

# **ANNUAL**REPORT 2018-2019

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National Social Inclusion Foundation Annual Report 2018-2019

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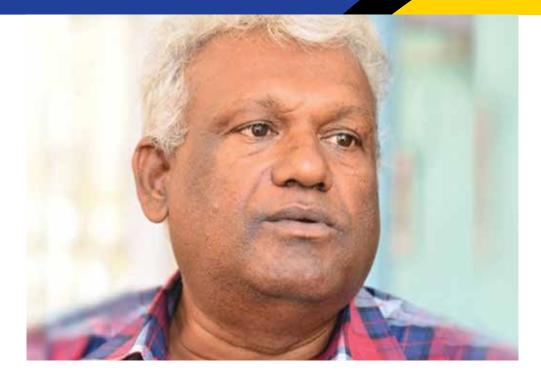
## RESSAGE FROM THE CHAIRPERSON

#### Dear Partners

This is the third Annual Report of the Foundation. It covers the period July 2018 to June 2019.

The National CSR Foundation was established by Government in December 2016 with the aim of bringing greater transparency in the use of CSR funds and generating better social outcomes. The National CSR Foundation has now been transformed into the National Social Inclusion Foundation (NSIF). It is the Central Body to receive and allocate public funds to NGOs. The change of name together with a new corporate identity reflect the key role the Foundation is called upon to play in leveraging strategic and sustainable partnerships with NGOs, public institutions and the private sector to promote social inclusion, equity and sustainable development.

This document provides an overview of the work of the Foundation and the different tools we are developing to ensure transparency and impact. There is much more to be done to harness all the talents of the nation towards a blooming



society. Our aim is to consolidate the Mauritian values and support the most vulnerable. Your contribution is sought at all times.

I wish to extend my gratitude to the Prime Minister and staff of the PMO and the Ministry of Finance and Economic Development, the Minister for Social Integration and Economic Empowerment and the staff of the Ministry for their support and advice.

I am grateful to members of the Council for their support and advice and above all their hard work in different sub-committees to achieve our goals.

I have a special thought to the staff of the Foundation who strive to meet our

growing responsibilities with dedication and commitment.

Lastly, I wish to extend my gratitude to the NGOs and Private Foundations for their close collaboration and capacity to share and work together in the best interest of those in need.

The National Social Inclusion Foundation is committed to foster and consolidate collaboration among the public and private sectors, civil society and academia to work together towards the progress of our nation.

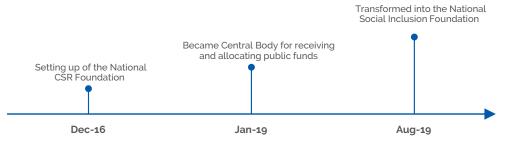
Medavy Pillay MUNIEN Chairperson

## INTRODUCTION

## From National CSR Foundation to National Social Inclusion Foundation

The National CSR Foundation was set up by Government in December 2016 with the aim of generating better social outcomes and ensuring greater transparency in the use of CSR funds.

The role of the Foundation was broadened to become the Central Body for receiving and allocating public funds to NGOs from January 2019. The National CSR Foundation was transformed into the National Social Inclusion Foundation (NSIF) in August 2019 to strengthen its position as a key Government agency in the fight against poverty and social exclusion and to further consolidate its support to NGOs to the benefit of poor and vulnerable groups.



From National CSR Foundation to National Social Inclusion Foundation

#### **Objects of the Foundation**

The Foundation operates under the aegis of the Ministry of Social Integration and Economic Empowerment. It receives, manages and allocates CSR funds collected by the Mauritius Revenue Authority (MRA) under Section 50L of the Income Tax Act and public funds appropriated by Government through the national budget.

The Foundation focuses exclusively on the promotion of social inclusion, equity and sustainable development, supporting initiatives for positive change in the Mauritian society. It works together with its partners - NGOs, Government and the private sector - to empower and strengthen the resilience of poor and vulnerable groups and deliver lasting impact on their lives and wellbeing.

The main objects of the Foundation are to:

- Undertake programmes and projects for the benefit of individuals and families registered under the Social Register of Mauritius (SRM) and of vulnerable groups
- Establish and update a register of NGOs/NPOs dealing in specific priority areas and to allocate funds accordingly
- Request and examine call for proposals for the implementation of programmes and projects by NGOs/NPOs in the priority areas of the Foundation
- Monitor and evaluate programmes and projects funded by the Foundation
- Serve as a platform for coordination and communication among all stakeholders
- Liaise with relevant Ministries to facilitate the implementation of programmes and projects by NGOs/NPOs
- Promote the United Nations Sustainable Development Goals (SDGs) 2015-2030



To be a catalyst for change, driving social inclusion, equity and sustainable development

To empower and improve the wellbeing of people living in conditions of poverty and vulnerability through impactful and sustainable stakeholder partnerships

- Professionalism, integrity and fairness
- Accountability and transparency
- Partnership
- Impact
- Efficiency and Service
- Respect and stakeholder engagement

## HIGHLIGHTS OF THE YEAR 2018-2019

#### **Centralised Funding**

As announced in the Budget Speech 2018-2019, the policy measure to centralise the disbursement of Government grants to NGOs at the Foundation became effective from January 2019. As at end of June 2019, the Foundation had disbursed grants amounting to Rs103.3 million, previously paid by the Ministry of Health and Quality of Life, Ministry of Gender Equality, Child Development and Family Welfare, Ministry of Social Security and National Solidarity and the NGO Trust Fund.

The Foundation has started a process of harmonisation of the allocation of Government grants and CSR funds to NGOs to ensure:

- Better coordination and integration of programmes and projects undertaken by NGOs and the elimination of duplication and fragmentation of funding and related actions on the ground
- Greater efficiency, effectiveness, accountability and transparency in the use of funds allocated to NGOs
- More effective monitoring and evaluation of programmes and projects implemented by NGOs
- Improved outcomes for beneficiaries

#### **Calls for Proposals**

During the financial year 2018-2019, the Foundation made two Calls for Proposals. A General Call for Proposals was launched in July 2018. 283 proposals from 206 NGOs (out of 407 proposals received from 249 NGOs) were approved under the General Call for an amount of Rs305.3 million.

A Special Call for Proposals on the theme "Expanding Access to Early Childhood Care at the Community Level" was issued in April 2019. Proposals from 19 NGOs were examined under the Special Call.



## Approval of Reduced CSR Amount to be Remitted by Companies to the MRA

The Budget 2018-2019 brought changes to Section 50L of the Income Tax Act to provide for companies liable to CSR to remit 75 percent of their CSR fund to the MRA as from January 2019. The sum to be remitted by a company may, however, be reduced by an amount not exceeding 25 percent of its CSR fund to finance ongoing programmes it has been supporting prior to January 2019. This is subject to approval by the Foundation. The Foundation has established the necessary mechanisms, including Guidelines, Application Form and internal processes for companies to apply for approval of the reduced CSR amount to be remitted to the MRA. A total amount of Rs15.8 million was approved by the Foundation in respect of 45 companies for the period January and June 2019.

#### Budget 2019-2020

The Foundation is expected to intensify its strategic partnerships with NGOs, Ministries and public institutions and the private sector with a view to driving a national agenda for inclusive human and social development. In this regard, the Budget 2019-2020 provides for a number of measures as follows.

### • Transformation into National Social Inclusion Foundation and Implementation of National Programmes

The Budget 2019-2020 announced the transformation of the National CSR Foundation into the National Social Inclusion Foundation. In addition to funding the programmes and projects of NGOs, the Foundation will devise National Programmes for more impactful actions on poverty alleviation. Special attention will be given to education as means of combating child poverty. National Programmes for crèches/nursery and educational support to vulnerable children at primary and secondary level will be proposed.

#### • Setting up of a Fortified Learning Environment Unit

A Fortified Learning Environment Unit will be set up under the Foundation to better support vulnerable children and raise their educational performance. 50 primary schools in poverty areas will be converted into Fortified Learning Environment Schools and specialised educational support will be provided to students in the Extended Programme. Rs80 million has been earmarked for this initiative which will be implemented with the support of NGOs.

#### Increase in Grant in Aid

The grant-in-aid will be increased by 10 percent and the grant paid for the maintenance of buildings of Residential Care Homes eligible under the Social Aid Act is doubled.

#### Classification of NGOs

The Foundation will undertake a classification of NGOs to improve and better tailor its funding support to different types of NGOs. It will help to enhance the role and effectiveness of NGOs. Concepts of community based NGOs and NGO d'Utilité Publique will be introduced.



## FRAMEWORK FOR ACTION

The Framework for Action of the Foundation provides the basis for its actions on social inclusion, equity and sustainable development.

The Framework for Action develops 4 dimensions that are aligned to national policy objectives, human rights instruments and SDGs relating to its ten priority areas of intervention as follows:

- 1. Active and meaningful participation and equal opportunity to develop and prosper
- 2. Good quality of life and wellbeing
- 3. Safe, harmonious and socially cohesive society
- 4. Clean, heathy and sustainable environment



## PRIORITY AREAS OF INTERVENTION

The Foundation supports programmes and projects in ten priority areas of intervention to the benefit of individuals and families under the Social Register of Mauritius (SRM) and of vulnerable groups as defined in its Charter.

#### **Ten Priority Areas of Intervention**

- Socioeconomic development as a means of alleviating poverty
- Educational support and training
- Social housing
- Supporting people with disabilities
- Dealing with health problems
- Family protection, including gender-based violence
- Leisure and sports
- Environment and sustainable development
- Peace and nation building
- Road safety and security

The Foundation supports livelihood programmes and projects that deliver economic empowerment, social accompaniment and basic needs assistance to poor and vulnerable groups.

It provides for vital educational support to vulnerable children and youths, in the form of early childhood care and education, basic literacy, life skills, remedial education and vocational training as well as support to non-formal educational structures and special education needs schools.

The work of the Foundation in the area of disabilities include support to day care centres and programmes aimed at improving the welfare and integration of people with disabilities.

The Foundation supports health promotion programmes particularly relating to diabetes and non-communicable diseases, cancer and other severe diseases, HIV/ AIDS, substance abuse, mental health and elderly care.

It gives necessary financial support to residential care homes for the elderly, shelters for children, women and the homeless.

The Foundation encourages efforts by NGOs towards family and child protection, women empowerment and support to victims of gender-based violence.

The Foundation seeks to expand access and participation to leisure and sports activities by vulnerable children, youth and adults as a means of improving personal and social wellbeing.

The Foundation also supports actions aimed at promoting environmental sustainability, social cohesion and human rights and road safety and security.



## GOVERNANCE AND MANAGEMENT

#### **The Charter**

The Charter is the main governing document of the Foundation. It defines, interalia, the Foundation's objects and powers, areas of intervention, beneficiaries and the composition and procedures of its Council.

#### **The Council**

The Foundation is governed by a Council composed of multi-stakeholder representatives from the public sector, private sector, civil society and academia. The Council sets out strategic directions, provides management oversight and ensures good stewardship of the Foundation.

#### Council Members at 30 June 2019

Mr MUNIEN Medavy Pillay (Menon)	Chairperson
Mrs CURRIMJEE Sarah	Prime Minister's Office
Mr MOWNAH Janaab Mohamadally	Ministry of Finance and Economic Development
Mrs LAN HING PO Jeanne	Ministry of Social Integration and Economic Empowerment
Mr RAMKALOAN Kevin	Private Sector
Mrs D'HOTMAN DE VILLIERS Marie Florence (Audrey)	Private Sector
Ms Ramsamy Deborah Sarah	Civil Society
Mr Ray Suraj	Civil Society
Mr RAVAT Jonathan	Academia
Dr Timol Ridwana	Academia



#### **Council Meetings**

During the financial year 2018-2019, the Council held 11 meetings as indicated below.

#### **Council Meetings**

Month	Date
July	27
August	28
September	25
October	30
November	27
December	11
February	14
March	11
April	24
June	12, 19

#### Sub-Committees of the Council

Five standing Committees support the Council in delivering its roles and responsibilities, namely:

- Project Management Committee
- Finance Committee
- HR Committee
- Capacity Building Committee
- Audit and Good Governance Committee

#### Sub Committees of Council

Committee	Composition	Number of meetings
Project Management	Mrs Currimjee Sarah (Chairperson) Mrs D'Hotman De Villiers Marie Florence (Audrey) Dr Ravat Jonathan Dr Timol Ridwana	7
Finance	Mr Mownah Janaab Mohamadally (Chairperson) Mr Munien Medavy Pillay Mr Ramkaloan Kevin Ms Ramsamy Deborah Sarah	7
Human Resources	Mrs Lan Hing Po Jeanne (Chairperson) Mr Munien Medavy Pillay Mrs D'Hotman De Villiers Marie Florence (Audrey) Ms Ramsamy Deborah Sarah	6
Capacity Building	Mrs D'Hotman De Villiers Marie Florence (Audrey) Mr Ray Suraj Dr Timol Ridwana Dr Ravat Jonathan	2
Audit and Good Governance	Mr Ramkaloan Kevin (Chairperson) Mr Mownah Janaab Mohamedally Mrs Lan Hing Po Jeanne Mr Ray Suraj	1



#### The Management Team

<b>Secretary General</b> Mr Sowdagur Ajay			
Finance	Programme	Research & Development	
Finance Manager Mr Mohideen Azad Finance Officer Mrs Pahladi Tanuja (Part-time, Ministry of Finance and Economic Development)	Programme Manager Mrs Ladegourdie-Ravaton Priscilla Programme Officers Mrs Bonnefin Thea Mrs Bundhoo Neha Mrs Dajee-Tattea Hemangini Mr Gunesh Khemraz Mrs Le Chartier Sophie Ms Naidoo Trishnee Mrs Tangman-Podiapen Jennifer	Research & Development Manager Dr Ragoobur Vishal	
	Secretariat Administrative Assistant Mrs Jhugroo Nishta General Executive Mrs Gengudu Alvina Office Attendants		

Mr Bogun Sailesh

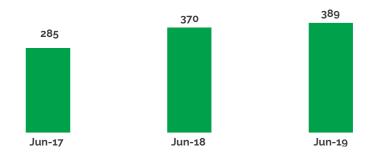
SECTION

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## **REGISTRATION OF NGOS**

The Foundation maintains a register of NGOs for the purpose of allocating funds. Twenty new organisations were registered during the financial year 2018-2019. One organisation was deregistered following serious irregularities observed in the use of funds allocated under the First Call for Proposals 2017. Overall, the number of organisations registered with the Foundation as at 30 June 2019 stood at 389.

#### Figure 1: Number of Organisations Registered with the Foundation, 2017-2019



Registration is made upon application online and is subject to satisfying the eligibility criteria set by the Foundation. To be eligible for registration, an organisation should:

- Have a legal status and be registered in the Republic of Mauritius
- Run on a non-profit making basis
- Have a governance structure respecting democratic principles, transparency and accountability
- Have an adequate and proper bookkeeping system in place, with cash and bank accounts adequately controlled, spending properly authorised and assets well managed
- Not discriminate on the basis of race, place of origin, political opinion, colour, creed, gender or sexual orientation

Application for registration should be supported by:

- Certificate of registration
- Statutes and by laws to highlight the non-profit making status of the NGO
- List of members of the governing body of the NGO
- Organisation chart to depict the staffing structure
- Certified/audited financial statements for the last 2 calendar years preceding the application for registration
- Report on activities and/or projects completed over the last 2 years to document track record of the NGO

## PROGRAMMES AND PROJECTS

#### **Calls for Proposals**

#### First Call for Proposals 2017

230 programmes/projects from 172 NGOs were funded under the First Call for Proposals in 2017. NGO programmes refer to ongoing interventions and services of a long term nature while projects consist of temporary actions implemented for a defined, short term duration.

As at June 2019, 219 programmes/projects from 161 NGOs had reached closure stage. Funding in respect of 3 programmes/projects were ceased due to observed irregularities and breach of the signed Funding Contract Agreement, notably misuse of funds, significant gaps in implementation of activities and issues of governance, transparency and accountability. Three programmes/projects were terminated upon request by the respective NGOs following major challenges faced to implement the approved interventions as planned. Five NGOs had not yet reported on the status of their activities at the end of the financial year.

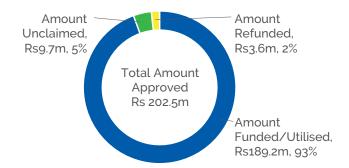
#### Table 1: Status of Programmes/Projects Funded, First Call 2017

Status	No. of Programmes/Projects	No. of NGOs
Closed	219	161
Terminated due to non-compliance with the Funding Contract Agreement	3	3
Terminated upon request by NGO due to major implementation challenges	2	2
	3	3
Non-reporting as at 30 June 2019	5	5
Total	230	172



A total amount of Rs202.5 million was allocated to NGOs under the First Call for Proposals 2017. Rs133.6 million had already been disbursed to NGOs by 30 June 2018 and during the financial year 2018-2019, a further disbursement of Rs59.2 million was made. Thus, the total amount disbursed under the First Call for Proposals 2017 was Rs192.8 million.

It is to be noted that as at 30 June 2019, unutilised funds amounted to Rs13.3 million. Amounts refunded stood at Rs3.6 million whilst Rs9.7 million remained unclaimed by NGOs. Overall, the total amount funded/utilised under the First Call 2017 was Rs189.2 million.

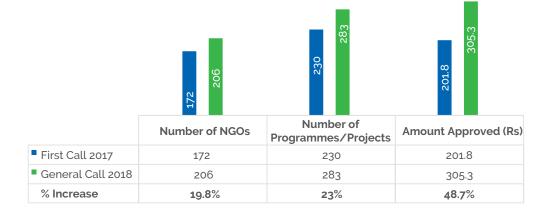


#### Figure 2: Financial Performance, First Call 2017

#### General Call for Proposals 2018

The Foundation launched a General Call for Proposals in July 2018. 407 proposals from 249 NGOs were received. Funds requested amounted to Rs761.7 million. 283 proposals from 206 NGOs were approved for a total amount of Rs305.3 million. This represents an increase of 19.8 percent in the number of NGOs funded by the Foundation under the General Call 2018 compared to the First Call for Proposals 2017, with the amount of funds approved significantly increasing by 48.7 percent.







#### Table 2: Approved Funding by Priority Area, General Call 2018

Priority Areas/Types of Interventions	Number of Programmes/ Projects	Amount Approved (Rs)
Socio-economic Development	20	22 9 42 625
Economic empowerment, Social accompaniment and support <b>Educational Support and Training</b> Early childhood care and education, Basic primary and secondary educational support - after school remedial programmes, Life skill Literacy, Non-formal education, Special Education Needs schools Youth empowerment, training & employability	ls,	29,843,625 129,418,851
<b>Social Housing</b> Homeless shelter, Refurbishment of asbestos housing	2	4,119,525
<b>Supporting People with Disabilities</b> Day care centres for children/adults with disabilities, Welfare and integration of persons with disabilities	23	27,079,820
<b>Dealing with Health Problems</b> NCDs, Severe diseases, HIV/AIDS, Substance abuse, Mental health, Elderly care	47	51,774,932
Family Protection including Gender-based Violence Shelters for children/women, Child protection, Family welfare, Women empowerment and Gender equality, GBV	23	29,027,889
<b>Leisure and Sports</b> Sports and leisure activities	18	16,222,653
<b>Environment and Sustainable Development</b> Environmental protection and conservation, Waste segregation and recycling, Green energy	19	13,829,900
<b>Peace and Nation Building</b> Peace, National cohesion, Human rights, Governance	4	3,379,000
Road Safety and Security Road safety and security awareness	3	605,000
TOTAL	283	305,301,195



The impact of poverty on education is one of the most important cause for concern for NGOs. Children from poor and vulnerable groups are more likely to suffer from school readiness gaps, reducing their chances of successfully completing their education, leading rewarding professional lives and breaking the cycle of inter-generational poverty.

NGOs provide a host of interventions, ranging from afterschool programmes to special education needs, to the benefit of vulnerable children. Funding requests to the Foundation thus tend to be primarily for supporting educational programmes/ projects of NGOs. Consequently, the bulk of the approved funds (42.3 percent) under the General Call 2018 were allocated to programmes/projects in the priority area 'Educational Support and Training'.

Other areas attracting much funding are health, socioeconomic development, family protection and disabilities. In contrast, given the complexity of undertaking housing projects, there was only one project approved under the priority area 'Social Housing'.

As at 30 June 2019, disbursements to NGOs amounting to Rs154.7, i.e. 50.7 percent of the total amount approved, had already been effected by the Foundation.

#### Special Call for Proposals 2019

Applications for funding were invited through a Special Call for Proposals under the theme "Expanding Access to Early Childhood Care at the Community Level" in April 2019. The objectives of the call were:

- To enhance access of children from low income families to early childhood care at the community level as a means of tackling child poverty
- To support the improvement of quality and outcomes of early childhood care services provided by NGOs at the community level
- To promote holistic and innovative pedagogical approaches to early childhood care

The Foundation received proposals from 19 NGOs for an amount requested of Rs51 million. The process of determining funding allocations was ongoing as at 30 June 2019.



#### Support to NGOs under Government Grant

As announced in the Budget Speech 2018-2019, the Foundation became the Central Body for receiving and allocating public funds to NGOs from January 2019. Government grants to NGOs previously paid by the Ministry of Health and Quality of Life, Ministry of Gender Equality, Child Development and Family Welfare, Ministry of Social Security and National Solidarity and the NGO Trust Fund were centralised at the Foundation.

85 NGOs operating in various fields including, treatment and rehabilitation from substance abuse, health promotion, welfare and protection of vulnerable children and women, care for the elderly and support to the disabled are concerned by this budget measure. The Foundation disbursed Government grants amounting to Rs 103.3 million during the period January to June 2019.

#### Monitoring of Funded Programmes and Projects

Programmes and projects funded by the Foundation are closely monitored through field visits and collection of data and information based on a Monitoring Toolkit. The main objectives of the monitoring exercise are:

- To track progress of programme/project implementation
- To ensure good use of funds and financial accountability and reporting
- To verify compliance with the Funding Contract Agreement

Disbursement of approved funds to NGOs are made in instalments subject to satisfactory monitoring performance. Mentoring support is also provided to NGOs encountering specific issues and difficulties during implementation of their programmes/projects. During the period ending June 2019, 309 monitoring visits had been carried out. The Foundation published its first Monitoring Report in July 2018. The report provides insights and lessons learnt from the monitoring of programmes and projects supported under the First Call for Proposals 2017. It shows that funded programmes and projects are in general fairly well implemented although there is room for improvement with regards to financial management and reporting and governance, particularly in small organisations.

#### Approval of Reduced CSR Amount to be remitted to the MRA

Further to the Budget 2018-2019, amendments were brought to Section 50L of the Income Tax in respect of CSR contributions by companies. Every company shall remit to the Mauritius Revenue Authority (MRA) at least 75% of a CSR Fund set up on or after 1 January 2019 for onward remittance to the Foundation. This measure is applicable to companies with financial year ending as from 31 December 2018.

The sum to be remitted to the MRA may be reduced by an amount not exceeding 25 per cent of the CSR Fund of the company where it is used to finance a CSR programme which has started before 1 January 2019. The company shall obtain prior approval of the Foundation before reducing any amount to be remitted to the MRA.

The Foundation has established the necessary guidelines and processes for approval of reduced CSR amount to be remitted by companies to the MRA.

During the period January to June 2019, approvals amounting to Rs15.78 million were granted to 45 companies. The funds were allocated by companies to support the programmes of 49 organisations, mostly intervening in the priority area 'Educational Support and Training'.

#### Table 4: Approval of Reduced CSR Amount by Priority Area, January to June 2019

Priority Areas	Rs
Socio-economic development as a means of poverty alleviation	2,193,322
Educational support and training	5,016,506
Supporting people with disabilities	958,368
Dealing with health problems	2,071,921
Family protection including gender based violence	550,000
Leisure and sports	1,229,400
Environment and sustainable development	3,760,932
Total	15,780,449



## STAKEHOLDER COLLABORATION

#### NGOs

#### Information Sessions with NGOs

Eight information sessions were held at the Foundation between 25 July and 1 August 2018 to provide NGOs with information and guidance on applications for funding under the General Call for Proposals 2018. More than 150 representatives of NGOs attended these sessions. Information and guidance were also provided to NGOs through the Helpdesk of the Foundation.

#### Interactive Session with NGOs in Rodrigues

A delegation of the Foundation was in visit in Rodrigues to mark the International Day for the Eradication of Poverty. The delegation met with some 35 representatives of NGOs during an interactive session held on 27 October 2018.

#### Meetings with NGOs receiving Government Grants

A series of meetings with NGOs receiving Government grants were held on 26 June, 4 July and 11 July 2019. The objective was to discuss the harmonisation of grant funding with the existing funding framework of the Foundation. Some 80 representatives from 60 NGOs attended the meetings.

#### **Ministries and Institutions**

#### **Coordinating Platforms with Ministries**

In the context of centralised funding of NGOs receiving Government grants, coordinating platforms have been established with relevant Ministries for an effective coordination and exchange of information.

The Ministries concerned are:

- Ministry of Health and Quality of Life
- Ministry of Gender Equality, Child Development and Family Welfare
- Ministry of Social Security and National Solidarity

#### Consultation with the MRA

Further to amendments brought to Section 50L of the Income Tax Act in respect of CSR contributions by companies, consultative meetings were held with the MRA in order to work out the modalities for the approval, by the Foundation, of reduced CSR amount to be remitted by companies to the MRA.

#### **Collaboration with University of Mauritius**

The Foundation signed a Memorandum of Understanding (MoU) with the University of Mauritius on 18 March 2019 with the view to foster research collaboration between the two institutions. The areas of cooperation under the MoU include undertaking policy-relevant, applied research on socioeconomic issues of national priority, conducting evaluations and impact assessments of selected social interventions and developing capacity building programmes for NGOs.

#### Workshop on Promoting Ethical Practices

The Foundation collaborated with ICAC and the Ombudsperson for Children's Office in a workshop themed 'Promoting Ethical Practices by Managing Committees of NGOs working for Children'. The workshop was held on 30 April 2019 at ICAC Headquarters, Reduit and brought together around 100 representatives of NGOs for exchanges on governance issues and ethical practices.

#### **Private Sector**

#### **Presentation to Members of MEXA**

Members of the Mauritius Export Association (MEXA) were given an overview on the role and funding framework of the Foundation during an interactive session held on 28 August 2018 at the MITD Lecture Theatre, Phoenix.

#### Information and Guidance on CSR

The Foundation held discussions with representatives of Business Mauritius on new Income Tax provisions with regards to CSR contributions. It also provided the necessary information and guidance to private companies and foundations on the application process for reduced CSR amounts to be remitted to the MRA.

## EVENTS AND PUBLICATIONS

#### Launching of General Call for Proposals 2018 and Monitoring Report 2018

The General Call for Proposals 2018 and the Monitoring Report 2018 were officially launched on 19 July 2018 by Hon. Alain Wong, Minister of Social Integration and Economic Empowerment during a ceremony held at Sir Harilal Vaghjee Hall, National Assembly, Port-Louis.

#### **Publications**

The following documents were published by the Foundation during the period under review:

#### • Annual Report 2017-2018

The Annual Report 2017-2018 provides a report on the activities of the Foundation from July 2017 to June 2018. It contains the audited financial statements for the period 30 December 2016 to 30 June 2018.

#### • Policy and Guidelines on Funding

The Policy and Guidelines on Funding sets out the general framework for funding of NGOs by the Foundation. It includes, inter alia, the funding instruments of the Foundation and the guidelines for application and disbursement of funds.

#### Monitoring Report 2018

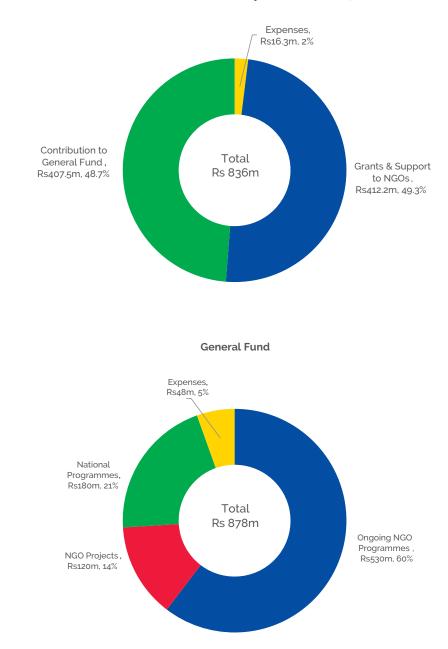
The Monitoring Report 2018 provides insights from the monitoring exercise conducted by the Foundation of funded programmes/projects under the First Call 2017. It covers the period September 2017 to June 2018.

#### Framework for Action

The Framework for Action is a tool for guiding actions targeted at poor and vulnerable groups in the 10 priority areas of the Foundation. It defines 4 dimensions of social inclusion, equity and sustainable development and aligns national policy objectives, human rights instruments and SDGs.

## FINANCIAL HIGHLIGHTS

Financial Performance, July 2018 to June 2019





## CONCLUSION: Way forward

The Foundation will work towards implementing the budgetary measures. Its transformation into a new entity will entail revisions to its Charter and a new corporate identity. Furthermore, the existing funding framework will be reviewed to:

- Harmonise the disbursement of Government grants and allocation of CSR funding to NGOs
- Adapt and better tailor its funding support to NGOs on the basis of the nature of their interventions as well as their varying capacities and funding needs
- Provide for National Programmes
- Effectively meet its main funding objectives

The Foundation will put in place mechanisms to operationalise the Fortified Learning Environment Unit and seek the partnership of key stakeholders in the education sector to develop National Programmes for crèches/nursery and educational support to vulnerable children at primary and secondary level.

It will pursue the implementation of its strategic plan 2017-2019 and leverage the key drivers identified to advance its strategic goals, namely:

- To ensure effectiveness of programme and projects
- Promote stakeholder collaboration and coordination
- Empower NGOs to improve the impact and efficiency of their actions on the ground
- Build and uphold a principled, professional and service-driven organisation culture

The Foundation will consolidate its monitoring function and continue to provide mentoring support as required. It will work towards the classification and further the capacity building of NGOs.

The Foundation will strengthen its collaboration with Government in the fight against poverty and pursue positive dialogue with its stakeholders - Ministries and public institutions, private sector and NGOs - in order to promote constructive relationships and consider their views in the formulation of policies and strategies. 29

REPORT OF THE DIRECTOR OF AUDIT TO THE COUNCIL OF THE NATIONAL CORPORATE SOCIAL RESPONSIBILITY FOUNDATION

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

#### Opinion

I have audited the financial statements of National Corporate Social Responsibility Foundation, which comprise the statement of financial position as at 30 June 2019, and the statement of financial performance, the statement of changes in equity, the cash flow statement and the 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 National Corporate Social Responsibility Foundation as 30 June 2019, and of its financial performance and cash flows for the year then ended in accordance 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 National Corporate Social Responsibility Foundation 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.

#### 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 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.



### NATIONAL AUDIT OFFICE

In preparing the financial statements, management is responsible for assessing the National Corporate Social Responsibility Foundation'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 National Corporate Social Responsibility Foundation'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 National Corporate Social Responsibility Foundation'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 National Corporate Social Responsibility Foundation'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 National Corporate Social Responsibility Foundation 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.

#### **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 for ensuring that the operations of the National Corporate Social Responsibility Foundation 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 Council whether:

- (a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit; and
- (b) the activities, financial transactions and information reflected in the financial statements are, in all material respects, in compliance with the laws and authorities which govern them; and
- (c) satisfactory management measures have been taken to ensure that resources are procured economically and utilised efficiently and effectively.

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.

#### **Opinion on Compliance**

#### **Foundations Act**

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

**C. ROMOOAH** Director of Audit

National Audit Office Level 14, Air Mauritius Centre PORT LOUIS 30 June 2020

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

		30 Jun 2019	30 Jun 2018
	Notes	Rs	Rs
ASSETS			
Current assets			
Cash and Cash Equivalents	10	817,592,606	357,625,654
Receivables	11	213,816,876	172,548,133
Prepayments	12	6,923	
		1,031,416,405	530,173,787
Non Current assets			
Property, plant and equipment	13	684,004	552,637
TOTAL ASSETS		1,032,100,409	530,726,424
LIABILITIES			
Current liabilities			
Payables	14	154,250,297	67,362,965
Total liabilities		154,250,297	67,362,965
Net Assets		877,850,112	463,363,459
NET ASSETS/EQUITY			
General Fund		877,850,112	463,363,459
Total Net Assets/Equity		877,850,112	463,363,459

These financial statements were approved and authorised for issue by the Council of the National Social Inclusion Foundation (Ex National CSR Foundation) on 17th June 2020 and signed on its behalf by:

Mr Medavy Pillay MUNIEN Chairperson

Mr Janaab Mohamadaly MOWNAH Council Member

National Social Inclusion Foundation Annual Report 2018-2019

### STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

		30 Jun 2019	30 Dec 2016 to 30 Jun 2018 (Restated)
	Notes	Rs	Rs
REVENUE			
Revenue from Non Exchange Transactions	15	824,699,011	676,265,777
Revenue from Exchange Transactions	16	11,300,300	1,900,423
TOTAL REVENUE		835,999,311	678,166,200
EXPENSES			
Staff costs	17	10,233,191	7,039,885
Administrative costs	18	5,875,898	7,838,641
Depreciation	13	234,034	148,548
Grants to NGOs	19	298,154,966	199,775,667
Support to NGOs	20	114,000,000	-
TOTAL EXPENSES		428,498,089	214,802,741
Surplus for the period/year		407,501,222	463,363,459

	Т	ransfer from NGO		Total Net
	Notes	Trust Fund	General Fund	Assets/Equity
		Rs	Rs	Rs
Balance of General Fund as at 30 June 2018		-	463,363,459	463,363,459
Adjustment for Post Balance Sheet Events: Increase in amount payable to NGO in 2018/19 Unclaimed amounts payable on Projects re	a	-	(736,982)	(736,982)
Call 1 in 2017/18	b	-	7,722,413	7,722,413
Balance as at 1 July 2018 ( Restated)			470,348,890	470,348,890
Amount received from NGO Trust Fund	С	961,175		
Other unspent balance			406,540,047	
Surplus for the year ended 30 June 2019		961,175	406,540,047	407,501,222
Balance as at 30 June 2019		961,175	876,888,937	877,850,112

#### Notes:

- a.: Contract value for one NGO's project was amended and the amount payable to the NGO was increased by Rs 736,892.
- b.: Rs 7,722,413 represents amount of grant funding which some NGOs voluntarily accepted not to claim and amount payable to them was adjusted downwards.
- c.: Rs 961,175 was received from the NGO Trust Fund representing unused funds. Future utilisation of this fund will be determined by the Council.

### CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

		30 Jun 2019	30 Dec 2016 to 30 Jun 2018 (Restated)
	Notes	Rs	Rs
CASH FLOW FROM OPERATING ACTIVITIES			
Surplus for the period/year		407,501,222	463,363,459
Adjustments for:			
Interest received		(11,300,300)	(1,900,423)
Depreciation		234,034	145,548
Increase in Receivables		(41,268,743)	(172,548,133)
Increase in Payables		86,887,332	67,362,965
Refund received from NGOs		7,722,413	
Increase in Funding contract value		(736,982)	
Increase in prepayments	12	(6,923)	
Cash flow generated from operating activities		449,032,053	356,423,416
INVESTING ACTIVITIES			
Interest received		11,300,300	1,900,423
Purchase of Property, Plant and Equipment		(365,401)	(701,185)
Net cash flow generated from investing activities		10,934,899	1,199,238
Net increase/(decrease) in cash and cash equivalents		459,966,952	357,625,654
Cash and cash equivalents at the beginning of period		357,625,654	
Cash and cash equivalents at the end of period/year		817,592,606	357,625,654

#### Notes to the Cash Flow Statement .

1. Cash and cash equivalents consist of cash on hand, balances with banks and investments in money market instruments. Cash and cash equivalents shown in the Cash Flow Statement comprise the following statement of financial position amounts:

	817,592,606
Short term Investments	495,309,904
Balance with banks	322,282,702
	Rs

2. During the period the Foundation acquired Property, Plant and Equipment with an aggregate cost of Rs 365,401.

			Actual
	<b>Original Budget for</b>	Revised Budget R	eceived/Paid for
	the year ended	for year ended	the year ended
	30 6 2019	30 6 2019	30 6 2019
	Rs	Rs	Rs
REVENUE			
Transfer from Accountant General MRA	500,000,000	500,000,000	664,837,368
MOFED	114,000,000	114,000,000	
Other income	-	-	14,932,024
Remittance from NGOTF			961,175
Total Revenue	500,000,000	614,000,000	794,730,567
EXPENSES			
(A) Staff & Related Costs	10,272,860	11,272,241	11,049,252
Basic salary (including posts advertised )	7,082,340	7,900,000	6,823,791
NPS/NSF/Levy	200,520	220,000	302,457
End of year Bonus	570,000	420,000	416,098
Emergency overtime	10,000	10,000	-
Bid Evaluation fees	10,000	10,000	-
Travelling Allowances	990,000	980,000	1,010,276
Mobile phone Allowances	120,000	110,000	127,000
Gratuity	1,140,000	850,000	821,240
Salary refundable to NEF	0	622,241	1,384,616
Other allowances	150,000	150,000	163,774
(B) Premises and Fixed Plant	2,508,000	2,772,000	51,711
Electricity	36,000	300,000	-
Water	12,000	12,000	-
Rental Charges	2,400,000	2,400,000	-
Telephone and Internet	60,000	60,000	51,711

			Actual
	<b>Original Budget for</b>	<b>Revised Budget</b>	Received/Paid for
	the year ended	for year ended	the year ended
	30 6 2019	30 6 2019	30 6 2019
	Rs	Rs	Rs
(C) Procurement and Outsourced Services	2,056,000	3,635,759	1,835,713
Postage, printing and Stationery	170,000	270,000	162,181
Office requisites	75,000	100,000	51,117
Newspapers, books and Periodicals	25,000	25,000	13,420
Tools and equipment	0	-	-
Public Notices and Publications	300,000	300,000	288,176
Maintenance of Web Site	150,000	150,000	81,566
Legal Fees	130,000	130,000	180,000
Consultancy Fees	300,000	1,300,000	21,813
Parking Fees	150,000	275,000	263,962
Insurance	100,000	75,000	33,711
Consultative workshops/Seminars/Open Days	600,000	900,000	642,892
Hardware and software upgrades	0	-	-
Other Office Expenses	50,000	100,000	88,916
Bank Charges	6,000	10,759	7,960
(D) Corporates Services	4,660,000	4,590,000	4,100,320
Chairperson/Council Members Fees	3,840,000	3,700,000	3,538,565
Entertainment/Hospitality	90,000	90,000	5,265
Secretarial Services	240,000	310,000	282,600
Interaction with Rodrigues and Outer islands	240,000	240,000	73,890
Audit Fees	250,000	250,000	200,000
(E) Procurement of Non Financial Assets	2,650,000	3,950,000	366,721
Computers and Printers	400,000	600,000	327,621
Photocopier and cameras	150,000	550,000	-
Development of Website	0	-	-
ERP Supply and commissioning	1,200,000	1,200,000	0
Furniture and fittings and office accomodation	900,000	1,600,000	39,100
Disbursement to NGOs	450,000,000	450,000,000	213,882,107
Disbursements as support to NGOs		114,000,000	103,277,792
Refund of Deposit to NGO			200,000
Total Expenses	472,146,860	590,220,000	334,763,616

### STATEMENT SHOWING VARIANCES BETWEEN REVISED BUDGET AND ACTUAL EXPENSES ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2019

	ed Budget ear ended 30 6 2019 Rs	Actual Expenses the year ended 30 6 2019 Rs	Variances Rs	Comments on variances above Rs 100,000
Expenses				
(A) Staff & Related Costs	11,272,241	11,049,252		
Basic salary (including Rs 576,000.				
for additional posts in 2017/18)	7,900,000	6,823,791	1,076,209	New staff joined at end of 2018/19
NPS/NSF/Levy	220,000	302,457	(82,457)	NGOTF staff joined in January 2019
End of year Bonus	420,000	416,098	3,902	
Emergency overtime	10,000	-	10,000	
Bid Evaluation fees	10,000	-	10,000	
Travelling Allowances	980,000	1,010,276	(30,276)	NGOTF staff joined in January 2019
Mobile phone Allowances	110,000	127,000	(17,000)	NGOTF staff joined in January 2019
Gratuity	850,000	821,240	28,760	
Salary refundable to NEF	622,241	1,384,616	(762,375)	Rs 762375. accrued in 2017/18
Other allowances	150,000	163,774	(13,774)	
(B) Premises and Fixed Plant	2,772,000	51,711		
Electricity	300,000		300,000	
Water	12,000		12,000	
Rental Charges	2,400,000		2,400,000	Office accomodation offered by Ministry
Telephone and Internet	60,000	51,711	8,289	
(C) Procurement and Outsourced Services	3,635,759	1,835,713		
Postage, printing and Stationery	270,000	162,181	107,819	Projected calls not launched in full
Office requisites	100,000	51,117	48,883	
Newspapers, books and Periodicals	25,000	13,420	11,580	
Tools and equipment	-	-	-	
Public Notices and Publications	300,000	288,176	11,824	
Maintenance of Web Site	150,000	81,566	68,434	
Legal Fees	130,000	180,000	(50,000)	Rs 60000. accrued in 2017/18
Consultancy Fees	1,300,000	21,813	1,278,187	Impact assessment on Call 1 by UOM
Parking Fees	275,000	263,962	11,038	Rs 26565 accrued to 30 june 2018
Insurance	75,000	33,711	41,289	
Consultative workshops/Seminars/Open Days	900,000	642,892	257,108	No workshop/seminar held in 2018/19
Hardware and software upgrades	-	-	-	
Other Office Expenses	100,000	88,916	11,084	
Bank Charges	10,759	7,960	2,799	

### CONTINUED

		Actual		Comments
	evised Budget	Expenses		on variances
	for year ended			above
	30 6 2019	30 6 2019	Variances	Rs 100,000
	Rs	Rs	Rs	
(D) Corporates Services	4,590,000	4,100,320		
Chairperson/Council Members Fees	3,700,000	3,538,565	161,435	Vacant member seats and waiver on fees
Entertainment/Hospitality	90,000	5,265	84,735	
Secretarial Services	310,000	282,600	27,400	
Interaction with Rodrigues and Outer isla	ands 240,000	73,890	166,110	No visit to Rodrigues scheduled.
Audit Fees	250,000	200,000	50,000	
(E) Procurement of Non Financial As	sets 3,950,000	366,721		
Computers and Printers	600,000	327,621	272,379	2 Laptops procured in 2019/20.
Photocopier and cameras	550,000	-	550,000	Procurement done in 2019/20
Development of Website	-	-	-	
ERP Supply and commissioning	1,200,000	0	1,200,000	Awating preparation of bidding documents
Furniture and fittings and office accomoda	ation 1,600,000	39,100	1,560,900	Awaiting completion of structural works to acquire equipment
Disbursement to NGOs	450,000,000	213,882,107	236,117,893	
Disbursement as support to NGOs	114,000,000	103,277,792	10,722,208	
Refund of Deposit to NGO		200,000	(200,000)	Refund of amount taken on deposit
Total Expenses	590,220,000	334,763,616	_	

### STATEMENT SHOWING RECONCILIATION OF ACTUAL CASH FLOWS WITH FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	Rs
RECEIPTS	
Actual revenue as per Statement of Comparison of Budgets And Actual Amounts Income accrued Reversal of income accrued as at 30 June 2018	794,730,568 213,816,876 (172,548,133)
Total revenue as per Statement of Financial Performance	835,999,311
PAYMENTS	
Actual expenses as per Statement of Comparison of Budgets And Actual Amounts	334,763,616
Capital Expenditure	(365,401)
Non-cash items:	
Depreciation	234,034
Accounting adjustments:	
Adjustment for Prepaid expenses	(6,923)
Payables	154,250,297
Reversal of accruals	(60,177,534)
Refund of deposit	(200,000)
Total expenses as per Statement of Financial Performance	428,498,089

### 44 STATEMENT SHOWING RECONCILIATION OF ACTUAL CASH FLOWS WITH FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

PAYMENTS	30-Jun-19 Rs
Actual amount on comparable basis as presented in the Statement of Comparison of Budgets and Actual amounts	334,763,616
Basis Differences	
Provision and accruals	
Accruals for Payables Adjustment for prepayments Non Budgeted items Refundable deposits Adjustment for amount due to NGOs Capitalised expenditure Depreciation Actual amount in the Statement of Financial Performance	154,250,297 (6,923) (200,000) (60,177,534) (365,401) 234,034 428,498,089
RECEIPTS	
Actual amount on comparable basis as presented in the Statement of Comparison of Budgets and Actual amounts	794,730,567
Basis Differences	
Adjustment for receivables	41,268,744
Actual amount in the Statement of Financial Performance	835,999,311

## 1. The Foundation, its operation and principal activities

The National CSR Foundation was established under the Foundations Act 2012 and registered on the 30th day of December 2016 (Foundation Number FD 361).

It operates under the aegis of the Ministry of Social Integration and Economic Empowerment. The Foundation is governed by a Council composed of multistakeholder representatives from the public sector, the private sector, civil society and academia.

The National CSR Foundation receives and manages CSR funds remitted by the Accountant General and collected on its behalf by the Mauritius Revenue Authority as per Section 50L of the Income Tax Act 1995. It works with and through NGOs to undertake programmes and projects in priority areas of intervention for the benefit of individuals and families registered under the Social Register of Mauritius (SRM) and of vulnerable groups as defined in its Charter. CSR Funds are allocated to NGOs through calls for projects which are publicly advertised. The Foundation is presently domiciled at Level 6,Garden Tower, La Poudriere Street ,Port Louis.

As from January 2019 the Foundation is also responsible for disbursing funds appropriated under the Centrally Managed Initiatives of Government. These are transfers made to Non-Profit Institutions as support to NGOs. Previously these transfers were being made by the Ministry of Social Security and National Solidarity, the Ministry of Gender Equality, Child Development and Family Welfare and the Ministry of Health and Quality of Life. The financial statements are reporting the activities for the period 1 July 2018 to 30 June 2019.

## 2. Basis of preparation

#### 2.1 Statement of compliance

The financial statements have been prepared using historical cost on an accruals basis in accordance with the International Public Sector Accounting Standards (IPSAS) issued by the International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC) and the Foundations Act 2012. Where an IPSAS does not address a particular issue, the appropriate International Financial Reporting Standards (IFRSs) or International Accounting Standards (IASB) of the International Accounting Standards (IRSs) or International Accounting Standards (IASB) of the International Accounting Standards Board (IASB) of the International Accounting Standar

#### 2.2 Going concern

The financial statements have been prepared on a going concern basis and the Council of the Foundation has no reason to believe that there are any material uncertainties that may cast significant doubt upon the Foundation's ability to continue as a going concern.

### 2.3 Estimates and assumptions

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

### 2.4 Accounting judgements and estimation uncertainty.

The preparation of the financial statements in accordance with IPSAS requires the directors and management to exercise judgement in the process of applying the accounting policies.

A degree of estimation and the exercise of judgement is inherently involved in the preparation of financial statements. Judgements and estimates are based on past experience and expectations of future events. Management is of the opinion that, given the nature of the Foundation's activities there are no significant matters of estimation likely to give rise to actual results materially different from results disclosed in the financial statements.

### 2.5 Presentation currency and level of rounding used.

Figures inserted in the financial statements are in Mauritian rupees and are rounded to the nearest rupee.

### 2.6 Reporting date and Comparatives.

The financial statements have been prepared for the year ended 30 June 2019. The previous and first set of financial statements of the Foundation was for the period 30 December 2016 to 30 June 2018 and as such comparatives used reflect operating figures for that period and are therefore not comparable with figures for the year ended 30 June 2019.

# 3. Adoption of IPSAS

The Foundation has adopted the following new and revised IPSASs that are relevant to its operation for the year ended 30 June 2019, namely:

- IPSAS 1, Presentation of Financial Statements
- IPSAS 2, Cash Flow Statements
- IPSAS 3, Accounting Policies, Changes in Accounting Estimates and Errors
- IPSAS 9, Revenue from Exchange Transactions
- IPSAS 17, Property, Plant and Equipment
- IPSAS 19, Provisions, Contingent Liabilities and Contingent Assets
- IPSAS 20, Related Party Disclosures
- IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers)
- IPSAS 24, Presentation of Budget Information in Financial Statements

Certain Standards and Amendments to existing Standards have been published that are mandatory for the accounting period but which have not been early adopted.

These new Standards and Amendments are either not relevant to the National CSR Foundation or are not expected to have a material effect on the accounting policies and disclosures.

#### 3.1 Standards issued but not yet effective

In accordance with disclosure requirements of IPSAS 3 (Accounting Policies, Changes in Accounting Estimates and Errors) the Foundation has not opted for an early adoption of IPSASs issued but not yet effective, as outlined below:

- (i) **IPSAS 40**, Public Sector Combinations (Effective January 1, 2019)
- (ii) **IPSAS 41**, Financial Instruments, will replace IPSAS 29, Financial Instruments: Recognition and measurement. (Effective January 1, 2022)
- (iii) IPSAS 42, Social Benefits, (Effective January 1, 2022)

## 4. Accounting Policies

The National CSR Foundation applies the following specific accounting policies that materially affect the measurement of financial performance and the financial position.

#### 4.1 Revenue Recognition

Income from government is recognised when receivable. It is considered receivable when actually received or when the Foundation has become entitled to a future payment and its amount can be ascertained with reasonable certainty.

Interest income is recognised when receivable and the amount can be measured reliably; this is normally upon notification of the interest paid or payable by the financial institution.

Revenue is measured at fair value of the consideration received.

#### 4.2 Expenses

Expenses, including grants to NGOs are accounted for on an accruals basis.

#### 4.3 Property, Plant and Equipment (PPE)

PPE costing more than Rs 5,000 and expected to have a lifespan exceeding twelve months are capitalised at cost. PPE are stated in the Statement of Financial Position at cost less accumulated depreciation.

A full year's depreciation is provided in the year of purchase and no depreciation is charged in the year of disposal. Depreciation is recognised in the Statement of Financial Performance.

Depreciation is calculated on a straight line basis to recognise the consumption of economic benefits of an asset over its useful life at the following rates:

Property	2%
Fit out	2%
Furniture, fittings and office equipment	10%
Computer (hardware and Software)	25%
Motor vehicles	20%

#### 4.4 Cash and cash equivalents

Cash and cash equivalents shown at nominal value in the Statement of Financial Position are the Foundation's cash balances and short term deposits.

#### 4.5 Receivables

Receivables are stated at their nominal value as reduced for irrecoverable amounts.

#### 4.6 Trade and other payables

Trade and other payables are stated at their nominal value.

#### 4.7 Provisions

Provisions are recognised when the Foundation has a present obligation flowing from a past event and that this will require an outflow of resources to settle the obligation and that the amount payable can be reasonably estimated.

## 5. Risk Management policies

#### 5.1 Financial risk

#### (i) Liquidity risk

This refers to the risk that the Foundation may not be able to meet its financial obligations on time or at all due to shortage of financial resources. To avoid possible downturn the Foundation resorts to constant cash flow forecasting and the Council regularly requests for financial standing reports from management. Also, no contractual obligations are entered into unless the required financial resources are available or the availability of which is certain.

#### (ii) Credit risk

Credit risk refers to the probability the counter party to a financial instrument will default on its obligation. The Foundation, as concerns credit risk, is exposed on its assets with its deposit taking counterparts and Insurers. The Foundation banks with renowned and reputable financial institutions and invests in financial assets with insignificant risks and insures its assets with a reputable and sound insurance company.

#### 5.2 Legal risk

This is the risk that the Foundation's activities have unintended or unexpected consequences. Such risks are managed through legal advice from the State Law Office.

#### 5.3 Reputational risk

The reputation of the Foundation is a key factor on which its stakeholders rely when assessing their confidence in its capacity to sustainably fulfil the mission entrusted to it.

Reputational risk is a threat or danger to the good name or standing of an entity. Such risk can occur through a number of ways; directly as a result of the actions of the Foundation, indirectly due to the actions of an employee or employees or through other stakeholders such as grantee NGOs and suppliers.

To mitigate reputational risks the Council ensures good governance practices through the following oversight instances:

(i) the Finance Committee

- (ii) the Audit and Governance Committee,
- (iii) the Project Management committee, and
- (iv) the HR Committee.

In addition regular updates are posted on the web site of the Foundation and regular meetings are held with NGOs, its principal partners in its fight against poverty and social exclusion. While monitoring and evaluating grantee NGOs' projects, staff of the Foundation also mentor them on good accounting and financial management practices.

Management has developed a Code of Ethics for staff members with the collaboration of the Independent Commission Against Corruption .This Code provides to all employees of the Foundation with some broad ethical statements with which to guide their professional lives and identify relevant considerations when ethical uncertainties arise and has already been approved at Council level.

# 6. Related party

The Foundation deals with NGOs as a funding agency and with its suppliers of goods and services in the course of its normal activities. Accordingly no related party issue arises.

However, the Government of Mauritius, owing to its legislative and administrative functions, has the power to influence the financial and operational decisions of the Foundation.

# 7. Employee disclosure

Staff recruited by the Foundation so far are all on a contract basis subject to annual renewal. Accordingly, the Foundation has no retirement benefit obligations towards its employees.

#### Senior management personnel comprise the following:

Secretary General (Chief Executive) Finance Manager Research and Development Manager Programme Manager Communication Manager

# 8. Forecast of funding of Projects and Programmes 2019/20

The Foundation earmarked funds for projects and programmes for the financial year 2019/20 as follows:

#### 1. ON GOING PROGRAMMES

Funding Instrument	Eligible NGOs/NPOs	Indicative Budget 2019/2020
F1-Partnering with Non-Government Service Providers	Funding under the Government Grant	Rs 250M
	Funding under the General Call for Proposal 2018	Rs 280M
2	. PROJECTS	
F2- Investing in Social Innovations	Project based funding up to 12 months duration	Rs 35M
F3- Building Sustainable Communities	Project Budget up to Rs5M	Rs 50M
F4- Supporting Small-Scale Initiative	Project based funding up to 12 months duration (operating expenses)	Rs 35M
3. NATIONAL PROGRAMMES		
F5- National Programmes	Programme grants up to Rs5M	Rs 180M
Total		Rs 830M

## 9. Events occurring after the Reporting Period

As per Budget 2019/20, the NCSRF will be transformed into a National Social Inclusion Foundation with a new Charter and will identify National Programmes for better impact on poverty alleviation.

The Council ,with the prior consent of the Founder, has already undertaken necessary actions for amending the Charter in compliance with provisions of the 2019/20 national budget and appropriate notification has been given to the Corporate Business and Registration Department, as per the Foundations Act 2012.

## **10**. Cash and cash equivalents

	July 2018 to June 2019 Rs	30 Dec 2016 to June 2018 Rs
SBM Ltd:		
Cash at bank: A/C 5030000041986	311,560,494	159,836,654
A/C 50300000325741	10,722,208	
Treasury Bills 364D BOM BILLS 2 YR BOM NOTE 364D BOM BILLS	5,525,800 197,104,104 292,680,000	147,789,000
Fixed Deposit	-	50,000,000
	817,592,606	357,625,654

### 11. Receivables

	July 2018 to	30 Dec 2016 to
	June 2019	June 2018
	Rs	Rs
Receivables from Non-Exchange transactions		
Amount received from Accountant		
General after reporting date	213,816,876	172,407,704

### 12. Prepayments

	July 2018 to	30 Dec 2016 to
	June 2019	June 2018
	Rs	Rs
Insurance premium prepaid	6,923	-

# 13. Property, Plant and Equipment

	Furniture, fixtures, fittings and office equipment	Computers (Hardware and software	Total
Cost	Rs	Rs	Rs
As at 30 June 2018	178,320	522,865	701,185
Additions	39,100	326,301	365,401
At 30 June 2019	217,420	849,166	1,066,586
Depreciation			
As at 30 June 2018	17,832	130,716	148,548
Charges for 2018/19	21,987	212,047	234,034
As at 30 June 2019	39,819	342,763	382,582
Carrying amount At 30 June 2019	177,601	506,403	684,004
Carrying amount At 30 June 2018	160,488	392,149	552,637

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# 14. Payables

	July 2018 to June 2019	30 Dec 2016 to June 2018
	Rs	Rs
Amounts falling due within one year:		
Suppliers of goods and services	47,542	969,846
Refundable to NGO	-	200,000
Disbursements due to NGOs	143,480,547	66,193,119
Balance of Grant from MOFED	10,722,208	-
	154,250,297	67,362,965

# **15.** Revenue from Non Exchange transaction

	July 2018 to June 2019	30 Dec 2016 to June 2018
	Rs	Rs
Amount received from Accountant General:		
CSR Funds from MRA : received	492,429,665	503,506,643
receivable	213,816,876	172,407,704
Support to NGOs from MOFED	114,000,000	-
Transfer from NGO Trust Fund	961,175	-
Refund from NGOs (funding not utilised)	3,491,295	-
Other miscellaneous income	-	351,429
	824,699,011	676,265,776

# **16.** Revenue from Exchange Transactions

	July 2018 to	30 Dec 2016 to
	June 2019	June 2018
	Rs	Rs
Interest on Term Deposits	11,300,300	1,900,423
	11,300,300	1,900,423

### 17. Staff costs

	July 2018 to	30 Dec 2016 to
	June 2019	June 2018
	Rs	Rs
Basic salary	6,786,412	4,823,220
NPS/NSF/Levy	286,150	180,844
End of year Bonus	416,098	149,864
Travelling Allowances	1,010,276	396,487
Mobile phone Allowances	127,000	51,352
Gratuity	821,240	
Salary refundable icw NEF	622,241	1,438,118
Other allowances	163,774	
	10,233,191	7,039,885

### **18.** Administrative costs

		June 2018
	June 2019 Rs	Rs
Telephone and Internet	55,806	52,280
Postage, printing and Stationery	175,464	119,572
Office requisites	54,545	23,020
Newspapers, books and Periodicals	13,420	14,280
Public Notices and Publications	288,175	344,615
Maintenance of Web Site	81,566	113,302
Legal Fees	120,000	130,000
Consultancy Fees	21,813	1,012,000
Parking Fees	241,134	192,149
Insurance	26,788	23,229
Consultative workshops/Seminars/Open Days	642,892	471,714
Other Office Expenses	88,915	43,584
Bank Charges	7,960	6,180
Chairperson/Council Members Fees	3,498,065	4,451,021
Entertainment/Hospitality	5,265	31,812
Secretarial Services	280,200	445,645
Interaction with Rodrigues and Outer islands	73,890	164,239
Audit fees	200,000	-
Refund to NGO		200,000
	5,875,898	7,838,641

### 19. Grants to NGOs

	July 2018 to June 2019 Rs	30 Dec 2016 to June 2018 Rs
Grant disbursed to finance NGO Projects	154,674,419	133,582,548
Grant payable to NGOs within one year	143,480,547	66,193,119
	298,154,966	199,775,667

### 20. Support to NGOs

Amount received from Accountant General on behalf of MOFED	114,000,000
Amount disbursed as support to NGOs as at 30 June 2019	103,277,792
Amount accrued as at 30 June 2019	10,722,208

To improve outcomes from the funds utilised to combat poverty and alleviate social problems, Government, in its 2018/19 Budget, decided that a coordinated approach with regard to disbursement of funds to NGOs will be introduced. The National CSR Foundation will be the central body to receive and allocate public funds to NGOs.

As from January 2019 the Foundation is therefore responsible for disbursing funds appropriated under the Centrally Managed Initiatives of Government. These funds previously transferred to the Ministry of Social Security and National Solidarity, the Ministry of Gender Equality, Child Development and Family Welfare and the Ministry of Health and Quality of Life, are to be allocated to Non-Profit Institutions as support to NGOs.

Rs

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