



**National Audit Office
The Gambia**

**Financial Statements
for the year ended 31st December 2021**



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General Information

Governing Board Members

Mr. Modou Ceesay	(New Chairman, from 26 th November 2022)
Mr. Karamba Touray	(Former Chairman, up to 25 th November 2022)
Mr. Lamin Samateh	(Member)
Mr. Abdoulie Touray	(Member)
Mr. Sarjo Jah	(Member)
Mr. Frederick Forster	(Member)

Board Secretary

Mr. Baba S. Drammeh	(Deputy Auditor General 2)
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Strategic Management Team

Mr. Modou Ceesay	(New Chairman, from 26 th November 2022)
Mr. Karamba Touray	(Former Chairman, up to 25 th November 2022)
Mr. Pa Majagne Ndow	Deputy Auditor General 1
Mr. Baba S. Drammeh	Deputy Auditor General 2
Mr. Almamie Mankajang	(Director of Audit)
Mr. Ebrahima M. Drammeh	(Director of Audit)
Mr. Bakary Trawally	(Director of Audit)
Mr. Sering Mass Jallow	(Director of Audit)
Mr. Bubacarr M. Jallow	(Director of Audit)

Bankers

Central Bank of The Gambia
1-2 Ecowas Avenue
Banjul
The Gambia

External Auditors

HAD & Co
Bertil Harding Highway
Senegambia
The Gambia

Registered Office

National Audit Office
Kanifing Institutional Area
Bertil Harding Highway
KSMD
The Gambia



Governing Board's Report for the Year Ended 31st December 2021

The Governing Board of the National Audit Office presents its audited Financial Statement for the year ended 31st December 2021. The Financial Statements has been prepared in accordance with International Public Sector Accounting Standards (IPSAS).

State of Affairs

The state of affairs of the National Audit Office is set out in the Financial Statements and notes to the accounts from pages 8-19.

Principal Activity

The principal activity of the National Audit office is the audit of Public Sector Finances In accordance with section 13 (Mandate) of the NAO Act 2015 and section 160 (IC) of the 1997 Constitution of The Republic of The Gambia.

Auditor General's Responsibility for the Financial Statements

In accordance with the National Audit Office Act 2015, Part V, Section 25 (1), the Auditor General has the responsibility of keeping proper financial records of the Office's income and expenditure.

Section 25 (2) of the aforementioned NAO Act 2015 also requires the Auditor General to be responsible for preparing in respect of each Financial Year, a statement of Accounts (Financial Statements) which shall be audited. In preparing these Financial Statements, the Auditor General is required to;

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

The Auditor General is responsible for keeping proper accounting records which discloses with reasonable accuracy at any given time, the Financial Position of the National Audit office and to enable him to ensure that the annual Financial Statements complies with



provisions of the National Audit Office, Act 2015 and the 1997 Constitution of The Republic of the Gambia.

He is also responsible for safeguarding the assets of the National Audit Office and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Post year end events

There were no significant events since the year-end, which could affect the results or financial report of the NAO.

Results for the year

The results of the NAO are detailed in the accompanying financial statements.

Going concern

The Executive Management have assessed the entity's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.

External Auditor

The External Auditor HAD & Co. as appointed in accordance with Section 159 (3) of the 1997 Constitution of the Republic of the Gambia by the Finance and Public Accounts Committee of the National Assembly, has expressed willingness to continue in the office in line with the signed Letter of Engagement between the Clerk of the National Assembly, the Auditor General and HAD & Co to serve for a period of three (3) years for the financial Years, 2020 to 2022.

By Order of The Governing Board of the National Audit Office

**Mr Modou Ceesay
Auditor General**

Date:.....14 - 08 -2023



Report of the Independent Auditor's, HAD & Co

To the Members of the Finance and Public Accounts Committee of the National Assembly of The Gambia

Opinion

We have audited the financial statements of National Audit Office (NAO) of The Gambia for the year ended 31st December 2021, which comprise the Statement of Receipts and Payments, Statement of comparison of Budget and Actual 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 give a true and fair view of NAO's financial Position for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) on Cash Basis and have been properly prepared in accordance with the National Audit Office Act 2015 and also the requirements of the 1997 Constitution of the Republic of The Gambia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 NAO in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in The Gambia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We would like to bring the following to your attention:

A – Basis of Accounting

We draw attention to note 2.1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist National Audit Office (NAO) to comply with the financial reporting provisions of the NAO Act 2015. Our opinion is not modified in respect of this matter.

B – Cash and Cash Equivalent – Closing differences (D493,836)

As at 31st December 2021, the expected closing bank balance as per the Statement of Receipts and Payment amounted to D9,972,113 while the closing bank balances amounted to D9,478,277 giving a difference of D493,836 as an unreconciled difference.

Other Information

The Governing Board are responsible for the other information. The other information comprises the General Information and Report of the Directors. The other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we concluded that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the NAO's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the NAO or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the NAO's financial reporting process.

Auditor's Responsibilities for Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

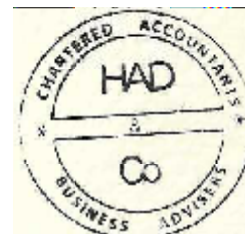
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NAO's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the NAO's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the NAO to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Engagement Partner on the audit resulting in this independent auditor's report is **Hassan Jatta**.

HAD & Co

HAD & Co
 Chartered Accountants and Business Advisers
 Registered Auditors
 Kerr Serigne, The Gambia



Date: *14th August*2023




Statement of cash receipts and payments

for the year ended 31st December 2021

		Year ended 31 st December 2021 GMD	Year ended 31 st December 2020 GMD
OPENING BALANCE		17,994,987	14,764,476
RECEIPTS			
Government Subvention	3	75,077,475	57,113,588
Other Receipts	4	1,466,472	367,919
Total Income		94,538,935	72,245,983
PAYMENTS			
Salaries and Allowances	5	53,031,632	31,787,511
Board Allowance		330,000	330,000
Salary Advance		942,666	705,700
Travel Expenses	6	10,913,636	4,163,007
Telecommunication Expenses		646,146	834,309
Electricity ,Water & Sewage		91,819	668,943
Purchase of fuel and lubricants		713,138	1,721,746
Maintenance Expenses	7	734,763	848,316
Stationery		540,750	720,750
Miscellaneous office expenses		996,327	1,120,876
Official Entert. & Hotel Accommodation		100,750	146,430
Printing Expenses		207,950	333,625
Uniforms and Protective clothing		86,850	110,450
Contribution to International org		-	224,618
Seminars, Training and Development	8	2,980,004	1,794,380
Capital Expenditure- Fixed Assets	9	846,150	8,740,335
Food and Food services		404,241	-
NAO Health Insurance		2,000,000	-
Revolving Loan Scheme		9,000,000	-
TOTAL PAYMENTS		84,566,822	54,250,996
Closing Fund Balance	11	9,972,113	17,994,987

The Financial Statements was approved by the Governing Board on2023
and signed on their behalf by:

Auditor General.....

Deputy Auditor General (Admin and Finance)

The attached notes form part of these financial statements 





Statement of comparison of Budget and Actual

	Original Budget GMD	Final Budget GMD	Actual Expenditure GMD	Under / (Over) Spend GMD	% Variance
Salaries and Allowances	71,055,260	63,565,260	53,361,632	10,203,628	16.05
Travel Expenses	22,453,525	22,453,525	9,424,324	13,029,201	58.03
Telecommunication Expenses	1,212,138	1,212,138	634,221	577,917	47.68
Electricity, Water and Sewages	1,500,520	1,500,520	91,819	1,408,701	93.88
Purchase of Fuel and Lubricants	1,564,368	1,564,368	713,138	851,230	54.41
Maintenance of Vehicles	445,200	595,200	591,400	3,800	0.64
Maintenance of Buildings	500,000	500,000	26,750	473,250	94.65
Maintenance of Equipment	318,000	318,000	101,578	216,422	68.06
Conferences, Workshops and Seminars	2,678,616	2,178,616	-	2,178,616	100
Stationery	954,000	954,000	540,750	413,250	43.32
Miscellaneous Office Expenses	1,197,801	1,197,801	996,328	201,473	16.82
Maintenance of Website	50,000	50,000	15,035	34,965	69.93
Official Entertainment & Hotel Accommodation	500,000	500,000	100,750	399,250	79.85
Printing Expenses	1,590,000	1,590,000	207,950	1,382,050	86.92
Uniforms and Protective Clothing	500,000	500,000	86,850	413,150	82.63
Training	7,360,000	7,360,000	2,980,004	4,379,996	59.51
Food and Food Services	1,500,000	1,500,000	404,241	1,095,759	73.05
Revolving Loan Scheme	9,000,000	9,000,000	9,000,000	-	-
NAO Health Insurance	2,000,000	2,000,000	2,000,000	-	-
Contribution to International Organizations	300,000	300,000	-	300,000.00	100
Office Equipment and Equipment	980,000	880,000.00	846,150.00	33,850.00	3.85



<u>127,659,428</u>	<u>119,719,428</u>	<u>82,122,920</u>	<u>37,596,508</u>
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The Statement of Comparison of Budget and Actual is a report on the approved budget performance and covers only figures (budget/actual) in relation to the approved budget.

It excludes activities funded by partner institutions through the AFROSAI GMD account.



Accounting Policies and Explanatory Notes

Notes to the financial statements

1 Reporting entity

The National Audit Office (NAO) is the Supreme Audit Institution (SAI) of The Gambia headed by an Auditor General who is responsible for auditing and reporting on how government institutions utilize public resources. The audit reports determine whether public funds are being used in efficient, legal and effective manner following our laws and other financial regulations. The NAO was granted an autonomous status through the NAO Act of 2015. This allows the National Assembly to follow up on our findings to ensure that public institutions are running smoothly to ensure transparent and accountable governance.

NAO has five units that conducts yearly audit and technical work headed by Directors of Audit following the audit process. They audit all public institutions such as government ministries, departments and agencies, courts, the National Assembly, local government authorities, State Owned Agencies, government and donor funded agencies. The Auditor General also outsources certain audits to private audit firms. There are 88 staff in these units. The units are:

Ministries and Departments

Extraneous

Performance

Projects and Development

Municipal and Area Councils

Currently, there are 50 Corporate/Support Services staff who report and are supervised by the Deputy Auditor General 2. This group of staff support the Auditor General and the office in areas like Procurement, Communications, Human Resources, IT etc.

In accordance with section 159 (1) of the 1997 Constitution of The Republic of the Gambia, there shall be a National Audit Office in the public services of which the Auditor General is the head, and the other members which shall assist the Auditor General in the performance of the functions conferred on him or her by this Constitution or any Act of the National Assembly.

The Auditor General under Section 159 (4), shall submit the annual estimates of expenditure for the National Audit office for a Financial year to the President for presentation to the National Assembly in accordance with the constitution. The President shall cause the estimates to be placed before the National Assembly



without amendment, but may attach to them his own comments and observations.

Upon approval of the said Estimates and at the end of the financial year, the accounts of the National Audit Office under Section 159 (3), shall be audited by an appropriately qualified auditor or firm of auditor, appointed by the Finance and Public Accounts committee of the National Assembly.

The Auditor General is responsible for the audit of all public sector Finances and Accounts in accordance with section 64 of the Public Finance Act, 2014 and section 13 of the National Audit Office Act, 2015.

2 Accounting Policies

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

2.1 Basis of Accounting

The Financial Statement has been prepared under the historical cost convention under International Public Sector Accounting Standards (IPSAS) on cash basis.

2.2 Funding

- ***Sources of funding***

The main source of Funding of the National Audit Office of The Gambia is the Government of the Gambia through Government Subvention on a monthly basis by the Ministry of Finance & Economic Affairs.

- ***Recognition of Funding***

Income is only recognized when funds have been received by the National Audit Office.

- ***Receipts***

Receipts comprise of cash inflow from government subvention, refunds and other miscellaneous receipts.



2.3 Expenditure

Expenditure is recognized when payments are made in the form of cash or cheque drawn. Expenditure incurred but remaining unsettled at the period end is not recognized in the financial statements until when settled.

2.4 Property, Plant & Equipment – Fixed Assets

Fixed Assets and other capital items are treated as operation expenditure and are classified under the appropriate category of the Receipts and Payment Statement. Fixed Assets remain the property of the Government of the Gambia. The Auditor General has custodial responsibility over the Assets and an obligation to maintain inventory and a register of all fixed assets of the National Audit Office of The Gambia.

2.5 Capital Grants

Capital grant from other institutions are not accounted in the financial statements but shown in the Fixed Asset Register.

2.6 Taxes

The National Audit Office is a non-profit entity that is subsidized by the Gambia Government and hence is exempt from Corporate Tax. The NAO fulfils its statutory obligations by deducting income tax at source from the salary of its employees. Furthermore, it is obligated to deduct Withholding Tax of 10% from payments to all suppliers or service providers.

2.7 Foreign Currencies

Conversation from US Dollars into GMD dalasis and vice versa was made using The Gambia Central Bank rate during the financial period. All year end monetary balances are translated as at 31st December 2021 using a rate of GMD52.74/1USD.



	Year ended 31 st December 2021 GMD	Year ended 31 st December 2020 GMD
3. Government Subvention		
January	5,731,000	5,998,600
February	7,200,000	-
March	9,237,397	-
April	6,199,235	-
May	6,725,891	10,983,993
June	-	-
July	3,000,000	24,336,994
August	7,576,890	
September	13,576,890	6,794,001
October	5,000,000	4,000,000
November	9,830,172	-
December	1,000,000	5,000,000
	75,077,475	57,113,588

Total amount of funds received from Government during the period 1st January to 31st December totalled GMD75,077.475. This includes GMD2 million for the NAO Health Insurance and GMD9 million for the Revolving Loan Scheme.

We obtained approval for the establishment of a health insurance scheme and a revolving loan scheme for our staff and a budget equal to the amount disbursed was approved for each. It was recognised that NAO staff were being excluded for consideration to accessing loans from the Civil Service and the Office was also behind other parastatals in terms of providing health care facilities to its staff. To close that gap and enhance retention and independence of audit staff, the National Assembly approved the creation and rollout of the NAO Health Insurance and Revolving Loan Scheme in 2021.



Year ended 31 st December 2021	Year ended 31 st December 2020
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4. Other Receipts

Audit Fee	-	100,000
Support from UNCDF	409,500	-
Support from IDI	842,707	-
Rent	44,000	-
Bidding documents	-	4,500
Auction Sales	-	48,507
Lateness & Absenteeism deduction	99,826	67,821
Exchange gain	2,737	1,980
Refunds	67,702	145,111
	<hr/> 1,466,472 <hr/>	<hr/> 367,919 <hr/>

These consist of funds received from partner institutions such as UNCDF and IDI, rent from GTHI for use of our canteen facility, Lateness and Absenteeism deductions from staff and exchange gain realised.

Refunds includes unspent amounts issued to staff for contingencies while on trek and allowances paid for days that were not spent on official mission.

5. Personal Emoluments

The average number of staff employed during the year, analysed by category was as follows:

	Year ended 31 st December 2021	Year ended 31 st December 2020
Management	8	6
General Staff	130	120
	<hr/> 138 <hr/>	<hr/> 126 <hr/>



Year ended 31st December 2021	Year ended 31st December 2020
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The Aggregate payroll costs were as follows:

Basic Salary	20,932,282	13,934,291
Acting Allowance	-	10,941
Drivers Heavy Duty Allowance	469,500	246,000
Telephone Allowance	730,000	240,000
Residential Allowance	2,472,000	2,182,099
Home to office Allowance	1,830,000	1,584,571
Rent Allowance	180,000	72,000
Professional Allowance	1,894,250	1,879,083
Responsibility Allowance	10,447,000	3,614,501
Basic Car Allowance	2,493,500	1,701,000
Special Skills Allowance	9,861,600	5,653,167
Overtime Allowance	2,000	9,000
Special incentive allowance to Civil Servants	1,719,500	660,857
	53,031,632	31,787,511

In addition to promotions and new appointments in 2021, there was an increase in salaries and allowances from January resulting to the overall increase of personnel emoluments from 2020.

6. Travel Expenses

Travel Expenses	10,913,636	4,163,007
	10,913,636	4,163,007

This amount included GMD1,489,312 paid from Afrosai Account as night allowances, cost of fuel and other contingencies. Total Travel expenses for the year was 162 per cent higher due to border closures in the previous year as a result of the COVID 19 pandemic.



	Year ended 31 st December 2021 GMD	Year ended 31 st December 2020 GMD
7. Maintenance Expenses		
Vehicle Maintenance	591,400	367,147
Maintenance of Building & Facilities	26,750	477,169
Maintenance of Equipment	101,578	4,000
	734,763	848,316
8. Seminars, Training and Development		
Seminars, Conferences and Workshops	-	-
Training	2,980,004	1,794,380
Contributions – GICA	-	-
	2,980,004	1,794,380
9. Capital Expenditure - Fixed Assets		
Construction of Office Building	-	239,600
Motor Vehicles	-	4,300,000
Office Furniture & Equipment	846,150	4,200,735
	846,150	8,740,335
10. Withholding Tax		

In 2021, withholding tax collection from payments due to suppliers in the year amounted to GMD4,365,687, which was fully remitted to the Gambia Revenue Authority.

In 2020, withholding tax collection from payments due to suppliers in the year amounted to GMD3,149,319, which was fully remitted to the Gambia Revenue Authority.



	Year ended 31 st December 2021 GMD	Year ended 31 st December 2020 GMD
11 Cash and Cash Equivalents		
Main Account – Operational GMD	7,944,945	15,162,372
Afrosai GMD Account	1,400,919	1,676,832
Afrosai USD Account	132,413	129,676
Unreconciled cash balance	493,836	1,026,107
	9,972,113	17,994,987

12 Encouraged Additional Disclosures

Below are encouraged additional disclosures as per IPSAS Cash Basis Standard:

12.1 Related Party Transactions

(a) The Executive management

Executive management includes all Directors. The compensation paid and payable to executive management for employee services is shown in Note 5 Personal Emoluments.

(b) Transactions with related institutions

The NAO is a government entity and therefore has direct relationship with all government related entities. The following are the transaction with those entities:

Purchase of goods and services from related entities

NAWEC Water & Electricity	91,819	668,943
Gamtel/Gamcel – telephone, internet	646,146	834,309
Gambia Revenue Authority's taxes	4,365,692	3,147,301
GPPC - Printing Expenses	207,950	31,050



		Year ended 31 st December 2021 GMD	Year ended 31 st December 2020 GMD
<i>Sale of goods and services to related entities</i>			
Audit Fee		-	100,000
		_____	_____
<i>Others</i>			
Government Subvention	5	57,113,588	57,113,588
		_____	_____
12.2 Receivables			
Staff Salary Advance		461,633	351,547
		_____	_____
12.3 Payables			
Telecommunications		34,937	13,144
Electricity and Water		330,134	-
		_____	_____
		365,071	13,144
		_____	_____
12.4 Capital commitments			
Authorised by the Office and contracted for		-	-
		_____	_____
Authorised by the board and not contracted for		-	-
		_____	_____
12.5 Contingencies			

There were no liabilities in respect of claims against the Office as at the end of year 2021. (2020 Nil)