



Annual Report and
Financial Statement 2015

**PT
PURBA**

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ACRONYMS

| | |
|-----------------|--|
| ACE | African Coast to Europe |
| C&MA | Construction and Maintenance Agreement |
| CIRT | Computer Incident Response Team |
| CFL | Compact Fluorescent Lamp |
| DWR | Director of Water Resources |
| ECOWAS | Economic Community of West Africa States |
| ECOWAN | ECOWAS Regional backbone Wide Area Network |
| GAMCEL | Gambia Cellular Company |
| GAMTEL | Gambia Telecommunications Company |
| GEG | Global Electric Group |
| GMA | Gambia Maritime Agency |
| GOTG | Government of The Gambia |
| GPPA | Gambia Public Procurement Authority |
| GRA | Gambia Revenue Authority |
| GRTS | Gambia Radio and Television Services |
| GSM | Global System for Mobile Communications |
| IEC | International Electro-technical Committee |
| FM | Frequency Modulation |
| ICAO | International Civil Aviation Organisation |
| ICT | Information Communication Technologies |
| IDA | International Development Association |
| IDB | Islamic Development Bank |
| IP | Internet Protocol |
| IPP | Independent Power Producers |
| ISP | Internet Service Providers |
| IT | Information Technology |
| ITU | International Telecommunications Union |
| IXP | Internet Exchange Point |
| kV | Kilo-Volts |
| kWh | Kilowatt Hour |
| MOE | Department of State for Energy |
| MOFEA | Department of State for Finance & Economic Affairs |
| MOICI | Ministry of information and communications infrastructure |
| NARUC | National Association of Regulatory Utility Commissioners |
| NAWEC | National Water and Electricity Company |
| POI | Point of Interconnection |
| PURA | Public Utilities Regulatory Authority |
| QoS | Quality of Service |
| QoE | Quality of Experience |
| RE | Renewable Energy |
| SIXP | Serrekunda Internet Exchange Point |
| VHF | Very high frequency |
| VOIP | Voice Over Internet Protocol |
| WARCIP | West African Regional Communication Infrastructure Project |
| WIWAX | Worldwide Interoperability for microwave access |
| WSIS | World Summit on the Information Society |

INTRODUCTION

The Annual Report for 2015 is produced in line with PURA's obligation under the PURA Act 2001 to report on its activities annually for the preceding year. Therefore, this Report catalogues the achievements of the Authority as well as documents several challenges it faced during the execution of its mandate in the year 2015.

WHO WE ARE & WHAT WE DO

The Public Utilities Regulatory Authority (PURA) is The Gambia's independent multi-sector regulator established by the Government under the PURA Act 2001, to regulate the following sectors:

- Broadcasting
- Electricity
- Telecommunications
- Transportation
- Water & Sewage
- Postal

However, PURA currently regulates the following four sectors.

- Telecommunication
- Broadcasting (Radio)
- Water and sewage
- Electricity

The PURA Act 2001 mandates PURA to provide guidelines on rates and fees for the provision of regulated public services, protect the interest of consumers and of public utilities. PURA also monitor and enforce standards of performance and promote fair competition among public utilities.

In addition, the functions and role of PURA are further defined in the *Information and Communications Act, 2009* (the IC Act) and the Electricity Act 2005. The IC Act 2009 sets out PURA's mandate as the authority responsible for the regulation of information and communications services, information and communications networks, associated facilities and associated services. It further assigns additional functions to PURA and as well clarifies functions granted to PURA under the PURA Act. The Electricity Act 2005 similarly assigns additional functions to PURA and clarifies functions granted to PURA under the PURA Act.

VISION

To be a knowledge based institution that is highly relevant to the development of public utility services through the promotion of investment in infrastructure of Quality Service Delivery in The Gambia.

MISSION

To create a competitive environment for utilities that ensures that high quality services are available, affordable and accessible to consumers.

REPORT LAYOUT

Part I – The Corporate Governance and Human Resources Review – provides an overview of the organizational structure of PURA and identifies the regulatory capacity building activities, focusing on staff training which are relevant to the sustained and long term development of the Authority. Also it identifies the challenges that needed to be addressed in terms of governance and human resource development to facilitate the effective implementation of PURA's regulatory mandate as required under the 2001 Act.

Part II – The Market Development Review – provides a detailed update on the market trends in all the sectors PURA regulates.

Part III – Legal and Compliance Review – highlights the impact and status of existing and impending legislation that empowers PURA by providing it with its legal basis to discharge its regulatory mandate. This part of the review also looks at the status of compliance of the regulated utilities in terms of their obligations under the regulatory process.

Part IV – Key Regulatory Activities – these are activities embarked on by the Authority during the course of the year. This section highlights the main activities of the ICT, Energy & Water, and Consumer Affairs Directorates.

Part V – The Financial Review – looks at the financial status of the Authority during 2015. It highlights the incomes received against budgeted income and overall performance as regards to PURA's financial operations during the year in review.

CHAIRMAN'S STATEMENT



MOMODOU O.S. BADJIE
Chairman

It is once again that time of the year to present the Annual Report of the Public Utilities Regulatory Authority (PURA) for the financial year 2015. The report is made pursuant to section 45(1) of PURA Act 2001 and contains the activities of the Authority, audited financial statements and an overview of the performance of the ICT and Energy & Water sectors.

The report comes at the time when the global economy has shown positive signs over the past year. Though the global and national economic environment has had some challenges, the ICT sector has remained strong and resilient.

The National Vision 2020 document envisages an expanded usage of applied technology in all aspects of life and for households to have access to electricity and communication and development technology.

The Authority has developed a Strategic Plan covering the period of 2016-2018. It has recognized that Energy and ICTs can play important roles in increasing competitiveness of a country through increased efficiency in the production processes and reduction of transaction costs. It views ICTs as catalyst for improved coverage and efficiency in the provision of e-services in areas such as health, education and trade.

The ICT sector continues to develop communications infrastructure to reach remote parts of the country and as well witnesses high usage of more data applications, increasing adoption of smart phones and tablets and introduction of more value added services such as mobile money.

Notwithstanding the gains, the sector still faces some challenges with regards to the development of communications infrastructure. Constraints such as difficult terrain, lack of financial resources, roads and access to the national electricity grid, among others, have continued to beset the sector.

The Board is ever grateful to the Government of The Gambia for its support received from the MOFEA, MOICI and MOE. During the period under review, the Board and the Authority had many rewarding moments as well as some challenges. We have seen the Authority and the sector grow from strength to strength. We have worked with numerous key stakeholders and learned a lot from such interactions. It was a privilege to be the Chairman of the PURA Board over the past two years. PURA is a strong organisation, with a dedicated workforce and a robust strategy that will ensure continued growth of the sector, if given the necessary support.

Thank you.

Ag. DIRECTOR GENERAL'S OUTLOOK



ANSUMANA SANNEH
Ag. Director General

In the 2015 outlook, the Authority envisages the development of a strategic plan to guide the implementation of its Strategic objectives in a more defined structure, to facilitate the regulation of public utilities in the regulated sectors of ICT, Electricity and Sewage sectors in the Gambia.

These sectors form fundamental underpinnings to the Gambian economy and the welfare of all residents of The Gambia. PURA's role as an active regulator is critical to the achievement of consumer satisfaction in each of these sectors, through facilitating high levels of sector growth, competition, restructuring, investment, technological advancement and service expansion. Effective regulation of these sectors is also required to support the efficient, productive operation of the Gambian economy and the socio-economic development of all residents of The Gambia.

Many priorities compete for PURA's regulatory attention within the mentioned regulated sectors so that resource stability and maximization of resource usage efficiency are crucial. However as highlighted in 2015 PURA as an institution achieved several key objectives in the regulated sector and to consolidate on some of these gains my vision for 2016 comprises of:

Increasing competition has been an important component of a well-functioning telecoms market. PURA needs to Increase Competition and Investment in ICT Sector by Implementing open access regulation and cost-based wholesale pricing for ECOWAN, ACE international capacity, and co-location. The Authority looks forward to adopting a new numbering plan that recognizes the numbering requirements of future converged services. We look onward to assessing the economic impact of the deregulation of international voice gateways as this has been seen to be the catalyst for development of the voice market around the world.

Improving the Quality of Service (QoS) for both voice and data service has been a great challenge, but PURA is working towards acquiring the quality of services monitoring tool to work hand in hand with our already developed QoS Guidelines.

PURA hopes to partner with MOICI to ensure an effective digital migration by providing effective regulations to address the Digital Switchover needs. To prevent interference and ensuring effective use of our available spectrum, PURA will finalize the National Spectrum Database.

PURA envisage to be in a position to support the efficient evolution of the Electricity, Water and sewage sector by supporting and advocating for unbundling of the electricity sector, specifically the generation, transmission and distribution infrastructure of NAWEC, as well as unbundling of water components within NAWEC. Increased access to electricity retail services by consumers (from a variety of actors and operators) through encouraging third party service providers of electricity vending from the Operators from the ICT sectors, financial institutions, and petrol stations, etc.

PURA needs to development and promote renewable sources of energy and energy efficiency. We look forward to working on project based on pushing this agenda.

The requirement to strengthen the management and monitoring of water quality and sewage, PURA will continue to work closely with the Department of Water Resources. This is a key priority area for the Authority.

Also PURA has to prioritize the protection of the interests of consumers, on accessibility, Quality of Experience (QoS), price, and standards, by empowering consumers to make informed choices on the services and insist that their rights and provider obligations be respected. Actively advocate for appropriate policies based on best practice and operator service codes and other methods of publicly identifying their obligations to consumers through Bantaba outreach programs, QoS caravan, Consumer parliament, etc.

BOARD OF DIRECTORS



MOMODOU O.S. BADJIE
Chairman



EBRIMA CHAM
Member



SAINABOU WADDA - CISSE
Member



ABDOULIE JALLOW
Ex-Officio Member



ANSUMANA SANNEH
Ag. Director General

HEADS OF DEPARTMENT



ANSUMANA SANNEH
Ag. Director General



KELEPHA SAMBA
Director of Human
Resources & Corporate Affairs/
Board Secretary



SOLO SIMA
Director of Consumer Affairs



NICHOLAS JATTA
Director of Information &
Communications Technology



M.L. SOMPO CEESAY
Director of Energy &
Water Regulation



PAUL MENDY
Director of Finance
& Administration



IDA MBOOB
Director of Legal Licensing and
Enforcement



BURAMA JAMMEH
Ag. Director of Economics
Regulations

PART I: CORPORATE GOVERNANCE & HUMAN RESOURCES REVIEW

PURA has a governing Board of Directors appointed by the President of the Republic of The Gambia on the recommendation of the Minister of Finance and Economic Affairs.

The Board currently comprises a Chairperson and three other members, including an Ex-Officio member, and the Director General. The Director of Human Resources and Corporate Affairs is the Secretary to the Board.

The year under review saw PURA continue its strategic transition to enhance its performance and better serve the general Public.

The staff strength was very stable in 2015 with two professional staff recruited to enhance the capacity of the Authority. Staff also underwent different training to build the capability of PURA. The below table documents a few trainings staff underwent.

| DEPARTMENT | ORGANISATION | TRAINING | LOCATION |
|--|--------------------------|--|-----------------|
| Directorate of ICT | ARTP | Study Tour | Dakar |
| | Informa Telecoms | Long Term Evolution LTE planning and Optimization Training | Dubai |
| | WATRA | World Radio Communication Conference of 2015 | Togo |
| | ITU | Multi Coding Systems and Applications | Geneva |
| | ITU | RF Test and Measurement Fundamentals | Germany |
| | WATRA | Internet Exchange Point and Cyber Security | Abidjan |
| | NCA-Ghana | Study Tour | Ghana |
| | Institute of Kampala | Applied Competition Economies Masterclass | Uganda |
| | Singapore Cooperation | Enabling Private Sector Growth and Attracting FDIs | Singapore |
| | African Development Bank | Africa Infrastructure Knowledge Program Data Collection and Validation | Nairobi |
| | ITU | Indicator Symposium | Geneva |
| Directorate Finance and Administration | ECOWAS | Regional Interconnection Framework | Lomé, Togo |
| | ECOWAS | ECOWAS Strategy ICT Meeting | Abuja |
| | UCC AND TCRA | Study Tour | Uganda/Tanzania |
| | ITU | Regional Standardization Forum for Africa | Dakar |
| | ECOWAS | Regional Interconnection Framework | Lomé, Togo |
| Directorate Electricity and Water | ERERA | Fifth Consultative Committee | Ghana |

Table 1: Staff Training 2015

Towards the end of 2015 PURA underwent an organisation structure and strategy plan review to improve its systems and processes, institutional and staff capacity development, sector leadership, advocacy and assistance to government in the review and formulation of key aspects of sector strategy and policies in order to have major impact on the Gambian economy and society in future.

Figure 1 showcases the new structure of the organisation.

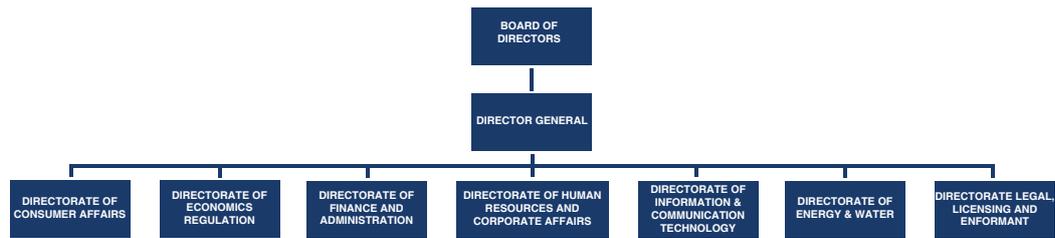


Figure 1: 2015 PURA's new Organisational Chart

Director General - Responsible for the day-to-day management of PURA with the objective of improving the efficiency in which public utility services are provided and increasing the percentage of Gambia residents having access to regulated services. He advises the Board on the appropriate framework for regulation of public utilities in the country in accordance with relevant legislations.

Consumer Affairs Directorate - Handles consumer complaints of utility services and reviews these with the relevant service providers. It monitors the level of consumer satisfaction with services provided by utilities. It evaluates the performance of the utilities against the respective quality of service standards and assists the management in publishing information relating to PURA's functions and activities.

Economic Regulation Directorate - Advises Director General on rates and tariffs; performs economic and financial analyses; conducts research and develops special studies and forecasts. It monitors investment programs with PURA's regulated sectors.

Human Resource & Coprorate Affaires Directorate - Oversees the staff welfare and motivation. It handles recruitment, safely, employee relations, benefits, compliances and training & development. It also responsible for the internal and external communications of the Authority and advises management on the public perception of PURA.

Information Communication & Technology Directorate - Gives technical advise to the Director General on issues relevant to regulation of the telecommunications sectors.

Energy and Water Directorate - Gives technical advise to the Director General on issues relevant to regulation of the energy, water and sewage sectors.

Finance and Administration Directorate - coordinates administrative activities, including procurement and manages the budget of the institution as well as drawing of the monthly management accounts and giving the necessary financial advice. The Directorate is also responsible for issuing invoices for regulatory fees and follow-up on payments.

Legal, Licensing and Enforcement Directorate - Advises Director General and management on all legal matters affecting the Authority. Draft all legal instruments such as licenses, contracts and regulations of the Authority.

PART II: THE MARKET DEVELOPMENT REVIEW

MACROECONOMIC PERFORMANCE

The Year 2015 marked the final year of The Gambia's medium term development agenda (PAGE 2012-2015). The Macroeconomic framework in the Gambia over the past few years has been severely affected by External Shocks to key sectors in the country's economy. The adverse effect of Ebola and irregular rainfall patterns in 2014 led to the downward revisions of GDP growth targets for the country.

The Year 2015, as anticipated, was a year of rebounds. Real GDP growth is expected to increase to 4.7% compared to the 0.9% experienced in 2014. Longer Term GDP growth prospects in 2016 and beyond are expected to return back to the normal growth path of around 5.5%.

The reform of State Owned Enterprises (SOE) continues to be a priority area for the Government. Key amongst these includes those in the regulated sectors under PURA's regulatory purview; namely, GAMTEL/GAMCEL and NAWEC. The Authority will continue playing a key role in complimenting Governments efforts for the survival and efficiency of these SOEs particularly in the areas of Tariff and Revenue adequacy.

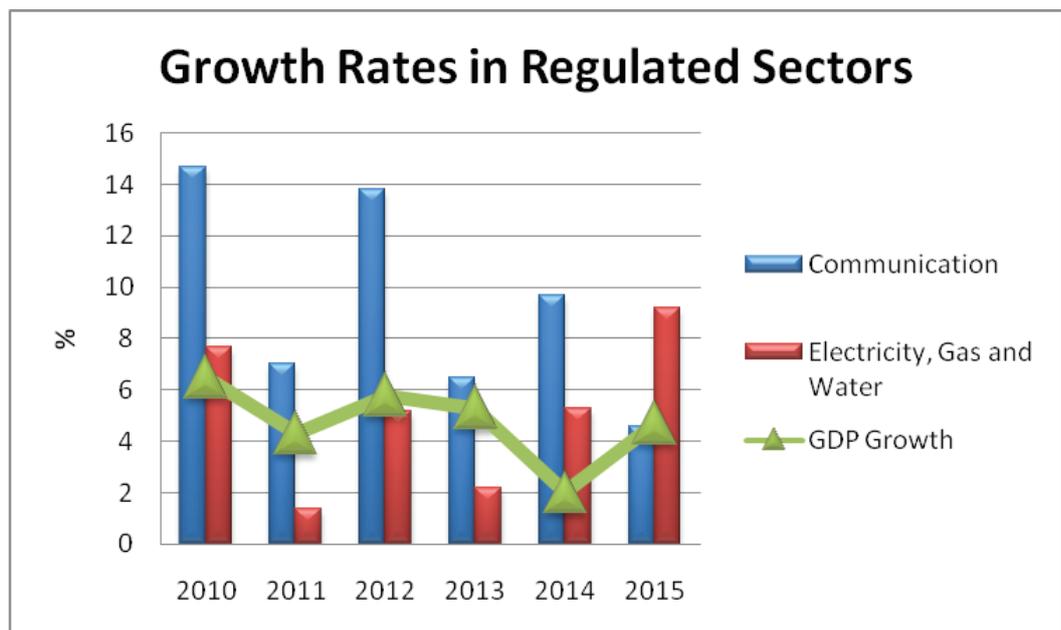


Figure 2: Growth Rates in Regulated Sectors

As part of its regulated sectors, the Authority recognizes the importance of reliable and affordable electricity for the development aspirations of the country. In that vein, it will continue to champion the need for alternative means of Energy Generation particularly through the implementation of the Renewable Energy Act to help lower the cost of electricity in The Gambia. The development of a 60 kw Hybrid Power Plant in Kaur, launched in 2015, is a welcome development and a step in the right direction. Other means and opportunities should be tapped into to help alleviate the high cost of production currently plaguing the energy sector.

THE TELECOMMUNICATIONS MARKET

The structure of The Gambia's ICT market has relatively remained the same over the years. GAMTEL as the national operator serves as an Internet Service Provider and the sole fixed line operator through its Copper and CDMA network. GAMCEL, AFRICELL, COMIUM and QCELL are the mobile network operators. QCELL also doubles as an Internet Service Provider in addition to Netpage, Unique Solutions and Lanix Ltd.

PURA/ITU MARKET DEFINITION/COMPETITION STUDY

In 2015, PURA with help from the International Telecommunications Union completed the Industry's first market definition/assessment study for the Gambian Telecommunication Sector. This is in fulfillment of Section 47 of the Information and Communications Act, 2009.

The basis of the Market Assessment Report would further serve to guide regulatory intervention in both an Ex-ante and Ex-post manner within the ICT sector. PURA would once again express its profound gratitude to the International Telecommunications Union (ITU) for its unalloyed support through this very important exercise.

INVESTMENT

Through its dynamism as a sector, growth prospects in the ICT sector continue to improve on a yearly basis. This growth has to be anchored on a solid and robust Investment framework by network operators supported by a flexible regulatory regime. 2015 has been a year characterized by impressive investment figures across the sector.

Total Investment in the sector witnessed a considerable rebound during the period under review up to D335 million dalasi representing a 29% increase over the corresponding period in 2014. The growth in Investment figures over the year was anchored by AFRICELL and COMIUM which both increased network investments by 78% and 124% respectively. Most of the investments during the period were related to Operator expansions in their networks through the additions of new towers and upgrades of existing infrastructure.

The National Fibre Backbone (ECOWAN) under GAMTEL provides to usher in a new and exciting era for the Gambian Telecommunication sector. It would serve to complement International Capacity provided by the ACE cable. Through the provisions of Open Access Regulation, PURA would ensure that there is indeed a level playing field for all operators in gaining access to such an essential facility for the sector. Furthermore, it is envisaged that GAMTEL would use it as a catalyst to diversify their products with a particular eye on "triple play offerings" and enhanced broadband coverage.

To cater towards their ever expanding subscriber base, competitive pressures and their nationwide coverage obligations, it is imperative that investments in the mobile sector are sustained and targeted. In the new age of usage being very data driven, Operators will have to make the requisite investments in their 3G infrastructure that currently exists to ensure that the upsurge in data traffic is adequately handled. Increasing subscriber numbers should not lead to deteriorating levels of service. Through its monitoring mechanisms, PURA will strive to ensure that Operators provide an adequate and robust level of service for the benefit of subscribers and the industry.

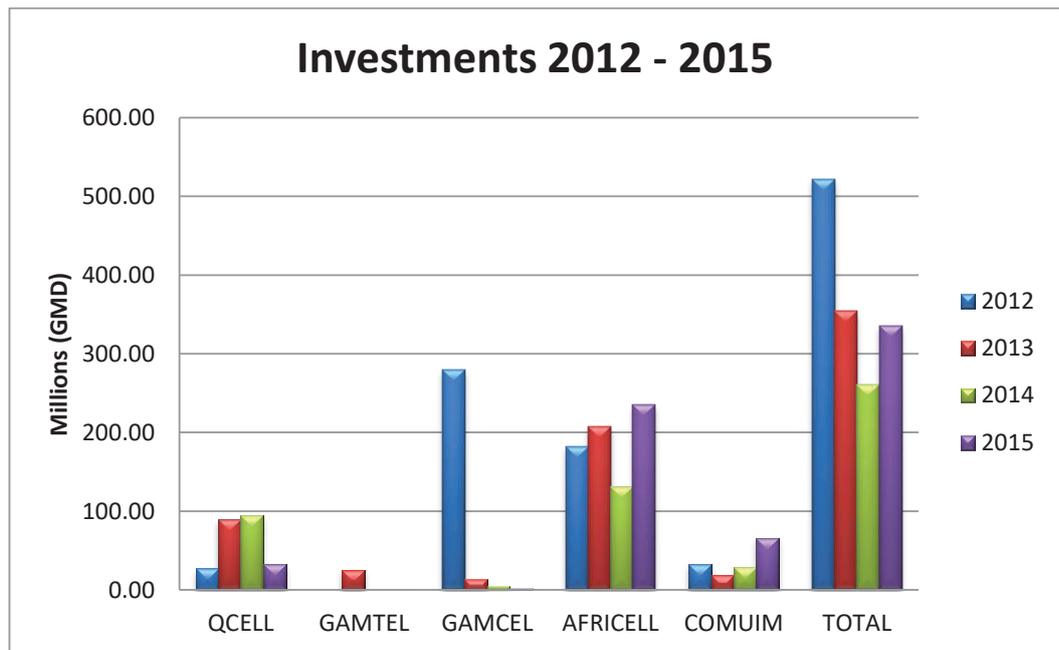


Figure 3: Investment in the Telecom Sector

EMPLOYMENT

Employment in the telecommunications sector has remained relatively constant at 2,169 employees compared to the 2,177 employees reported for in 2014. Significant increases were witnessed over the period in terms of staff numbers by GAMCEL which increased by 32% over the corresponding period of 2014. Staff Numbers at QCELL also increased by a modest 5%.

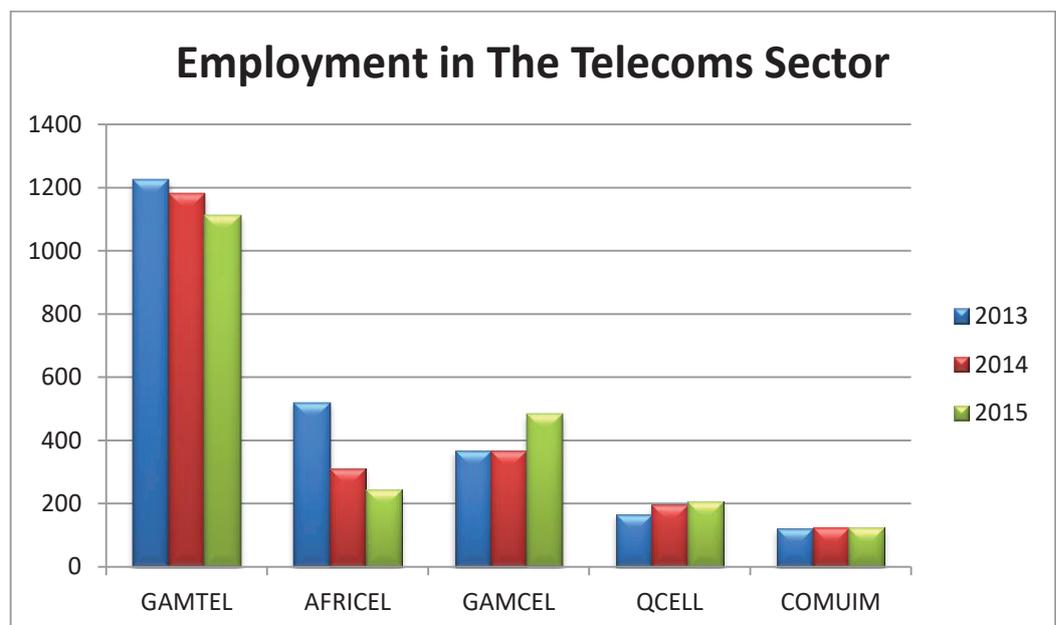


Figure 4: Employment in The Telecoms Sector

The Authority will continue to champion the role of Girls in ICT particularly in the employment sphere. Fields of study in ICT also offer good career prospects for both male and female students and as such, the further mainstreaming of S.T.E.M subjects could offer Gambian job-seekers a significant advantage in the job market particularly in such a dynamic sector.

GAMTEL continues to dominate the employee share of the sector accounting for 51% of total employees. They are followed by GAMCEL with 22% of total sector employees. In total, the two State Owned Enterprises account for 73% of total employees in the ICT sector. In the private sector, AFRICELL holds 14% of sector employees followed by QCELL and COMIUM at 9% and 6% respectively.

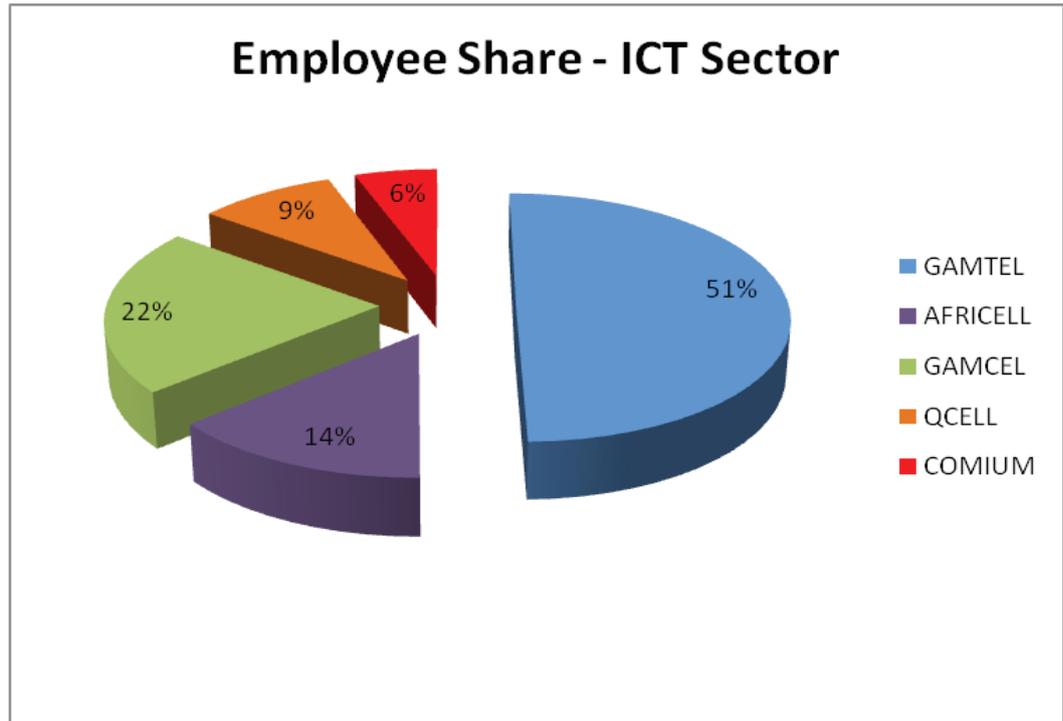


Figure 5: Employee Share - ICT Sector

SUBSCRIBERS

Subscriber numbers in the Gambian telecommunications sector continue to be very impressive. The mobile market continues to be served by four Operators. The total Subscriptions in the market as at end 2015 totaled 2,715,672 subscribers. One of the defining features of the market is the prevalence of Multi-Sims per person. This primarily owes to the proliferation of Multiple Sim Phones and subscribers trying to take advantage of the various On-Net offers available on the various platforms. Significant inroads have however been made over the past year by Network Operators to further expand the geographical reach of their networks leading to the addition of new subscribers.

It however needs to be noted that the market has virtually saturated hence the decelerating growth being witnessed. Subscriber Growth in 2015 was 6% compared to the 17% witnessed in 2014. New frontiers for growth as established in other markets must be explored particularly in the provision of reliable and adequate mobile internet services.

During the year, significant growth was witnessed by the last operator in the mobile market space in QCELL. Their subscriber base grew by 26% compared to the corresponding period in 2014. The development of innovative products like QPOWER linking electricity vending tokens to Mobile phones have aided significantly to this growth. It is envisaged that this growth and inter-sectoral linkages be sustained for the continued dynamism of the sector. Furthermore, QCELL is expected to make the requisite investments to ensure that network performance and reliability are not hampered by an ever expanding subscriber base.

AFRICELL continues to have the largest share of subscriptions in the market with 1,452,711 subscribers followed by QCELL with 451,427 subscribers. COMIUM and GAMCEL had 437,307 subscribers and 374,227 subscribers, respectively. Their respective market shares are shown below:

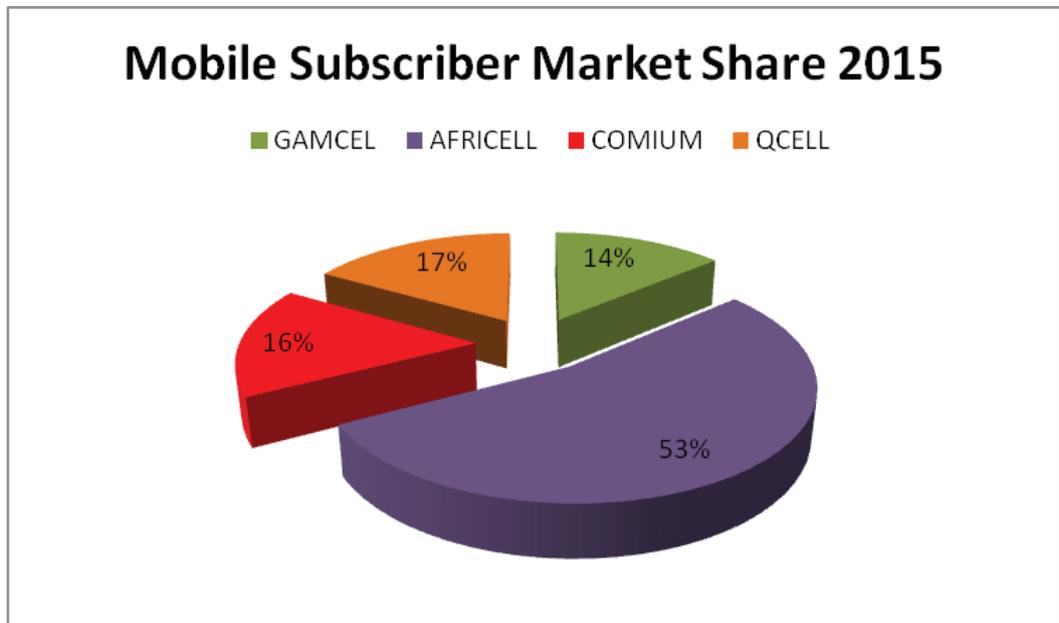


Figure 6: Mobile Subscriber Market Share 2015

Owing to a myriad of factors, prepaid subscriptions continue to dominate the make-up of sector subscribers with over 99% of total subscriptions. With the advent of new payment platforms, it is envisaged that the share of postpaid subscriptions will also increase over the next few years.

FIXED AND MOBILE PENETRATION

Mobile Penetration continues to be very impressive for The Gambia when compared regionally and at a continental level. This further strengthens PURA's resolve to continue championing the use of mobile phones as a preminent tool for service delivery owing to its near ubiquity across the country. Further linkages between the Electricity and Telecoms sector will be encouraged. The development of new Money Transfer and Payment applications will also receive the full support of The Authority so as to ease the mobility constraints associated with some of the traditional financial platforms.

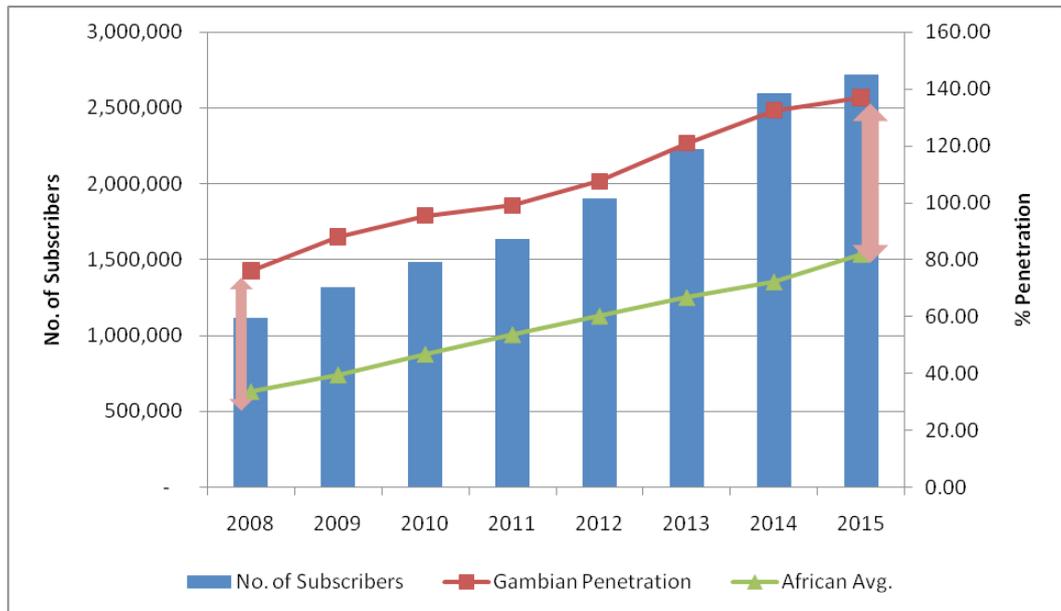


Figure 7: Number of Subscribers 2008-2015

MOBILE INTERNET SUBSCRIBERS

Mobile Internet continues to be the preferred option of Gambians for accessing the internet mainly due to the proliferation of low cost devices and the flexibility of data plans. Total Mobile Internet Subscriptions grew by 36% during the period up from 532,939 subscribers to 722,999 subscribers.

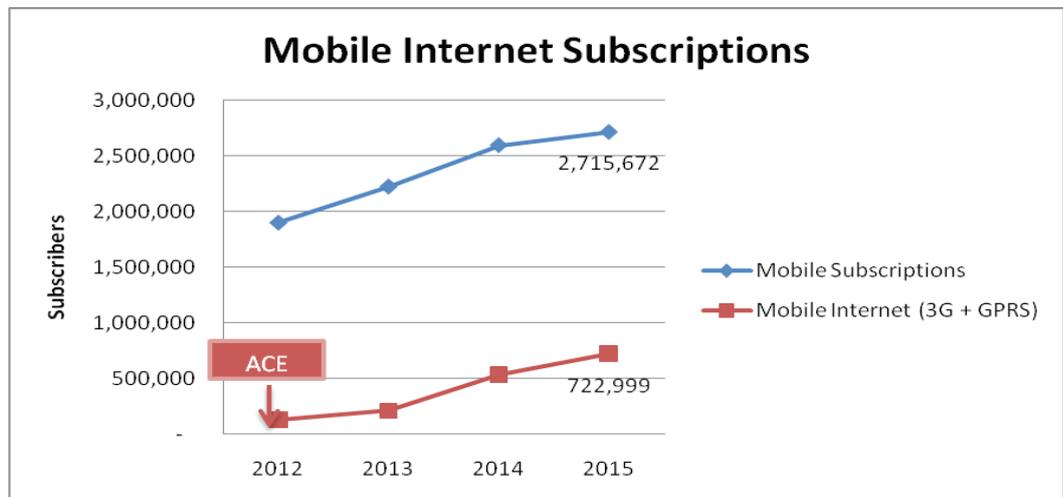


Figure 8: Mobile Internet Subscribers 2008-2015

The availability of content on Social Media and Over-the-top services continue to be the main attraction for new and existing users. It is hoped that this new growth in the market will be further complemented by the availability of local content particularly in the areas of information, education and healthcare. The need to scale up data networks for the provision of this content cannot be overemphasized to ease reliability and quality. The total number of 3G subscribers for the period was 264,771 denoting a 13% penetration rate for Mobile Broadband Services.

TRAFFIC

Following from the modest growth witnessed in Subscriber figures, total minutes recorded in 2015 grew by 4% up to 1.65 billion minutes. As is usually the case in most markets, Domestic traffic accounts for a significant share of total minutes recorded during the period constituting 90% of total traffic. This slightly varies from the patterns observed in 2014 where International Traffic constituted about 12% of total minutes and Domestic Traffic at 88%.

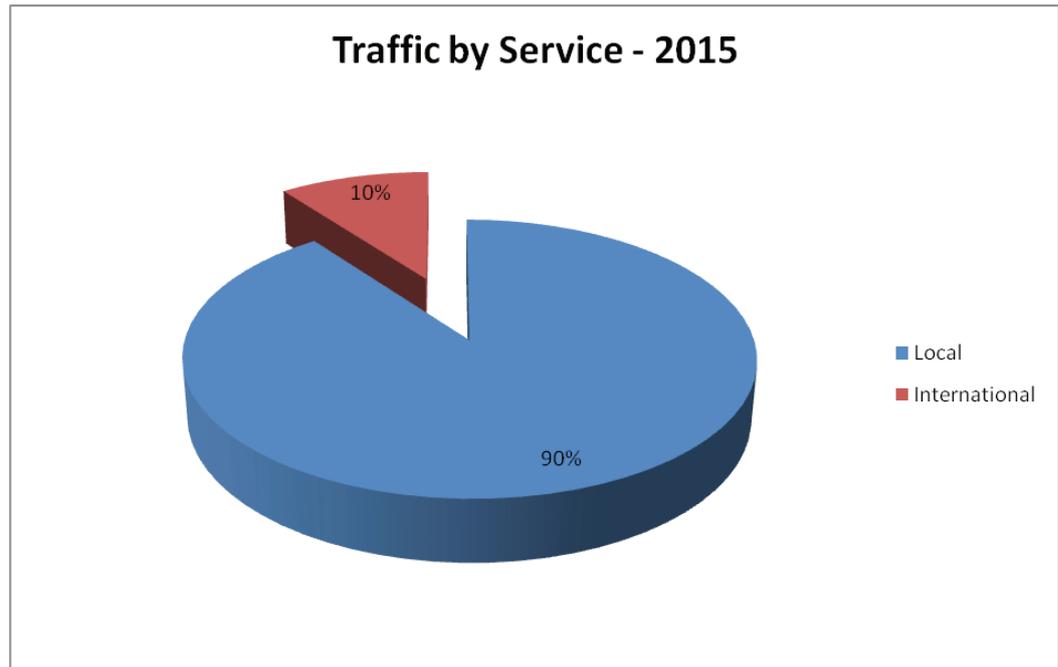


Figure 9: Traffic by Service - 2015

The sector is also witnessing significant increases in Off-Net (Cross Network) Traffic which has increased by 25 million minutes from 158 million minutes in 2014 to 183 million minutes in 2015. This is partly as a result of PURA's intervention in that market segment through the collapse of Interconnection rates and subscribers knowledge of the existing tariff structures inherent in the market. The collapse of tariff differentials for both On-Net and Off-Net calls also play significantly in this substantial increase. Increased volumes in Off-Net Traffic is a welcome indication of enhanced competition in the market.

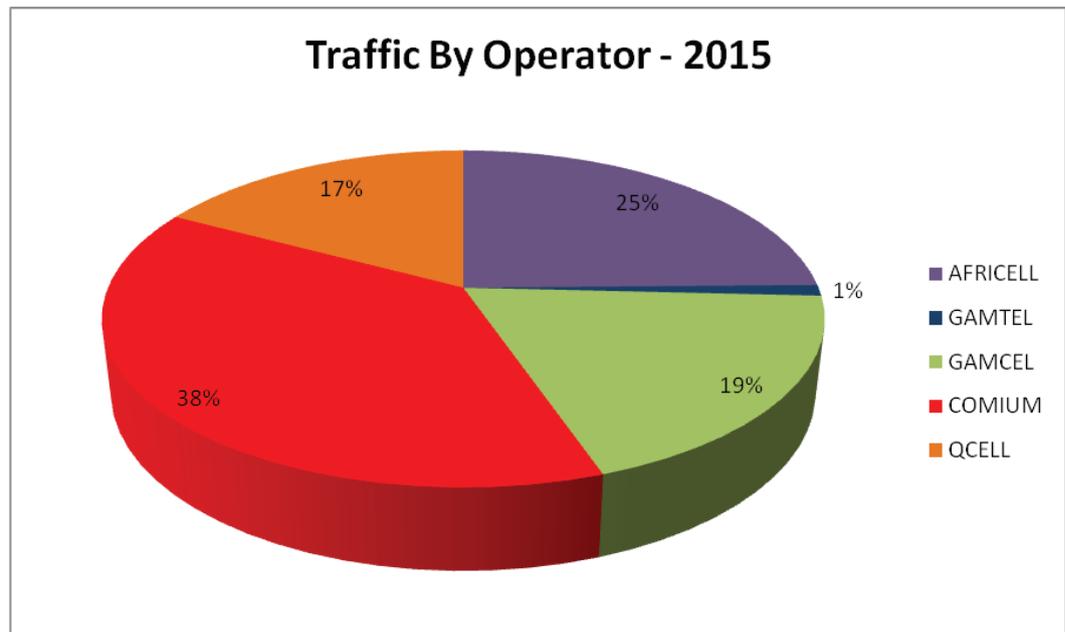


Figure 10: Number of Subscribers 2008-2015

Due to their numerous On-Net Promotions to entice consumers, COMIUM continues to lead the market in terms of traffic per operator at 38%. However due to significant traffic growth from QCELL and AFRICELL, their market share in terms of traffic has decreased from a high of 43% in 2014.

Intra- Network calls however still account for a significant volume of total calls in the market. This is a defining feature of most pre-paid dominant markets where operators offer a variety of discounts/bonuses to entice On-Net traffic for their subscribers.

INTERNATIONAL TRAFFIC

In line with global traffic trends, International Traffic volumes continue to be on a decline. The Gambia is no exception to this very paradigm with International Call Volumes decreasing by 13% when compared to the corresponding period in 2014. The emergence of VOIP Services available through data packages have applied significant competitive pressures to the traditional voice market globally.

Operators around the world have adopted various approaches towards stemming this declining by offering their own VOIP services and have made up for the revenue diversion through the provision of reliable data packages used to access these services. The emergence of players like Skype, Whatsapp and Viber in these markets spaces allow for the direct substitution of long distance calls at much cheaper rates which further entice consumers to deviate from the traditional platforms.

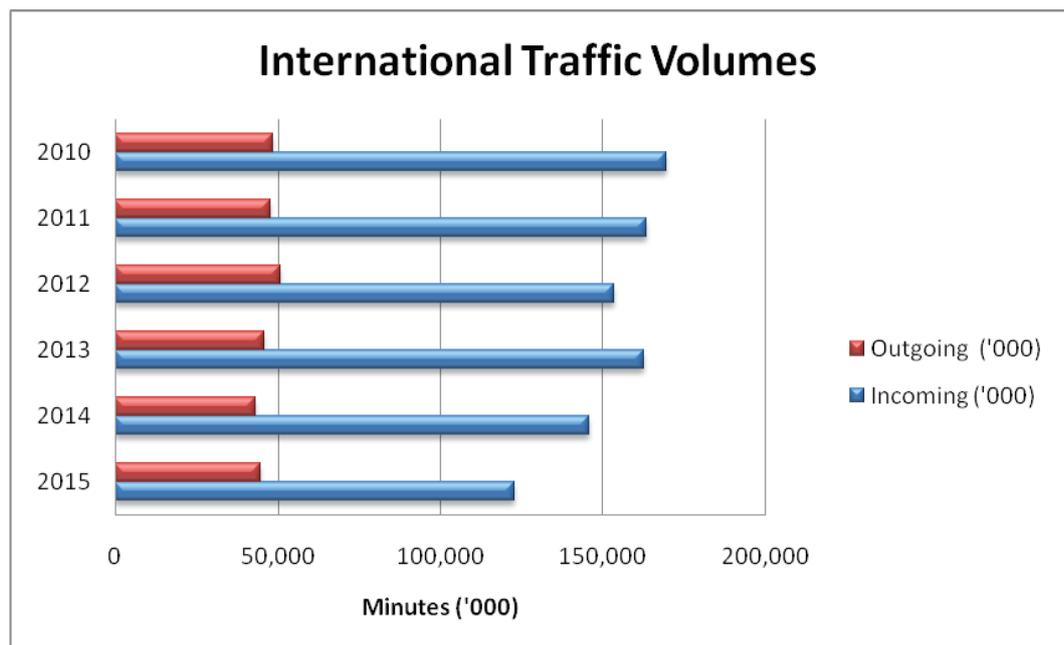


Figure 11: International Traffic Volumes

TARIFFS

PURA continues to enforce a Non-Domineering tariff regime in the ICT sector considering the significant level of competition already within the market through the licensing of multiple players. Nonetheless, considering the importance of tariffs in any market, PURA will continue its monitoring function particularly in the enforcement of anti-competitive behaviour by any operator.

In comparison with other countries, The Gambia has remained a low price market for domestic communication. This is further evidenced by the low ARPU's (Average Revenue Per User) and ARPM's (Average Revenue Per Minute) witnessed in the sector over the past few years. This should however not hamper the Quality of Service being offered to subscribers.

International Calls however continue to be under the custodianship of GAMTEL. Owing to the nature of this monopoly, there is direct regulatory involvement in tariff setting for outbound International calls based on the underlying zonal structure per destination. In the absence of competition in this market segment, direct regulatory intervention will persist in trying to mimic what would essentially obtain in a competitive market environment and to safeguard against anti-competitive prices.

Over the year, GAMTEL notified the Authority that SONATEL had increased tariffs for calls into Senegal from €0.192 to €0.23. The Authority thoroughly reviewed GAMTEL's request in line with its Tariff processes and taking into consideration the underlying cost structures embedded within the tariff for both the Wholesale and Retail markets. Based on the foregoing, a new price floor was effected for calls into Senegal in April 2015.

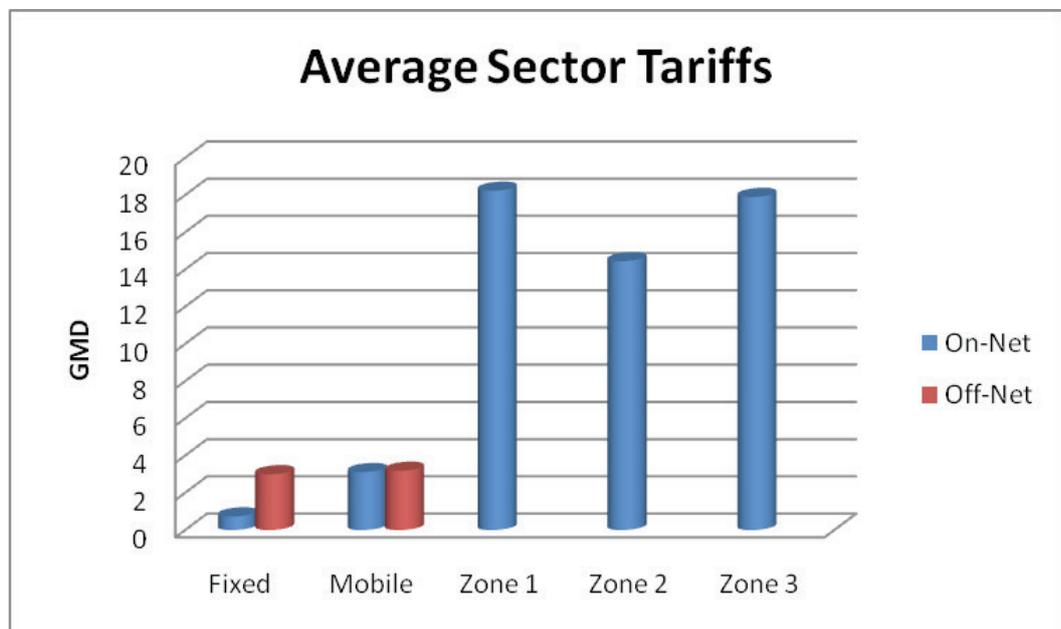


Figure 12: Average Sector Tariffs

Tariffs in Zone 2 (U.S. & Europe) and Zone 3 (Rest of the World) remained stable throughout the year.

FIXED BROADBAND MARKET

Subscribers

Significant growth was witnessed this year in this very important and growing market segment. There are 5 Licensed Internet Service Providers offering their services through various technologies such as WiMax, LTE, Fibre and ADSL.

Total Fixed Wireless/Wireline Subscriptions for the year increased to 3,500 subscribers across the Corporate and Residential space representing a 24% increase. To sustain this growth, a continuous roll-out of Infrastructure and the development of more affordable tariff plans would need to be effected by all operators. To aid this still nascent market, PURA’s market assessment study has identified a few remedies particularly in the scope of Infrastructure sharing and co-location. Furthermore, the licensing of more providers should help drive more competition in this very important market space.

The commissioning of ECOWAN will also be of significant importance in aiding the growth prospects established in this market in addition to the Quality and Reliability characteristics associated with Fibre. PURA will work towards ensuring that the derived benefits anticipated from ECOWAN will be realized by all.

Increasing broadband usage and penetration is now a key contributor to economic growth and development. It is therefore necessary for all partners and stakeholders involved in this market to place a keen eye on attracting more users. The development of more product offerings would serve to further aid the growth of the broadband market.

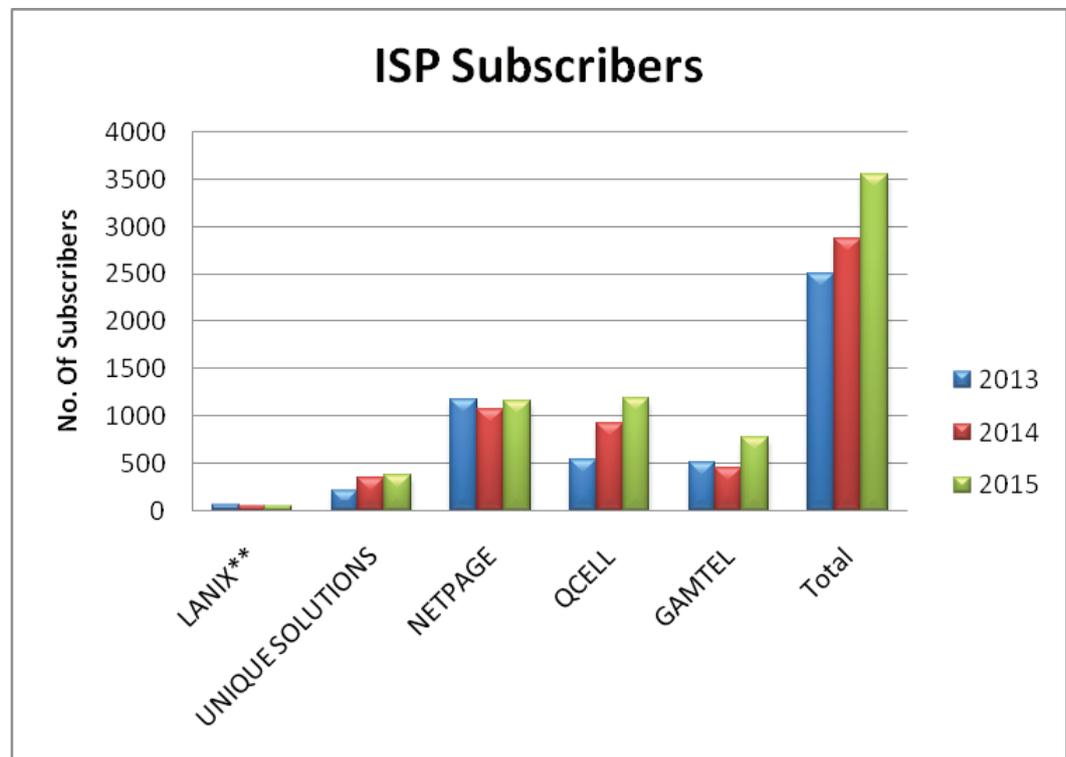


Figure 13: ISP Subscribers

PART III- LEGAL AND COMPLIANCE REVIEW

Licensing of Broadcasting Radio station

The Authority through the Honourable Minister of Information and Communications Infrastructure granted two (2) additional Commercial radio station License to Suchaba FM and Atlantic FM and a Community Radio Station License to Kaira FM through processes as established in the PURA Act 2001 and Information and Communications Act 2009. These licenses were issued in order to support and ensure pluralism and further access to information by citizens of the Gambia.

Licensing of Internet Service Provider (ISP)

PURA through the Honourable Minister of Information and Communications Infrastructure granted a Category II ISP license to Insist Net to provide internet services in the Gambia. Also, Insist Net aims to provide cheap internet service to schools and hospitals and E- leaning Services.

Renewal of Internet Service Provider's License

PURA through the Honorable Minister of Information and Communications Infrastructure renewed the License of INET World following the expiration of their initial Category II ISP license.

The Authority conducted an investigation and submitted a report which verified that the INETWorld's 4G- LTE infrastructure and delivery systems are in compliance with the approved current industry definitions and standards.

Licensing of a Waste Water Treatment Facility

The Authority through the Honorable Minister of Energy granted a Sewage License to a Waste Water Treatment Facility called Agua Inc located in Kotu.

Resolution of inter operator disputes between Africell and Qcell

An interconnection dispute between Africell and Qcell with respect to the provisions of E1s was resolved in 2015. A formal complaint was received from QCELL in which they alleged that AFRICELL's refusal to provide them with additional E1s had resulted in a high level of congestion leading to increased customer complaints and low call completion rates. QCELL requested for the Authority's intervention.

Pursuant to the provisions of the IC Act 2009 and PURA's Dispute Resolution's Guidelines, a request was sent to Africell to send a response to the allegations. The Authority further conducted independent investigations in order to verify certain claims made by both operators. The Authority's investigations established that the E1 trunk group from QCELL to AFRICELL was over utilized. Thereafter, the Authority issued a determination for Africell to provide adequate number of E1's to QCELL.

PART IV – KEY REGULATORY ACTIVITIES

INFORMATION AND COMMUNICATIONS TECHNOLOGY

Information and Communications Technology (ICT) revolution has driven global development in unprecedented ways. Technological progress, infrastructure deployment, and falling prices of ICT gadgets such as smart phones have brought unexpected growth in access to ICTs and connectivity to billions of people around the world.

In the last few years, Information and Communication Technologies were used more and more extensively for the social and economic development. Considering the revolutionary changes that ICTs are bringing to our global society, institutions worldwide continue to develop more sophisticated ways to digitize their operations and processes so that they can offer to the public access to their services in more effective and efficient ways. Enhancement in the use of ICT requires proper regulatory framework to create an environment that promotes public confidence and ensure stability, transparency, competition, investment, innovation, and growth in the ICT sector. PURA's mandate, among other things, within the ICT sector is to license, monitor and enforce license obligations, manage scarce resources, advise policy makers on ICT related issues and represent The Gambia in international organizations on issues pertaining to ICT.

As a result of a conducive Legal and Regulatory Framework in place, the ICT sector continues to experience a remarkable growth.

MOBILE SIGNAL COVERAGE

The primary objective of the Universal Service Policy is to expand and maintain availability of good quality and affordable telecommunications services to the public, including the underserved and the un-served. The key benchmark criteria are affordability, accessibility, availability and acceptability of the service.

One of PURA's mandates is to ensure that there is sufficient provision of efficient and effective communication services in The Gambia. As such, it has to ensure that network operators and service providers comply with the quality of service indicators specified in the Quality of Service Guidelines developed by PURA.

Since deregulation of the telecommunications sector, all operators have been increasing their coverage areas by rolling out new networks in addition to enhancing the capacity of already covered areas.

Operators in The Gambia have since made significant strides in fulfilling this element among their universal service obligations.

Universal service and access to ICTs are important policy and regulatory goals to ensure citizens can participate in and reap the benefits of an inclusive Information society. One of the universal access indicators is the percentage of the population covered by a mobile signal. This is especially important in The Gambia given the prevalence of mobile communication.

PURA undertook a countrywide trek in April 2015 to determine the extent of coverage of mobile signals in the country. All cities, towns and major villages were visited, and information collected includes availability and quality of voice calls and internet access.

The mobile signal coverage was done from a consumer's point of view in determining how easy it is to make a voice call and/or access the Internet. Four Nokia 105 phones with 3G enabled SIM Cards from Gamcel, Africell, Comium and QCell were used to check the signal strengths, network coverage and make test calls

An assessment was carried out on the basis of the following approach:

- All cities, towns, medium and large villages were visited throughout the country
- Small villages with few households were not taken into account
- Data throughput and test calls were made from 4 **Samsung GT-I8190** smart phones for the survey
- In most villages visited, we interacted with communities, especially in their BANTABAs. We took into consideration their quality of experience, especially with reference to network availability, and their responses mostly mirrored our survey records

Of the 964 villages and towns visited throughout the country, only 2.5% of the area is not covered by any of the 4 operators' network signals as can be seen. The countrywide mobile network signal coverage by the operators are as shown in Table 3.

| OPERATOR | MOBILE NETWORK SIGNAL COVERAGE | |
|----------|--------------------------------|-----------|
| | Year-2010 | Year-2015 |
| GAMCEL | 60% | 86% |
| AFRICELL | 92% | 96% |
| COMIUM | 55% | 75% |
| QCELL | 49% | 84% |

Table 3: Mobile network signal coverage in 2015.

| District | Locations | Percentage Coverage | | | | Average Coverage |
|-----------------|------------------|---------------------|-----------------|---------------|--------------|--------------------|
| | | GAMCEL | AFRICELL | COMIUM | QCELL | |
| Badibu | 95 | 98% | 100% | 80% | 96% | 93% |
| Foni | 71 | 87% | 94% | 80% | 93% | 89% |
| Fuladu East | 20 | 95% | 100% | 95% | 90% | 95% |
| Fulladu West | 73 | 73% | 88% | 74% | 85% | 80% |
| GBA | 43 | 100% | 100% | 100% | 100% | 100% |
| Jarra | 34 | 76% | 94% | 47% | 85% | 76% |
| Jimara | 56 | 36% | 86% | 38% | 82% | 60% |
| Jokadou | 29 | 90% | 100% | 79% | 93% | 91% |
| Kantora | 35 | 80% | 97% | 91% | 77% | 86% |
| Kiang | 56 | 61% | 93% | 54% | 82% | 72% |
| Kombo Central | 20 | 95% | 100% | 90% | 95% | 95% |
| Kombo East | 31 | 100% | 100% | 94% | 100% | 98% |
| Kombo North | 18 | 100% | 100% | 100% | 100% | 100% |
| Kombo South | 12 | 100% | 100% | 100% | 100% | 100% |
| Niamina | 75 | 91% | 99% | 76% | 96% | 90% |
| Niani | 49 | 82% | 98% | 51% | 82% | 78% |
| Niumi | 49 | 100% | 98% | 90% | 100% | 97% |
| Saloum | 73 | 77% | 79% | 68% | 78% | 76% |
| Sami | 31 | 81% | 71% | 58% | 71% | 70% |
| Sandu | 15 | 87% | 87% | 53% | 47% | 68% |
| Tumana | 31 | 97% | 97% | 55% | 32% | 70% |
| Wuli | 49 | 65% | 82% | 59% | 47% | 63% |
| District | Locations | GAMCEL | AFRICELL | COMIUM | QCELL | Average Cov |
| Countrywide | 965 | 85% | 94% | 74% | 83% | 84% |

Table 4 : GSM Mobile Voice Coverage by District

| Region | Locations | GAMCEL | AFRICELL | COMIUM | QCELL | Average Cov |
|--------|-----------|--------|----------|--------|-------|-------------|
| BCC | 2 | 100% | 100% | 100% | 100% | 100% |
| CRR | 320 | 81% | 88% | 67% | 83% | 80% |
| KMC | 41 | 100% | 100% | 100% | 100% | 100% |
| LRR | 93 | 68% | 94% | 48% | 84% | 73% |
| NBR | 166 | 98% | 99% | 86% | 95% | 94% |
| URR | 191 | 68% | 90% | 62% | 65% | 71% |
| WCR | 152 | 93% | 97% | 88% | 96% | 94% |

Table 5: Service providers' mobile network signal voice coverage in the various Regions & Districts

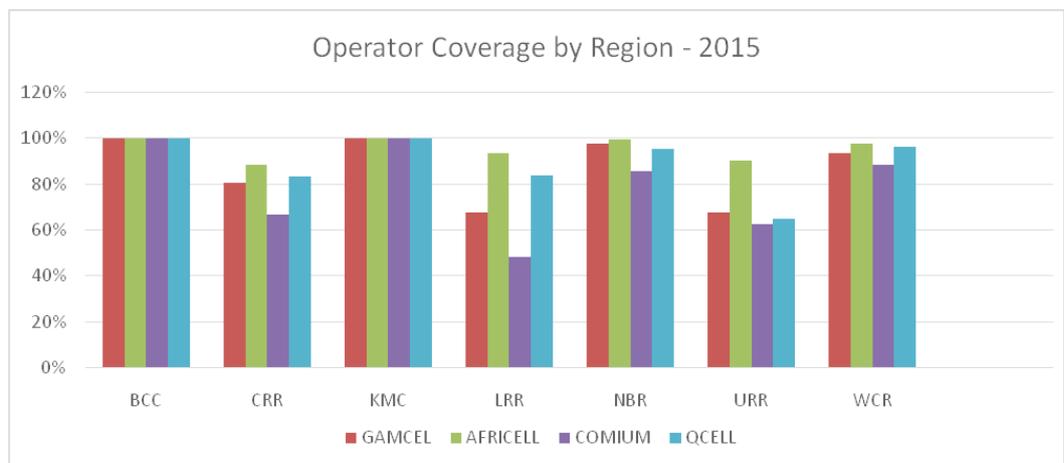


Figure 14: Operator Coverage by Region

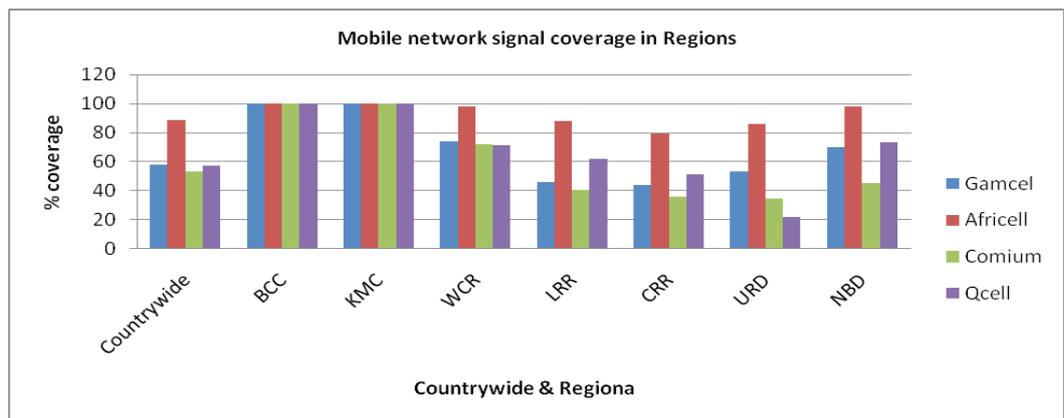


Figure 15: Mobile Signal Coverage in 2010

MOBILE INTERNET ACCESS

Many African countries have either experienced or are experiencing the mobile, other wireless and Internet revolutions in their markets. This has led to a high proliferation of mobile telephony users in the continent.

The recent landing of ACE submarine cables on West Africa has now brought about some growth in Internet Access penetration, which is expected to improve in due course. In many of these countries, however, the growth of fixed line telephony has to a large extent been marginal, if any. In the Gambia, access to Internet data is mainly through 3G or EDGE.

Third Generation (3G) mobile internet signals can still only be obtained in the Greater Banjul area, Farafenni, Kanilai and Basse areas. In all other areas, AFRICELL, COMIUM and QCELL are using GPRS and EDGE technology to serve their data customers.

Mobile Internet can be accessed from places with data signal coverage, using;

- GAMCEL on 3G
- AGRICELL on 3G or EDGE
- COMIUM on GPRS
- QCELL on 3G or EDGE

The access to Internet service survey conducted in 965 towns and villages visited indicate a rapid growth in 2015 when compared to the Year 2010 as can be seen in Figure 16.

Key findings of the trek highlighted the following:

- Access to Internet services has increased dramatically from the levels in 2010 to 2015.
- In 2010, only QCELL and COMIUM provided mobile internet services. In 2015, all GSM companies are providing mobile internet services, including GAMCEL and AFRICELL, with their 3G services.
- AFRICELL has made a quantum leap in the provision of mobile internet services, and as a result, AFRICELL has the highest mobile data access subscriptions and geographic coverage.
- The Internet can be accessed from remote rural areas on AFRICELL, COMIUM and QCELL networks, which is in line with the Authority's universal services requirements.
- All cell sites of AFRICELL, COMIUM and QCELL are enabled for data access.
- GAMCEL cell sites in the Greater Banjul Area have data access provisions, but apart from the Kanilai area, GAMCEL is yet to provide data services beyond the GBA.
- Communications have been made cheaper for customers in the areas with mobile data coverage because of the availability of OTT internet services which tend to be cheaper than voice calls (especially long distance and international calls). Customers with smart phones now use over the top services (Viber, Tango, Whatsapp and etc) to communicate.

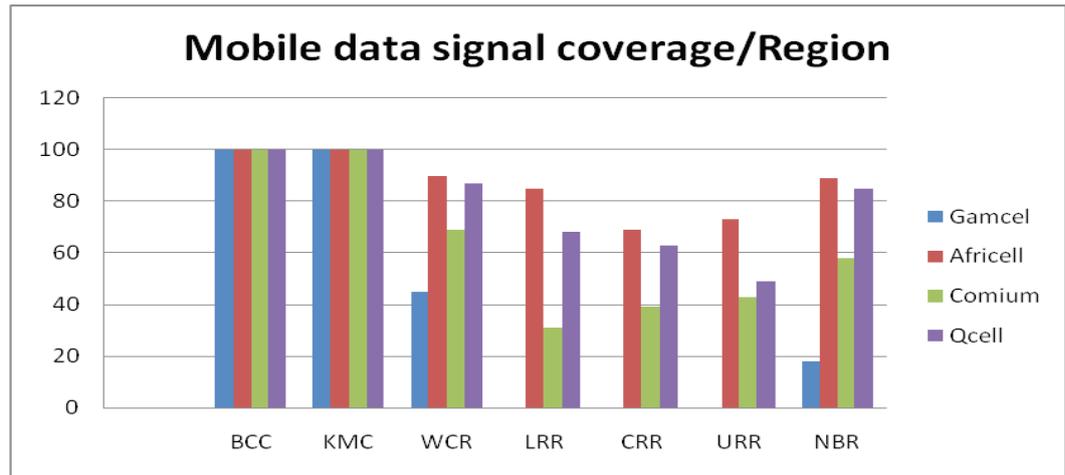


Figure 16: District data network coverage by operators (2015)

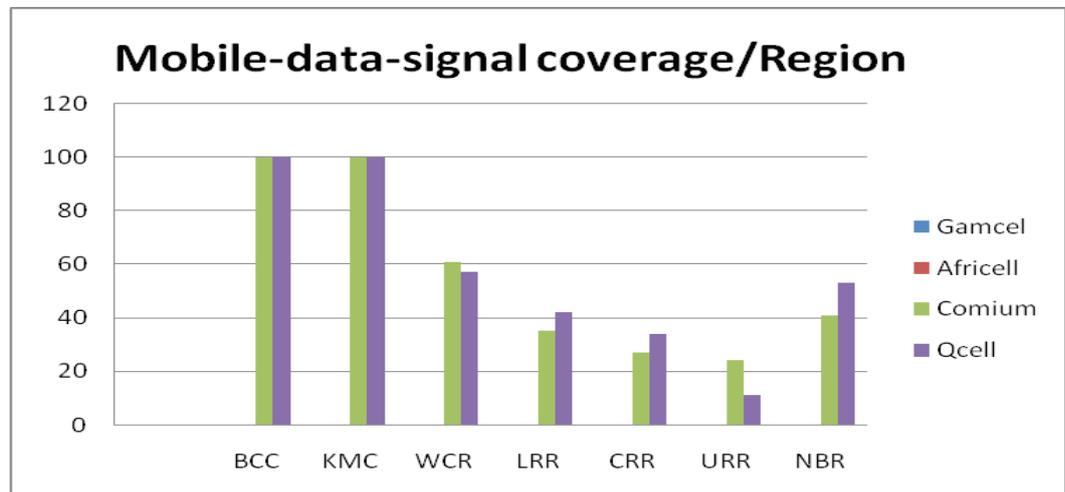


Figure 17: District data network coverage by operators (2015)

MANAGEMENT OF SCARCE RESOURCES

This chapter presents the status of the use of scarce resources namely spectrum, numbering and domain names. Radio frequency spectrum is a scarce national resource managed by the Authority on behalf of the people of The Gambia

This resource is essential to the provision of wireless communication such as broadcasting, cellular, radar, and space communication, among others. Numbering resources refer to numbers, names and addresses structured in a standard format to provide unique communications identifiers to a user network interface, services or end users. A domain name is a unique name used as an Internet address to identify the location of a particular website in the world wide web

FREQUENCY MANAGEMENT

The radio frequency spectrum is a national and natural resource that is held in trust and managed by the Authority on behalf of the Government and people of The Gambia Effective and efficient utilisation of spectrum is important to help secure benefits from this resource.

In exercising its spectrum management mandate, the Authority has to plan, allocate, assign, issue frequency licences, monitor, carry out surveillance and coordinate the usage of the radio frequency spectrum resource to ensure optimal and efficient utilization. This report presents the status of the use of the spectrum resource

MOBILE CELLULAR SERVICES

The total number of Base Station Transceivers (BTS) deployed for the provision of 2G and 3G services increased by 1% in the year 2012/2013, rose to 11% in the year 2013/2014 and increased by 11% in the year 2014/2015 as detailed in the Table below;

| | Number of Base Station Transceivers (BTS) deployed | | | 2015 |
|---------------------|--|------|------|------|
| | 2012 | 2013 | 2014 | |
| Total Number of BTS | 326 | 331 | 368 | 407 |

Table 6: Number of Base Station Transceivers (BTS) deployed for all operators



Figure 18: BTS cell site with antennas

As can be seen on the table above, the BTSs are on the increase every year. The continued installations of these transceivers will only expand the coverage area, increase signal quality and increase the capacity in the urban and rural set up for voice and data services. This trend is in line with our universal service obligation and we shall continue to encourage the operators to rollout to underserved area by sharing the reports of our annual countrywide trek reports. This shall impact the economy positively as more population has access to both voice and data services. In addition to the above, it is now a global trend that data services are on an increase and therefore its growth is expected to be on an upward trajectory.

SPECTRUM MANAGEMENT

With the proliferation of new technologies and the growing demand for telecommunication services, the demand on spectrum has increased rapidly. The greatest demand has in the past come from television and radio communications and with the new focus on mobile telephone services, broadband and the delivery of data in high speeds, there is a growing demand for spectrum to facilitate these services. Today, there are approximately over 105 active licensed / authorized users of the spectrum in The Gambia

PRIVATE LAND MOBILE SERVICES

During the year under review, the Authority issued authorization to stakeholders to operate private mobile portable devices in both very high frequency (VHF) and high frequencies (HF) bands. The stakeholders are mainly security companies, amateur radio and aviation services who set up these networks to aid their operations.

ASSIGNMENT OF NUMBERING RESOURCES

During the Financial Year 2015, the Authority assigned Numbering blocks (Mobile Telephony Numbers) to operators for the provision of end-user services, signaling point codes for facilitation of interconnection, and Short codes (Toll free) for public use.

TYPE APPROVAL

In accordance with Part IX of the Information and Communications Act 2009, the Authority has within its remit the responsibility of type approving and accepting all telecommunications equipment intended to work within the public telecommunications networks in the country. PURA is also responsible for type approving or accepting radio communication equipment intended for use in The Gambia. In this regard, the Authority developed Type Approval Guidelines.

It is thus important for manufacturers, importers and vendors to familiarize themselves with PURA's Type Approval Certification Application process which explains the process in place monitor and control radio interference from radio transmitters and other electronic products as well as checking compatibility of all Telecommunications / Radio communications equipment.

The Authority type-approved or grant certificates of conformity to devices that meet a minimum set of regulatory, technical and safety requirements for devices in line with the Type Approval Guidelines. These devices may be used for both licensed and unlicensed bands. These devices were all low power units that are not expected to cause harmful interference, hence they are termed, Short Range Devices (SRD). In the year 2015, eighty five (85) certificates for type approved equipment were issued compared to ninety two (92) in 2014.

The Authority continues to review its type approval Guidelines in order to improve efficiency and to enhance the protection of consumers in terms of the purchase of telecommunications, radiocommunications and electrical equipment and their accessories countrywide.

NETWORK INSTALLATION INSPECTIONS AND CERTIFICATION

The Authority ensures that the broadcasting standards are upheld by all players in the ICT Industry largely through inspection and certification exercise. In this regard, the Authority conducted a countrywide monitoring and inspections of all FM, TV and Telecom operators to verify compliance with their license obligations. It was also an opportunity to meet with the broadcasters, see samples installations and sensitize the industry players on the current broadcasting standards and industry trends.

In April 2015 the Authority conducted an inspection tour of all FM radio stations throughout the country. Eight (8) community FM radio stations and twenty – five (25) commercial FM radio stations were visited by the Authority. The objective of the inspection tour is to get a first-hand information on the technical condition of both the studio and transmitter equipment, identify challenges and then discuss with the local staff on the way forward. During these inspection tours we also want to be sure that important documents such as Business Registration Certificates, Licenses, TIN certificates and GRA payment receipts are available. At the end of the tour a comprehensive report was prepared detailing specific challenges for each radio station. A set of recommendations for addressing the challenges identified were sent to all FM operators for implementation within a specified time line. Table 7 shows the list of both commercial and community FM radio stations as of December 2015.

COMMERCIAL FM RADIO STATION

During the period under review, a number of licenses were issued and most of them are for the use of radio frequency spectrum. The Table below gives a summary of the Licenses issued:

| NO | Name | Frequency | Location |
|----|----------------|-----------|-----------------------------|
| 1 | RFI | 89.0 MHz | Abuko |
| 2 | Senn FM | 90.5 MHz | Banjul |
| 3 | West Coast 1 | 95.3 MHz | Kotu |
| 4 | City Limit | 93.6 MHz | Kairaba Avenue |
| 5 | West Coast 2 | 92.1 MHz | Kotu |
| 6 | Star FM | 96.6 MHz | Serekunda / Brikama Highway |
| 7 | Taranga FM | 97.5 MHz | Sinchu Alhagie |
| 8 | GRTS FM 1 | 98.6 MHz | Mile 2 |
| 9 | Capital FM | 100.4 MHz | Kairaba Avenue |
| 10 | Unique FM | 100.7 MHz | Bakau New Town |
| 11 | Janneh Koto FM | 101.1 MHz | Kombo Gunjur |
| 12 | Unique FM | 101.7 MHz | Basse |
| 13 | GRTS FM | 102.6 MHz | GRTS Mile 7 |
| 14 | Radio 1 FM | 102.1 MHz | Banjul |
| 15 | Kora FM | 103.9 MHz | KaniFing south |
| 16 | Hot FM | 104.3 MHz | Bakau New Town |
| 17 | Hill Top FM | 104.7 MHz | Serekunda Baritesh |
| 18 | Paradise FM | 105.7 MHz | Pipe Line near BSTS |
| 19 | Paradise FM | 105.8 MHz | Basse |
| 20 | Paradise FM | 105.5 MHz | Farafeni |
| 21 | Vibes FM | 106.1 MHz | Manjai |
| 22 | GRTS FM 2 | 106.7 MHz | Abuko |
| 23 | AL Fallah FM | 107.2 MHz | MDI Road kanifing |
| 24 | Afri Radio | 107.6 MHz | Kairaba Avenue |

Table 7: Commercial FM Radio station

Community FM Radio stations

| No | Name | Frequency | Location |
|----|-------------------------|-----------|-----------------|
| 1 | Soma Community FM | 88.8 MHz | Soma – LRR |
| 2 | Bwiam Community FM | 91.9 MHz | Bwiam – WCR |
| 3 | Kerewan Community FM | 100.5 MHz | Kerewan – NRR |
| 4 | Bansang Community FM | 107.2 MHz | Bansang – CRR |
| 5 | Brikamaba Community FM | 96.8 MHz | Brikamaba – CRR |
| 6 | Brikama Community FM | 98.0 MHz | Brikama – WCR |
| 7 | Farafeni Community FM | 99.9 MHz | Farafeni – NRR |
| 8 | Kairanying Community FM | 107.9 MHz | Kuloro - WCR |

Table 8: Community FM Radio stations

BROADCASTING SERVICES

The Authority continued re-planning and optimizing the FM broadcasting frequency plan during the year under review. This was achieved through the collaboration with the ITU and bi-lateral co-ordination with neighboring countries as outlined in the Geneva Agreement GE084 to which The Gambia is a signatory.

The Authority continued re-planning and optimizing the FM broadcasting frequency plan during the year under review. This was achieved through the collaboration with the ITU and bi-lateral co-ordination with neighboring countries as outlined in the Geneva Agreement GE84 to which The Gambia is a signatory.

The Authority has assigned 32 FM broadcasting frequencies resulting in a total of 31 FM radio stations countrywide as can be seen on the table above. In addition, 1 Studio-to-Transmitter Link (STL) frequencies was assigned to an applicant.

With regard to the GRTS Radio broadcasting sub sector, the Authority assigned additional 5 FM broadcasting frequencies in different Regions of the country. These additional frequencies were requested in a bid to provide countrywide coverage as part of their universal access obligations. The transmitters are slated to be installed in Kudang, Kanilia, Mansakonko, Basse and Bansang, etc. The Authority will continue to work with GRTS to achieve this noble nationwide broadcast coverage initiative.

MAST AND TOWERS

As a matter of concern to the safety of the general public and aviation in particular, users of wireless networks were again reminded of the importance of providing lights (red), paint (interval of red / white) and properly earth all mast / towers erected countrywide as per International Civil Aviation Organization (ICAO) rules of whom the Gambia Civil Aviation Authority (GCAA) is a signatory.



Figure 19: Tower showing alternate red / white aviation safety paint



Figure 20: Mast showing aviation safety red lights (25m and above)

During the year 2015, there was constant monitoring of all masts and towers to make sure that the safety concerns of the Authority on this aspect are adhered to at all times. The technical team that embarked visited masts and towers countrywide and it is evident that some operators have made significant progress in complying with the Authority's guidelines and requirements for masts and towers to be fitted with lighting in accordance with International Civil Aviation Organization (ICAO) regulations of which the Gambia Civil Aviation Authority (GCAA) is a signatory. The regulations require towers and masts to be painted red and white alternating at vertical intervals, and lighted with aviation safety light as per ICAO regulations. The summary of the operator's compliance levels is highlighted in Figure 21:

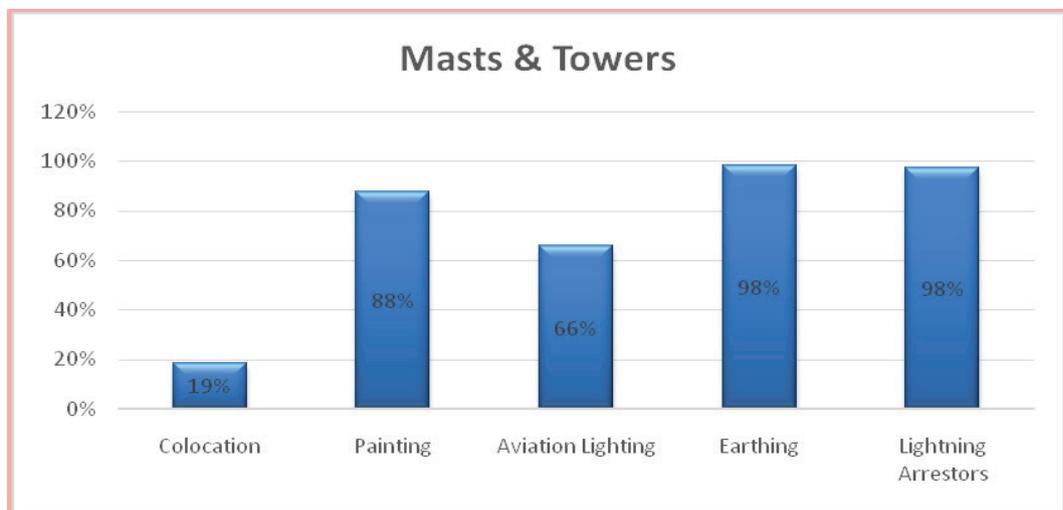


Figure 21: Masts & Towers Inspection compliance data

During the trek, the team visited and inspected over 323 Masts, Towers and Roof-top antennae and noted that:

- 88% of the installed masts and towers have the recommended red / white interval painting
- 66% of the installed masts and towers have been fitted with the recommended aviation safety lights
- 98% of the installed masts and towers are provided with earthing.
- 98% of the installed masts and towers are provided with lightning arrestors.

ENERGY AND WATER

INSPECTION OF NAWEC POWER PLANTS AND WATER TREATMENT FACILITIES

PURA conducts treks as part of its mandate to visit the whole country and inspect the public service delivery there. The trek is conducted by the staff of the Department of Electricity and Water Regulation. The trek activities include assessing the state of the facilities and looking over the records, assessing health and safety of workers and security and environmental concerns. The essence is to ensure regular up keeping and maintenance of infrastructure for continuous delivery of services and conformity to best practices and standards.

ELECTRICITY

Generally, the team found the generating facilities in good working order, although most of the engines from the REP I have been decommissioned. The REEP is at an advanced stage and a lot of new customers such as Brikama Ba, Kundang, and Baja Kunda are being added. The two new HFO stations for Farrafenni and Basse are almost complete with the former at a much more advanced stage. This would result in huge saving on the diesel fuel for NAWEC. However, transporting HFO would be a challenge if not properly planned.



Figure 22: The new MAN 2.3MW engine HFO engine at Farafenni being installed

INSTALLATION OF 60KW AT KAUR

In its efforts to promote the adoption of renewable energy in the country, the Authority was part of a stakeholder team together with the consultant from the Global Sustainable Energy Solutions Ltd., Australia, which inspected and conducted training on the 60Kw Kaur PV hybrid system before its official commissioning.

The system comprises of 64.8kWp PV array; 20kW of grid connect inverters, 108kW of battery inverters; 15000Ah 48V battery bank, multicuster combiner box, monitoring equipment and all associated cabling, protection and switch gear.



Figure 23: The solar system constructed in Kaur

WATER

The water facilities have been found to be in the same state as in our previous visit except for major improvement in chlorine treatment. Almost all the treatment plants have fully functioning chlorine dosing stations with additional reserve tanks.

There has been a stable improvement in the GBA; however facility upkeep in the provinces is still a big challenge. Base on the findings of the visit, the Authority has given essential recommendations for improvements and corrective actions where ever needed.



Figure 24: Iron filtration facility, Bansang



Figure 25: Children Climbing tank due to lack of Security, Georgetown

EVOLUTION OF THE PEAK LOAD

As predicted in our last report, the continued economic growth in the country is also being felt in the provinces. Correspondingly, there is load shedding in almost all the facilities. Our data shows an average annual growth rate of 8- 10 % of the installed capacity in the provinces. This is not sustainable in the long term to maintain so many facilities. The need for the National Transmission Planning is long overdue. Thus, PURA must thus engage relevant stakeholders to begin this exercise.

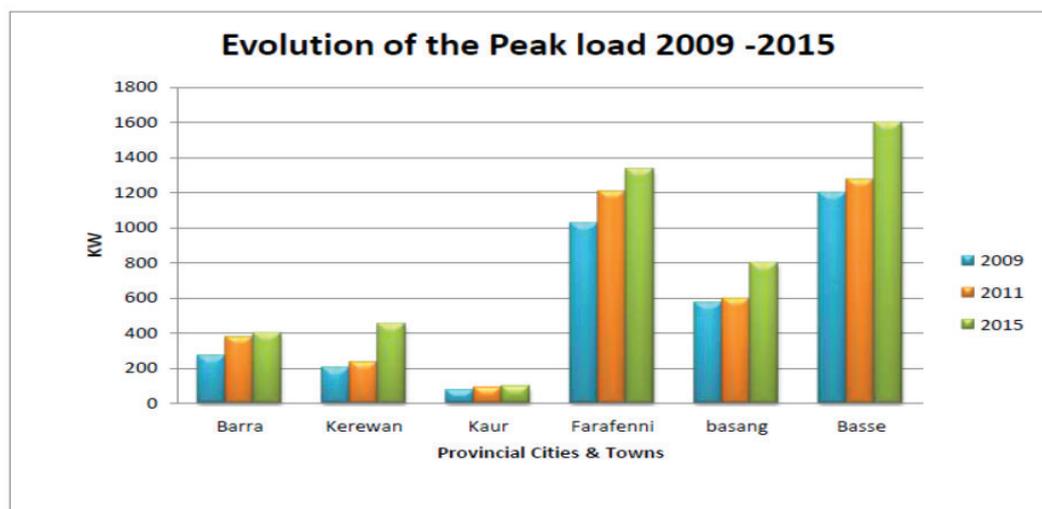


Figure 26: Evolution of Peak Load

The system serves to boost the supply for the populating town of Kaur so as to meet the growing demand for business and domestic consumption with minimal environmental challenges. Strong expectations have been made that efficient operation of the system will yield enough power as a supplement for the current generating system. This will reduce generating cost for NAWEC and cut down the emission rate emanating from the continuous use of generators. This is in line with sustainable efforts and the objective to electrify the whole country.

As it is mandated to regulate the energy sector, the Authority will continue to monitor the operations, performance and status of this valuable project.

THE PURA/DWR WATER QUALITY MONITORING PROGRAM

The Authority has a committed partnership with the Department of Water Resources in a bilateral agreement to monitor the quality of water delivered by NAWEC to customers throughout the country. Every year, the Authority provides, in part, laboratory reagents, equipment and logistics for the Abuko Water Laboratory to conduct quarterly water quality analysis throughout the country.

The gist for carrying out these tests is to make sure that customers are provided with a portable and safe drinking water. This is geared towards promoting public health and other developmental dimensions in which water is a driving force.

WATER QUALITY RESULTS

This year, there were 328 samples tested for physico-chemical and chemical parameters against the World Health Organization (WHO) drinking water standards. Analysis of the treatment processes has indicated that there has been an overall improvement over a period of time since 2009. An efficient and effective application of chlorine to drinking water kills most of the pathogens in water thus rendering it potable and safe for drinking. The Authority in its monitoring visits will continue to monitor the essential treatment processes required in the delivery of water services to consumers.

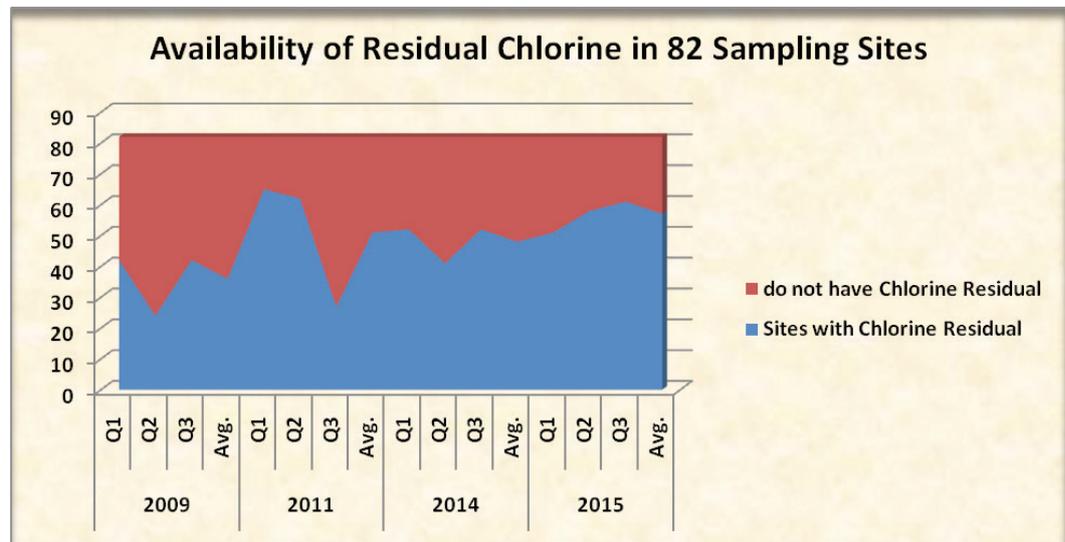


Figure 27: Availability of Residual Chlorine in sampling sites

There has been a relatively stable proportion of samples positive of Coliform bacteria since 2009. The presence of Coliforms in water is a clear indication of contamination particularly from feces. As indicated below, the proportion of positive samples has slightly reduced from 12% to 9% of the total samples. There is still room for improvement particularly at the provinces where more than 90% of the positive samples are registered.

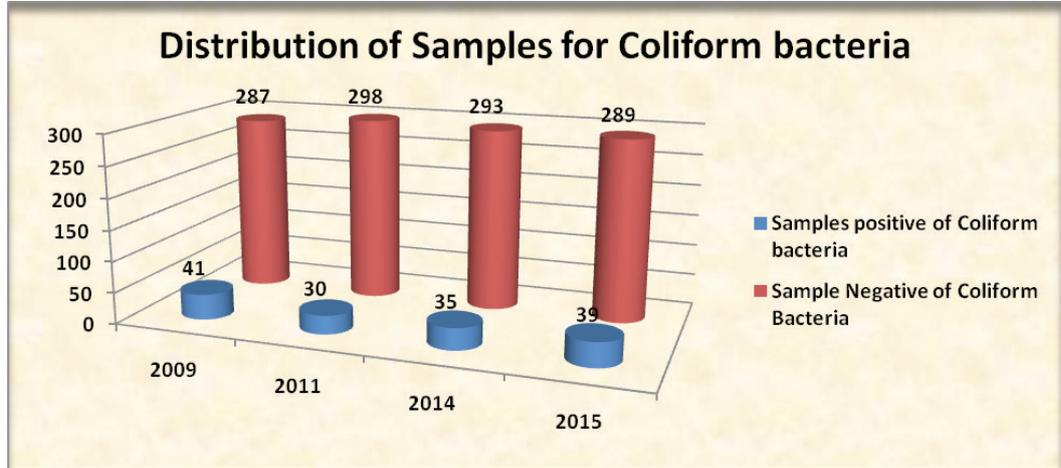


Figure 28: Proportion of samples that are Coliform bacteria Positive

Almost 90% of the samples that are positive of Coliform bacteria came from the provinces.

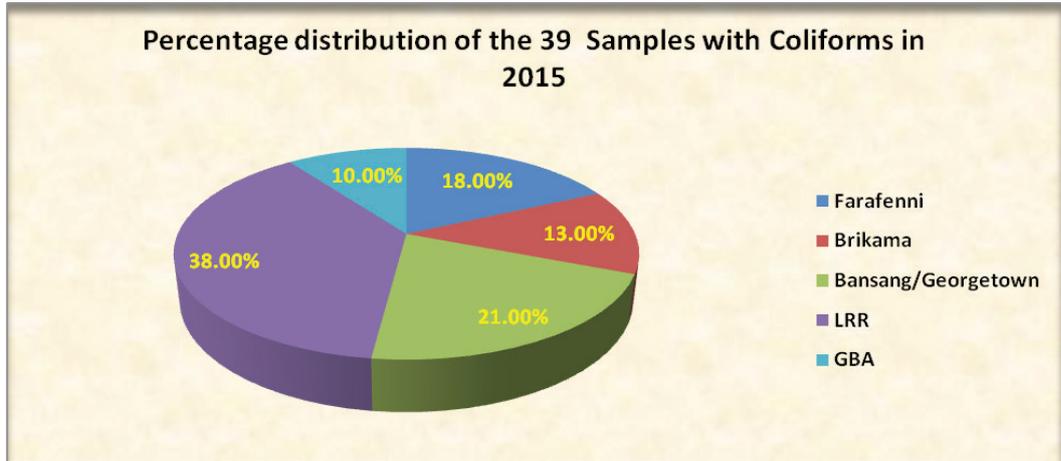


Figure 29: Percentage Distribution of Samples with Coliform Bacteria by Settlement

Water Balance

| Indicator | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|------------|------------|------------|------------|------------|
| Total water Billed, Cu M/Year | 17,292,309 | 17,855,895 | 19,185,748 | 21,975,461 | 24,348,404 |
| Average water Billed, Cu M/month | 1,441,025 | 1,487,991 | 1,598,812 | 1,831,288 | 2,029,033 |
| Total Daily Usage, Cu M/Day | 47,376 | 48,920 | 52,564 | 60,207 | 66,708 |
| | | | | | |
| Total Average production, Cu M/month | 2,255,050 | 2,301,621 | 2,295,203 | 2,949,657 | 3,082,022 |
| Average Daily Production Cu M/day | 75,168 | 76,721 | 76,507 | 98,322 | 102,734 |
| | | | | | |
| Avg. Avail. for distribution Cu M/month | 1,909,806 | 1,818,579 | 1,911,473 | 1,986,621 | 2,076,232 |
| Average Daily Distribution - Cu M/day | 63,660 | 60,619 | 63,716 | 66,221 | 69,208 |
| | | | | | |
| % Production Losses Cu M/day | 15% | 21% | 17% | 33% | 33% |
| Water production losses, Cu M/day | 11,508 | 16,101 | 12,791 | 32,101 | 33,526 |
| % Unaccounted For Water | 26% | 19% | 18% | 9% | 4% |
| Unaccounted For Water, Cu M/day | 16,284 | 11,699 | 11,152 | 6,014 | 2,500 |
| | | | | | |
| % Non-Revenue Water | 37% | 36% | 31% | 39% | 35% |
| Non-Revenue Water, Cu M/day | 27,792 | 27,800 | 23,943 | 38,115 | 36,026 |
| Non-Revenue Water, Cu M/Year | 10,144,133 | 10,147,161 | 8,739,222 | 13,912,033 | 13,149,530 |
| | | | | | |
| Total Average Day Demand, Cu M/day | 47,376 | 48,920 | 52,564 | 60,207 | 66,708 |
| Daily Peaking Factor | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| Total Peak Day Demand, Cu M/day | 71,064 | 73,380 | 78,846 | 90,310 | 100,062 |
| | | | | | |
| Plant Capacity, Cu M/Day | 89,424 | 89,908 | 92,301 | 162,000 | 162,000 |
| Plant Capacity, Cu M/Year | 32,639,760 | 32,816,420 | 33,689,865 | 59,130,000 | 59,130,000 |

Table 8: Water balance results from 2011 - 2015

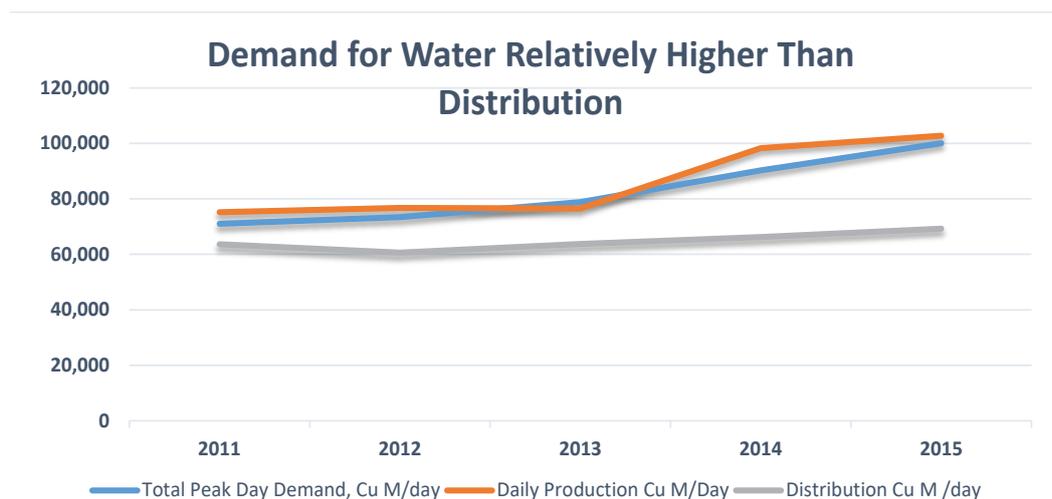


Figure 30: Demand for water

The demand for water as compared to what is distributed is becoming a challenge in an increasing trend. Despite of distribution not meeting the peak demand, production remain slightly higher than demand which therefore call for better management in term of operations to reduce losses in non-revenue water, which is still higher than the set minimum standard of 20%. Furthermore, careful consideration of the rapid urbanization taking place in the Greater Banjul Area has already indicated that demand for water will increasingly get high, therefore NAWEC should also be gradually increasing plant and storage capacities which will be vital in sustaining continuity of services.

There has been a growth of 11% in usage or billed water as compared to 2014. This is a good indication as it reflects an increase in the number of connections thus increasing access which is vital to meeting the sustainable development goals in health and sanitation but also shows an increase in revenue.

SEWAGE

CONCESSION BETWEEN AGUA AND NAWEC

The Authority as mandated to regulate the sewage sector has overseen and took necessary actions in the handing over of the Kotu Sewerage Facilities by NAWEC to Agua Gambia Ltd. and has continue to monitor the developments taking place at the Kotu Ponds. Below is a timeline showing the milestones that took place so far since Agua Gambia Ltd. took over the sewerage facilities.

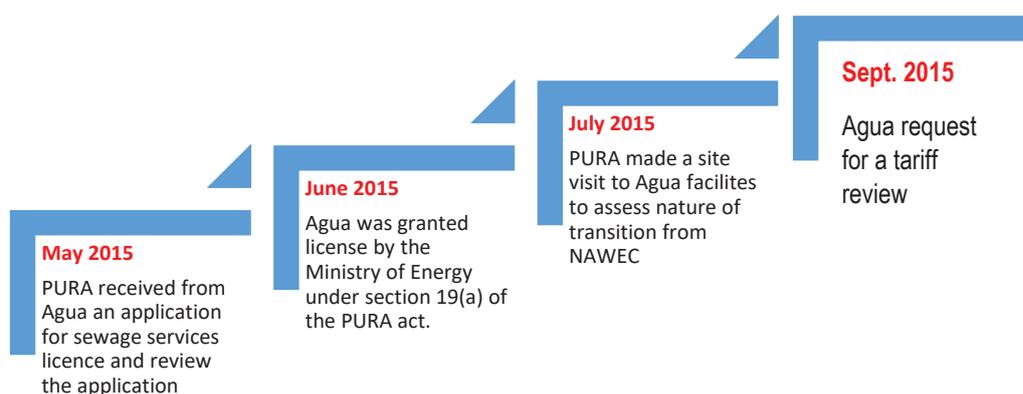


Figure 31: Timeline of PURA and Agua

CONSUMER COMPLAINTS SCOPE

DIRECTORATE OF CONSUMER AFFAIRS ACTIVITIES

As a further step towards increased efficiency and responsiveness to consumers, Directorate of Consumer Affairs acted on a wide range of consumer related activities for the year under review, some of which are reviewed here.

COMPLAINT ANALYSIS

Access to a fair and transparent complaint process is an essential part of an effective consumer protection framework. To ensure that consumers are treated fairly, the directorate receives, investigates and settles disputes between consumers and utility companies through walk-ins, calling 148 toll free number, email and letters. Complaints have important role to play in regulation as they provide a useful barometer on consumer detriment and unfair practice. In order to enhance effectiveness and efficacy of service the '148' call center shall continue to be availed to all consumers as a means of getting complaints and enquiries to the authority.

For the year under review, a total of five hundred and seventy three (573) complaints were registered against all operators namely:-NAWEC, AFRICELL, QCELL, COMIUM, and GAMCEL at the 148 helpdesk and were resolved. This shows a decreasing trend compared to 2014 which registered a total of 2,508. The reduction is believed to be owing to a variety of factors, key amongst these are: Improved initial customer care handling by all operators, improved consumer awareness of their rights and obligations, Consumer advocacy campaigns such as the consumer Parliament and Bantaba outreach and Quality of service campaign

STATISTICS OF COMPLAINS REGISTERED PER SERVICE PROVIDER

The total number of complaints received for the year under review was 573; this reveals a decreasing trend when compared to the same period in 2014 which registered a total of 2,508. The reduction in consumer complaints was owing to the massive Q.O.S (quality of service) campaign which was carried out by the authority in 2014 Figure 1 indicates the distribution of complains registered in 2015.

Breakdown of Complaints for Utility Companies

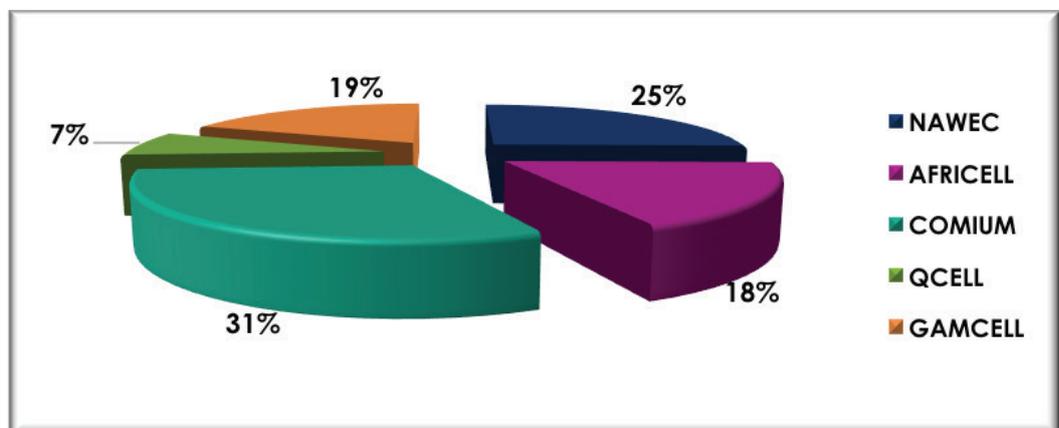


Figure 32: Distribution of complains registered in 2015.

The above illustrates the number of complaints registered per service provider in 2015. Comium registered the highest amount of complaints at 31% whilst QCell registered the least amount of complaints of only 7% followed by Africell and Gamcel at 18% and 19% respectively. NAWEC registered 25% as the second highest for electricity and water related complaints

Summary and Analysis of Complaints Registered Per Service Provider

WATER SERVICE

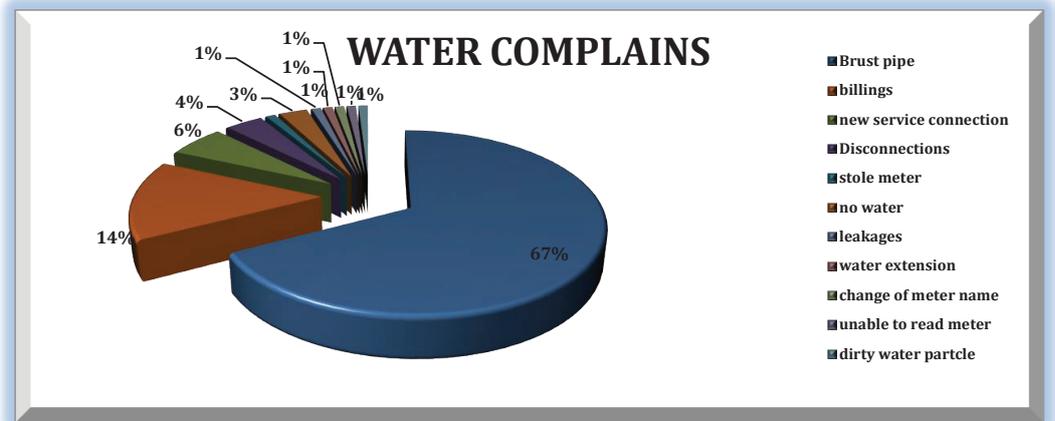


Figure 33: Distributions of Water complains in 2015

The above indicates that 67% of the water complaints registered arise from burst pipes, billing related issues registered the second highest complains constituting 14% for the year ending 2015. New service connection registered 6%, whilst disconnection related issues constituted 4%, no water complains came in at 3%, whilst leakages, change of meter name, water extension unable to read meter, dirty water particle and stolen meter related issues registered the least amount of complaints in 2015 at only 1% each.

Electricity complaints received & processed

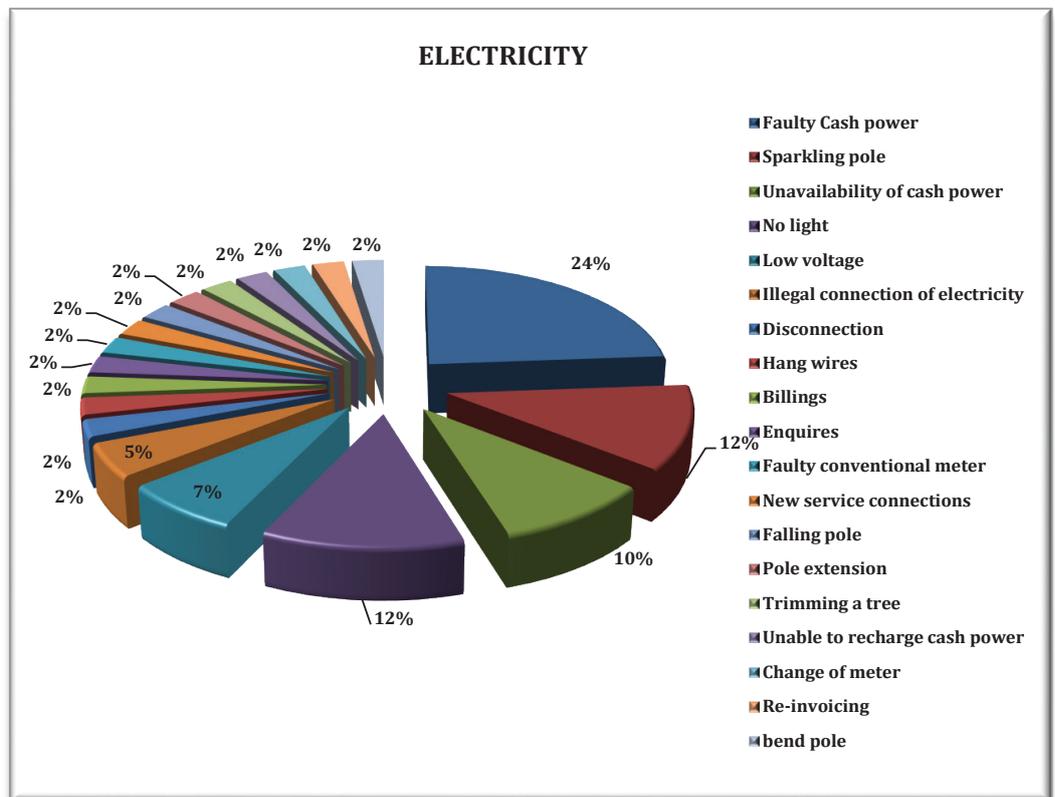


Figure 34: Distribution of Electricity complains

Figure 34 indicates that faulty cash power meter constitutes 24% of the electricity complaints registered, sparks from poles and no light related issues constituted 12% each, unavailability of cash power related complaints registered 10%, whilst low voltage constituted 7%, and illegal connection of electricity complains registered 5%, the remainder of the complains as indicated in figure 4 registered 2% each for the year ending 2015.

Furthermore during the period under review it has been observed that faulty cash power meters which constituted 56% of electricity complains registered in 2014, has decreased in 2015 registering only 24%. It has to be noted that during the period under review NAWEC has been very compliant in resolving complaints registered by the 148 help desk.

Complaints Registered on GSM Service providers

Other complaints such as credit deduction, bonus deduction were also captured from consumers. However, such complaints are reported to the respective service providers to enable them to resolve immediately or within a short time frame. Below are a breakdown and analysis of complaint per operator and the nature of the complaint received.

AFRICELL

Africell for the year ending 2015 registered the third highest number of complaints lodged at the 148 help desk as shown in figure 1 above, however majority of these complaints are mainly quality of service related. No network coverage still continues to affect the consumer of Africell as it was in 2014.

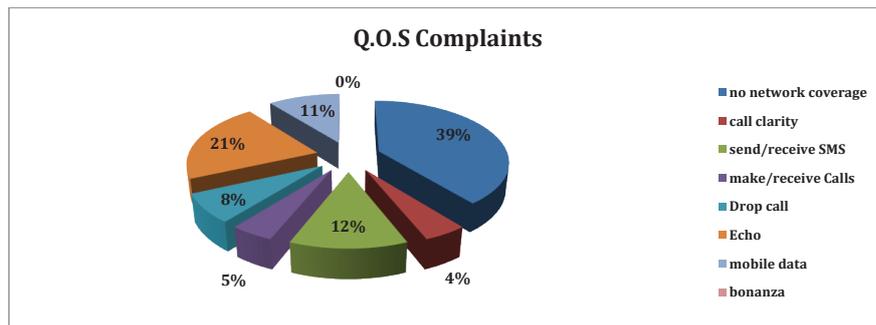


Figure 35: Distributions of Africell Q.O.S Complaints.

COMIUM

Comium for the year under review registered the highest number of complaints as shown in figure 1 above, again concerns over no network coverage has been expressed by consumers in 2015 as depicted in figure below. However bonanza service complaint has shown a decreasing trend this year compare to the same periods in 2013 and 2014, which is an improvement for Comium.

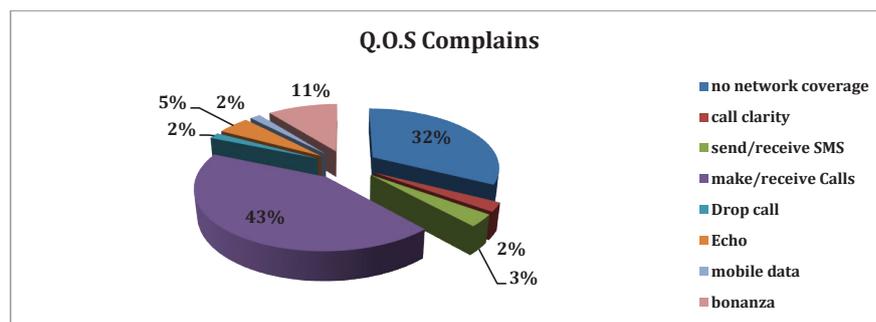


Figure 36: Distributions of Comium Q.O.S Complaints.

GAMCEL

Gamcel has registered the highest number of internet data complaints compared to other operators; however it has also registered the lowest number Q.O.S complaints for the year under review as shown in table 4 above. Furthermore consumers still continue to raise concern over the 130 inaccessibility in 2015, and this still remains a great concern to 148 help desk.

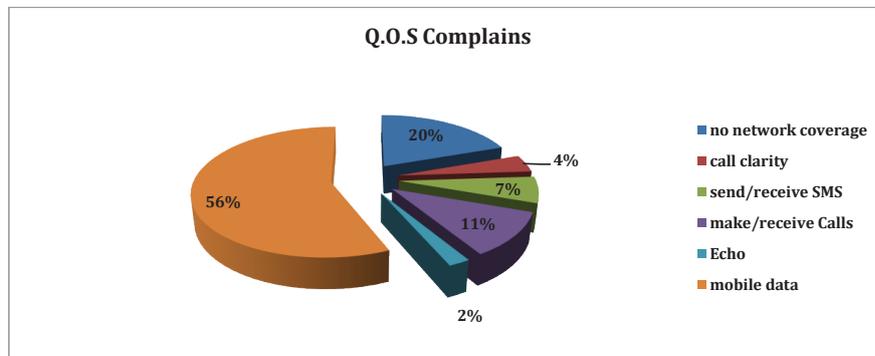


Figure 37: Distributions of GAMCEL Q.O.S Complains.

QCELL

Qcell registered the lowest number of complaints, however, no network coverage constituted majority of their Q.O.S complains registering 65% for the year under review.

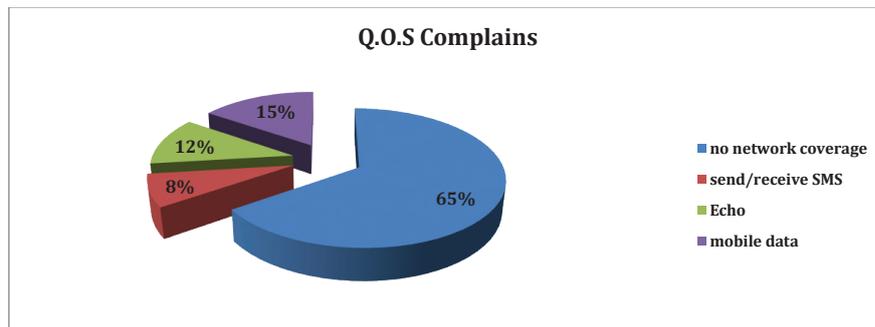


Figure 38: Distributions of QCELL Q.O.S Complains.

ACTIVITIES OF THE AUTHORITY

Awareness of the existence of the Authority and its functions was improved through sustained and intensive awareness campaign through our National Bantaba Outreach platform, consumer parliament and electronic and print media, interaction between the Authority and the general public.

The Authority during the first quarter of 2015 was allocated a free 1 hour radio talk time at AlFalaah radio station, as part of their CSR. The authority in turn made this programme slot available to a consumer advocacy group FGI, who carries out programmes of interest to consumers on a weekly basis. Consumers of regulated sectors used these platforms to raise their concern which invariably offers an alternative opportunity for the regulator in our quest to listen and act on behalf of consumers.

CUSTOMER CARE CENTRE VISITS



Figure 39: Customer care centre

The Directorate during the period under review as is customary embarked upon a call center visit across the length and breadth of the country. These visits helps both the regulated entities and the regulator to make sure that service delivery is kept as a necessary tool for consumer satisfaction. As such it provides opportunity for the Authority to review the performances and obtain explanations for operational lapses and difficulties and allows for consultation on ways of improving the performance of the utility companies to a level that we can all be proud of. These visits further addressed the utilities ability to achieve minimum quality of service targets which are critical for consumer satisfaction.



Figure 40: Inside a customer care Centre

Knowledge Sharing (Senegalese Interns)

In 2015, PURA hosted four interns from Senegal within the Directorate of Consumer Affairs for a month, through the internship program hosted by Ministry of Information Communications and Infrastructure. These interns have the opportunity during their stay to learn some of our working methods and some key consumer intervention methods.



Figure 41: Senegalese Interns on their last day

Quality of Experience (Q.O.E) CARAVAN

The Authority during the year under review has received numerous complaints from consumers regarding poor quality of service with GSM service providers. Owing to the above, the Authority embarked on a caravan mission to communal spots and engaged consumers in a dialogue by giving them the opportunity to express their views and concerns through a survey. Asking them to share the experience of quality and a host of other issues related to their telecoms service provision. Upon completion of this data collection exercise, the data was analyzed and shared with the operators for redress.



Figure 42: Caravan tour



Figure 43: QOS caravan tour

This campaign was a successful and consumers were willingly engaged in a dialogue with the data collection team and readily expressed their views on the current network quality in the Gambia.

The findings of the survey were presented to all four operators at a meeting at PURA to discuss a way forward for better quality of service in the Gambia. The Authority asked all the four GSM operators to send an SMS to their active customers informing them that they have acknowledge the current network problems and are working to address the situation. The operators should also provide PURA with a project report detailing all the current and feature plans they have in place in improving their network quality.

The findings of the survey was presented to all four operators at a meeting at PURA to discuss a way forward for better quality of service in the Gambia. The Authority asked all the four GSM operators to send an SMS to their active customers informing them that they have acknowledge the current network problems and are working to address the situation. The operators should also provide PURA with a project report detailing all the current and feature plans they have in place in improving their network quality.

| | GAMCEL | AFRICELL | COMIUM | QCELL |
|-------------------------------------|--------|----------|--------|-------|
| KPIS | % | % | % | % |
| Call Success Failure | 61% | 62% | 61% | 62% |
| Call Setup Failure | 59% | 54% | 51% | 53% |
| Network Coverage | 47% | 39% | 46% | 44% |
| SMS does not Arrive or Arrives Late | 45% | 37% | 46% | 38% |
| Drop Calls | 60% | 53% | 64% | 48% |
| Call Echo | 63% | 56% | 65% | 49% |
| Poor Quality of Call | 61% | 51% | 60% | 49% |

Table 9: Level of Satisfaction with define QOE KPIS

Generally the report findings indicate that consumers of all four networks are dissatisfied with percentages of overall customer dissatisfaction weighing above 60% average. Although, some consumers have shown that they are reasonably satisfied with network availability, concerns relating to accessibility and Retainability were also expressed as areas needing immediate attention.

Conclusion;

The year under review has been very educative for not only the consumer, but also the Authority as it has enable us to build on our capacity, acknowledge our competencies through the various activity that were carried out by the Authority during the period under review. However, it is worthy to note that there is still a gap, especially in the TV arena, for more awareness and outreach program to be carried out in other to continue to help consumers of regulated sectors to better understand their rights and obligations.

GIRLS IN ICT

International Girls in ICT Day is an initiative backed by International Telecommunications Union (ITU) member states in the ITU plenipotentiary resolution 70 (Guadalajara 2010) to create a global environment that empower and encourages girls and young ladies to consider careers in the growing field of Information Communication Technologies (ICTs).

PURA, as the telecommunications regulatory body, sponsored all the events for Girls in ICT 2015 as part of its regulatory support role. The Ministry of Information and Communication Infrastructure (MOICI) established a taskforce consisting of PURA, the Ministry of Youths and Sports and other Stakeholders. The 2015 event was co-sponsored by ACE Communications Executive. An interactive training workshop was organized with ACE Communications

Executive on April 22nd and 23rd 2015. 50 students from different high schools were invited to attend with their teachers. The students had the opportunity to interact with participants from the ICT training camp as well as prepare presentation.



Figure 44: Participants at the forum for Girls in ICT day 2015



Figure 45: Group Picture from the Girls in ICT day 2015

PART V: THE FINANCIAL REVIEW

PURA's main source of income is regulatory fees charged to regulated utilities.

The amount invoiced and collected from operators as regulatory fees is based on the annual budget of PURA, which is approved by the Board of Directors. The amount collectible as regulatory fees is pegged at a maximum of 1.5% of the operators' turnover, which is one of the lowest rates charged by regulatory authorities in Africa. The ceiling was determined to ensure that operators do not incur exorbitant regulatory charges which are passed on to consumers.

In the year 2015, 1.10% of GSM operators' turnover figure and 1.00% of Fixed line operator's turnover was invoiced unlike the previous 1.00% of turnover for the Telecoms operators and a fixed amount of **D 50,000.00** per annum for Internet Service Providers (ISPs) in the information and communications sector. For the energy sector the Authority since 2008 has decided that the regulatory fee invoice to NAWEC is fixed at **D 4,000,000.00** per annum instead of the maximum amount chargeable of 1.5% of operator's annual turnover as stated in the 2006 Regulatory Fees Regulations of PURA.

These decisions were as a result of the Authority's continuous belief in **supportive regulation** in the sectors by trying to moderate the cost of regulation for the benefit of the industries as a whole and also cognizant of the peculiarity of the energy sector, in our development process.

Further to the above regulatory support to the sectors in general, the management of the Authority over recent years has continued the series of engagements with the main defaulters GAMTEL and NAWEC, to encourage them in the settlement of their arrears as well their current invoices.

Despite these considerations and engagements, the payment of regulatory fees by GAMTEL and NAWEC has not been encouraging. Out of the amount of **D44.239 million** budgeted as regulatory fees income, only **D31.614 million** was collected, as shown in Table 9 below. Undoubtedly, the non compliance by **GAMTEL, GAMCEL** and **NAWEC** has continued to hamper the implementation of some of PURA's regulatory activities in all the regulated sectors.

| SOURCE OF FUNDS | BUDGET | ACTUAL PAID | AMOUNT OUTSTANDING | REMARKS |
|----------------------------|----------------------|----------------------|----------------------|------------------------|
| GAMTEL | 10,301,200.00 | 0.00 | 10,301,200.00 | |
| AFRICELL | 15,729,120.00 | 15,729,120.00 | 0.00 | |
| GAMCEL | 7,720,658.00 | 5,547,105.35 | 2,173,552.65 | Paid in 2016 |
| COMIUM | 3,958,339.00 | 3,958,339.00 | 0.00 | |
| QCELL | 2,229,582.00 | 2,229,582.00 | 0.00 | |
| I NET WORLD COMPANY | 50,000.00 | 50,000.00 | 0.00 | |
| NETPAGE | 50,000.00 | 50,000.00 | 0.00 | |
| NAWEC | 4,000,000.00 | 4,000,000.00 | 0.00 | Paid in 2015/16 |
| UNIQUE SOLUTIONS | 50,000.00 | 50,000.00 | 0.00 | |
| LANIX | 50,000.00 | 0.00 | 50,000.00 | |
| I LINK COMPUTERS | 50,000.00 | 0.00 | 50,000.00 | |
| THOMAS GLOBAL TECHNOLOGIES | 50,000.00 | 0.00 | 50,000.00 | Paid in 2016 |
| TOTAL | 44,238,899.00 | 31,614,146.35 | 12,624,752.65 | |

Table 10: Budgeted vs. Actual Income in Dalasi for Regulatory Fees Invoiced for 2015



PUBLIC UTILITIES REGULATORY AUTHORITY

(PURA)

FINANCIAL STATEMENTS & REPORTS

FOR THE YEAR ENDED 31ST DECEMBER 2015

**AUGUSTUS PROM
AUDIT. TAX. ADVISORY.
REGISTERED AUDITORS**

**3 KAIRABA AVENUE
3rd FL. CENTENARY HOUSE
SERREKUNDA, K.M.C
THE GAMBIA**

APRIL 2016

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)
FINANCIAL STATEMENTS & REPORTS
FOR THE YEAR ENDED 31ST DECEMBER 2015

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PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)
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PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)

GENERAL INFORMATION

1. Board of Directors

| | |
|--------------------------|----------------------|
| Mr. Momodou O.S. Badjie | Chairman |
| Mr. Ebrima Cham | Member |
| Mrs.Sainabou Wadda Cisse | Member |
| Mr. Abdoulie Jallow | Ex-Officio Member |
| Mr. Ansumana Sanneh | Ag. Director General |
| Permanent Secretary | MOFEA |

2. Board Secretary

Mr. Kelepha Samba

3. Bankers

Trust Bank (G) Ltd
 3/4 Ecowas Avenue
 Banjul, The Gambia

Eco Bank (G) Ltd
 Kairaba Avenue
 KMC, The Gambia

Reliance Financial Services
 Kairaba Avenue
 KMC, The Gambia

Access Bank (G) Ltd
 Kairaba Avenue
 KMC, The Gambia

Guaranty Trust Bank (G) Ltd
 Kairaba Avenue
 KMC, The Gambia

4. External Auditor

Augustus Prom
 Audit.Tax.Advisory.
 Registered Auditors
 3 Kairaba Avenue
 3rd FL. Centenary Building
 Serrekunda, KMC, The Gambia

5. Registered Address

94 Kairaba Avenue
 Serrekunda, KMC
 The Gambia

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)
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PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)

BOARD OF DIRECTORS REPORT **FOR THE YEAR ENDED 31ST DECEMBER 2015**

The Board of Directors of the Public Utilities Regulatory Authority (PURA) presents their audited financial statements for the year ended 31st December 2015.

1. State of Affairs

The state of affairs of the Public Utilities Regulatory Authority (PURA) is set out in the accompanying financial statements and notes on pages 7 to 15.

2. Principal Activities

The principal activities of the PURA are to provide guidelines on rates and fees for the provision of regulated public services, examine rates and fees chargeable and to protect the interest of consumers and of the public utilities. PURA does monitor and enforce standards of performance by public utilities and to promote fair competition amongst them.

3. Director's Responsibilities for the Financial Statements

The Companies (Gambia) Act, 2013 and the PURA Act of 2001, requires the Authority's Directors to prepare financial statements for each financial year, which gives a true and fair view of the Authority's financial position and of its surplus or deficit as at year end.

In preparing these financial statements, the Board of Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Authority will continue operations.

The Directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any given time, the financial position of the Authority and to enable them to ensure that they comply with Generally Accepted Accounting Principles (GAAP). They are also responsible for safeguarding the assets of the Authority and taking reasonable steps for the prevention and detection of fraud and other irregularities.

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)
FINANCIAL STATEMENTS & REPORTS
FOR THE YEAR ENDED 31ST DECEMBER 2015

4. **External Auditors**

The Authority's external auditor, Augustus Prom - Audit. Tax. Advisory, as appointed through the National Audit Office The Gambia, has expressed their willingness to continue in office.

BY ORDER OF THE PURA
BOARD OF DIRECTORS

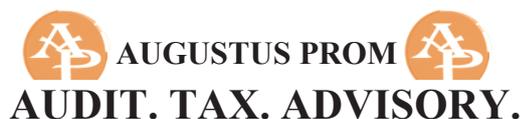
.....
BOARD SECRETARY

DATE:

Registered Address

94 Kairaba Avenue
Serrekunda, KMC
The Gambia

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)
FINANCIAL STATEMENTS & REPORTS
FOR THE YEAR ENDED 31ST DECEMBER 2015



3 Kairaba Avenue – P O Box 587, The Gambia - Telephone (220)4378146/ 4392376 / 4378147 – Fax (220) 4378148
E-mail: admin@augustusprom.com www.augustus-prom.gm

AUDITOR'S REPORT TO THE MEMBERS OF THE PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)

We have audited the financial statements and notes thereon of the Authority for the year ended 31st December 2015 set out on pages 7 to 15 which have been prepared under the historical cost convention.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS & AUDITORS

The Board of Directors is responsible for the preparation of the year ended financial statements. It is our responsibility to form an independent opinion based on our audit of those financial statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (ISA) as promulgated by the International Federation of Accountants (IFAC). Those standards require that we plan and perform the audit to obtain reasonable assurance on whether the financial statements are free of material misstatement. An audit includes the examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements.

An audit also includes assessing the accounting policies used and significant estimates and judgements made by the Directors in the preparation of the financial statements and whether the applied accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud, irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)
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OTHER MATTERS

The 2014 comparative figures were audited by AA & Co, an audit and accountancy firm registered in The Gambia.

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of the Authority as at 31ST December 2015 and of its financial performance and cash-flows for the year then ended and has been prepared in accordance with Generally Accepted Accounting Principles adhering to the Companies (Gambia) Act, 2013 and the PURA Act,2001.

.....
AUGUSTUS PROM
AUDIT. TAX. ADVISORY.
REGISTERED AUDITORS

DATE: **2016**

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)
FINANCIAL STATEMENTS & REPORTS
FOR THE YEAR ENDED 31ST DECEMBER 2015

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)

Balance Sheet

As at 31st December 2015

| | <i>Notes</i> | 2015 GMD | 2014 GMD |
|-----------------------------------|--------------|---------------------|-------------------|
| <u>Non-Current Assets</u> | | | |
| Fixed Assets | 2 | 5,009,055 | 2,336,404 |
| <u>Current Assets</u> | | | |
| Cash and Bank Balances | 7 | 894,464 | 4,034,432 |
| Trade Receivables | 8 | 75,322,355 | 67,688,805 |
| Staff Loan Receivable | 9 | 4,848,423 | 5,224,402 |
| | | <u>81,062,242</u> | <u>76,947,639</u> |
| <u>Current Liabilities</u> | | | |
| Trade and Other Payables | 10 | 4,380,474 | 3,965,454 |
| Net Current Assets | | <u>76,684,768</u> | <u>72,982,185</u> |
| Total Net Assets | | <u>81,693,823</u> | <u>75,318,589</u> |
| <u>Represented by:</u> | | | |
| Retained Earnings | 11 | 81,693,823 | 75,318,589 |
| | | <u>81,693,823</u> | <u>75,318,589</u> |

The Financial Statements were approved by the PURA Board of Directors on

..... and signed on its behalf by :

DIRECTOR:

DIRECTOR:

The notes on page 10 – 15 form an integral part of the financial statements.

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)
 FINANCIAL STATEMENTS & REPORTS
 FOR THE YEAR ENDED 31ST DECEMBER 2015

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)

Income Statement

For the year ended 31st December 2015

| | <i>Notes</i> | 2015 GMD | 2014 GMD |
|-----------------------------------|--------------|---------------------|-------------------|
| <u>Income</u> | | | |
| Revenue | 3 | 44,256,399 | 48,904,084 |
| Other income | 4 | 921,250 | 1,876,808 |
| Total Income | | 45,177,649 | 50,780,892 |
| | | | |
| <u>Expenditure</u> | | | |
| Personnel Cost | 5 | 12,608,334 | 11,774,387 |
| General & Administrative Expenses | 6 | 24,312,037 | 23,813,161 |
| Depreciation | 2 | 1,882,044 | 1,031,690 |
| Total Expenditure | | 38,802,415 | 36,619,238 |
| | | | |
| Surplus for the year | | 6,375,234 | 14,161,654 |

The notes on page 10 – 15 form an integral part of the financial statements.

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)
 FINANCIAL STATEMENTS & REPORTS
 FOR THE YEAR ENDED 31ST DECEMBER 2015

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)

Cash-flow Statement

For the year ended 31st December 2015

| | <i>Notes</i> | 2015 GMD | 2014 GMD |
|---|--------------|---------------------------|--------------------|
| Operating Activities | | | |
| Surplus for the year | | 6,375,234 | 14,161,654 |
| <u>Adjust for:</u> | | | |
| Depreciation | 2 | 1,882,044 | 1,031,690 |
| | | <u>8,257,278</u> | <u>15,193,344</u> |
| Increase in Receivable | | (7,257,571) | (9,605,721) |
| Increase in Payables | | 415,020 | (4,554,738) |
| Net Cash flows from Operating Activities | | <u>1,414,727</u> | <u>1,032,885</u> |
| Investing Activities | | | |
| Acquisition of Fixed Assets | | (4,554,695) | (2,233,407) |
| Net cash outflow from investing activities | | <u>(4,554,695)</u> | <u>(2,233,407)</u> |
| Net Decrease in cash and cash equivalent | | (3,139,968) | (1,200,522) |
| Balance at 1st January 2015 | | 4,034,432 | 5,234,954 |
| Balance as at 31st December 2015 | 8 | <u>894,464</u> | <u>4,034,432</u> |

The notes on page 10 – 15 form an integral part of the financial statements.

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)
 FINANCIAL STATEMENTS & REPORTS
 FOR THE YEAR ENDED 31ST DECEMBER 2015

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)

Notes to the Financial Statements

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in the Authority's Financial Statements.

1.1 Basis of Accounting

The Financial Statements have been prepared under the historical cost convention, in accordance with the Generally Accepted Accounting Principles (GAAP), and the requirements of the Companies (Gambia) Act 2013 and the PURA Act 2001.

1.2 Property, Plant & Equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation less impairment loss and the amount of any subsequent revaluation. It is the Authority's policy to charge full year's depreciation in the year of acquisition and no charge in the year of disposal.

Depreciation is calculated and charged to the income and expenditure statement on a straight-line basis by reference to the estimated useful lives of the assets at the following rates:

| | |
|------------------------------------|-----|
| Motor Vehicles | 25% |
| Computers & Other office equipment | 25% |
| Furniture, fixtures & Fittings | 20% |
| Others | 20% |

1.3 Revenue Recognition

Revenue comprises regulatory fees, contribution by The Gambia Government, external funding and any other income accruing on accounts. Revenue grants are recognised in the financial statements on receipts. Capital grants are recognised in equity. However, they are transferred to the income statement to meet related cost.

1.4 Employee Benefits

Obligation for contribution to the Social Security & Housing Finance Corporation administered pension scheme at a rate of 15% on employee's salary are recognised as an expense in the Income and Expenditure Statement. PURA's contribution of GMD15 per month per employee to Social Security & Housing Finance Corporation as Industrial Injury Compensation is also recognised in the Income and Expenditure Statement.

1.5 Foreign currency Translation

Transactions in foreign currencies are converted into Dalasis at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are converted in to Dalasis at the rates of exchange ruling at the balance sheet date. All gains and losses are transferred to the income and expenditure account.

1.6 Taxation

No tax provision is made as the Authority is exempted from corporate income tax as an Agency of The Gambia Government.

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)
FINANCIAL STATEMENTS & REPORTS
FOR THE YEAR ENDED 31st DECEMBER 2015

| 2. <u>FIXED ASSETS</u> | Motor Vehicles | Computer Equipment | Furniture & fittings | Others | Total |
|---------------------------------|-------------------------|---------------------------|---------------------------------|-------------------------|--------------------------|
| | GMD | GMD | GMD | GMD | GMD |
| <u>COST/VALUATION</u> | | | | | |
| At 1 st January 2015 | 3,520,000 | 14,503,827 | 4,937,855 | 3,445,112 | 26,406,794 |
| Additions | 3,940,850 | 527,745 | 76,100 | 10,000 | 4,554,695 |
| At 31/12/15 | <u>7,460,850</u> | <u>15,031,572</u> | <u>5,013,955</u> | <u>3,455,112</u> | <u>30,961,489</u> |
| <u>DEPRECIATION</u> | | | | | |
| At 1 st January 2015 | 3,520,000 | 13,926,635 | 4,717,359 | 1,906,396 | 24,070,390 |
| Charge for the year | 985,212 | 441,290 | 103,191 | 352,351 | 1,882,044 |
| At 31/12/15 | <u>4,505,212</u> | <u>14,367,925</u> | <u>4,820,550</u> | <u>2,258,747</u> | <u>25,952,434</u> |
| <u>NET BOOK VALUE</u> | | | | | |
| At 31/12/15 | <u>2,955,638</u> | <u>663,647</u> | <u>193,405</u> | <u>1,196,365</u> | <u>5,009,055</u> |
| At 31/12/14 | <u>-</u> | <u>577,192</u> | <u>220,496</u> | <u>1,538,716</u> | <u>2,336,404</u> |

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)
FINANCIAL STATEMENTS & REPORTS
FOR THE YEAR ENDED 31st DECEMBER 2015

| | 2015 GMD | 2014 GMD |
|---|-------------------|-------------------|
| 3. Revenue | | |
| Regulatory fees | 44,238,899 | 48,899,084 |
| Application fees | 17,500 | 5,000 |
| | <u>44,256,399</u> | <u>48,904,084</u> |
| 4. Other Income | | |
| Sale of tender documents | 10,000 | - |
| Type approval fees | 849,183 | 1,077,799 |
| Bank interest | 22,246 | 30,520 |
| Staff loan interest | 34,821 | 38,489 |
| Penalty charges | - | 730,000 |
| Others | 5,000 | - |
| | <u>921,250</u> | <u>1,876,808</u> |
| 5. Personnel Cost | | |
| Salaries, wages & | 11,089,532 | 10,358,618 |
| Social Security Contributions | 1,518,802 | 1,094,932 |
| | <u>12,608,334</u> | <u>11,774,387</u> |
| 6. Other Operating Cost | | |
| Admin and office expense (<i>See Note 12</i>) | 21,865,519 | 21,218,590 |
| Board fees | 289,500 | 252,500 |
| Membership contributions | 721,277 | 716,652 |
| Audit fees | 210,450 | 122,682 |
| Travel and training expenses | 1,225,291 | 1,502,737 |
| | <u>24,312,037</u> | <u>23,813,161</u> |
| 7. Bank & Cash | | |
| Trust Bank Ltd. | 251,179 | 540,045 |
| Eco Bank Gambia Limited | 27,432 | 315,846 |
| Access bank Gambia Limited | 41,498 | 1,143,246 |
| Guaranty Trust Gambia Limited | 542,364 | 2,003,613 |
| Reliance financial services | 21,991 | 21,682 |
| Cash Imprest account | 10,000 | 10,000 |
| | <u>894,464</u> | <u>4,034,432</u> |

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)
 FINANCIAL STATEMENTS & REPORTS
 FOR THE YEAR ENDED 31ST DECEMBER 2015

| | 2015 GMD | 2014 GMD |
|---------------------------------------|-------------------|-------------------|
| 8. Trade Receivables | | |
| Gamtel Ltd | 40,733,015 | 34,031,815 |
| Nawec Ltd | 21,378,755 | 19,378,755 |
| Gamcel Ltd | 2,175,160 | 3,342,810 |
| G.E.G Ltd | 10,660,425 | 10,660,425 |
| I Link | 50,000 | - |
| Linux | 225,000 | 175,000 |
| Thomas Global Technologies | 50,000 | 50,000 |
| Connection solutions | 50,000 | 50,000 |
| | <u>75,322,355</u> | <u>67,688,805</u> |
| | ===== | ===== |
| 9. Other Receivables | | |
| Staff personal loans | 1,404,516 | 707,413 |
| Staff car loans | 3,045,851 | 4,181,989 |
| Prepayments | 389,582 | 335,000 |
| Others | 8,474 | - |
| | <u>4,848,423</u> | <u>5,224,402</u> |
| | ===== | ===== |
| 10. Trade and Other Payables | | |
| WATRA Membership Contribution 2014/15 | 1,291,828 | 1,264,575 |
| Audit fees | 210,450 | 122,682 |
| Provision for court judgement | 1,692,302 | - |
| Accruals – Telephone Bills | 1,185,894 | 885,895 |
| | <u>4,380,474</u> | <u>3,965,454</u> |
| | ===== | ===== |
| 11. Retained Earnings | | |
| Opening Balance | 75,318,589 | 61,156,935 |
| Surplus for the Year | 6,375,234 | 14,161,654 |
| | <u>81,693,823</u> | <u>75,318,589</u> |
| | ===== | ===== |

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)
 FINANCIAL STATEMENTS & REPORTS
 FOR THE YEAR ENDED 31ST DECEMBER 2015

Supplementary Expenditure

12. Administrative & Office Expenses

| | 2015 GMD | 2014 GMD |
|-------------------------------------|-------------------|-------------------|
| Medical expenses | 648,535 | 383,496 |
| National travel expenses | 143,025 | 65,784 |
| Office Stationary | 1,445,585 | 1,216,381 |
| Staff travel insurance | 15,879 | 5,840 |
| Fuel & lubricants | 3,524,228 | 3,543,763 |
| Rent/facilities management services | 2,559,844 | 2,177,913 |
| Electricity & water | 989,877 | 653,889 |
| Advertisement | 355,735 | 2,048,800 |
| Subscription- Journals/magazines | 72,225 | 66,340 |
| Postages | 9,703 | 4,376 |
| Communications | 2,988,208 | 1,659,186 |
| Stakeholder relationship | 815,944 | 812,008 |
| Repairs & maintenance | 791,014 | 582,430 |
| Consumer outreach program | 1,004,058 | 1,293,055 |
| Workshops/ retreat | 5,000 | 67,098 |
| Staff car scheme | 925,000 | - |
| Consultancy | 405,205 | 252,168 |
| Conference & meetings | 2,174,788 | 1,492,525 |
| Vehicle insurance & licence | 269,098 | 240,373 |
| Legal & registration fees | 72,280 | 7,200 |
| Staff uniforms | 40,700 | 42,400 |
| Corporate social responsibilities | 1,333,595 | 1,403,390 |
| Regulatory support expenses | 936,685 | 1,895,508 |
| Sim card registration project | 310,800 | 480,629 |
| Bank loan interest | - | 767,732 |
| Bank charges | 24,008 | 56,306 |
| Other expenses | 4,500 | - |
| | <u>21,865,519</u> | <u>21,218,590</u> |

13. Contingent Liabilities

There is a current case in which World Report, a London Based published sued PURA for the recovery of the following;

- a. The sum of 30,016 Euros pursuant to an advertising contract Number 00033.
- b. Interest on the said sum at the rate of 1.8% per month from the 9th day of August 2012 to date of payment as per said contract.
- c. Statutory interest at the rate of 4% from date of judgement.

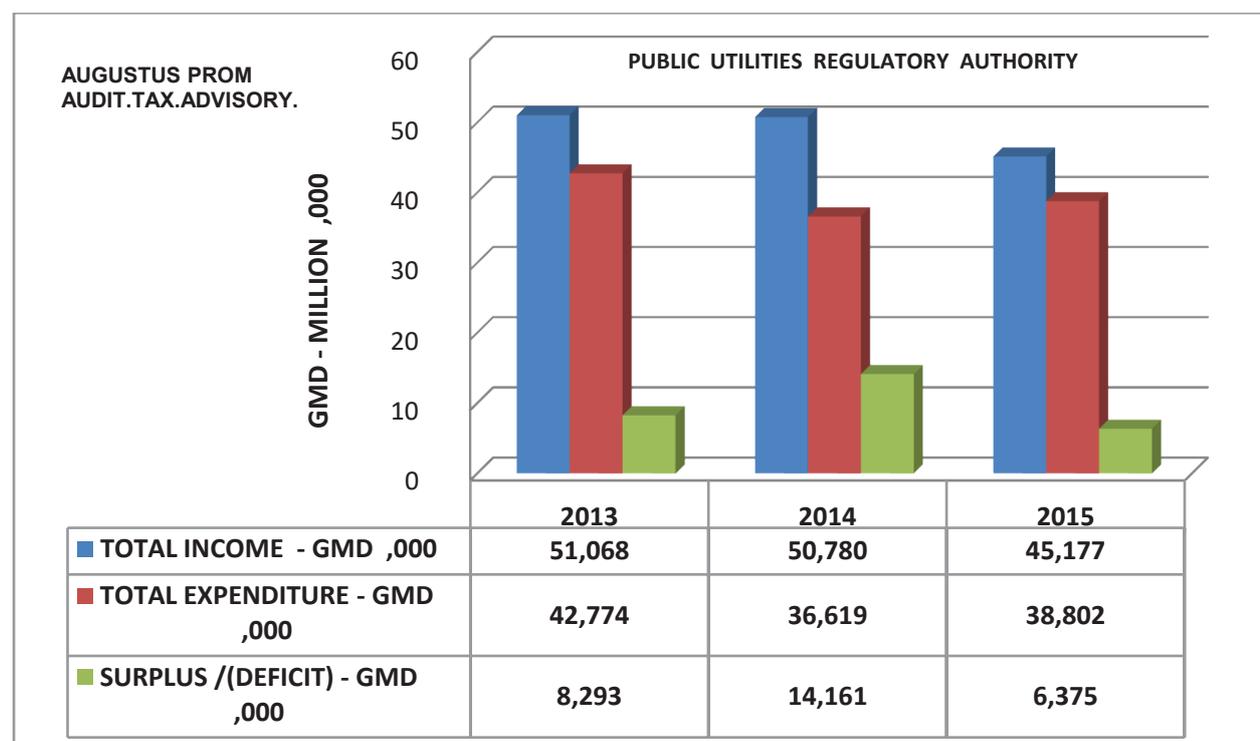
PURA declined to honour the payment and proceeded to engage an outside attorney to defend the matter in court.

Counsel for the Authority filed an appeal at the Court of Appeal against the ruling of the high court dated 7th January 2015. The panel dismissed the appeal on the 21st April 2016 and ordered the High court to continue with hearing into the case. Therefore the matter is on-going at the high court with the same counsel for the authority.

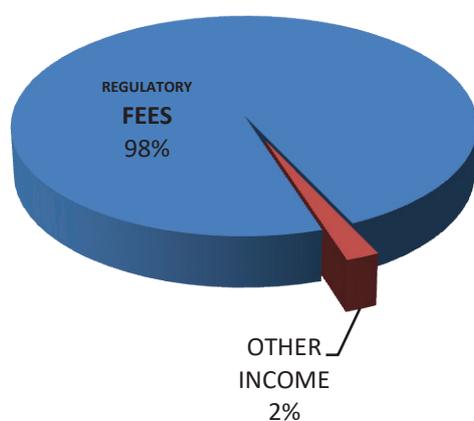
PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)
 FINANCIAL STATEMENTS & REPORTS
 FOR THE YEAR ENDED 31ST DECEMBER 2015

FINANCIAL HIGHLIGHTS

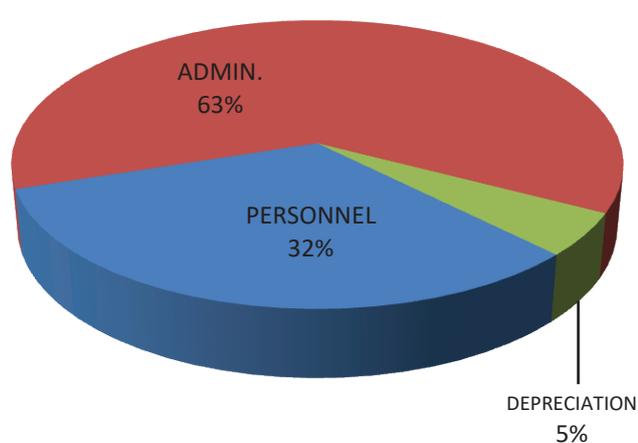
PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)



PURA - 2015 INCOME



PURA - 2015 EXPENDITURE





PUBLIC UTILITIES REGULATORY AUTHORITY

(PURA)

MANAGEMENT LETTER REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2015

**AUGUSTUS PROM
AUDIT. TAX. ADVISORY.
REGISTERED AUDITORS**

**3 KAIRABA AVENUE
3RD FL. CENTENARY HOUSE
SERREKUNDA, KMC
THE GAMBIA**

APRIL 2016

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)
MANAGEMENT LETTER REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2015



AUGUSTUS PROM



AUDIT. TAX. ADVISORY.

3 Kairaba Avenue – P O Box 587, The Gambia - Telephone (220) 4378146/ 4392376 / 4378147 – Fax (220) 4378148
E-mail: admin@augustusprom.com www.augustus-prom.gm

IN CONFIDENCE

REF: AP/C/848/16/(01)

5th September 2016

Director General
Public Utilities Regulatory Authority (PURA)
94 Kairaba Avenue, KMC
Serrekunda, The Gambia

Dear Sir,

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)
MANAGEMENT LETTER REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2015

We have completed the audit of the Authority's financial statements for the year ended 31st December 2015 and wish to bring to your attention the following audit observations and implications. The recommendations suggested are for management action aimed at improving the Authority's operations, accounting and internal controls systems, level of compliance etc.

We wish to inform you that the purpose of the audit is to enable us to express our professional opinion on the accounts presented to us by the Directors to audit. Such an audit should not be relied upon to disclose all defalcations or other irregularities that may exist in your system but where such exist and are discovered during the course of our audit, they would be disclosed.

Please accept the firm's gratitude for the cooperation of the Authority's management and staff accorded to us during the conduct of the audit exercise. Should you require additional information on the matters raised, please do not hesitate to contact us.

Yours Faithfully,

.....
AUGUSTUS PROM
AUDIT. TAX. ADVISORY.
REGISTERED AUDITORS

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)
MANAGEMENT LETTER REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2015

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PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)
MANAGEMENT LETTER REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2015

PRIORITISATION OF AUDIT FINDINGS

The objective of the management letter report is to communicate appropriately to those charged with governance and management on information gathered in the course of the audit to give added value to the client.

The management letter is used to communicate with those charged with governance focusing on the following:

- Weaknesses within the internal controls system that could lead to material losses or misstatements in the financial statements;
- Efficiencies to be made, to improve the overall performance of the organization;
- Failure to comply with policies, laws, regulations and laid down procedures;
- Issues to be addressed which would enable the audit to run more smoothly.

The findings which are stated in the management letter are categorised into a system of grading to enable management to better prioritise implementation of recommendations emanating from audit findings.

The observations raised during the audit are categorised into three different grades.

The grades are as follows:

Grade 1: These are findings that are particularly significant and the urgent involvement of management may be required for their resolution (High Risk);

Grade 2: These are finding that may have a significant impact on the control environment or financial systems which can have a negative impact on operations within the organisation (Medium Risk);

Grade 3: These are findings which are less significant than Grade 1 and 2 but still need attention (Low Risk).

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)
MANAGEMENT LETTER REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2015

EXECUTIVE SUMMARY OF THE MANAGEMENT LETTER REPORT

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)
 MANAGEMENT LETTER REPORT
 FOR THE YEAR ENDED 31ST DECEMBER 2015

Executive Summary of the Management Letter Report

| <u>PURA</u> AUDITOR'S OBSERVATIONS FOR THE YEAR ENDED 31 ST DECEMBER 2015 | GRADE 1 | GRADE 2 | GRADE 3 |
|--|------------|------------|------------|
| <p>1. Updating of Service Rules Book</p> <p>During our compliance review on the Authority's service rules book we noted that it was last updated in 2006 hence and does not reflect current legislation regarding maternity leaves.</p> | | x | |
| <p>2. Scheme of Service</p> <p>During our compliance review on the Authority's Services Rule book, we noted that Section 2014 states that there should be an approved scheme of service for staff of the Authority. Based on discussions with management, we noted that there is no approved scheme of service for the Authority.</p> | | X | |
| <p>3. Receivables Confirmations</p> <p>As part of the audit confirmation process to ensure that the balances of receivables captured in the balance sheet are accurate, confirmation letters were sent to PURA's debtors. They then responded and we noted that there was a difference between the financial records of the Authority and that of GAMTEL.</p> | X | | |

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)
MANAGEMENT LETTER REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2015

DETAILED MANAGEMENT LETTER REPORT

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)
MANAGEMENT LETTER REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2015

1. SERVICE RULES BOOK

GRADE 2

1.1 OBSERVATIONS

During our compliance review on the Authority's service rules book, we noted that it was last updated in 2006 hence causing certain sections of the book outdated such as section 8013 – Maternity Leave, which states that “Any female employee in the permanent service of the Authority finding herself in a state of pregnancy shall report at once to a medical officer of the authority. On production of a satisfactory medical certificate, she may be granted leave for a period of 3 months with full salary calculated to cover six weeks before and six weeks after confinement. This maternity policy is not in compliance with current legislation, Women's Act 2010 which states maternity leave to be granted with full salary should be 6 months.

1.2 IMPLICATION

The indicates that the services rule book of the Authority is out dated and not in compliance with current National labor regulations.

1.3 RECOMMENDATION

We recommend that management should update the service rules book to reflect the current legislation governing employees which will also ensure compliance to National labor regulations and avoid potential labor disputes and litigation which could result to financial losses.

1.4 MANAGEMENT RESPONSE

The Service Rule is being review to take care of this observation and any recent developments with regards to Local Laws and Legislations. Despite that, the Authority has been observing the provisions in the 2010 Women Act concerning the Maternity leave of pregnant female staff and any legal requirements.

2. SCHEME OF SERVICE

GRADE 2

2.1 OBSERVATIONS

During our compliance review on the internal policies of the Authority, section 2014 of the services rules book states that “There shall be an approved scheme of service for staff of the Authority”. Based on discussions with management, we noted that there is no approved scheme of service in place.

2.2 IMPLICATION

This indicates non compliance to the service rules book of the Authority.

2.3 RECOMMENDATION

We recommend that management should look into developing the scheme of service to ensure there is compliance to the service rules book which will help to enhance overall administrative efficiency hence better financial performance.

2.4 MANAGEMENT RESPONSE

The Authority has since recognize that and has drafted a comprehensive Scheme of Service covering all Directorates and positions in the Authority and is being review and to be submitted to the Board for approval and implementation.

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)
MANAGEMENT LETTER REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2015

3. RECEIVABLES CONFIRMATION

GRADE 1

3.1 OBSERVATIONS

As part of the audit verification and confirmation process to ensure balances of receivables captured and totaled in the balance sheet are accurate, independent confirmations were sent to debtors to independently confirm balances owed to PURA. Based on responses we received, we noted a difference in the confirmation received from the Gambia Telecommunications Company Ltd. (GAMTEL) in relation to PURA's financial records.

| Company/Institution | Amount as per PURA Records (GMD) | Amount as per GAMTEL Confirmation (GMD) | Diff. (GMD) |
|---------------------|--|--|----------------|
| GAMTEL | 40,733,015 | 27,378,755 | 13,354,260 |

3.2 IMPLICATION

Having differences between the financial records of PURA and that of GAMTEL indicates that reconciliations are not being done on a regular basis to ensure that such material differences do not occur.

3.3 RECOMMENDATION

We recommend that management should look into the difference and ensure that a reconciliation is done between the two institutions' financial records (books of account system) to ensure accuracy of the receivable balance hence the accuracy of the Balance Sheet.

3.4 MANAGEMENT RESPONSE

GAMTEL was engaged and noticed that, the differences are the Proposed Regulatory Fees write off, which GAMTEL has taken into account in their books, before finalization by PURA and GAMTEL.

4. REVIEW ON PREVIOUS YEAR'S AUDIT MANAGEMENT LETTER POINTS

| Details | Audit Observation | Year Reported | Current Status | Auditors' Remarks |
|-----------------------------|--|------------------|-----------------|--|
| Advertising Contract | <p>During our review of the Authority's internal control procedures for the year under review, it was revealed that in February 2011, the Authority purportedly entered into an advertisement contract worth Euros 28,000.00 with World Report Communications Limited (WRC) a company registered in the UK without following due processes.</p> <p>PURA failed to fulfil its contractual obligations after signing of the contract and the matter was taken to the High Court of The Gambia by WRC where the case is still ongoing.</p> | 31 December 2014 | In-progress | The case has not been finalised yet but a provision of GMD1,692,302 has been made in the financial statements. |
| Debtors | <p>This observation was made last financial year and remains valid this year too: Amounts due from certain regulated bodies appeared to be impaired due to poor commitment or lack thereof in fulfilling their obligations towards PURA. Regulatory debtors balance outstanding as at 31st December 2014 is GMD 18,789,720 more than the total regulatory fee for the year. (2013 GMD 4,867,503). The Management of PURA however has decided not to write off part of these debts despite uncertainties surrounding the recoverability.</p> | 31 December 2014 | Not Implemented | The debtor balance has now increased by GMD7,633,550 during the year under review. |
| Car Loan | <p>As per observation in the 2013 management letter, an ex-staff who is defaulting in fulfilling her car loan obligation still owes the Authority GMD271,250.</p> | 31 December 2014 | Implemented | This issue has been resolved. |



PURA

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