



FCC

FINANCIAL CRIMES
COMMISSION
MAURITIUS

EXECUTIVE SUMMARY

FINANCIAL CRIMES PREVENTION REVIEW ON THE SYSTEMS AND PROCEDURES REGARDING PROCUREMENT AT THE MAURITIUS TOURISM PROMOTION AUTHORITY (MTPA)

1.0 Introduction and Overview

The Financial Crimes Commission (FCC), through its Education and Preventive Division, conducted a Financial Crimes Prevention Review (FCPR) of the systems and procedures regarding procurement at the Mauritius Tourism Promotion Authority (MTPA), pursuant to Section 6(2)(j) of the FCC Act 2023. This provision empowers the FCC to examine the practices of public bodies with a view to detecting and preventing financial crimes, including fraud, corruption, and other malpractices.

The review was initiated following a request from the previous management of the MTPA for the enhancement and consolidation of its internal procurement procedures. The FCPR examined the systems, methods and procedures relating to the procurement functions at the MTPA and identified the potential risks that may be conducive to financial crimes, in order to recommend appropriate corrective measures to eliminate those risks.

The FCPR assessed the legal, regulatory, administrative, and operational framework governing procurement at the MTPA. The review focused on the adequacy of the procurement governance framework and operational controls, and on compliance with the Public Procurement Act 2006, the Public Procurement Regulations 2008, and applicable Procurement Policy Office (PPO) Directives and Guidelines.

The review was conducted through meetings and consultations with the management and staff of the MTPA, interviews with officers involved in the relevant processes, an examination and assessment of the systems, procedures and practices in place, and an analysis of relevant information, records, files and supporting documents.

2.0 Key Findings

The review identified significant governance gaps, control weaknesses and systemic vulnerabilities within the current framework governing procurement at the MTPA. These relate primarily to:

- the procurement governance framework, institutional arrangements and oversight mechanisms;
- the absence of documented procurement policies, procedures and effective procurement planning;
- weaknesses in Committee structures, composition, mandates and segregation of duties;
- operational procurement controls, supplier and evaluator selection, and bid evaluation and remuneration;
- deficiencies in documentation, record management and audit trail integrity; and
- the independence and effectiveness of the internal Audit and oversight functions.

During the review, lack of documented procurement policies and procedures, absence of a dedicated Procurement Unit and of procurement planning, reliance on manual procedures given the non-implementation of the Government e-Procurement System, weaknesses in Committee governance and in the segregation of duties, and deficiencies in record-keeping and oversight, were observed.

Collectively, these deficiencies may create opportunities for financial crimes and procedural abuses such as fraud, corruption, bribery, conflicts of interest, favouritism and collusion, manipulation of procurement records, and misuse of public funds.

The review also found that governance and operational functions were not adequately segregated, including participation of Board Members in operational bid evaluation functions and instances where procurement Committees operated beyond their prescribed mandates. These weaknesses were compounded by an impaired independence of the internal audit function: several deficiencies had previously been identified through Internal Audit but remained outstanding at the time of the review, reflecting weaknesses in follow-up, corrective action and traceability that may compromise transparency, accountability, auditability and the integrity of the procurement cycle. The identified weaknesses also expose the MTPA to operational, financial and reputational risks and may undermine regulatory compliance and good governance.

3.0 Key Recommendations

In light of the vulnerabilities identified, a series of recommendations aimed at strengthening the overall procurement governance and control framework at the MTPA, have been made in the FCPR Report, which focus on:

- developing and implementing documented procurement policies, procedures and planning;
- strengthening governance, oversight, and accountability mechanisms;
- establishing an adequate procurement infrastructure and clear segregation of duties;
- reinforcing committee governance, composition and compliance with respective mandates;
- enhancing transparency and strengthening documentation and record-keeping controls;
- promoting institutional integrity, ethical conduct and effective management of conflicts of interest; and
- supporting the implementation of secure, modern and computerised procurement systems.

The recommendations are intended to address existing loopholes, reduce opportunities for financial crimes and procedural abuses, improve traceability and auditability, and support sound procurement practices at the MTPA.

4.0 Conclusion

The FCPR conducted at the MTPA identified several loopholes and weaknesses in the procurement framework of the MTPA. If left unaddressed, these weaknesses may facilitate the financial crimes and procedural abuses identified in this review.

The measures proposed in the FCPR Report aim to enhance the governance framework for procurement, promote transparency and accountability, reinforce institutional integrity, modernise operational systems, strengthen oversight, and address vulnerabilities that may be exploited for unlawful purposes. The implementation of these measures will support national efforts to combat financial crimes, reinforce controls in procurement processes, safeguard public funds, and strengthen public trust and confidence in the procurement function of the MTPA.