

**ANNUAL
REPORT**

**20
14**

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FUNCTIONS OF THE COUNCIL (NPCC)

THE COUNCIL SHALL:

- Provide the forum for constant dialogue and consensus building on all matters relating to productivity, quality and competitiveness;
- Advise government on the formulation of national policies and strategies on all aspects of productivity, quality and competitiveness;
- Promote and develop greater productivity and quality awareness and consciousness amongst the public, and organise awards to recognise individuals, teams and organisations for their outstanding achievements in quality and productivity;
- Inculcate new values and attitudes in the country regarding productivity, quality and competitiveness;
- Identify constraints to the improvement of productivity, quality and competitiveness and propose remedial measures;
- Monitor and coordinate programmes and activities relating to the improvement of productivity, quality and competitiveness;
- Collect, analyse, produce and disseminate data on the measurement of, and changes in, productivity, economy-wise and by sector and industry;
- Arrange for consultancy services in the areas of productivity and quality management and related fields;
- Promote and undertake research, including training, in all aspects of productivity, quality and competitiveness;
- Liaise and establish linkages with research institutions and productivity organisations in Mauritius and abroad
- Serve as focal point on all matters relating to productivity, quality and competitiveness;
- Act as resource centre for published works on productivity, quality and competitiveness issues;
- Organise conferences and policy seminars on productivity, quality and competitiveness;
- Constitute such productivity committees and co-opt such persons, as it may deem necessary, to such committees, define their objectives, broad terms of reference and the means of their function;
- Request the productivity committees to carry out studies, prepare opinion statements, reports and information bulletins within the scope of their powers; and
- Do such things as may be incidental to, and consequential upon, the discharge of its functions under this act.



LETTER FROM THE CHAIRMAN

LETTER FROM THE CHAIRMAN



Hon. Sudarshan BHADAIN
Minister of Financial Services, Good Governance
& Institutional Reforms & Minister of Technology,
Communication & Innovation

Dear Minister,

In accordance with paragraph 18 of the National
Productivity and Competitiveness Council (NPCC)
Act 1999, I have the honour to submit to you the
annual report of the NPCC, which covers the year
2014.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'S. Mulloo'.

S. Mulloo
Chairman

PERFORMANCE REPORT FROM THE OFFICER IN CHARGE

PERFORMANCE REPORT FROM THE OFFICER IN CHARGE



INTRODUCTION

I am pleased to report that the positive momentum in promoting productivity and thereby enhancing the competitiveness of Mauritius reported in 2013 has been maintained during 2014.

Whilst the economic outlook continued to be favourable in 2014, with the Mauritian economy growing by 3.5 percent, higher than the rate of 3.3 percent in 2013, and the country on track to being the most competitive in the African continent, ranking 39th out of a total of 144 countries in The Global Competitiveness Report 2014-2015 of the World Economic Forum (WEF), we remained mindful of the potential impacts of low productivity growth rates registered in previous years. Hence, we continued to deliver against our strategic priorities set in 2014. The progress we made is reflected in our wide range of projects we implemented in 2014. This performance has been achieved despite a number of challenges including the ongoing political turmoil in the country.

Our 2014 Annual Report spotlights key achievements for the year under review and also underlines future orientations of the NPCC.



HIGHLIGHTS 2014

Growth Opportunity for Small and Medium Enterprises (GoSME)

The Small and Medium Enterprises (SMEs) sector is critical to the economic transformation of the country and is playing an important role in fostering growth, employment, income and in diversifying and democratising the economy. Today, SMEs contribute up to 40 % of GDP and provide a living to 54 % of the total working population, i.e around 255,000 men and women. Given the prime importance of SMEs, the Go-SME project was conceptualised in 2013 to boost the productivity and competitiveness of small and medium enterprises and was implemented in 2014. Productivity audits were conducted in 577 SMEs to assess their productivity capability, which is more than the targeted number of 500. We also trained more than 150 productivity champions from the enterprises registered under the programme. The productivity champions were closely mentored by the NPCC team to apply the tools and techniques they have been equipped with to boost productivity in their enterprises. In 2015, recognition will be given to Productivity Champions and enterprises having successfully implemented a Productivity Improvement Project.

Learning from Best Practices

As we strive towards excellence to drive the country towards brighter horizons and bettering the lives of our people, learning from best practices becomes even more important. In line with commitment taken in 2013 to invite top gurus in various fields to share with us their expertise and knowledge to enable us move up the value chain, we organised two seminars in 2014 on the themes "Leading your company, leading your workforce" and "Strategy and Execution: The Balanced scorecard." The seminars targeted to professionals in various sectors, were led by world top gurus, namely, Tom Peters and Robert Kaplan respectively and attracted above 1500 participants.

Productivity Award

Acknowledging productivity improvement efforts made by individuals and organisations is indispensable to improve productivity. The Productivity Award was launched in 2013 to recognise productivity improvement efforts in organisations in Mauritius was held in 2014. 114 public and private organisations, including small and medium enterprises participated in the award. A panel of jurors was set up to assess the projects submitted and the winners were recognised during an award ceremony organised by the NPCC. As part of the recognition, the winners were given the opportunity to participate in a productivity study tour in Malaysia. The objective of the study tour, jointly organised by the NPCC and the Malaysia Productivity Centre was to enable Mauritian organisations to learn from best practices to boost up their productivity.

114 public and private organisations, including small and medium enterprises participated in the award

Capacity Building and Talent Development

Continuous learning and talent development are the cornerstones of better productivity and competitiveness. In our endeavour to empower individuals and enterprises to improve their productivity, we conducted various soft and technical courses in 2014 under our productivity and competitiveness academy. We also collaborated with the Public Procurement Office (PPO) to conduct a series of training for SMEs to improve their access to public procurement.

Research and Knowledge Management

More than 350 new publications related to productivity, quality and competitiveness were also acquired by the Knowledge Centre of the NPCC in 2014 which is accessible to the public in general.

We also collaborated with Business Magazine to publish articles on productivity and quality to further educate the public about these issues.

The NPCC has also started its collaboration with the Result Based Leadership (RBL) Group in 2014 for the project "Mauritius: the Gateway to Africa – Increasing Productivity; Building Leadership". The objective of the project is to position Mauritius as a thought-leader regionally and globally. The project entails conducting a survey to measure the current leadership capacity in Mauritius to identify existing gaps, crafting the Mauritian Leadership Brand and pave the way towards developing leadership capabilities in Mauritius. The project will be implemented in 2015.

"Mauritius: the Gateway to Africa – Increasing Productivity; Building Leadership"

Productivity Awareness

Productivity is everybody's business. With this in mind, several productivity road-shows were held in 2014 to advocate for productivity. A door to door strategy was adopted by the NPCC team to create awareness about productivity in enterprises and the services offered by the NPCC to assist them in their productivity journey.

Productivity for the Education Sector

Entrepreneurship education among the youth is increasingly becoming important as a means to promote entrepreneurship and employment creation. We fostered our collaboration with the Ministry of Education and Human Resources in 2014 by providing our technical expertise to write the productivity and quality module for the "Entrepreneurship Education" textbook from secondary schools students of Form 3.

Promoting Innovation

In the same vein, we also renewed our collaboration with the Ministry of Education and Human Resources to implement the 7th edition of the InnovEd (Innovation for Education) project geared towards nurturing a culture of innovation in the education sector which is a crucial element to promote growth. InnovEd 2014 started with a training of facilitators whereby 77 facilitators from 54 schools were empowered with innovation tools and techniques to coach students participating in the InnovEd project. The project culminated in a national exhibition and award ceremony whereby the 300 students participating in the project were recognised for their creative and critical thinking talents.

Participation of 300 students. 77 Facilitators from 54 Schools were Empowered with Innovation tools and Techniques

Community Empowerment

The NPCC facilitated the formulation of the strategic action plan of Kollectif Rivière Noire (KRN) in 2014 because we firmly believe that community development and empowerment are critical to boost national productivity and competitiveness. Participatory strategic planning techniques were used throughout the whole process to promote local ownership.

PERFORMANCE REPORT FROM THE OFFICER IN CHARGE

International Networking

International networking to learn and share best practices is instrumental to promote productivity. As a member of the Pan African Productivity Association (PAPA), the NPCC hosted a board meeting in August 2014 during which the PAPA 2014-2017 action plan was developed.

Future Orientations

With the changing global socioeconomic environment as the backdrop, and building on our core strengths, we also revisited our strategies and defined the NPCC 2015-2017 action plan in December 2014. Moving forward, the NPCC will adopt a multi-pronged approach to enhance productivity and competitiveness and its activities will be based on the following key strategies:

1. Promoting a national productivity conscious culture
2. Developing competencies to improve productivity and quality through knowledge sharing and capacity building
3. Promoting productivity improvement in organisations
4. Nurturing good-labour management partnership and
5. Developing, sharing and implementing a national productivity policy

Looking ahead, we are confident of further progress. Guided by its principles "Empowerment through Education for greater Employability and Entrepreneurship", the NPCC remains committed to achieving its set vision of 'Better Living for the nation' and its mission of 'Make Mauritius Work. Together.'

Acknowledgement

The NPCC has encountered a multitude of challenges in 2014. But, thanks to the tireless efforts of all stakeholders, I am convinced that we are today in a better position to take a definitive step forward towards delivering on our mandate of stimulating and generating productivity and quality consciousness and driving the productivity and quality movement in all sectors of the economy with a view to raising national output and achieving sustained growth and international competitiveness.

We would not have been able to achieve the success that we have so far without the tremendous commitment from our Council, that continues to both support and challenge us. I seize the opportunity to thank the Chairman, Vice-Chairman and Council members for their relentless support.

I would also thank the Honourable Minister for his full fledge support to the National Productivity and Competitiveness Council.

I am also grateful to the amazing NPCC team for their passion, commitment to excellence and continuous improvement, as well as their push for the NPCC to be the leader in productivity improvement.



Dev Appalswamy
Officer in Charge

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People don't resist change, they resist being changed

Peter Scholtes

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CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Corporate Governance Report for the year ending 31st December 2014

The National Productivity and Competitiveness Council (NPCC) was established as a corporate body as per the NPCC Act no 9 of 1999 and was amended by the Economic and Financial measures (miscellaneous provisions) act No 27 of 2012.

Its object is to stimulate and generate productivity and quality consciousness, drive the productivity and quality movement in all sectors of the economy, enhance the country's competitiveness and raise national output with a view to achieving sustained economic growth. The functions are laid out in the Act.

COMPLIANCES AND ENFORCEMENT

The NPCC is fully committed to attaining and maintaining the highest standards of corporate governance and is gradually taking action within its ambit to ensure compliance with the code of corporate governance for Mauritius issued by the National Committee on Corporate Governance as applicable to state owned enterprises.

BOARD OF DIRECTORS

The NPCC Act (amended) makes provision for a Council. As per the amended act, the Council shall consist of :-

- (a) A Chairperson;
- (b) A Vice-Chairperson;
- (c) One member representing the interests of Government;
- (d) One member representing the interests of employers;
- (e) One member representing the interests of the federations of trade unions; and
- (f) Not more than 2 members drawn from industry associations and consumer organisations.

OPERATIONS OF THE COUNCIL

The Council meets at the request of the Chairman. Meetings of the Council and Committees are scheduled in advance. Papers are circulated before each meeting.

The NPCC operates independently of Government but is accountable to parliament and ultimately to the public through the tabling of its annual report.

PROFILE OF COUNCIL MEMBERS

Mr. Kevin Chuttur was appointed Chairman of the National Productivity and Competitiveness Council in April 2012. Mr Chuttur is the Owner/Chairman of the Whitefield Business School, a tertiary education provider that offers a variety of programmes to students and also works in collaboration with World Leadership Guru, Mr. Robin Sharma, Management Guru, Shiv Khera and Professor Philip Kotler, Father of Modern Marketing for corporate training in Mauritius. He is a Generic Designer and a Training Needs Analyst, Registered with the Human Resource Development Council. Mr Chuttur holds a Master in Business Administration from the Management College of South Africa.

Mr. Robert Pallamy was appointed Vice Chairman of the NPCC in April 2013. He is presently the Director of Rj Securite et Prevention, a training center in health and safety. He has been the Director of the Tourism Authority from September 2011 – February 2012.

Mr Robert Pallamy resigned as Vice Chairman on 9th June 2014

MEMBERS REPRESENTING THE INTERESTS OF THE GOVERNMENT

Mr Iswurlall Bonomaully was nominated Council member in April 2013. He is a Fellow of the Association of Chartered Certified Accountant and holds an MSc in Finance from the University of Mauritius.

He started his career as Inspector of Taxes at the Income Tax Dept in 1988.

From 1992 to 2007, he conducted a number of management reviews and consultancy exercises on Ministries/ Government departments and parastatal bodies;

He joined the Ministry of Finance and Economic Development as Lead Analyst in 2007 and is responsible for the portfolio 'Increasing Competitiveness', which includes Industry and Business as well as schemes and programmes under the National Resilience Fund.

MEMBERS REPRESENTING THE INTERESTS OF THE EMPLOYERS

Dr Azad Jeetun holds a BA Hons in Economics First Class, an MA in Economics First Class and a PhD in Economics from University of Karachi, Pakistan and a Master of Arts in Economic Policy (MAEP) from Boston University USA. He was a Hubert H Humphrey Fellow at Boston University. He is a member of the ILO Governing Body.

He has been the Director of the Mauritius Employers' Federation from January 1991 to January 2013 and the Honorary Director of the Mauritian Institute of Management from 1992 to July 2013. He has been the Secretary General of Business Africa which represents employers' organizations in Africa from 1995 to 2013. He was elected member of the Economic, Social and Cultural Council of the African Union from 2008 to 2012. He was also a member of the ACP-EU follow-up Committee of the Economic and Social Interest Groups of the European Economic and Social Council for more than 10 years.

Dr Jeetun has been a member of the NPCC from 2004 to 2011. He was again nominated Council member in April 2013.

MEMBERS REPRESENTING THE INTEREST OF THE FEDERATION OF TRADE UNIONS

Mr Haniff Peerun was nominated Council member in April 2013. He holds a diploma in management from the Mauritius Institute of Education. He is the President of the Mauritius Labour Congress, the All Workers' Federation and the Government Urdu Teachers Union.

MEMBERS DRAWN FROM INDUSTRY ASSOCIATIONS, CONSUMER ORGANISATIONS.

Ms Nishma Pratibha SOOKOOL is a trainer in Applied Science at Ecole Hoteliere Sir Gaetan Duval, delivering courses on Food Hygiene, Food Microbiology and Nutrition. She holds a BSc (Hons) in Food Science and Technology, and an Msc in Food Technology from the University of Mauritius. She was nominated Council Member in April 2011.

Ms Jane YEE SAK CHAN is an accountant within the manufacturing sector, and has also a wide experience in the IT field whereby she has worked on the implementation of several projects. Ms Yee Sak Chan is a member of the Association of Chartered

Certified Accountant. She also holds an MSc in Analysis, Design and Management of Information System from the London School of Economics and Political Science, and a BSc in Management Sciences from the University of Warwick. She was nominated Council Member in April 2011.

Sub Committee of the Council

In line with good corporate governance practices, the Council has set up a Finance Committee and a Human Resource Committee.

The Finance Committee

The Finance Committee consists of 4 members of the Council as follows:-

1. Mr L Kevin Chuttur (Chairman)
2. Mr Ishwarlall Bonomaully
3. Dr Azad Jeetun
4. Ms Jane Yee Sak Chan

The responsibilities of the Finance Committee are as follows:-

- 1.1 Responsible for procurement and inter alia examine bids above Rs 100, 000 and make recommendation to the council for award of contracts
- 1.2 Examine the Annual Estimates and to make recommendations to the Council accordingly
- 1.3 Make any other recommendations of a financial nature to the Council
In view of the fact that the NPCC is a small organization, the Finance Committee acts as the Audit Committee as well and
- 1.4 Oversees the establishment and implementation of accounting policies and internal controls that promote good financial stewardship.
- 1.5 Inquire into how the business risks of the NPCC are being planned for and managed for instance assessing the adequacy of its insurance coverage
- 1.6 Oversee compliance with regulatory standards
- 1.7 Examine the final accounts and the annual report to ensure compliance prior to recommending to Council for approval and onward transmission to the external auditors
- 1.8 Receiving and acting upon the results of the external audit and reporting same to the Council.

THE HUMAN RESOURCE COMMITTEE

The Human Resource Committee consists of 4 members of the Council as follows:-

1. Mr L Kevin Chuttur (Chairman)
2. Mr Robert Palamy (up to 9th June 2014)
3. Mr Mohammad Haniff Peerun
4. Mrs Nishma Pratibha Sookool Goolab

The responsibilities of the Human Resource Committee are:-

1. Examine all staff matters in particular relating to recruitment, promotion, allowances, salary review and make recommendations to the Council for approval.
2. Advise the Council on matters relating to employment policy/strategies, human resource development etc.
3. Examine employee grievances and make recommendations to the Council.

Statement of Attendance to Council meetings

No of Council meetings held: 11	No of Meetings Attended
Mr KEVIN CHUTTUR Chairperson	11
Mr ROBERT PALAMY Vice-Chairperson Member representing the interests of the Government (upto June 2014)	6
Mr ISHWARLALL BONOMAULLY Member representing the interests of the Employers	9
Dr AZAD JEETUN Member representing the Trade Unions	10
Mr MOHAMMUD HANIFF PEERUN Member drawn from Industry Associations, Consumer Organisations Professionals and Academia	8
Ms NISHMA PRATIBHA SOOKOOL	9
Ms JANE YEE SAK CHAN	7

Statement of Attendance to Finance Committee meetings

No. Of Finance Committee Meetings Held: 5	No. Of Meetings Attended
Mr Kevin Chuttur Chairperson	5
Mr Azad Jeetun	5
Mr Ishwarlall Bonomaully	4
Mr T. Kathapermall (alternate to Mr Ishwarlall Bonomaully)	1
Ms Jane Yee Sak Chan	4

Statement of Attendance to Human Resource Committee meetings

No. of Human Resource Committee Meetings Held: 12	No. of Meetings Attended
Mr Kevin Chuttur Chairperson	12
Mr Robert Pallamy Vice Chairman	7
Mr Mohammad Haniff Peerun	11
Mrs Nishma Pratibha Sookoll-Goolab	12

Statement of remuneration of Council members

The Chairman and members of the Council receives a monthly fee as Council Members.

Payment for the Finance Committee and the Human Resource Committee are made as per attendance and for a maximum of two meetings per month.

Remuneration of members for financial year 2014 is as follows:

COUNCIL/COMMITTEE MEMBERS	COUNCIL AND COMMITTEE FEES (RS)
Mr Kevin Chuttur Chairperson	1,045,000.00
Mr Robert Pallamy Vice-Chairperson	372,000.00
Mr Ishwarlall Bonomaully	123,000.00
Mr Azad Jeetun	126,000.00
Mr Muhammad Haniff Peerun	141,000.00
Mrs Nishma Pratibha Sookool-Goolab	144,000.00
Ms Yee Sak Chan Jane	120,000.00
Mr T.Kathapermal (alternate to Mr Ishwarlall Bonomaully)	3,000.00

Donations

No donation has been effected during the year.

Code of Ethics

Issues such as ethics, employee's involvement and equal opportunity of employment are key to the long term interest of the NPCC to conduct itself as a responsible corporate citizen. Work is on-going to refine internal policies and practices that would enhance the existing practice in these areas.

The Council also provides a safe workplace for its staff together with a medical scheme and a 24-hr Insurance cover.

Related Party Transaction

There has not been any related party transaction during the year.

Statement of Director's Responsibility

The Council acknowledges its responsibilities for:

- (i) adequate accounting records and maintenance of effective internal control systems;
- (ii) the preparation of financial statements which fairly present the state of affairs of the council as at the end of the financial year and the results of its operations and cash flows for that period and which comply;
- (iii) the selection of appropriate accounting policies supported by reasonable and prudent judgment.

The external auditor (i.e the Director of Audit, National Audit Office) is responsible for reporting on whether the financial statements are fairly presented.

The Directors report that:

- (i) adequate accounting records and an effective system of internal controls have been maintained;
- (ii) appropriate accounting policies supported by reasonable and prudent judgments and estimates have been used consistently;
- (iii) applicable accounting standards have been adhered to; and
- (iv) the code of Corporate Governance as applicable to State-Owned Enterprises has been adhered to.

Staff turnover amongst the professional cadre represents a potential risk for the Council. The duties being carried out by such staff are in principle quite technical and inability to retain them can result in considerable loss of valuable human resources. In view of the established rules of the public sector, it has unfortunately, not been possible, up to now, to refrain professional staff from leaving the Council.

Signed on behalf of the NPC Council.



Mr S. Mulloo
Chairman



Mr D. Towokul
Vice Chairman

CORPORATE GOVERNANCE

Directors' Statement for Internal Control

The NPCC acknowledges its responsibility for the setting up of adequate system of internal controls and for the setting up of appropriate policies to provide reasonable assurance that the control objectives have been attained. The activities are closely monitored by the Council. Procedures and policies are well documented and consistently applied. Management has the relevant experience and skills to ensure proper running of the Council.

The organisation being lean, there is no specific provision for an Internal Controller. However, we have put in place an effective system, which includes:

- (i) Proper segregation of duties whereby the different functions in process are crosschecked and verified.
- (ii) Expenditure limits for the Executive Director/Officer-in-charge has been fixed and purchases are duly authorised by the appropriate instances.
- (iii) Follow up and implementations of recommendation of the Director of Audit in order to improve the process and ensure proper accountability, is regularly adhered to.
- (iv) Adequate supervision of duties performed by staff members by the Executive Director/Officer-in-charge.
- (v) The assets of the Council are properly safeguarded.
- (vi) All cheques issued by the Council are signed by two authorised signatories.

Signed on behalf of the National Productivity and Competitiveness Council.



Mr S. Mulloo
Chairman



Mr D. Towokul
Vice Chairman

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To improve is to
change; to be perfect
is to change often

Winston Churchill

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STRATEGIC PLANNING

STRATEGIC PLANNING

The ultimate goal of Productivity Improvement as a driving force of economic development is to improve the quality of life of the people.

The objects of the National Productivity and Competitiveness Council as defined by the NPCC Act No 9 of 1999 shall be "to stimulate and generate productivity and quality consciousness and drive the productivity and quality movement in **ALL SECTORS** of the economy with a view to raising **NATIONAL OUTPUT** and achieving sustained **GROWTH and INTERNATIONAL COMPETITIVENESS**".

Productivity is a key factor that enables society to generate "value added" through an optimal mix of available resources – human knowledge and skills, technology, equipment, raw material, energy, capital and intermediary services. Productivity growth contributes towards the prosperity of the nation, makes companies competitive in the global market and thus contributes to the quality of life.

It is self-evident therefore that to survive and prosper today and in the future, it is imperative to become more innovative and productive.



STRATEGIC PLANNING

Strategies

Consensus has been reached on the following strategic directions to drive productivity and competitiveness in the coming years

VISION

"Better Living for the Nation"

MISSION

Make Mauritius Work Together

CORE OBJECTIVE

Development of a Productivity Culture

Values:

Excellence, Commitment, Innovation,
Continuous Learning, Team Spirit.

GUIDING PRINCIPLES

The NPCC is guided by the 4 Es: Empowerment through Education for greater Employability and Entrepreneurship.

Strategies

1. Develop, share and implement a national productivity policy
2. Promoting productivity improvement in organisations
3. Develop competencies to improve productivity and quality through knowledge sharing and capacity building
4. Nurturing good-labour management partnership
5. Develop better cooperation among institutions and stakeholders at national and international level
6. Promoting a national productivity conscious culture



People who feel good about themselves produce good results

Kenneth Blanchard





EMPOWERMENT FOR DEVELOPMENT

EMPOWERMENT FOR DEVELOPMENT

PRODUCTIVITY AND COMPETITIVENESS ACADEMY

Productivity is undoubtedly a key issue in organisational growth. Conventional wisdom has it that capital investments in equipment, technology and other physical assets will trigger productivity growth. They do indeed! But these type of "hard" investments will ensure productivity to soar only if they are on a par with the organisation's soft culture and leadership behaviours

In that respect, the NPCC Productivity Academy has developed various soft and hard skills courses over the last six years to favour the propagation of productivity in organisation.

LEADING EFFECTIVE TEAMS

The training on Leading Effective Teams was held on 1st and 2nd of October 2014 and targeted managers, supervisors, team leaders, project and programme managers from both private and public sectors.

The sessions aimed at coaching participants to know their own values, strengths, qualities as a leader and their own leadership style. They were also taught how to improve interaction with others in decision making through communication, working together and delegating, management, team building, and conflict resolution.

The course was designed to inspire individuals to give their best to achieve a desired result. It is about getting people to move in the right direction, gaining their commitment, and motivating them to achieve their goals. On the other hand, management is concerned with achieving results by effectively obtaining, deploying, utilizing and controlling all the resources required.

IMPROVING SME ACCESS TO PUBLIC PROCUREMENT

Government procurement, also called public tendering or public procurement, is the procurement of goods and services by a public authority, such as a government agency. Involving 10 to 15% of GDP in developed countries, and up to 20% in developing countries, government procurement accounts for a substantial part of the global economy.

To prevent fraud, waste, corruption or local protectionism, the law of most countries regulates government procurement more or less closely. It usually requires the procuring authority to issue public tenders if the value of the procurement exceeds a certain threshold.

Since it was difficult for SMEs to have access to Public Procurement, in line with a budgetary measure, the National Productivity and Competitiveness Council (NPCC) in collaboration with the Procurement Policy Office (PPO), conducted a series of workshops on "Improving SME Access to Public Procurement."

The launching of "Improving SME Access to Public Procurement" was held on 10 March 2014 at the NPCC Conference room in Ebene.

The objective was to raise awareness among SMEs on public procurement procedures, improve their access in tenders and create a level playing field in public procurement which would enable SMEs to secure a fair share of public contracts. 300 SMEs were trained by the end of the year 2014.

TRAINING ON OVERALL EFFECTIVE EFFICIENCY (OEE) FOR PRODUCTIVITY CHAMPIONS

A workshop on OEE was organized for the Productivity Champions of the GoSME project on 8 August 2014 at the seat of the NPCC. The purpose of the workshop was to provide an overview of Overall Effective Efficiency, which is a measure of resource effectiveness for an enterprise.

The workshop was conducted by John Heap, the Managing Director of the Institute of productivity, UK and president of the World Confederation of Productivity Science. He explained to the participants that Productivity improvement enables wage gains to occur without producing inflation. Therefore, productivity is essential to an economy's ability to create real wealth. For instance, in a situation where there is equitable distribution of wealth and assuming that productivity increases at 3% per annum, the standard of living doubles every 22 years. This means every generation lives twice as well as their parents.

The workshop was highly appreciated by the participants who were determined to implement same in their workplace.

EMPOWERMENT FOR DEVELOPMENT

EMPOWERMENT FOR DEVELOPMENT

STRATEGY AND EXECUTION: Professor Kaplan's Balanced Scorecard

On 6 August 2014 at the Trianon Convention Centre, the National Productivity and Competitiveness Council (NPCC) hosted a workshop by Professor Robert Kaplan about The Balanced Scorecard. Robert S. Kaplan is Professor of Leadership Development at Harvard Business School, and Chairman of Professional Practice at Palladium Group. 600 people attended the workshop.

The balanced scorecard is a strategic planning and management system that is used extensively in business and industry, government, and nonprofit organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals. It originated as a performance measurement framework that added strategic non-financial performance measures to traditional financial metrics to give managers and executives a more 'balanced' view of organizational performance.

The Balance Scorecard makes a company more competitive. These factors in return enable financial growth. During the workshop he stated: "A company using the Balanced Scorecard creates jobs and allows people at the bottom of the social ladder to earn income. In turn, they contribute to the overall economy," he stated. The key to success for any organisation, according to Dr. Kaplan, lies in a clear and well-defined vision, a thought-out strategy, calculated and implemented, but especially in the support of a majority of the people who make up the organisation.

The workshop initiated all participants to the notion of Balanced Scorecard and taught them about developing strategies and how to materialize them, so as to compete in a global market and eventually sustain businesses.

TOM PETERS

"Leading your company, leading your workforce".

A full day workshop was held on 16 April 2014 at the Swami Vivekananda International Convention Centre, Pailles. 1300 people were present on that day. Tom Peters captivated senior executives, managers and entrepreneurs through his uncomplicated and practical lecture on "Leading your company, leading your workforce". He inspired all the participants for the full day intensive workshop to lead their workforce to compete in a global market and eventually sustain their business. Tom Peters made all present re-think excellence. People definitely stimulated the thinking of modern managers and entrepreneurs.

Trained as an engineer and management consultant, Tom Peters does not believe in random forces and stressed on three key points, excellence in business, leadership and the need to dare.

Having an insight of Mauritius, its economic activities, the entrepreneurial sphere and its exploits in the entrepreneurial field both regionally and internationally, through various readings and research, Tom Peters said he is confident about the country's success in the world of business. Tom Peters concluded that Mauritius has all the qualities needed to stand out in entrepreneurship, a key economic pillar for socioeconomic development.

TRAIN THE TRAINERS ENGLISH LITERACY USING IT (ELIT)

The National Productivity and Competitiveness Council (NPCC), in partnership with the local office of Microsoft and the E-Inclusion Foundation, a charitable trust, organised a training session for some 15 trainers. The trainers will eventually be able to train groups of 20 women for each English Literacy using IT (ELIT) course. The training was held during the period 10 to 25 July 2014 at the conference room of Alexander House, Ebene.

ELIT (English Literacy using IT) is a MQA-approved course designed by the NPCC and developed with seed money from the UNESCO. Its aim is to give women with low academic achievement a 40-hour training in functional English and computer literacy so as to enhance their employability or encourage them to set up a small business.

A handing over of certificate was held on Wednesday 01 October 2014 at the office of Microsoft located at the Caudan Waterfront.



1st October 2014, Handing over of certificates to trainees, Microsoft Indian Ocean Islands, 7th Floor Dias Pier Building, Caudan Waterfront, Port Louis.



Training of trainers, ELIT, 10-25 July 2014, Alexander House, Ebene

Testimonial from trainee

"I am now confident to share with my members everything I learnt during the ELIT training of trainer's course. I enjoyed the modules on lesson planning, communication skills, productivity concepts like MUDA and the 5S. These concepts will be applicable to my own enterprise which I just started. Thank you Microsoft, EInclusion and NPCC for giving me this opportunity"

EMPOWERMENT FOR DEVELOPMENT

STRATEGIC DEVELOPMENT FOR KOLEKTIF RIVIER NWAR (KRN)

Since its inception, the NPCC has supported Integrated Community Development projects, as they help to improve the life of their beneficiaries, create development opportunities through the productive integration and development of the individual while focusing on building social capital and promoting Corporate Social Responsibility.

Through a partnership with KRN, the NPCC team facilitated the process of formulation of KRN's strategic plan. The Strategic Plan is instrumental to guide it to take targeted and measurable action towards its vision of bringing the Grande Rivière and Petite Rivière Community to stand on their own feet to continuously improve their life.



“

You cannot mandate productivity, you must provide the tools to let people become the best

Steve Jobs

”

BEST PRACTICES

BEST PRACTICES

NPCC PRODUCTIVITY AWARD

On 24 October 2013 the NPCC launched its Productivity Award with the aim to reward and give recognition to individuals, private companies and public sector organisations for their outstanding productivity improvement initiatives, in their different sectors. The NPCC Productivity Award 2014 registered the participation of 114 enterprises, consisting of 77 SMEs, 21 large companies and 16 Parastatal Bodies/Ministries.

The NPCC Productivity Award was held on 4 July 2014 in Ebene. The winners are as follows:

- Government Departments and Parastatals: Mauritius Prisons Service
- Ex-aequo Winners for category Large Private Enterprises: Maurilait Production Ltée & Airports of Mauritius
- SME Category: Encouragement Prize to BP Bags Ltd

The Mauritius Prisons Service worked on a project based on "Bakery Mauritius Service". The project submitted by Maurilait Production Ltée explained how improvements were brought by the team on a specific production line. Airports of Mauritius embarked on an Airport Service Quality Improvement Programme since 2011 with the aim of enhancing the overall level of service offered to passengers. A trophy, a certificate of merit and a trip to Malaysia were awarded to each of the three lucky winners. The trip allowed two representatives of each winning enterprise to participate in a 'Productivity Study Tour' in Malaysia.

In the Small and Medium enterprises category, the jurors gave an encouragement prize to BP Bags. The Projects was on the reduction of waste materials when manufacturing bags and school stationaries. Mr Pravind Boozedhur was rewarded with a cheque of Rs 50 000 from the State Bank of Mauritius.

The National Productivity and Competitiveness Council (NPCC) accolades all the 114 participants, the nominees and finally the winning teams. We extend our appreciation to the jurors, the State Bank of Mauritius, Coréame and Lala Concept Event Co Ltd.



WINNER CATEGORY
LARGE PRIVATE ENTERPRISES
MAURILAIT PRODUCTION LIMITÉE (ex-aequo)



WINNER CATEGORY
LARGE PRIVATE ENTERPRISES
AIRPORTS OF MAURITIUS (ex-aequo)



WINNER CATEGORY
GOVERNMENT DEPARTMENTS & PARASTATALS
MAURITIUS PRISONS SERVICE



ENCOURAGEMENT PRIZE CATEGORY
SMALL AND MEDIUM ENTERPRISES
BP BAGS



Let's Celebrate the Productivity Wins!

BEST PRACTICES

ROADSHOWS

Bringing productivity to the people

In its endeavour to foster a productivity culture in Mauritius, the National Productivity and Competitiveness Council (NPCC) planned a series of roadshows across the island. Our strategy was to sensitize organizations and provide them with information about productivity and the various services they can avail at the NPCC.

Roadshows were planned to allow the NPCC to closely interact with leaders, top management, middle management, government and parastatal officers and the public in general.

The NPCC had organized 3 roadshows on:

- 8th May 2014 at La Tour Koenig Industrial Park
- 13th June 2014 at DBM Industrial Park
- 3rd September 2014 in front of Shoprite Port-Louis

The outdoor move was greatly appreciated.

GoSME

The Growth Opportunities for SME project was launched on 5th December 2013 at the BPML Conference Hall at Cyber Tower I, Cybercity Ebene. The GoSME project aims to improve the productivity of SMEs through in plant productivity improvement and training of a productivity champion and of the SMEs. It was deployed in 3 phases:

Phase 1: Audit

Phase 2: Training

Phase 3: Consultancy

The phase III of the project started on 23 of June 2014. 110 productivity improvement projects are being implemented by Productivity Champions at the level of SMEs with assistance of our Productivity Executives. Around 30 projects have been completed and summarized on an A3 sheet. Phase III of the project will be extended up to March 2015.

GoSME PROJECT

577 registrations

152 representatives from companies were trained as Productivity Champions

175 representatives were trained on SME Productivity by John Heap

104 representatives attended a general training session on Strategic Planning, Marketing and Finance held at the Rajiv Gandhi Science Centre

64 Women attended a general training session on Strategic Planning, Marketing and Finance held at NPCC on the occasion of international women's day (19 March 2015)

100 representatives attended a general training on Finance & Admin

60 Productivity Champions were trained on the Overall Effective Efficiency by John Heap, President World Confederation of Productivity Science



Productivity growth is the single most important factor affecting our economic well being

Paul Krugman



INNOVATION

INNOVATION

INNOVED 2014: FOSTERING CREATIVITY AND INNOVATIVE CULTURE AMONG STUDENTS

InnovEd (Innovation for the Education Sector) is a project of the National Productivity and Competitiveness Council (NPCC) in collaboration with the Ministry of Education and Human Resources, which was launched in 2005. The aim of InnovEd is to promote critical thinking and problem solving, creativity and innovation among students.

InnovEd was organized on 20th June 2014 at the Octave Wiehé auditorium at Réduit. The College de la Confiance and the Beekrumsing Ramallah SSS topped the list of InnovEd 2014 in the Lower Secondary and Upper Secondary categories with the projects "D Bag" and "Student Friendly Chair" respectively.

The purpose of targeting secondary students is to catch them young and shape their innovative mindset. For their project to be selected and assessed by the panel of 21 jurors from 14 institutions, the innovators had to understand all the facets of a problem, unravel its complexity and then combine all their knowledge to develop an original product. They were divided into two categories: Lower Secondary (Form 1 to Form 3) and Upper Secondary (Form 4 to Form 6).

In the Lower Secondary category besides the winner The College de la Confiance with their project "Student Friendly Chair", the Soondur Munrakhun College with their project "Banana" and the Swami Vivekananda SSS with their project "Harvesting and Recycling rainwater by using wind energized pumps" were also praised by the jury.

In the Upper Secondary category the laureate The Beekrumsing Ramallah SSS with their project "D.Bag" was followed by two runners up; the Mootocoomaren Sangeelee SSS with their project "Low Cost Screen Printing Machine" and the Shrimati Indra Gandhi SSS with their project "Easy Measuring for Field Events in athletics". Sponsors for the InnovEd 2014 were: Phoenix Beverages and Crocodile Park.



DISSEMINATION OF KNOWLEDGE

Knowledge is today a direct competitive advantage for companies. Acquiring, accessing and disseminating a new knowledge is key if a company wants to strive and remain among the most performing ones in this highly competitive environment.

For the period under review, the NPCC knowledge Centre, in its role as a resource center for published works on productivity, quality and competitiveness issues, has acquired 359 new resources which have been put at the disposal of its stakeholders.



359
NEW RESOURCES
HAVE BEEN ACQUIRED
AT THE DISPOSAL OF
STAKEHOLDERS

DISSEMINATION OF KNOWLEDGE



CORPORATE SERVICES

CORPORATE SERVICES

THE TEAM

The total number of staff at 31st December 2014 was 28. 14 Staffs were on establishment including two Driver Messenger/Office Attendants. Two General/Handy Workers and one Support Assistant/Receptionist staff were on probation. The remaining staff were on contract.

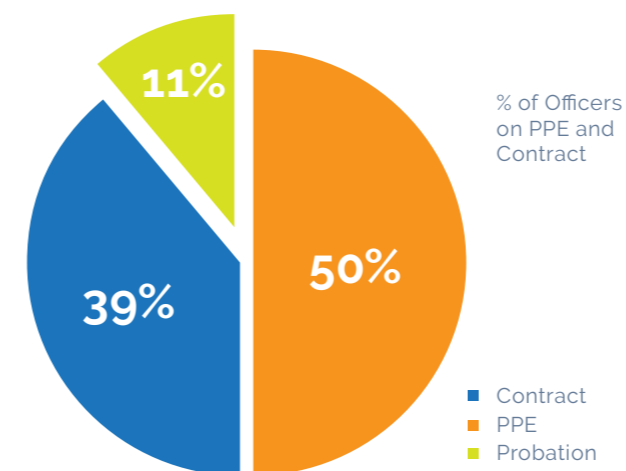
The following recruitment has been effected during the financial year:

NAME	POST	DATE JOINED
Shalini Panchoo	Communication Executive	03.01.2014
Francis Thierry	Productivity Executive	03.01.2014
Padmini Busgeet	Productivity Executive	14.01.2014
Jyoti Ramkissoon	Support Assistant/Receptionist	14.04.2014
Lakshmi Bhugowandeen	Productivity Executive	02.05.2014
Vreeti Reetoo	Productivity Executive	02.05.2014
Jyotsna Badoye	Accounts Officer	09.05.2014
Neera Nunkoo	General/Handy Worker	09.05.2014
Christel Cousinery	General/Handy Worker	02.06.2014
Priya Gowreesunkur-Gungah	Productivity Executive	02.06.2014
Annabelle Genevieve-Lebrasse	Human Resource Officer	02.06.2014

The total personnel strength at the end of the period under review was 28.

Financial Year 2014	NUMBER OF OFFICERS ON:			
	Pensionable and Permanent Establishment	Contract	Probation	Total
	14	11	3	28

Comparative Analysis of the percentage of officers on PPE and Contract is illustrated in the Pie Chart below:



During the period under review, npcc staff have undergone training as follows:

- Mrs Francoise Marechal-Charlotte, Head Research and Consultancy and Mr Thierry Marechal, Creativity and Design Specialist, attended a two day workshop on 17th and 18th July 2014 on "to become an innovative Champion" conducted by Dr. Richard Brynteson, innovative expert at the MCCI Business School.
- Mr Sanjay Ramdewor, Driver Messenger/Office Attendant, attended a one day workshop on 23rd September 2014 on "Essential Skills for Non Clerical Staff" at Soft Skills Consultants (Mauritius) Ltd.
- Mrs Vijayelaksmee Goorah, Lead Consultancy and Advocacy, Mrs Roshnee Boyjoo, Productivity Executive, Mrs Koyal Ramnoruth, Productivity Executive and Mrs Annabelle Genevieve-Lebrasse, Human Resource Officer attended a one and a half day workshop on 16th and 17th October 2014, on "Aligning your team to your organisational culture" conducted by Gary Dobkins of Towerstone Consulting (Mauritius) Ltd.

INTERNATIONAL NETWORKING

INTERNATIONAL NETWORKING

International Networking plays a vital role in the development and success of an organization. It is a powerful source of knowledge and new ideas as well as an opportunity to identify and promote the development of quality collaboration in productivity with international partners. International networking is a strategy of empowerment. The NPCC International Networking objective is to put emphasis on collaborative efforts to develop, share and transfer skills and competencies required to strengthen the organization.

During the financial year, the NPCC has been a member of the following boards/committees/organisations:-

The Executive Director of the NPCC is a member of the Human Resource Development Council.

The NPCC is a member of the Pan African Productivity Association (PAPA). Mr D Appalwsamy, Officer in Charge is a board member of PAPA. PAPA is the umbrella organization established essentially for championing the enhancement of productivity in Africa in order to leverage the competitiveness of the African continent.

NPCC is a member of Global Benchmarking Network (GBN). The GBN is a global network of organisations and experts focused on promoting and facilitating the use of benchmarking and sharing of best practices by helping one other and working together.

The NPCC is also a member of the Competitiveness Institute (TCI). TCI is the leading global network for practitioners, policy makers, researchers and business leaders working towards improving competitiveness through development of specific regions and worldwide.

PAN AFRICAN PRODUCTIVITY ASSOCIATION (PAPA)

The National Productivity and Competitiveness Council hosted a board meeting of the Pan African Productivity Association on 4 August 2014 at Port Chambly Hotel, Terre Rouge. This was the third meeting following election of a new board at the General Assembly held in South Africa in August 2013.

Delegates from member countries: Botswana, Nigeria, South Africa, Namibia and Kenya were present for the meeting. The representative from Burkina Faso could not make it for this meeting.

The agenda focused mainly on the partnership with the Asian Productivity Organisation (APO) and the Japan Productivity Centre (JPC). It should be recalled that the African Program started with special funding from the Government of Japan in 2006 through PAPA. 164 Productivity Practitioners have been trained by the APO including 21 from Mauritius while the JPC despatched experts for the setting up of Model companies in selected African Countries including Mauritius. The last programme took place in 2010. The current economic situation in Japan has led to the Japanese Government redirecting its resources to member countries rather than to the African Programme.

The PAPA three Year Plan of Action 2014 to 2017 were discussed and approved as well as the Productivity Agenda for Africa whereby PAPA is called upon to become the Productivity Arm for the African Union.

REPORT OF THE DIRECTOR OF AUDIT 2014

REPORT ON THE FINANCIAL STATEMENTS

I have audited the financial statements of the National Productivity and Competitiveness Council which comprise the statement of financial position as of 31 December 2014, the statement of financial performance, the statement of changes in equity and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards and in compliance with the requirements of the Statutory Bodies (Accounts and Audit) Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards of Supreme Audit Institutions. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In my opinion, the financial statements give a true and fair view of the financial position of the National Productivity and Competitiveness Council as of 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Management's Responsibility

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the laws and authorities which govern them.

Auditor's Responsibility

In addition to the responsibility to express an opinion on the financial statements described above, my responsibility includes expressing an opinion on whether the activities, financial transactions and information reflected in the financial statements are, in all material respects, in compliance with the laws and authorities which govern them.

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

OPINION ON COMPLIANCE

Statutory Bodies (Accounts and Audit) Act

The financial statements, approved by the Council on 30 November 2015, were received at my office on 2 December 2015, that is, seven months after the statutory date limit.

In my opinion, except for the delay in the submission of the financial statements, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the Statutory Bodies (Accounts and Audit) Act.

Public Procurement Act

The Council is responsible for the planning and conduct of its procurement. It is also responsible for defining and choosing the appropriate method of procurement and contract type in accordance with the provisions of the Act and relevant Regulations. My responsibility is to report on whether the provisions of part V of the Act regarding the Bidding Process have been complied with.

In my opinion, the provisions of part V of the Public Procurement Act have complied with as far as it appears from my examination of the relevant records.

K. C. TSE YUET CHEONG (MRS)

Director of Audit
National Audit Office
Level 14,
Air Mauritius Centre
Port-Louis
31 December 2015

ACCOUNTS

Statement of Financial Position as at 31 December 2014

	NOTES	December 31 2014	December 31 2013
		Rs	Rs
ASSETS			
Current assets			
Cash and Cash Equivalents		8,451,345	8,278,990
Trade and Other Receivables	5	5,620,544	13,587,694
Total current assets		14,071,889	21,866,684
Non-current assets			
Retirement Benefits Assets	17	1,641,765	876,671
Property, Plant and Equipment	6	4,306,574	384,390
Total non-current assets		5,948,339	1,261,061
Total assets		20,020,228	23,127,745
LIABILITIES			
Current liabilities			
Trade and Other Payables	7	3,766,964	8,633,504
Short Term Employee Benefits	8	1,239,136	739,949
Total current liabilities		5,006,100	9,373,453
Non Current liabilities			
Long Term Employee Benefits	9	8,389,170	5,966,436
Total liabilities		13,395,270	15,339,889
Net Assets		6,624,958	7,787,856
EQUITY			
General Fund	10	6,624,958	7,787,856

The Notes to the Accounts from pages 51 to 61 form part of the Financial Statements.


Mr S. Mulloo
Chairman


Mr D. Towokul
Vice Chairman

Statement of financial performance for the fiscal year ended 31 December 2014

	NOTES	December 31 2014	December 31 2013
		Rs	Rs
Revenue			
Income		10,685,271	1,950,250
Government Grant	11	50,804,678	27,491,157
Other Income	12	837,666	2,159,858
Total Revenue		62,327,615	31,601,265
Expenses			
Staff costs	13	26,455,113	14,280,165
Administrative costs	14	9,801,439	8,023,047
Other expenses	15	26,611,167	8,146,692
Depreciation	6	622,794	276,146
Total Expenses		63,490,513	30,726,050
Surplus / (Deficit) for the year		(1,162,898)	875,215

Statement of changes in equity for the fiscal year ended 31 december 2014

	NOTES	CAPITAL GRANT	RESERVES	TOTAL
As at 1 January 2013		325,210	6,528,251	6,853,461
Transfer from Government Grant		335,326		335,326
Deferred Income - transferred to Income & Expenditure		(276,146)		(276,146)
Surplus for the year			875,215	875,215
As at 31 December 2013		384,390	7,403,466	7,787,856
Transfer of Capital Grant to Reserves	4 (a)	(384,390)	384,390	-
Deficit for the year			(1,162,898)	(1,162,898)
As at 31 December 2014		-	6,624,958	6,624,958

Statement of cash flows for the fiscal year ended 31 december 2014

	December 31 2014	December 31 2013
A. Cash flow from operating activities		
(Deficit) / Surplus for the year	(1,162,898)	875,215
Adjustments for non-cash movements		
Depreciation	622,794	276,146
Amortisation of capital grant	-	(276,146)
Prior year unamortised capital grant	29,595	-
Retirement Benefits Assets	(765,094)	(367,111)
Operating Surplus before working capital changes	(1,275,603)	508,104
(Increase) / Decrease in Receivables	9,866,872	(12,296,016)
Increase / (Decrease) in Payables	(3,844,341)	6,095,790
Net cash flow from operating activities	4,746,928	(5,692,122)
B. Investing activities		
Purchase of Property, plant and equipment	(4,574,573)	(335,326)
C. Financing activities		
Capital grant	-	335,326
Increase / (Decrease) in cash and cash equivalents	172,355	(5,692,122)
Cash and cash equivalents at the beginning of the year	8,278,990	13,971,112
Cash and cash equivalents at the end of the year	8,451,345	8,278,990

Statement of comparison of budget and actual amount for the fiscal year ended 31 December 2014

Details	Estimates Rs	Revised Estimates Rs	Financial Statements Rs
Salaries and Allowances	23,893,939	20,916,761	22,821,281
Travelling & Transport	2,463,915	2,032,140	2,017,342
Overtime	45,000	84,000	87,282
Staff Welfare	70,000	71,108	37,372
Contribution to the N.S.F.	120,000	115,642	111,994
Cost of Utilities	650,000	632,687	628,356
Fuel & Oil - Vehicles	150,000	126,872	106,448
Rental of Building	4,200,000	3,701,744	4,385,960
Office Equipment	50,000	320,995	59,495
Office Furniture	150,000	4,610,413	4,312,644
Office Expenses	306,000	347,297	346,318
Maintenance	610,000	480,816	392,893
Cleaning Services	116,000	104,400	92,000
Publications and Stationery	270,000	369,208	224,393
Overseas Travel	500,000	304,814	176,414
Fees	4,235,000	3,268,390	2,977,980
Pensions	1,150,935	1,141,013	348,190
Gratuities	1,212,500	580,000	1,031,653
Insurance - Vehicles	45,000	40,308	40,967
Insurance - Equipment & Staff	450,000	408,716	429,710
Acquisition of Non-Financial Assets	315,000	308,584	202,434
Training and Consultancy	260,000	500,022	523,436
Promotion, Communication & Sensitisation	180,000	120,000	-
Productivity Committee	300,000	130,000	-
Knowledge centre	100,000	106,527	117,197
International Networking	250,000	127,982	123,746
Sub total	42,093,289	40,950,439	41,595,505
Projects funded by National Resilience Fund			
Productivity Award	2,868,590	3,610,590	3,469,860
Innovation	400,000	400,000	314,272
Productivity Improvement for SME's	1,714,105	1,958,105	1,511,675
RoadShow	859,000	859,000	859,000
International Speaker	8,214,000	8,214,000	19,691,981
Total	56,148,984	55,992,134	67,442,293

Statement showing variances between revised estimates and actual expenditures for the fiscal year ended 31 December 2014

Details	Revised Estimates Rs	Financial Statements Rs	Variation Rs	Comments on variations above Rs 100,000
Salaries and Allowances	20,916,761	22,821,281	(1,904,520)	Payment to ex Executive Director not budgeted
Travelling & Transport	2,032,140	2,017,342	14,798	
Overtime	84,000	87,282	(3,282)	
Staff Welfare	71,108	37,372	33,736	
Contribution to the N.S.F.	115,642	111,994	3,648	
Cost of Utilities	632,687	628,356	4,331	
Fuel & Oil - Vehicles	126,872	106,448	20,424	
Rental of Building	3,701,744	4,385,960	(684,216)	Surcharge on rental due to movement of premises
Office Equipment	320,995	59,495	261,500	Provision for replacement of photocopy machine
Office Furniture	4,610,413	4,312,644	297,769	Savings on furniture for new office
Office Expenses	347,297	346,318	979	
Maintenance	480,816	392,893	87,923	
Cleaning Services	104,400	92,000	12,400	
Publications and Stationery	369,208	224,393	144,815	Annual Report 2013 published in 2015
Overseas Travel	304,814	176,414	128,400	No overseas mission for the period Sep to Dec 2014
Fees	3,268,390	2,977,980	290,410	Resignation of Vice Chairman in June 2014
Pensions	1,141,013	348,190	792,823	Increase in Retirement Benefit Assets
Gratuities	580,000	1,031,653	(451,653)	Payment to ex Executive Director not budgeted
Insurance - Vehicles	40,308	40,967	(659)	
Insurance - Equipment & Staff	408,716	429,710	(20,994)	
Acquisition of Non-Financial Assets	308,584	202,434	106,150	Provision made for acquisition of IT Equipment
Training and Consultancy	500,022	523,436	(23,414)	
Promotion, Communication & Sensitisation	120,000	-	120,000	Expenditure not incurred
Productivity Committee	130,000	-	130,000	Expenditure not incurred
Knowledge centre	106,527	117,197	(10,670)	
International Networking	127,982	123,746	4,236	
Sub total	40,950,439	41,595,505		
Projects funded by National Resilience Fund				
Productivity Award	3,610,590	3,469,860	140,730	Provision made for two person from NPCC to attend the study tour in Malaysia - Only one staff attended.
Innovation	400,000	314,272	85,728	
Productivity Improvement for SME's	1,958,105	1,511,675	446,430	Budget underspent (Certification postponed for the year 2015)
RoadShow	859,000	859,000		
International Speaker	8,214,000	19,691,981	(11,477,981)	Financed by sales of tickets
Total	55,992,134	67,442,293		

Notes for the year ended 31 December 2014

1. GENERAL INFORMATION

The National Productivity and Competitiveness Council (NPCC) was established as a corporate body under the National Productivity and Competitiveness Council Act Number 9 of 1999 and came into operation in May 2000. The office of the NPCC is presently located at 3rd floor, Catalyst Building, Ebene, Cybercity.

The object of the Council is to stimulate and generate productivity and quality consciousness and drive the productivity and quality movement in all sectors of the economy with a view to raising national output and achieving sustained growth and international competitiveness. The Council therefore designed the implementation of actions based on four main strategic thrust as follows:

- Promotion of Productivity and Competitiveness Issues of National Interest
- Promotion of Innovation
- Improvement of Business Environment and Corporate Productivity
- Empowering people

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSASs) issued by the International Public Sector Accounting Board (IPSASB) which is a Board of the International Federation of Accountants Committee (IFAC).

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

Going Concern

The financial statements have been prepared on a going-concern basis and the accounting policies have been applied consistently throughout the period. They have been prepared on the historical cost basis.

Estimates and Assumptions

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

Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements in accordance with IPSAS requires the NPCC's management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgement and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates. Judgement has been exercised in determining provisions for Current Liability on Passage Benefits.

Standards issued but not yet effective

IPSAS 3 (Accounting Policies, Changes in Accounting Estimates and Errors) requires disclosure of new IPSAS that have been issued but are not yet effective.

Currently there are no IPSAS issued which are not yet effective.

Notes for the year ended 31 December 2014 (continued)

3. Measurement Base

The accounting principles recognized as appropriate for the measurement and reporting of the financial performance, cash flows, and financial position on an accrual basis using historical cost are followed in the preparation of the financial statements.

4. Accounting Policies

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

(a) Revenue Recognition

Income

Income is measured at the fair value of the consideration received.

Government Grant

The revenue necessary to finance the expenditure of NPCC is derived from the National Assembly by means of the Annual Estimates and the corresponding Appropriation Act. Government recurrent grant is recognized to the extent that expenditure has been incurred.

Capital grant has been previously transferred to capital fund and amortised over the assets useful life. As per IPSAS 23 "Revenue from Non-Exchange Transactions (Taxes and Transfers)", the capital grant should be recognise as revenue. Necessary adjustment has been made in the 2014 accounts to comply with IPSAS 23.

(b) Trade and Other Receivables

Trade receivables do not carry any interest and are stated at their nominal value. The carrying amount of trade receivables is reduced when a trade receivable is uncollectible.

(c) Leased assets

NPCC does not have any finance leases.

(d) Foreign currency transactions

Transactions in foreign currencies are translated to Mauritian rupee at the exchange rate ruling at the date of transaction.

(e) Employee Entitlements

Employee entitlements to salaries, pension costs, and other benefits are recognized when they are earned. Employees are allowed to bank sick leaves not taken at the end of each calendar year up to a maximum of 110 days. The balance of bank sick leave is valued at the end of the financial year and is recognised as long term payables. Beyond this ceiling of 110 days, officers are refunded part of the annual entitlement of sick leaves not taken at the end of every calendar year and is expensed to the Statement of Financial Performance.

A provision is made for the estimated liability for passage benefits. The passage benefits for each staff are valued at year end and amounted to Rs 685,614/- at 31st December 2014. The annual increase in passage benefits is expensed to the Statement of Financial Performance.

Defined Benefits Pension Plan

The Council makes provision for retirement benefits in respect of all employees who are on establishment under the Statutory Bodies Pension Act. The NPCC Staff Pension Fund is a defined benefit plan and its assets are managed by the SICOM Ltd. The cost of providing the benefit is determined in accordance with an actuarial review.

The assets of the funded plan are held and administered by the SICOM Ltd.

The defined benefit pension plan for the Council is based on the report submitted by SICOM Ltd, as at 31 December 2014 "see note 17".

Notes for the year ended 31 December 2014 (continued)

(f) Property, Plant and equipment (PPE)

Recognition and measurement

Property and equipment are stated in the Statement of Financial Position at cost less accumulated depreciation. PPE are depreciated (as outlined below) at rates estimated to recognise the consumption of economic benefits of the property, plant and equipment over their useful lives.

Depreciation

Depreciation is calculated on a straight-line basis to recognise the consumption of economic benefits of an asset over its useful life. A full year depreciation is provided in the year of purchase.

The estimated useful lives of property and equipment are as follows:

Furniture Fixtures & Fittings	10 years
Office Equipment	6.67 years
Computer Equipment	4 years
Motor Vehicles	5 years

(g) Statement of Cash Flows

The Cash Flow Statement is prepared using the indirect method.

(h) Operating Lease Obligations

Leases where substantially all the risks and rewards of ownership remain with the lessor are classified as operating leases. Payments of rent made under operating leases are charged in the Statement of Financial Performance on a straight-line basis over the term of the lease.

NPCC entered into a three year operating lease with Laser Informatics Ltd, for office space at Catalyst Building, Ebene in October 2014. Operating lease payments for the year ended 31st December 2014 were Rs 4,385,960/-. (year ended December 2013: Rs3,511,968). The monthly rental is presently Rs 340,108/-

(i) Risk Management Policies

Financial risks

The NPCC, as a public sector entity, is not much exposed to financial risks.

Credit risk

In the normal course of business, NPCC incurs credit risk from trade accounts receivable. NPCC manages its exposure to credit risk by an effective debtors reporting system.

Interest rate risk

NPCC is not exposed to any interest rate risk on car loans to staff as it is government secured. The interest rate risk associated with car loans to staff is considered minimal.

Liquidity risk

This refers to the possibility of default by the Council to meet its obligations because of unavailability of funds to meet both operational and capital requirements. In order to ensure adequacy of its funding, cash flow is managed regularly and actions taken accordingly.

(j) Employee Disclosure

As at December 31, 2014, NPCC had 28 full-time employees and 3 employees under Service to Mauritius Programme.

(k) Key Management Personnel

NPCC is governed by a management with key personnel that, at 31st December 2014, included two Heads of Division who are responsible for operating the various activities of the organisation. The aggregate remunerations of key management personnel was Rs 3,617,193/- for the period 1st January to 31st December 2014, which are all short term benefits.

Notes for the year ended 31 December 2014 (continued)

(l) Related Parties

For the purposes of these financial statements, parties which are considered to be related to the NPCC are other government ministries/ departments and parastatal bodies if they have the ability, directly or indirectly, to control the NPCC or exercise significant influence over the financial and operating decision making, or vice versa. Related parties may be individuals or other entities. There were no transactions conducted with related parties other than at arm's length.

(m) Trade Payables

Trade payables are not interest bearing and are stated at their nominal value.

5. TRADE AND OTHER RECEIVABLES

	31 December 2014	31 December 2013
	Rs	Rs
Debtors	436,513	34,096
Prepayments	189,519	49,750
Deposits	1,103,324	788,540
Ministry of Finance – Salary arrears	-	1,503,473
National Resilience Fund	-	5,273,010
International speakers - advance payment	1,731,950	5,679,309
Advances - Car loan granted by government to Staff	2,159,238	259,516
	5,620,544	13,587,694

Notes for the year ended 31 December 2014 (continued)

6. PROPERTY, PLANT AND EQUIPMENT

	Furniture Fixtures & Fittings Rs	Office Equipment Rs	IT Equipment Rs	Motor Vehicles Rs	Total Rs
COST					
At 1 Jan 2014	1,594,129	1,186,881	3,968,039	747,300	7,496,349
Additions	4,312,644	59,495	202,434	-	4,574,573
Disposal/Written off	(1,594,129)	-	-	-	(1,594,129)
At 31 December 2014	4,312,644	1,246,376	4,170,473	747,300	10,476,793
DEPRECIATION					
At 1 Jan 2014	1,564,534	1,112,788	3,687,337	747,300	7,111,959
Charge for the year	431,264	27,883	163,647	-	622,794
Disposal/Written off	(1,564,534)	-	-	-	(1,564,534)
At 31 December 2014	431,264	1,140,671	3,850,984	747,300	6,170,219
NET BOOK VALUES					
At 31 December 2014	3,881,380	105,705	319,490	-	4,306,574
At 31 December 2013	29,595	74,093	280,702	-	384,390

Notes for the year ended 31 December 2014 (continued)

7. TRADE & OTHER PAYABLES

	31 December 2014	31 December 2013
	Rs	Rs
Trade payables	1,029,702	347,042
National resilience Fund - Int'l Speakers	2,000,000	6,000,000
Other payables and accruals	737,262	1,749,462
Fees received - Int'l Speakers	-	537,000
Car loan - 'see note 9(a)'	-	-
	<u>3,766,964</u>	<u>8,633,504</u>

Car Loan for the year 2013, included in trade and other payables, has been reclassified under short term employee benefits in 2014.

8. SHORT TERM EMPLOYEE BENEFITS

	Rs	Rs
Provision for leaves refund - 'see note 9(b)'	398,993	300,433
Provision for Passage benefits - 'see note 9(c)'	475,000	180,000
Short Term Car Loan	365,143	259,516
	<u>1,239,136</u>	<u>739,949</u>

9. LONG TERM EMPLOYEE BENEFITS

	Rs	Rs
Long Term Car Loan	1,794,095	-
Provision for Leaves refund	6,384,461	5,577,179
Provision for Passage Benefits	210,614	389,257
	<u>8,389,170</u>	<u>5,966,436</u>

Notes for the year ended 31 December 2014 (continued)

9. (a) Car loan - refundable by staff

	31 December 2014	31 December 2013
	Rs	Rs
Amount due	2,159,238	259,516
Deduct : Amount falling due within one year	(365,143)	(259,516)
Amount falling due after more than one year	<u>1,794,095</u>	<u>-</u>

9. (b) Provision for Leaves refund

	31 December 2014	31 December 2013
	Rs	Rs
At start of the year	5,877,612	4,310,911
Provision for the year	<u>905,842</u>	<u>1,566,701</u>
At end of the year	6,783,454	5,877,612
Deduct : Amount falling due within one year	398,993	300,433
Amount falling due after more than one year	<u>6,384,461</u>	<u>5,577,179</u>

9. (c) Provision for Passage Benefits

	31 December 2014	31 December 2013
	Rs	Rs
At start of the year	569,257	480,779
Payments during the year	(295,888)	(257,714)
Provision for the year	<u>412,245</u>	<u>346,192</u>
At end of the year	685,614	569,257
Deduct : Amount falling due within one year	475,000	180,000
Amount falling due after more than one year	<u>210,614</u>	<u>389,257</u>

Notes for the year ended 31 December 2014 (continued)

10. GENERAL FUND

	31 December 2014	31 December 2013
	Rs	Rs
Capital grant " see note 16 "	-	384,390
Reserves	6,624,958	7,403,466
	<u>6,624,958</u>	<u>7,787,856</u>

11. GOVERNMENT GRANT

	31 December 2014	31 December 2013
	Rs	Rs
Grant Received	35,618,688	20,200,000
National Resilience Fund	15,185,990	5,273,010
Ministry of Finance – Salary arrears	-	2,353,473
Less Grant devoted to Capital Expenditure	-	(335,326)
	<u>50,804,678</u>	<u>27,491,157</u>

Capital expenditure for the year 2014 amounted to Rs 4,574,573. This amount has been lumped in government grant received.

12. OTHER INCOME

	31 December 2014	31 December 2013
	Rs	Rs
Interest received	273,700	411,439
Rental of conference room	58,000	148,800
Miscellaneous income	505,966	89,348
Commonwealth of Learning	-	1,234,125
Deferred Income in respect of Government Grant	-	276,146
	<u>837,666</u>	<u>2,159,858</u>

Notes for the year ended 31 December 2014 (continued)

13. STAFF COSTS

	31 December 2014	31 December 2013
	Rs	Rs
Salaries and allowances	22,821,281	11,978,483
Travelling & Transport	2,017,342	1,056,397
Overtime	87,282	40,663
Staff Welfare	37,372	52,076
Contribution to the N.S.F.	111,994	51,898
Pension	176,545	397,906
Family Protection Scheme	171,644	145,717
Gratuities	1,031,653	557,025
	<u>26,455,113</u>	<u>14,280,165</u>

14. ADMINISTRATIVE COSTS

	31 December 2014	31 December 2013
	Rs	Rs
Cost of utilities	628,356	469,321
Fuel & oil - vehicles	106,448	77,496
Rental of building	4,385,960	3,511,968
Rent of vehicles	-	328,900
Office expenses	346,318	176,389
Maintenance	392,893	413,011
Cleaning services	92,000	110,400
Publications and stationery	224,393	197,177
Overseas	176,414	126,378
Fees	2,977,980	2,239,653
Insurance - vehicles	40,967	42,680
Insurance - staff & equipment	429,710	329,674
	<u>9,801,439</u>	<u>8,023,047</u>

15. OTHER COSTS

	31 December 2014	31 December 2013
	Rs	Rs
Training and consultancy	523,436	390,905
Promotion, communication and sensitisation	4,328,860	4,587,624
Knowledge centre	117,197	105,596
International networking	123,746	129,462
Productivity Improvement for SME's	1,511,675	2,787,600
Innovation	314,272	145,505
International Speaker	19,691,981	-
	<u>26,611,167</u>	<u>8,146,692</u>

Notes for the year ended 31 December 2014 (continued)

16. CAPITAL GRANT	31 December 2014	31 December 2013
	Rs	Rs
Balance b/f	384,390	325,210
Transferred to Reserve (see note 4(a))	(384,390)	335,326
Less Deferred Income	-	(276,146)
	<u>-</u>	<u>384,390</u>
17. RETIREMENT BENEFIT OBLIGATIONS	Year ending 31 December 2014	Year ending 31 December 2013
	Rs	Rs
Amounts recognised in statement of financial position at end of the year:		
Present value of funded obligation	14,592,961	9,933,804
(Fair value of plan assets)	(11,459,917)	(9,200,187)
	<u>3,133,044</u>	<u>733,617</u>
Present value of unfunded obligation	-	-
Unrecognised actuarial gain/(loss)	(4,774,809)	(1,610,288)
Liability recognised in statement of financial position at end of year	(1,641,765)	(876,671)
Amounts recognised in statement of financial performance:		
Current service cost	1,000,553	764,014
Employee Contributions	(632,046)	(467,603)
Fund expenses	34,697	21,735
Interest cost	794,704	565,427
(Expected return on plan assets)	(804,451)	(631,521)
Actuarial loss/(gain) recognised	29,377	-
Past service cost recognised	-	-
Total, included in staff costs	422,834	252,052
Movements in liability recognised in statement of financial position:		
At start of year	(876,671)	(509,560)
Total staff cost as above	422,834	252,052
(Actuarial reserves transferred in)	(85,132)	-
(Contributions paid by employer)	(1,102,796)	(619,163)
At end of year	<u>(1,641,765)</u>	<u>(876,671)</u>
Actual return on plan assets:	548,819	792,025
Main actuarial assumptions at end of year:		
Discount rate	8.00%	8.00%
Expected rate of return on plan assets	8.00%	8.00%
Future salary increases	5.50%	5.50%
Future pension increases	3.50%	3.50%

The assets of the plan are invested in funds managed by State Insurance Company of Mauritius Ltd. The discount rate is determined by reference to market yields on bonds.

Notes for the year ended 31 December 2014 (continued)

17. RETIREMENT BENEFIT OBLIGATIONS (Continued)	Year ending 31 December 2014	Year ending 31 December 2013
	Rs	Rs
Reconciliation of the present value of defined benefit obligation		
Present value of obligation at start of period	9,933,804	7,067,833
Current service cost	1,000,553	764,014
Interest cost	794,704	565,427
(Benefits paid)	(74,365)	(36,729)
Liability (gain)/loss	<u>2,938,265</u>	<u>1,573,259</u>
Present value of obligation at end of period	<u>14,592,961</u>	<u>9,933,804</u>
Reconciliation of fair value of plan assets		
Fair value of plan assets at start of period	9,200,187	7,379,860
Expected return on plan assets	804,451	631,521
Employer contributions	1,102,796	619,163
Employee contributions	632,046	467,603
Actuarial reserves transferred in	85,132	(58,464)
(Benefits paid + other outgo)	(109,062)	-
Asset gain/(loss)	(255,633)	160,504
Fair value of plan assets at end of period	<u>11,459,917</u>	<u>9,200,187</u>
Distribution of plan assets at end of period		
Percentage of assets at end of year	2014	2013
Government securities and cash	57.1%	59.10%
Loans	4.1%	4.90%
Local equities	21.1%	21.90%
Overseas bonds and equities	17.0%	13.40%
Property	0.7%	0.70%
Total	<u>100%</u>	<u>100%</u>
Additional disclosure on assets issued or used by the reporting entity	2014	2013
Percentage of assets at end of year	(%)	(%)
Assets held in the entity's own financial instruments	0	0
Property occupied by the entity	0	0
Other assets used by the entity	0	0
History of obligations, assets and experience adjustments		
Year	2014	2013
Currency	Rs	Rs
Fair value of plan assets	11,459,917	9,200,187
(Present value of defined benefit obligation)	(14,592,961)	(9,933,804)
Surplus/(deficit)	<u>(3,133,044)</u>	<u>(733,617)</u>
Asset experience gain/(loss) during the period	(255,633)	160,504
Liability experience gain/(loss) during the period	(2,938,265)	(1,573,259)
Year	2015	
Expected employer contributions	967,996	



“

The way to increase our productivity is to make people more creative, resourcement, and innovative in the things they do

”

John Sculley



National Productivity and Competitiveness Council



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