



## **FPAC Report on the State of Financial Management in Local Government Councils**

### **Introduction**

The Final Report of the Finance and Public Accounts Committee 2025 is a comprehensive accountability document that covers the 2020 audited accounts of Government, and the annual activity reports and audited financial statements of public agencies, hospitals and local government councils. The Report, spanning 137 pages, details findings from parliamentary oversight and scrutiny, highlighting issues such as financial mismanagement, non-compliance with regulations, and governance weaknesses. Chaired by Hon. Alhagie S. Darbo, the report was presented on the floor of the National Assembly on 3<sup>rd</sup> July 2025.

EFSCRJ hereby presents a summary of the Report as it relates to local government councils as part of our transparency and accountability drive. We wish to present it to the public in order for citizens to understand how public institutions manage public affairs and resources on one hand and on the other hand delivery public services in fulfilment of the human rights of the people. It is when citizens are well informed that they can effectively and active hold public institutions and official accountable.

### **Focus on the Local Government Councils**

The FPAC Report details several issues and findings related to the financial management and oversight of Local Government Councils in The Gambia. These findings are primarily outlined in Chapter 4 - Local Government Councils and cover the Banjul City Council (BCC), Basse Area Council (BSAC), Kanifing Municipal Council (KMC), Kerewan Area Council (KAC), Mansa Konko Area Council (MKAC), and Kuntaur Area Council (KTRAC).

Below is a summary of the key issues and findings.

#### **1. Non-Compliance with Financial Reporting Requirements**

As per the National Assembly Resolution of 18 September 2023, all city, municipal, and area councils were directed to prepare credible financial statements. However, some councils, such as Mansa Konko Area Council, failed to present credible financial statements for scrutiny.

#### **2. Lack of Proper Record-Keeping**

Many councils did not maintain essential financial records such as general ledgers, debtors and creditors control accounts, or proper cash books, leading to incomplete or inaccurate financial reporting.

#### **3. Unpresented Documents**

Several councils failed to provide critical documents, such as General Triplicate Receipts (GTRs), payment vouchers, or lease agreements, for audit inspection, hindering verification of financial transactions.





#### **4. Non-Compliance with Procurement Regulations**

Instances of single-sourcing and lack of adherence to the Gambia Public Procurement Authority (GPPA) Act were noted, particularly in asset disposals and fuel procurement.

#### **5. Weak Internal Controls**

There were recurring issues with weak internal controls, including improper maintenance of cash books, lack of reconciliation, and unauthorized transactions.

#### **6. Staffing and Governance Issues**

Frequent redeployment of officials between councils was identified as a concern, leading to operational inefficiencies and backlogs. Furthermore, some councils had staff in key positions who did not meet the required qualifications as per the Scheme of Service.

#### **7. Asset Management Deficiencies**

Fixed Asset Registers were often incomplete, lacking details such as asset location, serial numbers, or unique identification numbers.

### **Specific issues and Findings by Council**

#### **1. Banjul City Council (BCC)**

##### **Issues and Findings**

FPAC found several issues of concern at the BCC including the incidence of unconfirmed GTRs from unverified sources, the lack of accounting policies for revenue and expenditure recognition as well as the lack of audited financial statements for 2018 and unconfirmed 2019 figures due to missing deposit evidence. There were also issues of improper maintenance of cash book and no bank reconciliations for 2019 – 2020. Other issues found by FPAC include:

- Suppression of collections (D195,120) by revenue collectors.
- De-aggregation of procurements (abattoir/stores construction, D3.58M paid as imprest to staff).
- Unbudgeted payments (D394,276) and unsupported Covid-19 relief payment (D200,000).
- Non-deduction of withholding tax.
- Unused software

##### **Recommendations for Banjul City Council**

- i. Rebuild Cash Books per financial manual and prepare monthly reconciliations.
- ii. Recover suppressed funds and report to police if unresolved.
- iii. Stop de-aggregation and end the practice of paying contract amounts to the staff of the Council.
- iv. Deduct withholding tax and remit to GRA.





- v. Regularize IT systems.
- vi. Submit missing documents within 30 days.

## **2. Basse Area Council (BSAC)**

### **Issues and Findings**

The Report exposed that there was no Internal Audit function in the Council which role was then reassigned to revenue unit. Further, there were missing balance sheets and inadequate accounting policies. The budget preparation process was found to be unscientific as there were no circulars or committee approvals. There were incomplete asset registers with missing costs, dates, and descriptions. Other issues highlighted include the misuse of GTRs for tax/loan deductions, uncollected license arrears amounting to D138,500, as well as missing key documents such as IT policy, procurement plans, and risk assessment reports. The council did not maintain a proper cash book for 2019 and 2020, failing to record all receipts and payments accurately. Further issues and findings include the following:

- Key financial documents, such as control accounts for debtors and creditors, were not prepared, making it difficult to monitor transactions.
- General Treasury Receipts for certain collectors were not presented for audit inspection.
- Asset disposals were conducted without evidence of approval from the Contracts Committee or proper documentation of item descriptions, original costs, or write-off values.

### **Recommendations for Basse Area Council**

- i. Maintain a General Ledger and individual accounts for debtors and creditors.
- ii. Update the Asset Register with missing details and ensure it is kept up to date.
- iii. Present unpresented GTRs to FPAC within 60 days.
- iv. Reinstate Internal Audit; adopt proper accounting frameworks.
- v. Prepare balance sheet and control accounts.
- vi. Recover license arrears; use GTRs only for revenue.
- vii. Document budget processes.
- viii. Develop operational plans and IT policies.

## **3. Kanifing Municipal Council (KMC)**

### **Issues and Findings**

The Committee found the incidence of an incomplete establishment register, with individuals with low qualifications holding key positions. Several IT issues were discovered with no centralized IT management. Computers were found to be using cracked operating systems, posing security risks. Backups stored on external hard drives were not regularly updated, leading to inconsistencies in data. Reconciliation of the Cash Receipt Book Register (CRBR) against the Collectors' Cash Book showed inconsistencies in ticket serial numbers. Other issues and findings include:





- GTR discrepancies (duplicates, unrecorded serials, suppressed collections) amounting to D125,780.
- Missing payment vouchers (D7.68M).
- Collections amounting to D60,000 were not posted to the accounting software, indicating weak revenue recording systems.
- Allegations included a D12 million loan for land purchase, alleged forgery of a guarantee letter, and solicitation of a D150,000 bribe.
- The council did not maintain an Imprest Holders Account, and D18,650 in GTRs were unrepresented for inspection.
- An excess expenditure of D12,605,660 was noted between actual and budgeted expenditure.
- A Trade License System purchased for D500,000 was not in use, despite annual hosting costs of D9,000.

### Recommendations for KMC

- i. Ensure computers use genuine operating systems and establish a Change Management System by the end of 2025.
- ii. Maintain a proper Fixed Assets Register with asset locations.
- iii. Provide lease agreements for council properties with FPAC for confirmation.
- iv. Cease using GTRs for revenue collection and ensure proper revenue recording.
- v. Submit missing vouchers within 30 days or refer to the police.
- vi. Correct GTR records and strengthen revenue monitoring.
- vii. Review staff qualifications per Scheme of Service.
- viii. Implement IT policies (genuine OS, backups, password protocols).

### 4. Kerewan Area Council (KAC)

### Issues and Findings

In KAC, the Report noted severe cases of underreporting of market fees and licenses, no reconciliation between collectors and central accounts, and payments without three quotations. Further, it found that the practice of payments for travel allowances and board sitting fees were not approved. There exist no annual budget execution reports, while fixed assets registers were missing, no records of board meetings and IT policies and data backups do not exist. Similarly, there were no ledgers for expenditure, revenue, debtors, or creditors were maintained for 2020, hence hindering financial oversight. Further issues and findings include the following:

- An understatement of D97,000 was noted in market collections due to discrepancies in the Collectors' Cash Book.
- The council lacked a training policy, yet staff were trained with allowances, indicating unplanned expenditure.
- Fuel was allocated to the CEO, Chair, and Directors without evidence of authority.
- The Establishment Register lacked critical details such as serial numbers, age, date of appointment, and income tax deductions.





## **Recommendations for Kerewan Area Council**

- i. Enforce daily banking of revenue collections.
- ii. Require three quotations for all procurements.
- iii. Prepare and submit Budget Execution Reports.
- iv. Hold quarterly board meetings with documented minutes.
- v. Develop IT and data backup policies.
- vi. Adjust 2021 Cash Books to include 2020 closing bank balances.
- vii. Provide supporting documents for fuel allocations to FPAC within 30 days.
- viii. Update the Establishment Register with missing details and present it to FPAC within 30 days.
- ix. Revalue council properties to reflect current market values.

## **5. Kuntaur Area Council (KTRAC)**

### **Issues and Findings**

The Committee found in Kerewan the incidence of payments without payment vouchers, and no proper cash book or general ledger maintained as well as unsupported expenditures because of missing vouchers. Further, malpractices such as the non-banking of daily collections, the use of private receipt books instead of GPPC-issued ones, contracts awarded without competitive bidding, payments made without proper documentation and overdue acting appointments (i.e., beyond 6 months). There was also no functional Contracts Committee, while salary payments were made without payment vouchers thus violating Financial Regulation 2016. Further issues and findings include:

- Incomplete establishment registers as they lacked details such as date of birth, position, salary, and incremental dates.
- An amount of D27,800 was not posted in the main Cash Book, indicating poor revenue recording.
- Accounting Officers awarded allowances at their discretion, bypassing established rates.

## **Recommendations for Kuntaur Area Council**

- i. Present bank reconciliation statements for 2019 and 2020 to FPAC within 30 days.
- ii. Review and adjust the Establishment Register with missing details within 30 days.
- iii. Establish a disaster recovery mechanism to mitigate potential losses.
- iv. Cease discretionary allowance awards and adhere to established rates.
- v. Implement proper bookkeeping (Cash Book, Ledger).
- vi. Ban private receipt books; use only GPPC-issued receipts.
- vii. Recover unbudgeted payments from responsible officers.
- viii. Regularize staff appointments per General Orders.
- ix. Reactivate Contracts Committee for procurement oversight.





## **6. Mansa Konko Area Council (MKAC)**

### **Issues and Findings**

In Mansa Konko Area Council, the Report found the incidence of missing GTRs and unbanked collections, no proper revenue tracking system, single-source awards exceeding GPPA thresholds and lack of procurement plans. There were also malpractices such as overdue staff loans (unrecovered from ex-employees), unauthorized salary advances, no Internal Audit reports and no Asset Register or inventory checks. MKAC did not provide credible financial statements for 2019, and related notes were not submitted for audit review. The General Council's governance structure was inadequate, lacking proper oversight mechanisms.

### **Recommendations for Mansa Konko Area Council**

- i. Recover missing receipts and unbanked funds.
- ii. Require GPPA approval for all single-source procurements.
- iii. Deduct outstanding staff loans from salaries.
- iv. Conduct asset verification and update registers.
- v. Establish an Internal Audit unit with regular reporting.
- vi. Establish a comprehensive disaster recovery mechanism.
- vii. Ensure the General Council provides necessary documentation for audit review.

### **General Recommendations for Local Government Councils**

The Report provided a number of recommendations related to improving financial reporting, asset management, revenue collection, internal controls, procurement compliance and staffing and training issues, among others. These include,

- i. Ensuring the daily banking of collections, and monthly bank reconciliations, while also adhering to the mandatory use of GPPC-issued receipts and maintaining procurement records for audits.
- ii. Councils were also urged to ensure regular board meetings with minutes and create internal audit units which should be functional.
- iii. Councils must prepare and submit credible financial statements in line with the National Assembly Resolution.
- iv. Maintain up-to-date Fixed Asset Registers with all required details.
- v. Cease using GTRs for revenue collection and implement proper receipting systems.
- vi. Strengthen internal controls, including maintaining proper ledgers and conducting regular reconciliations.
- vii. Adhere to the GPPA Act for all procurement activities, including asset disposals.
- viii. Address frequent staff redeployments and establish training policies to ensure efficient operations.

FPAC gave a directive to all councils to address these issues within 60 days or face sanctions, including police investigation for financial mismanagement.

## Conclusion

Local government councils in The Gambia are critical for delivering essential services such as sanitation, market management, and local infrastructure yet persistent weaknesses in financial management, accountability, and operational efficiency undermine their effectiveness. Without urgent reforms, councils will continue to waste public funds and fail in their mandate to improve local development. The FPAC and Ministry of Local Government must monitor compliance strictly and penalize negligence.

This report was presented on July 3, hence between August 3 and December 2025, the councils are expected to respond to the issues raised. EFS Small Centre shall remain vigilant as we monitor progress and report it to the public and relevant stakeholders.

### **2025 – The Year of Transparency and Accountability**

