



NATIONAL AUDIT OFFICE

Ref: HC 93/469/01 Part III (13)

Audit of Jangjang Bureh Area Council performed by the Auditor General

Addressee: Janjan Bureh Area Council, Janjan Bureh CRR

Date: 9/03/2020

Dear Sir(s)

The financial statements of Janjanbureh Area Council are subject to audit by the Auditor-General in terms of section 75:01 part 111 of the Laws of the Gambia, 1990 Edition and Section 13 (1) of the Local Government Finance and Audit Act, 2004.

MANAGEMENT LETTER: AUDIT PERFORMED FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2018 FINANCIAL YEAR

INTRODUCTION

The audit of Janjanbureh Area Council for the year ended 1 January – 31 December 2018 was completed, and the purpose of this letter is to bring to your attention the findings that were revealed during the audit.

SCOPE AND DETERMINATION OF RESPONSIBILITY

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). These standards require that the audit is planned and performed so as to obtain reasonable assurance that, in all material respects, fair presentation is achieved in the annual financial statements.

An audit includes:

- Examination on a test basis of evidence supporting the amounts and disclosures in the financial statements;
- Assessment of the accounting principles used and significant estimates made by management; and
- Evaluation of the overall financial statement presentation.

The audit will also include an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to our attention and are applicable to financial matters.

The matters mentioned in this letter are therefore those that were identified through tests considered necessary for the purpose of the audit and it is possible that there might be other matters and/or weaknesses that were not identified.

The financial statements, maintenance of effective control measures and compliance with laws and regulations are the responsibility of the Accounting Officer. Our responsibility is to express our opinion on these financial statements.

The audit findings which were identified during the course of the audit are included below.

MANAGEMENT RESPONSE

We look forward to receiving your response in writing by the **1 April 2020**. If no response is received by that date, the report will be finalized based on the content of this draft management letter.

APPRECIATION

We would like to express our appreciation for the courtesy extended and assistance rendered by the staff of the Janjanbureh Area Council during the audit.

Yours Faithfully



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NATIONAL AUDIT OFFICE OF THE GAMBIA

DRAFT MANAGEMENT LETTER

AUDIT OF JANGJANG BUREH AREA COUNCIL

FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2018

MARCH 2020

National Audit Office Bertil Harding High Way

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1.0 Introduction

The Constitution requires the Auditor General to audit and report at least once annually on all government institutions. In pursuance of this mandate, we have undertaken the audit of Jangjang Bureh Area Council and presented the result of the audit in the Management Letter.

The Management Letter details the findings which have arisen from the audit of the Jangjang Bureh Area Council for period 01 October 2017 to 31 December 2018. It encompasses the deficiencies in the revenues generated, expenditures on development and other charges, payroll and cash and bank.

Each finding in the management letter is given implications, risk ranking, and recommendations.

1.1 Powers and Responsibilities of the Auditor General

The powers and responsibilities of the Auditor General are enshrined in the Constitution and the laws of The Gambia, Chapter 75:01 part 111 1990 Edition.

Section 13 (1) of the Finance and Audit Act states, "the Auditor General shall, on behalf of the House of Representatives, examine into and audit the accounts of all persons entrusted with the collection, receipt, custody, issue or payment of public monies or with the receipt, custody, issue, sale, transfer or delivery of any stamps, securities, stores or other Government property of any kind whatsoever".

Section 14(1) states; "in the exercise of his duty under this Act the Auditor General may-call upon any officer for any explanations and information he may require in order to enable him to discharge his duties".

1.2 Financial Responsibilities of Officers of Council

Financial and Accounting Manual for Local Government Authorities dealing with financial responsibilities of officers of Council, 102 on duties of accounting officers and 103 on pecuniary responsibility of officers, amongst others are clear about where the financial, accounting and pecuniary responsibilities of officers of Council lie.

Section 17(1) of the Local Government Finance and Audit Act 2004 stipulate that a Council shall keep proper books of account and other records with respect to, and in relation to the accounts and shall balance its accounts for the year and produce statements of accounts in accordance with the financial manual.

1.3 Audit Objectives

The objectives of this audit are to gain reasonable assurance that:

- All expenditures incurred were authorized, approved and certified for payment, supported with adequate documentation and correctly classified;
- Processes and procedures for the procurement of goods and services were in accordance with Constitutions of the Gambia, Gambia Public Procurement Act, Financial Memorandum and Local Government Act;
- Revenue collections are accounted for and promptly banked;
- Bank reconciliation are performed and reviewed regularly;
- An inventory and fixed assets register was maintained to record fix assets of the Council; and
- A sound system of internal control was in place and operating effectively.

1.4 Methodology

We conducted the audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs) issued by the International Organization of Supreme Audit Institutions (INTOSAI). An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions.

These standards require us to plan and perform the audit so as to obtain all the information and explanations which we consider necessary in order to obtain assurance that the financial transactions are free from material misstatement, whether cause by fraud, error or other irregularity and whether, in all material respect, the expenditures and revenues have been applied in accordance with applicable laws and regulations

Our audit involved performing procedures to obtain audit evidence about the information presented in the financial records and performance information and compliance with any applicable laws and regulations related to financial records and other related transactions.

1.5 Audit Scope

The audit focuses on activities of Jangjang Bureh Area Council for the period 01 October 2017 to 31 December 2018.

1.6 Priority Ranking

Detail findings have been given a priority ranking of High, Medium or Low. This grading represents the estimated level of risk resulting from the issues identified. A summary of the ranking of these findings is provided in the table below.

Priority	Number of Findings
High	22
Medium	5
Low	1

Where the risk is identified **high**, it is imperative that immediate action is taken to address the matter. Failure to address the matter may result to significant weakness, material misstatement or loss.

Where that risk identified is ranked **medium**, corrective action should be taken on the matter as soon as possible, at least within the financial year in which the risk is reported.

Where the risk identified is ranked **low**, it is desirable that corrective action be taken as it will result in enhancing controls and improve efficiency.

1.7 Management Response

We have also included a section for management comments under each finding. This section is for you to give feedback on the above finding. We propose that you provide your response in the following format:

Management Response	
Action to be taken	
Officer responsible for remedial action	
Date when situation will be regularized	

1.8 Appreciation

We would like to take this opportunity to express our gratitude to all staff of the Jangjang Bureh Area Council for their cooperation and assistance during the audit exercise

2.0 DETAILED AUDIT FINDINGS

2.1 GOVERNANCE

2.1.1 Weak Governance Function

Local government authorities structurally have two arms namely: the policy (General Council) and administration (Executives). The former are the elected chairperson and councillors assisted by a number of non-elected (co-opted) professionals to assist in their respective areas of expertise.

Section 11 (1) (a) and (b) of the Local Government Act 2002 states that:

"The Council shall consist of- (a) a Chairperson elected in accordance with section 13; (b) a member from each Ward elected by the ward."

To facilitate the function of the General Council, the act provided for the setting up of local Committees for Education, Agriculture, Natural resources & Public health and at least three sub-committees to assist the Chairperson to effectively discharge his/her functions.

Section (34) (1) 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

Our assessment of the governance function at the council revealed that only one of the main committees were established whilst only two subcommittees have been established; they are Finance and Establishment committees.

We could not confirm the effectiveness of the two subcommittees as they have not kept any minutes and files for our review.

Implication

There is risk that a weak governance structure will result in poor performance of the council management.

There is also a risk that both functions of management and oversight will be assumed by management leading to poor accountability and efficiency.

Priority Ranking of Finding

High

Recommendation

We recommend that the general council review the current council setup with a view to establishing the outstanding committees and sub committees. Reference should also be made to the existing policies to ensure compliance and effectiveness. All activities and business of the committees and subcommittees should be minuted and properly filed to serve as evidence of work as well as future references.

Management Response

Response	
Action to be taken	
Officer responsible for remedial action	
Date when situation will be regularized	

2.1.2 Internal Audit Function

Finding

Section 26 (1) of the Local Government Finance and Audit Act, 2004 is that:

“Every Council shall establish an Internal Audit Department.”

There is currently no internal audit function at the Jangjang Bureh Area Council.

Implication

There is a high risk of poor governance resulting from a lack of internal checks and balances especially relating to administration of revenue and expenditure. This may mean that the internal checks and balances will effectively be in the hands of accounting officers. This will not be seen as good corporate governance practice.

Without an internal audit function, there is high risk that misappropriations that may occur will not be detected and corrected as they occur but rather long after the entries are passed some of which may be irreversible.

Priority Ranking of Finding

High

Recommendation

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

Management Response

Response	
Action to be taken	
Officer responsible for remedial action	
Date when situation will be regularized	

2.2 INTERNAL CONTROL

2.2.1 Vacant Positions

Section 46 (2) of the Local Government Act of 2002 requires that:

"The Departments of a Council shall include -

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

Finding

Of the above, only position currently filled is Finance; the remaining portfolios together with the related subordinate positions remain vacant.

Implication

Service provisions from the vacant positions may largely remain unavailable to the council leading to serious efficiencies in the overall performance. This will adversely affect the service delivery potentials of the council.

There is also a risk of concentrating too much activities to the few occupied functions and the expense of segregation of duties.

Priority Ranking of Finding

High

Recommendation

The Council through the General council is urged to urgently consider filling the vacant positions. The process should also follow the prescribed process to ensure effectiveness and transparency.

Management Response

Response	
Action to be taken	
Officer responsible for remedial action	
Date when situation will be regularized	

2.2.2 Strategic and Operational plan

A **Strategic plan** defines and establishes the long term objectives including resources allocations whilst a related and complimentary **Operational plan** lays out the details and shorter term implementation guides to the achievement of the strategic plan.

Finding

During the audit we noted that the council did not prepare strategic and operational plans for the periods under review.

Implication

Achievement of the strategic objectives of the council may be difficult in the absence of the tools. This is because there is no picture of where the council intends to achieve in the long term or are there strategies to facilitate the achievement.

Priority Ranking of Finding

High

Recommendation

Management is urged to ensure that both strategic and annual operational plans are prepared. This will help ensure that the council achieves its development objectives as well as effective service delivery.

Management Response

Response	
Action to be taken	
Officer responsible for remedial action	
Date when situation will be regularized	

2.2.3 Disaster Recovery & Business Continuity

Disaster recovery and businesses continuity plans are instituted by entities to ensure recovery and hence continuation of service delivery in an event of emergency. This takes the form of data backup strategies as well as resources allocations to facilitate swift recovery.

Finding

We noted from assessment that the council do not currently operate any disaster recovery mechanism for its operations. There is neither documentary retrieval mechanism nor is there a budgetary allocation as a recovery means in event of disaster.

Risk

There is a high risk that the council may not be able to recover quickly enough in an event of a disaster. This will adversely impact its service delivery potentials leading to problems with sustainability of services.

Priority Ranking of Finding

High

Recommendation

Management is urged to work on having a disaster recovery plan in place as soon as possible to ensure data and material safety and integrity. This may include (where feasible) budgetary allocations to cover cost of recovery.

Management Response

Response	
Action to be taken	
Officer responsible for remedial action	
Date when situation will be regularized	

2.2.4 Revenue Forecasting

According to section 21 (3) of the Local Government Finance & Audit Act 2004:

"Each Council shall prepare a comprehensive list of all its revenue sources and maintain data on total potential collectable revenues."

Finding

The council does not currently employ an accurate and reliable basis for forecasting revenue inflow. The only component that uses database as a basis is rates. However, this component has also been found to be incomplete as all registered properties are not reported centrally for all areas.

Implication

A poor revenue forecasting may result in undercutting the revenue ambitions of the council. This means the council will maintain a low revenue base and hence collection thus adversely proper service delivery to the constituents.

Priority Ranking of Finding

High

Recommendation

We recommend for council to employ an accurate means of forecasting revenue. This should include obtaining appropriate and reliable database on target revenue sources. There should be a continuous update of such data to ensure continuous relevance.

Management Response

Response	
Action to be taken	
Officer responsible for remedial action	
Date when situation will be regularized	

2.2.5 Non-receipt of Government Grants

According to section 6 (1) Of the Local Government Finance and Audit act 2004, the President shall, for each Financial Year, cause to be presented to the National Assembly proposals of moneys to be paid out of the Consolidated Revenue Fund as: a general grant in accordance with subsection (2)

(2) A general grant shall be the minimum grant that shall be paid to a Council to operate decentralised services and shall be calculated in accordance with the First Schedule to this Act.

Finding

Our review has revealed that the council does not receive grants/subventions from the Government.

Implication

There is a risk of non-implementation of key projects as well as sustaining services of the council.

Priority Ranking of Finding

Medium

Recommendation

Management is urged to engage the government through the appropriate channels with a view to accessing/receiving such funds.

Management Response

Response	
Action to be taken	
Officer responsible for remedial action	
Date when situation will be regularized	

2.2.6 Accuracy of Reported Revenue

According to Section 3. (1) Of Local Government Finance & Audit Act 2004:

*“A Council shall keep a Council Development Fund into which –
(a) all revenue generated by the Council shall be paid;*

Sub section (2) further states that:

“A Council shall keep a General Fund Account of all receipts credited to, and payments made out of which shall contain all the Council Development Fund.”

Finding

During the period under review, there was a prevalent practice of revenue collectors spending part or all the collections made by them on both ward and council level expenditure. We could not authenticate if all such payments are bona fide council related payments as they are not easily traceable to the payment documents filed at the council, the practice affected most collectors and remained in place throughout the scope covered.

This practice sometimes took the form of instruction from council for market collectors to use collections as salary meaning they will not be paid through the central payroll system but effectively from "self-payment".

Implication

There will be a risk to accuracy of actual revenue accruing to the council if collections are depleted before they are fully accounted for.

The practice of allowing staff to pay themselves risk causing misappropriations to as there is no direct control over all collectors engaged in the practice.

Priority Ranking of Finding

High

Recommendation

We recommend that this practice be desisted, and all collections made are regularly lodged and evidence of payment be provided.

Management Response

Response	
Action to be taken	
Officer responsible for remedial action	
Date when situation will be regularized	

2.2.7 Rates Component/ Uncollected Arrears

Finding

There is currently a very low compound rates charges. The rate across all categories of compounds stands at D100 per annum. This has remained fixed for decades. The General Rates Act, 1992 is still the reference according to the Local Government Finance and Audit Act 2004.

There is also a problem of accumulation of arrears which council did not appear to deal with effectively. For example, the rates arrears for the three wards of Bansang, Brikama-ba and Kerewan at the end of 2018 stood at **D624, 765.00** with some defaulters dating up to five years. The arrears for the remaining wards have not been provided to us for review.

Ward	Outstanding Balance for 2018
Bansang	50,735.00
Brikamaba	350,165.00
Kerewan	223,865.00
Total	624,765.00

Implication

There will continue to be risk of service delivery problems resulting from meagre cash base. In the medium term, constituents may resist complying with tax and other obligations citing ineffectiveness of council. This has a direct risk on further tightening the already contracted revenue base.

Priority Ranking of Finding

High

Recommendation

Management of the council is urged to take steps necessary in ensuring that collectible rates are duly collected and on time. In the same vein, all arrears should be followed through with a view to having it collected.

2.2.8 Weak Revenue Control/ Cover-up

Section 405 (6) of the Financial & Accounting Manual for Local Government Authorities, 2009 states that:

"Should there be any loss of revenue due to the Council by reason of the neglect of a Finance staff, the circumstances will be reported to the Council through the Chief Executive and the officer concerned may be surcharged with the amount of loss."

Finding

We noted during the audit that revenue leakage (under-collection)) has been a common practice by collectors. However, instead of punishing the perpetrators we had evidence that management simply convert misappropriations by revenue collectors into personal loans to be serviced by alleged culprits through payroll deductions. Such payment plans are sometimes done with implicitness (misleading records) raising the risk of non-recovery/ detection.

Implication

Revenue misappropriations and cover-ups are both illegal causing the council to loss resources (cash) as well as engender poor control environment that rationalizes and accepts corrupt practices.

Priority Ranking of Finding

High

Recommendation

The management of the council is urged to seriously review its current practice of revenue misappropriation and related cover up. Management must adhere to the recommendation of the manual to punish rather than reward staff who engage in such practices.

Management Response

Response	
Action to be taken	
Officer responsible for remedial action	
Date when situation will be regularized	

2.2.8 No Proper Fuel or Assets Register

Section 1005 (1) of the Financial and Accounting Manual for Local Government Authorities requires that:

"Each council should ensure that there is control over the physical existence of the assets and a Fixed Register maintained for that purpose."

Sub section (3) further gave the detail of the content:

"The fixed assets register shall record the following information of each item:

- a) date of acquisition*
- b) cost of purchase*
- c) description of assets (including make or model)*
- d) location*
- e) insurance policy and date*
- f) date of disposal"*

Finding

There is no record at the council capturing the details stated above. The council recently moved away from its premises to make way for reconstruction. However, the change in location of the assets has not been reflected in the register.

There is also a register for fuel to control and administer the use of fuel by the council.

Risk/Implication

Control over fuel and assets will be weak leading to risk of misappropriation without

Recommendation

Management through finance directorate should ensure that bank reconciliations are prepared regularly. There should also be an independent review to minimize the risk of passing errors.

Management Response

Response	
Action to be taken	
Officer responsible for remedial action	
Date when situation will be regularized	

2.2.10 Procurement Function (Procurements & Contracts)

Local Government Finance & Audit Act 2004 requires all procurements of the council to be conducted in accordance with the GPPA Act 2014.

Section 602 (2) of the Financial & Accounting Manual for Local Government Authorities 2009 states that:

"The contracts committee may delegate, to a specialized procurement unit authority to make contract award decisions, subject to such decisions being subsequently reported to and recorded in the minutes of the Contract Committee."

Finding

There is a specialized procurement unit established at the council. However, the unit is staffed with only a procurement officer.

We noted that the unit did not comply the requirements of the GPPA Act/ Regulations in terms of preparation of a procurement plan, maintain a databases of procurements as well as maintaining documentations on procurement.

The procurement officer also indicated that the procurement unit did not conduct any procurements during the period under review and hence the lack of records.

Implication

There is a risk that non-compliance with regulations may lead to losses to the council in the form of ineffective/ inefficient procurement. The council may also lose money in form of possible penalties for breaking procurement rules.

The bypass of the procurement unit will not only result in redundancy of the unit staff but will also grant other players such as finance more than allowed roles in the procurement cycle. This could easily lead to collusions in the procurement process without detection.

Priority Ranking of Finding

High

Recommendation

Council is urged to channel all procurements through the specialized procurement unit. The procurement officer should at all times ensure that procurements are conducted in accordance with the GPPA guidelines.

Management Response

Response	
Action to be taken	
Officer responsible for remedial action	
Date when situation will be regularized	

2.2.11 Staffing & Payroll

2.2.11.1 Staff Complement (Overstaffed)

Finding

The council did not have a recruitment plans in place in terms of the man power requirements. Review of the staff compliment appears to show more than required staffing especially with market staff and collectors. Evidence showed that a number of collectors work only part of the week as there is not enough work for all collectors on each particular day.

Notwithstanding the above situation, the council continued to recruit more staff including collectors further complicating the already overstaffed council.

Implication

Maintaining staff surplus to requirement will result in both a waste of meagre resources of the council as well as causing inefficiencies

Priority Ranking of Finding

High

Recommendation

Management together with the General Council is urged to conduct a comprehensive review of the entire staff complement with a view to ensuring that an optimal staff number is maintained. In future, recruitment should be made on a need basis and in accordance with the requirements of policies.

Management Response

Response	
Action to be taken	
Officer responsible for remedial action	
Date when situation will be regularized	

2.2.11.2 Incomplete Payroll

Finding

The council payroll did not have a comprehensive list of all employed staff. There is evidence that staff at some pay points (example Bansang) are not part of the master list. There is also the practice of collectors instructed to pay themselves from their own collections and which did not reflect in the central payroll system.

Implication

There is risk that salaries might be paid to individuals who may not be regular council appointees. This is because the payroll system is currently grossly unreliable with a number of people not accounted for but are still being paid from council resources council.

Priority Ranking of Finding

High

Recommendation

Management through Finance Directorate is urged to make a comprehensive review of the payroll. This process should ensure that all regular staff of the council are captured and paid from the payroll system.

Management Response

Response	
Action to be taken	
Officer responsible for remedial action	
Date when situation will be regularized	

2.2.11.3 Establishment Register/ Staff Files

Section 503 (1) of the Financial and Accounting Manual for Local Government Authorities stipulates that

"...an ESTABLISHMENT REGISTER is to be maintained for the purposes of recording details of all employees of the council as follows:

- a) The name of the officer/employee*
- b) Date of birth*
- c) The position and grade*
- d) The salary per annum*
- e) The incremental date of the officer/employee*
- f) Staff employment number"*

Finding

The council did not submit any establishment register during the audit for our review. However from our review of the staff personal files, we noted that almost all files are virtually empty with very scanty detail about staff. See **annex B** details.

Implication

There is a risk of staff occupying positions which do not suit their qualifications.

Priority Ranking of Finding

Medium

Recommendation

Staff files should contain all the necessary documents as stated in the local government staff service rules.

Management Response

Response	
Action to be taken	
Officer responsible for remedial action	
Date when situation will be regularized	

2.3 OTHER MISSTATEMENTS

2.3.1 Staffing

2.3.1.1 Appointment of Planning Director

According to the Scheme of Services for Local Government Service, the position of Director of Planning and Development can be filled by:

"The promotion of serving officer(s) in the grade of Deputy Director of Planning who must have Completed a minimum of three years satisfactory service in the grade and have passed an interview conducted by the Local Government Commission; or

Direct appointment after an interview by the Local Government Service Commission, of candidates who have:

(i) a professional qualification or BSc degree in Civil Engineering/Building Technology with five years practical experience in the relevant field of specialization or,

(ii) a postgraduate degree in Planning with five years post qualification work experience.

Finding

We noted that designated Planning Director was appointed but we did not find any evidence that the individual possesses any of the above qualifications and experience. There was also no evidence that the process underwent the approval of the Local Government Commission. We have been informed by the CEO that the said staff has not reported for duties since his appointment.

Implication

There is a risk that the appointment did not follow the prescribed guidelines which may result in ineffective recruitment.

Appointment of individuals who are not immediately available is simply unwise and a poor decision especially given the dire staffing situation of the Council management cadre.

Priority Ranking of Finding

High

Recommendation

We recommend that the recruitment procedures be reviewed with a view to addressing the anomaly. All recruitments to senior positions at the council must be subject to general council approval.

Management Response

Response	
Action to be taken	
Officer responsible for remedial action	
Date when situation will be regularized	

2.3.1.2 Piecemeal/ Irregular Gratuity Payment of Former CEO

Finding

From the examination of a sample of payment vouchers, we noted payments of gratuity to a former CEO. The payment plan has not been provided to us for our review but have seen several payments in respect to his gratuity.. **A sample of the payments** is listed in the table below:

Date	PV No	Description	Amt	Remarks
10/03/18	52	complete payment of gratuity to retired CEO	5,466.00	There was no evidence of documentation as per the mode of payment
12/02/18	91	part payment of former CEO's gratuity	3,000.00	No mode of payment/evidence
Total			8,466.00	

Implication

The exact amounts payable may not be known and could result in over/ underpayment.

Priority Ranking of Finding

Low

Recommendation

Management of the council should ensure appropriate documentation over gratuity payments. This should include schedules payable as well as paid and outstanding balance.

Management Response

Response	
Action to be taken	
Officer responsible for remedial action	
Date when situation will be regularized	

2.3.2 Revenue

2.3.2.1 Variance between GTR and Main Cashbook Amounts

Finding

Section 406 (1) of the Financial and Accounting Manual states that:

“All collections made by the accounting officer should be immediately deposited into the Council’s bank account (s) using pre-numbered paying-in-slip. No cheque or cash substitution shall be made from the revenue collected.

Section 406 (7) of the Financial and Accounting Manual states that “The director of Finance should ensure that all moneys collected are promptly paid to the Council’s bank account or remitted to the main officer in a timely manner.

During the review of the Main Cashier’s cashbook, we noted that a number of receipts have been under posted. This has resulted in a cumulative balance of **D86, 784.00** which have not been accounted for in the books. Details are tabulated below

Date	GTR No	Received from	Description	Cashbook Amount	GTR amount	Difference
25/03/18	2521018	Lamin Baldeh	Being payment of various revenue heads	77,728.00	77,114.00	614.00
30/04/18	2521039	Fatoumata Jobarteh	collection of daily market fees	41,050.00	46,050.00	5,000.00
03/06/18	2521061	Lamin Baldeh	collection of various revenue	10,460.00	68,630.00	58,170.00
14/08/18	2521079	Fatoumata Jobarteh	collection of daily market dues	25,000.00	45,000.00	20,000.00
31/01/18	2519972	Lamin Baldeh	collection of various revenue	248,400.00	251,400.00	3,000.00
Total				402,638.00	488,194.00	86,784.00

Implication

There is a risk that the unaccounted amount may have been misappropriated leading to loss of revenue to the council.

This may also be indicative of a weak internal control system which can detect and correct misstatement when they occur.

Priority Ranking of Finding

High

Recommendation

We urge management to ensure that the unaccounted balance be fully accounted for and adjusted accordingly in the books. Records for the adjustment should be presented to us for verification.

In future, care must be taken to ensure such anomalies are avoided by way of appropriate checks and balances.

Management Response

Response	
Action to be taken	
Officer responsible for remedial action	
Date when situation will be regularized	

2.3.2.2 Recording Revenue in Ranges

According to section 907 of the Finance and Accounting Manual for Local Government Authorities:

"All receipt vouchers and payment vouchers would have been entered in the cash book and filed in serial number order by the Accounts Clerk."

Finding

Review of collector's cash book revealed collectors posting in ranges. The practice was also found to be widespread amongst collectors.

Implication

This practice will not provide a proper audit trail in that certain transactions may not be traceable through the cycle due to the aggregation.

This practice may also facilitate a more serious problem of intentional concealment of transaction under the guise of aggregation.

Recommendation

We recommend that collectors revert to posting on individual entries. This will ensure a proper audit trail as well enhance overall accountability.

Management Response

Response	
Action to be taken	
Officer responsible for remedial action	
Date when situation will be regularized	

2.3.2.3 Recording Payments in Ranges

Finding

Section 907 (i) Of the financial and Accounting Manual for Local Government Authorities states that:

"All receipt vouchers and payment vouchers would have been entered in the cash book and filed in serial number order by the accounting clerk...."

A review of sample of payment vouchers against the main cashbook revealed that transactions recorded on the payment vouchers are not individually recorded in the cashbook but their accumulated totals. This makes it difficult to account for the individual transactions.

Implication

This practice will not provide a proper audit trail in that certain transactions may not be traceable through the cycle due to the aggregation.

This practice may also facilitate a more serious problem of intentional concealment of transaction under the guise of aggregation.

Priority Ranking of Finding

High

Recommendation

We recommend that collectors revert to posting on individual entries. This will ensure a proper audit trail as well enhance overall accountability.

Management Response

Response	
Action to be taken	
Officer responsible for remedial action	
Date when situation will be regularized	

2.3.3 Payments

2.3.3.1 Variance between Requested and Payment Voucher Amounts

Finding

Review of sample of payment vouchers revealed a discrepancy between amount approved on the PV and the amount claimed by the payee.

Date	Details	PV #	Payee	Amount claimed	Amount Approved on PV	Diff.
23/01/18	Being payment for transport hired during group collection	35	Sulayman Gaye	600.00	6,000.00	5,400.00

Implication

There is a risk of the difference being diverted into non council related activities thus leading to waste of the resources of the council.

Priority Ranking of Finding

Medium

Recommendation

Management of the council should ensure that corrective measures are taken to address the issue and the adjusted version be presented for our review.

Management Response

Response	
Action to be taken	
Officer responsible for remedial action	
Date when situation will be regularized	

2.3.3.2 Missing Payment Vouchers

Finding

We noted from the review of a sample of payment vouchers that several payment vouchers for various months were not presented for our review.

Details are shown in the table below

Month	PV No.
January	64-66
March	113, 114, 116, 169
June	118
August	3, 9, 106, 108, 115
Sept	202

Implication

There is a risk that the correct details on the vouchers are not accounted for in the books. The payments may also not be bona fide payments chargeable to the council.

Priority Ranking of Finding

Medium

Recommendation

We recommend that the council obtain these vouchers and be presented to us for review.

Management Response

Response	
Action to be taken	
Officer responsible for remedial action	
Date when situation will be regularized	

2.3.3.3 Receipts without Authority

Finding

We noted the practice of individuals receiving payments on behalf of colleagues but without appropriate authorization. This is common with payments relating to chiefs and batch messengers. A sample of payment vouchers in question is attached as **annex A**.

Implication

There is a risk of actual recipients not receiving payments. There is a further risk that some payments may be fictitious.

Priority Ranking of Finding

High

Recommendation

Council should make sure that proper procedure be followed in safeguarding the process of issuing allowances and salaries to individuals. Any individual receiving payment on behalf of another should present proper authorization. Such authorization should be filed with the payment documentation.

Management Response

Response	
Action to be taken	
Officer responsible for remedial action	
Date when situation will be regularized	

2.3.3.4 Non-council Related Activities

Finding

During the audit we noted from a sample of payments we reviewed payments of fuel worth **D5, 017.00** for non-council activities. Details are shown in the table below

Date	PV No	Payee	Details	Amt.	Remarks
01/10/18	112	Chief Inspector Mballow	Cost of fuel supplied to police intervention unit while on tour with the Chief of defense staff	4,692.00	D 4,692 worth of fuel was given to CP Mballow upon request for fuel for tour with the CDS for 02/10/18
30/09/18	119	Ebrima Manneh	supply of fuel to SIS staff at Governor's office	325.00	5 litres of fuel issued to Mr Barrow at SIS unit for a weekend at Dankunku
Total				5,017.00	

Implication

Payments for non-council related activities from meagre resources of the council represent poor prioritization. It is also indicative of a weak control over resources of the council.

Priority Ranking of Finding

High

Recommendation

We recommend management of council to ensure that payments are per budget. The meagre resources of the council must be used only for the activities of the council at all times

Management Response

Response	
Action to be taken	
Officer responsible for remedial action	
Date when situation will be regularized	

2.3.3.5 Cash Suppression Concealed as loan**Finding**

During our review, we noted a payment of **D9, 732.00** to a Revenue collector an amount described as personal loan for construction of a house. Further review of the payment revealed that the amount represented a shortage which was converted as loan to be repaid. The collector is now deceased and has not fully paid back the "loan".

Implication

Such practice risk encouraging misappropriation by collectors. Misrepresentation of payments may be indicative of environment which rationalizes fraudulent behaviour from which misappropriations may be concealed.

Priority Ranking of Finding

High

Recommendation

We recommend that the amount be recovered, and evidence be presented to us for confirmation. Management must also desist from the practice of condoning misappropriations on the part of collectors.

Management Response

Response	
Action to be taken	
Officer responsible for remedial action	
Date when situation will be regularized	

2.3.3.6 Insufficient Documentation

Finding

According to section 504 (c) of the Financial and Accounting Manual for Local Government Authorities, "...The payment vouchers must be accompanied by appropriate supporting documents such as purchase order, original invoice/Bill/Debit note, Time sheets, Goods received notes, receipt vouchers, payroll etc"

This contradicts a sample of payment vouchers from our review which highlighted that the under listed payments amounting **D12, 000.00** were made without appropriate sufficient documentation. The details are given in the table below:

Date	PV No.	Description	Amount	Remarks
23/10/18	38	Being payment of council's contribution to TAC meeting held at Governor's office	2,500.00	No supporting document for the payment
N/A Dec	73	Being payment of sitting allowance for the month of Dec.	1,000.00	There's no evidence that the payment actually took place
31/12/18	86	Being payment of allowance for the month of December.	1500	No supporting document for the payment
11/12/18	214	Being payment of refreshment during council meeting	7000	No invoice attached
Total			12,000.00	

Implication

There is a risk of these payments not being genuine and authentic thus resulting to waste of resources.

Priority Ranking of Finding

Medium

Recommendation

Management of council should ensure that all payments are accompanied with all relevant documentations related to council activities.

Management Response

Response	
Action to be taken	
Officer responsible for remedial action	
Date when situation will be regularized	

2.3.3.7 Use of single GTR for Several Transactions

Finding

Section 504 (f) of the Financial and Accounting Manual for local Government Authorities states that:

".... A separate sheet should be opened for each expenditure Head and sub Head. At the top of the form the amount budgeted should be entered in the space provided...."

This contravenes our finding as we noted from a review of sample of GTRs against the main cashier's cashbook that a single GTR sheet being used for various payments. Details are shown below

Date	GTR No	Description/ Particulars	Revenue Heads	Amount	Remarks
16/03/18	2521010	Momodou Camara and sons ltd	94-05	250.00	Payment of various revenue heads collected
16/03/18	2521010	Momodou Camara and sons ltd	91-01	21,000.00	
16/03/18	2521010	Momodou Camara and sons ltd	94-01	3,000.00	
16/03/18	2521010	Momodou Camara and sons ltd	Deposit	80,153.00	
Total				104,403.00	

Implication

When single GTRs are being used for several payments, there is a risk of certain revenue heads not accounted for or understated. This may affect the reliability of the financial statement.

Priority Ranking of Finding

High

Recommendation

We recommend that the council make use of receipts for specific revenue heads to ensure accuracy and accountability of all revenue heads.

#	Finding	Recommendation	Status	Remark
1	<p><u>Suppression of collection</u></p> <p>Collections are misappropriated by collectors but the receiving officer still issue them receipt in exchange for a loan to be paid by the culprit</p>	<p>We strongly recommend that the amounts unaccounted for are recovered immediately from the collectors concerned and evidence be presented to us for confirmation. Henceforth, collectors must fully account for all collections made strictly in accordance with the prescriptions of the Council regulations. Punitive actions should be taken against any defaulting collectors to serve as deterrence.</p> <p>In the case of the suppression of revenue by the Director of Finance, we recommend that the misstated amount are recovered immediately and paid over to the Council. The CEO is urged to take steps in ensuring that the amount in question is fully repaid and that such practice is prevented from happening in future. The CEO, as the Accounting Officer, is urged to ensure that the Revenue collection procedures are done in strict accordance with the relevant acts and regulations.</p>	Not implemented	This practice still obtains at the council
2	<p><u>Payments Without Three Quotations</u></p> <p>Procurements were made without complying with the GPPA requirement of securing three quotations</p>	<p>GPPA rules should be adhered to at all times. Three quotations should be obtained for all payments over the threshold or approval to single source obtained from GPPA for instance for which three quotations is not feasible.</p>	Implemented	We did not have issues with the current audit
3	<p><u>Payment Without Receipt or Recipient's Signature</u></p> <p>Payments have been made but recipients did not acknowledge receiving by way of receipt or signature</p>	<p>Management is urged to obtain receipts/ acknowledgement signatures for the payments and furnish them to this Office for verification.</p> <p>Henceforth, all vouchers such are duly acknowledged with receipts or signatures before filing.</p>	Implemented	We did not have issues with the current audit
4	<p><u>Non-Current Related Payments</u></p> <p>The council made several payments for expenses not related/ approved for the council</p>	<p>We recommend that council discontinue this practice immediately and comply with the relevant applicable Acts governing its operations. Any activity to be funded from the</p>	Not Implemented	This practice still obtains at the council

		resources of the Council must be in accordance with regulations.		
5	<p><u>Payment Vouchers Without Sufficient Supporting Documents Attached</u></p> <p>The council made payments but for which sufficient supporting documents are not attached</p>	<p>Management is required by law to ensure that payments are supported with the required documentations and are therefore requested to fully comply in that regard. The outstanding documentations must therefore be sought and attached to the vouchers and be presented to us for verification.</p> <p>In future management should ensure that all vouchers are adequately supported with required documents before payment can be effected.</p>	Implemented	We did not have issues with the current audit
6	<p><u>Sale of Brikama-Ba Car park</u></p> <p><u>A proposed sale of a car park belonging to the council to Trust Bank limited was stalled. An amount of D400,000.00 was paid of which D 200,000.00 has not been accounted for</u></p>	<p>We strongly urge management to establish the fate of the payment in question and furnish us with the evidence.</p> <p>Where this is not available management should indicate this fact and the previous management should take responsibility of recouping the misappropriation to be paid over to the council and evidence furnished to us for verification.</p> <p>In future, transactions should be accounted for promptly to avoid risk of misappropriations.</p>	Not Implemented	This matter still remains unresolved
7	<p><u>Non-Remittance of Income Tax Deduction</u></p> <p>Deductions for income tax were made but the collected amount</p>	<p>We recommend that management place measures in place to ensure that fund is available for the income tax payment. Where the council is not able to raise enough to immediate cover all staff cost, it should engage the relevant stakeholders such as the Ministry with a view to ensure that the shortfall is acquired.</p>	Not Implemented	We still did not have evidence that deductions made have been remitted to GRA

4.0 ANNEXURES

4.1 Annex A: Receipts without Authority

Date	PV		Description	Amount	Remarks
N/A	52	Seyfo Alh. Modou Touray	Salary for seyfolu and batch messengers	4,311.90	The same signatures for all the recipients
		Momodou Baldeh		2,250.50	
		Ali Touray		1,790.75	
		Malading Jabang		1,790.75	
		Fullo Baldeh		1,790.75	
		seringe Gai		1,790.75	
		Bakary Baldeh		1,790.75	
		Sirey Sey		1,790.75	
N/A		Seyfo Alh.kebba Touray	salary for seyfolu & batch messengers	4,312.00	The same signatures for all the recipients
		Alasana Dibasse		2,250.50	
		Sherrifo Sabally		1,790.75	
		Karamba Ceesay		1,790.75	
		Fullo Marenah		1,790.75	
		Illiasa Jallow		1,790.75	
		Hamadi Nyass		1,790.75	
		Alieu Nyabally		1,790.75	
N/A	58	Seyfo Alh. Modou Touray	Salary of seyfolu and batch messengers	4,117.00	The same signatures for all the recipients
		Momodou Baldeh		2,322.67	
		Ali Touray		1,853.25	
		Malading Jabang		1,853.25	
		Fullo Baldeh		1,853.25	
		seringe Gai		1,853.25	
		Bakary Baldeh		1,853.25	
		Sirey Sey		1,853.25	
N/A Dec	34	Sohna Sanyang	Market staff salary	1,356.00	The same signatures for all the recipients
		Yaya Sanyang		1,429.00	
		Alagie Kuyateh		1,429.00	

N/A Dec	48	Lanfenda camara	Payment Cleaners salary	1,266.00	The same signatures for all the recipients
		Momodou S. keita		1,226.00	
		Yama Sanneh		995.00	
		Fanta Camara		995.00	
		Pap Saburu		995.00	
		Samba Baldeh		1,138.00	
N/A Dec	54	Seyfo Bakary Jawo	Seyfolu and B Messengers salary	3,856.83	The same signatures for all the recipients
		Lamin Sanneh		1,923.34	
N/A Dec		Seyfo Alh.kebba Touray	Seyfolu and B messengers salary	3,577.17	The same signatures for all the recipients
		Alasana Dibassey		1,928.34	
		Sherrifo Sabally		1,541.25	
		Karamba Ceesay		1,541.25	
		Fullo Marenah		1,541.25	
		Illiasa Jallow		1,541.25	
		Hamadi Nyass		1,541.25	
		Alieu Nyabally		1,541.25	
Total				14,753.01	

4.2 Annex B: Establishment Register/Staff Files

#	Name	Designation	Ap pl. lett er	Birth Certi ficat e	Qualifi cation s/ Certs.	Date of Employm nt	Remarks
1	Amadou S. Leigh	Revenue Collector	√	X	X	05/10/18	
2	Malick Jallow	Market collector	X	X	X	X	Empty file
3	Aminata Camara	Market Collector	√	X	X	01/06/14	
4	Seedy Dansor	Revenue Collector	√	X	X	14/12/15	
5	Sanna Sidibeh	Station Labourer	√	X	X	01/01/11	
6	Fatoumata Jobarteh	Market Mistress	X	X	X	X	Only transfer letter inserted in the file
7	Sarjo Janko	Market Collector	√	X	X	01/03/95	
8	Lamin Baldeh	Accounts Assistant	X	X	X	X	There is no offer letter for the current designation (accounts Assistant). Employment letters for internal auditor and revenue collectors were the only documents attached
9	Yahya Jatta	Health Labourer	√	X	X	01/06/16	
10	Edrissa Manneh	Revenue Collector	√	X	√	01/05/08	Certificate of completion of lands and property valuation Training course attached
11	Mama Kinteh	Senior Revenue Collector	√	X	X	28/02/04	
12	Aminata Keita	Records Clerk	√	√	√	01/01/14	Attached are: Certificate of completion of computer Basic, Diploma in computing and intermediate IT Diploma @ NICE Gambia Training;
13	Sheriffo Konteh	Market Collector (Lumo)	√	X	X	01/01/11	
14	Dembo Gikineh	Messenger	√	X	X	01/11/95	
15	Alassan Mballow	Driver	√	X	X	01/07/10	

16	Salif Jallow	Security	√	X	X	11/04/19	
17	Sohna Sanyang	Market Collector	√	X	X	01/09/10	
18	Mamadou Leigh	Revenue Collector	√	X	X	02/04/18	
19	Usman Keita	Planning Director	X	X	X	X	Attached in the file were UTG offer letter, warning letter and approval for request of scholarship
20	Yaya Sanyang	X	X	X	X	X	Attached in his file was Appointment as car park police
21	Momodou Jallow	Revenue Collector	√	X	X	04/03/02	
22	Sainey Kurang	Senior Revenue Collector	√	√	X	04/10/12	
23	Wudeh Camara	Market collector	√	X	X	01/02/12	
24	Fatou Kijera	Secretary	√	√	X	26/06/08	
25	Jarrai Barrow	Revenue Collector	X	X	X	X	Only a confinement leave letter in the file
26	Binta Ceesay	Market collector	√	X	X	01/02/12	
27	Koba Jobarteh	Account Assistant	X	X	X	X	Only posting letter in the file
28	Buba K. Jobarteh	Snr Revenue Collector	√	X	√	01/01/11	
29	Youba Badjie	Revenue collector	√	X	√	14/01/13	
30	Karma Jallow	Watch man	√	X	X	01/03/05	
31	Dawda Sama	Finance Manager	X	X	√	X	There is a letter for an acting position, no qualification certificates are in the file only training certificates.
32	Bubacarr Manneh	Director of finance	X	X	X	X	
33	Samba MK, Leigh	Chief EXecutive Officer	X	X	X	X	
34	Sira Sowe	Secretary	√	X	X	06/11/07	Only leave letters in the file
35	Fatou Sanneh	Revenue Collector	√	X	X	26/11/07	
36	Karo Jobateh	Lumo collector	√	X	X	01/01/11	
37	Muhamed Baldeh	Physical planning officer	X	X	X	X	

38	Abdul Bah	Labourer	X	X	X	X	
39	Njobo Sabally	Market watchman		X	X	01/01/15	Only a casual leave letter in the file
40	Yaya Touray	Driver	√	X	X	09/05/05	
41	Muhammed L. Dahaba	Driver	√	X	X	07/04/15 & 01/07/16	He has been appointed, Relieved then appointed again.
42	Malang Gassama	Market collector	√	X	X	13/05/05	
43	Kadijatou Sanneh	Market collector	√	X	X	01/01/11	