



REPUBLIC OF THE GAMBIA
National Assembly, New Assembly Building, Reg. Pye Lane
Banjul, The Gambia

REPORT OF THE PUBLIC ENTERPRISES COMMITTEE

ON THE

**ACTIVITY AND AUDITED FINANCIAL STATEMENTS OF THE
STATE-OWNED ENTERPRISES FOR THE YEARS ENDED 31ST
DECEMBER 2019 & 2020**

JUNE 2022 TO OCTOBER 2023

MARCH 2024

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ACRONYMS

AMRC	Assets Management and Recovery Corporation
DMD	Deputy Managing Director
GAMCEL	Gambia Multicellular Company Limited
GAMPOST	Gambia Postal Services Company Limited
GAMTEL	Gambia Telecommunication Company Limited
GCAA	Gambia Civil Aviation Authority
GFSC	Gambia Ferry Services Company Limited
GGC	Gambia Groundnut Corporation
GIA	Gambia International Airlines Limited
GNPC	Gambia National Petroleum Company Limited
GPA	Gambia Ports Authority
GPPA	Gambia Public Procurement Authority
GPPC	Gambia Printing and Publishing Corporation
GRA	Gambia Revenue Authority
GRTS	Gambia Radio and Television Services
MD	Managing Director
NA	National Assembly
NAO	National Audit Office
NAWEC	National Water and Electricity Company Limited
NFSP&MC	National Food Security Processing and Marketing Corporation
PE	Public Enterprise
PEC	Public Enterprises Committee
SO	Standing Orders
SOE	State-Owned Enterprises
SSHFC	Social Security and Housing Finance Corporation

CHAIRPERSON'S FORWARD

As the Chairperson of the Standing Committee on Public Enterprise, I hereby on behalf of the Committee publishes the outcome of the public hearings on the Activity reports and Audited Financial Statements of the fourteen SOEs for the years ended 2019 and 2020.

The objective of the hearings is to enhance transparency and accountability, ensuring that SoEs are accountable to the taxpayers through their elected representatives. The Committee is determined to hold the Boards and Managements of the SoEs accountable by upholding the principles of good governance, transparency, accountability, and probity in their operations.

During the exercise, the Committee received reports of all fourteen SOEs and these reports were thoroughly scrutinized and considered with the principal objective of enhancing public service delivery systems to ensure that the Executive and the Public Service Institutions including SOEs are all financially, socially, and politically accountable to the Gambian people.

The Committee shall continue to engage all relevant stakeholders, particularly Board and Management of SOEs and the SOE Commission to enhance: *the reliability of financial reporting including preparation of all published financial information; effectiveness and efficiency of operations; compliance with laws and regulations, and safeguarding of national assets.*

In conclusion, the Committee is aware of the indispensability of the Constitutional and Statutory obligations for the SOEs to present timely annual audited accounts and activity reports. It is only through the availability of such reports that a true and fair assessment of the strengths and weaknesses of the SOEs could be determined. This will help the Committee to make recommendations requisite for the development of SoEs as viable institutions capable of making meaningful contributions to the socio-economic development of the country. Therefore, the Committee resolved that all pending reports for 2021, 2022, and 2023 must be submitted by end December 2024 at the latest.

Honourable Lamin J Sanneh

Chairperson, PEC

ACKNOWLEDGEMENT

The Public Enterprises Committee (PEC) of the National Assembly (NA) wishes to acknowledge with appreciation the invaluable support of the NA Authority during its first session in the Sixth Legislature. The Committee is grateful for the cooperation of all the boards and managements of the Commercial State-Owned Enterprises (SOEs) on the submission, presentation, consideration, and provision of all other supporting documents that the Committee requested during the period.

In addition, the Committee is also indebted to the Office of the Clerk, the Auditor General, the Director General of GPPA, and the Directorate of SOEs at the Ministry of Finance and Economic Affairs (MOFEA), for all the services it provided to us during the period.

Similarly, the Committee appreciates both the print and electronic media for providing coverage and keeping the public up-to-date on the activities and proceedings of the Committee during the period.

Finally, the Committee wishes to commend all the Honourable Members of PEC, Support Staff & SMS for demonstrating a high sense of commitment and dedication throughout the session despite their other engagements.

INTRODUCTION

In fulfillment of the provisions of Sections (102), (109), (110), and (175) of the 1997 Constitution of the Republic of The Gambia, and Orders (95) and (122) of the Revised Standing Orders of the National Assembly, the Public Enterprises Committee (PEC) of the National Assembly convened its first session in the Sixth Legislature from the 6th June to 25th July 2022.

During the period, the Committee scrutinized and considered the Annual Activity Reports, Audited Financial Statements, and Management Letters of all the SOEs for the year ended 31st December 2020 and the 2019 reports of NAWEC which are submitted to the Committee. This exercise is provided for by the Constitution and the aim is to ensure accountability, transparency, and probity in all our Public Enterprises and Agencies for efficient service delivery.

During the period, all fourteen (14) Commercial SOEs were summoned to appear before the Committee for a briefing session. It was during this meeting that the Board and Management of all the Commercial SOEs were informed of the dates that they are scheduled for presentation and consideration of their 2020 reports.

The Committee scrutinized the presented reports, testimonies, and evidence from key witnesses including Board Members, Management, and External Auditors, and sought clarifications, proofs, and supporting documents from the various institutions.

It is worthy to note that appearance before the PEC is a process by which the highest oversight authority of the Republic holds the Board and Management of public enterprises (SOEs) accountable for their actions and decisions taken in the management of public resources. The reports of these SOEs are then adopted and in some instances, with reservations by the Committee, which is communicated to the respective SOE for regularization. It should be seen as a session where good management or best practices are recognized and rewarded, while bad management or practices are appropriately sanctioned. At this point, it is important to clarify that the adoption of reports and financial statements means meeting minimum submission requirements and those not indicate that the report is flawless.

METHODOLOGY

The methods employed during these sessions includes a combination of the following:

Evidence through analysis of Activity Reports and Financial Statements: The Committee reviewed and considered the reports of all the institutions (SOEs) within its remit and received expert analysis from the Subject-Matter Specialist (SMS), Auditor General, and Director General of Gambia Public Procurement Authority and or their representatives.

Public Hearings: The Committee summoned the Board and Management of all the institutions to a public hearing where they make presentations of their annual Activity Reports and audited Financial Statements and respond to questions and concerns (scrutiny session) regarding these reports on a later date.

All the sessions were open to the public and the media.

FINDINGS

1. NATIONAL WATER AND ELECTRICITY COMPANY LIMITED (NAWEC)

1.1 NAWEC 2019 REPORTS

After the presentation and consideration of NAWEC's 2019 reports, the Committee made the following observations and recommendations:

1. Audit Committee Minutes

The Institute of Internal Audit recommends audit committees meet at least four times a year to deliberate on critical areas relating to the committees' oversight function. The Auditors indicated that minutes of the Audit Committee meetings for the year were not provided for their review.

Recommendation

The Committee recommends that the Board should ensure that the Audit Committee meets at least once every quarter.

2. Control on Expenses

From the test of controls on procurement, the Auditors requested evidence to confirm that transaction was procured in line with the Company's procurement policies, but this was not provided.

Recommendation

The Committee recommends that the Board and Management should adhere to all GPPA procurement guidelines.

3. Fixed Assets Verification

The Auditors noted that the assets recorded in the Fixed Assets Register were not coded for ease of reference and identification. As a result, they could not physically verify the existence and conditions of some fixed assets.

Recommendation

The Committee recommends that verifications of fixed assets should be done in line with the Company's policy. Furthermore, Management should ensure that all assets are coded, and periodic fixed assets verification is carried out.

4. Trade Payables

According to the Auditors, monthly reconciliations between the nominal ledger balance and the individual creditor listing were not conducted, as stated in the policy. This has resulted in a significant adjustment in the income statement during the year under review.

Recommendation

The Committee recommends that Management should ensure monthly reconciliations between the nominal ledger and the individual creditor listing to minimize errors and ensure compliance with the policy.

5. Cash and Bank Reconciliations

i. Long reconciling items

During the Auditor's review of the bank reconciliation statements, they noted outstanding reconciling items which consist of un-credited deposits and outstanding cheques that were not deposited or presented to the Banks up to June 2020.

ii. Cash and Bank (Supporting Documents)

The Auditors selected samples of outstanding cheques from the bank reconciliation statement to test the completeness, accuracy, and cutoff of the outstanding cheques at year-end but Management could not provide the Cheque stub or an alternative to the bank statement for evidence of clearance.

iii. Overdraft Accounts

The Auditors noted with concern that the Company is maintaining an overdraft balance of D77.2 million whilst the cash at bank balance is D836.3 million which attracts interest charges.

Recommendations

The Committee recommends that:

- i. Management should continuously monitor the reconciliation process to ensure that long reconciling items in the cash book are cleared and adjusted regularly to minimize the risk of fraud and errors.
- ii. The unreconciled differences particularly deposits made to the bank and not seen on the bank statements must be investigated and corrected as soon as possible. Supporting documents for transactions posted into the general ledger should be filed and referenced for easy retrieval.
- iii. Management should cancel the overdraft considering that the Company has a huge cash balance that can be used for its operation.

6. Trade Receivables

The Auditors noted a credit balance of D76.9 million adjusted into the trade receivables general ledger account. From their further work and enquires with the Management these were direct payments made into the Company's bank accounts by customers. However, there were limitations in identifying customers to update individual accounts in the billing system as there are no references to identify the relevant customers.

i. Customer Statement

During the audit test of the trade receivables account balance, they requested customer statements for a sample totaling D159.8 million. However, they encountered limitations as the system could not generate the statements.

ii. Ageing Analysis

The Auditors also noted that the system is limited in generating an aged debtor analysis, especially for provisions for bad and doubtful debts.

Recommendations

The Committee recommends that;

- i. Management should ensure that all relevant transactions with customers are posted into the individual customer accounts and that customer statements are generated from the system at any given time.
- ii. The Board and Management should ensure that any software implemented should have the possibility of adding functionality to enable the system to generate an aged debtor's analysis going forward.

7. Trade Payables

The Auditors sent confirmations to a sample of suppliers and noted differences between the balances recorded in the general ledger and replies received from suppliers. They noted a residual difference between the trade payable listing and the General Ledger amounting to D34.7 million which could not be explained by management.

Supplier Names	As per GL	As per confirmation	Difference
Pura	22,878,754.59	25,378,755	(2,500,000)
GNPC	655,327,639.37	643,625,104.40	11,702,535
AtLAS	33,316,072.20	39,980,209.20	(6,664,137)
Senelac	28,445,893.82	103,401,671.37	74,955,776
Karpower	234,081,385.10	251,471,115.43	(17,389,730)

In reconciling the trade payable account by Management, the Auditors noted manual journal postings made into the account totaling D569,895,320 net. Supporting evidence for samples of these postings were not provided to the Auditors for review.

Recommendations

The Committee recommends that the Board and Management should investigate and reconcile the differences noted between the listing and the general ledger. Furthermore, Supplier statements are to be regularly reconciled to the accounts payable listing to ensure that the accounts payable listing is updated and complete.

The Board and Management should ensure the following:

1. The net variances of D34.7 million are investigated and adjustments to the books are made accordingly if necessary.
2. The Board should investigate the manual journal postings made into the account totaling D569,895,320 net and provide supporting documents to those adjustments for verification.

8. Long term Loan

During a test, the Auditors noted a difference between the loan balances recorded in the GL and amounts stated in the MoU which was signed between

the MOFEA representing the Government of the Gambia and NAWEC on 9th March 2018. Upon further review and inquiry, Auditors were informed by Management that the balances recorded in the books of NAWEC are the actual disbursed amounts whilst the MoU records the total loan amounts. The differences noted are detailed below:

Detail	GL balance	As per MOU	Difference
IDB LOAN-BRIKAMA POWER			
SUPPLY – WARTSILA	704,486,316	557,785,800	(146,700,516)
VENEZUELLA LOAN	1,008,338,059	1,126,840,000	118,501,941
BADEA (KOTU POWER GEN.EXPANSION PROJECT)			
	455,232,107	460,980,000	5,747,893
IDB LOAN-BRIKAMA POWER			
SUPPLY (PHASE 2)	849,794,309	894,301,200	44,506,891
ELECTRICITY EXPANSION (EXIM) LOAN			
	564,597,142	1,152,450,000	587,852,858

Loan schedules detailing amounts disbursed to NAWEC, repayments made to date, interest accrued, balance outstanding, etc. for loans maintained in the books of the Company were not provided for their review.

Recommendation

The Committee recommends that going forward, Management ensure that regular reconciliations are performed between MOFEA and NAWEC for loans guaranteed by the Government of the Gambia and disbursed through MOFEA to NAWEC. Additionally, Management should ensure that Loan schedules are prepared for all existing loans to guide Management on the overall obligations and commitments of the Company and how repayments are planned and monitored.

9. Share Capital

An amount of D2.6 billion was included as additions for share capital during the period under review as per the signed MoU. However, evidence of the updated Memorandum of Associations highlighting the share increment and notification to the Registrar of companies was not provided for Auditors review as required by Companies Act 2013. Additionally, converting the debt relief of D2.6 billion

could result in the Company recognizing shares more than the authorized limit of 50 million at D10 per share.

Recommendation

The Committee recommends that the Memorandum of Association of NAWEC be updated to reflect the debt conversion to equity of D2.6 billion by the GoTG to make the necessary adjustment in the authorized share capital structure and to notify the registrar of Companies as required by Section 81 of the Companies Act 2013.

10.Revenue

During the Auditor's test on revenue (Electricity sales), they developed an expectation by obtaining the monthly sales from the billing system (Galatee) multiplied by the approved tariff, adding sales from cash power (Suprema), and deducting NAWEC's consumption to arrive at their expectation. A difference of D199 million was noted between their expectation and the amount recorded in the general ledger.

Additionally, they encountered limitations in testing the completeness and accuracy of revenue as the meter logbook was not provided and supporting evidence for revenue recorded for the AGIB NAWEC service connection amounting to D10,651,986 was not provided for their review.

Recommendation

The Committee recommends the Board ensure that the difference noted between expected revenue and the General Ledger amounts is investigated, reconciled, and adjusted accordingly. Meter logbooks should be filed in and made accessible for reviews and all transactions posted into the AGIB NAWEC Service account should be adequately supported and all documents properly kept and readily available for review.

The Committee further recommends a detailed investigation on the root causes of revenue understatement.

11. Cost of Sales

The Auditors noted an overstatement of D4.8 million for a transaction posted into the Cost of Sales account balance. The invoice recorded an amount of D534,000 whilst D5,384,000 was posted into the general ledger. They were not provided with supporting documents for some transactions totaling D29 million. From a sample, the Auditors further noted journal postings of D134.8 million in cost of sales in the general ledger not supported.

Recommendation

The Committee recommends the reason for the overstatement of D4.8 million be investigated and details furnished to the Auditor General and the Committee for confirmation.

12. Imprest

The Committee noted with concern that an amount of D960,000 relating to unretired imprest was written off in the income statement.

Recommendation

The Committee recommends that Management ensure that this unretired imprest is fully refunded by the imprest holder.

13. Balances confirmed by Bank

During the Auditor's review of the bank confirmation replies, they noted balances confirmed by the bank not recorded in NAWEC's book. Upon discussion with management, these balances were adjusted accordingly. However, these were not reconciled by the year's end.

Recommendation

The Committee recommends that Management ensure periodic reconciliations of all bank accounts.

1.2 NAWEC 2020 REPORTS

After the presentation and consideration of NAWEC's 2020 reports, the Committee made the following observations and recommendations:

1. Governance

- a. **Declaration of interest** - there is a declaration of interest policy/guidelines in place captured in the Board Charter but there was no evidence obtained to show that those serving on the NAWEC Board and staff made a declaration for any potential conflict of interest with the Company.
- b. **Staff trading with the Company** – evidence gathered by the Auditors shows a current full-time staff trading with NAWEC and awarded contracts totaling D1.036m in 2020. The member of staff concerned is the registered owner of the Company Kutejumble Electrical Engineering Services.

Recommendations

- a. The Committee recommends that NAWEC should ensure that the Policy on the Conflict of Interest is reviewed, and declarations are made and signed annually by all the Board Members and Staff.
- b. Awarding staff private contracts for work that they are employed to do is grossly unethical and must cease immediately. The internal Audit Department of NAWEC must be proactive to be able to detect such irregular practices.
- c. The Committee further recommends that the IGP investigate this matter and report to the Committee by the end of June 2024, as this is a violation of the provisions of Sections 222 of the Constitution of the Republic of The Gambia and the Public Service Act, 1991.

2. Internal Audit

The Auditors noted that the effectiveness or impact of the Internal Audit Department is not felt on the operations of NAWEC due to the following reasons:

a. Assurance was not provided on the latest business priorities:

1. The achievement between strategic success and effective risk management.
2. Governance to promote a more transparent and challenging culture in the organization.
3. Effectiveness and efficiency of operations and value for money.

4. Information Technology risks.

b. Audit work on high-risk areas was not carried out on:

1. General ledgers call over taking into account the number of posting errors seen and reversals made.
2. Bank reconciliation statements review.
3. Review of payment vouchers.
4. Revenue
5. Payroll

Recommendation

The Committee recommends that the Board through the Audit Committee ensure the Internal Audit Department performs its functions according to international standards on auditing and adapt a risk-based approach. Furthermore, the Internal Audit Committee Charter and the Manual be updated by the end of June 2024.

3. Health and Safety Variance Analysis

The Auditors observed that there was no Policy/Guidelines on how avoidable accidents can be mitigated in NAWEC. They noted during a visit at the Brikama Power Plants 1&3 and Kotu Power Station that there was a lack of protective gear such as Helmets, Overalls, Electric Insulated Voltage Gloves, Dusk Masks, Eye Protection, and so on despite these items being included in the budget of NAWEC for 2020.

They also noted a few fire extinguishers scattered around the administrative building. However, those fire extinguishers are not regularly tested or refilled for effective use. The date of when the last test was carried out is not even known. Evidence of a fire drill being conducted was also not provided to the Auditors.

Recommendation

The Committee recommends that NAWEC should ensure that a Health and Safety Policy is developed, approved, and rolled out to all staff soonest. NAWEC should also carry out safety drills regularly and the observations on lapses documented for improvements.

4. Understated Revenue

The Auditors did a re-computation of the sales bill collection figure using source data such as SUPRIMA reports for the entire year which captures all pre-paid cash power sold and the GALATEA report which captured the post-paid bills generated. The expected total sales were compared to the amount reported in NAWEC's General Ledger. A difference of GMD236,479,109 understatement was noted. The expected sales figure was compared to the sales figure recognized by NAWEC in its accounting records and Trial Balance amount recorded was lower.

Recommendation

The Committee recommends that NAWEC ascertain and reconcile the understated amount at the latest end of April 2024 otherwise the IGP investigates the matter.

5. Unretired Imprests

According to the Auditors, there was money paid to individuals/institutions as Imprest but evidence (supporting documents) to show that the amount disbursed was fully retired was not provided and the outstanding amount is D1.5million.

Recommendation

The Committee recommends that the Board ensure that NAWEC's management retires the Imprest by end of March 2024 at the latest. Otherwise, those who authorize the payment to pay back the money immediately, failure of which, the matter will be reported to the IGP for investigation and recovery.

6. Contracts Management

The Auditors observed that 100% of payments by NAWEC to suppliers before the delivery of goods or services and not protected by an Advance Payment Guarantee.

Recommendation

The Committee recommends that all procurements should be done in accordance with GPPA rules and regulations.

7. Control Environment

An assessment of the control environment was carried out through expenditure vouching on a sample of payment vouchers and below are some of the lapses highlighted:

- a. Three quotations were not obtained in line with GPPA procurement guidelines.
- b. Local purchased orders not raised.
- c. Supporting documents such as receipts were not attached to the payment vouchers raised.

- d. Goods received notes/service received notes were not raised in some instances.
- e. Cash signing sheets not signed by the recipient of allowances.

Recommendations

The Committee recommends that all procurements should be in line with the GPPA procurement guidelines with immediate effect and all supporting documents highlighted from appendices (i, ii, iii & iv) be made available to the Auditors for verification.

The Committee further recommends that NAWEC ensure that no payment is made without adequate supporting documents and all supporting documents be filed for future reference.

8. HR Lapses

The following observations were made on Human Resources Management as part of the Auditor's holistic review:

- a. Targets were not set for staff in 2020 and therefore no performance appraisals were carried out.
- b. Monthly headcount not conducted by the Human Resources Department.

Recommendation

The Committee recommends that the Board further cascade its Performance Contract with the Management and staff to ensure that Performance management system is in place including an Appraisal Policy and ensure that head counts is conducted annually.

9. Property Plant and Equipment (Fixed Assets)

1. Significant differences were noticed between the trial balance and fixed assets schedule in the following categories:

- a. D345million was understated affecting primarily, the Plant and Machinery and Electricity network categories. The transfers from capitalized work-in-progress to these asset categories failed to be reconciled by this amount.
- b. A depreciation/amortization charge of D400million was recognized in the financial statement as opposed to D387million calculated based on NAWEC's policy of calculating such cost from the month of purchase using the applicable rates. The higher depreciation amount recognized by NAWEC created an unexplained overstated amount of D13.3million.

2. NAWEC being a heavily asset-based company has no history of a fixed asset impairment review exercise had been ever undertaken as required by accounting regulations.
3. Assets are neither tagged nor linked to the fixed asset register for control and tracking purposes. A fixed assets verification exercise was also not carried out during the year.

Recommendations

The Committee recommends the following:

1. NAWEC to routinely reconcile the accounting schedules for each category of assets with the financial statements for further reliance to be placed on the figures presented.
2. NAWEC must carry out a Fixed Assets Impairment review exercise not beyond every two years, annually according to accounting guidelines.
3. All assets of the company must be tagged and linked with the comprehensive register. A fixed assets verification exercise is to be carried out before the end of September 2024.

10. Receivable Recovery Policy

The Auditors observed that there is no coherent or systematic debt recovery policy in place at NAWEC. Most of the balances outstanding are overdue. Average monthly consumption receipts stand at D120million while the arrears report show an average gross monthly balance of D650million (D510million, net of provisions – when provisioning is applied).

Over D220million of unpaid debts due to NAWEC are outstanding from corporate, central and local Government customers who are in arrears with their payments. It has also been noted that ex-staff loan balances are not rigorously followed for recovery.

Recommendation

The Committee recommends that NAWEC utilize its in-house and external lawyers to recover all debts. Furthermore, a debt recovery policy be put in place and the current corporate service policy be amended to state that before staff leave NAWEC, all outstanding debts should be fully liquidated.

11. Bank Accounts and Mandates

The Auditors noted that there were some bank accounts confirmed by Commercial banks with their existence not to the knowledge of NAWEC.

Recommendation

The Committee recommends that NAWEC liaise with all the commercial banks operating in the country to determine the accounts held in their name and those managed by projects under its authority. NAWEC to further liaise with the MoFEA and Accountant General Department to reconcile all these accounts.

12. Bank Reconciliation Statements

The Auditors noted the following on the Bank Reconciliations statements:

- a. The reconciliation statements are approved by the financial accountant. Evidence that the reconciliations are reviewed by a more Senior officer was not seen.
- b. Bank reconciliation statements for ten (10) bank accounts were not provided.
- c. There were many long reconciling items appearing on the bank reconciliation statements such as:
 - i. Stale cheque totaling D18million.
 - ii. Uncredited lodgments of about D15.9million
- d. There were differences identified between the bank statement balances shown on the bank reconciliation compared to the balance on the bank statement for Ecobank and Mega bank accounts.
- e. Reconciliation of foreign currency denominated accounts on Dalasi creating massive differences.

Recommendation

The Committee recommends that NAWEC streamline its bank accounts and ensure reconciliation of bank accounts are performed with adequate segregation of duties.

13. Long-term Loans

Auditors observed that there was a liability understatement of D88.8million on an agreement between the Government of the Gambia and International Islamic Trade Finance Corporation to finance NAWEC's purchasing of heavy fuel oil. The reason for the understatement was caused by NAWEC not doing a quarterly or bi-annual account reconciliation with ITFC.

Recommendation

The Committee recommends that NAWEC to adopt a culture of periodic reconciliation with creditors.

14. Payables

Based on the independent supplier confirmations received, the payable balance was understated by D113,195,101.04 which is mainly from the response received from GNPC regarding NAWEC's debt. The difference of D113,195,101.04 identified with the GNPC balance was higher and became the accurate figure. Out of the 15 suppliers circulated, responses have only been received from 6 of them (local suppliers) and most confirmed higher balances compared to amount recorded in NAWEC's books. Internal reconciliation of payable accounts has proved to be unreliable citing the highly material differences observed.

Recommendation

The Committee recommends that NAWEC to perform a detail reconciliation for its payable balances with all major suppliers to ensure they agree to general ledger balances.

2. GAMBIA PRINTING AND PUBLISHING CORPORATION (GPPC) 2020 REPORTS

After the presentation and consideration of GPPC's 2020 reports, the Committee made the following observations and recommendations:

1. Insurance

The Auditors observed that the insurance cover for the fixed assets is not adequate excluding motor vehicles. This will expose the corporation to a high financial loss as they would be liable to full cost of recovery if burglary, fire, or some other disasters occur.

Recommendation

The Committee recommends that GPPC to adequately insure its fixed assets to mitigate risks and report back to the Committee by May 2024.

2. Statutory Deductions

SSHFC payments were not made during the period under review. Also, all the income tax payments during the period were not made on time.

Recommendation

The Committee recommends that Management to ensure that all statutory deductions are done and on time to avoid the risk of penalties being imposed on the Corporation.

3. Receivables

- a. **Ex-Staff Loan** - The Auditors noted that some former employees are having an outstanding loan balance with the Corporation and no payments were made during the year.

Name	Amount GMD
Ebrima Dondeh	2,000.00
Fatou Camara	1,800.00
Mamadi Dampha	31,147.36
Lamin Jallow	29,999.67
Muctar Darboe	25,233.34

Modou Jallow	191,704.74
Fatoumata Jallow	7,059.72
Baboucarr Manneh	28,888.88

- b. **Trade Receivables** – after-date payments were not received from some of the debtor balances as shown below:

Name	Amount GMD
Abubacarr Bojang	130,600.00
Aisha Jawara	66,000.00
Ali Cham	230,000.00
APRC	160,000.00
Bakary MC Sanneh	176,000.00
Bakary Sanneh	40,000.00
Butterfly Friends	49,977.5
CRC	271,383.00
Crown Managed services	166,750.00
Curriculum Research MOBSE	100,641.00
Department of Parks and Wildlife	66,100.00
Department of Physical Planning	87,285.00
Department of Social Welfare	239,623.00
EFSTH	50,700.00
GAF	214,651.00
GBoS	466,525.00
GCAA	179,621.00
GIA	404,386.00

Recommendations

The Committee recommends that the Board ensures these loans are followed, recovered, and furnish the Committee with evidence of follow-ups by Management and repayments by those servicing their outstanding loan balances.

The Committee further recommends Management to resort to enforcing collateral and personal guarantees for those in default.

The Committee recommends the Board to put in place a Receivable Management Policy in place to help ensure recovery of receivables on time and to make provisions for those that are irrecoverable.

4. Payables

After-date Payments- The Auditors noted that there were no after-date payments for some trade and other payable balances after the end of the year.

Recommendation

The Committee recommends that Management ensure that suppliers are paid on time going forward.

5. Internal Audit

It is noted that the 2020 audit work plan prepared by the internal auditor was not approved by the Board Audit Committee and the internal auditors are involved in the pre-auditing of payment vouchers.

Based on the review of the Board minutes and discussion with the internal auditors, it is noted that internal audit reports were presented to only one board meeting (Audit Committee) in 2020.

Recommendations

The Committee recommends that the Board ensure that the Internal Audit Work plan is approved on time by the Audit Committee.

The Board to ensure that the internal audit is adequately resource to perform risk-based post audits and to present its reports quarterly to the Board through the Audit Committee.

6. Governance

Board Matters

- a. There was no ToR for the Board covering all aspects of their work beyond those reflected in the GPPC Act.
- b. The audit Committee met only once during the year as opposed to quarterly board meetings.

- c. The Auditors stated that only one Senior Management and Finance & Admin Committee meeting minute was presented for their review.
- d. The Production Committee hasn't met throughout the year.

Recommendations

- a. The Committee recommends that the Board ensure it has a comprehensive Board Charter specifying how it should conduct its business in line with the SOE Act, 2023.
- b. The Committee further recommends that the Board ensure that its Sub-Committees such as Audit/Risk and Production are active to deliberate on issues such as control, risk management and governance and report back.

7. Insurance for cash held in house

During the Auditors review, they noted that GPPC has no insurance for their cash in hand.

Recommendations

The Committee recommends that cash held in house be adequately insured against avoidable risk.

The Committee recommends that the MoFEA and AGD enforce the provisions of the Act to use the GPPC for exclusive printing of revenue earning materials.

The Committee recommends that MoFEA ring fence the budget lines for printing in all MDAs.

3. GAMBIA CIVIL AVIATION AUTHORITY (GCAA) 2020 REPORTS

After the presentation and consideration of GCAA's 2020 reports, the Committee made the following observations and recommendations:

1. Air Service License - Non-Scheduled Airlines and Approval of Air Service License

According to 5.2 11a of the Authority's accounting procedures manual, "on arrival of a non-scheduled airline, the commercial assistant on duty bills and the pilot pays cash before departure". However, it is noted that some airlines did not make such payments before departure.

The Auditors also noted that some Air Service Licenses were approved and issued license by the GCAA and not the Minister of Transport, Works & Infrastructure, which is contrary to section 78 of the GCAA Act, 2018.

Recommendation

The Committee recommends Board to ensure that the corporation complies with all relevant provisions of the GCAA Act, 2018 always.

2. Trade Receivables

The Auditors noted that some receivable balances for which there were no payments to the Authority for over 12 months amounting to over D20million. Furthermore, they requested evidence or documentation of follow-ups for these receivables, but none was provided.

Recommendation

The Committee recommends the Board adopt a Receivable Management Policy to improve on the follow-up on outstanding receivables which will further improve the cash situation of the Authority.

The Board furnishes the Committee with details of debt that are not recoverable, and details of amounts paid by Atlantic Express Air to Gambia Police Force.

3. Fuel Management

The auditors noted that there is no Fuel Allocation Policy and fuel allocation reports were inadequately prepared.

Recommendation

The Committee recommends that Management develops a Fuel Allocation and Distribution Policy to further improve the management and control of fuel procured for the Authority's operations.

4. Cash and Cash Equivalent

The Auditors noted that there is no facility letter for Mega Bank Gambia Ltd's Overdraft which has a balance of over D68million as of 31st December 2020. In addition, the amount stated on the Zenith bank Gambia Ltd's facility letter indicates D13million financing facility. Further, reviews of the banking records and confirmations for the period indicate that the Authority had an overdrawn amount of over D17million as at the year end.

Recommendation

The Committee recommends that the Board provide updates to the Committee on details of the Loan Agreement, Consultancy and Contracts that were paid from these facilities.

The Committee further recommends for the Auditor General to conduct a special audit on this issue.

5. Property Plant and Equipment

It is noted that the location of fixed assets is not stated in the Fixed Assets Register. Furthermore, a building insurance policy to cover fire and burglary for the Airport was requested but this was not provided to the Auditors.

Recommendation

The Committee recommends that the Board and Management ensure that the Authority keeps an updated fixed assets register and these assets are adequately insured to minimize the risk of financial losses in the event of unforeseen circumstances.

6. Going Concern and Liquidity Status

After computing the current ratio i.e. current assets divided by current liabilities of the Authority, it is noted that the current liabilities exceeded the current assets by D1.331billion implying that the current assets only accounts for 10% of the current liabilities which indicates a very poor liquidity situation

of the Authority. Furthermore, the Auditors noted that as of 31st December 2019 and 2020 a net loss of D38.042million and D241.098million respectively was incurred by the Authority which is a 533.7% loss increase from 2019 to 2020.

Recommendation

The Committee recommends the Board and the Government through the Ministry of Finance to comprehensively review the Authority's liquidity position and take steps to improve the Authority's financing structure to minimize the current going concern risk.

7. Human Resource Management

Statutory Deductions – the Auditors review on compliance with payroll statutory deductions noted that there were late payments of payroll income tax (PAYE) and SSHFC pensions contributions for some months during the year.

Ex-staff Loans – the Auditors reviewed the ex-staff loan balance, and requested evidence of follow-ups on certain ex-staff with outstanding balances but no evidence was provided.

Recommendations

The Committee recommends that the Board adopt immediate measures to ensure that all statutory payments are made on time to avoid penalties. Furthermore, the Board takes all necessary measures to recover Ex-Staff Loans.

The Committee recommends that the Board and Management of the Authority to be proactive and take the necessary steps in restoring the viability of the institution.

The Committee recommends that Board and Management ensure that all Travel Agencies are registered with GCAA, and enforcement action taken for those that failed to register by June 2024.

4. GAMTEL/GAMCEL 2020 REPORTS

After the presentation and consideration of GAMTEL/GAMCEL's 2020 reports, the Committee made the following observations and recommendations:

4.1 GAMTEL 2020 REPORTS

1. None Coding of Laptops

The following laptops selected as part of the Auditors samples were not tagged. This creates difficulties and ambiguities in verifying them. The codes assigned to the laptops on the fixed asset register vary with those held at the IT department. Location description of many assets also has some deficiencies.

Recommendation

The Committee recommends that the Board and Management ensure that an update is made on the record for laptops that are with the regional managers because the fixed asset register is not properly label/updated according to the physical locations. The serial on the laptop should be as it is with the IT unit and must be entered on the fixed asset register or use a unique reference code for each laptop.

2. Un-authorized disposals

Out of the list of assets disposed-off during the period, the Auditors noted that some of the disposal transactions were not authorized.

Recommendation

The Committee recommends that Board and Management ensure all disposal of Fixed Assets are done in line with the GPPA Act, 2022 and other relevant Laws.

3. Transactions without Supporting Documents

The Auditors selected the following transactions from the subsequent bank statements (2021) as part of their samples for testing payables and accruals, but no supporting documents were provided to them relating to these transactions below:

Payee	Amount Paid	Date Paid	Payment Ref CHQ#	Invoice Date	Invoice No
EMEKA	143,550.00	05/01/2021	32684772		
AUTO PART TRADING	12,420.00	03/02/2021	10222810		

Recommendation

The Committee recommends that the Board ensures that Management produce the relevant supporting documents or the responsible authorizing officers be surcharged.

4. Output Vat Issue

During the Auditors review of the payable balances, they noticed that an amount of D46,219,250.18 was recognized from sales as Output VAT (GL Code 7451), out of which only D6,677,492.13 was paid to GRA during the year under review and the closing liability now rises to D167,226,672.50.

Recommendation

The Committee recommends that Board and Management ensure all tax obligations are reported and paid on time to avoid penalties.

5. Revenue Recognition Issue

The Auditors observed that GAMTEL acquired 15Ge internet backup from SONATEL and provided it to the operators/ISPs and invoiced them based on the capacity requested by the operators. This was done at the time they anticipated repair work was to take place on the ACE Banjul station. However, the amount recognized as revenue in the year 2020 is **D4,652,198.49**, which is far less than the total invoices amount sent to the operators as shown below:

Operators/ISPs	Capacity (Ge)	Amount
Qcell	4	€ 44,390.66
Netpage	1.2	€ 13,317.20
Uniques Solutions	0.5	€ 5,548.83
Insist Net	1	€ 11,097.67
AFRICELL	5	€ 55,488.33
COMIUM	0.5	€ 5,548.83
Dk Telecoms	0.5	€ 5,548.83

GAMCEL	1	€ 11,097.67
Total (Euros) Rate Total (GMD)	13.7	€ 152,038.02

Recommendation

The Committee recommends that the Board and Management ensure all the revenue transactions of the company are recorded through the accrual base procedure as per the accounting policy manual. The Board should ensure that the invoice amount is reconcile against cash recognized in the Books of Accounts and update the Committee accordingly.

6. Non-Existing/ Unidentifiable Revenue

The revenue balance below is grouped among the codes and narration of GTMI, the Auditors enquired to establish its authenticity and they were directed to the accountant at GTMI who is responsible for all the revenue lines of GTMI. However, the accountant informed them that she did not have any revenue code like that with that GL balance:

GL Code	Description	Amount
1554	GTMI Hire of Internet Labs	547,811.38

Recommendation

The Committee recommends that the Board ensure all the account balances within the list of the trial balance have an authentic breakdown which could be used to test the relevant assertions, to check the authenticity of the account balance.

7. Fraudulent Act

During the audit it was noted that a GAMTEL staff with employment number 3-292 was involved in a fraudulent act causing the company to lose D102, 000.00 and upon termination she was contracted for a period of 1year dated 1st July 2020 to 30th June 2021.

Recommendation

The Committee recommends the Board ensure a fraud policy is put in place as deterrence for violations and anyone found committing a fraudulent act should face disciplinary actions.

The Board should desist from reinstating a staff who has committed fraud within a very short period without being put through a disciplinary process by those charged with authority, could encourage others to follow suit.

8. Training Allowance & Withholding Tax

In March and July of 2020, Task Crown Consultants conducted training for GAMTEL at a tune of D900,000.00, out of the fee paid to Task Crown each participant received D10, 000 as transport refund. Again, allowances were claimed and paid to the same participants by GAMTEL at a total amount of D240, 000. This is double payments of allowances to participants.

The Auditors also observed during their review that GAMTEL made a payment of D900, 000 to Task Crown Consultants for training it rendered to its staff. However, GAMTEL was expected to collect/withhold 10% from such amount as Withholding Tax for the Gambia Revenue Authority (GRA), this was not done.

Recommendations

The Committee recommends that the Board and Management should ensure that the training allowance paid to staff is paid from only one party (GAMTEL or training providers), to avoid payment of unjustifiable allowances.

The Committee further recommends that the monies be refunded by participants who received double payments and henceforth, no staff should be paid double allowances for a single training.

The Board and Management should also ensure that GAMTEL deducts the 10% Withholding Tax on time from any payment it makes to its suppliers and keep a well organize filling of all certificates for future reference.

4.2 GAMCEL 2020 REPORTS

1. Financial Manual Not Up to Date

The Auditors noted that the company's financial policies and procedures manual has not been updated since 2013. The outdated policies and procedures manual is also not detailed enough to help users cover all the Company's business cycles.

Recommendation

The Committee recommends that the Board and Management to ensure that the financial manual is reviewed and updated in a timely manner and are in line with all the revenue lines and other services that the company provides.

2. Accounts Receivable

The Auditors noted that the uncollected accounts receivables at year-end were still high. There was only minimal movement which means the collection effort throughout the year has not been successful.

Also, they requested for the debtors' aged analysis during the audit, but this information was not provided to them.

Recommendation

The Committee recommends that the Board ensure that Management to put in place a receivable Management Policy and to engage the Legal department to institute recovery actions.

3. Property Plant and Equipment (PPE)

The Auditor noted that some assets were not coded on the physical asset; some were not coded on the asset register while for others the coding were different. The Auditors also observed that a laptop described as "computer carry case system" purchased in 2019 for D60,000 was found to be faulty and not in use.

Recommendation

The Committee recommends that the Board and Management ensure all fixed assets purchased are coded physically prior to handing them over to the unit that made the requisition. This will have the effect of minimizing the possibility of omitting assets coding from both physical assets and the fixed assets register.

4. Store Keeping

During the audit on inventory, the Auditors selected a Fiber Modem as part of their sample for verification. They noted that the store where these items are kept was not under the care of a storekeeper. They further observed that the record keeping

was weak as there was no record of the quantity received, amount issued and the balance.

Recommendation

The Committee recommends that the Board and Management ensures compliance with guidelines for Stores Regulations.

5. Billing system issue

During the Auditors review of the revenue, they observed that there is an issue with the client's billing system. The bills are not produced in the period in which the transaction occurs; instead, they are produced later.

Recommendation

The Committee recommends that the Board and Management ensure that there is a new billing system in place to avoid all these issues. Timely processing and delivery of clients' bills will improve the liquidity position of the entity and reduce short-term borrowing costs.

6. Contract with Spacewide

The Auditors noted that GAMCEL has signed a contract with a company called Spacewide for the upgrading of the old network. However, it was noted that the contract did not go through the GPPA approval process and competitive bidding as required. Furthermore, the implementation of the contract is behind schedule as there is a significant delay in getting the anticipated funding and upgrading of the old network.

Recommendation

The Committee recommends that the Board must ensure that all Contracts are in accordance with GPPA Rules and Regulations.

5. SOCIAL SECURITY AND HOUSING FINANCE CORPORATION (SSHFC) 2020 REPORTS

After the presentation and consideration of SSHFC's 2020 reports, the Committee made the following observations and recommendations:

1. Contribution arrears

As part of Auditors audit test on contributions, they selected a sample of employers in the contribution arrears schedule and recomputed the total contributions outstanding. However, they noted differences for the selected samples as tabulated below:

Name of Institution	AS PER GL	Months outstanding	COMPUTATION	DIFFERENCE
NPF				
PIU NBN- THE GAMBIA PROJECT	2,597,868.00	129,893.40	2,467,974.60	(129,893.40)
MEETING POINT HOTEL	1,443,058.05	160,018.95	1,120,132.65	322,925.4
NARI / NARB	1,849,019.	134,599.10	942,193.70	906,825.71
ICF				
GPA DOCK WORKERS	69,990.	2,760.	49,680.	20,310.
GAMBIA PORTS	140,715.	8,670.	138,720.00	1,995.00
FPS				
GAMBIA NATIONAL PETROLEUM COMPANY	2,919,606.92	488,680.56	2,932,083.36	12,476.44

Recommendation

The Committee recommends that Management enforce regular review and reconciliation of the contribution arrears schedule. Most importantly Management should ensure information recorded in the arrears schedule correspond/reconcile to the data recorded by the operations department.

2. Investment Properties

During the review on investment properties, the Auditors indicated that they were not provided with title deeds for the properties listed below:

NAME OF PROPERTY	AMOUNT
HFF	
Basse Investment Property	12,287,826.66
Mansakonko Investment Property	8,704,999.87
Janjanbureh Investment Property	5,314,999.63
Land Purchase Kanifing Industrial	15,000,000.00
FPS/NPF	
Cotton Street Building	45,535,000.00
Ocean Bay Hotel	128,849,000.62
Sun Beach	69,425,000.13

Recommendation

The committee recommends that, the Board to ensure that Title Deeds for all these properties are obtained with immediate effect.

3. Fixed Assets

During the review on the fixed asset, the Auditors selected samples of Assets for verification, but these Assets were not provided for verification as stated by the auditors.

Asset Description	Asset <i>tt</i>	Cost
FPS		
APPLE	F/MDD/35	160,000.00
DELL LAPTOP	F/SHR.DM/32	93,150.00

Recommendation

The Committee recommends that the Board and Management ensure that the corporation keep an up-to-date fixed Asset Register that is regularly reconciled with physical Asset.

4. Mortgage Debtors (Site visit)

As part of the audit procedure to confirm the existence and accuracy of mortgage customer balances, the Auditors visited a sample of homes to Interview the homeowners. However, they had limitation in confirming the

outstanding receivable balances due to various reasons. Some of the plots were reallocated, but the records were not updated in the corporation's books. Furthermore, some of the landowners had either sold the land or rented the land but did not settle the Corporation. It was also noted with concern that some of the landowners already had their title deeds even though they still owed the Corporation.

Recommendation

The Committee recommends that the Board and Management ensure that the Housing records are updated and follow-up on all outstanding mortgage balances and ensure that these are settled by June 2024, or necessary measures be taken immediately.

6. GAMBIA INTERNATIONAL AIRLINES (GIA) 2020 REPORTS

After the presentation and consideration of GIA’s 2020 reports, the Committee made the following observations and recommendations:

1. Imprest Reconciliation Variance

During the Auditors review of the imprest, it was observed that the imprest balance in the GL differed from the unretired imprest balance maintained by the Internal Audit Unit. The GL balance was D903,074 while the internal audit report showed an unretired imprest balance of D61,000 resulting in a difference of D842,074

Recommendation

The Committee recommends that Management should ensure that the differences of D842,074 be investigated and the Committee be furnished with details of the investigation.

2. Procurement Department’s approval

The auditors observed that the transactions listed below did not pass through the procurement system as required.

Procurement Issues				
Date	GL Reference	Details	Payment Ref.	Amount
14 Jan 2020 48,000.00	00009954	Quantumnet ltd-Being payment for cellphone for acting director of finance and procurement manager	0009954	ZNTH CHQ #
17 Apr 2020	00007145	Sat Linkers-Being payment for cellphone for MD	02291 RECEIPT	80,000.00
12 Oct 2020	00010706	being payment for Getzner for the Board meeting		77,900.00
14 Oct 2020 55,100.00	00010724	Gora Boutique-Being payment for the purchase of gezner for the board meeting		zth chq# 00010724

Recommendation

The Committee recommends that both the Board and Management ensure that these monies are recovered immediately by June 2024.

3. Written Contract Request

The auditors requested for the following transactions and contract documents but they were not provided. It is also noted that GPPA approval attachment forms were not provided for their review.

Recommendation

The Committee recommends that Management should ensure that contract documents and GPPA forms are completed and maintained for future references.

4. Motor Vehicle Acquisition (Mitsubishi Pajero)

During the audit of the fixed assets additions, the Auditors observed that a motor vehicle (Mitsubishi Pajero GLX (BJL 5570 S)) bought for the Managing Director at a cost of D3,493,333 from TK Motors Limited did not pass through the procurement department and was done not in accordance GPPA's guidelines. The receipt and delivery note from the supplier were not attached to the payment voucher as well. It was also noticed that the new vehicle was acquired in a part-exchange transaction with the Managing Director's existing car registration number BJL0573N. However, there was no independent valuation report to determine the fair value of the old vehicle. The value used in the exchange was based on the recorded net book value, which was D1,493,333.00.

Recommendation

The Committee recommends that the Board should ensure that all the acquisition of the assets are in accordance with relevant Laws and Regulations guiding such transactions. Lack of compliance with the GPPA guideline is a violation of the Act and lack of involvement of the procurement unit indicates weakness in the application of the company's internal control.

5. Unretired Imprest

The auditors observed that there were outstanding imprest amounting to D835,185.

Recommendation

The Committee recommends that Management should ensure that all the imprest are retired by 1st May 2024 and that the details of such retirement be furnished to the Auditor General for verification.

6. Bank Reconciliation

During the audit of cash and bank it was observed by the Auditors that no reconciliation statements were prepared for the below bank accounts as they are said to be dormant.

999773	Access Bank Hajj A/C	-
		219,404.40
999811	Cargo Complex Dollar Account	198,543.21
999812	Cargo Complex Dalasi Account	190,371.68

Recommendation

The Committee recommends that Management should ensure that dormant accounts are regularly reconciled. Furthermore, regular bank reconciliation statements are prepared and reviewed to ensure that unauthorized transactions are detected and corrected on time and the dormant accounts should be closed if no longer needed.

7. Hajj Deposit Account

During the review of the Hajj Deposit Account, the Auditors compared the Hajj deposit account in the general ledger (GL) to the GIA Hajj Current Account balance from the Eco bank statement and noted that the General ledger balances amounted to D29,091,683.54 while the current account statement of the Hajj held at Ecobank is showing a balance of D17,576,268.58 as at 31 December 2020. Thus, resulting in a negative variance of D11,515,414.96. The auditors further noted that the Management has been using the funds in the GIA Hajj Current Bank Account for some of their operational activities.

Recommendation

The Committee recommends that the Board should ensure that all the funds in the Hajj Current Bank Account are strictly monitored, and management must desist from using it for other operational activities.

8. Long Outstanding Payable Balances Recognized as Revenue

During the review of the revenue, the Auditors observed that a long-held payables amounting to D26,709,147.40 written down as sundry income, according to the

information provided to them, it was the Board that decided to write down this long-standing payables balances. There was no evidence that these respective creditors are no longer in business or a writing document as evidence that they will no longer pursue their balances.

Recommendation

The Committee recommends that the stakeholders need to be consulted before taking a unilateral action to cancel out these payables. Management should also seek legal advice on the matter immediately.

7. GAMBIA RADIO AND TELEVISION SERVICE REPORT (GRTS) 2020 REPORTS

After the presentation and consideration of GRTS's 2020 reports, the Committee made the following observations and recommendations:

1. Absence of Risk Management Framework and Department

The Auditors observed that GRTS does not have a business risk management framework and a risk management department which is relevant to financial reporting and business operations.

Recommendation

The Committee recommends that the Board should ensure the development of a risk management framework and establishment of a risk management department by December 2024.

2. Receivables

During the audit of the receivable account balance, a difference of D2,263,568.82 between the expected receivable balance of D25,095,378.19 and GL Balance of D27,358,947.01 was noted which was because of non-reversal of accrued revenues.

Recommendation

The Committee recommends that the Board ensure receivable accounts are reviewed and updated after every transaction.

3. Non-movement of Receivable Balances

From the Auditors review on the non-movement of receivable balances, it was observed that credit control and impairment policies and procedures were not maintained.

Moreover, Aged debtors report was not provided for audit review. List of receivable balances presented below were not moving and unlikely to be settled as at year end. However, impairment was not recognized on these balances as the year end.

NAME	BALANCE
	D
GAMTEL	5,106,459.40
GAMCEL	1, 052, 359.15
Gach Global Trading	800,000.00
Large Scale Ecosystem Base Adaption Project	780,529.50
Ministry of Agriculture	708,043.92
Diamond Properties	537,440.00
Inactive staff	744,607.50
Total	<u>8,984,831.97</u>

Recommendation

The Committee recommends that Management should develop credit control and impairment polices to improve cashflow and minimize the risk of unpaid invoices and bad debts.

4. SSHFC Confirmation difference

The Auditors have sent confirmations to the Corporation's supplier and noted a difference from the confirmation reply received from SSHFC. The confirmation included a payable balance of \$1,845,500 (D37,792,100.34) from SSHFC which was omitted from GRTS's payable records. This was recognized as a capital grant and is fully amortized in the books of the Corporation. However, evidence to support that this is a grant or loan was not provided to the auditors.

Recommendation

The Committee recommends the Auditor General to investigate the status of \$1,845,500 (D37,792,100.34) from SSHFC which was omitted from GRTS's payable records and report back to the Committee.

5. Payable Confirmations

The Auditors sent confirmations to the Corporation's suppliers; however, they did not receive responses from them.

NAME	AMOUNT
GNPC	2,497,571.85
Studiotech Audio Visual Engineering	319,111.44
Champion Sounds Entertainment	282, 018.00
Qcell Company Limited	210,489.18

Also based on the confirmation received, the Auditors noted the difference below:

ID No.	Name	Balance	Confirmation balance	Difference
GamcelC	GAMCEL	3,870,113.69	4,425,686.61	(555,572.92)

Recommendation

The Committee recommends that the management should make follow-ups on these payable confirmations for their review. Furthermore, management should investigate and reconcile the noted difference.

8. ASSETS MANAGEMENT AND RECOVERY CORPORATION (AMRC) 2020 REPORTS

After the presentation and consideration of AMRC's 2020 reports, the Committee made the following observations and recommendations:

1. Lack of Disaster Recovery Plan

The auditors observed that the entity does not have any disaster recovery plan in place for maintaining the going concern and operations of the Corporation in case of a disaster event occurring.

Recommendation

The Committee recommends the Board and Management to put in place adequate disaster recovery plan to ascertain swift restoration of systems and operation.

2. Insurance Cover of Property Plant and Equipment

The auditors observed that AMRC has no updated Insurance policy in place covering the value of the building and its equipment from 24 July 2020 to 24 July 2021. In addition, the policy that covered the value of the building and equipment from 24 July 2019 to 24 December 2020 covered a total value of GMD2, 424, 400 rather than the net book value of GMD3, 705, 563.

Recommendation

The Committee recommends the Board and Management to ensure that all the value of the assets of the Corporation are adequately insured.

3. Ex staff Loans

The auditors observed that a loan of D1,729,756.20 for Ex-staff has not been moving and none of them made a payment in the subsequent year period.

Recommendation

The Committee recommends that Board and Management should put in place an effective payment plan to recover the loan.

9. GAMBIA POSTAL SERVICES CORPORATION (GAMPOST) 2020 REPORTS

After the presentation and consideration of GAMPOST 2020 reports, the Committee made the following observations and recommendations:

1. Management Information System

- a. The auditors noted that there is no IT Security policy document that set out the rules and procedures for all employees accessing and using GAMPOST IT assets and system.
- b. It was also noted that the physical access control to the IT office where the server is hosted is weak.
- c. It was observed by the auditors that the password controls for the systems mentioned above is found to be weak as users are not required to change their passwords at set intervals.
- d. The payroll, postal money transfer and savings bank software were built and continued to be supported by different IT firms and the IT staff are not involved with the administration of these systems.

Recommendations

The Committee recommends the following:

- a. The Board and Management should develop an integrated enterprise resource planning and a comprehensive IT policy that will set out the rules and procedures for all employees.
- b. The Board and Management should review physical access control and put in place appropriate measures.
- c. The Board and Management should have a concrete agreement and document issue escalating procedures with various system providers and using the staff of the institution's IT Unit as first level of support to enhance skills transfer and reduce reliance on the suppliers of these systems.

2. Box Rental

The Auditors observed that boxes rented out to individuals who are invoiced on annual basis for having subscribed to these boxes. However, the system has not be in use and information on these boxes can only be extracted manually from individual cards maintained for each scriber and as a result it is difficult:

- a. To determine unpaid annual rent on boxes on a timely basis and consequently not possible to make timely recoveries of money.

b. To accurately determine the number of boxes to be reallocated during the year due to lack of clearly documented procedures and set timelines re-allocation of these boxes.

Recommendation

The Committee recommends a proper box management system to be put in place that will assist to retrieve timely information notably, outstanding rentals.

3. Inventory Valuation-Stamp Stock

The Auditors observed that no official stock count was conducted as at the year ended which could affect the completeness and valuation of stock and risk of misstatement in the financial statements.

Recommendation

The Committee recommends that a joint stock count should be conducted annually by the storekeeper and the Internal Audit unit. Stock count sheets should be signed and filed. There should be a periodic reconciliation of the General Ledger to the store's record.

4. Management of Bank Accounts

The Auditors observed that two stale cheques dated 2nd October 2019 and 13th February 2020 of D10,000 and D7,951.11 respectively, are still appearing in the December 2020 bank reconciliation report as “unpresented cheques”.

Also, a long outstanding uncredited lodgment, amounting to D100,415 is outstanding from 2014 to end of the fiscal year 2020.

Reported lodgment of D6,000 by GCCI for box rental is outstanding from October 2020 and no evidence of follow-up with the Bank is indicated.

Recommendation

The Committee recommends the Board and Management ensure that the said long outstanding lodgment be followed up, resolved, and cleared from the bank reconciliations.

5. Verification of Expenses

The Auditors observed the following payments relating to various expenditures:

- a. Utility bills as well as bills from other service providers such as telephone bills and invoices from DHL, were not captured as liabilities in the system as and

when such bills were received. However, the unpaid bills/invoices were posted as one-off journal at the year-end thus, potentially understating the related in-year expenses and liabilities.

- b.** Payroll journals were not raised and posted on monthly basis as part of recognizing the payroll liabilities immediately after the approval of the monthly payroll summaries but instead they were only raised and posted at the time of payment.
- c.** There were a number of journal vouchers with material amounts raised and posted into the accounting system.
- d.** It was also observed that the individual service providers and other creditors were not set up as sub-ledgers making it impossible to track the outstanding unpaid invoices/bill by the service provider/supplier.

Recommendations

The Committee recommends that all supplier invoices/bills should be captured through the accounts payable to the sub-ledger once they are received and approved as indicated by the Auditors.

Furthermore, all journals should be printed and filed with the related supporting schedules and their use should be mainly restricted to correction of errors on transactions posted into the General Ledger.

10. NATIONAL FOOD SECURITY PROCESSING & MARKETING CORPORATION (NFSP&MC) 2020 REPORTS

After the presentation and consideration of NFSPMC's 2020 reports, the Committee made the following observations and recommendations:

1. Receivables

The Auditors noted that during the audit of the receivable account balance, there was a difference of D1,843,815.45 between the debtors listing provided and the balance provided in the GL. The Auditors also noted that customers with credit balances amounting to D80,400 were also included in the receivable listing.

Recommendation

The Committee recommends that the Board and Management ensure the difference is reconciled accordingly.

2. Trial Balance Difference

The Auditors noted that the trial balance has a difference amounting to D126,344.44 as detailed below:

GL Code	Trial Difference	Amount
Blank (373)	Trial balance difference	126,344.44

Recommendation

The Committee recommends that the Board and Management investigate the difference and reconcile accordingly.

3. Going Concern

As of 30th September 2020, the Corporation recorded an accumulated loss of D229,830,534 and loss for the year ended amounted to D139,777,478 during the period under review. This cast significant doubt on the Corporation's ability to continue as a going concern.

Recommendation

The Committee recommends that Board and Management strategize and consider improving its financial performance to continue business as a going concern.

4. Significant Reduction in Farmer Stock

The Auditors noted that during the review of inventory, the farmer stock had dropped significantly during the period under review, and this was because only

2,232 tones was purchased from the farmers as compared to 27,000 tons in the prior year.

Recommendation

The Committee recommends that the Board and Management put up strategies and ensure that there is always adequate farmer stock to remain consistent with its core business of wholesale buying and exporting of the country's groundnuts annually.

5. Bank Overdraft Facility

Despite the liquid closing cash and bank balances of D51.8million, the Auditors noted that the Corporation had an overdraft facility of D1,109,667 which is expensive to maintain.

Recommendation

The Committee recommends that the Board and Management put up strategies to avoid taking overdrafts where possible to improve the financial performance of the Corporation and ensure that a documented policy is in place to make it possible.

6. Under the cost of sales

The Committee raised concern on the cost of hiring trucks and tractors which sharply increased from the previous year.

Recommendation

The Committee recommends that the Corporation consider other alternatives source of transportation such as river floaters.

7. There is concern about the reasons for the sharp increase in the Corporations bad debt expenses.

Recommendation

The Committee recommends that the Corporation devise a way to recover these amounts as they are huge and provide lists of debtors that they were unable recover by June 2024.

8. The Committee raised concern as the Corporation is exposed to a lot of risk considering the fixed assets they own.

Recommendation

The Committee recommends that the Corporation should have a risk management unit to help mitigate and manage risk.

11. GAMBIA PORTS AUTHORITY/GAMBIA FERRY SERVICE COMPANY LIMITED (GPA/GFSC) 2020 REPORTS

After the presentation and consideration of GPA/GFSC 2020 reports, the Committee made the following observations and recommendations:

11.1 GPA 2020 REPORTS

1. Dockworkers

a. Remuneration of Dockworkers

From the review of Dockworkers' remuneration and as noted in the prior year's report, it was observed by the Auditors that payments were made through cash.

b. No documented policy/procedure on Dockworkers loan.

During the review of the Authority's staff and other loans, the Auditors noted that there was no documented policy on granting dockworkers loans.

c. No collateral on dockworkers loan

The Auditors noted that dockworkers make loan applications to the Authority through their union. According to the Management, loans are granted after evaluation, but no collateral is provided by the Members or the Union.

Recommendations

The Committee recommends that Management should prepare formalized policies and procedures on loans granted to dockworkers to minimize the inherent associated risk resulting from defaults and potential abuse.

Furthermore, Management should also ensure that all supporting documentation on loans granted to dockworkers, including evidence of evaluation done, collateral and agreed terms and conditions of filed and readily available for reference and review.

2. Staff Loan

Repayments

During the review of the Authority's staff loans, the Auditors observed that the Authority has a nine-month recovery period in its loan policy guidelines. However, it was noted that loans granted to staff were recovered for only five months during the year instead of nine months.

Recommendation

The Committee recommends that Management ensures staff loans are recovered through monthly payroll deductions in line with the policy and loan agreement.

3. Procurement Issues

During the period under review there was purchase of mobile phones for Management amounting to D1.9million as detailed below;

Date	Supplier name	Invoice number	Description	Amount GMD
26.12.2020	Smart Business Group	SLI18-3894	Purchase of 30 pieces Samsung Galaxy A71	720,000
26.12.2020	Smart Business Group	Ssli18-3894	Purchase of 70 pieces Samsung Galaxy A51	1,260,000
Total				1,980,000.00

The Committee observed that the use of donation vote as stated in the Management response to the Auditors observation was inappropriate.

Furthermore, the procurement method was not justified as per the GPPA rules and the argument of been conducted under urgency does not justify violations of the procurement guideline.

Recommendation

The Committee recommends that management desist from using donation vote as incentive to staff. Furthermore, they should ensure that GPPA procurement guidelines are strictly adhered to.

4. Confirmed payables balance

The Auditors noted a difference between amounts confirmed by suppliers and the amounts recorded in the General Ledger for the payable as indicated below:

No	Name	Balance @ 31.12.20 GMD	Confirmed balance @ 31.12.20 GMD
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785	MAN DIESEL & TURBO	1,466,868.22	947,844.23	519,023.99
521	GNPC	10,484,347.8 5	10,865,264.54	(380,916.69)
293	KALMER WEST AFRICA	7,989,052.88	10,071,527.00	(2,082,474.1)

Recommendation

The Committee recommends the differences noted between the payable balance and the confirmed balance should be investigated and reconciled with the relevant supplier.

5. Loans

The following were noted during the review of the auditors:

a. AfDB Loan

The auditors observed a balance of D248.5 million in the financial statements relating to loan payable to AfDB as at 31st December 2020. Also, there is a difference of D2,507,217.56 between amount confirmed by the Ministry of Finance and Economic Affairs and the amount recorded in the General Ledger for the loan balance below:

Name	Balance @ 31/12/2020 (GMD)	Confirmed Balance @ 31/12/2020 (GMD)	
ADB 3 rd Port Loan GAM/P	248,522,614.64	246,015,397.08	2,507,217.56

b. Damen Kankujerry Loan

It was noted that the Authority did not recognize interest expense on the Damen Kankujerry loan amounting to D8.4 million.

c. Damen Kunta Kinteh Loan

It was also noted that the Authority did not recognize interest expense on the Damen Kunta Kinteh loan amounting to D10.3 million.

Recommendation

The Committee recommends that Management should provide the revised agreement and the difference noted between the payable balance and the confirmed balance should be investigated and reconciled with the Ministry of Finance and Economic Affairs and report back to the Committee by May 2024.

6. Revenue

a. Accounting for Rebates

During a review of the Authority’s revenue general ledger for 2020, the Auditors noted debits amounting to D5million relating to rebates granted to customers on throughput. These are deducted from revenue instead of separately being accounted for as discount allowed. Furthermore, Auditors were not provided with the list of customers that benefited from these discounts or the evidence of approvals for the discounts.

b. Waivers

The Auditors observed that the debit transactions in the revenue ledger amounting to D129 million relating to waivers granted on various cargo handling charges for the period under review.

Recommendation

The Committee recommends that all waiver and rebates granted to customers should be appropriately and completely accounted for in the relevant General Ledger accounts reported in the Financial Statements of the Authority in compliance with generally accepted accounting principle (GAAPs).

7. Impaired Assets

Asset code	Description	Serial No.	Net book value GMD	Condition
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MEC/H-160	3 4oft semi automatics (manual operated) container spreader	MEC/H-160	1,847,607.84	Damage and not in operation
TEC/BL-10	Transit shed – steel portal frame	GPA/TEC/BL-10	11,299,500	Demolished
TEC/C-03	Crane, F-MHC65	GPA/TEC/C-03	2,166,379.71	Damage and not in operation
TEC/IN-10	Water supply	GPA/TEC/IN-10	5,764,062.62	Damage and not in operation
TEC/IN-11	Old pipeline	GPA/TEC/IN-10	11,857,500	Damage and not in operation
TEC/BL-1	Warehouse A-Twin portal frame	GPA/TEC/BL-1	5,803,200	Demolished
Total value				36,890,642.33

Recommendation

The Committee recommends that Management should account for impairment of these assets to reflect their appropriate values in the financial statements.

8. Equity Investments

The following exception was noted during the review of the Authority’s equity investments by the Auditors.

a. Trust Bank Investment

A difference of D5.8 million between expected value of the Trust Bank equity investment and the General Ledger as detailed below;

Certificate	No of Shares	Normal Value GMD
325	125,000	125,000.00
326	125,000	125,000.00
327	100,000	100,000.00
328	100,000	100,000.00
329	100,000	100,000.00
330	21,251	21,251.00
331	11,725	11,725.00
332	15,000	15,000.00
333	10,000	10,000.00
336	300,000	300,000.00
337	50,000	50,000.00
338	15,000	15,000.00
339	20,000	20,000.00
340	10,000	10,000.00
341	5,000	5,000.00
358	600,000	600,000.00
3508	9,548,531	9,548,531.00
	Expectation	11,156,507
	GL Amount	16,990,252
	Difference	-5,833,745

Recommendation

The Committee recommends that the differences noted by the Auditors should be investigated and reconciled accordingly.

9. Outstanding Confirmations

a. Payables Confirmation

As part of the audit procedures, the Auditors sent confirmations to a sample of the Authority's creditors to confirm balances due to them as at 31st December 2020.

They are yet to receive payable confirmations for the listed below:

No	Name	Balance @31.12.20 GMD
153	TK Motors Ltd	13,185,000.00
330	Moukhtara Holding	1,299,684.00
890	Quantumnet Espace Motors	1,920,000.00
294	Sheargold	4,568,968.30
294	Sheargold	2,643,320.30
302	Femcee	228,802.89

b. Receivable Confirmations

As part of the audit procedures, the Auditors sent confirmations to a sample of the Authority's receivables to confirm the value of these balances as at the period under review. However, they are yet to receive receivable confirmations for the listed below:

Customer no	Customer name	Balance @ 31.12.20 GMD
122	George Banna	6,605,657.66
135	Jah Oil	20,232,761. 66
90	NAWEC	4,935,159.44
69	Shyban A Madi	4,497,963.79

2955	Gambia Ferries	336, 879,454.99
85	Interstate Shipping	33,061,235.06
142	MSC Gambia Ltd	23,067,129.87

c. Equity Confirmations

As part of the audit procedures, the Auditors sent confirmations to all investees to confirm values of shares held by the Authority as at the end of the period under review. They are yet to receive equity confirmations for the listed below:

Investee	Investment Value
NAWEC	1,000,000
GAMTEL	600,000
Total Nominal Value	1,600,000

Recommendation

The Committee recommends that Management should make follow-ups on these confirmations for the auditor’s review without undue delays.

11.2 GFSC 2020 REPORTS

After the presentation and consideration of GFSC’s 2020 reports, the Committee made the following observations and recommendations:

1. Cash and Cash Equivalent

a. Trust Bank Account-Banjul; Overdraft facility letter not seen

The auditors observed that during the audit exercise, there was an overdrawn closing balance on the Trust Bank Account- Banjul of (D245,554) for 2020. The Auditors requested for the overdraft facility letter, but this was not provided by the Management.

b. Standard Chartered Bank Account

During the Auditors bank reconciliations review, they noted the Company’s bank account at Standard Chartered Bank Basse with a closing bank balance of D235,264 that is in the name of GPA and not Ferries but under the management of Ferries.

Recommendation

The Committee recommends that the Board and Management ensure all overdrafts are supported with agreements/facility letters which is in line with recommended cash management practices. Furthermore, the bank account in the name of GPA to be regularized to bear the correct name.

2. Trade and other receivables

a. Ex-staff loan balance – no evidence of follow up’s

From the test of controls procedures performed on the credit controls relating to the ex-staff loan balances, the Auditors noticed no evidence of follow up’s to recover outstanding balances due.

Ex-Staff	Loan Balance GMD
Ousman Samba	239,030
Joseph Lemo Gomez	60,000
Sarjo Alieu	39,772
Jadama Makah	27,970
Musa Saidy	36,100

b. Nonmoving receivables – Companies no longer existing

Upon the Auditors review of the list of outstanding receivables which has been fully provided for, they noted a list of debtors still maintained in the outstanding receivables which they doubt the recoverability due to the Company no longer legally existing as follows:

Customer	Loan balance as at 31 st Dec. 2021
Scheepbouwnoor	17,553,225
Yahya Jammeh	6,885,000
Spirit tours Logistics	126,161
Gambia Public Transport Corp.	370,585
Total	24,934,971

Recommendation

The Committee recommends the Board and Management to make follow ups on these ex-staff loans and to restore to guarantors for recoveries. Furthermore, the Board should ensure the process is documented and seek legal advice.

3. Fuel Management

a. Time sheet forms not attached

During the Auditors review on the fuel delivery into the ferry, they noted the following deliveries received in which there was no form attached to indicate key information for fuel replenishment such as running hours and trips incurred from the last supply:

Date	Ferry	Supplier	Qty delivered	Findings
21.12.2020	Kunta Kinteh	Atlas energy	10,000 ltrs	Form not attached
9.12.2020	Kanilai	Atlas energy	10,000 ltrs	Form not attached
26.10.2020	Kanilai	Attlas energy	10,000 ltrs	Form not attached
9.12.2020	Kanilai	Atlas energy	10,000 ltrs	Form not attached
30.09.2020	Kunta kinteh	Atlas energy	10,000 ltrs	Form not attached
8.10.2020	Kanilai	Atlas energy	10,000 ltrs	Form not attached

21.12.2020	Kanilai	Atlas energy	10,000 ltrs	Form attached	not
16.03.2020	Kanilai	Petrogas	10,000 ltrs	Form attached	not
25.08.2020	Johe	Atlas energy	5,000 ltrs	Form attached	not
29.07.2020	Kunta kinteh	Atlas energy	10,000 ltrs	Fprm attached	not

b. Time sheet forms attached but incomplete

The following deliveries were noted in which time sheets were attached but it was blank and not filled in:

Date	Ferry	Supplier	Qty delivered	Finding
13.10.20	Kunta kinteh	Atlas energy	10,000 ltrs	Form attached but incomplete
28.07.20	Kunta kinteh	Atlas energy	15,000 ltrs	Form attached but incomplete
17.06.20	Kunta kinteh	Atlas energy	10,000 ltrs	Form attached but incomplete

c. Presence of Internal Audit

Upon the Auditors review on the controls and processes in place with regard to fuel received, they observed that the internal auditors were not present in some of the supplies received.

Recommendation

The Committee recommends that the Board and Management ensure time sheets are complete, attached to fuel delivery forms and thus make it available for audit verifications requirements. Management should ensure that at any point in time, personnel from the internal audit unit witness the fuel delivery and sign off the fuel delivery forms.

4. Head count – inconsistency in signatures

The Auditors review of the head count exercise conducted by the internal audit that there was inconsistency in the signatures during the count. They noted the same signatures being used within departments in representing different personnel.

Recommendation

The Committee recommends that the Board to ensure that Management conduct another head count to make sure that the personnel are present and working for the Company as per the payroll.

5. Bonus Policy

For the period under review, the Auditors noted an amount of D17.594million was paid to the employees of the Company as bonus and upon their discussions with Management, they requested for the bonus policy to review the eligibility and company targets for bonus payments, procedures and allocation for employees but it was confirmed that a bonus policy is not maintained.

Recommendation

The Committee recommends that the Management of GFSC to come up with a bonus payment policy and to link such a policy with performance contracts.

6. High Employment Cost

Upon the Auditors review on the various cost centers against the revenue of the Company, they noted HR costs of the company as at 31st December 2020 accounted for 55% of the total revenue which is on the high side.

Recommendation

The Committee recommends that the Board and Management to strategize and ensure that the personnel cost is managed at an acceptable level considering other key operational expenditures.

7. Allowances and compliance to service rule book

a. Car allowance – GMD11.344million annually

Car allowance is paid to employees that are maintaining a car in a road safety condition as stated in section 0903 of the approved service rules. Furthermore, section 0904 further states that car allowance shall cease to be payable with effect from the date on which an employee ceases to own a private motor car. During the Auditors review of the personnel files, they noted inadequate documents in file to ascertain a review is done on an annual basis to ensure staff receiving allowances have a car in a road worthy condition.

b. Payroll allowance not in the service rule book

The Auditors noted the following monthly allowances paid to various employees but the allowance is not in the approved service rule book used by the Company.

Allowance	Annual amount GMD
Project Allowance	1,601,606
House rent Allowance	8,116,217
Responsibility Allowance	12,461,879

c. Compliance to the approved service rule

The Auditors conducted a review on the service rule to ensure management is complying with the requirements of the service rule, but it was noted that there exists a noncompliance on the job description, staff appraisals and certificate of health.

Recommendation

The Committee recommends that Management ensure controls are in place to ensure personnel receiving car allowances are entitled to it. All allowances to be captured in the service rule of the company and Management must ensure compliance with the service rule.

8. Company Performance

During the Auditors trend analysis review on the performance of the company, they noted a sharp decline in the performance of the Company over the 3year period which raised a question on the long-term sustainability of the Company. In 2018, turnover was D393.5million and going down to 2020 D200.2million giving a decline of D193m within the 3year period.

Recommendation

The Committee recommends that the Board and Management ensure the company’s revenue generation capacity is strengthened to improve its performance and position going forward.

9. Internal Audit

The Auditors noted that both the internal audit workplan and the reports are addressed to the general Manager instead of the Board Audit subcommittee in line with recommended corporate governance practice. Furthermore, the Auditors requested for Board Audit Sub Committee meeting minutes, but none was provided for their review.

Recommendation

The Committee recommends that the Board ensure that the Internal Audit is reporting to the Board Audit Sub Committee in line with recommended corporate

governance practices. The Board must ensure that Audit sub committee meets on a regular basis to further improve on the oversight function on management.

Furthermore, the Committee recommends the Board to review options of a single shared internal audit for GPA and GFSA.

12. GAMBIA NATIONAL PETROLEUM CORPORATION (GNPC) 2020 REPORTS

1. Property, Plant and Equipment

The following were noted by the Auditors during their review on the property, plant and equipment of the Corporation.

- a. **Fixed Asset Register:** it was noted that Fixed Assets register is not maintained by management.

Recommendation

The Committee recommends that Board and Management should ensure that Fixed Asset Register is maintained.

2. **Land Ownership Document:** It was noted that the Land Ownership Document shows that the legal ownership of the following properties has not been completed as the corporation has only an **Allocation** letter from the Department of Lands and Survey

i. **Allocation Letter**

- Bundung Filling Station
- Abuko Filling Station
- Brikama Filling Station
- Farafenni Filling Station
- Soma Filling Station
- Bansang Filling Station
- Basse Filling Station

ii. **AU Villas**

The auditors indicated that the documents for the following properties acquired were not provided:

- Brufut Garden AU Villa No 130
- Brufut Garden AU Villa No 129
- Brufut Garden AU Villa No 109
- Brufut Garden AU Villa No 110

Furthermore, the Auditors highlighted that one of the requirements as per the Allocation letter is that a lease will only be executed after substantial completion of

the proposed project. Bearing in mind that the above Stations are completed and in operation, it would have been expected that the legal paperwork to complete up to Title Deed but this was not done by management.

Recommendation

The Committee recommends that management should complete the legal paperwork of the Stations stated above and ensure Title Deeds are obtained to complete the legal process. Furthermore, management should process the ownership documents of the properties and ensure that the tenancy agreement is maintained.

3. Payables

a. Payables Breakdown/Listing

The Auditors noted the following payables relating to Statutory payments;

Details	Amount (GMD)
GRA Income Tax	685,000
SSHFC Pension Contribution	1,709,000
Withholding Tax	6,731,000

The Auditors observed that a post year-end review was done however, there was no payment in the following year which raises concern about the validity of the payable balance.

b. Supplier -COSETAM

The Auditors noted that the supplier account for COSETAM had a balance of D 3,292,672. The explanation received is that these balances are not owed to these institutions. Upon further enquiry as to why no after year payment was made to this supplier, it was brought to the attention of the Auditors that this balance is not owed to this supplier. However, no explanation was given as to what these balances relate to.

c. Independent Confirmations Pending

The Auditors also noted that a request for independent confirmations were shared with the following suppliers but were not received.

Supplier	Balance
Trafigura	51, 329,534

PSTV	6,044,170
GP Storage	(4,849,543)
Office of the President	25,318,446

Recommendations

The Committee recommends that Management should look into the balances and provide a breakdown of the payable balance for adequate monitoring.

The Committee further recommends that the COSETAM Balance should be looked into and in the event, there is no obligation to settle the balances, this has to be written off to ensure the payable balance reported as at 31st December 2020 is not misstated.

Finally, management should follow up on the 3rd parties selected to respond to the independent confirmation for further verification and reconciliation.

4. Inventory

The auditors noted the following during the review on inventory:

a. Station Tank Dipping Logbook -Bundung Station

A review was conducted on the fuel dipping process at Bundung Station, and it was noted that dipping was done for some days but not signed by the station supervisor during the period under review. Dipping activities being conducted and not signed by the station supervisor implies lack of consistency in the dipping process. Furthermore, in the event of irregularities in the dipping process it could be difficult to hold personnel responsible due to the absence of the supervisor's signature.

b. Differences between the Delivery Note from storage and Amount as per Logbook

A review was also done between the amount dispatched from the Gam Petroleum Storage Facility to some of the GNPC Fuel Stations and the Auditors noted differences between the amount captured as inventory to be delivered and the actual inventory delivered as per logbook. Discrepancies between the amount dispatched from the Fuel Depot and the actual fuel received at the fuel stations indicates irregularities occurring during the transportation stage which would lead to material financial losses if cumulative.

c. Stock Loss on Oil and Lubricant

The Auditors noted an amount of D607,795 charged as stock loss in relation to Stock Items in relation to Oil and Lubricant. The stock loss on such items should be very minimal, mainly due to damage but not for unaccounted physical stock. Stock loss of D607, 795 to unaccounted physical stock on Oil and Lubricant indicates lack of regular reconciliations between the physical stock and the store records and poor internal controls on stock management.

Recommendations

The Committee recommends that Board and management to adopt strict policies in stock losses and ensure that surcharges are levied instantly to recover any losses from individuals found wanting.

5. Upstream Funds

As at 31st December 2020, the Auditors observed the following payable balance in relations to Upstream funds:

Account code	Account Name	Amount (GMD)
205221	Payable CBG Investment	137, 668,000
205222	Investment Grant	63, 295,000

Upon further discussion with management, it was confirmed that the Ministry of Petroleum and Energy has the rights and use of the funds in custody of GNPC. However, the following were noted during the review on the Upstream fund for the period under review.

a. Approval on the Utilization of Upstream Funds

During the year under review, an amount of D51 million and D21.4 million was recognized as Grant income and Upstream Revenue from the Upstream fund but the Auditors noted inconsistency in the approval process of the said amounts. It was also noted that approval of D21.4 million came from the Ministry of Petroleum and D51 million was approved via the Board resolution.

b. Policy on the Upstream Funds

Upon discussions with management on the management and utilization of the Upstream Funds. A request for an approved policy to determine the approval process on the fund utilization and the basis of revenue allocation, it was confirmed that an approved policy was not maintained by the Corporation. Considering the

material amount involved in the Upstream Fund Revenue, lack of a well-documented policy exposes management to a risk of inconsistency. It could further lead to poor management of the Funds considering the MOPE and the affected Government ministries have approved budget on a yearly basis.

Recommendations

The Committee recommends that the Ministry of Finance and the line Ministry (MOPE) immediately decide to determine the sharing mechanisms for the upstream Funds and to account for separately, what belongs to Government and what belongs to GNPC.

Furthermore, following determination of government shares, arrangement should be made by the Ministry of Petroleum and the Accountant General for the immediate transfer of all Government revenue to the Consolidated Revenue Fund (CRF) as dictated by the Constitution.

GENERAL OBSERVATIONS

1. Governance

- a. Most of the Boards do not have functional and effective Sub Committees to aid the Board in the discharge of its governance and their oversight function.
- b. There are legal and administrative challenges surrounding the governance and the institutional setup of most SOEs.
- c. There is also a challenge in the line of Authority and the functions of the key stakeholders (Board, Management, Line Ministry, MOFEA and OP).
- d. Some of the Board Members lack expertise in the line of business of the SOE they are performing oversight on.
- e. Most of the SOEs do not have a functioning internal Audit department and functional Audit and Risk Management Committees.

2. Human Resource Issues

- a. Most of the SOEs do not have important policy and procedure Manuals on a host of issues affecting them. These includes Board Charters, Allowances/Bonus Policy, Staff Loans, Internal Audit Charter, Risk Management Policies, Service Rules, Performance Appraisal, etc.
- b. Most SOEs lack Staff with the requisite knowledge and capacity to man key positions such as Finance, Procurement, Internal Audit, etc.

3. Accounting Issues

- a. Until recently, most of the SOEs do not adopt a recognize accounting framework in preparation of financial statement and other relevant reports.
- b. Most of the SOEs are not financially viable and have significant going concern issues.
- c. Some of the key SOEs do not have a clean audit opinion. Some are highly indebted among each other and Government as well and have repeated a perennial unresolved audit issues.

GENERAL RECOMMENDATIONS

- a. The Government must ensure effective functioning and implementation of the SOE Commission as per the Act.
- b. The Commission with other relevant stakeholders must ensure that Boards exercise effective oversight functions.
- c. Boards must ensure Management exercise transparent and prudent management of the day to day running of the Corporations.
- d. The Executive must ensure avoidance of interferences in the priorities of SOEs and there must be exclusive and complete financial independence in the execution of their mandate.
- e. Boards and Management must align strategic investment with the strategic plans of SOEs.
- f. Boards and Management of SOEs must ensure that all prior year audit issues are resolved and report to the Committee on the status of implementation.

CONCLUSION

A thorough assessment of the reports presented has enabled the Committee to identify the accurate correlation between weak executive, legislative and independent oversight and this has led to increase in liabilities and losses of SOEs. There is high levels of indebtedness, liquidity and solvency challenges, erosion of net and sector worthiness, increased arrears in the payment of statutory obligations such as income taxes and Social Security contributions, and a demonstrated incapacity in the payment of dividends to the State by the SOEs.

It is evident that the SOEs governance, legal and regulatory framework were systematically and persistently ignored thus creating a disequilibrium between statutory functions and operations thereby undermining accountability, transparency and service delivery objectives.

Executive directives gave rise to insufficient compensation for public service rendered by SOEs and a gross disregard of the dictates of Section 25 of the State-Owned Enterprises Act 2023.

It is in the spirit of good governance, transparency, accountability, and probity that the Committee resolved to engage all relevant stakeholders particularly SOEs and the SOE Commission to enhance the following:

- Reliability of financial reporting including preparation of all published financial information.
- Effectiveness and efficiency of operations
- Compliance with laws and regulations, and
- Safeguarding of national assets.

These are fundamental to the successful operations and day to day running of a corporation and it will assist the entity or the organization in achieving its business objectives.

Finally, the SOEs constitute a significant percentage (about 50%) of the GDP which should not be underestimated and is high time for this noble Assembly to be extra vigilant and take its oversight role seriously in improving the status quo of the SOEs.

IT SHOULD NO LONGER BE BUSINESS AS USUAL!

APPENDIX I

LIST OF HONOURABLE MEMBERS AND SUPPORT STAFF OF THE COMMITTEE

HONOURABLE MEMBERS

- | | | |
|--------------------------------|---|---------------|
| 1. Honourable Lamin J Sanneh | - | Chairman |
| 2. Honourable Billay G Tunkara | - | Vice-Chairman |
| 3. Honourable Sheriff Sarr | - | Member |
| 4. Honourable Salifu Jawo | - | Member |
| 5. Honourable Samba Jallow | - | Member |
| 6. Honourable Abdoulie Njai | - | Member |
| 7. Honourable Lamin Ceesay | - | Member |
| 8. Honourable Almameh Gibba | - | Member |
| 9. Honourable Ebrima Jaiteh | - | Member |

SMS & AIDES

- | | | |
|----------------------|---|-----------------|
| 1. Alhagie Omar Taal | - | SMS |
| 2. Momodou Ceesay | - | Auditor General |
| 3. Pa Majagne Ndow | - | NAO |

SUPPORT STAFF

- | | | |
|------------------------|---|------------------------------------|
| 1. Mr Momodou Sise | - | Clerk of the National Assembly |
| 2. Mr. Daniel Cardos | - | Deputy Clerk, Legislative Business |
| 3. Mr Buba M.E Jatta | - | Deputy Clerk, Admin & Finance |
| 4. Mr Marabi S Hydera | - | Director of Committees |
| 5. Mr Ebrima Jawo | - | Assistant Senior Committee Clerk |
| 6. Ms Halimatou Tamba | - | Assistant Senior Committee Clerk |
| 7. Ms Fatoumata Keita | - | Committee Clerk |
| 8. Ms Fatoumata Sisawo | - | Research Officer |
| 9. Mr Ebrima Bah | - | Communication Officer |

APPENDIX II

LIST OF COMMERCIAL STATE-OWNED ENTERPRISES

1. Assets Management and Recovery Corporation (AMRC)
2. Gambia Multicellular Company Limited (GAMCEL)
3. Gambia Postal Services Company Limited (GAMPOST)
4. Gambia Telecommunication Company Limited (GAMTEL)
5. Gambia Civil Aviation Authority (GCAA)
6. Gambia Ports Authority / Gambia Ferry Services Company Limited (GPA /GFSC)
7. National Food Security Processing &Marketing Corporation/ Gambia Groundnut Corporation (NFSP&MC/ GGC)
8. Gambia International Airlines Limited (GIA)
9. Gambia National Petroleum Company Limited (GNPC)
10. Gambia Printing and Publishing Corporation (GPPC)
11. Gambia Radio and Television Services (GRTS)
12. National Water and Electricity Company Limited (NAWEC)
13. Social Security and Housing Finance Corporation (SSHFC)

APPENDIX III

WITNESSES

1. Pateh Sowe - COOE, NAWEC
2. Ngoneh Jallow - GCSD, NAWEC
3. Marlene R Saidy - COO-WSBU, NAWEC
4. Bakary LM Kanteh - GPPD, NAWEC
5. Edrissa B Jarju - DMD, NAWEC
6. Betty Marong - FD, NAWEC
7. Nani Juwara - MD, NAWEC
8. Gumbo Ndary Touray - BOARD MEMBER
9. Ousman M Cham - BOARD CHAIRMAN
10. Aji Penda Sankareh - DT ASSOCIATES
11. Maimuna B John - HRD NAWEC
12. Madeline Sambou - SM REGULATORY AFFAIRS, NAWEC
13. Tijan A Williams - GD INTERNAL AUDIT, NAWEC
14. Mustapha Choi - CSD, NAWEC
15. Amat S Cham - FC ELECTRICITY, NAWEC
16. Abdoulie Colley - Director of Airport Operations, GCAA
17. Dembo Fatty - Company Secretary, GCAA
18. Augustus Prom Jr - AP External Auditor
19. Sulayman Jatta - Ag. DDG, GCAA
20. Lamin Bojang - Board Chairman, GCAA
21. Fatou Ceesay - FD, GCAA
22. Fansu Bojang - DG, GCAA
23. Fatou J Jallow - Ag. DHR, GCAA
24. Omar Njie - Air Transport & Commerce, GCAA
25. Kabiru Jammeh - Ag. Director Eng., GCAA
26. Lamin Cham - MD, GIA
27. Divay M Sawaneh - BOARD SECRETARY, GIA
28. Suaibu Keita - FD, GIA
29. Bakary Drammeh - SFM, GIA
30. Kawsu K Darboe - Board Chairperson, GPPC
31. Bakary Sanyany - Vice-Chairperson Board, GPPC
32. Momodou Ceesay - MD, GPPC
33. Sainey Trawally - FM, GPPC
34. Hassan Jatta - SNR. PARTNER, HAD & CO

35. Dembo Jarju	-	Audit Manager, HAD & CO
36. Lamin L Sanyany	-	DMD, GGC/NFSPMC
37. Edrisa P Sambou	-	FM, GGC
38. Tijan Sambou	-	FA, GGC
39. Madi Joof	-	SPE, GGC
40. Alagie Jarju	-	Legal Manager, GGC
41. Pa Omar Bojang	-	SDS, GGC
42. Abdoulie Cham	-	PO, GGC
43. Momodou Lamin Ceesay	-	Director, Board
44. Muhammed Njie	-	MD, GGC
45. Abdoulie Touray	-	Internal A Manager, GGC
46. Fatim Leigh	-	SMM, GGC
47. Saikou Sanneh	-	HRM, GGC
48. Jabou Bah	-	Director HR&A, GGC
49. Suba Janneh	-	OMPE, GGC
50. Lamin A Tunkara	-	MD, GAMTEL/GAMCEL
51. Elizabeth Johnson	-	General Manager, GAMCEL
52. Mustapha Conteh	-	Finance Director, GAMCEL
53. Kebba Kinteh	-	CFO, GAMTEL/GAMCEL
54. Momodou Jammeh	-	HRD, GAMTEL/GAMCEL
55. Madikay Njie	-	PR, GAMTEL
56. Omar K Jallow	-	Auditor, Accords Associates
57. Saloum Malong	-	MD, SSHFC
58. Oreme Joiner	-	Chairman, SSHFC
59. Edward Gomez	-	SSHFC, DO
60. Haddy Sallah	-	SSHFC, DFI
61. Fabuka Njaay	-	SSHFC, DCA
62. Ademola Akinbolusere	-	WALG, FM
63. Basiru Kareem	-	DT Associates
64. Ismaila Secka	-	DT Associates
65. Marie T Ceesay	-	SSHFC, DDIC
66. Abdou Sillah	-	SSHFC, Director Housing
67. Seedy Kanyi	-	GTSC, GM
68. Baboucarr Mbye Nyan	-	SSHFC
69. Ansumana LN Touray	-	DMD, SSHFC
70. Ansumana Sanneh	-	MD, AMRC
71. Yaya Sireh Jallow	-	Board Chair, AMRC
72. Amie Tunkara	-	DF, AMRC

73. Saikou Kujabi	-	DMD, AMRC
74. Kaddy Ceesay	-	DIA, AMRC
75. Neneh Macdouall Gaye	-	Chairperson Board, GRTS
76. Malick Jeng	-	DG, GRTS
77. Sheikh Edrissa Bahoum	-	DDG Technical, GRTS
78. Kemo Jatta	-	Director Marketing, GRTS
79. Haddy Badjie	-	DRP, GRTS
80. Alhaji Momodou M Joof	-	DHRA, GRTS
81. Ebrima Sankareh	-	PAS, MOI
82. Yamundow Gai	-	DF, GRTS
83. Fatoumata Sanneh Ceesay	-	Director TV Programmes, GRTS
84. Ebrima BS Jallow	-	Procurement Manager, GRTS
85. Musa Sanneh	-	SM Internal Audit, GRTS
86. Jamo Sowe	-	SMF, GRTS
87. Yankuba Jatta	-	SHRM, GRTS
88. Baboucarr M Sarr	-	Chairman Board, GPA/GFSC
89. Ousman M Jobarteh	-	MD, GPA
90. Assan CS Jome	-	SFM, GPA
91. Augustus Prom Jr	-	External Auditor
92. Fabakary Manka	-	DDRC, GFSC
93. Ismaila Wadda	-	DF, GFSC
94. Lamin Jawara	-	GM, GFSC
95. Rohey Deen	-	DCS, GFSC
96. Balla Musa Daffeh	-	DDIA, GFSC
97. Francis S Gomez	-	DTS, GFSC
98. Pa Dawda Sanyang	-	DOP, GFSC
99. Mariama Sarr	-	DHRA, GFSC
100. Horeja Njie	-	DT Associates
101. Aji Penda Sankareh	-	DT Associates