

November 2016

# **Report on Licensing at the Tourism Authority and the Beach Authority**



INDEPENDENT COMMISSION AGAINST CORRUPTION

## DRAFT REPORT – LICENSING AT THE TOURISM AUTHORITY & BEACH AUTHORITY

### 1. INTRODUCTION

The PPPAC at its meeting of 14 June 2016 identified the next priority risk area as licensing in Tourism Authority and Beach Authority. In this context, a sub-committee comprising the following members was set up to conduct an assessment of the risk areas pertaining to licensing at the Tourism Authority (TA) and the Beach Authority (BA) and to come up with appropriate recommendations.

- Mr. H. Lee Kam Ok, from IBL Ltd.
- Mr R. Bablee, Executive Director, Transparency Mauritius.
- Mr L. Boodhoo, Ag. Assistant Director, CRB, ICAC
- Mr I. Rossaye, Senior Corruption Prevention Officer, ICAC
- Mr. L. Chaytoo, Administrative Manager, Beach Authority
- Mrs. V. Mohesh, Senior Corruption Prevention Officer, ICAC

The sub-committee met for the first time on 05 July 2016. During that meeting it was agreed that Mr. H. Lee kam Ok, would act as chairperson of the sub-committee. The sub-committee had five working sessions in all, two of which took place at the Tourism Authority and the Beach Authority respectively.

### 2. TERMS OF REFERENCE

**The Terms of Reference of the sub-committee were as follows:**

- To identify the alleged malpractices/ corrupt practices and take stock of the criticisms and complaints in the allocation of permits and licenses at TA and BA
- To identify possible causes, risk areas and corruption opportunities
- To take stock of initiatives already taken and discuss their effectiveness
- To make appropriate recommendations to promote transparency, strengthen accountability mechanisms and reinforce integrity of service delivery.

- To table a report to the main Committee (PPPAC).

### 3. METHODOLOGY

The approach adopted for the conduct of the risk assessment included:

- an examination and analysis of the Corruption Prevention Review (CPR) reports. In fact, the CPR conducted by the ICAC at the Tourism authority and Beach Authority were used as the basis of the sub-committee's work; and
- discussions with representatives of the Tourism Authority and Beach Authority.

#### 3.1 Corruption Prevention Review

ICAC had already conducted Corruption Prevention Reviews at the level of both the Tourism Authority and Beach Authority and a series of recommendations were made. A follow-up exercise to the CPR was subsequently carried out by ICAC. To date over 80% of the recommendations made have been implemented or are in the process of being implemented.

Some important recommendations have not yet been implemented, resulting in corruption risks in licensing. It is recommended that both the Beach Authority and Tourism Authority put in additional efforts and resources to expedite implementation of the proposed recommendations.

### 4. RISK IDENTIFICATION AND RECOMMENDATIONS

#### 4.1 Tourism Authority

##### Background

The Tourism Authority (TA) is a parastatal body falling under the aegis of the Ministry of Tourism and External Communication. It is established as a regulatory body under the Tourism Authority Act 2006, as amended. It is responsible for licensing, regulating and supervising the activities of tourist enterprises, pleasure crafts, skippers and canvassers.

The Tourism Authority has the responsibility to issue Pleasure Craft License, Tourist Enterprise License Skippers License, Boat House and Surfing Licenses. Approximately 95 officers work

at the Tourism authority. The postal address of the Tourism Authority is: Victoria House, Level 1, St Louis Street, Port Louis

The main functions of the Authority are to:

- license, regulate and supervise tourist enterprises
- register, license and regulate the use of pleasure crafts
- license and supervise the activities of canvassers and skippers
- manage and develop tourist sites
- carry out investigations and take measures to suppress illegal and improper practices in relation to any activity regulated under the Act
- establish standards, guidelines, and codes of practice in relation to the operation of tourist enterprises and pleasure crafts, and the activities of holders of skipper and canvasser permit
- advise the Minister on any matter relating to the tourism industry.

After considering the Corruption Prevention Review report and the follow up exercise undertaken by ICAC at level of the Tourism Authority and following the meeting held with the Director of the TA, the sub-committee is proposing the following recommendations, some of which had been made in the CPR reports:

RISKS	RECOMMENDATIONS	Expected Impact
<p><b>Deficient communication with stakeholders</b></p>	<ul style="list-style-type: none"> <li>• Creation of an E-licensing platform in line with the budget 2016-2017- this will reduce human intervention and reduce risk of corrupt practices/malpractices</li> <li>• Adoption of better communication strategies with the public, applicants and other stakeholders with a view to disseminate the policy and procedures on the processing and issue of licences to its different stakeholders.</li> <li>• Introduction of a one-stop shop platform for tourism-related licences.</li> <li>• Set up an information desk with trained officers to properly guide members of the public.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased transparency and accountability in the processing and issue of licences</li> </ul>

<b>Risk of bribery by public officials in the performance of their duties</b>	<ul style="list-style-type: none"> <li>• Development and adoption of a code of conduct for staff</li> <li>• More job rotations to avoid acquaintances with licence holders and deter the risk of sweetening process.</li> </ul>	<ul style="list-style-type: none"> <li>• Promote ethics and integrity</li> <li>• Deter risk of corruption</li> </ul>
<b>Reinforcing the Oversight Mechanism</b>	<ul style="list-style-type: none"> <li>• Appointment of an Internal Auditor (may be sought from parent Ministry)</li> </ul>	<ul style="list-style-type: none"> <li>• Reinforce oversight</li> </ul>
<b>Enhancing the delivery of service to the public</b>	<ul style="list-style-type: none"> <li>• Publication of a Customer Charter</li> <li>• The setting up of a hotline for reporting of corruption cases</li> <li>• Implementation of a Complaints Management system</li> </ul>	<ul style="list-style-type: none"> <li>• Promote ethics and integrity</li> <li>• Enhance customer care</li> </ul>
<b>Leakage of confidential information and abuse of position during processing of licensing applications</b>	<ul style="list-style-type: none"> <li>• Segregation of duties ensuring checks and balances in the processing and issue of licences.</li> <li>• Proper management control on all incoming and outgoing communications.</li> </ul>	<ul style="list-style-type: none"> <li>• Promote transparency and accountability in the processing and issue of licences</li> <li>• Reduces risks of leakage of information</li> </ul>
<b>Ensuring enforcement and compliance in line with the provisions of the Tourism Authority Act</b>	<ul style="list-style-type: none"> <li>• Joint crack down operations with MPF/NCG</li> <li>• Surprise check by ‘Flying Squad’ on licensee to verify compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Effective law enforcement</li> <li>• Promote check and balances</li> </ul>
<b>Anti-corruption training</b>	<ul style="list-style-type: none"> <li>• Regular awareness sessions for staff (including new recruits) on provisions of the PoCA and integrity and other appropriate legislations</li> <li>• Regular sensitisation and communication with existing and potential license holders</li> </ul>	<ul style="list-style-type: none"> <li>• Promote ethics and integrity</li> <li>• Better awareness of corruption offences</li> <li>• Promote transparency</li> </ul>

The Minister of Finance and Economic development in his budget speech (2016) has made some proposals to review the Licensing system in the Tourism Sector with a view to consolidate, rationalise and ease facilitation. These proposed measures are:

- (i) The validity of the Pleasure Craft Licence is being extended from one to three years.*
- (ii) The 3 categories of licences, namely, Pleasure Craft Licence, Boathouse Licence, and Surfing Licence will also allow an operator to conduct other sea related activities, as may be approved by the Tourism Authority.*
- (iii) One single licence, consolidating activities of similar nature will be introduced thereby eliminating the requirement to apply for several separate licences to operate one single activity. The list will be determined by the Tourism Authority.*
- (iv) A selection of tourist establishments will be required to apply for only one licence at the Tourism Authority to operate and sell liquor and other alcoholic beverages for consumption on the premises. As such, the requirement to annex 35 apply for a separate licence at the MRA to sell liquor and other alcoholic beverages, by a number of tourist establishments, is therefore eliminated.*
- (v) The list of licence issued by the Tourism Authority is being reviewed to remove few activities which no more require an authorisation from the Tourism Authority.*

*The Tourism Authority Act will be amended accordingly.*

Most of the above proposals are in line with the findings and the recommendation made. However, they may induce a lack of effective control and supervision, and by extension lead to abuses and/or corrupt practices. The implementation of these recommendations will take us a long way towards elimination of corruption risks in licensing in the Beach Authority and Tourism Authority.

## 6. BEACH AUTHORITY

### 6.1 Background

The Beach Authority, a body corporate falling under the aegis of the Ministry of Environment, Sustainable Development and Disaster and Beach Management, was established under the Beach Authority Act (BAA) 2002. It came into operation on June 2002 and has the responsibility to issue Beach Traders License. Around 60 officers work at the Beach Authority.

The postal address of the Beach Authority is 3<sup>rd</sup> Floor, Peninsula Bldg., Port Louis.

Its main objectives are to:

- ensure an integrated approach for the proper control and management of public beaches both in Mauritius and Rodrigues through the provision of appropriate infrastructure and facilities
- bring about a better democratisation of access to public beaches and make sure that the general public takes maximum advantage of the facilities offered
- Issue licences as per the BAA 2002.

#### **The risk areas and the recommendations are as follows:**

Risks	Recommendations	Expected Impact
<b>Risk of bribery by public official in the performance of their duties</b>	<ul style="list-style-type: none"><li>• Creation of E-licensing platform in line with the budget 2016-2017. This will reduce human intervention and reduce risk of corrupt practices/malpractices.</li></ul>	<ul style="list-style-type: none"><li>• Promote transparency and accountability in the processing and issue of licences</li></ul>
<b>Risk of bribery by public official in the performance of their duties</b>	<ul style="list-style-type: none"><li>• Implementation of a code of conduct</li><li>• Regular job rotations to avoid acquaintances with licence holders and minimise the risk of corruption/malpractices</li></ul>	<ul style="list-style-type: none"><li>• Promote ethics and integrity</li><li>• Minimise the risk of corruption/malpractices</li></ul>

Risks	Recommendations	Expected Impact
<p><b>Deficiency in communication with stakeholders</b></p>	<ul style="list-style-type: none"> <li>• Adoption of novel communication strategies with a view to disseminate effectively the policy and procedures on the processing and issue of licences to different stakeholders</li> <li>• Set- up an information desk with trained officers to properly guide members of the public.</li> </ul>	<ul style="list-style-type: none"> <li>• Promote transparency and accountability in the processing and issue of licenses.</li> </ul>
<p><b>Ensuring enforcement and compliance with the provisions of the law</b></p>	<ul style="list-style-type: none"> <li>• Empower enforcement officers to issue contraventions and follow up, possible violations of legislation or regulations</li> <li>• Surprise checks on licensees to verify compliance with the legislation/regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Effective law enforcement</li> <li>• Promote checks and balances</li> </ul>
<p><b>Anti-corruption training</b></p>	<ul style="list-style-type: none"> <li>• Regular awareness sessions for staff (including new recruits) on the provisions of the PoCA, and other appropriate legislations</li> <li>• Regular sensitisation and communication with existing and potential license holders</li> </ul>	<ul style="list-style-type: none"> <li>• Promote ethics and integrity</li> <li>• Better awareness of corruption and corruption offences</li> <li>• Promote transparency</li> </ul>

## **7. RECOMMENDATIONS CONCERNING BOTH TOURISM AUTHORITY AND BEACH AUTHORITY**

7.1 It is recommended that the Tourism Authority and Beach Authority meet regularly on a common platform to thrash out all issues related to licensing and thus avoid ambiguity and confusion.

7.2 It is recommended that a merger of the Beach Authority and Tourism Authority be considered to avoid duplication and functions ambiguity. This may necessitate a change in legislation.

## Report on Permits and Licensing in Tourism Authority and Beach Authority

### Additional Recommendations Proposed

Issue	Recommendations	Remarks
Application of Licences	Well documented and clear procedures	
	Defined timeline between application and issue of licences	
Processing	Established procedures should be strictly adhered to	
	Implementation of E-Licensing	
	Include a 'mailing system' in the E-Licensing platform to notify Beach Authority of application received and clearance required. Approval to be sent through same system as per set timeframe.	This system will facilitate communication between BA and TA concerning Kitesurf, Windsurf and Pleasure Craft licences
Award	Policies concerning licenses should be in line with existing legislations. Seek advice of SLO before issue of Regulations	
	Strict control and monitoring required following approval of license and communication with applicant	
	Review discretionary power of Minister i.c.w. applications on appeal	
Capacity building	Post award of license- Regular checks and monitoring / effective enforcement	
	Recruitment of technical persons (kitesurf, windsurf etc.) who can effectively assess applications and determine eligibility	

