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NATIONAL AUDIT OFFICE

06 May 2021

Ref: HC 93/471/01/Part II (41)
Chief Executive Officer
Basse Area Council
Basse
Upper River Region

AUDIT OF BASSE AREA COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2019

Following the conclusion of our audit of Basse Area Council, please find attached the final management letter and audit report for the year ended 31 December 2019.

We thank you for the cooperation we received during the audit.


Bakary Trawally
For: Auditor General

Cc:

Permanent Secretary
Ministry of Local Government and Lands

Permanent Secretary
Ministry of Finance

Chairman
Basse Area Council

Kanifing Institutional Layout, Bertil Harding Highway, Kanifing, The Republic of The Gambia

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BASSE AREA COUNCIL



BASSE AREA COUNCIL

**FINANCIAL STATEMENT & AUDIT REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

**NATIONAL AUDIT OFFICE
BERTIL HARDING HIGHWAY
KANIFING INSTITUTIONAL LAYOUT
KANIFING
MAY 2021**

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1.0 General Information

1.1 General Council Members

#	Name	Designation	Ward
1	Foday Danjo	Chairman	Chairman
2	Yuba Jawara	Deputy Chairman	Sabi Ward
3	Sainey kanuteh	Councilor	Basse Ward
4	Ebrima Manneh	Councilor	Julangel Ward
5	Ousainou Maharena	Councilor	Gambisara Ward
6	Abubacarr Saho	Councilor	Dampha Kunda ward
7	Ebrima Sissoho	Councilor	Kulari Ward
8	Alhagie Sanyang	Councilor	Koina Ward
9	Musa Tunkara	Councilor	Garawol Ward
10	Omar Garry	Councilor	Baja Kunda Ward
11	Sarja FK kamateh	Councilor	Foday Kunda Ward
12	Alhagie Kijera	Councilor	Sutukonding Ward
13	Ebrima Danso	Councilor	Sare Ngai Ward
14	Mbye Touray	Councilor	Misera Ward
15	Abdourahaman Camara	Councilor	Diabugu Ward
16	Kanimang Sanneh	Nominated	Chief REP
17	Mariama Trawally	Nominated	Womens REP
18	Nafa jabbai	Nominated	Youths REP
19	Sanna Drammeh	Nominated	Business REP
20	Musa Sowe	Nominated	Differently Able REP

1.2 Principal Officers (Finance)

#	Name	Designation
1	Mr ousman Touray	Chief Executive Officer
2	Mr Lamin Suso	Director of Finance

1.3 Bank Accounts & Balances

BANK	ACCOUNT NO.	CLOSING BALANCES	
		2018 GMD	2019 GMD
Trust bank ltd	811-055-0865-501	(1,271,608.96)	(1,382,871.78)
First International Bank	0180-022-501	26,699.49	(351,064.06)
Guaranty Trust Bank	750-794-0110	3,856.30	(2397.00)
Standard Chartered Bank	01001-500-27800	500.03	18,710.34
Arab Gambian Islamic Bank	211-080-4029	223,262.79	(25,936.51)

BASSE AREA COUNCIL

Auditors

Auditor General
National Audit Office
Bertil Harding Highway
Kanifing Institutional Layout
Kanifing

BASSE AREA COUNCIL

For The Year Ended 31 December 2019

The General Council presents the audited financial statements of Basse Area Council for the year ended 31 December 2019.

Principal Activity

The Principal activity of Basse Area Council is to provide basic services, infrastructure and development to meet the needs of its inhabitants from human, financial, material resources and opportunities generated in the Municipality.

General Council Members

The members of the general council during the year are listed on page 3.

General Council's Responsibilities for the Financial Statements

The council is responsible for preparing financial statement for each year which gives a true and fair view of the financial position and financial performance of Basse Area Council for the financial year 2019.

In preparing these financial statements, the council is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgment on estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis.

The council is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position and the financial performance of Basse Area Council, and to enable them ensure that the financial statements comply with the provisions of the Government Budget Management and Accountability Act, Financial and Accounting Manual for Local Government Authorities, Local Government Act, and the Finance and Audit Act, and applicable accounting policies appropriate to Basse Area Council.

The Council is responsible for safeguarding the assets of Basse Area Council and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

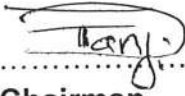
AUDITORS

BASSE AREA COUNCIL

AUDITORS

The external auditor is the auditor General – National Audit Office, in accordance with Chapter 75:01, Part III, Section 14 (1) and (2) of the laws of The Gambia 1990 edition.

BY ORDER OF THE GENERAL COUNCIL


.....
Chairman

DATE: 9/4/21



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3.0 Auditor General's Report

Opinion

We have audited the financial statements of Basse Area Council, which comprise the balance sheet as at December 31, 2019, and the Revenue and Expenditure Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Council are prepared, in all material respects, in accordance with the Local Government Act, 2002; Financial & Accounting Manual for Local Government Authorities 2009 and Generally Accepted Accounting Principles.

Basis for Opinion

We conducted our audit in accordance with International Standards on Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**AUDITOR GENERAL
NATIONAL AUDIT OFFICE
BERTIL HARDING HIGHWAY
KANIFING INSTITUTIONAL LAYOUT
KANFING**

SIGNATURE:



DATE:



NOTES

1. ACCOUNTING POLICY

- a) The Financial statement has been prepared on **CASH BASIS ACCOUNTING** in accordance with Financial and Accounting Manual for Local Government Authorities dated (February 2009) respectively.
- b) Fixed asset Registers is maintained to give adequate records of the Fixed Assets of the council.
- c) Capital cost or Expenditure shall be recognized in the year of occurrence only and Fixed Assets shall not reflect in the Balance Sheet.
- d) Asset and Liabilities are stated at their net values.

2. RECEIPT AND REVENUE (AMOUNT IN GAMBIAN DALASIS)

Council derives its Revenue from the following sources in accordance with the Finance and Audit Act 2004.

4.0 Financial Statement & Notes to Account

4.1 Revenue and Expenditure Statement for the Year Ended 31 December 2019

Code	Description	Notes	Amount	Amount
	REVENUE			
91	Trade Licenses	1	8,526,460.48	
92	Taxes	2	24,885.00	
94	Rates	3	3,402,585.95	
95	Rent and Fees	4	8,641,557.95	
96	Other Income	5	188,330.00	
97	Interest and dividend	6	350,963.71	
98	Grants/Government	7	500,000.00	
	Total Revenue			21,634,791.09
	EXPENDITURE			
10	Chairman office	8	2,709,153.07	
21	Administration	9	3,201,271.57	
22	Finance office	10	4,501,698.53	
23	Markets	11	771,500.00	
25	Security	12	786,542.00	
26	Procurement	13	86,732.00	
27	Internal Audit	14	68,606	
50	Health and Sanitation	15	1,300,670.25	
60	Planning & Development	16	1,689,204.42	
40	Contribution/services	17	1,170,319.76	
80	Development project	18	5,799,853.52	
	Total Expenditure			22,085,551.12
	Surplus / (deficit) of Revenue over Expenditure			(450,760.03)

4.2 Balance Sheet as at 31 December 2019

ASSETS		Notes	Amount
Cash & Bank Balances		19	25,517.58
Debtors		20	3,389,794.80
Current Assets			3,415,312.38
LIABILITIES			
Creditors		21	1,204,680.00
Bank Over Draft		22	1,759,872.35
Presented By Accumulative Fund		23	450,760.03
Total Liabilities			3,415,312.38

BASSE AREA COUNCIL

TRIAL BALANCE FOR THE YEAR ENDED 31st DECEMBER 2019

		Dr	Cr
CODE	DESCRIPTION	AMOUNT D	AMOUNT D
	Cash Balance	4,410.00	
	Bank Balance (Overdraft)		1,734,357.77
91	Licenses		8,526,468.48
92	Taxes		22,160.00
94	Rates		3,405,310.95
95	Rent & Fees		8,641,557.95
96	Other Income		188,330.00
97	Interest & Dividend		350,963.71
98	Grants		500,000.00
10	Chairman's Office	2,709,153.07	
21	General Administration	3,201,271.57	
22	Finance Department	4,258,698.43	
23	Market	771,500.00	
24	Carpark and Quarry	NIL	
25	Security	786,542.00	
26	Procurement	86,732.00	
27	Internal Audit	68,606.00	
50	Health & Sanitation	1,100,670.25	
60	Planning & Development	1,689,204.42	
40	Contribution & Services	1,170,319.76	
80	Development Projects	5,799,853.52	
	Debtors	2,976,267.84	
	Creditors		1,254,080.00
	Grand Totals	24,623,228.86	24,623,228.86



Chief Executive Officer



Director of Finance

Date: 09-04-2021

Date: 09/04/2021



4.4 Notes to the Account:

Receipt and Revenue (Amounts In Gambian Dalasi)

Council derives its Revenue from the following sources in accordance with the Financial and Audit Act 2004.

NOTE 1: 91 – TRADE LICENSE

	AMOUNT
01 - Trade License	2,612,300.00
02- Liquor	8,500.00
04-Operational Fees for Institutions	5,905,660.48
Sub-Total	8,526,468.48

NOTE 2: 92 – TAXES

	AMOUNT
02- Lodgers	22,000.00
03- Strange Farmers	160.00
04- Other Taxes	2,725.00
Sub-Total	24,885.00

NOTE 3: 94-01 RATES

	AMOUNT
01 - Residential Rates	1,772,274.00
02 – Commercial	135,085.95
03- Government	1,000,000.00
04 - Fire Insurance	261,028.00
05 - Arrear of Rates & Taxes	211,493.00
06 - Service Charges	22,705.00
Sub-Total	3,402,585.95

NOTE 4: 95- RENTS & FEES

	AMOUNT
01 - Public Lands	22,556.00
02 – Car park dues	4,184,519.95
03 - Land Transfers	497,000.00
04 - Land Occupancy	464,085.00
05 - Monthly canteen Rents	1,371,550.00
06 - Markets Daily	1,674,640.00
07 -Weekly Lumo	396,407.00
11- Registration fees for VDC/WDC	30,800.00
Sub-Total	8,641,557.95

NOTE 5: 96 - OTHER INCOME

	AMOUNT
01 - Hire of Hall	43,500.00
03 - Sale of Assets	75,000.00
04 - District Tribunal Fees	32,850.00
05 - District Tribunal Fines	4,500.00
06 - Miscellaneous	32,480.00
Sub-Total	188,330.00

NOTE 6: 97 - INTEREST & DEVIDENDS

	AMOUNT
03 - Staff Advance Loan Repayment	23,739.33
04 - 1*6 Repayment	327,224.38
Sub – Total	350,963.71

NOTE 7: 98- GRANTS

03 – Subvention	500,000.00
Sub-Total	500,000.00

NOTE 8: 10 - CHAIRMAN’S OFFICE

	AMOUNT
01 Salaries & Allowances	1,510,726.68
02 Premises	67,650.00
03 Transport	845,209.39
04 Establishment	214,684.00
05 Supplies	70,883.00
Sub-Total	2,709,153.07

NOTE 9: 21. ADMINISTRATION

	AMOUNT
01 Salaries & Allowances	1,482,435.00
02 Premises	65,560.00
03 Transport	673,905.44
04 Supplies & Services	827,694.13
05 Establishment & Books	151,677.00
Sub-Total	3,201,271.57

NOTE 10: 22. FINANCE DEPARTMENT

	AMOUNT
01 Salaries & Allowances	2,084,613.11
02 Premises	308,813.00
03 Transport	1,065,467.42
04 Establishment	891,940.00
05 Supplies	150,865.00
Sub-Total	4,501,698.53

NOTE 11: 23- MARKETS

	AMOUNT
01 Salaries & Allowances	607,290.00
02 Premises	5,500.00
03 Transport	70,047.00
05 Supplies & Services	88,663.00
Sub-Total	771,500.00

NOTE 12: 25-SECURITY / COUNCIL POLICE

	AMOUNT
01 Salaries & Allowances	745,892.00
02 Premises	22,650.00
03 Transport	18,000.00
Sub-Total	786,542.00

NOTE 13: 26- PROCURMENT OFFICE

	AMOUNT
01 Salaries & Allowances	42,588.00
02 Premises	3,000.00
03 Transport	29,659.00
05 Supplies & Stationery	11,485.00
Sub-Total	86,732.00

NOTE 14: 27 -INTERNAL AUDIT DEPT.

	AMOUNT
01 Salaries & Allowances	43,956.00
02 Premises	3,000.00
03 Transport	21,650.00
Sub-Total	68,606.00

NOTE 15: 50 - HEALTH & SANITATION

	AMOUNT
01 Salaries & Allowances	546,289.00
02 Premises	502,281.25
03 Transport	52,100.00
04 Supplies & Services	546,289.00
	200,000.00
Sub-Total	1,300,670.25

NOTE 16: 60- PLANNING & DEVELOPMENT

	AMOUNT
01 Salaries & Allowances	744,191.42
02 Premises	288,620.00
03 Transport	622,738.00
04 Supplies & Services	33,665.00
Sub-Total	1,689,204.42

NOTE 17: 40 CONTRIBUTIONS & SERVICES

	AMOUNT
01 - Assistance to School	43,837.00
02 - Scholarships	13,500.00
03 - Assistance to Needy Students	7,290.00
05 - Sanitary	39,620.00
06 - Disaster Relief	216,757.00
07 - Youth Development Fund	29,894.00
08- Voluntary Organizations/ Red Cross	26,360.00
09 - Regional Security Fund	98,484.00
10 - Regional Scout URR	43,540.00
11- MOLRG	27,618.00
12 - SAFRA	30,000.00
13 -Support to staff Medical & Health	24,030.00
14 - GOVI	9,900.00
15 - Regional Youth Committee	13,458.00
16 - Regional Sports Committee	10,000.00
17 - Regional Women Affairs	35,230.00
18 - Support to Nariga Rise	7,878.97
19 - Support to CBOS	9,600.00
20 -Support Health Services / HIV /AIDS	23,900.00
21 - GADHOH	5,000.00
22 - National Events / Presidential Tour	109,749.79
23- Provision of National Flag	46,694.00
23b - Support to community Development / TAC & MDFTS	87,328.00
24 - May Day Celebration	34,625.00
25 - Support to Arts & Culture	9,600.00
27 - Religious Affairs/Social Services	161,978.00
28 - National Environment Agency	3,103.00
29- Support to Water Resources	1,345.00
Total	1,170,319.76

NOTE 18: 80 DEVELOPMENT PROJECTS

	AMOUNT
01- Youth Development Project /Women	6,000.00
02a-sport Development	284,593.00
03- Community water System	1,000.00
04- NAWEC Water & Electricity Bills	1,770,295.06
06- Carpark Maintenance	19,250.00
07- Decentralize Structures/ WDC Annual meeting	5,650.00
08- Gamworks	500,000.00
10- Contribution to Set Setal /Tesito	116,232.14
11- Office / Quarters Renovation	511,619.91
12- Road Maintenance	58,690.00
14- Soakaway	216,970.00
15-Bridges/Drain/Causeways(Access Road)	21,360.00
16- Purchase of Vehicle/ Motorcycle	1,098,000.00
17-Community/ Wards Project	1,135,379.41
18 - furniture's& Fittings	1500.00
19-Office Equipment & furniture's	8,254.00
20- Consultancy / Profile & S. Dev.Plan	41,000.00
TOTAL DEVELOPMENT PROJECT	5,799,853.52

NOTE 19: BANK AND CASH

DETAILS	AMOUNT
Cash balance	4,410.00
Guaranty Trust Bank	2,397.24
Standard Chartered Bank	18,710.34
Balance	25,517.85

NOTE 20: DEBTORS

DETAILS	AMOUNT
1x6 deduction	228,802.57
Rates Arrears	3,022,492.23
License Arrears	138,500.00
TOTAL	3,389,794.80

NOTE 21: CREDITORS

DETAILS	AMOUNT
Income Tax Deduction	50,000.00
SSHFC	250,000.00
Jah Oil	91,630.00
Fatou Jammeh Touray	26,900.00
Kebba Jatta	15,500.00
National Audit Fees	770,650.00
TOTAL	1,204,680.00

NOTE 22: BANK OVERDRAFT

DETAILS	AMOUNT
Trust Bank	(1,382,871.78)
First International Bank	(351,064.06)
Arab Gambia Islamic bank	(25,936.51)
Balance	(1,759,872.35)

NOTE 23: ACCUMULATED FUNDS

PARTICULARS	AMOUNT
REVENUE	21,634,791.09
Less: Operating Expenses	(16,285,697.60)
Net Operating Income	5,349,093.49
Less: Capital Expenses	5,799,853.52
Surplus/(Deficit)	(450,760.03)

4.5 Accounting Policy & Supplementary Notes

1. ACCOUNTING POLICY

The Financial statement has been prepared on **CASH BASIS ACCOUNTING** in accordance with Financial and Accounting Manual for Local Government Authorities dated (February 2009) respectively.

2. FIXED ASSETS

Fixed asset Registers is maintained to give adequate records of the Fixed Assets of the council.

c) Capital cost or Expenditure shall be recognized in the year of occurrence only and Fixed Assets shall not reflect in the Balance Sheet.

d) Asset and Liabilities are stated at their net values.

3. RECEIPT AND REVENUE (AMOUNT IN GAMBIAN DALASIS)

Council derives its Revenue from the following sources in accordance with the Finance and Audit Act 2004.

4. Net income after Recurrent Expenditure (Amount in Gambian Dalasi)

In accordance with the accounting policy in the Financial and Accounting Manual for Local Government Authorities dated (February 2019), Net income less Capital expenses shall represent the surplus /deficit for the year under review.



NATIONAL AUDIT OFFICE OF THE GAMBIA

FINAL MANAGEMENT LETTER

OF BASSE AREA COUNCIL

FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2019

MAY 2021

National Audit Office Bertil Harding High Way

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1.0 Review of Governance

1.1 Weak Governance

Section 34 (1) of Local Government Act 2002 requires that:

"A Council shall establish the Committees referred to in Part IV and the following other Committees -

- (a) Finance;*
- (b) Establishment;*
- (c) Development; and*
- (d) Such other Committees as the Council may deem fit."*

Finding

We reviewed the governance function (General council) and noted the following weaknesses:

There was no evidence that a **Development Committee** as required by the Local Government Act 2002 was established at the council.

A finance and contracts sub-committees are both set up but both headed by the same person. The contract committee did not have any other member other than the Chairperson.

There is also no evidence that the sub-committee meet regularly and there is an average of less than one minute per committee for the whole year on file.

The organogram established that the internal auditor reports to the Chairman. However there is no audit committee set up at the General Council to facilitate that process. The audit function is also not represented at any of the existing sub-committees.

Implication

Weak governance will imply that the operations of the council will fall almost exclusively in the hands of the executive. This may thus result in poor or no oversight and hence poor internal control.

Priority Ranking of Finding

Medium

Recommendation

The council through the General Council is urged to assess the current setup and performance of the committees with a view to improve both the design and operation. There should then be a continuous program in place to ensure the continuous operation at all times.

Management Response

Response	The development committee is established and is functional but due to poor filling system minutes cannot trace for inspection and is chaired by the vice chairman of council furthermore finance and contract committee are headed by difference persons, yes there was no internal auditor during the time of audit exercise but now is available.
Action to be taken	We shall keep proper filling of minutes of subcommittee meeting regularly.
Officer responsible for remedial action	Chief Executive officer
Date when situation will be regularized	31 st March 2021

1.2 No Internal Audit Function

Section 26 (1) of the Local Government Finance & Audit Act 2004 requires that:

"Every Council shall establish an Internal Audit Department."

Finding

The council did not have an internal audit function. The vacancy remains unfilled until up to the time of writing this query. The former internal auditor was redeployed to revenue collection unit. The management concluded that the internal auditor did not have the capacity to perform the work. Ministry was informed accordingly

Implication

The lack of internal audit functions risks exposing the entity to misstatements resulting from weak internal control environment.

There is also a risk of weak oversight by the governance function over management by the absence of the link between them and management.

Priority Ranking of Finding

High

Recommendation

The council is urged to ensure the reestablishment of the internal audit function. This function is critical and must be kept at all times to ensure proper accountability and good governance.

Response	Yes there was no internal auditor during the time of audit exercise but now is available.
Action to be taken	There is already an Internal Auditor appointed
Officer responsible for remedial action	CEO
Date when situation will be regularized	Already regularize

2.0 Review of Internal Control

2.1 Accounting policies and Notes

Finding

The draft financial statements presented did not indicate the accounting policies adopted for the preparation of the statements. The financial manual did not adequately address the subject as it only referred to the Central Government choice of accounting.

Implication

Without the indication of the notes to the accounts, information on detail procedures performed by the council may not be known. There is also the risk that the accounts presented may not be thoroughly explained to users of the statement.

Priority Ranking of Finding

High

Recommendation

We recommend that management adopt and apply appropriate and responsive accounting framework and polices for the preparation of its financial statements. This will enable users to gain meaningful information about the council in order to take appropriate decisions.

Management Response

Response	The Accounting policy guiding council is the Financial & Accounting Manual 2009 for LGAS were preparations of all financial reports are stipulated.
Action to be taken	With immediate effect the finance directorate shall work hard to prepare note to the financial statement
Officer responsible for remedial action	Director of Finance
Date when situation will be regularized	15 th April 2021

Auditor's Further Comment

This has now been stated in the notes of the revised financial statement. This query is thus now resolved.

2.2 No Balance Sheet

Financial & Accounting Manual 912 (c) requires council to maintain the following accounts as a minimum:

- a) *Revenue and Expenditure Statement*
- b) *Balance Sheet*

Finding

During the audit the council prepared and submit the income and expenditure statement but there was no balance sheet submitted for the period under review And no reason was given for the non-submission.

Implication

There is a risk that information on the financial position of the council will not be available for users to assess the council on. This will adversely affect the ability of users to make meaningful decisions based on the financial statements.

Priority Ranking of Finding

High

Recommendation

We recommend that management prepare balances for its financial position. The Financial Manual for Local Government Authorities may be referred to for guidance

Management Response

Response	No Argument of the preparation of balance sheet and Revenue and Expenditure statement as council been responsible for tax payers' money that need to be accounted to the public.
Action to be taken	Ready for your confirmation
Officer responsible for remedial action	Director of Finance
Date when situation will be regularized	15 th April 2021

2.3 No Control Accounts (Debtors & Creditors)

The financial and accounting manual for Local Government Authorities requires councils to maintain a debtors and creditors control accounts in order to report balances owed to and from creditors and debtors respectively.

Finding

The council did not prepare and maintain control accounts for its transactions with debtors and creditors for the period under review. No reason was advanced for the non-preparation.

Implication

There is risk that the actual balances owed by debtors, and the balances owed to creditors may not be known.

Priority Ranking of Finding

High

Recommendation

Management is urged to prepare individual accounts for debtors & creditors in the subsidiary ledgers to monitor and reflect the actual balance owe to creditors, and the balance owe by debtors at any given period. The Financial Manual may be referred to for guidance.

Management Response

Response	The important of keeping such record is key as highlighted above.
Action to be taken	The directorate of finance shall work to ensure the account are prepared
Officer responsible for remedial action	Director of Finance
Date when situation will be regularized	15 th April 2021

2.4 No Monthly Abstract Books

Section 906 of the Financial and accounting manual for local Government authorities states that each council shall maintain separate abstract book for revenue and expenditure .The abstract book is to be posted at the end of the month by the senior clerk to analyse the transactions in the cashbook prior to being posted to the general ledger.

Finding

A monthly abstract book as required by the Financial Manual for the analysis of all revenue and expenditure transactions from the cashbook has not been prepared by the council. This step was found to be skipped and transactions from the cashbook were directly transferred to the ledger without being analysed

Implication

Without the analysis of the revenue and expenditure transaction in abstract books, there is risk of wrong treatments and classifications being passed on to the ledgers.

This lack of audit trail may cast doubt to the correctness of the book and the final accounts.

Priority Ranking of Finding

Medium

Recommendation

We recommend the preparation of all required abstract books as required by the Financial Manual. The procedures for the preparation may be referred to in the manual.

Management Response

Response	Well noted be rest assured it will be prepared as dedicated in the Financial Manual of LGAs
Action to be taken	The management of is really concern but with the coming of the new finance director we are uptomisted that such as expected
Officer responsible for remedial action	Director of Finance
Date when situation will be regularized	31 st March 2021

2.5 Review of Draft Financial Statement

Finding

We assessed the books of account and traced the transactions from the cashbook to the summary and analysis books to test for the accuracy and completeness of the transactions and noted the following:

- a) For a sample of account codes tested, the cashbook balances did not agree with the ledger balances. This was true for both revenue and expenditure components. See the tables attached below for details;
- b) This inconsistency was also replicated for the reconciliations between Ledger & Summary extracts as well as Summary extracts & Trial balance;
- c) The trial balance included balances for cash and bank but for which the basis for the calculation have not been provided;
- d) The Income & Expenditure Statement includes a significant balance for cash and bank balances. No explanation was given even though such a treatment was clearly wrong.
- e) The 2019 balance for account code 22-01-01 was inflated with close to **GMD 200,000** representing a surcharge for wrong termination of a former Director of Finance. The surcharge did not represent payment for the account code but rather a surcharge which carries a separate account code;
- f) The notes did not provide explanation for several accounts especially the ones with big differences.
- g) A bank loan of **GMD 800,000.00** and 1X6 loan repayment of **GMD 332,223.46** were accounted for as an income in the books.

Implication

The inconsistencies of balances for the account codes render the reported figures unreliable. There is a risk that accounts contain misstatements which are passed into the accounts.

The inclusion of wrong balance into the statement will yield poor results.

The lack of explanatory notes will fail to provide meaningful insight to the accounts presented eroding the ability to provide meaningful data.

Priority Ranking of Finding

High

Recommendation

We recommend that management review the draft statements in light of the anomalies highlighted above with a view to adjusting accordingly all the affected balances. The adjusted accounts should be presented to us for review.

Management Response

Response	We agreed errors were made as alluded to above statement due to misclassification of coding. This shall be regularized in subsequent audit 2021. The wrong posting of transaction now is reviewed and corrected.
Action to be taken	Ready for your inspection
Officer responsible for remedial action	Director of finance
Date when situation will be regularized	15 st April 2021

Auditor's Further Comment

We reviewed the revised financial statement and found the affected balances to be adjusted accordingly.

2.6 Expenditure Budget & Revenue Forecasts

Finding

There was no evidence on file that the council used any scientific basis for the preparation of its budget. There is no indication in the budget on how the budget and forecast figures are arrived at.

There was also no evidence that the steps and requirements as per the Financial Manual were followed. These include (but not limited to)

- a. Dispatching budget circulars to wards and council sub-committees to include proposals;
- b. A finance committee discussion and approval of the draft budget

Implication

There is a risk that expenditure plans may not reflect the true needs of the beneficiaries.

There is also a risk that all collectible revenue may not be collected due to limited scope of assessment.

There is also a risk that efficient and effective collection and use of resources may not be attained in the absence of a responsive budget.

Priority Ranking of Finding

High

Recommendation

We recommend that management follow the guidelines and requirements of the Financial & Accounting Manual for Local Government Authorities in the preparation of the budget. All processes and procedures should be documented to facilitate review and provide audit trail.

Management Response

Response	Henceforth the management will respectively follow the financial & accounting Manual for the local Government Authorities as highlighted.
Action to be taken	Management shall endeavour to follow the procedures in preparation of the budget by engaging all the stakeholders in producing a budget call circular
Officer responsible for remedial action	Chief Executive office, Director of finance Planning officer and budget officer
Date when situation will be regularized	31 st April 2021

2.7 No bank Reconciliations performed

Section 903 of Financial & Accounting Manual for Local Government Authorities states that:

“The balance shown on the monthly Bank statements received from the bank will usually not agree with the balance shown in the cash book. Certain transactions recorded by the council may not have been recorded by the bank and vice versa. In order to agree on the balances shown on the Bank Statement and cash book, a Bank reconciliation statement must be prepared monthly by the director of Finance. A copy of the statement must be filed for reference purpose.”

Finding

No bank reconciliation was performed for the six bank accounts of the council. No reasons were advance for the non-preparation.

Implication

Without regular reconciliations, errors from both the bank and internal records could be passed into the final reports (Financial statements). This will affect the reliability of such financial statements.

Priority Ranking of Finding

High

Recommendation

We recommend that management institute the performance of a regular reconciliation of the cashbook and bank statements.

Management Response

Response	The important of bank reconciliation is very key as this will ensure accuracy of transaction between cash book and bank
Action to be taken	The reconciliation statement is ready for your confirmation.
Officer responsible for remedial action	Director of Finance
Date when situation will be regularized	15 th April 2021

Auditor's Further Comment

Bank reconciliations were retrospectively performed and presented to us for review. They were found to be correct.

2.8 Key Vacancies in Management

The Local Government Act 2002 requires the establishment of at least the following departments:

- (a) *Finance;*
- (b) *Services;*
- (c) *Planning and Development; and*
- (d) *Administration.*

Finding

Our review revealed that the following departments, as required by the Local Government Act, have not been set up and staffed with the relevant personnel:

- a) Services;
- b) Administration

Implication

There is a risk that the vacancies will result in a weakened management resulting in an administrative imbalance and inefficiency.

Priority Ranking of Finding

High

Recommendation

We recommend that council through the relevant authorities ensure that the vacant positions are filled as soon as possible.

Management Response

Response	We agreed that services unit had not been set up as department. however it activities are lodged under planning and development unit. the vacancy of administration is not setup but management is working on it with ministry to remedy situation
Action to be taken	The management will formally write to the ministry for appointment of administration officer
Officer responsible for remedial action	Management will endeavour to ensure the unit are set up and the vacancy are filled
Date when situation will be regularized	15 ⁿ April 2021

2.9 Incomplete Asset Register

Finding

As per section 1005 sub-section 3 (a - f) of Financial and Accounting Manual for Local Government Authorities the Fixed Asset Register for every council shall include:

- a) Date of acquisition
- b) Cost of purchase
- c) Description of the asset (including mark or model)
- d) Location
- e) Insurance policy and Date of disposal

Our review of the asset register revealed that:

- The acquisition dates of the assets were not registered.
- The costs of the assets were not indicated.
- The description & condition of the asset were not stated.
- Reference numbers for the assets were erroneously recorded as serial numbers.
- Actual serial numbers not recorded.

The following motorbikes were bought but not recorded on the asset register.

- BsAC 22
- BsAC 26
- BsAC 25
- BsAC 4
- BsAC 21
- BsAC 2
- BsAC 23
- BsAC 27

We also detected that the number BsAC 27 was allocated to two motorbikes one of which was not recorded in the register.

Implication

Without a proper maintenance of the asset register, it will be difficult to properly control and account for the assets of the council.

Priority Ranking of Finding

High

Recommendation

We recommend that management update the asset register with the missing details. The register must always be kept up to date to ensure completeness.

Management Response	
Response	It was very difficult to have the complete asset register of council simply because some of the assets were with the council for so many years (30years) or more is difficult to ascertain the date of acquisition and cost.
Action to be taken	The management will work hard to improve the asset register to be completed and to be details.
Officer responsible for remedial action	Director of Finance
Date when situation will be regularized	15 th April 2021

Auditor's Further Comment

The updated asset register has not been presented to us for review.

2.10 Non-preparation of Key Documents

Finding

The following documents/records have not been prepared by the council during the period under review. Enquiries with the Director of finance revealed no apparent reason for the non-preparation.

- Business continuity and disaster recovery plan
- IT policy manual
- Training policy
- Procurement plans for the period under review
- Database of procurement made for the period under review
- Risk assessment policy

Implication

In the absence of the above documents, there is risk that council may not be able to achieve its service delivery objectives.

There is also a significant risk of limitation of scope to the audit from the unavailability of the records listed above.

Priority Ranking of Finding

Medium

Recommendation

We recommend that management urgently make arrangements to ensuring the establishments and continuous maintenance of the records to ensure efficiency and effectiveness of service delivery.

Response	We totally agreed to the above query
Action to be taken	Management will endeavour to put all the above document and record in place as required by local government act 2004
Officer responsible for remedial action	Chief Executive officer
Date when situation will be regularized	15 th April 2021

2.11 No Operational plan

Finding

During the audit we noted that the council has a strategy plan in place but there is no operational plan for the period under review to implement the strategy plan.

Implication

In the absence of an operational plan, the strategic plan cannot be implemented to good effect.

Priority Ranking of Finding

Medium

Recommendation

Management is urged to ensure that an operational plan is prepared. This will help ensure that the council achieves its development objectives.

Management Response

Response	We agreed there was no operation plan during the period under review
Action to be taken	Management will endeavour to prepare operation plan for council
Officer responsible for remedial action	Chief executive officer
Date when situation will be regularized	15 th April 2021

3.0 Detailed Findings (Misstatements)

3.1 Misclassification of Revenue Codes

Finding

We noted that the council allocated and used codes different from those allocated by the policy document (Financial Manual). In some cases, the new codes used for new components correspond to different components as allocated in the Financial Manual.

Implication

There is a risk that uniformity and correct classification may not be attained. There is a further risk of mix-ups among components with identical codes.

Priority Ranking of Finding

High

Recommendation

Management is urged to revert to the correct codes for components as allocated in the Financial Manual. Any change to the codes must be duly authorized.

3.2 Use of GTRs for Income Tax and personal loan deductions

Finding

During the reconciliation of the Treasurers GTRs against the Cash book, we noted that several GTRs were used in respect of income tax deductions as well as receipt of other loan repayments. A list of receipts in question is tabled below.

Serial from	Serial To
3004301	3004350
3004651	3004700
3005451	3005500
3006651	3006700
3009251	3009300
3007801	3007850
3008401	3008450
2972351	2972400
2972851	2972900
3005951	3006000
3007201	3007250
3003751	3003800
2972301	2972350
3008651	3008700
3004301	3004350

Implication

There is risk that this practice will overstate the income of the council as both items are not income for the council.

Priority Ranking of Finding

Medium

Recommendation

We recommend that the use of GTRs to administer receipt of revenue is ceased immediately. GTRs should only be issued when revenue is earned.

Management Response

Response	This were error that happen during posting as we are operating on manual system is really difficult but with the coming of the IFMIS system such error will not happen
Action to be taken	It will Regularizes
Officer responsible for remedial action	Director of Finance
Date when situation will be regularized	15 st April 2021

3.3 License Arrears

Finding

Our review of the license assessment and receipt record revealed outstanding license arrears of **D138, 500.00**. The details are tabled below.

Implication

There is a risk that the arrears outstanding may adversely affect the cash flow standing or even the service delivery potential of the council if not controlled.

Priority Ranking of Finding

Medium

Recommendation

We recommend a swift action is taken by management to recover the arrears as listed in the table. We further urge management to employ and maintain mechanism that ensures effective collection of all outstanding licenses due.

Management Response

Response	The amount stated as uncollected amounting to D138, 500.00 Out of which some of the collection all made.
Action to be taken	Ready for your inspection
Officer responsible for remedial action	
Date when situation will be regularized	

Auditor's Further Comment

The evidence of the collection has not been presented for our review.

4.0 Performance Review

We conducted verification exercise to the following sites and made the following observations:

Sare Bojo Lumo

The lumo did not have a water supply facility. The vendors and customers scavenge for water from nearby sources which was visibly inadequate.

The only toilet installation at the site had three of its eight rooms disabled. There was no water supply facility at the toilet.

There is also no designated dumpsite and refuse is dumped indiscriminately all over the market.

There is no duty station at the lumo for the staff and there is also no designated transport for the collectors to reach hard to reach areas such as border posts. The collectors have had to struggle for transport even after collection of cash.

The collectors also raised concern with some vendors refusing payments to collectors without apparent identification features such as identity cards and/or uniforms. According to them, such vendors insist on seeing identification before paying up.

They also raised concern on transport refund to lumo sites such as Fatoto and Sare Ngai to where the fares cost higher than the refund from the council leaving them to foot for the shortfall at their own expense.

Kaba Kama Foot Bridge

The bridge has a defect with the ground pillars resulting from erosion especially during the rainy season. This has been detected and is currently under review for redress.

Koba Kunda Market

We noted significant defects with the floor of the market even though the structure was fairly new. The council has since written to Gamwork to bring the issue to their attention.

Conclusion

The conditions at the lumo regarding the water supply, dumpsites as well as the inadequacy of toilets facility may result in health hazards result from poor hygiene.

The safety and control of staff and collection may be seriously compromised without a proper means of transportation and secure station. Lack of the former may also negatively impact revenue potential as some spots may not be reached.

A deficit refund practice may risk affecting the morale and thus effectively of revenue collectors. Additionally, the lack of uniforms and other identifications may directly affect the revenue potentials of the collectors

Dilapidating conditions of the facilities may risk reducing the lifespan of facilities preventing the facilities from effectively serving their purpose.

Recommendation

We recommend that management closely look into the issues highlighted for the lumo for redress as a matter of urgency. The working conditions of the collectors should also be given appropriate attention in order to improve efficiency and performance.

Management is urged to maintain the follow-up on the defective sites for redress. They are also urged to develop a more proactive approach to ensure quality work is performed in the first place. This will help minimise the cost of follow-ups

Response

Sara Bojo management has endeavour to provide water facility and also assigned a clear for the Lumo to keep the toilet clean

Dump site is now available for dumping take place

We agreed there was no duty station for collectors the management will endeavour to provide one for the collectors for duty station to be available.

Management is working hard to provide uniform and identification for collectors to make smooth operation during their collection.

Annex 1: License Arrears

NAMES OF BUSINESS/OWNERS	BUSINESS TYPE	ADDRESS	ARREARS
Kalajula Pharamacy Ousman Jawo	Pharamacy Cement Store	Koba Kunda	2,500.00
Madi Touray	Second Hand Clothing	Opposite Hospital Basse	5,000.00
Edrisa Jallow	Second Hand Clothing	Opposite Hospital Basse	500.00
Abdoulie Jatta	Repair + Mobile Shop	Opposite Hospital Basse	500.00
Alh Ebrisa Jallow	General Trader	Opposite Hospital Basse	1,000.00
St Daniel Enterprise	Spare Part	Opposite Atlas	8,000.00
Safiayatou Sowe	General Trader	Opposite Atlas	2,000.00
Jewrou Kabba	General Trader	Opposite Atlas	2,000.00
Mamadou Jallow Jahirou	General Trader	Opposite Atlas	3,000.00
Blessed	General Trader	Malick Junction	5,000.00
Chimobi Imo	Spare Part	Malick Junction	1,000.00
J.A Okoey	Mobile Shop	Malick Junction	2,000.00
Muctar Daka Jallow	General Trader	Malick Junction	2,000.00
Fatou Saidy	General Trader	Malick Junction	2,000.00
Seedy Kinteh	Petty Trader	Malick Junction	5,000.00
Papa Taal	Sports Shop	Youth Center	1,000.00
	Spare Part	Youth Center	2,000.00
		Opposite Youth	

Eleman Guno	Barbing Salon	Sambang Road	500.00
Musa Sillah	Petty Trader	Car pant	750.00
Mamadou Jallow Saidou	Petty Trader	Car pant	750.00
Sadou Jallow	Petty Trader	Whart Town	1,000.00
OG	Mobile repairs	Basse High Way	1,000.00
Ebrima Drammeh	Recording studio	Car pant	750.00
Salimunim Tunkara	General Trader	Whart Town	1,000.00
Amadou Korka Bah	Petty Trader	Car pant	1,500.00
ALH. Alieu Jallow	General Trader	Car pant	750.00
Abdou Rahman Jallow	General Trader	Car pant	1,000.00
Furu Gomez	Pharamacy	T. Farcmon	2,500.00
Sainey Keita	Second Hand	Basse High Way	500.00
Jewru Krubally	Second Hand Clothing	Basse High Way	1,000.00
Yusuf Jallow	Petty Trader	Basse High Way	1,500.00
Ihoice Gewrul	General Trader	Basse High Way	1,500.00
Mamadou Jallow	Mobile dealer	Basse High Way	1,000.00
Ndey Fatou Faye	General Trader	Basse High Way	750.00
Muna Nyang	Petty Trader	Basse High Way	500.00
Mamadou Byo Jallow	Mobile repair	Basse High Way	750.00
Talibbeh Baby	Petty Trader	Basse High Way	1,000.00
Batch Tunkara	Second Hand Clothing	Basse High Way	1,500.00
Ebriama Dambelly	General Trader	Basse High Way	2,000.00
Hamidou Barry	Restaurant	Basse High Way	1,500.00
Solid Restaurant	Restaurant/ event garden	Basse High Way	5,000.00
Amadou Sarjo Baldeh	Second Hand Clothing	Basse High Way	1,000.00
Kadijatou Jallow	Petty Trader	Basse High Way	1,000.00
Ali Tunkara	Secon Hand	Basse High Way	500.00
Mamajang Bah	KC Dieck	Basse High Way	1,000.00
Omar Jallow	General Trader	Basse High Way	2,000.00
Musa & Friencich	General Trader	Basse High Way	3,000.00
Amaru Jallow	Petty Trader	Basse High Way	750.00
Ebrima Dukureh	Timber dealer	Basse High Way	4,000.00
Abdourahman Drammeh	Building Material	Mannah Kunda H/way	3,000.00
Alhagie Ebriama Touray	Petty Trader	Mannah Kunda H/way	500.00
Alasana Jallow	Petty Trader	Mannah Kunda H/way	750.00
Mamadou Bailo Bah	General Trader	Mannah Kunda H/way	2,000.00
Abubacarr Walar	Petty Trader	Mannah Kunda H/way	500.00
Amadou Jallow	Petty Trader	Mannah Kunda H/way	750.00

Omar Mourouf	Mobile Assesories	Gambisara Garage	500.00
Juetine Ocka	Mobile Assesories	Gambisara Garage	1,000.00
Mamadou Salieu Jallow	Spare Parts	Gambisara Garage	1,000.00
Lamin Jallow	Petty Trader	Koba Kunda	750.00
Osei Aghemea Badu	Wholesale	Basse High Way	2,000.00
Mamadou Jallow	Petty Trader	Koba Kunda High way	1,000.00
Bubacarr Jallow	Petty Trader	Koba Kunda High way	500.00
Mamadou Fofana	Petty Trader	Koba Kunda High way	750.00
Alasana Fofana	restaurant	Koba Kunda High way	500.00
Abdoulie Jallow	Petty Trader	Koba Kunda High way	1,000.00
Mustapha Touray	General Trader	Koba Kunda High way	1,500.00
Kebba Baldeh	Beverage Seller	Koba Kunda High way	500.00
Muhamed Krubally	Amie Petty Trader	Koba Kunda High way	500.00
Ousman Sillah	Restaurant	Koba Kunda High way	500.00
Momodou Salieu Jallow	Mobile Assesories	Sambang Road	500.00
Fakiru Sillah	Second Hand Clothing	Sambang Road	1,000.00
Bolong Ceesay	Petty Trader	Kaba Kama	1,000.00
Salla Marrie	Petty Trader	Kaba Kama	750.00
Gadri Jallow	Petty Trader	Kaba Kama	1,000.00
Momodou L Bah	Spare Parts	Kaba Kama	500.00
Secka Baba	General Trader	Kaba Kama	2,500.00
Ousman Bah	Petty Trader	Kaba Kama	750.00
Abdoulie Baldeh	Petty Trader	Kaba Kama	
Omar Baldeh	Petty Trader	Kaba Kama	500.00
Mamadi Sidibeh	Petty Trader	Kaba Kama	500.00
Omar Mballow	Petty Trader	Kaba Kama	500.00
Total			138,500.00

Annex 2: Toilets at Sare Bojo

