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Executive Summary

The year 2015 witnessed a series of activities conducted by the ICT Authority to meet the needs of its range of stakeholders. One of the highlights of 2015 was the analogue switch off on 17 June 2015. The switch off was a historic event for Radiocommunications in Mauritius and was a follow-on to the decision of the Regional Radiocommunication Conference 2006. The switch off was also a natural evolution in the development of Digital Terrestrial Broadcasting (DTB). The basis for bringing about the Digital Terrestrial Television was a new Frequency plan. A steering committee was set up to oversee the migration; the ICT Authority undertook a consumer awareness campaign for the switch off and the funding of discount vouchers to the vulnerable for the purchase of set-top boxes.

During 2015, the Authority received representations from a foreign company requesting to allow the use of mobile phones operating in the UMTS 2100, LTE 1800 and other LTE frequency bands onboard foreign registered aircraft engaged in innocent passage in the airspace of Mauritius. A consultation exercise was undertaken in line with the provisions under section 18(p) of the ICT Act 2001 (as amended).

To improve productivity, efficiencies were brought in to minimise and eliminate the exchange of hard copy documents amongst staff when processing applications submitted to the Authority for licences and authorizations. A customised system was set up to manage licence applications online for internal users. The Licence Management System (LMS) was developed and implemented to create efficiencies when processing applications. The LMS enabled more rapid retrieval of information to keep across departments and for customer service updates. One other benefit is that the LMS acts as a repository for documents submitted and interactions in relation to an application.

The Universal Service Fund was revisited and its structure organised to streamline its management whilst at the same time ensuring transparency, accountability and preserving its autonomy.

A decrease in IPLC tariffs as well as a decrease in Tariffs of Internet access services impacted the information and communication services sector to the benefit of various stakeholders. This generated innovations amongst mobile phone operators who diversified offerings through the provision of bundled offers bringing consumers more choice.

As part of its engagement with the Public, the Authority handled complaints lodged by members of the public seeking remedial measures and guidance. An array of complaints were received in 2015; these included cases of interferences, complaints against public telecommunication service providers and complaints regarding behaviour and transactions amongst users of services on the Internet; these were handled in line with the Authority's consumer complaints mechanism. 46 public notices were published.

ABRIDGED FINANCIAL STATEMENTS

ΙCTΑ	31-Dec-15	31-Dec-14	
-	Rs	Rs	
STATEMENT OF FINANCIAL POSITION			
Non-current assets	14 534 098	22 807 667	
Current assets	1 094 529 483	972 625 526	
Total assets	1 109 063 581	995 433 193	
Equity	1 031 446 668	916 458 004	
Non-current liabilities	16 110 406	13 190 203	
Current liabilities	61 506 507	65 784 986	
Total Equity and Liabilities	1 109 063 581	995 433 193	

STATEMENT OF

FINANCIAL PERFORMANCE

	Year ended 31-Dec-15	Year ended 31-Dec-14
	Rs	Rs
Revenue - General Fund (Licence Fees)	204 695 892	180 571 537
Revenue - Universal Service Fund	136 092 510	106 124 816
	340 788 402	286 696 353
Other Income	4 552 053	35 708 557
	345 340 455	322 404 910
Administrative expenses	-103 975 291	-98 871 078
Other expenses	-88 255 345	-83 880 139
Surplus before transfer to Consolidated Fund	153 109 819	139 653 693
Transfer to Consolidated Fund	-40 000 000	-40 000 000
Surplus	113 109 819	99 653 693
Surplus attributable to:	-	-
General Fund	21 329 546	14 863 513
Universal Service Fund	91 780 273	84 790 180

Report of Corporate Governance

N.S.V.

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NATIONAL CODE OF CORPORATE GOVERNANCE

The Corporate Governance Committee (CGC) ensures compliance with the National Code of Corporate Governance. During the year 2015, the ICT Board was reconstituted. The CGC was constituted in May 2015 and comprised the following members:

Mer	mbers of the Corporate Governance Committee (CGC)	
•	Mr Sarwansingh PURMESSUR	Chairperson
•	Mrs Devi Chand Rye SEEWOORUTHUN	Member
•	Ms Gayle Mary-Jane YERRIAH	Member

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 fulfill 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 2015.

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) provide 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.

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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.

Board Members

- Mr Bhanoodutt BEEHAREE Chairperson
- Mrs Devi Chand Rye SEEWOORUTHUN
- Mr Pierre Gerard CATHAN
- Mr Tushyadev JADUNUNDUN
- Mr Jaysharma JHURRY
- Mr Sarwansingh PURMESSUR
- Ms Gayle Mary-Jane YERRIAH

TERMS OF REFERENCE OF SUB-COMMITTEES UNDER ICT BOARD

AUDIT COMMITTEE

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.

The Audit Committee comprised the following members:

Members	of the Audit Committee	
•	Mr Jaysharma JHURRY	Chairperson
•	Mr Tushyadev JADUNUNDUN	Member
•	Mr Pierre Gerard CATHAN	Member

UNIVERSAL SERVICE FUND (USF) MANAGEMENT COMMITTEE

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.

The Universal Service Fund (USF) Management Committee comprised the following members:

Members	of the Universal Service Fund (USF) Management Committee	
•	Mr Pierre Gerard CATHAN	Chairperson
•	Mr Jaysharma JHURRY	Member
•	Mr Tushyadev JADUNUNDUN	Member

STAFF AND REMUNERATION COMMITTEE

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

The Staff and Remuneration Committee comprised the following members:

Members	of the Staff and Remuneration Committee	
•	Mrs Devi Chand Rye SEEWOORUTHUN	Chairperson
•	Ms Gayle Mary-Jane YERRIAH	Member
•	Mr Tushyadev JADUNUNDUN	Member

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:

	2015	2014
	Rs	Rs
Allowances paid to Chairman and Board Members	2,499,290	4,273,285
Directors' remuneration	11,787,416	12,875,389
	14,286,706	17,148,674

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.

Technical Regulation

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Preparation of Digital Terrestrial Television Broadcasting (DTTB) plan for Mauritius

Mauritius is a signatory to the Geneva 1989 Agreement (Ge89). This agreement provides the foundation for all analogue terrestrial television planning in the African Broadcasting Area (ABA).

Historic Analogue Switch off

2015 witnessed what was widely regarded as a historic event for Radiocommunications: the analogue television broadcasting switch off on 17 June 2015 at 00:01 hours UTC.

This switch off was preceded by the body of work undertaken by the Authority which had participated in the Regional Radiocommunication Conferences of 2004 and 2006 organised by the International Telecommunication Union.

The switch off is a natural evolution in the development of digital terrestrial broadcasting thanks to the advent of digital technology. Digital terrestrial broadcasting is today a tangible reality. The windfall is the efficient use of the available spectrum enabling optimum benefits in the use of digital technology. The basis for bringing about Digital Terrestrial Television Broadcasting (DTTB) was a new frequency plan.

On the agenda of the Regional Radiocommunication Conference (RRC) organised by the International Telecommunication Union (ITU) was the planning of the digital terrestrial broadcasting service in parts of Regions 1 and 3, in the frequency bands 174 230 MHz and 470-862 MHz.

The RRC took place across two sessions. The first session (Geneva, 2004 RRC-04) was held from 10 to 28 May 2004. The main task in 2004 was to produce a report to serve as the technical basis for the work of the second session.

Adoption of Frequency Plan and New Agreement

Members adopted the New Agreement and Frequency Plan after deliberations in the second and final sessions which took place between 15 May to 16 June 2006.

The Authority had participated in the works of the RRC in 2004 and in the RRC in 2006. This included negotiations and coordination meetings with the French Administration on 16 and 17 February 2006. The digital terrestrial broadcasting requirements for Mauritius were submitted thereafter.

As a result of these coordination and negotiation meetings held with the French Administration, Mauritius had proposed for the adoption by the conference seven UHF channels and one VHF channel for Digital Terrestrial Television Broadcasting (DTTB) for the main broadcasting station in a Multi Frequency Network (MFN) and four channels for Digital Audio Broadcasting (DAB) in a Single Frequency Network (SFN) configuration.

The Mauritian positions were upheld in the RRC of 2006. The date for the analogue switch-off was decided during RRC -06.

The Digital Terrestrial Television Broadcasting (DTTB) plan for Mauritius thus emanates from the work undertaken for the RRC-06 and is part of the Geneva 2006 (GE06) digital frequency plan which is itself part of the GE06 Agreement.

Based on the frequency plan, DTTB stations in Mauritius were assigned/allotted frequency channels in the Very High Frequency (VHF) Band III and Ultra High Frequency (UHF) band IV/V.

The switch off of analogue broadcasting in Mauritius on 17 June 2015 was in line with the decision of the Regional Radiocommunication Conference 2006.

After the analogue switch-off, and the more than probable allocation of the 694 – 790 MHz band (second digital dividend band) to the mobile except aeronautical mobile service on co-primary basis with Broadcasting at the next World Radiocommunication Conference in November 2015, a frequency coordination meeting took place in Paris, France on 18 and 19 March 2015. The ICT Authority, MultiCarrier Mauritius Ltd (MCML), l'Agence Nationale des Fréquences (ANFR) and the Conseil Supérieure de l'Audiovisuel (CSA) took part.

The aim of this meeting was the elaboration of an assignment plan for DTTB for both Mauritius and Reunion Island for the band 470 - 694 MHz. A second meeting was held in Mauritius on 19 and 20 May 2015 to finalise the assignment plan.

Consultation on Mobile Communication Services on Aircraft

The ICT Authority had received representations from a foreign company requesting to allow the use of mobile phones operating in the UMTS 2100, LTE 1800 and other LTE frequency bands onboard foreign registered aircraft engaged in innocent passage in the airspace of Mauritius.

The representation put forward the view that amendments to the ECC 06 (07) Decision had been brought to include additional access technologies and frequency bands for mobile communications services on aircraft. The foreign company had highlighted that there had been an increasing interest from users for such services.

To gauge the views of relevant stakeholders, the Authority launched a consultative exercise on 3 November 2015. Key stakeholders were required to provide their views with respect to amendments of Decision (ICTA/DEC/01/2010) Mobile Communication Services on Aircraft to include the following additional frequency bands for operation of MCA services onboard aircraft:-

- LTE 1800
- UMTS 2100

The Consultation exercise was conducted in line with the Authority's mandate as set out under section 18(p) of the ICT Act 2001 (as amended), to "allocate frequencies and manage, review, and, where appropriate, reorganise the frequency spectrum".

The ICT Authority has as one of its objects, under section 16 (g) of the ICT Act 2001 (as amended), to "further the advancement of technology, research and development relating to information and communication technologies through modern and effective infrastructure taking into account the convergence of information technology, media, telecommunications, and consumer electronics".

Resolving cases of interference

There are three main aspects to Radiocommunications: Radiofrequency planning, Spectrum monitoring and Radio frequency safety.

The resource of Spectrum is managed by the Authority as provided by Section 18 of the ICT Act 2001 (as amended). The provision for spectrum management is set out in the following clauses:

(p) allocate frequencies and manage, review, and, where appropriate, reorganise the frequency spectrum;

(r) set up a radio frequency management unit for the allocation, monitoring, control and regulation of radio frequencies and, with the approval of the Minister, participate in any regional monitoring system;

(s) monitor the use of information and communication services on any ship or aircraft.

In concrete terms, these functions are fulfilled with a set of activities which the Authority undertakes.

The Authority is responsible for spectrum management policy and under this plan allocates spectrum to a wide range of stakeholders. It also undertakes frequency assignment and licensing; type approval of radio equipment; coordination of spectrum and spectrum control.

The Authority must also manage complaints about interference. Complainants are required to fill in a form giving the relevant details.

Over the years, the Authority has been able to resolve numerous interference problems both in Mauritius and Rodrigues under this reporting mechanism.

In 2015, the Authority resolved three cases of harmful interference as follows:

- Interference complaint from mobile operators in the region of Melrose prison;
- Interference complaint from mobile operators in the region of Port Louis;
- Interference complaint from one mobile operator in the regions of Petite Riviere, Coromandel and Pointe aux Sables.

Engineering Licences and Certificates issued from January to December 2015

Details of Licences, Certificates and Authorisations	Quantity
Aircraft Station Licence - RA04/05/06	11
Port Station Licence - RA08	1
Coast Station Licence (RA07)	1
Ship Station Licence: RA10	70
: RA11	10
EPIRB Registration	20
Private Mobile Radio Licence	76
Extended Radio-Based Private Network Device Licence - RA19	5
Radio Amateur Licence - Class A - RA23	1
Radio Amateur Licence - Class B - RA24	1
Radio Amateur Visitor's Licence - RA25	12
Portable Satellite communication terminal Licence - RA16 A	1
VSAT/USAT Licence - RA44	1
Network Spectrum Licence/Temporary Test Licence for Frequency usage - SPL 1-4	3
Fixed Radio Spectrum Licence - SPL 25-39	53
Authorisation in Respect of Setting up/Modification of Station	115
Radio Telemetry System Licence - RA26	4
Type Approval of Radiocommunication/Telecommunication Equipment: TA Certificates	1122
Type Approval of Radiocommunication/Telecommunication Equipment: Authorisation of batteries and chargers	14

Customised system to manage licence applications online

Throughout the year the Authority receives applications for licences which it must process across departments. This entails a workflow which involves hard and soft copies of documents exchanged amongst members of staff.

In June 2015, a tailor-made solution to streamline the workflow without comprising the processes and procedures involved in the handling of applications was introduced. The Authority's members of staff were trained to use the in-house Licence Management System (LMS).

An open source software was used to customize the Authority's workflow and streamline the processes involved in licence application.

The LMS brought with it a number of efficiencies. It provided a transparent platform for staff to liaise and interact at their respective levels in the flow of information on a particular application.

Thanks to a filtering tool, the LMS enabled users to retrieve the required information in a faster and more convenient manner. As such staff who were called upon to inform and answer queries about the status of applications would be able to obtain an immediate online view of a file in order to provide the appropriate information and requests for updates from applicants. The customised software included a filtering tool, which enables the users of the system to retrieve the required information quickly and conveniently.

This also meant staff attending to external queries did not have to wait to obtain a reply via mail or telephone from another colleague in order to provide the necessary updates to applicants. This resolved the problem where applicants complained that they were not given timely or sufficient feedback on their submissions.

The LMS also acted as a repository for the documents such as the application forms, the attachments and the licences/ certificates issued.

In addition, the LMS served as a repository for the archiving of all the interactions amongst members of staff in the processing of licence applications.

The LMS provided for a phasing out of interaction based on a manual handling of documents and processes leading to a fully automated system. As such in a second phase, both internal users and external users would be interacting fully online. Under this eventual second phase, the applicants themselves would submit their applications online and have real time access to check the status of their submissions.

Marketing and Communication

Public Awareness Campaign on analogue switch off

The year 2015 marked a major turning point in the history of Broadcasting in Mauritius with the switch off of the analogue television signals. Broadcasting went fully digital with Digital Terrestrial Television (DTT) available to all the households which had either a set top box or a TV set with inbuilt DTT technology.

To ensure that Mauritians understand the switch off and adopt what digital broadcasting entailed in a seamless manner, the ICT Authority conducted a comprehensive communication campaign under the aegis of the parent ministry, the Ministry of Technology, Communication and Innovation (MTCI). The objective of the campaign was to ensure that Mauritians adopted the DTT technology prior to the switch off of the TV analogue signals set for 04:00 hrs on 17 June 2015.

An invitation for Expression of Interest was launched on 4 March 2015 from eligible Design and Advertising Agencies to conduct the Consumer Awareness Programme for the DTT migration and switch off.

The analogue switch off honoured the international deadline as set by the International Telecommunication Union.

Prior to the switch off, 70% of households in Mauritius had already migrated to Digital Terrestrial Television. Also before the switch off, 30% of households were receiving only the traditional channels of MBC 1, 2 and 3. The adoption of the digital platform by these households meant that they would also receive the digital channels.

The Ministry of Technology, Communication and Innovation coordinated the migration along with other stakeholders such as the ICT Authority (ICTA), Independent Broadcasting Authority (IBA), Multi Carrier Mauritius Ltd (MCML) and the Mauritius Broadcasting Corporation (MBC) in line with Government policy. A steering committee was also set up and the ICT Authority was tasked with the two aspects of DTT migration leading to the switch off with a Consumer Awareness Programme and the funding of discount vouchers to the vulnerable.

A price survey regarding set-top boxes was carried out by the Authority. It was subsequently decided that a discount voucher of Rs 690 (VAT inclusive) was to be made available to households who were registered on the social register of the National Empowerment Foundation for the purchase of the set-top boxes. In all 864 vouchers were claimed.

The campaign was initiated during the month of May 2015 and was run extensively in June 2015, nearer to the analogueswitch off date.

An array of communication channels was used to disseminate information and ensure wide reach to a variety of publics. The information was disseminated via clips on radio and television. Leaflets and posters were widely distributed. The population was also guided as to how to install the set top box.

The ICT Authority also had regular interactions with the media and a number of articles were published in the local media to keep the population informed about the switch off and the need to migrate to the digital platform.

The Licensed Dealers of the Authority were also informed by way of correspondence to take appropriate measures to cope with any potential demand for set-top boxes on the local market.

In its endeavour to further assist the population regarding the DTT migration project, the ICT Authority hired the services of a call centre to address the queries and information needs of members of the public on the analogue switch off.

The migration to Digital Terrestrial Television (DTT) was intended at bringing a range of benefits to viewers: in addition to better reception, higher resolution pictures and digital sound quality, the digital platform also put a greater number of channels and a wider variety of TV programmes at their disposal.

Governments across the world view the Analogue Switch off, as an opportunity from which all constituents in the networked society can benefit. More services also mean greater competition and greater choice for consumers of Information and Communication Services (ICS).





Consumer complaints handling

Section 18 (o) of the ICT Act 2001 (as amended) provides for the Authority to entertain complaints from consumers in relation to any Information and Communication Service (ICS). The Authority handles these complaints according to an established complaints mechanism whereby consumers who are not satisfied with a service may bring the matter before the Authority for necessary action deemed fit as per its mandate under the ICT Act.

The Authority endeavours to provide the necessary information to consumers in order to empower the latter to find a resolution with their service providers. The approach adopted by the Authority is that the consumer has rights but also responsibilities in the take up of a particular service. Likewise the Authority also ensures that various avenues are open with the public operators and service providers to attend and resolve the complaints of consumers on a bilateral basis.

Guidance as to the complaints mechanism available to consumers is on the website of the Authority with a downloadable form. Consumers may also drop in person at the Authority where officers are on hand to listen to their grievances and to guide them as to how to make a complaint under the existing mechanism. The charts below provide a snapshot as to the number of complaints handled by the Authority under different categories such as billing, customer care and provision of service.

Table 1: Consumer Com	plaints handled by the	Authority from 1st Januar	y – 31st December 2015
-----------------------	------------------------	---------------------------	------------------------

Complaints :	Jan- March 2015	Apr - June 2015	Jul - Sept 2015	Oct - Dec 2015
Billing	2	1	3	6
EMF	6	4	6	6
Internet Related	21	21	15	20
Legal/Security	2	0	5	2
Provision of Services	44	33	35	38
Postal Services	0	0	0	0
Others	7	3	7	9

Table 2: Number of complaints handled during the first quarter (according to categories)

Complaints :	Jan- March 2015
Billing	2
EMF	6
Internet Related	21
Legal/Security	2
Provision of Services	44
Postal Services	0
Others	7

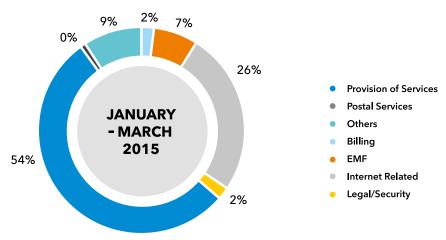
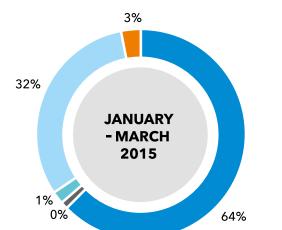


Chart 1: Categories of complaints handled during the first quarter (to the nearest percentage)

Table 3: Overview of complaints handled during the first quarter

Status of Complaints:	Jan - March 2015			
No. of cases solved/closed	64			
No. of cases in process	0			
No. of cases referred to Police	1			
No. of cases referred to the Operators	32			
No. of cases referred to appropriate Authorities (Ministry/ IBA) 3				





• No. of cases solved/closed

- No.of cases in process
- No.of cases referred to the Police
- No.of cases referred to the Operators
- No. of cases referred to appropriate Authority (Ministry/ IBA)

Table 4: Number of complaints handled during the second quarter (according to categories)

Complaints:	Apr - June 2015
Billing	1
EMF	4
Internet Related	21
Legal/Security	0
Provision of Services	33
Postal Services	0
Others	3

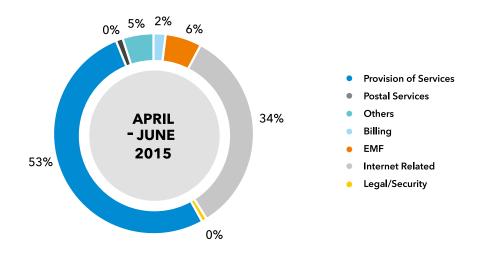


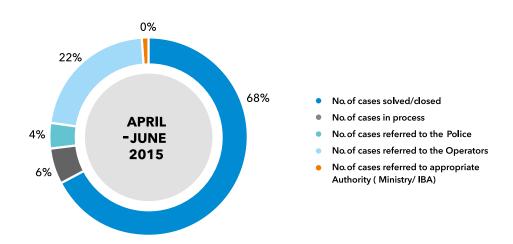
Chart 3: Categories of complaints handled during the second quarter (to the nearest percentage)

Table 5: Overview of complaints handled during the second quarter

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Status of Complaints:	Apr - June 2015
No. of cases solved/closed	59
No. of cases in process	5
No. of cases referred to Police	4
No. of cases referred to the Operators	19
No. of cases referred to appropriate Authorities (Ministry/ IBA)	0

Chart 4: Overview of complaints handled during the second quarter (to the nearest percentage)



Complaints:	Jul - Sept 2015
Billing	3
EMF	6
Internet Related	15
Legal/Security	5
Provision of Services	35
Postal Services	0
Others	7

Table 6: Number of complaints handled during the third quarter (according to categories)

Chart 5: Categories of complaints handled during the third quarter (to the nearest percentage)

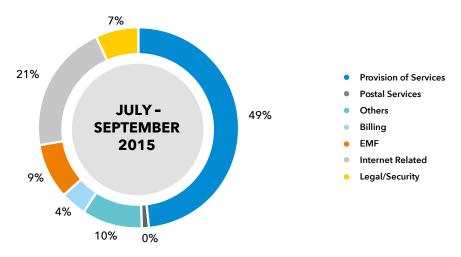
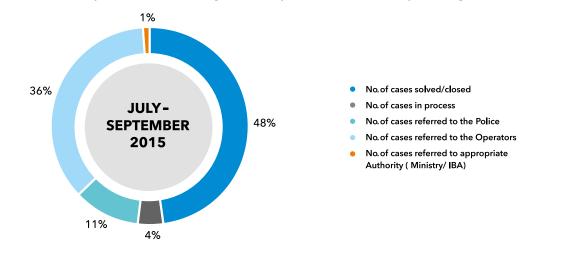


Table 7: Overview of complaints handled during the third quarter

Status of Complaints:	July - Sept 2015
No. of cases solved/closed	45
No. of cases in process	4
No. of cases referred to Police	10
No. of cases referred to the Operators	33
No. of cases referred to appropriate Authorities (Ministry/ IBA)	1

Chart 6: Overview of complaints handled during the third quarter (to the nearest percentage)





Complaints:	Oct - Dec 2015
Billing	6
EMF	6
Internet Related	20
Legal/Security	2
Provision of Services	38
Postal Services	0
Others	9

Table 8: Number of complaints handled during the fourth quarter (according to categories)

Chart 7: Categories of complaints handled during the fourth quarter (to the nearest percentage)

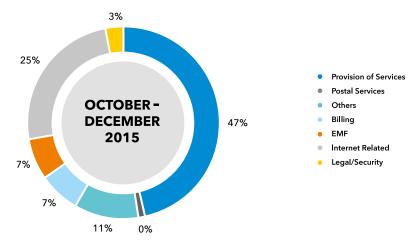
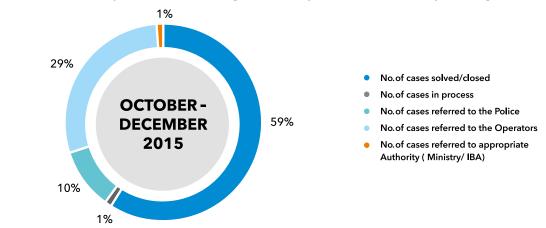


Table 9: Overview of complaints handled during the fourth quarter

Status of Complaints:	Oct - Dec 2015	
No. of cases solved/closed	50	
No. of cases in process	1	
No. of cases referred to Police	8	
No. of cases referred to the Operators	25	
No. of cases referred to appropriate Authorities (Ministry/ IBA) 1		

Chart 8: Overview of complaints handled during the fourth quarter (to the nearest percentage)



	Complaints:	Jan- March 2015	Apr - June 2015	Jul - Sept 2015	Oct - Dec 2015	Total 2015	Total 2014	% change
1	Billing	2	1	3	6	12	1	91.7
2	EMF	6	4	6	6	22	12	45.5
3	Internet Related	21	21	15	20	77	82	-6.5
4	Legal/Security	2	0	5	2	9	8	11.1
5	Provision of Services	44	33	35	38	150	112	25.3
6	Postal Services	0	0	0	0	0	0	0.0
7	Others	7	3	7	9	26	33	-26.9

Comparative figures for Consumer complaints entertained by the ICT Authority for the years 2015 and 2014

The year 2015 saw the number of billing complaints channelled to the Authority rise to 12 with an increase of nearly 92% as compared with 2014. A comparative figure for the EMF complaints received by the ICT Authority shows an increase of approximately 46% in 2015 whereas a total of 12 complaints were received in 2014.

It is however, to be noted that Internet-related complaints fell by 7% in 2015. Internet-related are complaints which the Authority receives regarding online transactions and interactions such as on social network sites.

Both figures for 'Legal/ Security' and 'Provision of Services' complaints for the year showed a rise of nearly 11% and 25% respectively. Provision of service includes connectivity and Internet speed as examples.

Complaints tagged under the Other category fell by almost 27% for 2015 as compared with 2014.

Nearly 30% increase in resolved complaints

A total of 218 complaints were resolved by the ICT Authority for the year 2015, showing an increase of around 29% in comparison with the year 2014.

Year on Year Comparison in Percentage Terms	2015	2014	% change
No. of Cases referred to Police	23	54	-134.8
No. of Cases referred to Operators	109	79	27.5
No. of Cases resolved	218	154	29.4

Public Notices

The Authority has to fulfill a statutory requirement to give public notice on a number of its business processes such as the application for licences for the provision of commercial services and also for tariff approvals. Throughout the year, public notices are published in local newspapers and on the Authority's website as required by law.

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.

Number of public notices published

Type of Public Notice	Number of Notices published for the period of Jan - Dec 2015	
Application for Licences	46	

Service Regulation

Licences Granted and Renewed

Under Section 24 of the ICT Act 2001 (as amended), the ICT Authority has the statutory duty to receive applications for licences by any person and to make a determination thereon. During the financial year January – December 2015, a total of 87 licences were either granted or renewed; the details are provided in the table hereunder:

Licences granted and/or renewed

Types of Licence	Total
Commercial Licence	8
Dealer's Licence (a type of Commercial Licence)	79



Economic Regulation

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Economic Regulation

Tariff Applications

The Authority processed around 25 tariff applications (Annex 1) made by various licensed operators over the period from 01 January to 31 December 2015. Among the various determinations made by the ICTA, the main highlights pertain to the:

- (i) continued reductions in the tariffs for international bandwidth connectivity;
- (ii) launch of new residential and business broadband Internet offers over fibre;
- (iii) continued decreases in the tariffs of several Internet access services coupled with a widening range of new and higher speed denominations;
- (iv) launch of a number of new prepaid and postpaid mobile Internet and data packages with enhanced features such as Unlimited Facebook and WhatsApp.

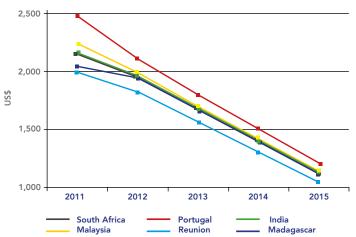
A summary of the evolution of applicable tariffs for selected infocom services is available at Annex 2.

1. Decrease in IPLC Tariffs

The latest determination by the ICT Authority on bilateral (half-circuit) IPLC took effect as from 01 January 2015, comprising an average reduction in tariffs for international bandwidth services of 20% from their previous levels to the benefit of the various sector stakeholders.

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 2011 to 2015:

Chart 1: Evolution of Bilateral Half Circuit Tariffs for E1



Evolution of IPLC Tariffs (Bilateral Half Circuits)

Chart 1 establishes a general decreasing trend in terms of the tariffs over selected landing points along the main international submarine cables connecting Mauritius, with an overall average decrease of 48% in the tariffs for Bilateral Half Circuits over the relevant period.



Evolution of IPLC Tariffs (Bilateral Full Circuits)

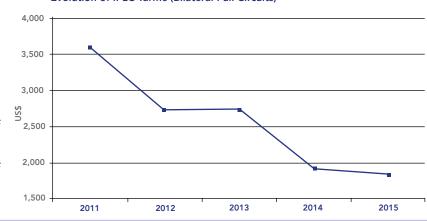


Chart 2 highlights the corresponding tariff evolution in terms of the cheapest available offer for a 2Mbps Full Circuit over the period 2011 to 2015, whereby an overall reduction of 49% is applicable accordingly.

INFORMATION AND COMMUNICATION TECHNOLOGIES AUTHORITY

ANNUAL REPORT 2015

2. Decrease in tariffs of Internet access services

In terms of fixed Internet access services, this segment has featured the launch of new high-speed residential and business broadband Internet offers, notably over the fibre technology platform, which has helped in broadening the degree of choices available to the end-users. Together with substantial reductions ranging between 6% and 81% in the tariffs of existing business oriented Internet services, this is expected to boost overall competition and meet the growing demand for access to the Internet across the country.

In terms of tariffs for Internet access over mobile platforms, the cheapest package of a postpay 1GB stood at Rs 195.65 per month, corresponding to a significant reduction of around 35% from 2011 to 2015. In addition, 2015 has seen the introduction of high-capacity offers such as denominations of 100GB, also entitling customers to substantial savings (of about 78%) by paying an equivalent tariff of around Rs 43.47 per GB, as compared to the cheapest postpay 1 GB of Rs 195.65.

In addition, mobile operators have gone one step further in promoting innovation through the provision of bundled offers which include not only allowances such as free SMS but also enhanced features such as Free and Unlimited Facebook, Whatsapp and Twitter. The availability of such diverse packages is expected to help to cater for a variety of consumption patterns and also to match the smart capabilities of an ever increasing range of consumer electronic devices.

Annex 1

Determination by ICTA on Applications for Tariffs of Telecommunications Services Calendar Year : 01 January 2015 to 31 December 2015

Month	Operator	Tariff Approval by Service	Details
	Hot Link	ILD Services	Review of tariffs for selected destinations
Feb-15	MTML	Enterprise broadband service	Launch of new broadband Internet services
	Emtel	Fixed wireless Internet service	Reduction in Tariffs of prepaid & postpaid monthly packages- 5GB,10GB,20GB,50GB
		Micro Data Packages	Launch of new postpaid packages – 20 MB,35 MB,200 MB
		Micro Data Packages	Reduction in Tariffs of existing packages & introduction of new denominations
	Emtel	Emtel Connect – VPN	Revision of tariffs and launch of new bandwidth denominations
Mar-15		IPL	Decrease in tariffs of existing denominations & Launch of new denominations
		Fixed Broadband	Reduction in tariffs of existing plans & introduction of new speeds
		Internet Leased Port	Reduction in tariffs of existing plans & introduction of new speeds
Apr-15	Belgacom	End to End Capacity Services	Decrease in tariffs ranging from 15 % to 35 %
	Emtel	Fixed Internet & Voice (VoIP)	Launch of new broadband Internet and voice packages
	Telecom Plus	Orange Adsl Offers	Revision of tariffs of existing 512 kbps plan
May - 15	Cellplus	Unlimited Facebook Offer	Unlimited Facebook to prepay and Postpay Mobile Internet customers
	MT	FTTH 10 Mbps,10GB	Launch of new 10GB denomination capped at 10GB
Jul-15	Emtel	Internet Leased Port	Launch of new bandwidth offer- 15Mbps
	MTML	Mobile Internet	Launch of new mobile Internet packages
Aug -15	MT	Superfast Business Broadband	Launch of 4 superfast broadband offers -FTTB
Oct- 15	Bharat Telecom	FTTH	Revision of 3 existing offers and launch new 5Mbps denomination
	Cellplus	Orange Abundance	Launch of new offers namely 100 MB & 100GB
Nov -15	Emtel	Mobile Internet	Unlimited & Free Facebook and Whatsapp to Mobile Internet
		Mobile Voice	Launch of new daily unlimited on-net minutes plan
	Emtel	Emtel connect – VPN	Revision of tariffs and launch of new bandwidth denominations
		IPL	Decrease in tariffs of existing denominations
		Internet Leased Port	Revision of tariffs of existing plans & introduction of new speeds
Dec -15		Fixed Broadband	Revision of tariffs of existing plans & introduction of new speeds
		Corporate High Speed Internet with VOIP	Launch of new corporate broadband Internet and voice package
		Recharge – Special Consideration	Permanent bonus on Rs 75 & Rs 110 recharge denominations
	Bharat Telecom	FTTB	Launch of new services namely SMB and Enterprise. Revision of existing dedicated 1:1 service

Annex 2

	2011	2012	2013	2014	2015
TARIFFS FOR POSTPAID SERVICE-Outgoing IDD Calls (Rs/m in) to:					
UK	4.00	3.90	2.00	2.00	2.00
FRANCE	4.00	3.90	2.00	2.00	2.00
INDIA	3.90	2.70	2.00	2.00	2.00
CHINA	2.70	2.70	2.00	2.00	2.00
USA	3.50	2.70	2.00	2.00	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					
Entry Level Residential ADSL Offer	317	317	187	100	100
ADSL 512 kbps (Unlimited Volume Usage):					
Residential Use	621	621	621	621	447
Business Use	1,250	890	890	890	890
ADSL 1 Mbps (Unlimited Volume Usage)					
Residential Use	708	708	708	708	708
Business Use	2,400	1,890	1,890	1,890	1,890
FIXED WIRELESS –W MAX					
Asymetric 512 Kbps Home	729	729	729	590	590
MOBILE DATA – 3G /HSDPA/GPRS					
Postpaid plan of 1 GB capacity	299	299	275	217	196

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.

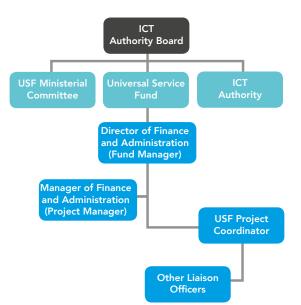
2. The tariffs provided refer to selected service categories in order to allow for indicative and consistent comparisons.

3. Entry Level Residential ADSL Offer refers to the most basic ADSL offer commercialized. This started out as an offer of 256 Kbps with a 3GB allowance in 2010 and subsequently upgraded to an offer of 512Kbps with a 2GB allowance in 2014.

Universal Service Fund- a model Framework

The Information and Communication Technologies Authority (ICT Authority) has the statutory duty, under sections 18 (1) (w), and 21 (1) of the Information and Communication Technologies Act 2001, to establish and manage a Universal Service Fund. As such, in October 2008, the USF was set up under the Information and Communication Technologies (Universal Service Fund) Regulations 2008 and its basis, was established as a principle under section 16 (a) of the Information and Communications Technologies Act 2001.

The ICT Authority has recognised that it is important to draw the management and organisational structure that fits in the handling of the USF, while at the same time ensuring transparency, accountability and preserving its autonomy. Thus, in line with best international practices as upheld by the ITU and Communications Regulators' Association of Southern Africa (CRASA), the ICT Authority has adopted the following model/framework for management of the USF:



Licensed operators either offering ILD voice services or roaming services are the ones who contribute into the Fund, where the modalities of contribution is through a monthly contribution and payable as follows:

(i) 5 per cent of the gross revenue which the public operator generates from the provision of international roaming service for that month;

(ii) 0.025 US Dollar on every minute of international calls which the public operator terminates in Mauritius in that month, and shall be paid not later than 60 days after the end of that month.

Financial Statements

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REPORT OF THE DIRECTOR OF AUDIT

30

On the Financial Statements of the Informationand Communication for the year ended 31 December 2015

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 2015, and the related statement of financial performance, statement of changes in net assets/equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards (IPSAS) 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.

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

Basis for Qualified Opinion

Non-submission of Board Minutes

Minutes of board meetings for the year ended 31 December 2015 were not submitted for examination. This has therefore limited the scope of my audit work.

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 2015, 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 matter:

Contingent Liabilities

No confirmation of any pending litigation, claim, judgements, settlements, or any transactions or charges that could affect the accounts as of 31 December 2015 has been obtained from the Legal Advisers of the Authority.

My opinion is not qualified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

Management's Responsibility

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

Auditor's Responsibility

In addition to the responsibility to express an opinion on the financial statements described above, my responsibility includes expressing an opinion on whether the activities, financial transactions and information reflected in the financial statements are, in all material respects, in compliance with the laws and authorities which govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Opinion on compliance

Statutory Bodies (Accounts and Audit) Act

Submission of Financial Statements and Annual Report

The financial statements for the year ended 31 December 2015 were submitted to the National Audit Office on 30 March 2018, that is 23 months after the statutory date of 30 April 2016. Following examination of the financial statements, various amendments were required. The amended financial statements were submitted on 15 August 2019.

An Annual Report for the year ended 31 December 2015 was not submitted to the National Audit Office, contrary to Section 7 of the Statutory Bodies (Accounts and Audit) Act.

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

Public Procurement Act

The 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 examination of the relevant records.

C. ROMOOAH Director of Audit

National Audit Office Level 14, Air Mauritius Centre **PORT LOUIS**

23 August 2019

INFORMATION AND COMMUNICATION TECHNOLOGIES AUTHORITY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	<u>2015</u> Rs	<u>2014</u> Rs
ASSETS			
Current assets			
Cash and cash equivalents			
General Fund	15	340,297,036	79,761,221
Universal Service Fund	15	536,678,494	494,059,326
Held-to-Maturity Investments	16	-	215,000,000
Receivables			
General Fund	13a	6,036,240	8,816,145
Universal Service Fund	13b	208,294,096	159,219,749
Other receivables	14	3,223,617	15,769,085
	_	1,094,529,483	972,625,526
Non-current assets	_		
Other receivables	14	1,297,745	1,833,138
Property, Plant and Equipment	11	13,236,353	20,974,529
		14,534,098	22,807,667
TOTAL ASSETS	_	1,109,063,581	995,433,193
LIABILITIES	-		
Current Liabilities			
Creditors and payables	21	56,944,497	61,293,021
Short term employee benefits	20	4,562,010	4,491,965
	_	61,506,507	65,784,986
Retirement benefit obligations	19	3,227,901	1,473,935
Long term employee benefits	20	12,882,505	11,716,268
		16,110,406	13,190,203
TOTAL LIABILITIES	_	77,616,913	78,975,189
NET ASSETS	=	1,031,446,668	916,458,004
NET ASSETS/EQUITY	=		
Capital & Reserve			
Equity			
General Fund		276,946,788	250,773,960
Universal Service Fund		744,547,688	656,953,891
Revaluation Reserve	18	9,952,192	8,730,153
		1,031,446,668	916,458,004

Mr M. A. BOCUS

(Chairman)



Mr L. AUJAYEB (Board Member)

The notes on pages 40 to 58 form an integral part of these financial statements.

INFORMATION AND COMMUNICATION TECHNOLOGIES AUTHORITY STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 DECEMBER 2015

		2015	2014
	Note	Rs	Rs
Revenue	22		
General Fund		204,695,892	180,571,537
Universal Service Fund		136,092,510	106,124,816
Other income	23		
General Fund		3,430,979	18,305,883
Universal Service Fund	-	1,121,074	17,402,674
		345,340,455	322,404,910
Administrative expenses	24	(103,975,291)	(98,871,078)
Other expenses	25	(88,255,345)	(83,880,139)
Net Surplus before transfer to C.Fund		153,109,819	139,653,693
Transfer to Consolidated Fund	17	(40,000,000)	(40,000,000)
SURPLUS FOR THE YEAR	-	113,109,819	99,653,693
Attributable to:		21,329,546	14,863,513
General Fund		, , -	, ,
Universal Service Fund		91,780,273	84,790,180

The notes on pages 40 to 58 form an integral part of these financial statements

INFORMATION AND COMMUNICATION TECHNOLOGIES AUTHORITY STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

36

	General Fund			<u>Universal Service</u> <u>Fund</u>	
	Accumulated Surpluses Rs	Revaluation Reserve Rs	Total Net Assets/Equity Rs	Accumulated Surpluses (Restated)	
				Rs	
Balance as at 1 January 2014	235,910,447	6,117,524	242,027,971	572,163,711	
Surplus	14,863,513	-	14,863,513	84,790,180	
Revaluation Reserve		2,612,629	2,612,629		
Balance as at 31 December 2014	250,773,960	8,730,153	259,504,113	656,953,891	
Assets written off	656,805	(656,805)	-	-	
Prior year adjustment (Note 30)	4,186,477	-	4,186,477	(4,186,476)	
Surplus	21,329,546	-	21,329,546	91,780,273	
Revaluation Reserve (31.12.15)		1,878,844	1,878,844	-	
Balance as at 31 December 2015	276,946,788	9,952,192	286,898,980	744,547,688	

The notes on pages 40 to 58 form an integral part of these financial statements

INFORMATION AND COMMUNICATION TECHNOLOGIES AUTHORITY CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 Rs	2014 Rs
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus for the year		
- General Fund	61,329,546	54,863,513
- Universal Service Fund	91,780,273	84,790,180
Non-Cash Movements		
Depreciation	9,939,792	10,150,582
(Profit)/Loss on disposal	106,927	49,282
Increase in retirement benefit obligations	1,753,967	349,224
(Increase)/Decrease in trade receivables		
- General Fund	2,779,905	3,330,850
- Universal Service Fund	(49,074,348)	(48,564,999)
Decrease/(Increase) in other receivables	13,080,861	(3,733,898)
Increase in employee benefits	1,236,282	1,369,023
(Decrease)/Increase in creditors & payables		
- General Fund	(4,416,766)	585,503
- Universal Service Fund	68,242	98,230
Net Cash flows from operating activities	128,584,681	103,287,490
INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(429,698)	(7,896,753)
Proceed from Disposal of property, plant & equipment	215 000 000	62,829
Held-to-maturity Investments FINANCING ACTIVITIES	215,000,000	20,000,000
Transfer to consolidated fund	(40,000,000)	(40,000,000)
INCREASE IN CASH AND CASH EQUIVALENTS	303,154,983	75,453,566
CASH AND CASH EQUIVALENTS AT 1 JANUARY 2015	573,820,547	498,366,981
CASH AND CASH EQUIVALENTS AT 31 DECEMBER 2015	876,975,530	573,820,547
General Fund	340,297,036	79,761,221
Universal Service Fund	536,678,494	494,059,326

The notes on pages 40 to 58 form an integral part of these financial statements

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

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:

	2015	2014
	Rs	Rs
Cash at Bank - General Fund	329,243,756	69,320,692
Cash at Bank - Fraud Tracking Account	10,784,352	10,216,851
Cash at Bank - PKI	257,916	199,469
Cash in Hand	11,012	24,209
	340,297,036	79,761,221
Cash at Bank - Universal Service Fund	536,678,494	494,059,326
TOTAL	876,975,530	573,820,547

a) Property, Plant and Equipment

During the year, the Authority acquired property, plant and equipment with an aggregate cost of Rs 429,698. Cash payments were made to purchase property, plant and equipment.

INFORMATION AND COMMUNICATION TECHNOLOGIES AUTHORITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

	Budgeted Amounts year ended 31.12.15		Actual Amounts on Comparable Basis	Variance Original/ Final	Variance Final/ Actual
	Original	Final			
	Rs	Rs	Rs	Rs	Rs
INCOME					
Revenue	165,000,000	190,000,000	204,676,443	25,000,000	14,676,443
Other Income	47,000,000	117,707,000	130,920,817	70,707,000	13,213,817
TOTAL	212,000,000	307,707,000	335,597,260	95,707,000	27,890,260
EXPENDITURE					
Staff costs	73,000,000	55,000,000	64,590,590	(18,000,000)	9,590,590
Board and sub committees' allowances	6,000,000	4,000,000	2,499,290	(2,000,000)	(1,500,710)
Printing, Postage & Stationery	1,050,000	1,050,000	742,115	-	(307,885)
Incidentals and office expenses	1,200,000	1,200,000	668,125	-	(531,875)
Motor Vehicle Running Expenses	1,000,000	1,000,000	704,774	-	(295,226)
Rent, Rates & Licences	7,500,000	7,500,000	7,389,785	-	(110,215)
Professional fees	4,000,000	4,500,000	5,173,141	500,000	673,141
Insurance	1,000,000	1,000,000	712,321	-	(287,679)
Repairs & Maintenance	800,000	800,000	3,865,002	-	3,065,002
Cost of Utilities	3,450,000	3,450,000	2,704,776	-	(745,224)
Press advertisements	850,000	850,000	500,351	-	(349,649)
Technical library and publications	500,000	500,000	44,504	-	(455,496)
Training and workshops	2,000,000	2,000,000	161,105	-	(1,838,895)
Provision for doubtful debt		-	4,094,543	-	4,094,543
	102,350,000	82,850,000	93,850,422	(19,500,000)	11,000,422
Contribution to International Organisation	7,500,000	7,500,000	5,402,739	-	(2,097,261)
Overseas Mission	5,000,000	5,000,000	2,330,218	-	(2,669,782)
Donation	1,000,000	1,000,000	103,990	-	(896,010)
Conference	2,000,000	2,000,000	-	-	(2,000,000)
Consultancy costs	2,600,000	2,600,000	180,000	-	(2,420,000)
Project Recurrent Costs					
Dot.mu	500,000	500,000		-	(500,000)
РКІ	3,000,000	3,000,000	3,450	-	(2,996,550)
Community Empowerment Programme	30,000000	30,000,000	28,342,182	-	(1,657,817)
Consumer Outreach	500,000	500,000		-	(500,000)
Number Portability	500,000	500,000		-	(500,000)
QOS Project	10,000,000	10,000,000		-	(10,000,000)
Internet content filtering project	3,000,000	3,000,000	1,728,676	-	(1,271,324)
Fraud Tracking	36,000,000	36,000,000	43,050	-	(35,956,950)
DTT			3,171,675		3,171,676
USF - Project Recurrent Cost			45,432,160		45,432,160
-	101,600,000	101,600,000		-	(14,861,858)
	203,950,000	184,450,000	180,588,563	(19,500,000)	(3,861,436)

Note: Please see note 28 for explanation on Variances

NOTES TO THE FINANCIAL STATEMENTS (cont'd) FOR THE YEAR ENDED 31 DECEMBER 2015

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. STANDARD ADOPTED

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. **REPORTING PERIOD**

The financial statement for the current period has been prepared for the 12 months ended 31 December 2015 with comparative information for the 12 months ended 31 December 2014.

4. ACCOUNTING POLICIES

Basis of preparation

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

5. 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.

6. 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.

7. STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of the financial statement, the following IPSAS were issued but not yet effective.

IPSAS 33 – First-time Adoption of Accrual Basis IPSASs (Effective 01 January 2017)

IPSAS 34 – Separate Financial Statements (Effective 01 January 2017)

IPSAS 35 – Consolidated Financial Statements (Effective 01 January 2017)

IPSAS 36 – Investment in Associates and Joint Ventures (Effective 01 January 2017)

IPSAS 37 – Joint Arrangements (Effective 01 January 2017)

IPSAS 38 – Disclosure of Interests in Other Entities (Effective 01 January 2017)

IPSAS 39– Employee Benefits (Effective 01 January 2018)

IPSAS 40 – Public Sector Combinations (Effective 01 January 2019)

8. 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.

9. 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) Property, Plant and Equipment

Property, 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.

 Depreciation is calculated to write off the cost of property, 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: -

ltem	(%)
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.
- (iv) Property, Plant and equipment items costing less than Rs 5,000/- will not be capitalised.
- (v) Property, Plant and equipment are revalued 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. However, the decrease shall be recognised in the Statement of any credit balance existing in the revaluation surplus in respect of that asset.

(d) Impairment of Tangible Assets

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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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd) FOR THE YEAR ENDED 31 DECEMBER 2015

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.

(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.

10. Financial Instrument

(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.

11. PROPERTY, PLANT AND EQUIPMENT

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	Furniture & Fittings	Office Equipment	Computer Equipment & Software	Motor Vehicles	Technical Equipment	TOTAL Rs
COST						
Balance as at 1 Jan 2015	4,140,760	1,982,361	14,926,847	23,958,700	9,066,272	54,074,940
Additions	34,275	11,970	151,267	-	232,186	429,698
Revaluation	48,500	499,945	220,881	-	1,109,518	1,878,844
Original Cost of Assets Revalued	(161,666)	(1,004,079)	(518,704)	-	(1,849,197)	(3,533,646)
Disposal/Scrapped	(42,778)	(136,173)	(551,771)		(326,598)	(1,057,320)
Balance as at 31 December 2015	4,019,091	1,354,024	14,228,520	23,958,700	8,232,181	51,792,516
DEPRECIATION						
Balance as at 1 Jan 2015	1,969,971	1,555,541	7,667,878	16,197,760	5,709,260	33,100,410
Charge for the year	366,046	284,694	4,638,622	3,226,840	1,423,590	9,939,792
Accumulated depreciation of Assets Revalued	(161,666)	(1,004,079)	(518,704)	-	(1,849,197)	(3,533,646)
Disposal/Scrapped	(28,000)	(117,754)	(543,361)	-	(261,278)	(950,393)
Balance as at 31 December 2015	2,146,351	718,402	11,244,435	19,424,600	5,022,375	38,556,163
Net Carrying Amount 31 December 2015	1,872,740	635,622	2,984,085	4,534,100	3,209,806	13,236,353
Net Carrying Amount 31 December 2014	2,170,789	426,820	7,258,969	7,760,940	3,357,012	20,974,530

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 (2015: Rs; 6,036,240 2014: Rs 8,816,145), and are stated net of provision for impairment of debts.

Movement for doubtful debts account:

	Rs
Balance as at 1 January 2015	6,969,238
Provision during the period	4,094,543
Balance as at 30 June 2015	11,063,781

13(b).Universal Service Fund (USF)

Trade receivable represents USF contributions due from licensed operators at year end (2015: Rs: 208,294,096; 2014: Rs: 159,219,749)

14. OTHER RECEIVABLES

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	2015 Rs	2014 Rs
Interest on deposits		12,137,192
Loan to staffs	2,228,970	3,170,447
Prepayments	1,714,710	1,714,710
Amount receivable from CTO	577,682	577,682
PKI		2,192
TOTAL	4,521,362	17,602,223
Receivable within 1 year	3,223,617	15,769,085
Receivable after 1 year	1,297,745	1,833,138
	4,521,362	17,602,223
15. CASH AND BANK EQUIVALENTS		
	2015 Rs	2014 Rs
(a)		
Cash at Bank - General Fund	329,243,756	69,320,692
Cash at Bank - Fraud Tracking Account	10,784,352	10,216,851
Cash at Bank - PKI	257,916	199,469
Cash in Hand	11,012	24,209
Total - General Fund	340,297,036	79,761,221
Cash at Bank - Universal Service Fund	536,678,494	494,059,326

876,975,530 573,820,547

TOTAL

16. HELD-TO-MATURITY INVESTMENTS

Held-to-Maturity Investments had matured in January 2015 and all amount has been transferred to the SBM Savings a/c.

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.

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
31.12.2015	Furniture & Fittings	48,500
31.12.2015	Office Equipment	499,945
31.12.2015	Computer Equipment	220,881
31.12.2015	Technical Equipment	1,109,518
Amount recognised in re	valuation reserve	1,878,844

The total amount of revaluation reserve as at 31 December 2015 amounted to Rs 9,952,192/-.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd) FOR THE YEAR ENDED 31 DECEMBER 2015

19. RETIREMENT BENEFIT OBLIGATIONS

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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.

	2015	2014
Amounts recognised in statement of financial position at end of	Rs	Rs
year: Present value of funded obligation	56,243,252	58,662,289
(Fair value of plan assets)	(39,083,830)	(36,016,077)
	17,159,422	22,646,212
Present value of unfunded obligation	2,547,316	2,471,110
Unrecognised actuarial gain/(loss)	(16,478,836)	(23,643,387)
Unrecognised transition amount	0	0
Liability recognised in		
statement of financial position at end of period	3,227,902	1,473,935
Amounts recognised in statement of financial Performance:		
Current service cost	3,751,920	3,751,920
(Employee Contributions)	(1,565,385)	(2,228,916)
Fund expenses	78,269	172,937
Interest cost	4,585,005	4,134,352
(Expected return on plan assets)	(2,798,186)	(2,547,114)
Actuarial loss /(gain) recognised	772,920	631,325
Past service cost recognised	0	0
Total, included in staff costs	4,323,949	3,914,504
Movements in liability recognised in statement of financial position:		
At start of year	1,473,935	1,124,711
Total staff cost as above	4,323,949	3,914,504
(ICTA share of Pension)	(2,348,078)	(221,905)
(Contributions paid by employer)	(221,904)	(3,343,375)
At end of year	3,227,902	1,473,935
Actual return on plan assets:	483,504	1,772,042
Main actuarial assumptions at end of year:		
Discount rate	7.50%	8.00%
Expected rate of return on plan assets	7.50%	8.00%
Future salary increases	5.00%	5.50%
Future pension increases	3.00%	3.50%

INFORMATION AND COMMUNICATION TECHNOLOGIES AUTHORITY

	2015	2014
Reconciliation of the present value of defined benefit obligation	Rs	Rs
Present value of obligation at start of period	61,133,399	51,679,407
Current service cost	3,251,327	3,751,920
Interest cost	4,585,005	4,134,352
(Benefits paid)	(1,470,968)	(1,660,126)
Liability (gain)/loss	(8,708,195)	3,227,846
Present value of obligation at end of period	58,790,568	61,133,399
Reconciliation of fair value of plan assets		
Fair value of plan assets at start of period	36,016,077	29,858,357
Expected return on plan assets	2,798,186	2,547,114
Employer contributions	2,348,078	3,343,375
Employee contributions	1,565,385	2,228,916
(Benefits paid + other outgoings)	(1,327,333)	(1,611,159)
Asset gain/(loss)	(2,316,564)	(350,526)
Fair value of plan assets at end of period	39,083,830	36,016,077
Distribution of plan assets at end of period		
Percentage of assets at end of year		
Government securities and cash	58.10%	57.10%
Loans	4.30%	4.10%
Local equities	15.90%	21.10%
Overseas bonds and equities	21.00%	17.00%
Property	0.70%	0.70%
Total	100.00%	100.00%
Additional disclosure on assets issued or used by the reporting of	entity	
Percentage of assets at end of year	(%)	(%)
Assets held in the entity's own financial instruments	0	0

Assets held in the entity's own financial instruments0Property occupied by the entity0Other assets used by the entity0

0

0

History of obligations, assets and experience adjustments

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Year	2015 Rs	2014 Rs
Currency		
Fair value of plan assets	39,083,830	36,016,077
(Present value of defined benefit obligation)	(58,790,568)	(61,133,399)
Surplus/(deficit)	(19,706,738)	(25,117,322)
Asset experience gain/(loss) during the period	(2,316,564)	(350,526)
Liability experience gain/(loss) during the period	8,708,195	(3,227,846)
Year	2016 Rs	
Expected employer contributions	3,217,120	

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.

	2015 Rs	2014 Rs
Balance at start of year	16,208,232	14,839,210
Amount accrued during the year	1,236,283	1,369,022
Balance at end of year	17,444,515	16,208,232
Payable within 1 year	4,562,010	4,491,965
Payable after 1 year	12,882,505	11,716,267
Total	17,444,515	16,208,232

21. CREDITORS AND PAYABLES

	2015 Rs	2014 Rs
Sundry Creditors		
General Fund	9,025,466	10,165,816
Universal Service Fund	424,902	356,660
Expenses Accrued	47,494,129	50,770,545
TOTAL	56,944,497	61,293,021

22. REVENUE

Income represents licence fees receivable from operators licensed by the Authority on an accrual basis. (General Fund - 2015: Rs 204,695,892; 2014: Rs 180,571,537); (USF - 2015: Rs 136,092,510; 2014: Rs 106,124,816)

23. OTHER INCOME

	2015 Rs	2014 Rs
General Fund		
Bank interest	2,442,856	15,933,927
Interest on Loan to staffs	194,367	207,588
Income from Fraud Tracking	567,501	1,946,368
Income from PKI	56,255	50,000
Sundry Income	170,000	168,000
	3,430,979	18,305,883
Universal Service Fund		
Bank interest	1,121,074	4,788,802
Adjustment	-	7,463,524
Surcharge - USF	-	5,150,348
TOTAL	4,552,053	35,708,557

24. ADMINISTRATIVE EXPENSES

	2015 Rs	2014 Rs
General Fund		
Staff Costs	64,590,590	65,823,860
Fees to Chairman and Board Members	2,499,290	4,273,285
Rent	7,389,785	7,347,451
Electricity	1,639,456	1,763,512
Telephone	1,065,320	1091,349
Uniforms	77,000	71,500
Printing, Stationery and Correspondences	742,115	729,062
Incidentals and Office Expenses	668,125	1,009,209
Motor Vehicle Running Expenses	704,774	664,601
Asset written off	106,927	49,282
Increase in provision for doubtful debts	4,094,543	-
Maintenance of Equipment & Software	3,865,002	1,459,092
Technical Library and Publications	44,504	61,335
Press Advertisements	500,351	881,537
Insurance	712,321	635,804
Training & Workshops	161,105	747,489
Professional Fees	5,173,141	2,110,693
Depreciation	9,939,792	10,150,582
	103,974,141	98,869,643

Universal Service Fund

Incidentals and Office Expenses	1,150	1,435
	103,974,141	98,869,643

25. OTHER EXPENSES

General Fund

	2015 Rs	2014 Rs
Contribution to International Organizations	5,402,739	7,593,978
Consultancy	1,431,746	3,747,488
Overseas Mission	2,330,218	2,559,088
Donation	103,990	263,990
Project Recurrent Costs	33,554,492	30,906,699
Conference		73,021
	42,823,185	45,144,264
Universal Service Fund		
Project Recurrent Costs	45,432,160	38,735,875
	88,255,345	83,880,139

26. RELATED PARTY TRANSACTIONS

25.1 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:

	2015 Rs	2014 Rs
Allowances paid to Chairman and Board Members	2,499,290	4,273,285
Directors' remuneration	11,787,416	12,875,389
	14,286,706	17,148,674

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 4% per annum. The above also include educational loans to staff members refundable in 60 equal monthly instalments with annual interest rate of 5%.

	2015 Rs	2014 Rs
Opening Balance of loan: -		
Receivable within 1 year	1,337,309	1,294,701
Receivable after 1 year	1,833,138	2,403,807
Loans granted during the year	400,000	1,065,425
Loan Installments Received	(1,341,477)	(1,593,486)
Closing Balance	2,228,970	3,170,447
Receivable within 1 year	931,225	1,337,309
Receivable after 1 year	1,297,745	1,833,138
	2,228,970	3,170,447

25.3 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	<u>Jan 11 - Dec 11</u>	<u> Jan 12 - Dec 12</u>	<u> Jan 13 - Dec 13</u>	<u> Jan 14 - Dec 14</u>	<u>Jan 15- Dec 15</u>
	Rs	Rs	Rs	Rs	Rs
Revenue	131,743,496	296,189,545	157,646,696	180,571,537	204,695,892
Surplus	35,784,513	187,782,020	6,743,319	54,863,513	61,329,546
Equity	267,660,498	714,267,551	235,910,447	250,773,960	276,946,788
Transfer to Consolidated Fund	(40,000,000)	(40,000,000)	(40,000,000)	(40,000,000)	(40,000,000)

UNIVERSAL SERVICE FUND	<u>Jan 1 - Dec 14</u> <u>Rs</u>	<u>Jan 15 - Dec 15</u> Rs
Revenue	106,124,816	136,092,510
Surplus	84,790,180	91,780,273
Equity	656,953,891	744,547,688

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 2015 to 31 December 2015. The budget was approved by the ICTA Board. The major variances are explained as follows:

(a) Variance between original and final budget

1. Revenue form licences 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:

Other income includes income from USF.

3. Staff Costs:

The contract of some officers were not renewed and therefore the final budget was reduced accordingly.

4. Board and Sub Committees Allowances:

From January 2015 to May 2015 there was no board.

5. Professional fees:

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

(b) Variance between final budget and actual

1. Licence Fees:

Additional spectrum licences were issued during the year which explains higher revenue from licence fees.

2. Other Income:

Savings at the bank is yielding no interest due to SBM policy.

3. Salaries and allowances:

Severance allowances and gratuity were paid to staff whose contract were not renewed.

4. Board and sub-committees allowances:

From January 2015 to May 2015 there was no board.

5. Motor vehicles Running Expenses:

Three directors who were suspended returned their cars to the ICTA Pool.

6. Rent and rates:

The contract for the rent for ICTA expired in October 2015. New rates has been negotiated for 10th 11th 12th and 2nd floor. The lease for ground floor has not been renewed.

7. Professional fees:

Due to an increase in the number of court cases.

8. Insurance

Lesser amount has been paid for existing vehicles.

9. Repairs and maintenance

Increase in maintenance due to implementation of Navision.

10. Cost of Utilities

The telephone bill for the three directors who were suspended are no more payable by the authority and electricity bill has also reduced due to a reduction in the number of staff

11. Press Advertisements

Less press notice was issued.

12. Technical Library

Lesser new books and publications have been purchased.

13. Training and workshops

Less training has been carried out.

14. Provision for Doubtful Debt

Licence fees due for more than 3 years has been earmarked as irrecoverable and provision has been for write off

15. Contribution to International Organisations

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

16. Overseas Mission

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

17. Donation

Lesser amounts were donated / sponsored.

18. Conference

Conference planned during the year could not be held.

19. Consultancy Costs

No consultant were appointed during the year

20. Project Recurrent Costs

General Fund:

The actual amount is lower than budgeted due to the fact that some projects which were scheduled were postponed.

USF:

No amount was budgeted for USF income and expenditure. Subsequently when the actual figures have been inserted, major variances have occurred. To address this irregularity, appropriate amounts for USF income and expenditure will be budgeted.

29. CONTINGENT LIABILITIES

L'Entreprise Telecom, which was awarded the contract for implementation of the Fraud Tracking Project, has lodged a case against the Authority in the Supreme Court of Mauritius. The amount of damage claimed in this suit amounts to USD 4,650,000.

With a view to assessing the probability of the crystallisation of this liability against the Authority, independent legal advice has been sought. The legal assessment and legal advice received on this contingent liability mention that the possibility that the claim will materialise against the Authority is remote. Accordingly, no provision has been made in the financial statements to accrue the USD 4,650,000 (MUR 167,400,000).

Hereafter is a list of major cases lodged against the Authority for which no provision has been made in the Financial Statement.

COURT CASES	Rs
Emtel v/s ICTA & Others	1,100,000,000
ENTEL v/s ICTA (Fraud Tracking)	167,400,000
LOUIS v/s ICTA	8,000,000
Emtel v/s ICTA (Fraud Tracking)	9,000,000
LSS V/S ICTA & IBA	182,800,000
TOTAL	1,467,200,000

30. UNIVERSAL SERVICE FUND

Interest on USF bank amounting to Rs 4,186,477- for 2013 which were not accounted in 2014. This amount is being accounted as prior year adjustment.

31. CURRENCY

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All figures are shown to the nearest Mauritian Rupee.

Information and Communication Technologies Authority

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