NPCC

Ensam pou enn méyer kalité lavi

National Productivity and Competitiveness Council

Annual Report 2011

Productivity achievement
is a marathon without a finishing line

Walter Aigner

Contents

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

Mr. Kevin Chuttur, Chairman

Letter from the Chairman

Hon. Charles Gaëtan Xavier-Luc DUVAL G.C.S.K.
Vice-Prime Minister,
Minister of Finance and Economic Development

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 2011.

Yours Faithfully,

K. Chuttur
Chairman

Performance Report
from the Executive Director

Performance Report from the Executive Director

In Lewis Carroll's Alice in Wonderland, Alice finds herself running alongside the Red Queen but getting nowhere. A perplexed Alice asks why. The Red Queen responds that in her country "....it takes all the running you can do to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that!"

We all know this feeling when it comes to moving our organisation, our community or even our country forward, particularly under the prevailing global economic ambience. If we want growth that really makes a difference, we need to be smart.

The financial year under review has not been an easy year for the National Productivity and Competitiveness Council. Nevertheless, I am delighted to say that we have been able to move the productivity movement forward and I am happy to share our accomplishments with you.

Performance Report from the Executive Director

Empowerment to run the productivity race

Mauritius has performed well in the fall-out from the Global Financial Crisis, registering a growth rate of 4.1 % in 2011. The Global Competitiveness Report 2011- 2012 by the World Economic Forum, ranked us 54th out of 142 countries and the second most competitive nation in the African continent.

However, the relative buoyancy of the economy has masked an underlying trend—that of a declining productivity growth rate in the face of ongoing real GDP (gross domestic product) growth. According to the latest Statistics Mauritius Digest of Productivity and Competitiveness 2000- 2010, labour productivity grew on an annual average rate of 2.9 % in the period 2000-2010 while capital productivity declined at an average annual rate of 0.7% in the same period. This is indeed a matter of concern which necessitates urgent action. A nation's prosperity depends on its competitiveness, which is based on the efficiency and effectiveness with which it produces goods and services.

We cannot mandate productivity. But, we can provide the tools to let people become productive. This is why since we started the NPCC our core activity has been centred on empowering people with tools and techniques geared towards productivity improvement. This continued to be our focus in last financial year. Since everyone should be on board to run the productivity race, we worked with different target groups- public and private enterprises, students, women and the civil society.

Highlights 2011

Productivity Academy gaining momentum

The Productivity Academy which we set up in 2009 is steadily becoming enterprises' choice in training and development. Our relentless effort to remain at the forefront of productivity improvement tools and techniques and providing timely and relevant training for our customers is paying off. In 2011, 21 courses were successfully run targeting a wide audience of employees from public and private enterprises.

Our expertise was also sought by many enterprises to develop customized, in house training for their employees.

Employee Engagement Surveys for enterprises

The world's top-performing organizations understand that employee engagement is a force that drives performance outcomes. Research by Gallup and others shows that engaged employees are more productive. They are more profitable, more customer-focused, safer, and more likely to withstand any crisis situation.

But how do you measure employee engagement? I am heartened to say that since 2011, the NPCC is offering this service to enterprises. Our employee survey is designed to increase employee engagement, improve employee productivity, employee motivation and employee retention. The NPCC has undertaken Employee Engagement surveys in two enterprises in 2011, notably Scott and Company Limited and Ideco Centre Ltd.

Striving for excellence- Muda Free Workplace Programme

Productive and competitive enterprises are key foundation for economic growth and national wealth creation. The "Muda Free Workplace Programme", which we launched last year, to assist enterprises in improving their productivity, is also showing positive and encouraging results.

The companies currently enrolled for the program report to have accrued several benefits. Besides substantial productivity improvement registered, they have also been able to further strengthen labour- management cooperation which is crucial to build up sustainable businesses.

It is note-worthy to spell out that one of the companies with which the NPCC has been working under the 'Muda Free Workplace Programme', was recognised as an excellent company in the medium enterprises category for the Mauritius Business Excellence Award 2010.

Performance Report from the Executive Director

Renewed Technical Cooperation with Japan Productivity Centre

Since 2006, the NPCC has been working closely with the Japan Productivity Centre under the Technical Cooperation Project on Productivity Improvement to African Nations. As part of the cooperation, a seminar was organised last February , to provide the platform to Allégra Creation Ltd and Master Continuous Stationery Ltd, the two 'Model Companies' for the year 2010- 2011, to share their achievements and experiences.

Bridging the digital divide through ELIT

Though great strides have been made to bridge the digital divide in Mauritius, it is a fact that citizens are still facing barriers in accessing ICTs, primarily because they lack basic literacy and computer skills.

In the fiscal year 2011, we again registered an increase in the number of participants enrolled for the English Literacy Using Information Technology (ELIT) course which the NPCC developed in 2005 with seed capital from the UNESCO.

Initially targeted for women, because they are the ones most likely to lag behind in the use of ICT, ELIT was extended to the youth and enterprises wishing to educate their employees in 2011.

Using technology as a driver for learning and knowledge dissemination

The Lifelong Learning project which we have been undertaking in collaboration with the Commonwealth of Learning since 2008, took a different dimension in fiscal year 2011. We are living in an age where almost everyone is a user of a mobile phone and the Internet is becoming more widespread. This is truly an asset which is being capitalised by many organisations.

In this perspective, the NPCC embarked on a new project with the Ministry of Gender Equality, Child Development and Family Welfare, to disseminate knowledge and information to women on various legislations, via the use of Short Message Service (SMS) to improve their livelihood. Four modules on legal issues have been developed by a legal consultant in the context of the Lifelong Learning for Women's Empowerment programme. These are: Legal Rights of Women; the Girl Child and Rights; Adult Women - Domestic; and, Adult Women - Economic Sphere.

Grooming women leaders

104 women were trained in leadership and assertiveness at the Riviere du Rempart Women Centre, Pont Lardier Empowerment Centre and the Rose Hill Women Centre during a workshop on Women and Decision Making organized by the National Women's Council in May 2011.

Developing network facilitators

Last year I reported that the NPCC received a grant of Rs 126,000 from the Ministry of Gender Equality, Child Development and Family Welfare, to develop a network of housekeepers to serve employed couples. The training of the ten facilitators who will set up the networks was effected in the current financial year.

Nurturing a productivity culture

Catching the young to instill a productivity mindset has been one of the prerogatives of the NPCC since its establishment. In this regard, three projects were undertaken together with the Ministry of Education. They are: Civic Action Team, InnovEd (Innovation for the Education sector) and Green School. Since we had to streamline our operations in the fiscal year 2011, we could not conduct these three projects.

Nonetheless, we are conscious that if we want to have a better tomorrow, it is of utmost importance that we chisel the youth of today into innovative, smart and caring individuals. This is why in 2011 we have tailor- made courses for students and teachers which are run during school holidays. The objective of these courses is to unleash the creative and innovative potentials of students.

Performance Report from the Executive Director

Collaboration and networking to drive the productivity movement

The NPCC alone cannot drive the productivity movement. Hence, in 2011, we continued to work closely with other stakeholders to achieve our vision- 'Better Living For the Nation.' As in previous years, we extended our assistance to the Ministry of Industry for the assessment of companies participating in the Mauritius Business Excellence Award 2011.

We also signed a Memorandum of Understanding with the Mauritius Research Council to form part of the 'Collaborative Mauritius' (CM) network to stimulate innovation in Mauritius. CM is a meeting platform for Innovative Mauritian minds from academia, research and businesses.

Awareness on productivity

Efforts to upgrade the NPCC's website also continued during the year. The NPCC has also been able to highlight its work by participating actively in a series of side events at national level such as the fairs organised by the National Women Entrepreneurship Council (NWEC) and Small and Medium Enterprises Development Agency (SMEDA).

Looking ahead

The NPCC has made excellent progress over the past twelve months. Despite the daunting challenges which came our way, we pursued our mandate, at the heart of which is a desire to make today better than yesterday and tomorrow better than today.

While I have no doubt that the 2012 financial year will be a challenging one for the organisation, I am nonetheless very optimistic about the NPCC's future and its ability to continue to drive the productivity movement. The tremendous gains we have already made, the momentum we have and the commitment of our people to achieving this outcome makes it inevitable that we will get there.

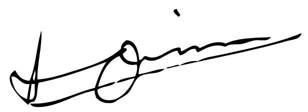
Appreciation

My thanks go to the Honourable Michael Sik, Yuen, Minister of Tourism and Leisure and Honourable Hon J. I .M Roopchan Seetaram, Minister of Business and Consumer Protection for their understanding and support to the organisation.

It is observed that as from the next financial year, the NPCC shall fall under the aegis of the Ministry of Finance and Economic Development. Thus, I take this opportunity to express our welcome to Hon. Charles Gaëtan Xavier-Luc DUVAL Vice-Prime Minister, Minister of Finance and Economic Development and look forward to working with him and his unwavering support to advance the productivity movement.

I wish to convey my appreciation and thanks to the Chairman and Board members of the NPCC for their advice and guidance.

I would further like to express my deep appreciation, to all our customers and stakeholders for their continuing support and, of course, all my staff for their determined commitment and hard work towards NPCC.



Dr Krishnalal Coonjan
Executive Director

> "Without the vision to anticipate and adapt to change the most productive worker today will be unproductive tomorrow."
>
> Richard Tully

Corporate Governance

Corporate Governance

Corporate Governance Report for the year ending 31st December 2011

The National Productivity and Competitiveness Council (NPCC) was established as a corporate body as per the NPCC Act no 9 of 1999. 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 international 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 and Directors

The NPCC Act makes provision for a Council and an Executive Committee.

The Council consists of 20 members who are non-Executive and independent of the NPCC. Members represent the interests of the Government, the employers, the trade unions and industry associations, consumer organizations, professionals & academia.

The Executive Committee emanates from the Council and consists of the Chairman, the Vice Chairman, the Executive Director and three other members of the Council appointed by the Council. The Executive Committee is responsible for:

- the preparation of budget proposals and accounts for approval by the Council,
- the preparation of yearly programmes of work for approval by the Council and
- monitoring the use of manpower and financial resources, including disbursement, acquisition of equipment and selection and hiring of staff.

As such, the Executive Committee functions at the operational level and reports to the Council which operates at the policy level.

Operations of the Board

The Council and the Executive Committee meet at the request of the Chairman and meetings are scheduled in advance. Papers are circulated before each meeting.

In order to ensure a link between management and the Council, the NPCC Act provides for the Executive Director to act as the Secretary of the Council and the Executive Committee and, in that capacity, attend all meetings of the Council and the Executive Committee.

The roles of the Chairman and the Executive Director are distinctly enunciated under the Act. The Chairman heads the Council while the Executive Director is responsible to the Council for the proper administration and management of the day-to-day business of the Council in accordance with guidelines laid down by the Council. The NPCC operates independently of Government but is accountable to parliament and ultimately to the public through the tabling of its report annually.

A new council was nominated in April 2011 under the Chairmanship of Mr Rajendraparsad Mungur. The Vice Chairperson is Mr Poorunduth Dyail.

Corporate Governance

PROFILE OF COUNCIL MEMBERS

Mr. Rajendraparsad Mungur was appointed Chairman of the National Productivity and Competitiveness Council (NPCC) in February 2010. He was General Manager of Mauritius Jute and Textile Industry and is presently Senior Lecturer at the Eastern Institute for Integrated Learning in Management (EIILM) University. He had been in the education sector for nearly 25 years. He graduated in Economics with Management Studies at the Napier University. He also holds a Master's degree in Business Administration from the University of Mauritius.

Mr. Poorunduth Dyail was nominated Vice Chairperson in April 2011.

MEMBERS REPRESENTING THE INTEREST OF GOVERNMENT

Ms K F K F Kong Win Chang is Principal Assistant secretary at the Ministry of Education and Human Resources and was nominated Council Member in April 2011.

Mr R Moolye is Principal Assistant Secretary at the Ministry of Industry and Commerce and was appointed Council member in September 2009.

Mr Jean Maxy Simonet is presently the Permanent Secretary of the Ministry of Business Enterprise & Cooperatives. He has a wide experience in the public sector. He was formally the Island Secretary of Rodrigues Administration and has worked in various capacities in several Ministries. (Ministry for Rodrigues, Ministry of Industry, Ministry of Housing and Lands, Ministry of Agriculture, Ministry of Environment and National Development Unit Prime Minister's Office and Ministry of Tourism & Leisure). He is also Board Director of several Parastatal bodies and Government companies. Mr Simonet holds a B.Sc (Hons) from the University of London, an MBA with specialization in Finance from the University of Technology, Mauritius as well as a Diploma in Public Administration & Management (DPAM) from the University of Mauritius. Mr Simonet was nominated Council Member in April 2011.

MEMBERS REPRESENTING THE INTEREST OF THE EMPLOYERS

Mr Nicholas Blandin De Chalain is presently the General Manager of Long Beach resorts. He has wide experience in the tourism sector within the Sun Resorts Group as well as at international level in the MICE markets. Mr De Chalain is a board member of AHRIM, Bagatelle and Event of Mauritius as well as an Executive Member of School Development of Cascavelle (ZEP). He holds a Bsc (Hons) Bachelor of Business Science majoring in Business Administration and Economics from Rhodes University, Grahamstown and a Bachelor of Commerce from the University of Natal Pietermaritzburg and was nominated Council Member in April 2011.

Mr Azize Ebrahim has been in business for more than 50 years as an importer and wholesaler of foodstuffs. He has been the President of the Wholesalers Association for 30 years. He was a member of the Price Advisory Committee. Mr Ebrahim was nominated Council Member in April 2011.

Mr Cliff Grenade is a Finance Manager with wide experience in Finance and Administration within the financial and manufacturing sector. He holds a Bachelor of Business Accounting from Monash University, Australia and an Advanced Diploma in Accounting from the Casey College, Melbourne. He is also a member of the Australian Society of Certify Practicing Accountant, a member of the Australian Institute of Public Accountant and a fellow of the Taxation Institute of Australia. Mr Grenade was nominated Council Member in April 2011.

MEMBERS REPRESENTING THE INTEREST OF THE TRADE UNIONS

Mr Sattyadeo TENGUR was nominated Council member in April 2011.

Mr Fritz THOMAS is the Chairman of the Mauritius Ex-Services Trust Fund and has been the General Secretary/Negotiator of the Electrical & Mechanical Workers' Union. He holds a Diploma in Book-keeping from the Institute of Book-keepers and was the Lord Mayor of the City of Port Louis and Chairman of its Finance Committee in 2008. Mr Thomas is the advisor of the Mauritius Labour Congress since 2010 and was nominated Council member in April 2011.

Corporate Governance

MEMBERS DRAWN FROM INDUSTRY ASSOCIATIONS, CONSUMERS ORGANIZATIONS, PROFESSIONALS AND ACADEMIA.

Mr Abu Mustapha BHOLAH is a businessman and the Vice President of The Blue Crescent (Mauritius Branch), a Voluntary Humanitarian Organisation. He was nominated Council Member in April 2011.

Mr Nizaar DOWLUT was nominated Council Member in April 2011.

Mr Dayasing GULAB is Country Manager Mauritius / Madagascar/Seychelles at GlaxoSmithKline, East Africa. He holds a B.Sc (Hons) Management with specialization in Marketing Management. He also holds a MBA International Business. He has experience in Production and Marketing in the Textile Sector and in sales and Marketing in the Distribution Trade Sector. He was nominated Council Member in April 2011.

Mr Christian HURRUNGEE is a teacher at Curepipe College. He holds a Teacher's Certificate and a Teachers Diploma from the Mauritius Institute of Education. He was also the Mayor of Curepipe for the period October 2005 to November 2006. Mr Hurrungee was nominated Council Member in April 2011.

Mr Prakash JANG was nominated Council Member in April 2011.

Mr Prem SHAM is the managing Director of Escapade DMC Ltd, a destination management company. He also has working experience in the international MICE sector and is a trainer for the Italian language. He holds a certificate and advance level qualification from the Chartered Institute of marketing UK. He also followed several training programmes both in Mauritius and at international level. Mr Sham was nominated Council Member in April 2011.

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 a Msc Food Technology from the University of Mauritius. She was nominated Council Member in April 2011.

Mr Dillen VEERARAGOO 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 where she has worked on implementing 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.

Corporate Governance (continued)

Corporate Governance

Statement of Attendance at Council/Executive Committee meetings (Names of outgoing members are in italic)

No of Council meetings held: Jan to March 2011- 0 April to Dec 2011 - 11	No of Meetings Attended	
	Jan – Mar 2011	April – Dec 2011
Mr Rajendraparsad Mungur Chairperson	0/0	11/11
Mr Poorunduth Dyail Vice-Chairperson	-	9/11
Members representing the interests of the Government		
Mrs T A Mudhoo	0/0	-
Mr A K Hoolass	0/0	-
Mr R Moolye	0/0	11/11
Mrs Asha Devi Burrenchobay (April – June 2011)	-	4/4
Mr Jean Maxy Simonet (In replacement of Mrs Devi Burrenchobay with effect from July 2011)	-	7/7
Ms K F K F Kong Win Chang	-	5/11
Members representing the interests of the Employers		
Mr Mukesh Gopal	0/0	-
Dr Azad Jeetun	0/0	-
Mr Nicholas Blandin De Chalain	-	10/11
Mr Azize Ebrahim	-	10/11
Mr Cliff Grenade	-	10/11
Members representing the Trade Unions		
Mr Sattyadeo Tengur	-	11/11
Mr Radhakrishna Sadien, MSK	0/0	-
Mr Yusuf Sooklall	0/0	-
Mr Fritz Thomas	-	9/11
Members drawn from Industry Associations, Consumer Organisations Professionals and Academia		
Mr Suresh Chandra Bhuruth	0/0	-
Mr Roland Dubois	0/0	-
Mr Jay Komarduth Hurry	0/0	-
Mr Govindasami Pillay	0/0	-
Mr Vivek Gupta Ramnarain	0/0	-
Mr Vijay Sookaree	0/0	-
Mrs Arielle Francois Nicolas	0/0	-
Mr Abu Mustapha Bholah	-	9/11
Mr Nizaar Dowlut	-	4/11
Mr Dayasing Gulab	-	11/11
Mr Christian Hurrungee	-	8/11
Mr Prakash Jang	-	9/11
Mr Prem Sham	-	10/11
Ms Nishma Pratibha Sookool	-	11/11
Mr Dillen Veeraragoo	-	9/11
Ms Jane Yee Sak Chan	-	11/11

Statement of Attendance at Executive Committee meetings (Names of outgoing members are in italic)

No of Council meetings held: Jan to March 2011- 0 April to Dec 2011 - 5	No of Meetings Attended	
	Jan – Mar 2011	April – Dec 2011
Mr Rajendraparsad Mungur Chairperson	0/0	5/5
Mr Poorunduth Dyail Vice-Chairperson	-	4/5
Dr Krishnalall Coonjan	0/0	4/5
Dr Azad Jeetun	0/0	-
Mr Yusuf Sooklall	0/0	-
Mrs Asha Devi Burrenchobay (April – June 2011)	-	3/3
Mr Nicholas Blandin De Chalain (In Replacement of Mrs Devi Burrenchobay)	-	3/5
Mr Jean Maxy Simonet (with effect from July 2011)	-	2/2
Mr Sattyadeo Tengur	-	5/5

Statement of Attendance at Executive Committee meetings

The Chairman of the Council receives a monthly fee of Rs 21,000 and Executive Committee member's fees are set at Rs 5000 per month whereas Council members receive a fee of Rs 1500 per sitting.

Remuneration of members for financial year 2011 is as follows:

Council Members	Remuneration
Mr Rajendraparsad Mungur Chairperson	252,000
Mr Poorunduth Dyail Vice-Chairperson	90,000
Ms Asha Devi Burrenchobay (April – June 2011)	15,000
Mr Nicholas Blandin De Chalain	45,000
Mr Jean Maxy Simonet	25,000
Mr Satyadeo Tengur	45,000
Mr Abu Mustapha Bholah	10,500
Mr Nizaar Dowlut	4,500
Mr Azize Ebrahim	12,000
Mr Cliff Grenade	12,000
Mr Dayasing Gulab	13,500
Mr Christian Hurrungee	12,000
Mr Prakash Jang	10,500
Ms KFKF Kong Win Chang	7,500
Mr Rechad Moolye	13,500
Mr Prem Sham	12,000
Ms Nishma Pratibha Sookool	13,500
Mr Fritz Thomas	10,500
Mr Dillen Veeraragoo	10,500
Ms Jane Yee Sak Chan	13,500
Total	640,000

Corporate Governance

Donations

No donation has been effected during the year.

Code of Ethics

Issues such as ethics, employees' involvement and equal opportunity of employment are key to the long term interest of the NPCC to conduct itself as a responsible corporate body. 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 Directors' Responsibility

The NPCC acknowledges its responsibilities for:

- adequate accounting records and maintenance of effective internal control systems;
- 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 with International Financial Reporting Standards (IFRS); and
- the selection of appropriate accounting policies supported by reasonable and prudent judgements

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:

- adequate accounting records and an effective system of internal controls have been maintained;
- appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
- applicable accounting standards have been adhered to; and
- 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.

Ms A.S Benyett
Executive Committee Member

Mr P Dyail
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:

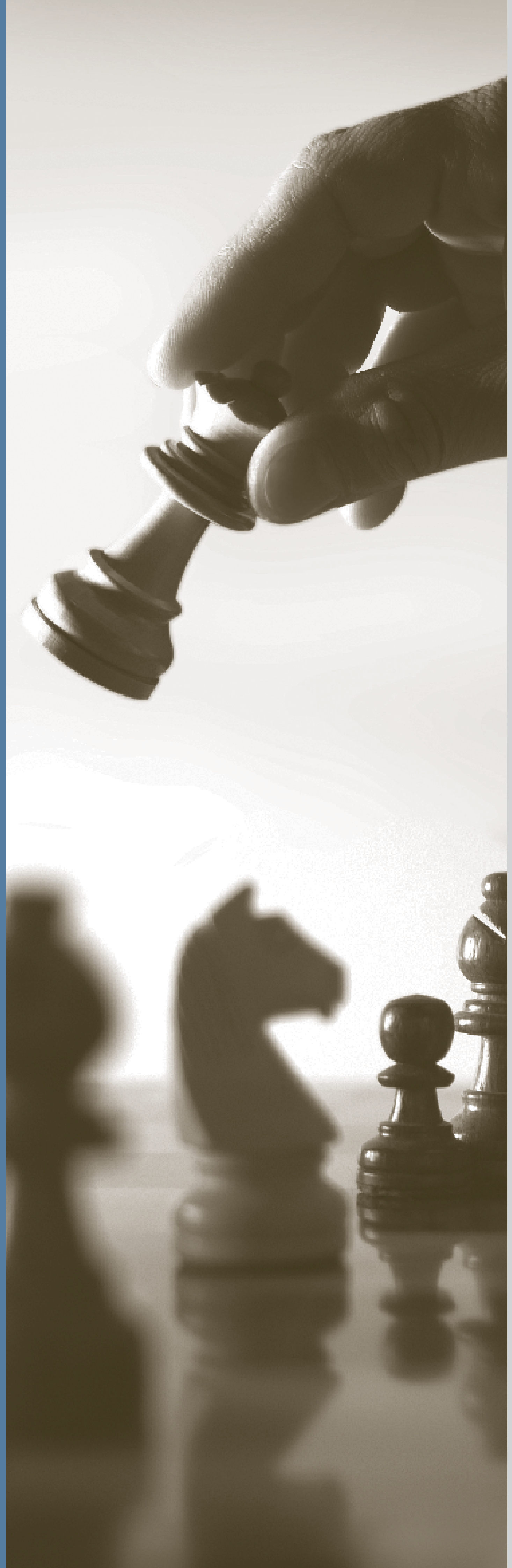
- Proper segregation of duties whereby the different functions in process are crosschecked and verified.
- Expenditure limits for the Executive Director has been fixed by the Executive Committee and purchases are duly authorised by the appropriate instances.
- Follow up and implementations of recommendation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

Signed on behalf of the NPC Council.

Ms A.S Benyett
Executive Committee Member

Mr P Dyail
Vice Chairman

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 adopt innovative and latest productivity tools and processes.

Strategic Planning

Strategy 2007-2010

The ZOPP methodology was used to develop the 2007-2010 NPCC strategy for productivity and competitiveness. It was agreed that the Development of A Productivity Culture will continue to be at the core of all NPCC actions and following strategies were defined:

- Promote innovation through building innovation capacity
- Promote entrepreneurship through networking
- Promote technological transfer through collaboration
- Develop competencies for empowerment through knowledge development and sharing
- Promote centres of excellence through benchmarking
- Promote capacity building (skills and competencies) through a Productivity Academy
- Improve enterprise/organisation productivity through better management - labour relations
- Promote civic responsibility
- Promote foresight discussion on national productivity and competitiveness issues
- Promote teamwork and social values in education system.

Strategy 2011-2013

Along the same line of strategic thinking applied in previous years and based on experience gained through implementation of projects & programmes at all levels, the NPCC staff conducted a SWOT analysis internally. As a result, consensus has been reached on the following strategic directions to drive productivity and competitiveness:

Vision
"Better Living for the Nation"

Mission
Make Mauritius Work. Together

Core Objective
Development of a Productivity Culture

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

Strategies

Strategy I - To Sustain a Productivity Culture/Productivity mindset at all levels

If Mauritius aspires to become a productive nation, the starting point should be the development of a "productivity mindset". The productivity movement begins with people and its success will depend on how far it is able to rally people to its cause, change their mindset, harness their passion, hone their skills, and build them into a cohesive competitive team. This is directly related to the culture of a group, organisation, or society and which shapes how people act, directing them to be fast or slow workers, individual or team players, agile entrepreneurs or sluggish bureaucrats.

Taking into account what has been achieved by the movement so far and what remains to be done, it is believed that the core objective of 'Development of a Productivity Culture' is still very much relevant today than it was ten years back.

The importance of promoting the right mental models transcends the passage of time.

Positive work attitudes, such as teamwork, pride in work, and service quality, creativity and Innovation will, therefore be further stressed in the coming years.

Strategy II - To build competencies for value creation.

Today, the production of goods and services and their distribution transcend national boundaries. Powerful companies dominate world trade, constantly seeking cost reduction opportunities and increased productivity to enhance comparative advantage. Provision of financial and other services have become integrated through improved telecommunications and capital flows.

The new economic environment demands not only diligent but also skillful workers. There is a need to equip workers with the technical and managerial skills to enable them to perform better. Our workers must be multi-skilled, and knowledge based who are able to think, use information, and be innovative. Productivity cannot and should not be imposed. We have to provide the tools and the environment to make people become more productive.

Strategic Planning

Strategy III - To strengthen connectivity and collaborations

Connections and Collaborations are crucial aspects of the productivity movement. By strengthening and leveraging linkages at national, regional, and international levels, the movement can help to enhance knowledge and technology flows for development. It is imperative for an organization to benefit from the experience and guidance of others while drawing new ideas and lessons from best practices in other countries. These enable 'leapfrogging' of intermediate development stages.

At the national level, the NPCC has been promoting Networking and Clustering among small entrepreneurs with a view to making them more competitive.

On the international front, the NPCC has also with the support of the Japanese Government and through PAPA benefitted from the collaboration of the Japan Productivity Centre for implementation of Model Companies in Mauritius and that of the Asian Productivity organization for training of Productivity Practitioners.

Connections and Collaborations are crucial aspects of the productivity movement. By strengthening and leveraging linkages at national, regional, and international levels, the movement can help to enhance knowledge and technology flows for development. It is imperative for an organization to benefit from the experience and guidance of others while drawing new ideas and lessons from best practices in other countries. These enable 'leapfrogging' of intermediate development stages.

Strategy IV - To advise and support Government

As a National Productivity Organisation (NPO), the NPCC should be a 'critical friend' of government ensuring and advising government on a supportive business environment for businesses to thrive. This is done directly, where the NPO is an active partner with government in the national strategy.

One example is tripartite cooperation among the government, employers, and workers. Policies formulated in consultation with both employers and workers and implemented with their involvement, will no doubt promote a harmonious climate which will engender social dialogue and confidence in both local and foreign investors.

The tripartite nature of the NPC Council and the connectivity of its members make it easy for the NPCC to act as a platform to support government in this direction.

Another important task is Research & Analysis on Productivity matters. Presently the NPCC is equipped with a knowledge centre which gathers and stores useful information on productivity for use by NPCC staff and members of the public. Measurement is equally important. Without which, it is difficult to know 'the current state of the game' or to measure progress towards agreed goals. Analysis and dissemination of data on productivity will no doubt motivate all those concerned to fulfill their role and to genuinely understand the competitiveness of the nation. Measurement within the enterprise fulfills the same role. Measuring progress on a consistent basis over time, helps in motivation and is as well a useful basis of 'celebration and reward'. Benchmarking on a sustained basis over time on the other hand also helps in showing ongoing progress while remembering that the benchmarked nations or organisations are all the time on the move to address new challenges and targets. The necessary human resource for research, analysis, Productivity measurement and benchmarking is presently lacking at the level of the NPCC.

Furthermore, policy evaluation and continuous reforms are prerequisite to sustaining an enabling business environment.

Implementing the strategies

It is to be noted that the strategies and objectives identified are intertwined. The present flexible organizational structure which focuses on projects instead of one specific function is very much appropriate for implementation. The structure is comprised of multi-competency teams that works on specific activities/projects and disbands after completion. Each team member is involved in different teams with varying levels of contribution in each.

With the present staffing, and budgetary allocation, there is no choice but to concentrate on Strategy II - Enhancing Competencies for value creation and part of Strategy I - Building and Sustaining a Productivity Culture. Additional staff with the required competencies must be recruited as soon as possible to be able to implement the other two strategies.

It is interesting to further note that in the process of implementing the strategies, social capital will be reinforced, which will in turn, widen business opportunities and contribute to enhancing national competitiveness.

Empowerment for Development

Empowerment for Development

Women play an important role in driving productivity, both directly as workers and indirectly in their role of raising children, maintaining their families and investing in their communities.
It has been rightly pointed out that where women lead productivity improves.

Women have thus been an important target group and a partner in communicating the productivity message for the NPCC since it started operations in May 2000.

During May 2011, in the context of a workshop on Women and Decision Making, organized by the National Women's Council the NPCC has trained 104 women in leadership and assertiveness at the Rivière du Rempart Women Centre, Pont Lardier Empowerment Centre and the Rose Hill Women Centre.

English Literacy using IT (ELIT)

The English Literacy using IT (ELIT) project which was initiated in 2005 with the seed grant from UNESCO having for main objective to train women in functional English and ICT grew further in 2011. Besides renewing our collaboration with the Municipal Councils of Quatre Bornes and Vacoas/Phoenix, we also worked with several non-governmental organisations to conduct the course. Moreover, the course was adapted for enterprises to empower employees to be ICT literate. For the period January 2011 to December 2011, 222 women and 10 men have benefitted from this training.

ELIT at Municipal Councils of Quatre Bornes and Vacoas/Phoenix

60 women from Quatre Bornes, Vacoas and Phoenix benefitted from the ELIT course which was delivered through the assistance of the Municipal Councils of Quatre Bornes and Vacoas/Phoenix. It should be highlighted that the beneficiaries had only to contribute a minimum fee to get access to the course.

ELIT – Non Governmental Organisations

ELIT was conducted at Briquetterie for a special target group of teenage mothers. Four of the latter successfully completed the course and the remaining 10 participants are still following the course in 2012 to reach the required level of competency in English.

At Tranquebar, the Association Socio-Culturelle de Tranquebar benefited from the support of its volunteer trainers again in 2011 and 31 inhabitants of the region successful completed the course. One physically handicapped participant enjoyed the training. The lady was dumb and deaf but was committed to produce the portfolio.

In Pailles, 21 youth completed the ELIT course which was fully sponsored by the Civic Action Team (CATs) of Pailles and adapted for youth by NPCC staff. CATs Pailles benefited from CSR funds and sponsored the training of two trainers by NPCC. After the training of trainers, two separate batches with 20 youth participants started in June 2011. The course will end in 2012.

In the south, with the sponsorship of Bel Ombre Foundation for Empowerment, a batch of 16 women was trained so as to be more productive in their future jobs in hotels and Integrated Resorts in the region. The course was fully sponsored by the Bel Ombre Foundation for Empowerment.

In Rose Hill, a batch of 10 participants was sponsored by SOS Poverty. The training was delivered by the trainer of SOS Poverty trained by the NPCC in 2010.

ELIT for enterprises

The ELIT course was adapted for the workers and conducted for a private company for the first time, last year. A batch of 15 participants was trained for SCOTT & Co. Ltd. The batch consisted primarily of 7 employees including their children, all of them being fully sponsored by the company. The course was conducted at the computer lab of SOS poverty.

Empowerment for Development

Social Network of Housekeepers Project

The social network of housekeepers is a pilot project in Vacoas/Phoenix starting with a group of unemployed women already trained in the English Literacy Using Information Technology (ELIT).Having followed ELIT course in Vacoas/Phoenix still need some support for working on professional life, that is, seeking a job or developing a potential micro-enterprise. With the dynamic change happening in the social arena, the idea is to transform these women into social entrepreneur, each facilitating a group of at least 10 unemployed women in distress

In September 2010, NPCC received a grant of Rs 126,000 from the Ministry of Gender Equality, Child Development and Family Welfare under the Women in Distress Programme to conduct the project in the region of the central Plaines Wilhems. The funding was specifically to train the facilitators and also to give them incentives to develop the network. The facilitators were train on the following areas:

- Values/Vision - Attitudes
- Facilitation/Negotiation Skill
- Communication Skill
- Problem Solving Skill
- Leadership Skill
- 5S / Good Housekeeping (Kitchen/Bedroom/Toilet)
- Team Building Skill
- Customer Service

For the above training, 40 ex-ELIT participants registered with only 10 of them successfully completing the course. After the course, they were required to set up their own networks. In December 2011, one participant was able to register 10 women in her network and she was able to secure employment opportunities for them. The remaining participants are still working on their networking projects.

Empowerment for Development

Lifelong Learning (L3) Project

The Commonwealth of Learning (COL) has been supporting Mauritius, and in particular, through a partnership with the NPCC, the implementation of a Lifelong Learning project.

The aim of the project is to empower targeted groups at the grassroots level to improve their livelihood through lifelong learning.

Launching of "Lifelong Learning for Women's Empowerment"

The NPCC has been working with the Ministry of Gender Equality, Child Development and Family Welfare on the consolidation of the empowerment process of "Women at the Heart of Development: A Grassroots' Empowerment Initiative", launched by the Prime Minister on March 2009. The process was further strengthened and harmonized by building capacity of women within the scope of the Millennium Development Goals in September 2010.

Learning materials have been produced to respond to the needs of women using different techmodes. The use of mobile learning and interactive DVDs have been explored. Learning materials on Legal literacy of women and business development planning were prepared from inputs by a Consultant and the NEF respectively. The impact of the learning modes will be assessed by the ministry. The VCILT of the University of Mauritius has prepared DVDs and the NPCC used Web-to-SMS platform of the Orange to send the text messages. A website has also been developed to host and make accessible all the learning materials produced by all partners so far. The project is funded from COL's support given through the NPCC who acts as facilitating institutions for L3.

Mrs Bappoo, Minister of Gender Equality, Child Development and Family Welfare agreed to an invitation of the President of COL, Sir John Daniel to launch the Lifelong Learning programmes for Women's Empowerment on the 19th May 2011. Minister Bappoo also invited her counterparts, Minister Jeetah, representing the COL Focal point in Mauritius.

Development of a Learning Material on Good Agricultural Practices

Under the COL project, with the assistance of the NPCC, AREU produced a learning material which aims at sensitizing farmers on Good Agricultural practices (GAP) in view of ensuring compliance to production norms for fruits and vegetable and for sustainable agricultural practices. The learner is introduced to GAP and assessed on his compliance through a series of Questions and Answers on 10 critical points.

Development of the material involved the design of an interactive and navigational structure incorporating video, audio and text. The learning material is accessed through a CD and a user friendly tactile interactive screen in one of AREU branches in Saint Pierre. To facilitate learning process, material is also easily accessible in French with creole audio option.

Best Practices

Best Practices

MUDA FREE WORK PLACE

The highly competitive environment as well as the effects of globalization has been exerting increasing pressure on our local businesses to reduce their lead time, maximize utilization of their assets and produce new and sophisticated products, i.e. innovate, so that they can remain on the business map. As a forward looking national productivity organisation conscious of these challenges, the NPCC has again in 2011 conducted the Muda Free Work Place programme which offers companies solutions to improve their productivity and subsequently their competitiveness.

Companies where the Muda Free Work Place programme was implemented:

Allegra Création Ltd.

Allegra Création Ltd. extended in 2011 their collaboration with NPCC which started in July 2010. Following the implementation of the first 3S in 2010, during this new phase, a 3S Audit exercise was carried out in all the departments in February 2011. This exercise was very challenging for the employees as it enabled them to know what they have accomplished so far and also what still remains to be done in order to maintain and improve what has been achieved so that their company can become world-class.

In the course of this new project, employees were initiated to the use of productivity tools such as brainstorming techniques, data collection and presentation, quality circles, Ishikawa Diagram, root cause analysis, and action planning to identify the various causes of problems encountered in the work place and how to develop remedial solutions together with their colleagues.

These initiatives have gradually instilled a positive change in the mindset of the employees as they are now more conscious of their customers' quality requirements, standard time, and repairs both in terms of rework and material loss.

Noveprim Ltd.

Following the initial groundwork which started in June 2010 whereby employees were sensitised to productivity concepts, NPCC's interventions in 2011 were more focused on training and on the application of productivity tools to real work situation through short term and middle term projects. At Les Campêches Plant, the project kickstarted with the application of the first three S, i.e. Seiri (Sort Out), Seiton (Systematic Arrangement) and Seiso (Scrub Clean), in all work areas as it was considered essential that the work areas should be cleaned and organised so that the employees could see the positive change before they could embark on other projects. Another project concentrated on the improvements to be made after a motion study analysis in the cleaning of animal's cage. This project yielded interesting savings in terms of consumables used in the process. A third project reviewed the process for preparing and distributing fruits, vegetables and pellets to the animals to reduce physical strain for the workers and to standardise explicitly the arrangement of buckets for distribution purposes.

At the Chamouny Plant, the project focused on 5S implementation in the Laundry Section, the Store Department and in the food preparation process for the animals. In view of the observations made during the 5S implementation, the next step of the project concentrated on the process improvement in vegetable and pellets preparation.

At the Le Vallon Plant, given the level of housekeeping, NPCC's intervention was more on capacity building of workers, elimination of the muda of transportation, improvement of cleaning process and on reduction of strain caused by excess motion of workers.

Best Practices

Chee Li Chop Ltd

Chee Li Chop Ltd., a fast food outlet specialising in Chinese food, enrolled in the Muda Free Workplace programme to enable its employees acquire the kaizen principles as well as soft skills such as customer care, internal communication and supervisory skills. By the end of the project, the level of customer service as well as the shop set up at the front has improved, wastage of water in the kitchen has been reduced, and the quality of the food is now up to the requirements of the customers.

Gaya Optics Ltd.

For this company specialised in eyewear services, NPCC consultants focused their intervention on training on Muda identification and elimination and on improvements which the employees can make. The results at the end of these interventions were that their efforts to sustain their customer service have been successful and a high level of 5S has been maintained.

Tissue Converting Ltd

For Tissue Converting Ltd, the objective in joining the Muda Free Work Place programme was to train their employees in kaizen and process improvement. The project focused on improving housekeeping in the production area and also to implement a First In First Out (FIFO) system in the Finished Products Store Department.

Best Practices

Master's Continuous Stationery Ltd.

Following the successful implementation of the Model Companies Project, Master's Continuous Stationery Ltd. reiterated its trust in NPCC's capacity to improve its productivity and improvement initiatives in 2011. In this new venture, much focus was laid on the development of a Balanced Scorecard where the different sections were called upon to review their strategies and plans in this period of increasing competitiveness due to the combined effects of globalisation of business opportunities and downturn resulting from economic turmoil. Their encouraging results contributed to the company being awarded the Mauritius Business Excellence Award in the category of small enterprises in June 2011.

Employees Welfare Fund (EWF)

In order to consolidate the capacity building programme in the field of customer care which will contribute to enhance EWF's focus on its customer base, image and competitiveness, a Customer Charter was developed by the National Productivity and Competitiveness Council (NPCC). The development of this Customer Charter would be a way for the EWF to demonstrate its commitment to maintain good practices in the delivery of its services, and also provide a benchmark against which the EWF can measure its performance.

Best Practices

Employee Engagement Survey

Employee Engagement, as a metric of business success, is getting more attention than ever before. The National Productivity and Competitiveness Council (NPCC) conducted a survey in two companies namely Scott and Co Ltd and Ideco Center Ltd to measure the engagement of their employees. The reports serve as baseline for the companies to identify the gaps and to come up with concrete actions that once applied will ensure an engaged workforce.

Definition of employee engagement:

- The degree to which employees think, feel and act in ways that represent high level of enthusiasm and commitment to the stakeholders of the company
- The extent to which employees are willing to contribute their knowledge, skills, abilities and effort to help an organization succeed.
- Engagement is something the employee has to offer to the company

Employee engagement is associated with a range of positive outcomes at the individual and organizational levels.

- Engaged employees perform better
- Engaged employees are more innovative than others
- Engaged employees are more likely to want to stay with their employer

According to a study by Gallup (2006), on the average, 27% of employees are engaged in a company, 59% are not engaged and 14% are actively disengaged. Engaged employees work with passion and feel a profound connection to their company. Not engaged employees are essentially 'checked out'. They are sleepwalking throughout their workday, putting time, but not energy or passion, into their work. Actively disengaged employees are busy acting out their unhappiness at work. They undermine everyday what their engaged coworkers accomplish.

It is to be noted that highly engaged employees are 1.3 times more likely to be high performers than less engaged employees and five times less likely to leave the company voluntarily.

Aims and objectives of the Employee Engagement Survey

- To provide the management with some baseline measurements of some very important organizational dynamics i.e. understand the employees' attitude, engagement, motivation, and satisfaction towards their job and the organization they work for.

At a later stage:

- To measure engagement and retention trends and improvements over time, adjust strategies and take action when necessary
- To identify the gaps and create an opportunity for employees to participate in explaining the gaps and developing improvement plans

The engagement survey was conducted at Scott and Co Ltd on 7-8 February 2011 with 186 employees (79 operatives, 83 staff and 24 from management).

50 employees (36% staff and 54% workers) from IDECO Center Ltd were involved in the engagement survey conducted on the 18-19 July 2011.

As a follow up of the Engagement Survey, the NPCC has facilitated a half day session with the management and staff of IDECO to gain their consensus and to define an action plan to improve employee engagement at IDECO Center Ltd.

The surveys have revealed that the majority of employees are engaged with scope to raise levels of engagement overall.

Employee engagement has emerged as a useful way to measure the relationship between employee and employer and it is imperative for the companies to pursue strategies to raise levels of employee engagement.

Best Practices

Knowledge Sharing

For the productivity movement to gain impetus in the local companies, it is imperative to disseminate the application of the productivity tools and techniques in the local context in order to get adherence from a wider audience both from management and workers.

On 17th February 2011, a knowledge sharing exercise on the theme "Quality Products and Quality Design" was organised by NPCC with the collaboration of the Japan Productivity Center to share the outcomes and experiences in implementing productivity improvement tools such as 5S and Kaizen in enterprises. It was an opportunity for the two companies – Allegra Création Ltd. and Master's Continuous Stationery Ltd. - which participated in the third phase of the Model Companies Project to share the benefits in terms of reduction of delivery time, monetary savings, quality improvements, and team spirit that they have encountered since they joined the project.

Best Practices

PRODUCTIVITY ACADEMY

Empowering people through training and capacity building has always been an integral part of NPCC's intervention strategies. The NPCC's Productivity Academy was thus established in 2008, to provide practical training in the use of productivity tools to public and private enterprises, to contribute to the financial sustenance of the NPCC, and to produce a critical mass of productivity activists in Mauritius. Over the last three years, the Productivity Academy has become a reference in the field of training on productivity improvement.

A key issue in organizational recovery and growth is productivity. Productivity growth from capital investments in equipment, technology, and other physical assets are important but it's an organization's soft culture and leadership behaviors that ultimately decide whether those "hard" investments will ensure productivity to sink or soar. In that order, the NPCC Productivity Academy offered various "soft" and "hard" courses in the year 2011 to help productivity propagate in organizations.

The Year 2011 was thus another exciting year of growth and innovation for the NPCC Academy. Based on the success of the courses delivered during the previous years, nine new courses were added to the training calendar, out of which two courses were targeted to students and teachers.

Soft Productivity

Problem-solving, communicating effectively and working with others are important skills for an organization to grow better. Courses such as:

- Train-the-trainer for on-the-job facilitators,
- Enhancing productivity through improved communication, and
- Customer care were delivered this year with the aim to help organizations improve the "social aspect" of productivity.

The objectives of the courses were:

Train-the-trainer for on-the-job facilitators

- To enable team leaders to develop training skills to improve their role as an on-the-job training facilitator.
- To promote an understanding of the need for structured approach for on-the-job training.
- To promote appropriate strategies for developing on-the-job training sessions by facilitators.
- To create a dynamic program

The Train-the-trainer for on-the-job facilitators course was delivered in April 2011, a total number of 27 participants from both the public and private sector attended the course. It was designed to develop or refresh the on-the-job trainer's ability to run exciting and effective training programs and to teach participants how to determine the needs of the learners and improve effectiveness and efficiency of performing tasks.

Best Practices

Customer Care

- To develop understanding and knowledge to meet the needs and expectations of internal and external customers.
- To equip participants with tools and techniques to provide friendly, convenient and seamless service to customers.
- To develop the skills to plan, design and change operational systems to improve levels of customer care and service.

This two-day course delivered in February 2011 emphasized the role that each person plays towards good customer relations within their organization. They learned how to develop and maintain a positive attitude, show extra attentiveness to customers, use customer-friendly language, and deal effectively with customer complaints and problems. Finally, participants learned how to build rapport with customers, interpret non-verbal communication skills, provide quality customer service over the telephone, and communicate effectively. 17 participants attended this course.

Enhancing Productivity through Improved Communication

- To introduce to participants productivity and barriers to productivity improvement
- To develop basic Communication skills
- To develop effective communication skills
- To resolve conflict
- To equip participants with communication Skills in Teams

This intensive two day program, held in May 2011, showed 19 participants from the public/private sector the importance of communication in improving productivity, and common communication problems that hinder productivity improvement. Employees at all levels learned effective interpersonal communication skills to improve workplace morale, enhance meeting efficiency, bolster teamwork, and resolve conflict resolution.

Best Practices

Innovation and creativity

“We need to think differently!”, “This needs some fresh ideas!”, “We have got to be more creative around here!” More messages like these are popping up more and more in our workplace nowadays. Faced with complex, open-ended, ever-changing challenges, organizations realize that constant, ongoing innovation is critical to stay ahead of the competition. This is why we need to be on the lookout for new ideas that can drive innovation, and it’s why the ability to think differently, generate new ideas, and spark creativity within a team becomes an important skill.

Often, though, we make the mistake of assuming that good ideas just happen. Or worse still, we get caught in the mind trap that creativity is an aptitude; some people have it, others don’t. Then there is the other self-defeating belief – “I am not intelligent enough to come up with good ideas.” These assumptions are rarely true. Everyone can come up with fresh, radical ideas – you just need to learn to open your mind and think differently. Our courses on:

- Creativity and Innovation for Enterprises,
- Team Building, and
- Teambuilding for team leaders are designed to meet these needs/ demands and help participants open their mind.

The objectives of the courses were:

Creativity and Innovation for Enterprises

- To enhance their understanding of Innovation and Creativity.
- To unleash & fulfill their highest Innovation potential.
- To contribute to making their organization innovative.
- To learn a broad range of problem solving and idea generating techniques.
- To gain basic skills in idea management.
- To understand how successful Innovation process works.
- To understand how to enable a culture for Innovation.

9 participants attended this course in June 2011. The participants gained a comprehensive understanding of the different innovation practices. They got the opportunity to use many idea generating techniques and to use creativity to solve real business issues. They were also exposed to real life case studies in Innovation. role that each person plays towards good customer relations within their organization. They learned how to develop and maintain a positive attitude, show extra attentiveness to customers, use customer-friendly l

Best Practices

Team Building for Team Leaders

- To know participants’ own values, strengths and qualities as a leader and their own leadership style
- To be familiar with different leadership styles and when to use them
- To understand group dynamics
- To be able to observe conflict signals and handle individual and group problems
- To analyse team roles and put into place strategies for teambuilding
- To be able to communicate effectively with their team

This course provided the participants with the knowledge and skills to select a complementary team, strengthen relations amongst team members, as well as enhanced their leadership style. The course was conducted on the 12-13th October 2011 with 12 participants mostly from the private sector.

Team Building

- To use the six characteristics of effective and efficient teams as a checklist in assessing team performance and as a guideline for team development
- To manage tasks in steering their team through the four major phases of group development
- To understand the nature and dynamics of conflicts
- To observe conflict signals and relating them to different types of conflicts
- To assess the positions, viewpoints and interests of parties involved
- To identify steps and planning strategies for conflict transformation
- To apply negotiation and mediation skills
- To develop attitudes and communication techniques to reduce tension and leading to agreements in conflict situations

The participants learned how to develop all the practical habits of functioning as an effective team in their everyday activities. They experienced and understood other people’s ways of working and being. The course integrated both practical exercises and role plays and was further coupled by group activities. This course was held in June 2011, 19 persons attended this training.

Best Practices

Promoting employee Involvement through Quality Circles and Suggestion Schemes

- To be able to explain the philosophy, basic concepts, tools and operation of quality circles
- To design, organise and set up Quality Circles in participants" respective organisation
- To use creative ideas for improvement through suggestion schemes
- To learn and practice effective presentation skills

The course introduced participants to the application of quality tools and techniques at the workplace in order for them to solve everyday problems in a systematic way. The participants also developed analytical skills; learned how to improve their work performance and company productivity. The course was held in September 2011with 21 participants.

Unleash your Creative and Innovative Skills & Unleash the Creative and Innovative Skills of your students

- To develop creativity potential of students.

These two courses were a major success and had to be repeated to satisfy the number of participants enrolled. They were held during the end of 2nd term holidays and the end of year holidays. 86 students and 41 teachers in all attended the training.

Best Practices

Hard Productivity

Waste costs you and your customers money. And if your customers have to pay more because of it, they might go elsewhere. Being competitive also requires a lot of flexibility. You must be able to meet the changing demands of your customers quickly and effectively, and adapt to a rapidly changing business environment.

Our courses on :

- Green Productivity,
- Lean Management through Kaizen,
- Productivity Improvement through Good Housekeeping, and
- Productivity and Quality Awareness Course demonstrate how you can reduce waste and do things more efficiently and how to keep up with the changing demands of customers.

The objectives of the courses are:

Green Productivity

- To develop the skills of the participants and train them in simple methodologies to initiate green productivity programs focusing on pollution prevention, productivity improvement and environmental protection

This course was delivered in April 2011. The course provided the participants, theory and hands-on practice for improving productivity and profitability through environmentally sound operations and management practices.

Lean Management through Kaizen

- To learn basic concepts of productivity and Kaizen.
- To develop the ability of participants to apply Kaizen to improve their workplace through MUDA / waste elimination.
- To apply good housekeeping (5S) to improve cleanliness, discipline and safety in the workplace
- To select appropriate industrial engineering tools and techniques for kaizen at the workplace

This training delivered during the month of May 2011 taught participants how to change the focus of management from optimizing separate technologies, assets, and vertical departments to optimizing the flow of products and services through entire value streams that flow horizontally across technologies, assets, and departments to customers. A total of 22 participants attended the course.

Best Practices

Productivity Improvement through Good Housekeeping

- To learn why good housekeeping is important
- To familiarize yourself with good housekeeping tools and techniques
- To visualize the difference it can make for your organization
- To prepare to implement and sustain your improvements

The course was delivered in June 2011 and participants from both private and public sector attended the course. The participants were introduced to good housekeeping techniques and their contribution to an organization. Upon completion of the training, participants were able to understand and immediately apply "Good Housekeeping "in their workplace.

Productivity and Quality Awareness course

- To explain the concepts and importance of productivity and quality
- To discuss the productivity management framework
- To explain the relationship between productivity, quality and green productivity
- To explain the key approaches to improve productivity and quality

The training program delivered in July 2011 taught the participants present, the concepts and importance of productivity and quality, identify productivity and quality issues and the key approaches to improve productivity and quality.

Best Practices

Customized Training

Demand for in-house / customized training has also been on the increase this year. We tailored some of our courses for some organizations as followed:

- "Team building" – MCCI, January 2011
- "Employee Involvement through quality circles and suggestion schemes" – FAIL Group, April/May 2011
- "Enhancing productivity by applying Kaizen at the workplace" – FAIL Group, April/May 2011
- "Enhancing productivity through improved communication" – EPZ Labour Welfare Fund, July 2011
- "Employee Involvement through quality circles and suggestion schemes" – Consolidated Fabrics Limited, September 2011
- "Enhancing productivity by applying Kaizen at the workplace" – FAIL Group, November 2011
- "Train-the-trainer for on-the-job facilitator" - EIH Flight Services, May/June 2011

Dissemination of knowledge

Dissemination of knowledge

Between January and December 2011, various activities were organized to sensitise and initiate people on the concepts of productivity:

- Presentation on Innovation at Harel Mallac Ltd. Annual Communications Meeting, February 2011
- Sensitisation on Team Building to Form 1 students of Le Bocage International School, February 2011
- Sensitisation on Green Productivity to employees of the Ministry of Industry, April 2011
- Presentation on 5S, Muda, Kaizen to employees of Mauritius Ports Authority, April 2011
- Sensitisation on HIV AIDS / Drugs for ELIT (English Literacy using IT) participants, April 2011
- ELIT (English Literacy using IT): Training of Trainers Course, July-August 2011
- Talk on Leadership and Assertiveness for Young Women Leaders at Rivière du Rempart, Pont Lardier and Rose Women Centres, May 2011.
- Furthermore, in 2011, 429 new resources were added to the collection of the Knowledge Centre.

Corporate Services

Corporate Services

The Team

The NPCC is a lean organisation with a flat and matrix type of structure.

The total number of staff on the establishment at 31st December 2011 was 35. However, only 14 staffs were in post and included two Office Attendants/Drivers and three support staffs. No recruitment was effected during the period under review on ground of financial constraints.

- Mr N Sukurdeep, Productivity Consultant, resigned with effect from 1st June 2011
- Mr Bhoomitra Sharma Toolsy, Productivity Specialist, left the NPCC following the end of his contract on 9th August 2011.
- Mrs Priyadarshini Bhadain Hurdowar, Productivity Executive, resigned with effect from 1st December 2011.

Capacity Building

To strengthen the capability of its staff, the NPCC sponsors them to attend training programmes, Conferences and workshops both locally and abroad. During the period under review, NPCC staff have undergone training as follows:-

- Mrs F M Charlotte and Mrs S Mathaven attended a training programme on "Leadership from within" organised by Towerstone Mauritius from the 13th – 15th July 2011.
- Mr T Marechal attended the WIPO training of Trainers Program on Effective Intellectual Property asset Management by SMEs, organised by the World Intellectual Property Organisation (WIPO) and the Mauritius Research Council from 5th to 8th July 2011.

International Networking

International Networking

International networking plays a key 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. The NPCC International Networking objective is to put emphasis on collaborative efforts to develop, share and transfer skills and competencies required to strengthen the organisation.

No networking missions have been undertaken during the period under review.

During the Financial year, the NPCC had representatives in the following task forces/ boards/ committees/ organization.

Local

- The Executive Director of the NPCC is a member of the Human Resource Development Council.
- The Executive Director of the NPCC has been nominated to the senate of the University of Mauritius.

Regional

The Executive Director of the NPCC is the President of the Pan African Productivity Association and a member of the Advisory Board of the Pan African Competitiveness Forum.

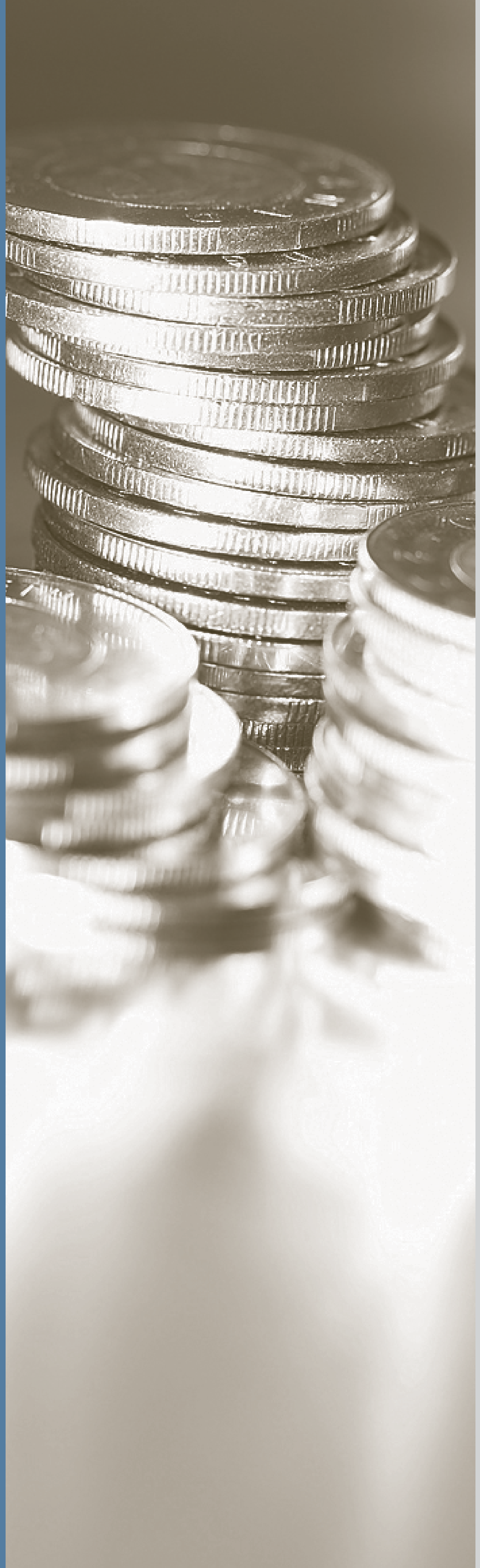
International

The Executive Director of the NPCC is an Executive Board Member (representing Africa) of the World Council of Productivity Science.

NPCC is a member of :

GBN (Global Benchmarking Network)
The Clustering Alliance
Clusters Asia Pacific
The Competitiveness Institute
Public Sector Benchmarking Service

Financial Report



Financial Report

The accounts have been prepared for the twelve months ending 31st December 2011. The comparative (1st June 2009 – 31st December 2010) accounts were prepared for eighteen months period, given a change in the fiscal year.

The main activities in 2011 have been the productivity improvement programmes in enterprises and the two-day training programmes run under the NPCC Productivity Academy. Nineteen two-day training were conducted which were attended by a total of 315 participants.

Income

For the financial year under review, an amount of Rs 19 M was voted and released as government grant compared to Rs 19.7 M for the year ended 31st December 2010. The grant is released by the ministry on a monthly basis. The NPCC has also generated income amounting to Rs 3.5M from activities during the year. A surplus of Rs 1.9M has been recorded.

Expenditure

Total Expenditure for the year ended 31st December 2011 amounted to Rs 21M (excluding depreciation) compared to Rs23M for the year ended 31st December 2010. Staff and projects costs represent 64% and 7% of total cost respectively. It is to be noted that consultancy and training services have been provided by NPCC staff only. Expenditure on administration stood at 29%, while expenditure on equipment represents less than 1% of total cost. The table below shows the details of expenditure together with share in total Expenditure.

Financial Report (continued)

Financial Report (continued)

EXPENDITURE

	6 months ending December 31 2009	12 months ending December 31 2010	18 months ending December 31 2010 (01.07.09 to 31.12.10)	12 months ending December 31 2011	12 months ending December 31 2011 (% of Total Expenditure)
	Rs	**Rs**	**Rs**	**Rs**	
Staff Costs	**7,073,984**	**15,045,993**	**22,119,977**	**13,244,878**	**64**
Administrative Costs	**2,992,885**	**6,098,994**	**9,091,879**	**5,999,927**	**29**
Projects					
Training & Consultancy	275,916	457,128	733,044	1098754	
Innovation	49,241	2,269	51,510		
Promotion,Communication& Sensitisation	108,330	581,322	689,652	207,285	
Knowledge Centre	26,581	107,744	134,325	101,581	
International Networking	97,163	152,816	249,979	134,106	
Total Project Costs	**557,231**	**1,301,279**	**1,858,510**	**1,541,726**	**7**
Equipment , Furniture & M.Vehicle	**211,715**	**515,044**	**726,759**	**16,535**	**0**
Total Expenditure	**10,835,815**	**22,961,310**	**33,797,125**	**20,803,066**	

Report Of The Director Of Audit 2011

Report Of The Director Of Audit 2011

Report on the Financial Statements

I have audited the accompanying financial statements of the National Productivity and Competitiveness Council, which comprise the statement of financial position as of 31 December 2011, the statement of financial performance and the statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards 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 on Auditing. 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 at 31 December 2011, and of its financial performance and its cash flows for the year then ended in accordance with the 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

In my opinion, 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.

(Dr R. JUGURNATH)
Director of Audit

National Audit Office
Level 14,
Air Mauritius Centre
Port Louis

23 October 2012

Statement of Outturn for the fiscal year ended 31 December 2011

Accounts

Details	Revised Estimates Rs	Actual Rs
Salaries and Allowances	11,547,481	10,874,737
Travelling & Transport	1,343,367	1,251,908
Overtime	47,449	41,772
Staff Welfare	45,000	24,159
Contribution to the N.S.F.	55,986	55,815
Cost of Utilities	588,058	520,214
Fuel & Oil - Vehicles	82,882	82,605
Rental of Building	3,251,832	3,251,832
Office Equipment	17,450	-
Office Furniture	5,000	-
Office Expenses	180,752	117,909
Maintenance	860,000	773,052
Cleaning Services	110,400	110,400
Publications and Stationery	423,966	293,735
Overseas Travel	20,000	-
Fees	1,037,950	959,758
Pensions	805,550	411,814
Gratuities	530,302	251,135
Insurance - Vehicles	75,223	49,723
Insurance - Equipment & Staff	368,087	365,677
Acquisition of Non-Financial Assets	50,000	16,535
Training and Consultancy	1,403,842	1,098,754
Innovation	5,000	-
Prommotion, Communication & Sensitisation	203,851	207,285
Knowledge centre	101,300	101,581
International Networking	139,106	134,106
Total	23,299,834	20,994,504

Statement of Financial Position as at 31 December 2011

	NOTES	12 months ending December 31 2011 Rs	18 months ending December 31 2010 Rs
ASSETS			
Current assets			
Trade and Other Receivables	6	2,534,870	4,887,638
Cash & Cash Equivalents		13,311,127	14,869,753
		15,845,997	19,757,391
Non-current assets			
Plant and Equipment	7	500,062	934,034
Total assets		16,346,059	20,691,425
LIABILITIES			
Current liabilities			
Trade & Other Payables	8	3,923,992	8,918,654
Non Current liabilities	9	4,617,126	5,049,573
Total liabilities		8,541,118	13,968,227
Net Assets		7,804,941	6,723,198
EQUITY			
General Fund	10	7,804,941	6,723,198

The Notes to the Accounts from pages 62 to 72 form part of the Financial Statement.

Mr P. Dyail
Vice Chairman

Ms A.S. Benyett
Executive Committee Member

Statement of Financial Performance for the fiscal year ended 31 December 2011

	NOTES	12 months ending December 31 2011 Rs	18 months ending December 31 2010 Rs
Revenue			
Income	5(a)	3,127,141	2,641,809
Government Grant	11	18,983,465	29,889,938
Other Income	12	881,317	1,948,696
Total Revenue		22,991,923	34,480,443
Expenses			
Staff costs	13	12,911,339	22,119,977
Administrative costs	14	6,524,905	9,091,879
Other expenses	15	1,589,457	1,917,816
Depreciation		450,507	1,206,740
Total Expenses		21,476,208	34,336,411
Surplus for the year		1,515,715	144,032
Surplus brought forward		5,789,165	5,645,133
Surplus carried forward		7,304,880	5,789,165

Statement of changes in equity for the fiscal year ended 31 December 2011

	CAPITAL FUND	RESERVES	TOTAL
As at 1 January 2011	934,033	5,789,165	6,723,198
Transfer from Government Grant	16,535		16,535
Deferred income - transfered to Income & Expenditure	(450,507)		(450,507)
Surplus for the year		1,515,715	1,515,715
As at 31 December 2011	500,061	7,304,880	7,804,941

Statement of Cash Flows for the fiscal year ended 31 December 2011

A. Cash Flow from operating activities	**12 months ending December 31 2011**	**18 months ending December 31 2010**
Surplus for the period	1,515,715	144,032
Adjustments for:		
Depreciation	450,507	1,206,741
Retirement and Other Benefits	20,662	207,637
Amortisation of capital grant	(450,507)	(1,206,741)
Operating Deficit before working capital changes	1,536,377	351,669
Decrease in Receivables	1,929,592	79,765
(Decrease) / Increase in Payables	(5,024,596)	5,273,216
Net cash flow from operating activities	(1,558,626)	5,704,650
B. Investing activities		
Purchase of Property, plant and equipment	(16,535)	(726,758)
C. Financing activities		
Capital grant	16,535	624,073
CommonWealth of Learning - L3 project	-	102,685
	16,535	726,758
Increase / (Decrease) in cash and cash equivalent	(1,558,626)	5,704,650
Cash and cash equivalent at the beginning of the period	14,869,753	9,165,103
Cash and cash equivalent at the end of the period	13,311,127	14,869,753

Statement of Budgets and Accrued Based Amounts for the fiscal year ended 31 December 2011

Details	Estimates Rs	Revised Estimates Rs	Financial Statements Rs
Salaries and Allowances	13,058,580	11,547,481	10,874,736
Travelling & Transport	1,620,480	1,343,367	1,251,908
Overtime	84,000	47,449	41,772
Staff Welfare	45,000	45,000	24,159
Contribution to the N.S.F.	60,000	55,986	55,815
Cost of Utilities	650,000	588,058	520,214
Fuel & Oil - Vehicles	108,000	82,882	82,605
Rental of Building	3,260,000	3,251,832	3,251,832
Office Equipment and Furniture	400,000	22,450	-
Office Expenses	250,000	180,752	117,909
Maintenance	760,000	860,000	773,052
Cleaning Services	115,000	110,400	110,400
Publications and Stationery	525,000	423,966	293,735
Overseas Travel	400,000	20,000	-
Fees	1,512,000	1,037,950	959,758
Pensions	835,000	805,550	411,814
Gratuities	495,480	530,302	251,135
Insurance - Vehicles	80,000	75,223	49,723
Insurance - Equipment & Staff	420,000	368,087	365,677
Acquisition of Non-Financial Assets	50,000	50,000	16,535
Training and Consultancy	600,000	1,403,842	1,098,754
Innovation	1,100,000	5,000	-
Prommotion, Communication & Sensitisation	300,000	203,851	207,285
Knowledge centre	110,000	101,300	101,581
International Networking	300,000	139,106	134,105
Total	27,138,540	23,299,834	20,994,504

Statement showing reasons for variances between Estimates and Revised Estimates for the fiscal year ended 31 December 2011

Details	Estimates Rs	Revised Estimates Rs	Variation Rs	Comments
Salaries and Allowances	13,058,580	11,547,481	(1,511,099)	Three staff resigned during the year
Travelling & Transport	1,620,480	1,343,367	(277,113)	
Overtime	84,000	47,449	(36,551)	
Staff Welfare	45,000	45,000	-	
Cont. to the N.S.F.	60,000	55,986	(4,014)	
Cost of Utilities	650,000	588,058	(61,942)	Provision for increase, not materialised
Fuel & Oil - Vehicles	108,000	82,882	(25,118)	Provision for increase, not materialised
Rental of Building	3,260,000	3,251,832	(8,168)	
Office Equipment and Furniture	400,000	22,450	(377,550)	Provision was made for the replacement of the photocopy machine. This have not been replaced.
Office Expenses	250,000	180,752	(69,248)	
Maintenance	760,000	860,000	100,000	Increase in maintenance of official car
Cleaning Services	115,000	110,400	(4,600)	
Publications and Stationery	525,000	423,966	(101,034)	Newsletter not printed in 2011
Overseas Travel	400,000	20,000	(380,000)	No overseas travel in 2011
Fees	1,512,000	1,037,950	(474,050)	Provision for increase in fees, not materialised
Pensions	835,000	805,550	(29,450)	Contibution not made in respect on one staff who left.
Gratuities	495,480	530,302	34,822	Provision made for salary adjustment
Insurance - Vehicles	80,000	75,223	(4,777)	
Insurance - Equipment & Staff	420,000	368,087	(51,913)	Decrease in value of equipment insured
Acquisition of Non-Financial Assets	50,000	50,000	-	
Other Recurrent Expenditure			-	
Training and Consultancy	600,000	1,403,842	803,842	Increase in number of training workshops
Innovation	1,100,000	5,000	(1,095,000)	Innovators Award not held
Prommotion, Communication & Sensitisation	300,000	203,851	(96,149)	
Knowledge centre	110,000	101,300	(8,700)	
International Networking	300,000	139,106	(160,894)	
Total	27,138,540	23,299,834	(3,838,706)	

Notes for the year ended 31 December 2011

1. GENERAL INFORMATION

The National Productivity and Competitiveness Council (NPCC) was established as a corporate body under the National Productivity and Competitiveness Council Act 9 of 1999 and came into operation in May 2000. The office of the NPCC is presently located at 4th floor, Alexander House, 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.

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.

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.

At the date of authorisation of the financial statements, the following relevant Standards and Interpretations were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IPSAS 27 Agriculture – effective date 1st April 2011
IPSAS 28 Financial Instruments: Presentation - effective date 1st January 2013
IPSAS 29 Financial Instruments: Recognition and Measurement - effective date 1st January 2013
IPSAS 30 Financial Instruments: Disclosures - effective date 1st January 2013
IPSAS 31 Intangible Assets - effective date 1st April 2011
IPSAS 32 Service Concession Arrangements: Grantor - effective date 1st January 2014

2(a) 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.

Notes for the year ended 31 December 2011

3. FIRST TIME ADOPTION OF IPSAS

These are the first set of financial statements prepared in accordance with IPSAS.

Last year's financial statements were based on IFRS. The adoption of IPSAS has not required significant changes to be made to the accounting policies previously followed by NPCC and has not resulted in any other changes to the assets and liabilities recognized in the Statement of Financial Position.

4. 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.

5. 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.

Government grant received to finance expenditure on property, plant and equipment is recognized as a deferred income in the Statement of Financial Position and is released to the Statement of Performance over the life of the assets.

(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. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date and gains or losses on translation are recognised in the statement of financial performance.

(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 as at 31 December 2011. 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 640,391/- at 31st December 2011. The annual increase in passage benefits is expensed to the Statement of Financial Performance.

Notes for the year ended 31 December 2011

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, "see note 17" as at 31 December 2010 and 31 December 2011.

(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 five year operating lease with Stanmore Investment Ltd, for office space at Alexander House, Ebene in January 2007. Operating lease payments for the year ended 31st December 2011 were Rs 3,251,832/-. (Period June 2009 to December 2010: Rs4,877,748). The monthly rental is presently Rs 270,986/-. The lease has been further extended for one year, ending 31st December 2012.

(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.

Notes for the year ended 31 December 2011

(j) Employee Disclosure

As at December 31, 2011, NPCC had 14 full-time employees and 1 trainee, out of which 9 are technical (31 December 2010: 17 full-time employees and 2 trainees, out of which 12 were technical).

(k) Key Management Personnel

NPCC is governed by a management with key personnel that, at 31st December 2011, included the Executive Director and two Productivity Consultant who are responsible for operating the various activities of the organisation. The aggregate remunerations of key management personnel was Rs 4,319,763/- for the period 1st January to 31st December 2011, which are all short term benefits.

(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.

(n) Change in Accounting Period

The change of the reporting period to calendar year is effective since 1 July 2009. The previous financial statements were exceptionally prepared for a period of eighteen months ending 31 December 2010 to cater for the change in the reporting period. The present financial statements are for a period of twelve months ended 31 December 2011.

6. TRADE AND OTHER RECEIVABLES

	12 months ending 31 December 2011 Rs	18 months ending 31 December 2010 Rs
Debtors	635,642	2,549,157
Prepayments	44,520	60,597
Deposits	778,540	778,540
Advances (Car loan granted by government to Staff)	1,076,168	1,499,344
	2,534,870	**4,887,638**

Notes for the year ended 31 December 2011

7. PLANT AND EQUIPMENT

	Furniture Fixtures & Fittings Rs	Office Equipment Rs	IT Equipment Rs	Motor Vehicles Rs	Total Rs
COST					
At 1 Jan 2011	1,594,129	1,087,881	3,616,178	2,246,300	8,544,488
Additions			16,535		16,535
At 31 December 2011	1,594,129	1,087,881	3,632,713	2,246,300	8,561,023
DEPRECIATION					
At 1 Jan 2011	1,406,056	982,281	3,050,547	2,171,570	7,610,454
Charge for the year	98,035	76,967	200,775	74,730	450,507
At 31 December 2011	1,504,091	1,059,248	3,251,322	2,246,300	8,060,961
NET BOOK VALUES					
At 31 December 2011	90,038	28,633	381,391	-	500,062
At 31 December 2010	188,073	105,600	565,631	74,730	934,034

8. TRADE & OTHER PAYABLES

	12 months ending 31 December 2011 Rs	18 months ending 31 December 2010 Rs
Trade payables	242,240	721,614
Provisions	850,000	850,000
Other payables and accruals	1,969,736	6,163,864
Car loan - 'see note 9(a)'	447,016	423,176
Provision for Passage benefit - 'see note 9(c)'	415,000	760,000
	3,923,992	8,918,654

Notes for the year ended 31 December 2011

9. NON CURRENT LIABILITIES

	12 months ending 31 December 2011 Rs	18 months ending 31 December 2010 Rs
Retirement benefit obligation – " see note 17 "	-	386,617
Car loan - refundable by staff	629,151	1,076,168
Provision for Leaves refund	3,762,583	3,355,304
Provision for Passage Benefit	225,391	231,484
	4,617,126	**5,049,573**

9 (a) Car loan - refundable by staff

Amount due	1,076,168	1,499,344
Deduct : Amount falling due within one year	(447,017)	(423,176)
Amount falling due after more than one year	**629,151**	**1,076,168**

9 (b) Provision for Leaves refund

At start of the period	3,355,304	2,726,841
Provision for the year	407,279	628,463
At end of the period	**3,762,583**	**3,355,304**

9 (c) Provision for Passage Benefit

At start of the period	991,484	403,497
Payments during the year	(626,647)	(218,700)
Provision for the year	275,554	806,687
At end of the period	**640,391**	**991,484**
Deduct : Amount falling due within one year	415,000	760,000
Amount falling due after more than one year	**225,391**	**231,484**

Notes for the year ended 31 December 2011

10. GENERAL FUND

	12 months ending 31 December 2011 Rs	18 months ending 31 December 2010 Rs
Capital Fund " see note 16 "	500,061	934,033
Surplus of income carried forward	7,304,880	5,789,165
	7,804,941	**6,723,198**

11. GOVERNMENT GRANT

Grant Received	19,000,000	30,514,011
Less Grant devoted to Capital Expenditure	(16,535)	(624,073)
	18,983,465	**29,889,938**

The amount of Rs 16,535 has been credited to the capital grant account and will be amortised over the useful life of the assets purchased.

12. OTHER INCOME

Interest received	415,784	563,664
Miscellaneous income	15,027	178,292
Deferred Income in respect of Government Grant	450,507	1,206,740
	881,317	**1,948,696**

13. STAFF COSTS

Salaries and allowances	10,874,736	18,622,167
Travelling & Transport	1,251,908	1,932,945
Overtime	41,772	57,396
Staff Welfare	24,159	64,220
Contribution to the N.S.F.	55,815	80,087
Pensions	411,814	692,051
Gratuities	251,135	671,110
	12,911,339	**22,119,977**

Notes for the year ended 31 December 2011

14. ADMINISTRATIVE COSTS

	12 months ending 31 December 2011 Rs	18 months ending 31 December 2010 Rs
Cost of utilities	520,214	710,667
Fuel & oil - vehicles	82,605	112,135
Rental of building	3,251,832	4,877,748
Office expenses	117,909	227,256
Maintenance	773,052	883,594
Cleaning services	110,400	165,600
Publications and stationery	293,735	171,404
Overseas travel	-	228,813
Fees	959,758	1,064,457
Insurance - vehicles	49,723	117,593
Insurance - staff & equipment	365,677	532,612
	6,524,905	**9,091,879**

15. OTHER COSTS

Training and consultancy	1,098,754	733,044
Innovation	-	51,510
Prommotion, communication & sensitisation	207,285	689,652
Knowledge centre	101,581	134,325
International networking	134,106	249,979
Difference on foreign exchange	47,732	59,307
	1,589,457	**1,917,816**

16. CAPITAL FUND

Balance b/f	934,033	1,414,015
Transfer from government grant	16,535	624,073
Transfer from Commonwealth of Learning	-	102,685
Less Deferred Income	(450,507)	(1,206,740)
	500,061	**934,033**

Notes for the year ended 31 December 2011

17. RETIREMENT BENEFIT OBLIGATION

	Year ending 31 December 2011	18 months ending 31 December 2010
Amounts recognised in balance sheet at end of year:	**Rs**	**Rs**
Present value of funded obligation	6,131,740	5,311,144
(Fair value of plan assets)	(5,908,759)	(4,784,280)
	222,981	526,864
Present value of unfunded obligation	-	-
Unrecognised actuarial gain/(loss)	(267,970)	(140,247)
Unrecognised transition amount	-	-
Liability recognised in balance sheet at end of year	**(44,989)**	**386,617**
Amounts recognised in income statement:		
Current service cost	600,776	846,800
Employee contribution	(384,251)	(501,965)
Fund expenses	21,134	27,608
Interest cost	557,670	643,484
(Expected return on plan assets)	(554,496)	(558,315)
Actuarial loss/(gain) recognised	-	-
Past service cost recognised	-	-
Transition effect of adopting IAS 19	-	-
Total, included in staff costs	**240,833**	**457,612**
Movements in liability recognised in balance sheet:		
At start of year	386,617	807,443
Total staff cost as above	240,833	457,612
(Contributions paid by employer)	(672,439)	(878,438)
At end of year	**(44,989)**	**386,617**
Actual return on plan assets:	**131,217**	**580,560**
Main actuarial assumptions at end of year:		
Discount rate	10.50%	10.50%
Expected rate of return on plan assets	10.50%	10.50%
Future salary increases	7.50%	7.50%
Future pension increases	5.50%	5.50%

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 2011

17. RETIREMENT BENEFIT OBLIGATION (continued)

	Year ending 31 December 2011	18 months ending 31 December 2010
Reconciliation of the present value of defined benefits obligation	**Rs**	**Rs**
Present value of obligation at start of period	5,311,144	4,085,615
Current service cost	600,776	846,800
Interest cost	557,670	643,484
(Benefits paid)	(42,294)	(35,064)
Liability (gain)/loss	(295,556)	(229,691)
Present value of obligation at end of period	**6,131,740**	**5,311,144**
Reconciliation of fair value of plan assets		
Fair value of plan assets at start of period	4,784,280	2,885,990
Expected return on plan assets	554,496	558,315
Employer contributions	672,439	878,438
Employee contributions	384,251	501,965
(Benefits paid + other outgo)	(63,428)	(62,672)
Asset gain/(loss)	(423,279)	22,244
Fair value of plan assets at end of period	**5,908,759**	**4,784,280**

Distribution of plan assets at end of period

Percentage of assets at end of year	31 December 2011 (%)	31 December 2010 (%)
Government securities and cash	50.60%	52.20%
Loans	7.80%	7.80%
Local equities	23.20%	25.20%
Overseas bonds and equities	17.50%	14.00%
Property	0.90%	0.80%
Total	**100%**	**100%**

Notes for the year ended 31 December 2011

17. RETIREMENT BENEFIT OBLIGATION (continued)

Additional disclosure on assets issued or used by the reporting entity

	31 December 2011	31 December 2010
Percentage of assets at end of year	(%)	(%)
Assets held in the entity's own financial instruments	-	-
Property occupied by the entity	-	-
Other assets used by the entity	-	-

History of obligations, assets and experience adjustments

Period ending	31 December 2011	31 December 2010
Currency	Rs	Rs
Fair value of plan assets	5,908,759	4,784,280
(Present value of defined benefit obligation)	(6,131,740)	(5,311,144)
Surplus/(deficit)	(222,981)	(526,864)
Asset experience gain/(loss) during the period	(423,279)	22,244
Liability experience gain/(loss) during the period	295,556	229,691

Year	2012
Expected employer contributions	701,699

NPCC
Ensam pou enn méyer kalité lavi

National Productivity and Competitiveness Council
4th Floor, Alexander House,
Cybercity Ebène, Réduit.
Tel: (230) 467 7700 - Fax: (230) 467 3838
Email: natpro@intnet.mu - Website: www.npccmauritius.com