such international law firms and in drafting the terms of reference for hiring such firms. The reply from the State Law Office was still awaited, in the meantime, RDA, with the consent of the Ministry and AGO, gave an assignment to a contract expert with legal background, under its Framework Agreement for Consultancy Services for Roads, Bridges, Drains and Allied projects to advise on the failure of the TRV link road. As at 30th June 2022, the report from the Consultant was awaited for deciding on the way forward.

Anti-Corruption Committee

Anti-corruption matters at the RDA are being dealt with the Anti-Corruption Committee recently set up by the Board. The responsibilities of this Committee are to:

- Review RDA's systems and controls for the prevention of bribery.
- Review significant cases of employee conflicts of interest, misconduct or fraud, or any other unethical activities by employees of the Organisation.
- Review Corruption Risk Management exercises which are to be carried out by dedicated teams within various sections of the Organisation.

Reporting with Integrity

Submission of Annual Report

The Annual Report for Financial Year ending 30 June 2021, incorporating the Financial Statement of the Road Development Authority, is prepared accordance to International Public Sector Accounting Standard (IPSAS) and submitted to the National Audit Office (NAO) within the prescribed submission date after duly approved by the Board. After the Annual report is audited by the National Audit Office it is posted in the website of RDA and filed/tabled with all the relevant authorities as per statutory requirements.

Following audit of the Annual Report for Financial Year 2020-2021, the Director of Audit, in its report dated 29th April 2022, communicated the following main findings:

- Financial Statements gave a fair view of the financial position of RDA as at 30th June 2021;
- The financial performance and cash flows were in accordance with the International Public Sector Accounting Standards;
- Compliance with the statutory bodies (Accounts and Audited) Act in so far it related to the accounts;
- The expenditure incurred by RDA was out of an extravagant or wasteful nature;
- The Board has applied its resources and carried out its operations fairly and economically and the provisions of Part V of the PPA 2006 were complied with.

Integrated Sustainability Reporting

RDA has developed and implemented social, safety, health and environmental policies and practices that in all material respects comply with existing legislative and regulatory frameworks.

Anti-Corruption Policy

With a view to preventing fraud and corruption at the RDA and to ensuring Good Corporate Governance practices, the Board has put in place various control mechanisms. This is monitored by and reported at the Risk Monitoring Committee. RDA has also adopted policies and procedures in relation to anti-corruption, gift, conflict of interest which are applicable at all levels from Board Members to minor grades.

Environmental Issues

Sustainable development and environmental issues are taken into consideration in the design and implementation of project.

Safety and Health

The RDA has complied with the Occupational Safety & Health (OSH) Act and other regulations and legislations regarding safety and health issues. Policies and procedures have been established and updated in this respect for continual improvement. An OSH management system is implemented for systematically and periodically assess risks, devise and implement control measures to eliminate and minimize risks assuring for the safety & health of employees. The RDA Safety & Health Committee established as per the OSHA, as an essential component of the OSH Management System meets on a regular basis to oversee OSH matters throughout the Authority.

Social issues

With a view to promoting the exchange of information, undertaking research RDA has provided training facilities to trainees as a corporate social action, it has enlisted a number of young graduates under Youth Employment Programme and Trainee Engineers to provide them with skills, competence and opportunities for registration.

Code of Ethics

The RDA is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders and Staff at all levels. To this effect a code of ethics has been developed and circulated among staff. Adequate grievances and disciplinary procedures are in place to enable enforcement of the Code of Ethics.

Political Donations

During the period under review, no political donations were made.

Charitable Donations

During the period under review, no charitable donations were made.

Related Party Transactions

The particulars in respect of Related Party Transactions have been disclosed in the Financial Statements.

Audit

The Board should establish formal and transparent arrangements to appoint and maintain an appropriate relationship with the organization's internal and external auditors.

Internal Control System

The Board is primarily responsible for the effectiveness and efficiency of the system of internal control, while the design, implementation and monitoring of the system devolves on management. Each unit in the Organization has

its own internal control procedures and mechanism to ensure that operations are carried out accordingly and Internal Audit Unit is present to ascertain those rules and regulations are followed and adhered to. Any breach of internal control mechanism set up by management or any unethical/irregular reported to Management and ultimately to the Board through the Risk Monitoring Committee.

Internal Audit

The Internal Audit function is considered vital to the Authority and plays an independent assurance and monitoring role, providing independent opinion on the effectiveness or otherwise of the system of Internal Control. The Internal Audit Unit at the Road Development Authority which is under the responsibility of the Internal Audit, assists both Management and the Board by monitoring, examining, evaluating, reporting on and recommending improvement to the adequacy and effectiveness of the Authority risk management processes, derives assurance that the risk management process are in place and effective. Regular reports from the Internal Audit Division are sent to the Risk Monitoring Committee and to the Board.

Accounting

The Board is responsible for the preparation of accounts which fairly presents the state of affairs of the Authority and the results of its operations and which had to be complied with International Accounting Standards. In this context, the Board is responsible for adequate accounting records, maintenance of an effective system of internal control, and choice of accounting policies supported by reasonable prudent judgement.

External Audit

The RDA Act provides that the Auditor to be appointed shall be the Director of Audit. This ensures the independency of the system. Every year the National Audit Office sends officers to carry out Audit and Financial Statement of the RDA and to report thereon. All weaknesses and their findings are reported to Management through a Report. The External Auditor's Report is reviewed by the Internal Auditor and presented in the Risk Monitoring Committee.

The External Auditor's Report together with the recommendations of the Risk Monitoring Committee are presented to the Board.

Relations with Stakeholders

Several mechanisms have been established through which shareholders and stakeholders are consulted and met directly and indirectly for achieving its objectives. Regular meetings and consultations are held with the Parent Ministry for all matters pertaining to RDA activities. The Public and other stake holders are also consulted in the project planning and implementation processes in view of embarking on the best way forward.

Customers

The RDA views road user satisfaction as one of its most important functions through the provision of high-quality roads and effectively maintaining the road riding standard and safety. Additionally, RDA addresses all complaints received through the CSU, its head office and the regional offices. The RDA ensures that its staff members and representatives possess the necessary skills, experience and knowledge to serve the public better with transparent advice and timely service delivery in line with relevant legislation, rules, codes and guidelines.

Suppliers

The Authority ensures that value for money services and goods are rendered to the RDA in an efficient way while engaging with suppliers on ethical commitments.

Statement of Compliance

The Directors of the Board recognise their obligations and requirements under the Code of Corporate Governance and affirm that the Road Development Authority has, to the best of its knowledge, complied with the Code.



Mr. L. J. Y. J. Patron
Chairman of the Board



Mr. D. Gangadin
Member of the Board



**REPORT OF THE
DIRECTOR OF AUDIT**

**On the Financial Statements
of the Road Development Authority
for the year ended 30 June 2022**

NATIONAL AUDIT OFFICE



NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT TO THE BOARD OF THE ROAD DEVELOPMENT AUTHORITY

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Road Development Authority (RDA), which comprise the statement of financial position as at 30 June 2022, and the statement of financial performance, statement of changes in net assets/equity, cash flow statement and statement of comparison of budgeted and actual amounts 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 Road Development Authority as at 30 June 2022, and of its financial performance and cash flows for the year then ended in accordance with the International Public Sector Accounting Standards.

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 Road Development Authority 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.

Emphasis of Matter

I draw attention to Note 20 to the financial statements regarding the accumulated deficit of Rs 419.8 million as of 30 June 2022 compared to Rs 331 million as of 30 June 2021. The increase in the Accumulated Deficit has occurred due to the actuarial loss on the Defined Benefit Plan of its Pension Fund of Rs 67.9 million for the year ended 30 June 2022 and year's deficit of revenue over expenditure of Rs 20.9 million.

My opinion is not modified in respect of this matter.

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 the matter described below to be a key audit matter to be communicated in my report.

Expenditure on Road Projects

The RDA has spent some Rs 2.5 billion on road projects during the financial year 2021-22, that is 89 percent of total expenditure incurred. Due to the significant amount involved, I identify expenditure on road projects to be a significant risk requiring special audit attention. The above expenditure has been expensed to the statement of financial performance and disclosed in notes 28 to 30.

My audit procedures relating to expenditure on road projects include the following:

- Reviewing minutes of board meetings;
- Reviewing project files to ascertain project management details, payment certificates details, approval procedures, evidence of project monitoring;
- Ascertaining compliance with clauses of conditions of contract;
- Evaluating the accounting policy and assessing the adequacy of the presentation and disclosure of the transactions in the financial statements in line with IPSAS 17, Property, Plant and Equipment;
- Checking the accuracy of figures included in the financial statements;
- Carrying out site visits; and
- Discussion with management.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report of the Road Development Authority, but does not include the financial statements and my 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 International Public Sector Accounting Standards, 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 Road Development Authority'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 Road Development Authority'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 judgment 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 Road Development Authority'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 Road Development Authority'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 Road Development Authority 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 Responsibilities for Compliance

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible to ensure that the Road Development Authority's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in an entity's financial statements.

Auditor's Responsibilities

In addition to the responsibility to express an opinion on the financial statements described above, I am also responsible to report to the Board whether:

- (a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit;
- (b) the Statutory Bodies (Accounts and Audit) Act and any directions of the Minister, in so far as they relate to the accounts, have been complied with;
- (c) in my opinion, and, as far as could be ascertained from my examination of the financial statements submitted to me, any expenditure incurred is of an extravagant or wasteful nature, judged by normal commercial practice and prudence;
- (d) in my opinion, the Road Development Authority has been applying its resources and carrying out its operations economically, efficiently and effectively;
- (e) the provisions of Part V of the Public Procurement Act regarding the bidding process have been complied with; and

- (f) the Road Development Authority has complied with the National Code of Corporate Governance in accordance with the Financial Reporting Act.

I performed procedures, including the assessment of the risks of material non-compliance, to obtain audit evidence to discharge the above responsibilities.

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

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.

As far as it could be ascertained from my examination of the relevant records:

- (a) the Road Development Authority has complied with the Statutory Bodies (Accounts and Audit) Act; and
(b) no direction relating to the accounts has been issued by the responsible Minister to the Road Development Authority.

Based on my examination of the accounts of Road Development Authority, nothing has come to my attention that causes me to believe that:


- (a) any expenditure incurred was of an extravagant or wasteful nature, judged by normal commercial practice and prudence; and
(b) the Authority has not applied its resources and carried out its operations economically, efficiently and effectively.

Public Procurement Act

In my opinion, the provisions of Part V of the Act have been complied with as far as it could be ascertained from my examination of the relevant records.

Financial Reporting Act

My responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From my assessment of the disclosures made on corporate governance in the annual report, the Road Development Authority has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.



C. ROMOAH
Director of Audit

National Audit Office
Level 14, Air Mauritius Centre
PORT LOUIS

2 May 2023



ROAD DEVELOPMENT AUTHORITY



FINANCIAL STATEMENTS

FOR

FINANCIAL YEAR

2021-2022

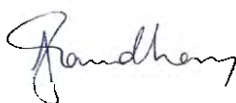
ROAD DEVELOPMENT AUTHORITY
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	2022	2021
		MUR	MUR
ASSETS			
<u>Current assets</u>			
Cash and cash equivalents	6	66,631,971	96,978,746
Trade and other receivables	7	217,155,162	452,718,348
Inventories	8	10,287,819	10,492,987
Held to maturity investment	9	24,943,413	45,164,671
Total current assets		319,018,365	605,354,752
<u>Non-current assets</u>			
Car loan receivable	10	3,113,337	3,792,762
Property, plant and equipment	11	32,904,466	25,610,448
Intangible assets	12	276,115	266,639
Investment in project	13	-	-
Total non current assets		36,293,918	29,669,849
TOTAL ASSETS		355,312,283	635,024,601
LIABILITIES			
<u>Current Liabilities</u>			
Trade and other payables	14	263,355,605	540,841,370
Borrowings	15	-	-
Employees Benefit Obligations	16	15,900,000	7,900,000
Total current liabilities		279,255,605	548,741,370
<u>Non-current liabilities</u>			
Retirement Benefit Obligations	17	396,021,018	316,153,744
Employees Benefit Obligations	18	96,763,359	97,372,030
Car loan payable	19	3,113,337	3,792,762
Total non-current liabilities		495,897,714	417,318,536
TOTAL LIABILITIES		775,153,319	966,059,906
NET ASSETS		(419,841,036)	(331,035,305)
NET ASSETS/EQUITY			
<u>Capital Contributed</u>			
Accumulated Deficit	20	(419,841,036)	(331,035,305)
TOTAL NET ASSETS/EQUITY		(419,841,036)	(331,035,305)

These Financial Statements were approved by the RDA Board on 28th September 2022



CHAIRMAN



BOARD MEMBER



GENERAL MANAGER

The notes to the Financial Statements from pages 67 to 94 form an integral part of the Financial Statements

ROAD DEVELOPMENT AUTHORITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

		<u>2022</u> MUR	<u>2021</u> MUR
REVENUE			
<u>Non exchange transactions</u>			
Grants for RDA Road Projects	21	1,847,979,034	2,668,504,755
Grants for Road Projects out of National Environment and Climate Change Fund (NECCF)	22	243,407,866	129,379,467
Grants for Road Projects out of Covid-19 Fund	23	388,466,216	483,105,594
Grants for Financing of Recurrent Expenditures	24	168,465,814	157,922,521
Contribution from State Trading Corporation	25	96,132,308	90,139,082
Grant for financing of Capital Expenditure	26	9,081,336	1,290,790
		<u>2,753,532,574</u>	<u>3,530,342,209</u>
OTHER INCOME			
<u>Exchange transactions</u>			
Laboratory Fees		3,828,660	3,380,805
Sub Division of Land (Morcellement Fees)		146,000	126,000
Investment Income		231,992	674,737
Other Miscellaneous Income	27	4,359,656	6,879,741
		<u>8,566,308</u>	<u>11,061,283</u>
TOTAL REVENUE		<u>2,762,098,882</u>	<u>3,541,403,492</u>
EXPENDITURE			
<u>Expenditure on Road Projects</u>			
Expenditure for RDA Road Projects	28	(1,847,979,034)	(2,668,504,755)
Expenditure for Road Projects out of National Environment and Climate Change Fund (NECCF)	29	(243,407,866)	(129,379,467)
Expenditure for Road Projects out of Covid-19 Fund	30	(388,466,216)	(483,105,594)
		<u>(2,479,853,116)</u>	<u>(3,280,989,816)</u>
<u>Other Expenditure</u>			
Staff Cost	31	(255,202,435)	(212,009,013)
Depreciation and Amortisation	32	(7,050,372)	(6,365,684)
Tools and materials	33	(13,121,237)	(18,066,872)
Motor vehicle expenses	34	(5,825,406)	(5,020,090)
Rent	35	(9,991,333)	(9,991,333)
Other administrative expenses	36	(11,890,449)	(10,887,739)
Finance costs	37	(77,151)	(201,745)
		<u>(303,158,383)</u>	<u>(262,542,476)</u>
TOTAL EXPENDITURE		<u>(2,783,011,499)</u>	<u>(3,543,532,292)</u>
SURPLUS / (DEFICIT) FOR THE YEAR		<u>(20,912,617)</u>	<u>(2,128,800)</u>

The notes to the Financial Statements from pages 67 to 94 form an integral part of the Financial Statements.

ROAD DEVELOPMENT AUTHORITY

STATEMENT OF CHANGES IN NET ASSETS / EQUITY FOR FINANCIAL YEAR ENDED 30 JUNE 2022

	2021	
	Accumulated Funds	Total
	MUR	MUR
Balance as at 01 July 2020	(251,694,135)	(251,694,135)
<u>Adjustments for financial year 2020/2021:</u>		
Actuarial gain / (loss) on Defined Benefit Plan	(50,068,883)	(50,068,883)
Exchange gain Investment in Project	1,476,770	1,476,770
Foreign Exchange loss	(1,476,770)	(1,476,770)
Amortisation of Investment in project - Repayment of loan	(27,143,487)	(27,143,487)
Deficit for the Financial Year 2020/2021	(2,128,800)	(2,128,800)
Balance as at 30 June 2021	(331,035,305)	(331,035,305)

	2022	
	Accumulated Funds	Total
	MUR	MUR
Balance as at 01 July 2021	(331,035,305)	(331,035,305)
<u>Adjustments for financial year 2021/2022:</u>		
Actuarial gain / (loss) on Defined Benefit Plan	(67,893,114)	(67,893,114)
Deficit for the Financial Year 2021/2022	(20,912,617)	(20,912,617)
Balance as at 30 June 2022	(419,841,036)	(419,841,036)

The notes to the Financial Statements from pages 67 to 94 form an integral part of the Financial Statements

ROAD DEVELOPMENT AUTHORITY

Cash Flow Statement for the financial year ended 30 June 2022	1 July 2021 to 30 June 2022 MUR	1 July 2020 to 30 June 2021 MUR
Cash Flows from Operating activities		
Deficit for the year	(20,912,617)	(2,128,800)
Adjustments for:		
Depreciation and Amortisation	7,050,372	6,365,684
Retirement Benefit Obligations	11,974,160	5,957,220
Provision for Passage Benefit	5,370,548	4,605,053
Provision for Vacation Leave	5,405,177	5,063,613
Provision for Sick Leave	12,532,437	5,555,845
Interest Income for Investment in Treasury Bills	(231,992)	(674,737)
(Profit)/Loss on disposal of PPE/Intangible Asset	(204,356)	9,200
Finance Costs	77,151	201,745
	21,060,880	24,954,823
Change in Inventories	205,168	2,586,928
Change in Trade and Other receivables	235,567,542	(378,333,515)
Change in Trade and Other payables	(277,285,765)	409,746,809
Net Cash Flows from Operating activities	(20,452,175)	58,955,045
Cash Flows from Investing activities		
Purchase of Property, Plant and Equipment	(14,187,116)	(3,746,512)
Additions to intangible Assets	(166,750)	(133,285)
Investment in Government Treasury Bills	(24,796,750)	(44,951,350)
Encashment of Investment in Treasury Bills	44,951,350	48,727,500
Investment income received	298,650	1,272,500
Loan released to staff	(1,243,400)	(2,359,025)
Loan refunded by staff	2,122,825	2,050,661
Net Cash Flows from Investing activities	6,978,809	860,489
Cash flows from Financing activities		
Passage Benefit paid	(6,170,757)	(1,462,770)
Vacation Leave Paid	(2,146,075)	(1,167,643)
Sick Leave Paid	(7,600,001)	(1,741,644)
Repayment of ADB Loan	-	(27,143,487)
Interest/Bank charges paid	(77,151)	(241,500)
Car Loan received from Ministry of Public Infrastructure	1,243,400	2,359,025
Car Loan disbursed/repaid from Ministry of Public Infrastructure	(2,122,825)	(2,050,661)
Net Cash Flows from financing activities	(16,873,409)	(31,448,680)
Net (decrease)/increase in cash and cash equivalents	(30,346,775)	28,366,854
Cash and cash equivalents at beginning of Year	96,978,746	68,611,892
Cash and Cash equivalents at end of year	66,631,971	96,978,746

Notes to the cash Flow Statement

Cash and Cash Equivalents

(a) Cash and Cash Equivalents consist of cash in hand balances with bank. Cash and Cash Equivalents included in the Cash Flow Statement comprise the following Statement of Financial Position amounts:

	2022 MUR	2021 MUR
Cash at Bank	(29,936,727)	(394,717,123)
Notice Deposit	96,568,698	491,695,869
	66,631,971	96,978,746

(b) Held to maturity investment

The held to maturity investment consist of one investment in Government Treasury Bill of settlement amount of Rs 24,796,750 with the SBM Bank (Mauritius) Ltd held in Mauritian Rupees. The value date of the investment was 20 October 2021 with a maturity date of 7 October 2022 and yield of 0.85% per annum. On maturity, the nominal amount of Rs 25,000,000 will be paid to the RDA.

The notes to the Financial Statements from pages 67 to 94 form an integral part of the Financial Statements.

ROAD DEVELOPMENT AUTHORITY

Statement of Comparison of Budgeted and Actual Amounts for the Financial Year ended 30 June 2022

Component	Note	Original Budget	Revised Budget	Actual Received	Variance – Revised and Original Budget	Variance – Revised and Actual Budget	Financial Statement
		MUR	MUR	MUR	MUR	MUR	MUR
REVENUE							
Government Grant for RDA Road Construction and Maintenance	21	3,094,300,000	2,217,030,000	1,812,955,759	(877,270,000)	(404,074,241)	1,847,979,034
Grants for Road Projects out of National Environment and Climate Change Fund (NECCF)	22	403,400,000	258,630,000	244,192,748	(144,770,000)	(14,437,252)	243,407,866
Grants for Road Projects out of Covid-19 Fund	23	1,622,000,000	761,970,000	650,441,047	(860,030,000)	(111,528,953)	388,466,216
Government Grant for Financing of Recurrent Expenditures	24	151,698,105	153,960,349	156,160,644	2,262,244	2,200,295	155,620,642
Government Grant (Recurrent Expenditure paid by MPI)	24	-	-	-	-	-	-
Government Grant for Financing of Tools & Materials	24	20,000,000	20,000,000	12,845,172	-	(7,154,828)	12,845,172
Contribution from State Trading Corporation	25	101,000,000	101,000,000	94,431,349	-	(6,568,651)	96,132,308
Government Grant for Financing of Other Plant & Machinery	26	2,000,000	1,800,000	1,068,236	(200,000)	(731,764)	1,068,236
Government Grant for Financing of Intangible Fixed Assets (E-Document Management System)	26	4,700,000	1,200,000	1,117,419	(3,500,000)	(82,581)	-
Government Grant for Financing of Upgrading of Sub Office Building	26	1,000,000	-	-	(1,000,000)	-	-
Government Grant for Financing of Acquisition of Motor Vehicles	26	2,000,000	2,200,000	8,013,100	200,000	5,813,100	8,013,100
		5,402,098,105	3,517,790,349	2,981,225,474	(1,884,307,756)	(536,564,875)	2,753,532,574
Laboratory fees		2,500,000	2,500,000	739,120	-	(1,760,880)	3,828,660
Subdivision of Land (Morcellement fees)		100,000	100,000	146,000	-	46,000	146,000
Tender Fees	27	300,000	300,000	-	-	(300,000)	-
Investment Income		300,000	300,000	298,650	-	(1,350)	231,992
Income for damage caused to Road Infrastructures	27	2,400,000	2,400,000	1,747,225	-	(652,775)	2,959,200
Other Income	27	300,000	300,000	1,028,710	-	728,710	1,400,456
TOTAL REVENUE		5,407,998,105	3,523,690,349	2,985,185,179	(1,884,307,756)	(538,505,170)	2,762,098,882

ROAD DEVELOPMENT AUTHORITY
Statement of Comparison of Budgeted and Actual Amounts for the Financial Year ended 30 June 2022

	Note	Original Budget/MUR	Revised Budget MUR	Actual Received MUR	Variance – Revised and Original Budget/MUR	Variance – Revised and Actual Budget	Financial Statement MUR
Expenditure on RDA Road Construction and Maintenance	28	3,094,300,000	2,217,030,000	1,822,600,870	877,270,000	394,429,130	1,847,979,034
Expenditure on Road Construction-National Environment and Climate Change Fund (NECCF)	29	403,400,000	258,630,000	244,192,747	144,770,000	14,437,253	243,407,866
Expenditure on Road Construction-Covid-19 Fund	30	1,622,000,000	761,970,000	650,441,047	860,030,000	111,528,953	388,466,216
Expenditure on Tools & Materials	33	20,000,000	20,000,000	12,845,172	-	7,154,828	13,088,552
TOTAL EXPENDITURE ON ROAD CONSTRUCTION AND MAINTENANCE		5,139,700,000	3,257,630,000	2,730,079,836	1,882,070,000	527,550,164	2,492,941,668
Staff Cost	31	222,094,805	227,728,742	232,082,376	(5,633,937)	(4,353,634)	254,546,783
Repairs & Maintenance Building	36	802,000	587,000	709,349	215,000	(122,349)	710,734
Repairs & Maintenance Office Equipment	36	2,477,000	1,050,000	919,193	1,427,000	130,807	571,446
Repairs Plant & Machinery	36	405,000	481,317	381,388	(76,317)	99,929	500,665
Maintenance Premises	36	614,000	555,977	613,971	58,023	(57,994)	652,220
Books & Periodicals	36	10,000	2,000	2,500	8,000	(500)	10,028
Motor Vehicle expenses	34	4,245,000	5,422,064	5,690,225	(1,177,064)	(268,161)	5,825,406
Advertising	36	500,000	744,729	732,604	(244,729)	12,125	657,624
Printing	36	100,000	194,061	224,786	(94,061)	(30,725)	224,786
Postage	36	151,600	219,583	215,179	(67,983)	4,404	237,849
Stationery	36	1,163,000	1,260,445	1,397,667	(97,445)	(137,222)	1,359,456
Magazines Newspaper	36	57,000	1,000	420	56,000	580	1,980
Professional /Legal Fees	36	400,000	337,650	465,150	62,350	(127,500)	510,030
Audit Fees	36	500,000	900,000	900,000	(400,000)	-	500,000
Rent	35	10,307,200	9,955,132	9,991,333	352,068	(36,201)	9,991,333
Electricity	36	1,400,000	1,445,685	1,415,542	(45,685)	30,143	1,413,525
Gas	36	1,000	-	180	1,000	(180)	180
Water	36	48,000	66,730	65,667	(18,730)	1,063	62,940
Telephone	36	1,520,000	1,465,133	1,466,501	54,867	(1,368)	1,470,506
Insurance & Indemnity	36	978,000	595,887	595,887	382,113	-	514,528
Overseas Travelling	36	200,000	54,000	72,736	146,000	(18,736)	64,736
Conference Committees	36	1,000,000	1,109,712	1,126,693	(109,712)	(16,981)	1,126,693
Miscellaneous Expenses	36	56,500	250,000	231,775	(193,500)	18,225	234,678
Staff Welfare	31	1,005,000	525,700	536,702	479,300	(11,002)	536,702
Staff Training	31	1,200,000	50,000	127,500	1,150,000	(77,500)	118,950
Bank Charges	37	100,000	82,312	77,151	17,688	5,161	77,151
Tools & Equipment	33	19,000	30,000	32,685	(11,000)	(2,685)	32,685
Road accidents written off	36	-	-	-	-	-	902,857
Contribution to International Organisation	36	125,000	166,011	166,011	(41,011)	-	162,988
Interest on ADB Loan	37	-	-	-	-	-	-
TOTAL ADMINISTRATIVE EXPENDITURE		251,479,105	255,280,870	260,241,171	(3,801,765)	(4,960,301)	283,019,459
Depreciation and Amortisation	32						7,050,372
TOTAL RECURRENT EXPENDITURE		5,391,179,105	3,512,910,870	2,990,321,007	1,878,268,235	522,589,863	2,783,011,499

ROAD DEVELOPMENT AUTHORITY

Statement of Comparison of Budgeted and Actual Amounts for the Financial Year ended 30 June 2022

CAPITAL EXPENDITURE

Office Furniture	11	880,000	586,815	507,410	293,185	79,405	507,410
Office Equipment	11	1,874,000	1,432,052	1,463,439	441,948	(31,387)	1,463,439
Computers	11	1,185,000	1,348,862	1,137,681	(163,862)	211,181	1,137,681
Software Computers	12	180,000	214,500	201,250	(34,500)	13,250	166,750
Upgrading of Office Buildings	11	1,000,000	-	-	1,000,000	-	-
Acquisition of Vehicles		5,000,000	4,197,250	10,010,350	802,750	(5,813,100)	9,455,350
Intangible Fixed Assets (E-Document Management System)		4,700,000	1,200,000	1,117,419	3,500,000	82,581	-
Acquisition of Other Machinery and Equipment	11	2,000,000	1,800,000	1,068,236	200,000	731,764	1,068,236
TOTAL CAPITAL EXPENDITURE		16,819,000	10,779,479	15,505,785	6,039,521	(4,726,306)	13,798,866
Capital Repayment on ADB Loan		-	-	-	-	-	-
TOTAL EXPENDITURE		5,407,998,105	3,523,690,349	3,005,826,792	1,884,307,756	517,863,557	2,796,810,365

ROAD DEVELOPMENT AUTHORITY

Statement showing reconciliation of Actual Cash Flows with Financial Statements for the financial year ended 30 June 2022

REVENUE	MUR
Actual Revenue as per Statement of Comparison	2,985,185,179
Adjustment for Opening Receivables FY 21/22 - Non Exchange Transactions	(435,367,366)
Adjustment for Opening Receivables FY 21/22 - Exchange Transactions	(15,410,059)
Adjustment for Closing Receivables FY 21/22 - Non Exchange Transactions	197,369,163
Adjustment for Closing Receivables FY 21/22 - Exchange Transactions	16,871,377
Other Adjustments	13,450,588
Revenue as per Statement of Financial Performance	2,762,098,882

EXPENDITURE	MUR
Actual Expenditure as per Statement of Comparison	3,005,826,792
Adjustment for Opening Accruals FY 21/22	(424,029,624)
Adjustment for Closing Accruals FY 21/22	189,682,324
Adjustment for Opening Prepayments FY 21/22	744,351
Adjustment for Closing Prepayments FY 21/22	(1,584,279)
Other Adjustments	5,321,563
Non Cash Items Adjustments	7,050,372
Expenditure as per Statement of Financial Performance	2,783,011,499

ROAD DEVELOPMENT AUTHORITY

NOTES OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

1. REPORTING ENTITY AND BUSINESS ACTIVITY

The Road Development Authority (RDA), a body corporate established by Act No. 6 of 1998, operates under the aegis of the Ministry of National Infrastructure and Community Development. Its registered office is situated at 8th Floor, Blue Tower, Rue De L’Institut, Ebene, Postcode 80817.

RDA is also a representative on the Morcellement Board, EIA Committee, wherein recommendations in regard to access on classified roads and Motorways are given.

The mission of the RDA is to provide a cost efficient mobility in comfort and safety for the Mauritian population and its economic operators to all parts of the island, by developing, preserving and maintaining a high standard classified road network through the judicious use of human, material, financial and technological resources.

The RDA is responsible for the construction, care, maintenance and improvement of motorways and main roads.

The duties and functions of the RDA are:

- To plan, design and supervise the construction of roads intended to be classified as motorways and main roads;
- To carry out or cause to be carried out the upgrading of motorways and main roads and their routine and periodic maintenance;
- To maintain existing bridges, tunnels and associated works on motorways and main roads;
- To plan, design and supervise the construction and reconstruction of bridges, tunnels and associated works on motorways and main roads;
- To advise the Minister on the formulation of a road development policy;
- To advise the Minister on the management policy of roads;
- To prepare and implement road development schemes;
- To conduct and coordinate research and investigation on materials required for road construction;
- To control the display of advertisements along or visible from motorways and main roads;

2. BASIS OF PREPARATION

(a) Statement of Compliance

The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) issued by International Public Sector Accounting Standards Board (IPSASB).

ROAD DEVELOPMENT AUTHORITY

NOTES OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

(b) Going Concern

The financial statements have been prepared on a going-concern basis. The RDA will continue to be in operational existence in the foreseeable future on the basis that government will continue to support the RDA in form of grant and that the RDA will continue to receive contribution from the State Trading Corporation in respect of Road Tax on fuel.

(c) Use of estimates and assumptions

The preparation of financial statements in conformity with IPSAS and generally accepted accounting practices requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

In the application of the RDA 's accounting policies which have been described in Note 4, Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the estimate affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Estimates include, but are not limited to fair valuation of inventories, accounts receivables and accrued charges.

One of the key assumptions and estimation concerning the future at the reporting date is the Retirement Benefit Obligation. This requires the use of actuarial calculations or other assumptions that include significant estimates in respect of, inter alia, the expected return on plan assets, future salary increases and future pension increases. These significant estimates are assessed annually by management with the actuaries where applicable. Differences between actual and estimates are recorded as actuarial gains or losses.

(d) Reporting date

The Financial Statements has been prepared for the year 01 July 2021 to 30 June 2022.

Comparative audited figures relate to the period 01 July 2020 to 30 June 2021.

(e) Functional and Presentation of Currency

The Financial Statements are presented in Mauritian Rupees expressed as either "Rs" or "MUR". Rounding has been made where applicable to the nearest Mauritian Rupee.

(f) Budget Information

The Budget is prepared on cash basis, classified by nature of expenses, and covers the Financial Year 1 July 2021 to 30 June 2022.

ROAD DEVELOPMENT AUTHORITY

NOTES OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

(g) Cash Flow Statement

The indirect method has been used as basis in the preparation of Cash Flow Statement. The Cash and Cash Equivalent at the beginning of year has been reconciled to the balance at end of year using the direct method which has been disclosed as a note under Cash and Cash Equivalents.

(h) Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of the Financial Performance, Financial Position on an accrual basis using historical cost are followed in the preparation of the Financial Statements. The Cash Flow has been reported on Cash Basis

3. ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

At the date of preparation of these Financial Statements, the following standards, amendments to existing standards and interpretations were in issue but not yet effective. They are mandatory for accounting periods beginning on the specified dates, but the RDA has not early adopted them except for IPSAS 41 – Financial Instruments which has been early adopted.

New or revised standards, amendments and interpretations:

IPSAS	Pronouncement	Effective date of amendments
IPSAS 41	Financial Instruments	01 January 2023
IPSAS 42	Social Benefits	01 January 2023
IPSAS 43	Leases	01 January 2025

These new standards, amendments and interpretations are either not relevant to RDA's operations or are not expected to have a material effect on the accounting policies and disclosures.

4. ACCOUNTING POLICIES

The following specific accounting policies that materially affect the measurement of financial performance and the financial position are applied:-

4.1 Revenue recognition

Revenue recognitions are based on exchange and non-exchange transactions and recognized on an accrual basis.

ROAD DEVELOPMENT AUTHORITY

NOTES OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Exchange Transactions-

IPSAS 9-Revenue from Exchange Transactions

Revenue under exchange transactions are those arising from rendering of services, the sales of goods or the use by others of the RDA assets. Revenue is recognised to the extent that it is probable that the economic benefit or service potential associated with transactions will flow to the RDA and that the revenue can be reliably measured.

It includes among others Laboratory fees, Sub Division of land, Income from Accident, Tender fees and Investment Income.

All Accident claims dated more than 10 years has been written off as it is felt that there is no reasonable expectation of recovery (either partially or in full). In addition, these claims are legally time barred to be recovered. Accident claims involving government vehicles have been written off.

Held-to-maturity investments are recorded at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

Non-Exchange Transactions

IPSAS 23-Revenue from Non-Exchange Transactions

Assets and revenue arising from transfer transactions are recognised in accordance with the requirements of IPSAS 23- Revenue from Non-Exchange Transactions (Taxes and Transfers). It includes mainly Grants and contribution received from State Trading Corporation and other inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Grants consist of Grants for RDA Road Projects, Grant for financing of Recurrent Expenditure and Grant for financing of Capital Expenditure.

Certain projects are financed out of National Environment and Climate Change Fund (NECCF) and Covid-19 Project Development Fund (PDF). Both Funds are managed by MOFEPD.

4.2 Foreign Currency Translation

Transactions in currencies other than Mauritian Rupees are recorded at the rates of exchange prevailing on the dates of the transactions. At each Statement of Financial Position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the Statement of Financial Position date. Non monetary items that are measured in terms of historical cost in a foreign currency is translated using the exchange rate at the date of the transaction. Gains and losses arising on retranslation are recognized in the Statement of Changes in Net Assets/Equity.

4.3 Expenditure

All expenses have been accounted for on an accrual basis.

ROAD DEVELOPMENT AUTHORITY

NOTES OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

4.4 Property, Plant & Equipment

Property, plant and equipment are initially recognized as assets at cost if it is probable that future economic benefits associated with the items will flow to the RDA and their costs can be measured reliably.

Depreciation is calculated on straight-line basis to recognise the consumption of economic benefits of an asset over its useful life. The annual rates used are as follows:

<i>Plant and Machinery</i>	<i>15%</i>
<i>Furniture and Fittings</i>	<i>10%</i>
<i>Computers</i>	<i>20%</i>
<i>Office Equipment</i>	<i>10%</i>
<i>Motor Vehicles</i>	<i>10% - 17%</i>
<i>Building</i>	<i>2%</i>

Property, plant and equipment are stated at historical cost or revalued amount less any accumulated depreciation and any accumulated impairment losses. Profit or loss on disposal of property, plant and equipment is determined by the difference between the carrying value of the asset and its disposal proceeds and is accounted for in the Statement of Financial Performance.

Depreciation is accounted for the Statement of Financial Performance, except for that part which relates to the revalued portion of assets which is charged to the revaluation reserve.

4.5 Intangible Assets

Intangible assets which comprise of computer software are stated at historical cost less accumulated amortization and any impairment losses. Amortization is provided over the estimated useful life using the straight-line method. The estimated useful life for intangible asset is 5 years and is amortised at the rate of 20%.

4.6 Impairment of Assets/Revaluation

Impairment of Assets

At each Statement of Financial Position date, the RDA reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the RDA estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

ROAD DEVELOPMENT AUTHORITY

NOTES OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognized immediately in the Statement of Financial Performance, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

A reversal of impairment is recognized immediately in the Statement of Financial Performance, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as revaluation increase.

There is no indication that those assets have suffered from impairment loss. Hence no review of the carrying amounts of the tangible and intangible asset was carried out.

Revaluation of Assets

Any increase arising on revaluation is credited to a Revaluation Surplus account in Statement of Changes in Net Assets/Equity except to the extent that it reverses a revaluation decrease for the same asset previously recognized in Statement of Financial Performance.

4.7 Investment in Project

Expenditure incurred under the Loan from the African Development Bank (ADB) for the South Eastern Highway Project is treated as Investment in Project in the Financial Statements.

4.8 Inventories

Inventories are valued at the lower of cost and current replacement cost where they are held for:

- Distribution at no charge or for a nominal charge
- Consumption in the production process of goods to be distributed at no charge or for a nominal value

Cost is determined using FIFO method and comprises the invoiced value from suppliers.

Current replacement cost is the cost the entity would incur to acquire the asset on the reporting date.

ROAD DEVELOPMENT AUTHORITY

NOTES OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

4.9 Provisions

Provisions are recognized as liabilities (assuming that a reliable estimate can be made) because they are present obligations and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligations.

Provisions are reviewed at each Statement of Financial Position date and adjusted to reflect the current best estimate.

4.10 Employees Benefit Obligations

Employee benefits comprise all forms of consideration given by the RDA in exchange of service rendered by employees. These include current and short term benefits such as salaries, National Savings Fund contribution, Contribution Sociale Generalisée (CSG), Family Protection Scheme Contribution, annual vacation and sick leave, passage benefits, and post-employment benefits such as pensions (Retirement Benefits).

The average monthly number of employees for the year ended 30 June 2022 stood at 413 compared to 430 for the year ended 30 June 2021.

Employee benefits that are earned as a result of past or current service are recognized as a liability, net of payment made and charged as expenses.

Sick leaves refund

Sick leave is granted to eligible officers when they are absent from duty on grounds of illness.

Officers appointed in a substantive capacity are entitled to 21 working days' full pay sick leave every calendar year. Any untaken sick leave at the end of the year is accumulated in a bank of sick leave up to a maximum of 110 days. When the "bank" maximum has been reached, a maximum of 16 unutilised days, out of the annual entitlement of 21 working days, is paid in cash at the rate of 1/22 of monthly salary per day.

In the context of COVID 19 pandemic which impacted negatively on public finance, Government decided that, exceptionally, there would be no cash refund for the unutilized sick leaves for year 2020. However, up to a maximum of 16 days, of such leaves will be accumulated in the sick leave bank of eligible officers.

As such, employees will not forfeit their unutilised sick leave which will be refunded in cash at time of their retirement on their last salary drawn.

4.11 Retirement benefit obligations

Provisions for retirement benefits for the RDA staff are made under the Statutory Bodies Pension Fund Act 1978 (as amended) and pension is payable to eligible employees upon retirement.

ROAD DEVELOPMENT AUTHORITY

NOTES OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

The RDA contributes monthly to both a Defined Benefit Plan and a Defined Contribution Plan which are both managed by the State Insurance Company of Mauritius Ltd (SICOM).

Defined Benefit Plan

The net liability at Statement of Financial Position date is determined as the present value of funded obligations after adjusting for the fair value plan assets.

The current service cost and any recognized past service cost are included as an expense together with the associated interest cost, net of expected return on plan assets is recognized in the Statement of Financial Position.

The contribution rates to the Defined Benefit Plan for permanent and full-time employees is 6% from the latter and 15% from the employer.

As per Section 5 of the Statutory Bodies Pensions Funds Act (SBPFA), an actuarial investigation into the fund of the Defined Benefit Scheme should be carried out at intervals of not more than 5 years to consider the solvency position of the Fund on the ongoing and discontinuance bases and to make recommendations in respect of any re-adjustments or modifications necessary in the working of the Fund in the interest of the beneficiaries. Accordingly, SICOM carried out a valuation of the Fund as at 30 June 2020 showing a deficit of Rs 260.1M implying that the fund assets available would not be able to sustain the payment of pension already accrued as at the valuation date.

On 30 June 2021, the RDA Board was apprised of the actuarial valuation report of the RDA Pension Fund as at 30 June 2020, in particular of the increasing deficit that required special attention with a view to sustaining the payment of pension to retired officers. The Board also took note of the main causes relating to the deficit and the predictions for further increase over time and the recommendations made by SICOM to keep the Defined Benefit Pension Scheme Fund solvent in the medium and long term on the basis of the actuarial reports. The Board observed that the report was based on an actuarial deficit which may not reflect the real deficit and decided that Management must forward the concerns raised in respect of the deficit of the Defined Benefit Pension Scheme Fund to our Parent Ministry and to Ministry of Finance, Economic Planning and Development (MOFEPD) for advice on the way forward. Same has been referred to our Parent Ministry and MOFEPD for advice. Any cash injection into the Fund or increase in pension rate will be conditional on additional grant being disbursed by the Ministry to fund the deficit.

Defined Contribution Plan

With effect from January 2013, all new entrants in a Statutory Body shall henceforth join the new Public Pensions Defined Contribution Pension Scheme.

ROAD DEVELOPMENT AUTHORITY

NOTES OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

The contribution rates to the Public Pensions Defined Contribution Pension Scheme for permanent and full-time employees are 6% from the latter and 12% from the employer.

(i) State Plan and FPS Contribution

Contributions to the National Savings Fund and Family Protection Scheme are expensed to the Statement of Financial Performance in the period in which they fall due.

(ii) Annual vacation and sick leave and staff passage benefits

Provision is made for benefits accruing to employees in respect of annual vacation leave, sick leave and staff passage benefit when it is probable that settlement will be required and the benefits are capable of being measured reliably.

The estimated liability of vacation leave that accumulates is recognized when the employee becomes entitled to leave.

4.12 Contribution Sociale Généralisée (CSG)

During the Financial Year, the Contribution Sociale Généralisée (CSG), has been introduced and replaces the National Pensions Fund (NPF). Under the CSG, employers are required to deduct, where applicable, the employee's contribution from his wage or salary and pay that contribution together with the employer's contribution to the MRA. This social contribution also applies on end of year bonus. The rate applicable on the basic wage or salary of the employee and to be deducted from the wage or salary of the employee varies from 1.5% to 3% and the rate applicable on the basic wage or salary of the employee and payable by the employer varies from 3% to 6%.

4.13 Cash and Cash Equivalents

Cash and cash equivalents comprise of cash and bank balances.

4.14 Trade and other receivables

Trade and other receivables are stated at amortised cost.

4.15 Trade and other payables

Trade and other payables are stated at amortised cost.

4.16 Contribution received from State Trading Corporation (STC)

Contribution receivable from the State Trading Corporation in respect of Road Tax on fuel consumption (25 cents per litre on Mogas, 15 cents per litre on Gas oil and 15 cents per litre on Dual Purpose Kerosene) under the "Petroleum Pricing System" is accounted as Revenue. This contribution is utilized for financing of RDA recurrent expenditure and has been wholly accounted for in the Statement of Financial Performance in line with IPSAS 23.

ROAD DEVELOPMENT AUTHORITY

NOTES OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

4.17 Car Loan to RDA Employees

Car Loans to the RDA employees are advanced by the Accountant General through the Parent Ministry. All car loan and interest repayments are deducted by the RDA and remitted to the Accountant General. The amount due by employees (which comprises of the capital element of the loan) is accounted for as Accounts Receivable and the amount payable to the Accountant General as Accounts Payable.

4.18 Taxation

The RDA is exempted from Income Tax.

4.19 Events after the Reporting Period

There are no material events subsequent to the Statement of Financial Position date which are of such importance that they would require adjustments or disclosures in the Financial Statements.

4.20 Finance Costs

Finance cost includes bank charges incurred and is recognized as an expense in the period in which they are incurred.

4.21 RDA Road Projects

Road constructions and maintenance are financed mainly from Government Grant except for certain projects which are financed out of the National Environment and Climate Change Fund (NECCF) and Covid-19 Projects Development Fund. Its corresponding payments to Contractors and Consultants and grant received are accounted in the Financial Statements.

4.22 National Environment and Climate Change Fund (NECCF)

Some projects are financed out of the National Environment and Climate Change Fund (NECCF) which is managed by the Ministry of Finance, Economic Planning and Development.

The payments for these projects are funded out from the Grant which is disbursed out of NECCF upon application and submission by RDA of all relevant supporting documentations. Its corresponding payments to Contractors and Consultants and grants received are accounted in the Financial Statements.

4.23 Covid-19 Project Development Fund

Some projects and maintenance and rehabilitation are financed out of the Covid-19 Projects Development Fund managed by the Ministry of Finance, Economic Planning and Development.

The payments for the projects including road maintenance and rehabilitation are funded out of Grant which is disbursed out of Covid-19 Fund upon application and submission by RDA of all relevant supporting documentations. Its corresponding payments to Contractors and Consultants and grants received are accounted in the Financial Statements.

ROAD DEVELOPMENT AUTHORITY

NOTES OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

4.24 Held-to-Maturity Investment

Investments with fixed or determinable payments and fixed maturity dates, that the entity has the positive intent and ability to hold to maturity, are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period.

4.25 COVID-19 Pandemic

The outbreak of the pandemic COVID-19 virus and its spread had negatively impacted all countries, resulting in lockdowns, border closures, travel bans, quarantines, and other emergency public safety measures. The magnitude of the spread of the virus and its highly contagious nature had led to an unprecedented sanitary crisis locally and globally.

With the closing of borders, disruption in the world supply chains and sanitary confinement, the RDA endured the COVID-19 pandemic direct consequences mainly on procurement, initiation and implementation of Road Projects. The immediate and on-going adverse financial impacts on individual projects were dependent on the nature and scale of the projects. The main impact was that physical progress was hampered and budgetary provision being under-utilized. The RDA has placed the health, safety and wellbeing of its employees, as well as operational business continuity central to its pandemic crisis management strategy.

The RDA did not receive any direct government assistance for COVID-19 pandemic nor was it involved in providing financial support to its staff except for protective equipment like face masks thereby limiting the spread of COVID-19. All salaries and benefits were paid as normal and where necessary, amounts are being recouped in line with Government directives. The pandemic has had no material effect that will impact Provisions, Contingent Liabilities and Contingent Assets, Employee Benefits and Government Grant.

4.26 Trade and other receivables – Income from Accident

Trade and other receivables in respect of income from accident are recognised initially at cost less allowance for impairment. An allowance for impairment of trade receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is in respect of Road Accident Claims that are more than 10 years due and these are written off (either partially or in full) as there is no reasonable expectation of recovery.

The amount of the allowance is recognised in the Statement of Financial Performance.

ROAD DEVELOPMENT AUTHORITY

NOTES OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

4.27 Deposits for Road Projects

All Deposits for Road Projects and Maintenance are received upfront for the execution of specific works for respective Ministries, Departments and private institutions on their behalf. Where the work has been completed to satisfaction and no payment to contractor is outstanding, the balance is refunded subject to relevant recommendation and approval.

5. FINANCIAL RISK MANAGEMENT

A description of the various risks to which the RDA is exposed is shown below as well as the approach taken by management to control and mitigate those risks.

5.1 Credit Risk

This risk is primarily attributable to its trade receivables. The RDA has policies in place to ensure that credit facilities are given to customers with an appropriate credit history.

5.2 Operational risk management

Operational risk, which is inherent in all organizations activities, is the risk for financial loss and business instability arising from failures in internal controls, operational processes of the system that supports them.

5.3 Legal Risk

Legal risk is the risk that the business activities of the RDA have unintended or unexpected legal consequences.

It includes risk arising from:

- a) Inadequate documentation, legal or regulatory incapacity, insufficient authority of a counterparty and uncertainty about the validity or enforceability of a contract in counterparty insolvency;
- b) Actual or potential violations of law or regulation (including activity unauthorized for a company and which may attract a civil or criminal fine or penalty);
- c) Failure to protect the RDA property (including its interest in its premises);
- d) The possibility of civil claims (including acts or other events which may lead to litigation or other disputes).

The RDA manages legal risk through the effective use of its legal adviser.

ROAD DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

6 CASH AND CASH EQUIVALENTS

The Cash and Cash Equivalents is in respect of all bank accounts held by the RDA.

Cash and cash equivalents is made up as follows:

	2022 MUR	2021 MUR
Cash at Bank	(29,936,727)	(394,717,123)
Notice Deposit	96,568,698	491,695,869
	66,631,971	96,978,746

The Cash and Cash Equivalent at the beginning of year has been reconciled to the balance at end of year using the direct method as follows:

	1 July 2021 to 30 June 2022 MUR	1 July 2020 to 30 June 2021 MUR
Cash Flow Statement for the financial year ended 30 June 2022		
Cash Flows from Operating activities		
Receipts		
Grants for RDA Road Projects	1,812,955,759	2,679,903,435
Grants for Road Projects out of National Environment and Climate Change Fund (NECCF)	244,192,748	127,595,644
Grants for Road Projects out of Covid-19 Fund	650,441,047	67,428,783
Grants for Financing of Recurrent Expenditures	169,005,816	157,382,517
Contribution from State Trading Corporation	94,431,349	108,135,828
Grant for financing of Capital Expenditure	9,081,336	1,290,790
Laboratory Fees	739,120	679,625
Sub Division of Land (Morcellement Fees)	146,000	126,000
Other Miscellaneous Income	2,775,935	1,340,492
Other Deposit received	67,543	478,483
	2,983,836,653	3,144,361,597
Payments		
Expenditure for RDA Road Projects	(1,822,600,870)	(2,670,550,406)
Expenditure for Road Projects out of National Environment and Climate Change Fund (NECCF)	(244,192,747)	(127,595,644)
Expenditure for Road Projects out of Covid-19 Fund	(650,441,047)	(67,428,783)
Staff Cost	(232,746,577)	(196,595,799)
Tools and materials	(12,877,857)	(15,371,875)
Motor vehicle expenses	(5,675,225)	(4,512,569)
Rent	(9,991,334)	(9,158,722)
Other administrative expenses	(11,703,200)	(9,822,696)
Finance costs	(77,151)	(240,500)
Other deposit refunded	(40,521)	(27,884)
	(2,990,346,529)	(3,101,304,878)
Net Cash flows from Operating activities	(6,509,876)	43,056,719
Cash flows from Investing activities		
Purchase of Property, Plant and Equipment	(14,187,116)	(3,746,512)
Additions to Intangible Assets	(166,750)	(133,285)
Intangible Assets	(34,500)	-
Investment in Government Treasury Bills	(24,796,750)	(44,951,350)
Encashment of Investment in Treasury Bills	44,951,350	48,727,500
Interest on Investment received	298,650	1,272,500
Loan released to staff	(1,243,400)	(2,359,025)
Loan refunded by staff	2,122,825	2,050,661
	6,944,309	860,489
Net Cash flows from Investing activities		
Cash flows from financing activities		
Repayment of ADB Loan	-	(27,143,487)
Other Receipts: Wayleaves and Deposits for Road Projects	67,695,134	84,571,338
Other payments - Payments out of Deposits received	(103,958,973)	(74,754,464)
Deposits for Display of Advertisement	3,820,641	1,524,371
Refund for display of advertisement	(752,820)	(2,645,976)
Deposits Laboratory fees	3,294,235	2,589,500
Grant received in advance - eDMS	1,117,419	-
Advance payment - eDMS	(1,117,419)	-
Car loan received from Ministry of Public Infrastructure	1,243,400	2,359,025
Car loan disbursed/repaid to Ministry of Public Infrastructure	(2,122,825)	(2,050,661)
	(30,781,208)	(15,550,354)
Net Cash flows from financing activities		
Net (decrease) / increase in cash and cash equivalents	(30,346,775)	28,366,854
Cash and cash equivalents at beginning of year	96,978,746	68,611,892
Cash and cash equivalents at end of year	66,631,971	96,978,746

ROAD DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

7 TRADE AND OTHER RECEIVABLES

	<u>2022</u> <u>MUR</u>	<u>2021</u> <u>MUR</u>
Contribution from STC	13,901,670	12,200,711
Car Loan Receivable within one year (Refer to note 10)	1,300,000	1,500,000
Income from accident	15,365,561	15,048,138
Government Recurrent Grant Receivable	-	540,003
Government Grant for RDA Road Projects and Maintenance receivable	28,766,572	5,166,019
Government Grant for Road Projects and Maintenance under NECCF receivable	998,941	1,783,823
Government Grant for Road Projects and Maintenance under Covid-19 receivable	153,701,980	415,676,811
Prepayments & Other Debtors	3,120,438	802,843
	<u>217,155,162</u>	<u>452,718,348</u>

8 INVENTORIES

	<u>2022</u> <u>MUR</u>	<u>2021</u> <u>MUR</u>
The inventories held are as follows:		
Tools and materials	9,035,529	9,278,908
Stationery	1,252,290	1,214,079
	<u>10,287,819</u>	<u>10,492,987</u>

9. HELD-TO-MATURITY INVESTMENT

The held-to-maturity investment consists of one investment in Government Treasury Bills of settlement amount of Rs 24,796,750 with the SBM Bank (Mauritius) Ltd held in Mauritian Rupees. The value date of the investment was 20 October 2021 with a maturity date of 7 October 2022. Thus, it has 352 days to maturity and carries a yield of 0.85% per annum. On maturity, the nominal amount of Rs 25,000,000 will be paid to the RDA.

Held-to-maturity investments are recorded at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period.

The held-to-maturity investment is being used as an alternative to deposits in bank which do not reap any interest income.

Interest income received through held to maturity investment is recognized as revenue.

The Held-to-Maturity Investment is a risk free investment as it is issued by the Government as Government Treasury Bills. The details are as follows:

	<u>2022</u> <u>MUR</u>	<u>2021</u> <u>MUR</u>
Investment in Government Treasury Bills	24,796,750	44,951,350
Interest Income allocated for FY 2021/2022	146,663	213,321
Held to Maturity Investment	<u>24,943,413</u>	<u>45,164,671</u>

10. CAR LOAN RECEIVABLE

	<u>2022</u> <u>MUR</u>	<u>2021</u> <u>MUR</u>
At 1 July	5,292,762	4,984,398
Add Car Loan advanced during the year	1,243,400	2,359,025
Less Repayment during the Year	(2,122,825)	(2,050,661)
At 30 June	4,413,337	5,292,762
Less Amount receivable within one year (Note 7)	(1,300,000)	(1,500,000)
	<u>3,113,337</u>	<u>3,792,762</u>

ROAD DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

NOTE 11

Property, Plant and Equipment

	Building MUR	Plant & Machinery MUR	Motor Vehicles MUR	Office Equipment MUR	Furniture & Fittings MUR	Computers MUR	TOTAL MUR
COST							
At 01.07.21	5,293,605	31,255,550	56,790,692	8,441,183	4,940,619	10,653,745	117,375,394
Additions	-	1,068,236	10,010,350	1,463,439	507,410	1,137,681	14,187,116
Disposal			-555,000				-555,000
At 30.06.22	5,293,605	32,323,786	66,246,042	9,904,622	5,448,029	11,791,426	131,007,510
Accumulated Depreciation							
At 01.07.21	890,422	26,160,960	45,944,382	6,242,716	3,799,681	8,726,785	91,764,946
Depreciation Charge for Year	105,872	1,920,204	3,183,621	503,505	223,168	956,728	6,893,098
Disposal			-555,000				-555,000
At 30.06.22	996,294	28,081,164	48,573,003	6,746,221	4,022,849	9,683,513	98,103,044
Carrying Amount							
At 30.06.22	4,297,311	4,242,622	17,673,039	3,158,401	1,425,180	2,107,913	32,904,466
At 30.06.21	4,403,183	5,094,590	10,846,310	2,198,467	1,140,938	1,926,960	25,610,448

NOTE 12

Intangible Assets

Computer Software

COST

MUR

At 01.07.21	2,072,873
Additions	166,750
At 30.06.22	2,239,623

AMORTISATION

At 01.07.21	1,806,234
Amortisation Charge for Year	157,274
At 30.06.22	1,963,508

Carrying Amount

At 30.06.22	276,115
At 30.06.21	266,639

ROAD DEVELOPMENT AUTHORITY

NOTES OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	<u>2022</u> MUR	<u>2021</u> MUR
13. INVESTMENT IN PROJECT		
At 1 July	-	25,666,717
Reduction due to capital repayment	-	(27,143,487)
Exchange gain / (loss) -(Refer note 38)	-	1,476,770
At 30 June	-	-
14. TRADE AND OTHER PAYABLES	<u>2022</u> MUR	<u>2021</u> MUR
Deposits for Road Projects	63,871,433	100,135,272
Deposits for erection and display of advertisement	6,545,615	3,477,794
Deposit for laboratory fees	331,536	126,841
Other Deposits received	65,000	65,000
Other Creditors and accruals	6,556,425	3,291,241
Car Loan payable within one year to Accountant General (Refer to note 19)	1,300,000	1,500,000
Creditors for RDA Road Projects and Maintenance	28,473,162	3,400,834
Creditors for Road Projects and Maintenance under NECCF	998,941	1,783,823
Creditors for Road Projects and Maintenance under Covid-19	153,701,980	415,676,811
Grant received in advance - Road Projects	127,225	11,116,885
Grant received in advance - eDMS	1,117,419	-
Creditors for Works under STC Funds	266,869	266,869
	263,355,605	540,841,370

15. BORROWINGS

The RDA has a Loan from the African Development Bank (ADB) for financing the South Eastern Highway Project. The Loan is fully guaranteed by the Government of Mauritius. The principal is repayable over a period of fifteen (15) years in thirty (30) equal and semi-annual instalments. Interest is payable every six (6) months at a rate equal to six (6) months LIBOR (for disbursement in US Dollars) and six (6) months EURIBOR (for disbursement in EUROS). The first repayment was effected in Financial Year 2006-2007 and the Loan has ended in June 2021.

	<u>2022</u> MUR	<u>2021</u> MUR
	USD 342,385.44	13,866,610
	EURO 259,229.06	11,800,107
Total amount due as at 30th June	-	25,666,717
Less: Capital Repayment of ADB Loan	-	(27,143,487)
Total	-	(1,476,770)
Loss on exchange		1,476,770
Balance as at 30 June	-	-

16. EMPLOYEES BENEFITS OBLIGATIONS

	<u>2022</u> MUR	<u>2021</u> MUR
Staff Passage Benefit (See Note 18.1)	6,200,000	1,500,000
Staff Sick Leave (See Note 18.2)	7,600,000	5,200,000
Staff Vacation Leave (See Note 18.3)	2,100,000	1,200,000
	15,900,000	7,900,000

ROAD DEVELOPMENT AUTHORITY

NOTES OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

17. RETIREMENT BENEFIT OBLIGATIONS

	<u>For year ending</u> <u>30 June 2022</u>	<u>For year ending</u> <u>30 June 2021</u>
Amounts recognised in Statement of Financial Position at end of year:	<u>Rs</u>	<u>Rs</u>
Defined benefit obligation	556,476,188	482,782,251
Fair value of plan assets	(160,455,170)	(166,628,507)
Liability recognised in Statement of Financial Position at end of year	<u>396,021,018</u>	<u>316,153,744</u>
Amounts recognised in income statement:		
Service cost:		
Current service cost	17,676,146	14,937,917
Past service cost	-	-
(Employee Contributions)	(6,541,554)	(5,576,304)
Fund expenses	880,993	968,470
Net Interest expense/(revenue)	15,952,329	9,378,573
Statement of Financial Performance Charge	<u>27,967,914</u>	<u>19,708,656</u>
Remeasurement		
Liability loss/(gain)	59,318,645	55,953,500
Assets loss/(gain)	8,574,469	(5,884,617)
Net Assets/Equity (NAE)	<u>67,893,114</u>	<u>50,068,883</u>
Total	<u>95,861,028</u>	<u>69,777,539</u>
Movements in Liability recognised in Statement of Financial Position:		
At start of year	316,153,744	260,127,641
Amount recognised in Statement of Financial Performance	27,967,914	19,708,656
(Contributions paid by employer)	(15,993,754)	(13,751,436)
Amount recognised in NAE	67,893,114	50,068,883
At end of year	<u>396,021,018</u>	<u>316,153,744</u>

The plan is a defined benefit 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.

The present funding policy is to fund the RDA Pension Fund through regular monthly contributions and/or special contributions as advised by the Actuary in order to maintain the ongoing solvency of the fund.

The actuarial valuation of the RDA Pension Fund was carried out as at 30 June 2020 which disclosed a past service deficit. It was then recommended that one of the following measures be implemented:

- Maintain the contribution rate at 21% and make a single cash injection of Rs 277.5 million or 5 annual payments of Rs 64.1 million OR
- Increase the contribution rate from 21% to 25% and make a single cash injection of Rs 224 million or 5 annual payments of Rs 51.7 million

ROAD DEVELOPMENT AUTHORITY

NOTES OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

17. RETIREMENT BENEFIT OBLIGATIONS (continued)

	<u>For year ending</u> <u>30 June 2022</u>	<u>For year ending</u> <u>30 June 2021</u>
	<u>Rs</u>	<u>Rs</u>
Reconciliation of the present value of defined benefit obligation		
Present value of obligation at start of period	482,782,251	416,048,921
Current service cost	17,676,146	14,937,917
Interest cost	24,139,113	14,977,761
(Benefits paid)	(27,439,967)	(19,135,848)
Liability (gain)/loss	59,318,645	55,953,500
Present value of obligation at end of period	556,476,188	482,782,251

Reconciliation of fair value of plan assets

Fair value of plan assets at start of period	166,628,507	155,921,280
Expected return on plan assets	8,186,784	5,599,188
Employer Contributions	15,993,754	13,751,436
Employee Contributions	6,541,554	5,576,304
(Benefits paid + other outgo)	(28,320,960)	(20,104,318)
Asset gain/(loss)	(8,574,469)	5,884,617
Fair value of plan assets at end of period	160,455,170	166,628,507

Distribution of plan assets at end of period

<i>Percentage of assets at end of year</i>	<u>June 2022</u>	<u>June 2021</u>
Fixed Interest securities and cash	58.00%	54.80%
Loans	2.90%	2.80%
Local Equities	13.60%	11.80%
Overseas bonds and equities	25.00%	30.10%
Property	0.50%	0.50%
Total	100.00%	100.00%

Additional disclosure on assets issued or used by the reporting entity

	<u>June 2022</u>	<u>June 2021</u>
	<u>(%)</u>	<u>(%)</u>
<i>Percentage of assets at end of year</i>		
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 NAE

<u>Year</u>	<u>June 2022</u>	<u>June 2021</u>
	<u>Rs</u>	<u>Rs</u>
Asset experience (loss)/gain during the period	(8,574,469)	5,884,617
Liability experience (loss)/gain during the period	(59,318,645)	(55,953,500)
	(67,893,114)	(50,068,883)

Year

	<u>2022/2023</u>
Expected employer contributions	15,334,726
Weighted average duration of the defined benefit obligation	15 years
(Calculated as a % change in PV of liabilities for a 1% change in discount rate)	

ROAD DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

17. RETIREMENT BENEFIT OBLIGATIONS (continued)

The plan is exposed to the following risks:

1. Investment Risk which is the risk that the return earned on the assets may be lower or higher than assumed
2. Salary Risk which is the risk that the actual salary increases granted may be different than what we have assumed. For instance, a higher salary increase relative to the Investment returns shall increase the Defined Benefit Obligation and hence the liability
3. Longevity Risk is caused by the improvement in mortality rates among pensioners. The longer the latter live, the higher is the liability

The risk relating to death in service benefits is re-insured.

The cost of providing the benefits is determined using the Projected Unit Method. The principal assumptions used for the purpose of the actuarial valuation were as follows:

	<u>For Year ending</u> <u>30 June 2022</u>	<u>For Year ending 30</u> <u>June 2021</u>
Discount rate	5.25%	5.00%
Future salary increases	3.50%	3.00%
Future pension increases	2.50%	2.00%
Mortality before retirement	Nil PA (90) Tables rated down by 2 years	Nil PA (90) Tables rated down by 2 years
Mortality in Retirement		
Retirement Age	65 Years	

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

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based reasonably on possible changes of the assumptions occurring at the end of the reporting period.

- If the discount rate would be 100 basis points (one percent) higher (lower), the defined benefit obligation would decrease by Rs 75.2 million (increase by Rs 95.2 million) if all other assumptions were held unchanged.

- If the expected salary growth would increase (decrease) by 1%, the defined benefit obligation would increase by Rs 46.2 million (decrease by Rs 39.4 million) if all assumptions were held unchanged.

- If life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by Rs 16.6million (decrease by Rs 16.5M) if all assumptions were held unchanged.

In reality one might expect interrelationships between the assumptions, especially between discount rate and expected salary increases, given that both depends to a certain extent on expected inflation rates. The analysis above abstracts from these interdependence between the assumptions.

18. EMPLOYEES BENEFITS OBLIGATIONS

	<u>2022</u> <u>MUR</u>	<u>2021</u> <u>MUR</u>
Staff Passage Benefit	10,120,700	15,620,909
Staff Sick Leave	42,605,459	40,073,023
Staff Vacation Leave	44,037,200	41,678,098
	<u>96,763,359</u>	<u>97,372,030</u>

ROAD DEVELOPMENT AUTHORITY

NOTES OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	<u>2022</u> MUR	<u>2021</u> MUR
18.1 PROVISION FOR PASSAGE BENEFITS		
At 1 July	17,120,909	13,978,626
Adjustment	3,017	(7,715)
At 1 July (restated)	17,123,926	13,970,911
Payment during the year	(6,170,757)	(1,462,770)
Charge for the year	5,367,531	4,612,768
At 30 June	16,320,700	17,120,909
Less Amount due within one year (Note 16)	(6,200,000)	(1,500,000)
	10,120,700	15,620,909
	<u>2022</u> MUR	<u>2021</u> MUR
18.2 PROVISION FOR SICK LEAVE		
At 1 July	45,273,023	41,458,822
Adjustment	260,191	(246,788)
At 1 July (restated)	45,533,214	41,212,034
Payment during the year	(7,600,001)	(1,741,644)
Charge for the year	12,272,246	5,802,633
At 30 June	50,205,459	45,273,023
Less Amount due within one year (Note 16)	(7,600,000)	(5,200,000)
	42,605,459	40,073,023
	<u>2022</u> MUR	<u>2021</u> MUR
18.3 PROVISION FOR STAFF VACATION LEAVE		
At 1 July	42,878,098	38,982,128
Adjustment	59,578	(269,364)
At 1 July (restated)	42,937,676	38,712,764
Payment during the year	(2,146,075)	(1,167,643)
Charge for the year	5,345,599	5,332,977
At 30 June	46,137,200	42,878,098
Less Amount due within one year (Note 16)	(2,100,000)	(1,200,000)
	44,037,200	41,678,098
	<u>2022</u> MUR	<u>2021</u> MUR
19. CAR LOAN PAYABLE		
At 1 July	5,292,762	4,984,398
Add Car Loan advanced	1,243,400	2,359,025
Less Repayment during the year	(2,122,825)	(2,050,661)
At 30 June	4,413,337	5,292,762
Less Amount due within one year (Note 14)	(1,300,000)	(1,500,000)
	3,113,337	3,792,762
	<u>2022</u> MUR	<u>2021</u> MUR
20. ACCUMULATED DEFICIT		
At 1 July	(331,035,305)	(251,694,135)
Actuarial gain/(loss) on Defined Benefit Plan	(67,893,114)	(50,068,883)
Exchange gain/(loss) Investment in Project	-	1,476,770
Foreign Exchange gain/(loss)	-	(1,476,770)
Amortisation of Investment in Project – Repayment of loan	-	(27,143,487)
Deficit for the Year	(20,912,617)	(2,128,800)
At 30 June	(419,841,036)	(331,035,305)

ROAD DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

21. GRANTS FOR RDA ROAD PROJECTS

The Capital Grant for RDA Road Projects represents amount received from the Ministry of National Infrastructure and Community Development for financing of roads construction and maintenance

	<u>2022</u> MUR	<u>2021</u> MUR
Grants for RDA Road Projects	1,847,979,034	2,668,504,755

22. GRANTS FOR ROAD PROJECTS OUT OF NATIONAL ENVIRONMENT AND CLIMATE CHANGE FUND (NECCF)

The Capital Grant for Road Projects out of National Environment and Climate Change Fund (NECCF) represents amount received from the Ministry of Finance, Economic Planning and Development through the Ministry of National Infrastructure and Community Development for financing of certain road projects.

	<u>2022</u> MUR	<u>2021</u> MUR
Grants for NECCF Road Projects	243,407,866	129,379,467

23. GRANTS FOR ROAD PROJECTS OUT OF COVID-19 FUND

The Capital Grant for Road Projects out of Covid-19 Fund represents amount received from the Ministry of Finance, Economic Planning and Development through the Ministry of National Infrastructure and Community Development for financing of certain road projects and maintenance.

	<u>2022</u> MUR	<u>2021</u> MUR
Grants for Covid-19 Fund Road Projects and Maintenance	388,466,216	483,105,594

24. GRANTS FOR FINANCING OF RECURRENT EXPENDITURES

This relates to Government Grant received as follows:

	<u>2022</u> MUR	<u>2021</u> MUR
Financing of Tools and Materials	12,845,172	15,300,907
Recurrent Grant	155,620,642	142,621,614
	<u>168,465,814</u>	<u>157,922,521</u>

25. CONTRIBUTION RECEIVED FROM STATE TRADING CORPORATION

Contribution receivable from the State Trading Corporation in respect of Road Tax on fuel consumption (25 cents per litre on Mogas, 15 cents per litre on Gas oil and 15 cents per litre on Dual Purpose Kerosene) under the "Petroleum Pricing System" was accounted as State Trading Corporation Fund in Financial Year 2016/17 and prior years. This contribution was utilized for financing of recurrent expenditure.

With the full implementation of IPSAS 23 'Revenue from Non-Exchange Transactions (Taxes and Transfers)' as from 01 July 2017, the deferment policy has been reviewed and transfers received are now recognised as income in the period in which the transfer arrangement becomes binding.

	<u>2022</u> MUR	<u>2021</u> MUR
Received during the year	94,431,349	108,135,828
Opening Receivables	(12,200,711)	(30,197,457)
Closing Receivables	13,901,670	12,200,711
Statement of Financial Performance	<u>96,132,308</u>	<u>90,139,082</u>

ROAD DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

26. GRANT FOR FINANCIAL CAPITAL EXPENDITURE	<u>2022</u> MUR	<u>2021</u> MUR
Government Grant received in current year for acquisition of Motor Vehicles	8,013,100	-
Government Grant received in current year for acquisition of Machinery and Equipment	1,068,236	1,290,790
	9,081,336	1,290,790
27. OTHER MISCELLANEOUS INCOME	<u>2022</u> MUR	<u>2021</u> MUR
Tender Fees	-	55,000
Processing fees for advertisement	173,000	163,000
Income from Accident	2,959,200	2,700,942
Miscellaneous Income	1,227,456	3,960,799
	4,359,656	6,879,741
28. EXPENDITURE FOR ROAD PROJECTS OUT OF RDA BUDGET		
The Expenditure for Road Projects out of RDA Budget represents amount paid to Consultants and Contractors for roads construction and maintenance.		
	<u>2022</u> MUR	<u>2021</u> MUR
De Caen Fly over, Port Louis	-	18,405,834
La Vigie La Brasserie Link Road -Phase 1	163,604,676	75,945,343
Reconstruction of Jumbo Phoenix Roundabout and A1-M1 Bridge - Consultancy	46,100,753	67,441,812
Reconstruction of Jumbo Phoenix Roundabout and A1-M1 Bridge - Works	669,112,532	1,234,090,776
Repair of embankment failure on Terre Rouge Verdun Road	-	9,375,092
Upgrading of B28 Road (Lot 3) from Deux Freres to Beau Champ Phase 1	8,174,821	80,252,571
Ste Marie Bridge, Bel Ombre	-	1,604,596
Joli Bois Bridge, Mare Tabac	-	2,152,716
Third lane from Jin-Fei to Port	-	13,352,997
Upgrading of Pointe aux Sables Road at Petit Verger	-	3,470,631
Review and Updating the Road Management System	127,225	270,683
Improvement of bend at Nouvelle Decouverte	2,078,533	39,354,946
Reprofiling of L'Amaury Road	-	1,247,416
A1-A3 Link Road	30,613,142	116,993,271
Cap Malheureux bypass	-	29,769,085
Hillcrest Flyover, Quatres Bornes	24,107,264	166,999,451
Upgrading of Road at Palmerstone, Vacoas	198,424,933	140,699,904
La Croisette New Link Road	10,574	-
La Vigie La Brasserie Beaux Songes Link Road-Survey Fees	-	584,858
Construction of Verdun Bypass	106,864,034	-
Consultancy Services for the Review of Study and Supervision for the East Coast Trunk Road (Motorway M4)	6,432,797	-
Upgrading of Constance Bridge along B117 Road at ST Remi	7,580,827	-
Road Maintenance and Rehabilitation	584,746,923	666,492,773
	1,847,979,034	2,668,504,755

ROAD DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

29. EXPENDITURE FOR ROAD DECONGESTION PROJECTS OUT OF NATIONAL ENVIRONMENT AND CLIMATE CHANGE FUND (NECCF)

The Expenditure for Road Projects out of National Environment and Climate Change Fund (NECCF) represents amount paid to Consultants and Contractors for certain road projects. The NECCF is a Fund managed by the MOFEPD.

	<u>2022</u> MUR	<u>2021</u> MUR
Repairs to Terre Rouge Verdun Road -D4 Section	3,334,101	-
Landslide Works at Chamarel	142,827,243	68,632,278
Consultancy for Landslide at Chamarel	4,891,454	2,378,430
Counter Measure works to Slope Failure at Montagne Ory along B46 at Montagne Ory Road	30,438,087	15,131,862
Counter Measure works to Slope Failure at Batelage, Souillac	-	34,717,895
Counter Measure works to Slope Failure at Souillac Bridge	41,481,269	8,519,002
Design-Build / Turnkey for Purging of Rock & Provision of Rock Net at Maconde Cliff	4,593,002	-
Slope Failure at Riviere des Creoles along A15 - Stabilisation Works	15,842,710	-
	243,407,866	129,379,467

30. EXPENDITURE FOR ROAD DECONGESTION PROJECTS OUT OF COVID-19 Projects Development Fund

The Expenditure for Road Projects out of COVID-19 Projects Development Fund (COVID-19 PDF) represents amount paid to Contractors for certain road projects and maintenance. The COVID-19 PDF is a Fund managed by the MOFEPD.

	<u>2022</u> MUR	<u>2021</u> MUR
Upgrading of Choisy Bridge, Poste Lafayette	14,638,850	49,716,607
Rehabilitation of St Denis Bridge, Chamarel	24,689,706	14,298,257
Rehabilitation of L'Avenir Bridge	38,380,428	14,680,024
Construction of Flyover at Quay D Roundabout	105,983,921	-
Interchange Constructions and Improvements along M3-A14 at Ebene	80,207,954	-
Road Maintenance and Rehabilitation	124,565,357	404,410,706
	388,466,216	483,105,594

	<u>2022</u> MUR	<u>2021</u> MUR
31. STAFF COST		
Salaries and compensation	141,793,015	121,049,681
End of year bonus	11,092,375	10,095,765
Travelling	19,565,042	18,065,386
Overtime	8,117,434	3,919,217
Allowance	812,632	7,261,488
Medical Examination for employees	8,700	31,900
Uniform/Protective Equipment Allowance	2,302,864	3,325,567
Passage Benefit	7,054,767	4,612,279
National Savings Fund Contribution	2,355,166	2,175,289
Contribution Sociale Generalisée Contribution	8,406,060	5,350,096
Annual Leave refund	-	45,606
Vacation Leave refund	5,711,672	5,064,417
Pension Contribution	31,350,808	22,273,281
Family Protection Scheme	2,679,042	2,226,794
Sick Leave refund	13,297,206	5,562,701
Staff Training	118,950	115,809
Staff Welfare	536,702	833,737
	255,202,435	212,009,013

ROAD DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

32. DEPRECIATION AND AMORTISATION

	<u>2022</u>	<u>2021</u>
	<u>MUR</u>	<u>MUR</u>
Plant & Machinery	1,920,204	1,843,842
Motor Vehicles	3,183,621	2,849,359
Office Equipment	503,505	373,780
Office Furniture	223,168	195,422
Computers	956,728	854,786
Buildings	105,872	105,872
Computer Software	157,274	142,623
	<u>7,050,372</u>	<u>6,365,684</u>

33. TOOLS AND MATERIALS

The expenditure incurred under this item comprises among others guardrails, handrails, instant patch, bitumen, cement, iron bars and small tools used in road maintenance such as drilling machines and grinders.

	<u>2022</u>	<u>2021</u>
	<u>MUR</u>	<u>MUR</u>
Tools and Materials	<u>13,121,237</u>	<u>18,066,872</u>

34. MOTOR VEHICLE EXPENSES

This expense relates mainly to repairs and maintenance, fuel, insurance and road tax in respect of RDA vehicles - lorries, vans and cars.

	<u>2022</u>	<u>2021</u>
	<u>MUR</u>	<u>MUR</u>
Motor vehicle expenses	<u>5,825,406</u>	<u>5,020,090</u>

35. RENT

The RDA has an operational lease with National Real Estate Ltd (NREL) whereby it rents office space of 2,768m² at the Blue Tower Building at Ebene Rose Hill to house its Head Office. The lease is classified as such as it does not transfer substantially all the risks and rewards incidental to ownership.

The initial commencement of the lease was on 10 January 2013 where the RDA was given the right to use the building and it was subsequently renewed at regular intervals. The current lease covers period 10 Jan 2020 to 9 January 2023 for a period of 3 years. The RDA may also terminate the lease by giving, at least, three months advance notice to the Lessor.

The RDA pays monthly rental expenses of Rs 832,611.13 (inclusive of VAT) which is payable in advance. Lease payments is recognized as an expense on a straight-line basis over the lease term.

The following payments are expected to be effected for lease of the Blue Tower Building under current agreement as follows:

(i) Period 1 July 2022 to 9 January 2023; Rs 5,237,392.59

	<u>2022</u>	<u>2021</u>
	<u>MUR</u>	<u>MUR</u>
Rent	<u>9,991,333</u>	<u>9,991,333</u>

ROAD DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

36. OTHER ADMINISTRATIVE EXPENSES	<u>2022</u> MUR	<u>2021</u> MUR
Conference and Committees	1,126,693	1,042,570
Advertisement	657,624	678,572
Maintenance Premises	652,220	519,411
Repairs building	710,734	549,058
Stationery	1,359,456	1,483,469
Printing	224,786	83,874
Postage	237,849	135,730
Books and Periodicals	10,028	89,746
Newspapers and magazines	1,980	54,742
Electricity	1,413,525	1,490,664
Telephone	1,470,506	1,409,464
Water	62,940	59,240
Repairs/maintenance office equipment	571,446	942,497
Repairs/maintenance plant & machinery	500,665	162,101
Overseas travelling	64,736	67,032
Miscellaneous	234,678	73,087
Gas	180	180
Insurance and Indemnity	514,528	494,941
Legal/Professional fees	510,030	211,988
Audit fees	500,000	500,000
Road accidents written off	902,857	678,536
Loss on disposal	-	9,200
Contribution to international organisations	162,988	151,637
	11,890,449	10,887,739
37. FINANCE COSTS	<u>2022</u> MUR	<u>2021</u> MUR
Bank Charges	77,151	86,432
Interest on African Development Bank Loan	-	115,313
	77,151	201,745

ROAD DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

38. RELATED PARTY TRANSACTIONS

Key Management Personnel

Key Management Personnel as per IPSAS 20, are:

- All directors or members of the governing body of the RDA; and
- Other person having the authority and responsibility for planning, directing and controlling the activities of the RDA

The Management of RDA comprises of the General Manager, 1 Deputy General Manager, 1 Ag Deputy General Manager, 4 Divisional Managers, 1 Ag Divisional Manager, 1 Financial Manager and 1 Administrative Manager as Key Management Personnel.

The aggregate remuneration of key management personnel and the number of members determined on a fulltime remuneration in this category are:

	<u>2022</u> MUR	<u>2021</u> MUR
General Manager	5,033,496	4,051,980
Other Key Management Personnel	30,216,061	24,589,924
Number of Persons	10	10
Close members of the family of Director	-	-
Close members of the family of Other Key Management Personnel	-	-
Remuneration of Chairperson who is part-time is as follows:		
Chairperson	900,000	900,000

Car Loan Transactions with Key Management Personnel

	<u>2022</u> MUR	<u>2021</u> MUR
Opening Balances	716,667	1,105,104
Loans receivable within 1 year	200,000	388,437
Loans receivable after 1 year	516,667	716,667
Opening Balance of Loans to staff promoted to key management level during the year		
Loans granted during the year	-	-
Loan instalments received	200,000	388,437
Loan transfer out	-	-
Closing Balances	516,667	716,667
Receivable within 1 year	200,000	200,000
Receivable after 1 year	316,667	516,667
	516,667	716,667

All eligible officers of the RDA are granted duty free facilities and loans for the purchase of a car as prescribed in the PRB reports.

There was no other remuneration or compensation to key management personnel.

Related party transactions were carried out at commercial terms and conditions.

39. CONTINGENT LIABILITIES

No provision has been made in these financial statements for any liability that may arise under the Employment Rights Act or contingency sums under contract of goods, services and projects.

There are pending litigations in respect of court cases where the Authority is involved or is a party to it. One case relates to the incident following the flashflood in Port Louis on 13 March 2013 where Swan Insurance Co Ltd is claiming the sum of Rs 70M from the following defendants: (1)The State of Mauritius,(2)The Ministry of Environment, Sustainable Development, (3) Disaster and Beach Management, (4) The Mauritius Meteorological Services, (5) The Ministry of Public Infrastructure and Land Transport ,(6) The Road Development Authority, (7) The municipal Council of Port Louis, (8) General Construction Company Limited. The RDA legal adviser is disputing liability on very strong grounds.

Other legal cases which are being handled by RDA legal adviser are as follows:

Plaint with summons - Ashanti Business Parks Ltd v/s TGBV Ltd. Claim Rs 10,251,248. Status : Mention - 6th October 2022. Motion (application for the conditional Leave to the Judicial Committee of the Privy Council) - Navani Villas Ltd & 7 ORS - The District Council of Riv-du-Rempart. Status : Arguments 17th October 2022.

Naresh Bheenick & Anor v/s Moosafeer Excavateur IPO: Municipal Council of Curepipe. Status : Mention 4th October 2022. Intermediate Court - Marie Rosemary Ronelle v/s (1) Municipal Council of Curepipe (2) Road Development Authority.

Claim Rs 1,839,000. Status : Trial - 30 January 2023

Plaint with Summons - The District Council of Moka v/s B. Govinda ipo The Road Development Authority. Status : Mention 15th September 2022.

ROAD DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

40. NOTES ON BUDGET INFORMATION

Difference between Original and Revised Budget

(a) **Government Grant for RDA Road Construction and Maintenance and Road Projects under NECCF and Covid-19 PDF**

The negative variance relates to some projects that were delayed and hence corresponding grant for financing these projects could not be claimed. This is mainly due to Covid 19 sanitary restrictions and external dependencies such as interface with other projects, delay in policy decisions, land acquisition, procurement and legal delays. Change in scope of works, resource constraints and complex geotechnical challenges are other reasons that road projects could not be carried out on time.

(b) **Government Grant for Financing of Recurrent Expenditures**

The positive variance was due to the implementation of the PRB Report 2021 (backdated as from January 2021) and contribution towards the Contribution Sociale Generalisée (CSG) Fund which resulted in more grant disbursed to cater for the additional costs and also delay in the STC to transfer amounts received from "Contribution to RDA".

(c) **Government Grant for Financing of Intangible Fixed Assets (E-Document Management System)**

The negative variance was caused due to procurement delays in the acquisition and implementation of the system.

(d) **Expenditure on RDA Road Construction and Maintenance and Road Projects under NECCF and Covid-19 PDF**

The positive variance relates to some road projects that were delayed. This is mainly due to Covid 19 sanitary restrictions and external dependencies such as interface with other projects, delay in policy decisions, land acquisition, procurement and legal delays. Change in scope of works, resource constraint, complex geotechnical challenges are among the reasons for the delay in implementing road projects.

(e) **Staff Cost**

The additional spending on staff cost and was caused mainly due to the implementation of the PRB Report 2021 (backdated as from January 2021) and contribution towards the Contribution Sociale Generalisée (CSG) Fund.

(f) **Repairs & Maintenance Office Equipment**

The savings is due to the fact that there was delay in the implementation of the EDMS where provision was made to upgrade wifi, rental charges for hosting the EDMS (cloud data centre) and upgrade email facilities.

(g) **Motor Vehicle Expenses**

The negative variance is caused by vehicles requiring frequent repairs and maintenance due to ageing fleet and also several increases in fuel costs during the year.

(h) **Staff Training**

Savings in Staff Training was due to sanitary restrictions and the fact that there was already a shortage of manpower at the RDA and hence staff could not be released for training purposes.

(i) **Motor Vehicles**

The positive variance is due to the fact that vehicle was acquired at a lower value than budgeted.

(j) **Software Computer**

The positive variance is due to procurement delays in the acquisition and implementation of the EDMS.

ROAD DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Difference between Revised Budget and Actual Amounts

(a) Government Grant for RDA Road Construction and Maintenance and Road Projects under NECCF and Covid-19 PDF

The negative variance relates to some road projects that were delayed due Covid 19 sanitary restrictions and thus grant could not be claimed. In addition, there were some external dependencies such as interface with other projects, delay in policy decisions, land acquisition, procurement and legal delays. Change in scope of works, resource constraint, complex geotechnical challenges are among the reasons for the delay in implementing road projects.

(b) Government Grant for Financing of Recurrent Expenditures

The positive variance was due to the implementation of the PRB Report 2021 (backdated as from January 2021) and contribution towards the Contribution Sociale Generalisée (CSG) Fund which resulted in more grant disbursed to cater for the additional costs.

(c) Government Grant for Financing of Tools & Materials

The negative variance was due to procurement delays and purchase of certain tools and equipment could not be completed and thus grant could not be disbursed.

(d) Contribution from State Trading Corporation

Shortage in contribution received from State Trading Corporation was due to delay in the STC to transfer the contribution to the RDA's bank account.

(f) Government Grant for Financing of Other Plant and Machinery

The negative variance is mainly due to procurement delays caused by the fact that e-procurement was launched for procuring of plant and machinery and no bids were received from suppliers.

(g) Government Grant for Financing of Acquisition of Motor Vehicles

The positive variance relates to a reallocation which was approved by the MOFEPD for the purchase of additional vehicles to be used in RDA suboffices.

(h) Expenditure on RDA Road Construction and Maintenance and Road Projects for NECCF

The positive variance relates to some road projects that were delayed due Covid 19 sanitary restrictions. This is due to external dependencies such as interface with other projects, delay in policy decisions, land acquisition, procurement and legal delays. Change in scope of works, resource constraint, complex geotechnical challenges are among the reasons for the delay in implementing road projects.

(i) Expenditure on Tools & Materials

Savings was due to procurement delays and purchase of certain tools and equipment could not be completed.

(j) Staff Cost

The negative variance was caused due to the implementation of the PRB Report 2021 (backdated as from January 2021) and contribution towards the Contribution Sociale Generalisée (CSG) Fund which resulted in additional costs.

(h) Motor Vehicles

Additional costs were incurred due to the purchase of vehicles to be used in RDA suboffices and a reallocation for same was received from the MOFEPD.