

PHASE 1 AUDIT OF THE GAMBIA'S COVID-19 RESPONSE: PROCUREMENT AND DISTRIBUTION OF FOOD AND MEDICAL ITEMS IN THE GREATER BANJUL AREA

A SUMMARISED REPORT



NOVEMBER 2021



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ABOUT THE NATIONAL AUDIT OFFICE

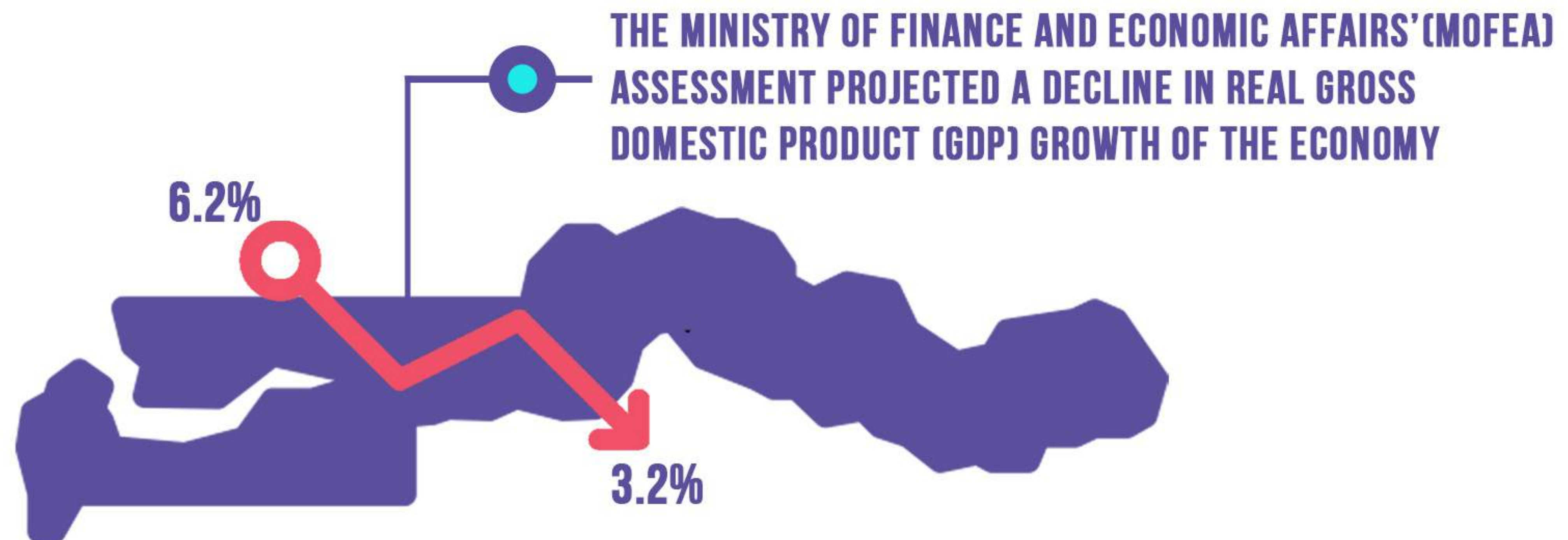
The National Audit Office is the Supreme Audit Institution (SAI) of The Gambia responsible for watching the spending and management of public resources by the Government of The Gambia and all public bodies. This is to ensure all public spending are done in a manner that meets economic value, efficiency and effectiveness, and in line with the prescribed laws and regulations.

NAO's independence was established through the 1997 Constitution, and we were granted an autonomous status through the NAO Act of 2015.

The Auditor General (AG) and staff work with National Assembly (NA) as an oversight institution to ensure there is accountability and transparency in the use of public resources. Yearly audit reports are sent to the National Assembly for discussion and follow-up on the recommendations made in the reports.

BACKGROUND

The Gambia recorded its first COVID-19 case on 17 March 2020, which was immediately followed by a preliminary assessment of the potential effect of the pandemic on the economy.



Following the trends in other countries, the pandemic was going to create several economic disruptions to sectors like tourism, agriculture, health, education, among others.

The Government of The Gambia (GoTG) recognised that Gambians deserve an urgent national response to both the health and socio-economic crises especially for the most vulnerable Gambians. As a The Gambia Government responded by redirecting **more than GMD750 million** for the health and economic response, and a further **GMD832 million** spent on the procurement of food items for vulnerable households. This was in addition to grants, equipment, vaccines and other support provided by the international community.

**AS OF OCTOBER 1st 2021,
THE MINISTRY OF
HEALTH HAS RECORDED**



338
COVID-19 RELATED DEATHS



172,719
VACCINATED PEOPLE

Continuous emergency responses and quick actions are required to save lives and livelihoods, but the easing of controls and the streamlining of processes and procedures to respond to crises increase the risk of misuse or mismanagement of public resources.

INTRODUCTION

When the pandemic started, the Auditor General (AG) reminded institutions of the procurement and financial regulations surrounding public spending, and provided advice based on those guidelines. The issues we brought to the attention of the relevant institutions have been recurring areas for concern reported in previous audits. These include improper procurement, no justifying or missing documents, risk of fraud and theft and significant loss of public money.

As required by the Constitution, the Auditor General conducted a Special Audit of the COVID-19 funds spent between March and October 2020 on food and medical items procured and distributed in the Greater Banjul Area, to assess the financial management of public resources by the Government of The Gambia

This is a summary of four detailed audit reports submitted to the Ministry of Health, Ministry of Trade and National Disaster Management Agency in April and May of 2021. These audits are the first phase in a series of audits on the Government's COVID-19 response. The second phase will cover additional distribution of food and medical items in other regions, allowances to frontline workers, support to media houses, support to overseas students, cash payment to registered tourist businesses and workers and management of quarantine centres.

SCOPE OF THE AUDIT



Our selected team of auditors looked at how:

1. Medical items were procured and distributed
2. Food items were procured and transported to the various distributed points
3. Food items were distributed to vulnerable Gambian households

All of these audits, were done in the Greater Banjul Area and some parts of Brikama(West Coast Region).

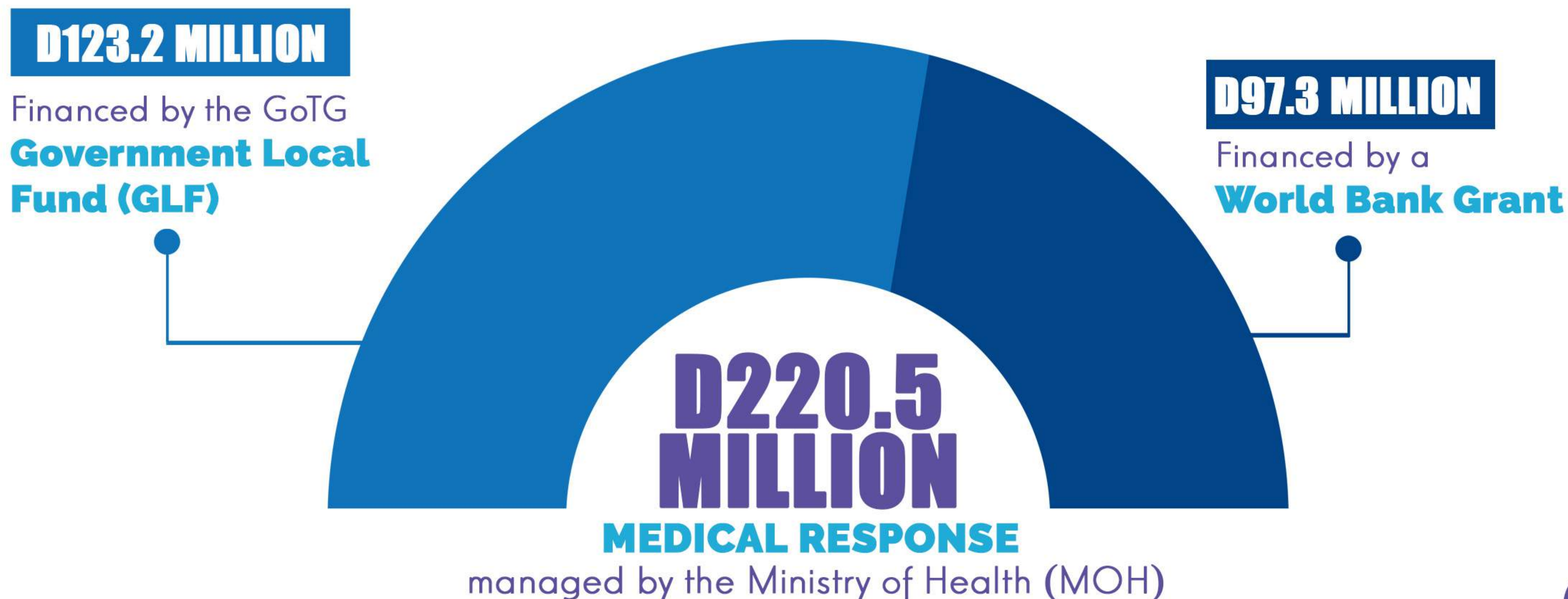
WHY DID WE CONDUCT THIS AUDIT?



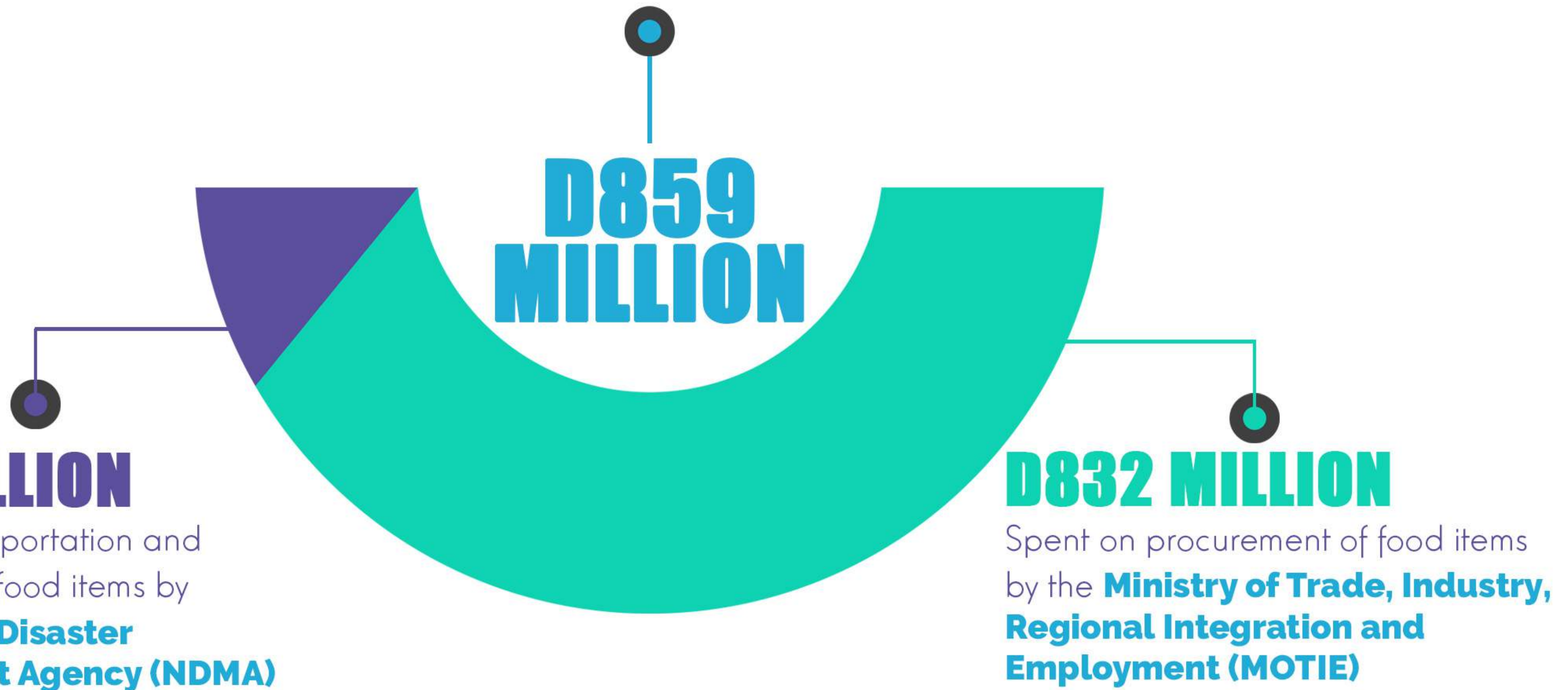
- To track government response and measures to the COVID-19 Pandemic
- To execute our mandate as stipulated in the 1997 constitution
- To hold government accountable and help recommend ways to strengthen its response to this and future emergencies

GOVERNMENT COVID-19 RESPONSE SPENDING TRACKER

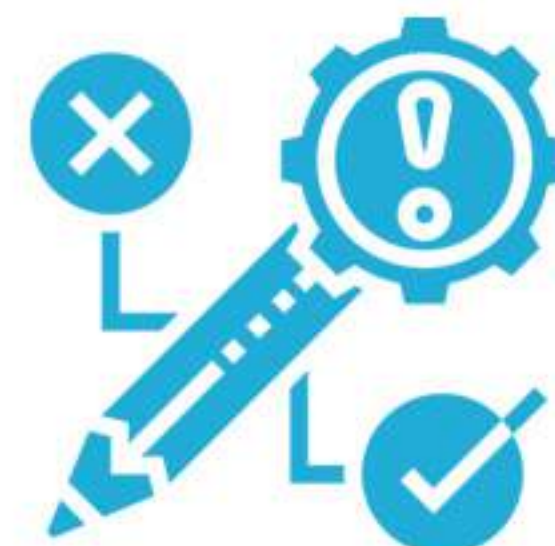
There have been two main sources of funding for the procurement and distribution of food and medical items: [The Government of The Gambia](#) and [the World Bank](#). There were also donations of hand sanitisers, facemasks and food items from individuals and business community to support the Government in the fight against COVID-19 and challenges that emerged. These funds and donations as of October 2021 formed the basis for our audit work.



FOR FOOD RELIEF



ISSUES ARISING FROM THE AUDIT



Based on the four detailed audit reports submitted to the National Assembly and relevant Government offices in April and May 2021, a few indicative findings have been selected for this summarized report. For each issue highlighted here, there are dozen more findings that have not been captured in this summary but can be found in the Consolidated report on www.nao.gm.



MISSING DOCUMENTS

Vouchers, delivery notes etc were not presented therefore certain spendings could not be verified



INAPPROPRIATE PROCUREMENT AND CONTRACTING PROCESSES

Some items and purchases were approved or paid for without following the Gambia Public Procurement Authority (GPPA) guidelines for transparent and fair contracting



DELAYED, DAMAGED AND UNACCOUNTED FOR ITEMS

The buying, distribution and storage of medical, food and other items purchased were poorly managed and some of the items were even missing



NO NEED ASSESSMENTS

Certain purchases were made without planning or conducting proper assessments leading to the wastage of public money

MISSING DOCUMENTS



To improve The Gambia's response to the COVID-19 crisis and future emergencies, we recommend that the Government:

ENSURE THERE IS A CLEAR AND PROPER RECORD FOR ALL SPENDING OF PUBLIC MONEY AND THAT PAYMENTS ARE DONE ACCORDING TO THE LAW

In many cases, the institutions responsible for the different sectors of the COVID response failed to provide accurate, valid and verified documents to us; other times no documents were provided at all.

This indicates poor internal control measures, underreporting of quantities purchased, poor record keeping of public expenditure, and risk of fraud because there is no document trail for us to verify the information provided to us.

Keeping and tracking all documents of procurement and spending of public money is essential for responsible reporting. In the pandemic where emergency expenditure is unavoidable, government must maintain good and transparent record keeping systems to ensure public expenditure reporting is easy and accurate. This recommendation is also encouraged for non-emergency response situations



FINDINGS

The Ministry of Health bought hand sanitizers and plastic buckets costing over D3.2 million to supply to the National Assembly for hygiene mechanisms. We could not confirm that the items from MoH were received by the NA or Constituents, and there were no delivery notes to show that they were supplied by MoH.

(See pages 122-123 of the full report)

A cash payment of more than D2 million was made to the supplier of just 3 boxes of the unproven COVID-19 organic medicine. This method of payment is highly irregular for an international supplier. We could not verify that they received the payment, which was delivered to the President of Guinea Bissau at the Banjul airport without evidence they had been authorized as an agent of the supplier.

(See pages 99-103 of the full report)



1864 bags of sugar, 1400 bags of rice, 344 oil drums that were supplied to Greater Banjul Area had no delivery notes. Similarly, there were no delivery notes for any of the food items distributed at McCarthy Square for Lower River Region. Without this documentation, we could not confirm if the items were actually delivered.

(See pages 63 and 69-70 of the full report)



Payment vouchers and supporting documents for food and medical items amounting to D64 million and D7.5 million respectively were not presented for our verification. Without this documentation, we cannot be sure if the payments were genuine.

(See pages 54-55 and 116-117 of the full report)

INAPPROPRIATE PROCUREMENT AND CONTRACTING PROCESSES



To improve The Gambia's response to the COVID-19 crisis and future emergencies, we recommend that the Government:

**FOLLOW PROCUREMENT GUIDELINES
EVEN IN EMERGENCY SITUATIONS**

Our findings have shown that many of the same procurement and contracting issues that NAO has previously reported on have continued, and potentially even worsened, in this emergency response. Some bidding and contract documents were unavailable for review, and the selection of suppliers in some cases were not clearly explained.

This could mean that, selection of suppliers were not fair and transparent, since certain things like payments made or selection criteria were not clear.

During the pandemic and beyond, it is important for government, through the Gambia Public Procurement Authority guidance, to follow procurement rules for effective and sensitive expenditure of public money.

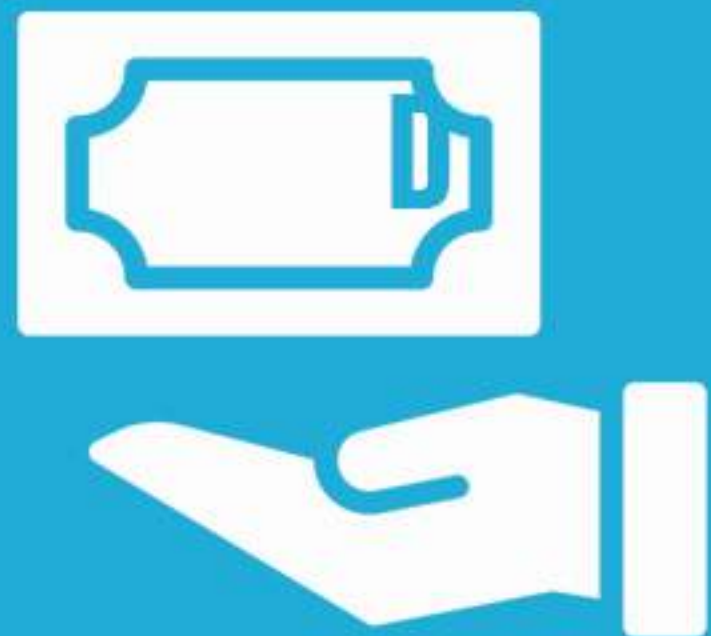


FINDINGS



The Ministry of Health could have saved **D27.7 million** if they made **timely procurement and negotiations** for the **transportation of 10 ambulances and other medical items** to The Gambia. MoH could have spent **D5 million** instead of **D32.7 million**, which is a huge loss of public money.

(See pages 105-110 of the full report)



Contracts were awarded and payments were made for **food and medical items** worth **D116 million** and **D2.2 million** respectively using a single source procurement method without obtaining **GPPA approval**. This is a gross violation of the **GPPA rules and regulations**, and there is a high risk that value for money was not achieved.

(See pages 33-34 and 99-103 of the full report)



Contractors, whose prices were **way above the government regulated price ceiling** for rice, sugar and oil were chosen rather than the cheaper options. This procurement resulted to an estimated **additional spending of D9.7 million**. This is both a waste of public money and a **violation of the Emergency Powers Regulations 2020**.

(See pages 47-48 of the full report)



MORE FINDINGS



The Ministry of Health signed a non-negotiable contract with a supplier whose prices were much higher than quotes from other suppliers and market rates. Our assessment found that D86 million could have been saved had they had gone with different suppliers rather than the one they chose.

(See pages 110-114 of the full report)



Contracts worth D98 million were awarded to two suppliers whose business registration certificates were not provided. This casts doubt over the legal status of these businesses with potential loss of revenue to government through non-payment of tax.

(See pages 37-38 of the full report)



The method of selecting suppliers awarded D100 million in contracts was not specified in the procurement documents provided to us and could not be explained by the relevant officer. As a result, there is no way to check whether these contracts were awarded to achieve best value-for-money or instead were awarded for some other reason.

(See pages 97-99 of the full report)

DELAYED, DAMAGED AND UNACCOUNTED FOR ITEMS



To improve The Gambia's response to the COVID-19 crisis and future emergencies, we recommend that the Government:

KEEP BETTER TRACK OF AND PROTECT ALL PURCHASED ITEMS UNTIL THEY REACH THE INTENDED BENEFICIARIES

The first phase audit also found that the Government did not keep proper records of all medical and food items received and distributed. In some cases, there were significant differences between what the Government paid for and what was reported to have reached medical facilities and vulnerable households. Furthermore, many items were delayed and damaged before being distributed.

This is a risky practice because it means that money could be wasted on goods that are never delivered by suppliers, or that critical food and medical items could be damaged, lost or stolen somewhere along the way.

Going forward, it is important that the Government maintains accurate records from procurement through to distribution. It should also ensure that all purchased items are properly stored and distributed as quickly as possible given it is an emergency situation.



FINDINGS



8,215 10L gallons of oil ,36,133 and 51,133 50KG bags of rice and sugar respectively, were not accounted for when we compared the records of what the government paid for and what was ultimately distributed to vulnerable households. Similarly concerning differences are found in the record of what was received from suppliers and what was paid for by government.

(See pages 64-65 of the full report)



Inventory systems were not working at the Central Medical Stores (CMS) or health facilities visited. Tally cards were not maintained, and regular stock checks were not carried out or documented. Without such basic stock controls there is a significant risk that items could be lost or stolen without trace.

(See pages 126-130 of the full report)



There was excessive delay between the procurement of food items and subsequent distribution to vulnerable households due to late finalization of household information and printing of coupons. Therefore, beneficiaries received emergency food items well after the procurement.

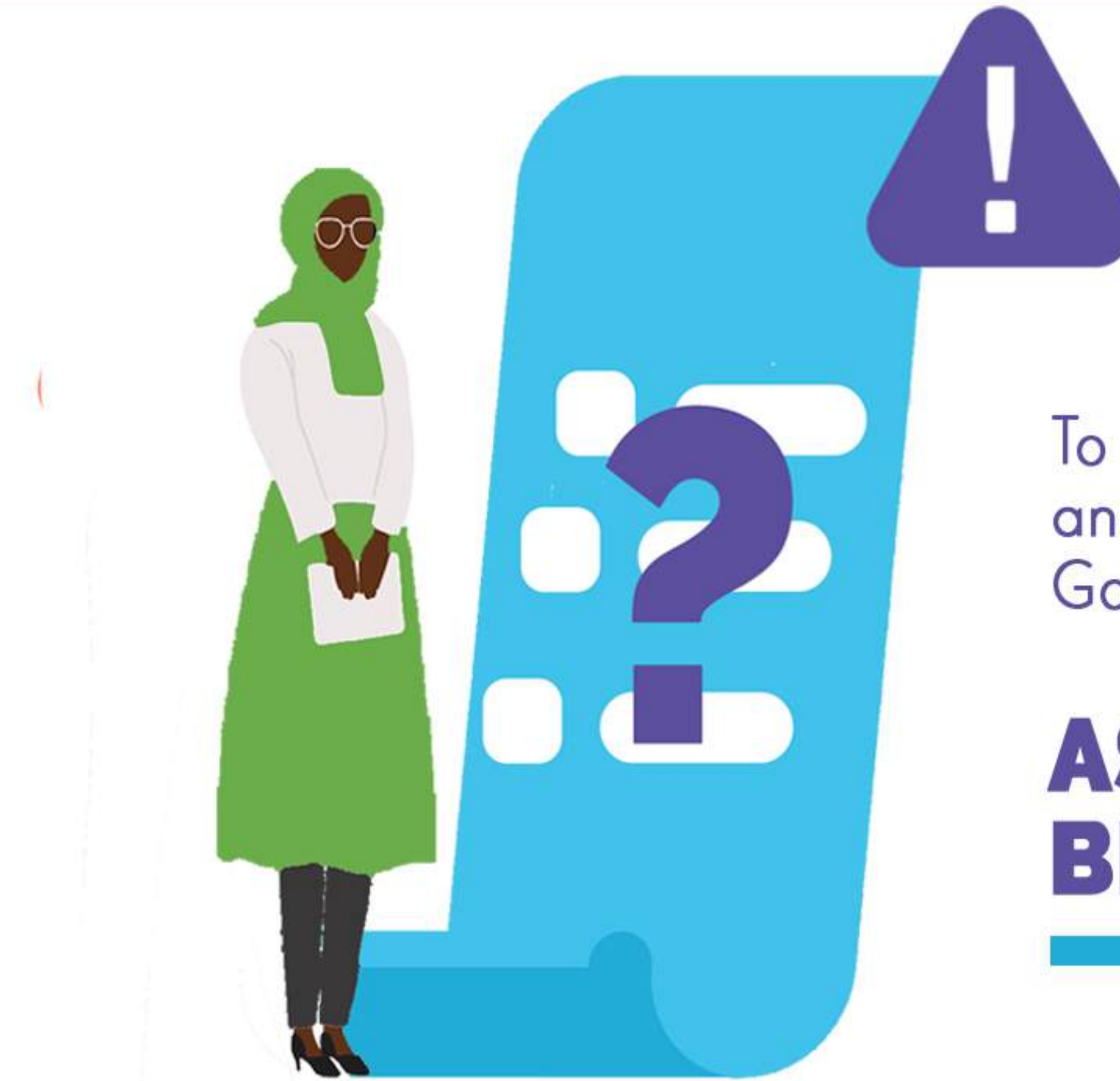
(See pages 77-78 of the full report)



Food items were sent to some distribution points without appropriate storage facilities. As a result, they were kept in the open and were exposed to sunlight and dust. This exposure caused damage to some of the food items leading to wastage of resources. The damaged food items also remained unaccounted for as records of the damaged food items were not provided.

(See pages 71-72 of the report full)

NO NEEDS ASSESSMENTS



To improve The Gambia's response to the COVID-19 crisis and future emergencies, we recommend that the Government:

ASSESS NEEDS BEFORE MAKING BIG PURCHASES

This first phase audit of the COVID-19 funds showed that Government of The Gambia made several large purchases of medical items without assessing if they were needed or who needed food items more. When we raised the query, the responsible officials failed to point out how suppliers and transportation options were selected.

This is a risky practice because it means critical resources could be wasted on unnecessary items or not distributed to the right people.

Going forward, it is important that the government assess needs before making big purchases, especially during an emergency, and with limited financial resources.



FINDINGS



The Ministries of Trade and Health procured food, medical items, and fuel worth D832 Million and D123,232,642 Million without conducting needs assessments or receiving specifications from the relevant committees.

(See pages 32-33 and 92-93 of the full report)



The Office of the President ordered the transportation of 3 boxes of COVID-19 organics from Guinea Bissau costing more than D2 million without any consultations with the relevant institution. The medical benefits of these organics was dismissed by the World Health Organisation shortly thereafter, so the items have not been used and remained in store.

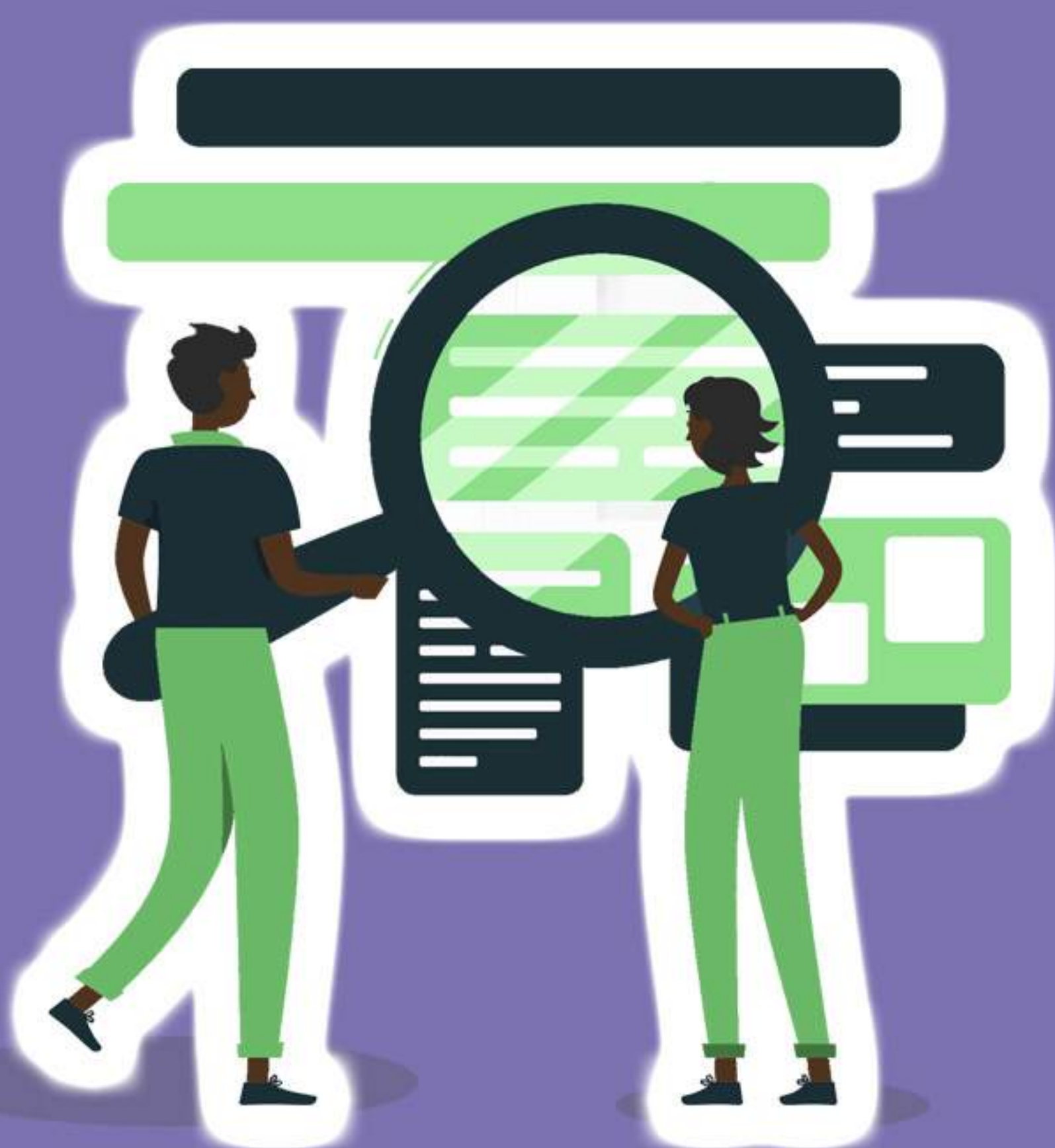
(See pages 99-103 of the full report)



Some vulnerable households in Bakau Newtown, Fajara and Manjai Kunda/Kotu wards were not registered and therefore did not benefit from the relief package. The absence of criteria in identifying these vulnerable households suggests that households were selected using discretion with the potential of missing out on people that needed support the most.

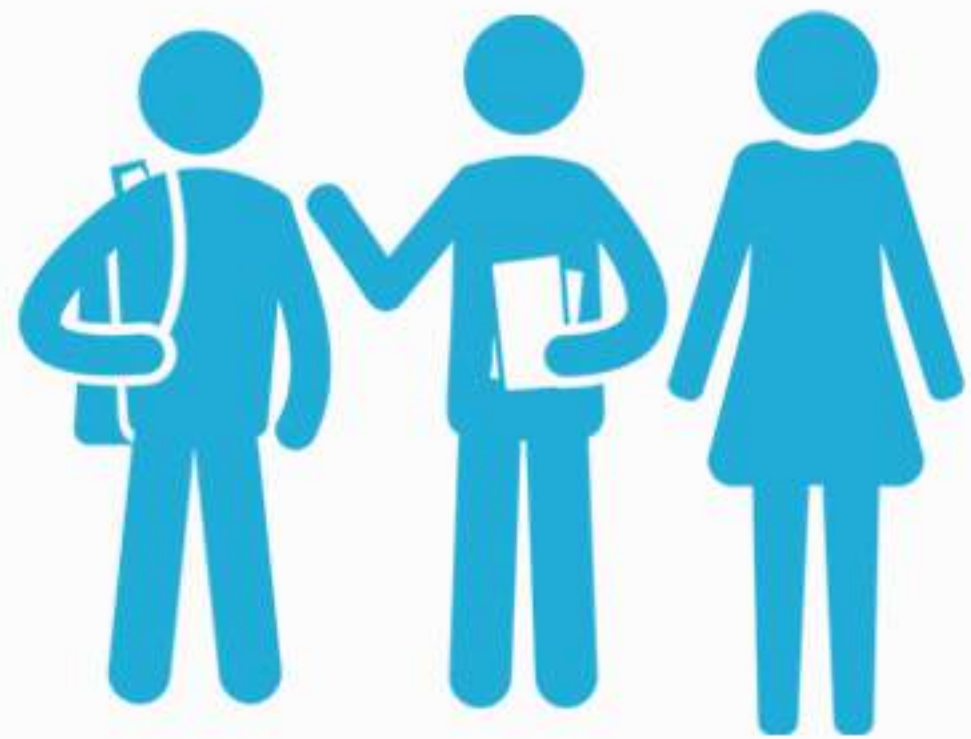
(See pages 65-66 of the full report)

ADDITIONAL TAKEAWAYS AND RECOMMENDATIONS



- 1** In most findings, the various management of the institution responsible for COVID-19 Response **claimed that the discrepancies were due to the emergency nature of the pandemic.** While we acknowledge the role that the urgency of the pandemic could play, a lot of the issues remain unjustified and could be prevented if the rules and guidelines are followed at all times.
- 2** Since 2016, we have reported in our annual audit reports on the **GoTG accounts for the need of a contingency fund.** This is a constitutional requirement, and by standards should **solve the unexpected budgeting, movements and management of funds** during emergency situations such as COVID-19. However, this recommendation is **yet to be implemented** by the Ministry of Finance in the yearly budgets.
- 3** The public finance act, financial regulation and GPPA regulation **set out guidelines for expenditure of public money even during emergency situations.** Where certain actions and purchases can be justified, at all times, government should ensure that specific rules are followed to ensure good public finance management. These including conducting assessments, making transparent contracting, consulting committees and management before making decisions etc.

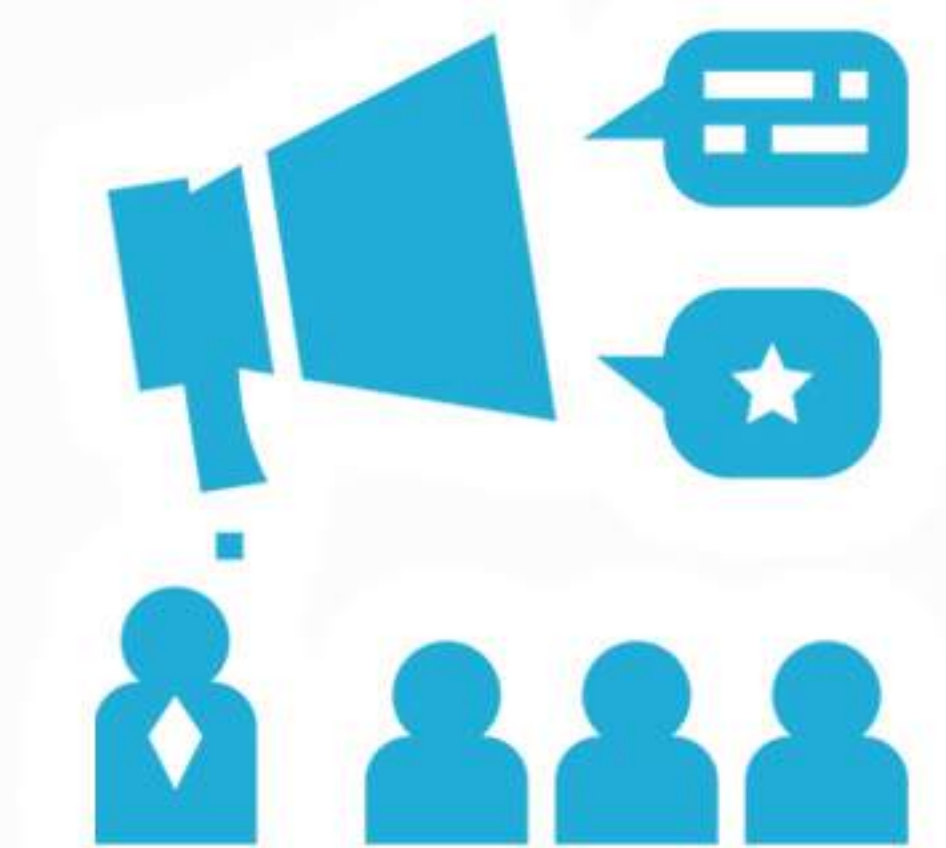
HOW CITIZENS CAN USE THIS REPORT



Talk to friends and family about the findings that affect you the most and possible solutions



Engage your National Assembly on how they plan to address findings of the audit report



Advocate for stronger governance controls and a better emergency response going forward

NATIONAL AUDIT OFFICE REPUBLIC OF THE GAMBIA

Kanifing Institutional Layout

info@nao.gm



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*If you could please send us your feedback on this summarised report through our social media handles, on our website or direct walk-in to our office.