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**REPORT OF THE  
DIRECTOR OF AUDIT**

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**On the Financial Statements  
of the Tourism Employees Welfare Fund  
for the year ended 30 June 2022**

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**NATIONAL AUDIT OFFICE**

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# NATIONAL AUDIT OFFICE

## **REPORT OF THE DIRECTOR OF AUDIT TO THE BOARD OF THE TOURISM EMPLOYEES WELFARE FUND**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

I have audited the financial statements of the Tourism Employees Welfare Fund, 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, statement of cash flow and statement of comparison of budget 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 Tourism Employees Welfare Fund 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 (IPSASs).

#### **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 Tourism Employees Welfare Fund in accordance with the INTOSAI Code of Ethics, together with the ethical requirements that are relevant to my audit of the financial statements in Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Key Audit Matters**

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

#### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report of the Tourism Employees Welfare Fund, but does not include the financial statements and my auditor's report thereon.



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

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

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards (IPSASs), 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 Tourism Employees Welfare Fund'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 of overseeing the Tourism Employees Welfare Fund's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Tourism Employees Welfare Fund'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 Tourism Employees Welfare Fund'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 Tourism Employees Welfare Fund 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 Tourism Employees Welfare Fund'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:

- 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;
- 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 Tourism Employees Welfare Fund has been applying its resources and carrying out its operations economically, efficiently and effectively; and
- (e) the provisions of Part V of the Public Procurement Act regarding the bidding process have been complied with.

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 Tourism Employees Welfare Fund 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 Tourism Employees Welfare Fund.

Based on my examination of the records of Tourism Employees Welfare Fund, nothing has come to my attention that causes me to believe that:

- (a) expenditure incurred was of an extravagant or wasteful nature, judged by normal commercial practice and prudence; and
- (b) the Fund 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.



**C. ROMOAH**  
Director of Audit

National Audit Office  
Level 14,  
Air Mauritius Centre  
PORT LOUIS

6 March 2023



# **TOURISM EMPLOYEES WELFARE FUND**

**Annual Report  
Financial Year 30<sup>th</sup> June 2022**



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**Financial Statement for year ended 30<sup>th</sup> June 2022**



## Message from the Chairperson

It gives me immense pleasure to associate myself with the presentation of the annual Report 2022 which has been prepared in line with the eight governance principles laid down in the Code for Corporate Governance. It also provides me with the opportunity to report to the stakeholders of the Tourism Industry on the stewardship responsibility that had been entrusted to the Board of the Tourism Employees Welfare Fund, since its renewal on 1<sup>st</sup> December 2021.

The tourism sector is a major pillar of the Mauritian economy, contributing immensely towards the socio- economic development of the country employing directly and indirectly more than 40,000 employees. Tourism has been instrumental in improving the living standard of the population and uplifting many people from the shackles of poverty and marginalization.

However, the COVID-19 crisis had hit the tourism economy hard, with unprecedented effects on jobs and businesses. Tourism was one of the first sectors to be deeply impacted by the pandemic, as measures introduced to contain the virus led to a near-complete cessation of tourism activities around the world. The survival of businesses throughout the tourism ecosystem was at risk without continued government support. The Government had taken impressive action to cushion the blow to the tourism sector, to minimise job losses and to build recovery in 2022 by supporting the Tourism industry through the Wage Assistance Scheme (WAS) in order that the employees be guaranteed an income despite that they were not working with the only condition that the employer do not lay off any employee. However, many employers have proposed the voluntary retirement with improve conditions to encourage their employees over 50 years of age to leave the sector. Now that the Tourism sector have returned to near normal, the employers are finding themselves with a shortage of at least 3,000 vacancies for different positions namely housekeeping, front office and Bar/Restauration. The challenge now is to motivate the youngsters leaving school to join the tourism industry knowing fully well that they may be tempted to join more flourishing sector like the ICT or Finance sector where the wages are more appalling or even migrate to new Eldorado.


Therefore, the key priorities should include:

- Restoring traveller confidence
- Supporting tourism businesses to adapt and survive
- Providing clear information to travellers and businesses, and limiting uncertainty (to the extent possible)

- Evolving response measures to maintain capacity in the sector and address gaps in supports
- Strengthening co-operation within and between countries
- Building more resilient, sustainable tourism
- Encourage the youngsters to join the industry through improve packages.

The TEWF had continued to support the employees of the sector by providing them with social, educational, financial and welfare schemes for example on jobs training, stress management, as well as Covid 19 awareness programs. We have also, continue payment of the one-off grants like the Parental Gift, Retirement Gift, Marriage Gift and Death Grant. We have organised a Brain storming session with 50 representatives of both the employers and the employees of the sector so that they could express their views on the activities that the TEWF should organise for them taking into consideration that Covid 19 is still a threat.

On a concluding note, I would like to convey my heartfelt thanks to all the Board members and the staff of the TEWF for their invaluable support in the implementation of policies, projects and programmes to cater for the welfare of the employees of the Tourism sector and their families.



**Mr Abdool Rackib Jeewoth**

**Chairperson**



## Message from the Secretary

Mauritius, like other small island developing states, has been severely affected by the Covid 19 pandemic bringing a halt to the Tourism Industry. Prior to the onset of the COVID-19 pandemic, the sector had on average contributed about 7% of the Gross Domestic Product (GDP) of Mauritius over the past 10 years, and in 2019, accounted for 22% of employment. The impact of this sharp decline in tourism is being felt, first and foremost, at the level of people and households. The Government Wage Assistance Scheme (GWAS) remains one of the main policy tools to contain both the employment and social fallout of the COVID-19 crisis. The GWAS ensured sustained livelihoods by providing the employees of the sector with a minimum income at the end of the month and also protecting employment. The pandemic had reshaped our current understanding of work, with teleworking becoming one of the most widespread trends. Many youngsters prefer to join the ICT sector instead of the Tourism Industry which is more labour intensive and demand physical presence for the service. Many employees who were not working during the pandemic close down have preferred not to return to their previous employment even though the working conditions have improved. The TEWF was recording contribution from an average of 37000 employees prior to the pandemic compared to 33000 in June 2022.

The Tourism Employees Welfare Fund has in line with its mandate to set up schemes and projects for the promotion of the social and economic welfare of employees of tourism enterprises and their families implemented a wide range of social, financial and educational schemes to cater for the needs of the employees of the tourism sector and their families. The main challenge of the tourism sector is how to meet the work force demand to sustain the growth of the industry so as to operate at the pre Covid 19 level of 2019. The TEWF is encouraging the youngsters to join the industry by carrying sensitisation campaign among the unemployed on the attractiveness of employment in the sector and providing them with on job training in the different field of service.

At the TEWF we believe that we can improve the quality of life of the employees of the sector by encouraging their children to follow full time undergraduate University courses in Mauritius or to undergo training in any trade at a recognized training center by sponsoring their registration fees or examination fees for a period of three years. We are continuing with our policy of empowering people to enable them to provide a quality service to the tourism sector.



Our objective at the TEWF is to render a quality service to our client as laid down in our customer charter. Also, we have encouraged our members to make use of our on-line application system for all our services so as to limit them from burden of physically moving to our office taking into consideration their sanitary security and that of our staffs.

I seize this opportunity to express my sincere thanks and gratitude to the Board of the TEWF for their support and guidance which have enabled the staff of the TEWF to meet its set out targets and deliver up to the expectation of the stakeholders.

A handwritten signature in black ink, appearing to read 'S. Goorapah', is written over a horizontal line.

**S. Goorapah**

**Secretary**



## **1.0 The Tourism Employees Welfare Fund-Profile**

The Tourism Employees Welfare Fund (TEWF) has been set up under the TEWF Act 2002 to provide for the social and economic welfare of employees of tourism enterprises and their families. It became operational since August 2003. As per section 16(1), every employer and employee of a tourism enterprise shall make a monthly contribution to the Fund which is currently Rs 60 for the employer and Rs20 for the employee.

### **1.1 Objects of the Fund**

The objects of the Fund shall be to set up schemes and projects and generally, to carryout such other activities as may be considered desirable for promoting the welfare of employees of tourism enterprises and their families.

### **1.2 Vision of the TEWF**

The vision of the Tourism Employees Welfare Fund is to be a leading organization in the provision of welfare activities for the employees of the Tourism sector and their families.

### **1.3 Mission of the TEWF**

The mission of the Tourism Employees Welfare Fund is to “provide for the social and economic welfare of the employees of the tourist enterprises and their families”.

### **1.4 Functions of the Tourism Employees Welfare Fund Board**

The main functions of the TEWF are:

- (a) Carryout such activities and do all such acts and things as appear requisite and advantageous for the furtherance of the objects of the Fund;
- (b) Grant loans from the Fund to employees for such purposes and on such terms and conditions as it may determine;
- (c) Without prejudice to the generality of paragraph (a), invest any surplus remaining in the Fund in such manner as the Board may determine:

(d) acquire, purchase, take lease, hire, hold, enjoy movable and immovable property of every description and mortgage, transfer or otherwise dispose of, deal in any movable or immovable property belonging to the Fund upon such terms as the Board may think fit;

## **1.5 Need for Welfare**

In order to diligently supports the employees of the tourism industry to sustain the growth of the sector, the TEWF has been implemented an array of social, educational, financial welfare schemes and programs to satisfy the welfare needs of the employees of the Tourism sector and their families. These schemes are designed to:

- (i) Boost the productivity of the employees at work.
- (ii) Meet the leisure needs of the employees and their families.
- (iii) Improve the quality of life of the employees both in their work environment and at home and
- (iii) Maintain excellence in service delivery.

## **2.0 Schemes**

### **2.1 Educational Schemes**

#### **SC Grant**

The School Certificate Grant had been set up to reward candidates who passed the School Certificate with a maximum of 10 units. The Grant is a one-off gift of Rs 5,000.

#### **HSC Grant**

The HSC Grant of an amount of Rs 10,000 is payable to children who have passed the Higher School Certificate with 5A in their respective field of study.

#### **The Laureates Gift**

The laureate Gift of Rs 20,000 is payable to children of employees working in the Tourism sector who have been declared Laureate in their respective field of study at the Higher School Certificate examination.



### TEWF Scholarship

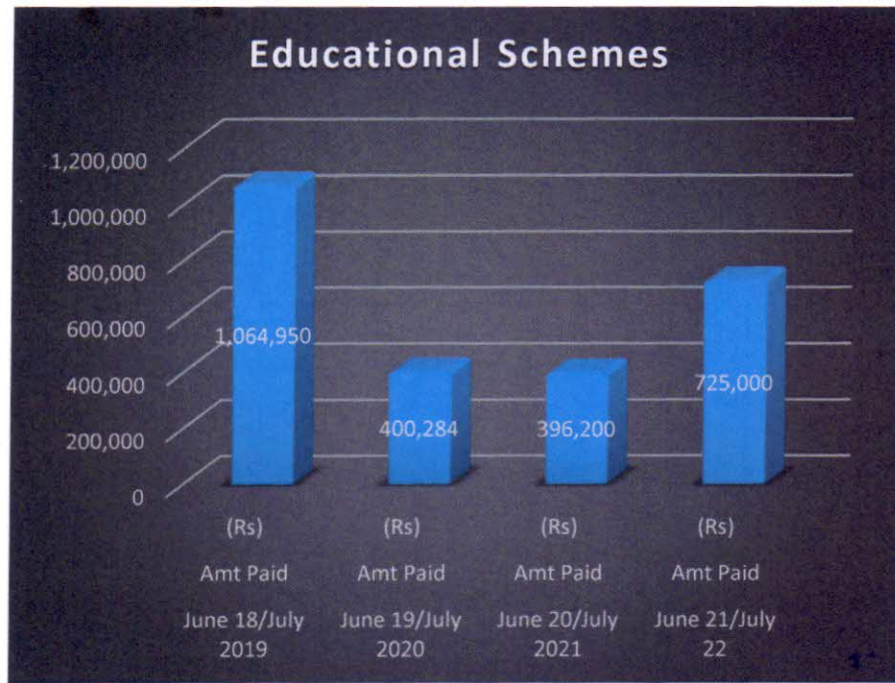
This scholarship is for children of employees working in Tourism Enterprise who have been admitted to full time award study at any registered University or training institution in Mauritius and whose parent is drawing a maximum basic Salary of Rs 15,000 per month. The scheme covers the registration fee or any other fees up to an amount of Rs 5,000 per annum for a maximum of three years.

### Training of Employees

This scheme is a one-off grant representing 40 % of the total amount paid for the course up to a maximum of Rs 10,000. The Grant is payable where the employee had successfully completed an award certificate/ diploma/ degree.

**Table1: Educational Schemes paid**

	June 18/July 19		June 19/July 20		July 20/June 21		July 21/June 22	
	Amt Paid	No of Beneficiaries	Amt Paid	No of Beneficiaries	Amt Paid	No of Beneficiaries	Amt Paid	No of Beneficiaries
SC Grant	105,000	21	75,000	15	10,000	2	275,000	55
HSC Grant	70,000	7	30,000	3	10,000	1	140,000	14
The Laureates Gift	20,000	1	40,000	2			20,000	1
TEWF Scholarship	559,950	51	175,300	19	133,700	26	110,000	22
Training of Employees	310,000	71	79,984	9	242,500	25	180,000	18
<b>TOTAL</b>	<b>1,064,950</b>	<b>151</b>	<b>400,284</b>	<b>48</b>	<b>396,200</b>	<b>54</b>	<b>725,000</b>	<b>110</b>



## 2.2 Social Schemes

### Retirement Gift

The Retirement gift is payable to an employee who retires voluntarily from the Tourism sector after attaining the age of 55 years and contributed to the Fund for at least 10 years.

The Retirement Gift payable is as follow: -

SN	Years of Contribution	Amount (Rs)
1	0 to <10 years	Nil
2	+10 to < 15 years	3,000
3	Over 15	5,000

### Death Grant- Employee

The Death Grant of Rs 10,000 is payable for any employee who passed away while the latter was still under employment. This Grant is payable to the person who can satisfy the TEWF that he had borne the funeral expenses or to the spouse who was living under the same roof with the employee at the time of death or on the presentation of an affidavit of the deceased employee.



### Death Grant for Dependent Relative

A Death Grant for Dependent Relatives of Rs 5,000 is payable to an employee whose dependent relative had passed away. Dependent relative includes an employed spouse or a retired husband or child under 18 or a child over 18 following full-time education or who cannot earn a living because of a physical or mental disability.

### Marriage Gift Scheme

The Marriage Gift which of Rs 3,000 is payable to employees who have contributed to the Fund for at least one year on their getting civilly married for the first time.

### Parental Gift Scheme

The Parental Gift is a cash gift of Rs 3,000 payable to either husband or wife if both of them are employed in the tourism sector.

### Social Schemes paid:

	June 18/ July 2019		June 19/ July 2020		June 20/July 20211		June 21/July 22	
	Amt Paid	No of Beneficiaries	Amt Paid	No of Beneficiaries	Amt Paid	No of Beneficiaries	Amt Paid	No of Beneficiaries
Marriage Gift	1,444,000	361	1,162,000	291	818,000	263	1,177,000	392
Parental Gift	1,691,000	564	1,359,000	453	1,665,000	555	1,365,000	455
Retirement Gift	727,000		2,030,000	311	3,273,500	639	1,901,000	380
Death Grant	260,000	26	260,000	26	470,000	47	380,000	38
Death Grant Dependant Relative	130,000	26	120,000	24	70,000	14	140,000	28
<b>Total</b>	<b>4,252,000</b>	<b>977</b>	<b>4,931,000</b>	<b>1105</b>	<b>6,296,500</b>	<b>1518</b>	<b>4,963,000</b>	<b>1293</b>



### 3.0 Financial Schemes/Loans

#### Computer Loan

The Government is encouraging investment in the ICT Sector. To meet the challenge of making Mauritius a Cyber Island computer literacy is very important. A loan scheme of a maximum amount of Rs 40,000 at interest rate of 5% for the purchase of a computer had been set up. The repayment is over a period of 36 months.

#### Multi-Purpose Loan

A maximum loan of Rs 75,000 at 7.5 % interest per annum repayable in 48 equal monthly instalments is put at the disposal of the employees. The aim of this loan is to enable the employee to meet various types of expenses: House decoration, medical expenses, marriage related expenses etc.



### **Educational Loan**

This is a loan of Rs 40,000 at an interest rate of 5% repayable in 36 monthly instalments for employees undergoing further training or for the educational needs of their wards.

### **Overseas Travel Loan**

The Travel loan is of a maximum of Rs100,000 at 7.5% interest per annum , refundable in 48 monthly instalments for employees who wish to travel over the world except to Rodrigues, where the amount allocated is Rs 50,000 per applicant for a family of two persons.

### **Loan Disbursement**

<b>Loan Type/ Year</b>	<b>July 18 to June 19</b>	<b>July 19 to June 2020</b>	<b>July 20 to June 2021</b>	<b>July 21 to June 22</b>
Multipurpose	36,600,000	22,595,000	50,000	100,000
Computer				
Educational	70,000			
Motor Cycle				
Travel Loan	800,000	300,000		
<b>TOTAL</b>	<b>37,470,000</b>	<b>22,895,000</b>	<b>50,000</b>	<b>100,000</b>

## 4.0 TEWF Activities

### 4.1 TEWF Brainstorming

The Tourism sector was one of the hardest-hit sectors by the coronavirus pandemic. It had not only disrupted tourism operations but also run upside down the future and lives of employees in different ways. Many employees of the Sector had to retire from service through voluntary retirement scheme set up by Employer. Employment was preserved only through the Government funded “Wage Assistance Scheme”. The impact of Covid-19 had forced the whole industry to embrace huge changes in the workplace due to economic difficulties.

In this context the Tourism Employees Welfare Fund had organised a Brainstorming Session on Thursday 31st March 2022 at Voila Hotel - Bagatelle based on the ‘new challenges facing TEWF in the provision of welfare to employees of the tourism sector and their families.- Navigating through the Covid Storm’.

Sixty-five delegates were present including TEWF’s Staff members, board’s members and the chairperson and official from the parent ministry. The brainstorming session enabled representatives of employers and employees to evaluate and discuss the present services offered by TEWF such as schemes/loans/activities/facilities as well as to formulate new ideas/schemes/activities to be implemented in the future. Various recommendations made during the Brainstorming Session were examined and submitted for approval to the TEWF’s board before implementation.



*Brainstorming session @ Voila Bagatelle*



## 4.2 TEWF on Job competitions

The TEWF in collaboration with the Ecole Hôtelière Sir Gaëtan Duval have organised the following on job competition.

### (i) Battle of the Barmen Cocktail Competition

In order to celebrate the world International Cocktail Day, a cocktail competition opened to the employees of the Tourism Sector was organized on 13<sup>th</sup> May 2022, this competition called the Battle of the Barmen Cocktail Competition had seen the participation of 27 professionals of the sector and the winners were:

**Winner:** Alexandre Rangapanaiken - Le Meridien - Rs 10 000

**Runner Up:** Adarsh Mooklall – Lux Grand Baie - Rs 5 000

**Second Runner Up :** Ithesh Jhugroo – The IRISH PUB - Rs 3 000



*Battle of the Barmen Cocktail Competition*

## **(ii) Saint Honoré Cake Competition**

25 Pastry Chefs have participated in the Saint Honoré cake competition to honor the patron of Saint of bakers and Pastry Chef.

The Saint Honoré French dessert is a circle of puff pastry at its base with a ring of “Pâte a Choux” piped on the outer edge.

This Competition was won as follows:

**Winner** - Lim chin kin Kristel Kim Lien – Le Cannonier Hotel - Rs 10 000

**Runner-Up** – Abdool Nassif – Ambre Hotel - Rs 5 000

**Second Runner-Up**– Antoinette Armel – Dinarobin Hotel - Rs 3 000



*Winner Saint Honoré Cake Competition -  
LIM CHIN KIN Kristel Kim Lien – Le Cannonier Hotel*



### **Farata Competition**

The TEWF had also sponsored a Farata competition opened to the trainees of the Sir Gaëtan Duval Hotel School of Mauritius.

The winners were:

**Winner:** Nunkoo Antish (Delta Institute) - Rs 5000

**Runner Up:** Charles Levi Mathieu (Beachcomber Training Academy) - Rs 3000

**Second Runner Up :** Louise Jeliel Steban (Les Moulins de la Concorde) - Rs 2000

## **5.0 TEWF Staff Welfare**

### **5.1 Medical Insurance**

The TEWF is implementing a contributory medical scheme for its staff contributing 70 % of the monthly premium payable with the National Insurance Company through a Group Comprehensive Healthcare Policy since 2015. A total amount of Rs 133,771 had been disbursed by the TEWF as contribution towards the medical scheme for the period June 2021 to July 2022.

### **5.2 Youth Employment Programme**

The following persons were at the TEWF under the Youth Employment Programme:

Ms R.Dusoruth- 13<sup>th</sup> September 2021 to 25<sup>th</sup> February 2022

Ms T.Babooram- 13<sup>th</sup> September 2021 to 17<sup>th</sup> March 2022

Ms M.Goorayah- 1<sup>st</sup> July 2021 to February 2022

### **5.3 Gender Statement**

The TEWF is an equal opportunity employer whereby each member of the staff are aware of their responsibilities in the quest of satisfying the welfare needs of the employees of the Tourism Sector and their Families.

The TEWF's Board is made up of both male and female representatives of the different sectors of the Tourism economy.

Activities organized by the Fund are meant for the participation of both the female and male employees in the sector for example mixed volley ball competition, mixed petanque, Badminton and Domino tournament.

Also, the on-job competition like Chef Challenge, Cocktail, Housekeeping, Barista and Front Office are opened for mixed participation.

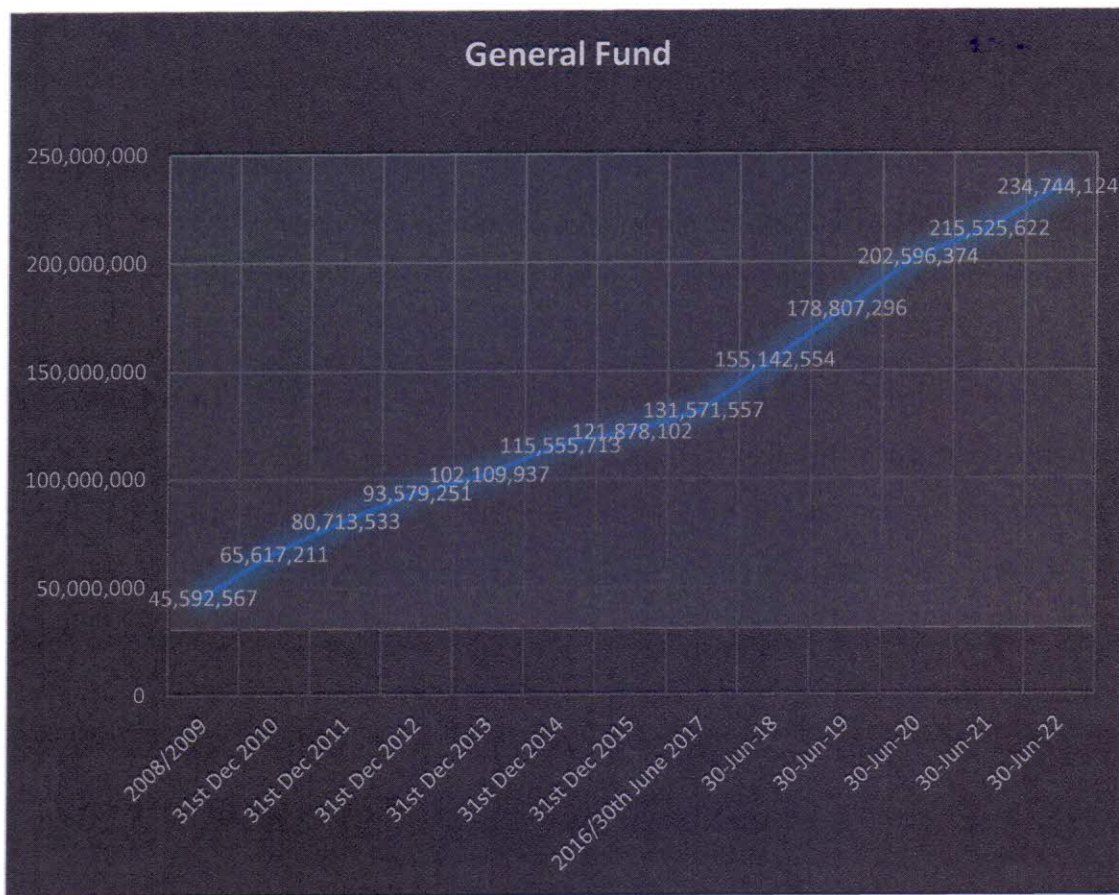


## 6.0 Financial Results

As at 30<sup>th</sup> June 2022, the TEWF had recorded a total income of Rs 34,616,555 compared to a total expenditure of Rs 18,899,687 leaving a surplus for the year amounting to Rs 15,716,868.

## 6.1 General Fund

The TEWF General Fund which shows the amount of assets which had been generated by the Fund amounted to Rs 234,744,124 that is an increased by Rs 19,218,502 as compared to the year ended 30<sup>th</sup> June 2021.



## 7.0 Statements of Revenue and Expenditure

### Statement of Revenue 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2022

Revenue (Rs)	2020-2021 Estimates	2020-2021 Actual	2021-2022 Estimates	2021-2022 Actual
Property Income				
Sales of Services	19,200,000	32,904,752	24,000,000	31,788,884
Fines, Penalties and Forfeits		261,935		312,170
Miscellaneous Revenues		2,690,889		2,515,501
<b>Total Revenue from Income, User fees and other sources</b>	<b>19,200,000</b>	<b>35,857,576</b>	<b>24,000,000</b>	<b>34,616,555</b>

### Statement of Expenditure 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2022

Head/ Sub-Head of Expenditure (Rs)	2020-2021 Estimates	2020-2021 Actual	2021-2022 Estimates	2021-2022 Actual
Compensation of Employees	7,822,463	9,347,342	9,505,645	9,106,758
Goods and Services	4,332,491	3,417,046	6,615,831	3,463,212
Subsidies				
Grants				
Social Benefits	12,810,000	6,773,700	13,650,000	5,972,600
Other Expense	1,285,000	413,645		357,117
<b>Total Revenue Expenditure</b>	<b>26,249,954</b>	<b>19,951,733</b>	<b>29,771,476</b>	<b>18,899,687</b>
Acquisition of Non-Financial Assets	5,829,600	5,336,245	600,000	223,881
Acquisition of Financial Assets				
<b>Total</b>	<b>32,079,554</b>	<b>25,287,978</b>	<b>30,371,476</b>	<b>19,123,568</b>



## **8.0 Strategic Positioning**

The Board is of opinion that due to the uncertainty that prevails in the Tourism Sector with the outbreak of Covid 19 pandemic causing the progression of Tourism in the world to shrink new avenues to generate income should be explored by the TEWF. As investment in fixed deposit is no longer profitable, the TEWF Board had decided to invest in the construction of a multipurpose building which would be used by both the Employees of the Tourism Sector and the public at large. Construction would start as from as soon as clearance is obtained from the Parent Ministry.

## **9.0 Corporate Governance**

### **9.1 Statement of Board members responsibilities in respect of the Financial Statements**

The Board and Management of the Fund are fully supportive and committed to the principles of integrity, transparency and professionalism as recommended by the Code of Corporate Governance. The Fund also strives to ensure that all activities are conducted in such a way so as satisfy the characteristics of good corporate governance namely; Discipline, transparency, independence, accountability, responsibility and fairness.

The Board also reports that:

- It is its responsibility to prepare financial statements that fairly present the state of affairs of the Fund as at end of the financial year and the surplus /(deficit) and cash flows for the period;
- The external auditors are responsible for the reporting on whether the financial statements are fairly presented:
- Adequate accounting records and effective system of internals and risk management have been maintained;
- Appropriate accounting policies supported by reasonable and prudent judgment and estimates have been used consistently;
- Applicable accounting standards have been adhered to;
- The code of corporate Governance has been adhered to.

Throughout the year ended 30th June 2021 to the best of the Board's knowledge, the Tourism Employees Welfare Fund had complied with the national Code of Corporate Governance for Mauritius (2016). The Fund had applied all of the eight principles set out in the Code and explained how these principles have been applied.

## **9.2 The Structure of the Board and its Committees**

The Board is administered by a tripartite Board appointed by the Minister under section 6 of the Tourism Employees Welfare Fund Act 2002 for a period of two years and are eligible for re-appointment. The Board consists of (a) a representative of the Ministry responsible for the subject of Finance;(b) a representative of the Ministry responsible for the subject of tourism;(c) a representative of the Ministry responsible for the subject of Rodrigues;(d) a representative of the Ministry responsible for the subject of labour;(e) four representatives of employers appointed by the Minister after consultations with recognized associations of employers; and four representatives of employees appointed by the Minister after consultations with trade unions most representative of the sector.

The Board is headed by a chairperson appointed by the Minister under section 5 of the TEWF's Act 2002. The appointed members hold office for a period of two years and are eligible for re-appointment.



## 9.2.1 Composition of the Board

<b>Chairperson</b>	Mr Claude Regis Narain OSK (February 2018 to Nov 2021) Mr Abdool Rackib Jeewoth Dec 2021
<b>Representatives of Ministries</b>	
<b>Mrs I.Mooraby</b>	Representative of Ministry of Tourism
<b>Mrs S.Doomun</b>	Representative of the Prime Minister's Office (Rodrigues, Outer Islands and Territorial Integrity Division)
<b>Mr S.Allykhan</b>	Representative of the Ministry of Finance and Economic Planning and Development
<b>Mr V.K.Mudhoo</b>	Representative of the Ministry of Labour, Human Resource Development and Training
<b>Representative of Employers</b>	
<b>Mr J. Kwok represented by Mr V.Aodora</b>	Representative of AHRIM
<b>Mr D.Saramandif</b>	President Association of Tourist Professionals
<b>Mr C. Angseesing</b>	Representative of AIOM
<b>Mr C.Jhurry</b>	President Association of Tourist Operators
<b>Representative of Employees</b>	
<b>Mr K. Gujudhur Mr R.Seetta</b>	Representative of Hotels & Restaurants Employees Union
<b>Mr R.Gopaul Mr B.B.Budlorun</b>	Representative of the Casino Employees Union
<b>Mrs C. Bachu Mr L.S.Furcy</b>	Representative of the Air Mauritius Staff Association
<b>Mr M. K. Pagoo</b>	Representative of Airports of Mauritius (Ltd) Employees Union

## 9.2.2 Sub committees of the Board

The TEWF Act 2002 sec 8 (4) provides that the Board may set up sub committees as may be necessary to enable it to effectively discharge any of its functions under this Act.

The Board is supported by three subcommittees, namely the Finance and Welfare Committee, a Human Resource Committee and an Audit Committee.

The Finance and Welfare Committee cater for matters pertaining to finance, projects ,schemes and activities of the Fund while the Human Resources Committee deals with matters pertaining to recruitment, appointment, promotion, payment of allowances and other conditions of service of the employees of the Fund.

The Human Resources Committee and the Finance and Welfare Committee were reconstituted as follows:

### Human Resources Committee

SN	Representative	Name	Position
1	Parent Ministry	Mrs I. Mooraby	Chairperson
2	Employer	Mr D.Saramandif	Member
3	Employee	Mr R.Seetta	Member
4	Ministry	Mr V.K.Mudhoo	Member
5	Secretary TEWF	Mr S.Goorapah	Member
6	Office Management Assistant	Mrs Y.Ramyead	Secretary

### Finance and Welfare Committee

SN	Representative	Name	Position
1	Ministry of Finance and ED	Mr s.Allykhan	Chairperson
2	Employer	Mr V.Aodhora	Member
3	Employee	Mr B.B.Budlorun	Member
4	Secretary TEWF	MrS.Goorapah	Member
5	Accountant TEWF	Mrs P.Ramkurrun	Member
6	Programme Welfare Officer	Mr S.Uppiah	Member
7	Office Management Assistant	Mrs Y.Ramyead	Secretary



## The Audit Committee

The National Committee on Corporate Governance Principle 7 (Audit) recommends that Organisations should consider having an effective and independent internal audit function that has the respect, confidence and co-operation of both the Board and the management.

It is the responsibility of the Board to establish formal and transparent arrangements to appoint and maintain an appropriate relationship with the organisation's internal and external auditors.

The most significant responsibilities under the purview of an audit committee include the following:

- Ensuring the organization's financial statements are understandable and reliable.
- Ensuring the organization establishes a thorough risk management process and effective internal controls.
- Reviewing the organization's policies, particularly in areas such as ethics, conflict of interest and fraud.
- Reviewing the organization's litigation and regulatory proceedings.
- Selecting and implementing a direct reporting relationship with the National Audit Office which serves as the organization's external auditor.
- Establishing communication with the organization's internal auditor and reviewing all audit findings.

The Auditors of the National Audit Office (NAO) had recommended that the Internal Auditor should not report to the Secretary but should instead submit his report to the Chairman of the Audit Committee.

The Audit Committee was constituted as follows:

SN	Representative of	Name	Position
1	Ministry of PMO/Rodrigues	Mrs S.Domun	Chairperson
2	Employer	Mr C.Jhurry	Member
3	Employee	Mr S.Furcy	Member
4	Secretary TEWF	Mr S.Goorapah	Member
5	Accountant TEWF	Mrs P.Ramkurrun	Member
6	Internal Auditor	Mr Babooram	Member
7	Office Management Assistant	Mrs Y.Ramyead	Secretary



## 10.0 Management and staffing of the Fund

The Fund, as per Section 10 of the Act, is headed by a Secretary who is appointed by the Board upon approval by the Minister. The Secretary acts as the Chief Executive Officer and is responsible for the execution of the policies and day to day management of the Fund.

The Board members are supplied with information by the Secretary in a timely manner and in an appropriate form through the use of information technology so as to enable them to make valued judgement on matters to be discussed. Decision is reached on consensus after each member is given the opportunity to voice out his opinion.

### 10.1 STAFFING

	SURNAME	NAME	JOB TITLE
1	Goorapah	Soobeeraj	Secretary
2	Ramkurrun	Pratima	Accountant
3	Uppiah	Sivasankara	Programme Welfare Officer
4	Sewdin	Neetoo	Accounting Technician
5	Mahadeb-Ramyead	Yojana	Office Management Assistant
6	Faquir	Aline	Accounts Clerk
7	Mungrah	Natasa bye	Accounts Clerk
8	Dawoojee	Sarika	Management Support Officer
9	Poolay	Anista	Management Support Officer
10	Coonjul	Goswamee	Management Support Officer
11	Gunnack	Diana	Clerk/Word Processing Operator
12	Aliphon	Jean Patrick	Telephone/Operator
13	Sewdin	Hemraz	Office Attendant/Driver
14	Ramkhelawon	Sailesh Koomar	Office Attendant/Driver



Last Row (from left to right) – Mrs. Y Mahadeb-Ramyeed, Mrs. N Sewdin, Mrs. S Dawoojee, Mr. S Uppiah, Mr. S Ramkhelawon, Mr. H Sewdin, Mrs A.Faquir, First Row (from left to right) - Mrs. G Coonjul, Mrs. D Gunnack, , Mrs. P Ramkurrun Sitting (from left to right) Mr. S Goorapah, Mrs A. Poolay, Mr. P Aliphon,

## 10.2 Staff Qualification

### (i) Goorapah Soobeeraj, Secretary, Tourism Employees Welfare Fund

**Professional Qualifications:** BSC Hons Management specialisation in Accounting & Finance - University of Mauritius

**Postgraduate:** MBA (General) University of Technology Mauritius

### (ii) Mrs Ramkurrun Pratima (FCCA), Accountant, Tourism Employees Welfare Fund

**Professional Qualifications:** ACCA

**Postgraduate:** MBA with Financial Management - University of Mauritius

### (iii) Uppiah Sivasankara, Programme Welfare Officer, Tourism Employees Welfare Fund

**Professional Qualifications:** Diploma in Leisure & Recreational Studies University of Mauritius, BSC Tourism, Leisure & Recreational Management-University of Mauritius

### (iv) Mrs Neetoo Agasing Sewdin (FCCA), Accounting Technician, Tourism Employees Welfare Fund

**Professional Qualifications:** ACCA

**(v) Mrs Mahadeb-Ramyead Yojana, Office Management Assistant, Tourism Employees Welfare Fund.**

**Qualifications:** BSC (Hons) Financial Management – University of Mauritius.

**(vi) Mrs Natasa Mungrah, Accounts Clerk, Tourism Employees Welfare Fund**

**Qualifications:** BSC (Hons) Financial Management – University of Mauritius

**(vii) Ms Coonjul Goswanee, Management Support Officer, Tourism Employees Welfare Fund**

**Qualifications:** Degree in Information Technology –BCS-Chartered Institute of IT

**(viii) Mrs Anista Poolay, Management Support Officer, Tourism Employees Welfare Fund**

**Qualifications:** Diploma in Business Management – Association of Business Executive (ABE)



### **11.0 Director's duties, remuneration and performance**

The Directors are aware that their duties are regulated by section 7 of the TEFW Act 2002 and that they should carry out such activities and do all such acts and things as appear requisite and advantageous for the furtherance of the objects of the Fund. The

Board had met on six occasions during the year and two finance subcommittees were also held. As per section 8 (1) the Board is responsible to regulate its proceeding and its meetings in such manner as it thinks fit and can meet at such time and place as the Chairperson considers appropriate.

The Chairperson and members of the Board and sub committees were remunerated according to the fees prescribed by the Pay Research Bureau.

### 11.1 Attendance at Meetings/Fees Paid

The Board met on 8 occasions during the period 1st July 2021 to 30 June 2022, The attendance of the individual members and fees paid were as follows:-

	<b>NAME OF MEMBERS</b>	<b>Board Meeting</b>	<b>Sub committees</b>	<b>Amount paid</b>
<i>Chairman</i>	Mr C.Narain	3		105,892
	Mr A.R.Jeewoath	5		166,600
<i>Representative of Ministry of Tourism</i>	Mrs I.Mooraby	7	4	13,270
<i>Representative of the Ministry of Defence and Rodrigues</i>	Mrs S.Domun	4	1	46,000
<i>Representative of the Ministry of Finance and Economic Development</i>	Mr S.Allykhan	4	2	7,740
<i>Representative of the Ministry of Labour, Human Resource Development and Training</i>	Mr V.K.Mudhoo	3		3,370
<i>President Association of Tourist Professionals</i>	Mr. D. Saramandif	5	5	10,945
<i>President Association of Tourist Operators</i>	Mr C.Jhurry	4	1	5,680
<i>Representative of AIOM</i>	Mr C.Angseesing	1		1,240
<i>Representative of AHRIM</i>	Mr Vikash Aodhoora	6		6,740
<i>Representative of the Air Mauritius Staff Association</i>	Mr S.Furcy	3	1	4,790
	Ms C.Bachu	2		1,780
<i>Representative of the Casino Workers Union</i>	Mr B.Budlorun	4	2	7,100
	Mr R.Gopaul	3		3,020
<i>Representative of Airports of Mauritius (Ltd) Employees Union</i>	Mr M.Pagoo	6		6,740
<i>Representative of Hotels &amp; Restaurants Employees Union</i>	Mr Rakesh Seeta	2	3	5,690
	Mr k.Gujadhur	5	1	6,315

## **12.0 Risk Governance and Internal Control**

The Board views risk management as an integral component of good business practice with a view to supporting Management's decision making, improving the reliability of business performance and assisting in the preparation of the financial statements.

The Board delegates to the Secretary such of its functions under the TEWF Act 2002 section 11 as may be necessary to carry out effectively the day-to-day business of the Fund. This comprises the responsibility for designing, operating and monitoring both the system and maintenance of effective control.

Risks in all its forms are assessed on a regular basis and corrective measures are taken so as to reduce it to zero, for example, due to the proliferation of covid 19 pandemic and the uncertainty that prevail in the Tourism sector namely to employment, the Board had frozen all the allocations of loans except for medical purposes. Also, the retirement gift had been reduced so as not to burden the Fund with the increase in the number of employees losing their jobs. Also, the Board had purchased a temperature testing machine which can detect the presence of infection from Covid 19 so as to reduce the risk to TEWF's staff being contaminated withing the office compound while dealing with any visitor.

## **13.0 Reporting with Integrity**

The Financial statements of the TEWF for the year ended 30th June 2021 have been prepared in accordance with the International Public Sector Accounting Standards (IPSASs) issued by the International Public Accounting Standards Board (IPSAAB) and submitted to National Audit Office (NAO) within the delay prescribed after it had been approved by the Board as per section 23 of the TEWF Act 2002.

The Audited Financial statements are posted on the TEWF Website as per the provisions of the Finance Act 2021 and hard copies filed with the National Assembly, the National Archives Department and other stake holder of the Tourism sector.

The Tourism Employees Welfare Fund (TEWF) recognizes that the risk of corruption is present and may occur in the organization. It is committed to maintain the highest level of integrity in the conduct of its affairs through the adoption of corruption prevention strategies in the organisation.



The Fund had implemented the Anti-Corruption Policy framework for the deterrence and detection of corruption and for adherence to a culture of integrity issued by the ICAC.

#### **14.0 Code of Ethics**

The TEWF has adopted a Code of Ethics to:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees and colleagues in the Tourism sector.
- Place the integrity of the Fund and the interests of clients above their own personal interests.
- Use reasonable care and exercise independent professional judgment while dealing with investment analysis and making investment recommendations taking into consideration the inherent risks.
- Practice and encourage others to practice professionally and ethically that will reflect credit on themselves and their profession.

### 15.0 Implementation Plan - Director of Audit Comments

The Director of Audit (NAO) raised various issues which had come to their notice during the conduct of normal audit procedures. These issues have been addressed by Management as follows:

Sn	Issues	DOA- comments	Proposed Measures	Status
1	Board Meeting by Resolution	Only 10 out of 13 members responded to the circularisation in writing. Meeting not valid.	Fees paid to members to be recovered.	Board meeting by circularisation was in order as per section (f) of recommendation 8.4 of the National code of Corporate Governance
2	Noncompliance of Financial statement with IPSAS	FS did not comply with (i) First time adoption disclosure (ii) Accounting policies not disclosed	Additional disclosures have been provided	Corrected
3	Property Plant and Equipment	(i) Noncompliance with standard (ii) Assets Written off (iii) Office Equipment	Adopted three years transitional period Will be compliant with all standards by 2022/2023	
4	Land not recorded at Fair Value	No revaluation of land done as per IPSAS 33	Land would be revalued	Necessary would be done in 2022/2023

5	Investment of Surplus Money.	No action taken to reinvest surplus money.	The Fund would start granting loan and carry a feasibility on its building project	Board is risks averse.
6	Standard of Control	Control over receipt number generated electronically	Action taken to exercise more control	
7	Lease Agreement	Lease Agreement signed by only Chairperson contrary to TEWF Act.	Necessary would be done to comply with provisions of the Act.	
8	Adjustment of Salary and other allowances	Adjustment should be accounted in the accounts for the period 30 June 2022	Corrections would be done	Action taken
9	Errors in Financial Statements	No Provisions made for employee's short terms benefits	Amendments made	
10	Outstanding Loans/ Debt Management	(a) No proper follow up (b) Appointment of Debt Collector	Recovery cell set up Debt Collector has no legal cost implication	Renewal of contract would be subject to approval of Board
11	Annual Report	Information not properly disclosed as per Corporate Governance Report	An Amended Report with correction and compliance submitted for Board approval.	



12	Internal Auditor	No appointment letter and programme of work issued to Part time IA	Formal letter would be submitted to him.	
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## 16.0 Relations with Shareholders and other key Stakeholders

The TEWF carries regular meeting with the human resource managers and representatives of the employees of the Tourism sector. Members are encouraged to use the on-line system operated by the Fund to apply for any schemes that they are entitled to. The Fund tries as far as possible to adhere to its customer charter with the ultimate objective to provide the employees of the sector and their families with an improve service to better their lives.

## 17.0 Commitment toward the Employees of the Fund

TEWF's staffs are encouraged to further their studies and to carry on job training. Also, the Fund is implementing a contributory medical scheme for the staffs and their families. Annual team building and brain storming sessions are organized and staffs are encouraged to come with new suggestions on how to improve the mode the service provided by the Fund for the ultimate benefit of the employees of the tourism sector and their families.

## 18.0 Corporate Governance

The Board and Management of the Fund are fully supportive and committed to the principles of integrity, transparency and professionalism as recommended by the Code of Corporate Governance. The Fund also strives to ensure that all activities are conducted in such a way so as satisfy the characteristics of good corporate governance namely;

Discipline, transparency, independence, accountability, responsibility and fairness.

The Board also reports that:

- It is its responsibility to prepare financial statements that fairly present the state of affairs of the Fund as at end of the financial year and the surplus /(deficit) and cash flows for the period;

- The external auditors are responsible for the reporting on whether the financial statements are fairly presented:
- Adequate accounting records and effective system of internals and risk management have been maintained;
- Appropriate accounting policies supported by reasonable and prudent judgment and estimates have been used consistently;
- Applicable accounting standards have been adhered to;
- The code of corporate Governance has been adhered to.

### **18.1 Statement of Board members responsibilities in respect of the Financial Statements**

The Act requires TEWF to prepare financial statements for each year which give a true and fair view of the state of affairs and of the income and expenditure of the TEWF. In preparing the financial statements, the Board members are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgment and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the TEWF will continue in business.

The Board members confirm that they have complied with the above requirements in preparing the financial statements for the period ended 30<sup>th</sup> June 2021.

The Board members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the TEWF and to enable them to ensure that the financial statements comply with the Act and applicable standards.

They are responsible for safeguarding the assets of the TEWF and hence for taking reasonable steps for the prevention and detection of fraud and any irregularities.



## 19.0 Internal Audit Function

The Internal Audit function is an independent appraisal and consulting activity established within the Tourism Employees Welfare Fund to add value, examine and evaluate its activities. The objectives are to assist members of TEWF's Management and its Board in the effective discharge of their responsibilities by providing them with analyses, appraisals, recommendations, counsel, information concerning the activities reviewed, and by promoting effective controls at reasonable cost.

An Internal Audit plan is prepared and submitted to Management for its views and additional area to be audited. Based on the audit plan, internal audit exercises are carried out and all discrepancies, weaknesses, errors and omissions, observations and shortcomings noted during the course of the internal audit exercise are assessed with due diligence.

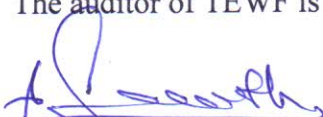
The impact and risks associated with discrepancies are analysed in depth and the internal audit ensured that the impact of the risks do not affect the normal business of the TEWF. Normally, all the observations and discrepancies noted are first discussed, cleared and agreed with the officers responsible of the department and same submitted to the Secretary TEWF for corrective actions with recommendations.

Internal Control procedures are set in such a way to detect risks and to ensure that all activities undertaken by the TEWF is according to established rules and regulations.

Risks mitigation actions are taken into consideration to do away with such any risks.

## 20.0 Auditors

The auditor of TEWF is the Director of National Audit Office.



**Chairperson**



**Board Member**

**Date:**





**TOURISM EMPLOYEES WELFARE FUND**  
6th Floor, Victoria House, Cnr Barracks & St Louis streets, Port Louis  
E-mail: [tewfund@intnet.mu](mailto:tewfund@intnet.mu) Web site: <http://www.tewf.mu>  
Tel: 211 4343 Fax: 213 5462

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30 JUNE 2022**

# TOURISM EMPLOYEES WELFARE FUND

## STATEMENT OF FINANCIAL POSITION

*as at 30 June 2022*

		<u>30-Jun-22</u>	<u>30-Jun-21</u>
	Notes	Rs	Rs
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash and Cash Equivalents	13	181,725,498	148,003,440
Accounts Receivable	14	3,881,826	4,386,200
Loans Receivables	15A	18,330,195	27,610,940
		<b>203,937,519</b>	<b>180,000,580</b>
<i>Non-Current Assets</i>			
Loan Receivables	15A	1,275,076	9,475,070
Property, Plant and Equipment	16	47,189,640	40,802,224
Intangible Assets	17	274,231	69,046
		<b>48,738,947</b>	<b>50,346,340</b>
<b>TOTAL ASSETS</b>		<b>252,676,466</b>	<b>230,346,920</b>
<b>LIABILITIES</b>			
<i>Current Liabilities</i>			
Payables	18	3,730,782	3,833,422
		<b>3,730,782</b>	<b>3,833,422</b>
<i>Non-Current Liabilities</i>			
Long term employee Benefits	19	5,111,189	5,121,044
Retirement Benefit Obligations	20	8,055,258	5,866,832
		<b>13,166,447</b>	<b>10,987,876</b>
<b>Total Liabilities</b>		<b>16,897,229</b>	<b>14,821,298</b>
<b>Net Assets</b>		<b>235,779,237</b>	<b>215,525,622</b>
<b>NET ASSETS/EQUITY</b>			
Capital contributed by:			
General Fund	SOE	235,779,237	215,525,622
<b>Total Net Assets/Equity</b>		<b>235,779,237</b>	<b>215,525,622</b>

The notes on pages 9 to 28 form part of these financial statements.

Approved by Board on : ..... Chairperson : ..... Board Member : .....	208 <sup>th</sup> Board Meeting held on 9 <sup>th</sup> Feb 23
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# TOURISM EMPLOYEES WELFARE FUND

## STATEMENT OF FINANCIAL PERFORMANCE

Year Ended 30 June 2022

		<u>Year Ended</u> <u>30 Jun 2022</u>	<u>Year Ended</u> <u>30 Jun 2021</u>
	Notes	Rs	Rs
<b>Revenue from Exchange Transactions</b>			
Contributions		31,788,884	32,904,752
Other Income	21	3,550,614	2,690,889
<b>Revenue from Non-Exchange Transactions</b>			
Penalty on Contribution	21	312,170	261,935
<b>Total Revenue</b>		<b>35,651,668</b>	<b>35,857,576</b>
<b>Expenses</b>			
Employee Costs	23	9,216,836	9,347,342
Grant Schemes	22	5,972,600	6,773,700
Operating Expenses	24	3,463,212	3,417,046
Depreciation and amortisation expense	16&17	357,117	413,645
<b>Total Expenses</b>		<b>19,009,765</b>	<b>19,951,733</b>
<b>Surplus for the Year</b>		<b>16,641,903</b>	<b>15,905,843</b>



## TOURISM EMPLOYEES WELFARE FUND

### STATEMENT OF CHANGES IN NET ASSETS / EQUITY

*Year Ended 30 June 2022*

	Retirement Benefit Obligation Reserve  Rs	Revaluation of Land  Rs	Accumulated Surplus  Rs	Total  Rs
Balance as at 30 Jun 2020			202,596,374	202,596,374
Remeasurement of Defined Benefit liability	(2,976,595)			(2,976,595)
Surplus for the year			15,905,843	15,905,843
<b>Balance as at 30 June 2021</b>				<b>215,525,622</b>
Prior Year Adjustment			(664)	(664)
Remeasurement of Defined Benefit liability	(2,078,348)			(2,078,348)
Gain on Revaluation of Land		5,690,724		5,690,724
Surplus for the year			16,641,903	16,641,903
<b>Balance as at 30 June 2022</b>				<b>235,779,237</b>

# TOURISM EMPLOYEES WELFARE FUND

## CASH FLOW STATEMENT

Year Ended 30 June 2022

	<u>Year Ended</u> <u>30 Jun 2022</u>	<u>Year Ended</u> <u>30 Jun 2021</u>
	Rs	Rs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Surplus/ (Deficit)	16,641,903	15,905,843
Adjustment for:		
Depreciation and amortisation expense	357,117	413,645
(Gain) / Loss on write-off of fixed assets	-	2,400
Adjustment for over depreciation	(1,035,113)	-
Prior year adjustment - Interest received	(664)	-
Provision for bad debt	1,031,856	1,951,895
Longterm Employee Benefits	(9,855)	1,089,986
Adj. Remeasurement of Defined Benefit Liability	110,078	-
Interest Receivable	(1,632,693)	(2,640,868)
<b>Operating Surplus/ (Deficit) before Working Capital changes</b>	<b>15,462,629</b>	<b>16,722,901</b>
<b>Changes in Working Capital:</b>		
(Increase)/Decrease in Receivables	504,374	257,695
(Increase)/Decrease in loan Receivables	16,448,883	19,475,199
Increase/(Decrease) in Payables	(102,640)	256,377
<b>NET CASH GENERATED FROM OPERATIONS</b>	<b>32,313,246</b>	<b>36,712,172</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, plant and Equipment	(223,881)	(5,336,245)
Interest Received	1,632,693	2,640,868
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>1,408,812</b>	<b>(2,695,377)</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENT</b>	<b>33,722,058</b>	<b>34,016,795</b>
<b>CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR</b>	<b>148,003,440</b>	<b>113,986,645</b>
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>	<b>181,725,498</b>	<b>148,003,440</b>

**Notes to the Cash Flow Statement:**

(a) Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and balance at bank and comprise of the following amount:

	<u>Year Ended</u> <u>30 June 2022</u>	<u>Year Ended</u> <u>30 June 2021</u>
	Rs	Rs
Cash in Hand	21,021	8,000
Cash at Bank	181,704,477	147,995,440

(b) Property, Plant and Equipment

During the year, the TEWF acquired property, plant and equipment amounting to Rs 223,881.

# TOURISM EMPLOYEES WELFARE FUND

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Year Ended 30 June 2022

	Approved & Final Budget	Adjustment	Actual Amount on Comparable Basis	Difference between Budget and Actual	Notes	Remarks
	Rs	Rs	Rs	Rs		
<b>Revenue from Exchange Transactions</b>						
Contributions	24,000,000	-	32,860,937	(8,860,937)	25.1	Approx. 34,000 employees
Other Income	-	-	3,001,415	(3,001,415)	25.2	Interest received on loan
<b>Revenue from Non-Exchange Transactions</b>						
Penalty on contribution	-	-	312,170	(312,170)		
	<b>24,000,000</b>	<b>-</b>	<b>36,174,522</b>	<b>(12,174,522)</b>		
<b>Expenses</b>						
<b>Salaries and Employee Benefits</b>						
Salaries	5,633,850	-	5,653,596	(19,746)		
Compensation	253,380	-	117,726	135,654		
End of year Bonus	483,415	-	465,525	17,890		
Allowances to officers	265,000	-	278,943	(13,943)		
Passage Benefits	283,574	-	318,162	(34,588)		
Travelling Expenses	669,120	-	600,518	68,602		
Uniforms	30,000	-	15,195	14,805		
Overtime	35,000	-	19,596	15,404		
NPS Contributions	147,180	-	87,377	59,803		
FPS Contributions	117,743	-	115,426	2,317		
CSG Contributions	307,280	-	323,990	(16,710)		
Sicom Pension Fund	706,468	-	802,637	(96,169)		
Sick leave	338,635	-	443,776	(105,141)		
Staff Medical Insurance	135,000	-	133,771	1,229		
Staff training	100,000	-	-	100,000		
	<b>9,505,645</b>	<b>-</b>	<b>9,478,484</b>	<b>27,161</b>		



# TOURISM EMPLOYEES WELFARE FUND

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Year Ended 30 June 2022 (Continued)

	Approved & Final Budget	Adjustment	Actual Amount on Comparable Basis	Difference between Budget and Actual	Notes	Remarks
	Rs	Rs	Rs	Rs		
<b><u>Expenses</u></b>						
<b>Schemes</b>						
Marriage Gift	1,200,000	-	1,177,000	23,000		
Death Grant	600,000	-	380,000	220,000		
Death Grant Dependant Relative	300,000	-	140,000	160,000		
Training	700,000	-	180,000	520,000		
Leisure Activities	-	-	134,600	(134,600)	25.3	resumed post COVID eligible candidates
SC Grant	200,000	-	275,000	(75,000)	25.4	
HSC Grant	250,000	-	140,000	110,000		
Laureate Gift	100,000	-	20,000	80,000		
Scholarship Grant	300,000	-	110,000	190,000		
Parental Gift	2,100,000	-	1,365,000	735,000		
Retirement Gift	7,500,000	-	1,901,000	5,599,000		
Special Medical Assistance	400,000	-	150,000	250,000		
	<b>13,650,000</b>	<b>-</b>	<b>5,972,600</b>	<b>7,677,400</b>		

# TOURISM EMPLOYEES WELFARE FUND

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Year Ended 30 June 2022

(Continued)

	Approved & Final Budget	Adjustment	Actual Amount on Comparable Basis	Difference between Budget and Actual
	Rs	Rs	Rs	Rs
<b><u>Expenses</u></b>				
<b>Operating Expenses</b>				
Donations	15,000	-	-	15,000
Allowance to Board Members	472,995	-	380,732	92,263
Board Expenses & Travelling	15,000	-	25,753	(10,753)
Media and Communications	350,000	-	259,283	90,717
Rent	1,200,336	-	1,200,336	-
Cleaning Expenses	60,000	-	106,618	(46,618)
Printing, Postage and Stationery	130,000	-	78,612	51,388
Bank interest and charges	40,000	-	30,140	9,860
General Expenses	20,000	-	2,801	17,199
Electricity	300,000	-	332,471	(32,471)
Water	7,500	-	2,509	4,991
Repairs & Maintenance	350,000	-	352,097	(2,097)
Motor Vehicles Expenses	100,000	-	56,520	43,480
Legal, Professional, Subscription and Membership Fees	195,000	-	142,035	52,965
Entertainment	75,000	-	2,459	72,541
Advertising and promotion	100,000	-	-	100,000
Insurance	100,000	-	31,977	68,023
Staff Welfare	150,000	-	58,809	91,191
Audit fees	175,000	-	125,000	50,000
Licenses	500,000	-	243,338	256,662
Magazines & Newspapers	10,000	-	6,135	3,865
	<b>4,365,831</b>	<b>-</b>	<b>3,437,625</b>	<b>928,206</b>

# TOURISM EMPLOYEES WELFARE FUND

## STATEMENT OF RECONCILIATION OF ACTUAL CASH FLOWS

*Year Ended 30 June 2022*

Receipts	Year Ended 30 June 2022
	Rs
Actual amount on comparable basis as per Statement of Comparison of Budget and Actual Amounts	36,174,522
<b>Basis of Differences:</b>	
Adjustment for receivables	(504,374)
Adjustment for payables	(18,480)
<b>Actual amount as per Financial Performance</b>	<b>35,651,668</b>

Payments	Year Ended 30 June 2022
	Rs
Salaries and Employee Benefits	9,478,484
Schemes	5,972,600
Operating Expenses	3,437,625
Actual amount on comparable basis as per Statement of Comparison of Budget and Actual Amounts	18,888,709
<b>Basis of Differences:</b>	
Adjustment for receivables	-
Adjustment for payables	(149,909)
<b>Provisions &amp; Accruals</b>	
Passage Benefits	(80,788)
Sick Leaves	(5,364)
<b>Non-Cash Items</b>	
Depreciation & Amortisation	357,117
<b>Actual amount as per Financial Performance</b>	<b>19,009,765</b>



# **TOURISM EMPLOYEES WELFARE FUND**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2022**

### **1. GENERAL INFORMATION**

The Tourism Employees Welfare Fund was established by the Tourism Employees Welfare Fund Act 2002 with object to set up schemes and projects and, generally, to carry out such activities as may be considered desirable for promoting the welfare of employees of tourism enterprises and their families. These include marriage gift, parental gift, retirement gift and different types of loans at low interest rate, as well as outdoor activities such as family day, sports day and hiking.

### **2. REGISTERED OFFICE**

The office of the Tourism Employees Welfare Fund is situated at 6<sup>th</sup> floor, Victoria House, Cnr Barracks & St Louis streets, Port Louis.

### **3. BASIS OF PREPARATION**

The financial statements have been prepared in accordance with the accrual basis International Public Sector Accounting Standards (IPSASs) issued by the International Public Sector Accounting Standards Board (IPSASB) which is a board of the Federation of Accountants (IFAC), and in accordance with the provision for Statutory Bodies specified in the First Schedule as per Section 6A 3(a) of the Statutory Bodies (Accounts and Audit) Act.

### **4. STATEMENT OF COMPLIANCE**

The financial statements for the financial year ended 30 June 2022 have been prepared in accordance with the accrual basis IPSASs.

Where an IPSAS does not address a particular issue, the appropriate International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) issued by the International Accounting Standards Board are applied.

# **TOURISM EMPLOYEES WELFARE FUND**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2022**

The financial statements have been prepared under the historical cost convention and accounting policies have been applied consistently throughout the financial year.

A going concern basis has been adopted.

The Financial Statements are presented in Mauritian rupees.

### **5. ESTIMATES AND ASSUMPTIONS**

In the application of the Tourism Employees Welfare Fund's accounting policies, management and the Board are required to make judgements, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. Judgements and assumptions are continuously evaluated and are based on historical experience and other factors considered being reasonable and relevant under the circumstances. The actual results could therefore differ from these estimates.

The notes to the financial statements set out, where applicable, the areas where Management has applied a degree of judgement that have a significant effect on the amounts that are recognized in the financial statements.

### **6. BASIS OF MEASUREMENT**

While preparing the financial statements, the TEWF has adopted accounting principles as appropriate for the measurement and reporting of the financial position, financial performance, and cash flows on an accrual basis.

### **7. ADOPTION OF NEW AND REVISED STANDARDS**

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

In the current financial year, the TEWF has adopted all the new and revised International Public Sector Accounting Standards (IPSAS) that are relevant to its operations for the current year ended 30 June 2022 namely:

IPSAS 1 - Presentation of Financial Statements

IPSAS 2 - Cash Flow Statements

IPSAS 3 - Accounting policies, changes in Accounting Estimates and Errors



# **TOURISM EMPLOYEES WELFARE FUND**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2022**

IPSAS 2 - Cash Flow Statements  
IPSAS 3 - Accounting policies, changes in Accounting Estimates and Errors  
IPSAS 9 - Revenue from Exchange Transactions  
IPSAS 11 - Construction Contracts  
IPSAS 12 - Inventories  
IPSAS 13 - Leases  
IPSAS 14 - Events After Reporting Date  
IPSAS 16 - Investment Property  
IPSAS 17 - Property, Plant and equipment  
IPSAS 19 - Provisions, Contingent Liabilities and Contingent Assets  
IPSAS 20 - Related Party Disclosures  
IPSAS 21 - Impairment of Non-Cash-Generating Assets  
IPSAS 23 - Revenue from Non-Exchange Transactions  
IPSAS 24 - Presentation of Budget Information in Financial Statements  
IPSAS 26 - Impairment of Cash Generating Assets  
IPSAS 28-30 - Financial Instruments effective date of January 1, 2013  
IPSAS 31 - Intangible Assets  
IPSAS 39 - Employee benefits  
IPSAS 42 - Social Benefits

In addition to the above-mentioned standards, the following standards have been issued but not adopted by the Fund: -

IPSAS 4 - The Effects of Changes in Foreign Exchange Rates  
IPSAS 5 - Borrowing Costs  
IPSAS 10 - Financial Reporting in Hyperinflationary Economies  
IPSAS 18 - Segment Reporting  
IPSAS 22 - Disclosure of Information of about the General Government Sector  
IPSAS 27 - Agriculture.  
IPSAS 32 - Service Concession Arrangements Grantor  
IPSAS 34 - Separate Financial Statements  
IPSAS 35 - Consolidated Financial Statements  
IPSAS 36 - Investments in Associates and Joint Ventures  
IPSAS 37 - Joint Arrangements  
IPSAS 38 - Disclosure of Interests of Other Entities  
IPSAS 40 - Public Sector Combinations  
IPSAS 41 - Financial Instruments effective date of January 1, 2022



# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2022

### 8. STATEMENT OF FINANCIAL PERFORMANCE AND CASH FLOW STATEMENTS

The statement of financial performance classifies expenses on the basis of their nature instead of their function. The cash flow statement has been prepared using the indirect method.

### 9. SIGNIFICANT ACCOUNTING POLICIES

#### 9.1 Property, Plant and Equipment

Property, Plant and Equipment are recognized as an asset at cost (regardless to their value) if it is probable that future economic benefits or service potentials associated with the item will flow to the Fund and the cost or fair value of the item can be measured reliably.

Asset acquired through a non-exchange transaction is measured at fair value at the date of acquisition.

Following recognition as an asset, an item of property, plant and equipment is carried at cost /fair value less accumulated depreciation and any recognized impairment losses.

Depreciation is calculated to write off the cost of the assets on a straight-line basis over the estimated useful lives as follows:

- Assets acquired during a specific year are assumed to be owned as from the following month. Depreciation is accordingly calculated from the month following the month of purchase.
- No depreciation is charged in the month of disposal.

The annual rate of depreciation is as per table below:

SN	CLASS OF ASSETS	LIFETIME	DEPRECIATION RATE
1	Computer Equipment	4 years	25%
2	Office Equipment	5 years	20%
3	Furniture and Fittings	10 years	10%
4	Motor Vehicles	10 years	10%
5	Intangible Assets	3 years	33%

Gains and losses on the derecognition of an item of property, plant and equipment are determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2022

Assets having zero Net Book Value but which are still in use have been revaluated as follows:

SN	CLASS OF ASSETS	LIFETIME	DEPRECIATION RATE
1	Computer Equipment	15 years	6.7%
2	Office Equipment	20 years	5%
3	Furniture and Fittings	20 years	5%
4	Motor Vehicles	10 years	10%
5	Intangible Assets	10 years	10%

### 9.1.1 Impairment

At each reporting date, all assets are reviewed for impairment. An impairment loss is recognized whenever the recoverable amount falls materially below the carrying amount of the asset (book value). The impairment loss is accounted as an expense in the statement of financial performance.

### 9.1.2 Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on its disposal or when no future economic benefits or service potential is expected from its use or disposal.

### 9.1.3 Acquisition of Land

A plot of Land, amounting Rs 34,912,176, was purchased at Arsenal for future development and following an evaluation carried out by the Valuation Department, the market value of an extent of 6A79P at Arsenal, Pamplemousses is Rs 45,832,500.

### 9.1.4 Revaluation Policy

Property, Plant and Equipment are revalued by external or government valuer every 5 years. Any increase in carrying amount of a class of assets is credited directly to revaluation surplus or deficit.

## 9.2 Cash and Cash Equivalents

Cash and Cash Equivalents comprise of bank balances and cash in hand.

## 9.3 Trade and Other Receivables

Trade and other receivables are stated at their nominal value. The carrying amount of trade receivables is adjusted to reflect any impairment loss at reporting date and is reduced when a trade receivable is uncollectible.



## **TOURISM EMPLOYEES WELFARE FUND**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2022**

Trade receivables mainly includes contribution in arrears, loans and interest.

These are recognized on a cost basis taking into consideration provision for bad and doubtful debts. Provision for bad debt of 5% on outstanding loan balance has been provided for the year under review.

On 22 November 2021, the TEWF retained the services SOGEREC Ltd to act as debt collector for outstanding loan amounting to Rs 1,935,207.77. As at 30 June 2022, an amount of Rs 16,224.69 was collected.

#### **9.4 Trade and Other Payables**

Trade and other payables are stated at their nominal amounts.

#### **9.5 Financial Instrument**

Financial Assets and Liabilities are recognized in the Statement of Financial Position when the Fund has become party to the contractual provisions of the instruments.

#### **9.6 Retirement and Other Benefit Obligations**

##### **9.6.1 *Defined benefit pension plan***

Provision for retirement pension benefits is made under the Statutory Bodies Pension Funds Act of 1978 as amended. The scheme is a Defined Benefit pension plan and its assets are managed by State Insurance Company of Mauritius (SICOM) Ltd.

The cost of providing benefits is actuarially determined using the projected unit credit method (see note 20 was updated as at 30 June 2022).

The present value of funded obligations is recognized in the Statement of Financial Position as a non-current liability after adjusting for the fair value of plan assets, any actuarial gains and losses and any current or past service cost. The valuation of these obligations is carried out on a regular basis by the actuarial services of SICOM Ltd.

The current service cost and any recognized past service cost are included in the income statement as an expense together with the associated interest cost; whereas the remeasurements of the net defined benefit liability or asset, comprising of actuarial gains and losses, return on plan assets and any changes in the effect of the asset ceiling is recognized in the Net Assets/Equity, in line with IPSAS 39.



## **TOURISM EMPLOYEES WELFARE FUND**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2022**

#### **9.6.2 *Defined Contribution Pension Scheme for new entrants as from 1 January 2013***

The PRB has recommended at para. 15.91 to 15.95 of its 2013 Report a single Defined Contribution (DC) Pension scheme for new entrants to the Public Sector as from 01 January 2013. There has been one new recruit in the financial year ended 30 June 2022 and a total contribution of Rs 26,824.80 was paid to SICOM.

#### **9.6.3 *State Plan and Defined Contribution Plans***

Contributions to the National Pensions Schemes, Family Protection Schemes, National Savings Fund and 'Contribution Sociale Generalisee' (CSG) are expensed in the same financial year.

#### **9.6.4 *Long-term Employee Benefits***

Employees entitlement to sick leaves, are recognized as and when they are accrued to employees.

A provision for vacation leave is being provided for officers who may take the option to cash their accumulated vacation on retirement or death.

This is being recognized as a non-current liability in the financial statements with the comparative amount for the previous period (see Note 19).

#### **9.6.5 *Passage Benefits***

Passage Benefits are earned and accumulated yearly by employees according to set criteria and fall due at short notice. They are therefore classified as short-term benefits and are measured at their nominal amount. Amounts paid are expensed during the period and amounts not paid are accrued and recognized as a liability. The carrying amount is re-measured each year after taking into account amount paid and earned during the period (see Note 18).

#### **9.6.6 *Sick Leaves***

The PRB Report 2021 recommends that the monetary value of untaken sick leave for year 2020 should be kept in a separate account and refunded to the beneficiary at the time of retirement or when the Government so deems fit, bearing in mind the financial soundness of the economy.

The Report also recommends that the amount kept in the separate account, may be used by officers for medical expenses/treatment for themselves or immediate member(s) of their family.

The untaken sick leave for year 2020 has been computed and accounted separately under long-term employee benefits.

# **TOURISM EMPLOYEES WELFARE FUND**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2022**

### **9.7 Comparative Figures**

Comparative figures have not been restated for the current year's presentation.

### **9.8 Revenue recognition**

Revenue on account of contribution from tourism employees applicable for the period of account is recognized on a cash basis. However, at the time of preparation of account, contribution received after year ended 30 June 2022 has been accrued in order to arrive at the actual contribution figure.

### **9.9 Interest Receivables**

Interest receivable on investments and bank deposits are accrued. However, interest on loan to employees is recognized on a cash basis.

### **9.10 Car Loans**

Loans are granted to eligible employees of the Fund for the purchase of motor cars. Repayment is made through deduction at source from their salaries on a monthly basis instalment representing principal and interest.

The Fund has a 'Lien' placed on the vehicle purchased by the employee which will be removed on full settlement of the loan. The loan balance (principal and interest) due from employees is recognized as accounts receivables.

### **9.11 Expenses**

All expenses incurred are accrued in the accounts.

### **9.12 Capital Commitments**

Management has renewed for a further two-year period rental agreement as from 09 July 2021. Rental payable under operating lease is recognized to the Statement of Financial Performance on an accrual basis.

## **10 RISK MANAGEMENT POLICIES**

The Tourism Employees Welfare Fund is subject to various types of risks. A description of each type of the risk is given below as well as the measures adopted by Management to control and to mitigate them.



# **TOURISM EMPLOYEES WELFARE FUND**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2022**

### **10.1 Credit Risk**

Credit risk is the risk of loss due to a debtor's non-payment of a loan or other line of credit. Loans are provided to employees of tourism enterprises after assessment of credit worthiness. In order to mitigate and to minimise this type of risk, the organization keeps a track record of each borrower, grant one type of loan at a time and has established a close monitoring system.

### **10.2 Liquidity Risk**

Liquidity Risk is the risk to an organization's earnings and capital arising from its inability to meet timely obligations when they become due without incurring unacceptable losses. Management must ensure that sufficient funds are available at a reasonable cost to meet potential demands. Hence, cashflow forecasts are prepared regularly. Moreover, bank loan facilities are available to meet obligations.

### **10.3 Interest Rate Risk**

Interest rate risk is the current and prospective risk to earnings or capital arising from movements in the interest rates. Changes in interest rates affect income earned from assets and the cost of funding those assets. In order to mitigate this type of risk, the organization prefers to invest in the long-term deposit at a fixed interest rate rather than short term investment at floating rates.

## **11. Related Parties**

For the purpose of these Financial Statements, the party which is considered to be related to the TEWF is the government.

## **12. Key Management Personnel**

The Fund is governed by a management with key personnel that includes the Secretary to the Fund, Accountant and Program Welfare Officer. The monthly remuneration of key management personnel amounted to Rs 167,475 for the period July 2021 to 30 June 2022.



# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO THE ACCOUNTS

*Year Ended 30 June 2022*

### 13 CASH AND CASH EQUIVALENTS

Items	Year Ended 30 June 2022	Year Ended 30 June 2021
	Rs	Rs
Cash in Hand	21,021	8,000
Cash at Bank	181,704,477	147,995,440
<b>Total</b>	<b>181,725,498</b>	<b>148,003,440</b>

### 14 ACCOUNTS RECEIVABLE

Items	Year Ended 30 June 2022	Year Ended 30 June 2021
	Rs	Rs
Contribution in arrears	2,050,487	3,018,680
Car Loan Receivable	878,494	562,500
Salary & Board Member Refund	9,850	9,850
Sundry Receivables & Prepayments	517,625	284,420
Contribution receivable within 1 year	425,370	510,750
<b>Total</b>	<b>3,881,826</b>	<b>4,386,200</b>

# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO THE ACCOUNTS

Year Ended 30 June 2022

### 15 LOANS RECEIVABLES

Items	Year Ended 30 June 2022 Rs	Year Ended 30 June 2021 Rs
Multipurpose	20,228,013	37,932,179
Computer	136,902	155,169
Motorcycle	-	-
SC / HSC Loan	21,572	21,572
Educational Loan	-	1,755
Overseas Travel Loan	222,446	898,069
Loan Educational	28,194	29,161
	<b>20,637,127</b>	<b>39,037,905</b>

### 15A LONG TERM LOANS RECEIVABLES

	Year Ended 30 June 2022 Rs	Year Ended 30 June 2021 Rs
Total loans	20,637,127	39,037,905
Provision for Bad Debt	(1,031,856)	(1,951,895)
	<b>19,605,271</b>	<b>37,086,010</b>
Less amount receivable within one year	18,330,195	27,610,940
Amount receivable after one year	1,275,076	9,475,070

# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO THE ACCOUNTS

Year Ended 30 June 2022

### 16 PROPERTY, PLANT AND EQUIPMENT

	LAND	COMPUTER EQUIPMENT	OFFICE EQUIPMENT	FURNITURE, FIXTURES AND FITTINGS	MOTOR VEHICLE	TOTAL
	Rs	Rs	Rs	Rs	Rs	Rs
<b>COST</b>						
1 July 2021	40,141,776	1,166,116	477,960	1,189,589	1,428,000	44,403,441
Additions	-	156,411	-	67,470	-	223,881
Revaluation	5,690,724	-	-	-	-	5,690,724
Written -off	-	(40,000)	-	-	-	(40,000)
30 June 2022	45,832,500	1,282,527	477,960	1,257,059	1,428,000	50,278,046
<b>DEPRECIATION</b>						
1 July 2021	-	1,106,978	405,027	971,655	1,117,557	3,601,217
Charge for the year	-	56,369	18,114	79,834	142,800	297,117
Written-off	-	(40,000)	-	-	-	(40,000)
Adjustment for over depreciation	-	(455,310)	(187,225)	(127,393)	-	(769,928)
30 June 2022	-	668,037	235,916	924,096	1,260,357	3,088,406
<b>CARRYING AMOUNT</b>						
30 June 2022	45,832,500	614,490	242,044	332,963	167,643	47,189,640
30 June 2021	40,141,776	59,138	72,933	217,934	310,443	40,802,224

### 17 INTANGIBLE ASSETS

	Computer Software Rs
<b>COST</b>	
1 July 2021	784,956
30 June 2022	784,956
<b>AMORTISATION</b>	
1 July 2021	715,910
Charge for the year	60,000
Written -off	-
Adjustment for over depreciation	(265,185)
30 June 2022	510,725
<b>CARRYING AMOUNT</b>	
30 June 2022	274,231
30 June 2021	69,046



# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO THE ACCOUNTS

Year Ended 30 June 2022

### 18 PAYABLES

Items	Year Ended 30 June 2022	Year Ended 30 June 2021
	Rs	Rs
Accruals	74,182	224,091
Other payables	125,347	87,921
Contribution prepaid	67,840	49,360
Contribution & Loan Overpaid	675,843	432,755
Interest, Admin & Insurance Receivable on Loan	1,903,714	2,069,287
Sick Leaves	320,036	325,400
Passage Benefits	438,820	519,608
Audit fees	125,000	125,000
<b>Total</b>	<b>3,730,782</b>	<b>3,833,422</b>

### 19 LONG TERM EMPLOYEE BENEFITS

Employee benefits represent sick leaves and vacation leaves accrued by staff.

Items	Year Ended 30 June 2022	Year Ended 30 June 2021
	Rs	Rs
Sick leave benefits	2,428,445	2,540,547
Provision for Vacation Leaves Refund	2,682,744	2,580,497
<b>Amount due after one year</b>	<b>5,111,189</b>	<b>5,121,044</b>

# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO THE ACCOUNTS

*Year Ended 30 June 2022*

### 20 RETIREMENT BENEFIT OBLIGATIONS

	Year Ended 30 June 2022 Rs	Year Ended 30 June 2021 Rs
<b>Defined Benefit Pension Plan</b>		
<b>Amounts recognised in Statement of Financial Position at end of year:</b>		
Defined benefit obligation	20,037,765	16,880,886
Fair value of plan assets	(11,982,507)	(11,014,054)
<b>Liability recognised in statement of financial position at end of year</b>	<b>8,055,258</b>	<b>5,866,832</b>
<b>Amounts recognised in Income Statement:</b>		
Service cost:		
Current service cost	797,627	724,372
Past service cost	-	-
(Employee contributions)	(332,867)	(287,524)
Fund expenses	43,275	39,441
Net Interest expense/(income)	267,777	95,429
P & L Charge	775,812	571,718
<b>Remeasurement</b>		
Liability (gain) / loss	1,447,949	3,280,522
Assets (gain) / loss	630,399	(300,598)
Net Assets/Equity (NAE)	2,078,348	2,979,924
<b>Total</b>	<b>2,854,160</b>	<b>3,551,642</b>
<b>Movements in liability recognised in Statement of Financial Position:</b>		
At start of year	5,866,832	2,890,237
Amount recognised in P & loss	775,812	571,718
(Contributions paid by employer)	(665,734)	(575,047)
Amount recognised in NAE	2,078,348	2,979,924
At end of year	<b>8,055,258</b>	<b>5,866,832</b>

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

# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO THE ACCOUNTS

Year Ended 30 June 2022

### 20 RETIREMENT BENEFIT OBLIGATIONS (Continued)

	Year Ended 30 June 2022 Rs	Year Ended 30 June 2021 Rs
<b>Defined Benefit Pension Plan</b>		
<b>Reconciliation of the present value of defined benefit obligation</b>		
Present value of obligation at start of period	16,880,886	12,398,644
Current service cost	797,627	724,372
Interest cost	844,044	477,348
(Benefits paid)	67,259	-
Liability (gain)/loss	1,447,949	3,280,522
Present value of obligation at end of period	20,037,765	16,880,886
<b>Reconciliation of fair value of plan assets</b>		
Fair value of plan assets at start of period	11,014,054	9,508,407
Expected return on plan assets	576,267	381,919
Employer contributions	665,734	575,047
Employee contributions	332,867	287,524
(Benefits paid + other outgo)	23,984	(39,441)
Asset gain/(loss)	(630,399)	300,598
Fair value of plan assets at end of period	11,982,507	11,014,054
<b>Distribution of plan assets at end of period</b>		
<i>Percentage of assets at end of year</i>	<b>Jun-22</b>	<b>Jun-21</b>
Government securities and cash	58.0%	54.8%
Loans	2.9%	2.8%
Local equities	13.6%	11.8%
Overseas bonds and equities	25.0%	30.1%
Property	0.5%	0.5%
Total	100.0%	100.0%
<b>Additional disclosure on assets issued or used by the reporting entity</b>		
<i>Percentage of assets at end of year</i>	<b>Jun-22</b>	<b>Jun-21</b>
	(%)	(%)
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
<b>Components of the amount recognised in OCI</b>		
Year	<b>Jun-22</b>	<b>Jun-21</b>
Currency	<b>Rs</b>	<b>Rs</b>
Asset experience gain/(loss) during the period	(630,399)	300,598
Liability experience gain/(loss) during the period	(1,447,949)	(3,280,522)
	(2,078,348)	(2,979,924)
Year	<b>2022/2023</b>	
Expected employer contributions (Estimate to be reviewed by Tourism Employees Welfare Fund)	660,080	
Weighted average duration of the defined benefit obligation (Calculated as a % change in PV of liabilities for a 1% change in discount rate)	21 years	



# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO THE ACCOUNTS

Year Ended 30 June 2022

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### 20 RETIREMENT BENEFIT OBLIGATIONS (Continued)

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

The cost 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:

	Year Ended 30 June 2022	Year Ended 30 June 2021
Discount rate	5.50%	5.00%
Future salary increases	3.50%	3.00%
Future pension increases	2.50%	2.00%
Mortality before retirement	Nil	Nil
	PA (90) Tables - rated down by 2 years	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 analyses below have 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 3.6M (increase by Rs 4.7M) if all other assumptions were held unchanged.

- If the expected salary growth would increase (decrease) by 100 basis points, the defined benefit obligation would increase by Rs 2.9M (decrease by Rs 2.4M) if all assumptions were held unchanged.

- If life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by Rs 0.5M (decrease by 0.5M) if all assumptions were held unchanged.

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.

# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO THE ACCOUNTS

Year Ended 30 June 2022

### 21 OTHER INCOME

Items	Year Ended	Year Ended
	30 June 2022	30 June 2021
	Rs	Rs
Interest received on Loans	1,632,693	2,640,868
Interest Received on car loan	34,168	29,619
Administration fees	3,000	1,500
Penalty on Contribution	312,170	261,935
Sundry income	5,706	18,182
Adjustment for over depreciation	1,035,113	-
Insurance	1,440	720
Decrease in Provision for bad debt	838,494	-
<b>Total</b>	<b>3,862,784</b>	<b>2,952,824</b>

### 22 GRANT SCHEMES

Items	Year Ended	Year Ended
	30 June 2022	30 June 2021
	Rs	Rs
Marriage Gift	1,177,000	818,000
Death Grant	380,000	470,000
Death Grant Dependant Relative	140,000	70,000
Training	180,000	242,500
Leisure Activities	134,600	81,000
SC Grant	275,000	10,000
HSC Grant	140,000	10,000
Laureate Gift	20,000	-
Scholarship Grant	110,000	133,700
Parental Gift	1,365,000	1,665,000
Retirement Gift	1,901,000	3,273,500
Special Medical Assistance	150,000	-
<b>Total</b>	<b>5,972,600</b>	<b>6,773,700</b>

# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO THE ACCOUNTS

Year Ended 30 June 2022

### 23 EMPLOYEE COSTS

Items	Year Ended	Year Ended
	30 June 2022	30 June 2021
	Rs	Rs
Salaries	5,484,786	4,943,260
Compensation	117,726	224,130
End of year Bonus	465,525	409,890
Allowances to officers	278,943	391,971
Passage Benefits	237,374	240,389
Travelling Expenses	595,022	567,080
Uniforms	15,195	17,730
Overtime	18,406	24,666
NPS Contributions	87,377	82,083
FPS Contributions	115,426	97,701
CSG Contributions	323,990	217,448
Sicom Pension Fund	802,637	586,208
Vacation Leave	102,246	522,340
Sick leave	438,412	893,047
Staff Medical Insurance	133,771	129,399
Staff training	-	-
<b>TOTAL</b>	<b>9,216,836</b>	<b>9,347,342</b>



# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO THE ACCOUNTS

*Year Ended 30 June 2022*

### 24 OPERATING EXPENSES

Items	Year Ended 30 June 2022 Rs	Year Ended 30 June 2021 Rs
Loss on disposal	-	2,400
Donations	-	10,000
Allowance to Board Members	380,732	324,231
Board Expenses & Travelling	25,753	11,732
Media and Communications	259,747	249,677
Rent	1,200,336	1,200,336
Cleaning Expenses	117,888	59,462
Printing, Postage and Stationery	78,612	102,241
Bank interest and charges	30,140	29,712
General Expenses	2,801	4,100
Electricity	349,017	302,852
Water	2,516	3,067
Repairs & Maintenance	350,027	283,898
Motor Vehicles Expenses	56,520	46,318
Legal, Professional, Subscription and Membership Fees	142,035	195,778
Entertainment	2,459	33,828
Insurance	31,977	57,566
Staff Welfare	58,809	74,184
Audit fees	125,000	50,000
Provision for Bad Debts/Bad Debt Written-off	-	142,212
Licenses	243,338	229,927
Magazines & Newspapers	5,505	3,525
<b>Total</b>	<b>3,463,212</b>	<b>3,417,046</b>

# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO THE ACCOUNTS

*Year Ended 30 June 2022*

### **25 Difference Between Budget and Actual Amount**

#### **25.1 Contribution - Rs 8,860,937**

There has been a surplus in contribution as it was estimated that monthly number of employees contributing to the fund will be 25,000; however with the take off of tourism activities, contribution was received for approximately 34,000 employees.

#### **25.2 Other Income - Rs 1,966,302**

The surplus comprises mainly of an amount of Rs 1,632,693 received as interest on loan.

#### **25.3 Leisure Activities - Rs 134,600**

Leisure activities have resumed post COVID.

#### **25.4 SC Grant - Rs 75,000**

More candidates were eligible for Sc Grant.