REPORT ON THE SURVEY OF FINANCIAL MANAGEMENT SYSTEM OF LOCAL GOVERNMENT AUTHORITIES (LGAs

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LIST OF ACRONYMS

BCC	Banjul City Council
BSAC	Basse Area Council
CEO	Chief Executive Officer
DDP	Director of Development Planning
DOP	Director of Planning
FD	Finance Director
FM	Finance Manager
FMS	Financial Management System
GB	Gigabytes
GFS	Government Financial Statistics
GTR	General Triplicate Receipt
ICT	Information Communication Technology
IAD	Internal Audit Directorate
KUAC	Kuntaur Area Council
KMC	Kanifing Municipality Council
LAN	Local Area Net work
LGAs	Local Government Authorities
MoLRG	Ministry of Lands and Regional Government
MDFTs	Multi-Disciplinary Facilitation Teams
P&B:	Planning and Budgeting
TB	Terabytes
UNDP	United Nation Development Programme
USB	Universal Serial Bus
VDC	Village Development Committee
VSO	Voluntary Service Overseas
WDC	Ward Development Committee

Some abbreviations used are not stated here??? e.g IAU internal audit unit, DPA

EXECUTIVE SUMMARY

Local Council reforms fit within the broader context of public finance management reform strategy 2016-2020. Overall reform progress in Local Government Authorities (LGA) has been slow. The survey was conducted to assess the effectiveness of Financial Management System (FMS) in LGAs aimed at harmonizing these on a common platform. It seeks to examine if there are effective and functional financial management system with adequate internal control mechanisms; to determine whether LGAs abide by the provisions in the existing Local Government Finance and Audit Act 2004, Financial and Audit Manual (FAM) 2009 and other applicable laws; to determine whether the council's budget preparation follows up the bottom up approach as prescribed in the laws to include structures like the VDCs to the WDCs and The Multi-Disciplinary Facilitation Team (MDFT).

Main Findings

The results of the survey showed that there are weak internal controls that if not address would impede the achievement of councils' objectives. The lack of segregation of duties in the procurement and payment processes, fuel management and the non-functional contracts committee were general findings across all councils. Most payments and procurement processes were conducted in a manner contrary to the provisions of the Audit and Finance manual and the Gambia Public Procurement Authority Act 2014. There were only three councils out of the eight visited that are sub-optimally using prudent financial management system.

Although, theoretically planning and budget procedures are suppose to be supported with well-established grassroots structures, hardly are these structures engaged in establishing LGA's development plans.

Whilst, administrative structures in the greater Banjul supports a well-functioning local councils the rural structures lack clarity in most roles particularly that of the Chairperson. For instance, Janjanbureh has the office of the Chairperson divorced from the entire management of council's affairs. Therefore most of local government authorities lack effectiveness in FMS.

Key Recommendations:

:Based on the findings above, the following recommendations are made:

- Ministry of Lands and Regional Government (MoLRG) to strengthen internal control to support LGA's daily operations;

- Management should ensure LGA's established planning structures are engaged in their development planning processes;

- Payments and procurement procedures should be followed;

- Budgetary control should be properly emphasized; and

- Existing governing local councils' laws to support operations should be reviewed and updated particularly the Local Government Act 2002.

1.0   INTRODUCTION

Financial Management means planning, organizing, directing and controlling the financial activities of an institution. It means applying general management principles to financial resources of the institution. The broad objective of Public Finance Management (PFM) of the Ministry of Finance and Economic Affairs (MoFEA) is to ensure that value for money is attained in public spending, thereby bringing about fiscal discipline, strategic allocation of resources and efficient service delivery. The PFM Directorate leading the PFM reform agenda has made some considerable efforts to reach out to LGAs on various regulatory framework and trainings such as:

- Sensitization workshop on PFM governing tools:
    - PFM Act 2014,
    - PFM Regulations 2016,
    - GPPA Act 2014,
    - Local Government Act 2002, and
    - Decentralisation Policy
- Training on planning and budgeting, and
- Training on Basic PFM concepts.

These activities were also part of both the PFM reform strategy of 2016-2020 and the National Action Plan for implementation of the Decentralisation Policy. It is noteworthy to mention that LGAs have some quite number of deliverables to achieve, thus the move to strengthen sound PFM in LGAs needs to be firmly prioritized.

Eventually, during the deliberations at the workshops, the MoLRG raised concern on proper financial accounting and reporting from LGAs. The non-harmonization of financial statements amongst LGAs has resulted to difficulties in comparing performance as well as interpreting, and analysing financial statements by MoLRG staff.

1.1 OBJECTIVE OF THE SURVEY

The main objectives of the survey are to:

- Examine the effective functioning of LGAs' FMS
- Determine LGAs' compliance to existing financial laws and regulations
- Determine how LGAs' planning and budgetary structure supports FMS.

1.2 METHODOLOGY

A task force was setup comprising of staff of MoFEA and MoLRG to facilitate the survey. The survey used questionnaires, reviewed documents and held discussions with stakeholders and management.

1.3 SCOPE

Two teams (A and B) of 17 members conducted the survey in all the eight LGAs in the country from the 18th - 29th June, 2018. Team A, visited Kerewan, Kuntaur and Banjul Local Authorities and Team B, visited Basse, Janjangbureh and Brikama Local Authorities. Both teams converged at Mansakonko and Kanifing Local Authorities.

The following were the areas covered:

- Accounting and reporting system
- Chart of accounts
- Information and communication technology infrastructure
- Payment and receipting processes
- Internal audit function
- Planning and budgeting process

2.0   FINDINGS FOR BASSE AREA COUNCIL (BSAC)

2.1   Accounting and Reporting System

The BSAC is currently operating a manual accounting system for recording its financial transactions. The system consists of set of standardised features ranging from chart of accounts to recording and reporting of financial transaction. The UNDP through GAMWORKS Agency once provided accounting software called SKRINKA for all LGAs but according to staff, the software encountered functionality issues, which led to its non-usage. This has however resulted into non production and publication of financial statement reports as required by section 35 of the Finance and Audit Act 2004.

2.2   Chart of Accounts

A chart of accounts is a structured set of codes used for the recording, classifying and reporting of all financial transactions. Currently, BSAC is using a four-digit account code, and the main features of these are the head and the subhead. These are each represented by two characters, e.g. 91 01.

This is a simplified coding system ensuring a consistent and complete recording of all financial transactions. However, BSAC's chart of accounts is not aligned to the Government Financial Statistics (GFS) codes, making it difficult to identify transaction as either revenue or expenditure.

2.3   Information and Communication Technology Infrastructure

During the survey, BSAC was found not to have information technology infrastructure to support automated financial management system. There was however internet connection to enhance communication.

2.4   Payment and Receipting Process

According to the finance staff, the CEO authorizes all payments for goods and services and delivery is done before final payment. However, there are exceptional cases, whereby payment is done before delivery.

Revenue collectors collect revenue from their various collection points and issue Government Triplicate Receipts (GTR). Collections are not immediately deposited to the council's bank account, but once bank the finance department update their cash book and general ledger.

2.5   Internal Audit Function

There is an Internal Audit Unit (IAU) with only one staff who lacks the qualification and experience required to conduct internal audit functions. As a result, the internal auditor is not in a position to give independent and objective assurance on the adequacy and effectiveness of internal controls and established compliance with other applicable laws.

2.6   Planning and Budgeting Process

BSAC has neither a documented strategic plan nor an annual work plan for development activities. However, management noted that planning is done through the bottom-up approach with the Village Development Committee (VDC) consulted through the MDFT for identification of their priority needs which was forwarded to Ward Development Committee (WDC) for compilation and reprioritisation. The Chief Executive Officer (CEO) further stated that each Ward has its own account where sixty percent of revenue generated is paid for development projects.

It was also noted that BSAC does(not) follow neither a budget process nor an established calendar for budget preparation.

3.0   FINDINGS FOR JANJANGBUREH AREA COUNCIL (JAC)

3.1   Accounting and Reporting System

JAC is also maintaining a manual accounting system. Financial data are kept using cashbooks and ledgers. The SKRINKA software was also introduced in JAC, however, due to similar reasons like BSAC it is not operational. According to the Finance Director, financial statement reports are prepared both quarterly and annually.

3.2   Chart of Accounts

JAC is also using a four-digit account code that is not aligned to the GFS code, making it difficult to identify transaction as either revenue or expenditure.

3.3   Information and Communication Technology Infrastructure

The Council has one functioning computer and no IT unit. At the moment there is no local area network, hence there are no servers, firewalls or switches and no Internet connection within the council.

3.4   Payment and Receipting Process

During discussion with the staff of Finance Department, it was revealed that the CEO authorizes all payments of goods and services and delivery is done before final payment. However, during the physical verification, it was discovered that neither the CEO nor the director of finance had signed some of the payment vouchers.

Revenue collections are done at collection points and GTR receipts issued. In some instances immediate payments are made from these collections as authorized. Although the finance director acknowledged   that this is not in line with the LGAs FAM, it is a necessity sometimes, he claimed. In the event there are no immediate expenditures, collections are bank and deposit slips forwarded to the finance department for receipting and updating of cash book

3.5   Internal Audit Functions

There is no IAU at the JAC to provide assurance on the adequacy and effectiveness of internal control, risk management and governance processes. This is non-compliance to the provision of the Local Government Finance and Audit Act 2004 and the Audit Manual.

3.6 Planning and Budgeting Processes

JAC has a strategic plan; however the team could not get a copy to verify the bottom-up or participatory approach planning process, which may leave out the critical players. The team was informed that JAC's development projects are guided by the strategic plan.

Similar to BSAC, JAC does not follow neither a budget process nor an established calendar to guide budget preparation.

4.0   FINDINGS FOR MANSAKONKO AREA COUNCIL (MAC)

4.1   Accounting and Reporting System

MAC is also maintaining a manual accounting system. SKRINKA accounting software was supplied to this LGA like all other LGAs, but it is not currently in use because of its inability to incorporate extra-budgetary lines and produce reports.

In addition MAC had TOMPRO software application. However, they also stopped using this due to lack of capacity and clear understanding of the system. Discussions with the finance staff revealed that annual financial statement is not prepared.

4.2   Chart of Accounts

Similar to other LGAs, MAC's chart of accounts does not aligned to the GFS for easier understanding, comparison and reporting. It maintains a seven-digit account code with three segments. Segments one and two has two characters each that defines revenue category and segment three has three characters that describes a particular type of revenue.

4.3   Information and Communication Technology Infrastructure

MAC IT infrastructure was found to be very weak. There is no IT unit to provide support to the available IT equipment (laptops and printers). There is neither Local Area Network (LAN), nor servers or network devices. However, budgetary allocation was provided in 2018 to upgrade the IT infrastructure.

4.4   Payment and Receipting Process

It was also noted that immediate expenses are made out of revenue collections prior to banking. Upon receiving collections, collectors prepare vouchers and spend accordingly based on the CEO's authorisation. Balance of revenue is bank and the cash book updated accordingly. The CEO and Director of Finance are the only authorising officers for both vouchers and cheques signing.

4.5   Internal Audit function

There is an IAU with only one staff. He is studying accountancy and currently attained AAT level II. Recommendations were made for him to attend three months internship at the IAD-MoFEA, to enhance his knowledge and skills on internal auditing to provide an effective assurance service on the effectives of internal control, risk management and governance. Internal controls were found to be inadequate especially in the area of segregation of duties.

4.6   Planning and Budgeting Process

A new plan is being formulated for the year 2018-2021 to succeed the previous year strategic plan 2012-2017. A bottom-up approach was adopted in the planning process.

Like other LGAs, MAC also does not have a budget calendar to guide budget preparations, notwithstanding budgets are prepared before December each year and submitted to Ministry for comments and final approval by the General Council.

5.0   FINDINGS FOR KEREWAN AREA COUNCIL (KAC)

5.1   Accounting and Reporting System

KAC is operating a manual accounting system. Payments and receipts are manually entered into the cashbook. KAC also benefitted from the **SKRINKA** software package. According to the CEO, the application has not been use since 2014 with the exception of the payroll module. This, he said is as a result of the complexity of the application to create new account codes for revenue and expenses despite been trained.

Compliance to reporting requirements, the payroll module supports the generation of monthly and quarterly reports.

5.2   Chart of Accounts

KAC is maintaining an eight-digit account coding system structured into three segments. Segment one is classified into revenue and expenditure. Revenue items coding start with 900 whereas expenditure items start with 100. Like other LGAs, the chart of accounts at KAC is not align to the GFS for easier understanding, comparison and reporting.

5.3   Information, Communication and Technology Infrastructure

KAC is at its embryonic stage in the development of IT infrastructure. Computers are not protected with security systems such as firewalls or license antivirus to protect the system. They do not have an IT Unit; consequently, all the KAC's hardware and software related maintenance is outsourced. There is neither LAN nor servers or network devices. Gamtel is providing them internet access through ADSL model.

5.4   Payment and Receipting Processes

There is weak segregation of duties in the payment process of KAC. Payment vouchers can be prepared by any staff in the finance department including the Finance Director (FD). The FD and the CEO sign all vouchers and cheques. Receipts from payees are attached to vouchers.

The CEO in some cases authorises expenditures to be made immediately from collections prior to banking. Voucher processing is later done at the LGA for regularisation based on the payee's receipt submitted by the revenue collector.

Revenue collectors issue GTR when they receive payment. They lodge the cash received at the bank and then submit to the KAC the deposit-slips and GTRs.

5.5 Internal Audit Function

There is no IAU to give assurance on the effectiveness and adequacy of internal controls, risk management, governance issues and compliance with applicable laws and regulations.

5.6 Planning and Budgeting Process

KAC has requested DDP to facilitate its planning process. A five strategic plan 2012-2017 was developed which outlined strategies and linked it to the activities to be implemented. However, the strategic plan is not up to standard as the activities were not linked to any time line and the costing was not reflective of the five years of the plan.

Notwithstanding, a consultant was recruited to develop a new plan that is envisaged to adequately address KAC's development agenda by taking an inclusive bottom-up approach. This will facilitate better linkage between the strategy and the annual budget. Currently the budgeting process is not linked to the planning process.

6.0   FINDINGS FOR BRIKAMA AREA COUNCIL (BAC)

6.1   Accounting and Reporting System

BAC's accounting system is mainly manual with Matrix software supplied by Matrix Solutions operating alongside. According to the FD, there was no user acceptance test conducted and training provided to staff was inadequate for effective usage. The Matrix Solutions doesn't address user needs as there was no user input at the designing and development stage.

BAC produces income and expenditure report on a quarterly basis and bank reconciliation statement monthly.

6.2   Chart of Accounts

BAC maintains an eight-digit account code with three segments. Segment one and two has three and two characters that describe revenue items and segment three describes particular type of revenue.

6.3   Information and Communication Technology   Infrastructure

BAC has an IT unit comprising of two staff. Its strategic plan does not incorporate any IT plan, policy or program. It also has a server installed on a desktop computer with one (1) Terabyte (TB) hard drive and four (4) Gigabytes (GB) memory housed at the finance department. There is no valid antivirus in place and not a fully fledge local area network.

6.4   Payment and Receipting Process

BAC's payments are processed centrally within the finance department and are properly authorised by the CEO and FD. As the only signatories to the accounts, they also signed vouchers. Postings to the system are done by the senior accountant.

Revenue collectors issue GTR when they receive money. They deposit the collections to the bank and submit the deposit slips to the cashier who update the cashbook and issue a receipt to the revenue collector. This record is subsequently forwarded for entry into the Matrix software and system receipt is generated.

6.5   Internal Audit Function

BAC has in operation an IAU but it has been observed that the unit is weak to provide assurance on the adequacy and effectiveness of internal controls, risk management and governance issues.

There is inadequate segregation of duties with regards to the accounting software as the FD is the only staff responsible for creating users in the system and also reversing financial transaction without any log of audit trail. There is also alleged to be limitation of scope of the IAU as access rights to the system is restricted.

6.6 Planning and Budgeting Process

BAC has a seven-year strategic plan 2014-2020 which was developed through the support of a Voluntary Service Overseas (VSO). The Plan according to the DPD took a bottom up approach to involved grassroots level like the VDC and the WDC.

7.0   FINDINGS FOR KUNTAUR AREA COUNCIL (KUAC)

7.1   Accounting and Reporting System

KUAC is using a manual system to keep record of financial transactions. Like all other LGAs, KUAC also benefited from the SKIRINKA accounting package but it is currently not in use. It prepares income and expenditure statement annually.

7.2   Chart of Accounts

KAUC is maintaining a six-digit account code for expense items and an eight-digit code for revenue items. Like other LGAs, the chart of accounts at KUAC is not aligned to the GFS for easier understanding, comparison and reporting.

7.3   Information and Communication Technology Infrastructure

KUAC maintains a one man IT Unit that is barely functional. There is no LAN, servers, network devices and internet connection. Computers are not protected with security systems such as firewalls or license anti-virus and the available IT equipment is obsolete and non-operational.

7.4   Payment and Receipting Process

The payment process in KUAC starts with an authorisation from the CEO or FD. Payment vouchers are raised by the Finance Manager (FM) or sometimes the FD. The CEO and FD are the signatories to the vouchers and the accounts. The CEO occasionally authorizes revenue collectors to make payments directly from their collections prior to banking.

Revenue collectors issue out GTR for collections made and banking is done twice a month. The FD verifies the GTR and the deposit slips and then issues a receipt to the revenue collector. The deposit is then posted to the LGAs cashbook.

7.5   Internal Audit Function

The IAU in KUAC lacks adequate capacity to provide assurance on the adequacy and effectiveness of the internal controls, risk management and governance processes. There is inadequate segregation of duties in the payment process and revenue collections; and the administrative and functional reporting line of the internal auditor is not clearly defined.

7.6   Planning and Budgeting Processes

KUAC has a strategic plan that covers (2014-2020) that employed the bottom-up approach. This is evident in the annual budget process preparations where a budget cycle starts in in July through December with the involvement of various grassroots levels.

8.0   FINDINGS FOR BANJUL CITY COUNCIL (BCC)

8.1   Accounting and Reporting System

BCC is not currently operating any accounting software. Like other LGAs, they also benefited from the **SKRINKA and TOMPRO** application in the past but their usage was sub-optimal and halted due server breakdown. The breakdown is said to be fixed now and the FM alleged that usage of the software will resume in 2019. Records of financial transactions are kept manually with aid of spreadsheet.

8.2   Chart of Accounts

The Chart of Accounts built in the software system is a well-designed and uncomplicated eight-digit account coding system. However, because the system is not in use, this Chart of Accounts is also not being used.

BCC is using six-digit account codes similar to the ones being used in other LGAs. These codes have three segments of which the first two jointly represent the department and the third segment represents the nature of the transaction.

8.3   Information and Communication Technology Infrastructure

Information and communication technology infrastructure in BCC appears to be underdeveloped. It has no IT unit and infrastructures and equipment like LAN, servers and network devices are not installed. According to the FD, there is a budget allocation in 2018 for the procurement of IT equipment and software.

8.4   Payment and Receipting

Payment processing at BCC is prepared by one of the three accounting assistants. The CEO and FD are the signatories to the accounts and authorize all payment vouchers. Unlike some LGAs, BCC does not carry out immediate expenditure from revenue raised at collection points. Petty cash system is maintained were all miscellaneous expenditures are duly authorised by the CEO.

The cashier issues GTR when revenues are received and this is then entered daily in the cash book. The internal auditor reconciles the receipt book with the cash book prior to banking.

8.5   Internal Audit Function

BCC has a functional IAU but there is still capacity gap that needs to be filled to effectively provide assurance on the level of internal control, risk management and governance

processes. There is clear lack of segregation of duties in the procurement and fuel management process. There is also lack of internal audit charter that clearly defines the reporting lines of the internal auditor.

9.0   FINDINGS OF KANIFING MUNICIPAL COUNCIL (KMC)

9.1   Accounting and Reporting System

FINEX Accounting software system supplied by Deloitte and Touché is the main system used by KMC. In addition there are two other systems that are concurrently running with the main system, one for the payroll, which is supplied by Nifty ICT Solutions, and the other for rates called MATRIX supplied by Matrix Solutions.

The system is said to be a good one as it has been customised to better suit the reporting requirements; and the income and expenditure needs of KMC. It produces quarterly income and expenditure report and monthly bank reconciliation statement.

9.2   Chart of Accounts

KMC maintains a seven-digit account code with three segments. Segment one and two each has two characters and segment three has three characters. Segment one, two and three are item, location and type respectively. The chart of accounts structure like other councils is not in conformity with the GFS.

9.3   Information and Communication Technology Infrastructure

KMC has a well-planned IT infrastructure. There is an IT unit headed by a manager and supported by two staff. The Local Area Network (LAN) connects computers within the council. The hardware infrastructure includes printers, servers and switches and operates a 5Mb fibre optic Internet connection from Gamtel. Backups are frequently done by the IT manager.

9.4   Payments and Receipting Process

Unlike some of the other LGAs, payments are processed centrally within the finance department and are properly authorised by the CEO and FD. Although cheques are printed manually, vouchers are prepared in the system by account clerks and the senior accountant does the postings.

Revenue collectors at the market issue tickets when they receive payments, collections are then deposited in the bank and deposit slips forwarded to the cashier to update the cashbook and the system.

9.5   Internal Audit Function

There is an IAU at the KMC but lacks the requisite capacity to effectively carry out internal audit functions.

The lack of adequate segregation of duties surrounding the procurement process and pre-auditing of payment vouchers, indicates a weak internal control system. The non-availability of internal audit charter and manual clearly undermines its operational efficiency.

9.6   Planning and Budgeting Process

KMC has a five year strategic plan 2016-2020 anchored under seven pillars. According to the staff, the plan was developed using 2005 Ward plans and submissions from Councilors on their priority needs.   The process included wider consultations with the community representatives and the public and private sector. This was validated and adopted.

There is urgent need to revisit what feeds into KMCs strategic plan. Using 2005 data to inform development agenda in 2016 doesn't reflect a true and realistic priority needs of KMC.

10.0   CONCLUSION AND RECOMMENDATION

10.1   Cconclusion

Generally, LGAs faced constraints in both financial and human resource management. The survey revealed that LGAs are weak in their internal controls, faces capacity challenges and inadequate planning and budgetary consultation at grass root levels. The survey further revealed that all LGAs were provided with the SIRINKA accounting software package. However, these accounting packages are no longer in use by the councils because of lack of capacity. It was found out that only the KMC, Brikama and Banjul are using an accounting software package called FINEX and MATRIX provided by DT Associates and MATRIX solutions respectively. The impacts of not using software in other LGAs have resulted to non-production of financial reports and quarterly audit reports. Procurement processes has also been an issue across the LGAs. There are established but non-functional contract committees and compliance to use of correct procurement methods is lacking.

10.2   Recommendation

Based on the survey findings and conclusion, in order to ensure that, there are effective financial management systems in LGAs the survey team recommends the following:

1. LGAs should design and implement appropriate and adequate internal control structures and ensure internal audit staff are fully train to provide independent assurance service on the effectiveness of the internal controls.

2. The ministry should strengthen its oversight role on the formulation and review of policy framework for effective and efficient governance

3. The LGAs should adopt the IFMIS system for better transparency and accountability of financial transactions.

4. The LGAs should establish and or strengthen the procurement cadre and contracts committee and ensure that they are fully in compliance with the GPPA Act and regulation.

5. LGAs are recommended to recognize and put to use grass root planning and budgeting structures to encourage active participation of local populace in key council processes..

6. LGAs should identify training needs and ensure trainings are conducted for staff to fill the

capacity constraints faced in providing effective services.

Annex 1: Recommended Reform Agenda for LGAs

Reform Agenda	Oraganisational Development (MOLRG)	Institutional Development (LGAs)	Human Resource Development	Timeline
Planning and Budgeting	Review and update all PFM governing tools	Review/Develop Strategic Plans	Senstization on Local Government Act and other relevant documents	Immediate
	Review of LGA's governing tools for better operational guidiance	Develop budgeting policy framework	Training new councilors on relevent planning & Budgeting skils	Immediate
	Develop planning and Budgeting guidelines	Develop Budget Calender	Training new councilors on relevent planning & Budgeting skils	Immediate
	Policy guidiance for establish functional Planning and departments	Establish functional Planning and departments	Provide relevant training	Immediate
Internal Controls	Draw necessary policies	Develop the guiding audit tools Eg (1) Internal Audit manual (2)External audit charter	Provide relevant training	short term
		establish audit committes attach	Provide relevant training	short term
		Establish Audit work plans	Provide relevant training	short term
Reform Agenda	Oraganisational Development (MOLRG)	Institutional Development (LGAs)	Human Resource Development	Timeline
Procurement	Strengthen the procurement cadre	Training revenue collectors and the Finance department on number of selected training	Provide relevant training	Continious
		adopt the GPPA templates	Provide relevant training	Continious
		Review and adopt relevant procurement supporting tools	Provide relevant training	Continious
		propare procurement plan	Provide relevant training	Continious
		Establish contracts committees & SPU	Provide relevant training	Continious
		Sensitization training of procurement official	Provide relevant training	Continious
Reform Agenda	Oraganisational Development (MOLRG)	Institutional Development (LGAs)	Human Resource Development	Timeline
IFMIS	Assessment of LGAs business process	Defined business process	Provide relevant training	Continious
		Develop guiding tools i.e FMS manuals	Provide relevant training	shorterm
			Provide relevant training	shorterm
		Develop a procurement excel based work plan	Provide relevant training	shorterm
		Develop a common chart of Accounts	Provide relevant training	shorterm
		Develop and establish necessary ITC	Provide relevant training	shorterm

Annex 2: Budget Calendar to facilitate LGAs preparation

Budget Calendar		
Date	**Activity**	**Responsibility**
January	Development of Policy Framework and determination of allocation of resource envelop	Admin and Finance
March	Circulation of resource envelop	Admin and Finance
April	Consultation at Village Development Committee	Dept of Planning and Development
June	Consultation Ward Development Committee	Director of Planning and Development
August	Consultation with AC Management	Director Finance
	Submission to General Council	Director of Finance
September	Submission to MoLRG	CEO
October	CITIZEN ENGAGEMWNT FORUM ON THE BUDGET	Chairperson
November	Hearing at General Council	General Council
December	Approval at General Council	General Council

Annex 3: Proposed organogram for adoption by LGAs
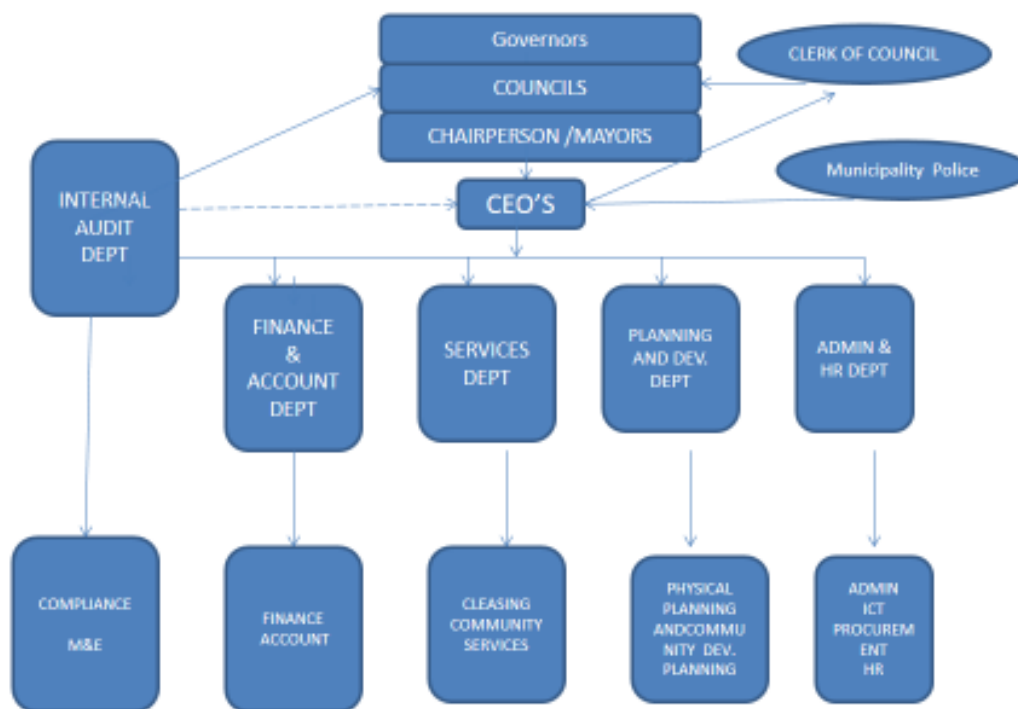
Annex 4: Analysis of the survey questionnaires

QUESTION 1: **Are you currently operating an Accounting Application?**

According to the survey data collected, 52.8% of LGA's do not have any form of accounting application.

Table1: Percentage indication of LGAs with Accounting application

		Frequency	Percent	Valid Percent	Cumulative Percent
	Yes	14	38.9	42.4	42.4
Valid	No	19	52.8	57.6	100.0
	Total	33	91.7	100.0	
Missing	System	3	8.3		
Total		36	100.0		

QUESTION 2: **Do you have functionality issues with your Accounting package?**

72% percent of the respondents agreed that they have some functional issues with their accounting package.

Table 2: LGAs with accounting package functionality issues

		Frequency	Percent	Valid Percent	Cumulative Percent
	Yes	16	44.4	72.7	72.7
Valid	No	6	16.7	27.3	100.0
	Total	22	61.1	100.0	
Missing	System	14	38.9		
Total		36	100.0		

QUESTION 3: The cost of maintaining accounting software

Majority of the respondents agreed that the cost of maintaining their accounting software is reasonable with a percentage of 50%, 33.3% stated that it is expensive where as 16% stated that it is too expensive as indicated in table 3 below.

Table 3: The cost of maintaining an accounting software

		Frequency	Percent	Valid Percent	Cumulative Percent
	Expensive	8	22.2	33.3	33.3
	Too Expensive	4	11.1	16.7	50.0
Valid	Reasonable	12	33.3	50.0	100.0
	Total	24	66.7	100.0	
Missing	System	12	33.3		
Total		36	100.0		

QUESTION 4: Are you currently maintaining a chart of accounts?

Table 4 below indicates that 85% of respondents are maintaining a chart of accounts.

Table 4: Percentage of LGAs maintaining a chart of accounts

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	24	66.7	85.7	85.7
	No	4	11.1	14.3	100.0
	Total	28	77.8	100.0	
Missing	System	8	22.2		
Total		36	100.0		

QUESTION 5: Do you prepare annual financial reports?

Table 5 below implies about 65% of the respondents do prepare annual financial statement reports, whilst 35% stated that they do not.

Table 5: Percentage of LGA's preparing annual financial reports

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	20	55.6	64.5	64.5
	No	11	30.6	35.5	100.0
	Total	31	86.1	100.0	
Missing	System	5	13.9		
Total		36	100.0		

QUESTION 6: Do you encounter problems during the preparation of financial statement?

From the survey over 92% stated that their LGA encounters problems during preparing financial statement. This is largely attributed to the lack of a proper functioning accounting software package. Furthermore, the results shows that over 60% of LGAs are not satisfied with their current financial statement reports.

Table 6: Percent of LGAs producing timely financial statements

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	24	66.7	92.3	92.3
	No	2	5.6	7.7	100.0
	Total	26	72.2	100.0	
Missing	System	10	27.8		

	Frequency	Percent		
Total	36	100.0		

QUESTION 7: Do you prefer a standardized accounting package for all councils?

The survey shows that more that 86% agreed that they prefer a standardized accounting package for all councils to use as indicated in table 8 below

Table 7: Percent preference to a standardised accounting package for all councils

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	32	86.5	100.0	100.0
Missing	System	5	13.5		
Total		37	100.0		

QUESTION 8: Do you believe that harmonizing and standardizing council's financial reporting is better and cheaper for both councils and government?

Over 78% of the respondents agreed that harmonizing and standardizing council's financial reporting is better and cheaper for both councils and government, with only 21. % disagreeing.

Table 9: Percentage preference of harmonizing and standardising councils' financial reporting

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	29	78.4	100.0	100.0
Missing	System	8	21.6		
Total		37	100.0		

Annex 5: The Survey Team

Names	Ministry/Department/Agency
Rohey Bittaye Darboe	Ministry of Lands and Regional Government
Amie Kolleh Jeng	Directorate Public Finance Management
Kabba Baldeh	Directorate Public Finance Management
Abdoulie S. Bah	Directorate Public Finance Management
Sheriff Bah	Accountant General Department
Fakebba Sorra	Accountant General Department
Ousman Cham	Accountant General Department
Lang Loum	IT Department MoFEA
Abdoulie Sohna	Directorate of Internal Audit
Lamin Fatty	Directorate of Internal Audit
Fatou Gibba	Ministry of Lands and Regional Government
Jerreh Sanyang	Ministry of Lands and Regional Government
Alfusainey Jabbi	Project Coordination Unit MoFEA