ICTA

INFORMATION & COMMUNICATION
TECHNOLOGIES AUTHORITY

Information & Communication Technologies Authority
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INFORMATION & COMMUNICATION
TECHNOLOGIES AUTHORITY

Annual Report 2013

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Addressing mobile growth through numbering change

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Report of Corporate Governance

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

(REPORTING PERIOD: YEAR ENDED 31 DECEMBER 2013)

NATIONAL CODE OF CORPORATE GOVERNANCE

The Corporate Governance Committee ensures compliance with the National Code of Corporate Governance. The Committee is constituted of the following ICT Board Members:

Chairperson: Mrs A. C. R. Seewooruthun, Representative of the Prime Minister's Office

Members: Mr Y. Manick (up to 25 March 2013) / Mr S. P. Naidoo (as from 26 March 2013) and Mr A. Ramlugan, ICT Board Members

STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES

The responsibilities of the ICT Board Members are spelt out in the ICT Act 2001 (as amended) and include mainly implementing the policies regulating the various activities of the Authority. They ensure that the objects, powers and functions of the Authority are carried out in an effective, efficient and objective manner. The Board discharges its responsibilities either directly or through sub-committees duly appointed by the Board. The Board promotes openness, integrity, accountability to improve corporate behaviour, strengthen control systems over business processes and review management's performance on a regular basis. To fulfil their responsibilities, Board Members have access to accurate, relevant and timely information.

The ICT Board's responsibility includes designing, implementing and maintaining an appropriate internal control mechanism for the preparation and presentation of financial statements which reflect the true and fair financial position of the Authority in accordance with the International Public Sector Accounting Standards (IPSAS) and current regulations. It also entails selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances. Such systems ensure that all transactions are authorized and recorded and that any material irregularities are detected and rectified within a reasonable time frame.

The Board Members confirm that they have complied with the above requirements in preparing the financial statements for the year ended 31 December 2013.

Chairman
Mr B. Beeharee

Information & Communication Technologies Authority
ICTA
Level 12, The Celicourt,
6, Sir Celicourt Anteime st.
Port Louis

Board Member
Mr Gérard Cathan

STATEMENT ON RISK MANAGEMENT PROCESSES

Credit Risk

The Authority is exposed to credit risk pertaining to the possibility of default by licensees in settling their licence fee claims. The Authority has set up adequate measures to shield against such risks; the terms and conditions set out in its major licences under the ICT Act 2001 (as amended) provides for licensees to furnish bank guarantees in favour of the Authority.

This provision mitigates the credit risk exposure of the Authority with regard to the recoverability of licence fees and the eventuality of material loss of revenue arising.

Liquidity Risk

This risk refers to the possibility of default by the Authority in meeting its obligations in the eventuality of the unavailability of funds to meet both operational and capital requirements. In order to ensure adequacy of its funds, cash flow forecasts are prepared periodically to identify any likely shortage of funds.

	ICT Board Meeting	Audit Committee	Staff and Remuneration Committee	USF Management Committee	Corporate Governance Committee
TOTAL NO. OF MEETINGS	18	3	7	1	1
BOARD MEMBERS					
Mr T. Dwarka (Chairman)	18		7	1	
Mrs Chand Anandi Rye Seewooruthun (Representative of Prime Minister's Office)	10		6		1
Mr N. M. A. Khodabocus	14	2	5		
Mr A. Ramlugan	14	3			1
Mr Y. Manick (up to 25 March 2013)	0				
Mr S. N. Papaya (as from 26 March 2013)	13	1		1	1
Mr N. Malleck	12	2	1	1	
Mr A. Gordon-Gentil	9				

COMPOSITION OF THE BOARD

The ICT Authority is administered and managed by the ICT Board in accordance with the provisions of the ICT Act 2001. The ICT Board consists of the Chairperson, the representative of the Prime Minister's Office and five other Members appointed by the Minister of ICT.

Sub Committee:	Chairperson	Members
Audit Committee	Mr N. Malleck	Mr A. Ramlugan Mr N. Khodabocus
USF Management Committee	Mr S. N. Papaya	Mr T. Dwarka Mr N. Malleck
Staff and Remuneration Committee	Mr T. Dwarka	Mrs A. C. Seewooruthun Mr N. Khodabocus

TERMS OF REFERENCE OF SUB-COMMITTEES UNDER ICT BOARD

AUDIT COMMITTEE

COMPOSITION

Mr N. Malleck - Chairperson
Mr N. Khodabocus - Member
Mr A. Ramlugan - Member

The Audit Committee ensures that the Authority has a proper and effective internal control system. The main objectives of the Audit Committee are to:

- Evaluate the effectiveness of the system of internal controls;
- Identify and assess, through the Internal Controller, important risk areas and ensure that the critical risk areas are being effectively addressed by Management;
- Review internal audit plan to determine that internal audit objectives and goals provide for adequate safeguards and support the Audit Committee's objectives and goals;
- Meet with the internal and external auditors to review audit assignments carried out by them.

UNIVERSAL SERVICE FUND (USF) MANAGEMENT COMMITTEE

COMPOSITION

Mr S. N. Papaya - Chairperson
Mr T. Dwarka - Member
Mr N. Malleck - Member

The USF Management Committee is responsible for the following:

- Advising on the management of the Universal Service Fund (USF) at the level of the Authority;
- Recommending to the ICT Board any amendments to be made to the structure and management of the USF, both at the level of the Authority and at national level;
- Dealing with regulations made by the Minister pertaining to the USF;
- Preparation of annual budgets and project plans for the USF as well as financial reporting for submission to the ICT Board.

STAFF AND REMUNERATION COMMITTEE

COMPOSITION

Mr T. Dwarka	-	Chairperson
Mr N. Khodabocus	-	Member
Mrs A. C. R. Seewooruthun	-	Member

The Committee determines the Authority's general policies regarding remuneration and welfare of staff members and makes appropriate recommendations to the ICT Board.

PROFILE OF ICT BOARD MEMBERS

Mr Trilock Dwarka, Chairman

Trilock Dwarka has been the Chairman of the ICTA since 2005. He is also the Chairman of the Independent Broadcasting Authority and has also headed the National Cybercrime Prevention Committee. Mr Dwarka is a longstanding broadcast journalist. He was Head of News of the Mauritius Broadcasting Corporation from 1983 to 1991 before being appointed Director General of the MBC in 1996. In 1998 he initiated the process that led to the launching of DTT in Mauritius seven years later. He created Infotel Worldwide Services, a bulk data capture facility as well as Ring Me Services, a precursor to our call centres way back in 1992. Mr Dwarka has been involved, during his long career, at the level of executive committees of various regional and international organisations like CIRTEF, SABA, URTNA, CRASA and ARICEA among others. He has published various documents on broadcasting and has made contributions on DSO at the level of the CTO. He holds an MBA from Australia, a Fellowship from Syracuse University, USA and various diplomas in Journalism and Mass Communications.

Mrs Anandi Chand Rye Seewooruthun, Representative of the Prime Minister's Office

Chand Anandi Rye Seewooruthun, Permanent Secretary, Home Affairs, Prime Minister's Office has a long standing career in the public service. She has successively worked at the Ministry of Civil Service Affairs and the Ministry of Industry and Industrial Technology. She also occupied the post of Principal Assistant Secretary at Home Affairs, Prime Minister's Office since December 2000. Mrs Seewooruthun holds an MBA from Leicester Business School, UK (1994), a Masters in Public Sector Management from the University of Technology, Mauritius (2004) and a Cycle International d'Administration Publique (CIAP) Diploma from the Ecole Nationale d'Administration, France (2005)

Mr Yashwan Manick, Board Member

Yashwan Manick is the Lead Consultant for a consulting firm specializing in political, business and investment strategy. Mr Manick has been directly involved in political work in Europe, Africa and the United States of America. He has also consulted on several high profile business ventures in the EMEA region as well as advised on successful start ups. Previously, he was also the founder and managing director of a communication, design and advertising firm based in Mauritius. Mr Manick holds a liberal arts degree from an US Ivy League institution. He has been a Board Member since 2008.

Mr Sivapragasen Naidoo Papaya, Board Member

Sivapragasen Naidoo Papaya joined the Authority in March 2013. Mr Naidoo Papaya holds a Diploma in Co-operative Studies from the University of Mauritius. He was employed in the public service in the co-operative and education sectors. He has been involved in socio-cultural activities, as well as in journalism and trade union.

Mr Alain Gordon Gentil, Board Member

Alain Gordon Gentil has had a long and fruitful career in the media. He has worked as a political analyst, editorialist and interviewer and has won a "Journalist of the Year" award. Mr Gordon Gentil was Press Office director at the Prime Minister's Office and was one of the senior advisers to the Prime Minister. He is a writer and has published several novels in France. His last novel, *Devina* won the "Revélations 2009" prize in Paris. Mr Gordon Gentil has also been a television documentary producer. His films have been screened and broadcast in Mauritius, France, Britain, Belgium and Japan. Mr Gordon Gentil has been a Board Member since 2008.

Mr Naushad M. A. Khodabocus, Board Member

Naushad Khodabocus has been a Board Member since 2005. Mr Khodabocus holds an MSc in Engineering from a UK institution and has a legal and financial background. He was formerly a Lecturer at the University of Mauritius. He is also a member of the Radio Frequency Monitoring Unit of ICTA and has attended various conferences of the International Telecommunication Union on radio frequency spectrum management. Currently, he is a Director of the consulting engineering firm.

Mr Naushaad K. Malleck, Board Member

Naushaad K Malleck has been a Board Member since 2008. Mr Malleck holds an LLB from the University of Buckingham and has done his Bar Vocational Course at the BPP Law School in London. He has been practising at the Bar of Mauritius and was at the Chambers of Sir Hamid Moollan Q.C until 2011. He is presently practising at his Chambers in Port Louis.

Mr Amaresh Ramlugan, Board Member

Amaresh Ramlugan has been a Board Member since 2005. Mr Ramlugan holds a Masters Programme in International Business, a Masters Degree in Marketing Management as well as an MBA in Financial Management. He was previously Head of Corporate Affairs - Barclays Bank (Mauritius) PLC and Head of Marketing & Communications for the State Bank of Mauritius (SBM) Group, having specialised in Financial Services Marketing over the years. Mr Ramlugan is also an Executive Committee Member of the UOM Trust Business School. He is registered with the Mauritius Qualifications Authority (MQA) as a resource person and has formed part of accreditation panels of the Tertiary Education Commission, the regulator for tertiary education in Mauritius. He has over ten years' training and facilitation experience and has MBA-level lecturing experience. He plays an active role in the community and has served as President of the Rotary Club of Phoenix (2011/12).

SENIOR MANAGEMENT PROFILE

Dr Mukund Krishna Oolun, B Tech (Hons), MSc, PhD, MBA, CEng, MIET, MIEEE, RPEM, AMIEM - Executive Director

Dr M K Oolun, Chartered Engineer of the UK Engineering Council, holds a First Class Honours in Electrical & Electronic Engineering from the University of Mauritius, an MSc with distinction in Digital Instrumentation & Imaging Systems from the University of Manchester Institute of Science & Technology (UMIST), UK, a PhD in Communications Engineering jointly from the University of Mauritius & UMIST, and an MBA in Information Technology Management from the University of Leicester, UK. Dr Oolun joined the Authority as an Engineer in 2000 before becoming Director of Engineering in 2002 and since 2005 has been Executive Director.

Mr Harish Bhoolah, FCCA - Director of Finance and Administration

Harish Bhoolah, Chartered Certified Accountant joined the Authority as Director of Finance and Administration in 2002. Mr Bhoolah is a Fellow of the Association of Chartered Certified Accountants. Before joining the Authority, Mr Bhoolah worked for more than eight years at Kemp Chatteris - Deloitte and Touche as supervisor and for two years as Accountant at Ireland Blyth Ltd.

Mr Trilok Dabeesing, MSc Computer Science, DEA Electronique - Director of IT

Trilok Dabeesing holds a Masters in Computer Science from the George Washington University, U.S.A, as well as a “Diplome D’Etudes Approfondies” in electronics from University of Lille, France. He joined the Authority as Manager of IT in October 2003 and was appointed as Director of the IT Department in August 2009. He was formerly the Head of Engineering Services from 1995 to 2003 at the Mauritius College of the Air.

Mr Jérôme Louis, B Eng (Hons), M Tel Eng, MRP (Telecom), C Eng, MIET, MIEEE, RPEM - Director of Engineering

Jerome Louis, Chartered Engineer of the UK Engineering Council holds a Masters in Regulation and Policy (Telecommunications) from the University of West Indies, Trinidad and Tobago, a Masters in Telecommunications Engineering from University of Melbourne, Australia, as well as a BEng (Hons) from the University of Mauritius. He joined the Authority as Trainee Engineer in February 2003 and was appointed Manager – Engineering and Licensing Department in July 2003. He was appointed Director of Engineering in December 2004.

Mr Benjamin L. Moutou, MA (International Relations), Bsc (International Business), Dip Business Management, Dip in Human Resource Operations - Director of Marketing and Communications

Benjamin Laval Moutou joined the Authority as Director of Marketing and Communications in 2012 and holds an MA in International Relations from Monash University, Australia, a BSc in International Business as well as a double Diploma in Business Management and Human Resource Operations. Prior to his appointment he worked as a part time lecturer at the University of Mauritius teaching World Politics and had regularly contributed to articles in newspapers and magazines in Mauritius. Benjamin Moutou has also worked extensively in the international banking and finance sector in Melbourne, Australia prior to joining the ICTA.

RELATED PARTY DISCLOSURES

REMUNERATION PAID TO BOARD AND COMMITTEE MEMBERS

Key management are persons having authority and responsibility for planning, directing and controlling the activities of the Authority. During the year, the total remuneration of key management was as follows:

	2013 Rs	2012 Rs
Allowances paid to ICT Board and Internet Management Committee Members	5,300,548	5,223,451
Directors	12,044,109	8,938,237
	17,344,657	14,161,688

STAFF LOANS

Staff loans include auto cycle and car loans which are refundable in 60 and 84 equal monthly instalments respectively, and bear interest at the rate of 6.5% per annum. The above also include educational loans to staff members refundable in 60 equal monthly instalments with annual interest rate of 5%.

	2013 Rs	2012 Rs
Opening Balance of loan: -		
Receivable within 1 year	972,957	1,072,839
Receivable after 1 year	2,480,279	3,712,707
Loans granted during the year	1,404,000	741,000
Loan Installments Received	(1,158,728)	(2,073,310)
Closing Balance	3,698,508	3,453,236
Receivable within 1 year	1,294,701	972,957
Receivable after 1 year	2,403,807	2,480,279
	3,698,508	3,453,236

MANAGEMENT OF THE POSTAL AUTHORITY

In terms of the provisions of the Postal services Act 2002, the Members of the ICT Authority shall be deemed to be and, constitute the Members of the Postal Authority. Accordingly, the Postal Board comprises Members of the ICT Board.

CONFLICTS OF INTEREST

Any Member who has any direct or indirect pecuniary or other interest in a matter being considered or about to be considered by the Board, is required by law to forthwith disclose the nature of his interest to the Board and to abstain from being present during any deliberation and decision process of the Board in respect of that matter.

VALUES

- **Professionalism:** to demonstrate high-level professionalism in our day-to-day initiatives in relation to the business of the Authority and achieve continuous self-improvement.
- **Responsibility:** to speak up and report concerns about the ICT regulatory frameworks and laws, and seek clarification and guidance whenever there is doubt.
- **Commitment:** to develop the right attitude towards the job we undertake, encourage individual initiative and express our dedication in achieving our objects and function.
- **Honesty:** to be truthful in all our endeavours, to be honest and straightforward with one another and with our policy makers, communities, licensees, operators and service providers.
- **Integrity:** to express what we mean, to deliver what we promise and to stand for what is lawful.
- **Respect:** to treat one another with dignity and fairness, appreciating the diversity of our workforce and the uniqueness of each employee.
- **Trust:** to build confidence through framework and open and frank communication.

ICT AUTHORITY ETHICS POLICY

1. Overview

The overall aim of the ethics policy is to establish a culture of openness, trust and integrity in business practices. Effective ethics entails a team effort involving the participation and support of every employee of the ICT Authority. All employees should familiarize themselves with the ethics guidelines that follow this introduction.

The ICT Authority is committed to protecting employees, partners, vendors and the company from illegal or damaging actions by individuals, either knowingly or unknowingly. By addressing issues in a proactive manner and exercising correct judgment, the ICT Authority can stand out as an example amongst its counterparts. As such the ethics policy provides the scope for the Authority to take appropriate and prompt action to deal with any wrongdoing or impropriety. Appropriate measures will be taken to act quickly in setting matters right should the ethics standards be deemed to have been flouted. Any infraction of this code of ethics will not be tolerated.

2. Purpose

The decision of the ICT Authority to make available a publication on ethics is to emphasize the employee's and customer's respective expectations to be given fair treatment in the dispensation of the ICT Authority's business and to ensure standards are maintained in business practices. The ethics policy will serve to guide business behaviour to ensure ethical conduct.

3. Scope

3.1 Executive Commitment to Ethics

3.1.1 Senior Management must set the example. In the dispensation of their duties as such, honesty and integrity are expected to be the guiding principles and a priority for executives.

3.1.2 Executives must have an open door policy and welcome suggestions and concerns from employees. This will enable employees to feel comfortable to bring up and discuss any issues of pressing concern to them. Such openness will also allow executives to become aware of the matters which preoccupy staff.

3.1.3 Executives must disclose any conflict of interests regarding their respective positions within the ICT Authority.

3.2 Employee Commitment to Ethics

3.2.1 ICT Authority employees are expected to treat each other fairly, show mutual respect, promote a team environment and avoid the intent and appearance of unethical or compromising practices.

3.2.2 Every employee needs to apply effort and intelligence in maintaining ethical standards.

3.2.3 Employees must disclose any conflict of interests regarding their respective position within the ICT Authority.

3.2.4 Employees will fully support the ICT Authority to increase customer and vendor satisfaction by providing quality products and timely responses to inquiries.

3.3 Company Awareness

3.3.1 Promotion of ethical conduct within interpersonal communications of employees will be rewarded.

3.3.2 ICT Authority will promote a trustworthy and honest atmosphere to reinforce the vision of ethics within the company.

3.4. Maintaining Ethical Practices

3.4.1 The ICT Authority will reinforce the importance of integrity in its internal and external dealings with top management leading by example. Every employee, manager and director needs to show consistency in maintaining an ethical stance and to support ethical behaviour.

3.4.2 Employees of the ICT Authority are to encourage open dialogue, obtain honest feedback and treat each other fairly, with honesty and due objectivity.

3.4.3 The ICT Authority has established a best practice disclosure committee to make sure the ethical code is available to all employees to make it possible to address genuine grievances regarding the implementation of the code.

3.5 Unethical Behaviour

3.5.1 The ICT Authority will at all cost avoid situations whereby the intent and appearance of unethical or compromising practices in relationships, actions and communications can occur.

3.5.2 The ICT Authority will not, under any circumstances, tolerate any form of harassment or any form of discrimination in accordance with laws.

3.5.3 The unauthorized use of company trade secrets and marketing, operational, personnel, financial, source code and technical information integral to the success of the organisation will not be tolerated under any circumstances.

3.5.4 Impropriety will not be permitted at any time at the ICT Authority and all employees will act ethically and responsibly in accordance with laws.

3.5.5 ICT Authority employees will not use corporate assets or business relationships for personal use or gain.

4 Enforcement

4.1 Any infractions of the code of ethics will not be tolerated and corrective measures will be taken quickly whenever the ethical code has been flouted.

4.2 Any employee found to have violated this policy may be subject to disciplinary action, up to and including termination of employment.

SPONSORSHIPS AND DONATIONS

Supplier/Beneficiary:	Details	Amount
MICT Staff Welfare Association	Volleyball Tournament for the MICT Staff Welfare Foundation	12,960.00
Government Hindi Teachers' Union	Third National Hindi Conference SVICC	20,000.00
Solferino Hindu Boys Association-Vividha	Hospitality Tent	20,000.00
Mr Alain Joseph Anthony Arouff	Wind Energy project	10,000.00
CFPJ International	Workshop CFPJ	113,164.54
National Computer Board	ICT Expo and Infotech Rodrigues	100,000.00
Union Tamoule De Maurice	60th Anniversary of Union Tamoule De Maurice MGI Auditorium Moka	8,000.00
Mauritius Drama League	Festival de theatre 2013	10,000.00
Mroad Creations Ltd	Production of film on the ICT Industry in the context of the Intl ICT-BPO Investment Forum 2013	195,500.00
All Sports Ltd c/o MICT Staff Welfare Association	Volleyball sets iro Volleyball Tournament 2013 MICT for Staff Welfare Association	8,100.00
Institute of Electrical and Electronics Engineers IEEE	IEEE Africon 2013 Conference	249,902.50
The Mauritius Chamber of Commerce & Industry	Forum Economique des Iles de L`Ocean Indien	200,000.00
Lois Lagesse Trust Fund	Computerisation	132,480.00
National Computer Board	Infotech 2013	300,000.00
Cellplus Mobile Communications Ltd	1 Nokia Asha 309 for Kermesse 2013 MICT Staff Welfare Association	4,199.00
Pascal Computer Services Ltd	2 Future Computer System + 1 Printer Lexmark Laserjet to Ministry of Arts & Culture	61,921.00
Activeline Ltd	Winners of ICT Excellence Awards 2013	50,000.00
Mr Neereshen Kathan	Winners of ICT Excellence Awards 2013	50,000.00
Mobi Move Ltd	Winners of ICT Excellence Awards 2013	50,000.00
Mr Ganesh Ramalingum	Winners of ICT Excellence Awards 2013	50,000.00

Communications and Marketing

- New Numbering Plan
- ICTA wins prestigious international award
- ICTA signs MoU with UK's Internet Watch Foundation to launch OCSARP – a portal to protect children from illegal online content
- ICTA pursues its initiative on ICTs for Disaster Management with a multi-sectoral workshop on ICT4DM
- 9th AGM of the Association of Regulators of Information and Communication for Eastern and Southern Africa (ARICEA)
- Universal Service Fund

New numbering plan

2013 was a stellar year for Mauritius with the migration of 7 to 8 digits on mobile networks on 1st of September. Implementing a national numbering change was inherently going to affect the whole population.

To ensure that all Mauritians embraced the 8-digit numbering change in a seamless manner, the Authority officially launched a comprehensive communication campaign on 23rd May.

With the number 5 being the leading digit, the campaign tagline was, **"Mett 5 divan apré dialog largué".** The campaign ensured the information needs of consumers were met across the different channels.

The ICTA spared no efforts to disseminate the information on the 8-digit migration on mobile networks. A variety of channels to ensure extensive reach to a variety of publics were used. The messages about the migration was conveyed across television, radio, the print media; the website of the Authority; a special edition newsletter was also published to mark this historic project. The Marketing and Communications campaign used billboards in key locations in Mauritius and posters were distributed in community and public areas such as hospitals and post offices; there were also street animations in strategic locations to ensure no stone was left unturned. In addition there was a special marketing campaign conducted by ICTA officials in Rodrigues. The Authority also invested in a call centre operation nearer the cut off date for 8-digit migration. A set of Frequently Asked Questions were also printed on a flyer and distributed in key locations.

Street animations on the migration to inform the public.

A one-hundred day countdown was adopted to keep users of mobile networks aware of the impending change.

The roadmap to migration addressed the regulatory, technical, financial and communication aspects. All along, the Authority adopted a consultative approach with its stakeholders, the public operators licensed to provide services on mobile networks in the Republic of Mauritius; consumer organisations and associations which represent business or commercial interests. A steering committee was set up to monitor all aspects of the migration in order to make it as seamless as possible for all stakeholders.

It was on 11th February 2013 that the ICT Authority issued a Decision pertaining to the Numbering for mobile services setting the date for the migration from seven to eight digits of telephone numbers assigned to mobile networks.

On 30th April 2013, the Authority launched an expression of interest to invite potential communication agencies with the aim of selecting the right organisation to dissseminate the information prior to the 1st of September at 00h00.

During that period the Authority also went to Rodrigues where an intensive campaign and activities were conducted. Road shows, public conferences at College de la Grande Montagne and distribution of pamphlets were the order of the day.

A Special Newsletter edition was published.

Communication campaign being conducted in Rodrigues.

ICTA wins prestigious international award

On 7th May, the Authority received a prestigious international award for "Excellence in ICT Regulation for Licensing, Certification, Spectrum and other Resources" during the 7th (National Telecommunications Awards) NTA ICT World Communication Awards held in New Delhi.

This award testifies to the transparency of procedures and decision-making of the ICT regulator of Mauritius in licensing matters, spectrum management; cyber-security; market development and consumer protection.

The award ceremony was staged in India from 6th to 8th May during the Global ICT Forum organised by the CTO in partnership with the ITU and the Communication Multimedia Association (CMAI) of India, the Apex body which promotes the growth in communications, manufacturing and technology in that country.

NTA ICT World Communication Awards held in New Delhi

ICTA signs MoU with UK's Internet Watch Foundation to launch OCSARP – a portal to protect children from illegal online content

Following a Memorandum of Understanding between ICTA and the Internet Watch Foundation (IWF) of the United Kingdom, in the presence of Honourable Tassarajen Pillay Chedumbrum, the ICT Authority launched a portal on 22nd October 2013 to protect children from illegal online content. The Online Child Sexual Abuse Reporting Portal makes it possible for Internet users in Mauritius to be proactive about the use of the Internet. Through the OCSARP, they can report Child Sexual Abuse websites and related content to the ICT Authority in a user friendly manner.

The ICTA is committed to actions to make the Internet a safer place for all users particularly the young and vulnerable.

While the portal is hosted at the ICTA, technical investigations are carried out by the IWF which uses its network of partners to take down CSA sites reported through the portal.

The Authority's initiative was indeed highly commended by UK's Internet Watch Foundation (IWF) as an example for other countries to follow. It is worth emphasizing that IWF works to eliminate child sexual abuse images and videos online both in UK and partners with international agencies like the International Telecommunications Union and Interpol.

Honourable Minister Tassarajen Pillay Chedumbrum and Fred Langford, the Director of Global Operations of the Internet Watch Foundation (IWF).

ICTA pursues its initiative on ICTs for Disaster Management with a multi-sectoral workshop on ICT4DM

On 12th and 13th of September 2013, the Authority hosted a workshop on the "Effective Use of ICTs for Disaster Management" at the Intercontinental Hotel in Balaclava. Organised in partnership with the Commonwealth Telecommunication Organisation (CTO), the workshop was the second of its kind to be hosted by the ICTA. The first ICT4DM Forum was held in March 2009. This Second Forum constituted a key step to sustain dialogue with stakeholders concerned with disaster management in Mauritius.

Officially opened by Honourable Sayyad Abd-Al-Cader Sayed Hossen, Minister of Industry, Commerce and Consumer Protection and also Acting Minister for Information and Communication Technology, the 2013 ICT4DM forum came at a very timely juncture with Mauritius still recovering from the tragic effects of the floods which claimed eleven lives in the capital Port Louis in March.

With a record number of 115 participants that included members of the National Disaster Committee; non-state actors and telecommunications operators, the two day event gave the participants the opportunity to examine different ways in which ICTs could be used in disaster situations in Mauritius. One of the main outcomes of the ICD4DM forum of 2013 was that stakeholders in Mauritius were able to come together under one roof to update the Global Log Frame on ICT4DM in Mauritius. The Global Log Frame provides a framework for stakeholders to make recommendations as to actions which must be undertaken to leverage ICTs across the gamut of disaster management in Mauritius.

Guest international speakers were also invited to share their knowledge; Dr Cosmas Zavazava, Chief of Department, Project Support and Knowledge Management, Telecommunication Development Bureau, ITU, Dr Christian G. Claudel, Assistant Professor, Electrical Engineering, King Abdullah University of Science and Technology, Saudi Arabia and Dr Corlane Barclay from the University of West Indies, Jamaica.

Honourable Sayyad Abd-Al-Cader with delegates at the ICT4DM Forum, Balaclava.

9th AGM of the Association of Regulators of Information and Communication for Eastern and Southern Africa (ARICEA)

In August the Association of Regulators of Information and Communication for Eastern and Southern Africa (ARICEA) held its 9th Annual General Meeting in Mauritius.

9th AGM of the Association of Regulators of Information and Communication for Eastern and Southern Africa (ARICEA).

The three-day meeting on the 28th till the 30th of August, was held at the Intercontinental Hotel in Balaclava. Hosted by the ICTA under the aegis of the Ministry of ICT, the AGM was officially declared open by Honourable Tassarajen Pillay Chedumbrum, Minister of Information and Communication Technology.

It was the second time in nearly three years that Mauritius held the chair of ARICEA; the first time being in 2011 when the association held its 7th AGM here. Representatives from eleven member states of the association were present: Burundi, Comoros, Kenya, Egypt, Malawi, Mauritius, Sudan, Uganda, Zambia, Seychelles and Zimbabwe.

Delegates deliberated on the procedures for submitting offers for the setting up of the headquarters of the Secretariat of ARICEA. The organisation's work programme, its budget and the financing of its activities were also on the agenda of the AGM.

The expertise of the Authority in the setting up of the Public Key Infrastructure captivated the interest of delegates. There were calls for a cross border agency to be set up to implement PKI infrastructure across the ARICEA membership.

The AGM considered that Cybersecurity and e-commerce in the COMESA region will benefit greatly from a harmonized implementation of PKI. Member states also made presentations on the status of the Cybersecurity roadmaps of their respective jurisdictions as well as on the status of digital broadcasting migration.

Mrs Won Ja Lee, Head of Governance and Regulatory Affairs Programmes for the Universal Postal Union (UPU) made a comprehensive presentation on the postal sector reform and regulations and spoke of the opportunities for capacity building.

Mrs Won Ja Lee commended the ICTA and Mauritius Post Ltd for the innovations brought to postal services. The Public Internet Access Point (PIAP) project was also recognised by the UPU representative as a model that could be replicated by ARICEA members. The e-government strategy of Mauritius also generated much interest amongst delegates.

Universal Service Fund

Broadband connection of 256Kbps capped at 2GB for Rs 200 per month

In November 2012, the ICT Authority launched a bidding exercise to universalize the provision of Broadband connection of 256 Kbps capped at 2GB at the most affordable price of up to a maximum of Rs 200 per month.

This important measure was in line with section 18 (1) (a) of the ICT Act 2001, as amended and in accordance with Regulation 7 of the Information and Communication Technologies (Universal Service Fund) Regulations 2008.

Internet Service Providers (ISPs), licensed under Section 24 of the ICT Act 2001,(as amended), were invited to bid for this project. Proposals received were for Broadband Internet of 256Kbps for residential purposes.

Five ISPs were awarded the contract for the project for both the mobile Broadband and fixed Broadband 256 Kbps package.

Mobile Broadband:

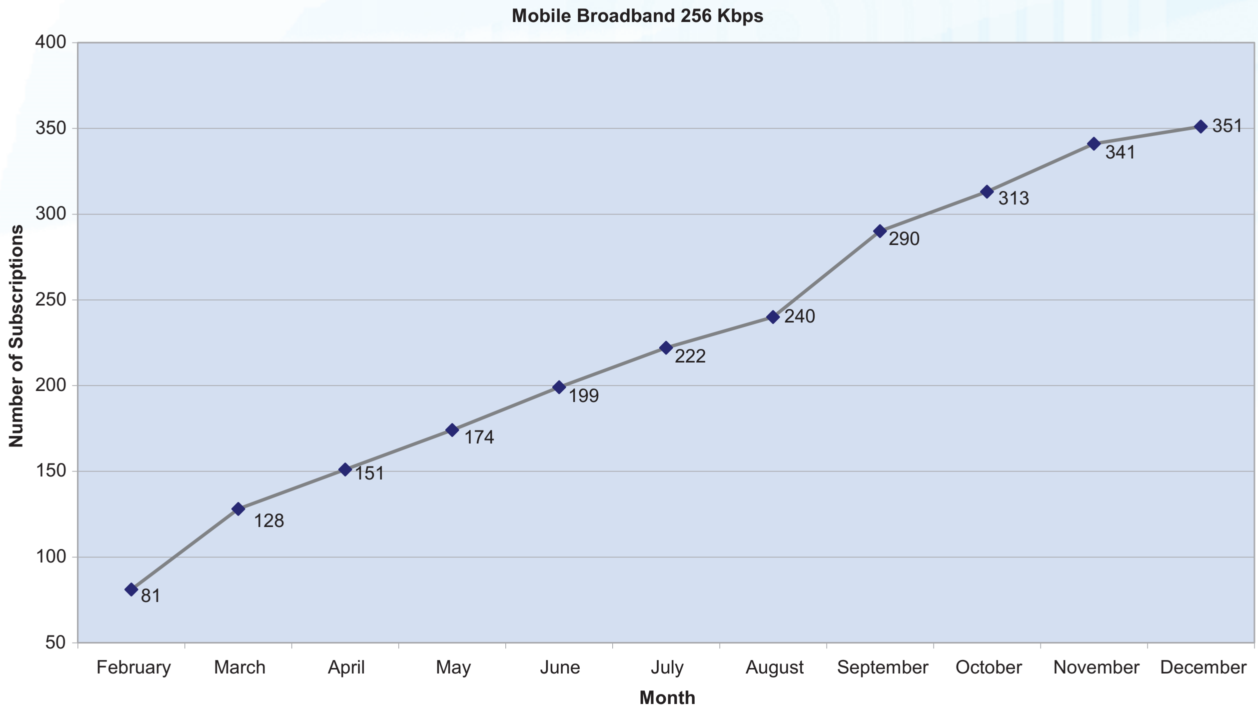
- Emtel Ltd
- Mahanagar Telephone (Mauritius) Ltd
- Cellplus Mobile Communications Ltd

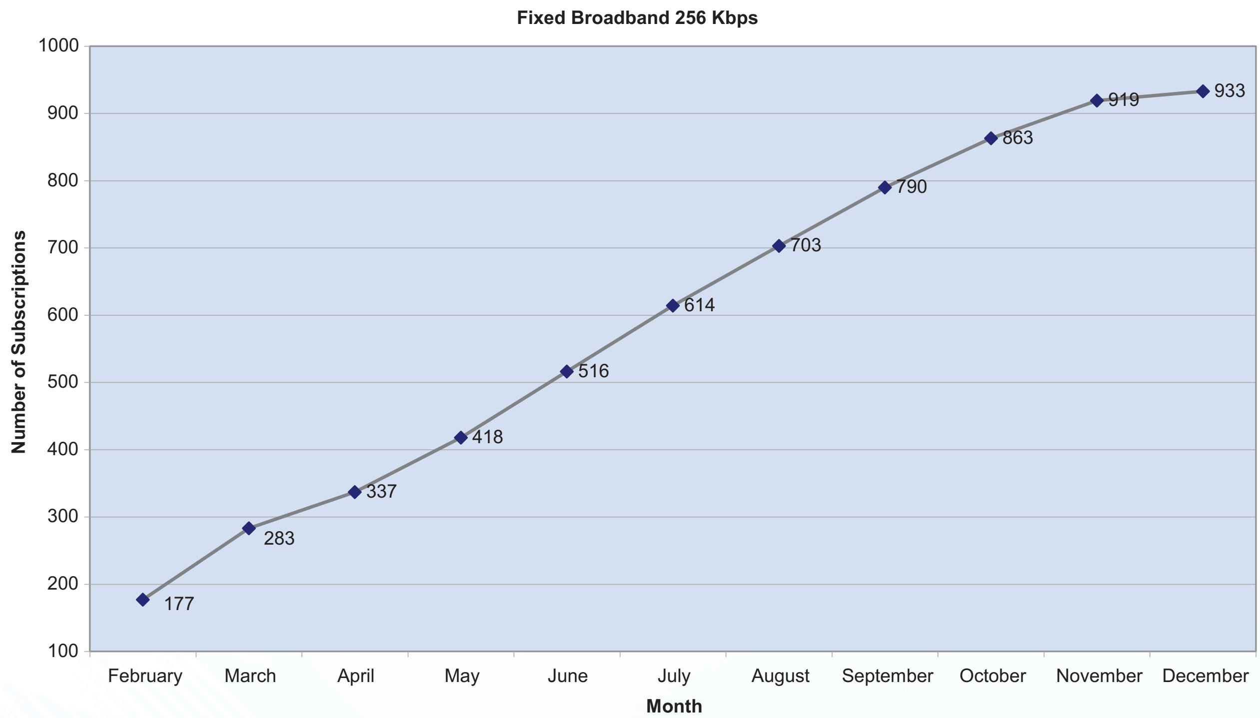
Fixed Broadband:

- Emtel Ltd
- Telecom Plus Ltd

As a result of this project, the ICT Authority ensured that one of the Millennium Development Goals of the United Nations, which list Internet penetration as a key metric to reduce poverty and encourage rational development, becomes a reality. As such, with this project, low-income families would be able to afford access to basic Broadband connectivity.

The graphs below show the number of subscriptions as at end of December 2013. The project was initially targetted for a one year period but was extended for next year.





The charts above demonstrate the extent to which the USF project to bring Broadband to more and more citizens at affordable prices has been a success. The Authority is also fulfilling its mandate to bridge the digital divide and empower Mauritian citizens with the breadth of advantages that access to Broadband offers. The Authority is also continuing to pursue its goal of making 60% Broadband penetration a reality.

Additional Satellite Capacity for Rodrigues

In the 2012 budget, Government showed its commitment towards the creation of a vibrant ICT sector for all citizens. The ICT Authority was mandated by Government to ensure that the people living in Rodrigues were also benificiaries of the ICT developments taking place on mainland Mauritius.

Since undersea fibre is not available in Rodrigues, the Island is currently connected to mainland Mauritius only via Satellite Bandwidth Capacity. Prior to this project, only a capacity of 37Mbps was available for voice, data, Internet and fax, amongst other services. Through this project, an additional capacity of 118 Mbps has been made available for Rodrigues to address the issue of access to Internet.

The bidding exercise was launched in November 2012. Mauritius Telecom via (SkyVision) - its partner as satellite provider emerged as the winning bidders. The link between Mauritius and Rodrigues was activated in October 2013 and three existing operators on the island, namely Emtel Ltd, Cellplus Mobile Communications Ltd and Telecom Plus Ltd have beneffited from new capacity.

One of the key projects under the scope of the Universal Service Fund (USF) was to boost the existing satellite bandwidth capacity from 37 Mbps to 155 Mbps; this additional 118 Mbps has been financed by the USF. Such a boost in capacity will not only address related market failures but will serve to meet the aim of universal access and affordability for citizens.

Technical Regulation

Telecommunications and Radiocommunications

- Migration to 8 Digits on Mobile Networks
- ICTA Streamlines Procedures to facilitate the Ocean Economy Roadmap
- Private Mobile Radio Licence given wider scope
- Recommendations made to Board for a High Level Meeting on Base Stations deployment
- Mauritius Frequency Allocation Table 2013
- ALARA Test

Migration to 8 Digits on Mobile Networks

The migration to 8 digits of non-geographic E.164 numbers assigned to mobile networks in the Republic of Mauritius was a historic and challenging project of the Authority.

Managing the technical issues was the responsibility of the Department of Engineering. The department's actions were along a continuum of activities towards migration which were spelt out in the ICTA Decision of 11 February 2013. The Decision mentioned a number of milestones in the process and the key consultations dates with the mobile operators to put in place the migration.

Migration to 8 Digits on Mobile Networks

The Authority's Decision of February 2013 set out the implementation date and the requirements from the various parties in order for the successful implementation to happen and gives an insight into the elements of the migration which were on the agenda for the Engineering Department.

Amongst the components of the migration that the Decision mentions are the migration date from seven to eight digits as being 00:00 1 September 2013, the cut off mode; the National Numbering Plan; the liaison with the International Telecommunications Union; the financing of the migration; the communications aspect for end users. The Decision also set out that public operators and service providers were to ensure that all the adjustments were made on their networks to enable the numbering change.

The other regulatory instrument was the Telecommunications Directive (1) of 2013 which spurred on the process for the implementation of the hard cut off on 1st September 2013. The Directive came into effect on 11th February and sets out the scope and objective of the migration in terms of the obligations of the operators with respect to the migration to 8 digits. TD 1 of 2013 also sets out the obligations on operators to take a series of measures such as the recorded message to inform their subscribers about the migration and the definitions of terms used in the process.

The Engineering Department also devised a detailed contingency plan to enable the monitoring of the migration and required liaison with operators on the night of the cut off.

ICTA Streamlines Procedures to facilitate the Ocean Economy Roadmap

The Authority put in place new procedures for the efficient and timely processing of ship station licence in the context of the Ocean Economy Roadmap. The First Schedule to the ICT Act 2001 (as amended) defines the ship station licence which is required for all vessels registered in Mauritius having on board a radio station for the purpose of communication and radio navigation. It is mandatory for a ship owner to hold a valid ship station licence prior to leaving a sea port.

This followed requests during meetings held in August and September last year when stakeholders were asked to complement and support the Ocean Economy Roadmap policy of Government. The ICT Authority was requested to further streamline its licensing process for ship station licences in order to ensure that ship operators are not unduly penalised and are able to navigate as soon as they receive their provisional certificate of registry from the Ministry of Shipping.

According to the current licensing process, the Authority may only entertain an application for ship station licence once the provisional certificate of registry has been issued. Moreover, prior to issuing a ship station licence for a duration of one year, the Authority requires that a ship survey is carried out or in cases where the ship is found abroad, in which case the Authority would not effect surveys, the applicant is required to furnish a survey report issued by recognised classification societies demonstrating that the equipment making up the ship station has been installed on board and that same are in good working condition.

But under the streamlined procedures, ship operators wishing to register their ships under the Mauritian flag, would apply for both provisional certificate of registry from the Ministry of Shipping and for a temporary ship station licence (i.e. valid for three months only) from the ICTA concurrently. The temporary licence would also expressly mention that no ship survey has been carried out and that the Authority shall not be responsible in any manner whatsoever with regard to the use and operation of the radio apparatus listed in the licence throughout the duration of the licence.

The application form for Ship Station Licence to bring in the new procedures was amended and the Ministry of Shipping was informed about the streamlined procedures.

Private Mobile Radio Licence given wider scope

The ICT Act 2001 (as amended) does not specifically cater for the licensing of handheld VHF-DSC Marine Transceivers used by surfers/divers for security purposes. The ICT Authority expanded the scope of the existing Private Mobile Radio Licence to cater for the use of Marine VHF-DSC transceiver in the Maritime Mobile Service.

The impetus to change the licence of the PMR followed a proposal from a licensed dealer of the Authority who made a request that Maritime Mobile Service Identity (MMSI) numbers to be used by handheld VHF-DSC Marine Transceivers for security purposes during activities like kite-surfing and wind-surfing. The handheld VHF-DSC Marine Transceivers allows communication via radio telephony and transmission of a distress signal containing the user's identification – the unique MMSI and its GPS coordinates during accidents and emergencies at sea. The distress signals emitted can also be picked up by coast guards and other boats within the operating range of the radio apparatus. In his application to the Authority, the dealer also underlined that surfers and divers in distress can also use the VHF equipment cutting down on the expense and efforts of Search and Rescue operations.

With the changes brought to the Private Mobile Radio (Mobile/Portable Station) – RA 43 licence, it is now possible that handheld VHF-DSC Marine Transceivers be used for security purposes in the maritime mobile service. The changes also provided for the VHF-DSC Marine Transceiver to be licensed by the ICT Authority under the RA 43 licence. Consequently the application form for Private Mobile Radio (PMR) was amended and submitted to the Board for approval.

Recommendations made to Board for a high level meeting on basestations deployment

On 20th February 2013, a request was made to the Board with a view to convening of a high level meeting under the chairmanship of the Ministry of ICT with regards to the difficulties experienced by operators in setting up their base stations.

The request came by way of two recommendations. Management requested the Board to take note of the difficulties being faced by operators in the setting up of new base stations for mobile service provision and the devolving consequences. As such the Board was asked to apprise the Ministry of ICT of the said difficulties and the need to hold a meeting with the relevant stakeholders in this context. The stakeholders were to also include operators and technicians from the different ministries/authorities/local government bodies involved in the authorisation of base stations.

The recommendations followed official requests from the three mobile operators during a meeting which was held on 4th September 2012 regarding the difficulties they face with the setting up of new base stations for mobile service provision. All three operators impressed upon the Authority the need for a high level meeting with the Ministry of ICT and other relevant ministries/ authorities involved in the process of authorisation of deployment of new base stations.

The Authority had, after the September meeting, taken prompt steps to request input from the operators in terms of:-

- documents to sustain established procedures, in line with the Deployment of Radiocommunication Infrastructure and Administrative Standard for EMF Safety, and
- the status of implementation of proposed sites and the nature of delays to process.

The information from the operators was requested to prepare the grounds for the high level meeting and to demonstrate procedures being abided to and the good faith of the operators when deploying their infrastructure in compliance with all the relevant authorisation processes.

The recommendations of the Authority were placed in the context of various measures it had undertaken on infrastructure deployment, namely: the publication in March 2011, of a Technical and Administrative Standard for the deployment of radio installations; and the workshops held since September 2011 to inform stakeholders with a view to facilitate implementation of the Standard. The stakeholders included operators and relevant ministries, authorities and organisations such as those dealing with consumers.

The Authority highlighted the increasing number of complaints it has received from the general public with respect to the setting up of new base stations. In its recommendation for the high level meeting to be convened, the Authority also underlined the existing perception that the role of the ICT Authority in authorising setting up of base stations may not have been properly grasped by the relevant authorities mandated to look at the other aspects of the setting up of the infrastructure by the operators. It was noted that there exists a situation of service degradation which is becoming critical, given increasing demand for the service and inability on the part of operators to set up new infrastructure to ensure network coverage.

Mauritius Frequency Allocation Table 2013

The Radiofrequency Spectrum is a scarce natural resource and it is essential that is used in the most effective and efficient way by all radiocommunication users in order to minimise harmful interference.
The radiofrequency spectrum is divided into several broad frequency bands:

VLF	Very Low Frequency	3-30 kHz
LF	Low Frequency	30-300 kHz
MF	Medium Frequency	300-3000 kHz
HF	High Frequency	3-30 MHz
VHF	Very High Frequency	30-300 MHz
UHF	Ultra High Frequency	300-3000 MHz
SHF	Super High Frequency	3-30 GHz
EHF	Extremely High Frequency	30-300 GHz

Each of these bands is divided into sub-bands which are allocated to radio communication services such as Land Mobile Radio, broadcasting, aeronautical, maritime or space services by World Radiocommunication Conferences (WRC). WRC are held under the aegis of the International Telecommunication Union (ITU) every three to four years.

The Mauritius Frequency Allocation Table (MFAT) details the uses to which the above frequency bands are put in Mauritius. It also shows the latest internationally agreed spectrum allocations of the ITU. The Table is on the website of the Authority and can be viewed at the following link :
https://www.icta.mu/documents/2013/MFAT_2013.pdf

ALARA Test

The ICT board decided to conduct an ALARA (As Low As Reasonable Achievable) study for Mauritius. And accordingly the service of Dr Vikass Monebhurrun, Associate Professor, of L'Ecole Supérieure d'Electricité (Supélec), was retained.

Information Technology

- Deployment of an Online Child Sexual Abuse Reporting Portal (OCSARP) in Mauritius
- Update on .mu ccTLD Project
- Licence Management System (LMS)

For the period of the Annual Report covering January to December 2013, the areas of focus for the IT department were the deployment by the Internet Watch Foundation (IWF) of an Online Child Sexual Abuse Reporting Portal (OCSARP) in Mauritius, the progress on .mu ccTLD project and the Licence Management System.

Deployment of an ‘Online Child Sexual Abuse Reporting Portal’ (OCSARP)

In 2011, the ICTA put in place an Online Content Filtering (OCF) mechanism to filter access to Child Sexual Abuse Sites (CSA) should Internet users in Mauritius attempt to gain access to such sites. The measure was in line with Section 18 (1) (m) of the ICT Act 2001 which mandates the ICT Authority to “take steps to regulate or curtail harmful and illegal content on the Internet and other information and communication services”.

To consolidate this mechanism, the Authority launched the portal enabling Mauritian citizens to report CSA sites or illegal content they may inadvertently come across whilst they are legitimately using the Internet. The reporting mechanism which allows for anonymous reporting is meant to encourage community participation in overall efforts to make the Internet a safer platform for interaction. Under a Memorandum of Understanding (MoU), the IWF will use its international network of partners to take down CSA websites hosted outside of Mauritius, that is, sites which depict child sexual abuse images and videos.

The ICT Authority had fruitful working sessions with IWF’s Director of Global Operations, Fred Langford and its Press and Public Affairs Manager, Kristof Claesen.

If a site is hosted in Mauritius, it will be reported to the police and the local ISP will also be asked to take down the site.

Prior to the launching of the Portal, the Authority held a consultative workshop on the 22nd October 2013 with the different stakeholders including officials from ministries, associations involved in child protection, Internet service providers and other other relevant stakeholders.

Their suggestions were integrated in the action plan leading to the creation of the portal which is customised for the local context to make it user friendly for Mauritians.

Furthermore, during the design stage, the IT Department of the ICT Authority modelled the portal according to international best practices and reaped the benefits of expertise sharing with the Internet Watch Foundation (IWF) of the United Kingdom, an organisation actively involved in protecting sexually abused children and in minimizing child pornography on the Internet.

The officers of the IT Department of the ICT Authority had fruitful working sessions with IWF’s Director of Global Operations, Fred Langford and its Press and Public Affairs Manager, Kristof Claesen.

The 'Online Child Sexual Abuse Reporting Portal' developed by the ICT Authority enables Internet users to report images, films or other materials depicting the sexual abuse of children.

The Ministry of Information and Communication Technology (MICT) has also set up a Steering Committee to regularly obtain both useful feedback and the continuous engagement of a broad spectrum of players, ranging from content providers to law enforcement and child protection agencies.

Update on .mu ccTLD Project

In April 2012, the MICT and ICTA jointly organised a workshop on .mu redelegation. This workshop was based on the public consultation paper released in March 2012 in which a specific .mu administration model was presented by the ICTA.

During the workshop, Mr Phil Regnaud acted as independent consultant and proposed that the local Internet community be given the opportunity to come up with its preferred .mu administration model. The model for the ccTLD of New Zealand was used as reference.

In February 2013, MICT requested the views of the workshop's forty or so participants to choose between the New Zealand model and the model proposed by the ICTA. In March 2013, the MICT forwarded the responses received to the ICT Authority for analysis and comments. Out of the twelve responses received, five .mu resellers indicated that no redelegation was required, two participants opted for the New Zealand model, one participant (ICT Advisory Council member) opted for the ICTA model, the Chairman of IMC and President of Mauritius IT Industry Association proposed a further model, that of Australia. The other participants did not express any choice.

It was also pointed out that before a request for redelegation is filed with ICANN, there is a need to bring amendments to the ICT Act by Amending sections 12 and 13 of the ICT Act; deleting or amending section 18 (1) (y) of the Act. The technical set up for .mu ccTLD administration should be readied for operation.

Additionally it was felt that the .mu ccTLD administration model proposed should be representative of the local Internet community.

Licence Management System (LMS)

A PKI-based (Public Key Infrastructure) online Licence Management System (LMS) was deployed in 2013 by the ICT Authority with the close support of eMudhra Consumer Services Ltd.

The LMS caters for two types of transactions:

1. Online
2. Semi-Online

In the online scenario, the applicant submits his or her online application form and related documents with the use of electronic signatures.

In the case of the semi-online mode, the applicant has to fill in the form online and print, and manually sign before submitting the paper-based application form to the Registry of the ICT Authority.

In addition, an applicant still has the possibility to fill in the form manually and submit the paper-based signed application form.

Social Regulation

- Consumer Affairs
- Launching of Study on State of DTT Migration in Mauritius

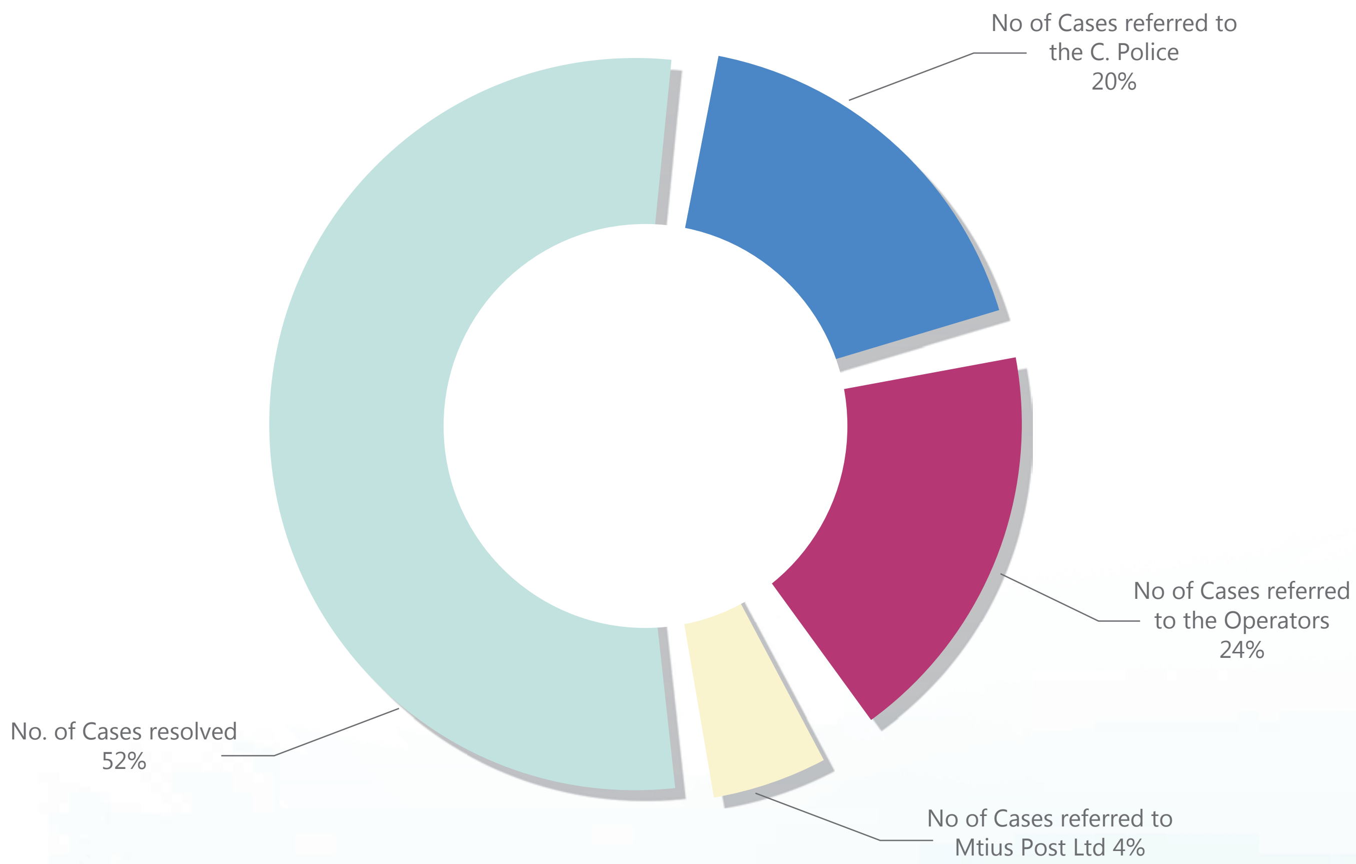
Consumer Affairs

To meet its social regulation mandate, the ICT Authority deploys resources to meet the needs of consumers on a number of fronts. As such the Authority offers a range of services to consumers of ICTs: complaints handling and dispute resolution and guidance on making complaints through accurate information on issues of concern to consumers. The Authority's staff in the Department of Marketing and Communications are on hand to deal with queries from consumers who come to the Authority in person to make complaints or are in search of information. The Authority derives its mandate on consumer issues under section 18 (o) of the ICT Act 2001 (as amended).

The table below gives a status of the complaints entertained during 2013.

Status of Complaints January - December 2013	
No. of cases referred to Police	41
No. of cases referred to Operators	50
No. of cases referred to Mauritius Post Ltd	8
No. of cases resolved	108

Status of complaints in terms of percentages - January - December 2013

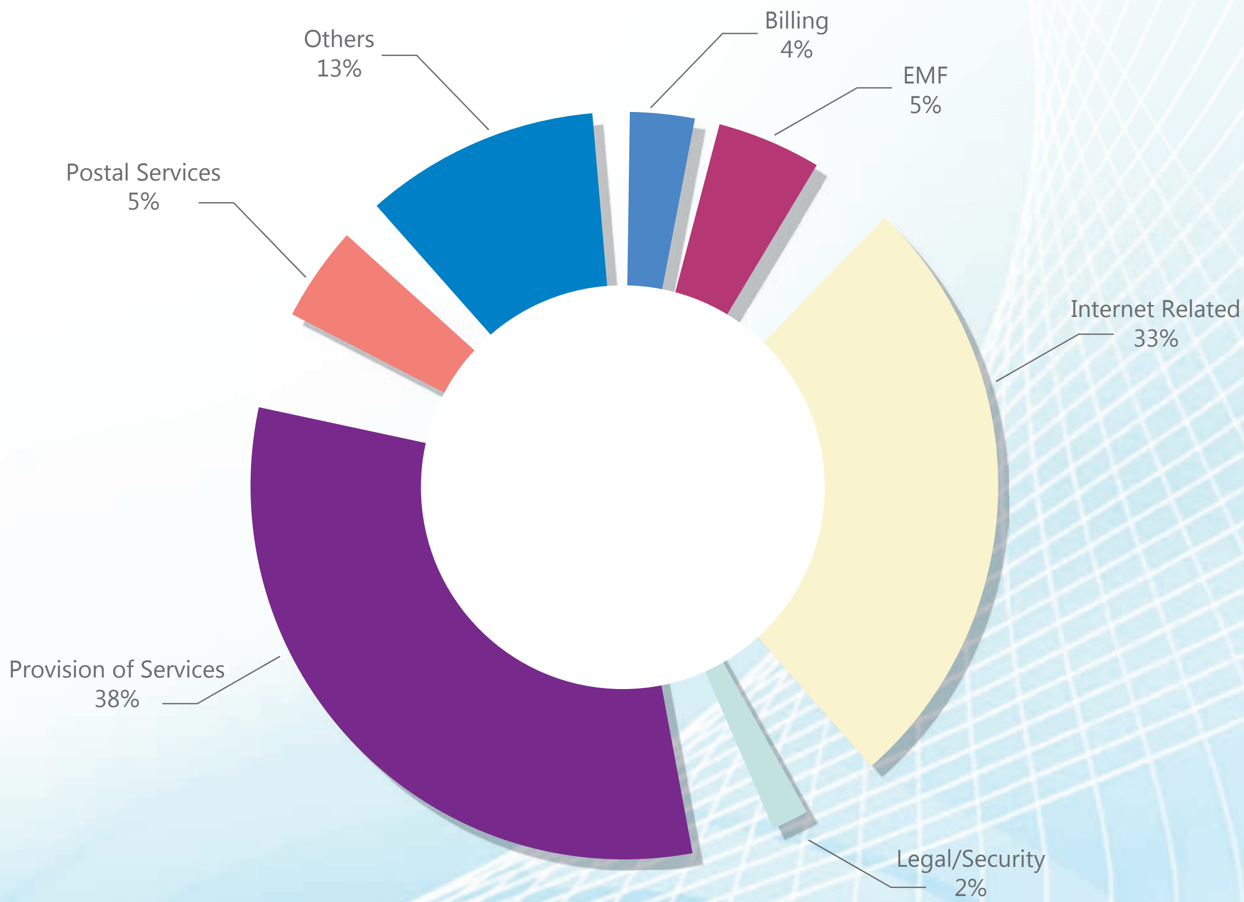


The table below shows the types of queries and complaints handled:

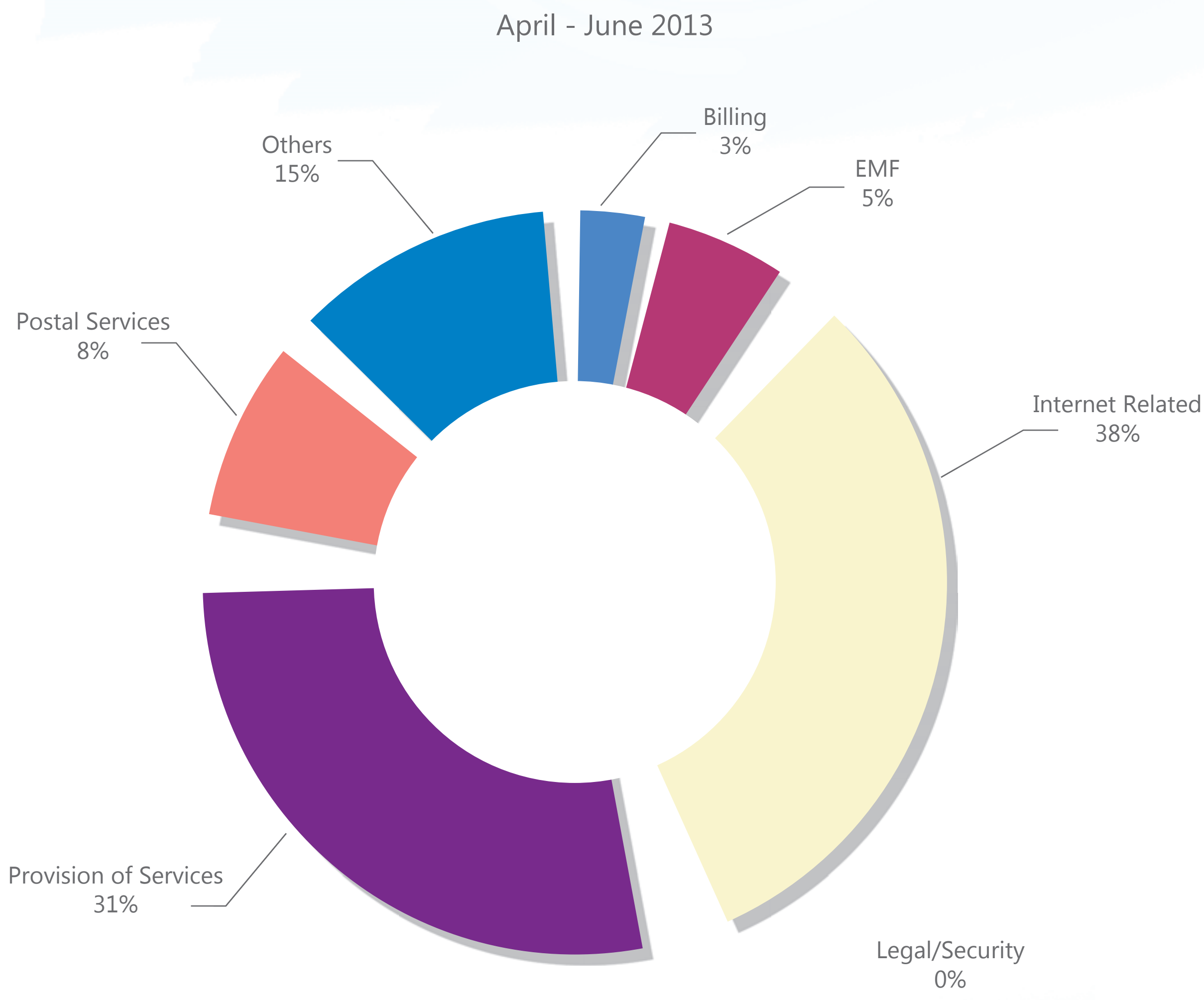
Complaints:	Jan-March 2013	Apr - June 2013	Jul - Sept 2013	Oct - Dec 2013	Total
Billing	2	1	1	2	6
EMF	3	2	1	5	11
Internet Related	18	15	17	12	62
Legal/Security	1	0	5	4	10
Provision of Service	21	12	13	11	57
Postal Services	3	3	1	2	9
Others	7	6	1	4	18

Complaints :	January - March 2013
Billing	2
EMF	3
Internet Related	18
Legal/Security	1
Provision of Service	21
Postal Services	3
Others	7

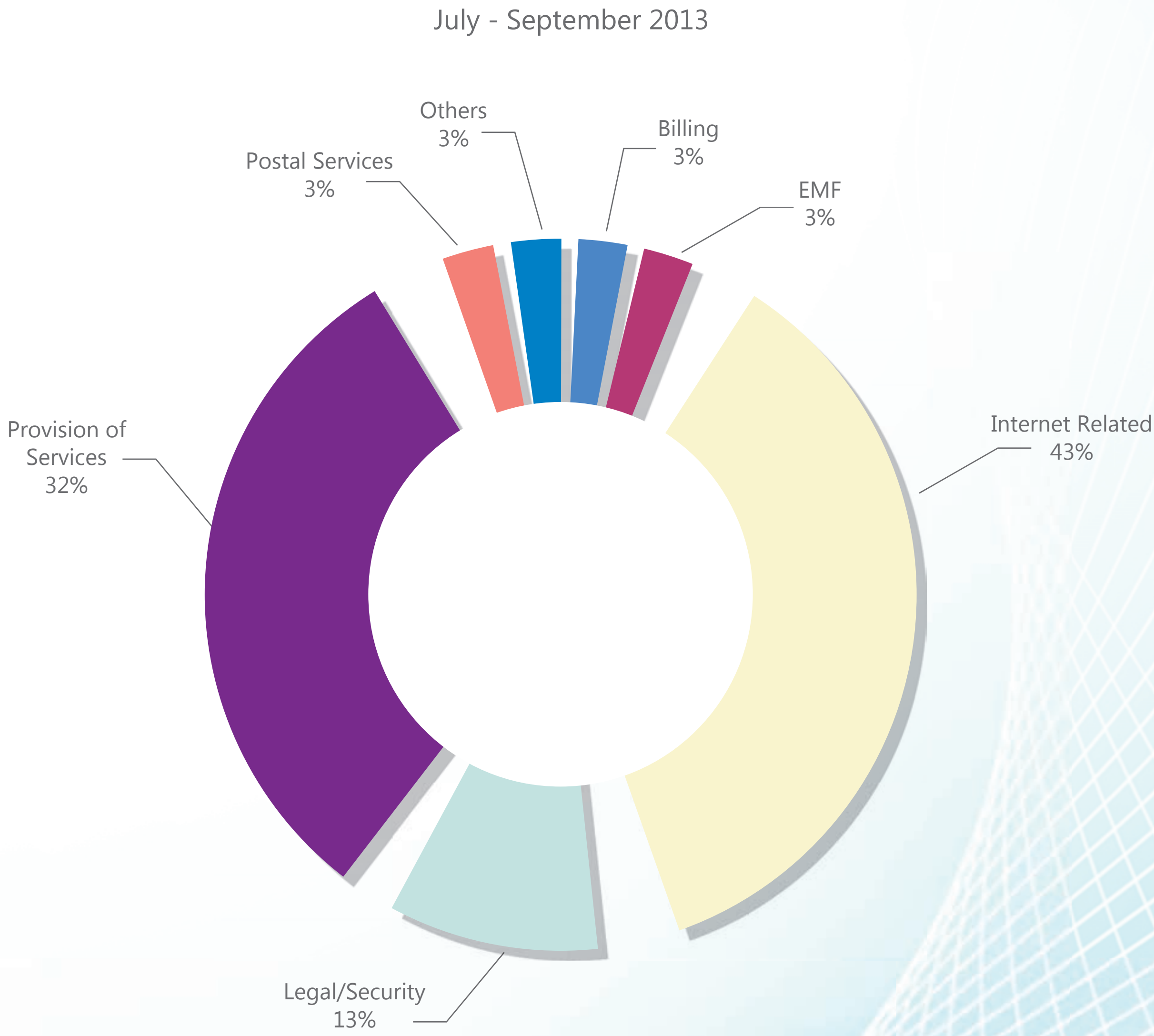
January - March 2013



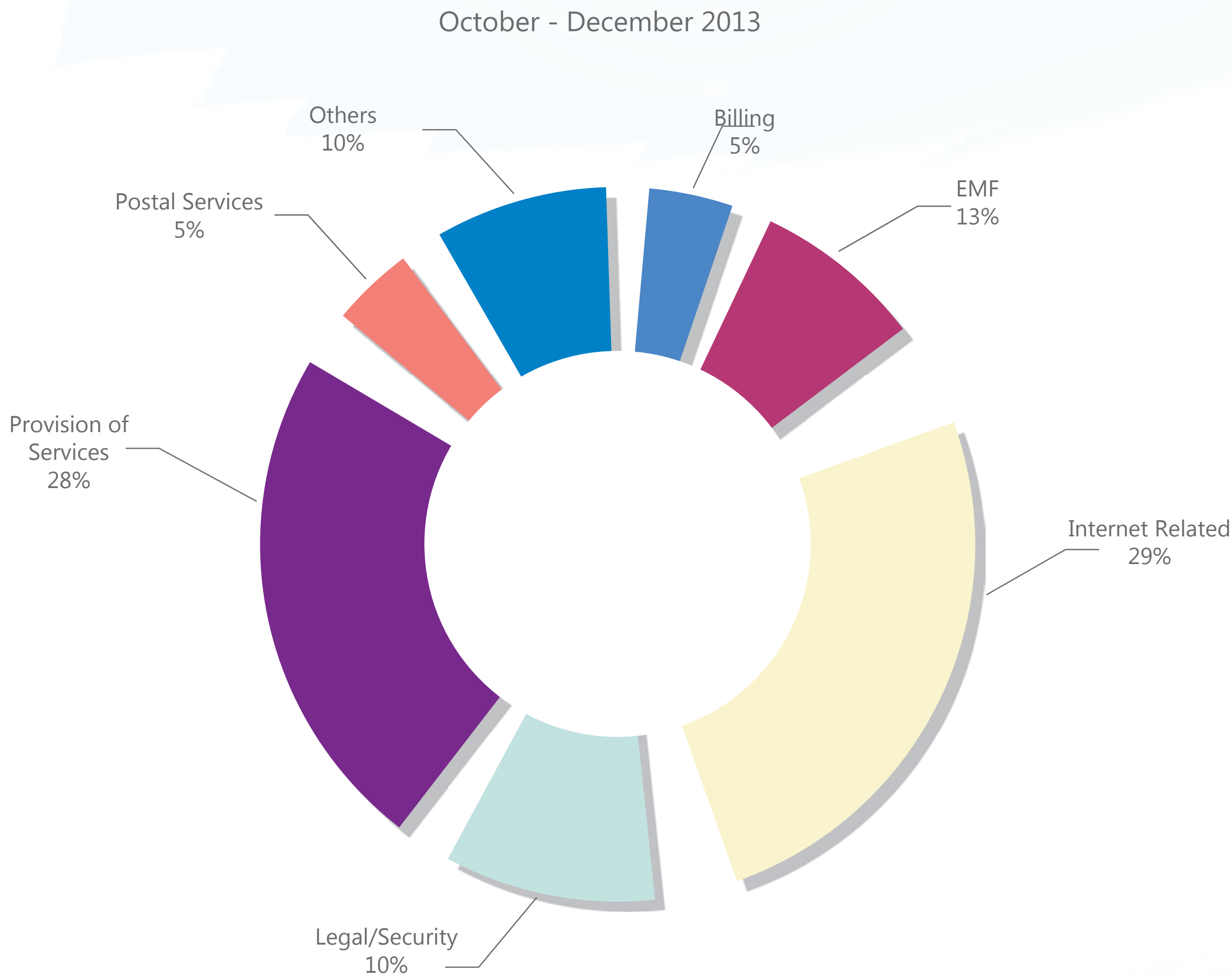
Complaints :	April - June 2013
Billing	1
EMF	2
Internet Related	15
Legal/Security	0
Provision of Service	12
Postal Services	3
Others	6



Complaints	July - September 2013
Billing	1
EMF	1
Internet Related	17
Legal/Security	5
Provision of Service	13
Postal Services	1
Others	1



Complaints:	October - December 2013
Billing	2
EMF	5
Internet Related	12
Legal/Security	4
Provision of Service	11
Postal Services	2
Others	4



Launching of study on state of DTT migration in Mauritius

The board of the ICT Authority decided to launch a study on the state of DTT in Mauritius.

Economic Regulation

- Decrease in IPLC Tariffs
- Decrease in tariffs for ILD services
- Decrease in tariffs of mobile network and Internet access services

Economic Regulation- the context for the regulator

For ICT regulators economic regulation addresses issues of market dynamics to ensure fair competition for the sector. The overall aim is to ensure access and diversity of services for consumers at a fair and affordable price and to match consumer trends and demands for ICT products and services. 2013 witnessed some important decisions and saw decreases in IPLC tariffs, tariffs for ILD services and mobile network and Internet access services. These determinations have been seen to bear fruit with the benefits trickling down to or directly benefiting the consumer and end user.

The Authority processed 17 tariff applications (Annex 1) made by various licensed operators over the period from 1st January 2013 to 31st December 2013.
The list below figure amongst significant tariff determinations for the period in question:

1. the continued reductions in tariffs for international connectivity and international long distance services.
2. the coming into operation of an alternative provider of bilateral half and full circuit service offering high capacity offers at competitive prices.
3. the launch of a number of new prepaid and postpaid Internet and data packages.

A summary of the downward evolution of applicable tariffs for selected services can be seen in Annex 2.

Decrease in IPLC Tariffs

The latest determination by the Authority on bilateral (half-circuit) IPLC took effect as from 1st January 2013, encompassing an average reduction in tariffs for international bandwidth services of 15% from their previous levels for the benefit of the various sector stakeholders.

The determinations have led several ILD operators and Internet Service Providers (ISP) to submit their respective applications for tariff reductions on their retail services accordingly. The impending benefits have inherently been passed on to the end users.

The chart below depicts a five-year outlook of the evolution of Bilateral Half Circuits tariffs for E1 connectivity (i.e. a 2 Mbps capacity) for the period 2009 to 2013:

Chart 1: Evolution of Bilateral Half Circuit tariffs for E1

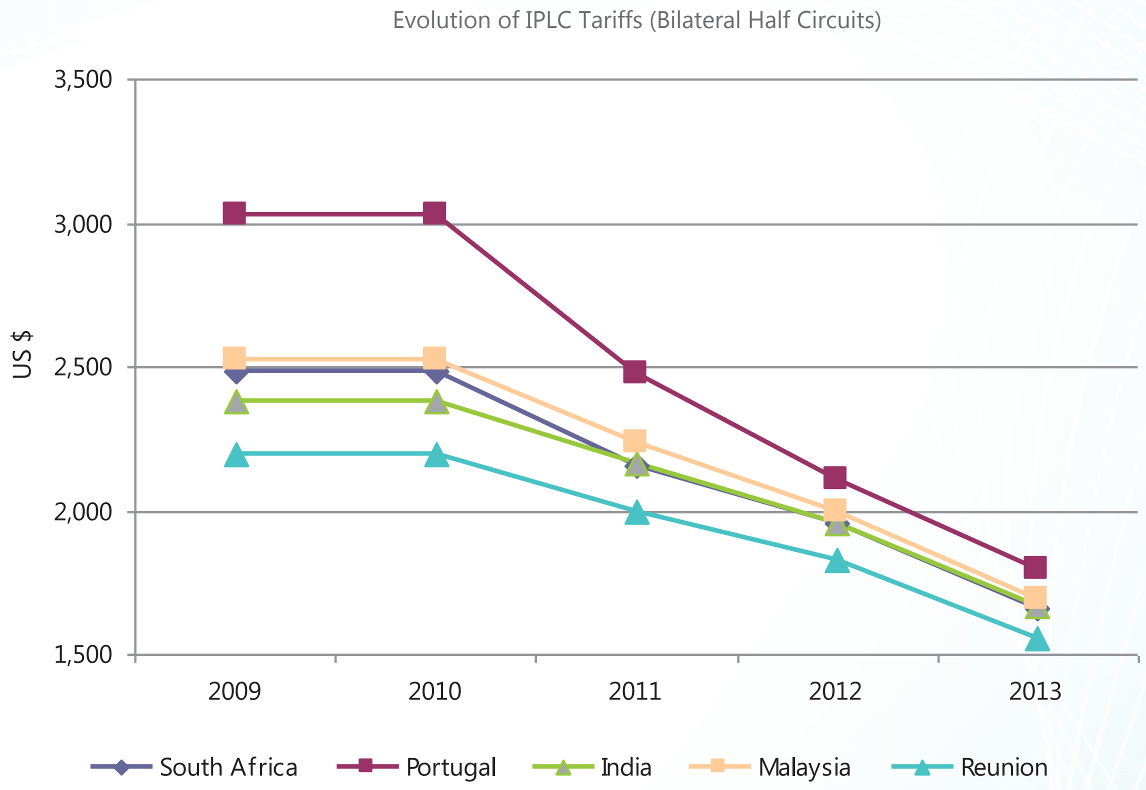
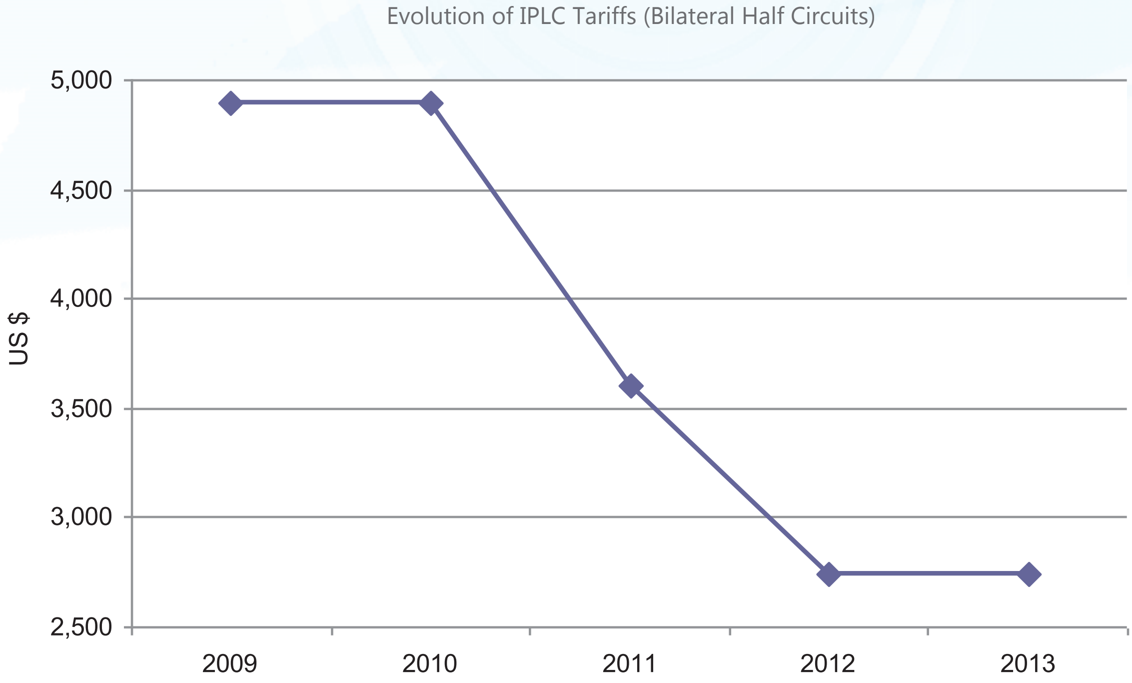


Chart 1 establishes a general decreasing trend in terms of the tariffs over selected landing points along the SAFE/SAT-3/WASC cable, with an overall average decrease of 33% in the tariffs for Bilateral Half Circuits over the relevant period.

Furthermore, the year 2013 saw the entry of a new operator in the Bilateral Half and Full Circuit IPLC market segments, thereby improving the degree of competition to new levels. As a result, the new tariffs determined by the ICTA are, wherever comparable, effectively more competitive than those practised by the incumbent operator to date. Moreover, the new operator also introduced high capacity denominations for this particular service.

Chart 2 below highlights the tariff evolution in terms of the cheapest available offer for a 2Mbps Full Circuit on SAFE over the period 2009 to 2013 whereby an overall reduction of 44% was seen.

Chart 2: Evolution of IPLC tariffs for Bilateral Full Circuits on SAFE (2 Mbps)



Decrease in tariffs for ILD services

The extent of effective competition across the numerous licensed ILD operators in the outgoing ILD market segment has translated to frequent price reductions especially to popular calling destinations. The decreases in the tariffs for international connectivity, together with competitive termination rates, have further boosted the ability of market players to compete even more, to the benefit of the end users.

With reference to **Annex 2**, the cheapest postpaid IDD tariffs available have been provided for a sample of popular destinations over the period 2009 – 2013 respectively. The tariffs of calls terminating to the UK and France, for example, have experienced a significant decrease of 50% over the aforementioned period. In fact, an IDD call to several major destinations now costs as low as Rs 2.00 per minute.

On average, there has been a 46% reduction on major selected destinations. Further reduction for Internet Telephony calls on main routes was registered. This was calculated on an average decrease in per minute tariff at an average of 18% for the period under study.

Decrease in tariffs of mobile networks and Internet access services

The interplay of the mobile platform as an increasingly sought after mode of access to the Internet for 2013 is reflected in the substantial rise of about 23% in subscriber take-up for mobile data services.

Tariffs for Internet access over mobile platforms, shows that the cheapest package of a 1GB capacity stood at Rs 275 per month, corresponding to a reduction of around 8% from 2009 to 2013.

2013 also witnessed the launch of several innovative mobile and wireless data packages, to match the smart capabilities of an ever increasing range of consumer electronic devices.

Operators are also encouraging the personalisation of services, whereby end-users are granted the freedom of selecting the basic components of their telecommunication service portfolio. For instance, the introduction of bundled services allowed end-users to customise their postpaid mobile plan through a combination of mobile telephony, data and ILD voice services, hence sustaining innovation and competition in the said market segment.

Moreover, a certain trend has been observed whereby the established players have differentiated themselves with the launch of innovative prepaid and postpaid monthly Internet offers. This has translated into a range of new denominations such as 20 GB, 30 GB and 50 GB being commercialised. The availability of such packages on both mobile and fixed wireless platforms also helps to cater for a diversity of consumption patterns, including users of LTE equipment.

ANNEX 1

Determination by ICTA on Applications for Tariffs of Telecommunications Services			
Calendar Year: 01 January 2013 to 31 December 2013			
Month	**Operator**	**Tariff Approval by Service**	**Details**
Jan-13	Emtel	Mixed Prepaid Package	Launch of new daily mixed prepaid package including a mix of voice, SMS & data allowance
Feb-13	Emtel	Fixed Broadband Service	Extension of service over new technology platforms such as optical fibre, microwave & BAN node
Apr-13	Bharat Telecom	Residential Offers	Launch of new plans under the FTTH Internet Acess service
	Cellplus	Mobile Internet	Launch of prepaid & postpaid 500Mb package & Alignment of existing tariff for Postpay 1Gb with Prepay 1Gb
	MTML	CDMA Freedom Plan (Prepaid & Postpaid)	Increase of 20% in monthly rental and increase of SMS tariffs to Rs 0.20
		GSM MTML Package	Increase of 56% in tariffs of GSM MTML package
		GSM One Network Plan	Launch of new plan under GSM mobile services
	Belgacom	Half Circuit & End to End Capacity Services	Launch of IPLC Half Circuit and End to End Capacity services
Jul-13	MTML	ILD Services	Revision of tariffs to Rs2.00/min on selected destinations
Oct-13	Emtel	ILD Services	Launch of new ILD packages - Bangladesh, India & China
	MTML	Mobile Internet	Replacement of selected packages. Launch of daily, weekly and monthly packages at cheaper rates
Dec-13	Hotlink	ILD Services	Decrease of 20% in tariff for Bangladesh - Prepaid ITS
	MT	IPLC Services	Decrease of 16% in IPLC tariffs following budgetary measures
	Emtel	Fixed Internet Packages	Launch of new internet packages under existing Fixed Wireless Internet Service and launch of new prepaid and postpaid monthly packages - 20GB, 30GB, 50GB
		Mobile Data & Web Packages	Launch of new packages under existing 'Mobile data & web packages' internet based service and launch of new prepaid and postpaid monthly packages - 20GB, 30GB, 50GB
		Mobile postpaid package- BYOP	Launch of bundled services known as 'Build Your Own Plan' under a combination of PLMN, ISP and ILD licences.

ANNEX 2

	2009	2010	2011	2012	2013
TARIFFS FOR POSTPAID SERVICE - Outgoing IDD Calls (Rs/min) to:					
UK	4.00	4.00	4.00	3.90	2.00
France	4.00	4.00	4.00	3.90	2.00
India	3.90	3.90	3.90	2.70	2.00
China	3.00	2.70	2.70	2.70	2.00
USA	4.00	3.50	3.50	2.70	2.00
TARIFFS FOR PREPAID MOBILE TELEPHONY SERVICE (Rs)					
Mobile to Mobile On-net call of 3 minutes duration	2.40	2.40	2.40	2.40	2.40
Mobile to Mobile Off-net call of 3 minutes duration	5.40	5.40	5.40	5.40	5.40
Mobile to Fixed call of 3 minutes duration	8.10	8.10	8.10	8.10	8.10
FIXED WIRED - ADSL					
ADSL 512 kbps (Unlimited Volume Usage):					
Residential use	750	673	621	621	621
Business use	2,500	2,400	1,250	890	890
ADSL 1 Mbps (Unlimited Volume Usage)					
Residential use	1,360	1,190	708	708	708
Business use	5,000	4,900	2,400	1,890	1,240
FIXED WIRELESS - WIMAX					
Asymmetric 512 Kbps Home	1,900	1400	729	729	729
MOBILE DATA - 3G / HSDPA / GPRS					
Postpaid plan of 1 GB capacity	299	299	299	299	275

Notes:

1. The tariffs provided for the relevant service markets refer to the cheapest approved tariffs being commercialised across licensed operators for a given year
2. The tariffs provided refer to selected service categories in order to allow for indicative and consistent comparisons

Service Regulation

Under section 24 of the ICT Act 2001 (as amended), the Authority has the statutory duty to receive applications for licences by any person and to make a determination thereon.

The table below gives the details of the licences granted and/or issued and renewed, during the financial year ending December 2013:

Types of Licence	Licensees	Total
Dealer's Licence [New and Renewal]	1. Waterfalls Ltd	
	2. Mtech (Mauritius) Ltd	
	3. Formation Recrutement et Conseil Informatique (FRCI) Ltee	
	4. Societe Bend Guo Wen Ltee	
	5. New Fedco Ltd	
	6. Iframac Ltd	
	7. Central Business Equipment	
	8. VJ Computer Ltd	
	9. Q.M. Enterprise Ltd	
	10. High Wind Ltd	
	11. Ocean Call Ltd	
	12. Toshymo Support Services Ltd	
	13. Techno Distribution Ltee	
	14. Nar & Nad Co Ltd	
	15. Linkdget Ltd	
	16. Technic Water Services Ltd	
	17. Hobbyinc Ltd	
	18. Niti Distributors Ltd	
	19. Suncity IT Distribution Ltd	
	20. Inception Works Ltd	
	21. Sea Craft Ltd	
	22. West Coast Wake Ltd	
	23. BMT co. Ltd	
	24. Imagerunner Ltd	
	25. The Brandhouse ltd	25
Value Added Services Licence	• LMP Technology Ltd	1
International Long Distance (ILD) licence	• Egallys Ltd	1
Internet Services Provider (ISP)	• W. Media International Ltd	1

Statutory Public Notifications

Under Section 24 of the Information and Communication Technologies Act 2001 (as amended), the ICT Authority is required to give public notice for applications for licences it has received while also inviting any party wishing to object to do so.

Furthermore, under Section 10 of the Postal Services Act 2002, the Postal Authority must also give notice for applications for licences it has received and invites any party who wishes to object to do so.

Public Communiqués Published in 2013

Type of Communiqués	No. published during period: Jan to Dec 2013
Application for Licence Notice	40

Directives and Decisions

During 2013 the Authority issued a Decision on 11th February 2013 on Migration from 7 to 8 Digits of Non-Geographic E.164 Telephone Numbers assigned for the Mobile Networks (ICTA/DEC/1/2013).

The ICT Authority also issued its historic Directive in 2013 to enable implementation of the migration from 7 to 8 digits on non-geographic E.164 numbers assigned for mobile networks.

INFORMATION & COMMUNICATION TECHNOLOGIES AUTHORITY

Financial Statements 2013

PORT OF THE

DIRECTOR OF AUDIT

On the Financial Statements of the Information and Communication Technologies Authority for the year ended 31 December 2013

NATIONAL AUDIT OFFICE

NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT

TO THE BOARD OF THE

INFORMATION AND COMMUNICATION

TECHNOLOGIES AUTHORITY

Report on the Financial Statements

I have audited the accompanying financial statements of the Information and Communication Technologies Authority which comprise the statement of financial position as of 31 December 2013, the statement of financial performance and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

14th Floor, Air Mauritius Centre, John Kennedy Street, Port Louis – Mauritius

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

Basis for Qualified Opinion

Contingent Liabilities

A private Contractor lodged a case against the Authority on 24 November 2014 for an amount of USD 4,650,000. In the Notes to Accounts it is disclosed that no provision has been made in the accounts as the possibility for the claim to be materialized is remote. However no sufficient appropriate audit evidence was obtained in the form of legal advice to support the claim as being remote.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give a true and fair view of the financial position of the Information and Communication Technologies Authority as of 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Emphasis of Matter

I draw attention to the following:

- According to Section 21 of the Information and Communication Technologies Authority Act 2008, the Authority shall establish a Universal Service Fund into which shall be paid any contribution received from licensees and out of which payments may be made to any licensee required by the terms of his license.

  The transactions relating to the Fund were first accounted for in the financial Statements of the Authority for the year ended 31 December 2013 and the bank balance relating to the Fund on that date amounted to some Rs 460 million.

- Since August 2010 an agreement was signed with a Contractor for the implementation of a Fraud Tracking Project at the Authority. To-date some Rs 62.5 million have been paid to the Contractor while contribution of Rs 73.5 million was received from operators for the implementation of the project. The project is not yet operational.

My opinion is not qualified in respect of these matters.

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.

Statutory Bodies (Accounts and Audit) Act

The Board is responsible to keep proper accounting records for the purpose of recording all the transactions relating to the undertakings, funds, activities and property.

Submission of Financial Statements

The Annual Report including the financial statements for the financial year 2013 were submitted to the National Audit Office on 8 August 2014 that is, three months after the statutory date limit.

Following examination of the financial statements, various amendments were required. The final amended financial statements were received at my Office on 31 July 2015.

Opinion

In my opinion, except for the non-submission of the Annual Report and financial statements within the statutory date limit, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the Statutory Bodies (Accounts and Audit) Act.

Public Procurement Act

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

In my opinion, the provisions of Part V of the Act have been complied with as far as it appears from my examinations of the relevant records.

K.C.TSE YUET CHEONG (MRS)
Director of Audit

National Audit Office
Level 14,
Air Mauritius Centre
PORT LOUIS

7 August 2015

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Note	2013 Rs	2012 Rs (Restated)
ASSETS			
Current assets			
Cash and bank balances			
General Fund	15a	36,599,591	39,169,775
Universal Service Fund	15b	461,767,390	362,491,366
Held-to-Maturity Investments	16	235,000,000	250,000,000
Trade receivables			
General Fund	13a	12,146,995	6,961,126
Universal Service Fund	13b	110,654,750	85,136,126
Other receivables	14	11,464,518	140,644,674
		867,633,244	884,403,067
Non-current assets			
Other receivables	14	2,403,807	2,480,278
Plant and equipment	10	20,727,840	17,645,137
		23,131,647	20,125,415
TOTAL ASSETS		890,764,891	904,528,482
LIABILITIES			
Current Liabilities			
Creditors and payables	21	60,609,289	174,544,853
Short term employee benefits	20	3,819,564	2,554,885
		64,428,853	177,099,738
Non-current liabilities			
Retirement benefit obligations	19	1,124,711	1,785,507
Long term employee benefits	20	11,019,646	7,780,464
		12,144,357	9,565,971
TOTAL LIABILITIES		76,573,210	186,665,709
NET ASSETS		814,191,681	717,862,773
NET ASSETS/EQUITY			
Capital & Reserve			
Equity			
General Fund	17a	235,910,447	269,167,128
Universal Service Fund	17b	572,163,710	445,100,423
Revaluation Reserves	18	6,117,524	3,595,222
		814,191,681	717,862,773

These Financial Statements were approved by the Board of the ICT Authority on .... signed on behalf:

Chairman
Mr B. Beeharee

Board Member
Mr Gérard Cathan

The notes on pages 69 to 86 form an integral part of these financial statements.

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 Rs	2012 (Restated) Rs
Revenue			
General Fund	22a	157,646,696	152,092,353
Universal Service Fund	22b	132,171,495	144,097,192
Other income	23	23,537,691	93,992,273
		313,355,882	390,181,818
Administrative expenses	24	(105,432,415)	(85,958,579)
Other expenses	25	(74,116,861)	(116,441,219)
NET SURPLUS		133,806,606	187,782,020
Attributable to :			
General Fund		6,743,319	41,506,630
Universal Service Fund		127,063,287	146,275,390

The notes on pages 69 to 86 form an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS/EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	General Fund			Universal Service Fund
	Accumulated Surpluses	Revaluation Reserve	Total net assets/equity	Accumulated Surpluses (Restated)
	Rs	Rs	Rs	Rs
Balance as at 1 January 2012	267,660,498	3,399,002	271,059,500	-
Prior year adjustment (Note 31)	-	-	-	298,825,033
Surplus	41,506,630	-	41,506,630	146,275,390
Revaluation Reserve	-	196,220	196,220	-
Contribution to the Consolidated Fund	(40,000,000)	-	(40,000,000)	-
Balance as at 31 December 2012	269,167,128	3,595,222	272,762,350	445,100,423
Surplus	6,743,319	-	6,743,319	127,063,287
Revaluation Reserve	-	2,522,302	2,522,302	-
Contribution to the Consolidated Fund	(40,000,000)	-	(40,000,000)	-
Balance as at 31 December 2013	235,910,447	6,117,524	242,027,971	572,163,710

The notes on pages 69 to 86 form an integral part of these financial statements.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
		(Restated)
	Rs	Rs
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus for the year		
- General Fund	6,743,319	41,506,630
- Universal Service Fund	127,063,287	146,275,390
Non Cash Movements		
Depreciation	10,731,558	8,845,920
(Profit)/Loss on disposal	(616,978)	63,129
Decrease in retirement benefit obligations	(660,796)	(15,967)
(Increase)/Decrease in trade receivables		
- General Fund	(5,185,869)	1,138,252
- Universal Service Fund	(25,518,624)	(33,308,026)
Decrease/(Increase) in other receivables	129,256,626	(56,173,430)
Increase in employee benefits	4,503,861	639,900
(Decrease)/Increase in creditors & payables		
- General Fund	(111,666,925)	36,731,640
- Universal Service Fund	(2,268,639)	2,527,069
Net Cash flows from operating activities	132,380,820	148,230,507
INVESTING ACTIVITIES		
Purchase of plant & equipment	(11,398,981)	(9,824,784)
Proceed from Disposal of Plant and Equipment	724,000	
Held-to-maturity Investments	15,000,000	(250,000,000)
FINANCING ACTIVITIES		
Transfer to consolidated fund	(40,000,000)	(40,000,000)
INCREASE IN CASH AND CASH EQUIVALENTS	96,705,839	(151,594,277)
CASH AND CASH EQUIVALENTS AT 1 JANUARY 2013	401,661,142	553,255,419
CASH AND CASH EQUIVALENTS AT 31 DECEMBER 2013	498,366,981	401,661,142
General Fund	36,599,591	39,169,775
Universal Service Fund	461,767,390	362,491,367

The notes on pages 69 to 86 form an integral part of these financial statements.

NOTES TO THE CASH FLOW STATEMENT

a) Cash and Cash Equivalents

Cash and Cash Equivalents consist of cash in hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise of the following amounts:

	2013 Rs	2012 (Restated) Rs
Cash at Bank – General Fund	28,161,045	25,223,955
Cash at Bank - Fraud Tracking Account	8,271,518	13,924,527
Cash at Bank – PKI	151,747	-
Cash in Hand	15,281	21,293
	36,599,591	39,169,775
Cash at Bank – Universal Service Fund	461,767,390	362,491,367
TOTAL	498,366,981	401,661,142

b) Plant and Equipment

During the year, the Authority acquired plant and equipment with an aggregate cost of Rs 11,398,981. Cash payments were made to purchase plant and equipment.

The notes on pages 69 to 86 form an integral part of these financial statements.

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013

Note: The Budget and the accounting basis is the same. The Statement of Comparison of Budget and Actual Amounts is prepared on the accrual basis.

	Budgeted Amounts year ended 31.12.13		Actual Amounts on Comparable Basis	Variance Original/ Final	Variance Final/ Actual
	Original	Final			
	Rs	Rs	Rs	Rs	Rs
INCOME					
Revenue from Licence Fees	140,000,000	145,000,000	157,646,696	5,000,000	12,646,696
Other Income	48,500,000	61,100,000	21,795,543	12,600,000	(39,304,457)
TOTAL	188,500,000	206,100,000	179,442,239	17,600,000	26,657,761
EXPENDITURE					
Staff costs	65,000,000	63,000,000	64,931,206	2,000,000	(1,931,206)
Board and sub committees allowances	6,500,000	6,500,000	5,296,645	-	1,203,355
Printing, Postage & Stationery	1,200,000	1,200,000	1,353,594	-	(153,594)
Incidentals and office expenses	1,300,000	1,200,000	1,056,630	100,000	143,370
Motor Vehicle Running Expenses	1,050,000	1,050,000	846,756	-	203,244
Rent, Rates & Licences	7,500,000	8,500,000	7,330,597	(1,000,000)	1,169,403
Professional fees	4,000,000	4,500,000	4,612,961	(500,000)	(112,961)
Insurance	1,000,000	1,000,000	685,964	-	314,036
Repairs & Maintenance	500,000	500,000	680,699	-	(180,699)
Cost of Utilities	3,400,000	3,400,000	2,962,594	-	437,406
Press advertisements	700,000	700,000	1,180,282	-	(480,282)
Technical library and publications	500,000	1,000,000	87,393	(500,000)	912,607
Training and workshops	2,000,000	2,000,000	748,686	-	1,251,314
Provision for Impairment on fraud tracking	-	-	2,925,815	-	(2,925,815)
	94,650,000	94,550,000	94,699,822	100,000	(149,822)
Contribution to International Organisation	4,000,000	4,000,000	4,948,098	-	(948,098)
Overseas Mission	5,000,000	5,000,000	2,966,362	-	2,033,638
Donation	2,000,000	8,000,000	2,744,369	(6,000,000)	5,255,631
Conference	4,000,000	4,000,000	2,408,047	-	1,591,953
Consultancy costs	2,000,000	2,000,000	1,464,000	-	536,000
Project Recurrent Costs					
IPV 4 to IPV 6	500,000	-	70,380	500,000	(70,380)
Dot.mu	1,000,000	500,000	-	500,000	500,000
PKI	2,000,000	1,500,000	1,033,524	500,000	466,476
Community Empowerment Programme	-	27,000,000	24,209,489	(27,000,000)	2,790,511
Online Malware Filtering	2,000,000	6,000,000	-	(4,000,000)	6,000,000
QOS Project	500,000	500,000	-	-	500,000
8 digit numbering project	1,500,000	6,000,000	6,791,937	(4,500,000)	(791,937)
Internet content filtering project	7,000,000	8,000,000	5,997,874	(1,000,000)	2,002,126
Mobile Theft	1,000,000	-	-	(1,000,000)	-
Fraud Tracking	42,000,000	52,000,000	9,579,243	(10,000,000)	42,420,757
Projects For Working Groups	10,000,000	2,000,000	1,019,489	8,000,000	980,511
	84,500,000	126,500,000	63,232,812	(42,000,000)	63,267,188
	179,150,000	221,050,000	157,932,634	(41,900,000)	63,117,366

Note : Please see note 28 for explanation on Variances. The above budget relates to the General Fund only.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1. MAIN ACTIVITY OF THE AUTHORITY

The ICT Authority was established under the Information and Communication Technologies Act 2001 in order to regulate and democratise information and communication technologies and related matters.

2. BASIS OF PREPARATION

In accordance with amendments brought to the Statutory Bodies (Accounts and Audit) Act by the Finance (Miscellaneous Provisions) Act No. 10 of 2010 the Financial Statements have been prepared in compliance with the International Public Sector Accounting Standards (IPSAS) issued by the International Public Sector which is as 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.

3. GOING CONCERN

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

4. ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimation involves judgments based on the latest available, reliable information and may need revision if changes occur in the circumstances on which the estimates were based or as a result of new information.

A change in an accounting estimate is recognized in the period of change if the change affects the period only or the period of change and future periods, if the change affects both. To the extent that a change gives rise to assets and liabilities or relates to an item of net assets/equity, it is recognized by adjusting the carrying amount of the related asset, liability, or net assets/equity in the period of the change.

5. MEASUREMENT BASE

In preparing the financial statements, the Authority has adopted the accounting principles recognized as appropriate for the measurement and reporting of the financial position, financial performance, and cash flows on an accrual basis.

6. AMENDMENTS TO IPSAS ISSUED BUT NOT YET EFFECTIVE

IPSAS 32 – Service Concession Arrangements
(Effective January 2014)

IPSAS 32 sets out the accounting requirements of the grantor in a service concession arrangement.

This IPSAS is not expected to have any impact on the Authority's operations or financial statements.

7. STATEMENT OF FINANCIAL PERFORMANCE AND CASH FLOW STATEMENTS

The statement of financial performance classifies expenses on the basis of their nature.
The cash flow statement has been prepared using the indirect method.

8. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue Recognition

Revenue, which represents licence fees receivable, has been accounted on an accrual basis, and is recognized upon issue of claims to licensees.

(b) Expenditure

All expenses have been accounted on accrual basis.

(c) Plant and equipment – depreciation and revaluation

Plant and equipment are stated at cost less accumulated depreciation. However, computer equipment, office equipment and technical equipment have been revalued by management based upon their fair value.

(i) Depreciation is calculated to write off the cost of plant and equipment on a straight line basis over the expected useful lives of such assets. The annual depreciation rates used for the purpose are as follows:-

Item	(%)
Furniture & Fittings	10
Office Equipment	33 1/3
Computer Equipment & Software	33 1/3
Motor Vehicles	20
Technical Equipment	20

(ii) Full depreciation is charged in the year of acquisition and no depreciation is charged in the year of disposal.

(iii) Fully depreciated assets still in use are revalued and depreciated over their estimated future useful lives.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(iv) Plant & equipment are revalued at least once a year, based on management best estimates. If an asset's carrying amount is increased as a result of a revaluation, the increase is recognised as revaluation surplus in the Statement of Net Assets/Equity. However, the increase shall be recognised in the Statement of Financial Performance to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in the Statement of Financial Performance. However, the decrease shall be recognised in the Statement of Financial Performance to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

(d) Impairment of Tangible Assets

At each date of Statement of Financial Position, the Authority reviews the carrying amounts of its tangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Authority estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimated of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment is recognized immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(e) Financial instruments

Financial assets and liabilities are recognized on the Statement of Financial Position when the Authority has become party to the contractual provisions of the financial instruments. Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to the initial recognition, these instruments are measured as set out below:

(i) Trade receivables

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

(ii) Other receivables

Other receivables are stated at their nominal value.

(iii) Investments in deposits

Investments in deposits comprise term deposits in local commercial bank accounts. The Investments in deposits are stated at amortised cost.

(iv) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, and investments in deposits.

(v) Creditors and payables

Creditors and payables are stated at their nominal value.

(f) Retirement Benefit Obligations

The Authority contributes to a pension scheme, which is a 'Defined Benefit' plan. The assets of the fund are held independently and administered by the State Insurance Company of Mauritius Ltd (SICOM).

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each date of Statement of Financial Position. A Corridor Method was adopted for the recognition of actual gains and losses with respect to the defined benefit plan. Actuarial gains and losses which exceed ten per cent of the greater of the present value of the pension obligations and the fair value of plan assets are recognised in the financial year following their recurrence.

The amount recognised in the Statement of Financial Position represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

A portion of actuarial gains or losses will be recognised as income or expense if the net cumulative unrecognised actuarial gains or losses at the end of the previous accounting period exceeded the greater of:

- 10% of the present value of the defined benefit obligations at that date; and
- 10% of the fare value of the plan asset at that date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(g) Provisions

Provisions are recognized when the Authority has a present obligation as a result of past event, which it is probable, will result in an outflow of economic benefits that can reasonably be estimated.

Allowances for Doubtful Debts

Trade receivables are stated at their nominal value, as reduced by appropriate allowances for estimated irrecoverable amounts, and comprise claims for licence fees due at year end. The claims are issued to all licensees of the Authority based upon the applicable licence fees as per regulations. A certain number of claims are expected to be irrecoverable owing to the fact that firstly, the licensees have closed down, and secondly, the equipment to which the claims pertained have either broken down or are no longer being used.

Appropriate amounts, based upon past experience and facts submitted by licensees, have been earmarked in the provision for allowances for doubtful debts. In assessing the recoverability of trade receivables, Management considers the ageing of the claims due.

(h) Use of estimates

The preparation of financial statements in accordance with International Financial Reporting Standards and generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from these estimates.

(i) Related Parties

For the purposes of these Financial Statements, parties are considered to be related to the Authority if they have the ability, directly or indirectly, to control the Authority or exercise significant influence over the Authority in making financial and operating decisions, or where the Authority is subject to common control or common significant influence. Related parties may be individuals or other entities.

9. RISK MANAGEMENT POLICIES

(i) Credit Risk

Credit risk relates to the possibility of default by licencees in settling their claims obligations to the Authority.

For major commercial licences, the Act provides for the obligation of the licensee to furnish a Bank Guarantee, which the Authority can enforce to should the claims for licence fees are not honoured. This mitigates the credit risk exposure of the Authority with regard to the recoverability of the licence fees and the possibility of material loss arising.

(ii) Liquidity Risk

This refers to the possibility of default by the Authority 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 forecasts are prepared periodically to identify any shortage of funds. The expenditure of the Authority is also matched against budget estimates to be within targeted limits.

The single major outflow of the Authority comprises the contribution to the Consolidated Fund. The amount payable is based on budget estimates, as may be adjusted for any actual non-budgeted recurrent and/or capital expenditure, to arrive at the surplus transferable funds.

10. PLANT AND EQUIPMENT

	Furniture & Fittings	Office Equipment	Computer Equipment & Software	Motor Vehicles	Technical Equipment	TOTAL Rs
COST						
Balance as at 1 Jan 2013	3,706,583	1,821,739	13,363,752	19,588,900	8,681,743	47,162,717
Additions	407,496	489,719	7,953,187	2,244,800	303,779	11,398,981
Revaluation	53,277	118,575	1,997,540	-	352,910	2,522,302
Original Cost of Assets Revalued	(177,590)	(296,438)	(4,993,849)	-	(588,183)	(6,056,060)
Disposal/Scrapped	(157,279)	(180,375)	(398,193)	(2,875,000)	-	(3,610,847)
Balance as at 31 December 2013	3,832,487	1,953,220	17,922,437	18,958,700	8,750,249	51,417,093
DEPRECIATION						
Balance as at 1 Jan 2013	1,888,497	902,733	10,273,434	12,934,130	3,518,786	29,517,580
Charge for the year	359,287	611,165	5,308,298	2,816,790	1,636,018	10,731,558
Accumulated depreciation of Assets Revalued	(177,590)	(296,438)	(4,993,849)	-	(588,183)	(6,056,060)
Disposal/Scrapped	(105,110)	(137,500)	(386,215)	(2,875,000)	-	(3,503,825)
Balance as at 31 December 2013	1,965,084	1,079,960	10,201,668	12,875,920	4,566,621	30,689,253
NBV - 31 December 2013	1,867,403	873,260	7,720,769	6,082,780	4,183,628	20,727,840
NBV - 31 December 2012	1,818,086	919,006	3,090,318	6,654,770	5,162,957	17,645,137

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

11. SURPLUS FROM OPERATIONS

Surplus for the year is arrived at after charging the following items:

	2013 Rs	2012 (Restated) Rs
Staff Costs	64,859,707	49,587,581
Depreciation	10,731,558	8,845,920
	Number	
Employees at end of year	85	80

12. FINANCIAL INSTRUMENTS

In its ordinary operations, the Authority is exposed to financial risk, more precisely to credit risk.

Fair values
The carrying amounts of the Authority's financial assets and financial liabilities reflect their nominal values.

Credit risk
The Authority's credit risk is attributable to its Trade Receivable and Other Receivables. The amounts stated in the Statement of Financial Position are net of allowances for impairment of debts, estimated on prior experience.

Interest rate risk
The Authority does not have significant concentration of interest risk.

13. TRADE RECEIVABLES

13(a). General Fund

Trade Receivables represent licence fees due at year end (2013: Rs 12,146,995; 2012: Rs 6,961,126), and are stated net of provision for impairment of debts.

Movement in allowances for doubtful debts account:

	Rs
Balance as at 1 January 2013	6,969,238
Provision during the year	-
Balance as at 31 December 2013	6,969,238

13(b). Universal Service Fund (USF)

Trade receivable represents USF contributions due from licensed operators at year end (2013: Rs 110,654,750: 2012: Rs 85,136,126)

14. OTHER RECEIVABLES

	2013 Rs	2012 (Restated) Rs
Interest on deposits	7,770,161	7,279,726
Loan to staffs	3.698,508	3,453,236
Prepayments	2,267,656	2,592,647
IBA rent	132,000	-
Universal Service Fund	-	2,527,069
Amount receivable from CTO	-	1,077,959
Fraud Tracking Contributions Due (see note 1 below)	-	126,194,315
TOTAL	13,868,325	143,124,952
Receivable within 1 year	11,464,518	140,644,674
Receivable after 1 year	2,403,807	2,480,278
	13,868,325	143,124,952

Note 1: Fraud Tracking Contributions Due

The information and Communication Technologies (Fraud Tracking Account Charge) Regulations 2010 provides that International Long Distance (ILD) operators contribute an amount of USD 0.02 per minute of terminating calls into the Fraud Tracking Account. Contributions as at 31 December 2012 are Rs 126,194,315 from ILD Operators. No provision has been made for year 2013 as there are pending cases before the Supreme Court.

15. CASH AND BANK BALANCES

	2013 Rs	2012 (Restated) Rs
Cash at Bank – General Fund	28,161,045	25,223,955
Cash at Bank - Fraud Tracking Account	8,271,518	13,924,527
Cash at Bank – PKI	151,747	-
Cash in Hand	15,281	21,293
	36,599,591	39,169,775
Cash at Bank - Universal Service Fund	461,767,390	362,491,367
TOTAL	498,366,981	401,661,142

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

16. HELD-TO-MATURITY INVESTMENTS

Held-to-Maturity Investments represents short term deposit at bank with interest payable at maturity.

17. TRANSFER TO CONSOLIDATED FUND

The Authority contributes a sum to the Consolidated Fund *(formerly Capital Fund)* of the Government of Mauritius from the General Fund in terms of the provisions of the Information and Communication Technologies Act 2001 based on income and expenditure estimates, and as determined by the Board of the Authority. An amount of Rs 40,000,000 has been earmarked to be transferred into the Consolidated Fund. (2012: Rs 40,000,000).

The transfer of Rs 40,000,000 has been treated as a movement (decrease) in equity.

18. REVALUATION RESERVE

The revaluation reserve consists of fair value reserve arising on revaluation of fixed assets. The following assets were revalued:-

Date of Revaluation	Class of Assets	Increase in Carrying Amount Rs
31.12.2013	Furniture & Fittings	53,277
31.12.2013	Office Equipment	118,575
31.12.2013	Computer Equipment	1,997,540
31.12.2013	Technical Equipment	352,910
Amount recognised in revaluation reserve		2,522,302

Basis of Revaluation

No independent valuer was involved. Office Equipment and Computer equipment were revalued based upon best Management estimate benchmarked upon prevailing market prices for items concerned.

Management is of the opinion that the above assets still carry the above stated amounts.

19. RETIREMENT BENEFIT OBLIGATIONS

The Authority has included its retirement benefit obligations in the financial statements. The pension scheme of the Authority is a defined benefit plan, and the assets of the funded plan are held independently and administered by SICOM Ltd.

	2013 Rs	2012 Rs
(Restated)		
Amounts recognised in statement of financial position at end of year:		
Present value of funded obligation	49,132,091	31,920,401
(Fair value of plan assets)	(29,858,357)	(23,590,063)
	19,273,734	8,330,338
Present value of unfunded obligation	2,547,316	1,963,416
Unrecognised actuarial gain/(loss)	(20,696,340)	(8,508,247)
Unrecognised transition amount	0	0
Liability recognised in statement of financial position at end of year	1,124,710	1,785,507
Amounts recognised in statement of financial Performance:		
Current service cost	3,399,014	2,145,238
(Employee Contributions)	(1,925,176)	(1,296,811)
Fund expenses	96,259	64,841
Interest cost	2,710,705	3,027,618
(Expected return on plan assets)	(2,036,399)	(2,072,551)
Actuarial loss/(gain) recognised	204,470	233,714
Past service cost recognised	0	0
Total, included in staff costs	2,448,873	2,102,049
Movements in liability recognised in statement of financial position:		
At start of year	1,785,507	1,801,473
Total staff cost as above	2,448,873	2,102,050
(ICTA share of Pension)	(221,904)	(172,800)
(Contributions paid by employer)	(2,887,765)	(1,945,216)
At end of year	1,124,711	1,785,507
Actual return on plan assets:	2,538,445	1,711,334
Main actuarial assumptions at end of year:		
Discount rate	8.00%	10.00%
Expected rate of return on plan assets	8.00%	10.00%
Future salary increases	5.50%	7.00%
Future pension increases	3.50%	5.00%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012 (Restated)
	Rs	Rs
Reconciliation of the present value of defined benefit obligation		
Present value of obligation at start of period	33,883,817	30,276,182
Current service cost	3,399,014	2,145,238
Interest cost	2,710,705	3,027,618
(Benefits paid)	(1,208,736)	(1,043,542)
Liability (gain)/loss	12,894,607	(521,679)
Present value of obligation at end of period	51,679,407	33,883,817
Reconciliation of fair value of plan assets		
Fair value of plan assets at start of period	23,590,063	19,572,285
Expected return on plan assets	2,036,399	2,072,551
Employer contributions	2,887,765	1,945,216
Employee contributions	1,925,176	1,296,811
(Benefits paid + other outgoings)	(1,083,091)	(935,582)
Asset gain/(loss)	502,045	(361,217)
Fair value of plan assets at end of period	29,858,357	23,590,064
Distribution of plan assets at end of period		
Percentage of assets at end of year		
Government securities and cash	59.1%	58.8%
Loans	4.9%	6.6%
Local equities	21.9%	21.0%
Overseas bonds and equities	13.4%	12.8%
Property	0.7%	0.8%
Total	100.00%	100.00%
Additional disclosure on assets issued or used by the reporting entity		
Percentage of assets at end of year	(%)	(%)
Assets held in the entity's own financial instruments	0	0
Property occupied by the entity	0	0
Other assets used by the entity	0	0

History of obligations, assets and experience adjustments

Year	2013	2012 (Restated)
Currency	Rs	Rs
Fair value of plan assets	29,858,357	23,590,063
(Present value of defined benefit obligation)	(51,679,407)	(33,883,817)
Surplus/(deficit)	(21,821,050)	(10,293,754)
Asset experience gain/(loss) during the period	(502,045)	(361,217)
Liability experience gain/(loss) during the period	(12,894,607)	521,679

Year	2014
	Rs
Expected employer contributions	3,119,563

20. EMPLOYEE BENEFITS

Employee benefits comprise the total balance of sick leaves and accumulated passage benefits not yet availed by employees of the Authority as at respective year ends.

	2013 Rs	2012 (Restated) Rs
Balance at start of year	10,335,349	9,695,449
Amount accrued during the year	4,503,861	639,900
Balance at end of year	14,839,210	10,335,349
Payable within 1 year	3,819,564	2,554,885
Payable after 1 year	11,019,646	7,780,464
Total	14,839,210	10,335,349

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

21. CREDITORS AND PAYABLES

	2013 Rs	2012 (Restated) Rs
Sundry Creditors		
General Fund	4,883,160	4,317,381
Universal Service Fund	258,430	2,527,069
Expenses Accrued	55,467,699	167,700,403
TOTAL	60,609,289	174,544,853

Note: Accrued expenses exclude an amount of USD 4,650,000 claimed by ENTEL for the Fraud Tracking Project, as the fraud tracking system has not been commissioned. Last year figure includes the amount due to ENTEL at year end.

22. REVENUE

Income represents licence fees receivable from operators licensed by the Authority on an accrual basis. (2013: Rs157,646,696; 2012: Rs 152,092,353)

23. OTHER INCOME

	2013 Rs	2012 (Restated) Rs
General Fund		
Profit on disposal	616,977	-
Bank interest	13,055,895	13,228,155
Interest on Loan to staffs	221,967	227,284
Income from Fraud Tracking	3,635,228	75,694,131
Income from PKI	151,747	-
Sundry Income	79,000	136,000
	17,760,814	89,285,570
Universal Service Fund		
Bank interest	4,186,476	3,036,876
Surcharge - USF	1,590,401	1,669,827
TOTAL	23,537,691	93,992,273

24. ADMINISTRATIVE EXPENSES

	2013 Rs	2012 (Restated) Rs
General Fund		
Staff Costs	64,859,707	49,587,581
Fees to Chairman and Board Members	5,296,645	5,181,986
Rent	7,330,597	7,127,174
Electricity	1,750,904	1,586,099
Telephone	1,211,690	1,748,013
Uniforms	71,500	65,000
Printing, Stationery and Correspondences	1,353,594	879,830
Incidentals and Office Expenses	1,056,630	908,249
Motor Vehicle Running Expenses	846,756	842,032
Loss on Disposal	-	63,129
Increase in provision for doubtful debts	-	149,732
Provision for impairment on fraud tracking project	2,925,815	-
Maintenance of Equipment & Software	680,699	290,094
Technical Library and Publications	87,393	77,446
Press Advertisements	1,180,282	494,222
Insurance	685,964	728,734
Training & Workshops	748,686	1,739,664
Professional Fees	4,612,960	5,642,239
Depreciation	10,731,558	8,845,920
	105,431,380	85,957,144
Universal Service Fund		
Incidentals and Office Expenses	1,035	1,435
	105,432,415	85,958,579

25. OTHER EXPENSES

	2013	2012
General Fund		
Contribution to International Organizations	4,948,098	1,808,749
Consultancy	1,464,000	1,318,284
Overseas Mission	2,966,362	7,354,544
Donation	2,744,369	6,741,285
Project Recurrent Costs	48,701,936	88,780,954
Conference	2,408,046	7,910,333
	63,232,811	113,914,149
Universal Service Fund		
Project Recurrent Costs	10,884,050	2,527,070
	74,116,861	116,441,219

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

26. RELATED PARTY TRANSACTIONS

26.1 Remuneration to management

Key management are persons having authority and responsibility for planning, directing and controlling the activities of the Authority- Related Party Disclosures. During the year, the total remuneration of the key management was as follows:

	2013 Rs	2012 (Restated) Rs
Allowances paid to Chairman and Board Members	4,076,548	4,009,451
Directors	12,044,109	8,938,237
	16,120,657	12,947,688

26.2 Staff Loans

Staff loans include auto cycle and car loans which are refundable in 60 and 84 equal monthly instalments respectively, and bear interest at the rate of 6.5% per annum. The above also include educational loans to staff members refundable in 60 equal monthly instalments with annual interest rate of 5%.

Opening Balance of loan: -		
Receivable within 1 year	972,957	1,072,839
Receivable after 1 year	2,480,279	3,712,707
Loans granted during the year	1,404,000	741,000
Loan Installments Received	(1,158,728)	(2,073,310)
Closing Balance	3,698,508	3,453,236
Receivable within 1 year	1,294,701	972,957
Receivable after 1 year	2,403,807	2,480,279
	3,698,508	3,453,236

26.3 Board Members

The members of the ICT Authority shall be deemed to be and constitute the members of the Postal Authority in accordance with Section 4(2) of the Postal Services Act 2002.

27. FINANCIAL SUMMARY

	General Fund				
	July 08 –June 09	Period July 09 – Dec 10	Jan 11 – Dec 11	Jan 12 – Dec 12 (Restated)	Jan 13 – Dec 13
	Rs	Rs	Rs	Rs	Rs
Revenue	129,126,748	189,013,697	131,743,496	296,189,545	289,818,191
Surplus	72,230,194	45,331,569	35,784,513	187,782,020	133,806,606
Equity	276,544,416	271,875,985	267,660,498	714,267,551	808,074,157
Transfer to Consolidated Fund	(40,000,000)	(50,000,000)	(40,000,000)	(40,000,000)	(40,000,000)

28 BUDGET NOTES

ICT Authority presents its budget and the financial statements on accrual basis. The approved budget covers the fiscal period from 1 January 2013 to 31 December 2013. The budget was approved by the ICTA Board. The major variances are explained as follows:

(a) Variance between original and final budget

Licence Fees: -

1. Licence Fees:

There was an indication that additional spectrum licences would be issued during the year and the final budget amount was increased accordingly.

2. Other Income:

Since expenditure earmarked on projects and capex were not materialised, the bank balance was higher and therefore the final budget for interest receivable was increased. The amount receivable on fraud tracking from ILD operators was also increased.

3. Staff Costs:

Some vacant posts which were originally budgeted were not filled and therefore the final budget was reduced accordingly.

4. Professional fees:

Due to an increase in the number of court cases, the final budget had to be increased.

5. Rent and rates:

Additional office space was rented during the year and therefore the budget had to be increased accordingly.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

6. Technical library and publication:

Two years annual report were planned to be published and therefore the budget was increased.

7. Donation:

A request for 500 PCs was made by the Ministry and therefore this had to be provided for.

8. Project Costs

The final budget had to be increased mainly because the CEP/PIAP project which was supposed to be financed under the USF could not be materialised and therefore continued to be funded under the General Fund. It was also decided to carry out a national campaign on 8 digit numbering change and therefore adequate provision has to be made.

(b) Variance between final budget and actual

1. Licence Fees:

Additional spectrum licences were issued in the last quarter of December 2013 which explains higher revenue from licence fees.

2. Other Income:

There are court cases in the Supreme Court against ILD operators who are not contributing into the fraud tracking account. The outcome of the cases cannot be ascertained and therefore provision has to be made regarding income due from ILD operators.

3. Salaries and allowances:

Provision was made for back pay regarding anomalies in salary.

4. Board and sub-committees allowances:

Provision was made for an increase in allowances payable to chairman and Board members but same was not granted.

5. Contribution to international organisation:

Membership contribution to international organisations like ATU and CTO is now being made by the Authority.

6. Rent and rates:

Provision was made for an increase in rent but no such increase was actually made.

7. Technical library and publication:

The annual report for years 2011 and 2012 was planned to be published in 2013 but same was delayed.

8. Press advertisements:

A number of paid press communique was issued in the local press to sensitise the general public on a number of ICT matters.

9. Training and workshops:

Most of the trainings are carried out in house with the assistance of CTO. This has helped to reduce the cost on trainings.

10. Provision for impairment on fraud tracking project:

Since the fraud tracking system has not been commissioned, provision has been made for impairment on the net income receivable under this project.

9. Donation:

Provision was made for donation of 500 PCs to the ministry but same did not materialised in 2013.

10. Conference:

An international conference planned during the year could not be held.

11. Overseas Mission:

The Authority could not participate in a number of projected missions due to various reasons.

12. Project Costs:

The actual amount is lower than budgeted due to the fact that some projects which were scheduled to start in 2012 was postponed or financed under the USF. No provision has been made regarding payment to the supplier of fraud tracking project as the system has not yet been commissioned.

29 CURRENCY

All figures are shown to the nearest Mauritian Rupee.

30 CONTINGENT LIABILITIES

L'Entreprise Telecom has lodged a case against the Authority in the Supreme Court of Mauritius on 24 November 2014 for an amount of USD 4,650,000. No provision has been made in the accounts as the possibility of the claim to be materialised is remote.

31 PRIOR YEAR ADJUSTMENT

Prior year adjustment relates to the Surplus generated under the Universal Service Fund since the establishment of the fund to 31 December 2011.

POSTAL AUTHORITY

Financial Statements 2013

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Note	2013 Rs	2012 Rs
ASSETS			
Current assets			
Cash and bank balances		26,116,520	24,208,103
Accounts receivable		-	-
	11		
TOTAL ASSETS		26,116,520	24,208,103
LIABILITIES			
Current liabilities			
Accounts payable	12	316,666	376,256
TOTAL LIABILITIES		316,666	376,256
NET ASSETS		25,799,854	23,831,847
NET ASSETS/EQUITY			
Retained Earnings		25,799,854	23,831,847
		25,799,854	22,329,288

These Financial Statements were approved by the Board of the Postal Authority on: ....

Signed on their behalf:

....

Mr Trilock Dwarka
(Chairman)

Mr A. Ramlugan
(Board Member)

The notes on pages 93 to 99 form an integral part of these financial statements.

STATEMENT OF FINANCIAL PERFORMANCE
AS AT 31 DECEMBER 2013

	Note	2013 Rs	2012 Rs
REVENUE	13	3,200,000	3,200,000
OTHER INCOME	14	851,944	847,876
		4,051,944	*4,047,876*
ADMINISTRATIVE EXPENSES	15	2,083,936	2,545,318
NET SURPLUS		1,968,008	1,502,558

The notes on pages 93 to 99 form an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS/EQUITY
AS AT 31 DECEMBER 2013

	Retained Earnings Rs	TOTAL
Balance as at 01 January 2012	22,329,288	20,953,999
Surplus for the year ended 31.12.2012	1,502,558	1,375,289
Balance as at 31 December 2012	23,831,846	22,329,288
Surplus for the year ended 31.12.2013	1,968,008	1,502,558
Balance as at 31 December 2013	25,799,854	23,831,846

The notes on pages 93 to 99 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2013

	2013 Rs	2012 Rs
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus for the year	1,968,008	1,502,558
Non Cash Movements		
Decrease in accounts receivable		300,000
(Decrease)/Increase in accounts payable	(59,590)	(54,997)
Net Cash Flows from operating activities	1,908,418	1,747,561
INCREASE IN CASH AND CASH EQUIVALENTS	1,908,418	1,747,561
CASH AND CASH EQUIVALENTS AT 01 JANUARY 2013	24,208,103	22,460,541
CASH AND CASH EQUIVALENTS AT 31 DECEMBER 2013	26,116,520	24,208,103

NOTES TO THE CASH FLOW STATEMENT

c) Cash and Cash Equivalents

Cash and Cash Equivalents consist of cash balances with the bank. Cash and cash equivalents included in the cash flow statement comprise the following statement of financial position amounts:

	2013 Rs	2012 Rs
Cash at Bank	26,116,520	24,208,103
TOTAL	26,116,520	24,208,103

The notes on pages 93 to 99 form an integral part of these financial statements.

	Budgeted Amounts year ended 31.12.13		Actual Amounts on Comparable Basis	Variance Original/Final	Variance Final/ Actual
	Original	Final			
	Rs	Rs	Rs	Rs	Rs
Revenue	3,200,000	3,200,000	3,200,000	-	-
Other Income	898,000	846,000	847,876	(52,000)	1,876
	4,098,000	4,046,000	4,047,876	(52,000)	1,876
Administrative expenses	(3,139,000)	(2,646,000)	(2,545,318)	493,000	100,682
	959,000	1,400,000	1,502,558	441,000	102,558

Note : The Budget and the accounting basis is the same. The Statement of Comparison of budget and Actual Amounts is prepared on the accrual basis.

NOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 DECEMBER 2013

1. LEGAL FORM AND MAIN ACTIVITY OF THE AUTHORITY

The Postal Authority was established as a regulatory body under the Postal Services Act 2002 for the postal, courier and ancillary services. As per section 4 of the Postal Services Act 2002, the members of the Board of the ICT Authority shall be deemed to be and constitute the members of the Board of the Postal Authority.

2. BASIS OF PREPARATION

In accordance with amendments brought to the Statutory Bodies (Accounts and Audit) Act by the Finance (Miscellaneous Provisions) Act No. 10 of 2010 the Financial Statements have been prepared in compliance with the International Public Sector Accounting Standards (IPSAS) issued by the International Public Sector which is as 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.

3. GOING CONCERN

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

4. ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimation involves judgments based on the latest available, reliable information and may need revision if changes occur in the circumstances on which the estimates were based or as a result of new information.

A change in an accounting estimate is recognized in the period of change if the change affects the period only or the period of change and future periods, if the change affects both. To the extent that a change gives rise to assets and liabilities or relates to an item of net assets/equity, it is recognized by adjusting the carrying amount of the related asset, liability, or net assets/equity in the period of the change.

5. MEASUREMENT BASE

In preparing the financial statements, the Authority has adopted the accounting principles recognized as appropriate for the measurement and reporting of the financial position, financial performance, and cash flows on an accrual basis.

6. AMENDMENTS TO IPSAS ISSUED BUT NOT YET EFFECTIVE

(i) **Improvements to IPSAS 1 – Presentation of financial statements - as a result of amendments to IPSAS 28 – Financial instruments: Presentation**
(Effective 1st July, 2013)

The amendments concerns:

(a) Disclosures about the reporting entity concerning its domicile, legal status, domicile and nature and relevant legislation governing its operations.

(b) Classification of a puttable financial instrument and an instrument that imposes an obligation to deliver to another party a pro rata share of the net assets in a liquidation as an equity instruments and their consequential disclosure requirements.

These amendments are either not relevant to the Authority's operations or are not expected to have a material effect on the accounting policies and disclosures.

(ii) Improvements to IPSAS 1 – Presentation of financial statements - as a result of amendments to IPSAS 30 – Financial instruments: Disclosures
(Effective 1st January, 2013)

These amendments require an entity to disclose information concerning its objectives, policies and processes for managing capital and how to comply with this requirement.
These amendments are unlikely to have any material effect on the Authority's operations and disclosures.

(iii) Amendments to IPSAS 1 – Presentation of financial statements - as a result of improvements to IPSASs *(Effective 1st January, 2013)*

These amendments lay down the criteria to be satisfied for a liability to be classified as current liability.

There is no impact in the opening balance resulting from early adoption of this amendment as it is already being brought to account.

(iv) Amendments to IPSAS 23 – Revenue from non-exchange transactions - as a result of amendments to IPSAS 28 – Financial instruments - Presentation
(Effective January 2013)

These amendments require an entity, when determining whether a transaction satisfies the definition of contribution from owners, to consider the substance rather than the form of the transaction. If, despite the form of the transaction, the substance is that of a loan or another kind of liability, or revenue, the entity is required to account it as such and make appropriate disclosures.

These amendments are not expected to have any impact on the Authority's operations.

NOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 DECEMBER 2013

(v) **Amendments to IPSAS 23 – Revenue from non-exchange transactions - as a result of amendments to IPSAS 29 – Financial instruments – Recognition and measurement (cont'd)**

The amendments are not expected to have any impact on the Authority's operations.

(vi) **IPSAS 28 – Financial instruments: Presentation**
(Effective January 2013)

IPSAS 28 replaces IPSAS 15. It establishes the principles for presenting financial instruments as liabilities or net assets/equity and for offsetting financial assets and financial liabilities and equity instruments and applies to the classification of the financial instruments from the point of view of the issuer.

The IPSAS is not expected to have any material effect on the Authority's operations or financial statements.

(vii) **IPSAS 29 – Financial instruments: Recognition and measurement**
(Effective January 2013)

IPSAS 29 establishes principles for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items

The IPSAS is not expected to have any impact on the Authority's operations or financial statements.

(viii) **IPSAS 30 – Financial instruments: Disclosures**
(Effective January 2013)

IPSAS 30 requires entities to provide disclosures in their financial statements that enable users to evaluate the significance of the financial instruments for the entity's financial position and performance and the nature and extent of risks arising from them and their management.

These amendments are not expected to have any effect on the Authority's financial statements and disclosures thereto.

(ix) **IPSAS 32 – Service Concession Arrangements**
(Effective January 2014)

IPSAS 32 sets out the accounting requirements of the grantor in a service concession arrangement.

This IPSAS is not expected to have any impact on the Authority's operations or financial statements.

7. STATEMENT OF FINANCIAL PERFORMANCE AND CASH FLOW STATEMENTS

The statement of financial performance classifies expenses on the basis of their nature.
The cash flow statement has been prepared using the indirect method.

8. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue Recognition

Revenue, which represents licence fees receivable, has been accounted on an accrual basis, and is recognized upon issue of claims to licensees.

(b) Expenditure

All expenses have been accounted on accrual basis.

(c) Financial instruments

Financial assets and liabilities are recognized on the Statement of Financial Position when the Authority has become party to the contractual provisions of the financial instruments. Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to the initial recognition, these instruments are measured as set out below:

(i) Trade receivables

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

(ii) Other receivables

Other receivables are stated at their nominal value.

(iii) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, and investments in deposits.

(iv) Creditors and payables

Creditors and payables are stated at their nominal value.

(d) Retirement Benefit Obligations

The Authority does not employ any officers on a permanent basis and therefore no provision for retirement benefit obligations has been made.

(e) Provisions

Provisions are recognized when the Authority has a present obligation as a result of past event, which it is probable, will result in an outflow of economic benefits that can reasonably be estimated.

Allowances for Doubtful Debts

Trade receivables are stated at their nominal value, as reduced by appropriate allowances for estimated irrecoverable amounts, and comprise claims for licence fees due at year end. The claims are issued to all licensees of the Authority based upon the applicable licence fees as per regulations. A certain number of claims are expected to be irrecoverable owing to the fact that firstly, the licensees have closed down, and secondly, the equipment to which the claims pertained have either broken down or are no longer being used.

(f) Use of estimates

The preparation of financial statements in accordance with IPSAS and generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from these estimates.

(g) Related Parties

For the purposes of these Financial Statements, parties are considered to be related to the Authority if they have the ability, directly or indirectly, to control the Authority or exercise significant influence over the Authority in making financial and operating decisions, or where the Authority is subject to common control or common significant influence. Related parties may be individuals or other entities.

9. RISK MANAGEMENT POLICIES

(i) Credit Risk

Credit risk relates to the possibility of default by licencees in settling their claims obligations to the Authority.

For major commercial licences, the Act provides for the obligation of the licensee to furnish a Bank Guarantee, which the Authority can enforce to should the claims for licence fees are not honoured. This mitigates the credit risk exposure of the Authority with regard to the recoverability of the licence fees and the possibility of material loss arising.

(ii) Liquidity Risk

This refers to the possibility of default by the Authority 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 forecasts are prepared periodically to identify any shortage of funds. The expenditure of the Authority is also matched against budget estimates to be within targeted limits.

The single major outflow of the Authority comprises the contribution to the Consolidated Fund. The amount payable is based on budget estimates, as may be adjusted for any actual non-budgeted recurrent and/or capital expenditure, to arrive at the surplus transferable funds.

10. SURPLUS FROM OPERATIONS

Surplus for the year is arrived at after charging the following item:

	2013 Rs	2012 Rs
Auditor's remuneration	50,000	50,000

11. ACCOUNTS RECEIVABLE

Accounts Receivable represent licence fees due at year end (2013: Rs 200,000; 2012: Rs 200,000), and are stated net of provision for impairment of debts (2013: Rs 300,000; 2012: Rs 300,000).

12. ACCOUNTS PAYABLE

Licence fees received in advance	200,000	200,000
Expense accrued	116,666	176,256
TOTAL	316,666	376,256

13. REVENUE

Income represents licence fees receivable from operators licenced by the Authority.
(2013: Rs 3,200,000; 2012: Rs 3,200,000)

14. OTHER INCOME

Bank interest	843,943	839,876
Sundry income	8,000	8,000
TOTAL	851,943	847,876

15. ADMINISTRATIVE EXPENSES

Allowance to chairman & board members	860,226	858,208
Other allowances	1,115,915	1,168,059
Office expenses & incidentals	7,509	1,121
Press advertisements	95,686	54,964
Training	4,600	-
Professional Fees	-	148,566
Donation	-	14,400
Provision for bad debts	-	300,000-
TOTAL	2,083,936	2,545,318

NOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 DECEMBER 2013

16. RELATED PARTY TRANSACTIONS

Note on operations

In terms of the Postal Services Act 2002, the members of the Board of the ICT Authority shall be deemed to be and constitute the members of the Board of the Postal Authority. Moreover, the officers of the ICT Authority ensure the smooth running and the whole conduct of the operations of the Postal Authority.

Remuneration to management

Key management are persons having authority and responsibility for planning, directing and controlling the activities of the Authority, as per IAS 24 - Related Party Disclosures. During the year, the total remuneration of the key management was as follows:

		2013	2012
		Rs	Rs
Allowances paid to:	Board Members	860,226	858,774
	Directors	216,000	213,935
		1,076,226	1,072,709

17. BUDGET NOTES

The Postal Authority presents its budget and the financial statements on accrual basis. The approved budget covers the fiscal period from 01 January 2013 to 31 December 2013. The budget was approved by the Postal Board.

Original budget/ Final budget

The decrease in final administrative expenses over the original budget is mainly explained by the fact that the Authority has not adhered as a member of PAPU and that the Postal Authority is still located at the ICT Authority's premises.

Final budget/ Actual budget

The decrease in actual administrative expenses over the final pertains to expenses budgeted in 2012 and not yet incurred.

18. CURRENCY

All figures are shown to the nearest Mauritian Rupee.