



2020 Public Finance Management (PFM) Annual Progress Report

MOFEA

Assessing the Implementation of PFM reforms for 2020 indicates progress in medium term planning and budgeting, debt and financial management, strengthened internal controls and oversight functions in the use of public resources.

Ministry of Finance and Economic Affairs - The Gambia



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Acronyms

AfDB: African Development Bank

AGD: Accountant General Department

ASYCUDA: Automated System for Customs Data

BCC: Budget Call Circular

BFP: Budget Framework Paper

BoD: Board of Directors

CBG: Central Bank of The Gambia

CEOs: Chief Executive Officers

CES: Catholic Education Secretariat

CRB: Complaint Review Board

CRF: Consolidated Revenue Fund

CSOs: Civil Society Organizations

DDP: Directorate of Development Planning

DIA: Directorate of Internal Audit

DOB: Directorate of Budget

DP: Distribution Point

DLDM: Directorate of Loans and Debt Management

DLEA: Drug Law Enforcement Agency

DPP: Directorate of Public Procurement

DSA: Debt Strategy Assessment

DSSI: Debt Service Suspension Initiative

EBID: ECOWAS Bank for Investment and Development

ECF: Extended Credit Facility

ECOWAS: Economic Committee of West African States

EFT: Electronic Funds Transfer

ERM: Enterprise Risk Management

EU: European Union

E&Y: Ernst and Young

GALGA: Gambia Association of Local Government Authorities

GCCI: Gambia Chamber of Commerce and Industry

GDP: Gross Domestic Product

GFS: Government Financial Statistic

GFS: Gambia Ferries Services

GPPA: Gambia Public Procurement Authority

GRA: Gambia Revenue Authority

HR: Human Resources

ICT: Information and Communication Technologies

IFMIS: Integrated Financial Management Information System

IFRS: International Financial Reporting Standards

IMF: International Monetary Fund

IsDB: Islamic Development Bank

ISSAI: International Standards for Supreme Audit Institutions

KFAED: Kuwaiti Fund for Arab Economic Development

KPIs: Key Performance Indicators

LAC: Losses Advisory Committee

LGAs: Local Government Authorities

MDAs: Ministries Departments Agencies

MOFEA: Ministry of Finance and Economic Affairs

MOH: Ministry of Health

MOJ: Ministry of Justice

MOLRG: Ministry of Lands and Regional Government

MOU: Memorandum of Understanding

MPAU: Macroeconomic Policy Analysis

MTDS: Medium Term Debt Strategy

MTEF: Medium Term Expenditure Framework

MTEFF: Medium Term Economic Fiscal Framework

M&E: Monitoring and Evaluation

NA: National Assembly

NAO: National Audit Office

NAS: National Aids Secretariat

NDP: National Development Plan

NEA: National Environmental Agency

NFSPMC: National Food Security Processing Marketing and Cooperation

NHRC: National Human Rights Commission

NRO: National Records Office

PAC/PEC: Public Accounts Committee/Public Enterprise Committee

PBB: Program Based Budgeting

PCU: Project Coordination unit

PEFA: Public Expenditure and Financial Accountability Framework

PFA: Public Finance Act

PFM ARP: Public Finance Management Annual Progress Report

PFM: Public Finance Management

PFMD: Public Finance Management Directorate

PFM AIC: Public Financial Management Audit Implementation Committee

PFM-CC: Public Financial Management Coordination Committee

PIU: Police Intervention Unit

PMO: Personnel Management Office

PPP: Public Private Partnership

PS: Permanent Secretary

PSC: Public Service Commission

RFQ: Request for Quotation

SAP: Supplementary Appropriation Bill

SFD: Saudi Fund for Development

SOEs: State Owned Enterprises

SRB: Strategic Review Board

TA: Technical Assistance

TADAT: Tax Administration Diagnostic Assessment Tool

TSA: Treasury Single Account

TWG: Threshold Working Group

UNDP: United Nations Development Programme

Forward

The Ministry of Finance and Economic Affairs (MOFEA) has the pleasure to present the Public Financial Management (PFM) Annual Progress Report for 2020, recounting the progress made in strengthening PFM reforms. On a general note, implementing the PFM reform Strategy 2016-2020 has been very remarkable. Great successes have been registered in attaining its strategic goals for the period under review. Thus, confirming Government's firm commitment to adopting and institutionalizing prudent public financial management practices, processes and procedures.

Incredible milestones are achieved by upgrading and the extension of IFMIS functions to the embassies, sub-treasuries and LGAs for the first time since 2007. This will in great extend support the production of more credible financial statement of Government's operations. Revenue administration and management is continually being strengthened introducing electronic filing, receipting and payments. Significant infrastructures are already in place to support the upgrading of revenue administration and management systems. To strengthen this further, a payment platform to host the TSA is negotiated and implementation is envisaged in early 2021. Whilst, the procurement Act 2014 is being revised to accommodate international best practices and smoothens budget executions, debt management and sustainability remain government key priorities as articulated in its MTDS and 2020 annual borrowing plan.

2020 was characterized by the COVID-19 pandemic leaving lives and livelihoods devastated, slow economic growth and inefficient service

delivery in the public sector. Albeit, PFM reforms in the Gambia took a granular and targeted approach focusing on basic alternative modalities for its accomplishments in:

- Improved coverage of internal control processes to government transactions.
- TSA stakeholder sensitization for the Ministry Departments and Agencies (MDAs).
- The development and publication of the new PFM Strategy 2021-2025.

As we launched yet another new PFM Strategy 2021-2025, the reforms are expected to play an important role in improving the efficiency and equity in public spending spreading over a wide range of medium-term resource planning, internal control, local governance and external scrutiny. Therefore, Government of The Gambia is committed to sustaining the improvements in budget credibility and transparency, implementing audit recommendations and enhancing functional local government structures.

In conclusion we wish to recognize of the formidable efforts of our stakeholders leading the implementation process of the reforms. The actual commitment and definitive actions on their side, unflinching MOFEA Management and donor support have indeed yielded desired results.

Signed:

Abdoulie Jallow
Permanent Secretary

1.0: Preamble

This Public Financial Management Annual Progress Report (PFM-APR) is produced culminating progress of implementation of reforms by the sister departments of MOFEA and other MDAs. It seeks to establish an objective evaluation of current PFM performance, highlight areas of absolute and relative strength and weaknesses.

Whilst, the current Strategy focuses mainly on Central Government, which have seen substantial improvement, significant, strides have also been made to involve LGAs. Despite limited capacities, a good number of LGAs internal audit staff continue to benefit from capacity building and training supported by Internal Audit Directorate of the MoFEA. The development of strategic plans for all LGAs is now completed... A complete assessment on all the LGAs financial recording system was made and significant improvement registered in their financial recordings with Brikama Area Council operating an automated revenue collection system.

2.0: Pillar One: Macro Economic and Budget Management

2.1: Revenue administration and management

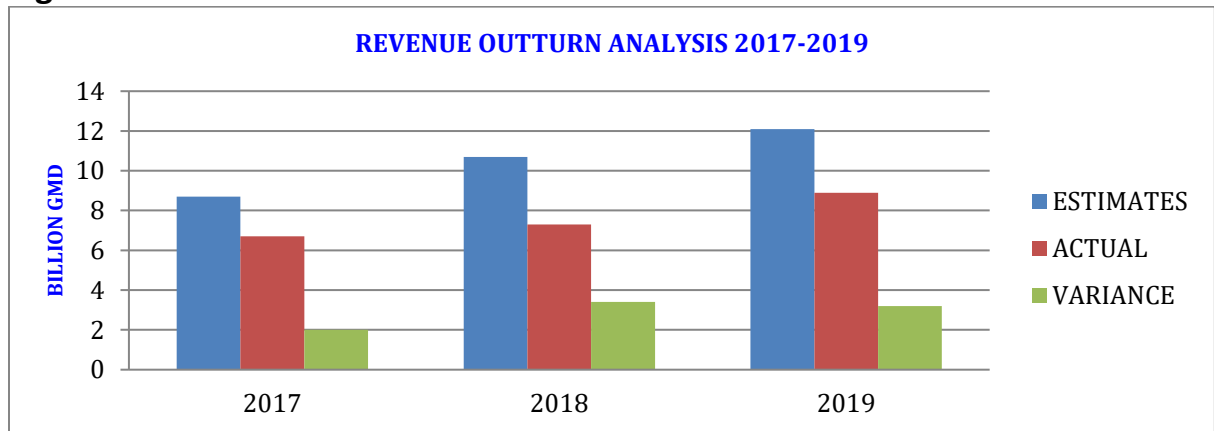
The GRA has improved significantly on revenue administration over the past years. This has been aided by the tax cleansing of tax payer registers to update tax payer details, enhancement of GRA tax collection systems covering three basic modules (registration, return and payment processing) piloted to four offices with plans to roll out all other offices. Additional plans are to cleanse the taxpayer registers. Progress made improving ASYCUDA++

to ASYCUDA WORLD has witnessed the installation of the hardware and training of technicians and functional team on how to use the system.

2.1.1: Revenue outturns:

Revenue outturns for the period between 2017, 2018 and 2019 indicates a shortfall of 23 percent, 31.8 percent and 26.4 percent respectively for the corresponding years as articulated in figure 1 below:

Figure 1: Revenue Outturns 2017-2019



Source: Estimates for Revenue and Expenditure 2016-2020

Strengthened revenue administration; increase tax information reliability and tax systems efficiency is fundamental in improving domestic revenue mobilisation.

2.2: Budget preparation process

The National Development Plan (NDP) continues to serve as the policy anchor for the Medium-Term Economic and Fiscal Framework (MTEFF) and subsequently the Budget. The MTEFF is developed for 2021-2024 that

constitutes and translates the macroeconomic objectives, revenue forecasts for the central government, development policy priorities, debt and financing and risk factors over the medium term.

The budget preparation process is drawn upon the MTEFF document to provide wider and transparent resource accessibility and constraints. Broad aggregates expenditure ceilings that detailed out expenditure plans are guided by strategic priorities of the MDAs.

Due to COVID 19, most part of the budget preparation process was held online, virtually limiting the usual participatory process. However, the Budget Call Circular (BCC) provides adequate guidance to MDAs in the preparation of budget submissions. Concerns are still raised that; most MDAs strategies are not updated and remain broadly inconsistent with fiscal forecasts.

Whilst, recurrent cost implications are reasonably established, the sizes of primary expenditures and Investments are selected on the basis of the NDP. The multi-year perspective developed for three years rolling plans presents the overall; fiscal aggregates forecast for better planning and expenditure. Although, the planning cadre has been strengthened with additional staff, there is a need to further strengthen planning capacities particularly in budget planning to further increase the use of the IFMIS budget module for enhanced analysis. These in its effects have provided good inputs for budget preparation. Adhering to the budget calendar activities that presents clear timelines remain challenging. The annual budget is always approved by Parliament before the start of the new fiscal year. There is need to reactivate the private sector CSOs budget consultative forum.

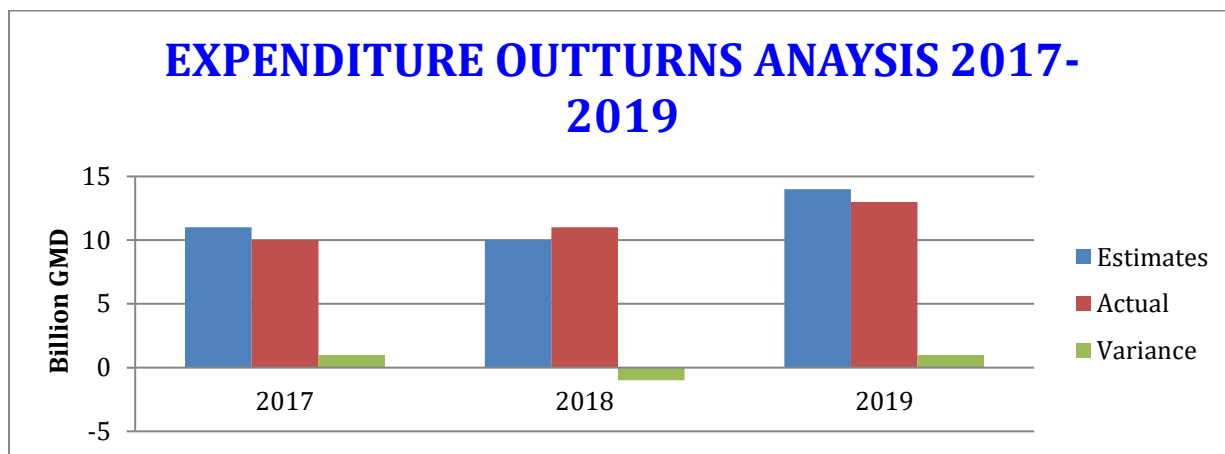
2.2.1: Budget Reliability: Budget implementation continues to be constrained by extra budgetary spending emanating from previous arrears and SOEs liabilities.

The period under review was further compounded by the COVID 19 pandemic. Funds have to be reallocated to finance health demand needs, thus affecting other sector priority needs. This also brought about a Supplementary Appropriation Bill (SAP) in the tune of GMD 2.845 billion of which 85% was financed by the development partners.

2.3: Aggregate expenditure outturn and its composition

Aggregate expenditure outturn for 2019 is 7 percent less than the approved budget estimate compared to 9 percent in 2017 and -10 percent higher in 2018 respectively. Indicating improved monitoring and controlled in budget execution process to contain spending on goods and services. The overrun recorded in 2019 was mainly due to the 50 percent salary increase that was introduced in January; spending on transitional justices and transfers to the Gambia Groundnut Cooperation (GGC) to meet its Islamic Trade Finance Corporation (ITFC) obligations. Despite the improved performance, there is substantial contingent liabilities risk contracted by some of the SOEs.

Figure 2



Source: **Estimates for Revenue and Expenditure 2016-2020**

2.3.1: Predictability and control in budget execution

The introduction of the TSA leveraged on the expectations to further automate and widen collection points of tax and non-tax revenue for Government enhanced sweeping of revenue collections through the commercial banks on daily bases to the CRF. Supported by the cash plans prepared by MDAs, the established cash management unit continues to play its critical role of producing monthly forecasts of available cash for budget execution. The cash management committee reviews the forecasted plan and cash allocations based on mobilised revenue and MDAs expenditure priorities are issued. This is further enhanced by liquidity forecast committee composed of interest stakeholders such as CBG, GRA, and relevant departments of the Ministry of Finance. However, cash rationing in meeting MDAs' cash needs leaves some critical activities not adequately funded. MoFEA vires MDAs budget without prior consultation.

2.3.2: Expenditure arrears

Budget execution has been constrained by accumulated arrears over the years. Commitment outside the IFMIS has contributed to the significant amount of arrears accumulated. This has been undermined by undue attention to the provisions of the Financial Regulations and annual budget execution guidelines. However, a dedicated team is established within DIA to audit MDAs' arrears. Recently concluded audit exercise reveals Government substantiated arrears amounting to over GMD 300 million¹ as at 30th September, 2020 including arrears accumulated by MDAs since the beginning of 2020 amounting to slightly below GMD 1.5 million representing 42% of total remaining arrears from 2019 to date. However, there are still unsubstantiated arrears amounting to GMD 14,115,900.55 that shows no evidence that the transactions were duly authorized by a responsible officer in accordance with authorized public finance and procurement laws, rules, and regulations and consistent with budgetary authorizations.

There is need to strengthen internal audit systems around the accumulation and reporting of expenditure arrears. The government is committed to settle the substantiated arrears and further prevent the accumulation of new arrears as per the new policy directive in recent budget speech. However, enforcement remains a problem.

2.3.3: Payroll controls

The NAS DNA posts the payroll data for Government officials. This includes allowances that do not form part of the basic salary. A payroll module is being developed in Epicor10 to harmonize the human resource system and

the NAS DNA. The system offers a comprehensive HR management module that is now activated in the IFMIS system the HR module is run by the PMO and the payment aspect is handled by AGD.

2.4: Transparency of Public Finance

In addition to Government expenditure reports being published monthly on the MOFEA website, other efforts include:

- The publication of Government revenues and expenditures.
- The publication of the MTEFF.
- The publication of internal audit reports.
- The introduction of free toll facility by Brikama LGA to facilitate access to public information
- Annual convergent of relevant stakeholder to report on LGAs operational progress and challenges
- The publication of all Covid-19 related procurement expenditure and the publication of the different procurement method adopted by MDAs on the GPPA website.
- The publication of the citizens budget on the MOFEA website.
- The publication of the SOEs Audited Financial Statements and performance reports on the MOFEA website.

However, there are concerns over the non-publication of the NAO reports

2.5: Performance plans for service delivery

The National Development Plan (2018 – 2021) serves as basis for Government performance management plan. In addition to the sectoral strategic plans and policies that guide service delivery, the operational plans

are missing in most of the MDAs. However, annual work plans are produced. The NDP's clarity in identifying the leadership structure for the implementation of its strategic priorities and critical enablers create room for ownerships of the plan for better performance management.

The anti-corruption bill is being tabled at the National Assembly. Although significant progress is made on transitional justice, the bill for the new constitution was set back by the parliament failing to reach consensus of the required three quarter-majority votes to pass on to next level that could affect overall PFM.

2.5.1: Resources received by service delivery units

Disbursement of resources from Government to MDAs is issued on a monthly basis. However, for improved planning and access to reliable quarterly cash allocations would decrease operational cost and enhance timely execution of MDAs activities thus improving outputs. Evidence of which the sub-vented agency that receives quarterly cash allocation outperforms compared to monthly Ministries and Departments cash allocations. The Treasury Single Account (TSA), which is in its final stages of establishment, would register better resources management and serve as a platform to support quarterly disbursement of cash allocation to Ministries and Departments. Therefore, we strongly recommend that quarterly allocation be piloted for the Ministries of Works, Health and Education as the highest spending ministries.¹

¹ Estimates of Revenues and Expenditure 2020

2.5.2: Performance evaluation for service delivery

The NDP's Monitoring and Evaluation (M&E) framework set at the Executive and Sector levels serves, as is GOTG's main framework to performance evaluation for service delivery. Whilst the Delivery Unit in the Office of the President to ensure implementation of the NDP is established, envisaged Presidential monitoring and valuation system/Presidential Dashboard that monitors and tracks selected key results/outcomes of the NDP at the highest level of the Executive is not yet established. This is further constrained by the lack of:

- A robust M&E system to coordinate, monitor and report on the multiple sectors plans;
- National Technical Committee, and functional of the Gambia National Think Tank (GAMNATT) to further influence policies and programmes;
- A Senior Presidential Advisor to guide the established delivery unit, and work closely with all MDAs concerned;
- Regional Technical Advisory Committees supported by decentralized regional M&E system to strengthen linkages and synergies between the central Government and the Regions levels.

Despite, the following efforts were registered to meet the growing demand for information and accurate reporting on a timely basis

- An annual review of implementation progress conducted by the Thematic Working Groups (TWGs); adopting a formatted template as a key tool for reporting;
- Significant capacity built for both planners and M&E focal persons.

The High Level Economic Committee composed of permanent secretaries meets biannually to take stock of MDAs performance. This is also complimented by M&E functions within Project Coordination Units in government.

Periodic performance evaluation has to be instituted by PMO. Performance management policy was developed and validated with plans to develop related tools in 2021 for implementation. The Select and Standing Committees of the parliament are actively engaged in sector scrutiny.² However, Government component of PPP investment performance are not captured nor adequately evaluated. The PPP Technical Committee that conducts pre-evaluation needs to be reinforced with independent eyes.

2.6: Management of Assets and Liabilities

The IFMIS EPICOR 10 embeds asset management module, which is being developed for use. Accountants of MDAs' were trained on asset management module and user access rights provided. MoFEA is being piloted with plans to roll out to the rest of the MDAs'. Unlike the Agencies, most Ministries and Departments do not maintain comprehensive asset registers. Therefore, valuation and accountability of Government assets becomes a challenge. The Public Finance Act 2014 provided for the establishment of Losses and Advisory Committee (LAC)³ that the ministry plans to reactivate to provide advisory on the assets management. Furthermore, it will be important to develop a policy guide on government asset management.

2.7: Fiscal risk reporting

Fiscal risk reporting under the review period continues to improve following the audit of all thirteen State Owned Enterprises (SOE) including the Gambia

² Finance and Public Accountability Committee, and Public Enterprise Committee

³ A Function of the Losses Advisory Committee (LAC) is obtained in the Public Financial Regulation 2016 Section 39.

Ferries Service by Ernst & Young. A cabinet paper is being pursued to guide the implementation of the audit recommendations. Progress is being made in implementing the first phase of the audit exercise. Initial work is started to develop a dividend policy.

There is an MOU between SOE for their cross arrears' payment plan but due to the COVID-19 they could not honour some of the payment plans. Out of GMD 2.3 billion, GMD 31.7 million has been recovered so far; the arrear payment is factored in their 2021 budget. The Code of Good Corporate Governance (2016-2020) has to be revised. Majority of SOEs have developed and started implementing their Strategic Plans. The increased arrears owed by MDAs' as a result of commitment outside the IFMIS remains a challenge.

2.8: Public investment management

Public investment is fragmented with around 80-90 percent of infrastructure externally financed by government traditional donors.⁴ Investment in agriculture, transport, environment, and energy dominate with SOEs owning about 60 percent of capital stock.⁵

Design and implementation constraints continue to affect performance but notwithstanding the internal control and governance establishes The Gambia Strategic Review Board (GSRB) for improved process.

Despite the establishment of the GSRB, effective coordination, proper project selection and management aligned to the NDP, strong

⁴World Bank, the Islamic Development Bank, the African Development Bank and the European Union. Investments in roads and bridges including the Senegambia Bridge

⁵ Public Investment Management Assessment for The Gambia 2019

implementation structures⁶, strengthened internal controls and governance are critical to achieving the desired goals in public investment.

2.9: Debt management and sustainability

The current debt to GDP stood at 80.1 percent. External debt accounts for 57.7 percent and domestic debt constitute 43.3 percent. In a bid to operationalize the recent MTDS 2020-2024 DLDM has prepared an annual borrowing plan link to the budget in order to ensure transparency and predictability. The plan can be obtained both on the MOFEA and CBG website. In addition, the Ministry of Finance has put in place a monthly debt issuance geared towards boosting investors' confidence.

Government of The Gambia has secured the Debt Service Suspension Initiative (DSSI) relief from four of its creditors namely; ECOWAS Bank for Investment and Development (EBID), Saudi Fund for Development (SFD), Kuwaiti Fund for Arab Economic Development (KFAED), and the People's Republic of China. The DSSI provided a relief of GMD287.24million in debt service payments for the 2020 fiscal year indicated in table 1 below

Table 1: 2020 Debt Service Reliefs under G20 DSSI

Creditor	Currency	Total debt service due between May 1 – Dec 31 2020	Rates	Total amount relief in 2020 (in GMD)
EBID	USD	1,603,876.96	51.65	82,840,244.98
SFD	SAR	1,467,798.09	13.17	19,330,900.85

⁶Implementation structures include weak institutional arrangements, capacity constraints in procurement processes, inadequate access to ICT etc.

KFAED	KWD	590,335.75	167.76	99,034,725.42
PRC	CNY	1,686,666.67	7.35	12,394,812.70
TOTAL				213,600,683.95

Source: DLDM

3.0: Pillar Two: Procurement Reforms

3.1: Procurement

The procurement process has improved, single sourcing has drastically decreased from 74% in 2019 to 10% in 2020, open tender has also increased from 13% to 26%, RFQ improved from 2% to 3% and request for proposal has increased from 0.45% to 58%. The GPPA Act is being revised to accommodate international and best-fit practices. Contracts committees and specialized procurement units within MDAs are being strengthened coupled with meeting internal control requirements in compliance with GPPA Act 2014. However, MDAs’ annual procurement plans submitted to GPPA are neither published nor updated during implementation. The GPPA cadre urgently needs a director to effectively monitor procurement officers.⁷

4.0: Pillar Three: Financial Management Accounting and Reporting

4.1: Financial data integrity, Accounting and Reporting

The EPICOR 10 is now web based and has supported the production of timely data for decision making and reporting purposes. The system has been successfully launched covering all Ministries and Departments, 3 self-accounting projects, 5 Embassies, all the sub-treasuries and the LGAs. Plans are to extend coverage to the remaining embassies and self-accounting

⁷GPPA website

projects in 2021. By the time of writing this report 80 percent of the embassies are covered.

The recent introduction of Electronic Funds Transfers (EFT) has enhanced payment contacts; reduced cost and eliminated cheque printing for most government transactions. The system is enhanced to link other systems in government. All MDAs are now on EFT.

4.3: In-year budget reports

Despite in-year budget execution report produced and published quarterly on MoFEA website, the vote controllers seem to pay little attention and use findings as inputs to enhance budget execution thus rendering time and efforts spent meaningless.

4.4: Annual financial reports

The IFMIS has supported the production of annual financial reports. Currently there is a backlog finalized financial statements of 2019 and 2020. Government financial statements are understated failing to capture revenues and expenditures of SOEs and Sub-vented institutions. The un-unified reporting systems by SOEs have led to different reporting formats. As a result, they are not consolidated in Government financial statements but their networth is disclosed addition to a review of their audited financial statements by the Accountant General. However, SOEs have been trained on International Financial Reporting Standards (IFRS) to harmonize financial statements. AGD has established a reporting unit to handle all related financial reporting matters.

5.0. Pillar 4: External scrutiny and audit:

The PAC/PEC is currently reviewing prior year matters of 2016 - 2018 financial statements. The nature in which Public finances are independently reviewed and followed-up on the implementation of audit recommendations are highlighted in this pillar. This helps gauge government's commitment in implementing audit recommendations.

5.1.1: Internal audit functions

The PFA 2014 mandated the DIA to provide internal audit functions to all MDAs to assess the adequacy and effectiveness of internal controls, risk management and governance process of the government of the Gambia.

The emergence of the pandemic in the period under review have impacted on the work plan of the DIA. Resources were redirected to the MoH to reinforce the Internal audit unit to provide timely advisory and assurance services to the selected contracts committee on COVID-19. The DIA also provided verification on the COVID-19 relief package (rice, sugar and oil) to the DPs and intended beneficiaries nationwide.

Due to the pandemic, and capacity constraints DIA was able to execute half of the annual risk based work plan in addition to accommodating key stakeholder requests of NFSPMC, CES, DLEA, NEA, GFS and MDAs arrears amidst high staff attrition. The DIA has also provided internal audit services and established internal audit unit to the NHRC. Is worth noting that there is 100 percent coverage to Ministries and Departments and efforts are being pursued for DIA to collaborate and provide oversight to Agencies internal audit units. Contrary to PFA 2014 mandating DIAs coverage to the Agencies, the Agencies are already empowered by their Acts to recruit and maintain internal audit units. As stated in the 2021 approved appropriation bill there

is a need for a consultation with BoD and management of Agencies for effective functioning of internal audit in all public entities.

5.1.2: The National Audit Office

The audit report for 2016,2017 and 2018 has been submitted to the Select Committee of the National Assembly for review. However, NAO is still grappling with backlogs of audit works. The Audit reports for 2019 and 2020 remain outstanding. In order to ensure audit recommendations are implemented National Assembly should demonstrate commitment in following up audit related matters reported to the Inspector General of Police and the Attorney Generals’ Chambers for necessary legal action.

6.0. Donor Support and Aid Coordination

Donor funds remain critical cushion in support of PFM reforms.

Table 2: 2020 expenses on PFM reform Implementation

Inclusive Growth Promotion and Institutional Support Project –AfDB	Amount in US\$
Strengthening Access of Public Procurement, targeting (Principals, Senior Masters & Bursars in UBS and SSS, Suppliers and Vendors_	29,525.33
Prevention of Anti Money-laundering and illicit financial flows Targeting Business, Police, GRA, Banks, CSOs	20,382.43
Institutional Support for Economic & Financial Governance –AfDB	
Capacity strengthening initiatives in key PFM areas	2,128.74

Economic Management Programme – UNDP	
PFM CSO Forum	922
Stakeholders wide (LGAs, MDAs, SOEs and PIUs) consultations on PFM Strategy 2015 - 2020 Review and PFM 2021 - 2025, TSA	21,963
IFMIS Rollout to LGAS	
Purchase of Desktops for IFMIS Rollout to Councils	50,000
TWG Meetings on IFMIS Rollout to Councils, and Hands on Training of Councils IFMIS End-users	34,139
Rollout of Harmonise Chart of Accounts to Area Councils targeting Finance Directorates, CEOs & Chairperson/Mayors- MoLRG & RA	19,290
Support to strengthening (Training) councils procurement cadre on procurement regulations and procedures	5,004
Total:	183,353.62

Good efforts are made in ensuring a functional Aid Management Platform Database to improve capturing of all aid inflows to government. However, the establishment of Aid Coordination Committee and the Gambia Strategic Review Board continues to enhance government investment decisions through project implementation. Due to the fragmented nature of bilateral inflows, capturing and harmonising such inflows remains a challenge.

7.0. Civil Society Organization (CSO) Participation

The CSOs continue to participate on the quarterly PFM-CC meetings and the development of the PFM Strategy 2021-2025. The 2020 CSOs and Media forum examined Government response and the impact of Covid-19 on the Gambian economy. The forum highlighted the following recommendations:

- Include CSOs representative on National COVID-19 coordination structures for transparency and accountability.
- Strengthen PFM systems in order to help fight against the pandemic to avoid fraud and corruption.
- Strengthening the National Disaster Response Mechanisms to be prepared for emergency situations.

8.0: Recommendation and Conclusion:

The pace and quality of the PFM reforms are becoming more assertive with LGAs active participation. The drive for coordinated efforts in implementing the reforms has registered momentum at the central level likewise with the LGAs. The definition and initiation of ongoing reforms continue to showcase stakeholders' critical role in the implementation and finding resolutions to its associated challenges.

At the end of it all, the puzzle of real change continued to balance around improvements made on:

- ❖ Increase fiscal discipline (Improve Budget Credibility by capturing all the SOEs liabilities).
- ❖ Improve Budget comprehensiveness by capturing all bilateral inflows.
- ❖ Develop a budget operational manual to enhance budget preparations.
- ❖ Consolidate gains made on revenue administration and management for increased domestic resource mobilization. Leverage on existing technology for increased efficiency and enhance transparency in the

extractive industry.

- ❖ Accelerate the revision of the procurement Act 2014, development of a degree program in procurement with the University of The Gambia and the procurement manual. Restructure the procurement cadre.
- ❖ Harmonizing and establishing linkage between MDAs' procurement and cash plans.
- ❖ Strengthening and tightening internal controls and governance processes in the use of public resources (timely banking of revenue collections, compliance with GPPA Act and Regulations, increase internal auditors coverage within MDAs and ensuring that audit recommendations are acted upon, misappropriation of government funds and assets e.g. vehicles and commitments outside the IFMIS).
- ❖ Improve corporate governance, pursue arrears payment plan for State Owned Enterprises (SOEs) and MDAs with the view to improve performance, contain exposure to contingent liabilities and budget credibility respectively.
- ❖ Design and implement performance management system and scale up system audit.
- ❖ Automation and strengthening of internal auditing & procurement processes for effective internal controls, risk management and governance.

- ❖ Publication of the price database for procurement guidance on commonly used items by government;
- ❖ An assessment of the on-going Medium-Term Expenditure Framework and Program Based Budgeting outcomes to ensure fiscal discipline;
- ❖ Accelerate the implementation of EPICOR10 to cover the remaining spending units of Government (Self accounting projects, embassies and the sub-vented institutions)
- ❖ Accelerate the implementation of EPICOR 10 additional modules (asset, HR and procurement).
- ❖ Reinforce compliance to IFRS and establish a unified standard of reporting system for SOEs.
- ❖ Build capacities for PFM stakeholders and the PFMD staff.

In conclusion, the stakeholders remain pivotal to achieving success and lasting impact on PFM reforms. The Directorate virtually rides on the benevolence of this stakeholders' willingness to implement the reforms.

Therefore, continuous capacity building for the procurement, LGAs, planning and internal audit cadre to effectively carry out their functions is critical. The timely actions taken on audited reports and follow up on the implementation of audit recommendations by MDAs should be ensured. The independence of all other oversight institutions should be encouraged.

Annex 2: 2020 PFM Action Plan and Monitoring Tool

2021 PFM Action Plan and Monitoring Tool								
Object ive	Action Step/T ask	Respo nsibili ty	Ti me lin e	Reso urces	Partn er	Challe nges	Comm unicat ion	Accomp lishmen t
I. Policy based formulation, fiscal strategy and budget preparation								
Outlin e gover nment 's long term devel opme nt plans	Formul ation of a long- term develo pment plan	DDP and releva nt stakeh olders	On- goi ng	Devel opm ent plan bluep rint	Devel opm ent partn ers, citize ns	Fundin g constr aints, M&E challen ges, full private sector participat ion, low absorp tion capacit y of imple mentin g partne r	Radio, Tv, MoFE A and other stakeh older websit es	Opport unity to showca se govern ment's develop ment aspirati ons both national ly and internat ionally
	Update of the PFM Act	PFM and releva nt stakeh olders	20 21	Cons ultan t and PFM Staff	Relev ant PFM stake hold ers	Limite d covera ge of curren t PFM practic es,	Revise d Act	Opport unity for better PFM

						processes and procedures		
	Conduct institutional assessment to identify the weaknesses for management of PFM, Gap assessment	MDAs, Supervision by the MoFE A	2021	Consultant and PFM Staff	Relevant PFM stakeholders	Limited data on PFM institutional strength	Assessment report	Establish a comprehensive data on existing and PFM strength and close gaps/weakness
Effective Budget Planning	Align the budget (Program Base Budgeting) to NDP	DoB and DDP	2021	Budget estimates and NDP	MDAs	Budget plans not fully aligned to NDP	PFM CC meeting, minutes and annual PFM report	Opportunity for better planning and smooth budget execution
Improve macro	Improve macroe	MPAU, Budget	Annually	MTEF paper	Development	Inadequate	MOFE A website	The opportunity to

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economic and fiscal forecasting	conomic and fiscal forecasting	t, MDAs and other MoFE A Direct orates		r, Budget fram ewor k pape r, budg et call circul ar	Partn ers	Lack of data, monito ring, and ineffici ent tax collecti ons.	e and PFM-CC metin g minut es	ensure greater predicta bility of budget allocati ons
	Improv e fiscal discipli ne, monito ring and reporti ng	MPAU , Budge t, MDAs and other MoFE A Direct orates	An nu ally	Polic y prop osals by MOF EA (NDP , MTEF F, Budg et Estim ate, PFM Strat egy etc)	Devel opm ent Partn ers, NA, CSO, Citize ns	Fiscal indisci pline, poor planni ng, ineffici ent domes tic resour ce mobiliz ation, debt sustain ability	MOFE A Websi te and PFM-CC meeti ngs minut es	The opportu nity to assess fiscal impact of revenue and expendi ture policy proposa ls that support the achieve ment of govern ment’s fiscal goals

Develop medium-term perspective of the budget	MPAU, Budget, MDAs and other MoFE A Direct orates	Annually	NDP, BFP, Estimate Budget	Development Partners	Alignment of resources to priorities	MOFE A Website and PFM-CC Meetings	The opportunity to which annual budgets are derived from medium-term estimates and the alignment between medium-term budget estimates and NDP
Develop the annual budget estimates	MPAU, Budget, MDAs and other MoFE A Direct orates	Annually	Budget Guideline, Budget circular	MDAs, CSOs, citizens, NA	Relevant stakeholders (CSOs and the Citizens) not involved in budget prepar	Budget bilateral meetings with sectors	The opportunity for effective participation by relevant stakeholders in the budget prepara

						ation proces s		tion process
II. Budget Reliability								
Improve on budget reliability	Monitor and report on percent aggregate expenditure outturn	DoB	Annually	Estimate on revenue and expenditure	Relevant PFM stakeholders	Fiscal indiscipline leading to inadequate fiscal space,	PFM-CC meeting minutes, PFM annual report	The opportunity to instill fiscal discipline and better planning
	Monitor and report on percentage of expenditure composition outturn	DoB	Annually	Estimate on revenue and expenditure	Relevant PFM stakeholders	Inadequate fiscal space, fiscal indiscipline and poor planning	PFM-CC meeting minutes, PFM annual report	The opportunity to instill fiscal discipline and better planning
	Monitor and report on revenue outturn	GRA	Annually	Estimate on revenue and expenditure	Relevant PFM stakeholders	Inadequate coordination between MoFEA	PFM-CC meeting minutes, PFM annual	The opportunity to strengthen revenue administration,

				nditu re		and GRA.	I report	manage ment and Reporti ng
III. Transparency of public finances								
Improve public financ e transp arency	Harmo nies budget classific ation for LGAs	DoB,A GD,M PAU	An nu ally	Budg et estim ate, copy of the chart of acco unts	Devel opm ent partn ers	Differe nt reporti ng standa rd	MoFE A websit e	The opportu nity to harmon ize govern ment reportin g standar ds
	Improv e budget docum entatio n	DoB, MPAU	An nu ally	Budg et estim ates, MTEF F	Devel opm ent partn ers	The aspect of fiscal risk is not covere d in the budget docum entatio n submit ted to the legislat ure.	MoFE A websit e	The opportu nity for legislat ures to make proper scrutiny of the budget

<p>Monitor central government operations outside financial reports</p>	<p>MoFE A,AGD</p>	<p>Annually</p>	<p>central government financial reports</p>	<p>NAO, CBG, relevant development partners</p>	<p>Significant amount of expenditures undertaken outside central government.</p>	<p>MoFE A, NAO and CBG websites</p>	<p>The opportunity to capture extensive government revenue and expenditure outside central government financial reports.</p>
<p>Monitor government transfers to sub-national governments</p>	<p>MoFE A, MoLR G, LGAs</p>	<p>Ongoing</p>	<p>Budget estimates, LGA Act</p>	<p>GALG A, relevant stakeholders</p>	<p>Subventions to LGAs is not forthcoming from Central government</p>	<p>MoFE A, MoLR G and all LGAs websites</p>	<p>The opportunity for a timely and transparent transfers from central government to sub-national governments with direct</p>

								financial relationships to it.
	Improve public access to fiscal information	MoFE A	Ongoing	Budget estimates, procurement plans	NAO, NA and development partners	Limited public access to fiscal information	MoFE A website	The opportunity to assess the level of comprehensiveness of fiscal information available to the general public
IV. Management of assets and liabilities								
Improve Fiscal Reporting and Reconciliations	Develop fiscal risk report	PFM, Budget and MPAU	Ongoing	Government financial statement	NAO, NA and development partners	Inadequate procedures to monitor fiscal risks at the level of central government, LGAs	MoFE A website	The opportunity for an extensive oversight of government fiscal risks at the level of central

					and SOEs		govern-ment, LGAs and SOEs.
Review and analyse public investment proposals	PPP, Aid-coordination	On-going	Aid bulletin, priority projects, PPP policies and PPP operational guideline	MDAs, development partners,	Inefficient management of public investment resources	MoFE A website	The opportunity to assess the economic appraisal, selection, costing, and monitoring of public investment projects
Develop and implement asset register module on IFMIS and asset manag	DIA, AGD, NAO	On-going	IFMIS, MDAs asset register	MDAs	Lack of standardized operational asset register, and asset management policy	PFM-CC, Annual Report, MDAs Asset registers	The opportunity to assess, manage and monitor government assets for transpa

	ement policy							rent disposal
	Harmo nize and link Meridian and IFMIS	DLDM, CBG, AGD	On- going	MTD S	Devel opm ent partn ers	The need to improv e the manag ement of debt and guaran tee obligat ions leadin g to extra budget ary and fiscal pressu res.	MoFE A websit e	The opportu nity to assesse s and manage guarant ees, domesti c and foreign debts
V. Predictability and control in Budget Execution								
Improve predictability and control in budget execution	Implem ent GRA Strateg y and TADAT Road Map	MOFE A, GRA	On- going	Tax code and other reve nue legisl ation	GCCI, Citize n	Weak revenu e admini stratio n	GRA Websi te	The opportu nity to assess proced ures used to collect and monitor govern ment

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							revenue s
Improve accounting for revenue	AGD, CBG, GRA	Ongoing	IFMIS	Relevant PFM stakeholders	Timely banking of resources	PFM-CC meeting minutes, PFM annual report	The opportunity to improve timely revenue inflow for government
Stock and monitoring of expenditure payment arrears	AGD, DIA, DLDM, DOB, PFMD	Annually	MDA cash plans	MDAs, Development partners	Commitment outside IFMIS and inadequate monitoring of arrears	MoFE A Website	The opportunity in which government stock of arrears is being addressed and brought under control.
Monitor Payroll control	PMO, PSC, AGD, DOB	Ongoing	Manpower Budget personnel	MDAs	Weak staff monitoring	PMO and MOFE A Websites	The opportunity for personnel Payroll database to be directly linked to

							ensure budget control, data consistency, and monthly reconciliation.
Review and update the procurement legislation	MoFE A, GPPA	Ongoing	GPPA	NA & MOJ	N/A	Revised Act	The opportunity to align to international and best-fit standards
Establish National E-procurement system	GPPA and DPP	Ongoing	Procurement Plans, GPPA Act and Regulation	MDAs	Inefficient and effective procurement processes and procedures	GPPA Website	The opportunity for a well-functioning procurement system to ensure value for money

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Finalize and publish price database for commonly used items by Government	GPPA	2021	Data base	EU and GPPA	Lack of harmonized charge r fees for government	PFM CC Meetings, Minutes and Report	Opportunity to improve value for money in terms of efficient government spending and improved investment and NDP outcomes.
Improve capacity for Complaint Review Board	MOFE A	Ongoing	CRB Members	Relevant PFM stakeholders	Inadequate capacity for CRM members	PFM CC Meetings, Minutes and Report	The opportunity to strengthen to procurement practices in country
Establish Internal controls on non-sal	DIA, NAO, AGD, DOB	Ongoing	PF Act & Regulation , GPPA Act	MDAs	No Prescribed policy	PFM-CC Meetings and Annual	The opportunity to measure the effectiveness of

	ary expenditure			&Regulation			Report	general internal controls for non-salary expenditures.
	Strengthen internal units within MDAs to carry out system audits	DIA	Ongoing	Audit charter and Audit Manual, PF Act and Regulation, GPPA Act & Regulation	MDAs	Limited internal control	PFM-CC Meeting Minutes and Annual Report	The opportunity for internal audit operation in all MDAs.
	Implement Enterprise Risk Management (ERM) for Government	Develop ERM Registers all MDAs	Ongoing	DIA and MDAs	DIA staff, TA and MDA's Risk Champions	Commonwealth and DIA	Lack of capacity in ERM	The opportunity to enhance budget reliability.
	Improve capacity	Aid Coordination	Ongoing	Project Analy	Relevant PFM	Inadequate capacity	Aid coordination	The opportunity to

	y of the Strategic Review Board			tical reports	stake holders	y for SRB members	annual report	establish a level playing field for procurement actors and achieve value for money in contracting government programs & projects
VI. External scrutiny and audit								
Improve external scrutiny and audit	Improve external audit coverage by NAO	NAO	On-going	International standard chart of accounts and manual	MDAs	Limited audit coverage, external audit follow-up and National Audit Office independence.	NAO website	The opportunity to examines the external audit coverage, external audit follow-up

Carry out system audits by the NAO	NAO	Ongoing	NAO Annual Report	MDAs	Limited system audit courage, inadequate capacity	NAO website	Ensure functional systems in government operations
improve the implementation audit recommendations	PS-MOFE A	Ongoing	Audit reports & AIC Members	MDAs	Little attention paid to auditors recommendation	PFM AIC Meeting Minutes	Improve operational efficiency
improve legislative scrutiny of audit reports	NA, NAO	Annually	Audit reports	MDAs	Backlog of audited financial reports	FPAC & PEC committee meetings	The opportunity for timely legislative scrutiny of the audited financial reports of government.
Re-establishment	PFM	Ongoing	Committee	AGD, NAO &	lack of data on	LAC Meeting	Establish a compre

	of the Loss Advisory Committee(LAC)			Member	MOF EA	government loss assets	Minutes	comprehensive data on government loss assets
VII. Financial Management, Accounting and Reporting								
Improve financial management in government	Update of the ICT Master Plan	AGD	periodic	AGD & MOIC IITC Staff	Relevant PFM stakeholders	N/A	ICT Master Plan	Strengthen and secures the IFMIS platform
	Assess the ICT Infrastructure to ensure proper functioning of the IFMIS (introduction of cyber security)	AGD	2021	IFMIS	Relevant PFM stakeholders	N/A	Assessment report	Strengthen and secures the IFMIS platform
	Assess the required	AGD, PMO, CBG& DLDM	Ongoing	Government	Relevant PFM stake	N/A	PFM CC meeting,	Establish and harmonies

	interfa ces with the central IFMIS			syste ms	hold ers		minut es and annua l PFM report	govern ment systems to the IFMIS
	Roll out IFMIS to LGAs, Self Accoun ting Project s and Embass y	DLDM staff, DMEC , AGD &TA	On- goi ng	DLD M Staff, TA	IMF, WB, US Treas ury	Commi tment toward s transla ting skill acqui sition to enhanc ements in imple menta tion capacit y	PFM CC Meeti ngs, Minut es and Repor t	Opport unity for staff of concern ed depart ments to develop skills in debt manage ment
	Run a functio nal Treasur y Single Accoun t system	AGD, TA	On- goi ng	AGD Staff	IMF, AFRI TAC W2 Centr al and Com merci al Bank /s	Stakeh older resista nce	Progre ss report	Opport unity for better financia l manage ment

	Improve cash management	AGD, Budget	Ongoing	AGD Staff & Budget	Relevant PFM stakeholders	high spending pressures amidst limited domestic resources	PFM CC meeting, minutes and annual PFM reports	The opportunity to effectively align resource allocations to priorities
	Start a roadmap for the implementation of IPSAS accounting standards- (Accrual Based Accounting)	Internal Auditors, International consultants	2021	AGD Staff	Development Partners	Cash based systems	Roadmap	Strengthen financial Management
VIII. Management of Public Corporation/State Owned Enterprises								
Reinforce the management of PPPs	Initiate the necessary recruitment to manage PPPs	DPPP and relevant stakeholders	Ongoing	DPPP staff	WB & relevant institutions	Inadequate capacity to manage PPP projects	Assessment report	Strengthen PPP management

	in the country and internationally							
	Conduct the necessary training needs analysis for management of PPPs	DPPP and relevant stakeholders	Ongoing	Consultant	WB & relevant institutions	Inadequate capacity to manage PPP projects	Assessment report	Strengthen PPP management
Improve efficiency in SOEs	Implement recommendation Ernst and Young audit recommendations	DPPP	Ongoing	Department Staff	World Bank MOF EA	Resourcing and staff expertise commensurate with reform and post-reform monitoring of SOEs	PFM CC meetings, Minutes and Quarterly Report, Adviser's report	Increased SOE's operational efficiency
	Conduct Audit exercise of	DPPP and SOEs	2020	SOEs Financial State	Concern SOEs, World	Timely feedback and support	Audit Report	Identified strength and

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remaini ng SOEs			ment s	d Bank	t by DPPP of extern al audito rs' finding s		opportu nity to improv e on weakne ss
Implem ent cross arrears payme nt plans for SOEs	DPPP, Intern al audit and SOEs	20 20	Estab lishe d plans	Conc ern SOEs, Worl d Bank	Poor financi al conditi ons of some SOEs	Imple menta tion report	Increas e efficien cy in SOEs
Implem ent perfor mance contrac t manag ement for SOEs	DPPP and SOEs	20 20	Contr act agree ment s	Conc ern SOEs, Worl d Bank	DPPP capacit y to ensure effecti ve monito ring of SOEs includi ng meetin g perfor mance contra ct requir	Revie w report on execut ion of the SOE perfor mance contra ct.	Increas e efficien cy in SOEs

						ement s (KPIs)		
IX. Public Finance Management Coordination								
Improve Electronic Record Management System (ERMS)	Extend ERMS coverage	NRO & PCU	On-going	ERMS	AFD	Weak management of government records	PFM CC meeting, minutes and annual PFM report	the opportunity for organized and managed government records
	Linking ERMS with IFMIS	NRO and AGD	2020	System	AfDB, MOF EA – PCU	IFMIS not extended to ERMS operating sites	PFM CC Meetings and Report	Improved filling and recording
Improve PFM	Initiate a self assessment of the PEFA to prepare the external PEFA	PFM & DIA	2022	PEFA Framework, Budget Estimate books, relevant PFM gover	Relevant PFM stakeholders	Weak PFM systems	Assessment Report	The opportunity to strengthen PFM systems

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				ning tools				
	Conduct PEFA, Review PFA Act and Develop a new PFM Strategy	All Stakeholders (MoFEA and other MDAs)	2020	PFM Stakeholders	PFM Stakeholders	PFM Stakeholders	Regular update via email [minutes of meetings?]	Enhance PFM coordination and reporting
Improve Capacity Building	Training and create awareness for PFM focal Persons	PFM Department	Ongoing	PFM Staff	All stakeholders	Funding constraints and high turnover of staff	PFM CC meeting and Quarterly Report	Improved stakeholder capacity
	Build for LGA's capacity	PFM Department	Ongoing	Relevant PFM stakeholders	LGA staff	Inadequate capacity for LGAs	PFM CC meeting and Quarterly Report	The opportunity to improve LGAs capacity
Improve Records Management	Extend coverage of electronic document	NRO & PCU	Ongoing	ERMS	AfDB, MOFEA & MDAs	poor management of government	PFM CC meeting, minutes and annual	The opportunity to digitize record keeping for

Gover nment	manag ement system					record s	I PFM report	govern ment
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i 2020 Final Consolidated Audit Report on MDAs Arrears