

9. STRATEGIC OUTCOME: CORPORATE GOVERNANCE

9.1. PRINCIPLE ONE – GOVERNANCE STRUCTURE

The MRA is the agent of the State having the prime responsibility for managing an effective and efficient revenue-raising system. It collects around 90% of all tax revenues. The MRA Board and its Management Team ensure that all operations and business decisions of the organisation comply with all the Revenue Laws.

Corporate Governance is amongst one of the key Strategic Objectives of the Organisation. The MRA is committed to continually strive to attain the highest standards of corporate governance in all spheres of the organisation. At the MRA, it is the responsibility of the Board to ensure that all the principles of the National Code of Corporate Governance (the Code) are being fully observed.

Accordingly, with the launching of the revised National Code of Corporate Governance (the Code) in 2016, the MRA has reviewed its existing Governance Framework to ensure compliance with the new Code.

During the year under review, the MRA Board has adopted a Board Charter and a Code of Ethics for Board Members. Both documents are accessible on the MRA's website www.mra.mu.

MRA's Corporate Governance Structure hinges on the following pillars:

- The MRA Act which lays down specific criteria for the appointment of the Chairperson & Board members and requires disclosures in cases of conflict of interest, etc.;
- The MRA Board;
- Board sub-committees set up to closely oversee corporate governance, auditing, risk management, procurement and integrity management;
- Risk management framework with clear responsibility for risk identification, assessment and monitoring;
- Auditing and accounting framework with particular emphasis on the role of internal and external audit;
- Strong ethics and integrity management which are inbuilt in the MRA Act, MRA Codes and MRA practices;
- Other integrated sustainability initiatives such as environment, health & safety and corporate social responsibility;
- Standard operating procedures for all MRA processes through the ISO9001:2015 project, thus enhancing transparency and accountability;
- Systematic computerisation of all MRA functions with emphasis on e-filing & e-payment both for tax and customs purposes;
- Continuously educating and communicating with its stakeholders together with standing meetings with main stakeholders; and,
- Accountability for results through the Performance Management System which is being monitored on a monthly basis and published on an annual basis in the Annual Report.

The aim of this chapter is to apprise the reader on the MRA's corporate governance framework as specified under the eight principles of (the Code).

9.1.1. Functions of the Board

The roles and functions of the Board include:

- giving strategic direction, providing leadership and promoting good governance practices throughout the organisation;
- overseeing the implementation of strategies, policies and plans;
- giving guidance and maintaining effective control over the Authority;
- selecting and recruiting competent staff to form part of the Management Team;
- laying down the terms and conditions of service of officers of the Management Team and every employee of the Authority;
- approving the annual budget of the Authority for submission to the Ministry of Finance and Economic Development;
- putting in place an effective internal control systems;
- ensuring that risk management strategies are developed and implemented effectively;
- ensuring that an effective staff integrity management programme is in place; and,
- approving the writing off of irrecoverable debt after prior comments of the Director, Internal Audit Division.

The Head of the Internal Affairs and Internal Audit Divisions report on integrity of systems and people and are directly accountable to the Board for the execution of the duties assigned to them.

Section 6 (6) of the MRA Act stipulates that the Board shall not have access to any information concerning the liability or otherwise of any person to tax.

9.2. PRINCIPLE TWO – STRUCTURE OF THE BOARD AND ITS COMMITTEES

9.2.1. The Board and its Composition

The MRA Board currently comprises of five non-executive members and one executive member, who is the Director-General of the organisation, and is chaired by Mr. N.K. Ballah, *G.O.S.K*, Secretary to Cabinet and Head of Civil Service. During the year under review, the members of the Board were as follows:

Chairperson

- Mr. N. K. Ballah, *G.O.S.K*

Members

- Mr. M. Bheekhee
- Mr. A. Nilamber
- Mr. M. Oozeer, *P.D.S.M, C.S.K*
- Mr. K.N. Reddy
- Mr. S.J. Suhootoorah
- Mr. M. S. Lal, Director-General, *C.S.k*

Secretary

- Mr. R. Oree

All Board members possess a diverse mix of skills and experiences which are elaborated in each of their respective profile in **Chapter 7** of this Report.

9.2.2. Board Committees




In line with the (Code), the Board is assisted in its functions by three main sub-committees, namely, (i) Audit & Oversight/Risk Management Committee, (ii) Corporate Governance Committee and (iii) Tender Committee.





Each of these sub-committees is governed by a charter and operates within defined terms of reference. The charters have been reviewed and approved by the Board and published on the MRA's website www.mra.mu.

The secretary of these sub-committees is responsible for arranging the meetings and circulating the relevant documents prior to all meetings. Following each sub-committee meeting, the Board is apprised of all the deliberations and decisions.




9.2.2.1. Audit & Oversight /Risk Management Committee

Compositon			
	Mr. K. N. Reddy (Chair)	Mr. M. Oozeer, P.D.S.M, C.S.K	Mr. S. J. Suhootoorah
Main Responsibilities	<ul style="list-style-type: none"> • overseeing the Internal Audit & Internal Affairs Divisions; • reviewing any significant matters raised by the external auditors; • reviewing the effectiveness of MRA's internal control systems; and • overseeing the management of risk, integrity & ethics within the MRA 		
Achievements	<ul style="list-style-type: none"> • reviewed all reports submitted by the Internal Audit and Internal Affairs Divisions; • approved the Annual Internal Audit Plan & Internal Audit Annual Report; • ensured the implementation of the Audit Recommendations and proposals for enhancement to the Internal Control System; • reviewed progress made in respect of Enterprise Risk Management & Quality Management System; • discussed issues raised by the external auditors in the Director of Audit report; and • reviewed and recommended writing off of old irrecoverable debts to the Board. 		

9.2.2.2. Corporate Governance Committee

Compositon			
	Mr. A. Nilamber (Chair)	Mr. S. J. Suhootoorah	Mr. M. S. Lal C.S.K
Main Responsibilities	<ul style="list-style-type: none"> • making recommendations on all Corporate Governance provisions; • ensuring compliance with the requirements of the National Code of Corporate Governance; • preparing Corporate Governance report to be published in the Authority's Annual Report; and • promoting greater effectiveness of the Board. 		
Achievements	<ul style="list-style-type: none"> • Ensured that the Corporate Governance Chapter of the 2017/18 Annual Report complied with the new Code of Corporate Governance 2016; and • Identified gaps and compliance with the new code and proposed remedial actions. 		

9.2.2.3. Tender Committee

Compositon			
	Mr. M. Oozeer, P.D.S.M, C.S.K (Chair)	Mr. M. S. Lal C.S.K	Mrs. N. Bunwaree
Main Responsibilities	<p>The Committee is made up of a Central Tender Committee (CTC) and a Departmental Tender Committee (DTC).</p> <p>Any procurement above Rs 1 million and up to Rs 5 million is approved by the DTC, and for procurement in excess of Rs 5 million the approval of the CTC is sought.</p>		
Achievements	15 CTC meetings were held and 6 procurements were approved.		

9.3. PRINCIPLE THREE – DIRECTORS' APPOINTMENT PROCEDURES

9.3.1. Appointment

Section 5 of the MRA Act 2004 lays down comprehensive corporate governance practices for the Board which are being compiled with:

- I. The Chairperson shall be a person who has not been, or is not, actively engaged in any political activity;
- II. The Chairperson of the Board is appointed by the President, after consultation with the Prime Minister and the leader of the Opposition, for a period of not less than three years and on such terms and conditions as the President thinks fit;
- III. Board members are appointed by the Minister of Finance and Economic Development for a period of not less than three years;
- IV. Where a member of the Board, or a close relative of his, has a direct or indirect interest in any matter which is, or is to be, raised at a meeting of the Board, he shall, as soon as he is aware of the fact, notify the Secretary of the Board. The Board shall then determine that the member shall not be present or shall not vote while the matter is being considered.

9.3.2. Induction

On appointment to the Board, the MRA conducts an induction programme and present a comprehensive induction pack to each Board Member. The pack summarises all the relevant information pertaining to the organisation that will enable all newly appointed Board Members to have a good insight and knowledge about the organisation. Besides, the induction programme, presentation and/or briefings sessions are also conducted for enlightenment of Board Members, as and when required.

9.4. PRINCIPLE FOUR – DIRECTORS' DUTIES, REMUNERATION & PERFORMANCE

9.4.1. Board Meetings

MRA's Board meetings are usually held on a monthly basis. It is the responsibility of the Chairperson and the Secretary to the Board to arrange these meetings. Exceptionally, any additional and/or special meetings can also be called at a very short notice.

The Secretary to the Board also ensures that all the relevant documents for these meetings are circulated in a timely manner to the Board Members, prior to the meetings, so as to facilitate discussions and take appropriate decisions during the meetings. During the period under review, twelve meetings were held.

The duties of the Board Members are laid down in Section 9.1.1 'Functions of the Board' of this report.

The attendance of each Board Member at Board meetings & Sub-committees, together with the Board Members' fees for the FY 2018/19 and duration of their respective appointment are provided in Table 1.

Table 1: Attendance of the Board, Board Committees, Fees & Duration of Appointment for the period July 2018 to June 2019

Number of meetings	Board Meetings	Board Committees			Fees & Duration of Appointment		
		AO/RMC*	CGC**	TC***	Board Fees (Rs)	Date of last Appointment	Duration of office
	12	4	2	15			
Meetings attended:							
Mr. N. K. Ballah, G.O.S.K (Chairperson)	10				840,000	Dec 2016	3 years
Mr. M. Bheekhee	12				300,000	July 2017	3 years
Mr. A. Nilamber	8		2		300,000	Dec 2016	3 years
Mr. M. Oozeer, P.D.S.M, C.S.K	8	3		15	300,000	Aug 2018	3 years
Mr. K. N. Reddy	7	4			300,000	Aug 2018	3 years
Mr. S. J. Suhootoorah	11	4	2		300,000	Dec 2016	3 years
Mr. M. S. Lal, C.S.K (Director-General)	12		1	15	300,000	By Designation	n/a

*AO/RMC: Audit & Oversight/Risk Management Committee

***TC: Tender Committee

**CGC: Corporate Governance Committee

n/a: not applicable

9.5. PRINCIPLE FIVE – RISK GOVERNANCE AND INTERNAL CONTROL

9.5.1. Risk Management

Enterprise Risk Management is an essential strategic tool to ensure that MRA achieves its objectives. Risk Management is embedded in MRA's strategic decisions, operations and the organisation's culture.

The MRA Board has the ultimate responsibility for risk management. The Board is responsible for maintaining an effective internal control system and ensuring that risk management strategies are developed and implemented effectively. This responsibility is then cascaded to line management for day-to-day management. All departments have their risk registers and reports which are regularly reviewed and updated by the process owners.

Auditing of risk management across the MRA is done on a regular basis by the Internal Audit Division. This exercise provides assurance on the effectiveness of Risk Management Framework. It also enables the identification and updating of risks and desired controls. Various interactions and working sessions are held with departmental Risk Officers and process owners for continuous enhancement.

The MRA also has in place a Risk Monitoring Committee chaired by the Director-General and comprising of the MRA Management Team. The objective of the Committee is to ensure that risk management is functioning as per set policies and that all key risks are identified, measured and actions taken accordingly.

Results of audits are also discussed at the level of the Audit and Oversight/Risk Management Committee.

During the financial year 2018/19, Risk Registers were enhanced in terms of key risk indicators and related statistics. The registers were audited by the Internal Audit Division to provide assurance on its effectiveness as a tool for managing risks and the result of this exercise was discussed at the Risk Monitoring Committee. Key risk indicators and statistics have proved to be important milestones for the Committee to conclude on the effectiveness of risk management.

An important component of the Enterprise Risk Management approach is to ensure that top and emerging risks are appropriately identified, assessed, measured, monitored and reported.

The 9 top risks identified for continuous monitoring and management are as follows:

1. Risk of not achieving Revenue targets.

The MRA is the main revenue agent of the Government and plays a major role in protecting fiscal solvency. Achieving expectations in terms of budgetary provisions with respect to revenue collection remains a priority challenge for the MRA and therefore needs constant monitoring.

2. Risk of inefficient border protection and protection of society

Drug trafficking, illegal arms importation and terrorism present significant threats to national security. Through border control, the MRA has a vital responsibility to protect society from these transnational crimes. The MRA is constantly enhancing its operations by the extensive use of Information Technology, acquisition of non-intrusive devices and continuous training of staff for increased control and security mechanisms.

3. Risk of poor trade facilitation and Customer Service

Providing customer service of the highest possible standards and enabling a hassle-free movement of goods and services constitute the basis of MRA's identity. However, it also has the responsibility to strike the right equilibrium between free-flow trade facilitation and rigorous controls for sustainable global economic growth and welfare.

4. Risk of organisational priorities not being set

With worldwide changes in both local and international fiscal environment and evolvement in the digital landscape and expectations of taxpayers, the MRA has to develop strategies to keep pace with new trends and tackle emerging issues and challenges.

5. Governance and Integrity Risk

Governance and integrity are the foundation of a responsible business. At the MRA, every effort is deployed by the Board of Directors and Management Team to implement all recommended structures and practices for adequate oversight mechanisms, policies and procedures, to achieve the highest standards for ethical behaviour and transparency.

MRA manages Governance and integrity risk through its dedicated departments which help in upholding the trust and confidence of its various stakeholders which remain one of MRA's priorities.

6. Tax Compliance Risk

MRA operates a self-assessment system of taxation and aims at implementing strategies to boost up voluntary compliance level, which warrants concerted taxpayer education and effective communication with our stakeholders. Communication and education have been flagged as strategic issues, which need to be constantly enhanced to mould people's attitudes towards taxation.

Over and above education and communication, strong tax risk management remains an important strategy for the detection of high evasion cases.

7. Information Technology Risk

Driving a modernisation programme through the enhanced usage of information technology inevitably exposes the organisation to IT risks such as loss, leakage or damage of data which may severely disrupt operations. Furthermore, failure to maintain confidentiality of taxpayers' affairs and information would affect the organisation's reputation and might entail legal action.

8. Human Resources and Finance Risk

The success of our organisation is fundamentally dependent on the quality, satisfaction and security of our staff. If not adequately managed, these causes may severely impact on organisational performance. To counter risk factors, employees are provided with a wide range of support, incentives and logistics mechanism.

9. Disaster and Crisis Management

Maintaining business functions or getting those functions back up and running in the event of a major disruption is of utmost importance to the MRA. The organisation has identified such events and has put in place a plan which details and assigns tasks for informing employees and stakeholders and ensuring a continued service.



9.5.2. IT security

The MRA is constantly modernising its digital infrastructure to provide efficient services. The risks pertaining to cyber security are critical. Thus, adequate controls should be deployed to protect MRA information and assets from unauthorised attacks.

Following a request for proposal, Ernst & Young was appointed for the conduct of an IT Security Audit. The scope of the exercise consisted of Vulnerability Assessments of MRA systems and network infrastructure followed by Penetration Testing to identify possible ways to exploit identified vulnerabilities.

During this exercise, public facing and internal services and systems were assessed. Additionally, social engineering tests were conducted to evaluate IT Security awareness in MRA.

A comprehensive report was presented to MRA Management which highlighted risk areas, its impact and proposed recommendations. In light of the recommendations, MRA has initiated actions for strengthening its cyber security posture.

9.6. PRINCIPLE SIX – REPORTING WITH INTEGRITY

9.6.1. Accounting and Auditing

The Board is responsible for maintaining adequate accounting records and preparing the financial statements in accordance with International Public Sector Accounting Standards (IPSAS), for each financial year. These statements include the Board's report, the report of the Director of Audit to

MRA's Board, statement of financial position, statement of financial performance, statement of changes in net assets/equity, cash flow statement and notes to accounts which reflect a true and fair picture of the financial position of the MRA.

With regard to MRA's Financial Statements, the Director-General shall not later than 3 months after the end of the financial year prepare and submit the accounts to the Board for approval. After approval by the Board, the Director-General shall, not later than 4 months, submit the Annual Report, including the financial statements, to the National Audit Office.

After having audited the statements, the Director of Audit, must within 6 months of the date of receipt of the Annual Report, submit the Annual Report and the Audit Report to the MRA. On receipt of the Annual Report including the audited financial statements and the audit report, the MRA shall, not later than one month from the date of receipt, furnish to the Minister of Finance and Economic Development such reports and financial statements. Once the Annual Report is tabled in the National Assembly, a copy of the same is posted on the MRA's website.

The Annual Report of the MRA for the financial year ended 30 June 2018 was submitted within the deadlines as set out above.

9.6.2. Ethics and Integrity

As stipulated in the MRA Act, the Internal Affairs Division was created with the primary responsibility for:

1. Dealing with allegations of malpractices or other complaints against an officer or employees;
2. Processing and verifying the declaration of assets made by an officer or employee; and
3. Such other cognate duties as the Board may determine.

A summary of all the initiatives undertaken by the Division in boosting integrity within the organisation during the FY 2018/19 is highlighted in the table below:

1. INTEGRITY MANAGEMENT

(a) Declaration of Assets (DOAs)

Number of DOAs received	Number of DOAs verified	Outcomes
1,113	86	<ul style="list-style-type: none"> Officers were classified according to their risk profile. Income Tax Compliance of selected officers were also sent for verification.

(b) Investigations & Integrity Checks

Details	Number	Outcomes
Number of Investigation completed	51	<ul style="list-style-type: none"> In 13 cases, the Division recommended review procedures following weaknesses identified. 9 cases were referred to MSTD and FID for audit and investigation.
Number of integrity checks conducted	99	<ul style="list-style-type: none"> Integrity of officers competing for promotion was assessed. 1 trainee was rated as risky and his enlistment as trainee was terminated by HRTD

(c) Training Conducted

Details	Number
Number of Training courses dispensed	29
Number of Workshop conducted	1
Seminar in collaboration with WCO on “The Role of Leadership in Organisational Integrity”	1

2. COMPLAINTS MANAGEMENT (ONLINE COMPLAINTS MANAGEMENT SYSTEM) / WHISTLE BLOWING

Details	Number of Complaints received	Number of complaints resolved
Total number of Complaints received	1,221	741
<i>Of which (a) Number of Tax-Related Issues</i>	<i>1,122</i>	<i>656</i>
<i>(b) Number of Non-Tax Related Issues</i>	<i>99</i>	<i>85</i>

3. MEETINGS HELD WITH STAKEHOLDERS

Stakeholders	Main Issues Discussed
Integrity Advisory Committee members	New budget measures relating to integrity and MRA Online Auction System

4. CORRUPTION RISK MAPPING (CRM) EXERCISE

Area subject to CRM	Outcomes
Physical examination of goods	Short coming and vulnerable areas identified and preventative measures have been discussed with the process owners
Un-stuffing of containers	
Clearance of passengers at the Green channel and red channel at SSRIA Arrival Hall	

5. VIGILANCE ACTIVITIES / AUDITS

In order to ensure highest integrity standards across MRA's operations, the MRA's divisions, Internal Affairs and Internal Audit conduct vigilance audits.

Such audits comprise surveillance and detective activities through surprise visits, inspections, checks and reviews.

9.6.3. Environment

In its endeavour to continually preserve the environment and manage its operations, the MRA has embarked on a series of environmental projects so as to sustain a greener economy. The major project implemented in FY 2018/19 was the implementation of a Rain Water Harvesting System at the Custom House Service block. The collected water is being used for car washing or watering of plants.

9.6.4. Safety and Health

The MRA ensures that all its operations are compliant with the Occupational Safety and Health Act 2005. It has recruited a full-fledged Health and Safety officer since 15 August 2011 in accordance with the provision of this Act. The organisation has also adopted a Safety and Health Policy and set up a Safety and Health committee which meets every 2 months to continuously improve Safety and Health measures.

The activities held during the FY 2018/19 regarding safety and health are as follows:

Initiatives	Outcomes
Training/Awareness Programme	Conducted sensitisation on seasonal flu & campaign on fire safety
	Organised vaccination for all Staff against measles virus & seasonal flu
	Conducted briefing sessions to MRA's fire wardens
	Conducted refresher First Aid course
Fire Drill	Conducted 4 drills at the following premises – Eham Court, Belfort Tower, Custom House & Lux Shed
OSH Facility	Review of Fire Certificate at Eham Court by Government Fire Services
	Prepared an Occupational Safety & Health e-learning module
	Conducted a Risk Assessment exercise for homeworking project
	Provided Staff working in outposts with Personal Protective Equipment (PPE)
	Provided ergonomic chairs to staff
	Processed of Group Personal Accident Scheme claims
	Provided Dosimeters to staff working in Scanning Units
	Organised medical checkup for staff working in Scanning Units
	Provided Office to Customs Officers at new exit gates
	Made Safety & Health recommendations for new outposts
Medical Insurance Scheme	1,299 MRA staff were subscribed to the scheme while the number of adults and children dependents were 317 and 399, respectively

9.6.5. Corporate Social Responsibility

The MRA has maintained its long term commitment towards the Corporate Social Responsibility (CSR) and has during the period under review ensured that all its commitments towards CSR become a must do activity for increasing employee and society engagement. The CSR initiatives undertaken during the FY 2018/19 were as follows:

Initiatives	Outcomes
Blood Donation Day	MRA was awarded best organizer and collected a total record of 1,721 pints of blood
Training Placement to University Students	Offered training placement to 28 students from the University of Mauritius
Food Distribution /Donation	<ul style="list-style-type: none"> • Provided lunch & Christmas gifts to around 50 children at La Ruche, Bambous • Provided hot meals to around 100 students at Sathya Sai School, La Caverne Vacoas • Donated foodstuffs to Passerelle Women Centre

9.7. PRINCIPLE SEVEN – AUDIT

9.7.1. Internal Audit

The MRA has an Internal Audit Division responsible for providing assurance to the Board and Management on MRA's internal controls, risk management systems and governance. The head of the Division reports administratively to the Director-General and functionally to the Audit and Oversight Committee on all internal audit issues.

The Division, which is adequately staffed with qualified officers, operates in line with the Internal Audit Charter and adopts a risk-based methodology focussing on high risk areas. It provides regular assurance on continued effectiveness of control with respect to core MRA activities on a rotational basis. Whilst keeping its independence, the Division also ensures that a participatory approach is adopted, whereby Senior Management is invited to contribute to the yearly Action Plan by suggesting main areas of concern. The Annual Action Plan is approved by the Audit & Oversight Committee.

With respect to control, the Division conducts system audits to assess adequacy of control in the various systems to enable MRA achieve its objectives and to properly manage its risks. Transaction audits are then constantly carried out to provide assurance on the effectiveness of those controls. Where there have been recommendations for improvements, follow-up exercises are performed to ascertain implementation of those recommendations.

During the FY 2018/19, the achievements regarding audits of systems conducted by the Division have been summarised as follows:

Type of Audit	Number	Core Areas Audited
System Audits	9	Excise Wineries, Control over main Customs Stakeholders, Customs Risk Management, Freeport Operations, Taxpayers' Account, MRA Website, E-Payment, Write Off of Debts, Expenditure, Refund of Corporate Tax, Tax Audits focussing on CSR and Gaming/Betting and IT Security.
Transaction Audits	15	
Follow-up Exercise	2	

Besides conducting the above-mentioned audits for ensuring proper systems control, the Division has also successfully maintained MRA's Quality Management System (QMS) and MRA's Governance framework. The outcomes of these projects are laid down as follows:

Initiatives	Outcomes
Quality Management System (QMS)	The MRA has successfully achieved its certification towards the ISO 9001:2015 in July 2018 by the certification body which is the Mauritius Standard Bureau (MSB)
MRA's Corporate Governance (New Code)	The Division assisted in the implementation of the disclosure requirements on governance in the MRA Annual Report and on the website, to be in compliance with the National Code of Corporate Governance for Mauritius. The Division also helped in coming up with the MRA Board Charter and the Code of Ethics for the Board.
Quality Assurance Improvement Program (QAIP)	The Division has completed phase I of the programme, namely, Internal Assessment. The results from the reviews demonstrated compliance with the International Standards for the Professional Practice of Internal Auditing. Few areas for improvement have been identified in the process for subsequent quality reviews.

9.7.2. External Audit

Section 8 (5) of the MRA Act stipulates that the external auditor for the MRA shall be the Director of Audit. The Statutory Bodies (Accounts and Audit) Act provides that once the Annual Report of the MRA has been submitted to the Director of Audit, the latter, shall furnish the audited report to the MRA within a period of 6 months from the date of receipt.

In addition to the audited report, the Director of Audit also audits the operations of the MRA and

presents its findings in its Annual Report which is tabled at the National Assembly every year. These findings and recommendations as well as MRA's Action Plan for implementing the recommendations are discussed at the level of the Audit & Oversight/Risk Management Committee of the MRA Board.

As from FY 2018/19, there is also a requirement for all Ministries, Departments and Statutory Bodies to include a plan for the implementation of the Director of Audit's recommendations in their Annual Report. The Plan is laid down at Chapter 20 of this report.

9.8. PRINCIPLE EIGHT – RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

The MRA engages with its key stakeholders on a regular basis through various platforms/mediums with a view to sharing knowledge, best practices and changes in Revenue legislations.

In this respect, Taxpayers Satisfaction Surveys (TSS) are now conducted every year during the Income Tax filing season. Integrity Perception Surveys are also conducted almost every three years and adhoc surveys, as and when required.

The MRA also meets its stakeholders through the:

- Customs Stakeholders forum;
- Integrity Advisory Committee; and
- Meeting with Global Finance Mauritius.

Moreover, the MRA is committed to respond to the needs and expectations of all its stakeholders and ensure that same is achieved to its highest level.

The Key Stakeholders of the MRA are laid down in Chapter 5 of this report.

The Authority regards the Government of Mauritius as its controlling party and has disclosed at Note 23 to the Financial Statements the Related Party Transactions for the period under review in accordance with IPSAS 20 (Related Party Disclosures). The related party transactions for the MRA for the period under review include:

1. Grants (capital & revenue) of Rs 2,047,971,330 from Government;
2. Fees paid to Board Members for an amount of Rs 2,640,000; and
3. Payment to key management personnel for an amount of Rs 56,154,328

The profile of each Management Team member is elaborated in Chapter 8 of this Report.

As per provisions of the Act constituting the Authority, the Board members represent the interest of Stakeholders. However, the Board considers that such representation does not trigger any other related party transactions that would require any further disclosure.

DIRECTORS' RESPONSIBILITY FOR RISK MANAGEMENT, SYSTEM OF INTERNAL CONTROL AND GOVERNANCE

In its leadership role, the Board is responsible for approving, monitoring, reviewing and evaluating the implementation of strategies, policies and plans. The Directors of the Board are aware of their legal duties.

The Directors are also responsible for ensuring that the MRA complies with the Code of Corporate Governance and that all material information be communicated to the stakeholders in a transparent way and the Annual Report is published on the MRA website.

Directors of the Board oversee that the organisation develops and executes a comprehensive and robust system of risk management. They also ensure appropriate frameworks and effective processes are in place for sound management and continual monitoring of risks. The Board monitors and evaluates the organisation's strategic, financial, operational and compliance risk.

The Board ensures the maintenance of a comprehensive internal control systems relevant to the Authority's functions including controls relevant to the preparation and presentation of the financial statements.

The Authority has an Internal Audit Division which assists the Board and Management in effectively discharging the above responsibilities. The structure and qualifications of key members of the Internal Audit Function are listed on the MRA's website.

Controls are reviewed on an on-going basis by Internal Audit using a cycle-based risk approach and any material weaknesses or irregularities detected are rectified within a reasonable time-frame.

The Audit and Oversight/Risk Management Committee reviews all internal audit reports and Management is advised through the Director-General of remedial action to be taken. The Committee is also kept informed of progress on the implementation of audit recommendations either through feedback reports from Management or follow-up exercises carried out by Internal Audit.

The Board is apprised of all deliberations and decisions taken by the Audit and Oversight/Risk Management Committee.

The Board also ensures the safeguarding the assets of the Authority and that steps are taken for the prevention and detection of fraud and other irregularities, including compliance to the Code of Ethics.



N. K. BALLAH, G.O.S.K
Chairperson MRA Board



K. N. REDDY
Chairperson Audit & Oversight/Risk
Management Committee

STATEMENT OF COMPLIANCE

Throughout the year ended 30 June 2019, to the best of the Board's knowledge, the MRA has complied with the requirements of the Code of Corporate Governance for Mauritius (2016) in all material aspects.



N. K. BALLAH, G.O.S.K
Chairperson MRA Board



A. NILAMBER
Chairperson Corporate
Governance Committee

The illustration features a large, golden honey jar with a honeycomb pattern on its body. A white lid with a small gold ring sits on top. Four bees are shown: three are flying above the jar, each carrying a large drop of honey, and one is perched on the lid. The scene is set against a bright blue sky with a large yellow sun and stylized white clouds. At the bottom, there are yellow daisies and red flowers. A decorative banner with a red border and gold background wraps around the base of the jar.

EVERY SMALL EFFORT LEADS TO
GREATER THINGS...

Honey

...YOUR TAX CONTRIBUTION
MATTERS